



MUBARAK

TEXTILE MILLS LIMITED

**FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDING
DECEMBER 31, 2016**



MUBARAK TEXTILE MILLS LIMITED

COMPANY PROFILE

BOARD OF DIRECTORS	MR. ZULFIQAR ALI CH. NASEER AHMED MR. ABDUL SHAKOOR MR. SHAKEEL AHMED MR. IMTIAZ HUSSAIN QURESHI MR. NADEEM ABBAS MR. NAFEES IQBAL	CHIEF EXECUTIVE
AUDIT COMMITTEE	MR. NADEEM ABBAS CH. NASEER AHMED MR. NAFEES IQBAL	CHAIRMAN MEMBER MEMBER
COMPANY SECRETARY	MR. ABDUL SHAKOOR	
CHIEF FINANCIAL OFFICER	M. BABAR KHAN	
AUDITORS	M/S. AHMED MUSHIR & CO., CHARTERED ACCOUNTANTS ENGAGEMENT PARTNER SYED MUHAMMAD HASSAN ALI QADRI	
SHARE REGISTRAR	HAMEED MAJEED ASSOCIATES (PVT) LTD. H.M. HOUSE, 7-BANK SQUARE, LAHORE.	
BANKERS	HABIB METROPOLITAN BANK LTD FAYSAL BANK LIMITED STANDARD CHARTERED BANK	
REGISTERED OFFICE / MILLS	20-KM OFF FERROZEPUR ROAD, LAHORE, PAKISTAN. TEL: 042-35950674 FAX: 042-35950675	
WEB	www.mttmpk.com info@mttmpk.com	
E-Mail	mubarak_textile@yahoo.com	



MUBARAK TEXTILE MILLS LIMITED

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

DIRECTOR'S REVIEW

Dear Member,
Asalam-o-Alaikum

The Directors of your Company are pleased to present before you the (reviewed) accounts alongwith Balance Sheet, Profit and Loss Account, Cash Flow Statement and Statement of Changes in Equity alongwith Directors' and Auditors review thereon for the half year ended 31st December, 2016.

In the period under review, the Company earned pre-tax profit of Rs. 595,615 after providing for all the operational, administrative and financial charges including depreciation of Rs. 461,277 as compared to pre-tax loss of Rs. 91,489 for corresponding period of the last year.

Due to non favourable conditions prevailing in the industry, tight liquidity position, it is impossible to involve in any business activity. The management of your Company is looking for better working conditions / opportunities to start trading business in the field of Textile related products.

ACKNOWLEDGEMENT

We are also thankful to our Bankers & financial institutions for their continued cooperation.

For and on behalf of the Board

Lahore:
Dated: 27-02-2017

Sd/-
Mr. Zulfiqar Ali
Chief Executive



MUBARAK TEXTILE MILLS LIMITED

AUDITOR'S REPORT TO THE MEMBERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

INTRODUCTION:

We have reviewed the accompanying Condensed Interim Balance Sheet of **Mubarak Textile Mills Limited** ("the company") as at December 31, 2016, and the related condensed interim profit & loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof for the half year ended (here-in-after referred to as the "condensed interim financial information"). Management is responsible for the preparation and presentation of the 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 included in the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended December 31, 2015 and 2016 have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the half year ended December 31, 2016.

SCOPE OF REVIEW:

We conducted our review in accordance with the International Standards on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of the condensed interim financial information consists of making enquiries, 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.

CONCLUSION:

1. The condensed interim financial information of the company have been prepared assuming that company will continue as a going concern as explained by the management in note 3 to the interim financial information. The company has earned a Profit of Rs. 0.021 million (Loss of Rs. 0.754 million: June 30, 2016) during the period ended December 31, 2016 as of that date and the company's current liabilities exceed its current assets by Rs. 49.54 million (Rs. 50.028 million: June 30, 2016). In our opinion these factors raise the doubt that the company may not be able to continue as a going concern.

2. Management has not revalued its property, plant and equipment as required by IAS-16 "Property, Plant and Equipment" to be carried out on consistent basis, ideally after every three years by the independent valuer. Due to cessation of operation indicators of impairment of property plant and equipment exist. Management has not performed any impairment test with regard to such assets.

3. The company has obtained short term running finance facility from Faysal Bank Limited amounting to Rs. 28 million has not been renewed since January 01, 2015.

