

**REPORT AND ACCOUNTS
FOR THE FIRST QUARTER ENDED
SEPTEMBER 30, 2018**

AL-ABID SILK MILLS LIMITED

REGISTERED OFFICE
A-39, 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. S.M. Jawed Azam Mr. Naseem A. Sattar Mr. Azim Ahmed Mr. Qamar Mashkoor Mr. Muhammad Sajid Hafeez Mst. Adia Naseem Mrs. Sadaf Nadeem Syed Raza Abbas Jaffari	Chairman Chief Executive Officer Executive Director Independent Non-Executive Director Independent Non-Executive Director Non-Executive Director Non-Executive Director Nominee Director (N.I.T.)
CHIEF FINANCIAL OFFICER	Mr. Muhammad Imran	
SECRETARY	Mr. Nasim Ahmed	
AUDIT COMMITTEE	Mr. Qamar Mashkoor Mr. Muhammad Sajid Hafeez Mr. S.M. Jawed Azam	Chairman Member Member
HUMAN RESOURCE AND REMUNERATION COMMITTEE	Mr. Muhammad Sajid Hafeez Mr. Naseem A. Sattar Mr. Qamar Mashkoor	Chairman Member Member
AUDITORS	Muniff Ziauddin & Co., Chartered Accountants	
REGISTRARS	Jwaffs Registrar Services (Pvt) Ltd. Room # 407-408, 4th Floor, Al-Ameera Centre, Shahr-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 Orix Leasing Pakistan Ltd. Pak Oman Investment Company Limited Pak Kuwait Investment Company (Private) Limited PAIR Investment Company Limited Standard Chartered Bank (Pakistan) Limited Summit Bank Limited The Bank of Punjab United Bank Limited	
REGISTERED OFFICE	A-39, S.I.T.E., Manghopir Road, Karachi.	
MILLS	A-39, A-51 / B, A-34 / A, D-14 / C-1, A-29 / B, S.I.T.E., Karachi.	
E-MAIL	mail@alabid.com	

AL-ABID SILK MILLS LIMITED

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Board of Directors presents the condensed interim financial statements of the company for the first quarter ended September 30, 2018.

As reported earlier in the annual report ended June 30, 2018, the textile industry has been in a very bad shape for quite some time. However our new government is presenting new hope of promoting textile industry considering as being one of the major foreign exchange earners and at the same time major employment opportunity. The new government is also concerned for cost of doing business which we hope will also be helpful to promote textile industry and industry overall. We also expect that new government will ensure water availability in Karachi which is also very vital to operate at reasonable prices. We feel the government is aware of all problems including power/gas and will take necessary steps to revive industrial capacity of the country at large.

We hope government will also come forward with preferential treatment to boost value added textiles, which will bring maximum foreign exchange at the same time will be a huge jobs provider as per government plan.

FUTURE OUTLOOK:

As reported to you in directors' report for the year ended June 30, 2018, our negotiation with the banks have been going on and subsequently, the company has reached an amicable settlement whereof some surplus machinery and land & building will be sold to settle off major part of liabilities of the banks under litigation. The management has already requested rest of the banks and DFIs collectively and individually, to reschedule their credit facilities for a longer period coupled with fresh additional working capital facility in order to facilitate the future operation of the company.

We are thankful to our shareholders who have still shown their full confidence in the company and we hope once the company is in production our workers and staff will again enthusiastically put their efforts to achieve efficient and quality production as always.

