



**MUBARAK**  

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**TEXTILE MILLS LIMITED**

**FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE HALF YEAR ENDING  
DECEMBER 31, 2023**



## **MUBARAK TEXTILE MILLS LIMITED**

### **COMPANY PROFILE**

<b>BOARD OF DIRECTORS</b>	MR. ZULFIQAR ALI CH. NASEER AHMED MR. ABDUL SHAKOOR MR. SHAKEEL AHMED MR. NADEEM ABBAS MR. NAFEES IQBAL MR. ABDUL JABBAR MRS. SANA KHALID	CHIEF EXECUTIVE OFFICER      INDEPENDENT INDEPENDENT
<b>AUDIT COMMITTEE</b>	MR. ABDUL JABBAR MR. SHAKEEL AHMED MR. NAFEES IQBAL	CHAIRMAN MEMBER MEMBER
<b>HR AND REMUNERATION COMMITTEE</b>	MR. ZULFIQAR ALI CH. NASEER AHMED MR. ABDUL SHAKOOR	CHAIR PERSON MEMBER MEMBER
<b>COMPANY SECRETARY</b>	MR. ABDUL SHAKOOR	
<b>CHIEF FINANCIAL OFFICER</b>	M. BABAR KHAN	
<b>AUDITORS</b>	M/S Rizwan & Co. CHARTERED ACCOUNTANT	
<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	
<b>REGISTERED OFFICE / MILLS</b>	20-KM OFF FEROZEPUR ROAD, LAHORE, PAKISTAN. TEL: 042-35950674 FAX: 042-35950675	
<b>WEB</b>	www.mtmpk.com info@mtmpk.com	
<b>E-Mail</b>	mubarak_textile@yahoo.com	



## **MUBARAK TEXTILE MILLS LIMITED**

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

### **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, 2023.

During the period under review, the Company Sustained pre-tax Loss of Rs. 0.776 (M) after providing for all the administrative and financial charges including depreciation of Rs. 0.750 (M) as compared to pre-tax Loss of Rs. 0.0324 (M) of corresponding period of the preceding year.

Due to non-favourable working condition and tight liquidity position, the management could not involved in any business activity and relying on the rental income. The management of the Company have a plane to trade in the knitted fabric and manufacturing of knitted garments on conversion basis.

#### **Acknowledgement.**

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

For and on behalf of the Board

Sd/-

Mr. Zulfiqar Ali  
Chief Executive

Lahore:  
Dated: 26-02-2023



## MUBARAK TEXTILE MILLS LIMITED

### ڈائریکٹرز جائزہ رپورٹ

#### معزز شیئر ہولڈرز

مبارک ٹیکسٹائل میلز لمیٹڈ کمپنی کے ڈائریکٹران ششماہی 31 دسمبر 2023

کو مالیاتی کارکردگی پر جائزہ رپورٹ پیش کرتے ہیں۔

رواں سال ششماہی 31 دسمبر 2023 میں کمپنی کو قبل از ٹیکس (M) 0.776 کا نقصان ہوا ہے

سارے خرچے اور فرسودگی (M) 0.750 نکالنے کے بعد جبکہ عرصہ ششماہی 31 دسمبر 2022

میں نقصان قبل از ٹیکس (M) 0.0324 رہا تھا۔

ٹیکسٹائل گارمنٹس انڈسٹری میں مندی کیوجہ اور توانائی کی قیمتیں بڑھنے کی وجہ سے

ناسازگار حالات میں کمپنی کسی کاروبار میں ملوث نہیں ہو سکی۔ تاہم انتظامیہ نٹ ویر

Conversion basis پر چلانے پر کام کر رہی اور اسی فیلڈ میں ٹریڈنگ کرنے کا ہر کام

کر رہی تاکہ کمپنی کو نفع مند بنایا جاسکے۔

#### انتظامیہ اور لیبر طبقہ میں تعلقات

انتظامیہ اور لیبر میں تعلقات پُر جوش اور ہموار رہے۔ ڈائریکٹرز۔ انتظامیہ ورکنز کی

محنت اور کوشش کو سراہتے ہیں۔

بورڈ کی طرف سے

ذوالفقار علی

چیف ایگزیکٹو آفیسر

تاریخ 26-02-2023



## **MUBARAK TEXTILE MILLS LIMITED**

**INDEPENDENT AUDITORS' REVIEW REPORT**  
**To the members of Mubarak Textile Mills Limited**  
**Report on review of Interim Financial Statements**  
**Introduction**

