

REPORT AND ACCOUNTS
FOR THE FIRST QUARTER ENDED
SEPTEMBER 30, 2024

AL-ABID SILK MILLS LIMITED

REGISTERED OFFICE
A-34/A, S.I.T.E., Manghopir Road, Karachi.

AL-ABID SILK MILLS LIMITED

CONTENTS

| | |
|---|----|
| Company Information | 2 |
| Directors' Report (English) | 3 |
| Directors' Report (Urdu) | 4 |
| Condensed Interim Statement of Financial Position | 5 |
| Condensed Interim Statement of Profit or Loss Account | 7 |
| Condensed Interim Statement of Other Comprehensive Income | 8 |
| Condensed Interim Statement of Cash Flow | 9 |
| Condensed Interim Statement of Changes in Equity | 10 |
| Notes to the Condensed Interim Financial Statements | 11 |

AL-ABID SILK MILLS LIMITED

COMPANY INFORMATION

| | | |
|--|---|--|
| BOARD OF DIRECTORS | Mr. Naseem A. Sattar Mr. Azim Ahmed Mr. Qamar Mashkoor Mr. Muhammad Sajid Hafeez Mst. Adia Naseem Mrs. Sadaf Nadeem Syed Raza Abbas Jaffari | Chairman and Founder of the Company Chief Executive Officer Independent Non-Executive Director Independent Non-Executive Director Non-Executive Director Non-Executive Director Nominee Director of (N.I.T.) |
| AUDIT COMMITTEE | Mr. Qamar Mashkoor Mr. Muhammad Sajid Hafeez Mr. Naseem A. Sattar | Chairman Member Member |
| HUMAN RESOURCE AND REMUNERATION COMMITTEE | Mr. Muhammad Sajid Hafeez Mr. Naseem A. Sattar Mst. Adia Naseem | Chairman Member Member |
| CHIEF FINANCIAL OFFICER | Mr. Haroon Rasheed | |
| SECRETARY | Mr. Nasim Ahmed | |
| AUDITOR | Muniff Ziauddin & Co., Chartered Accountants | |
| REGISTRAR | 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 presents the condensed interim financial statement of the Company for the First Quarter ended September 30, 2024.

In the last few years, the country's business environment has been facing multiple challenges. The Government is taking steps to push down interest rates to give impetus to investment. More sectors are to be brought under the tax net. The optimistic mood is being reflected in the bullish PSX index. A lot remains to be done to bring down energy cost.

Future outlook:

Alhumdulillah, the company has initiated the trial run of its coating and flocking line. This is a prelude to commencing production.

We cannot thank our stakeholders enough for their patience and cooperation.

For and on behalf of the Board of Directors



Director



Azim Ahmed
Chief Executive Officer

November 29, 2024

AL-ABID SILK MILLS LIMITED

حصص داران کیلئے ڈائریکٹرز کی رپورٹ

بورڈ آف ڈائریکٹرز 30 ستمبر 2024ء کو ختم ہونے والی پہلی سہ ماہی کیلئے کمپنی کا مجموعی مالیاتی حسابات پیش کر رہے ہیں۔

گذشتہ چند برسوں میں ملک کے کاروباری ماحول کو مختلف مشکلات کا سامنا رہا ہے۔ حکومت سرمایہ کاری میں اضافہ کیلئے شرح سود میں کمی کیلئے اقدامات کر رہی ہے۔ مزید شعبوں کو ٹیکس کے دائرہ کار میں لانا ہے۔ پرامید مزاج پاکستان اسٹاک ایکسچینج میں تیزی سے جھلک رہا ہے۔ توانائی کی قیمتوں میں کمی کیلئے بہت کچھ کرنا باقی ہے۔

مستقبل کی پیش بینی:

الحمد للہ، کمپنی نے اپنی کوئٹنگ اور فلوئنگ لائن کے آزمائشی مراحل کا آغاز کر دیا ہے یہ پیداواری عمل شروع کرنے کا پیش خیمہ ہے۔