Thanks to all of you,

For and on behalf of the
Board of Directors

Karachi: October 29, 2018


(NASEEM A. SATTAR)
Chief Executive Officer

العابد سلک ملز لمیٹڈ

حصص یافتگان کے لئے ڈائریکٹری رپورٹ

بورڈ آف ڈائریکٹرز 30 ستمبر 2018 کو ختم ہونے والی سہ ماہی کے لئے کمپنی کے انٹرم ہالیاتی گوشوارے پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔

جیسا کہ اس سے قبل 30 جون 2018 کو ختم ہونے والے سال کی سالانہ رپورٹ میں بتایا گیا ہے کہ ٹیکسٹائل کی صنعت کافی عرصہ سے بہت بری حالت میں ہے۔ مگر نئی حکومت نے ٹیکسٹائل کی صنعت کے فروغ کے نئی امید پیش کی ہے اور اسے زرمبادلہ کمانے والے کے ساتھ ملازمت کے مواقع فراہم کرنے کا اہم شعبہ تصور کیا ہے۔ نئی حکومت کو کاروبار کرنے کی لاگت پر بھی تشویش ہے۔ جس سے ہمیں امید ہے کہ یہ ٹیکسٹائل انڈسٹری اور دیگر انڈسٹری کے فروغ کے لئے مفید بھی ہوگی۔ ہمیں یہ بھی امید ہے کہ نئی حکومت کراچی میں پانی کی دستیابی کو بھی یقینی بنائے گی۔ جسے مناسب قیمتوں پر چلانا بہت ضروری ہے۔ ہمیں احساس ہے کہ حکومت کو تمام مسائل بشمول توانائی / گیس سے آگاہ ہے اور بڑے پیمانے پر ملک کی صنعتی صلاحیت بحال کرنے کے لئے ضروری اقدامات اٹھائے گی۔

ہم امید کرتے ہیں کہ ٹیکسٹائل کے قیمتی شعبہ کو فروغ کے لئے حکومت ترجیحی رویہ سے سامنے آئے گی جو کہ زیادہ سے زیادہ زرمبادلہ لانے کے ساتھ حکومت کے منصوبے کے مطابق کثیر ملازمتیں بھی فراہم کرے گا۔

مستقبل کا نظارہ

جیسا کہ آپ کو 30 جون 2018 کو ختم ہونے والے سال کے لئے ڈائریکٹرز کی رپورٹ میں بتایا گیا تھا کہ بینکوں کے ساتھ ہماری گفت و شنید جاری ہے جس کے نتیجے میں کمپنی ایک خوشگوار تصفیہ پر پہنچی ہے جس میں بعض فالتو مشینری، زمین اور بلڈنگ بیچی جائے گی تاکہ قانونی چارہ جوئیوں کے تحت بینکوں کی ذمہ داریوں کا اہم حصہ کا تصفیہ ہو۔ انتظامیہ نے ہٹایا بینکوں اور DFIs سے اجتماعی اور انفرادی طور پر استدعا کی ہے کہ ان کی کریڈٹ فیسلٹیوں کو طویل عرصے کے لئے ری شیڈول کرنے کے ساتھ نئی اضافی ورکنگ کیپٹل فیسلٹی دی جائے تاکہ کمپنی کے مستقبل کے آپریشن میں سہولت میسر آئے۔

ہم اپنے شیئر ہولڈرز کے شکر گزار ہیں جنہوں نے ابھی تک کمپنی میں اپنا مکمل اعتماد ظاہر کیا ہے۔ اور ہمیں امید ہے کہ کمپنی اپنے ورکرز کے ساتھ پروڈکشن میں سہارا شاف دوبارہ پرتاک انداز سے اپنے کوششیں کرے گا تاکہ ہمیشہ کی طرح موثر اور معیاری پروڈکشن کا حصول ہو۔ آپ سب کا شکریہ

بورڈ آف ڈائریکٹرز کے توسط سے



(نسیم اے ستار)

