

REPORT AND ACCOUNTS
FOR THE PERIOD ENDED
DECEMBER 31, 2023

AL-ABID SILK MILLS LIMITED

REGISTERED OFFICE
A-34/A, 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. Naseem A. Sattar Mr. Azim Ahmed Mr. Qamar Mashkoo Mr. Muhammad Sajid Hafeez Mst. Adia Naseem Mrs. Sadaf Nadeem Syed Raza Abbas Jaffari	Chairman Chief Executive Officer Independent Non-Executive Director Independent Non-Executive Director Non-Executive Director Non-Executive Director Nominee Director of (N.I.T.)
AUDIT COMMITTEE	Mr. Qamar Mashkoo Mr. Muhammad Sajid Hafeez Mr. Naseem A. Sattar	Chairman Member Member
HUMAN RESOURCE AND REMUNERATION COMMITTEE	Mr. Muhammad Sajid Hafeez Mr. Naseem A. Sattar Mst. Adia Naseem	Chairman Member Member
CHIEF FINANCIAL OFFICER	Mr. Haroon Rasheed	
SECRETARY	Mr. Nasim Ahmed	
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-34/A, S.I.T.E., Manghopir Road, Karachi.	
MILLS	A-34 / A, A-29 / B, S.I.T.E., Karachi.	
E-MAIL	mail@alabid.com	

AL-ABID SILK MILLS LIMITED

DIRECTORS' REPORT TO SHAREHOLDERS

The Board of Directors present the condensed interim financial statement of the Company for the Second Quarter ended December 31, 2023.

We are confident that the newly elected government will play its role in improving the economy of the Country. Significant measures will have to be adopted to fill the nearly empty exchequer. Reduction of energy cost at par with the region, ease of doing business, and broader tax base are some of the measures to be taken up immediately for employment generation and higher foreign exchange earnings.

Future outlook:

With God's grace, the Company will shortly commence production.

We are indebted to our Shareholders and stakeholders for their patience and confidence in the Company.

For and on behalf of the Board of Directors



Director



Azim Ahmed
Chief Executive Officer

February 27, 2024

AL-ABID SILK MILLS LIMITED

حصص داران کیلئے ڈائریکٹرز کی رپورٹ

بورڈ آف ڈائریکٹرز 31 دسمبر 2023ء کو ختم ہونے والی دوسری ششماہی کیلئے کمپنی کے مجموعی مالیاتی حسابات پیش کر رہے ہیں۔

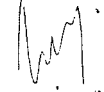
ہمیں یقین ہے کہ منتخب حکومت ملکی معیشت کی بہتری کے لیے اپنا کردار ادا کرے گی۔ تقریباً ختم ہونے والے خزانے کو بھرنے کے لیے خاطر خواہ اقدامات کرنے کی ضرورت ہوگی۔ فوری اقدامات، جیسے کہ علاقائی سطحوں کے مطابق توانائی کی لاگت کو کم کرنا، کاروبار کرنے میں آسانی کو بہتر بنانا، اور ٹیکس کی بنیاد کو وسعت دینا، روزگار کے مواقع پیدا کرنے اور زر مبادلہ کمانے میں اضافے کے لیے ضروری ہیں۔

مستقبل کا نظریہ:

اللہ تعالیٰ کے فضل و کرم سے کمپنی جلد ہی پیداوار کا آغاز کر دے گی۔ ہم اپنے حصص یافتگان اور اسٹیک ہولڈرز کے شکر گزار ہیں جو کمپنی پر اپنے مکمل اعتماد کا اظہار کر رہے ہیں۔

آپ سب کا شکریہ

بورڈ آف ڈائریکٹرز کی جانب سے



عظیم احمد
چیف ایگزیکٹو آفیسر



ڈائریکٹر

مورخہ: 27 فروری 2024ء

AL-ABID SILK MILLS LIMITED

Independent Auditor's Review Report to the members of

Report on review of the Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Al-Abid Silk Mills Limited as at **December 31, 2023** and the related condensed interim statement of financial position, condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows, and condensed interim statement of changes in equity, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "Condensed Interim Financial Statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis of Adverse Conclusion