ہم اپنے اسٹیک ہولڈرز کے صبر اور تعاون کیلئے ان کا کافی شکر یہ ادا نہیں کر سکتے۔

کمپنی جلد ہی پیداوار کا آغاز کرے گی۔

بورڈ آف ڈائریکٹرز کی جانب سے



ڈائریکٹر



عظیم احمد
چیف ایگزیکٹو آفیسر

مورخہ: 29 نومبر 2024ء

AL-ABID SILK

STATEMENT OF FINANCIAL AS AT

September 30,
2024 June 30, 2024

Note ----- (Rupees) -----

EQUITY & LIABILITIES

SHARE CAPITAL AND RESERVES

| | | | |
|---|---|------------------------|------------------------|
| Authorized capital 20,000,000 ordinary shares of Rs. 10/- each | | <u>200,000,000</u> | <u>200,000,000</u> |
| Issued, subscribed and paid-up capital | | <u>134,095,500</u> | <u>134,095,500</u> |
| Capital reserves | | | |
| Other reserves | | <u>372,834,000</u> | <u>372,834,000</u> |
| Revaluation Surplus on Property, Plant & Equipment | 5 | <u>1,886,986,706</u> | <u>1,905,752,279</u> |
| Revenue reserves | | | |
| Accumulated loss | | <u>(2,287,130,484)</u> | <u>(2,274,169,982)</u> |
| Total equity | | <u>106,785,722</u> | <u>138,511,797</u> |

LIABILITIES

NON- CURRENT LIABILITIES

| | | | |
|---------------------------|---|--------------------|--------------------|
| Deferred tax | | - | - |
| Long Term Finances | 6 | <u>216,264,000</u> | <u>224,764,000</u> |
| Staff retirement benefits | 7 | <u>8,569,711</u> | <u>8,569,711</u> |
| | | <u>224,833,711</u> | <u>233,333,711</u> |

CURRENT LIABILITIES

| | | | |
|--|----|--------------------|--------------------|
| Loan from directors - unsecured | 8 | <u>561,018,754</u> | <u>561,018,754</u> |
| Trade and other payables | | <u>791,927,721</u> | <u>784,982,603</u> |
| Unclaimed dividend | | <u>108,310</u> | <u>108,310</u> |
| Advance from I.B.L | 9 | - | - |
| Current maturity of long term finances | 6 | <u>27,000,000</u> | <u>23,500,000</u> |
| Accrued markup | 10 | <u>43,322,484</u> | <u>43,322,484</u> |
| Short term finances | 11 | <u>744,239,039</u> | <u>744,239,039</u> |
| Provision for taxation | | <u>508,983</u> | <u>439,792</u> |

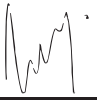
2,168,125,291 2,157,610,982

CONTINGENCIES AND COMMITMENTS

 12

2,499,744,724 2,529,456,490

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



Chief Executive Officer



Director



Chief Financial Officer

MILLS LIMITED

POSITION (UN-AUDITED)

SEPTEMBER 30, 2024

| | | September 30, 2024 | June 30, 2024 |
|---------------------------------|------|-----------------------|----------------------|
| | Note | ----- (Rupees) ----- | |
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 13 | 2,174,773,342 | 2,200,474,320 |
| Investment property | 14 | 19,500,000 | 19,500,000 |
| Long term security deposit | | 4,815,457 | 4,815,457 |
| | | | |
| CURRENT ASSETS | | | |
| Stores and spares | | 15,417,690 | 15,417,690 |
| Loans and advances | | 1,195,630 | 1,195,630 |
| Trade deposits and prepayments | | 218,100 | 218,100 |
| Other receivables | 15 | 124,324,885 | 124,324,885 |
| Tax refunds due from government | | 64,906,264 | 60,076,908 |
| Cash and bank balances | | 94,593,356 | 103,433,500 |
| | | 300,655,925 | 304,666,713 |
| | | <u>2,499,744,724</u> | <u>2,529,456,490</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 30,2024

