

REPORT AND ACCOUNTS  
FOR THE NINE MONTHS ENDED  
MARCH 31, 2022

**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

<b>BOARD OF DIRECTORS</b>	Mr. Naseem A. Sattar Mst. Adia Naseem Mrs. Sadaf Nadeem Syed Raza Abbas Jaffari	Chief Executive Officer Non-Executive Director Non-Executive Director Nominee Director (N.I.T.)
<b>CHIEF FINANCIAL OFFICER</b>	Mr. Haroon Rasheed	
<b>SECRETARY</b>	Mr. Nasim Ahmed	
<b>AUDITORS</b>	Muniff Ziauddin & Co., Chartered Accountants	
<b>REGISTRARS</b>	Jwaffs Registrar Services (Pvt) Ltd. Room # 407-408, 4th Floor, Al-Ameera Centre, Shahrah-e-Iraq, Saddar, Karachi	
<b>BANKERS</b>	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	
<b>REGISTERED OFFICE</b>	A-34/A, S.I.T.E., Manghopir Road, Karachi.	
<b>MILLS</b>	A-34 / A, A-29 / B, S.I.T.E., Karachi.	
<b>E-MAIL</b>	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 3rd Quarter ended on March 31, 2022,

In our half yearly director report, we have tried to give you complete picture of the company. After the director report of half yearly, in the last three months there have been unfortunately political turmoil, dollar rupees parity has changed to negative as far as our country is concerned.

### Future outlook:

With the new government in power, it is hoped it will add efforts of giving attentions to textile industry more aggressively although there are lot of odds such as power shortage, gas shortage and somewhat law and order situation. Rate of exchange apparently should be helpful in export, but at the same time internal inflation will affect the cost of production. Your company is hope full to counter these odds as in the past, when the cost of doing business compared with other competing countries was higher still your company was exporting for 100 million dollar per year.

The management is confident that once the company in production, we will again counter the odds as have been doing in the past.

As reported earlier, we are looking for investment, but under present turmoil it may be confusing for banks and investors both. It is hoped that the turmoil will shimmer down and some positive action will be taken by the government in power and it's various entities.

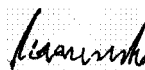
We have practically settled all banks only waiting final approval from the judicial system which presently due to existing turmoil, even otherwise takes quite some time. With National Bank and Pak Iran Investment Company (PAIR) discussion are taking place actively.

In any case, our efforts are there and our will is there to bring the company in operation also with positive approach from government entities.

We hope our shareholders will have understanding of the situation.

Thanking you,

For and on behalf of the Board of Directors



**Naseem A. Sattar**  
Chief Executive Officer

**Date: April 26, 2022**

## AL-ABID SILK MILLS LIMITED

### حصص داران کیلئے ڈائریکٹرز کی رپورٹ

بورڈ آف ڈائریکٹرز 31 مارچ 2022 کو ختم ہونے والی تیسری سرمایہ کیلئے کمپنی کے مجموعی مالیاتی حسابات پیش کر رہے ہیں۔

اپنی ششماہی ڈائریکٹرز رپورٹ میں، ہم نے آپ کو کمپنی کی مکمل ٹھیکہ دینے کی کوشش کی ہے۔ ششماہی کی ڈائریکٹرز رپورٹ کے بعد بد قسمتی سے گزشتہ تین ماہ کے دوران سیاسی صورتحال کشیدہ رہی، جہاں تک ہمارے ملک کا تعلق ہے، ذرا کے مقابلے میں روپے کی قدر میں کمی ہوئی ہے۔

#### مشغلیں کا نظریہ:

جی حکومت اقتدار میں آنے کے بعد امید ہے کہ وہ دیگر مسائل انٹرنیٹ پر مزید توجہ دینے کی کوشش کرے گی حالانکہ بجلی کی قلت، گیس کی قلت اور کمی حد تک اس واماں کی صورتحال جیسی بہت سی مشکلات موجود ہیں۔ شرح مبادلہ بظاہر برآمدات میں مددگار ہونا چاہیے لیکن ساتھ ہی اندرونی افراط زر پیداواری لاگت کو متاثر کرے گا۔ آپ کی کمپنی ماضی کی طرح ان مشکلات کا مقابلہ کرنے کے لیے پرامید ہے، جب دوسرے مسابقتی ممالک کے مقابلے کا روپاری لاگت زیادہ تھی جب بھی آپ کی کمپنی 100 ملین ڈالر سالانہ کی برآمدات کر رہی تھی۔

