

Al-Abid Silk Mills Ltd.

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The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi.

July 20, 2018

Subject: Notice of the Extraordinary General Meeting

Dear Sir:


Enclosed please find herewith copy of the Notice for the Extraordinary General Meeting to be held on August 10, 2018, for your record and necessary action please.

We are also enclosed Statement under Section 134(3) of the Companies Act, 2017 along with annexure as under.

- Business Plan of the Company.
- Proposed / Projected Financial Statement of the Company for the next five years.

Thanking you,

Yours faithfully,
For AL-ABID SILK MILLS LTD.


Nasim Ahmed
Company Secretary

AL-ABID SILK MILLS LIMITED
NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given to all the shareholders of Al-Abid Silk Mills Limited (the “**Company**”) that an Extraordinary General Meeting of the Company will be held on Friday, August 10th, 2018 at 04:00 p.m. at Auditorium of the Institute of Chartered Accounts of Pakistan, G-31/8, Kehkashan, Clifton, Karachi to transact the following business:

ORDINARY BUSINESS:

1. To confirm the minutes of the 49th Annual General Meeting held on October 26, 2017.

SPECIAL BUSINESS:

1. To consider and if thought appropriate, pass with or without modification, the following special resolutions in terms of Section 183 of the Companies Act, 2017, to authorize and approve the disposal of a sizeable part of the Property, Plant and Equipment as described in the statement of material facts:

“RESOLVED THAT pursuant to Section 183 of the Companies Act, 2017 and subject to the grant of all approvals and consents, as required under law, the Company do hereby may sell and transfer its Property as described in the statement of material facts, in order to settle off the banks’ liabilities under settlement agreements.”

“FURTHER RESOLVED THAT the board of directors will authorize two directors to do singly or jointly all acts, deeds and things, to execute such agreements, documents and papers and make any applications, including but not limited to any applications, notices, disclosures required to be filed with the Securities and Exchange Commission of Pakistan, Pakistan Stock Exchange Limited and any other regulatory authorities, and undertake all such steps for the purposes of sale and transfer of such Property from the Company as the aforesaid officers of the Company may deem fit in connection with the disposal.”

Statement under Section 134(3) of the Companies Act, 2017, setting forth all material facts pertaining to Special Business is mentioned herewith.

Karachi
July 20, 2018

By Order of the Board

Nasim Ahmed
Company Secretary

NOTES:-

1. Closure of Share Transfer Books:

The Share Transfer Books of the Company will remain closed from August 3, 2018 to August 10, 2018 (both days inclusive).

2. Participation in the Extraordinary General Meeting:

All Members, entitled to attend and vote at the meeting, are entitled to appoint another person in writing as their proxy to attend and vote on their behalf. A proxy need not be a member of the Company. A corporate entity, being member, may appoint any person, regardless whether they are a member or not, as its proxy. In case of corporate entities, a resolution of the Board of Directors / Power of Attorney with specimen signature of the person nominated to represent and vote on behalf of the corporate entity shall be submitted to the Company along with a completed proxy form. The proxy holders are required to produce their original CNICs or original passports at the time of the meeting.

In order to be effective, duly completed and signed proxy forms must be received at the Company’s Registered Office at least 48 hours before the time of the meeting.

3. The members are requested to notify the Company / Share Registrar of any change in their address.
4. CDC account holders will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan.

A. For Attending the Meeting

- a. In case of Individuals, the account holders or sub-account holders whose registration details are uploaded as per the Regulations shall authenticate his/her original valid Computerized National Identity Card (CNIC) or the original Passport at the time of attending the meeting.
- b. In case of corporate entity, the Board of Directors' Resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

B. For Appointing Proxies

- a. In case of individuals, the account holders or sub-account holders whose registration details are uploaded as per the Regulations shall submit the proxy form as per above requirements.
- b. Attested copies of valid CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- c. The proxy shall produce original valid CNIC or original passport at the time of the meeting.
- d. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.
- e. Proxy form will be witnessed by two persons whose names, addresses and valid CNIC numbers shall be mentioned on the form.

5. Computerized National Identity Card (CNIC) / National Tax Number (NTN):

CNIC or NTN of the shareholders is mandatory in terms of the directive of the Securities and Exchange Commission of Pakistan contained in S.R.O. 831(1)/2012 dated July 5, 2012 for the issuance of future dividend warrants etc., and in the absence of such information, payment of dividend may be withheld in term of SECP's above mentioned directive. Therefore, the shareholders who have not yet provided their CNICs or NTN are once again advised to provide the attested copies of their CNICs or NTN (if not already provided) directly to our Independent Share Registrar without any further delay.

