

**AL-ABID**  
**SILK MILLS LIMITED**

**51<sup>st</sup> ANNUAL REPORT**  
**2019**

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# AL-ABID SILK MILLS LIMITED

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## 51<sup>st</sup> ANNUAL REPORT FOR THE YEAR ENDED JUNE 30, 2019

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# AL-ABID SILK MILLS LIMITED

## COMPANY INFORMATION

### BOARD OF DIRECTORS

Mr. S.M. Jawed Azam	Chairman
Mr. Naseem A. Sattar	Chief Executive Officer
Mr. Azim Ahmed	Executive Director
Mr. Qamar Mashkooor	Independent Non-Executive Director
Mr. Muhammad Sajid Hafeez	Independent Non-Executive Director
Mst. Adla Naseem	Non-Executive Director
Mrs. Sadaf Nadeem	Non-Executive Director
Syed Raza Abbas Jaffari	Nominee Director (N.I.T.)

**CHIEF FINANCIAL OFFICER** Mr. Shahbaz Ahmed Khan

**SECRETARY** Mr. Nasim Ahmed

<b>AUDIT COMMITTEE</b>	Mr. Qamar Mashkooor	Chairman
	Mr. Muhammad Sajid Hafeez	Member
	Mr. S.M. Jawed Azam	Member

<b>HUMAN RESOURCE AND REMUNERATION COMMITTEE</b>	Mr. Muhammad Sajid Hafeez	Chairman
	Mr. Naseem A. Sattar	Member
	Mr. Qamar Mashkooor	Member

**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-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**

## **NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the 51<sup>st</sup> Annual General meeting of the Shareholders of the Company will be held at the Embassy Inn 100-B, SMCHS.Nursery Main Shahrah-e-Faisal Karachi, on Saturday, November 23, 2019 at 04:00 p.m. to transact the following business:

1. To confirm the Minutes of the Annual General Meeting of the Company held on October 25, 2018.
2. To receive, consider and adopt the annual audited accounts of the Company together with the Directors' and Auditors' Report thereon for the year ended June 30, 2019.
3. To appoint statutory Auditors for the year 2019-2020 and fix their remuneration. The present auditors M/s. Muniff Ziauddin & Company, Chartered Accountants, have offered themselves for re-appointment as Auditors of the Company.
4. To consider any other business with the permission of the Chair.

BY ORDER OF THE BOARD

NASIM AHMED  
Company Secretary

Karachi: October 29, 2019

### **NOTES:**

1. The Share Transfer Books of the Company will remain closed from November 15, 2019 to November 23, 2019 (both days inclusive).
2. Members whose names appearing in the Registered of Members as of November 15, 2019, are entitled to attend and vote at the meeting. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend, speak and vote for him/her. A proxy must be a member of the Company.
3. An instrument of proxy applicable for the Meeting is being provided with the notice sent to Members. Further copies of the instrument of proxy may be obtained from the Registered Office of the Company during normal office hours. Proxy form may also be downloaded from the Company's website: [www.alabid.com](http://www.alabid.com).
4. An instrument of proxy and the power of attorney or other authority (if any) under which is signed, or a notarially certified copy of such power or authority, must be valid, be deposited at the Registered Office of the Company not less than 48 hours before the time of the Meeting.

## AL-ABID SILK MILLS LIMITED

5. In accordance with the provisions of Section 242 of the Companies Act, 2017 and Circular No.18/2017, a listed company, is required to pay cash dividend to the shareholders only through electronic mode directly into the bank account designated by the entitled shareholder. In compliance with the said law, in order to received your future dividends directly in your Bank Account, you are required to provide the information mentioned on the form placed on the Company's website and send the same to your brokers/ the Central Depository Company Ltd, if the share are held in electronic form or to the Company's shares Registrar If the shares are held in paper certificate form.
6. Members are requested to submit a copy of their Computerized National Identity Card (CNIC/SNIC), if not already provided, and notify immediately changes, if any, in their registered address to our Share Registrar, JWAFFS Registrar Services (Pvt) Limited.
7. Pursuant to SECP Circular No.10 of 2014 dated May 21, 2014, if the Company received consent from members holding in aggregate 10% or more shareholding residing in a geographical location to participate in the meeting through video conference at least 7 days prior to the date of Annual General Meeting, the company will arrange video conference facility in that city subject to availability of such facility in that city. To avail this facility please provide the following information to the company registered office PABX Nos.(+9221) 32560040 and email [mail@alabid.com](mailto:mail@alabid.com).
8. I/We of being a member of Al-Abid Silk Mills Limited holder of Ordinary Share(s) as per Register Folio No. \_\_\_\_\_ hereby opt for video conference facility at (Please insert name of the city) \_\_\_\_\_.

\_\_\_\_\_  
Signature of member

9. Members can exercise their right to demand a poll subject to meeting requirements of Section 143-145 of Companies Act, 2017 and applicable clauses of Companies (Postal Ballot) Regulations 2018.
10. CDC Account Holders will further have to follow the under mentioned guidelines as laid down in circular 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.and being mentioned in the Notice of Meeting Circulated to the Members.

**A. For Attending the Meeting:**

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

**B. For Appointing Proxies**

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

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## **AL-ABID SILK MILLS LIMITED**

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### **REVIEW REPORT BY THE CHAIRMAN**

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

For the financial year ended June 30, 2019, the Board's overall performance and effectiveness has been assessed as Satisfactory. Improvement is an ongoing process leading to action plans. The overall assessment as Satisfactory is based on an evaluation of integral components, including vision, mission and values; engagement in strategic planning; formulation of policies; monitoring the organization's business activities; monitor financial resource management; effective fiscal oversight; equitable treatment of all employees and efficiency in carrying out the Board's business.

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



**S.M. JAWED AZAM**  
CHAIRMAN

Karachi: October 29, 2019

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# AL-ABID SILK MILLS LIMITED

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## DIRECTORS' REPORT TO THE SHAREHOLDERS

The Board of Directors is presenting the 51<sup>st</sup> annual report and the annual financial statement of the company for the year ended June 30, 2019.

In our last Directors' report of March 2019, we reported the situation of textile industry and the government intentions to promote textile industry, importantly for exports. Our exports were handicapped due to the cost which was not enabling us to compete in the international market and this is the reason that textile industry came into difficulties and our exports were effected. However, the present government, already at the start, recognized this and has been working to bring down the cost of doing business. However, if negative factors are existing for long time, i.e. high cost of doing business then to neutralize these factors is always not only efforts-full but also time consuming.

### Future Outlook:

It is encouraging to note from the statement of our Prime Minister that a committee has been formed to look into sick industries and report to the Prime Minister within 60-days. It is encouraging for the textile industry to note the government importance towards industries including textile. We therefore hope to settle all the impediments with the help of our banks and government policies and be again a blue chip company as we were.

We are hopeful that the government will be successful in their efforts and their efforts will finally be acceptable to the manufacturers and exporters at large.

As far as we are concerned, as reported to you already earlier in balance sheet of March 2019, we've satisfactorily settled a number of DFIs and also banks with full final settlement of their liabilities.

With number of major banks, we've reached a master settlement agreement for which surplus assets have to be disposed off to settle these banks which is being undertaken by us. However, due to legalities and uncertainty in the mind of investors, it is time consuming. With rest of the banks, our negotiations are going on for restructuring and for injecting fresh finance. Again, as known, banks also take time to do the restructuring which according to all banks, SOPs have to be approved by their Boards which is generally quite time consuming process.

Sales of surplus assets will not change overall picture of the company, but will make it very cost effective and efficient.

We expect in due course to have overall settlement with all banks, subsequent to which we will be in production as usual.



# AL-ABID SILK MILLS LIMITED

## **DIVIDEND**

Considering the current state of affairs, the cash flow of the Company does not allow any dividend payout. Therefore, the Board of Directors does not recommend dividend for the year ended June 30, 2019.

## **CORPORATE AND FINANCIAL REPORTING FRAMEWORK**

The Directors declare that:

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

## **NUMBER OF BOARD MEETINGS HELD DURING THE YEAR AND ATTENDANCE OF EACH DIRECTOR**

During the year fourteen meetings of the Board of Directors were held. The attendance of the Directors at board meetings were as follows:

Name of Director	Meeting Attended
Mr. S.M. Jawed Azam	13
Mr. Naseem A. Sattar	13
Mr. Azim Ahmed	13
Mr. Qamar Mashkooor	--
Mr. Muhammad Sajid Hafeez	--
Syed Raza Abbas Jafferri	12
Mst. Adia Naseem	03
Mrs. Sadaf Nadeem	03

# AL-ABID SILK MILLS LIMITED

## **AUDIT COMMITTEE:**

### **Size and Composition:**

For the financial year ended June 30, 2019, the audit committee comprised the following three directors, all are Non-Executive Directors:

1.	Mr. Qamar Mashkoor	Chairman
2.	Mr. S.M.Jawed Azam	Member
3.	Mr. Muhammad Sajid Hafeez	Member

## **INTERNAL AUDIT FUNCTION:**

The Board Audit Committee is assisted by the Internal Audit Function in maintaining a sound system of internal controls and best practices.

The Internal Audit Function reviews internal controls in all key activities of the company. It acts as a service to the business by assisting with continuous improvement of controls and procedures. Actions are agreed in response to its recommendation and these are followed up to ensure that satisfactory controls are maintained.

Quarterly reviews are also conducted between internal audit management and senior management of the business and major functions to assess their current control status to identify and address any areas of concern.

The Board is responsible for effectiveness of the company's system of internal control. The internal control systems are designed to meet company's requirement to avoid the risk to which it may be exposed.

There is no restriction placed upon the scope of the internal audit function. The members of the internal audit function are authorized to have full, free and unrestricted access to all departments, their personnel, records and information (in whatever form) and physical property. Documentation and information provided are subject to the appropriate levels of security and confidentiality.

## **AUDITORS:**

M/s. Muniff Ziauddin & Co., Chartered Accountants have retired and being eligible offered themselves for reappointment. As required by the Code of Corporate Governance and based on the recommendation of the Audit Committee the board of Directors has recommended the appointment of the M/s. Muniff Ziauddin & Co., Chartered Accountants for the year ending June 30, 2020.

## **PATTERN OF SHAREHOLDING:**

The Pattern of Shareholding and additional information regarding pattern of shareholding is attached to the financial statements included in this report.

## **AL-ABID SILK MILLS LIMITED**

### **LOSS PER SHARE:**

Based on the net loss for the current year, the basic loss per share is Rs. 9.39 (2018: Rs. 0.90)

### **ACKNOWLEDGMENT**

We want to thank the banks for their cooperation in the settlement once all settlements are reached and materialized as per plan.

Of-course we are thankful also to our thousands of workers who were working with us in the past. We will have their jobs again which is also in line with the government requirements as well as company's desire.

Thanks to all of you.

