



Half Yearly Accounts
December 31, 2018
(Un-audited)



Mahmood Textile Mills Ltd.



بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

Company Information

Board Of Directors:

Khawaja Muhammad Masood	Chairman
Khawaja Muhammad Iqbal	Chief Executive Officer
Khawaja Muhammad Ilyas	Director
Khawaja Muhammad Younus	Director
Khawaja Jalal-ud-din Roomi	Director
Khawaja Muhammad Muzaffar Iqbal	Director
Abdul Rehman Qureshi	Independent Director

Chief Financial Officer

Muhammad Amin Pal
FCA

Company Secretary

Yasir Ghaffar
ACA

Auditors:

Shinewing Hameed Chaudhri & Co.
Chartered Accountants
2526-F, Shadman Colony, Opp. High Court, Bahawalpur Road,
Multan.

Audit Committee

Abdul Rehman Qureshi	Chairman
Khawaja Muhammad Masood	Member
Khawaja Muhammad Ilyas	Member

Stock Exchange Listing

The Mahmood Textile Mills Limited is a listed Company and its shares are traded on Pakistan Stock Exchange.

Bankers

MCB Bank Limited
United Bank Limited
Habib Bank Limited
Allied Bank Limited
Bank Al-Habib Limited
Meezan Bank Limited
National Bank of Pakistan
Bank Al-Falah Limited

Mills

Mahmoodabad, Multan Road,
Muzaffargarh.

Masoodabad, D.G. Khan Road,
Muzaffargarh.

Chowk Sarwar Shaheed
Distt. Muzaffargarh

Industrial Estate, Multan.

Registered Office

Mehr Manzil, Lohari Gate, Multan.
Tel: 061-111-181-181
Fax: 061-4511262
E-mail: info@mahmoodgroup.com

Regional Office:

2nd Floor, Cotton Exchange Building, I.I
Chundrigarh Road, Karachi

Share Registrar

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

www.mahmoodgroup.com
www.mahmoodtextile.com

Directors' Review

IN THE NAME OF ALLAH THE MOST BENEFICENT & MOST MERCIFUL.

Your Directors are pleased to present half yearly accounts of the Company for the period ended December 31, 2018 duly reviewed by the Statutory Auditor of the Company. The Government has announced to support textile industry but different severe challenges are still prevailing e.g. Devaluation of currency on long run will increase cost of raw material, store spares & equipment etc., abnormal increase in discount rate by SBP, export rebate & sales tax receivables are stuck up in billions rupees, all these issues need to be addressed on priority basis. Moreover, China-US Trade war is effecting badly on export prices. However, by the Blessings of Almighty ALLAH, operational results of the company during the current period have improved remarkably and core business profit increased significantly to Rs. 467.409 (Million) after providing depreciation of Rs. 286.749 (Million).

Net profit during the period is Rs. 132.369 (Million) after providing taxation of Rs. 93.000 (Million). Decrease in profit is mainly due to diminution in value of shares/securities amounting Rs. 242.027 (Million).

Although Government is responding favorably on tariff issues of the Utilities for this industry. Withdrawal of DLTl incentive on Spinning and Weaving Export business and substantial increase in markup rates will badly effects the performance of textile sector. The restoration of DLTl facility will not only encourage export business of textile industry but will also help to increase foreign exchange for the country which is much needed now-a-days.

Regarding observation of the Auditor, it is stated that as per Company's policy, valuation of investment in the Associated Companies is not made on equity basis in any interim accounts due to non-availability of audited financial statement of the concerned Companies. However, this method of valuation is adopted in the Annual Audited Accounts of the Company to comply with the requirement of IAS 28.

The detail of production of yarn, fabrics and their local and export sale of reporting period is tabulated as under:

PRODUCTION:

Production of Yarn (Converted into 20 Count)	Kgs	19,308,668
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Production of Cloth (Converted into 60 Picks)	Mtrs	23,993,425
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SALES:

Sales Export (Net)	Rs.	9,208	(Million)
Sales Local (Net)	Rs.	2,159	(Million)
Total Sales (Net)	Rs.	11,367	(Million)

On Behalf of Board of Directors.

sd/-

Khawaja Muhammad Masood
Chairman

Dated: February 26, 2019
MULTAN

ڈائریکٹرز کا جائزہ:

شروع کرتا ہوں اللہ کا نام لے کر جو بڑا مہربان اور نہایت رحم والا ہے

آپ کے ڈائریکٹران کمپنی کے ششماہی اکاؤنٹ جو کہ 31 دسمبر 2018ء کو اختتام پذیر ہو رہا ہے پیش کرتے ہوئے مسرت محسوس کر رہے ہیں جن کی نظر ثانی کمپنی کے قانونی آڈیٹرز نے کی ہے۔ حکومت نے ٹیکسٹائل کی صنعت کو سپورٹ کرنے کا اعلان کیا ہے لیکن تاحال مختلف شدید مشکلات موجود ہیں جیسا کہ کرنسی کی قیمتوں میں طویل المعیاد ڈیولپو ایشن سے خام مال سٹور سامان کی قیمتوں میں اضافہ ہو گا۔ ایس بی پی کی طرف سے شرح سود میں غیر معمولی اضافہ ایکسپورٹ ری بیٹ اور سیلز ٹیکس وصول کرنے والوں کے اربوں روپے پھنس گئے ہیں۔ یہ تمام معاملات ترجیحی بنیادوں پر حل کرنے کی ضرورت ہے۔ اسکے علاوہ چین اور امریکہ تجارتی جنگ نے برآمدات کی قیمتوں کو بری طرح متاثر کیا ہے۔ تاہم یہ اللہ تعالیٰ کی بڑی کرم نوازی ہے کہ کمپنی کے حالیہ آپریشنل نتائج میں شاندار بہتری پیدا ہوئی ہے اور بنیادی کاروباری منافع 467.409 ملین تک بعد منہائی تخفیف (نقصان) 286.749 ملین تک پہنچ گیا ہے۔ اس عرصہ میں 93 ملین روپے کے ٹیکس ادا کرنے کے بعد خالص منافع 132.369 ملین تک ہو گیا ہے۔ مارکیٹ میں سکیورٹی/شیرز کی مالیت میں کمی کے رجحان کی وجہ سے منافع میں 242.027 ملین روپے کمی ہوئی ہے۔

گو کہ حکومت اس صنعت کو ٹریف کے معاملات میں رعایت دے رہی ہے۔ سپنگ اور ویونگ ایکسپورٹ کے کاروبار میں ڈی ایل ٹی ایل کو ختم کر دینا اور شرح سود میں خاطر خواہ اضافہ ٹیکسٹائل سیکٹر کو بری طرح نقصان پہنچائے گا۔ ڈی ایل ٹی ایل سہولت کی بحالی سے نہ صرف ٹیکسٹائل انڈسٹری کے ایکسپورٹ کاروبار کو تقویت ملے گی بلکہ اس سے ملک میں زرمبادلہ کی آمد بھی بہتر ہوگی جو کہ وقت کی اہم ضرورت ہے۔

آڈیٹرز نے منسلک کمپنیوں میں سرمایہ کاری کے طریقہ کار پر اعتراض کیا ہے جو کہ متعلقہ کمپنیوں کے آڈٹ شدہ حسابات کی عدم دستیابی کی وجہ سے ہے۔ تاہم سالانہ رپورٹس میں انٹرنیشنل اکاؤنٹنگ اسٹینڈرڈ 28 میں درج شدہ ہدایات کے مطابق تمام منسلک کمپنیوں کی معلومات دی جاتی ہیں۔

دھاگے اور کپڑے کی پیداوار اور فروخت کی معلومات درج ذیل ہے۔

پیداوار:

19,308,668	کلوگرام	سوت کی پیداوار (جس کو 20 کاؤنٹ میں تبدیل کیا گیا)
23,993,425	میٹر	کپڑے کی پیداوار (جس کو 60 picks میں تبدیل کیا گیا)

فروخت:

9,208	(کُل)	ملین روپے	سیلز ایکسپورٹ
2,159	(کُل)	ملین روپے	سیلز لوکل
11,367	(کُل)	ملین روپے	کُل فروخت

تاریخ: 26 فروری 2019ء
(ملتان)

خواجہ محمد مسعود
(چیرمین)

Independent Auditors' Review Report To The Members Of Mahmood Textile Mills Limited On Review Of Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Mahmood Textile Mills Limited as at December 31, 2018 and the related condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows together with the notes forming part thereof for the half-year then ended (hereinafter referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of this condensed interim financial statements in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

The figures of the condensed interim statement of comprehensive income for the quarters ended December 31, 2018 and 2017 have not been reviewed, as we are required to review only the cumulative figures for the half-year ended December 31, 2018.

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 condensed 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 Qualified Conclusion

Carrying values of investments in the Associated Companies as at December 31, 2018 have not been accounted for using the equity method as required by IAS 28 (Investments in Associates and Joint Ventures) as detailed in note 8.

Qualified Conclusion

Based on our review, except for the matter referred to in the preceding paragraph and the extent to which this may affect the annexed condensed interim financial statements, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements as of and for the half-year ended December 31, 2018 are not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on this engagement resulting in this independent auditors' review report is Talat Javed.

