

REPORT AND ACCOUNTS
FOR THE HALF YEAR ENDED
DECEMBER 31, 2017

AL-ABID SILK MILLS LIMITED

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

AL-ABID SILK MILLS LIMITED

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AL-ABID SILK MILLS LIMITED

COMPANY INFORMATION

BOARD OF DIRECTORS	Mr. S.M. Jawed Azam Mr. Naseem A. Sattar Mr. Azim Ahmed Mr. Qamar Mashkoo Mr. Muhammad Sajid Hafeez Mst. Adia Naseem Mrs. Sadaf Nadeem Syed Raza 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.)
CHIEF FINANCIAL OFFICER	Mr. Muhammad Imran	
SECRETARY	Mr. Nasim Ahmed	
AUDIT COMMITTEE	Mr. Qamar Mashkoo 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 Mashkoo	Chairman Member Member
AUDITORS	Muniff Ziauddin & Co., Chartered Accountants	
REGISTRARS	Jwaffs Registrar Services (Pvt) Ltd. Room # 407-408, 4th Floor, Al-Ameera Centre, Shahrah-e-Iraq, Saddar, Karachi	
BANKERS	Allied Bank Limited Faysal Bank Limited Habib Bank Limited Habib Metropolitan Bank Limited JS Bank Limited Meezan Bank Limited National Bank of Pakistan Orix Leasing Pakistan Ltd. 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.	
E-MAIL	mail@alabid.com	

AL-ABID SILK MILLS LIMITED

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Board of Directors presents the condensed interim financial statements of the company for the half year ended December 31, 2017.

The actions awaited from the government for improvement of textile industry have not appeared as yet probably due to national and international constraints. However, since the awareness in the government is there, we hope that some positive measures will be taken by the government and at least government will start soon paying the refunds which occurred during the exports and are payable by the government to the exporters under various heads.

RE-VALUATION:

In the meantime, re-valuation of our plant has been carried out by the recognized valuator, M/s. Sadruddin Associates (Pvt) Limited, who have valued the assets at an assessed value of Rs: 5.6 Billion.

FUTURE OUTLOOK:

Our plant is fully intact and we can start production as soon as we come to some restructuring agreement of our loans with the banks. Discussions appear to be moving in the right direction and we expect that it should be concluded soon in positive direction which will enable us to go into production and capture our share of local market as well as exports.

We are thankful to our shareholders who are still showing full confidence in the company and we hope once the company is in production, our staff - who is eagerly waiting for start-up - will also return and the company will once again be employer of thousands of workers as we had been one of the biggest employers in the sector.

Thanks to all of you,

For and on behalf of the
Board of Directors

February 27, 2018

(NASEEM A. SATTAR)
Chief Executive Officer

العابد سلک ملز لمیٹڈ

شیئر ہولڈرز کے لئے ڈائریکٹری رپورٹ

بورڈ آف ڈائریکٹرز 31 دسمبر 2017 کو ختم ہونے والی ششماہی کے لئے کمپنی کے انٹرم ہالیاتی گوشوارے پیش کرتے ہیں۔

یکسٹرانیکل انڈسٹری کے اصلاحات کے لئے حکومت کی جانب سے کاروائیوں کے منتظر ہیں جو غالباً قومی اور بین الاقوامی پابندیوں کی وجہ سے اب تک منظر عام پر نہیں آئیں۔ حالانکہ حکومت اس سے بخوبی آگاہ ہے۔ ہمیں امید ہے کہ حکومت کی جانب سے چند مثبت اقدامات اٹھائے جائیں گے اور بلآخر حکومت جلد ہی ایک سپورٹس کے دوران پیش ہونے والے ریفرنڈم زادا کرنا شروع کرے گی جو مختلف ہیڈز کے تحت حکومت کی جانب سے ایک سپورٹرز کو واجب الادا ہیں۔

دوبارہ تخمینہ سازی (ریویلیویشن)

اسی مدت کے دوران ہمارے پلانٹ کی دوبارہ تخمینہ سازی منظور شدہ ویلیویٹیڈ میسرز صدر الدین ایبوسی ایٹس (پرائیوٹ) لمیٹڈ کی جانب انجام دی گئی۔ جنہوں نے اثاثہ جات کی اندازہ قیمت 5.6 ملین روپے تجویز کی۔

