

A large green '50' is formed by a thick green outline. The '5' contains a grey icon of a textile spinning machine. The '0' contains a grey icon of a cotton flower. Lines radiate from the junction of the '5' and '0' to a larger green circle on the right, which contains a grey icon of a cotton flower. To the right of this circle is the text 'th' in a green, sans-serif font. Below the '50' and the 'th' is the word 'ANNIVERSARY' in a green, all-caps, sans-serif font.

50<sup>th</sup>  
ANNIVERSARY



## Half Yearly Accounts

December 31, 2020

(Un-audited)



MAHMOOD TEXTILE MILLS LIMITED

Sustainable Innovation In Every Thread



بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

# Corporate Information



## Board of Directors:

Khawaja Muhammad Ilyas

Chairman

Khawaja Muhammad Iqbal  
Officer

Chief Executive

Khawaja Muhammad Younus  
Mrs. Humera Jalaluddin  
Khawaja Muhammad Muzaffar Iqbal  
Khawaja Muhammad Anees  
Abdul Rehman Qureshi  
Muhammad Asghar

Director  
Director  
Director  
Director  
Independent Director  
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, Opposite High Court,  
Bahawalpur Road, Multan.

## Stock Exchange Listing

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

## Share Registrar

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

## Bankers

MCB Bank Limited  
United Bank Limited  
Habib Bank Limited  
Allied Bank Limited  
Bank Al-Habib Limited  
Meezan Bank Limited  
National Bank of Pakistan Limited  
Bank Alfalah Limited  
Bank Islami Limited  
Habib Metropolitan Bank Limited  
The Bank of Punjab  
Askari Bank Limited

## Mills

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

## Registered Office

Mehr Manzil, Lohari Gate, Multan.  
Tel.: 061-111-181-181 Fax: 061-4511262  
E-mail: [info@mahmoodgroup.com](mailto:info@mahmoodgroup.com)  
[www.mahmoodtextile.com](http://www.mahmoodtextile.com)

## Regional Office

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

# Directors' Review

The Directors of the Company have pleasure in submitting their report together with the financial statements of the Company for the half yearly period ended on 31 December, 2020 duly reviewed by the auditors.

## SIGNIFICANT FINANCIAL PERFORMANCE:

After effects of COVID-19 materialized but our company's performance was comparatively appreciable and we managed to bring in reporting net profit of PKR 31.0 million in the first quarter and PKR 239.0 million in the first six months accounts as compared to PKR 135.0 million in the corresponding period ended December 31, 2019 which is an achievement because of timely management decisions and cost effective measures that will surely follow in the future given the business in hand. Moreover, the de-stability caused by outbreak of COVID-19 is gradually stabilizing now.

As the local cotton production for the year was showing drastic cut, your company managed to procure cotton from abroad at competitive rates and is in comfortable position.

We are pleased to inform our members that we have placed advanced Business Intelligence System – KPI Dashboard for quicker and accurate reporting, analyzing and planning, its transparency has helped us to make better and efficient decisions and gain competitive advantage.

Production and sales data of the reported period is tabulated as under;

## PRODUCTION:

Production of Yarn (Converted into 20 Count)	Kgs.	20,017,270
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Production of Cloth (Converted into 60 Picks)	Mtrs	19,484,205
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## SALES:

Sales Export (Net)	Rs.	10.515	(Billion)
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Sales Local (Net)	Rs.	2.628	(Billion)
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<b>Total Sales (Net)</b>	<b>Rs.</b>	<b>13.143</b>	<b>(Billion)</b>
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## OUTLOOK FOR THE YEAR 2020-21

While the COVID-19 cases in Pakistan have receded significantly but restrictions are still there worldwide and in some lockdown situation, yet it is to be seen when it comes fully under control globally. With the current macro-economic situation, we however predict that after effects of COVID-19 will continue in the next financial year but for a short term, the outlook of the industry will start to improve. Amidst the current scenario the Company is still focused on growth on the same lines. The availability of TERF loan by SBP is a great opportunity. We are pleased to inform you that some TERF loans have been approved and others are in process which will give the company more optimization and efficiency for a sustainable top and bottom line turnover growth. The Government has proactively reacted to COVID-19 situation by coming up with a positive response in the form of business growth strategies in last couple of months to save the textile industry from collapse. We are committed to make technological advancements and expansion in our production capacity as we are heading towards 13,000 spindles approx. addition in our Spinning segment for which LCs have already been established and further 22,000 spindles addition is in planning phase. We are

also making investment in new state of the art Apparel Unit along with Dyeing & Washing facility with the capacity of 10,000 pieces per day which basically focused on uplifting our exports and exclusively contribute towards the theme of Women Empowerment by employing major staff of females. Furthermore, advanced water treatment plant is being also established.