Dated: February 26, 2019

SHINEWING HAMEED CHAUDHRI & CO.,
CHARTERED ACCOUNTANTS

MULTAN

Condensed Interim Statement of Financial Position (Un-audited)

AS AT DECEMBER 31, 2018

	Note	Un-audited December 31, 2018 Rupees	Re-stated Audited June 30, 2018 Rupees
ASSETS			
Non-current Assets			
Property, plant and equipment	7	5,650,387,991	5,594,077,998
Long term investments	8	2,170,668,197	1,382,874,839
Long term deposits		9,980,881	9,237,521
		<u>7,831,037,069</u>	<u>6,986,190,358</u>
Current Assets			
Stores, spares and loose tools		374,489,515	379,165,709
Stock-in-trade	9	8,038,151,227	4,247,087,929
Trade debts	10	2,125,944,590	2,195,470,166
Loans and advances	11	1,626,038,317	1,258,403,720
Prepayments and other receivables		470,944,790	486,902,523
Short term investments	12	2,314,485,790	2,233,763,119
Tax refunds due from the Government		440,690,200	380,244,084
Cash and bank balances		54,882,439	32,362,744
		<u>15,445,626,868</u>	<u>11,213,379,994</u>
Total Assets		<u><u>23,276,663,937</u></u>	<u><u>18,199,570,352</u></u>
EQUITY AND LIABILITIES			
Capital and Reserves			
Authorized capital			
30,000,000 (June 30, 2018: 30,000,000) ordinary shares of Rs. 10 each		<u>300,000,000</u>	<u>300,000,000</u>
Issued, subscribed and paid-up capital		150,000,000	150,000,000
Capital reserve		7,120,600	7,120,600
Revenue reserve - unappropriated profit		<u>4,636,225,777</u>	<u>4,541,356,760</u>
		4,793,346,377	4,698,477,360
Liabilities			
Non-current Liabilities			
Long term financing	13	3,084,127,321	2,052,348,569
Current Liabilities			
Trade and other payables	14	1,868,951,396	1,295,289,833
Unclaimed dividends		2,512,131	2,346,862
Accrued mark-up		291,159,374	206,104,028
Short term borrowings	15	12,757,112,991	9,639,162,832
Current maturity of long term financing	13	386,454,347	243,340,868
Taxation		93,000,000	62,500,000
		<u>15,399,190,239</u>	<u>11,448,744,423</u>
Total liabilities		<u>18,483,317,560</u>	<u>13,501,092,992</u>
Total Equity and Liabilities		<u><u>23,276,663,937</u></u>	<u><u>18,199,570,352</u></u>
Contingencies and Commitments	16		

The annexed notes from 1 to 24 form an integral part of these condensed interim financial statements.

sd/-
(KH. MUHAMMAD MASOOD)
Chairman

sd/-
(KH. MUHAMMAD IQBAL)
Chief Executive Officer

sd/-
(KH. MUHAMMAD YOUNUS)
Director

sd/-
(MUHAMMAD AMIN PAL)
Chief Financial Officer

Condensed Interim Statement of Comprehensive Income (Un-audited)

FOR THE QUARTER AND HALF-YEAR ENDED DECEMBER 31, 2018

Note	Quarter ended		Half year ended		
	Oct. - Dec.,	Oct. - Dec.,	Jul - Dec.,	Jul - Dec.,	
	2018	2017	2018	2017	
----- Rupees -----					
Sales - net	17	5,923,875,816	4,221,723,048	11,366,706,118	8,515,977,571
Cost of Sales		(5,215,732,425)	(3,904,393,325)	(9,951,744,165)	(7,935,086,272)
Gross Profit		708,143,391	317,329,723	1,414,961,953	580,891,299
Distribution Cost		(175,257,351)	(117,648,920)	(302,460,264)	(215,683,683)
Administrative Expenses		(105,121,134)	(73,152,082)	(206,054,210)	(148,298,952)
Other Expenses		(258,159,348)	(103,564,450)	(258,159,348)	(104,536,191)
Other Income	18	164,872,100	279,663,161	169,804,961	412,610,177
		(373,665,733)	(14,702,291)	(596,868,861)	(55,908,649)
Profit from Operations		334,477,658	302,627,432	818,093,092	524,982,650
Finance Cost	19	(336,610,809)	(168,613,028)	(592,711,152)	(310,818,185)
Profit before Taxation		(2,133,151)	134,014,404	225,381,940	214,164,465
TAXATION					
- Current - net		(38,571,697)	(52,200,000)	(93,000,000)	(100,400,000)
- Prior years		(12,923)	426,954	(12,923)	426,954
		(38,584,620)	(51,773,046)	(93,012,923)	(99,973,046)
Profit After Taxation		(40,717,771)	82,241,358	132,369,017	114,191,419
Other Comprehensive Income		-	-	-	-
Total Comprehensive Income		(40,717,771)	82,241,358	132,369,017	114,191,419
Earnings Per Share		(2.71)	5.48	8.82	7.61

The annexed notes from 1 to 24 form an integral part of these condensed interim financial statements.

