



MUBARAK
TEXTILE MILLS LIMITED

**FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDING
DECEMBER 31, 2018**



BOOK POST
PRINTED MATTER

UNDER POSTAL CERTIFICATE

TO,

If Undelivered Please Return to:

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



MUBARAK TEXTILE MILLS LIMITED

COMPANY PROFILE

| | | |
|----------------------------------|--|-----------------|
| BOARD OF DIRECTORS | MR. ZULFIQAR ALI | CHIEF EXECUTIVE |
| | CH. NASEER AHMED | |
| | MR. ABDUL SHAKOOR | |
| | MR. SHAKEEL AHMED | |
| | MR. IMTIAZ HUSSAIN QURESHI | |
| | MR. NADEEM ABBAS | |
| | MR. NAFEES IQBAL | |
| AUDIT COMMITTEE | MR. NADEEM ABBAS | CHAIRMAN |
| | CH. NASEER AHMED | MEMBER |
| | MR. NAFEES IQBAL | MEMBER |
| COMPANY SECRETARY | MR. ABDUL SHAKOOR | |
| CHIEF FINANCIAL OFFICER | M. BABAR KHAN | |
| AUDITORS | M/S. ISHTIAQ AHMAD & CO. CHARTERED ACCOUNTANTS | |
| 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 FEROZEPUR 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



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 31st December, 2018.

During the period under review, the Company sustained pre-tax Loss of Rs. 0.351(M) after providing for all the administrative and financial charges including depreciation of Rs. 1.544(M) as compared to pre-tax Loss of Rs. 0.761(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

Lahore:
Dated: 20.06.2019

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 statement of financial position of M/s. Mubarak Textile Mills Limited as at 31 December 2018 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

Scope of Review

We conducted our review in accordance with 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Safder Zia FCA.

Lahore:
Dated: 20.06.2019

ISHTIAQ AHMAD & Co.
CHARTERED ACCOUNTNATS



MUBARAK TEXTILE MILLS LIMITED

CONDENSED INTERIM BALANCE SHEET (UN-AUDITED) AS AT DECEMBER 31, 2018

| | NOTE | Un-Audited December 31, 2018 (Rupees) | Audited June 30, 2018 (Rupees) |
|--|------|--|---|
| <u>NON CURRENT ASSETS</u> | | | |
| Property, Plant & Equipment | | 143,569,666 | 145,114,408 |
| Long Term Deposits | | 1,414,408 | 1,414,408 |
| | | 144,984,074 | 146,528,816 |
| <u>CURRENT ASSETS</u> | | | |
| Trade Debtors | | 9,331,123 | 8,567,893 |
| Loans & Advances | | 42,000 | 20,100 |
| Deposits & Prepayments | | 582,455 | 1,078,137 |
| Tax Refunds Due From The Government | | 1,531,023 | 1,636,039 |
| Cash & Bank Balances | | 132,012 | 82,989 |
| | | 11,618,613 | 11,385,158 |
| | | 156,602,687 | 157,913,974 |
| <u>EQUITY & LIABILITIES</u> | | | |
| <u>SHARE CAPITAL & RESERVES</u> | | | |
| Issued,Subscribed and Paid-Up Share Capital | | 54,000,000 | 54,000,000 |
| Un-Appropriated Loss | | (97,952,004) | (98,397,571) |
| Shareholder's Equity | | (43,952,004) | (44,397,571) |
| Surplus on Revaluation of Property, Plant & Equipment | 5 | 126,420,232 | 127,607,898 |
| <u>NON CURRENT LIABILITIES</u> | | | |
| Long Term Loans | | 40,536,988 | 40,036,988 |
| Employee benefit Obligation | | - | 827,577 |
| | | 40,536,988 | 40,864,565 |
| <u>CURRENT LIABILITIES</u> | | | |
| Trade & Other Payables | | 33,242,005 | 32,689,133 |
| Interest & Mark up accrued on Loans | | - | - |
| Short Term Borrowings | | - | - |
| Provision for Taxation | 6 | 355,466 | 1,149,949 |
| | | 33,597,471 | 33,839,082 |
| | | 156,602,687 | 157,913,974 |

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, 2018

| | Half year ended | | Quarter ended | |
|--------------------------------------|---|---|---|---|
| | Un-Audited 01 Jul., 2018 to 31 Dec., 2018 (Rupees) | Un-Audited 01 Jul., 2017 to 31 Dec., 2017 (Rupees) | Un-Audited 01 Oct., 2018 to 31 Dec., 2018 (Rupees) | Un-Audited 01 Oct., 2017 to 31 Dec., 2017 (Rupees) |
| Processing Receipts / Sale | - | - | - | - |
| Cost of goods sold | - | - | - | - |
| Gross Profit / (Loss) | - | - | - | - |
| Administrative & General expenses | (3,904,094) | (3,807,819) | (1,790,381) | (2,597,286) |
| Operating Profit / (Loss) | (3,904,094) | (3,807,819) | (1,790,381) | (2,597,286) |
| Other Income | 3,554,663 | 4,049,684 | 1,882,154 | 2,286,020 |
| Finance cost | (349,431) | 241,865 | 91,773 | (311,266) |
| Profit /(Loss) before taxation | (2,402) | (1,003,286) | (1,392) | (370,500) |
| Taxation | (351,833) | (761,421) | 90,381 | (681,766) |
| Profit /(Loss) after taxation | (390,266) | (598,044) | (223,016) | (1,015,260) |
| | (742,099) | (1,359,465) | (132,635) | (1,697,026) |