- (i) As explained on note 2, the accumulated loss of the company has been reached at Rs. 2.508 billion (June 2023: 2.533 billion), and as of that date Company's current liabilities exceeded its current assets by Rs. 2.069 billion. Furthermore, 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 as disclosed in the financial statements has not yet been implemented.
- (ii) We have not received direct bank confirmations from the banks and financial institutions for short term loans amounting to Rs. 1.044 billion and for bank balances of Rs. 1,043,839 as mentioned in the financial statements. The Company has not recorded mark-up on these finances which amounts to Rs. 127.30 million on the plea of restructuring negotiation/litigation with the respective banks. Moreover, we were not arranged direct confirmations from trade & other creditors amounting to Rs. 0.767 billion.

AL-ABID SILK MILLS LIMITED

Adverse Conclusion

Our review indicates that, because of the matters as described in the preceding paragraphs, these condensed interim financial statements do not present fairly, in all the material respects, the financial position of the company as at December 31, 2023, and of its financial performance and its cash flows for the six months period then ended in accordance with the approved accounting standards as applicable in Pakistan relating to interim financial reporting.

Other Matter

The figures of the condensed interim statement of profit or loss and condensed interim statements of comprehensive income for the quarters ended December 31, 2023 and 2022 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2023.

The engagement partner on the audit resulting in this independent auditor's review report is Muhammad Moin Khan.

**Chartered Accountants
Karachi**

**Date: 27-02-2024
UDIN: RR202310153r6yum2ZA4**


AL-ABID SILK


CONDENSED INTERIM STATEMENT OF AS AT


Audited

	December 31, 2023	June 30, 2023
Note	(Rupees)	
EQUITY & LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized capital		
20,000,000 ordinary shares of Rs. 10/- each	200,000,000	200,000,000
Issued, subscribed and paid-up capital	134,095,500	134,095,500
Capital reserves		
Other reserves	372,834,000	372,834,000
Revaluation Surplus on Property, Plant & Equipment	1,961,072,423	2,048,543,523
Revenue reserves		
Accumulated loss	(2,508,239,275)	(2,533,346,372)
Total equity	(40,237,352)	22,126,651
LIABILITIES		
NON- CURRENT LIABILITIES		
Deferred tax	-	-
Long Term Finances	239,764,000	-
Staff retirement benefits	8,613,055	8,613,055
	248,377,055	8,613,055
CURRENT LIABILITIES		
Loan from directors - unsecured	561,018,754	561,018,754
Trade and other payables	767,701,355	765,176,397
Unclaimed dividend	108,310	108,310
Advance from I.B.L	-	-
Current maturity of long term finances	17,000,000	-
Accrued markup	49,777,692	60,622,829
Short term finances	1,044,718,924	1,301,787,787
Provision for taxation	798,704	694,227
	2,441,123,739	2,689,408,304
CONTINGENCIES AND COMMITMENTS		
	2,649,263,442	2,720,148,010

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


Chief Executive Officer



Director


Chief Financial Officer


MILLS LIMITED

FINANCIAL POSITION (UN-AUDITED) DECEMBER 31, 2023

	Note	Audited	
		December 31, 2023	June 30, 2023
(Rupees)			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	12	2,272,642,294	2,387,255,876
Long term security deposit		4,655,157	3,311,307
CURRENT ASSETS			
Stores and spares		24,909,000	24,909,000
Loans and advances		1,511,346	1,153,310
Trade deposits and prepayments		2,060,688	2,060,688
Other receivables	13	213,595,879	213,214,629
Tax refunds due from government		62,123,322	58,144,585
Cash and bank balances		67,765,756	30,098,615
		371,965,991	329,580,827
		<u>2,649,263,442</u>	<u>2,720,148,010</u>



Chief Executive Officer



Director



Chief Financial Officer

AL-ABID SILK MILLS LIMITED

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED) For the period ended December 31, 2023