sd/-
(KH. MUHAMMAD MASOOD)
Chairman

sd/-
(KH. MUHAMMAD IQBAL)
Chief Executive Officer

sd/-
(KH. MUHAMMAD YUNUS)
Director

sd/-
(MUHAMMAD AMIN PAL)
Chief Financial Officer

Condensed Interim Statement of Cash Flows(Un-audited)

FOR THE HALF-YEAR ENDED DECEMBER 31, 2018

	Half year ended	
	December 31, 2018 Rupees	December 31, 2017 Rupees
Cash flow from operating activities		
Profit for the period - before taxation	225,381,940	214,164,465
Adjustments for non-cash charges and other items:		
Depreciation	286,749,217	162,556,679
Loss on disposal of operating fixed assets - net	4,808,633	829,715
Loss on re-measurement of short term investments	242,317,073	98,955,062
Loss /(gain) on sale of short term investments	4,690,041	(63,605,631)
Dividend income	(158,413,955)	(172,754,900)
Finance cost	592,711,152	310,818,185
Profit before working capital changes	1,198,244,101	550,963,575
Effect on cash flow due to working capital changes		
(Increase) / decrease in current assets		
Stores, spares and loose tools	4,676,194	(27,004,371)
Stock-in-trade	(3,791,063,298)	(1,746,205,526)
Trade debts	69,525,576	600,367,526
Loans and advances	(367,634,597)	(571,069,575)
Prepayments and other receivables	15,957,733	(153,510,123)
Sales tax refundable	(22,863,123)	(40,631,951)
Increase / (Decrease) in trade and other payables	573,661,563	(104,956,334)
	(3,517,739,952)	(2,043,010,354)
Cash used in operations	(2,319,495,851)	(1,492,046,779)
Income tax paid	(100,115,916)	(93,405,743)
Net cash used in operating activities	(2,419,611,767)	(1,585,452,522)
Cash flow from investing activities		
Purchase of property, plant and equipment	(379,702,932)	(577,817,825)
Sale proceeds / insurance claims of operating fixed assets	31,835,089	1,435,927
Long term investment	(787,793,358)	-
Short term investment -net	(327,729,785)	(250,869,944)
Long term deposit	(743,360)	-
Dividend received	158,413,955	172,754,900
Net cash used in investing activities	(1,305,720,391)	(654,496,942)
Cash flow from financing activities		
Long term financing - net	1,174,892,231	44,589,431
Short term borrowings - net	3,117,950,159	2,666,446,263
Finance cost paid	(507,655,806)	(285,008,285)
Dividend paid	(37,334,731)	(134,345,333)
Net cash generated from financing activities	3,747,851,853	2,291,682,076
Net increase in cash and cash equivalents	22,519,695	51,732,612
Cash and cash equivalents - at beginning of the period	32,362,744	13,360,633
Cash and cash equivalents - at end of the period	54,882,439	65,093,245

The annexed notes from 1 to 24 form an integral part of these condensed interim financial statements.

sd/-
(KH. MUHAMMAD MASOOD)
Chairman

sd/-
(KH. MUHAMMAD IQBAL)
Chief Executive Officer

sd/-
(KH. MUHAMMAD YOUNUS)
Director

sd/-
(MUHAMMAD AMIN PAL)
Chief Financial Officer

Condensed Interim Statement Of Changes In Equity (Un-audited)

FOR THE HALF-YEAR ENDED DECEMBER 31, 2018

	Share capital	Capital Reserve	Revenue reserve - Unappropriated profit	Total
----- Rupees -----				
Balance as at June 30, 2018 (Audited)	150,000,000	7,120,600	4,547,274,280	4,704,394,880
Impact of re-statement due to applicability of IFRS 15	-	-	(5,917,520)	(5,917,520)
Balance as at June 30, 2018 (re-stated)	150,000,000	7,120,600	4,541,356,760	4,698,477,360
Transactions with owners:				
Final cash dividend for the year ended June 30, 2018 @ Rs. 2.5 per share	-	-	(37,500,000)	(37,500,000)
Total comprehensive income for the half-year ended December 31, 2018	-	-	132,369,017	132,369,017
Balance as at December 31, 2018 (un-audited)	150,000,000	7,120,600	4,636,225,777	4,793,346,377
Balance as at June 30, 2017 (audited)	150,000,000	7,120,600	4,625,757,772	4,782,878,372
Transactions with owners:				
Final cash dividend for the year ended June 30, 2017 @ Rs. 9/- per share	-	-	(135,000,000)	(135,000,000)
Total comprehensive income for the half-year ended December 31, 2017	-	-	114,191,419	114,191,419
Balance as at December 31, 2017 (Un-audited)	150,000,000	7,120,600	4,604,949,191	4,762,069,791

The annexed notes from 1 to 24 form an integral part of these condensed interim financial statements.