مستقبل کا منظر

ہمارا پلانٹ پوری طرح مکمل طور پر برقرار ہے اور ہم بینکوں کے ساتھ اپنے قرضہ جات کے چند معاہدوں کو دوبارہ طے کرنے پر جلد ہی پروڈکشن شروع کر سکتے ہیں۔ کفٹ و شنید سے ظاہر ہے کہ ہم صحیح سمت کی جانب رواں دواں ہیں اور ہمیں امید ہے کہ جلد ہی اس کا مثبت نتیجہ برآمد ہوگا جو ہمیں پروڈکشن کا اہل بنائے گا اور ہم مقامی مارکیٹ کے ساتھ ساتھ ایک سپورٹ میں بھی اپنے شیئر حاصل کر لیں گے۔

ہم اپنے شیئر ہولڈرز کے شکر گزار ہیں جو ابھی تک کمپنی میں اپنا مکمل اعتماد دکھا رہے ہیں اور ہمیں امید ہے جب کمپنی کی پروڈکشن شروع ہوگی۔ ہمارا اسٹاف جو بے چینی سے آغاز ہونے کے منتظر ہیں واپس آ جائیں گے اور کمپنی ایک بار پھر ہزاروں ورکرز کو ملازم رکھے گی۔ جیسا کہ ہم اس شعبے میں سب سے بڑے آجروں میں سے ایک ہیں۔

آپ سب کا شکریہ

بورڈ آف ڈائریکٹرز کے جانب توسط سے

(سید اے، ستار)

چیف ایگزیکٹو آفیسر

27 فروری 2018

AL-ABID SILK MILLS LIMITED

AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF CONDENSED 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, 2017 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 draw 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, 2017 and 2016 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2017.

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, 2017, the company has accumulated loss stood at Rs. 6,630 million which has eroded its equity to an adverse balance of Rs. 6,123 million before surplus on revaluation of fixed assets of Rs. 3,114 million and, as of that date Company's current liabilities exceeded its current assets by Rs. 6,835 million and further during the period no production and sales were made by the company. 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 information have been prepared on a going concern basis however, in our opinion, management's use of the going concern assumption in the condensed interim financial information is inappropriate.
- (ii) We have not received direct bank confirmations from the banks and financial institutions for short term loans amounting to Rs. 5,035 million and for bank balances of Rs. 9.5 million as mentioned in the financial statements. The Company has not recorded markup on these finances which amounts to Rs. 183 million on the plea of restructuring negotiation/litigation with the respective banks. Moreover, we have also not received direct confirmations from trade and other creditors amounting to Rs. 942 million and various leasing companies amounting to Rs. 67 million.

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, 2017, 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.

Thanks to all of you

MUNIFFZIAUDDIN & CO.
CHARTERED ACCOUNTANTS
(SOHAIL SALEEM)

February 27, 2018

AL-ABID SILK

CONDENSED INTERIM BALANCE SHEET

	December 2017	June 2017
Note	----- (Rupees) -----	-----
	(Un-Audited)	(Audited)
EQUITY & LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized capital	200,000,000	200,000,000
20,000,000 Ordinary Shares of Rs. 10/- each	134,095,500	134,095,500
Issued, subscribed and paid-up capital		
Reserves		
Capital reserve	372,834,000	372,834,000
Accumulated loss	(6,630,018,750)	(6,744,421,690)
	(6,257,184,750)	(6,371,587,690)
Shareholder's equity	(6,123,089,250)	(6,237,492,190)
Surplus on revaluation of fixed assets	5 3,113,707,024	2,686,001,549
LIABILITIES		
NON- CURRENT LIABILITIES		
Long term loan from banks	-	-
Liabilities against assets subject to finance lease	-	-
Deferred Taxation	6 422,387,366	393,498,041
	422,387,366	393,498,041
CURRENT LIABILITIES AND PROVISIONS		
Loan from director - unsecured	7 508,558,754	496,898,754
Retirement benefits	7,068,935	7,118,935
Trade and other payables	942,143,278	943,229,591
Advance from I.B.L	8 366,063,944	366,063,944
Accrued markup	240,815,938	240,815,938
Current maturity of long term loans and Lease Liability	67,118,820	67,118,820
Short term finances	5,034,787,523	5,034,787,523
	7,166,557,192	7,156,033,505
CONTINGENCIES AND COMMITMENTS	9	
	4,579,562,332	3,998,040,905

