

MAQBOOL

Textile Mills Limited



FINANCIAL STATEMENTS (UN-AUDITED)

For the Third Quarter
&
Nine Months Period Ended
March 31, 2016

BOARD OF DIRECTORS

- | | |
|----------------------------------|---------------------------|
| 1. Mian Tanvir Ahmad Sheikh | - Chairman |
| 2. Mian Anis Ahmad Sheikh | - Chief Executive Officer |
| 3. Mian Idrees Ahmad Sheikh | - Non-Executive Director |
| 4. Mian Aziz Ahmad Sheikh | - Non-Executive Director |
| 5. Mian Atta Shafi Tanvir Sheikh | - Executive Director |
| 6. Maj. (R) Javed Mussarat | - Independent Director |
| 7. Syed Raza Abbas Jaffari | - (Rep. NIT) |

DIRECTORS' REVIEW

Dear Shareholders,

On behalf of the Board of Directors of the Company, it is my privilege to present before you the Un-Audited Financial Statements of your company for the 3rd quarter and nine months period ended March 31, 2016.

The period under report has been difficult for Textile Spinning industry in Pakistan mainly due to the recession in the international textile sector. Persistence of high cost of local as well as imported raw material compared to the low market prices of yarn has been the main reason for losses. Moreover, import of yarn from India at lower prices further affected the demand & prices of Pakistani yarn in local market.

Under the above stated circumstances, your Company suffered an after tax loss of Rs. 34.836 Million in the preceding quarter & Rs.79.743 Million during the Nine Months Period Ended March 31, 2016. Your directors are, however, endeavoring hard to overcome the challenges to steer the Company out of the hard situation.

Subsequent to the reporting period, the market conditions are improving and your Directors are quite hopeful that by the grace of Almighty Allah, your Company will perform better for the remaining period of the current financial year to end on June 30, 2016.

On behalf of the Board

Place: Multan
Dated: 27-04-2016

Sd/-
Mian Tanvir Ahmad Sheikh
Chairman

BALANCE SHEET AS AT MARCH 31, 2016

UN-AUDITED

	March 31, 2016 Rupees	June 30, 2015 Rupees
ASSETS		
Non-current assets		
Property, plant and equipment	1,844,525,366	1,773,697,267
Long term deposits	5,668,939	5,668,939
	1,850,194,305	1,779,366,206
Current assets		
Stores and spares	40,344,628	35,418,131
Stock in trade	971,127,179	573,037,193
Trade debts	541,406,530	338,284,383
Loans and advances	13,522,820	27,233,968
Trade deposits and prepayments	441,409	441,409
Sales tax refundable	44,209,632	75,430,442
Advance tax	45,184,798	46,322,650
Cash and bank balances	18,054,879	48,435,632
	1,682,291,875	1,144,603,808
Total assets	3,532,486,180	2,923,970,014
EQUITY AND LIABILITIES		
Share capital and reserves		
Share capital	168,000,000	168,000,000
General reserve	168,000,000	168,000,000
Unappropriated profits	96,637,556	157,539,979
	432,637,556	493,539,979
Surplus on revaluation of property, plant and equipment	727,501,664	750,185,937
Non-current liabilities		
Long term financing	192,403,782	134,401,352
Long term loans from related parties	55,082,646	51,239,670
Deferred liabilities	230,174,947	225,675,949
	477,661,375	411,316,971
Current liabilities		
Trade and other payables	238,184,778	236,005,012
Accrued mark up	21,159,724	19,405,768
Short term borrowings	1,530,418,940	913,368,442
Current portion of long term financing	72,204,914	59,519,266
Provision for tax	32,717,229	40,628,639
	1,894,685,585	1,268,927,127
Contingencies and commitments	-	-
Total equity and liabilities	3,532,486,180	2,923,970,014

Sd/-
Mian Tanvir Ahmad Sheikh
Chairman

PROFIT & LOSS ACCOUNT - (UN-AUDITED)

