

REPORT AND ACCOUNTS
FOR THE HALF YEAR ENDED
DECEMBER 31, 2014

AL-ABID SILK MILLS LIMITED

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

AL-ABID SILK MILLS LIMITED

CONTENTS

Company Information	2
Directors' Report	3
Report on Review of Interim Financial Information	4
Condensed Interim Balance Sheet	6
Condensed Interim Profit & Loss Account	8
Condensed Interim Statement Of Comprehensive Income	9
Condensed Interim Cash Flow Statement	10
Condensed Interim Statement of Changes in Equity	11
Notes to the Condensed Interim Financial Information	12

AL-ABID SILK MILLS LIMITED

COMPANY INFORMATION

BOARD OF DIRECTORS	Mr. S.M. Jawed Azam Mr. Naseem A. Sattar Mr. Azim Ahmed Mr. Qamar Mashkooor Mr. Muhammad Sajid Hafeez Mst. Adia Naseem Mrs. Sadaf Nadeem Syed Reza Abbas Jaffari	Chairman Chief Executive Officer Executive Director Independent Non-Executive Director Independent Non-Executive Director Non-Executive Director Non-Executive Director Nominee Director (N.I.T.)
SECRETARY	Mr. Nasim Ahmed	
AUDIT COMMITTEE	Mr. Qamar Mashkooor Mr. Muhammad Sajid Hafeez Mr. S.M. Jawed Azam	Chairman Member Member
HUMAN RESOURCE AND REMUNERATION COMMITTEE	Mr. Muhammad Sajid Hafeez Mr. Naseem A. Sattar Mr. Qamar Mashkooor	Chairman Member 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 half year ended December 31, 2014.

During the half year ended the company registered total sales of Rs.168.38 million as against Rs.274.36 million during the corresponding period of last financial year. Accordingly, company's net loss reduced to Rs.287.30 million as against net loss of Rs.331.79 million incurred during the corresponding period of last financial year.

The sales of the company significantly reduced, as the company had to focus only on local sales, the aforesaid loss incurred mainly due to underutilization of the production capacity.

FUTURE OUTLOOK:

Company is keenly considering to get re-structuring from the bank(s). However it is very encouraging to note that Al-Abid still having a reputation in the international market as a brand.

Some of our old customers with huge buying muscles are prepared to re-start business with us due to our past performance of high standards of quality as well as products which other companies either are reluctant to produce or do not have the possibility. We expect within 6-months the business may take the start and gradually and surely Al-Abid will come to its normal activities of export alongside the local processing in a better way. The export business will add to the production and eliminate losses incurring in local production and convert local production also into profit.

In the end, your Directors are pleased to appreciate for the services rendered by the workers, staff and executives of the company and look forward for 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.

Thanks to all of you.

February 26, 2015

For and on behalf of the
Board of Directors

(NASEEM A. SATTAR)
Chief Executive Officer

AL-ABID SILK MILLS LIMITED

AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of Al-Abid Silk Mills Limited (the Company) as at December 31, 2014 and the related condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof (here-in-after referred to as "the condensed interim financial information") of the six months period then ended. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

The figures of the condensed interim profit and loss account for the quarters ended December 31, 2014 and 2013 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2014.

Scope of Review

We conducted our review in accordance with International Standards on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis of Adverse Conclusion

- (i) During the period ended December 31, 2014, the Company sustained after tax loss of Rs. 287.3 million and its accumulated loss stood at Rs. 6,079.638 million which has eroded its equity to an adverse balance of Rs. 5,572.708 million before surplus on revaluation of fixed assets of Rs. 3,269.460 million and, as of that date Company's current liabilities exceeded its current assets by Rs. 6,007.386 million. These events indicate a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern and therefore the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. These condensed interim financial statements have been prepared on a going concern basis but, in our opinion, management's use of the going concern assumption in the condensed interim financial statements is inappropriate.
- (ii) As mentioned in note 1.1 to the condensed interim financial statements, the restructuring of financial facilities is under process with various banks and financial institutions. However, as disclosed in note 7.1, certain lenders have gone into litigation for repayment of liabilities and sale of the company's hypothecated/mortgaged properties.