4. The company has not carried out, since the year ending June 30, 2003, revaluation of its property, plant and equipment as required by IAS-16 and as such the carrying value of these may materially be different from that as disclosed in the Financial Statements as of December 31, 2016.

Based on our review, because of the pervasive effect on the financial statements of the matters discussed in the paragraph 1 to 4, the accompanying interim financial statements do not give a true and fair view, in accordance with approved accounting standards as applicable in Pakistan for Interim Financial Reporting.

Lahore:
Dated: February 27, 2017.

**AHMED MUSHIR & CO.,
CHARTERED ACCOUNTANTS**

**ENGAGEMENT PARTNER
SYED M.HASSAN ALI QADRI**



MUBARAK TEXTILE MILLS LIMITED

CONDENSED INTERIM BALANCE SHEET (UN-AUDITED) AS AT DECEMBER 31, 2016

	NOTE	Un-Audited December 31, 2016 (Rupees)	Audited June 30, 2016 (Rupees)
<u>NON CURRENT ASSETS</u>			
Property, Plant & Equipment		26,301,584	26,762,861
Long Term Deposits		954,408	954,408
<u>CURRENT ASSETS</u>			
Trade Debtors		9,466,273	9,210,533
Loans & Advances		274,970	366,310
Deposits & Prepayments		312,251	734,600
Tax Refunds Due From The Government		1,636,039	1,636,039
Cash & Bank Balances		231,952	120,205
		11,921,485	12,067,687
		39,177,477	39,784,956
<u>EQUITY & LIABILITIES</u>			
<u>SHARE CAPITAL & RESERVES</u>			
Authorised Share Capital 8,000,000 (2012: 8,000,000) Ordinary Shares of Rs.10 each		80,000,000	80,000,000
Issued,Subscribed and Paid-Up Share Capital		54,000,000	54,000,000
Un-Appropriated Loss		(95,779,008)	(95,856,761)
Shareholder's Equity		(41,779,008)	(41,856,761)
Surplus on Revaluation of Property, Plant & Equipment	5	7,640,913	7,697,042
<u>NON CURRENT LIABILITIES</u>			
Long Term Loans		11,848,938	11,848,938
<u>CURRENT LIABILITIES</u>			
Trade & Other Payables		32,632,122	32,503,628
Interest & Mark up accrued on Loans		183,319	367,278
Short Term Borrowings		28,077,202	28,277,960
Provision for Taxation	6	573,991	946,871
		61,466,634	62,095,737
		39,177,477	39,784,956

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

Sd/-
(Mr.Zulfiqar Ali)
Chief Executive

Sd/-
(Mr.Nafees Iqbal)
Director



MUBARAK TEXTILE MILLS LIMITED

CONDENSED INTERIM PROFIT & LOSS ACCOUNT (UN-AUDITED) FOR THE QUARTER AND SIX MONTHS PERIOD ENDED DECEMBER 31, 2016

	Half year ended		Quarter ended	
	Un-Audited 01 Jul., 2016 to 31 Dec., 2016 (Rupees)	Un-Audited 01 Jul., 2015 to 31 Dec., 2015 (Rupees)	Un-Audited 01 Oct., 2016 to 31 Dec., 2016 (Rupees)	Un-Audited 01 Oct., 2015 to 31 Dec., 2015 (Rupees)
Processing Receipts / Sale	-	-	-	-
Cost of goods sold	-	-	-	-
Gross Profit / (Loss)	-	-	-	-
Administrative & General expenses	(2,288,739)	(2,391,365)	(1,008,722)	(1,180,832)
	(2,288,739)	(2,391,365)	(1,008,722)	(1,180,832)
Operating Profit / (Loss)	(2,288,739)	(2,391,365)	(1,008,722)	(1,180,832)
Other Income	3,981,978	3,564,288	2,010,489	1,800,624
	1,693,239	1,172,923	1,001,767	619,792
Finance cost	(1,097,624)	(1,264,412)	(548,185)	(631,626)
Profit /(Loss) before taxation	595,615	(91,489)	453,582	(11,834)
Taxation	(573,991)	(439,523)	(278,268)	(186,807)
Profit /(Loss) after taxation	21,624	(531,012)	175,314	(198,641)
	R u p e e s			
Earning /(Loss) per Share (Note 7)	0.00	(0.10)	0.03	(0.04)

