

REPORT AND ACCOUNTS
FOR THE FIRST QUARTER ENDED
SEPTEMBER 30, 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

BOARD OF DIRECTORS	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.)
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 First Quarter ended on September 30, 2022,

Government in power is giving attention to the textile industry which is major earner of foreign exchange.

Future outlook:

Al-Abid, as known nationally and internationally has been a quality value added textile made-ups producer and exporter i-e home textile with the help of most modern plant which is still standing in the premises of Al-Abid and can be operated, but requires restructuring by Banks, so that Al-Abid is again in position to employ 7600 workers and 100 million dollar export annually as in the past. In Pakistan there are many textile mills who have been exporters but lying closed due to shortage of running finance. Although it would be a good idea for the government to put existing closed textile mills into production instead installing new capacities for which dollars are required which rather appear to be unavailable. This would add to the capacity of exports without spending new dollars and may not be even so time consuming as installing new capacities. We have been trying also with our banks to restructure. With today's requirement of exports and shortage of dollars, we expect government to take notice of our above mentioned suggestion and as such the country will be able to increase its textile export capacity.

We are thankful to all stakeholders and hope their support will continue.

Thanks to all of you.

For and on behalf of the Board of Directors



Naseem A. Sattar
Chief Executive Officer

October 27, 2022

AL-ABID SILK MILLS LIMITED

حصص داران کیلئے ڈائریکٹرز کی رپورٹ

بورڈ آف ڈائریکٹرز 30 ستمبر 2022ء کو ختم ہونے والی پہلی سہ ماہی کیلئے کمپنی کے مجموعی مالیاتی حسابات پیش کر رہے ہیں۔

برسر اقتدار حکومت نیکنائل کی صنعت پر توجہ دے رہی ہے جو کہ زرمبادلہ کمانے والی بڑی صنعت ہے۔

العابد، جو کہ قومی اور بین الاقوامی سطح پر جانا جاتا ہے، ایک کوالٹی ویلیو ایڈڈ نیکنائل میڈیاپ بنانے اور ایکسپورٹ کرنے والا یعنی ہوم نیکنائل جدید پلانٹ کی مدد سے جواب بھی العابد کے احاطے میں کھڑا ہے اور اسے چلایا جاسکتا ہے، لیکن بینکوں کی جانب سے تنظیم نو کی ضرورت ہے، تاکہ العابد ماضی کی طرح ایک بار پھر 7600 درگزر کو ملازمت دینے اور سالانہ 100 ملین ڈالر کی برآمدات کرنے کی پوزیشن میں ہو۔ پاکستان میں بہت سی نیکنائل ملز ہیں جو برآمد کنندگان رہی ہیں لیکن رنگ فنانس کی کمی کی وجہ سے بند پڑی ہیں۔ اگرچہ حکومت کے لیے یہ اچھا آئیڈیا ہوگا کہ موجودہ بند نیکنائل ملز کو پروڈکشن میں ڈالا جائے بجائے اس کے کہ نئی صلاحیتیں لگائی جائیں جس کے لیے ڈالرز درکار ہیں جو کہ دستیاب نہیں ہیں۔ یہ نئے ڈالرز خرچ کیے بغیر برآمدات کی صلاحیت میں اضافہ کرے گا اور نئی صلاحیتوں کو انشال کرنے جیسا وقت بھی نہیں لگے گا۔ ہم اپنے بینکوں سے تنظیم نو کے لیے بھی کوشش کر رہے ہیں۔ برآمدات کی آج کی ضرورت اور ڈالر کی کمی کے ساتھ، ہم توقع کرتے ہیں کہ حکومت ہماری مذکورہ تجویز کا نوٹس لے گی اور اس طرح ملک اپنی نیکنائل کی برآمداتی صلاحیت میں اضافہ کر سکے گا۔

ہم تمام اسٹیک ہولڈرز کے شکرگزار ہیں اور امید کرتے ہیں کہ ان کا تعاون جاری رہے گا۔