AL-ABID SILK MILLS LIMITED

- (iii) We have not received direct bank confirmations from the banks and financial institutions for short term loans amounting to Rs. 5,034.787 million to the condensed interim financial statements. Moreover, we have also not received direct confirmation from various leasing companies amounting to Rs. 42.734 million.
- (iv) The Company has not recorded markup on finances obtained from banks amounting to Rs. 363.24 million on the plea of restructuring negotiation/litigation with the respective banks. Had the provision of mark-up been made in the financial statements, the loss for the current period would have been higher by Rs. 363.24 million and accumulated loss and mark-up payable would have been higher by Rs. 363.24 million and shareholders' equity would have been lower by the same amount.
- (v) The recoverable amount of surplus on revaluation of fixed assets as shown in note 5 of the financial statements is dependent upon continued operation of the company.
- (vi) The interest free loan from director amounting to Rs. 457.469 million is being shown at historical cost in contravention with the requirements of IAS-39 which require the same to be recorded at fair value or amortised cost as appropriate with an impact on income through profit and loss account.

Adverse Conclusion

Our review indicates that, because of the matters as described in the preceding paragraphs, this condensed interim financial information does not present fairly, in all material respects, the financial position of the company as at December 31, 2014, and of its financial performance and its cash flows for the six months period then ended in accordance with the approved accounting standards as applicable in Pakistan relating to interim financial reporting.

Karachi

February 26, 2015

Muniff Ziauddin & Co.
Chartered Accountants
(SALIM SADRUDDIN)

AL-ABID SILK

CONDENSED INTERIM BALANCE SHEET

	December 2014	June 2014
Note	----- (Rupees) -----	----- (Audited) -----
EQUITY & LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorised capital	200,000,000	200,000,000
20,000,000 Ordinary Shares of Rs. 10/- each		
Issued, subscribed and paid-up capital	134,095,500	134,095,500
Reserves		
Capital reserve	372,834,000	372,834,000
Accumulated loss	(6,079,638,399)	(5,892,800,377)
	(5,706,804,399)	(5,519,966,377)
Shareholder's equity		
	(5,572,708,899)	(5,385,870,877)
Surplus on revaluation of fixed assets	5 3,269,460,129	3,369,922,225
LIABILITIES		
NON- CURRENT LIABILITIES		
Loan from director - unsecured	6 457,468,754	445,768,754
Deferred Taxation	405,103,295	399,993,045
Retirement benefits	22,334,770	22,384,770
	884,906,819	868,146,569
CURRENT LIABILITIES AND PROVISIONS		
Trade and other payables	1,071,564,973	1,014,878,695
Accrued markup	240,815,938	240,815,938
Current maturity of long term loans		
- and Lease Liability	70,222,332	73,072,920
Short term finances	5,034,787,523	5,034,787,523
	6,417,390,766	6,363,555,076
CONTINGENCIES AND COMMITMENTS		
	7 -	-
	4,999,048,815	5,215,752,993

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

Naseem A. Sattar
Chief Executive Officer

MILLS LIMITED

AS AT DECEMBER 31, 2014

Note	December 2014 (Un-Audited)	June 2014 (Audited)
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ASSETS NON-CURRENT ASSETS

Property, plant and equipment	8	4,587,098,340	4,801,771,325
Long term security deposit		1,946,645	1,946,645

CURRENT ASSETS

Stores and spares	88,430,359	89,886,713
Stock in trade	32,979,312	30,997,375
Trade debts	34,807,144	33,643,479
Loans and advances	10,620,328	12,392,083
Trade deposits and prepayments	7,302,666	7,811,810
Other receivables	167,549,575	170,493,463
Tax refunds due from government	59,216,926	58,471,592
Cash and bank balances	9,097,520	8,338,508
	410,003,830	412,035,023
	4,999,048,815	5,215,752,993

