

COMPANY PROFILE

BOARD OF DIRECTORS

Mian Tanvir Ahmad Sheikh
- Chairman / Chief Executive Officer
Mrs. Romana Tanvir Sheikh
Mian Anis Ahmad Sheikh
Mrs. Rameen Anis Sheikh
Mian Idrees Ahmad Sheikh
Mian Aziz Ahmad Sheikh
Mian Atta Shafi Tanvir Sheikh
Syed Raza Abbas Jaffari
- (Rep. NIT)

AUDIT COMMITTEE

Mian Idrees Ahmad Sheikh - Chairman
Mian Aziz Ahmad Sheikh - Member
Mrs. Romana Tanvir Sheikh - Member

HR & REMUNERATION COMMITTEE

Mian Idrees Ahmad Sheikh - Chairman
Mian Tanvir Ahmad Sheikh - Member
Mian Aziz Ahmad Sheikh - Member

CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

Muhammad Ehsanullah Khan

AUDITORS

M/s M. Yousuf Adil Saleem & Co.
Chartered Accountants,
Abdali Tower,
Abdali Road, Multan.

LEGAL ADVISOR

Sheikh Muhammad Farooq - Advocate
5-Nusrat Road, Multan Cantt.

BANKERS

Habib Bank Limited
Bank Al-Habib Limited
Allied Bank Limited
Habib Metropolitan Bank Limited
United Bank Limited
Faysal Bank Limited

REGISTERED OFFICE

24/3, Tufail Road, Multan Cantt.

MILLS (Unit I-II & Ginning Unit)

M.M. Road, Chowk Sarwar Shaheed,
Distt. Muzaffargarh.

MILLS (Unit III)

Rajana Road, Pirmahal,
Distt. Toba Tek Singh.

HEAD OFFICE

2-Industrial Estate, Multan.

SHARES REGISTRARS

M/s Hameed Majeed Associates (Pvt.) Ltd.
H.M. House, 7-Bank Square, Lahore.

DIRECTORS' REPORT

Dear Shareholders,

On behalf of the Board of Directors of the Company, it is my privilege to present before you the auditors reviewed Financial Statements of your Company for the 2nd Quarter and Half Year Ended December 31, 2014. The period under report has been difficult for the Textile Spinning in Pakistan mainly due to downward revision of Chinese policy of yarn inventory holding, import of yarn from India at low prices, recent radical diminishing value of US Dollar that directly affected yarn exports revenues. Further, drastic shut down of electricity has materially increased the manufacturing cost. Despite the above stated circumstances, your Company has earned a pre-tax profit of Rs. 43.238 Million during the period under report which netted at Rs. 26.872 Million after provision for taxation. The difficult period for textile industry still persists and your Company is also facing the same. However, your Directors are endeavoring hard to overcome the challenges and steer the Company out of it. We hope that the market conditions will improve and the Company will perform better in the forthcoming period.

On behalf of the Board

Sd/-

Mian Tanvir Ahmad Sheikh
Chairman / Chief Executive

Place: Multan
Dated: 19.02.2015

10. RELATED PARTY TRANSACTIONS

Related parties comprise associated undertakings and directors. The company in the normal course of business carries out transactions with various related parties. Aggregate transactions are as follows:

----- (Unaudited) -----				
Six months period ended December 31,		Three months period ended December 31,		
2014	2013	2014	2013	
Rupees	Rupees	Rupees	Rupees	
Transaction with associated undertakings				
Sale of goods	-	57,774,728	-	57,774,728
Purchase of goods	52,545,516	170,717,462	52,545,516	170,717,462
			(Unaudited) December 31, 2014 Rupees	(Audited) June 30, 2014 Rupees
Due from associated undertakings				
Shah Shams Cotton Industries (Pvt.) Limited			24,297,064	-
			<u>24,297,064</u>	<u>-</u>

11. FINANCIAL RISK MANAGEMENT

The Company's risk management objectives and policies are consistent with those objectives and policies which were disclosed in the financial statements of the Company as at and for the year ended June 30, 2014.