چیف ایگزیکٹو آفیسر

کراچی، 29 اکتوبر 2018

AL-ABID SILK

CONDENSED INTERIM STATEMENT OF FOR THE FIRST QUARTER ENDED

Note	September 2018 (Unaudited) Rupees	June 2018 (Audited) Rupees
EQUITY & LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized capital	200,000,000	200,000,000
20,000,000 Ordinary Shares of Rs. 10/- each		
Issued, subscribed and paid-up capital	134,095,500	134,095,500
Reserves		
Capital reserve	372,834,000	372,834,000
Surplus on revaluation of fixed assets	1,432,990,198	1,441,258,732
Accumulated loss	(6,676,119,383)	(6,642,427,149)
	(4,870,295,185)	(4,828,334,416)
Total equity	(4,736,199,685)	(4,694,238,916)
LIABILITIES		
NON- CURRENT LIABILITIES		
Long term loan from banks	-	-
Liabilities against assets subject to finance lease	-	-
Deferred Taxation	-	-
CURRENT LIABILITIES AND PROVISIONS		
Loan from director - unsecured	518,518,754	518,518,754
Retirement benefits	6,991,602	7,008,935
Trade and other payables	936,262,663	936,569,591
Unclaimed dividend	108,310	108,310
Advance from I.B.L	366,063,944	366,063,944
Accrued markup	240,815,938	240,815,938
Current maturity of long term loans and Lease Liability	67,118,820	67,118,820
Short term finances	5,023,787,523	5,034,787,523
Provision for taxation	-	2,659,885
	7,159,667,554	7,173,651,700
CONTINGENCIES AND COMMITMENTS		
	2,423,467,869	2,479,412,783

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



Chief Executive Officer



Director



Chief Financial Officer

MILLS LIMITED

FINANCIAL POSITION (UNAUDITED) SEPTEMBER 30, 2018

	Note	September 2018 (Unaudited) Rupees	June 2018 (Audited) Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	1,912,044,658	1,942,148,701
Long term security deposit		1,886,645	1,886,645
CURRENT ASSETS			
Stores and spares		51,078,321	52,970,111
Stock in trade		12,278,226	12,732,975
Trade debts		935,082	1,768,059
Loans and advances		5,017,778	5,017,778
Trade deposits and prepayments		6,311,810	6,311,810
Other receivables		164,541,974	164,541,974
Tax refunds due from government		71,971,331	74,402,044
Cash and bank balances		197,402,044	217,632,686
		509,536,566	535,377,437
		<u>2,423,467,869</u>	<u>2,479,412,783</u>


Chief Executive Officer


Director


Chief Financial Officer

AL-ABID SILK MILLS LIMITED

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS ACCOUNT (Unaudited) FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2018

	Note	Jul-Sep-2018 Rupees	Jul-Sep-2017 Rupees
Sales and Manufacturing	9	-	-
Cost of sales		35,320,602	74,695,132
Gross loss		<u>(35,320,602)</u>	<u>(74,695,132)</u>
Operating expenses			
Administrative expenses		<u>8,070,016</u>	<u>8,851,928</u>
		<u>(43,390,618)</u>	<u>(83,547,060)</u>
Other income	10	1,434,165	-
Loss from operations		<u>(41,956,453)</u>	<u>(83,547,060)</u>
Finance cost		4,315	-
Loss before taxation		<u>(41,960,768)</u>	<u>(83,547,060)</u>
Taxation - net	12	-	(25,152,740)
Loss after taxation		<u>(41,960,768)</u>	<u>(58,394,320)</u>
Loss per share - basic and diluted	13	<u>(3.13)</u>	<u>(4.35)</u>

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


Chief Executive Officer


Director


Chief Financial Officer

AL-ABID SILK MILLS LIMITED

CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (Unaudited) FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2018

	Jul-Sep-2018 <u>Rupees</u>	Jul-Sep-2017 <u>Rupees</u>
Loss after taxation	(41,960,768)	(58,394,320)
Other comprehensive income	-	-
Total comprehensive Loss	<u>(41,960,768)</u>	<u>(58,394,320)</u>

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



Chief Executive Officer



Director



Chief Financial Officer

AL-ABID SILK MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CASH FLOW (Unaudited) FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2018