To cut our cost in power utilization we have already installed 3.6 MW Solar Power Project and now further expanding it to 6.0 MW to support green energy, by this we will be reaching 15 MW in total at Group level. As per commitments towards CSR “Corporate Social Responsibility” and sustainability we have increased our portfolio by investing in society uplifting through social welfare.

## **ACKNOWLEDGEMENT**

The board appreciates the contribution of employees and continual supports all financial institutions.

For and on Behalf of Board of Directors.

Dated: February 26, 2021  
Location: Multan

sd/-  
**Khawaja Muhammad Ilyas**  
Chairman

## ڈائریکٹرز کا جائزہ:

کمپنی کے ڈائریکٹرز 31 دسمبر 2020 کو ختم ہونے والے نصف سال کے لیے کمپنی کی اپنی رپورٹ مع مالیتی جدول کمپنی کے قانونی آڈیٹروں کے ذریعے جائزہ رپورٹ کے ساتھ پیش کرتے ہوئے مسرت محسوس کر رہے ہیں۔

خصوصی مالی کارکردگی:

COVID-19 نے کاروبار پر بہت برے اثرات مرتب کئے لیکن اس کے باوجود کمپنی کی کارکردگی نسبتاً قابل تعریف رہی اور ہم نے پہلی سہ ماہی میں 31.0 ملین پاکستانی روپے کا خالص منافع کمایا اور اسی مدت کے اختتام پر مبلغ 135.0 ملین پاکستانی روپے 31 دسمبر 2019ء کے مقابلے میں مبلغ 239.0 ملین پاکستانی روپے منافع کمایا جو کہ ایک بہت بڑی کامیابی ہے کیونکہ ہم نے بروقت فیصلے کئے اور دور رس نتائج حاصل کئے اور ہم آئندہ بھی اس طریقہ کار کو جاری رکھیں گے۔ مزید برآں COVID-19 کی وجہ سے جو اثرات مرتب ہوئے ان میں بہتری پیدا ہو رہی ہے۔

جیسا کہ اس سال کپاس کی فصل میں کمی دیکھی جا رہی تھی، لیکن آپ کی کمپنی نے غیر ممالک سے مقابلتاً کم قیمت پر کپاس خریدنے کا انتظام کیا۔ ہم ممبران کو یہ اطلاع دیتے ہوئے مسرت محسوس کر رہے ہیں کہ ہم نے ایڈوانس برنس انٹیچینس سسٹم KPI ڈیش بورڈ کی بنیاد رکھی ہے جس سے تجزیہ اور منصوبہ بندی فوری اور درست رپورٹنگ کی بنیاد پر ہو سکے گی، اس کی شفافیت سے ہمیں بہتر اور موثر فیصلے کرنے اور موثر فائدہ اٹھانے کا موقع ملے گا۔

پیداوار اور فروخت کا ڈیٹا برائے رپورٹ کردہ مدت درج ذیل ہے:

پیداوار:

دھاگہ کی پیداوار (کلوگرام میں (۲۰ شمار میں تبدیل شدہ)	20,017,270
کپڑے کی پیداوار (میٹرز میں (۶۰ پکس میں تبدیل شدہ)	19,484,205

فروخت:

بیرون ملک فروخت (خالص)	10.515 بلین پاکستانی روپے
اندرون ملک فروخت (خالص)	2.628 بلین پاکستانی روپے
کل فروخت	13.143 بلین پاکستانی روپے

سال 2020-21ء کا جائزہ:

اگرچہ پاکستان میں COVID-19 کے کیسوں میں کمی ہونا شروع ہو گئی ہے لیکن بین الاقوامی طور پر ابھی بھی رکاوٹیں موجود ہیں اور بہت سی جگہوں پر آج بھی لاک ڈاؤن کی صورت حال جوں کی توں ہے۔ تاہم اس میں بین الاقوامی طور پر کچھ بہتری پیدا ہونا شروع ہو گئی ہے۔ آج کی صورت حال میں، ہم اس بات کی پیش گوئی کر سکتے ہیں کہ اگلے مالی سال کے آغاز میں COVID-19 کی صورت حال برقرار رہے گی لیکن کچھ عرصے کے بعد آہستہ آہستہ صنعت بہتری کی طرف گامزن ہو جائے گی۔ عالمی منظر نامے میں کمپنی ابھی تک سابقہ خطوط پر ترقی کی جانب گامزن چلی آرہی ہے۔ سٹیٹ بینک آف پاکستان کی جانب سے TERF قرضوں کی دستیابی کے مواقع موجود ہیں۔ ہم یہ بتاتے ہوئے مسرت محسوس کر رہے ہیں کہ کچھ TERF قرضہ جات منظور ہو چکے ہیں اور دیگر ابھی زیر غور ہیں جس سے کمپنی کو صورت حال بہتر بنانے اور کاروباری کارکردگی کو بہتر بنانے کا موقع مل سکے گا۔ حکومت نے بڑی تبدیلی سے COVID-19 کی صورت حال کا سامنا اور مقابلہ کیا اور اس کے لئے موثر اور مثبت اقدامات کئے جس سے پچھلے چند ماہ میں کاروباری میدان میں ترقی ہوئی اور نیکسٹ سال کی صنعت کو تیزی سے بچایا گیا۔

ہم پرعزم طور پر تکنیکی بنیادوں پر کاروبار کے پھیلاؤ اور پیداواری استعداد میں اضافے کے لئے پُر امید ہیں اور اس میں تقریباً 13000 سپنڈل تک اضافہ کریں گے جس کے لئے قبل ازیں LCs کا انتظام کر دیا گیا ہے اور مزید 22000 سپنڈل اضافے کی منصوبہ بندی کر رہے ہیں۔ ہم ملبوسات یونٹ بشمول ڈانگ اور واشنگ سہولیات کی استعداد 10000 نگ روزانہ تک کی سرمایہ کاری کرنے والے ہیں جو کہ بنیادی طور پر ہماری ایکسپورٹ میں اضافے کا سبب بنے گی اور خصوصی طور پر خواتین کو بااختیار بنانے اور ان کو نوکریوں کے مزید مواقع دینے میں کام آئے گی۔ مزید برآں پانی صاف کرنے کے منصوبوں پر بھی کام ہو رہا ہے۔

بجلی کے اخراجات پر قابو پانے کے لئے ہم نے قبل ازیں 3.6 MW کا سولر پاور پراجیکٹ نصب کیا ہے اور اب اس میں 6.0 MW کا مزید اضافہ کیا جا رہا ہے تاکہ ماحول دوست توانائی کی حوصلہ افزائی ہو سکے، جس سے ہم گروپ کی سطح پر کل 15.0 MW تک پہنچ پائیں گے۔ کارپوریٹ سماجی ذمہ داری اور پائیداری کی تین وعدوں کے مطابق ہم نے سماجی بہبود کے ذریعے معاشرے میں سرمایہ کاری کر کے اپنے پورٹ فولیو کو بہتر کیا ہے۔

اعتراف:

بورڈ آف ملازمین کی خدمات اور مالیاتی اداروں کے مسلسل تعاون کا بھرپور اعتراف کرتا ہے جن کی انتھک محنت سے ہمیں ہر میدان میں کامیابی حاصل ہو رہی ہے۔

خواجہ محمد الیاس  
چیئرمین

تاریخ: 26 فروری، 2021ء  
ملتان



# 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, 2020 and the related condensed interim statement of profit or loss, condensed interim statement of other 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 (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these 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 profit or loss and condensed interim statement of other comprehensive income for the quarters ended December 31, 2020 and 2019 have not been reviewed, as we are required to review only the cumulative figures for the half-year ended December 31, 2020.