For and on behalf of the Board of Directors



**(NASEEM A. SATTAR)**

Chief Executive Officer

Karachi: October 29, 2019

# العا بد سلک ملز لمیٹڈ

حصص داران کیلئے ڈائریکٹرز کی رپورٹ

بورڈ آف ڈائریکٹرز 30 جون 2019ء کو ختم ہونے والے سال کیلئے کمپنی کی اکیا دن ویں سالانہ رپورٹ اور سالانہ مالیاتی حسابات پیش کر رہے ہیں۔

مارچ 2019ء کی ہماری گذشتہ ڈائریکٹرز رپورٹ میں ہم نے ٹیکسٹائل انڈسٹری کے حالات کے بارے میں رپورٹ پیش کی تھی کیونکہ حکومت چاہتی ہے کہ ٹیکسٹائل انڈسٹری بالخصوص برآمدات کو ترقی دی جائے۔ مہنگائی کے سبب ہماری برآمدات خاطر خواہ نتائج حاصل نہ کر سکی جس کی وجہ سے ہم عالمی مارکیٹ کا مقابلہ کرنے سے قاصر رہے اور یہی وجہ ہے کہ ٹیکسٹائل انڈسٹری مشکلات کا شکار رہی اور ہماری برآمدات متاثر ہوئیں۔ موجودہ حکومت نے اس حوالے سے اور کاروبار میں بہتری کیلئے پہلے ہی کوششیں شروع کر دی ہیں۔ اگر یہ منفی اثرات زیادہ عرصہ تک رہے تو مہنگائی کے باعث کاروبار کرنا بے حد مشکل ہوگا، اسی لئے وقت کا تقاضہ ہے کہ ہم اس بارے میں کوششیں جاری رکھیں۔

## مستقبل کا نظریہ:

وزیراعظم کے بیان سے حوصلہ افزائی ہوئی ہے جس میں انہوں نے کہا ہے کہ ایک کمیٹی تشکیل دی جائے تاکہ وہ کمزور صنعتوں کا جائزہ لے سکے اور ساٹھ دنوں کے اندر وزیراعظم کو اس کی رپورٹ پیش کی جائے۔ ٹیکسٹائل انڈسٹری کیلئے یہ بات بھی حوصلہ افزاء ہے کہ حکومت صنعتوں بشمول ٹیکسٹائل کی صنعت کو بے حد اہمیت دے رہی ہے۔ ہمیں امید ہے کہ ہم اپنے بینکوں اور حکومت کی پالیسیوں کے تعاون سے بہت جلد یہ معاملہ حل کر لینگے اور پہلے کی طرح ایک منافع بخش کمپنی بن جائیں گے۔

ہمیں یہ بھی امید ہے کہ حکومت اپنی کوششوں میں ضرور کامیاب ہوگی اور حکومت کی یہ کوششیں مینوفیکچررز اور ایکسپورٹرز کیلئے بھی قابل قبول ہوگی۔

ہم نے بیلنس شیٹ مارچ 2019ء میں پہلے ہی آپ کو رپورٹ پیش کر دی ہے۔ ہم نے DFI اور بینک کا معاملہ اطمینان بخش طریقہ سے حل کر لیا ہے اور ان کے قرضہ جات کی ادائیگی کر دی ہے۔

کئی بڑے بینکوں کے سلسلے میں ہم ایک اہم تصفیہ کے معاہدے پر پہنچ چکے ہیں اور ان بینکوں کے تصفیہ کیلئے اضافی اثاثہ جات کے فروخت کو مکمل کرنا ہوگا جس کا ہم نے پہلے ہی اقرار کیا ہے۔ البتہ سرمایہ کاران کے ذہن میں قانونی امور اور غیر یقینی صورتحال کی وجہ سے یہ وقت طلب ہے۔ بقیہ بینکوں کے ساتھ ہماری بات چیت جاری ہے تاکہ حالیہ مالی امور کیلئے راہ ہموار کی جاسکے اور نئی مالیات فراہم کر سکیں۔ ہمیں معلوم ہے کہ اس کام کیلئے بینکوں کو وقت درکار ہے، لہذا تمام بینکوں کے مطابق ان کے بورڈز سے SOP کی منظوری لینا پڑی ہے جس میں عام طور پر کافی وقت لگتا ہے۔

اضافی اثاثہ جات کی فروخت سے کمپنی کی مجموعی صورت حال تبدیل نہیں ہوگی، لیکن یہ بے حد موثر عمل ہوگا۔

ہمیں امید ہے کہ بہت جلد ہم تمام بینکوں کے ساتھ اس معاملے کو حل کر لینگے اور اس کے نتیجے میں ہم ہمیشہ کی طرح پیداوار میں ہوں گے۔

## العابد سلک ملز لمیٹڈ

ڈویڈنڈ:

موجودہ معاملات کے حوالے سے کمپنی کا کیش فلو ہمیں کسی بھی ڈویڈنڈ کی اجازت نہیں دیتا۔ لہذا بورڈ آف ڈائریکٹرز 30 جون 2019ء کو ختم ہونے والے سال کیلئے ڈویڈنڈ کی سفارش نہیں کرتے ہیں۔

کارپوریٹ اور مالیاتی رپورٹنگ کا فریم ورک:

ڈائریکٹرز نے یہ اقرار کیا ہے کہ:

☆ العابد سلک ملز لمیٹڈ کی انتظامیہ نے مالیاتی حسابات مرتب کئے ہیں جو کہ موجودہ معاملات کیلئے بالکل صحیح ہیں، جو کہ آپریشن، کیش فلو اور ایکویٹی میں تبدیلی کا نتیجہ ہے۔

☆ العابد سلک ملز لمیٹڈ کے کھاتے مناسب طور پر مرتب کئے گئے ہیں۔

☆ مالیاتی حسابات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں پر عملدرآمد کیا گیا ہے اور اکاؤنٹنگ کا تخمینہ مناسب اور صحیح فیصلے کی بنیاد پر ہے۔

☆ انٹرنیشنل فنانسنگ رپورٹنگ اسٹینڈرڈز جس کا اطلاق پاکستان میں کیا گیا ہے، ہم نے مالیاتی حسابات کی تیاری میں اس پر عملدرآمد کیا ہے۔

☆ بورڈ کمپنی کے داخلی کنٹرول کے سسٹم کا ذمہ دار ہے، بورڈ نے یہ طے کیا ہے کہ داخلی کنٹرول کا سسٹم مضبوط اور موثر ہونا چاہئے تاکہ صحیح معنوں میں عملدرآمد کیا جاسکے۔

☆ کمپنی کی مہارت پر کسی قسم کے کوئی شکوک و شبہات نہیں ہیں۔

☆ کارپوریٹ گورننس کی بہترین پریکٹس سے کسی بھی مواد کو ضائع نہیں کیا گیا ہے جس کی تفصیل فہرست میں موجود ہے۔

☆ گذشتہ چھ سالوں کا مالیاتی ڈیٹا اور آپریٹنگ کا طریقہ کار سالانہ رپورٹ کے ساتھ منسلک ہے۔

دوران سال منعقدہ بورڈ کی میٹنگز کی تعداد اور ہر ڈائریکٹر کی حاضری:

اس سال بورڈ آف ڈائریکٹرز کی چودہ میٹنگز منعقد ہوئیں، بورڈ کی ان میٹنگز میں حاضر ہونے والے ڈائریکٹرز کی تفصیلات درج ذیل ہیں:

ڈائریکٹر کا نام	میٹنگ میں حاضری کی تعداد
جناب ایس ایم جاوید اعظم	13
جناب نسیم اے ستار	13
جناب عظیم احمد	13
جناب قمر محکور	--
جناب محمد ساجد حفیظ	--
سید رضا عباس جعفری	12
سمات عادہ نسیم	03
سمات صدف ندیم	03

## العا بد سلک ملز لمیٹڈ

آڈٹ کمیٹی:

30 جون 2019ء کو ختم ہونے والے مالیاتی سال کیلئے آڈٹ کمیٹی درج ذیل تین ڈائریکٹرز پر مشتمل ہے، یہ تمام غیر ایگزیکٹو ڈائریکٹرز ہیں:

۱۔	جناب قمر مکتور	چیئر مین
۲۔	جناب ایس ایم جاوید اعظم	ممبر
۳۔	جناب محمد ساجد حفیظ	ممبر

انٹرنل آڈٹ فنکشن:

انٹرنل آڈٹ فنکشن، بورڈ آڈٹ کمیٹی داخلی کنٹرولز اور بہترین عمل کے مضبوط نظام پر عمل درآمد کرنے کیلئے تعاون کرتی ہے۔

انٹرنل آڈٹ فنکشنز کا جائزہ کمپنی کی تمام اہم سرگرمیوں کو کنٹرول کرتا ہے یہ مستقل طور پر کنٹرول کی بہتری اور طریقہ کار میں تعاون کرتا ہے۔ اس کی سفارشات پر کاروائی کی جاتی ہے اور اس بات کا جائزہ لیا جاتا ہے کہ اطمینان بخش کنٹرولز پر عمل کیا جاتا ہے۔

انٹرنل آڈٹ کی انتظامیہ اور کاروباری سینئر انتظامیہ کے مابین سہ ماہی جائزہ بھی لیا جاتا ہے اور ان کے موجودہ کنٹرول اسٹینڈرڈ کی تشخیص کیلئے ضروری ہے کہ کسی بھی ایریا کی شناخت کیلئے مخاطب کیا جائے۔

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

انٹرنل آڈٹ فنکشن پر کوئی قید نہیں ہے۔ انٹرنل آڈٹ فنکشن کے ممبران کو یہ اختیار حاصل ہے کہ وہ تمام اداروں، ان کے اسٹاف، ریکارڈ، معلومات اور فزیکل پراپرٹی کے حوالے سے آزادانہ طور پر اپنا کردار ادا کر سکیں۔ دستاویزات اور معلومات کی فراہمی سیکورٹی کی مناسب سطح سے مشروط ہے۔

آڈیٹرز:

میسرز مدیف ضیاء الدین اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹ ریٹائر ہو چکے ہیں اور انہوں نے اپنی تقرری کیلئے دوبارہ پیشکش کی ہے۔ کوڈ آف کارپوریٹ گورننس کا انحصار آڈٹ کمیٹی کی سفارشات پر ہے اور بورڈ آف ڈائریکٹرز نے 30 جون 2020ء کو ختم ہونے والے سال کیلئے میسرز مدیف ضیاء الدین اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹ کی تقرری کی سفارش کی ہے۔

شیئر ہولڈنگ کا پیٹرن:

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

## العا بد سلک ملز لمیٹڈ

فی شیئر خسارہ:

اس کا انحصار موجودہ سال کے صافی خسارہ پر ہے اور فی شیئر بنیادی خسارہ مبلغ 9.39 روپے ہے (2018: مبلغ 0.90 روپے)۔

اظہار تشکر:

ہم تمام بینکوں کا ان کے تعاون پر بے حد مشکور ہیں جو کہ انہوں نے تمام تصفیوں کو منصوبے کے مطابق آخری مراحل میں پہنچانے میں تعاون کیا ہے۔

ہم اپنے ان ہزاروں ورکرز کے بھی شکر گزار ہیں جو گذشتہ عرصے میں ہمارے ساتھ کام کرتے تھے ہم ان کا تقرر دوبارہ کریں گے اور یہ عمل حکومت کی ضروریات اور کمپنی کی خواہش بھی ہے۔

بورڈ آف ڈائریکٹرز کی جانب سے



نسیم اے ستار

چیف ایگزیکٹو آفیسر

کراچی: مورخہ 29 اکتوبر 2019ء

## AL-ABID SILK MILLS LIMITED

### Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2017 for the year ended June 30, 2019

The Company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are 8 as per the following:

- a. Male: 06
- b. Female: 02

2. The Composition of Board is as follows:

Category	Names
Independent Director	Mr.QamarMashkooor Mr.Muhammad SajidHafeez
Executive Director	Mr. Naseem A. Sattar Mr. Azim Ahmed
Non-Executive Directors	Mr. S.M Jawed Azam Syed Raza Abbas Jaffery Mst. Adia Naseem Mrs. Sadaf Nadeem

3. The directors have confirmed that none of them is serving as a director on more than five listed companies, including this company.
4. The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board/shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board.
8. The Board of Directors has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. Two executive directors and non-executive director are exempted from director's training program. Apart from that, directors' training program was not attended by any other director during the year.
10. The Board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. CFO and CEO duly endorsed the financial statements before approval of the Board.