	Jul-Sep-2018 Rupees	Jul-Sep-2017 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(41,960,768)	(83,547,060)
Adjustments for:		
Depreciation	30,104,043	76,021,241
Provision for obsolete items	1,891,790	1,891,790
Provision for obsolete stock	454,749	454,749
Provision for doubtful debts	47,260	47,260
	32,497,842	78,415,040
Decrease / (Increase) in current assets:		
Trade debtors	785,717	-
Loan and advances	-	770
Tax refunds due from government	(82,365)	(69,873)
	703,352	(69,103)
(Decrease) / Increase in current liabilities:		
Trade and other payable	(306,928)	(1,101,232)
Short term finance	(11,000,000)	-
	(11,306,928)	(1,101,232)
Cash generated from / (used in) operations	(20,066,502)	(6,302,355)
Taxes paid	(146,807)	(642)
Staff gratuity paid	(17,333)	(20,000)
Net cash inflow / (outflow) from operations	(20,230,642)	(6,322,997)
CASH FLOW FROM INVESTING ACTIVITIES		
Long term security deposit	-	-
CASH FLOW FROM FINANCING ACTIVITIES		
Loan from director	-	6,350,000
Net increase in cash and cash equivalents	(20,230,642)	27,003
Cash and cash equivalents at the beginning of the period	217,632,686	9,440,860
Cash and cash equivalents at the end of the period	197,402,044	9,467,863

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 (Unaudited) FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2018

	Share Capital	Capital Reserve	Accumulated Loss	Revaluation Surplus on Property Plant & Equipment	Total
	Rupees				
Balance as at June 30, 2017 - restated	134,095,500	372,834,000	(6,744,421,690)	2,595,912,772	(3,641,579,418)
Loss after tax for the three ended September 30, 2017	-	-	(58,394,320)	-	(58,394,320)
-Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of tax	-	-	28,527,457	(28,527,457)	-
Revaluation surplus adjustment due to change in tax rate				10,968,961	10,968,961
Balance as at September 30, 2017 - restated	134,095,500	372,834,000	(6,774,288,553)	2,578,354,276	(3,689,004,777)
Balance as at June 30, 2018	134,095,500	372,834,000	(6,642,427,149)	1,441,258,732	(4,694,238,916)
Loss after tax for the three months ended September 30, 2018	-	-	(41,960,768)	-	(41,960,768)
-Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of tax	-	-	8,268,534	(8,268,534)	-
Balance as at September 30, 2018	134,095,500	372,834,000	(6,676,119,383)	1,432,990,198	(4,736,199,685)

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 CONDENSED INTERIM FINANCIAL STATEMENT (Unaudited) FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2018

1. LEGAL STATUS AND OPERATIONS

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 Companies Ordinance, 1984. Currently, the shares of the Company are listed on Pakistan Stock Exchange Limited. The registered office is located at A-39, 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-39, S.I.T.E., Manghopir Road, Karachi.
A-51/B, S.I.T.E., Manghopir Road, Karachi.
A-34/A, S.I.T.E., Manghopir Road, Karachi.
A-29/B, S.I.T.E., Manghopir Road, Karachi.
D-14/C-1, S.I.T.E., Karachi.

PURPOSE

The registered office with manufacturing facilities
The factory premises with manufacturing facilities
The factory premises with manufacturing facilities
The factory premises with manufacturing facilities
The factory premises with stitching facilities

1.1 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. 6.676 billion and Company's equity is in negative by Rs. 4.736 billion while the reported current liabilities (since partly under litigation) have exceeded to current assets of the company by Rs. 6.650 billion. These conditions indicate the existence of a material uncertainty that may cast significant doubt on Company's 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 banks 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. 102 million as matter was under litigation. However, during the year ended June 30, 2018 the negotiation with the banks were going on and subsequent, the company has reached an amicable settlement whereof some surplus machinery and land & building will be sold to settle off major part of liabilities of the bank under litigation. The management has already requested rest of the banks and DFIs collectively and individually, to reschedule their credit facilities for a longer period coupled with fresh additional working capital facility in order to resume the operation of the company.