	Note	Six months ended		Quarter ended	
		December 31, 2023 Rupees	December 31, 2022 Rupees	December 31, 2023 Rupees	December 31, 2022 Rupees
Sales and manufacturing		-	-	-	-
Cost of sales		(58,207,517)	(73,557,591)	(28,412,620)	(36,760,912)
Gross loss		(58,207,517)	(73,557,591)	(28,412,620)	(36,760,912)
Operating expenses					
Administrative expenses		(18,756,078)	(13,869,297)	1,147,478	(7,875,049)
Other Income	14	14,708,069	6,287,938	12,725,979	5,414,973
Loss from operations		(62,255,526)	(81,138,950)	(14,539,163)	(39,220,988)
Finance cost		(4,000)	(763)	-	-
Loss before taxation		(62,259,526)	(81,139,713)	(14,539,163)	(39,220,988)
Taxation-net		(104,477)	(26,788)	104,477	(26,788)
Loss after taxation		(62,364,003)	(81,166,501)	(14,434,686)	(39,247,776)
Loss per share - basic and diluted	15	(4.65)	(6.05)	(1.08)	(2.93)

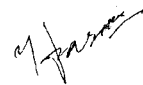
The annexed notes form an integral part of these financial statements.



Chief Executive Officer



Director




Chief Financial Officer

AL-ABID SILK MILLS LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) For the period ended December 31, 2023

	<u>Six months ended</u>		<u>Quarter ended</u>	
	December 31, 2023 Rupees	December 31, 2022 Rupees	December 31, 2023 Rupees	December 31, 2022 Rupees
(Loss) / Profit after taxation	(62,364,003)	(81,166,501)	(14,434,686)	(39,247,776)
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Revaluation of property, plant and equipments	-	-	-	-
Remeasurements of defined benefit liability	-	-	-	-
Items that are or may be reclassified subsequently to profit or loss	-	-	-	-
Other comprehensive income for the period	-	-	-	-
Total comprehensive Loss for the period	<u>(62,364,003)</u>	<u>(81,166,501)</u>	<u>(14,434,686)</u>	<u>(39,247,776)</u>


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



Chief Executive Officer



Director





Chief Financial Officer


AL-ABID SILK MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
For the period ended December 31, 2023

	December 31, 2023 Rupees	December 31, 2022 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(62,259,526)	(81,139,713)
Adjustments for:		
Depreciation	58,410,797	73,810,057
Loss / (Gain) on disposal of plant and equipment	2,175,104	(2,401,200)
Addition to Fixed Assets	(7,907,693)	-
Security Deposit to KE	(1,343,850)	-
Impairment of trade debts	-	94,520
	51,334,358	71,503,377
WORKING CAPITAL CHANGES		
Decrease / (Increase) in current assets:		
Loan and advances	(358,036)	(2,230)
security Deposit from Tenant	(960,000)	-
Tax refunds due from government	(3,978,737)	(128,131)
	(5,296,773)	(130,361)
(Decrease) / Increase in current liabilities:		
Trade and other payable	2,364,958	(286,451)
Accrued mark-up	-	-
	2,364,958	(286,451)
Cash used on operations	(13,856,983)	(10,053,148)
Taxes paid	-	-
Net cash used in operating activities	(13,856,983)	(10,053,148)
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from Rental Income	738,750	-
Proceeds from disposal of fixed assets	61,935,374	4,600,000
Net cash generated from investing activities	62,674,124	4,600,000
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of short term finance	(11,150,000)	(24,000,000)
Loan from Director	-	-
Net cash used in financing activities	(11,150,000)	(24,000,000)
Net decrease in cash and cash equivalents	37,667,141	(29,453,148)
Cash and cash equivalents at the beginning of the period	30,098,615	71,633,160
Cash and cash equivalents at the end of the period	67,765,756	42,180,012

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


 Chief Executive Officer



 Director


 Chief Financial Officer


AL-ABID SILK MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
For the period ended December 31,2023