6. Consent for Video Conference Facility

Members can also avail video conference facility under the provision of section 134(1)(b) of Companies Act, 2017 to participate in the general meeting and consent from members as per following format. The members must hold in aggregate 10% or more shareholding residing in that city and consent of shareholders must reach at the registered address of the Company at least 10 days prior to the general meeting in order to participate in the meeting through video conference. The Company will intimate members regarding venue of video conference facility at least 5 days before the date of Extraordinary General Meeting along with complete information necessary to enable them to access such facility.

I/We, _____ of _____, being a member of Al-Abid Silk Mills Limited, holder of _____ ordinary share (s) as per Register Folio/CDC Account No _____ hereby opt for video conference facility at _____.

Signature of Members

Statement under Section 134(3) of the Companies Act, 2017
for seeking approval for sale of a sizeable asset

This statement sets out the material facts pertaining to the special business to be conducted at the forthcoming Extraordinary General Meeting of Al-Abid Silk Mills Limited ("the **Company**"), convened on August 10, 2018. The Company presently owns Land and Machinery – as Annexure A ("the **Property**"). The Board of Directors of the Company has resolved to dispose off part of property to settle off the majority of banks' liabilities (in currently litigation) under a settlement agreement.

Based on the annual audited accounts of the Company as at June 30, 2017, the value of the Property, is approximately 40% of the total assets of the Company and as such would constitute a sizeable part of the asset of the Company; hence the Board of Directors has desired to obtain the approval of the shareholders by way of an extra ordinary resolution pursuant to Section 183 of the Companies Act, 2017.

In relation to the proposed disposal of the Property by the Company, the details are as follows:

Sr. No.	Description of Information	Detail of Information
1.	Detail of Assets to be disposed of i.e. (description, acquisition date, cost, revalued amount (if available), book value, and approximate current market price/fair value - In case of sale, if the expected sale price is lower than book value or fair value, then the reasons thereof, And in case of disposal of land: (i) Location; (ii) Nature of land (e.g. commercial, agriculture, etc); and (iii) Area proposed to be sold.)	ANNEXURE – A
2.	Proposed manner of disposal of the Property	The property shall be disposed off through publication of tender in two newspapers.
3.	Purpose of the sale	Main purpose of the sale is to settle off the bank liabilities under a settlement agreement by disposing off surplus property, plant and equipments and to restructure the overall business model.
4.	Alternate Business Plan	After the disposal of the surplus property, plant and equipments, the Company will resume manufacturing in its remaining two production units. The manufacturing will result in revenue streams as disclosed in the Financial Projections of the Business Plan. The above objects are authorized by the Memorandum of Association of the Company. Financial Projections of the Business Plan is annexed with this notice as Annexure 'B'. Copy of the Due Diligence Report of the proposed business plan is available for inspection from Registered Office of the Company.
5.	Benefits expected to accrue to the shareholders	Due to the restructuring of business model and future projected profitability, the management has all the intention to pay out the dividend to the share holders of the company in the future. The Directors have no direct or indirect interest in the above said special business.

The details of assets to be disposed off:

ANNEXURE - A

(a)	Sr. No.	Details of Land	Acquisition Date	Nature of Land	Area proposed to be sold
	1	Plot No. A-39, SITE, Manghopir Road, Karachi.	21-Jun-71	Industrial	2.96 Acre
	2	Plot No. A-51/B, S.I.T.E., Manghopir Road, Karachi.	23-Oct-80	Industrial	0.73 Acre
	3	Plot No. A-51/B, S.I.T.E., Manghopir Road, Karachi. (extention)	16-Feb-82	Industrial	0.46 Acre
	4	Plot No. D-14/C-1, S.I.T.E., Manghopir Road, Karachi.	1-Jul-97	Industrial	0.92 Acre