## 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.

## Conclusion

Based on our review, 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, 2020 are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

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

Dated: February 26, 2021  
MULTAN

SHINEWING HAMEED CHAUDHRI & CO.,  
CHARTERED ACCOUNTANTS

# Condensed Interim Statement of Financial Position (Un-audited)

AS AT DECEMBER 31, 2020

		Un-audited December 31, 2020 Rupees	Audited June 30, 2020 Rupees
<b>Assets</b>	<b>Note</b>		
<b>Non-current Assets</b>			
Property, plant and equipment	6	8,407,274,173	8,581,294,924
Long term investments	7	4,159,857,689	4,189,562,438
Long term deposits		9,980,881	9,980,881
		<u>12,577,112,743</u>	<u>12,780,838,243</u>
<b>Current Assets</b>			
Stores, spares and loose tools		303,574,432	231,879,387
Stock-in-trade	8	7,327,779,137	7,059,216,934
Trade debts	9	2,584,086,195	3,102,628,027
Loans and advances	10	942,084,051	183,371,309
Other receivables		281,606,399	715,604,921
Short term investments	11	901,154,484	725,341,435
Tax refunds due from the Government		536,553,930	603,992,409
Cash and bank balances		73,788,491	45,045,826
		<u>12,950,627,119</u>	<u>12,667,080,248</u>
<b>Total Assets</b>		<b><u>25,527,739,862</u></b>	<b><u>25,447,918,491</u></b>
<b>Equity and Liabilities</b>			
<b>Capital and Reserves</b>			
Authorized capital 30,000,000 (June 30, 2020: 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		<u>187,500,000</u>	<u>187,500,000</u>
Capital reserve:			
Capital reserve		7,120,600	7,120,600
Surplus on revaluation of property, plant and equipment		2,722,076,064	2,791,356,716
Revenue reserve - unappropriated profit		<u>5,904,254,861</u>	<u>5,596,683,362</u>
		<u>8,820,951,525</u>	<u>8,582,660,678</u>
<b>Liabilities</b>			
<b>Non-current Liabilities</b>			
Long term financing	12	5,453,773,286	5,497,569,194
Lease liability	13	2,981,433	-
Deferred liabilities	14	174,531,010	104,497,826
<b>Current Liabilities</b>			
Trade and other payables	15	1,591,915,694	1,760,984,425
Unclaimed dividends		2,438,530	2,438,530
Accrued mark-up		249,253,708	293,505,910
Short term borrowings	16	8,377,250,194	8,763,773,382
Current maturity of long term liabilities	17	699,644,482	180,488,546
Taxation		155,000,000	262,000,000
		<u>11,075,502,608</u>	<u>11,263,190,793</u>
<b>Total Liabilities</b>		<u>16,706,788,337</u>	<u>16,865,257,813</u>
<b>Total Equity and Liabilities</b>		<b><u>25,527,739,862</u></b>	<b><u>25,447,918,491</u></b>
<b>Contingencies and Commitments</b>	18		

The annexed notes from 1 to 27 form an integral part of these condensed interim financial statements.

sd/-  
Kh. Muhammad Ilyas  
Chairman

sd/-  
Kh. Muhammad Iqbal  
Chief Executive Officer

sd/-  
Kh. Muhammad Younus  
Director

sd/-  
Muhammad Amin Pal  
Chief financial Officer

# Condensed Interim Statement of Profit or Loss (Un-audited)

FOR THE QUARTER AND HALF YEAR ENDED DECEMBER 31, 2020

Note	Quarter ended		Half year ended		
	Oct. - Dec., 2020	Oct. - Dec., 2019 Re-stated	Jul. - Dec., 2020	Jul. - Dec., 2019 Re-stated	
----- Rupees -----					
Sales - net	19	6,693,404,837	7,306,849,241	13,142,642,314	13,644,559,134
Cost of Sales		(5,729,348,985)	(6,696,389,826)	(11,765,363,535)	(12,443,806,517)
<b>Gross Profit</b>		964,055,852	610,459,415	1,377,278,779	1,200,752,617
Distribution Cost		(230,968,656)	(210,208,844)	(375,573,485)	(351,056,967)
Administrative Expenses		(138,893,236)	(128,743,511)	(278,501,566)	(272,478,422)
Other Expenses		(37,912,751)	(5,082,968)	(37,912,751)	(5,082,968)
Other Income	20	(124,324,241)	(40,789,930)	112,994,223	234,019,006
		(532,098,884)	(384,825,253)	(578,993,579)	(394,599,351)
<b>Profit from Operations</b>		431,956,968	225,634,162	798,285,200	806,153,266
Finance Cost	21	(325,494,244)	(372,798,664)	(600,778,421)	(815,665,428)
Share of profit of associates		189,376,158	291,968,598	189,376,158	291,968,598
<b>Profit before Taxation</b>		<b>295,838,882</b>	<b>144,804,096</b>	<b>386,882,937</b>	<b>282,456,436</b>
Taxation		(87,851,652)	(126,581,960)	(147,851,652)	(147,426,708)
<b>Profit after Taxation</b>		<b>207,987,230</b>	<b>18,222,136</b>	<b>239,031,285</b>	<b>135,029,728</b>
<b>Earnings Per Share</b>		<b>11.09</b>	<b>0.97</b>	<b>12.75</b>	<b>7.20</b>