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

Chief Executive Officer

Director

Chief Financial Officer

MILLS LIMITED

AS AT DECEMBER 31, 2017

		December 2017	June 2017
	Note	----- (Rupees) -----	-----
		<u>(Un-Audited)</u>	<u>(Audited)</u>
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	10	4,245,755,508	3,658,769,060
Long term security deposit		1,886,645	1,886,645
CURRENT ASSETS			
Stores and spares		56,753,690	60,537,270
Stock in trade		13,642,473	14,551,972
Trade debts		1,862,579	1,957,100
Loans and advances		5,017,778	5,396,206
Trade deposits and prepayments		6,311,810	6,311,810
Other receivables		164,541,974	165,053,621
Tax refunds due from government		74,278,617	74,136,361
Cash and bank balances		9,511,258	9,440,860
		331,920,179	337,385,200
		4,579,562,332	3,998,040,905

Chief Executive Officer

Director

Chief Financial Officer

AL-ABID SILK MILLS LIMITED

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (Unaudited) FOR THE HALF YEAR ENDED DECEMBER 31, 2017

	Note	SIX MONTHS PERIOD ENDED		THREE MONTHS PERIOD ENDED	
		Jul-Dec-2017	Jul-Dec-2016	Oct-Dec 2017	Oct-Dec 2016
		Rupees	Rupees	Rupees	Rupees
Sales and Manufacturing	11	-	-	-	-
Cost of sales		150,191,415	166,540,326	75,496,283	83,000,439
Gross loss		(150,191,415)	(166,540,326)	(75,496,283)	(83,000,439)
Operating expenses					
Distribution cost		-	-	-	-
Administrative expenses		17,837,688	15,218,008	8,985,760	5,953,194
		17,837,688	15,218,008	8,985,760	5,953,194
		(168,029,103)	(181,758,334)	(84,482,043)	(88,953,633)
Other income	12	-	36,663,014	-	36,663,014
Loss from operations		(168,029,103)	(145,095,320)	(84,482,043)	(52,290,619)
Finance cost	13	2,087	1,499	2,087	1,499
Loss before taxation		(168,031,190)	(145,096,819)	(84,484,130)	(52,292,118)
Taxation - net	14	(171,468,496)	4,005,516	(146,315,756)	1,087,224
Profit/(loss) after taxation		3,437,306	(149,102,335)	61,831,626	(53,379,342)
Profit/(loss) per share - basic and diluted	15	0.26	(11.12)	4.61	(3.98)

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

Chief Executive Officer

Director

Chief Financial Officer

AL-ABID SILK MILLS LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Unaudited) FOR THE HALF YEAR ENDED DECEMBER 31, 2017

	SIX MONTHS PERIOD ENDED		THREE MONTHS PERIOD ENDED	
	Jul-Dec 2017 Rupees	Jul-Dec 2016 Rupees	Oct-Dec 2017 Rupees	Oct-Dec 2016 Rupees
Profit/(loss) after taxation	3,437,306	(149,102,335)	61,831,626	(53,379,342)
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation- net of tax	110,965,634	98,363,694	66,158,244	49,181,841
Total comprehensive profit/(Loss)	<u>114,402,940</u>	<u>(50,738,641)</u>	<u>127,989,870</u>	<u>(4,197,501)</u>

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

Chief Executive Officer

Director

Chief Financial Officer

AL-ABID SILK MILLS LIMITED

CONDENSED INTERIM CASH FLOW STATEMENT (Unaudited)
FOR THE HALF YEAR ENDED DECEMBER 31, 2017

	Jul-Dec-2017	Jul-Dec-2016
	<u>Rupees</u>	<u>Rupees</u>
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(168,031,190)	(145,096,819)
Adjustments for:		
Depreciation	152,042,482	169,009,141
Provision for obsolete items	3,783,580	3,783,579
Provision for obsolete stock	909,499	909,498
Provision for doubtful debts	94,521	94,520
	156,830,082	173,796,738
Decrease / (Increase) in current assets:		
Trade debtors	-	365,400
Loan and advances	378,428	2,060,750
Other receivables	511,647	-
Tax refunds due from government	(134,254)	301,529
	755,821	2,727,679
(Decrease) / Increase in current liabilities:		
Trade and other payable	(1,086,313)	(7,053,453)
Advance from IBL	-	(33,745,032)
	(1,086,313)	(40,798,485)
Cash used in generated from operations	(11,531,600)	(9,370,887)
Taxes paid	(8,002)	(380,604)
Staff gratuity paid	(50,000)	(70,000)
Net cash outflow from operations	(11,589,602)	(9,821,491)
CASH FLOW FROM INVESTING ACTIVITIES		
Long term security deposit	-	60,000
CASH FLOW FROM FINANCING ACTIVITIES		
Loan from director	11,660,000	9,885,000
Net increase / (decrease) in cash and cash equivalents	70,398	123,509
Cash and cash equivalents at the beginning of the period	9,440,860	9,304,629
Cash and cash equivalents at the end of the period	9,511,258	9,428,138