انتظامیہ کو یقین ہے کہ ایک بار کمپنی کے پروڈکشن میں آنے کے بعد، ہم دوبارہ ان مشکلات کا مقابلہ کریں گے جیسا کہ ماضی میں ہوتا رہا ہے۔

جیسا کہ پہلے بتایا گیا ہے، ہم سرمایہ کاری کی تلاش میں ہیں، لیکن موجودہ بینکاری صورتحال کے تحت ریجنوں اور سرمایہ کاروں دونوں کے لیے مشکلات پیدا کر سکتی ہے۔ امید ہے کہ اس صورتحال میں کمی ہوگی اور حکومت اور اس کے حلقہ داروں کی جانب سے کچھ مثبت اقدام کیے جائیں گے۔

ہم نے عملی طور پر تمام بینکوں کے ساتھ معاملات طے کر لئے ہیں، صرف عدالتی نظام سے حتمی منظوری کا انتظار ہے جو کہ موجودہ کشیدگی کی وجہ سے ہے، بصورت دیگر کافی وقت لگتا ہے۔ بینکنگ بینک اور پاک ایران انٹرنیشنل کمپنی (PAIR) کے ساتھ بات چیت جاری ہے۔

بہر حال ہماری کوششیں موجود ہیں اور ہماری خواہش ہے کہ حکومتی اداروں کی جانب سے کمپنی کو مثبت اعماز میں آپریشن میں لایا جائے۔

ہمیں امید ہے کہ ہمارے شیئرز ہولڈرز ہماری کوششوں کو سمجھیں گے۔

آپ سب کا شکریہ

مورخ: 26 اپریل 2022ء

بورڈ آف ڈائریکٹرز کی جانب سے

*Signature*  
محمد اعجاز  
چیف ایگزیکٹو آفیسر

# AL-ABID SILK


## CONDENSED INTERIM STATEMENT OF FOR THE NINE MONTHS ENDED

	March 2022 (Un-Audited)	June 2021 (Audited) Restated
<b>EQUITY &amp; LIABILITIES</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
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
<b>Capital reserves</b>		
Other reserves	372,831,844	372,831,844
Revaluation Surplus on Property, Plant & Equipment	5 2,268,894,020	518,892,129
<b>Revenue reserves</b>		
Accumulated loss	(2,796,366,521)	(2,749,316,430)
<b>Total equity</b>	<b>(20,545,157)</b>	<b>(1,723,496,957)</b>
<b>LIABILITIES</b>		
<b>NON- CURRENT LIABILITIES</b>		
Deffered Taxation	-	-
Staff Retirement benefits	8,425,182	8,425,182
	8,425,182	8,425,182
<b>CURRENT LIABILITIES</b>		
Loan from directors and family member's- unsecured	6 521,018,754	521,018,754
Trade and other payables	763,109,273	762,843,112
Unclaimed dividend	108,310	108,310
Advance from I.B.L.	7 366,063,944	366,063,944
Accrued markup	8 60,622,829	60,622,829
Short term finances	9 1,397,310,685	1,397,310,685
Provision for taxation	626,581	573,441
	3,108,860,355	3,108,541,074
<b>CONTINGENCIES AND COMMITMENTS</b>	10	
	<b>3,096,740,381</b>	<b>1,393,469,299</b>