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

Sd/-
(Mr.Zulfiqar Ali)
Chief Executive

Sd/-
(Mr.Nafees Iqbal)
Director



MUBARAK TEXTILE MILLS LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER AND SIX MONTHS PERIOD ENDED DECEMBER 31, 2016

	Half year ended		Quarter ended	
	Un-Audited 01 Jul., 2016 to 31 Dec., 2016 (Rupees)	Un-Audited 01 Jul., 2015 to 31 Dec., 2015 (Rupees)	Un-Audited 01 Oct., 2016 to 31 Dec., 2016 (Rupees)	Un-Audited 01 Oct., 2015 to 31 Dec., 2015 (Rupees)
Profit / (Loss) after taxation for the period	21,624	(531,012)	175,314	(198,641)
Other Comprehensive Income:				
Incremental Depreciation transferred from revaluation surplus	56,129	60,638	-	-
Total Comprehensive Income / (Loss) for the period	77,753	(470,374)	175,314	(198,641)

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

Sd/-
(Mr.Zulfiqar Ali)
Chief Executive

Sd/-
(Mr.Nafees Iqbal)
Director



MUBARAK TEXTILE MILLS LIMITED

CONDENSED INTERIM CASH FLOW STATEMENT (Un-Audited) FOR THE PERIOD OF SIX MONTHS ENDED DECEMBER 31, 2016

	Un-Audited 01 Jul., 2016 to 31 Dec., 2016 (RUPEES)	Un-Audited 01 Jul., 2015 to 31 Dec., 2015 (RUPEES)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	595,615	(91,489)
Add/(Less): Adjustment for non cash charges and other items		
Depreciation	<u>461,277</u>	491,787
Finance cost	<u>1,097,624</u>	1,264,412
	<u>1,558,901</u>	1,756,199
Profit/(Loss) before changes in working Capital	<u>2,154,516</u>	1,664,710
EFFECT ON CASH FLOW DUE TO WORKING CAPITAL CHANGES		
(Increase) /decrease in current assets		
Trade debtors	<u>(255,740)</u>	(1,205,600)
Loans and advances	<u>91,340</u>	(5,985)
Deposits and prepayments	<u>422,349</u>	(420,290)
Increase/(decrease) in current liabilities	-	-
Trade & Other Payables	<u>128,494</u>	1,574,023
	<u>386,443</u>	(57,852)
Cash generated from operations	<u>2,540,959</u>	1,606,858
Finance cost paid	<u>(1,281,583)</u>	(1,586,771)
Tax paid	<u>(946,871)</u>	-
Net cash inflow from operating activities	<u>312,505</u>	20,087
CASH FLOW FROM INVESTING ACTIVITIES	-	-
	<u>312,505</u>	20,087
CASH FLOW FROM FINANCING ACTIVITIES		
Loans received / (paid)	-	-
Net increase/(decrease) in cash & cash equivalents	<u>312,505</u>	20,087
Cash & cash equivalents at the beginning of the period	<u>(28,157,755)</u>	(28,687,455)
Cash & cash equivalents at the end of the period	<u>(27,845,250)</u>	(28,667,368)

Sd/-
(Mr.Zulfiqar Ali)
Chief Executive

Sd/-
(Mr.Nafees Iqbal)
Director



MUBARAK TEXTILE MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD OF SIX MONTHS ENDED DECEMBER 31, 2016

	SHARE CAPITAL (RUPEES)	UNAPPROPRIATED PROFIT/(LOSS) (RUPEES)	TOTAL (RUPEES)
Balance as at June 30, 2015	54,000,000	(95,221,007)	(41,221,007)
Total Comprehensive Income / (Loss) for the period	-	(470,374)	(470,374)
Balance as at December 31, 2015	54,000,000	(95,691,381)	(41,691,381)
Total Comprehensive Income / (Loss) for the period	-	(165,380)	(165,380)
Balance as at June 30, 2016	54,000,000	(95,856,761)	(41,856,761)
Total Comprehensive Income / (Loss) for the period	-	77,753	77,753
Balance as at December 31, 2016	54,000,000	(95,779,008)	(41,779,008)

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

Sd/-
(Mr.Zulfiqar Ali)
Chief Executive

Sd/-
(Mr.Nafees Iqbal)
Director



MUBARAK TEXTILE MILLS LIMITED

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE PERIOD OF SIX MONTHS ENDED DECEMBER 31, 2016

- 1) The company was incorporated on 11th August 1991, as Private Limited Company and was subsequently converted into Public Limited Company with its share quoted in Pakistan on the Karachi and Lahore Stock Exchanges. The Company has rented/leased out the Factory Building from 2010 with approval from general body. The registered office of the company is situated at 20 K.M Off Ferozepur road Lahore.
- 2) This condensed interim financial report has been prepared in accordance with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting" and have been reviewed by the Auditors as required by the Code of Corporate Governance. Accounting policies and methods of computation adopted in the preparation of accounts for the period ended June 30, 2016 have been consistently applied.

