

**REPORT AND ACCOUNTS
FOR THE FIRST QUARTER ENDED
SEPTEMBER 30, 2019**

AL-ABID SILK MILLS LIMITED

REGISTERED OFFICE
A-39, S.I.T.E., Manghopir Road, Karachi.

AL-ABID SILK MILLS LIMITED

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AL-ABID SILK MILLS LIMITED

COMPANY INFORMATION

BOARD OF DIRECTORS	Mr. S.M. Jawed Azam Mr. Naseem A. Sattar Mr. Azim Ahmed Mr. Qamar Mashkoor Mr. Muhammad Sajid Hafeez Mst. Adia Naseem Mrs. Sadaf Nadeem Syed Raza Abbas Jaffari	Chairman Chief Executive Officer Executive Director Independent Non-Executive Director Independent Non-Executive Director Non-Executive Director Non-Executive Director Nominee Director (N.I.T.)
CHIEF FINANCIAL OFFICER	Mr. Shahbaz Ahmed Khan	
SECRETARY	Mr. Nasim Ahmed	
AUDIT COMMITTEE	Mr. Qamar Mashkoor Mr. Muhammad Sajid Hafeez Mr. S.M. Jawed Azam	Chairman Member Member
HUMAN RESOURCE AND REMUNERATION COMMITTEE	Mr. Muhammad Sajid Hafeez Mr. Naseem A. Sattar Mr. Qamar Mashkoor	Chairman Member Member
AUDITORS	Muniff Ziauddin & Co., Chartered Accountants	
REGISTRARS	Jwaffs Registrar Services (Pvt) Ltd. Room # 407-408, 4th Floor, Al-Ameera Centre, 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

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Board of Directors present the condensed interim financial statements of the company for the First Quarter ended September 30, 2019.

As you are aware that our Government has intentions to promote the textile industry considering as being one of the major foreign exchange earners of the country. Government has taken measures for improvement of textile industry and taking necessary steps to revive the textile sector.

We hope that the textile industry will again become the major contributor as foreign exchange earner and at the same time will be a huge jobs provider as per government plan.

Future outlook:

As reported earlier in the Director's report for the year ended June 30, 2019, we have reached a master settlement agreement with number of banks, for which surplus assets have to be disposed off to settle these banks namely Habib Bank Ltd, Habib Metropolitan Bank Ltd, United Bank Ltd, Meezan Bank Ltd, Summit Bank Ltd, Allied Bank Ltd and also settlement agreement has been reached with Faysal Bank Ltd. With rest of the banks our negotiations are going on for restructuring and for injecting fresh finance. Discussions appear to be moving in the right direction and we expect that it should be concluded soon in positive direction which will enable us to go into production and capture our share of local market as well as exports.

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

Thanks to all of you.

For and on behalf of the Board of Directors

November 27, 2019



Naseem A.Sattar
Chief Executive Officer

العابد سلک ملز لمیٹڈ شیئر ہولڈرز کیلئے ڈائریکٹرز کی رپورٹ

بورڈ آف ڈائریکٹرز 30 ستمبر 2019ء کی پہلی سہ ماہی کے اختتامی سال کیلئے کمپنی کے عبوری مالیاتی گوشوارے پیش کر رہے ہیں۔

جیسا کہ آپ کو معلوم ہے کہ ہماری حکومت کا ارادہ ہے کہ وہ ٹیکسٹائل کی صنعت کو فروغ دے جس کا شمار ملک کے اہم زر مبادلہ کمانے والوں میں ہوتا ہے۔ حکومت نے ٹیکسٹائل کی صنعت کی بہتری اور ٹیکسٹائل کے شعبے کا جائزہ لینے کے لئے ضروری اقدامات کئے ہیں۔

ہم امید کرتے ہیں کہ ٹیکسٹائل کی صنعت غیر ملکی زر مبادلہ کمانے والے کے طور پر ایک بار پھر اہم شراکت دار بن جائے گی اور اس کے ساتھ ساتھ حکومتی منصوبے کے مطابق روزگار فراہم کرنے والی ایک بڑی صنعت ہوگی۔

مستقبل کا نظریہ:

جیسا کہ 30 جون 2019ء کے اختتامی سال کیلئے ڈائریکٹرز رپورٹ میں پہلے بتایا گیا ہے کہ ہم متعدد بینکوں یعنی حبیب بینک لمیٹڈ، حبیب میٹرو پولیٹن بینک لمیٹڈ، یوٹائیٹنڈ بینک لمیٹڈ، میزان بینک لمیٹڈ، سمٹ بینک لمیٹڈ، الائیڈ بینک لمیٹڈ کے ساتھ ایک اہم معاہدہ تصفیہ کر چکے ہیں جس کو حل کرنے کیلئے زائماناٹوں کو بیچنا ہوگا، اسکے علاوہ فیصل بینک لمیٹڈ کے ساتھ بھی معاہدہ تصفیہ طے پا گیا ہے اور باقی بینکوں کے ساتھ ہماری تنظیم نو اور تازہ مالی اعانت کیلئے بات چیت جاری ہے۔ بات چیت صحیح سمت میں گامزن ہوتی دکھائی دیتی ہے اور ہم توقع کرتے ہیں کہ جلد ہی اس کے مثبت نتائج حاصل ہونگے جس کی بناء پر ہم پیداوار اور مقامی مارکیٹ کے ساتھ برآمدات میں بھی اپنے شیئر حاصل کرنے کے قابل ہو جائیں گے۔

ہم اپنے بینکوں، اسٹیٹک ہولڈرز، شیئر ہولڈرز کے شکر گزار ہیں جو کہ اب بھی کمپنی پر مکمل اعتماد کا اظہار کر رہے ہیں، اور ہمیں امید ہے کہ ایک بار کمپنی کی پیداوار کے بعد، ہمارے ورکرز اور اسٹاف ایک بار پھر جوش و خروش سے موثر اور معیاری پیداوار کو حاصل کرنے کیلئے ہمیشہ کی طرح کوشش کرے گا۔

آپ سب کا شکریہ

بورڈ آف ڈائریکٹرز کی جانب سے



27 نومبر 2019ء

نیم اے سٹار
چیف ایگزیکٹو آفیسر

AL-ABID SILK

CONDENSED INTERIM STATEMENT OF FOR THE FIRST QUARTER ENDED

September 2019 June 2019
(Unaudited) (Audited)

Note ----- (Rupees) -----

EQUITY & LIABILITIES

SHARE CAPITAL AND RESERVES

Authorized capital		
20,000,000 Ordinary Shares of Rs. 10/- each	<u>200,000,000</u>	200,000,000
Issued, subscribed and paid-up capital	<u>134,095,500</u>	134,095,500
Reserves		
Capital reserve	372,834,000	372,834,000
Surplus on revaluation of fixed assets	1,333,959,943	1,336,265,569
Accumulated loss	<u>(6,690,091,059)</u>	<u>(6,663,390,274)</u>
Total equity	<u>(4,983,297,116)</u>	<u>(4,954,290,704)</u>
	<u>(4,849,201,616)</u>	<u>(4,820,195,204)</u>

LIABILITIES

NON- CURRENT LIABILITIES

Long term loan from banks	-	-
Liabilities against assets subject to finance	-	-
Deferred Taxation	-	-

CURRENT LIABILITIES AND PROVISIONS


Loan from director - unsecured	6	521,018,754	521,018,754
Retirement benefits		6,991,602	6,991,602
Security deposit		14,000,000	30,000,000
Trade and other payables		923,662,870	927,612,869
Unclaimed dividend		108,310	108,310
Advance from I.B.L		366,063,944	366,063,944
Accrued markup		238,514,564	238,514,564
Short term finances	7	4,951,273,701	4,976,112,476
Provision for taxation		360,334	360,334
	8	<u>7,021,994,079</u>	<u>7,066,782,853</u>

CONTINGENCIES AND COMMITMENTS

<u>2,172,792,463</u>	<u>2,246,587,649</u>
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The annexed notes form an integral part of these condensed interim financial statements.