(b)	Sr. No.	Details of Plant and Machinery	Acquisition year
	1	Sueding Machine	1992
	2	Stentering Drying and Heat Setting Range No.3	1981
	3	Obermier Triple Deck Wave Dryer	1995
	4	Comprehensive Shrinking Line Compactor	1996
	5	Rotary Printing Machine No.3 (18 Colour)	1987
	6	Rotary Printing Machine No.2	1980
	7	Rotary Reggiani- No.1 (Unica)	1999
	8	Compressive Shrinking Machine Uneoyama	1983
	9	Stentering Drying and Heat Setting Rang Artos No.7	1992
	10	Raising Machine Type Tri-S45	1987
	11	Overfolw Pmm Type Piece Dyeing Machine	1996
	12	Caterpillar Diesel Generator 1130 Kw	1992
	13	Caterpillar Diesel Generator 1020 Kw	1993
	14	Automatic Colour Kitchen	2002
	15	Chainless Continuous Mercerizing Range No.1	1981
	16	5-Bowl Rolling , Glazing, Matting Calander	1984
	17	Tensionless Continuous Festoon Steamer (Arioli)	1979
	18	Steam Ager With Accessories	1993
	19	Sitara Curing Machine	2004
	20	Package Boiler	1992
	21	High Temperature & High Pressure Jet Dyeing M/C (Obermier)	1978
	22	Winches	1996
	23	Building and Civil Work (A-39)	N/A.
	24	Drying Range No.2 (Hot Flue)	1987
	25	Stentering and Drying Range No.4	1983
	26	Stentering and Drying Range No.5	1986
	27	Stentering and Drying Range No.6 (Excluding Dyevac Dyeing & Carovac Gas Infrared System)	1989
	28	Steam Boiler (10 Ton)	1999
	29	Rope Opening and Sliting Range	1996
	30	Building And Civil Work (A-51/B)	N/A.
	31	Steam Boiler 06 Tons	1992
	32	Bruckner Stenter No.8	1993
	33	Singeing and Desizing Machine	1995
	34	Steam Boiler (04 Tons)	1993
	35	Chainless Mercerizing Range No.2	1991
	36	Continuous Scouring and Bleaching Range-1	1982
	37	Continuous Scouring and Bleaching Range-2	1987
	38	Singeing and Desizing Machine	1981
	39	Stenter Machine (For Flock)	2002
	40	Coating and Flocking Machine	2002
	41	120" Width Quilting Machine	2001
	42	118" Width Quilting Machine	2002
	43	Multi Needle Quilting Machine	2004
	44	Houser Brand Automatic Quilting Machine	2003
	45	Building and Civil Work (D-14/C-1)	N/A.
	46	Equipments and Other Installation Including Stitching Machine	N/A.
	47	Cummins Power Generation (500 Kw)	2011

Particulars of Assets	Cost	Book value as on	FSV of Revalued	Expected Fair Value
		30-06-2018 on FSV of SIPRA	Amount as on 08-01-2018	
-----Rs.----->				
Land	16,123,674	369,520,000	369,520,000	
Building and civil work	203,541,393	209,997,405	221,049,900	982,621,825
Plant and Machinery	692,589,595	182,027,215	191,607,595	
Total	912,254,662	761,544,620	782,177,495	982,621,825

BUSINESS PLAN

AL-ABID SILK
MILLS LIMITED

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COMPANY'S INTRODUCTION

Al-Abid Silk Mills Limited (Al-Abid/ the Company) has been a leading manufacturer of Home Textile Products. The manufacturing processes are certified on ISO 9002 standards. Al-Abid is a quality conscious company, it has a well defined policy towards quality. This policy is the driving force behind achieving the quality of the products produced by Al-Abid. Ultimately, the company became a renowned name locally as well internationally when it comes to textile products.

In today's competitive & fast moving business environment, product quality & organizational attitudes are what make Al-Abid stand out. The Company has been producing high quality fabrics since 1968, over the passage of years, and the Company has built a reputation matched by few others in the industry. Our excellence is recognized not only by our customers but also by official authorities for quality standards. ISO 9000 & Okotex 100 certification further endorse our unswerving commitment to quality and excellent quality output. With over 40 years of operations in textile, Al-Abid has built a global reputation of excellence.

The Company's aim is to be a benchmark for producing the finest home textile products in the world; to consistently meet and exceed customer requirements through best utilization of available resources and, in the process, establish a culture of continuous improvement within the company, in-line with evolving market demands.

Board of Directors

Mr. Naseem A. Sattar - Chief Executive Officer

Office Address: A-39, S.I.T.E., Manghopir Road, Karachi

Mr. Naseem A. Sattar, Chief Executive Officer of the Company, qualified Textile Engineer from Germany. He is Founder of Al-Abid Silk Mills Limited, which commenced its production in 1971. He has more than 50 years of experience in textile related fields. He is considered as an icon of textile industry having managed / served many textile related associations / bodies. He is a widely traveled businessman and considered to be pioneer in textile industry.

Mr. Azim Ahmed - Executive Director

Office Address: A-39, S.I.T.E., Manghopir Road, Karachi

Mr. Azim Ahmed has been on the board as Director since 1987. He has working experience of over 30 years with the Company. He has done his graduation in Commerce from Karachi University. He mainly looks after production and marketing functions of the Company. He also focuses on development of new customers and markets by undertaking extensive traveling to Europe, USA and exploring new avenues and possibilities of business.