sd/-
(KH. MUHAMMAD MASOOD)
Chairman

sd/-
(KH. MUHAMMAD IQBAL)
Chief Executive Officer

sd/-
(KH. MUHAMMAD YOUNUS)
Director

sd/-
(MUHAMMAD AMIN PAL)
Chief Financial Officer

Notes To The Condensed Interim Financial Statements (un-audited)

FOR THE HALF-YEAR ENDED DECEMBER 31, 2018

1. Legal Status and Operations

Mahmood Textile Mills Limited (the Company) was incorporated in Pakistan on February 25, 1970 as a Public Company under the Companies Act, 1913 (now the Companies Act, 2017) and its shares are quoted on Pakistan Stock Exchange Limited. The Company is principally engaged in manufacture and sale of yarn, grey cloth and generation of electricity.

Geographical location and addresses of business unit / mills:

Registered office / Head office

Mehr Manzil, Lohari Gate, Multan.

Regional Office

2nd floor, Cotton Exchange Building, I.I. Chundrigarh Road, Karachi

Mills

- Mahmoodabad, Multan Road, Muzaffargarh
- Masoodabad, D.G. Khan Road, Muzaffargarh
- Chowk Sarwar Shaheed, District Muzaffargarh
- Industrial Estate, Multan

2. Basis of Preparation

2.1 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, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provision of and directives issued under the Companies Act, 2017.

Where the provision of and directives issues 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.

- 2.2 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 June 30, 2018.
- 2.3 The figures of the condensed interim statement of comprehensive income for the quarters ended December 31, 2018 and 2017 have not been reviewed by the statutory auditors of the Company as they have reviewed the cumulative figures for the half-year ended December 31, 2018.
- 2.4 These condensed interim financial statements are being submitted to the shareholders as required by the Listing Regulations of Pakistan Stock Exchange and section 237 of the Companies Act, 2017.
- 2.5 Provisions for workers' (profit) participation fund and workers' welfare fund have not been made in these condensed interim financial statements and will be provided for in the financial statements for the year ending June 30, 2019.

3. Significant Accounting Policies

The accounting policies and methods of computation used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of financial statements of the Company for the year ended June 30, 2018 except as detailed in note 6.

4. New / Revised Standards, Interpretations and Amendments

4.1 New standards, amendments and interpretations to published approved accounting and reporting standards which are effective during the half year ended December 31, 2018

There are certain amendments and interpretations to approved accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2018. However, these do not have any significant impact on the Company's financial reporting and, therefore, have not been detailed in these condensed interim financial statements.

In addition to that IFRS 15 has become applicable to the Company effective July 1, 2018. Because of this new standard certain changes to the Company's accounting policies have been made in light of the following paragraphs:

IFRS 15 'Revenue from contracts with customers' - IFRS 15 replaces the previous revenue standards: IAS 18 Revenue, IAS 11 Construction Contracts, and the related interpretations on revenue recognition.

IFRS 15 introduces a single five-step model for revenue recognition and establishes a comprehensive framework for recognition of revenue from contracts with customers based on a core principle that an entity should recognize revenue representing the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The impact of this change has been fully detailed in note 6 of these condensed interim financial statements.

5. Accounting Estimates, Judgments and Financial Risk Management

5.1 The preparation of condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

5.2 Judgments and estimates made by the management in the preparation of these condensed interim financial statements are the same as those that were applied to the financial statements as at and for the year ended June 30, 2018.

5.3 The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2018.

6. Change in Accounting Policy

During the current period, the Company has adopted "IFRS 15 – Revenue from Contracts with Customers", effective from annual period beginning on or after July 01, 2018. As a result, the Company has changed its accounting policy for recognition of export sale on preparation of bill of lading. Previously the export sale was recorded on dispatch of goods to the customers.

The above change in accounting policy has been applied retrospectively. The impact of change in accounting policy on the comparative period is as follow:

	As previously reported Rupees	Adjustments as per IFRS 15 Rupees	As re-stated with adoption of IFRS 15 Rupees
As at June 30, 2018			
Statement of financial position			
Stock-in-trade	4,223,178,259	23,909,670	4,247,087,929
Trade debts	2,225,297,356	(29,827,190)	2,195,470,166
Unappropriated profit	4,547,274,280	(5,917,520)	4,541,356,760
		Un-audited December 31, 2018 Rupees	Audited June 30, 2018, Rupees
7. Property, Plant and Equipment	Note		
Operating fixed assets	7.1	5,642,482,456	5,307,504,451
Capital work-in-progress		7,905,535	286,573,547
		<u>5,650,387,991</u>	<u>5,594,077,998</u>
7.1 Operating fixed assets			
Book value at the beginning of the period / year		5,307,504,451	3,144,862,572
Additions during the period / year:			
- freehold land		-	41,474,850
- buildings on freehold land		52,221,176	36,944,253
- buildings on leasehold land		89,583,508	537,867,835
- plant and machinery		414,613,269	1,521,790,612
- stand by equipment		-	201,526,679
- furniture and fittings		1,276,399	10,802,811
- vehicles		37,600,790	71,874,806
- electric installations		62,445,339	122,401,305
- gas installations		264,980	1,261,149
- tools and equipment		143,833	11,297,851
- computers and accessories		221,650	491,115
		658,370,944	2,557,733,266
Book value of operating fixed assets sold / write-off		(36,643,722)	(18,721,842)
Depreciation charge for the period / year		(286,749,217)	(376,369,545)
Book value at the period / year		<u>5,642,482,456</u>	<u>5,307,504,451</u>
8. Long Term Investments			
Associated companies - Un-quoted			
Masood Spinning Mills Limited		279,827,163	279,827,163
Roomi Fabrics Limited		560,122,676	560,122,676
Orient Power Company (Private) Limited	8.1	1,330,718,358	542,925,000
		<u>2,170,668,197</u>	<u>1,382,874,839</u>

- 8.1 During the period, the Company has purchased further 41,493,470 shares of Orient Power Company (Private) Limited at Rs. 18.985 per share.
- 8.2 Carrying values of investments in Associated Companies as at December 31, 2018 have not been accounted for using the equity method as required by IAS 28 (Investments in Associates and Joint Ventures) due to unavailability of financial statements for the half-year ended December 31, 2018 of these Associated Companies.

	Un-audited December 31, 2018 Rupees	Re-stated Audited June 30, 2018 Rupees
9. Stock-in-Trade		
Raw materials including in-transit inventory valuing Rs.1,012.089 million (June 30, 2018: Rs.184.312 million)	6,919,705,744	3,610,903,781
Work-in-process	169,132,962	145,020,952
Finished goods	949,312,521	491,163,196
	<u>8,038,151,227</u>	<u>4,247,087,929</u>

10. Trade debts

This includes Rs.361.558 million (June 30, 2018: Rs. Nil) receivable from Associated Companies.

11. Loans and Advances

Period-end balance includes advances made to suppliers & contractors aggregating Rs. 354.010 million (June 30, 2018: 113.249 million), advance for purchase of property Rs. 274.096 million (June 30, 2018: 274.096 million) and advances for purchases to Associated Companies aggregating Rs. 902.557 million (June 30, 2018: Rs. Nil).

	Un-audited December 31, 2018 Rupees	Audited June 30, 2018 Rupees
12. Short Term Investments - Quoted (at fair value through profit or loss)		
Soneri Bank Limited (SBL) 48,882,000 (June 30, 2018: 47,628,000) shares of Rs.10 each	633,722,180	692,270,077
Lalpir Power Limited (LPL) 38,942,000 (June 30, 2018: 36,897,000) shares of Rs.10 each	764,479,171	615,936,700
Arif Habib Corporation Limited (AHCL) 13,750,000 (June 30, 2018: 13,634,500) shares of Rs.10 each	474,449,857	556,813,467
Jahangir Siddiqui & Company Limited (JSCL) 36,956,000 (June 30, 2018: 24,602,500) shares of Rs.10 each	642,336,232	514,208,573
TPL Properties Limited (TPL) Nil (June 30, 2018: 200,000) shares of Rs.10 each	-	2,106,990
Hira Textile Mills Limited (HIRAT) Nil (June 30, 2018: 1,120,500) shares of Rs.10 each	-	7,860,607
Pakgen Power Limited (PKGP) 2,232,000 (June 30, 2018: 5,827,000) shares of Rs.10 each	41,815,423	129,671,630
	<u>2,556,802,863</u>	<u>2,518,868,044</u>
Adjustment on re-measurement to fair value	<u>(242,317,073)</u>	<u>(285,104,925)</u>
	<u>2,314,485,790</u>	<u>2,233,763,119</u>

12.1 48.882 million (June 30, 2018: 47.401 million) shares of SBL, 38.300 million (June 30, 2018: 29.100 million) shares of LPL, 13.630 million (June 30, 2018: 13.630 million) shares of AHCL, 36.623 million (June 30, 2018: 23.935 million) shares of JSCL, 1.700 million (June 30, 2018: 5.500 million) of PKGP, are pledged with various commercial banks as securities for short term finance facilities utilized.