	Share Capital	Capital Reserve		Revenue Reserve	Total
	Issued, subscribed and	Other reserve	Revaluation Surplus on	Accumulated Loss	
	Rupees				
Balance as at July 01, 2022	134,095,500	372,834,000	2,239,643,487	(2,812,486,378)	(65,913,391)
Comprehensive income for the year					
Loss after tax for the period ended december 31, 2022	-	-	-	(81,166,501)	(81,166,501)
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the Period ended December 31, 2022	-	-	-	(81,166,501)	(81,166,501)
-Transfer on account of incremental depreciation	-	-	(55,139,430)	55,139,430	-
Balance as at December 31, 2022	134,095,500	372,834,000	2,184,504,057	(2,838,513,449)	(147,079,892)
Balance as at July 01, 2023	134,095,500	372,834,000	2,048,543,523	(2,533,346,372)	22,126,651
Comprehensive income for the period					
Loss after tax for the period ended December 31, 2023	-	-	-	(62,364,003)	(62,364,003)
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the Year ended June 30, 2023	-	-	-	(62,364,003)	(62,364,003)
-Transfer from surplus on revaluation of fixed assets on account of incremental depreciation	-	-	(43,679,755)	43,679,755	-
Transfer on account of disposal of Fixed Assets			(43,791,345)	43,791,345	-
Balance as at December 31, 2023	134,095,500	372,834,000	1,961,072,423	(2,508,239,275)	(40,237,352)

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 (UN-AUDITED) For the period ended December 31, 2023

1. LEGAL STATUS AND OPERATIONS

- 1.1 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 repealed Companies Ordinance, 1984 (repealed by the enactment of Companies act, 2017). The shares of the Company are listed on Pakistan Stock Exchange Limited. The registered office is located at A-34/A, 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-34/A, S.I.T.E., Manghopir Road, Karachi.

A-29/B, S.I.T.E., Manghopir Road, Karachi.

PURPOSE

The registered office with manufacturing facilities

The factory premises with manufacturing facilities

2 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. 2.508 billion and total equity to negative Rs. 40.237 million, while the reported current liabilities (since partly under litigation) have exceeded to current assets of the company by Rs. 2.069 billion. These conditions indicate the existence of a material uncertainty that may cast significant doubt on Company's ability to continue as a going concern and therefore it may be unable to realize its assets and discharge 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 bank 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. 127.30 million as matter was under litigation. Settlement with JS Bank has been reached according to Supreme Court Order/Direction, in this regard the company has deposited the settlement amount to Nazir Sindh High Court Karachi against recovery suit No.B-76/2013. The matter of The Bank of Punjab has already been settled and the payment has been started. Management of the Company has already requested rest of bank and DFI collectively and individually to reschedule their credit facilities for a longer

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.

Since IBL has terminated the 'contract manufacturing agreement' without doing any manufacturing of contract goods according to the agreement, the management of the Company has written off their advances incurred by them for mobilizing expenses of the plant under their supervision for repair and maintenance.

According to the business revival plan of the Company, the management is going to resume its production activities with its state of the art machinery in the subsequent period. The plant is in good condition requiring minimal Capital expenditure for maintenance. In this regard management is already working on rehabilitation of the required machinery. Due to the demand and supply situation, the company has an advantage to run the plant at full capacity and generate significant revenues.

Besides production, the Company intends to offer its surplus land and building to logistic companies for their warehousing and distribution needs. This will generate additional revenue for the Company. In fact, during the period, a portion of property has been sublet for warehousing and distribution.

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.

3 Basis of Preparation

3.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim 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; and
- Provisions of and directives issued under the Companies Act, 2017.

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

AL-ABID SILK MILLS LIMITED

3.2 These condensed interim financial statements are un-audited but subject to limited scope review by the auditors and are being submitted to the shareholders as required under section 237 of the Companies Act, 2017. These condensed interim financial statements do not include all the information and disclosures required in an annual audited financial statements, and should be read in conjunction with the Company's annual audited financial statements for the year ended June 30, 2023.

3.3 Basis of measurement

These condensed financial statements has been prepared under the historical cost convention, except for certain items as disclosed in the relevant accounting policies.

3.3.1 Functional and presentation currency

These condensed financial statements are presented in Pak Rupees (Rs/Rupees), which is the functional currency of the Company. Amounts presented in the financial statements have been rounded off to the nearest of Rs./Rupees, unless otherwise

3.4 Change in accounting standards, interpretations and amendments to published accounting and reporting standards

3.4.1 Amendments to approved accounting & reporting standards which are effective during the period

There were certain amendments to accounting and reporting standards which became mandatory for the Company during the period. However, the amendments did not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these unconsolidated condensed interim financial statements.

