



# **MUBARAK**

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## **TEXTILE MILLS LIMITED**

**FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE HALF YEAR ENDING  
DECEMBER 31, 2014**



# MUBARAK TEXTILE MILLS LIMITED

## COMPANY PROFILE

<b>BOARD OF DIRECTORS</b>	MR. ZULFIQAR ALI MR. CH. NASEER AHMED MR. ABDUL SHAKOOR MR. SYED HAMEED-UD-DIN MR. IMTIAZ HUSSAIN QURESHI MR. NADEEM ABBAS MR. NAFEES IQBAL	CHIEF EXECUTIVE
<b>AUDIT COMMITTEE</b>	MR. NADEEM ABBAS MR. CH. NASEER AHMED MR. NAFEES IQBAL	CHAIRMAN MEMBER MEMBER
<b>COMPANY SECRETARY</b>	MR. ABDUL SHAKOOR	
<b>CHIEF FINANCIAL OFFICER</b>	M. BABAR KHAN	
<b>AUDITORS</b>	M/S. AHMED MUSHIR & CO., CHARTERED ACCOUNTANTS ENGAGEMENT PARTNER SYED AHMED MUSHIR ALI QADRI	
<b>SHARE REGISTRAR</b>	HAMEED MAJEED ASSOCIATES (PVT) LTD. 7-H.M HOUSE, BANK SQUARE, LAHORE.	
<b>BANKERS</b>	HABIB METROPOLITAN BANK LTD FAYSAL BANK LIMITED	
<b>REGISTERED OFFICE / MILLS</b>	20-KM OFF FEROZEPUR ROAD, LAHORE, PAKISTAN. TEL : 042-35950674 Fax: 042-35950675	



# MUBARAK TEXTILE MILLS LIMITED

بِسْمِ اللّٰهِ الرَّحْمٰنِ الرَّحِیْمِ

## DIRECTORS' REVIEW

Dear Members  
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 31<sup>st</sup> December, 2014.

In the period under review, the Company sustained pre-tax loss of Rs.2,649 after providing for all the operational, administrative and financial charges including depreciation of Rs.525,138 as compared to pre-tax loss of Rs.616,716 for corresponding period of the last year.

Due to energy crises and uncertain economic conditions the management could not re-started any business activity and just relied upon the lease/Rental income and met the immediate day to day commitment. However, your management is working on the trading business in textile related field to make the Company viable.

### **Acknowledgement.**

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

For and on behalf of the Board

Lahore:  
Dated:25-02-2015

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, 2014, 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 six months period then 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, 2013 and 2014 have not been reviewed as we are required to review only the cumulative figures for the six months period ended December 31, 2014.

### 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:

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 suffered a Loss of Rs. 0.564 million (Loss of Rs. 1.487 million: June 30, 2014) during the period ended December 31, 2014 as of that date and the company's current liabilities exceed its current assets by Rs. 51.132 million (Rs. 51.092 million: June 30, 2014). In our opinion these factors raise the doubt that the company may not be able to continue as a going concern.

Based on our review, with reference to the matters stated in preceding paragraphs, we are unable to form a conclusion that accompanying condensed interim financial information as of and for the six months period ended December 31, 2014 is prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for Interim Financial Reporting.

Lahore:  
Dated: February 25, 2015

**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, 2014

NOTE	Un-Audited December 31, 2014 (Rupees)	Audited June 30, 2014 (Rupees)
<b>NON CURRENT ASSETS</b>		
Property, Plant & Equipment	28,271,569	28,796,707
Long Term Deposits	954,408	954,408
<b>CURRENT ASSETS</b>		
Trade Debtors	10,152,151	9,902,861
Loans & Advances	377,976	212,116
Deposits & Prepayments	512,389	305,852
Tax Refunds Due From The Government	1,636,039	1,636,039
Cash & Bank Balances	482,963	43,153
	<b>13,161,518</b>	<b>12,100,021</b>
	<b>42,387,495</b>	<b>41,851,136</b>
<b>EQUITY &amp; LIABILITIES</b>		
<b>SHARE CAPITAL &amp; RESERVES</b>		
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	(95,382,424)	(94,879,724)
Shareholder's Equity	(41,382,424)	(40,879,724)
Surplus on Revaluation of Property, Plant & Equipment	5 7,877,401	7,939,594
<b>NON CURRENT LIABILITIES</b>		
Long Term Loans	11,598,938	11,598,938
<b>CURRENT LIABILITIES</b>		
Short Term Borrowings	28,774,046	28,773,941
Interest & Mark up accrued on Loans	755,572	405,468
Trade & Other Payables	33,244,409	33,055,610
Provision for Taxation	6 1,519,553	957,309
	<b>64,293,580</b>	<b>63,192,328</b>
	<b>42,387,495</b>	<b>41,851,136</b>

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, 2014

Six Months ended		Quarter Ended	
Un-Audited	Un-Audited	Un-Audited	Un-Audited
01 Jul., 2014 to	01 Jul., 2013 to	01 Oct., 2014 to	01 Oct., 2013 to
31 Dec., 2014	31 Dec., 2013	31 Dec., 2014	31 Dec., 2013
(Rupees)	(Rupees)	(Rupees)	(Rupees)

Processing Receipts / Sale	-	-	-	-
Cost of goods sold	(698,315)	(568,278)	(377,554)	(288,454)
Gross Profit / (Loss)	(698,315)	(568,278)	(377,554)	(288,454)

Administrative & General expenses	(1,503,108)	(1,419,431)	(753,893)	(745,192)
	(1,503,108)	(1,419,431)	(753,893)	(745,192)

Operating Profit / (Loss)	(2,201,423)	(1,987,709)	(1,131,447)	(1,033,646)
Other Income	3,748,294	3,097,722	1,922,887	1,528,821