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

  
Chief Executive Officer


  
Director

  
Chief Financial Officer

# MILLS LIMITED

FINANCIAL POSITION (UN-AUDITED)  
MARCH 31, 2022

		March 2022 (Un-Audited)	June 2021 (Audited)
	Note	(Rupees)	
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	11	2,697,254,699	978,405,190
Long term security deposit		3,311,307	3,311,307
<b>CURRENT ASSETS</b>			
Stores and spares		24,909,000	24,909,000
Trade debts		1,059,156	1,200,936
Loans and advances		5,048,594	5,048,594
Trade deposits and prepayments		8,144,398	8,144,398
Other receivables	12	216,808,363	219,841,188
Tax refunds due from government		62,640,899	62,265,684
Cash and bank balances		77,563,965	90,343,002
		396,174,375	411,752,802
		<u>3,096,740,381</u>	<u>1,393,469,299</u>



Chief Executive Officer



Director



Chief Financial Officer

# AL-ABID SILK MILLS LIMITED

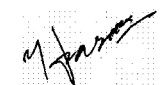
## CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2022

	Note	Nine Months ended		Quarter ended	
		July-March 2022 Rupees	July-March 2021 Rupees	Jan- March 22 Rupees	Jan- March 21 Rupees
Sales and manufacturing		-	-	-	-
Cost of sales		80,888,337	74,156,973	40,120,725	17,007,144
<b>Gross loss</b>		<b>(80,888,337)</b>	<b>(74,156,973)</b>	<b>(40,120,725)</b>	<b>(17,007,144)</b>
<b>Operating expenses</b>					
Administrative expenses		<u>17,395,809</u> (98,284,146)	<u>31,197,142</u> (105,354,115)	<u>5,968,028</u> (46,088,753)	<u>5,726,933</u> (22,734,077)
Other income	13	4,820,544	749,808,114	26,170	4,403,245
<b>(Loss)/ profit from operations</b>		<b>(93,463,602)</b>	<b>644,453,999</b>	<b>(46,062,583)</b>	<b>(18,330,832)</b>
Finance cost		-	7,233	-	-
<b>(Loss) / profit before taxation</b>		<b>(93,463,602)</b>	<b>644,446,766</b>	<b>(46,062,583)</b>	<b>(18,330,832)</b>
Taxation-net		(53,120)	(154,331)	0	(56,859)
<b>(Loss) / profit after taxation</b>		<b>(93,516,722)</b>	<b>644,292,435</b>	<b>(46,062,583)</b>	<b>(18,387,691)</b>
<b>(Loss) / Earning per share - basic and diluted</b>	14	<b>(6.97)</b>	<b>48.05</b>	<b>(3.44)</b>	<b>(1.37)</b>

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

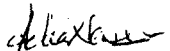
## CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2022

	Nine Months ended		Quarter Ended	
	July-March 2022 Rupees	July-March 2021 Rupees	Jan- March 22 Rupees	Jan- March 21 Rupees
(Loss) / profit after taxation	(93,516,722)	644,292,435	(48,062,583)	(18,387,691)
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified to profit or loss</i>				
Revaluation of property, plant and equipment	1,796,468,522	-	-	-
<i>Items that are or may be reclassified subsequently to</i>				
Other comprehensive income for the period	1,796,468,522	-	-	-
<b>Total comprehensive income / (loss) for the period</b>	<b>1,702,951,800</b>	<b>644,292,435</b>	<b>(48,062,583)</b>	<b>(18,387,691)</b>

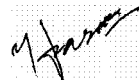
The annexed notes form an integral part of these condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

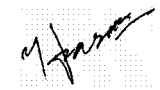
**AL-ABID SILK MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2022**