| | Note | July-Sep 2024 Rupees | July-Sep 2023 Rupees |
|---|------|----------------------------|----------------------------|
| Sales and manufacturing | | - | - |
| Cost of sales | | (25,615,882) | (29,794,897) |
| Gross loss | | <u>(25,615,882)</u> | <u>(29,794,897)</u> |
| Operating expenses | | | |
| Administrative expenses | | (15,345,017) | (19,903,556) |
| Other Income | 16 | 9,304,015 | 1,982,090 |
| Loss from operations | | <u>(31,656,884)</u> | <u>(47,716,363)</u> |
| Finance cost | | - | (4,000) |
| Loss before taxation and levy | | <u>(31,656,884)</u> | <u>(47,720,363)</u> |
| Levy | | (69,191) | - |
| Loss before taxation | | <u>(31,726,075)</u> | <u>(47,720,363)</u> |
| Taxation | | - | - |
| Loss after taxation | | <u><u>(31,726,075)</u></u> | <u><u>(47,720,363)</u></u> |
| Loss per share - basic and diluted | 17 | <u><u>(2.37)</u></u> | <u><u>(3.56)</u></u> |

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



Chief Executive Officer



Director




Chief Financial Officer

AL-ABID SILK MILLS LIMITED


CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED) For the First Quarter ended September 30, 2024

| | July-Sep 2024 Rupees | July-Sep 2023 Rupees |
|---|-------------------------|-------------------------|
| Loss after taxation | (31,726,075) | (47,720,363) |
| Other comprehensive income | | |
| Items that will not be reclassified to profit or loss | | |
| Revaluation of property, plant and equipments | - | - |
| Remeasurements of defined benefit liability | - | - |
| | - | - |
| Items that are or may be reclassified subsequently to profit or loss | - | - |
| Other comprehensive loss for the Quarter | - | - |
| Total comprehensive Loss for the Quarter | <u>(31,726,075)</u> | <u>(47,720,363)</u> |

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



Chief Executive Officer



Director



Chief Financial Officer

AL-ABID SILK MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) For the First Quarter ended September 30,2024

| | July-Sep 2024 Rupees | July-Sep 2023 Rupees |
|---|-------------------------|-------------------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Loss before levy and taxation | (31,656,884) | (47,720,363) |
| Adjustments for: | | |
| Depreciation | 25,700,978 | 29,896,537 |
| Loss on disposal of plant and equipment | - | 10,600,089 |
| | 25,700,978 | 40,496,626 |
| WORKING CAPITAL CHANGES | | |
| Decrease / (Increase) in current assets: | | |
| Loan and advances | - | (375,816) |
| Other Receivable | - | (160,000) |
| Tax refunds due from government | (4,264,033) | 984,951 |
| | (4,264,033) | 449,135 |
| (Decrease) / Increase in current liabilities: | | |
| Trade and other payable | 6,945,118 | 2,992,811 |
| Cash generated from / (used on) operations | (3,274,821) | (3,781,791) |
| Taxes paid | (565,322) | - |
| Net cash generated from / (used in) operating activities | (3,840,143) | (3,781,791) |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Proceeds from disposal of fixed assets | - | 41,115,703 |
| Net cash generated from investing activities | - | 41,115,703 |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Repayment of log term finance | (5,000,000) | (7,650,000) |
| Loan from Director | - | - |
| Net cash used in financing activities | (5,000,000) | (7,650,000) |
| Net increase / (decrease) in cash and cash equivalents | (8,840,143) | 29,683,912 |
| Cash and cash equivalents at the beginning of the year | 103,433,500 | 30,098,615 |
| Cash and cash equivalents at the end of the Quarter | 94,593,356 | 59,782,527 |

