



# MUBARAK

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## TEXTILE MILLS LIMITED

FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE HALF YEAR ENDING  
DECEMBER 31, 2015



**MUBARAK TEXTILE MILLS LIMITED**

شركة مبارک النسيج

**DIRECTOR'S 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, 2015.

In the period under review, the Company sustained pre-tax loss of Rs. 91,489 after providing for all the operational, administrative and financial charges including depreciation of Rs. 491,787 as compared to pre-tax loss of Rs. 2,649 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 re-start the project to make the Company viable/Feasible.

**Acknowledgement.**

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

For and on behalf of the Board

Lahore:  
Dated: 25.02.2016

Sd/-  
Mr. Zulfqar 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, 2015, 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, 2014 and 2015 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, 2015.

### 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 suffered a Loss of Rs. 0.531 million (Loss of Rs. 0.466 million: June 30, 2015) during the period ended December 31, 2015 as of that date and the company's current liabilities exceed its current assets by Rs. 50.546 million (Rs. 50.507 million: June 30, 2015). 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.

Based on our review, because of the pervasive effect on the financial statements of the matter discussed in the paragraph 1 and 2, 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 25, 2016

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

**ENGAGEMENT PARTNER**  
**SYED M. HASSANALI QADRI**



# MUBARAK TEXTILE MILLS LIMITED

## CONDENSED INTERIM BALANCE SHEET (UN-AUDITED) AS AT DECEMBER 31, 2015

	NOTE	Un-Audited December 31, 2015 (Rupees)	Audited June 30, 2015 (Rupees)
<b>NON CURRENT ASSETS</b>			
Property, Plant & Equipment		27,254,644	27,746,431
Long Term Deposits		954,408	954,408
<b>CURRENT ASSETS</b>			
Trade Debtors		10,971,056	9,765,456
Loans & Advances		290,442	284,457
Deposits & Prepayments		948,708	520,418
Tax Refunds Due From The Government		1,636,039	1,636,039
Cash & Bank Balances		27,643	85,592
		<b>13,865,888</b>	<b>13,291,962</b>
		<b>42,074,940</b>	<b>40,992,801</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		(95,691,381)	(95,221,607)
Shareholder's Equity		<b>(41,691,381)</b>	<b>(41,221,607)</b>
Surplus on Revaluation of Property, Plant & Equipment	5	7,754,570	7,815,708
<b>NON CURRENT LIABILITIES</b>			
Long Term Loans		11,598,938	11,598,938
<b>CURRENT LIABILITIES</b>			
Trade & Other Payables		34,263,954	32,689,931
Interest & Mark up accrued on Loans		212,675	535,034
Short Term Borrowings		28,695,011	28,773,047
Provision for Taxation	6	1,241,173	801,650
		<b>64,412,813</b>	<b>62,799,662</b>
		<b>42,074,940</b>	<b>40,992,801</b>

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

Sd/-  
(Mr. Zulfikar 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, 2015

	Half year ended		Quarter ended	
	Un-Audited 01 Jul., 2015 to 31 Dec., 2015 (Rupees)	Un-Audited 01 Jul., 2014 to 31 Dec., 2014 (Rupees)	Un-Audited 01 Oct., 2015 to 31 Dec., 2015 (Rupees)	Un-Audited 01 Oct., 2014 to 31 Dec., 2014 (Rupees)
Processing Receipts / Sale	-	-	-	-
Cost of goods sold	-	-	-	-
Gross Profit / (Loss)	-	-	-	-
Administrative & General expenses	(2,391,365)	(2,201,423)	(1,180,832)	(1,131,447)
Operating Profit / (Loss)	(2,391,365)	(2,201,423)	(1,180,832)	(1,131,447)
Other Income	3,564,288	3,740,294	1,000,624	1,922,887
Finance cost	(1,264,412)	(1,549,520)	(631,626)	(774,831)
Profit / (Loss) before taxation	(91,489)	(2,649)	(11,834)	16,609
Taxation	(439,523)	(562,244)	(186,807)	(288,433)
Profit / (Loss) after taxation	(531,012)	(564,893)	(198,641)	(271,824)
	<b>Rupees</b>			
Earning / (Loss) per Share (Note 7)	(0.10)	(0.10)	(0.04)	(0.05)