## AL-ABID SILK MILLS LIMITED

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

**Audit Committee**

Mr. Qamar Mashkooor	Chairman
Mr. S.M. Jawed Azam	Member
Mr. Muhammad SajidHafeez	Member

**HR and Remuneration Committee**

Mr. Muhammad SajidHafeez	Chairman
Mr. Naseem A. Sattar	Member
Mr. Qamar Mashkooor	Member

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

14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following:

- |                                  |                      |
|----------------------------------|----------------------|
| a) Audit Committee               | 4 quarterly meetings |
| b) HR and Remuneration Committee | 1 yearly meeting     |

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

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.

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

18. We confirm that all other requirements of the Regulations have been complied with.

For and on behalf of the Board of Directors



**(NASEEM A. SATTAR)**

Chief Executive Officer

Karachi: October 29, 2019

# AL-ABID SILK MILLS LIMITED

## REVIEW REPORT TO THE MEMBERS ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2017

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of **Al-Abid Silk Mills Limited** for the year ended **June 30, 2019** in accordance with the requirements of regulation 40 of the Regulations.

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

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

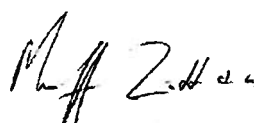
The Regulations requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in Regulations applicable to the Company for the year ended June 30, 2019.

Further, we highlight below instances of non-compliance with the requirements of the Code as reflected in the note reference where these are stated in the Statement of Compliance:

Note reference	Description
9	Any of the directors (excluding exempted directors) has not acquired the mandatory certification of directors training program from the Institute specified by the SECP during the year Furthermore, at least half of the directors are not compliant with the requirement of the Director's Training Program as stated in regulation 20 (a) of the Regulations
15	The Board of directors neither set up an effective internal audit function nor outsourced the internal audit function to any specialist organization as required by the Code.

Karachi: October 29, 2019

  
**CHARTERED ACCOUNTANTS**  
(Sohail Saleem)

# AL-ABID SILK MILLS LIMITED

## AUDITORS' REPORT TO THE MEMBERS

### Adverse Opinion

We have audited the annexed financial statements of **Al-Abid Silk Mills Limited** (the Company), which comprise the statement of financial position as at **30 June 2019**, and the statement of profit or loss and statement of other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of our report, the accompanying financial statements do not give a true and fair view of the financial position of the company as at June 30, 2019, and financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

### Basis for Adverse Opinion

- (i) As explained on note 1.1, during the year ended June 30, 2019, the company has accumulated loss stood at Rs. 6.663 billion which has eroded its equity to an adverse balance of Rs. 4.820 billion after surplus on revaluation of fixed assets, as of that date Company's current liabilities exceeded its current assets by Rs. 6.592 billion and further during the year no production and sales were made by the company. These events indicate a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern and therefore the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. These financial statements have been prepared on a going concern basis however, the business revival plan is not disclosed in the financial statements.
- (ii) We have not received direct bank confirmations from the banks and financial institutions for short term loans amounting to Rs. 4.976 billion and for bank balances of Rs. 0.147 billion as mentioned in the financial statements. The Company has not recorded mark-up on these finances which amounts to Rs. 0.513 billion on the plea of restructuring negotiation/litigation with the respective banks. Moreover, we have also not received direct confirmations from trade and other creditors amounting to Rs. 0.928 billion.

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

### Key Audit Matters

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

## AL-ABID SILK MILLS LIMITED

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

Key Audit Matters	How our audit addressed the Key Audit Matters
<p><b>1. Contingencies</b></p> <p>The Company is subject to material litigations involving different courts pertaining to Long-term loans, taxation and other matters, which requires management to make assessment and judgements with respect to likelihood and impact of such litigations. Management have engaged independent legal counsel on these matters.</p> <p>The accounting for, and disclosure of, contingencies is complex and is a matter of most significance in our audit because of the judgements required to determine the level of certainty on these matters.</p> <p>The details of contingencies along with management's assessment and the related provisions are disclosed in note 20 to the financial statements.</p> <p>During the year, the company has reached settlements with certain DFIs and bank namely Orix Leasing Pakistan Ltd, Pakistan Kuwait Investment Company (Pvt) Ltd, Pak Oman Investment Company Ltd and Standard Chartered Bank (Pakistan) Ltd totalling to Rs. 101,783,388 and has paid the agreed amounts to the same as full and final settlement.</p>	<p>In response to this matter, our audit procedures included:</p> <p>Discussing legal cases with the legal department to understand the management's view point and obtaining and reviewing the litigation documents in order to assess the facts and circumstances.</p> <p>Obtaining independent opinion of legal advisors dealing with such cases in the form confirmations.</p> <p>We also evaluated the legal cases in line with the requirements of IAS 37: Provisions, contingent liabilities and contingent assets.</p> <p>The disclosures of legal exposures and provisions were assessed for completeness and accuracy.</p> <p>We reviewed the Master Settlement Agreements (MSA) with related banks and verified the amount paid to DFIs and bank as full and final settlement from source documents.</p>
<p><b>2. Provision for inventories and stores&amp; spares</b></p> <p>The Company had net inventories of Rs.56,316,930 and Rs. 65,703,086 as at 30 June 2019, which comprised raw materials and stores &amp; spares as disclosed in note 22 &amp; 23 respectively to the financial statements.</p> <p>The Company estimates the provision for slow moving and obsolete inventory of raw materials, work in progress and finished goods based on the inventory residence period and sales performance of individual stock categories and make specific provisions by individual stock categories. The Company also write down the value of such inventories based on the Net Realisable Value (NRV) of inventories.</p>	<p>We evaluated the significant assumptions and methodologies applied by management to identify and provide for slow moving and obsolete inventory categories. We compared the residence period and provisioning percentages used by management in the current year to those applied in prior years and checked the reasonableness of provisioning basis using our understanding of industry practices.</p> <p>We performed a recalculation of the inventory provision made to an individual inventory categories based on the system generated inventory ageing report, for which system reliance was placed. Further, we checked for damaged and obsolete inventory, if any, that were physically identifiable during stock count observation.</p>

## AL-ABID SILK MILLS LIMITED

<p>Further, the provision for all slow and non-moving inventories of engineering spares and consumables are based on the inventory days and specific identification of inventories through verification by management.</p> <p>We focused on this area as the estimation for provisioning involves a high level of management judgement which could in turn result in measurement uncertainty and possibility for management bias.</p>	<p>Further, we reviewed the year to year movement in provision for each category of inventory considering subsequent write offs, reversals on re-use and disposals. We also compared the cost of inventories as at 30 June 2019 to their net realisable value subsequent to year end.</p> <p>Based on the procedures performed above, we consider management's judgement and estimates in providing for slow moving and obsolete inventory to be reasonable and adequate.</p>
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### Information other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

### Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

### Auditors' Responsibilities for the Audit of the Financial Statements

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

## AL-ABID SILK MILLS LIMITED

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

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

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

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

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

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

### Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017(XIX of 2017);
- b) the statement of financial position, the statement of profit or loss and statement of other comprehensive

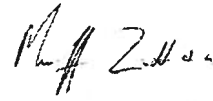
## **AL-ABID SILK MILLS LIMITED**

income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) No zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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

**Karachi: October 29, 2019**



**Chartered Accountants  
Sohail Saleem**


# AL-ABID SILK MILLS LIMITED

## STATEMENT OF FINANCIAL POSITION

		June 2019	June 2018
Note		(Rupees)	
<b>EQUITY &amp; LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized capital			
20,000,000 Ordinary Shares of Rs. 10/- each	7	200,000,000	200,000,000
Issued, subscribed and paid-up capital		134,095,500	134,095,500
<b>Reserves</b>			
Capital reserve		372,834,000	372,834,000
Surplus on revaluation of fixed assets	8	1,336,265,569	1,441,258,732
Accumulated loss		(6,663,390,274)	(6,642,427,149)
		(4,954,290,704)	(4,828,334,416)
<b>Total equity</b>		<b>(4,820,195,204)</b>	<b>(4,694,238,916)</b>
<b>LIABILITIES</b>			
<b>NON- CURRENT LIABILITIES</b>			
Long term loan from banks	9	-	-
Liabilities against assets subject to finance lease	10	-	-
Deferred Taxation	11	-	-
		-	-
<b>CURRENT LIABILITIES AND PROVISIONS</b>			
Loan from director - unsecured	12	521,018,754	518,518,754
Retirement benefits	13	6,991,602	7,008,935
Security deposit	14	30,000,000	-
Trade and other payables	15	927,612,869	936,569,591
Unclaimed dividend		108,310	108,310
Advance from I.B.L	16	366,063,944	366,063,944
Accrued markup	17	238,514,564	240,815,938
Current maturity of long term loans and Lease Liability	18	-	67,118,820
Short term finances	19	4,976,112,476	5,034,787,523
Provision for taxation		360,334	2,659,885
		7,066,782,853	7,173,651,700
<b>CONTINGENCIES AND COMMITMENTS</b>			
	20		
		2,246,587,649	2,479,412,783

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

  
Chief Executive Officer

  
Director



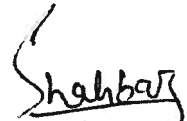
# AL-ABID SILK MILLS LIMITED

**AS AT JUNE 30, 2019**

		June 2019	June 2018
	Note	(Rupees)	
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	21	1,768,825,427	1,942,148,701
Long term security deposit		3,601,049	1,886,645
<b>CURRENT ASSETS</b>			
Stores and spares	22	45,402,952	52,970,111
Stock in trade	23	10,913,978	12,732,975
Trade debts	24	1,579,018	1,768,059
Loans and advances	25	5,023,594	5,017,778
Trade deposits and prepayments	26	7,994,098	6,311,810
Other receivables	27	195,358,075	164,541,974
Tax refunds due from government	28	60,684,101	74,402,044
Cash and bank balances	29	147,205,357	217,632,686
		474,161,173	535,377,437

**2,246,587,649**

**2,479,412,783**



Chief Financial Officer

# AL-ABID SILK MILLS LIMITED

## STATEMENT OF PROFIT OR LOSS ACCOUNT FOR THE YEAR ENDED JUNE 30, 2019

	Note	June 2019 Rupees	June 2018 Rupees
Sales and Manufacturing	30	-	-
Cost of sales	31	125,649,804	214,460,070
<b>Gross loss</b>		<b>(125,649,804)</b>	<b>(214,460,070)</b>
<b>Operating expenses</b>			
Administrative expenses	32	43,572,466 (169,222,270)	30,794,018 (245,254,088)
Other income	33	43,638,325	212,790,768
<b>Loss from operations</b>		<b>(125,583,945)</b>	<b>(32,463,320)</b>
Finance cost	34	12,009	5,063
<b>Loss before taxation</b>		<b>(125,595,954)</b>	<b>(32,468,383)</b>
Taxation-net		(360,334)	20,353,097
<b>Loss after taxation</b>		<b>(125,956,288)</b>	<b>(12,115,286)</b>
<b>Loss per share - basic and diluted</b>	35	<b>(9.39)</b>	<b>(0.90)</b>

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

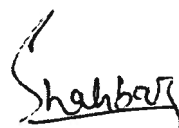
The annexed notes form an integral part of these financial statements.



Chief Executive Officer



Director



Chief Financial Officer

# AL-ABID SILK MILLS LIMITED

## STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2019

	June 2019 Rupees	June 2018 Rupees
Loss after taxation	(125,956,288)	(12,115,286)
Other comprehensive income		
Item that will not be reclassified to statement of profit or loss in subsequent periods		
Reversal of surplus on revaluation during the year - net of tax	-	(1,050,782,634)
Total comprehensive loss for the year	<u>(125,956,288)</u>	<u>(1,062,897,920)</u>

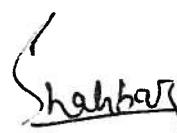
The annexed notes form an integral part of these financial statements.