The annexed notes from 1 to 27 form an integral part of these condensed interim financial statements.

sd/-  
Kh. Muhammad Ilyas  
Chairman

sd/-  
Kh. Muhammad Iqbal  
Chief Executive Officer

sd/-  
Kh. Muhammad Younus  
Director

sd/-  
Muhammad Amin Pal  
Chief financial Officer

## Condensed Interim Statement of Other Comprehensive Income (un-audited)

FOR THE QUARTER AND HALF YEAR ENDED DECEMBER 31, 2020

	<i>Quarter ended</i>		<i>Half year ended</i>	
	<i>Oct. - Dec., 2020</i>	<i>Oct. - Dec., 2019 Re-stated</i>	<i>July - Dec., 2020</i>	<i>July - Dec., 2019 Re-stated</i>
	<b>Rupees</b>			
<b><i>Profit after Taxation</i></b>	207,987,230	18,222,136	239,031,285	135,029,728
<b><i>Other Comprehensive Income for the period</i></b>				
<i>Items that will not be reclassified subsequently to statement of profit or loss</i>				
Surplus on revaluation of property, plant and equipment - associate	(740,438)	26,948,050	(740,438)	26,948,050
<b><i>Total Comprehensive Income for the period</i></b>	<b>207,246,792</b>	<b>45,170,186</b>	<b>238,290,847</b>	<b>161,977,778</b>

The annexed notes from 1 to 27 form an integral part of these condensed interim financial statements.

sd/-  
Kh. Muhammad Ilyas  
Chairman

sd/-  
Kh. Muhammad Iqbal  
Chief Executive Officer

sd/-  
Kh. Muhammad Younus  
Director

sd/-  
Muhammad Amin Pal  
Chief financial Officer

# Condensed Interim Statement of Cash Flows (un-audited)

FOR THE HALF-YEAR ENDED DECEMBER 31, 2020

	<i>Half-year ended</i>	
	<i>December 31, 2020</i>	<i>December 31, 2019</i>
	<i>Rupees</i>	<i>Rupees</i>
<b><i>Cash flow from operating activities</i></b>		
Profit for the period before taxation	386,882,937	282,456,436
Adjustments for non-cash charges and other items:		
Depreciation	361,375,588	386,477,884
Gain on disposal of operating fixed assets - net	(1,485,643)	(484,765)
Loss / (Gain) on re-measurement of short term investments	15,182,686	(133,623,636)
Gain on sale of short term investments	(48,126,618)	(65,302,540)
Dividend on short term investments	(46,866,223)	-
Duty drawback on export sales	-	(19,198,498)
Markup income on Term Finance Certificates	(5,640,976)	(11,540,521)
Share of profit from associates	(189,376,158)	(291,968,598)
Government grant - income	(10,874,763)	-
Provision for GIDC payable	104,144,893	-
Finance cost	600,778,421	815,665,428
<b><i>Profit before working capital changes</i></b>	<b>1,165,994,144</b>	<b>962,481,190</b>
<b><i>Effect on cash flow due to working capital changes</i></b>		
<b><i>(Increase) / decrease in current assets</i></b>		
Stores, spares and loose tools	(71,695,045)	1,581,104
Stock-in-trade	(268,562,203)	627,513,630
Trade debts	518,541,832	(1,556,427,713)
Loans and advances	(758,712,742)	(391,380,366)
Prepayments and other receivables	433,998,522	(5,196,065)
Sales tax refundable	9,016,183	(34,875,679)
<b><i>(Decrease) / Increase in trade and other payables</i></b>	<b>(199,548,721)</b>	<b>1,301,230,658</b>
	<b>(336,962,174)</b>	<b>(57,554,431)</b>
<b><i>Cash generated from operations</i></b>	<b>829,031,970</b>	<b>904,926,759</b>
Income tax (paid) / received	(200,061,075)	8,794,446
<b><i>Net cash generated from operating activities</i></b>	<b>628,970,895</b>	<b>913,721,205</b>
<b><i>Cash flow from investing activities</i></b>		
Purchase of property, plant and equipment	(211,119,195)	(214,359,157)
Sale proceeds / insurance claims of operating fixed assets	25,250,001	9,838,334
Long term investments	-	(100,000,000)
Short term investments - net	(142,869,117)	683,842,768
Markup income received on Term Finance Certificates	5,640,976	11,540,521
Dividend income received	265,206,692	174,671,940
<b><i>Net cash (used in) / generated from investing activities</i></b>	<b>(57,890,643)</b>	<b>565,534,406</b>
<b><i>Cash flow from financing activities</i></b>		
Long term financing - net	485,567,745	1,749,170,037
Short term borrowings - net	(386,523,188)	(2,151,350,034)
Lease liability	3,648,479	-
Finance cost paid	(645,030,623)	(908,034,288)
<b><i>Net cash used in financing activities</i></b>	<b>(542,337,587)</b>	<b>(1,310,214,285)</b>
<b><i>Net increase in cash and cash equivalents</i></b>	<b>28,742,665</b>	<b>169,041,326</b>
<b><i>Cash and cash equivalents - at the beginning of the period</i></b>	<b>45,045,826</b>	<b>24,598,057</b>
<b><i>Cash and cash equivalents - at the end of the period</i></b>	<b>73,788,491</b>	<b>193,639,383</b>