FOR THE PERIOD OF NINE MONTHS ENDED MARCH 31, 2016

	Jul. 01, 2015 to Mar. 31, 2016 Rupees	Jul. 01, 2014 to Mar. 31, 2015 Rupees	Jan. 01, 2016 to Mar. 31, 2016 Rupees	Jan. 01, 2015 to Mar. 31, 2015 Rupees
Sales	3,271,722,876	3,030,620,140	1,321,371,213	994,123,843
Cost of goods sold	(3,152,045,999)	(2,791,513,116)	(1,272,126,928)	(925,642,673)
Gross Profit	119,676,877	239,107,024	49,244,285	68,481,170
Other operating income	3,486,194	3,779,579	820,294	3,779,579
	123,163,071	242,886,603	50,064,579	72,260,749
Distribution cost	(44,198,773)	(86,174,665)	(24,228,298)	(48,471,929)
Administrative expenses	(72,552,675)	(66,221,865)	(22,231,847)	(22,320,152)
Other operating expenses	-	-	-	5,666,691
	(116,751,448)	(152,396,530)	(46,460,145)	(65,125,390)
Finance cost	(60,231,469)	(76,747,363)	(21,556,626)	(36,631,462)
Loss/Profit before taxation	(53,819,846)	13,742,710	(17,952,192)	(29,496,103)
Provision for Taxation	(25,923,874)	(22,306,201)	(16,883,949)	(5,939,465)
Loss for the period	(79,743,720)	(8,563,491)	(34,836,141)	(35,435,568)
Other comprehensive profit/(loss) for the period - net of tax	-	-	-	-
	(79,743,720)	(8,563,491)	(34,836,141)	(35,435,568)
(Loss)/Earnings per share	(4.75)	(0.51)	(2.07)	(2.11)

Notes to the Accounts

- These un-audited financial statements are being presented to the shareholders as required under SECP Notification No. SRO 746(1)/2001 dated 05.11.2001 and in accordance with the requirements of International Accounting Standard-34 "Interim Financial Reporting".
- Accounting policies adopted for the preparation of these quarterly accounts are the same as adopted in the preceding periodic financial statements.
- Figures in these accounts have been rounded off to the nearest rupee.

Sd/-
Mian Anis Ahmad Sheikh
C.E.O.

CASH FLOW STATEMENT - (UN-AUDITED)
FOR THE PERIOD OF NINE MONTHS ENDED MARCH 31, 2016

	March 31, 2016 Rupees	March 31, 2015 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	(53,819,846)	13,742,710
Adjustments for:		
Depreciation	64,855,655	123,240,879
Provision for gratuity	10,800,000	10,800,000
Finance cost	60,231,469	76,747,363
	<u>135,887,124</u>	<u>210,788,242</u>
Operating cash flows before working capital changes	82,067,278	224,530,952
(Increase)/decrease in current assets		
Stores and spares	(4,926,497)	(7,706,754)
Stock-in-trade	(406,089,986)	(776,279,549)
Trade debts	(203,122,147)	(53,666,107)
Loans and advances	13,711,148	(271,468)
Other receivable	-	20,000,000
Trade deposits and short-term prepayments	-	(18,000)
Tax refunds due from government	31,220,810	(32,507,094)
	<u>(569,206,672)</u>	<u>(850,448,972)</u>
(Decrease)/increase in current liabilities		
Trade and other payables	2,179,766	66,252,549
Cash used in operations	<u>(484,959,628)</u>	<u>(559,665,471)</u>
Income tax paid	(32,697,431)	(38,275,268)
Gratuity paid	(6,301,002)	(9,574,841)
Finance cost paid	(58,477,514)	(69,686,065)
	<u>(97,475,947)</u>	<u>(117,536,174)</u>
Net cash used in operating activities	<u>(582,435,575)</u>	<u>(677,201,645)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(135,683,754)	(34,322,499)
Long-term deposits	-	-
Redemption of long-term investments	-	-
Net cash used in investing activities	<u>(135,683,754)</u>	<u>(34,322,499)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of Long-term finances	70,688,078	(47,916,714)
Short-term borrowings - net	617,050,498	745,047,730
Net cash used in financing activities	<u>687,738,576</u>	<u>697,131,016</u>
Net increase/(decrease) in cash and cash equivalents	(30,380,753)	(14,393,128)
Cash and cash equivalents at the beginning of the year	48,435,632	21,089,480
Cash and cash equivalents at the end of the period	<u><u>18,054,879</u></u>	<u><u>6,696,352</u></u>

