

**REPORT AND ACCOUNTS
FOR THE NINE MONTHS ENDED
MARCH 31, 2019**

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 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 nine months period ended March 31, 2019.

As reported earlier in the annual report ended June 30, 2018, the textile industry overall in the country 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 smoothly. 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 the Directors' report for the period ended December 31, 2018, our ongoing negotiations have now been finalized with number of major banks, whereof some surplus assets are under sale to pay the settled amount to the banks. In the meantime, we have also paid the amount to the following DFI's and bank as per Court decree.

1. Pak Oman Investment Company Limited
2. Pak Kuwait Investment Company (Pvt) Limited
3. Orix Leasing Pakistan Limited
4. Standard Chartered Bank (Pakistan) Limited

The rest of the banks and DFI which are remaining only few, negotiations are going on for restructuring and possibly injection of fresh funds.

To be able to smoothly and fully operative as in the past, the sale of surplus assets will not in any way handicap us in normal operation and production as in the past.

The management is confident that soon we will reach overall settlement and be in normal operation as more than 4-decades in the past.

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



(NASEEM A. SATTAR)
Chief Executive Officer

Karachi: April 29, 2019

العابد سلک ملزمیٹڈ ڈائریکٹرز رپورٹ برائے شیئر ہولڈرز

کمپنی کے بورڈ آف ڈائریکٹرز 31 مارچ 2019 کو ختم ہونے والی نو ماہ کی مدت کیلئے مالیاتی حسابات پیش کرتے ہیں۔

چھ ماہ گزشتہ سالانہ رپورٹ مورخہ 30 جون 2018ء کے مطابق ملک بھر میں ٹیکسٹائل کی صنعت کچھ عرصہ سے عدم توازن کا شکار ہے لہذا ہماری نئی حکومت نے ٹیکسٹائل کی صنعت کی ترقی کیلئے امید لائی ہے جس کے بعد ملک کیلئے زیادہ زرمبادلہ حاصل ہوگا اس کے علاوہ ملازمت کے مواقع بھی میسر ہونگے۔ نئی حکومت نے کاروبار کرنے کیلئے بھی امید لائی ہے جس کے سبب ٹیکسٹائل کی صنعت کو زیادہ فروغ حاصل ہوگا۔ ہم یہ بھی امید کرتے ہیں کہ نئی حکومت کراچی میں پانی کی دستیابی کو یقینی بنائے گی جو کہ بے حد سنگین مسئلہ ہے۔ ہمیں یہ احساس ہے کہ حکومت ان تمام مسائل سے آگاہ ہے جس میں بجلی، گیس شامل ہیں۔ ضروری اقدامات کے تحت ملک کی صنعت کو ترقیت حاصل ہوگی۔

ہمیں امید ہے کہ حکومت اس سلسلے میں ضروری کارروائی کرے گی تاکہ ٹیکسٹائل کی صنعت میں توسیع ہو سکے اور زیادہ سے زیادہ زرمبادلہ کمایا جاسکے۔ اس کے علاوہ حکومت کے منصوبے کے مطابق ملازمت بھی فراہم کی جائے گی۔

مستقبل کا نظریہ:

31 دسمبر 2018ء کو ختم ہونے والے سال کیلئے ڈائریکٹرز کی رپورٹ کے مطابق کئی اہم بینکوں کے ساتھ بات چیت کا مابانی سے جاری ہے جس کے تحت کچھ اضافی اثاثہ جات فروخت کر کے بینکوں میں طے شدہ رقم کی ادائیگی کی جائے گی۔ اس دوران ہم نے درج ذیل DFI کی ادائیگی بھی کی ہے۔ عدالت کی ڈکری کے مطابق درج ذیل بینک اس میں شامل ہیں:

- ۱۔ پاک عمان انویسٹمنٹ کمپنی لمیٹڈ
- ۲۔ پاک کویت انویسٹمنٹ کمپنی (پرائیویٹ) لمیٹڈ
- ۳۔ اورینٹس لیزنگ پاکستان لمیٹڈ
- ۴۔ اسٹینڈرڈ چارٹرڈ بینک پاکستان لمیٹڈ

بقیہ بینک اور DFI جن کی تعداد بہت کم ہے ان کے ساتھ بات چیت جاری ہے اور ممکنہ طور پر نئے فنڈز حاصل کیے جائیں گے۔