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



Chief Executive Officer



Director



Chief Financial Officer

AL-ABID SILK MILLS LIMITED


CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) For the First Quarter ended September 30, 2024

| | Share Capital | Capital Reserve | | Revenue Reserve | Total |
|--|--|--------------------|---|------------------------|---------------------|
| | Issued, subscribed and paid-up capital | Other reserve | Revaluation Surplus on Property Plant & Equipment | Accumulated Loss | |
| | ----- Rupees ----- | | | | |
| Balance as at July 01, 2023 | 134,095,500 | 372,834,000 | 2,048,543,523 | (2,533,346,372) | 22,126,651 |
| Comprehensive income for the year | | | | | |
| Loss after tax for the Quarter ended September 30, 2023 | - | - | - | (47,720,363) | (47,720,363) |
| Other comprehensive income | - | - | - | - | - |
| Total comprehensive loss for the Quarter ended September 30, 2023 | - | - | - | (47,720,363) | (47,720,363) |
| -Transfer on account of incremental depreciation | - | - | (22,425,204) | 22,425,204 | - |
| Balance as at September 30, 2023 | 134,095,500 | 372,834,000 | 2,026,118,319 | (2,558,641,531) | (25,593,712) |
| Balance as at July 01, 2024 | 134,095,500 | 372,834,000 | 1,905,752,279.00 | (2,274,169,982) | 138,511,797 |
| Comprehensive income for the Quarter | | | | | |
| Loss after tax for the Quarter ended September 30, 2024 | - | - | - | (31,726,075) | (31,726,075) |
| Other comprehensive income | - | - | - | - | - |
| Total comprehensive loss for the Quarter ended September 30, 2024 | - | - | - | (31,726,075) | (31,726,075) |
| -Transfer from surplus on revaluation of fixed assets on account of incremental depreciation | - | - | (18,765,573) | 18,765,573 | - |
| Balance as at September 30, 2024 | 134,095,500 | 372,834,000 | 1,886,986,706 | (2,287,130,484) | 106,785,722 |

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



Chief Executive Officer



Director



Chief Financial Officer

AL-ABID SILK MILLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD ENDED SEPTEMBER 30, 2024

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. 2.287 billion and total equity stood at Rs. 106.785 million, while the reported current liabilities (since partly under litigation) have exceeded to current assets of the company by Rs. 1.867 billion. These conditions indicate the existence of a material uncertainty that may cast significant doubt on Company's ability to continue as a going concern and therefore it may be unable to realize its assets and discharge its liabilities in the normal course of business. However, the management of the company believes that the company will remain a going concern in the foreseeable future.

The bank and DFI filed civil recovery suits in Honorable High Court 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. 49.00 million as matter was under litigation. Settlement with JS Bank was reached according to Supreme Court Order/Direction, in this regard the company deposited the settlement amount to Nazir Sindh High Court Karachi against recovery suit No.B-76/2013. During the year ended June 30, 2024, the High Court of Sindh passed an order for compromise decree and withdrawal of suits filed by the borrower and the lender. Accordingly consent decree granted by the High Court of Sindh on 07.05.2024 and payment released from Nazir Sindh High court to JS Bank Ltd on 29.05.2024 and the matter was closed. The matter of The Bank of Punjab has already been settled and the payment has been going on. Management of the Company has already requested the remaining bank and DFI collectively and individually to reschedule their credit facilities for a longer period.

During the year ended June 30, 2016, International Brand Limited (IBL) submitted proposal to the bank for restructuring and acquire shareholding in the Company. Pending this proposal IBL entered into contract dated June 15th, 2015 for manufacturing of their goods in the Company. For this purpose in pursuit to have the plant in full running condition to manufacture their contract goods as per their specification, IBL incurred initial mobilizing expenses under their supervision for repair and maintenance which was to be adjusted against generation of manufacturing of contract goods only. However, Manufacturing of contract goods was not started by IBL. Further, on February 10th, 2017 IBL has given the notice of termination of this contract and pursuant to their termination notice IBL has vacated the premises without undertaking the manufacturing of any contract goods.

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

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

Besides production, the Company has started to sublet its surplus land and building to logistic companies for their warehousing and distribution needs. This has started generating additional revenue for the Company.

Considering the above, the management of the company is confident to turn it around and to continue as a going concern. Accordingly, these financial statements do not include any adjustment relating to the realization of its assets and liquidation of any liabilities that might be necessary should the company be unable to continue as a going concern.

3 Basis of Preparation

3.1 Statement of compliance

These condensed financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

- Provisions of and directives issued under the Companies Act, 2017.