Sd/-
Mian Idrees Ahmad Sheikh
Director

STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE PERIOD OF NINE MONTHS ENDED MARCH 31, 2016

	Share capital	Revenue reserves		Total
	Issued, subscribed and paid-up	General reserve	Unappropriated profit	
----- Rupees -----				
Balance as at July 01, 2014	168,000,000	168,000,000	187,943,654	523,943,654
Profit for the period	-	-	(8,563,491)	(8,563,491)
Other comprehensive income for the period	-	-	-	-
	-	-	(8,563,491)	(8,563,491)
Transfer to unappropriated profit on account of incremental depreciation on surplus of revaluation of property, plant & machinery	-	-	48,533,833	48,533,833
Balance as at March 31, 2015	<u><u>168,000,000</u></u>	<u><u>168,000,000</u></u>	<u><u>227,913,996</u></u>	<u><u>563,913,996</u></u>
Balance as at July 01, 2015	168,000,000	168,000,000	157,539,979	493,539,979
Profit for the period	-	-	(79,743,720)	(79,743,720)
Other comprehensive income for the period	-	-	-	-
	-	-	(79,743,720)	(79,743,720)
Transfer to unappropriated profit on account of incremental depreciation on surplus of revaluation of property, plant & machinery	-	-	22,684,273	22,684,273
Present value adjustment on loans from related parties	-	-	(3,842,976)	(3,842,976)
Balance as at March 31, 2016	<u><u>168,000,000</u></u>	<u><u>168,000,000</u></u>	<u><u>96,637,556</u></u>	<u><u>432,637,556</u></u>

Sd/-
Muhammad Ehsanullah Khan
Chief Financial Officer

ڈائریکٹرز جائزہ

محترم حصص یافتگان،

یہ میری خوش قسمتی ہے کہ میں کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے آپ کے سامنے کمپنی کے غیر آڈٹ شدہ تیسری سہ ماہی اور نو ماہی مدت جو کہ 31 مارچ 2016ء کو ختم ہو گئی ہے۔ پیش کر رہا ہوں۔

عالمی ٹیکسٹائل شعبہ میں کساد بازاری کی بنیادی وجہ سے پاکستانی ٹیکسٹائل سپنگ شعبہ بھی مشکل میں رہا ہے۔ نقصان کی بنیادی وجہ مقامی مارکیٹ میں سوت کی کم قیمت کا ہونا جبکہ اس کے برعکس مقامی اور درآمدی خام مال کی زیادہ لاگت کا ہونا ہے۔ اس کے علاوہ بھارت سے کم قیمت سوت کی درآمد نے پاکستانی مارکیٹ میں سوت کی مانگ اور قیمت کو متاثر کیا ہے

اوپر بیان شدہ حالات کی وجہ سے 31 مارچ 2016ء کو ختم شدہ سہ ماہی کے دوران آپ کی کمپنی کو 79.743 ملین روپے اور نو ماہی کے دوران 34.836 ملین روپے کے نقصان کا سامنا کرنا پڑا۔ تاہم آپ کے ڈائریکٹرز کمپنی کو مشکل حالات سے نکالنے کے چیلنج سے نمٹنے کیلئے سخت کوشاں ہیں۔

نئی سہ ماہی میں مارکیٹ کے حالات بہتر ہو رہے ہیں اور آپ کے ڈائریکٹرز کو اللہ کے فضل و کرم سے کافی امید ہے کہ کمپنی رواں مالی سال کی باقی مدت کے دوران بہتر کارکردگی کا مظاہرہ کرے گی۔

www.maqboolgroup.com

MAQBOOL CENTRE

2 Industrial Estate Multan - PAKISTAN

Tel : +92 61 653 9551-52 653 7155

Fax : +92 61 653 9042

E-mail: marketing@maqboolgroup.com

MILLS UNIT I - II & GINNING UNIT:

MM Road Chowk Sarwar Shaheed

District Muzaffargarh - PAKISTAN

MILLS UNIT III:

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