گزشتہ مدت کے مطابق اضافی اثاثہ جات کی فروخت کسی بھی طریقہ سے ہمیں محروم نہیں کرے گی بلکہ پروڈکشن اور آپریشن میں کافی فائدہ حاصل ہوگا۔

انتظامیہ پر امید ہے کہ بہت جلد ہم مکمل تصفیہ کر لینگے اور چارہ باتوں سے زائد زیر نظر آپریشن کا تصفیہ کر دیا جائے گا۔

ہم ان شیئر ہولڈرز کے شکر گزار ہیں جنہوں نے کمپنی پر مکمل اعتماد کا اظہار کیا ہے اور ہمیں ایک بار پھر امید ہے کہ کمپنی پروڈکشن کے حوالے سے ہمارے ورکرز اور اسٹاف کا ساتھ دینگے اور ان کی کوششوں کے تحت اعلیٰ کوالٹی کی پروڈکشن حاصل کریں گے۔

آپ تمام حضرات کا شکریہ

بورڈ آف ڈائریکٹرز کی جانب سے

کراچی: 29 اپریل 2019ء



(تیم اے۔ ستار)

چیف ایگزیکٹو آفیسر

AL-ABID SILK

CONDENSED INTERIM STATEMENT OF FOR THE NINE MONTHS PERIOD ENDED

		March 2019 (Unaudited)	June 2018 (Audited)
Note		(Rupees)	(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		134,095,500	134,095,500
Reserves			
Capital reserve		372,834,000	372,834,000
Surplus on revaluation of fixed assets	6	1,370,140,211	1,441,258,732
Accumulated loss		(6,661,581,255)	(6,642,427,149)
		(4,918,607,044)	(4,828,334,416)
Total equity		(4,784,511,544)	(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	7	521,018,754	518,518,754
Retirement benefits		6,991,602	7,008,935
Trade and other payables		933,634,703	936,569,591
Unclaimed dividend		108,310	108,310
Advance from I.B.L	8	366,063,944	366,063,944
Accrued markup		238,514,564	240,815,938
Current maturity of long term loans and Lease Liability		-	67,118,820
Short term finances		4,976,112,476	5,034,787,523
Provision for taxation		-	2,659,885
		7,042,444,353	7,173,651,700
CONTINGENCIES AND COMMITMENTS	9		
		2,257,932,809	2,479,412,783

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


Chief Executive Officer


Director


Chief Financial Officer

MILLS LIMITED

FINANCIAL POSITION MARCH 31, 2019

		March 2019 (Unaudited)	June 2018 (Audited)
Note		(Rupees)	
ASSETS			
NON-CURRENT ASSETS			
	Property, plant and equipment	10 1,827,293,094	1,942,148,701
	Long term security deposit	2,286,645	1,886,645
CURRENT ASSETS			
	Stores and spares	47,294,742	52,970,111
	Stock in trade	11,368,727	12,732,975
	Trade debts	840,561	1,768,059
	Loans and advances	5,020,235	5,017,778
	Trade deposits and prepayments	7,994,098	6,311,810
	Other receivables	164,541,974	164,541,974
	Tax refunds due from government	65,745,688	74,402,044
	Cash and bank balances	125,547,044	217,632,686
		428,353,069	535,377,437
		<u>2,257,932,809</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 NINE MONTHS PERIOD ENDED MARCH 31, 2019

	Note	NINE MONTHS PERIOD ENDED		THREE MONTHS PERIOD ENDED	
		Jul-Mar-2019	Jul-Mar-2018	Jan-Mar-2019	Jan-Mar-2018
		<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>
Sales and Manufacturing	11	-	-	-	-
Cost of sales		96,637,471	228,085,809	30,585,660	77,894,394
Gross loss		<u>(96,637,471)</u>	<u>(228,085,809)</u>	<u>(30,585,660)</u>	<u>(77,894,394)</u>
Operating expenses					
Administrative expenses		<u>34,767,706</u> <u>(131,405,177)</u>	<u>27,022,404</u> <u>(255,108,213)</u>	<u>12,678,504</u> <u>(43,264,164)</u>	<u>9,184,716</u> <u>(87,079,110)</u>
Other income	12	41,142,949	-	4,968,292	-
Loss from operations		<u>(90,262,228)</u>	<u>(255,108,213)</u>	<u>(38,295,872)</u>	<u>(87,079,110)</u>
Finance cost	13	10,399	3,178	2,650	1,091
Loss before taxation		<u>(90,272,627)</u>	<u>(255,111,391)</u>	<u>(38,298,522)</u>	<u>(87,080,201)</u>
Taxation - Net		-	(205,431,373)	-	(33,962,877)
(Loss) / profit after taxation	14	<u>(90,272,627)</u>	<u>(49,680,018)</u>	<u>(38,298,522)</u>	<u>(53,117,324)</u>
(Loss) / profit per share - basic and diluted		<u>(6.73)</u>	<u>(3.70)</u>	<u>(2.86)</u>	<u>(3.96)</u>