Where 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 Basis of measurement

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

3.3 Functional and presentation currency

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

4 SIGNIFICANT ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

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

| | September 2024 | | | | June 2024 | | | | |
|---|---|----------|--------------------------|--------------------|----------------------|-------------------|----------------------|--------------------------|--------------------|
| | Rupees | | | | Rupees | | | | |
| 5 Revaluation Surplus on Property Plant & Equipment | | | | | | | | | |
| Balance at beginning of the year | | | | | 1,905,752,279 | | | | |
| Add: Surplus arising during the year | | | | | 500,000 | | | | |
| Less: Transferred to unappropriated profit on account of incremental depreciation for the period. | | | | | (18,765,573) | | | | |
| Less: Transferred to unappropriated profit on account of disposal for the period. | | | | | - | | | | |
| Surplus/Deficit on revaluation arisen during the year | | | | | - | | | | |
| Balance at end of the period - net | | | | | 1,886,986,706 | | | | |
| 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. Sadruddin Associates (Pvt) Ltd on November 30, 2021. The assessed values of the fixed assets as determined by the valuer amounts to Rs. 2,730,786,761, however, the forced sales value is Rs. 2,321,168,747 have been taken to account for the fixed assets. | | | | | | | | |
| 5.2 | Had there been no revaluation the related figures of Leasehold land, Building on Leasehold land, Plant, Machinery & equipments, Furniture & Fixture, Office equipment, Electric, gas & Other Installation would have been as follows: | | | | | | | | |
| | September 30, 2024 | | | | June 30, 2024 | | | | |
| | Cost | Addition | Accumulated depreciation | Book value | Cost | Addition | Deletion | Accumulated depreciation | Book value |
| Leasehold land | 29,376,842 | - | - | 29,376,842 | 29,376,842 | - | - | - | 29,376,842 |
| Building on leasehold land | 285,130,111 | - | 243,514,666 | 41,615,445 | 289,870,773 | 8,970,226 | (13,710,888) | 242,447,603 | 42,682,508 |
| Plant, Machinery & equipments | 1,538,478,750 | - | 1,326,930,775 | 211,547,975 | 1,688,789,982 | 12,189,041 | (162,500,273) | 1,321,506,669 | 216,972,281 |
| Furniture & Fixture | 42,571,147 | - | 36,770,404 | 5,800,743 | 42,571,147 | - | - | 36,621,668 | 5,949,479 |
| Office equipment | 4,533,716 | - | 3,901,309 | 632,407 | 4,533,716 | - | - | 3,885,093 | 648,623 |
| Electric, gas & Other Installations | 71,081,709 | - | 62,108,307 | 8,973,402 | 71,081,709 | - | - | 61,878,219 | 9,203,490 |
| | <u>1,971,172,275</u> | | <u>1,673,225,461</u> | <u>297,946,814</u> | <u>2,126,224,169</u> | <u>21,159,267</u> | <u>(176,211,161)</u> | <u>1,666,339,052</u> | <u>304,833,223</u> |
| 6 LONG TERM FINANCES | | | | | | | | | |
| From Bank - Secured | | | | | 224,764,000 | | | | |
| Less: Current maturity | | | | | (27,000,000) | | | | |
| Less: Payment during the period | | | | | (5,000,000) | | | | |
| | | | | | <u>192,764,000</u> | | | | |
| 6.1 | The company has entered into the settlement agreement with the Bank of Punjab whereof the Company will pay quarterly agreed amount in 06 years without any further interest. The facility is secured against mortgage on factory Land and Building of Plot No.A-34/A. | | | | | | | | |
| | <u>8,569,711</u> | | | | | | | | |
| 8 LOAN FROM DIRECTORS - UNSECURED | | | | | | | | | |
| Balance at beginning of the year | | | | | 561,018,754 | | | | |
| Received during the Period | | | | | - | | | | |
| Repaid during the Period | | | | | - | | | | |
| | | | | | <u>561,018,754</u> | | | | |
| | The above is interest free loan from director(s) of the company, which is payable on demand. | | | | | | | | |
| 9 ADVANCE FROM IBL - UNSECURED | | | | | | | | | |
| 9.1 | This represented an amount of Rs. 366 million in respect of initial mobilizing expenses by International Brands Limited as disclosed on note 2 for repair and maintenance to have the plant in full running condition. The same was written off during the year ended June 30, 2023. | | | | | | | | |
| 10 ACCRUED MARKUP | | | | | | | | | |
| Export refinance loan | | | | | 32,377,419 | | | | |
| Liabilities against assets subject to finance lease | | | | | 3,437,436 | | | | |
| Short term loan | | | | | 7,507,629 | | | | |
| Less: Settled during the year | | | | | - | | | | |
| Less: Transferred to Long term finances | | | | | (10,845,137) | | | | |
| | | | | | <u>43,322,484</u> | | | | |
| 11 SHORT TERM FINANCES | | | | | | | | | |
| From banks and financial institutions - Secured | | | | | 11.1 | 744,239,039 | | | 1,301,787,787 |
| Less: Transferred to Long term finances | | | | | 11.2 | - | | | (257,068,863) |
| Less: Settled | | | | | 11.3 | - | | | (300,479,885) |
| | | | | | <u>744,239,039</u> | | | | <u>744,239,039</u> |
| 11.1 | The facilities consist of various types of short term finances from different banks and non-banking financial institution. The facilities are secured against hypothecation charge on stocks, mortgage on factory property of Plot No. A-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. 13 various banks have filed suit for the recovery of these loans. Previously the company has settled off most of the banks. The management is amicably pursuing rest of the banks and D.F.I for rescheduling or settlement as disclosed in note 2 & 13. | | | | | | | | |
| 11.2 | As explained further in note 10.1 that the company has entered into the settlement agreement with the bank of Punjab. | | | | | | | | |
| 11.3 | This represents settlement with JS bank limited during the previous year. | | | | | | | | |