Chief Executive Officer


Director


Chief Financial Officer

MILLS LIMITED

FINANCIAL POSITIONS (UNAUDITED) SEPTEMBER 30, 2019

September 2019
(Unaudited) June 2019
(Audited)

Note----- (Rupees) -----

ASSETS

NON-CURRENT ASSETS

Property, plant and equipment	9	1,730,967,178	1,768,825,427
Long term security deposit		3,601,049	3,601,049

CURRENT ASSETS

Stores and spares	43,511,162	45,402,952
Stock in trade	10,459,229	10,913,978
Trade debts	1,531,758	1,579,018
Loans and advances	5,020,285	5,023,594
Trade deposits and prepayments	7,994,098	7,994,098
Other receivables	164,541,974	195,358,075
Tax refunds due from government	58,810,854	60,684,101
Cash and bank balances	146,354,876	147,205,357
	438,224,237	474,161,173

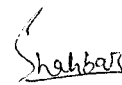
2,172,792,463 2,246,587,649



Chief Executive Officer



Director



Chief Financial Officer

AL-ABID SILK MILLS LIMITED

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS ACCOUNT (Unaudited) FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2019

		July-Sep-2019 Rupees	July-Sep-2018 Rupees
Sales and Manufacturing	10	-	-
Cost of sales		26,906,854	35,320,602
Gross loss		<u>(26,906,854)</u>	<u>(35,320,602)</u>
Operating expenses			
Administrative expenses		<u>6,733,966</u> (33,640,820)	<u>8,070,016</u> (43,390,618)
Other income	11	4,635,838	1,434,165
Loss from operations		<u>(29,004,982)</u>	<u>(41,956,453)</u>
Finance cost	12	1,429	4,315
Loss before taxation		<u>(29,006,411)</u>	<u>(41,960,768)</u>
Taxation-net		-	-
Loss after taxation		<u>(29,006,411)</u>	<u>(41,960,768)</u>
Loss per share - basic and diluted	13	<u>(2.16)</u>	<u>(3.13)</u>

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



Chief Executive Officer



Director



Chief Financial Officer

AL-ABID SILK MILLS LIMITED

CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (Unaudited)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2019

	<u>July-Sep-2019</u> Rupees	<u>July-Sep-2018</u> Rupees
Loss after taxation	(29,006,411)	(41,960,768)
Other comprehensive income	-	-
Total comprehensive loss for the year	<u><u>(29,006,411)</u></u>	<u><u>(41,960,768)</u></u>

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



Chief Executive Officer



Director




Chief Financial Officer

AL-ABID SILK MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CASH FLOW (Unaudited) FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2019

	July-Sep-2019 Rupees	July-Sep-2018 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(29,006,411)	(41,960,768)
Adjustments for:		
Depreciation	25,638,875	30,104,043
Loss on disposal of property, plant and equipment	115,208	-
Provision for obsolete items	1,891,790	1,891,790
Provision for obsolete stock	454,749	454,749
Provision for doubtful debts	47,260	47,260
Gain on reversal of financial liability	(1,578,423)	-
	26,569,459	32,497,842
Decrease / (Increase) in current assets:		
Trade debtors	-	785,717
Loan and advances	3,307	-
Other receivables	28,816,101	-
Tax refunds due from government	-	(82,365)
	28,819,408	703,352
(Decrease) / Increase in current liabilities:		
Trade and other payable	(2,346,236)	(306,928)
Repayment of short term finance	(24,838,775)	(11,000,000)
	(27,185,011)	(11,306,928)
Cash (used in)/generated from operations	(802,555)	(20,066,502)
Taxes paid	(485,426)	(146,807)
Staff gratuity paid	-	(17,333)
Net cash inflow / (outflow) from operations	(1,287,981)	(20,230,642)
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from disposal of fixed assets	437,500	-
Long term security deposit	-	-
Net cash (outflow)/inflow from investing activities	437,500	-
CASH FLOW FROM FINANCING ACTIVITIES		
Loan from director	-	-
Net cash inflow from financing activities	-	-
Net (decrease)/ increase in cash and cash equivalents	(850,481)	(20,230,642)
Cash and cash equivalents at the beginning of the year	147,205,357	217,632,686
Cash and cash equivalents at the end of the year	146,354,876	197,402,044