The annexed notes from 1 to 27 form an integral part of these condensed interim financial statements.

sd/-  
Kh. Muhammad Ilyas  
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, 2020

	Share Capital	Capital reserves		Revenue reserve		Total
		Capital Reserve	Surplus on revaluation of property, plant and equipment	Revenue reserve - Unappropriated	Profit	
----- Rupees -----						
<b>Balance as at June 30, 2020 (Audited)</b>	187,500,000	7,120,600	2,791,356,716	5,596,683,362		8,582,660,678
<b>Total comprehensive income for the period</b>						
Profit for the period	-	-	-	239,031,285		239,031,285
Other comprehensive income for the period	-	-	(740,438)	-		(740,438)
Transfer from revaluation surplus on property, plant and equipment on account of incremental depreciation	-	-	(740,438)	239,031,285		238,290,847
	-	-	(68,540,214)	68,540,214		-
<b>Balance as at December 31, 2020 (Un-audited)</b>	<b>187,500,000</b>	<b>7,120,600</b>	<b>2,722,076,064</b>	<b>5,904,254,861</b>		<b>8,820,951,525</b>
<b>Balance as at June 30, 2019 (Audited)</b>	150,000,000	7,120,600	2,916,720,253	5,490,667,026		8,564,507,879
<b>Transactions with owners:</b>						
Bonus shares issued during the period in ratio of 25 shares for every 100 shares held	37,500,000	-	-	(37,500,000)		-
<b>Total comprehensive income for the period</b>						
Profit for the period - restated	-	-	-	135,029,728		135,029,728
Other comprehensive income for the period	-	-	26,948,050	-		26,948,050
Transfer from revaluation surplus on property, plant and equipment on account of incremental depreciation	-	-	26,948,050	135,029,728		161,977,778
	-	-	(76,155,791)	76,155,791		-
<b>Balance as at December 31, 2019 (Un-audited) - restated</b>	<b>187,500,000</b>	<b>7,120,600</b>	<b>2,867,512,512</b>	<b>5,664,352,545</b>		<b>8,726,485,657</b>

The annexed notes from 1 to 27 form an integral part of these condensed interim financial statements.

sd/-  
**Kh. Muhammad Ilyas**  
 Chairman

sd/-  
**Kh. Muhammad Iqbal**  
 Chief Executive Officer

sd/-  
**Kh. Muhammad Yunus**  
 Director

sd/-  
**Muhammad Amin Pal**  
 Chief financial Officer

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

FOR THE HALF-YEAR ENDED DECEMBER 31, 2020

## 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 and grey cloth.

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;
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions 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, 2020.

**2.3** The figures of the condensed interim statement of profit or loss and condensed interim statement of other comprehensive income for the quarters ended December 31, 2020 and 2019 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, 2020.

**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** Provision for 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, 2021.

### 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, 2020.

### 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, 2020*

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, 2020. However, these do not have any impact on the Company's financial reporting and, therefore, have not been detailed in these condensed interim financial statements.

### 5. *Accounting Estimates, Judgments and Financial Risk Management*

5.1 The preparation of condensed interim financial statements 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 recognized 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, 2020.