We have reviewed the accompanying condensed interim statement of financial position of **MUBARAK TEXTILE MILLS LIMITED** as at December 31, 2023 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows together with the selected notes forming part thereof, for the six month period then ended (hereinafter referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of the interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan. Our responsibility is to express a conclusion on these financial statements based on our review.

The figures included in condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended December 31, 2022 and 2021 and the notes forming part thereof have not been reviewed by us, as we are required to review only the cumulative figures for the six months' period ended December 31, 2022.

### ***Scope of Review***

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

### ***Basis for Adverse Conclusion***

We believe that the procedures we have performed are sufficient and appropriate to provide a basis for our adverse conclusion and we report that:

- a) The company has suffered a loss of Rs. 1.473 million during the period ended December 31, 2023 (2022: Rupees 0.637 million) and as on that date its accumulated losses stood at Rupees 86.278 million (Rupees



## **MUBARAK TEXTILE MILLS LIMITED**

85.370 million: June 30, 2023). As on this date, the company's current liabilities exceeded its current assets by Rupees 5.347 million (Rupees 4.324 million: June 30, 2023). The Company through special resolution dated October 31, 2009 accorded approval of its shareholders for sale of its plant & machinery and to lease out factory buildings to sustain its working capital requirements; moreover, the Company's plan to enter into trading business in the near future as envisaged by the management has not yet materialized, and we were neither provided with future projections of the Company nor alternate business plan to revive the Company to support going concern assumption. Further, Additional Registrar of Companies, Securities and Exchange Commission of Pakistan has filed winding up petition in the Lahore High Court, Lahore in 2019 against the Company which is pending adjudication.

These conditions and events indicate material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern and therefore it may not be able to realize its assets and discharge its liabilities in normal course of business. Because of the circumstances and events as mentioned herein, we concluded that the Company cannot be considered to be a going concern and thus the preparation of these condensed interim financial statements on a going concern basis is inappropriate.

- b) It was noted that interest free loan from sponsors amounting to Rupees 44.187 million has been shown under long term loans in these condensed interim financial statements. As stated in audited financial statements for the year ended June 30, 2023 the terms of long term loans have not been settled. The said loan has not been classified and disclosed in these condensed interim financial statements as per guidelines issued by the Institute of Chartered Accountants of Pakistan under TR 32 –Accounting Directors' Loan.

### ***Adverse Conclusion***

Based on our review, because of the significance of the matter discussed in the paragraphs (a) to (b) above, these accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's review report is **Rashid Iqbal FCA**.

Islamabad  
Date: 26-02-2023  
UDIN:RR202310101kKRI1Y0pE

  
Rizwan & Company  
CHARTERED ACCOUNTANTS



# MUBARAK TEXTILE MILLS LIMITED

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2023 (UN-AUDITED)

	Un-audited December 31, 2023	Audited June 30, 2023
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property and equipments	6 133,675,910	134,426,067
Investment property	7 133,441,500	133,441,500
Long term deposits	2,508,408	2,508,408
	<b>269,625,818</b>	<b>270,375,975</b>
<b>CURRENT ASSETS</b>		
Trade debtors	168,260	-
Loan and advances	25,000	34,000
Tax refunds due from the Government	1,021,319	2,096,681
Cash and bank balances	251,800	1,360,435
	<b>1,466,379</b>	<b>3,491,116</b>
	<b>271,092,197</b>	<b>273,867,091</b>
<b>EQUITY &amp; LIABILITIES</b>		
<b>CAPITAL &amp; RESERVES</b>		
Share capital	54,000,000	54,000,000
Unappropriated loss	(86,278,116)	(85,370,640)
Surplus on revaluation of property and equipments	251,779,119	252,345,287
Shareholder equity	219,501,003	220,974,647
<b>NON CURRENT LIABILITIES</b>		
Long term loan	44,186,988	42,986,988
Employee benefit obligation	485,935	1,985,934
	<b>44,672,923</b>	<b>44,972,922</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	6,117,034	5,923,426
Provision for taxation	697,275	1,892,134
	<b>6,814,309</b>	<b>7,815,560</b>
Unclaimed dividend	103,962	103,962
Contingencies and commitments	10 -	-
	<b>271,092,197</b>	<b>273,867,091</b>