During the year ended June 30, 2016, International Brand Limited (IBL) submitted proposal to the bank for restructuring and acquire share holding 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.

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.

AL-ABID SILK MILLS LIMITED

2. BASIS OF PREPARATION

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;
- 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.

This interim financial information does not include all the information required for a complete set of financial statements and should be read in conjunction with the annual financial statements for the year ended June 30, 2018.

The comparative balance sheet presented in this interim financial information as at June 30, 2018 has been extracted from audited financial statements of the company for the year ended June 30, 2018, Whereas the comparative profit and loss account, statement of changes in equity and the cash flow statements for the three month period ended September 30, 2018 have been subjected to a review but not audit.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are consistent with those applied in the preparation of audited annual financial statements for the year ended June 30, 2018.

There are certain new International Financial Reporting Standards (standards), amendments to published standards and interpretations that are mandatory for the financial year beginning on July 1, 2017. These considered not to be relevant or to have any significant effect on the Company's financial reporting and operations and are, therefore, not disclosed in this condensed interim financial information.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

- 4.1 The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.
- 4.2 In preparing this condensed interim financial information, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the audited annual financial statements for the year ended June 30, 2018

	Jul-Sep 2018	June 2018
	Rupees	Rupees
	Unaudited	Audited
5 SURPLUS ON REVALUATION OF FIXED ASSETS		
Balance at beginning of the period / year - net	1,441,258,732	2,595,912,772
Less: Transferred to unappropriated profit on account of Incremental depreciation for the period / year - net of tax	(8,268,534)	(114,109,827)
Adjustment due to change in tax rate	-	10,238,421
Reversal of surplus on revaluation during the period / year - net of tax	-	(1,050,782,634)
balance at end of the period / year - net	<u>1,432,990,198</u>	<u>1,441,258,732</u>
5.1 During the year ended June 30, 2018 the Company has revalued its Leasehold land, Building on Leasehold land, Plant, Machinery & equipments, Furniture & Fixture, Office equipment, Electric, gas & Other Installation and Leased Plant, Machinery & equipments. The valuation has been determined by the independent valuer M/s. SIPRA & Company (Pvt) Limited. The assessed values of the fixed assets as determined by the valuer amounts to Rs. 2,232,252,450 as at January 08, 2018, however, the forced sales value of Rs. 1,674,048,087 have been taken to account for the fixed assets for the reason as mentioned in note 1.1. The earlier valuations were carried out by M/s. Anjum Adil and Associates independent valuer on June 30, 2012, August 31, 2010 and August 31, 2007 on the basis of prevailing market rates at that time.		