12. DATE OF AUTHORIZATION OF INTERIM FINANCIAL INFORMATION

The condensed interim financial information were authorized for issue on 19th February, 2015 by the Board of Directors of the Company.

13. FIGURES

Figures in the condensed interim financial information have been rounded-off to the nearest rupee except stated otherwise.

Sd/-
Mian Tanvir Ahmad Sheikh
Chairman/ Chief Executive Officer

Sd/-
Mian Anis Ahmad Sheikh
Director

Sd/-
M. Ehsanullah Khan
Chief Financial Officer

Short term facilities are available from various commercial banks under mark-up arrangements aggregating to Rs.2,910 million (June 30, 2014: Rs 2,490million). These facilities are subject to markup ranging from 2.25% to 11.94% (June 30, 2014: 2.0 % to 11.97%) per annum. These facilities are secured against pledge of raw materials and finished goods, hypothecation charge over present and future current assets of the Company, lien on documents of title to goods and personal guarantees of certain directors of the Company.

7. CONTINGENCIES AND COMMITMENTS

- 7.1 There is no change in the status of contingent liabilities as reported in the annual financial statements as at June 30, 2014.
- 7.2 Commitments outstanding at the end of the period in respect of irrevocable letter of credit is Rs.1.27 million. (June 30, 2014: Rs. Nil) and letter of guarantee is Rs. 6.12 million (June 30, 2014: Nil).

8. SALES - NET

----- (Unaudited) -----			
Six months period ended December 31,		Three months period ended December 31,	
2014	2013	2014	2013
Rupees	Rupees	Rupees	Rupees
Local	933,877,671	1,659,125,269	401,112,455
Export	1,102,618,626	686,064,299	884,217,784
	2,036,496,297	2,345,189,568	1,285,330,239
			1,403,198,014

9. COST OF GOODS SOLD

Raw materials consumed	1,340,042,632	1,795,619,371	838,557,135	1,028,668,023
Salaries, wages and benefits	119,742,893	133,864,410	72,623,804	73,538,943
Stores consumed	56,023,809	20,453,856	45,541,893	7,336,146
Packing materials consumed	40,428,919	34,314,421	25,695,239	19,166,186
Power and fuel	287,049,731	343,634,652	154,964,472	201,151,853
Repair and maintenance	4,445,362	4,520,095	2,843,311	2,639,109
Insurance	3,816,596	6,211,989	1,191,596	3,536,989
Depreciation	78,623,385	38,501,532	49,623,385	19,998,262
	1,930,173,327	2,377,120,326	1,191,040,835	1,356,035,511
Work-in-process				
Opening stock	34,616,000	37,731,000	45,612,250	35,351,000
Closing stock	(50,207,836)	(46,245,000)	(50,207,836)	(46,245,000)
	(15,591,836)	(8,514,000)	(4,595,586)	(10,894,000)
Cost of goods manufactured	1,914,581,491	2,368,606,326	1,186,445,249	1,345,141,511
Finished goods				
Opening stock	43,550,000	68,693,500	121,331,536	339,466,080
Purchases	140,450,015	132,238,796	100,772,274	11,999,601
Closing stock	(232,711,063)	(391,643,000)	(232,711,063)	(391,643,000)
	(48,711,048)	(190,710,704)	(10,607,253)	(40,177,319)
	1,865,870,443	2,177,895,622	1,175,837,996	1,304,964,192

AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

INTRODUCTION

We have reviewed the accompanying condensed interim balance sheet of MAQBOOL TEXTILE MILLS LIMITED (the Company) as at December 31, 2014, the related condensed interim profit and loss account, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the six-month period then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this 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 interim financial information based on our review. The figures of the condensed interim profit and loss account for the quarters ended December 31, 2014 and December 31, 2013 have not been reviewed, as we are required to review only the cumulative figures for the six months ended December 31, 2014.