The annexed notes from 1 to 15 form an integral part of these interim financial statements.

Sd/-  
(Mr. Zulfiqar Ali)  
Chief Executive

Sd/-  
(Mr. Babar Khan)  
Chief Financial Officer

Sd/-  
(Mr. Nafees Iqbal)  
Director



## MUBARAK TEXTILE MILLS LIMITED

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS FOR  
THE QUARTER AND SIX MONTHS PERIOD  
ENDED DECEMBER 31, 2023 (UN-AUDITED)

	HALF YEAR ENDED		QUARTER ENDED	
	Un-Audited 01 Jul., 2023 to 31 Dec., 2023	Un-Audited 01 Jul., 2022 to 31 Dec., 2022	Un-Audited 01 Oct., 2023 to 31 Dec., 2023	Un-Audited 01 Oct., 2022 to 31 Dec., 2022
NOTE	(Rupees)		(Rupees)	
Processing Receipts / Sale	-	-	-	-
Cost of goods sold	-	-	-	-
<b>Gross profit</b>	-	-	-	-
Administrative & General expenses	(5,424,144)	(4,064,207)	(2,461,896)	(2,094,936)
Operating (Loss)	(5,424,144)	(4,064,207)	(2,461,896)	(2,094,936)
Other Income	4,648,500	4,032,500	2,348,250	2,206,250
	(775,644)	(31,707)	(113,646)	111,314
Finance costs	(725)	(694)	-	-
<b>(Loss)/profit before taxation</b>	(776,369)	(32,401)	(113,646)	111,314
Taxation	9 (697,275)	(604,875)	(352,237)	(422,250)
<b>(Loss) after taxation</b>	(1,473,644)	(637,276)	(465,883)	(310,936)
<b>EARNING PER SHARE</b>	11 (0.27)	(0.12)	(0.09)	(0.06)

The annexed notes from 1 to 15 form an integral part of these interim financial statements.

Sd/-  
(Mr. Zulfiqar Ali)  
Chief Executive

Sd/-  
(Mr. Babar Khan)  
Chief Financial Officer

Sd/-  
(Mr. Nafees Iqbal)  
Director





## MUBARAK TEXTILE MILLS LIMITED

### CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER AND SIX MONTHS PERIOD ENDED DECEMBER 31, 2023 (UN-AUDITED)

	HALF YEAR ENDED		QUARTER ENDED	
	Un-Audited 01 Jul., 2023 to 31 Dec., 2023	Un-Audited 01 Jul., 2022 to 31 Dec., 2022	Un-Audited 01 Oct., 2023 to 31 Dec., 2023	Un-Audited 01 Oct., 2022 to 31 Dec., 2022
	(Rupees)		(Rupees)	
(Loss) after taxation for the period	(1,473,644)	(637,276)	(465,883)	(310,936)
Incremental Depreciation transferred from revaluation surplus	566,168	596,773	328,084	290,736
Total comprehensive (loss) for the period	<u>(907,476)</u>	<u>(40,503)</u>	<u>(137,799)</u>	<u>(20,200)</u>

The annexed notes from 1 to 15 form an integral part of these interim financial statements.