Qamar Mashkoor
Director

AL-ABID SILK MILLS LIMITED

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2014

	Note	SIX MONTHS PERIOD ENDED		THREE MONTHS PERIOD ENDED	
		Jul-Dec 2014 Rupees	Jul-Dec 2013 Rupees	Oct-Dec 2014 Rupees	Oct-Dec 2013 Rupees
Sales and services	9	168,382,540	274,359,790	82,003,135	155,731,518
Cost of sales		412,105,511	538,606,676	192,908,545	269,914,226
Gross loss		(243,722,971)	(264,246,886)	(110,905,410)	(114,182,708)
Operating expenses					
Distribution cost		6,038,124	11,159,976	3,328,161	3,427,945
Administrative expenses		34,934,426	63,678,832	14,943,558	30,523,333
Other operating expenses		-	635,375	-	(610,155)
		40,972,550	75,474,183	18,271,719	33,341,123
		(284,695,521)	(339,721,069)	(129,177,129)	(147,523,831)
Other income	10	2,613,347	14,619	-	10,545
Loss from operations		(282,082,174)	(339,706,450)	(129,177,129)	(147,513,286)
Finance cost		107,694	4,395,753	94,867	34,785
Loss before taxation		(282,189,868)	(344,102,203)	(129,271,996)	(147,548,071)
Taxation - net		5,110,250	(12,308,902)	5,110,250	(12,913,413)
Loss after taxation		(287,300,118)	(331,793,301)	(134,382,246)	(134,634,658)
Loss per share - basic and diluted	13	(21.43)	(24.74)	(10.02)	(10.04)

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

Naseem A. Sattar
Chief Executive Officer

Qamar Mashkoor
Director

AL-ABID SILK MILLS LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2014

	SIX MONTHS PERIOD ENDED		THREE MONTHS PERIOD ENDED	
	Jul-Dec 2014 Rupees	Jul-Dec 2013 Rupees	Oct-Dec 2014 Rupees	Oct-Dec 2013 Rupees
Loss after taxation	(287,300,118)	(331,793,301)	(134,382,246)	(134,634,658)
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of tax	100,462,096	111,630,079	50,230,949	27,063,402
Total Comprehensive Loss	<u>(186,838,022)</u>	<u>(220,163,222)</u>	<u>(84,151,297)</u>	<u>(107,571,256)</u>

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

Naseem A. Sattar
Chief Executive Officer

Qamar Mashkooor
Director

AL-ABID SILK MILLS LIMITED

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2014

	Jul-Dec 14 Rupees	Jul-Dec 13 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(282,189,868)	(344,102,203)
Adjustments for:		
Depreciation	209,572,732	233,478,495
Provision for gratuity	40,000	5,801,210
(Gain) / Loss on disposal of property, plant and equipment	(2,613,347)	635,375
	206,999,385	239,915,080
(Increase) / Decrease in current assets:		
Stores and spares	1,456,354	1,973,430
Stock in trade	(1,981,937)	42,453,199
Trade debtors	(1,163,665)	8,955,673
Loan and advances	1,771,755	2,035,998
Trade deposits and prepayments	509,144	(366,667)
Other receivables	2,943,888	18,760,777
Tax refunds due from government	(159,347)	7,603,047
	3,376,192	81,415,457
Increase / (Decrease) in current liabilities:		
Trade and other payable	56,686,278	4,554,965
Accrued mark-up	-	4,349,301
Short term finance	-	(30,932,203)
	56,686,278	(22,027,937)
Cash used in generated from operations	(15,128,013)	(44,799,603)
Taxes paid	(585,987)	(1,266,241)
Staff gratuity paid	(90,000)	(3,134,123)
Net cash outflow from operations	(15,804,000)	(49,199,967)
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure	-	(9,759,566)
Proceeds from disposal of fixed assets	7,713,600	2,320,000
Net cash (used in) / generated from investing activities	7,713,600	(7,439,566)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds of loan from directors	11,700,000	61,189,887
Payments of obligation under finance lease	(2,850,588)	(2,805,949)
Net cash inflow from financing activities	8,849,412	58,383,938
Net increase in cash and cash equivalents	759,012	1,744,405
Cash and cash equivalents at the beginning of the period	8,338,508	9,872,750
Cash and cash equivalents at the end of the period	9,097,520	11,617,155