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

Chief Executive Officer

Director

Chief Financial Officer

AL-ABID SILK MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Unaudited) FOR THE HALF YEAR ENDED DECEMBER 31, 2017

	Share Capital	Capital Reserve	Accumulated Loss	Total
	Rupees			
Balance as at June 30, 2016	134,095,500	372,834,000	(6,625,919,544)	(6,118,990,044)
Loss after tax for the half year ended December 31, 2016	-	-	(149,102,335)	(149,102,335)
Other Comprehensive Income				
-Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of tax	-	-	98,363,694	98,363,694
Balance as at December 31, 2016	134,095,500	372,834,000	(6,676,658,185)	(6,169,728,685)
Balance as at June 30, 2017	134,095,500	372,834,000	(6,744,421,690)	(6,237,492,190)
Profit after tax for the half year ended December 31, 2017	-	-	3,437,306	3,437,306
Other Comprehensive Income				
-Transfer from surplus on revaluation of fixed assets on account of incremental depreciation	-	-	110,965,634	110,965,634
Balance as at December 31, 2017	134,095,500	372,834,000	(6,630,018,750)	(6,123,089,250)

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

Chief Executive Officer

Director

Chief Financial Officer

AL-ABID SILK MILLS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT (Unaudited) FOR THE HALF YEAR ENDED DECEMBER 31, 2017

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 Pakistan Stock Exchange Limited. 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

The company has curtailed off the manufacturing activities since 2015. As a result of constant losses, the accumulated loss of the company has reached to Rs. 6,630 million and Company's equity is in negative by Rs. 6,123 million while the reported current liabilities (since partly under litigation) have exceeded the current assets by Rs. 6,835 million. 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, that 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 for the foreseeable future.

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. Meanwhile, the banks and DFI have already filed civil recovery suits in Honorable High Court and Banking Court for recovery of their lent fund. The Company has 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. 183 million as matter is under negotiations with the banks and DFIs.

During the year ended June 30, 2016, International Brand Limited (IBL) submitted proposal to the banks for restructuring and acquire share holding 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.

2 BASIS OF PREPARATION

As per the requirements of circular no. CLD/CCD/PR(11)/2017 dated October 4, 2017 issued by the Securities & Exchange Commission of Pakistan (SECP), companies whose financial year, including quarterly and other interim periods, closes on or before December 31, 2017, shall prepare their financial statements, including interim financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984.

Accordingly, this unconsolidated condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34, Interim Financial Reporting and provisions of and directives issued under the repealed Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the repealed Companies Ordinance, 1984 have been followed.

This interim financial information does not include all the information required for a complete set of financial statements and should be read in conjunction with the annual financial statements for the year ended June 30, 2017.

The comparative balance sheet presented in this interim financial information as at June 30, 2017 has been extracted from audited financial statements of the company for the year ended June 30, 2017, Whereas the comparative profit and loss account, statement of changes in equity and the cash flow statements for the half year ended December 31, 2016 have been subjected to a review but not audit.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are consistent with those applied in the preparation of audited annual financial statements for the year ended June 30, 2017.

There are certain new International Financial Reporting Standards (standards), amendments to published standards and interpretations that are mandatory for the financial year beginning on July 1, 2017. These considered not to be relevant or to have any significant effect on the Company's financial reporting and operations and are, therefore, not disclosed in this condensed interim financial information.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

- 4.1** The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.
- 4.2** In preparing this condensed interim financial information, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the audited annual financial statements for the year ended June 30, 2017.

