

REPORT AND ACCOUNTS
FOR THE NINE MONTHS ENDED
MARCH 31, 2014

AL-ABID SILK MILLS LIMITED

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

AL-ABID SILK MILLS LIMITED

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AL-ABID SILK MILLS LIMITED

COMPANY INFORMATION

BOARD OF DIRECTORS	Mr. S.M. Jawed Azam	Chairman
	Mr. Naseem A. Sattar	Chief Executive Officer
	Mr. Azim Ahmed	Executive Director
	Mr. Qamar Mashkoor	Independent Non-Executive Director
	Mr. Muhammad Sajid Hafeez	Independent Non-Executive Director
	Mst. Adia Naseem	Non-Executive Director
	Mrs. Sadaf Nadeem	Non-Executive Director
	Syed Raza Abbas Jaffari	Nominee Director (N.I.T.)
SECRETARY	Mr. Muhammad Kashif	
AUDIT COMMITTEE	Mr. Qamar Mashkoor	Chairman
	Mr. Muhammad Sajid Hafeez	Member
	Mr. S.M. Jawed Azam	Member
HUMAN RESOURCE AND REMUNERATION COMMITTEE	Mr. Muhammad Sajid Hafeez	Chairman
	Mr. Naseem A. Sattar	Member
	Mr. Qamar Mashkoor	Member
AUDITORS	Muniff Ziauddin & Co., Chartered Accountants	
REGISTRARS	(a) Adam Patel & Company 34/2-F, Block-5, Clifton, Karachi.	
	(b) Jwaffs Registrar Services (Pvt) Ltd. 505, 5th Floor, Kashif Centre, Near Hotel Mehran, Main Shahrah-e-Faisal, 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 Pak Oman Investment Company Limited Pak Kuwait Investment Company (Private) Limited PAIR Investment Company Limited Standard Chartered Bank (Pakistan) Limited Summit Bank Limited The Bank of Punjab United Bank Limited	
REGISTERED OFFICE	A-39, S.I.T.E., Manghopir Road, Karachi.	
MILLS	A-39, A-51 / B, A-34 / A, D-14 / C-1, A-29 / B, S.I.T.E., Karachi.	

AL-ABID SILK MILLS LIMITED

Directors' Report to the Shareholder

The Board of Directors presents the condensed interim financial statements of the company for the nine months ending March 31, 2014.

Export of textile related goods witnessed positive growth of around 8.00% during the nine months ending March 31, 2014. However, overall exports of the country suffered with huge losses due to significant depreciation of US Dollar against the PKR during the last months. Export of value-added products is expected a decent rise in future due to lately awarded GSP Plus status by EU. It will enable exporters to compete well in international market and greatly support the sagging economy of the country. On the other end, it also apprehended that the severity of energy crisis and other encountered challenges may interrupt to achieve the desired target of export sales.

During the nine months ending March 31, 2014, the company registered total sales of Rs. 403.12 million as against Rs. 2.54 billion registered during the corresponding period of last financial year. As a result of considerable decrease in the sale, the company suffered the loss of Rs. 306.49 million as compared with the loss suffered 1.17 billion during the corresponding period of last financial year. The export business of the company remained standstill except few shipments of nominal amounts due to shortage of working capital. In order to utilize maximum capacity of the plant, the company is engaged in third party fabric processing of well known Lawn brands of local market. Most unfortunately, the company is unable to achieve optimum level of production due to unavailability of required working capital.

FUTURE OUTLOOK:

The management of the company is aggressively striving for coming out from the current financial crisis and actively negotiating with banks. It is expected that company's exports will resume and local fabric processing business will significantly improve once the rescheduling coupled with the fresh financing being negotiated / finalized with the banks by the beginning forthcoming financial year.

Towards the end, your Directors appreciate the services rendered by its workers, staff and executives of the company and look forward to their continued hard work with full dedication. We also acknowledge with thanks the cooperation extended by our banks, creditors and financial institutions. At the same time we thank all our well wishers and valued shareholders for their reposing confidence in us.