Chief Executive Officer



Director



Chief Financial Officer


# AL-ABID SILK MILLS LIMITED

## STATEMENT OF CASH FLOW FOR THE YEAR ENDED JUNE 30, 2019

	June 2019 Rupees	June 2018 Rupees
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(125,595,954)	(32,468,383)
<b>Adjustments for:</b>		
Depreciation	118,293,970	215,502,310
Loss on disposal of property, plant and equipment	1,787,635	7,567,159
Provision for obsolete items	7,567,159	1,818,997
Provision for obsolete stock	1,818,997	189,041
Provision for doubtful debts	189,041	-
Gain on reversal of financial liability	(8,537,965)	-
	121,118,837	225,077,507
Decrease / (Increase) in current assets:		
Trade debtors	-	-
Loan and advances	(5,818)	378,428
Trade deposits and prepayments	(1,682,288)	-
Other receivables	(30,816,101)	511,647
Tax refunds due from government	11,885,458	(248,731)
	(20,618,749)	641,344
(Decrease) / Increase in current liabilities:		
Trade and other payable	(4,730,610)	(6,551,690)
Security deposit	30,000,000	-
Accrued mark-up	(2,301,374)	-
Repayment of short term finance	(121,482,014)	-
	(98,513,998)	(6,551,690)
Cash (used in)/generated from operations	(123,609,864)	186,698,778
Taxes paid	(827,397)	(16,952)
Staff gratuity paid	(17,333)	(110,000)
Net cash inflow / (outflow) from operations	(124,454,594)	186,571,826
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of fixed assets	53,241,669	-
Long term security deposit	(1,714,404)	-
Net cash (outflow) / inflow from investing activities	51,527,265	-
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Loan from director	2,500,000	21,620,000
Net cash inflow from financing activities	2,500,000	43,240,000
Net (decrease) / Increase in cash and cash equivalents	(70,427,329)	208,191,826
Cash and cash equivalents at the beginning of the year	217,632,686	9,440,860
Cash and cash equivalents at the end of the year	147,205,357	217,632,686

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

  
Chief Executive Officer

  
Director

  
Chief Financial Officer

# AL-ABID SILK MILLS LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 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 year					
Loss after tax for the year ended June 30, 2018	-	-	(12,115,286)	-	(12,115,286)
Other comprehensive income	-	-	-	-	-
-Transfer from surplus on revaluation of fixed assets on account of Incremental depreciation	-	-	114,109,827	(114,109,827)	-
Effect of change in tax rate				10,238,421	10,238,421
Reversal of revaluation on surplus during the year net of tax				(1,050,782,634)	(1,050,782,634)
Balance as at June 30, 2018	134,095,500	372,834,000	(6,642,427,149)	1,441,258,732	(4,694,238,916)
Balance as at July 01, 2018	134,095,500	372,834,000	(6,642,427,149)	1,441,258,732	(4,694,238,916)
Loss after tax for the year ended June 30, 2019	-	-	(125,956,288)	-	(125,956,288)
-Transfer from surplus on revaluation of fixed assets on account of Incremental depreciation	-	-	99,835,750	(99,835,750)	-
Effect of change in tax rate			5,157,413	(5,157,413)	-
Balance as at June 30, 2019	134,095,500	372,834,000	(6,663,390,274)	1,336,265,569	(4,820,195,204)

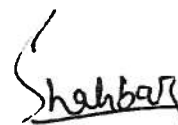
The annexed notes form an integral part of these financial statements.



Chief Executive Officer



Director



Chief Financial Officer

# AL-ABID SILK MILLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 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, the accumulated loss of the company has reached to Rs. 6.663 billion and Company's equity is in negative by Rs. 4.820 billion while the reported current liabilities (since partly under litigation) have exceeded to current assets of the company by Rs. 6.592 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. 513 million as matter was under litigation. During the year, the company has reached settlements with certain DFIs and bank namely Orix Leasing Pakistan Ltd, Pakistan Kuwait Investment Company (Pvt) Ltd, Pak Oman Investment Company Ltd and Standard Chartered Bank (Pakistan) Ltd total amounting to Rs. 101,783,388 and has paid the agreed amounts to the same as full and final settlement. Furthermore, efforts are being made to sell off some surplus machinery and land & building to settle off liabilities of certain banks/DFI as per master settlement agreement with the said banks. The management has already requested rest of the banks and DFI 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, and the discussion with the banks/DFI are continuing.

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.

## **2. SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING THE COMPANY'S FINANCIAL POSITION AND PERFORMANCE**

All significant transactions and events that have affected the Company's statement of financial position and performance during the year have been adequately disclosed in the notes to these financial statements. For a detailed discussion about these significant transactions and events please refer to the Directors' report and note 1.1 to the financial statements.

## **3. BASIS OF PREPARATION**

### **3.1 Statement of compliance**

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as applicable in Pakistan comprise of International Financial Reporting Standards (IFRS), issued by International Accounting Standard Board (IASB) as notified under 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 from the IFRS standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

### **3.2 Basis of measurement**

These financial statements have been prepared under the historical cost convention except for stores, spares and loose tools and stock-in-trade which are carried at lower of cost and net realizable value, and fixed assets which are carried at revalued amount and certain staff retirement benefits which are carried at present value.

### **3.3 Functional and presentation currency**

These financial statements are presented in Pak Rupees, which is the functional currency of the Company. All the financial information presented in Pak Rupee has been rounded off to the nearest rupee.

## **4 New standards, amendments to approved accounting standards and new interpretations**

### **4.1 Amendments to approved accounting standards and interpretations which are effective during the year**

There are certain amendments and interpretations to approved accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 01, 2018. However, these do not have any significant impact on the Company's financial reporting and, therefore, have not been detailed in these financial statements.

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## AL-ABID SILK MILLS LIMITED

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In addition to the above, the following two new standards have become applicable to Company effective July 01, 2018.

### 4.1.1 IFRS-15 'Revenue from contracts with customers'

This standard introduces a single five-step model for revenue recognition with a comprehensive framework based on core principle that an entity should recognize revenue representing the transfer of promised goods or services under separate performance obligations under the contract to customer at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. IFRS-15 replaces the previous revenue standards: IAS-18 Revenue, IAS-11 Construction contracts; and the related interpretations on revenue recognition.

### 4.1.2 IFRS-9 'Financial Instruments'

This standard replaces the provisions of IAS-39 that relate to the recognition, classification, and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. It also includes an Expected Credit Losses model that replaces IAS-39 Incurred Loss Impairment model. On July 01, 2018 (the date of initial application of IFRS-9), the Company's management has assessed which business models apply to the financial assets held by the Company and has classified its financial instruments into the appropriate IFRS-9 categories (i.e. mainly financial assets previously classified as 'loans and receivables' have now been classified as 'amortized cost').

The changes laid down by these standards do not have any significant impact on these Financials Statements of the company. However, related changes to the accounting policies have been made to these statements.

## 5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 5.1 Operating fixed assets

- a. Operating fixed assets of Leasehold land, Building on Leasehold land, Plant, Machinery & equipments, Furniture & Fixture, Office equipment, Electric, gas & Other Installation and Leased Plant, Machinery & equipments are stated at revalued amount. Vehicles are stated at cost less accumulated depreciation and impairment losses, if any.
- b. Residual values and useful lives are reviewed, at each balance sheet date, and adjusted if impact on depreciation is significant.
- c. The Company assesses at each balance sheet date whether there is any indication that operating fixed assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment charge is recognised in income currently.
- d. Depreciation is charged to income on the reducing balance basis. Depreciation is charged at rates stated in note 21.1.



- e. Depreciation on additions is charged from the month the assets are available for use while in the case of disposals, depreciation is charged one month prior up to the month in which the assets are disposed off.
- f. The depreciation method and useful lives of items of fixed assets are reviewed periodically and altered if circumstances or expectations have changed significantly. Any change is accounted for as a change in accounting estimate by changing the depreciation charge for the current and future periods.
- g. Normal repairs and maintenance are charged to expenses as and when incurred. Major renewals and replacements are capitalized and are depreciated over the remaining useful life of the related assets.
- h. Gains or losses on disposal or retirement of fixed assets are determined as the difference between the sales proceeds and the carrying amount of asset and are included in the profit and loss account.
- i. Capital work in progress is stated at cost. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to specific assets as and when assets are available for use.

## **5.2 Operating fixed assets held under finance lease and related depreciation**

The Company accounts for operating fixed assets held under finance lease by recording the asset and the related liability. Operating fixed assets on finance lease are capitalized at the commencement of the lease term at the lower of the fair value of leased assets and the present value of minimum lease payments, each determined at the inception of the lease. Each lease payment is allocated between its present value and finance cost so as to achieve a constant rate on the finance lease obligation. The finance cost is charged to profit and loss account and is included under finance charges. Depreciation is charged to income applying the reducing balance method at rates stated in note 21.1.

The Company assesses at each balance sheet date whether there is any indication that the leased operating fixed assets may be impaired. If such an indication exists, the carrying amounts of the related assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is charged to income currently.

## **5.3 Surplus on Revaluation of Fixed Assets**

Any revaluation surplus is credited to the surplus on revaluation of fixed assets, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the income statement, in which case the increase is recognised in the income statement. A revaluation deficit is recognised in the income statement, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve. Revaluation is carried out with

sufficient regularity to ensure that the carrying amount of assets does not differ materially from the fair value.

#### **5.4 Store and Spare Parts**

Stores, spare parts and loose tools are stated at the lower of cost and net realizable value. The cost of inventory is based on weighted average cost less provision for obsolescence, if any. Items in transit are stated at cost comprising invoice value plus other charges thereon accumulated up to the balance sheet date.

#### **5.5 Stock-in-trade**

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

#### **5.6 Trade debts and other receivables**

Trade and other receivables are recognized initially at the amount of consideration that is unconditional, unless they contain significant summary component on which case such are recognized at fair value. The Company holds the trade debts with the objective of collecting the contractual cashflows and therefore measure the trade debts subsequently at amortized cost using effective interest rate method.

#### **5.7 Cash and cash equivalents**

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents comprise of term deposits, cash and bank balances.

#### **5.8 Revenue Recognition**

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

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

**5.9 Borrowing Cost**

Borrowing costs incurred on long term finances directly attributable for the construction/acquisition of qualifying assets are capitalized up to the date, the respective assets are available for the intended use. All other mark-up, interest and other related charges are taken to the profit and loss account currently.

**5.10 Foreign Currency Translation**

Transactions in foreign currencies are translated into Pak Rupee using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Pak Rupee at the exchange rates prevailing at the balance sheet date. All arising exchange gains and losses are recognised in the profit and loss account.

**5.11 Trade and Other Payables**

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not invoiced to the Company.

**5.12 Financial instruments****Financial assets**

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

**Financial assets at amortised cost**

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

**Financial assets at fair value through other comprehensive income**

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

## **AL-ABID SILK MILLS LIMITED**

### **Financial assets at fair value through profit or loss**

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

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

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

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

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

### **Financial liabilities**

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

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

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

**Contingent liability**

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

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

**Contingent assets**

Contingent assets are disclosed when there is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company. Contingent assets are not recognized until their realization becomes virtually certain.

**5.13 Offsetting of financial assets and financial liabilities**

A financial asset and a financial liability is set-off and the net amount is reported in the balance sheet if the Company has a legal right to set off the transaction and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

**5.14 Interest / Mark-up bearing loans and borrowings**

Interest / mark-up bearing loans and borrowings are recorded at the proceeds received. Finance charges are accounted for on accrual basis.

**5.15 Impairment**

The carrying amount of the Company's assets is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such an indication exists, the asset recoverable amount is estimated to determine the extent of impairment loss. Impairment losses are recognised in profit or loss. The recoverable amount is the higher of an asset's fair value less cost of disposal and value-in-use. Value-in-use is ascertained through discounting of the estimated future cashflows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cashflows (cash generated units).