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



Chief Executive Officer



Director



Chief Financial Officer

AL-ABID SILK MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Unaudited) FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2019

	Share Capital	Capital Reserve	Accumulated Loss	Revaluation Surplus on Property Plant & Equipment	Total
	Rupees				
Balance as at June 30, 2018	134,095,500	372,834,000	(6,642,427,149)	1,441,258,732	(4,694,238,916)
Loss after tax for the three months ended september 30, 2018	-	-	(41,960,768)	-	(41,960,768)
-Transfer from surplus on revaluation of fixed assets on account of incremental depreciation	-	-	8,268,534	(8,268,534)	-
Balance as at September 30, 2018	134,095,500	372,834,000	(6,676,119,383)	1,432,990,198	(4,736,199,685)
Balance as at June 30, 2019	134,095,500	372,834,000	(6,663,390,274)	1,336,265,569	(4,820,195,204)
Loss after tax for the three months ended september 30, 2019	-	-	(29,006,411)	-	(29,006,411)
-Transfer from surplus on revaluation of fixed assets on account of incremental depreciation	-	-	2,305,626	(2,305,626)	-
Balance as at September 30, 2019	134,095,500	372,834,000	(6,690,091,059)	1,333,959,943	(4,849,201,615)

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


Chief Executive Officer


Director


Chief Financial Officer

AL-ABID SILK MILLS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT (Unaudited) FOR THE FIRST QUARTER ENDED SEPTEMBER 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. 6.690billion and Company's equity is in negative by Rs. 4.849billion while the reported current liabilities (since partly under litigation) have exceeded to current assets of the company by Rs. 6.583billion. 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. 174.33million as matter was under litigation. However, efforts are being made to sell off some surplus machinery and land & building to settle off liabilities of certain banks/DFI as pre 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 shareholding in the Company. Pending this proposal IBL entered into contract dated June 15th, 2015 for manufacturing of their goods in the Company. For this purpose in pursuit to have the plant in full running condition to manufacture their contract goods as per their specification, IBL incurred initial mobilizing expenses under their supervision for repair and maintenance which was to be adjusted against generation of manufacturing of contract goods only. However, Manufacturing of contract goods was not started by IBL. Further, on February 10th, 2017 IBL has given the notice of termination of this contract and pursuant to their termination notice IBL has vacated the premises without undertaking the manufacturing of any contract goods.

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

AL-ABID SILK MILLS LIMITED

2. BASIS OF PREPARATION

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

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

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

This interim financial information does not include all the information required for a complete set of financial statements and should be read in conjunction with the annual financial statements for the year ended June 30, 2019.

The comparative balance sheet presented in this interim financial information as at June 30, 2019 has been extracted from audited financial statements of the company for the year ended June 30, 2019, Whereas the comparative profit and loss account, statement of changes in equity and the cash flow statements for the three month period ended September 30, 2019 have been subjected to a review but not audit.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are consistent with those applied in the preparation of audited annual financial statements for the year ended June 30, 2019.

There are certain new International Financial Reporting Standards (standards), amendments to published standards and interpretations that are mandatory for the financial year beginning on July 1, 2018. These considered not to be relevant or to have any significant effect on the Company's financial reporting and operations and are, therefore, not disclosed in this condensed interim financial information.

4. Critical accounting estimates and judgments

- 4.1 The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.
- 4.2 In preparing this condensed interim financial information, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the audited annual financial statements for the year ended June 30, 2019

	Sept 2019	June 2019
	Rupees	Rupees
5. SURPLUS ON REVALUATION OF FIXED ASSETS		
Balance at beginning of the period / year – net	1,336,265,569	1,441,258,732
Less: Transferred to unappropriated profit on account of	(2,305,626)	(99,835,750)
Incremental depreciation for the period / year - net of tax		
Adjustment due to change in tax rate	-	(5,157,413)
Reversal of surplus on revaluation during the period / year - net		
of tax balance at end of the period / year – net	1,333,959,943	1,336,265,569