AL-ABID SILK MILLS LIMITED

	December 2017 Rupees (Un-Audited)	June 2017 Rupees (Audited)
5 SURPLUS ON REVALUATION OF FIXED ASSETS		
Balance at beginning of the period / year	2,913,303,830	3,159,893,776
Surplus during the period / year	739,028,930	-
Less: Transferred to unappropriated profit on account of Incremental depreciation for the period / year	(110,965,634)	(246,589,946)
	<u>3,541,367,126</u>	<u>2,913,303,830</u>
Less: related deferred tax of:		
- balance at beginning of the period / year	227,302,281	277,164,821
- surplus arisen during the period / year	221,708,679	-
- incremental depreciation for the period / year	(10,191,051)	(22,646,747)
- effect of change in tax rate	(11,159,807)	(27,215,793)
- balance at end of the period / year	427,660,102	227,302,281
Balance at end of the period / year	<u>3,113,707,024</u>	<u>2,686,001,549</u>
5.1	During the period the Company has revalued its Leasehold land, Building on Leasehold land, Plant, Machinery & equipments, Furniture & Fixture, Office equipment, Electric, gas & Other Installation and Leased Plant, Machinery & equipments as at December 31, 2017. The valuation has been determined by the independent valuer M/s. Sadruddin Associates (Pvt.) Ltd. The assessed values of the fixed assets as determined by the valuer amounts to Rs. 5,632,295,460 as at December 31, 2017, however, the forced sales value of Rs. 4,224,221,595 have been taken to account for the fixed assets. The earlier valuations were carried out by M/s. Anjum Adil and Associates independent on June 30, 2012, August 31, 2010 and August 31, 2007 on the basis of prevailing market rates at that time.	
6 DEFERRED TAXATION		
Debit / (Credit) balances arising from:		
Accelerated tax depreciation allowance	391,884,671	570,624,751
Revaluation Surplus	427,660,102	227,302,281
Provision for obsolete item	(5,675,369)	(4,691,639)
Provision for obsolete stock	(1,364,248)	(1,127,778)
Provision for doubtful debt	(141,781)	(117,205)
Liabilities against assets subject to finance lease	15,221,433	12,818,641
Provision for retirement benefits	(332,340)	(343,418)
Tax credit of unused tax losses	(404,865,102)	(410,967,592)
	<u>422,387,366</u>	<u>393,498,041</u>
7 LOAN FROM DIRECTOR - UNSECURED		
Balance at beginning of the period / year	496,898,754	479,973,754
Received during the period / year	11,660,000	16,925,000
Repaid during the period / year	-	-
	<u>508,558,754</u>	<u>496,898,754</u>
	The above is interest free loan from a director of the company, which is payable on demand.	
8 ADVANCE FROM IBL		
Balance at beginning	366,063,944	401,873,719
During the period/year	-	(35,809,775)
	<u>366,063,944</u>	<u>366,063,944</u>
	The comprises of initial mobilizing expenses by International Brands Limited as disclosed on note 1.1 for repair and maintenance to have the plant in full running condition.	

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	December 2017	June 2017
	Rupees	Rupees
	(Un-Audited)	(Audited)
9 CONTINGENCIES AND COMMITMENTS		
9.1 Contingencies		
Bank guarantee	<u>79,834,000</u>	<u>79,834,000</u>
9.1.1	The bank guarantees have been issued in favor of Sui Southern Gas Company Limited and others.	
9.1.2	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.	
9.1.3	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 is pending before Honorable High Court of Sindh at Karachi.	
9.1.4	JS Bank Limited has filed suit No.B-42/2013 & B-76/2013 against the company for recovery of outstanding loan amounting to Rs. 335,105,083/-.	
9.1.5	suit No. B-93 of 2012 against the company for recovery of outstanding loan amounting to Rs. 606,855,202/-.	
9.1.6	suit No. B-96 of 2012 against the company for recovery of outstanding loan amounting to Rs. 812,482,558/-.	
9.1.7	Pak-Oman Investment Co. Ltd. has filed suit No. 202 of 2013 has been decreed for an amount of Rs. 46,031,519/- against which Al-Abid Silk Mills Limited has filled an appeal, also Pak Oman Investment Company Ltd has filed an appeal. Further, Al-Abid Silk Mills Limited has appeal No. 1st appeal (I.A)4/2016 in connection with the damages against Pak Oman Investment Company Ltd.	
9.1.8	suit No. B-58 of 2013 against the company for recovery of outstanding loan amounting to Rs. 546,667,987/-.	
9.1.9	suit no. B-80 of 2013 against the company for recovery of outstanding loan amounting to Rs. 763,724,270/-	
9.1.10	Summit Bank Ltd. has filed Suit No. B-84 of 2013 against the Company for recovery of outstanding loan amounting to Rs. 433,796,294/-. The leave to defend has been granted.	
9.1.11	suit No. B-95 of 2013 against the Company for recovery of outstanding loan amounting to Rs. 434,399,948/-	
9.1.12	PAIR Investment Co. Ltd. has filed suit No. B-111 of 2013 against the Company for recovery of outstanding loan amounting to Rs. 171,460,949/-	
9.1.13	Has filed suit No. 26 of 2017 against the Company for recovery of outstanding loan amounting to Rs. 77,676,831/-.	
9.1.14	National Bank of Pakistan has filed suit No. B-66 of 2014 against the Company for recovery of outstanding loan amounting to Rs. 963,313,878/-. However, the plaintiff has submitted an application for withdrawal of the instant suit with permission to file a fresh suit. In view of this position the application is granted and consequently, instant suit is dismissed as withdrawn.	
9.1.15	has filed suit no 36/2015 against the Company for recovery of outstanding loan amounting to Rs. 19,481,004/-.	
9.1.16	Standard Chartered Bank (Pakistan) Ltd. has filed suit No. 04/2015 against the Company has been decreed for an amount of Rs. 7,482,819/-. However, Standard Chartered Bank (Pakistan) Ltd. has been filed appeal No. 04/2015 against the decreed order passed by the Banking Court.	
9.1.17	Pak Kuwait Investment Company has filed suit no 16/2015 against the Company for recovery of outstanding loan amounting to Rs. 26,811,180/-.	
9.1.18	Habib Metropolitan Bank Limited has filed suit no B-38/2015 against the Company for recovery of outstanding loan amounting to Rs. 773,496,075/-.	
	The amount mentioned on above note 9.1.4 to 9.1.18 are claimed amounts by the Banks, actual amounts to be determined by the Banking Court.	
	The outcome of above cases as referred in note 9.1.4 to 9.1.18 cannot be predicted and the management is vigorously contesting the case, however major amount has already been provided in financial statements.	

