REPORT AND ACCOUNTS
FOR THE NINE MONTHS ENDED
MARCH 31, 2018

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	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.)
CHIEF FINANCIAL OFFICER	Mr. Muhammad Imran	
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	
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 nine months period ended March 31, 2018.

It is in the knowledge probably of all concerns that textile industry is going through a bad patch as exports have gone down tremendously. There appears to be a slight improvement but if one studies, the improvement, this is mainly due to export of raw material. The real value added sector is yet to improve for which certainly quite substantial efforts from the side of the government are also required such as regular power at affordable competitive cost, availability of water according to requirements. These are the essential requirements practically of any industry including particularly value added textiles. In any case, we feel the government is aware of these problems and we are sure, positive steps will be taken so that the huge textile industry of Pakistan can operate and provide among other benefits huge employment, which is essential for the country.

FUTURE OUTLOOK:

Our restructuring discussions and negotiations with the banks are satisfactorily going ahead and we hope, very shortly, they will be concluded and enable us to be back in action as in the past. The negotiations due to banks' own systems and SOP(s) are time consuming but as mentioned we hope, shortly we will be able to close the subject matter satisfactorily.

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 - 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,

April 26, 2018

For and on behalf of the
Board of Directors

(NASEEM A. SATTAR)
Chief Executive Officer

العابد سلک ملز لمیٹڈ

شیئر ہولڈرز کے لئے ڈائریکٹر کی رپورٹ

بورڈ آف ڈائریکٹر **31** مارچ **2018** کو ختم ہونے والے نو مہینوں کے لئے کمپنی کے انٹرم مالیاتی گوشوارے پیش کرتے ہیں۔

تمام متعلقین کو غالباً یہ علم ہے کہ ٹیکسٹائل انڈسٹری ایک برے دور سے گذر رہی ہے جیسا کہ ایکسپورٹس خوفناک حد تک گر چکی ہیں۔ یہاں معمولی سی بہتری دکھائی دیتی ہے لیکن اگر تحقیقات کی جائیں۔ یہ بہتری خاص طور پر خام مال کی ایکسپورٹ کی وجہ سے ہے۔ حقیقی اہم شعبہ کی اصلاح ہونی ہے جس کے لئے حکومت کی جانب سے یقیناً کافی کوششوں کی بھی ضرورت ہوگی جیسا کہ قابل برداشت مسابقانہ قیمت پر توانائی کی مسلسل فراہمی اور ضروریات کے مطابق پانی کی دستیابی۔ یہ کسی انڈسٹری بشمول بالخصوص قیمتی ٹیکسٹائلز کی عملی طور پر اہم ضروریات ہیں۔ کسی بھی صورت میں ہم محسوس کرتے ہیں کہ حکومت ان مسائل سے بخوبی آگاہ ہے اور ہمیں یقین ہے کہ مثبت اقدامات اٹھائے جائیں گے تاکہ پاکستان کی وسیع ٹیکسٹائل انڈسٹری چل سکے اور دیگر مفادات کے مابین وسیع ملازمت فراہم کر سکے، جو ملک کے لئے بہت اہم ہے۔

مستقبل کا منظر

بینکرز کے ساتھ ہمارے ری اسٹکچرنگ مباحثے اور گفت وشنید تسلی بخش طور پر آگے بڑھ رہے ہیں اور ہمیں امید ہے کہ بہت جلد یہ انجام کو پہنچ جائیں گے اور ہم اہل ہو جائیں گے کہ ماضی کی طرح واپس کام پر آجائیں گے۔ بینک کے اپنے سسٹمز اور ایس او پی (ز) کی وجہ سے گفت وشنید میں وقت صرف ہو رہا ہے لیکن جیسا کہ اوپر بیان کیا گیا ہے ہمیں امید ہے کہ جلد ہی مذکورہ بالا مسئلہ کو تسلی بخش طور پر ختم کرنے کے قابل ہوں جائیں گے۔

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

آپ سب کا شکریہ

بورڈ آف ڈائریکٹرز کے جانب وتوسط سے
(نسیم اے، ستار)
چیف ایگزیکٹو آفیسر

26 اپریل **2018**

AL-ABID SILK

CONDENSED INTERIM BALANCE SHEET

	Note	March 2018	June 2017
		---------------------- (Rupees)	---------------------
		(Un-Audited)	(Audited)
EQUITY & LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital			
20,000,000 Ordinary Shares of Rs. 10/- each		**200,000,000**	200,000,000
Issued, subscribed and paid-up capital		**134,095,500**	134,095,500
Reserves			
Capital reserve		**372,834,000**	372,834,000
Accumulated loss		**(6,683,674,185)**	(6,744,421,690)
		(6,310,840,185)	(6,371,587,690)
Shareholder's equity		**(6,176,744,685)**	(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	**388,424,489**	393,498,041
		388,424,489	393,498,041
CURRENT LIABILITIES AND PROVISIONS			
Loan from director - unsecured	7	**515,263,754**	496,898,754
Retirement benefits		**7,038,935**	7,118,935
Trade and other payables		**941,445,335**	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
		7,172,534,249	7,156,033,505
CONTINGENCIES AND COMMITMENTS	9		
		4,497,921,077	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 MARCH 31, 2018