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

Naseem A. Sattar
Chief Executive Officer

Qamar Mashkoor
Director

AL-ABID SILK MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2014

	Share Capital	Capital Reserve	Accumulated Loss	Total
	Rupees			
Balance as at June 30, 2013	134,095,500	372,834,000	(5,549,079,853)	(5,042,150,353)
Loss after tax for the six months ended December 31, 2013	-	-	(331,793,301)	(331,793,301)
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of tax	-	-	111,630,079	111,630,079
Balance as at December 31, 2013	134,095,500	372,834,000	(5,769,243,075)	(5,262,313,575)
Balance as at June 30, 2014	134,095,500	372,834,000	(5,892,800,377)	(5,385,870,877)
Loss after tax for the six months ended December 31, 2014	-	-	(287,300,118)	(287,300,118)
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of tax	-	-	100,462,096	100,462,096
Balance as at December 31, 2014	134,095,500	372,834,000	(6,079,638,399)	(5,572,708,899)

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

Naseem A. Sattar
Chief Executive Officer

Qamar Mashkooor
Director

AL-ABID SILK MILLS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (Unaudited) FOR THE HALF YEAR ENDED DECEMBER 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. 5.57 billion while the reported current liabilities (since partly under litigation) have exceeded to current assets of the company by Rs. 6.007 billion. However, the company has undertaken various steps in order to turn around the company. The brief update on these steps is given below:

(i) Recapturing foreign market

The Company has recently been in correspondence with major foreign buyers to restart business with them and due to the Company's past performance and global image strength, these prospective buyers are willing to restart business with the Company. The management of the Company expects that within next 6 months the Company will be able to start exporting again. The export business will add to the production and will help in eliminating losses being incurred in local production.

(ii) Capturing local market share

The Company was engaged in export business for last several years and was dealing with the international customers of good repute. There was nominal business in the local market merely for selling of rejected and leftover goods under the range of 5%. The Company has started local fabric processing business in order to cover maximum possible fixed costs but still production volume is not upto the mark level. Since the management has fully concentrated its attention for getting maximum business, it seems that the company may succeed to achieve optimum level of production by the end of year 2015.

(iii) Reduction in fixed costs

Reluctantly, the management has to retrench most of their men power strength considering current level of business. Furthermore, various steps have also been taken for resource conservations, effective utilization of natural resources and raw materials which are being successfully implemented. Accordingly, partial outcomes of these steps have been arrived at whereas its full impact will be screened during the finalization of upcoming quarterly and half yearly financial statements.

(iv) Rescheduling of credit facilities with the banks

The management has already requested all of the banks and DFIs collectively and individually, to reschedule its credit facilities for a longer period coupled with fresh additional working capital facility. Most unfortunately, banks' response time is quite slow due to following up their internal procedures and systems. However, various banks and DFI have already filed civil recovery suits in Honorable High Court and Banking Court for recovery of their lent fund. We have already filed leave to defend in the court against all such legal suits. The management is confident and believes that in ultimate analysis an amicably out of the court settlement will be reached and approval of rescheduling with other banks including fresh financing which is essential requirement for resumption of export business will be finalized. Furthermore, the company has not accrued the markup of Rs. 363.24 million as matter is under negotiations with the banks and DIFs.

In view of 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.

AL-ABID SILK MILLS LIMITED

2 BASIS OF PREPARATION

2.1 The condensed interim financial information of the Company for the half year ended December 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, 2014.

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.

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, 2014.

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, 2014

5 SURPLUS ON REVALUATION OF FIXED ASSETS

	December 31, 2014 Rupees (Unaudited)	June 30, 2014 Rupees (Audited)
Balance at beginning of the period / year	3,369,922,225	3,594,197,081
Less: Incremental depreciation on revalued assets for the year - net of tax	(100,462,096)	(223,251,827)
Less: Revaluation surplus related to disposal assets	-	(1,023,029)
	3,269,460,129	3,369,922,225

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.