آپ سب کا شکر یہ

مورخہ: 27 اکتوبر 2022ء

بورڈ آف ڈائریکٹرز کی جانب سے

Handwritten signature

نسیم اے ستار

چیف ایگزیکٹو آفیسر


AL-ABID SILK
CONDENSED INTERIM STATEMENT OF
AS AT

	Sept 2022	2022
	Un-Audited	Audited
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	2,212,053,667	2,239,643,487
Revenue reserves		
Accumulated loss	(2,826,815,283)	(2,812,486,378)
Total equity	(107,832,116)	(65,913,391)
LIABILITIES		
NON- CURRENT LIABILITIES		
Deferred tax	-	-
Staff retirement benefits	8,373,879	8,373,879
	8,373,879	8,373,879
CURRENT LIABILITIES		
Loan from directors and family member's- unsecured	521,018,754	521,018,754
Trade and other payables	763,337,597	763,396,791
Unclaimed dividend	108,310	108,310
Advance from I.B.L	366,063,944	366,063,944
Accrued markup	60,622,829	60,622,829
Short term finances	1,397,310,685	1,397,310,685
Provision for taxation	617,708	617,708
	3,109,079,827	3,109,139,021
CONTINGENCIES AND COMMITMENTS		
	3,009,621,590	3,051,599,509

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


 Chief Executive Officer


 Director


 Chief Financial Officer


MILLS LIMITED

FINANCIAL POSITION (UN-AUDITED)
SEPTEMBER 30, 2022

		Sept 2022 Un-Audited	2022 Audited
Note		(Rupees)	
ASSETS			
NON-CURRENT ASSETS			
	Property, plant and equipment	11 2,621,110,977	2,658,036,109
	Long term security deposit	3,311,307	3,311,307
CURRENT ASSETS			
	Stores and spares	24,909,000	24,909,000
	Trade debts	964,636	1,011,896
	Loans and advances	5,150,548	5,142,502
	Trade deposits and prepayments	8,144,398	8,144,398
	Other receivables	12 216,756,212	216,756,212
	Tax refunds due from government	62,785,870	62,654,925
	Cash and bank balances	66,488,642	71,633,160
		385,199,306	390,252,093
		<u>3,009,621,590</u>	<u>3,051,599,509</u>


Chief Executive Officer


Director


Chief Financial Officer

AL-ABID SILK MILLS LIMITED

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED) For the First Quarter ended September 30, 2022

	Note	July-Sep 2022 Rupees	July-Sep 2021 Rupees
Sales and manufacturing		-	-
Cost of sales		(36,796,679)	(15,112,896)
Gross loss		<u>(36,796,679)</u>	<u>(15,112,896)</u>
Operating expenses			
Administrative expenses		(5,994,248)	(5,417,199)
Other income	13	872,965	1,693,284
(Loss) from operations		<u>(41,917,962)</u>	<u>(18,836,811)</u>
Finance cost		(763)	-
(Loss) before taxation		<u>(41,918,725)</u>	<u>(18,836,811)</u>
Taxation-net		-	(15,634)
(Loss) after taxation		<u>(41,918,725)</u>	<u>(18,852,445)</u>
(Loss) per share - basic and diluted	14	<u>(3.13)</u>	<u>(1.41)</u>

The annexed notes form an integral part of these 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 First Quarter ended September 30, 2022

	July-Sep 2022 <u>Rupees</u>	July-Sep 2021 <u>Rupees</u>
(Loss) after taxation	(41,918,725)	(18,852,445)
Other comprehensive income	-	-
Total comprehensive income for the period	<u>(41,918,725)</u>	<u>(18,852,445)</u>

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


Chief Executive Officer


Director


Chief Financial Officer

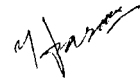
AL-ABID SILK MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
For the First Quarter ended September 30, 2022

	July-Sep 2022 Rupees	July-Sep 2021 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) before taxation	(41,918,725)	(18,836,811)
Adjustments for:		
Depreciation	36,925,132	15,196,539
Impairment of trade debts	47,260	47,260
	36,972,392	15,243,799
WORKING CAPITAL CHANGES		
Decrease in current assets:		
Loan and advances	(8,046)	-
Tax refunds due from government	(130,945)	(142,300)
(Decrease) in current liabilities:	(138,991)	(142,300)
Trade and other payable	(59,194)	673,008
	(59,194)	673,008
Cash used on operations	(5,144,518)	(3,062,304)
Taxes paid	-	-
Net cash used in operating activities	(5,144,518)	(3,062,304)
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from disposal of fixed assets	-	-
Long term security deposit	-	-
Net cash generated from investing activities	-	-
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of short term finance	-	-
Net cash used in financing activities	-	-
Net decrease in cash and cash equivalents	(5,144,518)	(3,062,305)
Cash and cash equivalents at the beginning of the period	71,633,160	90,343,002
Cash and cash equivalents at the end of the period	66,488,642	87,280,697

The annexed notes form an integral part of these 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 First Quarter ended September 30, 2022

