



**MUBARAK**  
**TEXTILE MILLS LIMITED**

**FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE HALF YEAR ENDING  
DECEMBER 31, 2017**



**BOOK POST**  
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**MUBARAK TEXTILE MILLS LIMITED**  
*20 KM Off. Ferozepur Road, Lahore.*  
*Tel: 35950674*



## **MUBARAK TEXTILE MILLS LIMITED**

### **COMPANY PROFILE**

<b>BOARD OF DIRECTORS</b>	MR. ZULFIQAR ALI CH. NASEER AHMED MR. ABDUL SHAKOOR MR. SHAKEEL AHMED MR. IMTIAZ HUSSAIN QURESHI MR. NADEEM ABBAS MR. NAFEES IQBAL	CHIEF EXECUTIVE
<b>AUDIT COMMITTEE</b>	MR. NADEEM ABBAS 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>	ISHTIAQ AHMAD & CO. CHARTERED ACCOUNTANTS	
<b>SHARE REGISTRAR</b>	HAMEED MAJEED ASSOCIATES (PVT) LTD. H.M. HOUSE, 7-BANK SQUARE, LAHORE.	
<b>BANKERS</b>	HABIB METROPOLITAN BANK LTD FAYSAL BANK LIMITED STANDARD CHARTERED BANK	
<b>REGISTERED OFFICE / MILLS</b>	20-KM OFF FEROZEPUR ROAD, LAHORE, PAKISTAN. TEL: 042-35950674 FAX: 042-35950675	
<b>WEB</b>	www.mttmpk.com info@mttmpk.com	
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## **MUBARAK TEXTILE MILLS LIMITED**



### **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, 2017.

In the period under review, the Company sustained pre-tax Loss of Rs. 0.761(M) after providing for all the administrative and financial charges including depreciation of Rs. 1.632(M) as compared to pre-tax Profit of Rs. 0.595(M) of corresponding period of the preceding year.

The Company could not involved in any business activity, manufacturing or trading due to tight liquidity position and overall slump to the industry.

As for as the auditors' observation regarding revaluation of Property, Plant & Equipment, non-verification by the Chartered Accountant, the same was got verified by M/s Ilyas Saeed & Company Chartered Accountants, Lahore, but due to mistake in verification, our auditors not entertained the report. We are pursuing Ilyas Saeed & Co., Chartered Accountants for correction.

#### **Acknowledgement.**

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

For and on behalf of the Board

Lahore:  
Dated: 19.04.2018

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, 2017, 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, 2017.

#### 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. 1.359 million (Loss of Rs. 0.021 million: June 30,2017) during the period ended December 31, 2017 as of that date and the company's current liabilities exceed its current assets by Rs. 49.18 million (Rs. 49.45 million: June 30, 2017). In our opinion these factors raise the doubt that the company may not be able to continue as a going concern.

2. The Company has carried out the revaluation of Property, Plant and Equipment as on December 23, 2016 and have incorporated in the financial statement resulting surplus on revaluation surplus of Rs. 123.756 million based on the valuers report but not verified by a Chartered Accountant. The related adjustments has been passed in the condensed financial statements. However, the adjustment regarding the aforesaid surplus due to unavailability of the revaluation report, verified by the Chartered Accountant, remained unverified.

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.

The Financial statement of the Company for the year ended 30 June 2017 were audited by M/S Ahmed Mushir & Co. Chartered Accountants who expressed an adverse opinion on those statements on October 03,2017.