With profound regards,

April 28, 2014

For and on behalf of the
Board of Directors

(NASEEM A. SATTAR)
Chief Executive Officer

AL-ABID SILK

CONDENSED INTERIM BALANCE SHEET

	Note	March 2014 Rupees (Un-Audited)	June 2013 Rupees (Audited) Restated
EQUITY & LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised 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
Reserves			
Capital reserve		372,834,000	372,834,000
Accumulated loss		(5,855,205,477)	(5,548,717,667)
		(5,482,371,477)	(5,175,883,667)
Shareholder's equity		(5,348,275,977)	(5,041,788,167)
Surplus on revaluation of fixed assets	5	2,710,778,382	3,594,197,081
LIABILITIES			
NON- CURRENT LIABILITIES			
Loan from director - unsecured	6	394,647,754	305,455,867
Liabilities against assets subject to finance lease		6,086,094	16,612,334
Deferred Taxation		1,185,202,857	483,014,590
Retirement benefits		27,115,283	22,159,922
		1,613,051,988	827,242,713
CURRENT LIABILITIES AND PROVISIONS			
Trade and other payables		1,063,360,803	1,071,878,543
Accrued markup		245,165,239	240,815,938
Current maturity of long term loans			
- and Lease Liability		67,486,826	59,966,536
Short term finances		5,035,178,368	5,065,814,155
		6,411,191,236	6,438,475,172
CONTINGENCIES AND COMMITMENTS	7		
		5,386,745,629	5,818,126,799

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

Naseem A. Sattar
Chief Executive Officer

MILLS LIMITED

AS AT MARCH 31, 2014

	Note	March 2014 Rupees (Un-Audited)	June 2013 Rupees (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	4,920,283,842	5,261,929,398
Long term security deposit		1,946,645	1,946,645
CURRENT ASSETS			
Stores and spares		92,932,722	95,839,301
Stock in trade		59,014,039	106,861,274
Trade debts		46,973,776	58,635,820
Loans and advances		16,061,203	16,144,595
Trade deposits and prepayments		8,078,478	7,811,810
Other receivables		171,402,346	192,380,429
Tax refunds due from government		56,765,665	66,704,777
Cash and bank balances		13,286,913	9,872,750
		464,515,142	554,250,756
		<u>5,386,745,629</u>	<u>5,818,126,799</u>

Qamar Mashkooor
Director

AL-ABID SILK MILLS LIMITED

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (Un-audited) FOR THE NINE MONTHS ENDED MARCH 31, 2014

	Note	NINE MONTHS PERIOD ENDED		THREE MONTHS PERIOD ENDED	
		Jul-Mar 14 Rupees	Jul-Mar 13 Rupees	Jan-Mar 14 Rupees	Jan-Mar 13 Rupees
Sales and services	9	403,119,930	2,544,442,437	128,760,140	487,721,676
Cost of sales		779,354,001	4,011,724,178	240,747,325	998,918,792
Gross loss		(376,234,071)	(1,467,281,741)	(111,987,185)	(511,197,116)
Operating expenses					
Distribution cost		14,928,177	72,062,098	3,768,201	10,794,141
Administrative expenses		90,439,293	151,106,327	26,760,461	40,937,972
Other operating expenses		55,239	3,136,651	(580,136)	1,436,651
		105,422,709	226,305,076	29,948,526	53,168,764
		(481,656,780)	(1,693,586,817)	(141,935,711)	(564,365,880)
Other income		587,670	370,555,665	573,051	4,718,598
Loss from operations		(481,069,110)	(1,323,031,152)	(141,362,660)	(559,647,282)
Finance cost		4,509,182	44,293,624	113,429	2,438,391
Loss before taxation		(485,578,292)	(1,367,324,776)	(141,476,089)	(562,085,673)
Taxation - net		(11,665,102)	85,563,772	643,800	61,795,926
Loss after taxation		(473,913,190)	(1,452,888,548)	(142,119,889)	(623,881,599)
Loss per share - basic and diluted		(35.34)	(108.35)	(10.60)	(46.53)

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

Naseem A. Sattar
Chief Executive Officer

Qamar Mashkoor
Director

AL-ABID SILK MILLS LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-audited) FOR THE NINE MONTHS ENDED MARCH 31, 2014

	NINE MONTHS PERIOD ENDED		THREE MONTHS PERIOD ENDED	
	Jul-Mar 14 Rupees	Jul-Mar 13 Rupees	Jan-Mar 14 Rupees	Jan-Mar 13 Rupees
Loss after taxation	(473,913,190)	(1,452,888,548)	(142,119,889)	(623,881,599)
Items that will never be classified to profit or loss - restated				
Remeasurements of defined benefit liability - restated	-	493,173	-	-
Recognition tax - restated	-	(167,679)	-	-
Total other comprehensive income net of tax - restated	-	325,494	-	-
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of tax	167,425,380	282,087,846	55,795,301	94,029,282
Total Comprehensive Loss	<u>(306,487,810)</u>	<u>(1,170,475,208)</u>	<u>(86,324,588)</u>	<u>(529,852,317)</u>