	July-March 31, 2022 Rupees	July-March 2021 Rupees
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
(Loss) / profit before taxation	(93,463,602)	644,446,766
<b>Adjustments for:</b>		
Depreciation	77,619,014	52,510,375
Gain on disposal of property, plant and equipment	-	(185,876,790)
Provision for slow moving obsolete stores and spares	-	5,061,392
Provision for obsolete stock	-	818,958
Obsolete Stock Writeoff	-	5,107,200
Impairment of trade debts	141,780	141,781
Gain on reversal of financial liability	-	(551,331,222)
	<u>77,780,794</u>	<u>(673,568,306)</u>
<b>WORKING CAPITAL CHANGES</b>		
<b>Decrease / (Increase) in current assets:</b>		
Loan and advances	-	3,826,525
Trade deposits and prepayments	-	-
Other receivables	3,032,825	(78,987,895)
Tax refunds due from government	(375,215)	(2,293,163)
	<u>2,657,610</u>	<u>(77,454,533)</u>
<b>(Decrease) / Increase in current liabilities:</b>		
Trade and other payable	266,161	182,128
Security deposit	-	(16,400,000)
Accrued mark-up	-	(36,186,301)
	<u>266,161</u>	<u>(52,404,173)</u>
Cash used on operations	(12,779,037)	(158,980,246)
Taxes paid	-	-
Net cash used in operating activities	<u>(12,779,037)</u>	<u>(158,980,246)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of fixed assets	-	344,262,486
Long term security deposit	-	50,000
Net cash generated from investing activities	-	344,312,486
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of short term finance	-	(195,813,699)
Net cash used in financing activities	-	(195,813,699)
<b>Net decrease in cash and cash equivalents</b>	<u>(12,779,037)</u>	<u>(10,481,459)</u>
<b>Cash and cash equivalents at the beginning of the period</b>	<u>90,343,002</u>	<u>102,352,665</u>
<b>Cash and cash equivalents at the end of the period</b>	<u>77,563,965</u>	<u>91,871,205</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 CHANGES IN EQUITY (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2022

	Share Capital	Capital Reserve		Revenue Reserve	Total
	Issued, subscribed and paid-up capital	Other reserve	Revaluation Surplus on Rupees	Accumulated Loss	
Balance as at July 01, 2020 - previously stated	134,095,500	372,834,000	1,297,497,056	(4,131,831,283)	(2,327,404,727)
Correction of error - Note 5.3	-	-	(675,666,466)	675,666,466	-
Balance as at July 01, 2020 - restated	134,095,500	372,834,000	621,830,570	(3,456,164,797)	(2,327,404,727)
Comprehensive loss for the year	-	-	-	-	-
Comprehensive income for the year	-	-	-	644,292,435	644,292,435
Profit after tax for the nine months ended March 31, 2021	-	-	-	-	-
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the nine months ended March 31, 2021	-	-	-	644,292,435	644,292,435
-Transfer on account of disposal	-	-	(51,984,045)	51,984,045	-
-Transfer on account of incremental depreciation	-	-	(17,152,721)	17,152,721	-
Balance as at March 31, 2021 - restated	134,095,500	372,834,000	552,693,804	(2,742,735,596)	(1,683,112,292)
Balance as at July 01, 2021 - previously stated	134,095,500	372,831,844	1,246,542,860	(3,476,966,961)	(1,723,496,857)
Correction of error - Note 5.3	-	-	(727,650,531)	727,650,531	-
Balance as at July 01, 2021 - restated	134,095,500	372,831,844	518,892,129	(2,749,316,430)	(1,723,496,957)
Loss after tax for the nine months ended March 31, 2022	-	-	-	(93,516,722)	(93,516,722)
Other comprehensive income	-	-	1,796,468,522	-	1,796,468,522
Total comprehensive income for the nine months ended March 31, 2022	-	-	1,796,468,522	(93,516,722)	1,702,951,800
-Transfer from surplus on revaluation of fixed assets on account of incremental depreciation	-	-	(46,466,631)	46,466,631	-
Balance as at March 31, 2022	134,095,500	372,831,844	2,266,894,020	(2,796,366,521)	(10,545,157)

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 FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2022

### 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 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:

<u>KARACHI</u>	<u>PURPOSE</u>
A-34/A, S.I.T.E., Manghopir Road, Karachi.	The registered office with manufacturing facilities
A-29/B, S.I.T.E., Manghopir Road, Karachi.	The factory premises with manufacturing 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. 2.796 billion, while the reported current liabilities (since partly under litigation) have exceeded to current assets of the company by Rs. 2.713 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 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. 92.10 million as matter was under litigation. Settlement with JS Bank is under process 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 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.