**5.16 Earnings per share**

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

**5.17 Retirement benefits**

The Company operates an un-funded gratuity scheme covering all employees (excluding managerial staff). Provision is made annually based on management estimates which are adjusted periodically to agree with actuarial estimates. As per latest actuarial valuation carried out as at June 30, 2015, the value of scheme's liabilities were Rs. 14.27 million. The Projected Unit Credit Method of Valuation was used to generate actuarial values. The annual provision during the year were charged to income currently.

All actuarial gains and losses were recognised in 'other comprehensive income' as they occur. Previously actuarial gains / losses exceeding 10 percent of the higher of the present value of the defined benefit obligation and fair value of plan assets at the beginning of the year were amortized over the expected average working lives of the employees participating in the plan.

**5.18 Taxation**

Income tax expense represents the sum of current tax payable, adjustments, if any, to provision for tax made in previous years arising from assessments framed during the year for such years. Current income tax relating to items recognised directly in equity is recognised in equity and not in the income statement. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**(i) Current and prior year**

Provision for current year's taxation is based on taxable income for the year at the current rates of taxation after taking into account tax credits and tax rebates available, if any, and taxes paid under the presumptive tax regime in respect of imports & export and minimum tax.

**(ii) Deferred**

Deferred tax is provided using the balance sheet liability method on all temporary differences arising from differences between tax bases of assets and liabilities and their carrying amount for financial statements reporting purpose.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit shall be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited in the profit and loss account, except in the case of items credited or charged to equity in which case it is included in equity.

**5.19 Obligation under finance lease**

Total outstanding obligation under the lease arrangement less finance cost attributable to future periods is presented as liability. Finance cost under the lease arrangement is distributed over the lease term so as to produce a constant periodic rate of finance cost on the balance of principal liability outstanding at the end of each period.

**5.20 Borrowings**

These are recognized initially at fair value, net of transaction costs and are subsequently measured at amortized cost using the effective interest method. Difference between the proceeds (net of transaction costs) and the redemption value is recognized in the profit and loss account over the period of the borrowings. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months subsequent to the balance sheet date.

**5.21 Related Party Transactions**

All related party transactions are carried out on an arm's length basis using Comparable Uncontrolled Price method.

**5.22 Provisions**

Provisions are recognized when the company has a present legal or constructive obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

**6. Critical accounting estimates and judgments**

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience, including expectation of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgment was exercised in application of accounting policies are as follows:

In the process of applying the company's accounting policies, management has made the following estimates and judgements which are significant to the financial statements:

- i Estimated useful life of property, plant and equipment - note 21
- ii Revaluation surplus on fixed assets - note - 8
- iii Retirement benefits - note 13
- iv Deferred taxation - note 11
- v Assumptions and estimates used in calculating the provision for impairment for trade debts.

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

# AL-ABID SILK MILLS LIMITED

## 7 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

June 2019 (Number of shares)	June 2018 (Number of shares)	Authorized Capital	June 2019 Rupees	June 2018 Rupees
20,000,000	20,000,000	Ordinary shares of Rs. 10 each	200,000,000	200,000,000
8,713,900	8,713,900	Issued, subscribed and paid up capital Ordinary shares of Rs. 10 each fully paid-up in cash	87,139,000	87,139,000
4,695,650	4,695,650	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	46,956,500	46,956,500
13,409,550	13,409,550		134,095,500	134,095,500

### Shares held by the related parties of the Company

Directors, CEO, & their spouse and minor children	2019 Number of shares	2019 Percentage holding	2018 Number of shares	2018 Percentage holding
Mr. Naseem A. Sattar	7,515,162	56.043	7,515,162	56.043
Mr. Azim Ahmed	479,818	3.578	479,818	3.578
Mst. Adia Naseem	328,322	2.448	328,322	2.448
Mrs. Sadaf Nadeem	132,281	0.986	132,281	0.986
S.M. Jawed Azam	500	0.004	500	0.004
Mr. Qamar Mashkoor	500	0.004	500	0.004
Mr. Muhammad Sajid Hafeez	500	0.004	500	0.004

### NIT and SICIP

CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	1,113,687	8.305	1,113,687	8.305
STATE LIFE INSURANCE CORPORATION OF PAKISTAN	236,994	1.767	236,994	1.767

## 8 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	(98,835,750)	(114,109,827)
Adjustment due to change in tax rate	(5,157,413)	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	1,336,265,569	1,441,258,732

- 8.1 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.

## 9 LONG TERM LOAN FROM BANKS - SECURED (NON-PARTICIPATORY)

Name of Banks	Sale price	Purchase price	Number of installments and date of commencement	Rate of mark-up per annum	June 2019 Rupees	June 2018 Rupees
Pak Oman Investment Company I	86,871,864	107,417,218	22 equal quarterly 'September 4, 2006 Grace	7.0% Per Annum	(31,424,077)	27,011,025
Pak Oman Investment Company II	1,091,413	1,638,507	22 equal quarterly 'September 4, KIBOR	2.0% over 6 months	477,496	477,496
					(30,946,581)	27,488,521
Less: Transfer to Current maturity					(30,946,581)	27,488,521

## 10 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

Present value of minimum lease payments	30,946,581	39,630,299
Current maturity shown under current liabilities	(30,946,581)	(39,630,299)



# AL-ABID SILK MILLS LIMITED

## Minimum lease payments

Not later than one year	30,946,581	39,630,299
Later than one year and not later than 5 years	-	-
Finance charges not yet due	30,946,581	39,630,299
Present value of finance lease liabilities	30,946,581	39,630,299
<b>Present value of finance lease liabilities</b>		
Not later than one year	30,946,581	39,630,299
Later than one year and not later than 5 years	-	-
	30,946,581	39,630,299

- 10.1 Payment under leases included financial charges at the rates ranging between 8% to 16.30% per annum. However, the company is not accruing the markup due to the reason as disclosed in note 1 to the financial statements. Leases carry purchase options at the end of the lease period. There are no financial restrictions in the lease agreements. As fully disclosed in note No. 20 various financial institutions have filed suit for the recovery of these loan.

	June 2019 Rupees	June 2018 Rupees
<b>11 DEFERRED TAXATION</b>		
Debit / (Credit) balances arising from:		
Accelerated tax depreciation allowance	218,923,370	250,935,714
Provision for obsolete item	(8,777,904)	(6,810,443)
Provision for obsolete stock	(2,110,037)	(1,637,097)
Provision for doubtful debt	(219,288)	(170,137)
Liabilities against assets subject to finance lease	(11,492,787)	11,344,474
Provision for retirement benefits	2,027,565	2,102,681
Tax credit of unused tax losses	(344,790,518)	(356,679,848)
	(146,439,599)	(100,914,656)

Deferred tax asset has not been recognized as management is of the view that future earnings to the extent of such asset may not be available.

<b>12 LOAN FROM DIRECTOR - UNSECURED</b>		
Balance at beginning of the year	518,518,754	496,898,754
Received during the year	2,500,000	21,620,000
Repaid during the year	-	-
	521,018,754	518,518,754

The above is interest free loan from director(s) of the company, which is payable on demand.

<b>13 RETIREMENT BENEFITS</b>	6,991,602	7,008,935
<b>13.1 Movement in net liability recognized in the Balance Sheet</b>		
Liability at beginning of the year	7,008,935	7,118,935
Charge for the year	-	-
Remeasurement on obligation	-	-
Benefits paid during the year	(17,333)	(110,000)
Liability at end of the year	6,991,602	7,008,935

<b>14 SECURITY DEPOSIT</b>	30,000,000	-
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- 14.1 This comprises of security deposited by the fixed assets buyer under agreement.

<b>15 TRADE AND OTHER PAYABLES</b>		
Trade creditors	686,110,672	694,971,025
Other creditors	215,021,316	215,129,998
Accrued liabilities	6,917,817	6,035,471
Workers' profit participation fund	16,695,060	16,695,060
Advance from customers	785,717	785,717
Other liabilities	2,082,287	2,952,320
	927,612,869	936,569,591

<b>16 ADVANCE FROM IBL</b>		
Balance at beginning	366,063,944	366,063,944
During the year	-	-
	366,063,944	366,063,944

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.

<b>17 ACCRUED MARKUP</b>		
Export refinance loan & US Dollar loan	120,721,875	122,852,442
Liabilities against assets subject to finance lease	3,437,436	3,437,436
Long term loan	-	170,807
Short term loan	114,355,253	114,355,253
	238,514,564	240,815,938

# AL-ABID SILK MILLS LIMITED

	June 2019 Rupees	June 2018 Rupees
<b>18 CURRENT MATURITY OF LONG-TERM LOANS AND LEASE LIABILITY</b>		
Long term Loans - Pak Oman Investment Company i & ii	27,488,521	27,488,521
Liabilities against assets subject to finance lease	39,630,299	39,630,299
Less: Settlement during the year	(67,118,820)	-
	-	67,118,820
<b>19 SHORT TERM FINANCES</b>		
From banks and financial institutions - Secured	4,976,112,476	5,034,787,523
Bills payable under letters of credit	-	-
	4,976,112,476	5,034,787,523
<b>19.1</b> The facilities consist of various types of short term finances from different banks and non-banking financial institutions. The facilities are secured against hypothecation charge on stocks, mortgage on factory property of Plot No. A-51/B, A-29/B, D-14/C-1 and A-34/A with building and machinery installed thereon and charge on book debts and receivables of the company. As fully disclosed in note No. 20 various banks have filed suit for the recovery of these loans.		
<b>20 CONTINGENCIES AND COMMITMENTS</b>		
<b>20.1 Contingencies</b>		
Bank guarantee	31,088,000	79,834,000
<b>20.1.1</b> The bank guarantees have been issued in favor of Sul Southern Gas Company Limited and others.		
<b>20.1.2</b> 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.		
<b>20.1.3</b> 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.		
<b>20.1.4</b> 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/-.		
<b>20.1.5</b> 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/-. To settle this, a master settlement agreement has been entered into.		
<b>20.1.6</b> 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/-. To settle this, a master settlement agreement has been entered into.		
<b>20.1.7</b> Meezan Bank Ltd. Suit No. B-58 of 2013 against the company for recovery of outstanding loan amounting to Rs. 546,667,987/-. To settle this, a master settlement agreement has been entered into.		
<b>20.1.8</b> 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/-. In this regard, a settlement agreement has been reached.		
<b>20.1.9</b> 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/-. To settle this, a master settlement agreement has been entered into.		
<b>20.1.10</b> 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/-.		
<b>20.1.11</b> 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/-		
<b>20.1.12</b> Allied Bank Ltd. has filed suit No. 26 of 2017 against the Company for recovery of outstanding loan amounting to Rs. 77,676,831/-. To settle this, a master settlement agreement has been entered into.		
<b>20.1.13</b> 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/-		
<b>20.1.14</b> 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/-. To settle this, a master settlement agreement has been entered into.		
The amount mentioned on above note 20.1.4 to 20.1.14 are claimed amounts by the Banks, actual amounts to be determined by the Banking Court.		
The outcome of above cases as referred in note 20.1.4 to 20.1.14 cannot be predicted and the management is vigorously contesting the case, however major amount has already been provided in financial statements.		
<b>20.1.15</b> Various suppliers and other financial institutions have filed the suits against the company and the outcome of the cases cannot be predicted but management is vigorously contesting the case.		
<b>20.1.16</b> 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.		
<b>20.2 Commitments:</b>		
There are no commitments as at year end. (June 2018: Nil).		