	Note	March 2018	June 2017
		------------------ (Rupees) ------------------	
		(Un-Audited)	(Audited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	**10**	**4,166,460,389**	3,658,769,060
Long term security deposit		**1,886,645**	1,886,645
CURRENT ASSETS			
Stores and spares		**54,861,901**	60,537,270
Stock in trade		**13,187,724**	14,551,972
Trade debts		**1,815,319**	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		**74,343,710**	74,136,361
Cash and bank balances		**9,493,827**	9,440,860
		329,574,043	337,385,200
		4,497,921,077	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 NINE MONTHS PERIOD ENDED MARCH 31, 2018

	Note	NINE MONTHS PERIOD ENDED		THREE MONTHS PERIOD ENDED	
		Jul-Mar-2018	Jul-Mar-2017	**Jan-Mar 2018**	Jan-Mar 2017
		Rupees	Rupees	**Rupees**	Rupees
Sales and Manufacturing	**11**	**-**	-	**-**	-
Cost of sales		**228,085,809**	249,333,774	**153,390,677**	82,793,448
Gross loss		**(228,085,809)**	(249,333,774)	**(153,390,677)**	(82,793,448)
Operating expenses					
Distribution cost		**-**	-	**-**	-
Administrative expenses		**27,022,404**	23,189,569	**18,170,476**	7,971,561
		27,022,404	23,189,569	**18,170,476**	7,971,561
		(255,108,213)	(272,523,343)	**(171,561,153)**	(90,765,009)
Other income	**12**	**-**	38,727,757	**-**	2,064,743
Loss from operations		**(255,108,213)**	(233,795,586)	**(171,561,153)**	(88,700,266)
Finance cost	**13**	**3,178**	1,499	**3,178**	-
Loss before taxation		**(255,111,391)**	(233,797,085)	**(171,564,331)**	(88,700,266)
Taxation - net	**14**	**(205,431,373)**	5,137,582	**(180,278,633)**	1,132,066
Profit/(loss) after taxation		**(49,680,018)**	(238,934,667)	**8,714,302**	(89,832,332)
Profit/(loss) per share - basic and diluted	**15**	**(3.70)**	(17.82)	**0.65**	(6.70)

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 NINE MONTHS PERIOD ENDED MARCH 31, 2018

	NINE MONTHS PERIOD ENDED		THREE MONTHS PERIOD ENDED	
	Jul-Mar 2018	Jul-Mar 2017	**Jan-Mar 2018**	Jan-Mar 2017
	Rupees	Rupees	**Rupees**	Rupees
Profit/(loss) after taxation	**(49,680,018)**	(238,934,667)	**8,714,302**	(89,832,332)
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation- net of tax	**110,427,523**	147,545,553	**65,620,133**	49,181,859
Total comprehensive profit/(Loss)	**60,747,505**	(91,389,114)	**74,334,435**	(40,650,473)

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 NINE MONTHS PERIOD ENDED MARCH 31, 2018

	Jul-Mar-2018 Rupees	Jul-Mar-2017 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	**(255,111,391)**	(233,797,085)
Adjustments for:		
Depreciation	**231,337,601**	253,513,715
Provision for obsolete items	**5,675,369**	5,675,369
Provision for obsolete stock	**1,364,248**	1,364,247
Provision for doubtful debts	**141,781**	141,780
	238,518,999	260,695,111
Decrease / (Increase) in current assets:		
Trade debtors	**-**	365,400
Loan and advances	**378,428**	2,099,325
Other receivables	**511,647**	-
Tax refunds due from government	**(193,605)**	239,718
	696,470	2,704,443
(Decrease) / Increase in current liabilities:		
Trade and other payable	**(1,784,256)**	(7,024,976)
Advance from IBL	**-**	(35,809,775)
	(1,784,256)	(42,834,751)
Cash used in generated from operations	**(17,680,178)**	(13,232,282)
Taxes paid	**(13,744)**	(382,691)
Staff gratuity paid	**(80,000)**	(100,000)
Net cash outflow from operations	**(17,773,922)**	(13,714,973)
CASH FLOW FROM INVESTING ACTIVITIES		
Long term security deposit	**-**	60,000
CASH FLOW FROM FINANCING ACTIVITIES		
Loan from director	**18,365,000**	14,025,000
Net increase / (decrease) in cash and cash equivalents	**591,078**	370,027
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	**10,031,938**	9,674,656

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 NINE MONTHS PERIOD ENDED MARCH 31, 2018

	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 nine months ended March 31, 2017	-	-	(238,934,667)	(238,934,667)
Other Comprehensive Income				
-Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of tax	-	-	147,545,553	147,545,553
Balance as at March 31, 2017	**134,095,500**	**372,834,000**	**(6,717,308,658)**	**(6,210,379,158)**
Balance as at June 30, 2017	**134,095,500**	**372,834,000**	**(6,744,421,690)**	**(6,237,492,190)**
Loss after tax for the nine months ended March 31, 2018	-	-	(49,680,018)	(49,680,018)
Other Comprehensive Income				
-Transfer from surplus on revaluation of fixed assets on account of incremental depreciation	-	-	110,427,523	110,427,523
Balance as at March 31, 2018	**134,095,500**	**372,834,000**	**(6,683,674,185)**	**(6,176,744,685)**

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 NINE MONTHS PERIOD ENDED MARCH 31, 2018

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. 6,684 million and Company's equity is in negative by Rs. 6,177 million while the reported current liabilities (since partly under litigation) have exceeded the current assets by Rs. 6,843 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. 276 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 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 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 persuant 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 March 31, 2018, 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 nine month period ended March 31, 2018 have been subjected to a review but not audit.