### 2 IMPACT OF COVID-19 ON FINANCIAL STATEMENTS

In the light of on going COVID-19 pandemic, the company has reviewed its exposure to business risk and has not identified any risks that could materially impact the financial performance or position of the company. Consequently there was no significant impact of Covid -19 pandemic on the company's operations or recognition and measurement of assets and liabilities during the period ended March 31, 2022.

# AL-ABID SILK MILLS LIMITED

## 3 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

### 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 International Accounting Standard Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountant of Pakistan as are 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.

- 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, 2021.

### 3.3 New standards, amendments to approved accounting standards and new interpretations

#### 3.3.1 Amendments to approved accounting standards which are effective during the year ending June 30, 2022

There are certain amendments to approved accounting standards which are mandatory for accounting periods beginning on or after July 1, 2021 but are considered not to be relevant or have any significant effect on the Company's financial reporting.

#### 3.3.2 New standards and amendments to approved accounting standards that are effective for the Company's accounting periods beginning on or after July 1, 2022.

There is a new standard and certain amendments to approved accounting standards that will be mandatory for accounting periods beginning on or after July 1, 2022 but are considered not to be relevant or expected to have any significant effect on the Company's financial reporting.

- 3.4 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, 2021.

## 4 SIGNIFICANT ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of these condensed interim 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. Revision to accounting estimates are recognised prospectively commencing from the period of revision.

Judgments and estimates made by the management in the preparation of these condensed interim financial statements are same as those applied to financial statements as at and for the year ended June 30, 2021.

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2021.

# AL-ABID SILK MILLS LIMITED

	Note	March - 2022 Rupees (Un-Audited)	June 2021 Rupees (Audited) Restated
<b>5 Revaluation Surplus on Property Plant &amp; Equipment</b>			
Balance at beginning of the period / year - restated	5.3	518,882,129	621,830,570
Less: Transferred to unappropriated profit on account of Incremental depreciation for the period / year		(46,466,631)	(50,954,396)
Less: Transferred to unappropriated profit on account of disposal for the period / year		-	(51,884,045)
Surplus on revaluation arisen during the period		1,786,488,522	-
Balance at end of the period / year - net		<u>2,268,894,020</u>	<u>518,882,129</u>

5.1 The Company has revalued its Leasehold land, Building on Leasehold land, Plant, Machinery & equipments, Furniture & Fixture, Office equipment, Electric, gas & Other Installation. The valuation has been determined by the independent qualified valuer M/s. Sedrudin 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. 2,321,158,747 have been taken to account for the fixed assets. The earlier valuations were carried out by independent qualified valuer M/s. SIPRA & Company on January 08, 2018 and M/s. Anjum Adil and Associates independent qualified valuer on June 30, 2012, August 31, 2010 and August 31, 2007 on the basis of prevailing market rates at that time.

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:

	Mar-22			Jun-21		
	Cost	Accumulated depreciation	Book value	Cost	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	244,970,787	44,899,986	289,870,773	241,330,247	48,540,526
Plant, Machinery & equipments	2,001,525,719	1,686,111,651	315,414,067	2,001,525,719	1,660,537,540	340,988,178
Furniture & Fixture	42,571,147	35,022,085	7,549,061	42,571,147	34,410,000	8,161,146
Office equipment	4,533,716	3,719,703	823,013	4,533,716	3,643,972	889,744
Electric, gas & Other Installations	71,081,709	59,403,758	11,677,951	71,081,709	58,456,899	12,624,810
	<u>2,438,959,906</u>	<u>2,029,218,984</u>	<u>409,740,922</u>	<u>2,438,959,906</u>	<u>1,996,378,658</u>	<u>440,581,246</u>

5.3 The Company had not transferred the amount on account of disposal of the assets from revaluation surplus on property, plant and equipment to the accumulated losses. The error is corrected as follows:

	1/Jul/2020		
	As previously reported	Restatement	As restated
Revaluation Surplus on Property, Plant & Equipment	1,287,497,056	(675,666,486)	621,830,570
Accumulated loss	(4,131,631,283)	675,666,486	(3,456,164,797)
	1/Jul/2021		
	As previously reported	Restatement	As restated
Revaluation Surplus on Property, Plant & Equipment	1,246,542,660	(727,650,531)	518,882,129
Accumulated loss	(3,476,966,961)	727,650,531	(2,749,316,430)