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

Naseem A. Sattar
Chief Executive Officer

Qamar Mashkooor
Director

AL-ABID SILK MILLS LIMITED

CONDENSED INTERIM CASH FLOW STATEMENT (Un-audited) FOR THE NINE MONTHS ENDED MARCH 31, 2014

	Jul-Mar 14 Rupees	Jul-Mar 13 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(485,578,292)	(1,365,423,647)
Adjustments for:		
Depreciation	350,359,883	391,954,614
Provision for gratuity	8,701,815	8,701,816
Loss / (Gain) on disposal of property, plant and equipment	55,239	(13,075,512)
	359,116,937	387,580,918
Decrease / (Increase) in current assets:		
Stores and spares	2,906,579	21,873,201
Stock in trade	47,847,235	2,242,954,391
Trade debtors	11,662,044	49,207,362
Loan and advances	83,392	(386,096)
Trade deposits and prepayments	(266,668)	4,180,233
Other receivables	20,978,083	21,689,144
Tax refunds due from government	9,634,006	11,239,668
	92,844,671	2,350,757,903
(Decrease) / Increase in current liabilities:		
Trade and other payable	(8,517,740)	(1,355,436,670)
Accrued mark-up	4,349,301	(3,450,505)
Short term finance	(30,635,787)	(139,351,676)
	(34,804,226)	(1,498,238,851)
Cash used in generated from operations	(68,420,910)	(125,323,677)
Taxes paid	(1,834,845)	(17,794,925)
Staff gratuity paid	(3,746,454)	(28,597,088)
Net cash outflow from operations	(74,002,209)	(171,715,690)
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure	(12,179,566)	(13,390,201)
Proceeds from disposal of fixed assets	3,410,000	43,257,983
Net cash (used in) / generated from investing activities	(8,769,566)	29,867,782
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds of loan from director	89,191,887	121,105,867
Payments of obligation under finance lease	(3,005,949)	(10,796,256)
Net cash inflow from financing activities	86,185,938	110,309,611
Net increase / (decrease) in cash and cash equivalents	3,414,163	(31,538,297)
Cash and cash equivalents at the beginning of the period	9,872,750	45,289,052
Cash and cash equivalents at the end of the period	13,286,913	13,750,755

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

Naseem A. Sattar
Chief Executive Officer

Qamar Mashkooor
Director

AL-ABID SILK MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-audited) FOR THE NINE MONTHS ENDED MARCH 31, 2014

	Share Capital	Capital Reserve	Accumulated Loss	Total
	Rupees			
Balance as at June 30, 2012	134,095,500	372,834,000	(3,971,777,236)	(3,464,847,736)
Effect of change in accounting policy due to application of IAS 19 (Revised) Note 3.1 (net of tax)	-	-	12,508,166	12,508,166
Balance as at June 30, 2012 - as restated	134,095,500	372,834,000	(3,959,269,070)	(3,452,339,570)
Total comprehensive loss for the period			(1,452,888,548)	(1,452,888,548)
Surplus on revaluation of fixed assets realised during the period on account of incremental depreciation			282,087,846	282,087,846
Balance as at March 31, 2013 (Unaudited) Restated	134,095,500	372,834,000	(5,130,069,772)	(4,623,140,272)
Balance as at June 30, 2013	134,095,500	372,834,000	(5,548,014,599)	(5,041,085,099)
Effect of change in accounting policy due to application of IAS 19 (Revised) Note 3.1 (net of tax)	-	-	(703,068)	(703,068)
Balance as at June 30, 2013 - as restated	134,095,500	372,834,000	(5,548,717,667)	(5,041,788,167)
Total comprehensive loss for the period			(473,913,190)	(473,913,190)
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of tax			167,425,380	167,425,380
Balance as at March 31, 2014 (Unaudited)	134,095,500	372,834,000	(5,855,205,477)	(5,348,275,977)

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

Naseem A. Sattar
Chief Executive Officer

Qamar Mashkooor
Director

AL-ABID SILK MILLS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (Unaudited) FOR THE NINE MONTHS ENDED MARCH 31, 2014

1 LEGAL STATUS AND OPERATIONS

Al-Abid Silk Mills Limited (the Company) was incorporated as a private limited company in the year 1968, later on it was converted into public limited company as on December 24, 1987 under Companies Ordinance, 1984. Currently, the shares of the Company are listed on Karachi and Lahore Stock Exchanges. The registered office is located at A-39, S.I.T.E., Manghopir Road, Karachi. The Company is principally engaged in manufacturing and processing of various kinds of fabrics and export of printed and dyed cloth, bed sets and other textile made-ups. The manufacturing facilities of the Company are located at Karachi.