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 information consists of making inquiries, primarily of the person responsible for the 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 information as of and for the six months period ended December 31, 2014 is not prepared, in all material respects, in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting.

M. YOUSUFADIL SALEEM & CO.,
Chartered Accountants

Engagement Partner:
Talat Javed

Dated: 19.02.2015
Multan

CONDENSED INTERIM BALANCE SHEET AS AT DECEMBER 31, 2014

		(Unaudited) December 31, 2014 Rupees	(Audited) June 30, 2014 Rupees
ASSETS	Note		
Non current assets			
Property, plant and equipment	4	1,731,011,490	1,790,826,163
Long term deposits		5,668,939	5,668,939
		<u>1,736,680,429</u>	<u>1,796,495,102</u>
Current assets			
Stores and spares		38,264,443	32,906,842
Stock in trade	5	1,011,023,875	336,884,211
Trade debts		449,599,541	292,576,295
Loans and advances		62,033,006	27,334,879
Trade deposits and short term prepayments		423,409	423,409
Sales tax refundable		54,278,187	31,987,639
Advance Tax		37,745,969	16,211,794
Other receivable		-	20,000,000
Cash and bank balances		3,567,296	21,089,480
Total assets		<u>1,656,935,726</u>	<u>779,414,549</u>
		<u>3,393,616,155</u>	<u>2,575,909,651</u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital		<u>200,000,000</u>	<u>200,000,000</u>
Issued, subscribed and paid-up capital		168,000,000	168,000,000
General reserves		168,000,000	168,000,000
Un-appropriated profits		<u>244,280,472</u>	<u>187,943,654</u>
		580,280,472	523,943,654
Surplus on revaluation of property plant and equipment		746,248,074	779,340,652
Non current liabilities			
Long term financing		164,160,985	193,921,284
Long term loans from related parties		62,000,000	62,000,000
Deferred liabilities		<u>242,353,581</u>	<u>244,022,516</u>
		468,514,566	499,943,800
Current liabilities			
Trade and other payables		260,871,316	189,694,867
Accrued markup		24,630,681	17,356,166
Short term borrowings	6	1,202,736,366	479,231,015
Current portion of long term financing		60,999,266	62,072,350
Provision for taxation		<u>49,335,414</u>	<u>24,327,147</u>
		1,598,573,043	772,681,545
Total equity and liabilities		<u>3,393,616,155</u>	<u>2,575,909,651</u>
Contingencies and commitments	7		

The annexed selected notes from 1 to 13 form an integral part of this condensed interim financial information.

Sd/- Mian Tanvir Ahmad Sheikh Chairman/ Chief Executive Officer	Sd/- Mian Anis Ahmad Sheikh Director	Sd/- M. Ehsanullah Khan Chief Financial Officer
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		(Unaudited) December 31, 2014 Rupees	(Audited) June 30, 2014 Rupees
4. PROPERTY, PLANT AND EQUIPMENT	Note		
Opening carrying value		1,790,826,163	951,056,475
Additions during the period/ year			
Land - freehold		-	1,302,496
Building on freehold land		-	9,235,186
Plant and machinery		18,938,436	120,659,089
Generator		36,590	1,727,000
Electric fitting and installations		1,658,030	5,626,718
Tools and equipment		128,500	156,800
Office equipment		265,600	1,682,697
Telephone installations		114,500	1,055,444
Furniture and fixture		-	585,218
Arms and ammunitions		-	253,400
Weighing scales		8,000	56,200
Tubewells		-	120,435
Fire extinguishing equipment		25,000	87,055
Vehicles		-	512,250
		21,174,656	143,059,988
Effect of revaluation of property, plant and equipment		-	786,538,999
Net book value of assets disposed off during the period/year		-	(7,971,215)
Depreciation charge for the period / year		(80,989,329)	(81,858,084)
Closing carrying value		<u>1,731,011,490</u>	<u>1,790,826,163</u>
5. STOCK IN TRADE			
Raw material		728,104,976	258,718,211
Work in process		50,207,836	34,616,000
Finished goods		226,561,529	39,815,000
- Yarn		6,149,534	3,735,000
- Waste		232,711,063	43,550,000
		<u>1,011,023,875</u>	<u>336,884,211</u>
5.1	Net realizable value of stock in trade was lower than its cost, which resulted in write down of Rs. 37.41 million (June 30, 2014: Rs. 27.52 million), charged to cost of sales.		
6. SHORT TERM BORROWINGS			
Secured-under mark-up arrangements			
Running finances		503,446,442	375,633,615
Cash finances		699,289,924	103,597,400
		<u>1,202,736,366</u>	<u>479,231,015</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2014