	Note	March - 2022 Rupees (Un-Audited)	June 2021 Rupees (Audited)
<b>6 LOAN FROM DIRECTORS AND FAMILY MEMBERS - UNSECURED</b>			
Balance at beginning of the year		521,018,754	521,018,754
Received during the year		-	-
Repaid during the year		-	-
		<u>521,018,754</u>	<u>521,018,754</u>

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

7 **ADVANCE FROM IBL**  
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.

		<u>366,063,844</u>	<u>366,063,844</u>
<b>8 ACCRUED MARKUP</b>			
Export refinance loan		32,377,419	32,377,419
Liabilities against assets subject to finance lease		3,437,436	3,437,436
Short term loan		<u>24,807,874</u>	<u>24,807,874</u>
		<u>60,622,829</u>	<u>60,622,829</u>

9 **SHORT TERM FINANCES**  
From banks and financial institutions - Secured  
Less: Settlement during the year

	9.1	1,397,310,685	2,144,455,606
		(747,144,821)	(747,144,821)
		<u>1,397,310,685</u>	<u>1,397,310,685</u>

9.1 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-34/A and A-29/B with Land, building and machinery installed thereon and charge on book debts and receivables of the company. As fully disclosed in note No. 10 various banks have filed suit for the recovery of these loans. Previously and during the period, the company has settled off most of the banks as mentioned in note 1.1. The management is amicably pursuing rest of the banks and D.F.I for rescheduling or settlement as disclosed in note 1.1 & 10.

## 10 CONTINGENCIES AND COMMITMENTS

<b>10.1 Contingencies</b>			
Bank guarantee		1,512,000	1,512,000
The bank guarantees have been issued in favor of Excise, Sales tax and others.			

## AL-ABID SILK MILLS LIMITED

10.2

S.NO.	WRT 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 Sd. 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 Sd. 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.	Pending
3	Suit No. B-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 # B-76/2013 against the company for recovery of outstanding loan amounting to Rs. 335,105,083/- Settlement with JS Bank Ltd is under process 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. B-95 of 2013	Sindh High Court	Bank of Punjab has filed suit against the Company for recovery of outstanding loan amounting to Rs. 434,399,948/-.	Pending
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. 946,140,145/-.	Pending
7	Suit No. 1586/2013	Sindh High Court	The company has filed suit inter alia for cancellation of cheques; and damages against Jewald Arshad Textile.	Pending
8	Suit No. 540/2014	Sindh High Court	Jewald Arshad has filed the suit against the company for recovery of Rs. 21.32 million.	Pending
9	Suit No. 1200/2014	Sindh High Court	Raryal 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. 1933/2015	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. 26.27 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 restrained 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 Raryal 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	ACHME (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/-. The management is vigorously contesting the case. Settlement with JS Bank Ltd is under process according to Supreme Court of Pakistan Direction, the company deposited the settlement amount to Nazir Sindh High Court in the Suit.	Pending
20			Subsequent to the year end, the Additional Commissioner of Inland Revenue, Range A, Audit-4, Corporate Tax Office, Karachi (ADCIR) passed an order dated January 27, 2022 u/s 122(SA) of the Income Tax Ordinance, 2001 for the Tax Year 2020 whereby a demand of Rs. 729,071,238 was raised. The management has filed an Income Tax Appeal before the Commissioner Inland Revenue (Appeals II), Karachi (CIR(A)) on 10-02-2022 against the said order passed by the ADCIR, 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

## AL-ABID SILK MILLS LIMITED

The amount mentioned on above cases 3 to 6 are claimed amounts by the Banks and DFI, actual amounts to be determined by the Banking Court.

The outcome of above cases as referred in cases 3-20 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.