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, 2020.

### 6. *Property, Plant and Equipment*

Operating fixed assets

Capital work-in-progress

<i>Note</i>	<i>Un-audited December 31, 2020 Rupees</i>	<i>Audited June 30, 2020 Rupees</i>
6.1	8,165,672,105	8,455,199,841
	241,602,068	126,095,083
	<b>8,407,274,173</b>	<b>8,581,294,924</b>



Note	Un-audited December 31, 2020	Audited June 30, 2020
	Rupees	Rupees
<b>6.1 Operating fixed assets</b>		
Book value at the beginning of the period / year	8,455,199,841	8,887,835,682
Additions during the period / year:		
- buildings on freehold land	7,371,293	21,886,564
- buildings on leasehold land	2,052,935	1,254,754
- plant and machinery	24,484,839	197,720,656
- furniture and fittings	2,078,577	4,698,169
- vehicles	48,691,011	46,072,673
- electric installations	7,782,077	84,573,720
- gas installations	-	1,015,623
- computers and accessories	3,151,478	2,697,890
	95,612,210	359,920,049
Book value of operating fixed assets sold / written-off	(23,764,358)	(19,363,074)
Depreciation charge for the period / year	(361,375,588)	(773,192,816)
Book value at the end of period / year	<b>8,165,672,105</b>	<b>8,455,199,841</b>

6.2 Operating fixed assets include right of use assets having cost amounting to Rs. 4.776 million (June 30, 2020: Nil). and accumulated depreciation amounting to Rs. 0.080 million (June 30, 2020: Nil).

Note	Un-audited December 31, 2020	Audited June 30, 2020
	Rupees	Rupees
<b>7. Long Term Investments</b>		
<i>Associated companies - Un-quoted</i>		
Masood Spinning Mills Limited	7.1 350,599,122	366,524,475
Roomi Fabrics Limited	7.2 810,161,062	775,517,012
Orient Power Company (Private) Limited	7.3 2,999,097,505	3,047,520,951
	<b>4,159,857,689</b>	<b>4,189,562,438</b>
<b>7.1 Masood Spinning Mills Limited</b>		
4,000,000 (June 30, 2020: 4,000,000)		
Ordinary shares of Rs. 10 each - cost	40,000,000	40,000,000
Equity held: <b>13.32%</b> (June 30, 2020: 13.32%)		
Post acquisition profits brought forward	326,524,475	297,850,111
	<b>366,524,475</b>	<b>337,850,111</b>
Share of profit / (loss) for the period / year	15,282,618	(6,786,154)
Adjustment based on latest audited financial statements		
- Statement of profit or loss	(30,467,534)	12,654,653
- Statement of other comprehensive income	(740,438)	22,805,865
	<b>350,599,122</b>	<b>366,524,475</b>

	<i>Un-audited December 31, 2020</i>	<i>Audited June 30, 2020</i>
	<i>Rupees</i>	<i>Rupees</i>
<b>7.2 Roomi Fabrics Limited</b>		
4,000,000 (June 30, 2020: 4,000,000) ordinary shares of Rs. 10 each - cost	40,000,000	40,000,000
Equity held: <b>18.18%</b> (June 30, 2020: 18.18%)		
Post acquisition profits brought forward	735,517,012	681,830,302
	<b>775,517,012</b>	<b>721,830,302</b>
Share of profit for the period / year	34,644,050	36,929,763
Adjustment based on latest audited financial statements		
- Statement of profit or loss	-	12,614,762
- Statement of other comprehensive income	-	4,142,185
	<b>810,161,062</b>	<b>775,517,012</b>
<b>7.3 Orient Power Company (Pvt.) Limited</b>		
87,335,969 (June 30, 2020: 87,335,969) ordinary shares of Rs. 10 each	2,485,343,420	2,485,343,420
Equity held: <b>20.967%</b> (June 30, 2020: 20.967%)		
Post acquisition profits brought forward	562,177,531	243,670,207
	<b>3,047,520,951</b>	<b>2,729,013,627</b>
Share of profit for the period / year	134,506,031	534,269,736
Dividend received	(218,340,469)	(174,671,396)
Adjustment based on last year audited financial statements		
- Statement of profit and loss	35,410,992	(41,091,016)
	<b>2,999,097,505</b>	<b>3,047,520,951</b>
<b>8. Stock-in-Trade</b>		
Raw materials including in-transit inventory valuing Rs. 1,069.231 million (June 30, 2020: Rs. 1,188.050 million)	6,093,003,788	5,680,317,258
Work-in-process	244,572,711	180,673,772
Finished goods	990,202,638	1,198,225,904
	<b>7,327,779,137</b>	<b>7,059,216,934</b>

**9. Trade debts**

This includes Rs. 594.389 million (June 30, 2020: Nil) receivable from Associated Companies. No loss allowance for trade debts has been recognized since there are no lifetime expected credit losses (ECL).