3.4.2 Amendments to accounting and reporting standards that are not yet effective:

There are certain amendments to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 01, 2023. However, these amendments will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these unconsolidated condensed interim financial

3.4.3 The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are same as those applied in the preparation of the financial statements for the year ended June 30, 2023.

4 SIGNIFICANT ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of these condensed financial statements in conformity with the approved accounting and reporting 'Standards' as applicable in Pakistan for interim reporting requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on the historical experience and other factors, including reasonable expectations of future events. Revisit to accounting estimates are recognised prospectively commencing from the period of revision.

Judgements and estimates made by the management in the preparation of these condensed interim financial statement are same as those applied to financial statement as at the year ended June 30, 2023.

The Company's risk management objectives and policies are consistent with those disclosed in the financial statement as at and for the year ended June 30, 2023.

	December 31, 2023 Rupees	Audited June 30, 2023 Rupees
5 Revaluation Surplus on Property Plant & Equipment		
Balance at beginning of the period / year		2,239,643,487
Less: Transferred to unappropriated profit on account of incremental depreciation for the period.	2,048,543,523	(109,073,302)
Less: Transferred to unappropriated profit on account of disposal for the year.	(43,878,755)	(82,026,662)
Surplus/Deficit on revaluation arisen during the year	(43,791,345)	-
Balance at end of the year - net	<u>1,861,072,423</u>	<u>2,048,543,523</u>

5.1 The Company has revalued its Leasehold land, Building on Leasehold land, Plant, Machinery & equipments, Furniture & Fixture, Office equipment, Electric, gas & Other¹ installation. The valuation has been determined by the independent qualified valuer M/s. Sadruddin Associates (Pvt) Ltd on November 30, 2021. The assessed values of the fixed assets as determined by the valuer amounts to Rs. 2,730,786,761, however, the forced sales value is Rs. 2,321,168,747 have been taken to account for the fixed assets.

5.2 Had there been no revaluation the related figures of Leasehold land, Building on Leasehold land, Plant, Machinery & equipments, Furniture & Fixture, Office equipment, Electric, gas & Other installation would have been as follows:

	December 31, 2023				June 30, 2023			
	Cost	Deletion	Accumulated depreciation	Book value	Cost	Deletion	Accumulated depreciation	Book value
Leasehold land	29,376,842	-	-	29,376,842	29,376,842	-	-	29,376,842
Building on leasehold land	289,870,773	-	252,518,839	37,351,934	289,870,773	-	250,552,947	39,317,826
Plant, Machinery & equipments	1,488,791,982	(136,716,134)	1,312,563,586	219,510,262	2,001,525,719	(312,735,737)	1,445,108,395	243,681,387
Furniture & Fixture	42,571,147	-	36,291,141	6,280,006	42,571,147	-	35,960,615	6,610,532
Office equipment	4,533,716	-	3,849,059	684,657	4,533,716	-	3,813,024	720,692
Electric, gas & Other Installations	71,081,799	-	81,266,915	9,714,794	71,081,799	-	60,855,611	10,226,088
6 LONG TERM FINANCES	2,126,224,169	(136,716,134)	1,666,589,540	302,918,495	2,438,959,906	(312,735,737)	1,796,230,792	329,933,377
From Bank - Secured							287,814,000	-
Less: Current maturity							(17,000,000)	-
Less: Payment during the period							(11,150,000)	-
							<u>239,764,000</u>	-

6.1 The company has entered into the settlement agreement with the Bank of Punjab whereof the Company will pay quarterly agreed amount in 06 years without any further interest. The facility is secured against mortgage on factory Land and Building of Plot No A-34/A.