AL-ABID SILK MILLS LIMITED

	Jul-Sep 2018 Rupees Unaudited	June 2018 Rupees Audited
6 LOAN FROM DIRECTOR - UNSECURED		
Balance at beginning of the period / year	518,518,754	496,898,754
Received during the period / year	-	21,620,000
Repaid during the period / year	-	-
	518,518,754	518,518,754
6.1 The above is interest free loan from director(s) of the company, which is payable on demand.		
7 CONTINGENCIES AND COMMITMENTS		
7.1 Contingencies		
Bank guarantee	79,834,000	79,834,000
7.1.1 The bank guarantees have been issued in favor of Sui Southern Gas Company Limited and others.		
7.1.2 The Sales Tax department has filed an appeal in the Honorable High Court of Sindh on 23rd August, 2000 against the Order of the learned Appellate Tribunal Customs and Sales Tax for recovery of Additional Tax and Surcharge amounting to Rs. 3.449 million for the year 1992-93. No provision for this amount has been made in these accounts as the management of the Company is of the view that the decision of the Learned Appellate Tribunal Customs and Sales Tax given in favor of the Company will be successfully defended in the Honorable High Court.		
7.1.3 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 is pending before Honorable High Court of Sindh at Karachi.		
7.1.4 Al-Abid Silk Mills Limited (Company) has filed suit No.B-42/2013 for damages against the 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/-.		
7.1.5 United Bank Ltd has filed suit No. B-93 of 2012 against the company for recovery of outstanding loan amounting to Rs. 606,855,202/-.		
7.1.6 Habib Bank Limited has filed suit No. B-96 of 2012 against the company for recovery of outstanding loan amounting to Rs. 812,482,558/-.		
7.1.7 Pak-Oman Investment Co. Ltd. has filed suit No. 202 of 2013 has been decreed for an amount of Rs. 46,031,519/- against which Al-Abid Silk Mills Limited has filed an appeal, also Pak Oman Investment Company Ltd has filed an appeal. Further, Al-Abid Silk Mills Limited has filed an appeal No. 1st appeal (LA)/4/2016 in connection with the damages against Pak Oman Investment Company Ltd.		
7.1.8 Meezan Bank Ltd. Suit No. B-58 of 2013 against the company for recovery of outstanding loan amounting to Rs. 546,667,987/-.		
7.1.9 Faysal Bank Ltd has filed suit no. B-80 of 2013 against the company for recovery of outstanding loan amounting to Rs. 763,724,270/-		
7.1.10 Summit Bank Ltd. has filed Suit No. B-84 of 2013 against the Company for recovery of outstanding loan amounting to Rs. 433,796,294/-. The leave to defend has been granted.		
7.1.11 Bank of Punjab has filed suit No. B-95 of 2013 against the Company for recovery of outstanding loan amounting to Rs. 434,399,948/-		
7.1.12 PAIR Investment Co. Ltd. has filed suit No. B-111 of 2013 against the Company for recovery of outstanding loan amounting to Rs. 171,460,949/-		
7.1.13 Allied Bank Ltd. has filed suit No. 26 of 2017 against the Company for recovery of outstanding loan amounting to Rs. 77,676,831/-.		
7.1.14 National Bank of Pakistan has filed suit No. B-26 of 2017 against the Company for recovery of outstanding loan amounting to Rs. 948,140,145/-.		
7.1.15 Orix Leasing has filed suit no 36/2015 against the Company has been decreed for an amount of Rs. 12,920,000/- against which Al-Abid Silk Mills Limited (Company) has filed an appeal # 1st appeal 192/2017.		
7.1.16 Standard Chartered Bank (Pakistan) Ltd. has filed suit No. 04/2015 against the Company has been decreed for an amount of Rs. 7,482,819/-. However, Standard Chartered Bank (Pakistan) Ltd. has been filed 1st appeal No. 99/2015 against the decreed order passed by the Banking Court.		
7.1.17 Pak Kuwait Investment Company has filed suit No. 16/2015 against the Company has been decreed for an amount of Rs. 16,900,000/- against which Al-Abid Silk Mills Limited (Company) has filed an appeal # 1st appeal 02/2018.		