1.1 GOING CONCERN ASSUMPTIONS

As a result of constant losses, the company's equity is in negative by Rs. 5.26 billion while the reported current liabilities (since partly under litigation) have exceeded to current assets of the company by Rs. 5.95 billion. As disclosed in the Annual Report 2013, the company has undertaken various steps in order to turn around the company. The brief update on these steps is given below:

Toll manufacturing: Due to emerging demand of textile goods in local market and upcoming famous and well known brands of Lawn wearing, our local processing business is quite encouraging and volumes are improving. Currently our utilized capacity in this direction to the extent of around 25% is represented for fabric processing business of third parties carrying good repute and having major market share in local market. The management of the company is endeavoring hard to take benefit from this opportunity within the available resources i.e. meager working capital.

Rescheduling of Credit Lines: The company is in negotiation with the banks for rescheduling of their credit lines for a longer period and has requested for fresh working capital against available unencumbered fixed assets. However, due to undue delay in the rescheduling and obtaining fresh working capital lines, company's exports business remains at standstill. Some of the banks have already filed the legal cases for recovery against which the company is defending in the Honorable High Court and Banking Court. The company is confident that once the rescheduling get done coupled with the approval of desired new working capital line, it will work as catalyst in moving towards the betterment of the company's financial position.

Reduction in fixed cost: The company has cut their fixed costs / expenses down to size which may be viewed from the annexed financial statements. Nonetheless, the company will further reduce their expenses, wherever necessary, and keep strong monitoring on the fixed and variable cost in order to run the show efficiently.

The management is confident that after the successful implementation of all these measures as explained above, the company's financial health improve, will turn from the current financial turmoil and will continue as going concern. These financial statements, therefore, do not include any adjustment relating to realization of its assets and liquidation of any liabilities that might be necessary should the Company be unable to continue as going concern.

2 BASIS OF PREPARATION

2.1 The condensed interim financial information of the Company for the nine months period ended March 31, 2014 is unaudited and being submitted to the shareholders in accordance with the requirements of Section 245 of the Companies Ordinance, 1984 (the Ordinance) and the listing regulations of the Karachi and Lahore stock exchanges and has been prepared in accordance with the requirements of the International Accounting Standard 34 'Interim Financial Reporting' (IAS 34) and provisions of and directives issued by the Securities and Exchange Commission of Pakistan (SECP) under the Ordinance. Wherever the requirements of IAS 34 differ from the requirements of the Ordinance or directives issued by the SECP, the Ordinance and the said directives have been followed.

2.2 The condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended June 30, 2013.

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

AL-ABID SILK MILLS LIMITED

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are the consistent with those applied in the preparation of the financial statements for the year ended June 30, 2013.

3.1 Initial application of a standard, amendment or interpretation to an existing standard:

The Company has applied IAS 19 - Employee benefits (revised in June 2011) which is applicable for annual periods beginning on or after January 1, 2013. In accordance with the transitional provisions as set out in IAS 19, the Company has applied the revised standard retrospectively and consequently the earliest period presented in the condensed interim statement of changes in equity and the condensed interim balance sheet have been restated.

The revised standard requires past service cost to be recognised immediately in the profit or loss and replaces the interest cost on the defined benefit obligation and the expected return on plan assets with a net interest cost based on the net defined benefit asset or liability and the discount rate, measured at the beginning of the year. Further, a new term "remeasurements" has been introduced which is made up of actuarial gains and losses, the difference between actual investment returns and the return implied by the net interest cost. The revised standard eliminates the corridor approach and requires to recognise all remeasurement gain or loss / actuarial gain or loss in the other comprehensive income immediately as they occur.