AL-ABID SILK MILLS LIMITED

7	LOAN FROM DIRECTORS - UNSECURED			
	Balance at beginning of the year		561,018,754	521,018,754
	Received during the Period		-	40,000,000
	Repaid during the Period		-	-
			561,018,754	561,018,754
	The above is interest free loan from director(s) of the company, which is payable on demand.			
8	ADVANCE FROM IBL - UNSECURED			
8.1	This represents an amount of Rs. 366 million in respect of initial mobilizing expenses by International Brands Limited as disclosed on note 2 for repair and maintenance to have the plant in full running condition. The same has been written off during the year ended June 30, 2023.			
9	ACCRUED MARKUP			
	Export refinance loan	32,377,419		32,377,419
	Liabilities against assets subject to finance lease	3,437,436		3,437,436
	Short term loans	24,807,974		24,807,974
	Less: Transferred to Long term finances	(10,845,137)		-
		49,777,692		60,622,829
10	SHORT TERM FINANCES			
	From banks and financial institutions - Secured			
	Add: Cost of fund of Bank of Punjab against the settlement	10.1	1,301,787,787	1,397,310,685
	Less: Transferred to Long term finances		-	38,977,102
	Less: Payment during the Period		(257,068,863)	-
			1,044,718,924	(132,500,000)
			1,044,718,924	1,301,787,787

10.1 The facilities consist of various types of short term finances from different banks and non-banking financial institution. The facilities are secured against hypothecation charge on stocks, mortgage on factory property of Plot No. A-28/B with Land, building and machinery installed thereon and charge on book debts and receivables of the company. As fully disclosed in note No. 11 various banks have filed suit for the recovery of these loans. Previously the company has settled off most of the banks. The management is amicably pursuing rest of the banks and D.F.I for rescheduling or settlement as disclosed in note 2 & 11.



Chief Executive Officer



Director



Chief Financial Officer

AL-ABID SILK MILLS LIMITED

December 31, 2023
Rupees

Audited
June 30, 2023
Rupees

11 CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

Bank guarantees

The bank guarantees have been issued in favor of Excise, Sales tax and others.