AL-ABID SILK MILLS LIMITED

- 7.1.18** Habib Metropolitan Bank Limited has filed suit no B-38/2015 against the Company for recovery of outstanding loan amounting to Rs. 773,496,075/-. The amount mentioned on above note 7.1.4 to 7.1.18 are claimed amounts by the Banks, actual amounts to be determined by the Banking Court. The outcome of above cases as referred in note 7.1.4 to 7.1.18 cannot be predicted and the management is vigorously contesting the case, however major amount has already been provided in financial statements.
- 7.1.19** Various suppliers have filed the suits against the company and the outcome of the cases cannot be predicted but management is vigorously contesting the case.
- 7.1.20** Various ex-workers filed suits 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.
- 7.2** **Commitments:**
There are no commitments as at year end. (June 2018: Nil).
- 8** **PROPERTY, PLANT AND EQUIPMENT**
- | | Jul-Sep-2018
Rupees
Unaudited | June-2018
Rupees
Audited |
|--|-------------------------------------|--------------------------------|
| Operating Fixed Assets | 1,895,244,658 | 1,925,348,701 |
| Capital Work in Progress - DDGC Boiler | 16,800,000 | 16,800,000 |
| | 1,912,044,658 | 1,942,148,701 |
- 9** **SALES AND MANUFACTURING**
- | | Jul-Sep-2018
Rupees
(Un-Audited) | Jul-Sep-2017
Rupees
(Un-Audited) |
|----------------------|--|--|
| Sales | | |
| Export sales | - | - |
| Local sales | - | - |
| Manufacturing | | |
| Printing and dyeing | - | - |
| | - | - |
- 10** **OTHER INCOME**
- | | Jul-Sep-2018
Rupees
(Un-Audited) | Jul-Sep-2017
Rupees
(Un-Audited) |
|---|--|--|
| Income from non-financial assets / liabilities | | |
| Gain on reversal of advance from LBL | - | - |
| Income from financial assets / liabilities | | |
| Profit on PLS deposit Account | 1,434,165 | - |
| | 1,434,165 | - |
- 11** **FINANCE COST**
- | | Jul-Sep-2018
Rupees
(Un-Audited) | Jul-Sep-2017
Rupees
(Un-Audited) |
|--------------------------------------|--|--|
| Bank charges, mark-up and commission | 4,315 | - |
| | 4,315 | - |
- 12** **TAXATION**
- | | Jul-Sep-2018
Rupees
(Un-Audited) | Jul-Sep-2017
Rupees
(Un-Audited) |
|--------------|--|--|
| Current | - | - |
| Deferred tax | - | (25,152,740) |
| | - | (25,152,740) |
- 13** **LOSS PER SHARE - BASIC & DILUTED**
- | | Jul-Sep-2018
Rupees
(Un-Audited) | Jul-Sep-2017
Rupees
(Un-Audited) |
|-----------------------------------|--|--|
| Loss per share | | |
| Loss after taxation | (41,960,768) | (58,394,320) |
| Weighted average number of shares | 13,409,550 | 13,409,550 |
| Basic Loss per share | (3.13) | (4.35) |
- 13.2** **Diluted earnings per share**
There is no dilution effect on the basic earnings per share of the company.
- 14** **RELATED PARTY TRANSACTIONS**
TRANSACTIONS DURING THE YEAR
- | Transaction | Relationship with the company | Jul-Sep-2018
Rupees
(Un-Audited) | Jul-Sep-2017
Rupees
(Un-Audited) |
|--|-------------------------------|--|--|
| Loan received from director - Naseem A. Sattar | Chief Executive Director | - | 6,350,000 |
| Balance | | | |
| Loan received from director - Azim Ahmed | Executive Director | 57,605,867 | 57,605,867 |
| Loan received from director - Naseem A. Sattar | Chief Executive Director | 460,912,887 | 460,912,887 |
- 15** **Key Management personnel - Remuneration & Benefits**
In view of bad financial position of the Company directors have decided not to claim their whole remuneration for the period ended September 30, 2018 i.e. Mr. Naseem A. Sattar Rs. 2,625,000 and Mr. Azim Ahmed Rs. 1,350,000. (2017: Mr. Naseem A. Sattar Rs. 2,625,000) and (Mr. Azim Ahmed Rs. 1,350,000).
- 16** **Financial Risk Management**
The Company's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements for the year ended June 30, 2018.
- 17** **DATE OF AUTHORISATION FOR ISSUE**
These financial statements were approved and authorized for issue in the Board of Directors' meeting held on October 29, 2018.


Chief Executive Officer


Director


Chief Financial Officer

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UNDER POSTAL CERTIFICATE

If undelivered please return to :

AL-ABID SILK MILLS LIMITED

Registrars:

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