AL-ABID SILK MILLS LIMITED

12 CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

Bank guarantee

15,797,900 15,797,900

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

12.2


| | | | | |
|----|---------------------------------|---------------------|---|---------|
| 1 | | Sindh High Court | The Sales Tax department has filed an appeal in the Honorable High Court of Sindh on 23rd August, 2000 against the Order of the learned Appellate Tribunal Customs and Sales Tax for recovery of Additional Tax and Surcharge amounting to Rs. 3,449 million for the year 1992-93. No provision for this amount has been made in these accounts as the management of the Company is of the view that the decision of the learned Appellate Tribunal Customs and Sales Tax given in favor of the Company will be successfully defended in the Honorable High Court. | Pending |
| 2 | Application No. 95 & 96 of 2016 | Sindh High Court | The Spl. Sales Tax Reference Application No. 95 & 96 of 2016 filed by the company against order passed by the Sindh Revenue Board Appellate Tribunal order related to period ending June 30, 2014 and June 30, 2015 are pending before Honorable High Court of Sindh at Karachi. Further, The Sindh Revenue Board has also filed Spl. Sales Tax Reference Application No. 119 of 2016 against order passed by the Sindh Revenue Board Appellate Tribunal order related to period ending June 30, 2014 and June 30, 2015. During the year, the Sindh High Court passed order in favor of the Company. The Department has filed an appeal before the Supreme Court for challenging the order. | Pending |
| 3 | Suit No. B-42/2013 | Sindh High Court | Al-Abid Silk Mills Limited (company) filed the suit for damages against the JS Bank Limited and JS Bank Limited filed suit # B-76/2013 against the company for recovery of outstanding loan amounting to Rs. 335,105,063/-. Settlement with JS Bank Ltd was reached according to Supreme Court of Pakistan Direction, the company deposited the settlement amount to Nazir Sindh High Court in the Suit. Compromise decree was granted by the High Court of Sindh and both suits stand disposed off on 07.05.2024. According to the consent decree payment was released from Nazir Sindh Court to JS Bank Ltd. on 29.05.2024. | Settled |
| 4 | Suit No. B-95 of 2013 | Sindh High Court | Bank of Punjab filed suit against the Company for recovery of outstanding loan amounting to Rs. 434,399,948/- Al-Abid Silk Mills Limited and The Bank of Punjab have resolved their dispute and a compromise decree has been passed in the instant suit. Installment payments as per schedule has been started by the Company against the settlement of this loan. | Settled |
| 5 | | Sindh High Court | PAIR Investment Co. Ltd. has filed the suit against the Company for recovery of outstanding loan | 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 | Pending |
| 7 | Suit No. 1586/2013 | Sindh High Court | The company has filed suit interalia for cancellation of cheques; and damages against Jawaid Arshad | Pending |
| 8 | Suit No. 540/2014 | Sindh High Court | Javed Arshad has filed the suit against the company for recovery of Rs. 21.32 million. | Pending |
| 9 | Suit No. 1200/2014 | Sindh High Court | Ranyal Textile has filed the suit against the company for recovery of Rs. 40.94 million. | Pending |