Mr. S.M. Jawed Azam - Chairman

Office Address: A-39, S.I.T.E., Manghopir Road, Karachi.

Mr. S.M. Jawed Azam is a Non-Executive Director. He has been on the board since September 2012.

Mst. Adia Naseem - Director

Mst. AdiaNaseem is a Non-Executive Director. She has been on the board since 2000.

Mrs. Sadaf Nadeem - Director

Mrs. SadafNadeem is a Non-Executive Director. She has been on the board since 1994.

Mr. Qamar Mashkooor

Mr. QamarMashkooor is an Independent Non-Executive Director. He has been on the board since December 2012.

Mr. Muhammad Sajid Hafeez

Mr. Muhammad Sajid Hafeez is an Independent Non-Executive Director. He has been on the board since December 2012.

Syed Raza Abbas Jaffari – Nominee Director (NIT)

Office Address: National Investment Trust Limited, NBP Building, I.I. Chundrigar Road, Karachi.

Syed Raza Abbas Jaffari is independent Non-Executive Director nominated by N.I.T. He has been on the board since 20-12-2003.

Production Facility

The Company's mega production facilities are capable of:

Printing 4.5 million meters per month

Dyeing 2.5 million meters per month Al-Abid is renowned for the finest printing in this part of the world and perhaps the only company that can print with such diversity using pigments, reactives, VATS, puff, flock, discharge & burnout print techniques in:

20 colors upto 75" width

16 colors upto 126" width.

State of the dyeing is possible in pigment, reactive & VAT dyes, beside finishes, various other treatments such as stain release, water repellent, fire retardant and crease recovery are possible.

The Company's processing equipment includes latest Rotary Printing Machines, Continuous Dyeing Ranges Thermosol and Pad Steam, Continuous Open width Bleaching ranges. Sanforizing, Mercerizing, Raising machines. Calendars, a Sueding Plant, Automatic Color Dispensing and Screen Engraving Equipment as well as a state-of-the-art Coating and Flocking Range.

Achievements

The Company is responsible corporate citizenship has been acknowledged by some of the leading retailers and manufacturers of home textiles in Europe and the US. Regarded in the industry as a preferred employer Al Abid invests in training and employee development, which gave us one of the finest team of professionals in the industry. Often the focus of attention for our competitors.

Al-Abid has also taken the lead in environment protection. All power generation has been pollution-free. A wastewater treatment plant is also available at a 3-acre site of prime land within the premises of its processing mill. Al- Abid has been a global textile company, at your service for quality home textiles, produced at par with the best in the world, in clean and environment friendly surroundings.

Current Position of the Company

The factory ceased operations due to adverse economic conditions as a result of constant losses, the company's equity is in negative while the reported current liabilities

(since partly under litigation) have exceeded to current assets of the company. However, the company has undertaken various steps in order to turn around the company.

The Company is engaging in extensive maintenance and revamping of the plant due to which the production could not yet be started as the import of parts etc has been quite time consuming. Efforts are being made to put the plant in operation.

Once in smooth production, the Company expects the international customers to come back for the product(s) produced by the Company which were also considered to be of the highest standard. At the same time, Pakistan's own internal market is also expanding. Once the Company is in full swing production and due to the extensive maintenance which will enhance efficiency, the management is confident to capture a sizeable share of Country's internal market.

The management is in negotiation with Financial institutions to settle its liabilities and looking at options to restart production.

Future Outlook

The Company's discussion and negotiations with the financial institutions have been fruitful and the Company and majority of the financial institutions have reached a settlement agreement as mentioned in next part. After this settlement, the Company plans to reactivate its business activities with the available resources.

CURRENT PROFITABILITY SITUATION OF THE COMPANY

During the analysis of historical data for the last five years, the following key trends and facts regarding the operations of the Company can be drawn;

During 2012 to 2015, the sales have declined tremendously due to the adverse economic condition as mentioned previously; and from 2016 onwards company has stopped its operations.

Profit and Loss	2017	2016	2015	2014	2013	2012
	-----Rupees in million-----					
Sales and manufacturing	-	-	247	489	2,757	7,556
Gross (loss) / profit	(332)	(714)	(473)	(531)	(1,719)	(3,389)
(Loss) / profit from operations	(325)	(685)	(532)	(651)	(1,674)	(3,974)
(Loss) / profit before taxation	(325)	(685)	(532)	651	(1,810)	(4,655)
(Loss) / profit after taxation	(315)	(684)	(537)	568	(1,833)	(4,733)

The accumulated loss of the Company has reached to Rs. 6.744 billion during the year ended June 30, 2017 which has eroded the equity of the Company to the tune of Rs. 6.24 billion. Furthermore, the current liabilities have exceeded the current assets by Rs. 6,818,648,305 (Current Assets: 337,385,200 Current Liabilities: 7,156,033,505) as at that date i.e. the current ratio stands at 0.047: 1

Inspite of above, the company has taken the positive steps as mentioned previously to restructure the business model and thereby restart the business activities.