Sd/-  
(Mr. Zulfiqar Ali)  
Chief Executive

Sd/-  
(Mr. Babar Khan)  
Chief Financial Officer

Sd/-  
(Mr. Nafees Iqbal)  
Director



# MUBARAK TEXTILE MILLS LIMITED

## CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023 (UN-AUDITED)

	SIX MONTHS PERIOD ENDED	
	01 Jul., 2023 to 31 Dec., 2023	01 Jul., 2022 to 31 Dec., 2022
	(Rupees)	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
(Loss) before tax	(776,369)	(32,401)
<b>Adjustments for non-cash charges items</b>		
Depreciation	750,157	760,410
Finance cost	725	694
	<u>750,882</u>	<u>761,104</u>
Profit before changes in working Capital	(25,487)	728,703
<b>EFFECT ON CASH FLOW DUE TO WORKING CAPITAL CHANGES</b>		
<i>(Increase)/decrease in current assets:</i>		
Trade debtors	(168,260)	(7,790)
Loan and advances	9,000	(5,500)
<i>Increase/(decrease) in current liabilities:</i>		
Trade and other payables	193,608	269,141
<b>Changes in working capital</b>	<u>34,348</u>	<u>255,851</u>
<b>Cash generated from operations</b>	<u>8,861</u>	<u>984,554</u>
Finance cost paid	(725)	(694)
Income tax paid	(816,771)	(387,287)
Employee benefit paid	(1,500,000)	(100,000)
<b>Net cash generated from/(used in) operating activities</b>	<u>(2,308,635)</u>	<u>496,573</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Security deposits	-	(419,000)
<b>Net cash (used in) investing activities</b>	<u>-</u>	<u>(419,000)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long term loan	1,200,000	-
<b>Net cash inflows from financing activities</b>	<u>1,200,000</u>	<u>-</u>
<b>Net increase/(decrease) in cash and cash equivalent</b>	<u>(1,108,635)</u>	<u>77,573</u>
<b>Cash and cash equivalent at the beginning of the period</b>	<u>1,360,435</u>	<u>60,607</u>
<b>Cash and cash equivalent at the end of the period</b>	<u>251,800</u>	<u>138,180</u>

The annexed notes from 1 to 15 form an integral part of these interim financial statements.

Sd/-  
(Mr. Zulfiqar Ali)  
Chief Executive

Sd/-  
(Mr. Babar Khan)  
Chief Financial Officer

Sd/-  
(Mr. Nafees Iqbal)  
Director



## **MUBARAK TEXTILE MILLS LIMITED**

### **CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023 (UN-AUDITED)**

	<b>Share Capital</b>	<b>Accumulated Loss</b>	<b>Surplus on Revaluation of Property Plant and Equipment</b>	<b>Total</b>
<b>(Rupees)</b>				
Balance as at June 30, 2022 (Audited)	54,000,000	(84,925,127)	249,923,180	218,998,053
Less: Incremental depreciation during the period	-	-	(596,773)	(596,773)
Total comprehensive (loss) for the period	-	(40,503)	-	(40,503)
Balance as at December 31, 2022 (Un-audited)	54,000,000	(84,965,630)	249,326,407	218,360,777
Revaluation surplus during the peiord	-	-	3,615,654	3,615,654
Less: Incremental depreciation during the period	-	-	(596,774)	(596,774)
Total comprehensive (loss) for the period	-	(405,010)	-	(405,010)
<b>Balance as at June 30, 2023 (Audited)</b>	<b>54,000,000</b>	<b>(85,370,640)</b>	<b>252,345,287</b>	<b>220,974,647</b>
Less: Incremental depreciation during the period	-	-	(566,168)	(566,168)
Total comprehensive (loss) for the period	-	(907,476)	-	(907,476)
	<b>54,000,000</b>	<b>(86,278,116)</b>	<b>251,779,119</b>	<b>219,501,003</b>

The annexed notes from 1 to 15 form an integral part of these interim financial statements.

Sd/-  
(Mr. Zulfiqar Ali)  
Chief Executive

Sd/-  
(Mr. Babar Khan)  
Chief Financial Officer

Sd/-  
(Mr. Nafees Iqbal)  
Director



## **MUBARAK TEXTILE MILLS LIMITED**

### **NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023 (UN-AUDITED)**

#### **1 LEGAL STATUS AND OPERATIONS**

The company was incorporated on August 11, 1991, as a Private Limited Company and was subsequently converted into Public Limited Company with its shares quoted on Pakistan Stock Exchange. The project is a composite knitwear unit comprising of knitting, dyeing, finishing and embroidery. The Company was involved in Processing of Dyed Fabrics. The mill and registered office of the company is situated at 20 km off Ferozepur road Lahore.