1,512,000 1,512,000

11.2

S.NO.	SUIT PETITION	FORUM	ISSUE INVOLVED	STATUS
1		Sindh High Court	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.	Pending
2	Application No. 95 & 96 of 2016	Sindh High Court	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. During the year, the Sindh High Court passed order in favor of the Company. The Department has filed an appeal before the Supreme Court for challenging the order.	Pending
3	Suit No. 8-42/2013	Sindh High Court	Al-Abid Silk Mills Limited (company) has filed the suit for damages against the JS Bank Limited and JS Bank Limited has filed suit # 8-76/2013 against the company for recovery of outstanding loan amounting to Rs. 335,105,083/- Settlement with JS Bank Ltd has been reached according to Supreme Court of Pakistan Direction, the company deposited the settlement amount to Nazir Sindh High Court in the Suit.	Pending
4	Suit No. 8-95 of 2013	Sindh High Court	Bank of Punjab has filed suit against the Company for recovery of outstanding loan amounting to Rs. 434,399,949/- Al-Abid Silk Mills Limited and The Bank of Punjab have resolved their dispute and a compromise decree has been passed in the instant suit. During the period / year, installment payment as per schedule has been made by the Company against the settlement of this loan.	Settled
5	Suit No. B-111 of 2013	Sindh High Court	PAIR Investment Co. Ltd. has filed the suit against the Company for recovery of outstanding loan amounting to Rs. 171,460,949/-	Pending
6	Suit No. B-26 of 2017	Sindh High Court	National Bank of Pakistan has filed the suit against the Company for recovery of outstanding loan amounting to Rs. 948,140,145/-	Pending
7	Suit No. 1586/2013	Sindh High Court	The company has filed suit interalia for cancellation of cheques; and damages against Jawad Arshad Textile.	Pending
8	Suit No. 540/2014	Sindh High Court	Javed Arshad has filed the suit against the company for recovery of Rs. 21.32 million.	Pending
9	Suit No. 1200/2014	Sindh High Court	Ranyal Textile has filed the suit against the company for recovery of Rs. 40.94 million.	Pending
10	Suit No. 1245/2015	Sindh High Court	Shahaj Textile has filed the suit against the company for recovery of Rs. 112.64 million.	Pending
11	Suit No. 1833/2015	Sindh High Court	Maksons Textile has filed the suit against the company for recovery of Rs. 56.38 million.	Pending
12	Suit No. 358/2015	Sindh High Court	BASF has filed the suit against the company for recovery of Rs. 33.68 million.	Pending
13	Suit No. 2442/2016	Sindh High Court	ICI Pakistan has filed the suit against the company for recovery of Rs. 26.57 million.	Pending
14	H.C.A 519/2018	Sindh High Court	The company has filed an High Court Appeal against Shahaj Textile limited, an ad-interim injunctive order of the Learned Single Judge wherein the company was refrained from creating any third party interest on their properties.	Pending
15	JCM No. 34/2014	Sindh High Court	One of the supplier of the company has filed a winding up petition, on the ground that the company owes a sum of Rs. 40.94 million to Ranyal Textile. Such claim is denied by the company.	Pending
16	JCM No. 25/2015	Sindh High Court	PAIR Investment Company Limited has filed a winding up petition, on the ground that the company owes a sum of Rs. 201.925 million to Pair Investment. Such claim is denied by the company.	Pending
17	Suit No. 604/2018	Sindh High Court	ACME (supplier) has filed suit for recovery of Rs. 48,822,642/-, before the High Court of Sindh at Karachi. An application for rejection of plaint has been filed in the matter on the grounds that the claim of this supplier is time barred. Besides this, issues have yet to be framed in the case therefore it is premature to comment on the outcome. The management is vigorously contesting the case.	Pending
18	JCM No. 10/2015	Sindh High Court	Achroma Textile Chemicals Pakistan (creditor) has filed a winding up petition at High Court of Sindh at Karachi. The winding up petition has been filed on the grounds that Al-Abid owes Achroma Textile Chemical Pakistan (formerly BASF Pakistan) a sum of Rs. 33,683,561/-. Such claim is denied by Al-Abid. The petition is yet to be heard. Therefore, it is premature to comment on the outcome. The management is vigorously contesting the case.	Pending
19	JCM No. 35/2014	Sindh High Court	JS Bank Limited had filed a winding up petition at High Court of Sindh at Karachi, on the grounds that Al-Abid owes to the JS Bank Limited Rs. 370,930,165/-. Settlement with JS Bank Ltd has been reached according to Supreme Court of Pakistan Direction, the company deposited the settlement amount to Nazir Sindh High Court in the Suit.	Pending
20			During the year 2022, the Additional Commissioner of Inland Revenue, Range A, Audit-I, Corporate Tax Office, Karachi (ADCIR) passed an order dated January 17, 2022 (us 112(SA)) of the Income Tax Ordinance, 2001 for the Tax Year 2020 whereof a demand of Rs. 739,071,338 was raised. The company has filed an Income Tax Appeal before the Commissioner Inland Revenue (Appeals III), Karachi [CIR(A)] on 10-02-2022 against the said order passed by the ADCIR. The case has been concluded on April 20, 2022 by the Commissioner of IR VII Karachi, against which the company has filed second appeal before Appellate Tribunal IR, which is pending and in the opinion of the Company and an independent legal counsel of the Company there is no anticipation of any unfavorable outcome of the said appeal and hence no provision is required to be made in the Financial Statements.	Pending
21		Sindh revenue board	During the year, the deputy commissioner SRB passed an order No. 5874 of 2023 on 20.11.2023 for the tax year 2021, whereby the SSWWF demand of Rs. 12,108,810 has been created and penalty of Rs. 605,440 has also been imposed. The company has been assessed before the Commissioner SRB (Appeals-III), Karachi who has granted the stay of recovery of disputed SSWWF vide order sheet dated 13.12.2023. The appeal is pending decision till date.	Pending


The amount mentioned on above cases 3, 5, 6, 16 & 19 are claimed amounts by the Banks and DF, actual amounts to be determined by the Banking Court.

The outcome of above cases as referred in cases 7-15, 17, 18 & 20 cannot be predicted and the management is vigorously contesting the cases.

There are various ex-workers filed suits pending 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.