FINANCIAL INSTITUTIONS LIABILITIES SETTLEMENT

The Company has reached settlement agreements with majority of the financial institutions to settle off its liabilities under litigation by selling off a part of its surplus Property, Plant and equipments. The Key facts of the settlement agreement are as follows;

- The scope of settlement agreement on behalf of current sponsors is based on the disinvestment and sale of surplus assets of entity currently under litigation and under distress sale of recovery of financial institutions loans to tune of Rs. 5,101 million as claimed by the financial institutions.
- Of which debts amounting to Rs. 3,632 million from the financial institutions are being settled. After the settlement agreement, majority of cases pending against the Company by the financial institutions will be withdrawn after settlement.
- The remaining amount of 1,470 million outstanding is under negotiation with the respective financial institutions. Therefore, the remaining amount of 1,470 million has been kept unchanged in the projected financial information and the same will be changed based on negotiation with the remaining financial institutions.

SWOT ANALYSIS

STRENGTHS

- The Company has a long reputable standing in the industry.
- Due to increase in demand of textile products worldwide potential future contracts expected which potentially would increase the sales of the company.
- Financial support is available to the company in times of needs and crisis from directors of the company.
- The Company's management has vast experience of managing the business around 50 years and the directors have the reputation within the industry.
- The company has huge asset base and state of the art plant which enables the company's production of products on cutting edge standards compliant basis.
- It made supplies to a strong clientele throughout the world.
- The Company has been a key player in the exports of textiles to various countries.
- All the fixed assets including warehouses are Company's owned.

WEAKNESSES

- Lack of finances in the current scenario as the Financial Institutions have gone into litigation with the company.
- Dependence on cotton crops/spinners.

OPPORTUNITIES

- With the rapid increase in population, there is always increasing demand for textile products in the Global markets as well local market.
- Lucrative reforms offered by Government for the industry enables to further boosts its exports.
- Tax on companies will be reduced from 30% to 25% in five years' time which provide the company an opportunity for tax saving.

THREATS

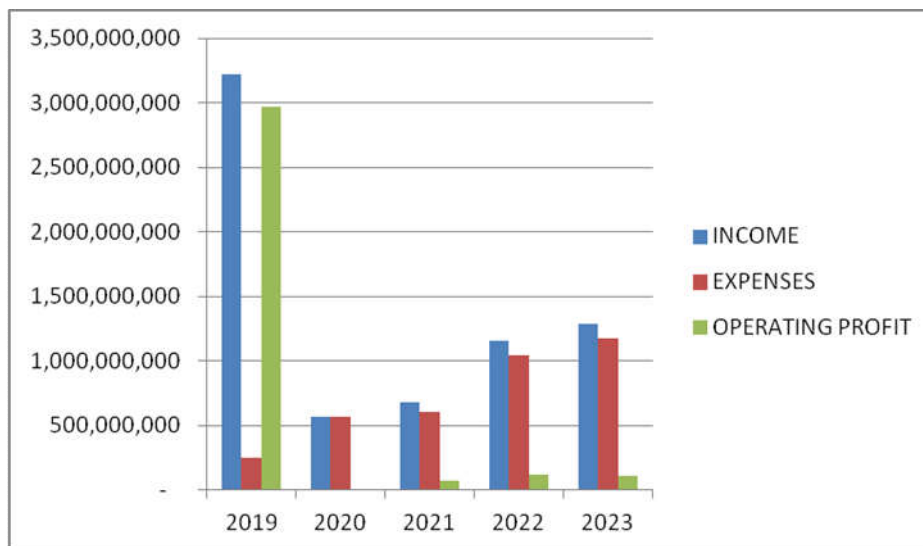
- Fluctuation or unexpected increase in utilities tariff may affect the company's ability to outperform competition.
- Due to natural calamity and increased cost of material, company's operations may be affected.
- There may be competition by new market entrants due to lucrative profit margins.
- Severe competition from China, India, Bangladesh and Vietnam being able to offer cheap products.
- Ever changing government policies and taxation regulations may be detrimental to company's profitability.
- Erratic supply of infrastructure - gas, water and electricity available poses doubts to carry out business activities effectively and efficiently.
- Long overdue refunds of rebates, DLTL, sales tax from Government of Pakistan is creating severe liquidity crunch in the Company.