| 10 | Suit No. 1245/2015 | Sindh High Court | Shahtaj Textile has filed the suit against the company for recovery of Rs. 112.64 million. | Pending |
| 11 | Suit No. 1833/2015 | Sindh High Court | Maksos Textile has filed the suit against the company for recovery of Rs. 56.38 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 Shahtaj Textile limited, an ad-interim injunctive order of the Learned Single Judge wherein the company was refrained from creating any third party | Pending |
| 15 | JCM No. 34/2014 | Sindh High Court | One of the supplier of the company has filed a winding up petition, on the ground that the company owes a sum of Rs. 40.94 million to Ranyal Textile. Such claim is denied by the company. | Pending |
| 16 | JCM No. 25/2015 | Sindh High Court | PAIR Investment Company Limited has filed a winding up petition, on the ground that the company owes a sum of Rs. 201.925 million to Pair Investment. Such claim is denied by the company. | Pending |
| 17 | Suit No. 604/2018 | Sindh High Court | ACME (supplier) has filed suit for recovery of Rs. 48,822,642/-, before the High Court of Sindh at Karachi. An application for rejection of plaint has been filed in the matter on the grounds that the claim of this supplier is time barred. Besides this, issues have yet to be framed in the case therefore it is premature to comment on the outcome. The management is vigorously contesting the case. | Pending |
| 18 | JCM No. 10/2015 | Sindh High Court | Achroma Textile Chemicals Pakistan (creditor) has filed a winding up petition at High Court of Sindh at Karachi. The winding up petition has been filed on the grounds that Al-Abid owes Achroma Textile Chemical Pakistan (formerly BASF Pakistan) a sum of Rs. 33,683,561/-. Such claim is denied by Al-Abid. The petition is yet to be heard. Therefore, it is premature to comment on the outcome. The management is vigorously contesting the case. | Pending |
| 19 | | | 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 III), Karachi [CIR(A)] on 10-02-2022 against the said order passed by the ADCIR. The case has been concluded on April 20, 2022 by the Commissioner of IR VII Karachi, against which the company has filed second appeal before Appellate Tribunal IR, which is pending and in the opinion of the Company and an independent legal counsel of the Company there is no anticipation of any unfavorable outcome of the said appeal and hence no provision is required to be made in the Financial Statements. The said appeal withdrawn by the company as per order dated 15.04.2024. | Pending |
| 20 | | Sindh revenue board | During the year, the deputy commissioner SRB passed an order No. 5874 of 2023 on 20.11.2023 for the tax year 2021, whereby the SWWF demand of Rs. 12,108,810 has been created and penalty of Rs. 605,440 has also been imposed. The company has been assailed before the Commissioner SRB (Appeals-III), Karachi who has granted the stay of recovery of disputed SWWF vide order sheet dated 13.12.2023. The appeal is pending decision till date. | Pending |


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

The outcome of above cases as referred in cases 7-15,17,18, 19 & 20 cannot be predicted and the management is vigorously contesting the cases.