AL-ABID SILK MILLS LIMITED

5.1 During the year ended June 30, 2018 the Company has revalued its Leasehold land, Building on Leasehold land, Plant, Machinery & equipments, Furniture & Fixture, Office equipment, Electric, gas & Other Installation and Leased Plant, Machinery & equipments. The valuation has been determined by the independent valuer M/s. SIPRA & Company (Pvt) Limited. The assessed values of the fixed assets as determined by the valuer amounts to Rs. 2,232,252,450 as at January 08, 2018, however, the forced sales value of Rs. 1,674,048,087 have been taken to account for the fixed assets for the reason as mentioned in note 1.1. The earlier valuations were carried out by M/s. Anjum Adil and Associates independent valuer on June 30, 2012, August 31, 2010 and August 31, 2007 on the basis of prevailing market rates at that time.

	Sept 2019 Rupees (Un-Audited)	June 2019 Rupees (Audited)
6 LOAN FROM DIRECTOR - UNSECURED		
Balance at beginning of the year	521,018,754	518,518,754
Received during the year	-	2,500,000
Repaid during the year	-	-
	<u>521,018,754</u>	<u>521,018,754</u>

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

7 SHORT TERM FINANCES

From banks and financial institutions - Secured	4,976,112,476	4,976,112,476
Less: Settlement during the year	<u>(24,838,775)</u>	<u>-</u>
	<u>4,951,273,701</u>	<u>4,976,112,476</u>

7.1 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.

8 CONTINGENCIES AND COMMITMENTS

8.1 Contingencies
Bank guarantee

<u>20,277,000</u>	<u>31,088,000</u>
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8.1.1 The bank guarantees have been issued in favor of Sui Southern Gas Company Limited and others.

8.1.2 The Sales Tax department has filed an appeal in the Honorable High Court of Sindh on 23rd August, 2000 against the Order of the learned Appellate Tribunal Customs and Sales Tax for recovery of Additional Tax and Surcharge amounting to Rs. 3.449 million for the year 1992-93. No provision for this amount has been made in these accounts as the management of the Company is of the view that the decision of the Learned

8.1.3 The Spl. Sales Tax Reference Application No. 95 & 96 of 2016 filed by the company against order passed by the Sindh Revenue Board Appellate Tribunal order related to period ending June 30, 2014 and June 30, 2015 are pending before Honorable High Court of Sindh at Karachi. Further, the Sindh Revenue Board has also filed Spl. Sales Tax Reference Application No. 119 of 2016 against order passed by the Sindh Revenue Board Appellate Tribunal order related to period ending June 30, 2014 and June 30, 2015 is pending before Honorable High Court of Sindh at Karachi.

8.1.4 Al-Abid Silk Mills Limited (Company) has filed suit No. B-42/2013 for damages against the JS Bank Limited and JS Bank Limited has filed suit # B-76/2013 against the company for recovery of outstanding loan amounting to Rs. 335,105,083/-.

8.1.5 United Bank Ltd has filed suit No. B-93 of 2012 against the company for recovery of outstanding loan amounting to Rs. 606,855,202/-. A settlement agreement has been reached at Rs.138,387,750/-, out of which Rs.13,838,775/- has been paid upto the period ended on September 30,2019.

8.1.6 Habib Bank Limited has filed suit No. B-96 of 2012 against the company for recovery of outstanding loan amounting to Rs. 812,482,558/-. A settlement agreement has been reached at Rs.275,006,750/-.

8.1.7 Meezan Bank Ltd. Suit No. B-58 of 2013 against the company for recovery of outstanding loan amounting to Rs. 546,667,987/-. To settle this, a master settlement agreement has been entered into.

8.1.8 Faysal Bank Ltd has filed suit no. B-80 of 2013 against the company for recovery of outstanding loan amounting to Rs. 763,724,270/-. A settlement agreement has been reached at Rs.232,000,000/-.

8.1.9 Summit Bank Ltd. has filed Suit No. B-84 of 2013 against the Company for recovery of outstanding loan amounting to Rs. 433,796,294/-. To settle this, a master settlement agreement has been entered into.

8.1.10 Bank of Punjab has filed suit No. B-95 of 2013 against the Company for recovery of outstanding loan amounting to Rs. 434,399,948/-.

8.1.11 PAIR Investment Co. Ltd. has filed suit No. B-111 of 2013 against the Company for recovery of outstanding loan amounting to Rs. 171,460,949/-.