# AL-ABID SILK MILLS LIMITED

## 21 PROPERTY, PLANT AND EQUIPMENT

Operating Fixed Assets  
Capital Work in Progress - DDFC Boiler

### 21.1 Operating Fixed Assets

	Note	2019 Rupees	2018 Rupees
	21.1	1,752,025,427	1,925,348,701
		16,800,000	16,800,000
		<u>1,768,825,427</u>	<u>1,942,148,701</u>

Particulars	2019						Total
	Lease hold Land	Building on Lease hold land	Plant, Machinery & equipments	Furniture & Fixture	Office equipment	Electric, gas & Other Installations	
Rate	10%	10%	10%	10%	10%	10%	20%
Owned Assets							
Rupees							
Opening net book value	725,395,000	494,706,139	689,201,878	4,282,289	768,531	6,786,941	1,925,348,701
Addition during the year	-	-	-	-	-	-	-
Deletion during the year	-	-	(61,880,000)	-	-	-	(61,880,000)
Charge for the year	-	(49,470,615)	(66,798,289)	(427,932)	(76,855)	(678,695)	(118,293,970)
Surplus/(Impairment)/Deletion during the year	-	-	6,850,696	-	-	-	6,850,696
Closing net book value	725,395,000	445,235,524	553,672,893	3,854,357	691,676	6,108,246	1,752,025,427
Leased Assets							
Rupees							
Opening net book value	-	-	-	-	-	-	-
Addition during the year	-	-	-	-	-	-	-
Deletion during the year	-	-	-	-	-	-	-
Charge for the year	-	-	-	-	-	-	-
Impairment during the year	-	-	-	-	-	-	-
Closing net book value	-	-	-	-	-	-	-
Total WDV as on June 30, 2019	725,395,000	445,235,524	553,672,893	3,854,357	691,676	6,108,246	1,752,025,427

**21.2 Forced sale value as per the last revaluation report as of January 08, 2018**

Asset	Forced sale value
Lease hold land	654,220,000
Building	445,408,087
Plant, Machinery and Equipment	574,420,000
<b>Total</b>	<b>1,674,048,087</b>

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

	Location	Usage of Immovable Property	Total Area (Square feet)	* Covered Area (Square feet)
Lease hold	Plot No. A-39, S.I.T.E., Karachi.	Head Office and Manufacturing facility	128,937.60	160,668.00
Land &	Plot No. A-51/B, S.I.T.E., Karachi.	Factory and Manufacturing facility	51,836.40	41,111.00
Building	Plot No. A-34/A, S.I.T.E., Karachi.	Factory and Manufacturing facility	65,340.00	80,983.50
	Plot No. A-29/B, S.I.T.E., Karachi.	Factory and Manufacturing facility	124,146.00	269,835.00
	Plot No. D-14/C-1, S.I.T.E., Karachi.	Factory and Stitching facility	40,075.20	112,245.00

\* The covered area includes multi storey buildings.

**21.4 Had there been no revaluation, related figures of property, plant and equipments would have been as follows:**

	2019	2018
<b>Owned Assets</b>		
Leasehold land	45,500,514	45,500,514
Building on lease-hold land	98,515,037	109,461,150
Plant, machinery and equipments	486,468,499	555,738,994
Furniture & fixture	22,282,802	24,758,669
Office equipment	6,782,716	7,536,351
Electric, gas & other installation	29,157,901	32,397,668
<b>Leased Assets</b>		
Plant, machinery & equipment	—	—
	<b>688,707,469</b>	<b>775,393,346</b>

# AL-ABID SILK MILLS LIMITED

## 21.5 Details of property, plant and equipment sold are given below:

DESCRIPTION	COST	ACCUMULATED DEPRECIATION	BOOK VALUE	SALE AMOUNT	GAIN/(LOSS)	MODE OF DISPOSAL	PARTICULARS OF BUYERS	RELATIONSHIP
SITRA CURING MACHINE	1,400,000	114,333	1,285,667	1,166,667	(119,000)	Negotiation	IFTIKHAR AHMED	Scrap buyers
RAISING MACHINE	2,100,000	171,500	1,928,500	2,100,000	171,500	Negotiation	HOME CARE TEXTILE	Scrap buyers
DIESEL GENERATOR	1,750,000	142,917	1,607,083	1,458,333	(148,750)	Negotiation	FAIZ AHMED	Scrap buyers
DIESEL GENERATOR	2,800,000	228,667	2,571,333	2,333,333	(238,000)	Negotiation	FAIZ AHMED	Scrap buyers
5 BOWL ROLLING, CALANDER M/C	1,400,000	114,333	1,285,667	1,400,000	114,333	Negotiation	HOME CARE TEXTILE	Scrap buyers
SOFT FLOW MACHINE	700,000	62,708	637,292	700,000	62,708	Negotiation	HOME CARE TEXTILE	Scrap buyers
PACKAGE BOILER (SCRAP)	1,400,000	125,417	1,274,583	1,400,000	125,417	Negotiation	JAWED AKRAM	Scrap buyers
WINCH	168,000	15,050	152,950	140,001	(12,949)	Negotiation	M. IMRAN BAIG	Scrap buyers
MERCERIZING RANGE	4,200,000	442,750	3,757,250	3,700,000	(57,250)	Negotiation	HOSANNA TEXTILE	Scrap buyers
WINCH	56,000	5,903	50,097	46,667	(3,430)	Negotiation	KAMAL AHMED	Scrap buyers
WINCH	56,000	6,347	49,653	46,667	(2,986)	Negotiation	RAEES	Scrap buyers
ROTARY PRINTING MACHINE	4,900,000	594,125	4,305,875	4,083,333	(222,542)	Negotiation	MUHAMMAD AKHTAR	Scrap buyers
JET DYEING MACHINE	1,400,000	169,750	1,230,250	1,166,667	(63,583)	Negotiation	RAEES	Scrap buyers
ROTARY PRINTING MACHINE	2,450,000	316,458	2,133,542	2,041,667	(91,875)	Negotiation	M. SHAHZAD SAEED	Scrap buyers
STEAM BOILER (SCRAP)	1,050,000	94,063	955,937	1,050,000	94,063	Negotiation	JAWED AKRAM	Scrap buyers
STEAM BOILER (SCRAP)	2,100,000	188,125	1,911,875	1,750,000	(161,875)	Negotiation	M. SAEED	Scrap buyers
ROPE OPENING AND SLITTING M/C	1,050,000	102,375	947,625	875,000	(72,625)	Negotiation	ALLAH DITTA	Scrap buyers
HOT FLUE	3,500,000	368,958	3,131,042	3,283,333	152,291	Negotiation	HOME CARE TEXTILE	Scrap buyers
STENTER AND DRYING RANGE	4,200,000	476,000	3,724,000	3,500,000	(224,000)	Negotiation	NASEER AHMED RAZA	Scrap buyers
STENTER AND DRYING RANGE	6,300,000	763,875	5,536,125	5,250,000	(286,125)	Negotiation	RAEES	Scrap buyers
SINGEING MACHINE	1,400,000	169,750	1,230,250	1,166,667	(63,583)	Negotiation	RAEES	Scrap buyers
BRUCKER STENTER MACHINE	7,000,000	904,167	6,095,833	5,833,333	(262,500)	Negotiation	MUHAMMAD ARSHAD	Scrap buyers
BLEACHING MACHINE	10,500,000	1,273,125	9,226,875	8,750,000	(476,875)	Negotiation	ABDUL RAZZAK	Scrap buyers
	<b>61,880,000</b>	<b>6,850,696</b>	<b>55,029,304</b>	<b>53,241,669</b>	<b>(1,787,635)</b>			

21.6 During the year, no assets were disposed-off to Chief Executive , Director, Executive or a Shareholder not less than ten percent of the voting shares of the Company or any related party.

Particulars	2018							
	Lease hold Land	Building on Lease hold	Plant, Machinery & equipments	Furniture & Fixture	Office equipment	Electric, gas & Other	Vehicles	Total
		10%	10%	10%	10%	10%	20%	
Rate								
Owned Assets								
Rupees								
Opening net book value	606,379,400	635,526,657	2,088,440,112	79,722,674	24,837,336	117,707,576	5,259,904	3,557,873,659
Addition during the year	-	-	-	-	-	-	-	-
Deletion during the year	-	-	-	-	-	-	-	-
Charge for the year	-	(57,913,503)	(138,250,369)	(4,211,362)	(1,282,318)	(6,242,588)	(1,051,981)	(208,852,121)
Surplus/(Impairment) during the year	119,015,600	(83,007,015)	(1,307,450,822)	(71,229,023)	(22,786,487)	(104,678,047)	-	(1,470,135,794)
Closing net book value	725,395,000	494,706,139	642,738,921	4,282,289	768,531	6,786,941	4,207,923	1,878,885,744
Leased Assets								
Rupees								
Opening net book value	-	-	84,095,401	-	-	-	-	84,095,401
Addition during the year	-	-	-	-	-	-	-	-
Deletion during the year	-	-	-	-	-	-	-	-
Charge for the year	-	-	(6,650,189)	-	-	-	-	(6,650,189)
Impairment during the year	-	-	(30,982,255)	-	-	-	-	(30,982,255)
Closing net book value	-	-	46,462,957	-	-	-	-	46,462,957
Total WDV as on June 30, 2018								
	725,395,000	494,706,139	689,201,878	4,282,289	768,531	6,786,941	4,207,923	1,925,348,701

# AL-ABID SILK MILLS LIMITED

	Note	2019 Rupees	2018 Rupees
<b>22 STORES AND SPARES</b>			
Stores		1,092,718	1,092,718
Spares		74,578,870	74,578,870
		75,671,588	75,671,588
Provision for obsolete items		(30,268,636)	(22,701,477)
		45,402,952	52,970,111
Stores and spares do not include any major spare parts which may be categorized under the Property, Plant and Equipment.			
<b>23 STOCK IN TRADE</b>			
Raw materials			
In hand		18,189,966	18,189,966
Provision for obsolete stock		(7,275,988)	(5,456,991)
		10,913,978	12,732,975
<b>24 TRADE DEBTS</b>			
Unsecured		-	-
Secured		-	-
-Considered good		444,776	444,776
-Considered doubtful		1,890,406	1,890,406
		2,335,182	2,335,182
Provision for doubtful debts		(756,164)	(567,123)
		1,579,018	1,768,059
<b>25 LOANS AND ADVANCES</b>			
Advances-considered good			
Advances to suppliers, contractors and others - unsecured		5,023,594	5,017,778
		5,023,594	5,017,778
<b>26 TRADE DEPOSITS AND PREPAYMENTS</b>			
Trade deposits - unsecured and considered good		7,994,098	6,311,810
<b>27 OTHER RECEIVABLES</b>			
Duty drawback		160,216,810	160,216,810
Research and development support		4,325,164	4,325,164
Receivable against sales of assets		30,816,101	-
		195,358,075	164,541,974
<b>28 TAX REFUNDS DUE FROM GOVERNMENT</b>			
Sales tax		52,547,887	64,433,345
Income tax		8,136,214	9,968,699
		60,684,101	74,402,044
<b>29 CASH AND BANK BALANCES</b>			
Cash on hand		2,107,919	217,688
Cash at Banks			
- Current account		6,780,375	213,286,300
- Saving account	29.1	134,188,365	-
- Term deposit		4,128,698	4,128,698
		145,097,438	217,414,998
		147,205,357	217,632,686
<b>29.1</b>	This represents deposit in saving account in Dubai Islamic Bank carrying mark-up range 5.5% to 7.5%.		
<b>30 SALES AND MANUFACTURING</b>			
Sales			
Export sales		-	-
Local sales		-	-
Manufacturing			
Printing and dyeing		-	-
		-	-
<b>31 COST OF SALES</b>			
Cost of materials consumed	31.1	-	-
Salaries and wages		-	-
Manufacturing overhead	31.2	125,649,804	214,460,070
		125,649,804	214,460,070

