AL-ABID SILK MILLS LIMITED

CONTENTS

AL-ABID SILK MILLS LIMITED

COMPANY INFORMATION

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

AUDITORS

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
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.

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 first quarter ended September 30, 2016.

As reported the plant has gone into extensive maintenance, however, as you may be aware the textile industry of Pakistan is having somewhat a difficult period for some time, exports have gone down substantially for multiple reasons including unpredictable higher cost of doing business among other factors. Nevertheless, textile is the main industry of Pakistan and the government also has taken notice of the substantial downward trend of textile industry with regards to exports and otherwise. We are expecting the government to take steps towards improving the situation to restore the industry in full swing and thereby also production and exports.

FUTURE OUTLOOK:

Due to prevailing circumstances although plant is ready for production we are endeavoring to find some solution and support with our banks, once the company is in production our international customer will get interested in taking share of the production of the company, besides, the internal market of Pakistan is quite large and is expected to expand substantially, so the company can involve in export and local market to utilize the huge capacity. We are hopeful that our banks who have been with us for many decades will surely support us in finding solution to restore the company in full production.

We are thankful to our shareholders who have still shown their full confidence in the company and we hope once the company is in production our workers and staff will again enthusiastically put their efforts to achieve efficient and quality production as always.

Thanks to all of you.

For and on behalf of the
Board of Directors

October 26, 2016

(NASEEM A. SATTAR)
Chief Executive Officer

AL-ABID SILK

CONDENSED INTERIM BALANCE SHEET

	Note	September 2016	June 2016	June 2015
		---------------------- (Rupees) ----------------------		
		(Un-Audited)	(Audited)	Restated
EQUITY & LIABILITIES				
SHARE CAPITAL AND RESERVES				
Authorized capital				
20,000,000 Ordinary Shares of Rs. 10/- each		**200,000,000**	200,000,000	200,000,000
Issued, subscribed and paid-up capital		**134,095,500**	134,095,500	134,095,500
Reserves				
Capital reserve		**372,834,000**	372,834,000	372,834,000
Accumulated loss		**(6,672,460,685)**	(6,625,919,545)	(6,158,059,970)
		(6,299,626,685)	(6,253,085,545)	(5,785,225,970)
Shareholder's equity		**(6,165,531,185)**	(6,118,990,045)	(5,651,130,470)
Surplus on revaluation of fixed assets	5	**2,833,547,102**	2,882,728,955	3,098,635,250
LIABILITIES				
NON- CURRENT LIABILITIES				
Loan from director - unsecured	6	**486,158,754**	479,973,754	466,018,754
Long term loan from banks		**-**	-	-
Liabilities against assets subject to finance lease		**-**	-	-
Deferred Taxation	7	**406,540,979**	403,622,687	404,503,865
Retirement benefits		**7,328,935**	7,358,935	14,265,760
		900,028,668	890,955,376	884,788,379
CURRENT LIABILITIES AND PROVISIONS				
Trade and other payables		**945,697,260**	948,467,879	1,027,500,898
Advance from I.B.L	8	**404,431,232**	401,873,719	32,907,270
Accrued markup		**240,815,938**	240,815,938	240,815,938
Current maturity of long term loans - and Lease Liability		**67,118,820**	67,118,820	67,118,820
Short term finances		**5,034,787,523**	5,034,787,523	5,034,787,523
		6,692,850,773	6,693,063,879	6,403,130,449
CONTINGENCIES AND COMMITMENTS	9			
		4,260,895,358	4,347,758,165	4,735,423,608

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

Chief Executive Officer

MILLS LIMITED

AS AT SEPTEMBER 30, 2016

	Note	September 2016	June 2016	June 2015
		---------------------- (Rupees)	---------------------	
		(Un-Audited)	(Audited)	Restated
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	10	**3,912,282,781**	3,996,787,353	4,374,712,766
Long term security deposit		**1,946,645**	1,946,645	1,946,645
CURRENT ASSETS				
Stores and spares		**66,212,639**	68,104,429	81,492,512
Stock in trade		**15,916,220**	16,370,969	18,189,966
Trade debts		**2,464,279**	2,511,539	8,142,154
Loans and advances		**7,464,576**	7,464,576	9,330,612
Trade deposits and prepayments		**6,311,810**	6,311,810	6,311,810
Other receivables		**165,053,621**	165,053,621	165,167,887
Tax refunds due from government		**73,592,132**	73,902,594	59,817,553
Cash and bank balances		**9,650,655**	9,304,629	10,311,703
		346,665,932	349,024,167	358,764,197
		4,260,895,358	4,347,758,165	4,735,423,608