The impacts of retrospective application of IAS 19 (Revised) are as follows:

	June 30, 2013 Rupees	July 1, 2012 Rupees
Effect on balance sheet		
Accumulated loss		
As previously reported	(5,560,522,765)	(3,971,777,236)
Effect of changes in accounting policy		
- For the year 2012	12,508,166	12,508,166
- For the year 2013	(703,068)	-
As restated	<u>(5,548,717,667)</u>	<u>(3,959,269,070)</u>
Staff Gratuity		
As previously reported	33,602,834	53,025,686
Effect of changes in accounting policy		
- For the year 2012	(12,508,166)	(12,508,166)
- For the year 2013	1,065,254	-
As restated	<u>22,159,922</u>	<u>40,517,520</u>
Deferred taxation		
As previously reported	483,376,667	-
Effect of changes in accounting policy		
- For the year 2012	-	-
- For the year 2013	(362,186)	-
As restated	<u>483,014,481</u>	<u>-</u>
	Nine months period ended 31 March 2013	Prior to July 1, 2012
Effect on Other Comprehensive Income		
Remeasurement of defined benefit liability recognised in other comprehensive income (decrease)	493,173	12,508,166
Recognition of tax	(167,679)	-
	<u>325,494</u>	<u>12,508,166</u>

The Company follows a consistent practice to conduct actuarial valuations regularly. Hence, the impact on this and comparative condensed interim financial information are not quantifiable and are also considered immaterial.

AL-ABID SILK MILLS LIMITED

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

4.1 The estimates / judgments and associated assumptions used in the preparation of the condensed interim financial information are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

4.2 In the preparation of these condensed interim financial information, the significant judgment made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to annual audited financial statements of the Company for the year ended June 30, 2013.

5	SURPLUS ON REVALUATION OF FIXED ASSETS	March 31, 2014	June 30, 2013
		Rupees (Unaudited)	Rupees (Audited)
	Balance at beginning of the period / year	3,594,197,082	4,322,049,990
	Incremental depreciation on revalued assets for the period / year	(167,425,380)	(244,476,133)
	Less: Deferred tax relating to revaluation surplus	(715,993,320)	(483,376,776)
		<u>2,710,778,382</u>	<u>3,594,197,081</u>

5.1 The Company has updated the revaluation of Leasehold lands, Buildings on Leasehold lands, Plant, Machinery & equipments, Furniture & Fixture, Office equipment, Electric, gas & Other Installation and Leased Plant, Machinery & equipments on June 30, 2012. The valuation has been determined by the independent valuer M/s. Anjum Adil & Associates on the basis of prevailing market rates which has resulted an increase in revaluation reserve by Rs. 3,807,350,502. The earlier valuation of Leasehold lands was carried out by the same independent valuer on August 31, 2010 and August 31, 2007 on the basis of prevailing market rates at that time.

6	LOAN FROM DIRECTOR - Unsecured	March 31, 2014	June 30, 2013
		Rupees (Unaudited)	Rupees (Audited)
	Balance at beginning of the year	305,455,867	150,000,000
	Received during the period / year	89,191,887	155,455,867
		<u>394,647,754</u>	<u>305,455,867</u>

6.1 The above is interest free loan from director of the company.

AL-ABID SILK MILLS LIMITED

7 CONTINGENCIES AND COMMITMENTS		March 31, 2014 Rupees	June 30, 2013 Rupees
7.1	Contingencies:		
	Bank guarantee	79,834,000	79,834,000
	The bank guarantees have been issued in favour of various government agencies.		
	<p>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 favour of the Company will be successfully defended in the Honorable High Court.</p> <p>In respect of liabilities towards banks / DFIs, several banks and DFIs have filed civil suits in Honorable High Court of Sindh and Banking Court for recovery of their liabilities. The aggregate value of such civil suits amounts to Rs. 4.15 billion and USD 28,653/-. The management has accordingly filed leave to defend through their approved lawyers. The management is confident and believes that in ultimate analysis an amicable out of the court settlement will be reached.</p>		
7.2	Commitments:		
	Commitments under LCs for raw materials and spares parts	-	-
8	PROPERTY, PLANT AND EQUIPMENT		
	Operating fixed assets	4,903,483,844	5,245,129,398
	Capital work-in-progress	16,800,000	16,800,000
		<u>4,920,283,844</u>	<u>5,261,929,398</u>
8.1	The fixed capital expenditures during the period as follows:	Jul-March 14 Rupees (Unaudited)	Jul-March 13 Rupees (Unaudited)
	Owned assets:		
	Building on lease hold land	-	-
	Plant, machinery and equipments	5,709,566	12,591,338
	Office equipment	-	100,000
	Electric, gas and other installations	4,950,000	698,864
	Vehicles	1,520,000	-
		<u>12,179,566</u>	<u>13,390,202</u>
8.2	The disposals during the period as follows:		
	Owned assets:		
	Plant, machinery and equipments	2,317,255	944,461
	Furniture & fixture	-	14,663,853
	Vehicles	2,935,890	47,356,816
		<u>5,253,145</u>	<u>62,965,130</u>