Finance cost	1,546,871	1,110,013	791,440	495,175
Profit/(Loss) before taxation	(1,549,520)	(1,726,729)	(774,831)	(773,324)
Taxation	(2,649)	(616,716)	16,609	(278,149)
Profit/(Loss) after taxation	(562,244)	(447,252)	(288,433)	(290,362)
	(564,893)	(1,063,968)	(271,824)	(568,511)

Rupees

Earning/(Loss) per Share (Note 7)	(0.10)	(0.20)	(0.05)	(0.11)
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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, 2014

Six Months ended		Quarter Ended	
Un-Audited	Un-Audited	Un-Audited	Un-Audited
01 Jul., 2014 to	01 Jul., 2013 to	01 Oct., 2014 to	01 Oct., 2013 to
31 Dec., 2014	31 Dec., 2013	31 Dec., 2014	31 Dec., 2013
(Rupees)	(Rupees)	(Rupees)	(Rupees)

Profit / (Loss) after taxation for the period	(564,893)	(1,063,968)	(271,824)	(568,511)
Other Comprehensive Income:				
Incremental Depreciation transferred from revaluation surplus	62,193	67,189	-	-
Total Comprehensive Income / (Loss) for the period	(502,700)	(996,779)	(271,824)	(568,511)

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, 2014

	Un-Audited 01 Jul., 2013 to 31 Dec., 2013 (RUPEES)	Un-Audited 01 Jul., 2013 to 31 Dec., 2013 (RUPEES)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) before taxation	(2,649)	(616,716)
Add/(Less): Adjustment for non cash charges and other items		
Depreciation	525,138	561,755
Finance cost	1,549,520	1,726,729
	2,074,658	2,288,484
Profit/(Loss) before changes in working Capital	2,072,009	1,671,768
<b>EFFECT ON CASH FLOW DUE TO WORKING CAPITAL CHANGES</b>		
(Increase) /decrease in current assets		
Trade debtors	(249,290)	(522,509)
Loans and advances	(165,860)	26,738
Deposits and prepayments	(206,537)	(110,707)
Increase/(decrease) in current liabilities		
Trade & Other Payables	188,799	130,878
	(432,888)	(475,600)
<b>Cash generated from operations</b>	1,639,121	1,196,168
Finance cost paid	(1,199,416)	(1,146,940)
<b>Net cash inflow from operating activities</b>	439,705	49,228
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	-	-
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Loans received / (paid)	-	-
Net increase/(decrease) in cash & cash equivalents	439,705	49,228
Cash & cash equivalents at the beginning of the period	(28,730,788)	(28,587,514)
<b>Cash &amp; cash equivalents at the end of the period</b>	(28,291,083)	(28,538,286)

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, 2014

	SHARE CAPITAL (RUPEES)	UNAPPROPRIATED PROFIT/(LOSS) (RUPEES)	TOTAL (RUPEES)
Balance as at June 30, 2013	54,000,000	(93,523,135)	(39,523,135)
Total Comprehensive Income / (Loss) for the period	-	(996,779)	(996,779)
Balance as at December 31, 2013	54,000,000	(94,519,914)	(40,519,914)
Total Comprehensive Income / (Loss) for the period	-	(359,810)	(359,810)
Balance as at June 30, 2014	54,000,000	(94,879,724)	(40,879,724)
Total Comprehensive Income / (Loss) for the period	-	(502,700)	(502,700)
Balance as at December 31, 2014	<b>54,000,000</b>	<b>(95,382,424)</b>	<b>(41,382,424)</b>

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, 2014

- 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 project is a composite knitwear unit comprising of knitting, dyeing, finishing and embroidery. Presently the company is involved in Processing of Dyed Fabrics. The registered office of the company is situated at 20 K.M Off Ferozepur road Lahore.
- 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, 2014 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, 2014:**

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, 2014, 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, 2014.

- The company has suffered a Loss of Rs. 0.564 million (Loss of Rs. 1.487 million: June 30, 2014) during the period its accumulated losses as at December 31, 2014 were Rs. 95,382 million (Rs. 94,879 million: June 30, 2014). As of this date, the company's current liabilities exceeded its current assets by Rs. 51,132 million (Rs. 51,092 million: June 30, 2014). These factors raise substantial doubts that company will be able to continue as a going concern and therefore may be unable to realise its assets or discharge its 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.

- 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.

#### 5) SURPLUS ON REVALUATION OF PROPERTY, PLANT & EQUIPMENT

	December 31, 2014	June 30, 2014
Surplus on revaluation of Property, Plant & Equipment	7,939,594	8,070,526
Less:		
Incremental depreciation for the period transferred to condensed interim statement of changes in equity	62,193	130,932
	<u>7,877,401</u>	<u>7,939,594</u>



# MUBARAK TEXTILE MILLS LIMITED

#### 6) PROVISION FOR TAXATION

- 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.
- The company has filed income tax return for the tax year 2014 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, 2014 Six Months Ended	December 31, 2013 Six Months Ended	December 31, 2014 Quarter Ended	December 31, 2013 Quarter Ended
Profit / (Loss) for the period	<u>(564,893)</u>	<u>(1,063,968)</u>	<u>(271,824)</u>	<u>(568,511)</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>(0.10)</u>	<u>(0.20)</u>	<u>(0.05)</u>	<u>(0.11)</u>

- 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 comparable period of immediately preceding financial year.

- This condensed interim financial report was authorised for issue by the board of directors on 25th February 2015.

#### 10) FIGURES

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

Figures have been rounded off to nearest rupee.

(Mr.Zulfqar Ali)  
Chief Executive

(Mr.Nafees Iqbal)  
Director