8.1.12 Allied Bank Ltd. has filed suit No. 26 of 2017 against the Company for recovery of outstanding loan amounting to Rs. 77,676,831/-. To settle this, a master settlement agreement has been entered into.

8.1.13 National Bank of Pakistan has filed suit No. B-26 of 2017 against the Company for recovery of outstanding loan amounting to Rs.948,140,145/-.

8.1.14 Habib Metropolitan Bank Limited has filed suit no B-38/2015 against the Company for recovery of outstanding loan amounting to Rs. 773,498,076/-. A settlement agreement has been reached at Rs.195,729 million, out of which Rs.33,000,000/- has been paid upto the period ended on September 30,2019.

The amount mentioned on above note 8.1.4 to 8.1.14 are claimed amounts by the Banks, actual amounts to be determined by the Banking Court.

The outcome of above cases as referred in note 8.1.4 to 8.1.14 cannot be predicted and the management is vigorously contesting the case, however major amount has already been provided in financial statements.

AL-ABID SILK MILLS LIMITED

- 8.1.15 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.
- 8.1.16 Various ex-workers filed suits for payment of their legal dues before the Authority under the Payment of Wages Act, West Division, Karachi. The company believes that there may not be any financial implications.

8.2 **Commitments:**
There are no commitments as at year end. (June 2019: Nil).

	Note	July-Sept 2019 Rupees (Un-Audited)	June 2019 Rupees (Audited)
9 PROPERTY, PLANT AND EQUIPMENT			
Operating Fixed Assets	9.1	1,714,167,178	1,752,025,427
Capital Work in Progress - DDFC Boiler		16,800,000	16,800,000
		<u>1,730,967,178</u>	<u>1,768,825,427</u>
		July-Sept 2019	July-Sept 2018
		Rupees	Rupees
10 SALES AND MANUFACTURING			
Sales			
Export sales		-	-
Local sales		-	-
Manufacturing			
Printing and dyeing		-	-
		<u>-</u>	<u>-</u>
11 OTHER INCOME			
Income from non-financial assets / liabilities			
Waiver received from other creditors		1,576,423	-
Loss on disposal of property, plant and equipment		(115,208)	-
Income from financial assets / liabilities			
Profit on PLS deposit Account		3,172,623	1,434,165
		<u>4,635,838</u>	<u>1,434,165</u>
12 FINANCE COST			
Bank charges, mark-up and commission		1,429	4,315
		<u>1,429</u>	<u>4,315</u>
13 LOSS PER SHARE - BASIC AND DILUTED			
13.1 LOSS PER SHARE			
Loss after taxation		Rupees (29,006,411)	(41,960,768)
Weighted average number of shares		Number 13,409,550	13,409,550
Loss per share		Rupees (2.16)	(3.13)

13.2 **Diluted earnings per share**
There is no dilution effect on the basic loss per share of the company.

14 RELATED PARTY TRANSACTIONS

Transaction	Relationship with the company		
Loan received from director - Naseem A. Sattar	Chief Executive Director		
Balance			
Loan received from director - Azim Ahmed	Executive Director	60,105,867	60,105,867
Loan received from director - Naseem A. Sattar	Chief Executive Director	460,912,887	460,912,887

15 KEY MANAGEMENT PERSONNEL - REMUNERATION & BENEFITS

In view of bad financial position of the Company directors have decided not to claim their whole remuneration for the period ended September 30, 2019 i.e. Mr. Naseem A. Sattar Rs. 2,625,000 and Mr. Azim Ahmed Rs. 1,350,000. (2018: Mr. Naseem A. Sattar Rs. 2,625,000) and (Mr. Azim Ahmed Rs. 1,350,000).

16 FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements for the year ended June 30, 2019.

17 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were approved and authorized for issue in the Board of Directors' meeting held on November 27, 2019.


Chief Executive Officer


Director


Chief Financial Officer

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AL-ABID SILK MILLS LIMITED

Registrars:

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Room # 407-408, 4th Floor,
Al-Ameera Centre, Shahrah-e-Iraq,
Saddar, Karachi.