AL-ABID SILK MILLS LIMITED

| | September 2024 Rupees | 2024 Rupees |
|--|-------------------------------|-------------------------|
| 13 PROPERTY, PLANT AND EQUIPMENT | | |
| Operating Fixed Assets | 2,167,273,342 | 2,192,974,320 |
| Capital Work in Progress - DDFC Boiler | 7,500,000 | 7,500,000 |
| | <u>2,174,773,342</u> | <u>2,200,474,320</u> |
| 13.1 Opening written down value | 2,192,974,320 | 2,379,752,880 |
| Additions | - | 21,159,267 |
| Deletions/Transfer | - | (91,613,728) |
| Depreciation | <u>(25,700,978)</u> | <u>(116,324,099)</u> |
| | <u>2,167,273,342</u> | <u>2,192,974,320</u> |
| 14 INVESTMENT PROPERTY | | |
| Carrying amount 1 July 2024 | 19,500,000 | - |
| Transfer from operating fixed assets | - | 19,500,000 |
| Change in fair value | - | - |
| Carrying amount 30 September 2024 | <u>19,500,000</u> | <u>19,500,000</u> |
| 14.1 Investment property includes real estate property situated in Karachi which is owned to earn rentals and for capital appreciation. | | |
| 15 OTHER RECEIVABLES | | |
| Duty drawback | 92,555,928 | 92,555,928 |
| Receivable from banks | 15.1 26,833,537 | 26,833,537 |
| Research and development support | 4,325,164 | 4,325,164 |
| Receivable from Warehousing services | 610,256 | 610,256 |
| | <u>124,324,885</u> | <u>124,324,885</u> |
| 15.1 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 and National Bank of Pakistan and the same is receivable from the respective banks. One of the banks namely United Bank Limited has refused to pay amount despite of the fact that full and final settlement was amicably reached and clearance certificate as per the honorable Sindh High Court's consent degree was obtained. The company has filed the suit # 882/2020 against the bank for the recovery of Rs. 13,871,000/-. | | |
| | July-Sep 2024 Rupees | July-Sep 2023 Rupees |
| 16 OTHER INCOME | | |
| Income from non-financial assets | | |
| Sale of scrap | 2,815,738 | - |
| Income from property | 2,719,548 | 160,000 |
| Income from financial assets / liabilities | | |
| Profit on PLS deposit account | 3,768,729 | 1,822,090 |
| | <u>9,304,015</u> | <u>1,982,090</u> |
| 17 LOSS PER SHARE - BASIC AND DILUTED | | |
| 17.1 LOSS PER SHARE - BASIC | | |
| Loss after taxation | Rupees (31,726,075) | (47,720,363) |
| Weighted average number of shares | Number 13,409,550 | 13,409,550 |
| Loss per share-Basic | Rupees (2.37) | (3.56) |
| 17.2 EARNINGS PER SHARE - DILUTED | | |
| There is no dilution effect on the basic earning per shares of the Company (2024: Nil). | | |
| 18 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: | | |
| | September 30, 2024 Rupees | June 30, 2024 Rupees |
| Balances | | |
| Nature | Relationship with the company | |
| Loan received from Director - Mr.Aziz Ahmed | Chief Executive Officer | 60,105,867 |
| Loan received from Director - Mr.Naseem A. Sattar | Chairman | 500,912,887 |
| | | <u>561,018,754</u> |
| 19 KEY MANAGEMENT PERSONNEL - REMUNERATION & BENEFITS | | |
| In view for bad financial condition of the company directors have decided not to claim their whole remuneration for the period ended September 30, 2024. | | |
| 21 DATE OF AUTHORISATION FOR ISSUE | | |
| These financial statements were approved and authorized for issue in the Board of Directors' meeting held on November 29, 2024. | | |
| 22 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

BOOK POST
Printed Matter

UNDER POSTAL CERTIFICATE

If undelivered please return to :

AL-ABID SILK MILLS LIMITED

Registrars:
Jwaifs Registrar Services (Pvt) Ltd.
Room # 407-408, 4th Floor,
Al-Anneera Centre, Shahrah-e-Iraq,
Saddar, Karachi.