PROJECTED OPERATING INFORMATION

Following are the assumptions which have been taken in preparation of the Projected Operating Information for the next five years after restructuring of the business model as envisaged by the management;

- Sufficient finance will be provided from the operation and finance from internal as well external sources to meet the target sales and production if required.
- Annual increase in sales price assumed to be around average of 6%
- Expenses are increase at different rates with an average of 8%
- Taxation is charged at the rate applicable for Tax year 2019 (29%) and subsequently decrease of 1% each year or minimum tax at the rate of 1.5%.

(See Annexure for Projected Operating Information)



DECISION TO RESTART OPERATIONS

After settling off the financial institutions' liabilities as highlighted previously, the management intends to restructure its business model and restart business activities with available resources. After settlement, the company will be able to restart its state of the art plant and production facilities in order to go into production mode with minimal effort and costs.

Moreover, the decision whether to sustain a business activity or a product line depends upon one critical factor i.e. whether the 'contribution' (sales minus attributable variable cost) from that activity or product is positive or not. If the contribution from an activity or product line is positive then it is usually recommended to continue that activity or product and focus on the following steps;

- Reducing the financial gearing of the company, by settling off financial institution liability will help to improve the profitability.
- Increasing the volume of the product will ultimately coup up with the fixed cost and thereafter pure profits will start to yield.
- Employing effective marketing will help in enhancing the sales volume both local as well as exports.

In short, if the product is generating positive contribution then focus should be given on increasing its volume.

The Projected Operating Information shows that the Company would generate positive contribution out of its operations amounting to Rs. 1,317,133, Rs. 74,479,496, Rs. 120,318,441 and Rs. 113,386,782 for the financial years 2020, 2021, 2022 and 2023 respectively. Hence, it is concluded that it should be preferable to sustain the operations of the Company for the foreseeable future and steps as highlighted above should be undertaken in order to make the entire entity profitable as quickly as possible.

FINANCING PLAN

Historically the Company has been financed through debt as well as equity. The directors have also been providing the funds to the Company from time to time in the form of loan as and when the Company faced the liquidity issues.

However, the equity has been standing negative at 6,237,492,190/- as at 30 June 2017 due to heavy losses and cessation of production. Nonetheless, by settling off the financial institutions' liabilities, the debt would be reduced from 5,101,906,343/- to 1,469,507,882/- in 2019. Therefore debt to equity ratio would be improved substantially.

The Projected Operating Information depicts that in order to achieve a level of activity over the period of time whereof the Company would be able to reach a sustainable profit generating zone, the Company will have to inject minimum further capital during the financial years 2019 to 2023 as the company will retain the state of the art plant and machinery which is necessary for restoring production. The management is confident that they will be able to finance the operation as well as incurring capital expenditure for the next five years primarily with the help of operating profits and would require minimal support of internal and/or external financing.

KEY HIGHLIGHTS OF THE 5 YEARS PROJECTED FINANCIAL STATEMENTS

The 5 years Projected Financial Statements have been drawn up on the basis and assumptions as given in Projected Operating Information. Certain key highlights from these projections are as follows;

- The Company will start to generate significant profit from the financial year 2020 which will gradually increase year after year. Moreover, accumulated loss will start to decrease gradually from the financial year 2019.
- From 2020 the Company will start to generate sufficient revenues and if all goes well, and the company is able to generate sizable profit the sponsors have all the intention to declare dividend to the shareholders in future.
- At any given time the Company will have sufficient funds to meet its working capital needs.

AL-ABID SILK MILLS LIMITED
UNAUDITED BALANCE SHEET AS AT JUNE 30, 2018 AND THE PROJECTED BALANCE SHEET
FOR THE YEARS ENDING FROM JUNE 30, 2019 TO JUNE 30, 2023