AL-ABID SILK MILLS LIMITED

	Jul-March 14 Rupees (Unaudited)	Jul-March 13 Rupees (Unaudited)
9 SALES AND SERVICES		
Sales		
Export sales	24,870,432	1,795,813,920
Local sales	11,665,095	290,724,650
	<u>36,535,527</u>	<u>2,086,538,570</u>
Services		
Cloth Processing - Printing and dyeing	366,584,403	457,903,867
	<u>403,119,930</u>	<u>2,544,442,437</u>
10 OTHER INCOME		
Income from financial assets/liabilities		
Profit on PLS deposits	17,670	143,358
Income from non-financial assets/liabilities		
Sales of scrap	570,000	4,258,146
Waiver of trade liabilities	-	353,078,649
Gain on disposal of property, plant and equipment	-	13,075,512
	<u>587,670</u>	<u>370,555,665</u>
11 FINANCE COST		
The company has not accrued markup of Rs. 534.75 million for the period as the matter is under negotiations with the banks for restructuring.		
12 TAXATION		
Current	2,139,951	17,958,139
Deferred	(13,805,053)	67,605,633
	<u>(11,665,102)</u>	<u>85,563,772</u>

	NINE MONTHS PERIOD ENDED		THREE MONTHS PERIOD ENDED	
	Jul-Mar 2014 (Unaudited)	Jul-Mar 2013 (Unaudited)	Jan-Mar 2014 (Unaudited)	Jan-Mar 2013 (Unaudited)
13 LOSS PER SHARE - BASIC & DILUTED				
13.1 Basic loss per share				
Loss after taxation	Rupees (473,913,190)	(1,452,888,548)	(142,119,889)	(623,881,599)
Weighted average number of shares	Number 13,409,550	13,409,550	13,409,550	13,409,550
Basic loss per share	Rupees (35.34)	(108.35)	(10.60)	(46.53)
13.2 Diluted loss per share				
There is no dilution effect on the basic loss per share of the company.				

AL-ABID SILK MILLS LIMITED

14 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated undertakings, other related companies and key management personnel. The Company in the normal course of business carries out transactions with various related parties. Detail of transactions with related parties, other than those which have been specifically disclosed elsewhere in these condensed interim financial information are as follows:

	Jul-March 14 Rupees (Unaudited)	Jul-March 13 Rupees (Unaudited)
<u>Al-Abid Exports (Private) Limited (Associated Company)</u>		
Processing services rendered	1,716,156	10,340,218
Rent expense	-	9,312,000
<u>Al-Abid Silk Mills Limited</u>		
Key management personnel - Remuneration & Benefits	11,925,000	11,925,000
	March 31, 2014 Rupees (Unaudited)	June 30, 2013 Rupees (Audited)
<u>Al-Abid Exports (Private) Limited (Associated Company)</u>		
Outstanding balance - payable	(20,237,410)	(21,953,567)

The outstanding balance as at the balance sheet date is secured and the settlement terms are against the payments/receipts through normal banking channels for the transactions during the period.

15 OPERATING SEGMENT

This condensed interim financial information has been prepared on the basis of a single reportable segment. The company does not hold non current assets in any foreign country. Revenues from external customers attributed to foreign countries in aggregate are immaterial.

The Company has earned revenues from five (2013: five) customers aggregating Rs. 193.18 million (2012: Rs. 1.213 million) during the period which constituted 48% (2013: 70%).

16 FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements for the year ended June 30, 2013.

17 DATE OF AUTHORISATION FOR ISSUE

These financial statements were approved and authorized for issue in the Board of Directors' meeting held on April 28, 2014.

18 CORRESPONDING FIGURES

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

Naseem A. Sattar
Chief Executive Officer

Qamar Mashkoor
Director

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AL-ABID SILK MILLS LIMITED

Registrars:

Adam Patel & Company

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