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, 2015

	Half year ended		Quarter ended	
	Un-Audited 01 Jul., 2015 to 31 Dec., 2015 (Rupees)	Un-Audited 01 Jul., 2014 to 31 Dec., 2014 (Rupees)	Un-Audited 01 Oct., 2015 to 31 Dec., 2015 (Rupees)	Un-Audited 01 Oct., 2014 to 31 Dec., 2014 (Rupees)
Profit / (Loss) after taxation for the period	(531,012)	(564,893)	(198,641)	(271,824)
Other Comprehensive Income	-	-	-	-
Decrease in Depreciation transferred from revaluation surplus	60,838	52,193	-	-
Total Comprehensive Income / (Loss) for the period	(470,174)	(512,700)	(198,641)	(271,824)

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, 2015

	Un-Audited 01 Jul., 2015 to 31 Dec., 2015 (RUPEES)	Un-Audited 01 Jul., 2014 to 31 Dec., 2014 (RUPEES)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) before taxation	(91,489)	(2,649)
Add/(Less): Adjustment for non cash charges and other items		
Depreciation	491,787	525,138
Finance cost	1,264,412	1,549,520
	<u>1,756,199</u>	<u>2,074,658</u>
Profit/(Loss) before changes in working Capital	1,664,710	2,072,009
<b>EFFECT ON CASH FLOW DUE TO WORKING CAPITAL CHANGES</b>		
(Increase) /decrease in current assets		
Trade debtors	(1,205,600)	(249,290)
Loans and advances	(5,985)	(165,860)
Deposits and prepayments	(420,290)	(206,537)
Increase/(decrease) in current liabilities		
Trade & Other Payables	1,574,023	188,799
	<u>(57,852)</u>	<u>(432,888)</u>
Cash generated from operations	1,606,858	1,639,121
Finance cost paid	(1,586,771)	(1,199,416)
<b>Net cash inflow from operating activities</b>	<u>20,087</u>	<u>439,705</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	<u>20,087</u>	<u>439,705</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Loans received / (paid)		
Net Increase/(decrease) in cash & cash equivalents	20,087	439,705
Cash & cash equivalents at the beginning of the period	(28,687,455)	(28,730,788)
<b>Cash &amp; cash equivalents at the end of the period</b>	<u>(28,667,368)</u>	<u>(28,291,083)</u>

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, 2015

	SHARE CAPITAL (RUPEES)	UNAPPROPRIATED PROFIT/(LOSS) (RUPEES)	TOTAL (RUPEES)
Balance as at June 30, 2014	54,000,000	(94,879,724)	(40,879,724)
Total Comprehensive Income / (Loss) for the period		(502,760)	(502,760)
Balance as at December 31, 2014	54,000,000	(95,382,484)	(41,382,484)
Total Comprehensive Income / (Loss) for the period		161,417	161,417
Balance as at June 30, 2015	54,000,000	(95,221,067)	(41,221,067)
Total Comprehensive Income / (Loss) for the period		(470,374)	(470,374)
Balance as at December 31, 2015	<u>54,000,000</u>	<u>(95,691,441)</u>	<u>(41,691,441)</u>

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, 2015

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 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 KM 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, 2015 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, 2015:

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, 2015, 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, 2015.

3) The company has suffered a Loss of Rs. 0.531 million (Loss of Rs. 0.406 million: June 30, 2015) during the period its accumulated losses as at December 31, 2015 were Rs. 95.681 million (Rs. 95.221 million: June 30, 2015). As of this date, the company's current liabilities exceeded its current assets by Rs. 50.646 million (Rs. 50.507 million: June 30, 2015). These factors raise substantial doubts that company will be able to continue as a going concern and therefore may be unable to realize 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.

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.



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