	December 31, 2014 Rupees (Unaudited)	June 30, 2014 Rupees (Audited)
Balance at beginning of the period / year	445,768,754	305,455,867
Received during the period / year	11,700,000	140,312,887
	457,468,754	445,768,754

AL-ABID SILK MILLS LIMITED

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

	December 31, 2014 Rupees (Unaudited)	June 30, 2014 Rupees (Audited)
7 CONTINGENCIES AND COMMITMENTS		
7.1 Contingencies:		
Bank guarantee	79,834,000	79,834,000

The bank guarantees have been issued in favour of various government agencies.

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.

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. 4.23 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.

	December 31, 2014 Rupees (Unaudited)	June 30, 2014 Rupees (Audited)
7.2 Commitments:		
There are no commitments as at period end. (June 2014 : Nil)		
8 PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets	4,570,298,340	4,784,971,325
Capital work-in-progress	16,800,000	16,800,000
	4,587,098,340	4,801,771,325

	Jul-Dec 14 Rupees (Unaudited)	Jul-Dec 13 Rupees (Unaudited)
8.1 The fixed capital expenditures during the period as follows:		
Owned assets:		
Plant, machinery and equipments	-	5,709,566
Electric, gas and other installations	-	4,050,000
	-	9,759,566

	Jul-Dec 14 Rupees (Unaudited)	Jul-Dec 13 Rupees (Unaudited)
8.2 The disposals during the period as follows:		
Owned assets:		
Plant, machinery and equipments	-	2,317,255
Vehicles	12,761,701	1,480,000
	12,761,701	3,797,255

	Jul-Dec 14 Rupees (Unaudited)	Jul-Dec 13 Rupees (Unaudited)
9 SALES AND SERVICES		
Sales		
Export sales	-	24,870,432
Local sales	-	11,615,095
	-	36,485,527
Services		
Cloth Processing - Printing and dyeing	168,382,540	237,874,263
	168,382,540	274,359,790

AL-ABID SILK MILLS LIMITED

10 OTHER INCOME	Jul-Dec 14 Rupees (Unaudited)	Jul-Dec 13 Rupees (Unaudited)
Income from financial assets/liabilities		
Profit on PLS deposits	-	14,619
Income from non-financial assets/liabilities		
Gain on disposal of property, plant and equipment	2,613,347	-
	<u>2,613,347</u>	<u>14,619</u>
11 FINANCE COST		
The company has not accrued markup of Rs. 363.24 million for the period as the matter is under negotiations with the banks for restructuring.		
12 TAXATION		
Current	-	1,496,151
Deferred	5,110,250	(13,805,053)
	<u>5,110,250</u>	<u>(12,308,902)</u>

13 EARNINGS / (LOSS) PER SHARE - BASIC & DILUTED

	SIX MONTHS PERIOD ENDED		THREE MONTHS PERIOD ENDED	
	Jul-Dec 2014	Jul-Dec 2013	Oct-Dec 2014	Oct-Dec 2013
13.1 Basic earnings / (loss) per share				
Loss after taxation	Rupees (287,300,118)	(331,793,301)	(134,382,246)	(134,634,658)
Weighted average number of shares	Number 13,409,550	13,409,550	13,409,550	13,409,550
Basic loss per share	Rupees (21.43)	(24.74)	(10.02)	(10.04)

13.2 Diluted earnings per share

There is no dilution effect on the basic earnings per share of the company.

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-Dec 14 Rupees (Unaudited)	Jul-Dec 13 Rupees (Unaudited)
Al-Abid Exports (Private) Limited (Associated Company)		
Processing services rendered	-	1,716,156
Al-Abid Silk Mills Limited		
Key management personnel - Remuneration & Benefits	875,000	7,950,000
	<u>December 31, 2014</u>	<u>June 30, 2014</u>
	Rupees (Unaudited)	Rupees (Audited)
Al-Abid Exports (Private) Limited (Associated Company)		
Outstanding balance - payable	<u>(19,974,226)</u>	<u>(19,974,226)</u>

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.

AL-ABID SILK MILLS LIMITED

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, 2014.

17 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were approved and authorized for issue in the Board of Directors' meeting held on February 26, 2015.

Naseem A. Sattar
Chief Executive Officer

Qamar Mashkoor
Director

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Registrars:

Adam Patel & Company

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