# AL-ABID SILK MILLS LIMITED

	NOTE	2019 Rupees	2018 Rupees
<b>Work - in- process</b>			
Opening stock		-	-
Closing stock		-	-
<b>31.1 Cost of goods manufactured</b>		<b>125,649,804</b>	<b>214,460,070</b>
<b>Finished goods</b>			
Opening stock		-	-
Closing stock		-	-
<b>Less : Duty drawback</b>		<b>125,649,804</b>	<b>214,460,070</b>
<b>31.2 Manufacturing Overhead</b>			
Repairs and maintenance		652,862	249,002
Rent, rates and taxes		1,516,484	1,326,392
Water consumption charges		4,151,375	-
Coolie, cartage and freight		-	5,000
Depreciation	21.1	117,510,086	211,060,679
Provision for obsolete stock		1,818,997	1,818,997
		<b>125,649,804</b>	<b>214,460,070</b>
<b>32 ADMINISTRATIVE EXPENSES</b>			
Salaries and benefits		11,393,070	8,170,494
Staff welfare		12,500	83,984
Heat, light and power		2,820,914	2,220,131
Car maintenance		467,939	86,500
Conveyance		66,113	37,550
Entertainment		535,558	186,183
Printing and stationery		332,369	246,301
Communication		145,414	264,740
Legal and professional		16,570,666	5,939,033
Auditors' remuneration	32.1	711,000	730,000
Advertisement		266,275	56,794
Subscription and fees		540,815	567,677
Service contracts		234,750	-
Repairs and maintenance		935,000	-
Miscellaneous		-	6,800
Depreciation	21.1	783,884	4,441,631
Provision for obsolete items		7,567,159	7,567,159
Provision for doubtful debts		189,041	189,041
		<b>43,572,466</b>	<b>30,794,018</b>
<b>32.1 Auditors' remuneration</b>			
Audit fee		600,000	600,000
Fee for half yearly review		81,000	100,000
Out of pocket expenses		30,000	30,000
		<b>711,000</b>	<b>730,000</b>
<b>33 OTHER INCOME</b>			
<b>Income from non-financial assets / liabilities</b>			
Waiver received from other creditors		4,226,112	5,160,768
Compensation received from foreign buyer		-	207,630,000
Sale of scrap		28,826,691	-
Loss on disposal of property, plant and equipment		(1,787,635)	-
Gain on settlement of bank liabilities		4,311,853	-
<b>Income from financial assets / liabilities</b>			
Profit on PLS deposit Account		8,061,304	-
		<b>43,638,325</b>	<b>212,790,768</b>
<b>34 FINANCE COST</b>			
Bank charges, mark-up and commission		12,009	5,063
<b>35 LOSS PER SHARE - BASIC AND DILUTED</b>			
<b>35.1 LOSS PER SHARE</b>			
Loss after taxation	Rupees	(125,956,288)	(12,115,286)
Weighted average number of	Number	13,409,550	13,409,550
Basic loss per share	Rupees	(9.39)	(0.90)
<b>35.2 Diluted earnings per share</b>			
There is no dilution effect on the basic loss per share of the company.			



# AL-ABID SILK MILLS LIMITED

## REMUNERATION OF DIRECTORS & EXECUTIVES

	CHIEF EXECUTIVE		DIRECTOR		EXECUTIVES	
	2019	2018	2019	2018	2019	2018
	Rupees					
Basic	-	-	-	-	3,151,515	2,400,000
House rent	-	-	-	-	1,418,182	1,080,000
Other allowances and perquisites	-	-	-	-	630,303	480,000
	-	-	-	-	5,200,000	3,960,000
Number of persons	1	1	1	1	4	3

\*The definition of executive has been changed as per the Companies Act, 2017.

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

- 36 The Chief Executive and Directors have been provided with free use of the company maintained cars, residential telephones for business and personal use and foreign air traveling for self and dependents once in a year. Certain executives have also been provided with free use of Company maintained car.
- 36 Aggregate amount charged in the accounts for Board Meeting fee to non - executive Directors is Rs. 62,000 (2018: Rs.52,000).
- 36 In view for bad financial condition of the company directors have decided not to claim their whole remuneration for the year ended June 30, 2019 i.e. Mr. Naseem A. Sattar Rs. 10,500,000 and Mr. Azim Ahmed Rs. 5,400,000. (2018: Mr. Naseem A. Sattar Rs. 10,500,000) and (Mr. Azim Ahmed Rs. 5,400,000).
- 36 Outstanding salaries payable to Chief Executive and Director was Rs. Nil and 1,800,000 (2018: Rs. Nil and 1,800,000) respectively at the end of the year.

### 37 CAPITAL RISK MANAGEMENT

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

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders or issue new shares.

### 38 FINANCIAL INSTRUMENTS BY CATEGORY

	2019 Rupees	2018 Rupees
<b>Financial Assets</b>		
- At Amortized Cost		
Long term security deposit	3,601,049	1,886,645
Trade debts	1,579,018	1,768,059
Loans and advances	5,023,594	5,017,778
Trade deposits and prepayments	7,994,098	6,311,810
Other receivables	195,358,075	164,541,974
Cash and bank balances	147,205,357	217,632,686
	<u>360,761,191</u>	<u>397,158,952</u>
<b>Financial Liabilities</b>		
- At Amortized Cost		
Loan from director - unsecured	521,018,754	518,518,754
Retirement benefits	6,991,602	7,008,935
Security deposit	30,000,000	-
Trade and other payables	927,612,869	936,569,591
Unclaimed dividend	108,310	108,310
Advance from I.B.L	366,063,944	366,063,944
Accrued makup	238,514,564	240,815,938
	<u>2,090,310,043</u>	<u>2,069,085,472</u>

## 39 FAIR VALUE OF FINANCIAL INSTRUMENTS

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.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

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

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

If the inputs used to measure the fair value of financial asset fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Fair values of financial assets that are traded in active markets are based on quoted market prices. For all other financial instruments the Modaraba determine fair values using valuation techniques unless the fair value cannot be reliably measured.

For assets that are recognised in the financial statements at fair value on a recurring basis, the Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. There were no transfers between different levels of fair values mentioned above.

The table below shows the carrying amounts and fair values of a financial asset and financial liability including their fair value hierarchy for financial instruments measured at fair value. It does not include the fair value information of financial assets and financial liabilities not measured at fair value if the carrying amount is reasonable approximation of fair value.

2019				
	Rupees			
	Carrying amount / Cost	Level 1	Level 2	Level 3
<b>Financial assets at amortized cost</b>				
Long term security deposit	3,601,049	-	-	-
Trade debts	1,579,018	-	-	-
Loans and advances	5,023,594	-	-	-
Trade deposit	7,994,098	-	-	-
Other receivables	195,358,075	-	-	-
Bank balance	145,097,438	-	-	-
<b>Financial liabilities at amortised cost</b>				
Loan from director - unsecured	521,018,754	-	-	-
Trade and other payables	927,612,869	-	-	-
Security deposit	30,000,000	-	-	-
Advance from I.B.L	366,063,944	-	-	-
Accrued markup	238,514,564	-	-	-
Short term finance	4,976,112,476	-	-	-

# AL-ABID SILK MILLS LIMITED

2018

	Carrying amount / Cost	Level 1	Level 2	Level 3
<b>Financial instruments by category</b>				
<b>Financial assets at amortized cost</b>				
Long term security deposit	1,886,645	-	-	-
Trade debts	1,768,059	-	-	-
Loans and advances	5,017,778	-	-	-
Trade deposits and prepayments	6,311,810	-	-	-
Other receivables	164,541,974	-	-	-
Cash and bank balances	217,632,686	-	-	-
<b>Financial liabilities at amortised cost</b>				
Loan from director - unsecured	518,518,754	-	-	-
Trade and other payables	936,569,591	-	-	-
Unclaimed dividend	108,310	-	-	-
Advance from I.B.L	366,063,944	-	-	-
Accrued markup	240,815,938	-	-	-
Current maturity of long term loans and Lease Liability	67,118,820	-	-	-
Short term finances	5,034,787,523	-	-	-

## 40 FINANCIAL RISK MANAGEMENT

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

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

- Market Risk
- Credit Risk
- Liquidity Risk

The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies. . The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance. No changes were made in the objectives, policies or processes and assumptions during the year ended 30 June 2018 which are summarized below:

# AL-ABID SILK MILLS LIMITED

## 40.1 Market risk

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

### a) Foreign currency risk

Foreign currency risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency risk arise on financial instruments that are denominated in a currency other than the functional currency in which they are measured.

The Company's exposure to foreign currency risk at the reporting date is as follows:

	2019		2018	
	Rupees	US Dollar	Rupees	US Dollar
Trade debts	-	-	-	-
Short term borrowing	-	-	-	-
Accrued Mark Up on borrowing	-	-	-	-
Net exposure	-	-	-	-

The following significant exchange rates have been applied:

	Average Rate		Reporting date rate	
	2019	2018	2019	2018
	(Rupees)			
Rs. against 1 US Dollar	-	-	-	-

### Sensitivity Analysis

10% strengthening / weakening of Pak rupees against the following currencies at the reporting date would have increased / (decreased) profit before tax for the year by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remain constant.

Effect on profit before tax	June 2019 Rupees	June 2018 Rupees
US Dollar	-	-

### b) Yield / mark - up rate exposure

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

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

Financial assets		
Term Deposit Receipts	4,128,698	4,128,698
Saving account	134,188,365	-
	138,317,063	4,128,698

## AL-ABID SILK MILLS LIMITED

<b>Financial Liabilities</b>	<b>June 2019 Rupees</b>	<b>June 2018 Rupees</b>
Long Term Loan	-	27,488,521
Liabilities against assets subject to finance lease	-	39,630,299
Short term finances	<b>4,976,112,476</b>	<b>5,034,787,523</b>
	<b><u>4,976,112,476</u></b>	<b><u>5,101,906,343</u></b>

### **Sensitivity analysis**

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

Effect on Profit before tax	<b><u>49,761,125</u></b>	<b><u>51,019,063</u></b>
-----------------------------	--------------------------	--------------------------

### **40.2 Credit risk**

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

<b>At Amortized Cost</b>	<b>June 2019 Rupees</b>	<b>June 2018 Rupees</b>
Long term security deposit	<b>3,601,049</b>	<b>1,886,645</b>
Trade debts	<b>1,579,018</b>	<b>1,768,059</b>
Loans and advances	<b>5,023,594</b>	<b>5,017,778</b>
Trade deposits	<b>7,994,098</b>	<b>6,311,810</b>
Other receivables	<b>195,358,075</b>	<b>164,541,974</b>
Tax refunds due from government	<b>60,684,101</b>	<b>74,402,044</b>
Bank balances	<b><u>145,097,438</u></b>	<b><u>217,414,998</u></b>
	<b><u>419,337,373</u></b>	<b><u>471,560,996</u></b>

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

	<b>June 2019 Rupees</b>	<b>June 2018 Rupees</b>
Pakistan	<b><u>1,579,018</u></b>	<b><u>1,768,059</u></b>
The ageing of trade debts at the reporting date is as follows:		
Not past due	-	-
Past due 0-60 days	-	-
Past due 61 and above	<b><u>1,579,018</u></b>	<b><u>1,768,059</u></b>
	<b><u>1,579,018</u></b>	<b><u>1,768,059</u></b>

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

40.2.2 Company's banks balances with reference to the credit ratings of the banks have not been presented as the Company is in litigation with the banks.