1. STATUS AND ACTIVITIES

1.1 Maqbool Textile Mills Limited (the Company) was incorporated in Pakistan on December 03, 1989 as a public Limited company under the Companies Ordinance, 1984 and is listed on Karachi, Lahore and Islamabad stock exchanges. The registered office of the Company is situated in Multan, Pakistan. The Company is principally engaged in manufacturing and sale of yarn, cotton seed and cotton lint. The Company's manufacturing facilities are located at District Muzaffar Garh and District Toba Tek Singh.

1.2 This condensed interim financial information is presented in Pak Rupees, which is the Company's functional and presentation currency.

2. BASIS OF PREPARATION

2.1 This condensed interim financial information of the Company for the six-months period ended December 31, 2014 has been prepared in accordance with the requirements of the International Accounting Standard 34 - "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

2.2 This condensed interim financial information does not include all information required for full annual financial statements and should be read in conjunction with annual audited financial statements for the year ended June 30, 2014. Comparative balance sheet is extracted from annual audited financial statements for the year ended June 30, 2014 whereas comparative profit and loss account, comparative statement of comprehensive income, comparative statement of changes in equity and comparative cash flow statement are stated from unaudited condensed interim financial information for the six months ended on December 31, 2014.

2.3 This condensed interim financial information is un-audited. However, a limited scope review has been performed by the statutory auditors of the Company in accordance with the clause (xxi) of the Code of Corporate Governance and they have issued their review report thereon.

3. ACCOUNTING POLICIES AND ESTIMATES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of financial statements of the Company for the year ended June 30, 2014.

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED) FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2014

	Note Six months ended Three months ended	
		December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
		----- Rupees -----			
Sales	8	2,036,496,297	2,345,189,568	1,285,330,239	1,403,198,014
Cost of goods sold	9	(1,865,870,443)	(2,171,905,622)	(1,175,837,996)	(1,298,974,192)
Gross profit		170,625,854	173,283,946	109,492,243	104,223,822
Other income		-	31,529,969	(1,531,174)	18,445,232
		170,625,854	204,813,915	107,961,069	122,669,054
Distribution expenses		(37,702,736)	(37,971,756)	(27,611,037)	(23,484,114)
Administrative expenses		(43,901,713)	(49,721,955)	(27,152,461)	(30,135,996)
Other operating expenses		(5,666,691)	(4,791,504)	(4,047,007)	(2,482,758)
Finance cost		(40,115,901)	(49,030,440)	(27,765,762)	(34,419,247)
		(127,387,041)	(141,515,655)	(86,576,267)	(90,522,115)
Profit before taxation		43,238,813	63,298,260	21,384,802	32,146,939
Provision for taxation		(16,366,736)	(29,914,401)	(8,619,864)	(17,592,405)
		26,872,077	33,383,859	12,764,938	14,554,534
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		-	-	-	-
Profit for the period		26,872,077	33,383,859	12,764,938	14,554,534
Earnings per share - Basic and diluted		1.60	1.99	0.76	0.87

The annexed selected notes from 1 to 13 form an integral part of this condensed interim financial information.