Rupees

| | | | | |
|------------------------------------|--------|--------|--------|--------|
| Earning /(Loss) per Share (Note 7) | (0.14) | (0.25) | (0.02) | (0.31) |
|------------------------------------|--------|--------|--------|--------|

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, 2018

| | Half year ended | | Quarter ended | |
|---|---|---|---|---|
| | Un-Audited 01 Jul., 2018 to 31 Dec., 2018 (Rupees) | Un-Audited 01 Jul., 2017 to 31 Dec., 2017 (Rupees) | Un-Audited 01 Oct., 2018 to 31 Dec., 2018 (Rupees) | Un-Audited 01 Oct., 2017 to 31 Dec., 2017 (Rupees) |
| Profit / (Loss) after taxation for the period | (742,099) | (1,359,465) | (132,635) | (1,697,026) |
| Other Comprehensive Income: | | | | |
| Incremental Depreciation transferred from revaluation surplus | 1,187,667 | 1,112,266 | 593,834 | - |
| Total Comprehensive Income / (Loss) for the period | 445,568 | (247,199) | 461,199 | (1,697,026) |

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, 2018

| | Un-Audited 01 Jul., 2018 to 31 Dec., 2018 (RUPEES) | Un-Audited 01 Jul., 2017 to 31 Dec., 2017 (RUPEES) |
|---|---|---|
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit / (Loss) before taxation | (351,833) | (761,421) |
| Add/(Less): Adjustment for non cash charges and other items | | |
| Depreciation | 1,544,743 | 1,631,968 |
| Tax Refund Due from Government | 105,016 | - |
| Finance cost | 2,402 | 1,003,286 |
| | <u>1,652,161</u> | <u>2,635,254</u> |
| Profit/(Loss) before changes in working Capital | <u>1,300,328</u> | <u>1,873,833</u> |
| EFFECT ON CASH FLOW DUE TO WORKING CAPITAL CHANGES | | |
| (Increase) /decrease in current assets | | |
| Trade debtors | (763,230) | (252,187) |
| Loans and advances | (21,900) | 12,500 |
| Deposits and prepayments | 495,682 | (605,795) |
| Increase/(decrease) in current liabilities | - | - |
| Trade & Other Payables | 552,872 | 48,576 |
| | <u>263,424</u> | <u>(796,906)</u> |
| Cash generated from operations | <u>1,563,752</u> | <u>1,076,927</u> |
| Finance cost paid | (2,402) | (993,900) |
| Tax paid | (1,184,750) | 105,016 |
| Employee benefit paid | (827,577) | |
| Net cash inflow from operating activities | <u>(450,977)</u> | <u>188,043</u> |
| CASH FLOW FROM INVESTING ACTIVITIES | - | - |
| | <u>(450,977)</u> | <u>188,043</u> |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Loans received / (paid) | 500,000 | - |
| Net increase/(decrease) in cash & cash equivalents | 49,023 | 188,043 |
| Cash & cash equivalents at the beginning of the period | 82,989 | (27,504,690) |
| Cash & cash equivalents at the end of the period | <u>132,012</u> | <u>(27,316,647)</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, 2018

| | SHARE CAPITAL (RUPEES) | UNAPPROPRIATED PROFIT/(LOSS) (RUPEES) | TOTAL (RUPEES) |
|--|------------------------------|---|---------------------|
| Balance as at June 30, 2017 | 54,000,000 | (96,784,767) | (42,784,767) |
| Total Comprehensive Income / (Loss) for the period | - | (247,199) | (247,199) |
| Balance as at December 31, 2017 | 54,000,000 | (97,031,966) | (43,031,966) |
| Total Comprehensive Income / (Loss) for the period | - | (1,365,605) | (1,365,605) |
| Balance as at June 30, 2018 | 54,000,000 | (98,397,571) | (44,397,571) |
| Total Comprehensive Income / (Loss) for the period | - | 445,568 | 445,568 |
| Balance as at December 31, 2018 | <u>54,000,000</u> | <u>(97,952,004)</u> | <u>(43,952,004)</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, 2018

- 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, 2018 have been

New standards , amendments to approved accounting standards and new interpretations which became effective during the six months period ended December 31, 2018:

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, 2018, 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, 2018.

- 3) The company has suffered a Loss of Rs. 0.742 million (Loss of Rs. 4.241 million: June 30, 2018) during the period its accumulated losses as at December 31, 2018 were Rs. 97.952 million (Rs. 98.397 million: June 30, 2018). As of this date, the company's current liabilities exceeded its current assets by Rs. 21.979 million (Rs. 22.454 million: June 30, 2018). 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 237 of the Companies Act, 2017.



MUBARAK TEXTILE MILLS LIMITED

| | December 31, 2018 | June 30, 2018 |
|---|----------------------|--------------------|
| Surplus on revaluation of Property, Plant & Equipment | 127,607,898 | 130,111,322 |
| Add: Revaluation Surplus during the year | - | - |
| Less: | | |
| Incremental depreciation for the period transferred to condensed interim statement of changes in equity | 1,187,667 | (2,503,424) |
| | <u>126,420,232</u> | <u>127,607,898</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 As company has ceased its operation its solely 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".

7) EARNING/ (LOSS) PER SHARE

| | December 31, 2018 Six Months Ended | December 31, 2017 Six Months Ended | December 31, 2018 Quarter Ended | December 31, 2017 Quarter Ended |
|--------------------------------|--|--|---------------------------------------|---------------------------------------|
| Profit / (Loss) for the period | <u>(742,099)</u> | <u>(1,359,465)</u> | <u>(132,635)</u> | <u>(1,697,026)</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>(0.14)</u> | <u>(0.25)</u> | <u>(0.02)</u> | <u>(0.31)</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 20-06-2019.

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