	Un-audited December 31, 2018 Rupees	Audited June 30, 2018 Rupees
13. Long Term Financing - Secured		
Habib Bank Limited (HBL)	1,143,641,951	100,852,423
MCB Bank Limited (MCB)	474,858,416	512,494,504
Meezan Bank Limited (MBL)	194,120,174	231,320,611
United Bank Limited (UBL)	460,974,175	482,186,372
Allied Bank Limited (ABL)	586,986,952	458,835,527
Bank Al-Habib Limited (BAH)	510,000,000	510,000,000
The Bank of Punjab (BOP)	100,000,000	-
Balance at end of the period / year	<u>3,470,581,668</u>	<u>2,295,689,437</u>
Less: current portion grouped under current liabilities:		
- HBL	158,900,621	18,913,210
- MCB	113,909,596	92,589,390
- MBL	70,058,848	72,229,862
- UBL	39,331,746	55,354,870
- ABL	4,253,536	4,253,536
	<u>386,454,347</u>	<u>243,340,868</u>
	<u>3,084,127,321</u>	<u>2,052,348,569</u>
14. Trade and Other Payables		
Creditors	308,563,070	219,438,069
Bills payable - secured	302,770,846	133,910,013
Due to an associated undertaking	114,384,391	5,031,480
Accrued expenses	1,007,401,613	819,842,215
Advances from customers	76,085,919	48,557,924
Tax deducted at source	9,635,669	8,700,266
Workers' (profit) participation fund	12,326	12,095,939
Workers' welfare fund	39,155,252	39,155,252
Others	10,942,310	8,558,675
	<u>1,868,951,396</u>	<u>1,295,289,833</u>
15. Short Term Borrowings		

Short term finance facilities available from various commercial banks under mark-up arrangements aggregate Rs.20,050 million (June 30, 2018: Rs. 17,100 million). These finance facilities, during the period, carried mark-up at the rates ranging from 7.01% to 11.15% (June 30, 2018: 6.55% to 7.76%) per annum. The aggregate finance facilities are secured against charge over the Company's current assets, pledge of quoted shares, lien over export bills and banks' lien over letters of credit. These facilities are expiring on various dates by August 31, 2021.

Facilities available for opening letters of credit and guarantee from various commercial banks aggregate Rs. 6,297 million (June 30, 2018: Rs. 6,297 million). Out of the available facilities, facilities aggregating Rs. 3,618 million (June 30, 2018: Rs. 6,024 million) remained unutilized at the period-end. These facilities are secured against lien over import documents and charge over current assets of the Company. These facilities are expiring on various dates by August 31, 2021.

16. Contingencies and Commitments

- 16.1 There has been no significant change in the status of contingencies as reported in the audited financial statements of the Company for the year ended June 30, 2018.
- 16.2 Guarantees given by various commercial banks, in respect of financial and operational obligations of the Company, to various institutions and corporate bodies aggregated Rs. 694.850 million as at December 31, 2018 (June 30, 2018: Rs. 570.452 million).
- 16.3 Foreign bills discounted outstanding as at December 31, 2018 aggregated Rs. 1,846.620 million (June 30, 2018: Rs. 929.535 million).

	Un-audited December 31, 2018	Audited June 30, 2018
	Rupees in million	
16.4 Commitments for irrevocable letters of credit:		
- capital expenditure	395.005	81.280
- others	2,284.497	192.146
	<u>2,679.502</u>	<u>273.426</u>

	Un-audited Half-year ended December 31, 2018	December 31, 2017
	Rupees	
17. Sales - net		
Local		
- yarn	1,222,544,440	1,011,543,675
- cloth	481,894,909	205,708,692
- waste	310,517,292	269,387,520
- doubling / sizing income	33,368	6,159,050
- cotton	144,886,426	125,723,353
	<u>2,159,876,435</u>	<u>1,618,522,290</u>
Export		
- yarn	6,638,687,727	5,647,757,359
- cloth	2,529,948,273	1,165,682,588
- waste	39,363,081	84,766,534
	<u>9,207,999,081</u>	<u>6,898,206,481</u>
	11,367,875,516	8,516,728,771
Sales tax	(1,169,398)	(751,200)
	<u>11,366,706,118</u>	<u>8,515,977,571</u>

18. Other Income

Income from financial assets

Realized gain on sale of short term investments at fair value through profit and loss	-	63,605,631
Dividend received on short term investments	27,410,000	81,069,900
Exchange fluctuation gain - net	11,391,006	6,256,590

Income from related parties

Dividend received	131,003,955	91,685,000
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Income from non-financial assets

Duty drawback on export sale	-	169,993,056
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	<u>169,804,961</u>	<u>412,610,177</u>
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	Un-audited Half-year ended	
	December 31, 2018 Rupees	December 31, 2017 Rupees
19. Finance Cost		
Mark-up on:		
- long term financing	61,992,673	32,206,165
- short term borrowings	467,342,310	234,385,501
Bank charges and commission	63,376,169	44,226,519
	<u>592,711,152</u>	<u>310,818,185</u>

20. Segment Information

Based on internal management reporting structure and products being produced and sold, the Company has been organized into three operating segments i.e. spinning, weaving and power. Assets and liabilities of Power segment are merged in Spinning segment because it does not meet the criteria of operating segment any more as defined under IFRS-8 Operating Segments. The electricity generated by the Power segment is self consumed by the Company and no external sales were made to MEPCO.