	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023
	(Rupees)					
<u>EQUITY & LIABILITIES</u>	<u>PROJECTED</u>					
SHARE CAPITAL AND RESERVES						
Authorized capital						
20,000,000 Ordinary Shares of Rs. 10/- each	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000
Issued, subscribed and paid-up capital	134,095,500	134,095,500	134,095,500	134,095,500	134,095,500	134,095,500
Reserves						
Capital reserve	372,834,000	372,834,000	372,834,000	372,834,000	372,834,000	372,834,000
Accumulated loss	(6,509,736,564)	(3,054,179,191)	(3,010,248,880)	(2,915,283,846)	(2,787,920,377)	(2,666,707,071)
	(6,136,902,564)	(2,681,345,191)	(2,637,414,880)	(2,542,449,846)	(2,415,086,377)	(2,293,873,071)
Shareholder's equity	(6,002,807,064)	(2,547,249,691)	(2,503,319,380)	(2,408,354,346)	(2,280,990,877)	(2,159,777,571)
Surplus on revaluation of fixed assets	1,545,599,935	954,407,960	906,687,562	861,353,184	818,285,525	777,371,248
LIABILITIES						
CURRENT LIABILITIES AND PROVISIONS						
Loan from director - unsecured	518,518,754	518,518,754	518,518,754	518,518,754	518,518,754	518,518,754
Retirement benefits	7,008,935	7,008,935	3,504,468	-	-	-
Trade and other payables	936,327,901	950,752,723	966,545,709	923,126,805	919,166,542	871,742,656
Advance from I.B.L	366,063,944	366,063,944	366,063,944	366,063,944	366,063,944	366,063,944
Accrued markup	240,815,938	76,956,359	76,956,359	76,956,359	76,956,359	76,956,359
Current maturity of long term loans and Lease Liability	67,118,820	67,118,820	67,118,820	67,118,820	67,118,820	67,118,820
Short term finances	5,034,787,523	1,402,389,062	1,402,389,062	1,402,389,062	1,402,389,062	1,402,389,062
	7,170,641,815	3,388,808,597	3,401,097,116	3,354,173,744	3,350,213,481	3,302,789,595
CONTINGENCIES AND COMMITMENTS	2,713,434,686	1,795,966,865	1,804,465,298	1,807,172,581	1,887,508,128	1,920,383,273
<u>ASSETS</u>						
NON-CURRENT ASSETS						
Property, plant and equipment	1,942,145,702	1,099,387,680	1,026,379,778	960,739,993	946,718,048	952,141,386
Long term security deposit	1,886,645	1,886,645	1,886,645	1,886,645	1,886,645	1,886,645
Deferred Taxation	234,654,353	132,518,579	127,785,773	123,052,966	118,320,160	113,587,354
	2,178,686,700	1,233,792,905	1,156,052,196	1,085,679,605	1,066,924,853	1,067,615,385
CURRENT ASSETS						
Stores and spares	52,970,111	53,370,111	55,530,111	58,170,111	62,010,111	66,330,111
Stock in trade	12,732,975	42,390,156	100,465,191	148,754,472	211,035,658	245,217,502
Trade debts	1,768,059	29,187,237	75,907,785	103,129,703	220,968,059	253,116,552
Loans and advances	5,017,778	5,268,667	5,532,100	5,808,705	6,157,228	6,526,661
Trade deposits and prepayments	6,311,810	6,627,401	6,958,771	7,306,709	7,745,112	8,209,818
Other receivables	164,541,974	164,541,974	164,541,974	164,541,974	164,541,974	164,541,974
Tax refunds due from government	74,402,044	74,402,044	74,035,431	53,928,397	22,648,072	-
Cash and bank balances	217,003,236	186,386,371	165,441,739	179,852,906	125,477,062	108,825,270
	534,747,987	562,173,961	648,413,101	721,492,977	820,583,275	852,767,888
	2,713,434,686	1,795,966,865	1,804,465,298	1,807,172,581	1,887,508,128	1,920,383,273

AL-ABID SILK MILLS LIMITED
UNAUDITED PROFIT OR LOSS ACCOUNT FOR THE YEAR ENDED JUNE 30, 2018 AND THE PROJECTED PROFIT OR LOSS
FOR THE YEARS ENDING FROM JUNE 30, 2019 TO JUNE 30, 2023

	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023
	(Rupees)					
	(Un-Audited)	PROJECTED				
Sales and Manufacturing	-	111,200,000	572,400,000	682,800,000	1,160,700,000	1,291,080,000
Cost of sales	(214,646,082)	(139,521,913)	(465,273,796)	(489,135,293)	(878,925,278)	(1,001,716,743)
Gross (loss) / Profit	(214,646,082)	(28,321,913)	107,126,204	193,664,707	281,774,722	289,363,257
Operating expenses						
Administrative expenses	(30,258,000)	(113,336,308)	(105,809,071)	(119,185,212)	(161,456,281)	(175,976,475)
Other income	212,160,768	3,109,833,391	-	-	-	-
(Loss) / Profit from operations	(32,743,314)	2,968,175,171	1,317,133	74,479,496	120,318,441	113,386,782
Finance cost	(4,513)	(6,000)	(7,800)	(9,000)	(9,500)	(11,000)
(Loss) / Profit before taxation	(32,747,827)	2,968,169,171	1,309,333	74,470,496	120,308,941	113,375,782
Taxation - Net	157,005,430	(1,668,000)	(366,613)	(20,107,034)	(31,280,325)	(28,343,946)
Profit after taxation	124,257,603	2,966,501,171	942,720	54,363,462	89,028,616	85,031,837
Profit per share - basic and diluted	9.27	221.22	0.07	4.05	6.64	6.34

