

# MAQBOOL TEXTILE MILLS LTD.



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**Half Yearly Report & Financial Statements (Auditors' Reviewed)  
For the half year ended December 31, 2015**



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**COMPANY PROFILE****BOARD OF DIRECTORS**

Mian Tanvir Ahmad Sheikh - Chairman  
Mian Anis Ahmad Sheikh - C.E.O  
Mian Idrees Ahmad Sheikh  
Mian Aziz Ahmad Sheikh  
Mian Atta Shafi Tanvir Sheikh  
Maj. (R) Javed Mussarat  
Syed Raza Abbas Jaffari - (Rep. NIT)

**CREDIT COMMITTEE**

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

**HR & REMUNERATION  
COMMITTEE**

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

**CHIEF FINANCIAL OFFICER &  
COMPANY SECRETARY**

M. Ehsanullah Khan

**AUDITORS**

Deloitte Yousuf Adil  
Chartered Accountants,  
Karachi.

**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  
The Bank of Punjab  
Bank Alfalah Limited (Islamic Banking)  
Meezan Bank Limited  
National Bank of Pakistan (Islamic Banking)

**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,

Your Directors present before you the Auditors' Reviewed Financial Statements of your Company for the Half Year ended December 31, 2015.

The period under report was difficult for the entire Spinning Industry in the country and your Company also suffered due to same. The overall global demand for yarn slackened depressing its market prices while there was increase in prices of raw material, salaries & wages. The short fall in local crop of cotton further enhanced the crises. The prices of yarn decreased substantially resulting in Net After -Tax Loss of (Rs.44.907 Million) for the Six Months period.

The total sales amounted to Rs.1,950.351 Million as compared to Rs.2,036.496 Million last year. The gross profit was Rs.70.433 Million as compared to Rs.170.626 Million last year and the net Loss after providing for Tax amounted to Rs. 44.907 Million for the Half Year ended December 31, 2015 as compared to Net profit of Rs. 26.872 Million last year.

Your Directors hope for overall improvement in the market conditions enabling your Company to perform better in the remaining period of the current financial year to end on June 30, 2016.

On behalf of the Board

Sd/-

**Mian Tanvir Ahmad Sheikh**  
Chairman

Place: Multan

Dated: 26.02.2016



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

### **INTRODUCTION**

We have reviewed the accompanying condensed interim balance sheet of **MAQBOOL TEXTILE MILLS LIMITED** (the Company) as at December 31, 2015, and 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, 2015 and December 31, 2014 have not been reviewed, as we are required to review only the cumulative figures for the six months ended December 31, 2015.

### **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, 2015 is not prepared in all material respects, in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting.

Deloitte Yousuf Adil  
Chartered Accountants

Engagement Partner:  
Nadeem Yousuf Adil

Dated: 26.02.2016  
Karachi

**MAQBOOL**

# CONDENSED INTERIM BALANCE SHEET AS AT DECEMBER 31, 2015

		(Unaudited) December 31, 2015 Rupees	(Audited) June 30, 2015 Rupees
<b>ASSETS</b>	<b>Note</b>		
<b>Non-current assets</b>			
Property, plant and equipment	4	1,834,031,919	1,773,697,267
Long term deposits		5,668,939	5,668,939
		1,839,700,858	1,779,366,206
<b>Current assets</b>			
Stores and spares		44,445,882	35,418,000
Stock-in-trade	5	751,843,907	573,037,100
Trade debts		364,798,037	338,284,383
Loans and advances		59,468,271	27,233,968
Trade deposits and short term prepayments		441,409	441,409
Sales tax refundable		60,342,452	75,430,442
Advance Tax		37,870,935	46,322,650
Cash and bank balances		15,866,070	48,435,632
		1,335,076,963	1,144,603,808
<b>Total assets</b>		<b>3,174,777,821</b>	<b>2,923,970,014</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorised capital		200,000,000	200,000,000
Issued, subscribed & paid-up capital		168,000,000	168,000,000
General Reserves		168,000,000	168,000,000
Unappropriated profits		125,952,994	157,539,979
		461,952,994	493,539,979
Surplus on revaluation of property, plant and equipment- net of deferred tax		736,865,343	750,185,937
<b>Non-current liabilities</b>			
Long term financing		192,728,312	134,401,000
Long term loans from related parties		53,801,654	51,239,670
Deferred liabilities		226,885,214	225,675,949
		473,415,180	411,316,971
<b>Current liabilities</b>			
Trade and other payables		359,944,159	236,005,012
Accrued mark up		16,662,694	19,405,768
Short-term borrowings	6	1,046,914,668	913,368,442
Current portion of long-term financing		59,519,266	59,519,266
Provision for taxation		19,503,517	40,628,639
		1,502,544,304	1,268,927,127
<b>Contingencies and commitments</b>	7	-	-
<b>Total equity &amp; liabilities</b>		<b>3,174,777,821</b>	<b>2,923,970,014</b>