Information regarding the Company's reportable segments is presented below:

Segment Analysis

	Spinning	Weaving	Total
	----- Rupees -----		
Half-year ended December 31, 2018			
Revenue	<u>8,336,487,166</u>	<u>3,030,218,952</u>	<u>11,366,706,118</u>
Segment results	<u>811,787,137</u>	<u>94,660,342</u>	<u>906,447,479</u>
Half-year ended December 31, 2017			
Revenue	<u>7,132,524,418</u>	<u>1,383,453,153</u>	<u>8,515,977,571</u>
Segment results	<u>180,370,055</u>	<u>36,538,609</u>	<u>216,908,664</u>

Reconciliation of segment results with profit before taxation:

	Un-audited Half-year ended	
	December 31, 2018 Rupees	December 31, 2017 Rupees
Total results for reportable segments	906,447,479	216,908,664
Other expenses	(258,159,348)	(104,536,191)
Other income	169,804,961	412,610,177
Finance cost	(592,711,152)	(310,818,185)
Profit before taxation	<u>225,381,940</u>	<u>214,164,465</u>

Information on assets and liabilities by segment is as follows:

	Spinning	Weaving	Total
	----- Rupees -----		
As at December 31, 2018			
Segment assets	<u>14,361,350,446</u>	<u>3,934,586,865</u>	<u>18,295,937,311</u>
Segment liabilities	<u>17,248,773,967</u>	<u>1,139,031,462</u>	<u>18,387,805,429</u>
As at June 30, 2018			
Segment assets	<u>10,068,576,752</u>	<u>3,323,459,751</u>	<u>13,392,036,503</u>
Segment liabilities	<u>11,520,865,488</u>	<u>1,466,991,503</u>	<u>12,987,856,991</u>

Reconciliation of segments assets and liabilities with totals in statement of financial position is as follows:

	As at December 31, 2018		As at June 30, 2018	
	Assets	Liabilities	Assets	Liabilities
	----- Rupees -----			
Total for reportable segments	18,295,937,311	18,387,805,429	13,392,036,503	12,987,856,991
Unallocated assets / liabilities	<u>4,980,726,626</u>	<u>95,512,131</u>	<u>4,807,533,849</u>	<u>513,236,001</u>
Total as per statement of financial position	<u>23,276,663,937</u>	<u>18,483,317,560</u>	<u>18,199,570,352</u>	<u>13,501,092,992</u>

- The Company's customer base is diverse with no single customer accounting for more than 10% of net revenues.

Geographical Segments

All segments of the Company are managed on nation-wide basis and operate manufacturing facilities and sale offices in Pakistan.

21. Transactions With Related Parties

21.1 Significant transactions executed with related parties during the period were as follows:

Relationship	Nature of transactions	Un-audited Half-year ended	
		December 31, 2018 Rupees	December 31, 2017 Rupees
Associated companies	- sale of goods	675,222,808	577,604,633
	- purchase of goods	1,239,397,711	613,493,510
	- doubling charges	2,807,169	4,157,464
	- doubling revenue	33,368	5,899,050
Key management personnel	- remuneration and other benefits	21,208,943	18,634,494

21.2 Period / year-end balances	Un-audited December 31, 2018 Rupees	Audited June 30, 2018 Rupees
Trade and other payables	114,384,391	5,031,480
Trade debts	361,557,948	-
Loans and advances	902,557,220	-

21.3 Transactions with related parties have been carried at agreed terms.

22. Fair value Measurements

The Company measures fair value using valuation techniques that are appropriate in the circumstances and uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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

If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

	December 31, 2018			June 30, 2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	----- Rupees -----					
Short term investments	2,314,485,790	-	-	2,233,763,119	-	-

23. Date Of Authorisation For Issue

These condensed interim financial statements were approved and authorized for issue by the Board of Directors of the Company on February 26, 2019.

24. Corresponding Figures

24.1 In order to comply with the requirements of IAS 34 'Interim financial reporting', the condensed interim statement of financial position has been compared with the balances of annual audited financial statements of the preceding financial year, whereas, the condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity have been compared with the balances of comparable period of immediately preceding financial year.

24.2 Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purposes of comparison; however, no significant re-classifications / re-statements have been made to these condensed interim financial statements except as disclosed in note 6.

sd/-
(KH. MUHAMMAD MASOOD)
Chairman

sd/-
(KH. MUHAMMAD IQBAL)
Chief Executive Officer

sd/-
(KH. MUHAMMAD YOUNUS)
Director

sd/-
(MUHAMMAD AMIN PAL)
Chief Financial Officer