AL-ABID SILK MILLS LIMITED
UNAUDITED CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2018 AND THE PROJECTED CASH FLOW STATEMENTS
FOR THE YEARS ENDING FROM JUNE 30, 2019 TO JUNE 30, 2023

	<u>June 30, 2018</u>	<u>June 30, 2019</u>	<u>June 30, 2020</u>	<u>June 30, 2021</u>	<u>June 30, 2022</u>	<u>June 30, 2023</u>
	(Rupees)					
	(Un-Audited)	PROJECTED				
CASH FLOW FROM OPERATING ACTIVITIES						
Profit / (loss) before taxation	(32,747,827)	2,968,169,171	1,309,333	74,470,496	120,308,941	113,375,782
Adjustments for:						
Depreciation	215,502,304	81,213,401	73,007,902	65,639,785	64,021,945	64,576,662
Claim received from IKEA	(207,000,000)	-	-	-	-	-
Gain on reversal of financial liability	-	(2,888,756,186)	-	-	-	-
Gain on disposal of property, plant and equipment	-	(221,077,205)	-	-	-	-
Provision for obsolete items	7,567,159	-	-	-	-	-
Provision for obsolete stock	1,818,997	-	-	-	-	-
Provision for doubtful debts	189,041	-	-	-	-	-
	18,077,501	(3,028,619,990)	73,007,902	65,639,785	64,021,945	64,576,662
Decrease / (Increase) in current assets:						
Stores and spares	-	(400,000)	(2,160,000)	(2,640,000)	(3,840,000)	(4,320,000)
Stock in trade	-	(29,657,181)	(58,075,035)	(48,289,281)	(62,281,186)	(34,181,844)
Trade debtors	-	(27,419,178)	(46,720,548)	(27,221,918)	(117,838,356)	(32,148,493)
Loan and advances	378,428	(250,889)	(263,433)	(276,605)	(348,522)	(369,434)
Trade deposits and prepayments	-	(315,591)	(331,370)	(347,939)	(438,403)	(464,707)
Other receivables	511,647	-	-	-	-	-
Tax refunds due from government	(248,731)	-	366,613	20,107,034	31,280,325	22,648,072
	641,344	(58,042,839)	(107,183,773)	(58,668,708)	(153,466,142)	(48,836,405)
(Decrease) / Increase in current liabilities:						
Trade and other payable	(6,901,690)	14,424,822	15,792,987	(43,418,904)	(3,960,263)	(47,423,886)
Retirement benefits	-	-	(3,504,468)	(3,504,468)	-	-
	(6,901,690)	14,424,822	12,288,519	(46,923,372)	(3,960,263)	(47,423,886)
Cash used in generated from operations	(20,930,672)	(104,068,836)	(20,578,019)	34,518,201	26,904,481	81,692,153
Claim received from IKEA	207,000,000	-	-	-	-	-
Taxes paid	(16,952)	(1,668,000)	(366,613)	(20,107,034)	(31,280,325)	(28,343,946)
Staff gratuity paid	(110,000)	-	-	-	-	-
Net cash flows from operating activities	185,942,376	(105,736,836)	(20,944,632)	14,411,167	(4,375,844)	53,348,208
CASH FLOW FROM INVESTING ACTIVITIES						
Acquisition of fixed assets	-	-	-	-	(50,000,000)	(70,000,000)
Proceeds from disposal of fixed assets	-	982,621,825	-	-	-	-
Net cash flows from investing activities	-	982,621,825	-	-	(50,000,000)	(70,000,000)
CASH FLOW FROM FINANCING ACTIVITIES						
Loan from director	21,620,000	-	-	-	-	-
Repayment of short term finances	-	(907,501,854)	-	-	-	-
Net cash flow from financing activities	21,620,000	(907,501,854)	-	-	-	-
Net increase / (decrease) in cash and cash equivalents	207,562,376	(30,616,865)	(20,944,632)	14,411,167	(54,375,844)	(16,651,792)
Cash and cash equivalents at the beginning of the period	9,440,860	217,003,236	186,386,371	165,441,739	179,852,906	125,477,062
Cash and cash equivalents at the end of the period	217,003,236	186,386,371	165,441,739	179,852,906	125,477,062	108,825,270