Director

AL-ABID SILK MILLS LIMITED

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (Unaudited)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2016

	Note	Jul-Sep 2016 Rupees	Jul-Sep 2015 Rupees
Sales and Manufacturing	11	-	-
Cost of sales		83,539,887	91,434,667
Gross loss		(83,539,887)	(91,434,667)
Operating expenses			
Distribution cost		-	-
Administrative expenses		9,264,814	7,527,921
		9,264,814	7,527,921
		(92,804,701)	(98,962,588)
Other income	12	-	532,783
Loss from operations		(92,804,701)	(98,429,805)
Finance cost		-	3,685
Loss before taxation		(92,804,701)	(98,433,490)
Taxation - net	14	2,918,292	320,015
Loss after taxation		(95,722,993)	(98,753,505)
Loss per share - basic and diluted	15	(7.14)	(7.36)

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

Chief Executive Officer

Director

AL-ABID SILK MILLS LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Unaudited)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2016

	Jul-Sep 2016 Rupees	Jul-Sep 2015 Rupees
Loss after taxation	**(95,722,993)**	(98,753,505)
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation- net of tax	**49,181,853**	45,893,057
Total comprehensive Loss	**(46,541,140)**	(52,860,448)

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

Chief Executive Officer

Director

AL-ABID SILK MILLS LIMITED

CONDENSED INTERIM CASH FLOW STATEMENT (Unaudited)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2016

	Jul-Sep 2016	Jul-Sep-2015
	Rupees	Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(92,804,701)	(98,433,490)
Adjustments for:		
Depreciation	84,504,572	94,039,918
Provision for gratuity	-	49,500
Provision for obsolete items	1,891,790	-
Provision for obsolete stock	454,749	-
Provision for doubtful debts	47,260	-
Gain on disposal of property, plant and equipment	-	(532,783)
	86,898,371	93,556,635
Decrease in current assets:		
Tax refunds due from government	310,462	(31,690)
	310,462	(31,690)
(Decrease) / Increase in current liabilities:		
Trade and other payable	(2,770,619)	8,788,938
Advance from IBL	2,557,513	-
	(213,106)	8,788,938
Cash used in generated from operations	(5,808,974)	3,880,393
Taxes paid	-	(26,509)
Staff gratuity paid	(30,000)	(6,973,850)
Net cash outflow from operations	(5,838,974)	(3,119,966)
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from disposal of fixed assets	-	1,000,000
Net cash generated from investing activities	-	1,000,000
CASH FLOW FROM FINANCING ACTIVITIES		
Loan from director	6,185,000	2,300,000
Net cash inflow from financing activities	6,185,000	2,300,000
Net increase in cash and cash equivalents	346,026	180,034
Cash and cash equivalents at the beginning of the year	9,304,629	10,311,703
Cash and cash equivalents at the end of the period	9,650,655	10,491,737

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

Chief Executive Officer

Director

AL-ABID SILK MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Unaudited)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2016

	Share Capital	Capital Reserve	Accumulated Loss	Total
	----------	---------- Rupees	----------	----------
Balance as at June 30, 2015 restated	**134,095,500**	**372,834,000**	**(6,158,059,970)**	**(5,651,130,470)**
Loss after tax for the three months ended September 30, 2015	-	-	(98,753,505)	(98,753,505)
Other Comprehensive Income				
-Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of tax	-	-	45,893,057	45,893,057
Balance as at September 30, 2015 restated	**134,095,500**	**372,834,000**	**(6,210,920,418)**	**(5,703,990,918)**
Balance as at June 30, 2016	**134,095,500**	**372,834,000**	**(6,625,919,545)**	**(6,118,990,045)**
Loss after tax for the three months ended September 30, 2016	-	-	(95,722,993)	(95,722,993)
Other Comprehensive Income				
-Transfer from surplus on revaluation of fixed assets on account of incremental depreciation	-	-	49,181,853	49,181,853
Balance as at September 30, 2016	**134,095,500**	**372,834,000**	**(6,672,460,685)**	**(6,165,531,185)**