AL-ABID SILK MILLS LIMITED

9.1.19 Various suppliers have filed the suits against the company and the outcome of the cases cannot be predicted but management is vigorously contesting the case.

9.1.20 Various ex-workers filed suits for payment of their legal dues before the Authority under the Payment of Wages Act, West Division, Karachi. The company believes that there may not be any financial implications.

9.2 Commitments:

There are no commitments as at period end. (June 2017: Nil).

	December 2017	June 2017
	Rupees	Rupees
	(Un-Audited)	(Audited)
10 PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets	4,228,955,508	3,641,969,060
Capital work in progress -DDFC Boiler	16,800,000	16,800,000
	<u>4,245,755,508</u>	<u>3,658,769,060</u>

	Jul-Dec 2017	Jul-Dec 2016
	Rupees	Rupees
	(Un-Audited)	(Un-Audited)
11 SALES AND MANUFACTURING		
Sales	-	-

	Jul-Dec 2017	Jul-Dec 2016
	Rupees	Rupees
	(Un-Audited)	(Un-Audited)
12 OTHER INCOME		
Income from non-financial assets / liabilities		
Gain on reversal of advance from I.B.L	-	36,663,014

13 FINANCE COST		
Bank charges, mark-up and commission	2,087	1,499

14 TAXATION		
Current	-	-
Deferred Tax	(171,468,496)	4,005,516
	<u>(171,468,496)</u>	<u>4,005,516</u>

	SIX MONTH PERIOD ENDED		THREE MONTH PERIOD ENDED	
	Jul-Dec 2017	Jul-Dec 2016	Oct-Dec 2017	Oct-Dec 2016
15 PROFIT/(LOSS) PER SHARE - BASIC & DILUTED				
15.1 Profit/(loss) per share				
Profit/(loss) after taxation	Rupees 3,437,306	(149,102,335)	61,831,626	(53,379,342)
Weighted average number of shares	Number 13,409,550	13,409,550	13,409,550	13,409,550
Basic profit/(loss) per share	Rupees 0.26	(11.12)	4.61	(3.98)

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

16 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 half year ended December 31, 2017 i.e. Mr. Naseem A. Sattar Rs. 5,250,000 and Mr. Azim Ahmed Rs. 2,700,000. (2016: Mr. Naseem A. Sattar Rs. 5,250,000) and (Mr. Azim Ahmed Rs. 2,700,000).

17 FINANCIAL RISK MANAGEMENT
ent objectives and policies are consistent with those disclosed in the annual financial statements for the year ended June 30, 2017.

18 DATE OF AUTHORISATION FOR ISSUE
These condensed interim financial statements were approved and authorized for issue in the Board of Directors 27-02-2018.

Chief Executive Officer

Director

Chief Financial Officer

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If undelivered please return to :

AL-ABID SILK MILLS LIMITED

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