Lahore:  
Dated: April 05, 2017

**ISHTIAQ AHMAD & CO.**  
**CHARTERED ACCOUNTANTS**



## MUBARAK TEXTILE MILLS LIMITED

### CONDENSED INTERIM BALANCE SHEET (UN-AUDITED) AS AT DECEMBER 31, 2017

NOTE	Un-Audited December 31, 2017 (Rupees)	Audited June 30, 2017 (Rupees)
<b>NON CURRENT ASSETS</b>		
Property, Plant & Equipment	146,746,376	148,378,344
Long Term Deposits	954,408	954,408
	<b>147,700,784</b>	149,332,752
<b>CURRENT ASSETS</b>		
Trade Debtors	9,535,960	9,283,773
Loans & Advances	322,050	334,550
Deposits & Prepayments	1,303,155	697,360
Tax Refunds Due From The Government	1,531,023	1,636,039
Cash & Bank Balances	473,344	140,505
	<b>13,165,532</b>	12,092,227
	<b>160,866,316</b>	161,424,979
<b>EQUITY &amp; LIABILITIES</b>		
<b>SHARE CAPITAL &amp; RESERVES</b>		
Issued,Subscribed and Paid-Up Share Capital	54,000,000	54,000,000
Un-Appropriated Loss	(96,330,451)	(96,083,252)
Shareholder's Equity	(42,330,451)	(42,083,252)
Surplus on Revaluation of Property, Plant & Equipment	5	128,999,056
		130,111,322
<b>NON CURRENT LIABILITIES</b>		
Long Term Loans	11,848,938	11,848,938
<b>CURRENT LIABILITIES</b>		
Trade & Other Payables	32,233,774	32,185,198
Interest & Mark up accrued on Loans	501,770	492,384
Short Term Borrowings	27,789,991	27,645,195
Provision for Taxation	1,823,238	1,225,194
6	<b>62,348,773</b>	61,547,971
	<b>160,866,316</b>	161,424,979

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, 2017

	Half year ended		Quarter ended	
	Un-Audited 01 Jul., 2017 to 31 Dec., 2017 (Rupees)	Un-Audited 01 Jul., 2016 to 31 Dec., 2016 (Rupees)	Un-Audited 01 Oct., 2017 to 31 Dec., 2017 (Rupees)	Un-Audited 01 Oct., 2016 to 31 Dec., 2016 (Rupees)
Processing Receipts / Sale	-	-	-	-
Cost of goods sold	-	-	-	-
Gross Profit / (Loss)	-	-	-	-
Administrative & General expenses	<b>(3,807,819)</b>	(2,288,739)	<b>(2,597,286)</b>	(1,008,722)
Operating Profit / (Loss)	<b>(3,807,819)</b>	(2,288,739)	<b>(2,597,286)</b>	(1,008,722)
Other Income	<b>4,049,684</b>	3,981,978	<b>2,286,020</b>	2,010,489
Finance cost	<b>241,865</b>	1,693,239	<b>(311,266)</b>	1,001,767
Profit/(Loss) before taxation	<b>(1,003,286)</b>	(1,097,624)	<b>(370,500)</b>	(548,185)
Taxation	<b>(761,421)</b>	595,615	<b>(681,766)</b>	453,582
Profit/(Loss) after taxation	<b>(598,044)</b>	(573,991)	<b>(1,015,260)</b>	(278,268)
	<b>(1,359,465)</b>	21,624	<b>(1,697,026)</b>	175,314
	<b>R u p e e s</b>			
<b>Earning / (Loss) per Share (Note 7)</b>	<b>(0.25)</b>	0.00	<b>(0.31)</b>	0.03

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, 2017

	Half year ended		Quarter ended	
	Un-Audited 01 Jul., 2017 to 31 Dec., 2017 (Rupees)	Un-Audited 01 Jul., 2016 to 31 Dec., 2016 (Rupees)	Un-Audited 01 Oct., 2017 to 31 Dec., 2017 (Rupees)	Un-Audited 01 Oct., 2016 to 31 Dec., 2016 (Rupees)
Profit / (Loss) after taxation for the period	<b>(1,359,465)</b>	21,624	<b>(1,697,026)</b>	175,314
Other Comprehensive Income:				
Incremental Depreciation transferred from revaluation surplus	<b>1,112,266</b>	56,129	-	-
Total Comprehensive Income / (Loss) for the period	<b>(247,199)</b>	77,753	<b>(1,697,026)</b>	175,314