AL-ABID SILK MILLS LIMITED

	Note	December 31, 2023 Rupees	Audited June 30, 2023 Rupees
12 PROPERTY, PLANT AND EQUIPMENT			
Operating Fixed Assets			
Capital Work In Progress - DDFC Boiler		2,265,142,294	2,379,755,876
		<u>7,590,000</u>	<u>7,500,000</u>
		<u>2,272,642,294</u>	<u>2,387,255,876</u>
12.1 Operating Fixed Assets			
Operating written down value			
Additions		2,379,755,876	2,641,236,109
Deletions		7,907,593	-
Surplus arisen during the period		(64,110,478)	(116,496,596)
Depreciation		-	-
		<u>(58,410,797)</u>	<u>(144,983,637)</u>
		<u>2,265,142,294</u>	<u>2,379,755,876</u>
13 OTHER RECEIVABLES			
Duty drawback			
Receivable from banks		92,655,928	92,555,928
Research and development support	13.1	26,833,537	26,833,537
Receivable from Warehousing services		4,325,164	4,325,164
Deposited with Nazir Singh High Court against loan settlement	13.2	381,250	-
		<u>89,500,000</u>	<u>89,500,000</u>
13.1 This represents the amount of DLT received by certain banks on the company's behalf in the accounts held by these banks namely United Bank Limited and National Bank of Pakistan and the same is receivable from the respective banks. One of the banks namely United Bank Limited has refused to pay amount despite of the fact that full and final settlement was amicably reached and clearance certificate as per the honorable Sindh High Court's consent decree was obtained. The company has filed the suit # 862/2020 against the bank for the recovery of Rs. 13,871,000/-.			
13.2 This represents settlement amount deposited with Nazir Singh High Court Karachi for Settlement under process with JS Bank Ltd according to Supreme Court's order/direction.			
		<u>213,585,879</u>	<u>213,214,629</u>
14 OTHER INCOME		December 31, 2023 Rupees	December 31, 2022 Rupees
Income from non-financial assets			
Sale of scrap			
Profit on sale of Assets		8,358,197	2,143,042
Rental income		-	2,401,200
		<u>1,120,000</u>	-
Income from financial assets / liabilities			
Profit on PLS deposit account		5,229,872	1,743,696
		<u>14,708,069</u>	<u>6,287,938</u>
15 LOSS PER SHARE - BASIC AND DILUTED			
15.1 LOSS PER SHARE - BASIC			
Loss after taxation		Rupees (62,364,003)	(81,166,591)
Weighted average number of shares		Number 13,409,550	13,409,550
Loss per share-Basic		Rupees (4.65)	(6.05)
15.2 EARNINGS / (LOSS) PER SHARE - DILUTED			
There is no dilution effect on the basic earning per shares of the Company (2023: Nil).			
16 RELATED PARTY TRANSACTIONS			
The related parties comprise associated undertakings and key management personnel. The transactions between the Company and the related parties are carried out at arms length. No significant transactions were made with related parties during the period. Significant balances with related parties are as follows:			
		December 31, 2023 Rupees	June 30, 2023 Rupees
Balances			
Nature	Relationship with the company		
Loan received from Director - Azim Ahmed	Chief Executive Officer	60,105,867	60,105,867
Loan received from Director - Naseem A. Sattar	Chairman	500,912,687	500,912,687
		<u>560,018,554</u>	<u>560,018,554</u>
17 KEY MANAGEMENT PERSONNEL - REMUNERATION & BENEFITS			
In view of bad financial condition of the company directors have decided not to claim their whole remuneration for the period ended December 31, 2023.			
18 FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES			
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.			
The carrying values of all financial assets and liabilities reflected in these interim financial statements approximate their fair values.			
Fair value hierarchy:			
The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.			
- Level 1: fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.			
- Level 2: fair value measurements are those derived from inputs other than quoted prices included within 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: fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).			
As at December 31, 2023 the Company has no financial instruments that falls into any of the above category.			
19 DATE OF AUTHORISATION FOR ISSUE			
These financial statements were approved and authorized for issue in the Board of Directors' meeting held on 27-02-2024.			
20 GENERAL			
Corresponding figures have been reclassified/ re-arranged wherever necessary to facilitate comparison on the presentation on the current period. However, there are no material reclassifications / re-arrangements to report.			


Chief Executive Officer


Director


Chief Financial Officer