#### **2 GOING CONCERN ASSUMPTION**

The company has ceased its operation in 2011. The company has suffered a loss of Rs. 1.473 million during the period ended December 31, 2023 (2022: Rs.0.637 million) and as on that date its accumulated losses stood at Rs. 86.278 million (Rs. 85.370 million: June 30, 2023). As on this date, the company's current liabilities exceeded its current assets by Rs. 5.347 million (Rs. 4.324 million: June 30, 2023). These factors raise substantial doubt that the company will be able to continue as a going concern and therefore it may be unable to realize its assets or discharge its liabilities in the normal course of business.

The management has planned to enter into 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 source referred above.

#### **3 BASIS OF PREPARATION**

##### **3.1 Statement of compliance**

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of International Accounting Standard ('IAS') 34, 'Interim Financial Reporting', issued by International Accounting Standards Board ('IASB') as notified under the Companies Act, 2017, and Provisions of and directives issued under the Companies Act, 2017. Where provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3.2 These condensed interim financial statements are unaudited and being submitted to shareholders, as required by Section 237 of the Companies Act, 2017. The figures included in the condensed interim statement of profit or loss and comprehensive income for the quarters ended December 31, 2023 and 2022 and the notes forming part thereof have not been reviewed by the auditors of the Company, as they have reviewed the accumulated figures for the six months period ended December 31, 2023 and 2022.

3.3 These condensed interim financial statements do not include all the information and disclosures required in the annual audited financial statements, and should be read in conjunction with Company's annual audited financial statements for the year ended June 30, 2023. The accounting policies and methods of computations adopted for the preparation of these condensed interim financial statements are the same as applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended June 30, 2023. Selected explanatory notes are included to explain events and transactions that are significant to and understanding of the changes in the Company's

3.4 These condensed interim financial statements have been subjected to limited scope review by the auditors, as required under section 237 of Companies Act, 2017 and should be read in conjunction with audited annual financial statements of the Company for the year ended

#### **4 MATERIAL ACCOUNTING POLICIES INFORMATION**

4.1 The material accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of audited annual financial statements for the year ended June 30, 2023.



## **MUBARAK TEXTILE MILLS LIMITED**

4.2 There are certain International Financial Reporting Standards, amendments to published standards and interpretations that are mandatory for the financial year beginning on July 01, 2023. These are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations and are, therefore, not disclosed in these

4.3 **Functional and presentation currency**

These interim financial statements are presented in Pak Rupees, which is the functional and presentation currency of the Company.

5 **ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT**

The preparation of these condensed interim financial statements in conformity with the approved accounting standards require the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including the expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from

During the preparation of these condensed interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited annual financial statements of the Company for the year ended June 30, 2023.

The Company's financial risk management objectives and policies are consistent with those disclosed in the Company's annual audited financial statements for the year ended June 30,

	<b>Un-Audited December 31, 2023</b>	Audited June 30, 2023
NOTE	<b>(Rupees)</b>	
<b>6 PROPERTY, PLANT AND EQUIPMENTS</b>		
Opening written down value	<b>134,426,067</b>	132,331,234
Add: Revaluation surplus	-	3,615,654
Less: Depreciation charged during the period / year	<b>(750,157)</b>	(1,520,821)
	<b><u>133,675,910</u></b>	<u>134,426,067</u>
<b>7 INVESTMENT PROPERTY</b>		
Land	<b>105,487,500</b>	105,487,500
Building	<b>27,954,000</b>	27,954,000
	<b><u>133,441,500</u></b>	<u>133,441,500</u>

7.1 The land, building and equipment of the Company had been valued by independent professionally qualified valuers as at June 30, 2023. The valuers made reference to market evidence of transaction prices for similar properties for land and depreciated replacement cost method was used for valuation of buildings. Fair value hierarchy i.e. Level 1, 2 and 3 were assigned based on degree of observable inputs as disclosed in note 13.2. The net gain of Rs. 668,500 in fair value of land, building and equipment carried out by Hamid Mukhtar & Co. (Private) Limited on June 30, 2023 had been incorporated in the Company's annual audited financial statements for the year ended June 30, 2023. The management further concluded that any material change in the fair value since that date will be accounted for at the year end.