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, 2017

	Un-Audited 01 Jul., 2017 to 31 Dec., 2017 (RUPEES)	Un-Audited 01 Jul., 2016 to 31 Dec., 2016 (RUPEES)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) before taxation	(761,421)	595,615
Add/(Less): Adjustment for non cash charges and other items		
Depreciation	<u>1,631,968</u>	461,277
Finance cost	<u>1,003,286</u>	1,097,624
	<u>2,635,254</u>	1,558,901
Cash flows before changes in working Capital	<u>1,873,833</u>	2,154,516
<b>EFFECT ON CASH FLOW DUE TO WORKING CAPITAL CHANGES</b>		
(Increase) /decrease in current assets		
Trade debtors	<u>(252,187)</u>	(255,740)
Loans and advances	<u>12,500</u>	91,340
Deposits and prepayments	<u>(605,795)</u>	422,349
Increase/(decrease) in current liabilities		
Trade & Other Payables	<u>48,576</u>	128,494
	<u>(796,906)</u>	386,443
<b>Cash generated from operations</b>	<u>1,076,927</u>	2,540,959
Finance cost paid	<u>(993,900)</u>	(1,281,583)
Tax paid	<u>105,016</u>	(946,871)
<b>Net cash inflow from operating activities</b>	<u>188,043</u>	312,505
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	-	-
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Loans received / (paid)	-	-
Net increase/(decrease) in cash & cash equivalents	<u>188,043</u>	312,505
Cash & cash equivalents at the beginning of the period	<u>(27,504,690)</u>	(28,157,755)
<b>Cash &amp; cash equivalents at the end of the period</b>	<u>(27,316,647)</u>	(27,845,250)

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, 2017

	SHARE CAPITAL (RUPEES)	UNAPPROPRIATED PROFIT/(LOSS) (RUPEES)	TOTAL (RUPEES)
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	<u>54,000,000</u>	<u>(95,779,008)</u>	<u>(41,779,008)</u>
Total Comprehensive Income / (Loss) for the period	-	(304,244)	(304,244)
Balance as at June 30, 2017	54,000,000	(96,083,252)	(42,083,252)
Total Comprehensive Income / (Loss) for the period	-	(247,199)	(247,199)
Balance as at December 31, 2017	<u>54,000,000</u>	<u>(96,330,451)</u>	<u>(42,330,451)</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, 2017

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, dying, 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.

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, 2017 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, 2017:**

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, 2017, 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, 2017.

3) The company has suffered a Loss of Rs. 1.359 million (Loss of Rs. 0.021 million: June 30, 2017) during the period its accumulated losses as at December 31, 2017 were Rs. 96.33 million (Rs. 96.77 million: June 30, 2017). As of this date, the company's current liabilities exceeded its current assets by Rs. 49.18 million (Rs. 49.45 million: June 30, 2017). 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.

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, 2017	June 30, 2017
Surplus on revaluation of Property, Plant & Equipment	130,111,322	7,697,042
Add: Revaluation Surplus during the year	-	123,756,443
<b>Less:</b>		
Incremental depreciation for the period transferred to condensed interim statement of changes in equity	1,112,266	(1,342,163)
	<u>128,999,056</u>	<u>130,111,322</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 2017 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, 2015 Six Months Ended	December 31, 2014	December 31, 2015 Quarter Ended	December 31, 2014
Profit / (Loss) for the period	<u>(1,359,465)</u>	21,624	<u>(1,697,026)</u>	175,314
	<b>No of shares</b>			
Shares in issue	<u>5,400,000</u>	5,400,000	<u>5,400,000</u>	5,400,000
	<b>Rupees</b>			
Earning/ (Loss) per share	<u>(0.25)</u>	0.00	<u>(0.31)</u>	0.03

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 25th February 2016.

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