Sd/-
Mian Tanvir Ahmad Sheikh
Chairman/ Chief Executive Officer

Sd/-
Mian Anis Ahmad Sheikh
Director

Sd/-
M. Ehsanullah Khan
Chief Financial Officer

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED) FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2014

.....Six Month Ended.....

	December 31, 2014	December 31, 2013
	Rupees	Rupees
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	43,238,813	63,298,260
Adjustments for :		
Depreciation on property, plant and equipment	80,989,329	41,167,968
Provision against loans and advances	-	1,794,628
Provision for gratuity	8,172,246	7,809,701
Exchange loss	-	3,748,461
Finance cost	40,115,901	49,030,440
Operating cash flows before working capital changes	172,516,289	166,849,458
Changes in working capital		
(Increase) / decrease in current assets		
Sores and spares	(5,357,601)	828,278
Stock-in-trade	(674,139,664)	(1,224,088,638)
Trade debtors	(157,023,246)	215,598,060
Loans and advances	(34,698,127)	(15,005,821)
Sales tax refundable	(22,290,548)	(12,254,968)
Other receivables	20,000,000	-
Trade and other payables	71,176,449	85,636,425
	(802,332,737)	(949,286,664)
Cash used in operations	(629,816,448)	(782,437,206)
Finance cost paid	(32,841,386)	(41,895,409)
Staff retirement gratuity paid	(4,827,488)	(6,014,217)
Income tax paid	(21,534,174)	(24,744,200)
Net cash used in operating activities	(689,019,496)	(855,091,032)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property plant and equipment	(21,174,656)	(82,212,221)
Insurance claim proceeds	-	46,463
Net cash used in investing activities	(21,174,656)	(82,165,758)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
(Repayment)/ Receipt of long term financing - net	(30,833,383)	32,291,617
Short term borrowings - net	723,505,351	949,084,898
Dividend paid	-	(43,632,143)
Net cash generated from financing activities	692,671,968	937,744,372
Net (decrease) / increase in cash and cash equivalents (A+B+C)	(17,522,184)	487,582
Cash and cash equivalents at beginning of the period	21,089,480	6,338,486
Cash and cash equivalents at end of the period	3,567,296	6,826,068

The annexed selected notes from 1 to 13 form an integral part of this condensed interim financial information.

Sd/- Mian Tanvir Ahmad Sheikh Chairman/ Chief Executive Officer	Sd/- Mian Anis Ahmad Sheikh Director	Sd/- M. Ehsanullah Khan Chief Financial Officer
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CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2014

Share capital	General reserves	Unappropriated profit	Total
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----- Rupees -----

Balance as at July 01, 2013 - restated (audited)	168,000,000	42,000,000	326,030,234	536,030,234
Profit for the period	-	-	33,383,860	33,383,860
Other comprehensive income	-	-	-	-
Total comprehensive income for the period ended December 31, 2013	-	-	33,383,860	33,383,860
Transactions with owners:				
Dividend at the rate of Rs 2.75 per share	-	-	(46,200,000)	(46,200,000)
Balance as at December 31, 2013	168,000,000	42,000,000	313,214,094	523,214,094
Balance as at July 01, 2014 - (audited)	168,000,000	168,000,000	187,943,654	523,943,654
Profit for the period	-	-	26,872,077	26,872,077
Other comprehensive income	-	-	-	-
Total comprehensive income for the period ended December 31, 2014	-	-	26,872,077	26,872,077
Transferred to unappropriated profit on account of incremental depreciation-net of deferred tax	-	-	29,464,741	29,464,741
Balance as at December 31, 2014	168,000,000	168,000,000	244,280,472	580,280,472

The annexed selected notes from 1 to 13 form an integral part of this condensed interim financial information.

Sd/- Mian Tanvir Ahmad Sheikh Chairman/ Chief Executive Officer	Sd/- Mian Anis Ahmad Sheikh Director	Sd/- M. Ehsanullah Khan Chief Financial Officer
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