New standards , amendments to approved accounting standards and new interpretations which became effective during the six months period ended December 31, 2016

There were certain new standards , amendments to the approved accounting standards and new interpretation issued by the international financial reporting interpretations committee(IFRIC) which became effective during the period but are considered not to be relevant or have any significant effect on the company's operations and are, therefore, not disclosed in these financial statements.

New standards, amendments to approved accounting standards and new interpretations that are not yet effective and have not been early adopted by the company:

There are certain new amendments to the approved accounting standards that are mandatory for accounting periods beginning after July 1, 2016, but are considered not to be relevant or have any significant effect on the company's operations and are, therefore, not disclosed in these financial statements.

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are same as those applied in the preparation of the financial statements for the year ended June 30, 2016.

- 3) The company has earned a Profit of Rs. 0.021 million (Loss of Rs. 0.754 million: June 30, 2016) during the period its accumulated losses as at December 31, 2015 were Rs. 95.77 million (Rs. 95.856 million: June 30, 2016). As of this date, the company's current liabilities exceeded it's current assets by Rs. 49.54 million (Rs. 50.028 million: June 30, 2016). These factors raise substantial doubts that company will be able to continue as a going concern and therefore may be unable to realise it's assets or discharge it's liabilities in the normal course of business.

The management has planned to enter in trading business in the near future, however to sustain the current working capital requirements the management has leased out its property (building).

The condensed interim financial report has been prepared on a going concern basis on the assumption that company would be able to obtain the working capital from the sources referred above.

The condensed interim financial report do not include adjustments relating to recoverability and classification of recorded assets amount and classification of liabilities that may be necessary to continue as a going concern.

- 4) The condensed interim financial report is un-audited and is being submitted to the share holders as required by section 245 of the Companies Ordinance, 1984.



MUBARAK TEXTILE MILLS LIMITED

5) SURPLUS ON REVALUATION OF PROPERTY, PLANT & EQUIPMENT

	December 31, 2016	June 30, 2016
Surplus on revaluation of Property, Plant & Equipment	7,697,042	7,815,208
Less: Incremental depreciation for the period transferred to condensed interim statement of changes in equity	56,129	118,166
	<u>7,640,913</u>	<u>7,697,042</u>

6) PROVISION FOR TAXATION

6.1 Current period taxation represents tax payable under normal law of the Income Tax Ordinance 2001 and is based on estimate only. However, final liability shall be determined on the basis of the annual results.

6.2 The company has filed income tax return for the tax year 2016 under presumptive tax regime of Income Tax Ordinance 2001 as there is no regular income. Therefore the company was not required to provide for deferred taxation as there was no taxable timing differences.

7) EARNING/ (LOSS) PER SHARE

	December 31, 2016 Six Months Ended	2015	December 31, 2016 Quarter Ended	December 31, 2015
Profit / (Loss) for the period	<u>21,624</u>	<u>(531,012)</u>	<u>175,314</u>	<u>(198,641)</u>
No of shares				
Shares in issue	<u>5,400,000</u>	<u>5,400,000</u>	<u>5,400,000</u>	<u>5,400,000</u>
Rupees				
Earning/ (Loss) per share	<u>0.00</u>	<u>(0.10)</u>	<u>0.03</u>	<u>(0.04)</u>

8) In order to comply with the requirements of International Accounting Standard 34 "Interim Financial Reporting" condensed interim balance sheet has been compared with the balances of annual financial statement, whereas profit & loss account and cash flow statement have been compared with the balances of comparable period of immediately preceding financial year.

9) This condensed interim financial report was authorised for issue by the board of directors on 27th February 2017.

10) FIGURES

Corresponding figures have been restated and rearranged wherever necessary, for the purpose of comparison.

Figures have been rounded off to nearest rupee.

Sd/-
(Mr.Zulfiqar Ali)
Chief Executive

Sd/-
(Mr.Nafees Iqbal)
Director



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