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


Chief Executive Officer


Director


Chief Financial Officer

AL-ABID SILK MILLS LIMITED

CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (Unaudited) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019

	NINE MONTHS PERIOD ENDED		THREE MONTHS PERIOD ENDED	
	Jul-Mar-2019	Jul-Mar-2018	Jan-Mar-2019	Jan-Mar-2018
	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>
(Loss) / profit after taxation	(90,272,627)	(49,680,018)	(38,298,522)	(53,117,324)
Other comprehensive income				
Item that may be reclassified to statement of profit or loss in subsequent periods	.	-	.	-
Item that will not be reclassified to statement of profit or loss in subsequent periods	.	-	-	-
Total comprehensive (loss) / profit for the period	<u>(90,272,627)</u>	<u>(49,680,018)</u>	<u>(38,298,522)</u>	<u>(53,117,324)</u>

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


Chief Executive Officer


Director


Chief Financial Officer

AL-ABID SILK MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CASH FLOW (Unaudited) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019

	Jul-Mar-2019 Rupees	Jul-Mar-2018 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(90,272,627)	(255,111,391)
Adjustments for:		
Depreciation	89,576,741	231,337,601
Loss on disposal of property, plant and equipment	328,864	-
Provision for obsolete items	5,675,369	5,675,369
Provision for obsolete stock	1,364,248	1,364,248
Provision for doubtful debts	141,781	141,781
Gain on reversal of financial liability	(8,537,965)	-
	88,549,038	238,518,999
Decrease / (Increase) in current assets:		
Trade debtors	785,717	-
Loan and advances	(2,457)	378,428
Trade deposits and prepayments	(1,682,288)	-
Other receivables	-	511,647
Tax refunds due from government	6,613,039	(193,605)
	5,714,011	696,470
(Decrease) / Increase in current liabilities:		
Trade and other payable	1,291,224	(1,784,256)
Accrued mark-up	(2,301,374)	-
Repayment of short term finance	(121,482,014)	-
	(122,492,164)	(1,784,256)
Cash generated from / (used in) operations	(118,501,742)	(17,680,178)
Taxes paid	(616,568)	(13,744)
Staff gratuity paid	(17,333)	(80,000)
Net cash inflow / (outflow) from operations	(119,135,643)	(17,773,922)
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from disposal of fixed assets	24,950,001	-
Long term security deposit	(400,000)	-
Net cash generated from investing activities	24,550,001	-
CASH FLOW FROM FINANCING ACTIVITIES		
Loan from directors	2,500,000	18,365,000
Net cash inflow from financing activities	2,500,000	18,365,000
Net increase in cash and cash equivalents	(92,085,642)	591,078
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	125,547,044	10,031,938

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


Chief Executive Officer


Director


Chief Financial Officer

AL-ABID SILK MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Unaudited) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019

	Share Capital Issued, subscribed and paid-up capital	Capital Reserve	Accumulated Loss	Revaluation Surplus on Property Plant & Equipment	Total
	Rupees				
Balance as at July 01, 2017 - restated	134,095,500	372,834,000	(6,744,421,690)	2,595,912,772	(3,641,579,417)
Comprehensive income for the period					
Profit after tax for the nine months period March 31, 2018	-	-	(49,680,018)	-	(49,680,018)
Other comprehensive income	-	-	-	-	-
-Transfer from surplus on revaluation of fixed assets on account of incremental depreciation	-	-	110,965,634	(110,965,634)	-
Balance as at March 31, 2018 - restated	134,095,500	372,834,000	(6,683,136,074)	2,484,947,138	(3,691,259,435)
Balance as at July 01, 2018	134,095,500	372,834,000	(6,642,427,149)	1,411,258,732	(4,694,238,916)
Loss after tax for the nine months period ended March 31, 2019	-	-	(90,272,627)	-	(90,272,627)
-Transfer from surplus on revaluation of fixed assets on account of incremental depreciation	-	-	71,118,521	(71,118,521)	-
Balance as at March 31, 2019	134,095,500	372,834,000	(6,661,581,255)	1,370,140,211	(4,784,511,544)