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

Sd/-  
Mian Anis Ahmad Sheikh  
Chief Executive Officer

Sd/-  
Mian Atta Shafi Tanvir Sheikh  
Director

Sd/-  
M. Ehsanullah Khan  
Chief Financial Officer

# CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED) FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2015

		..... Six months ended .....		..... Three months ended .....	
		December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Note		----- Rupees -----			
Sales - net	8	1,950,351,663	2,036,496,297	1,195,626,200	1,285,330,239
Cost of goods sold	9	(1,879,919,071)	(1,865,870,445)	(1,176,671,161)	(1,175,837,996)
<b>Gross profit</b>		<b>70,432,592</b>	<b>170,625,854</b>	<b>18,955,039</b>	<b>109,492,243</b>
Other income		2,665,900	-	2,521,859	(1,531,174)
		<b>73,098,492</b>	<b>170,625,854</b>	<b>21,476,898</b>	<b>107,961,069</b>
Distribution expenses		(19,970,475)	(37,702,736)	(9,321,843)	(27,611,037)
Administrative expenses		(50,320,828)	(43,901,713)	(28,406,270)	(27,152,461)
Other operating expenses		-	(5,666,691)	-	(4,047,007)
		<b>(70,291,303)</b>	<b>(87,271,140)</b>	<b>(37,728,113)</b>	<b>(58,810,505)</b>
Finance cost		(38,674,843)	(40,115,901)	(20,343,920)	(27,765,762)
<b>(Loss) / Profit before taxation</b>		<b>(35,867,654)</b>	<b>43,238,813</b>	<b>(36,595,135)</b>	<b>21,384,802</b>
Provision for taxation		(9,039,925)	(16,366,736)	(1,492,670)	(8,619,864)
<b>(Loss) / Profit after tax</b>		<b>(44,907,579)</b>	<b>26,872,077</b>	<b>(38,087,805)</b>	<b>12,764,938</b>
(Loss) / earnings per share - basic and diluted		(2.67)	1.60	(2.27)	0.76

The annexed selected notes from 1 to 14 form an integral part of this condensed interim financial information.

Sd/-  
Mian Anis Ahmad Sheikh  
Chief Executive Officer

Sd/-  
Mian Atta Shafi Tanvir Sheikh  
Director

Sd/-  
M. Ehsanullah Khan  
Chief Financial Officer





MAQBOOL

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME  
(UN-AUDITED)  
FOR THE SIX MONTHS PERIOD ENDED  
DECEMBER 31, 2015**

	Six months period ended		Quarter ended	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
	..... Rupees.....			
(Loss) / profit for the period	(44,907,579)	26,872,077	(38,087,805)	12,764,938
Other comprehensive income	-	-	-	-
Total comprehensive (loss) / income for the period	<u>(44,907,579)</u>	<u>26,872,077</u>	<u>(38,087,805)</u>	<u>12,764,938</u>

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information.

# CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED) FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2015

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

	December 31, 2015 Rupees	December 31, 2014 Rupees
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss) / Profit before taxation	(35,867,654)	43,238,813
Adjustments for:		
Depreciation on property, plant and equipment	43,255,655	80,989,329
Provision for staff retirement benefits - gratuity	8,640,505	8,172,246
Finance cost	38,674,843	40,115,901
	<u>90,571,003</u>	<u>129,277,476</u>
Operating cash flows before working capital changes	54,703,349	172,516,289
 (Increase)/decrease in current assets		
Stores and spares	(9,027,751)	(5,357,601)
Stock in trade	(178,806,714)	(674,139,664)
Trade debts	(26,513,654)	(157,023,246)
Loans and advances	(32,234,303)	(34,698,127)
Sales tax refundable	15,087,990	(22,290,548)
Other receivables	-	20,000,000
	<u>(231,494,432)</u>	<u>(873,509,186)</u>
Increase / (decrease) in current liabilities		
Trade and other payables (excluding unclaimed dividend)	127,445,379	71,176,449
Cash used in operations	<u>(49,345,704)</u>	<u>(629,816,448)</u>
 Income tax paid	<u>(26,635,971)</u>	<u>(21,534,174)</u>
Gratuity paid	<u>(2,508,601)</u>	<u>(4,827,488)</u>
Finance cost paid	<u>(38,855,933)</u>	<u>(32,841,386)</u>
	<u>(68,000,505)</u>	<u>(59,203,048)</u>
Net cash used in operating activities	<u>(117,346,209)</u>	<u>(689,019,496)</u>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment	<u>(103,590,307)</u>	<u>(21,174,656)</u>
Net cash used in investing activities	<u>(103,590,307)</u>	<u>(21,174,656)</u>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipt / (repayment) of long term financing - net	58,326,960	(30,833,383)
Short term borrowings - net	133,546,226	723,505,351
Dividend paid	(3,506,232)	-
Net cash generated from financing activities	188,366,954	692,671,968
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	<u>(32,569,562)</u>	<u>(17,522,184)</u>
Cash and cash equivalents at beginning of the period	48,435,632	21,089,480
Cash and cash equivalents at end of the period	<u>15,866,070</u>	<u>3,567,296</u>

The annexed selected notes from 1 to 14 form an integral part of this condensed interim financial information.

Sd/-  
Mian Anis Ahmad Sheikh  
Chief Executive Officer

Sd/-  
Mian Atta Shafi Tanvir Sheikh  
Director

Sd/-  
M. Ehsanullah Khan  
Chief Financial Officer



**MAQBOOL**

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY  
(UNAUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2015**

	Share Capital	General Reserves	Unappropriated profit	Total
..... R U P E E S .....				
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 for the period	-	-	-	-
Total comprehensive income for the Period ended December 31, 2014	-	-	26,872,077	26,872,077
Surplus transferred to unappropriated Profit on account of incremental depreciation - net of 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
Balance as at July 01, 2015 (audited)	168,000,000	168,000,000	157,539,979	493,539,979
(Loss) for the period	-	-	(44,907,579)	(44,907,579)
Other comprehensive income	-	-	-	-
Total comprehensive income for the Period ended December 31, 2015	-	-	(44,907,579)	(44,907,579)
Surplus transferred to unappropriated Profit on account of incremental depreciation - net of tax	-	-	13,320,594	13,320,594
Balance as at December 31, 2015	168,000,000	168,000,000	125,952,994	461,952,994

The annexed selected notes from 1 to 14 form an integral part of this condensed

Sd/-  
Mian Anis Ahmad Sheikh  
Chief Executive Officer

Sd/-  
Mian Atta Shafi Tanvir Sheikh  
Director

Sd/-  
M. Ehsanullah Khan  
Chief Financial Officer

## **NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)**

**For the six months period ended December 31, 2015**

### **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 its shares are quoted on Pakistan stock exchange Limited ("PSX"). 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, Pakistan.
- 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, 2015 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, 2015. Comparative balance sheet is extracted from annual audited financial statements for the year ended June 30, 2015 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 un audited 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 requirements of 5.19.13 (b) of Rule Book of Pakistan Stock Exchange Limited and they have issued their review report thereon. This condensed interim financial information is being submitted to the shareholders as required by section 245 of Companies Ordinance, 1984.

### **3. ACCOUNTING POLICIES AND ESTIMATES**

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information and the significant judgments made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of the financial statements as at and for the year ended June 30, 2015. Certain new IFRSs and amendments to existing IFRSs are effective for periods beginning on or after July 01, 2015, which do not have any impact on this condensed interim financial information except for IFRS 13 "Fair Value Measurement".

IFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. However, it does not change the requirements regarding which items should be measured or disclosed at fair value. The scope of IFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other IFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. The application of this standard



does not have an impact on this condensed interim financial information except certain additional disclosures as given in note 11.