	Share Capital	Capital Reserve		Revenue Reserve	Total
	Issued, subscribed and paid-up capital	Other reserve	Revaluation Surplus on	Accumulated Loss	
Rupees					
Balance as at July 01, 2021 - restated	134,095,500	372,834,000	518,892,129	(2,749,318,586)	(1,723,496,957)
Comprehensive income for the year					
Loss after tax for the Quarter ended September 30, 2021	-	-	-	(18,852,445)	(18,852,445)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the Quarter ended September 30, 2021	-	-	-	(18,852,445)	(18,852,445)
-Transfer on account of incremental depreciation	-	-	(4,812,412)	4,812,412	-
Balance as at September 30, 2021	134,095,500	372,834,000	514,079,717	(2,763,358,619)	(1,742,349,402)
Balance as at June 30, 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 Quarter ended September 30, 2022	-	-	-	(41,918,725)	(41,918,725)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the Quarter ended September 30, 2022	-	-	-	(41,918,725)	(41,918,725)
-Transfer from surplus on revaluation of fixed assets on account of incremental depreciation	-	-	(27,589,820)	27,589,820	-
Balance as at September 30, 2022	134,095,500	372,834,000	2,212,053,667	(2,826,815,283)	(107,832,116)


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



Chief Executive Officer



Director



Chief Financial Officer

AL-ABID SILK MILLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED) FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2022

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. 2.826 billion and total equity to negative Rs. 107.832 million, while the reported current liabilities (since partly under litigation) have exceeded to current assets of the company by Rs. 2.724 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. 58.82 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 on September 30, 2022.

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 applicable in Pakistan for interim financial reporting comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standard (IFS) 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 provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

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, 2022.

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, 2022 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, 2022.

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, 2022.

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, 2022.

AL-ABID SILK MILLS LIMITED

				Sep 2022	June 2022	
		Note		Un-audited	Audited	
				Rupees	Rupees	
5	Revaluation Surplus on Property Plant & Equipment					
	Balance at beginning of the period / year			2,238,643,487	518,892,129	
	Less: Transferred to unappropriated profit on account of incremental depreciation for the Period.			(27,589,820)	(75,717,164)	
	Less: Transferred to unappropriated profit on account of disposal for the year.			-	-	
	Surplus on revaluation arisen during the year			-	1,795,458,522	
	Balance at end of the year - net			2,212,053,667	2,235,643,467	
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. Sachindran 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 into account for the fixed assets. The market valuations were carried out by independent qualified valuer M/s. Saira & company on January 08, 2018 and M/s. Anjum and Associates 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:					
				Sep-22	Jun-22	
				Cost	Accumulated depreciation	Book value
				Cost	Accumulated depreciation	Book value
	Leasehold land			29,376,842	-	29,376,842
	Building on leasehold land			289,870,773	247,276,482	42,594,311
	Plant, Machinery & equipments			2,001,525,719	1,702,308,589	299,217,129
	Furniture & Fixture			42,571,147	35,409,739	7,161,407
	Office equipment			4,533,716	3,752,966	780,750
	Electric, gas & Other Installations			71,081,709	60,003,436	11,078,273
				2,438,959,806	2,848,761,192	399,208,712
				2,438,959,806	2,039,499,093	399,460,811
6	LOAN FROM DIRECTORS AND FAMILY MEMBERS - UNSECURED					
	Balance at beginning of the year			521,018,754	521,018,754	
	Received during the year			-	-	
	Repaid during the year			-	-	
				521,018,754	521,018,754	
	The above is interest free loan from director(s) of the company, which is payable on demand.					
7	ADVANCE FROM IBL - UNSECURED					
	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.			366,063,944	366,063,944	
8	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 loan			24,807,874	24,807,874	
				60,622,729	60,622,729	
9	SHORT TERM FINANCES					
	From banks and financial institutions - Secured	9.1		1,397,310,685	1,397,310,685	
	Less: Settlement during the period			-	-	
				1,397,310,685	1,397,310,685	
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, mortgages on factory property of Plot No. A-3A/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 2 & 10.					
10	CONTINGENCIES AND COMMITMENTS					
10.1	Contingencies					
	Bank guarantees			1,512,800	9,512,000	
	The bank guarantees have been issued in favor of Excise, Sales tax and others.					