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



Chief Executive Officer



Director



Chief Financial Officer

AL-ABID SILK MILLS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT (Unaudited) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019

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 and the accumulated loss of the company has reached to Rs. 6.661 billion and Company's equity is in negative by Rs. 4.784 billion while the reported current liabilities (since partly under litigation) have exceeded to current assets of the company by Rs. 6.614 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 and thus the directors have been providing interest free loan to the company continuously as and when required, which stands at Rs. 521 million as at the period end.

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. 366 million as matter was under litigation. However, during the period the negotiations with the banks have been finalized whereof some surplus machinery and land & building are under sale to pay the settled amounts to the banks under litigation. Consequent upon this, the company has paid liabilities and markup thereon to the tune of Rs. 124 million during the period end. Furthermore, 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 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.

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

2.1 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 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.

2.2 In order to comply with the requirements of IAS 34 "Interim financial reporting" the condensed interim statement of financial position has been compared with the balances of annual audited financial statements of the preceding financial year, whereas, the condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flow statement and condensed interim statement of changes in equity have been compared with the balances of comparable period of immediately preceding financial year.

The figures of the condensed interim profit and loss account for the nine months period ended March 31, 2019 and 2018 have not been reviewed by the statutory auditors of the Company as they have reviewed the cumulative figures for the nine months period ended March 31, 2019. This condensed interim financial statements do not include all the information and disclosures as required in the annual financial statements and should be read in conjunction with the Company's financial statements for the year ended June 30, 2018.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements for the year ended June 30, 2018, except for the adaptation of IFRS 15 "Revenue from contracts with customers". The revised accounting policy adopted by the management are as follows:

3.1 IFRS 15 – Revenue from Contracts with Customers

IFRS 15 'Revenue from contracts with customers' superseded IAS 11 Construction Contracts, IAS 18 Revenue and related interpretations and its applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.

The Company has assessed that significant performance obligation in contracts with customers are closely related and therefore are discharged over the period of the relationship with relevant customers. Hence, the Company has concluded that it is in compliance with the requirements of the new accounting standard.

AL-ABID SILK MILLS LIMITED

4. CRITICAL ACCOUNTING ESTIMATE AND JUDGEMENTS

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this condensed interim financial statement, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements of the Company for the year ended 30 June 2018.

5. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objective and policies are consistent with that disclosed in the represented financial statements as at and for the year ended June 30, 2018.

AL-ABID SILK MILLS LIMITED

	Note	March 2019 Rupees (Un-Audited)	June 2018 Rupees (Audited)
6 SURPLUS ON REVALUATION OF FIXED ASSETS			
Balance at beginning of the period / year - net		1,441,258,732	2,585,912,772
Less: Transferred to unappropriated profit on account of Incremental depreciation for the period / year - net of tax		(71,118,521)	(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		-	(1,059,782,834)
Balance at end of the period / year - net		<u>1,370,140,211</u>	<u>1,441,258,732</u>
6.1 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.			
7 LOAN FROM DIRECTORS - UNSECURED			
Balance at beginning of the period / year		518,518,754	496,898,754
Received during the period / year		2,500,000	21,620,000
Repaid during the period / year		-	-
		<u>521,018,754</u>	<u>518,518,754</u>
The above is interest free loan from director(s) of the company, which is payable on demand.			
8 ADVANCE FROM IBL			
Balance at beginning		366,063,944	366,063,944
During the period / year		-	-
		<u>366,063,944</u>	<u>366,063,944</u>
The comprises of initial mobilizing expenses by International Brands Limited as disclosed on note 1.1 for repair and maintenance to have the plant in full running condition.			
9 CONTINGENCIES AND COMMITMENTS			
9.1 Contingencies			
Bank guarantee		<u>79,834,000</u>	<u>79,834,000</u>
9.1.1 The bank guarantees have been issued in favor of Sui Southern Gas Company Limited and others.			
9.1.2 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.			
9.1.3 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.			
9.1.4 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. 335,105,063/-.			
9.1.5 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/-.			
9.1.6 Habib Bank Limited has filed suit No. B-96 of 2012 against the company for recovery of outstanding loan amounting to Rs. 812,482,556/-.			
9.1.7 Meezan Bank Ltd. Suit No. B-58 of 2013 against the company for recovery of outstanding loan amounting to Rs. 546,667,987/-.			
9.1.8 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/-.			
9.1.9 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.			
9.1.10 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/-.			
9.1.11 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/-.			
9.1.12 Allied Bank Ltd. has filed suit No. 26 of 2017 against the Company for recovery of outstanding loan amounting to Rs. 77,676,831/-.			
9.1.13 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/-.			
9.1.14 Habib Metropolitan Bank Limited has filed suit no B-39/2015 against the Company for recovery of outstanding loan amounting to Rs. 773,496,075/-.			
The amount mentioned on above note 9.1.4 to 9.1.14 are claimed amounts by the Banks, actual amounts to be determined by the Banking Court.			
The outcome of above cases as referred in note 9.1.4 to 9.1.14 cannot be predicted and the management is vigorously contesting the case, however major amount has already been provided in financial statements.			
9.1.15 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.			
9.1.16 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.			
9.2 Commitments:			
There are no commitments as at year end. (June 2018: Nil).			