	Note	March - 2022 Rupees (Un-Audited)	June 2021 Rupees (Audited)
<b>11 PROPERTY, PLANT AND EQUIPMENT</b>			
Operating Fixed Assets		2,680,454,699	961,605,190
Capital Work in Progress - DDFC Boiler		16,800,000	16,800,000
		<u>2,697,254,699</u>	<u>978,405,190</u>
<b>11.1 Operating Fixed Assets</b>			
Opening written down value		961,605,190	1,189,393,888
Additions		-	64,398
Deletions		-	(158,440,480)
Surplus arisen during the period		1,796,468,522	-
Depreciation		<u>(77,619,013)</u>	<u>(69,412,618)</u>
		<u>2,680,454,699</u>	<u>961,605,190</u>
<b>12 OTHER RECEIVABLES</b>			
Duty drawback		93,663,626	93,663,626
Receivable from banks	12.1	29,298,573	32,332,398
Research and development support		4,325,164	4,325,164
Deposited with Nazir Sindh High Court against loan settlement	12.2	89,500,000	89,500,000
		<u>216,808,363</u>	<u>219,841,188</u>
<b>12.1</b>	This represents the amount of D/LTL received by certain banks on the company's behalf in the accounts held by these banks namely United Bank Limited, Allied Bank Limited, Faysal Bank Limited, National Bank of Pakistan and Summit Bank Limited 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. During the year, the company has filed the suit # 852/2020 against the bank for the recovery of Rs. 13,871,000/-.		
<b>12.2</b>	This represents settlement amount deposited with Nazir Sindh High Court Karachi for Settlement under process with JS Bank Ltd according to Supreme Court's order/direction.		
		March -22 Rupees (Un-Audited)	March -21 Rupees (Un-Audited)
<b>13 OTHER INCOME</b>	Note		
<b>Income from non-financial assets</b>			
Sale of scrap		3,541,322	10,288,761
Gain on disposal of property, plant and equipment		-	185,876,790
<b>Income from financial assets / liabilities</b>			
Gain arising on settlement of loan (secured)		-	551,331,222
Profit on PLS deposit account		1,279,222	2,311,341
		<u>4,820,544</u>	<u>749,608,114</u>



# AL-ABID SILK MILLS LIMITED

## 14 (LOSS) / EARNINGS PER SHARE - BASIC AND DILUTED

	For the nine months ended		For the Quarter ended	
	July-March 31, 2022	July-March 31, 2021	March 31, 2022	March 31, 2021
	Rupees			
(Loss) / profit after taxation	(93,516,722)	644,292,435	(46,062,583)	(18,387,691)
Weighted average number of ordinary shares outstanding during the period	13,409,550	13,409,550	13,409,550	13,409,550
(Loss) / earnings per share - basic & dilutive	(6.97)	48.05	(3.44)	(1.37)

There are no dilutive potential ordinary shares outstanding as at March 31, 2022 and 2021.

## 15 RELATED PARTY TRANSACTIONS

The related parties comprise associated undertakings and key management personnel. The transactions between the Company and the related parties are carried out at arms length. No significant transactions were made with related parties during the period. Significant balances with related parties are as follows:

Balances	Relationship with the company	March 2022	June 2021
		Rupees (Un-Audited)	Rupees (Audited)
Nature			
Loan received from - Azim Ahmed	Family member of a Director	60,105,867	60,105,867
Loan received from director - Naseem A. Sattar	Chief Executive Officer	460,912,867	460,912,867

## 16 KEY MANAGEMENT PERSONNEL - REMUNERATION & BENEFITS

In view for bad financial condition of the company directors have decided not to claim their whole remuneration for the period ended March 31, 2022 i.e. Mr. Naseem A. Sattar Rs. 7,875,000. (2021: Mr. Naseem A. Sattar Rs. 7,875,000).

## 17 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 March 31, 2022 the Company has no financial instruments that falls into any of the above category.

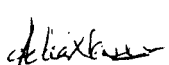
## 18 DATE OF AUTHORISATION FOR ISSUE

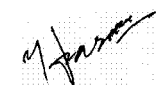
These condensed interim financial statements were approved and authorized for issue in the Board of Directors' meeting held on April 26, 2022.

## 19 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

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Saddar, Karachi.