## MUBARAK TEXTILE MILLS LIMITED

Un-Audited      Audited  
December      June 30, 2023  
31, 2023  
(Rupees)

### 8 REVALUATION SURPLUS OF PROPERTY, PLANT & EQUIPMENT

Surplus on revaluation of Property, Plant and Equipments	252,345,287	253,538,834
Less: Incremental depreciation for the period transferred to condensed interim statement of changes in equity	(566,168)	(1,193,547)
	<u>251,779,119</u>	<u>252,345,287</u>

### 9 PROVISION FOR TAXATION

- 9.1 Current period taxation represents tax payable under normal tax regime and provisions of Income Tax Ordinance, 2001 and is based on estimate only. However, final liability shall be determined on the basis of the annual results.
- 9.2 As company has ceased its operation and its sole income is income from property. Therefore, company was not required to provide the deferred taxation as there will be no timing difference as per IAS-12 "Income Taxes".

### 10 CONTINGENCIES AND COMMITMENTS

#### 10.1 Contingencies:

- a) The Additional Registrar of Companies, Securities and Exchange Commission of Pakistan has filed winding up petition in the Lahore High Court, Lahore in 2019 against the Company which is pending for adjudication as no hearing has so far been held in this matter.
- b) Assessment proceeding under Rule 44(4) of Income Tax Rules 2002 is in process for tax year 2018 and decision is pending.

#### 10.2 Commitments:

There are no capital commitments as at the date of condensed interim financial statements.

### 11 EARNING/LOSS PER SHARE

	Un-Audited December 31, 2023	Un-Audited December 31, 2022	Un-Audited December 31, 2023	Un-Audited December 31, 2022
	Six Months Ended		Quarter Ended	
(Loss) for the period	<u>(1,473,644)</u>	(637,276)	<u>(465,883)</u>	(310,936)
	<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>			
(Loss) per share	<u>(0.27)</u>	(0.12)	<u>(0.09)</u>	(0.06)

### 12 RELATED PARTIES AND RELATED PARTY TRANSACTIONS

Related parties comprise of directors of the Company, their close relatives and key management personnel. Detail of related parties (with whom the Company has transacted) along with relationship and transactions with related parties have been disclosed in relevant notes in these interim financial statements.



## **MUBARAK TEXTILE MILLS LIMITED**

### **13 FINANCIAL RISK MANAGEMENT**

#### **13.1 Financial risk factors**

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, price risk and interest rate risk), credit risk and liquidity risk.

These condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at June 30, 2023.

There have been no changes in the risk management information or in any risk management policies since the year ended June 30, 2023.

#### **13.2 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Judgments and estimates are made in determining the fair values of the financial instruments that are recognized and measured at fair value in these interim financial statements.

IFRS 13, 'Fair Value Measurements' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (Unobservable)
- Transfers between levels of the fair value hierarchy are recognized at the end of the reporting period during which the change occurred. However, there is no transfer between levels during the period.

### **14 GENERAL AND CORRESPONDING FIGURES**

14.1 In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', corresponding figures in the condensed interim statement of financial position comprise of balances as per the audited annual financial statements of the Company for year ended June 30, 2023 and the corresponding figures in the condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity comprise of balances of comparable period as per the condensed interim financial statements of the Company for the half year ended December 31, 2022.

14.2 Figures have been rounded off to rupees, unless otherwise stated.

### **15 DATE OF AUTHORIZATION**

15.1 These condensed interim financial statements were approved by the Board of Directors of the Company and authorized for issue on 26-02-2024.

Sd/-  
(Mr. Zulfiqar Ali)  
Chief Executive

Sd/-  
(Mr. Babar Khan)  
Chief Financial Officer

Sd/-  
(Mr. Nafees Iqbal)  
Director



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