The different levels by valuation methods have been defined below:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

		(Unaudited) December 31, 2015 Rupees	(Audited) June 30, 2015 Rupees
<b>4. PROPERTY, PLANT AND EQUIPMENT</b>	<b>Note</b>		
Operating assets	4.1	1,743,941,603	1,773,392,960
Capital work-in-progress		90,090,316	304,307
		<u>1,834,031,919</u>	<u>1,773,697,267</u>
<b>4.1 Operating assets</b>			
Opening carrying value		1,773,392,960	1,790,826,163
<b>Additions during the period / year</b>			
Building on freehold land		-	9,781,960
Plant and machinery		10,524,147	55,409,515
Generator		1,047,305	161,590
Electric fittings and installations		1,911,238	15,302,836
Tools and equipments		7,500	287,590
Office equipments		238,208	563,359
Telephone installations		-	228,440
Furniture and fixtures		7,200	8,150
Arms and ammunitions		-	483,100
Weighing scales		-	17,500
Tube well		-	59,000
Fire extinguishing equipments		-	157,550
Vehicles		68,700	793,475
		13,804,298	83,254,065
Net book value of assets disposed off during the period / year		-	(10,891,407)
Depreciation charge for the period / year		(43,255,655)	(89,795,784)
Closing carrying value		<u>1,743,941,603</u>	<u>1,773,392,960</u>
<b>5. STOCK IN TRADE</b>			
Raw materials		372,331,508	333,329,334
Work in process		40,457,000	39,556,000
Finished goods			
- Yarn		328,978,365	193,606,273
- Waste		10,077,034	6,545,586
		339,055,399	200,151,859
		<u>751,843,907</u>	<u>573,037,193</u>

**5.1** Net realizable value of stock in trade was lower than its cost, which resulted in write down of Rs. 2.57 million (June 30, 2015: Rs. 51.33 million).



## 6. SHORT TERM BORROWINGS

### Secured - under markup arrangements

Running finance	655,861,910	564,247,169
Cash finance	391,052,758	349,121,273
	<u>1,046,914,668</u>	<u>913,368,442</u>

Short term facilities are available from various commercial banks under markup arrangements aggregating to Rs. 3,135 million (June 30, 2015: Rs 2,845 million). These facilities are subject to markup ranging from 2.75 % to 8.81 % (June 30, 2015: 2.25 % to 11.74 % ) 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 significant change in the status of contingent liabilities since the annual published audited financial statements as at June 30, 2015.
- 7.2 Commitments outstanding at the end of the period in respect of irrevocable letters of credit is Rs. 415.32 million (June 30, 2015: Rs. 161.84 million) and letters of guarantee is Rs. 6.06 million (June 30, 2015: 1.37 million).

	Six months period ended		Three months period ended	
	December 31,		December 31,	
	2015	2014	2015	2014
	.....Rupees.....		.....Rupees.....	

8. Sales - net				
Local	1,335,834,589	933,877,671	702,163,037	401,112,455
Export	614,517,074	1,102,618,626	493,463,163	884,217,784
	<u>1,950,351,663</u>	<u>2,036,496,297</u>	<u>1,195,626,200</u>	<u>1,285,330,239</u>

## 9. COST OF GOODS SOLD

Raw materials consumed	1,411,400,817	1,340,042,632	877,408,588	838,557,135
Salaries, wages and benefits	156,788,185	119,742,893	86,658,321	72,623,804
Stores consumed	23,707,979	31,362,527	14,164,272	20,880,611
Packing materials consumed	38,990,375	40,428,919	23,216,325	25,695,239
Power and fuel	320,618,790	311,711,013	173,142,090	179,625,754
Repair and maintenance	4,188,363	4,445,362	3,035,953	2,843,311
Insurance	4,192,669	3,816,596	1,856,419	1,191,596
Depreciation	41,230,933	78,623,385	20,710,933	49,623,385
	<u>2,001,118,111</u>	<u>1,930,173,327</u>	<u>1,200,192,901</u>	<u>1,191,040,835</u>

### Work-in-process

Opening stock	39,556,000	34,616,000	39,099,060	45,612,250
Closing stock	(40,457,000)	(50,207,836)	(40,457,000)	(50,207,836)
	<u>(901,000)</u>	<u>(15,591,836)</u>	<u>(1,357,940)</u>	<u>(4,595,586)</u>
Cost of goods manufactured	2,000,217,111	1,914,581,491	1,198,834,961	1,186,445,249