AL-ABID SILK MILLS LIMITED

	Note	March 2019 Rupees (Un-Audited)	June 2018 Rupees (Audited)
10 PROPERTY, PLANT AND EQUIPMENT			
Operating Fixed Assets	10.1	1,810,493,094	1,925,348,701
Capital Work in Progress - DDFC Boiler		16,800,000	16,800,000
		<u>1,827,293,094</u>	<u>1,942,148,701</u>
10.1 Operating Fixed Assets			
Opening written down value		1,925,348,701	3,641,969,060
Deletions		(27,930,000)	-
Surplus/(impairment) during the period/year		2,651,134	(1,501,118,049)
Depreciation		<u>(89,576,741)</u>	<u>(215,502,310)</u>
		<u>1,810,493,094</u>	<u>1,925,348,701</u>
		Jul-Mar-2019 Rupees (Un-Audited)	Jul-Mar-2018 Rupees (Un-Audited)
11 SALES AND MANUFACTURING			
Sales		-	-
Export sales		-	-
Local sales		-	-
Manufacturing		-	-
Printing and dyeing		-	-
12 OTHER INCOME			
Income from non-financial assets / liabilities			
Waiver received from other creditors		4,226,112	-
Sale of scrap		26,990,857	-
Gain/(Loss) on disposal of property, plant and equipment		(328,864)	-
Gain/(Loss) on settlement of bank liabilities		4,311,853	-
Income from financial assets / liabilities			
Profit on Savings / PLS deposit Account		5,952,991	-
		<u>41,142,949</u>	<u>-</u>
13 FINANCE COST		<u>10,399</u>	<u>3,178</u>
		Jul-Mar-2019 Rupees (Un-Audited)	Jul-Mar-2018 Rupees (Un-Audited)
14 (LOSS) / PROFIT PER SHARE - BASIC AND DILUTED			
14.1 (LOSS) / PROFIT PER SHARE			
(Loss) / Profit after taxation	Rupees	<u>(90,272,627)</u>	<u>(49,680,018)</u>
Weighted average number of shares	Number	<u>13,409,550</u>	<u>13,409,550</u>
Basic loss / earning per share	Rupees	<u>(6.73)</u>	<u>(3.70)</u>
14.2 Diluted earnings per share			
There is no dilution effect on the basic earnings per share of the company.			
15 RELATED PARTY TRANSACTIONS			
The related parties comprise associated undertakings and key management personnel. The transactions between the Company and the related parties are carried out at arms length. Amounts due from and to related parties and key management personnel, if any, are shown under receivables and payables. No other significant transactions were made with related parties during the year.			
16 KEY MANAGEMENT PERSONNEL - REMUNERATION & BENEFITS			
In view of bad financial condition of the company directors have decided not to claim their whole remuneration for the nine month period ended March 31, 2019 i.e. Mr. Naseem A. Sattar Rs. 7,875,000 and Mr. Azim Ahmed Rs. 4,050,000. (2018: Mr. Naseem A. Sattar Rs. 7,875,000) and (Mr. Azim Ahmed Rs. 4,050,000).			
17 DATE OF AUTHORISATION FOR ISSUE			
These condensed interim financial statements were approved and authorized for issue in the Board of Directors' meeting held on April 29, 2019.			


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, Shahr-e-Iraq,
Saddar, Karachi.