### **Due from customers other than related parties**

Others	<b><u>1,957,100</u></b>	<b><u>1,957,100</u></b>
	<b><u>1,957,100</u></b>	<b><u>1,957,100</u></b>

The balances of financial assets held with related parties other than short term investments are as follows:

Trade deposits	<b>7,994,098</b>	<b>6,311,810</b>
Other receivables	<b><u>195,358,075</u></b>	<b><u>164,541,974</u></b>
	<b><u>203,352,173</u></b>	<b><u>170,853,784</u></b>

# AL-ABID SILK MILLS LIMITED

## 40.3 Liquidity risk

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

Financial Liabilities At Amortized Cost	2019			
	Carrying Amount	Contractual Cash Flows	Less Than 01 Year	More Than 01 Year
			Rupees	
Trade and other payables	927,612,869	927,612,869	927,612,869	-
Advance from I.B.L	366,063,944	366,063,944	366,063,944	-
Accrued markup	238,514,564	238,514,564	238,514,564	-
Loan from director	521,018,754	521,018,754	521,018,754	-
Security deposit	30,000,000	30,000,000	30,000,000	-
Short term finances	4,976,112,476	4,976,112,476	4,976,112,476	-
	<b>7,059,322,607</b>	<b>7,059,322,607</b>	<b>7,059,322,607</b>	<b>-</b>

Financial Liabilities At Amortized Cost	2018			
	Carrying Amount	Contractual Cash Flows	Less Than 01 Year	More Than 01 Year
			Rupees	
Long term loan from banks	27,488,521	27,488,521	27,488,521	-
Liabilities against assets -subject to finance lease	39,630,299	39,630,299	39,630,299	-
Trade and other payables	936,569,591	936,569,591	936,569,591	-
Advance from I.B.L	366,063,944	366,063,944	366,063,944	-
Loan from director	518,518,754	518,518,754	518,518,754	-
Accrued markup	240,815,938	240,815,938	240,815,938	-
Short term finances	5,034,787,523	5,034,787,523	5,034,787,523	-
	<b>7,163,874,570</b>	<b>7,163,874,570</b>	<b>7,163,874,570</b>	<b>-</b>

		June 2019 Rupees	June 2018 Rupees
<b>41 RELATED PARTY TRANSACTIONS TRANSACTIONS DURING THE YEAR</b>			
<b>Transaction</b>	<b>Relationship with the company</b>		
Loan received from director - Naseem A. Sattar	Chief Executive	-	21,620,000
Loan received from director - Azim Ahmed	Director	2,500,000	-
<b>Balance</b>			
Loan received from director - Azim Ahmed	Director	60,105,867	57,605,867
Loan received from director - Naseem A. Sattar	Chief Executive	460,912,887	460,912,887
<b>42 NUMBER OF EMPLOYEES</b>			
Number of employees at the end of the year		10	9
Number of average employees during the year		9	8

## 43 PLANT CAPACITY AND PRODUCTION

The production capacity of the plant can not be determined as it depends upon the process, the quality of the cloth used for printing and dyeing, which may compose of different kinds of fabrics and texture having different construction and weights.

## 44 CORRESPONDING FIGURES

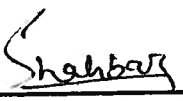
Corresponding figures have been rearranged and reclassified, wherever necessary for the purposes of comparison and better presentation.

## 45 DATE OF AUTHORISATION FOR ISSUE

These financial statements were approved and authorized for issue in the Board of Directors' meeting held on October 29, 2019.

  
Chief Executive Officer

  
Director

  
Chief Financial Officer

# AL-ABID SILK MILLS LIMITED

## Key Operating and Financial Data

Statement of Profit or Loss	2019	2018	2017	2016	2015	2014
Rupees in million						
Sales and manufacturing	-	-	-	-	247	489
Gross Loss	(126)	(214)	(332)	(714)	(473)	(531)
Loss from operations	(126)	(32)	(325)	(685)	(532)	(651)
Loss before taxation	(126)	(32)	(325)	(685)	(532)	651
Loss after taxation	(126)	(12)	(342)	(684)	(537)	568
<b>Statement of Financial Position</b>						
Property, plant and equipment	1,769	1,942	3,659	3,997	4,375	4,802
Long term security deposit	4	2	2	2	2	2
Net current assets	(6,592)	(6,638)	(6,836)	(6,831)	(6,044)	(5,952)
Total assets employed	(4,819)	(4,694)	(3,176)	(2,833)	(1,668)	(1,148)
<b>Represented by:</b>						
Share Capital	134	134	134	134	134	134
Reserves	(4,954)	(4,828)	(3,776)	(3,444)	(5,785)	(5,486)
Shareholders' equity	(4,820)	(4,694)	(3,642)	(3,310)	(5,651)	(5,352)
Surplus on revaluation -of fixed assets	1,336	1,441	2,596	2,809	3,099	3,336
Long term Financing	-	-	-	-	466	446
Deferred liabilities	-	-	484	477	419	422
Total capital employed	(3,484)	(3,253)	(562)	(24)	(1,668)	(1,148)
<b>Statement of Cash Flow</b>						
Operating activities	(124)	187	(17)	(19)	(30)	(135)
Investing activities	52	-	0	4	18	(4)
Financing activities	3	22	17	14	14	137
Cash & cash equivalents -at beginning of the year	218	9	9	10	8	10
Cash & cash equivalents -at end of the year	147	218	9	9	10	8
Dividend (%age)	-	-	-	-	-	-
Debt-equity ratio	(1.47)	(1.53)	(2.10)	(2.31)	(2.86)	(3.59)
Debt	7,067	7,174	7,640	7,658	7,288	7,232
Equity	(4,820)	(4,694)	(3,642)	(3,310)	(2,552)	(2,016)

# AL-ABID SILK MILLS LIMITED

## PATTERN OF SHAREHOLDING AS AT 30-06-2019

NUMBER OF SHAREHOLDERS	SHARE HOLDING			TOTAL NUMBER OF SHARES HELD
464	1	—	100	12,662
134	101	—	500	32,023
41	501	—	1,000	36,210
71	1,001	—	50,000	444,656
1	50,001	—	100,000	96,000
10	100,001	—	1,000,000	2,679,789
2	1,000,001	—	3,000,000	2,593,048
1	3,000,001	—	8,000,000	7,515,162
724				13,409,550

CATEGORIES OF SHARE HOLDERS	NUMBER OF SHARE HOLDERS	SHARE HELD	PERCENTAGE
<b>INDIVIDUALS</b>	707		
HOLDING MORE THAN 10%		1,479,361	11.032%
HOLDING LESS THAN 10%		1,421,241	10.599%
<b>FINANCIAL INSTITUTIONS</b>	7		
CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST		1,113,687	8.305%
NATIONAL BANK OF PAKISTAN		583,570	4.352%
NATIONAL BANK OF PAKISTAN		643	0.005%
NATIONAL BANK OF PAKISTAN		100	0.001%
THE BANK OF PUNJAB, TREASURY DIVISION		8,000	0.060%
TRUSTEE NATIONAL BANK OF PAKISTAN EMP BENEVOLENT FUND TRUST		3,674	0.027%
TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEES PENSION FUND		104,696	0.781%
<b>INSURANCE COMPANY</b>	1		
STATE LIFE INSURANCE CORPORATION OF PAKISTAN		236,994	1.767%
<b>JOINT STOCK COMPANIES</b>	2		
EXCEL SECURITIES (PRIVATE) LIMITED		500	0.004%
MAPLE LEAF CAPITAL LIMITED		1	0.000%
<b>DIRECTORS, CEO &amp; THEIR SPOUSE AND MINOR CHILDREN</b>	7		
MR. NASEEM A. SATTAR		7,515,162	56.043%
MR. AZIM AHMED		479,818	3.578%
MST. ADIA NASEEM		328,322	2.448%
MRS. SADAF NADEEM		132,281	0.986%
S.M. JAWED AZAM		500	0.004%
MR. QAMAR MASHKOOR		500	0.004%
MR. MUHAMMAD SAJID HAFEEZ		500	0.004%
<b>TOTAL</b>	724	13,409,550	100.000%



# AL-ABID SILK MILLS LIMITED

## PROXY FORM

The Company Secretary  
Al-Abid Silk Mills Limited  
A-39, S.I.T.E., Manghopir Road,  
Karachi.

I/We \_\_\_\_\_  
of \_\_\_\_\_ being member(s) of Al-Abid Silk Mills Limited holding  
\_\_\_\_\_ ordinary shares hereby appoint  
of \_\_\_\_\_ Folio / CDC Account No. \_\_\_\_\_ or failing him / her  
\_\_\_\_\_ Folio / CDC Account No. \_\_\_\_\_  
of who is / are also member(s) of Al-Abid Silk Mills Limited as my / our proxy in my / our absence to attend and vote  
for me / us and on my behalf at the Annual General Meeting of the Company to be held on Saturday 23, November 2019  
and at any adjournment thereof.

As witness my / our hand / seal this \_\_\_\_\_ day of \_\_\_\_\_ 2019

### Witness No. 1

Name: \_\_\_\_\_

Address: \_\_\_\_\_

CNIC No. \_\_\_\_\_

### Witness No. 2

Name: \_\_\_\_\_

Address: \_\_\_\_\_

CNIC No. \_\_\_\_\_

Rs. 5/-  
Revenue  
Stamp

Signature of Member(s)  
(This signature should agree with the specimen  
registered with the Company)

Folio No. \_\_\_\_\_

Participant ID No. \_\_\_\_\_

### **Important:**

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

# العابد سلك ملز لميٹڈ

پروكسى فارم

كمپنى سيكرىٲرى

العابد سلك ملز لميٹڈ

A-39، ايس-آئى-ٲى-اے، منگھوپير روڈ

كاش/ايم \_\_\_\_\_  
العابد سلك ملز لميٹڈ كے ممبر هونے كى حيثيت سے \_\_\_\_\_ آرڈينيرى شيٲرز ركهنٲے هين۔ يهاں  
كے \_\_\_\_\_ كا تقرر كرنا هوں۔ فوليو نمبر \_\_\_\_\_  
ياس كى عدم موجودگى ميں \_\_\_\_\_ فوليو نمبر \_\_\_\_\_  
جو العابد سلك ملز لميٹڈ كا ممبر بهى هے، بحيثيت ميرے/هارے پروكسى ميرى/هارى عدم موجودگى ميں كمپنى كے عام سالانا اجلاس جو 23 نومبر 2019  
كو منعقد هوكا اور اس كے كسى المواء پر ميرى/هارى جانب سے شركت كرے كا اور ووٲ دے كا۔  
آج اس دن \_\_\_\_\_ 2019 كو دستخط كئے گئے۔

5/- روپے كا  
رسيدى تكلٲ

گواہ نمبر 1

نام \_\_\_\_\_

پٲا \_\_\_\_\_

ممبر كے دستخط

(دستخط كمپنى كے ساتھ رجسٲر شدہ نمونے كے دستخط كے مطابق هونے چاهے)

سى اين آئى سى نمبر \_\_\_\_\_

گواہ نمبر 2

نام \_\_\_\_\_

پٲا \_\_\_\_\_

فوليو نمبر \_\_\_\_\_

شركت كرنے والے كا آئى ڈى نمبر \_\_\_\_\_

سى اين آئى سى نمبر \_\_\_\_\_

ايم \_\_\_\_\_

- 1- سى ڈى سى اكاؤنٲ هولڈرز سے اسٲدعا هے كا اجلاس كے نوٲس ميں بيان كردہ گائيڈ لائنز پٲختى سے عمل ميں آهوں۔
- 2- پروكسى فارم كے ساتھ سى اين آئى سى/ايس اين آئى سى يا منظميٲل اوزر اور پروكسى كى تهيٲق شدہ كاپياں پٲش كى جائين گى۔
- 3- پروكسى اجلاس كے وقت اپنا اور بٲكل سى اين آئى سى/ايس اين آئى سى يا اور بٲكل پاسپورٲ پٲش كرے كا۔
- 4- ممبر سالانا عام اجلاس ميں شركت كا سٲحق هوكا ساتھ يى وه اپنٲے بجائے پروكسى كے تقرر كا سٲحق هوكا كا اس كے بجائے شركت كرے كا اور ووٲ دے۔

5- ممبر سے اسٲدعا هے كا

(a) اوپر دكھائى گئى جكٲه پر 5 روپے كا رسيدى تكلٲ لگائين۔

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