AL-ABID SILK MILLS LIMITED

S.NO.	WRIT 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, 2020 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 Nos. 95 & 96 of 2016	Sindh High Court	The Spl. Sales Tax Reference Application Nos. 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.	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	FAIR Investment Co. Ltd. has filed the suit against the Company for recovery of outstanding loan amounting to Rs. 171,469,947/-.	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. 945,140,145/-.	Pending
7	Suit No. 1586/2013	Sindh High Court	The company has filed suit inter alia for cancellation of cheques and damages against Jawad Arshad Textile.	Pending
8	Suit No. 540/2014	Sindh High Court	Iaved 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. 40.34 million.	Pending
10	Suit No. 1245/2015	Sindh High Court	Shishay Textile has filed the suit against the company for recovery of Rs. 112.64 million.	Pending
11	Suit No. 1833/2015	Sindh High Court	Makaons Textile has filed the suit against the company for recovery of Rs. 56.38 million.	Pending
12	Suit No. 358/2015	Sindh High Court	EASF 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 Shishay 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	FAIR Investment Company Limited has filed a winding up petition, on the ground that the company owes a sum of Rs. 201.925 million to Fair 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. 48,822,842/-, 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 EASF 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			During the year 2022, the Additional Commissioner of Inland Revenue, Range A, Audit-I, Corporate Tax Office, Karachi (ADCIR) passed an order dated January 27, 2022 u/s 122(5A) 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 IB), Karachi (ICIR(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

AL-ABID SILK MILLS LIMITED

The amount mentioned on above cases 3 to 5 are claimed amounts by the Banks and DFL actual amounts to be determined by the Banking Court.

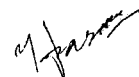
The outcome of above cases as referred in cases 3-20 cannot be predicted and the management is vigorously contesting the cases.

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	Sept 2022 Un-Audited Rupees	2022 Audited Rupees
11 PROPERTY, PLANT AND EQUIPMENT			
Operating Fixed Assets		2,804,310,877	2,841,236,109
Capital Work in Progress - DOFC Boiler		16,800,000	16,800,000
		<u>2,821,110,877</u>	<u>2,858,036,109</u>
11.1 Operating Fixed Assets			
Opening written down value		2,841,236,109	2,841,236,109
Additions		-	-
Deletions		-	-
Surplus arising during the period		-	1,796,498,522
Depreciation		<u>(36,925,132)</u>	<u>(118,837,863)</u>
		<u>2,804,310,877</u>	<u>2,841,236,109</u>
12 OTHER RECEIVABLES			
Duty drawback		82,638,878	82,555,826
Receivable from banks	12.1	30,375,120	30,375,120
Research and development support		4,325,164	4,325,164
Deposited with Nazir-Sindh High Court against loan settlement	12.2	89,590,000	89,590,000
		<u>216,749,112</u>	<u>216,749,112</u>
12.1 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, Allied Bank Limited, Faysal Bank Limited, National Bank of Pakistan and Summi 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 resolved and clearance certificate as per the honorable Sindh High Court's consent decree was obtained. During the year, the company has filed the suit # 882/2020 against the bank for the recovery of Rs. 13,871,000/-.			
12.2 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.			
13 OTHER INCOME		Sept 2022 Un-Audited Rupees	Sept 2021 Un-Audited Rupees
Income from non-financial assets			
Sale of scrap			1,042,284
Income from financial assets / liabilities			
Profit on PLS deposit account		872,965	651,000
		<u>872,965</u>	<u>1,693,284</u>
14 (LOSS) / EARNINGS PER SHARE - BASIC AND DILUTED			
14.1 (LOSS) / EARNINGS PER SHARE - BASIC			
(Loss)/profit after taxation	Rupees	<u>(41,816,725)</u>	<u>(16,852,445)</u>
Weighted average number of shares	Number	<u>13,499,550</u>	<u>13,499,550</u>
(Loss)/earning per share-Basic	Rupees	<u>(3.13)</u>	<u>(1.41)</u>
14.2 (LOSS) / EARNINGS PER SHARE - DILUTED			
There is no dilution effect on the basic earning per shares of the Company (2021: Nil).			
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		Sept 2022 Un-Audited Rupees	2022 Audited Rupees
Nature	Relationship with the company		
Loan received from - Adin Ahmad	Family member of a Director	60,105,857	60,105,857
Loan received from director - Naseem A. Sattar	Chief Executive Officer	<u>480,312,837</u>	<u>480,312,837</u>
16 KEY MANAGEMENT PERSONNEL - REMUNERATION & BENEFITS			
In view of bad financial condition of the company director have decided not to claim their whole remuneration for the period ended September 30, 2022 i.e. Mr. Naseem A. Sattar Rs. 2,625,000. (Sep 2021: Mr. Naseem A. Sattar Rs. 2,625,000).			
17 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, 2022.			
18 DATE OF AUTHORISATION FOR ISSUE			
These financial statements were approved and authorized for issue in the Board of Directors' meeting held on October 27, 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