### Finished goods

Opening stock	200,151,859	43,550,000	316,891,599	121,331,536
Purchases	18,605,500	140,450,015	-	100,772,274
Closing stock	(339,055,399)	232,711,063	(339,055,399)	(232,711,063)
	<u>(120,298,040)</u>	<u>(48,711,048)</u>	<u>(22,163,800)</u>	<u>(10,607,253)</u>
	<u>1,879,919,071</u>	<u>1,865,870,443</u>	<u>1,176,671,161</u>	<u>1,175,837,996</u>

**10. RELATED PARTY TRANSACTIONS**

The related parties comprise associated undertakings and key management personnel. The company in the normal course of business carries out transactions with various related parties. Significant transactions with related parties are as follows:

	(Unaudited)	
	Six months period ended	Three months period ended
	December 31,	December 31,
	2015	2015
	2014	2014
	.....Rupees.....	.....Rupees.....
Nature of transactions		
Associated undertakings		
Purchase of goods	- 52,545,516	- 52,545,516
Key management personnel		
Remuneration to:		
Directors	3,476,696	1,353,726
Executives	1,519,625	1,365,000
		1,738,348
		676,863
		682,500
		759,778

10.1 All transactions with related parties have been carried out on agreed terms and conditions.

## 11. FAIR VALUE MEASUREMENTS

	Unaudited.....			Audited.....		
	December 31, 2015			June 30, 2015		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	.....Rupees.....					
Property, plant and equipment						
- Freehold lands	-	230,369,000	-	-	230,369,000	-
- Buildings on freehold lands	-	392,414,113	-	-	402,476,013	-
- Plant and machinery	-	1,030,619,188	-	-	1,046,418,251	-
- Generators	-	12,246,559	-	-	11,810,609	-
- Electric fittings and installations	-	50,779,249	-	-	52,897,726	-
	-	1,716,428,109	-	-	1,743,971,599	-

There were no transfers between levels and no changes in valuation techniques during the period / year.

The Company has not disclosed the fair values of all other assets and liabilities as their carrying amounts are reasonable approximation of their fair values.

11.1 The Company follows the revaluation model for its freehold land, building on free hold land and machinery including generators & electric fittings. The fair value measurement as at June 30, 2014 was performed by KG Traders (Private) Limited, independent valuer not related to the Company. KG Traders (Private) Limited is on panel of Pakistan Banks Association as 'Any Amount' asset valuator and possesses appropriate qualification and recent experience in the fair value measurements for relevant properties of the Company. The basis used for the revaluation of these assets were as follows:

### Freehold land and building on free hold land

Fair market value of the land was assessed through inquiries from various estate agents, brokers and builders/developers and keeping in view the location of the property, size, status, utilization, cost of new construction, construction standard, depreciation cost factor, state of infrastructure and current trends in prices of real estate in the vicinity of the property.

### Plant and machinery

Fair market value of the plant and machinery was assessed through inquiries of local authorized dealers who deal in old and new similar type of plant and machineries. Replacement value was then ascertained from competitive rates of the plant and machinery and thereafter, an average depreciation factor was applied on the replacement value of the plant and machinery. Since the date of last revaluation, there has been no material change in the market factors that derive the fair value of these properties, therefore, management believes that the carrying value of such properties are approximate to its fair market values.



**12. 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, 2015.

**13. DATE OF AUTHORIZATION OF INTERIM FINANCIAL INFORMATION**

The condensed interim financial information was authorized for issue on February 26, 2016 by the Board of Directors of the Company.

**14. FIGURES**

14.1 Corresponding figures have been re-arranged and re-classified wherever necessary, for the purpose of comparison.

14.2 Figures have been rounded-off to the nearest rupee except stated otherwise.

**Sd/-**  
**Mian Anis Ahmad Sheikh**  
**Chief Executive Officer**

**Sd/-**  
**Mian Atta Shafi Tanvir Sheikh**  
**Director**

**Sd/-**  
**M. Ehsanullah Khan**  
**Chief Financial Officer**

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MM Road Chowk Sarwar Shaheed

District Muzaffargarh - PAKISTAN

**MILLS UNIT III:**

Pir Mahal Rajana Raod, Tehsil Kamalia Distt. T.T. Singh.