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

Chief Executive Officer

Director

AL-ABID SILK MILLS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT (Unaudited) FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2016

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

As a result of constant losses, the company's equity is in negative by Rs. 6.165 billion while the reported current liabilities (since partly under litigation) have exceeded to current assets of the company by Rs. 6.346 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) Revamping the plant and recapturing market

The Company has recently been engaged in extensive maintenance and revamping of the plant due to which the production could not yet be started as the import of parts etc has been quite time consuming. However the plant is now actually ready for production.

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

(ii) 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. 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. 77.801 million as matter is under negotiations with the banks and DFIs.

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.

2 BASIS OF PREPARATION

2.1 This condensed interim financial information of the company for the 1st quarter ended September 30, 2016 is un-audited and has been prepared in accordance with the requirements of the International Accounting standard 34-'Interim Financial Reporting' and provisions of and directives issued under the companies ordinance 1984 (the Ordinance). In case where requirements differ, the provisions of or directives issued under the Ordinance 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, 2016.

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

AL-ABID SILK MILLS LIMITED

3 SUMMARY OF SIGINIFICANT 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, 2016.

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, 2015. 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, 2016.

5 SURPLUS ON REVALUATION OF FIXED ASSETS	**September 30, 2016 Rupees (Unaudited)**	June 30, 2016 Rupees (Audited)
Balance at beginning of the period / year	**3,159,893,776**	3,433,882,161
Less: Incremental depreciation on revalued assets for the period / year - net of tax	**(61,647,488)**	(273,988,385)
	3,098,246,288	3,159,893,776
Less: related deferred tax of:		
- balance at beginning of the period / year	**277,164,821**	335,246,911
- incremental depreciation for the period / year	**(5,661,687)**	(25,163,011)
- effect of change in tax rate	**(6,803,948)**	(32,919,079)
	264,699,186	277,164,821
Balance at end of the period / year	**2,833,547,102**	2,882,728,955

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.

The appraisal surplus arisen on this revaluation was credited to "Surplus on Revaluation Account" to comply with the requirements of Section 235 of the Companies Ordinance 1984. However, previously the effect of change in tax rate relating to deferred tax on revaluation surplus was not recorded as per requirements of IAS 12. This amount as a correction of error has been disclosed in this interim financial information.

As previously stated as at June 30, 2015	**3,165,968,649**
Effect of change in tax rate 2014	**(33,842,666)**
Effect of change in tax rate 2015	**(33,490,733)**
After restated as at June 30, 2015	**3,098,635,250**

6 LOAN FROM DIRECTOR - Unsecured	**September 30, 2016 Rupees (Unaudited)**	June 30, 2016 Rupees (Audited)
Balance at beginning of the period / year	479,973,754	466,018,754
Received during the period / year	6,185,000	13,955,000
	486,158,754	479,973,754

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

AL-ABID SILK MILLS LIMITED

		September 30, 2016 Rupees (Unaudited)	June 30, 2016 Rupees (Audited)
7	**DEFERRED TAXATION**		
	Debit/(credit) balances arising from:		
	Accelerated tax depreciation allowance	**622,552,156**	631,646,747
	Revaluation Surplus	**264,699,186**	277,164,821
	Provision for obsolete item	**(3,026,864)**	(2,421,491)
	Provision for obsolete stock	**(727,599)**	(582,079)
	Provision for doubtful debt	**(75,616)**	(60,493)
	Liabilities against assets subject to finance lease	**17,399,336**	17,284,083
	Provision for retirement benefits	**(354,496)**	(354,496)
	Tax credit of unused tax losses	**(493,925,124)**	(519,054,405)
		406,540,979	403,622,687

8 ADVANCE FROM IBL

As reported earlier International Brands Limited (IBL) submitted proposal to the banks for restructuring and acquiring share holding in the Company. Pending this proposal IBL desired to enter into contract manufacturing of their goods in the company. For this purpose in persuit 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 is to be adjusted against generation of manufacturing of contract goods only, in the event settlement with banks is not reached. Manufacturing of contract goods so far has not started.