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, 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

5 SURPLUS ON REVALUATION OF FIXED ASSETS

	March 2018 Rupees (Un-Audited)	June 2017 Rupees (Audited)
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)
	3,541,367,126	2,913,303,830
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	**3,113,707,024**	2,686,001,549

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 valuer 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:		
Surplus on revaluation of fixed assets	**-**	-
Accelerated tax depreciation allowance	**368,784,410**	570,624,751
Revaluation Surplus	**427,660,102**	227,302,281
Provision for obsolete item	**(6,242,906)**	(4,691,639)
Provision for obsolete stock	**(1,500,673)**	(1,127,778)
Provision for doubtful debt	**(155,959)**	(117,205)
Liabilities against assets subject to finance lease	**14,303,733**	12,818,641
Provision for retirement benefits	**(332,340)**	(343,418)
Tax credit of unused tax losses	**(414,091,878)**	(410,967,592)
	388,424,489	393,498,041

7 LOAN FROM DIRECTOR - UNSECURED

Balance at beginning of the period / year	**496,898,754**	479,973,754
Received during the period / year	**18,365,000**	16,925,000
Repaid during the period / year	**-**	-
	515,263,754	496,898,754

The above is interest free loan from director(s) 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)
	366,063,944	366,063,944

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.

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 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 Al-Abid Silk Mills Limited (Company) has filed suit No.B-42/2013 for damages against the JS Bank Limited and JS Bank Limited has filed suit # B-76/2013 against the company for recovery of outstanding loan amounting to Rs. 335,105,083/-.

9.1.5 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/-.

9.1.6 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/-.

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

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

9.1.9 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/-

9.1.10 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 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/-

9.1.12 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 Allied Bank Ltd. 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-26 of 2017 against the Company for recovery of outstanding loan amounting to Rs. 948,140,145/-.

9.1.15 Orix Leasing has filed suit no 36/2015 against the Company has been decreed for an amount of Rs. 12,920,000/- against which Al-Abid Silk Mills Limited (Company) has filed an appeal # 1st appeal 192/2017.

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 has been decreed for an amount of Rs. 16,900,000/- against which Al-Abid Silk Mills Limited (Company) has filed an appeal # 1st appeal 02/2018.

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.

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).

		March 2018 Rupees (Un-Audited)	June 2017 Rupees (Audited)
10	**PROPERTY, PLANT AND EQUIPMENT**		
	Operating fixed assets	**4,149,660,389**	3,641,969,060
	Capital work in progress -DDFC Boiler	**16,800,000**	16,800,000
		4,166,460,389	3,658,769,060

		Jul-Mar 2018 Rupees (Un-Audited)	Jul-Mar 2017 Rupees (Un-Audited)
11	**SALES AND MANUFACTURING**		
	Sales		
	Export sales	**-**	-
	Local sales	**-**	-
	Manufacturing		
	Printing and dyeing	**-**	-

AL-ABID SILK MILLS LIMITED

		Jul-Mar-2018 Rupees (Un-Audited)	Jul-Mar-2017 Rupees (Un-Audited)
12	**OTHER INCOME**		
	Income from non-financial assets / liabilities		
	Gain on reversal of advance from I.B.L	-	38,727,757
		-	38,727,757
13	**FINANCE COST**		
	Bank charges, mark-up and commission	3,178	1,499
14	**TAXATION**		
	Current	-	-
	Deferred Tax	(205,431,373)	5,137,582
		(205,431,373)	5,137,582

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

			NINE MONTHS PERIOD ENDED		THREE MONTHS PERIOD ENDED	
			Jul-Mar 2018	Jul-Mar 2017	Jan-Mar 2018	Jan-Mar 2017
15.1	**Profit/(loss) per share**					
	Profit/(loss) after taxation	Rupees	(49,680,018)	(238,934,667)	8,714,302	(89,832,332)
	Weighted average number of shares	Number	13,409,550	13,409,550	13,409,550	13,409,550
	Basic profit/(loss) per share	Rupees	(3.70)	(17.82)	0.65	(6.70)

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 nine month period ended March 31, 2018 i.e. Mr. Naseem A. Sattar Rs. 7,875,000 and Mr. Azim Ahmed Rs. 4,050,000. (2017: Mr. Naseem A. Sattar Rs. 7,875,000) and (Mr. Azim Ahmed Rs. 4,050,000).

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, 2017.

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 26-04-2018.

Chief Executive Officer	Director	Chief Financial Officer

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AL-ABID SILK MILLS LIMITED

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