

# Al-Abid Silk Mills Ltd.

PHONES : (92-21) 32560040  
FAX No. : (92-21) 32564718  
E-MAIL : mail@alabid.com  
URL : www.alabid.com  
A/39, S.I.T.E, MANGOPIR ROAD, KARACHI.  
P.O. BOX: 3677 S.I.T.E., KARACHI.

Date:16-Nov-2019

Pakistan Stock Exchange Ltd  
Karachi

✓ Attention: Mr. Hafiz Maqsood Munshi  
Manager, Companies & Securities Compliance-RAD

Subject : Independent Auditor's Report for the year ended June 30, 2019

Dear Sir,

We are in receipt of your letter dated 7-Nov-2019.

In this connection, kindly refer to our letter dated 21-06-2019 where we've explained in detail the efforts being made by us in pursuit of compliance required. We are sure you are also aware that Al-Abid Silk Mills has been in business since 1970 incorporated in 1968 and was among blue chip companies during the good days and until 2012 Al-Abid was among three largest exporters of Pakistan for home textile well recognized by international buyers all over the world.

Until 2010 – 11, more than 7000 workers have been directly working with Al-Abid Silk Mills leaving aside the much larger number of sub-suppliers of all kinds etc. Unfortunately, due to the circumstances i.e. high cost of doing business, law & order situation in Karachi in particular and in Pakistan in general resulted in migration of buyers towards other sources available in other countries. These factors effected not only us but the entire textile industry. The figures of textile exports are self-speaking which the present government is desperately trying to improve.

We, as sponsor, can have no other desire than to get back into production and take our place where the company belonged to, i.e. among three largest exporters blue chip companies. Accordingly, we want to assure you that all efforts are being made. As mentioned earlier, we are retaining, relocating and re-shaping the entire production plant alongwith all its sophisticated equipment. Only disposing off surplus equipment and land which will settle the re-payment to the banks and will make the production activities extremely efficient and reduce as well the cost of doing business.

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The management feels that we are on way to even a better Al-Abid Silk Mills than before as sponsors who have invested and given many decades of their lives could have no better desire than to reinstate the mill's established position as before.

In pursuit of our goal, we informed you earlier that with the following banks, our settlements have collectively been signed. In the meantime, we have also completed the legal compromise settlement with the following banks:

Habib Bank Ltd  
United Bank Ltd  
Faysal Bank Ltd

And with the remaining banks, the same is in the process:

Habib Metropolitan Bank  
Allied Bank Ltd  
Summit Bank Ltd  
Meezan Bank Ltd

Following have already been settled completely and full payments of their liabilities have been made by us:

Standard Chartered Bank (Pakistan) Ltd  
Orix Leasing Pakistan Ltd  
Pak Oman Investment Company Ltd  
Pakistan Kuwait Investment Company (Pvt) Ltd

We hope we will in near future be settling with all banks and full concentration will be towards start-up of production.

We hope you do understand there are always some legal impediments in the situation and with the present environment, every step calls for being more cautious, which is extra-ordinarily time consuming. Hundreds of textile mills are closed throughout Pakistan for which we understand the new government is also creating a task force to resolve the situation for the betterment of the country and not to let the unemployment created by circumstances unchanged and at the same time go towards increment of exports, which is badly needed by the country, which is in keeping with the desire of sponsors of our company as well.

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It may be noted we had regular hearings with SECP and they understood well our position and point-of-view and have been very kind to extend time so that we can settle our pending matters. As explained to you in our letter dated 21-06-19, we are complying with all requirements of SECP as well.

We sincerely hope that you will kindly take no adverse action as you would also like that a blue chip company of Pakistan Stock Exchange should be taking its place back with your kind cooperation. The sponsors' intentions and efforts we've tried to make it clear in foregoing.

We regret couple of days delay in responding to your letter dated 7-Nov-2019.

Thanking you and assuring you of our fullest cooperation.

Sincerely yours



Naseem A. Sattar  
Chief Executive

Copy to:

The Director (CSD) – SECP  
The Additional Director (AD-SMD) – SECP  
The Acting Chief Regulatory officer – PSX  
M/s. Muniff Ziauddin & Co., Chartered Accountants