		September 30, 2016 Rupees (Unaudited)	June 30, 2016 Rupees (Audited)
9	**CONTINGENCIES AND COMMITMENTS**		
9.1	**Contingencies:**		
	Bank guarantee	**79,834,000**	79,834,000

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 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/-.

9.1.4 United Bank Ltd has filed suit No. B-93 of 2012 against the company for recovery of outstanding loan amounting to Rs. 606,855,202/-.

9.1.5 Habib Bank Limited has filed suit No. B-96 of 2012 against the company for recovery of outstanding loan amounting to Rs. 812,482,558/-.

9.1.6 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 filed an appeal No. 1st appeal (I.A)4/2016 in connection with the damages against Pak Oman Investment Company Ltd.

9.1.7 Meezan Bank Ltd. Suit No. B-58 of 2013 against the company for recovery of outstanding loan amounting to Rs. 546,667,987/-.

9.1.8 Faysal Bank Ltd has filed suit no. B-80 of 2013 against the company for recovery of outstanding loan amounting to Rs. 763,724,270/-

9.1.9 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.

9.1.10 Bank of Punjab has filed suit No. B-95 of 2013 against the Company for recovery of outstanding loan amounting to Rs. 434,399,948/-

9.1.11 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/-

9.1.12 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/-.

9.1.13 Orix Leasing has filed suit no 36/2015 against the Company for recovery of outstanding loan amounting to Rs. 19,481,004/-.

9.1.14 Standard Chartered Bank (Pakistan) Ltd has filed suit no 04/2015 against the Company for recovery of outstanding loan amounting to Rs. 42,550,043/-.

9.1.15 Pak Kuwait Investment Company has filed suit no 16/2015 against the Company for recovery of outstanding loan amounting to Rs. 26,811,180/-.

9.1.16 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 outcome of above cases as referred in note 9.1.3 to 9.1.16 cannot be predicted and the management is vigorously contesting the case, however major amount has already been provided in financial statements.

9.1.17 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.

9.1.18 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 2016 : Nil)

		September 30, 2016 Rupees (Unaudited)	June 30, 2016 Rupees (Audited)
10	**PROPERTY, PLANT AND EQUIPMENT**		
	Operating fixed assets	**3,895,482,781**	3,979,987,353
	Capital work-in-progress	**16,800,000**	16,800,000
		3,912,282,781	3,996,787,353

		Jul-Sep 2016 Rupees (Unaudited)	Jul-Sep 2015 Rupees (Unaudited)
10.1	The disposals during the period as follows:		
	Owned assets:		
	Vehicles	-	1,475,000
11	**SALES AND MANUFACTURING**		
	Sales		
	Export sales	-	-
	Local sales	-	-
		-	-
	Manufacturing		
	Printing and dyeing	-	-

AL-ABID SILK MILLS LIMITED

12 OTHER INCOME

Income from non-financial assets/liabilities		
Gain on disposal of property, plant and equipment	-	532,783

13 FINANCE COST

The company has not accrued markup of Rs. 77.801 million for the period as the matter is under negotiations with the banks for restructuring.

		Jul-Sep 2016 Rupees (Unaudited)	Jul-Sep 2015 Rupees (Unaudited)
14 TAXATION			
Deferred		**2,918,292**	320,015
		2,918,292	320,015

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

15.1 Basic earnings / (loss) per share

Loss after taxation	Rupees	**(95,560,214)**	(98,753,505)
Weighted average number of shares	Number	**13,409,550**	13,409,550
Basic loss per share	Rupees	**(7.14)**	**(7.36)**

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 period ended September 30, 2016 i.e. Mr. Naseem A. Sattar Rs. 2,625,000 and Mr. Azim Ahmed Rs. 1,350,000. (2015: Mr. Naseem A. Sattar Rs. 2,625,000) and (Mr. Azim Ahmed Rs. 1,350,000).

17 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, 2016

18 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were approved and authorized for issue in the Board of Directors' meeting held on October 26, 2016.

Chief Executive Officer

Director