**10. Loans and Advances**

Period-end balance includes advances made to suppliers & contractors aggregating Rs. 157.819 million (June 30, 2020: 97.553 million).

**11. Short Term Investments - Quoted**  
(at fair value through profit and loss)

**Equity Instruments**

Pakistan Telecommunication Company Limited (PTCL)  
27,921,000 (June 30, 2020: Nil) shares of Rs. 11.53 each

322,017,084

-

Allied Bank Limited (ABL)

25,000 (June 30, 2020: Nil) shares of Rs. 84.29 each

2,107,300

-

JS Bank Limited (JSBL)

7,150,000 (June 30, 2020: Nil) shares of Rs. 7.20 each

51,470,876

-

K-Electric Limited (KEL)

33,095,500 (June 30, 2020: Nil) shares of Rs. 4.04 each

133,722,398

-

The Bank of Punjab (BOP)

2,000,000 (June 30, 2020: Nil) shares of Rs. 9.95

19,890,960

-

Lalpir Power Limited (LPL)

630,500 (June 30, 2020: 20,715,500) shares of Rs. 13.54 each

8,537,002

269,113,425

Arif Habib Corporation Limited (AHCL)

7,086,385 (June 30, 2020: 9,586,385) shares of Rs. 30.00 each

212,591,550

236,879,573

750,337,170

505,992,998

Adjustment on re-measurement to fair value

(8,382,686)

23,348,437

741,954,484

529,341,435

**Debt Instrument**

Habib Bank Limited - TFC's

166,000,000

200,000,000

Adjustment on re-measurement to fair value

(6,800,000)

(4,000,000)

159,200,000

196,000,000

**901,154,484**

**725,341,435**

**11.1** None of the shares are pledged with any commercial bank as security against finance facilities (June 30, 2020: Nil).

Note	Un-audited December 31, 2020	Audited June 30, 2020
	Rupees	Rupees
<b>12. Long Term Financing - Secured</b>		
<i>From Banking Companies</i>		
Habib Bank Limited (HBL)	1,528,085,653	1,492,057,668
MCB Bank Limited (MCB)	357,474,733	357,474,733
Meezan Bank Limited (MBL)	228,299,664	221,415,313
United Bank Limited (UBL)	376,632,746	382,882,745
Allied Bank Limited (ABL)	578,479,880	581,670,032
Bank Al Habib Limited (BAH)	514,960,001	510,000,000
National Bank of Pakistan (NBP)	1,965,162,656	1,962,263,474
Bank Alfalah Limited (BAF)	569,826,078	155,353,357
	<u>6,118,921,411</u>	<u>5,663,117,322</u>
Deferred income - Government Grant	33,829,311	14,940,418
	<u>6,152,750,722</u>	<u>5,678,057,740</u>
<i>Less: current portion grouped under current liabilities:</i>		
- HBL	161,113,651	41,828,682
- MCB	45,553,042	20,553,400
- MBL	40,236,064	10,061,202
- UBL	65,635,011	30,114,371
- ABL	72,841,674	35,357,449
- BAH	33,091,968	-
- BAF	260,818,084	35,444,739
Deferred Income - Government Grant	19,687,942	7,128,703
	<u>698,977,436</u>	<u>180,488,546</u>
	<b><u>5,453,773,286</u></b>	<b><u>5,497,569,194</u></b>
<b>13. Lease Liability</b>		
Present value of minimum lease payments	3,648,479	-
Less: Current portion shown under current liabilities 17	(667,046)	-
	<b><u>2,981,433</u></b>	<b><u>-</u></b>

**13.1** The Company has entered into finance lease agreement with Bank Al-Habib Limited to acquire vehicles up to a total limit of Rs. 50 million. These are secured against title of the leased assets. The minimum lease payments have been discounted at implicit rate of 6 months KIBOR + 1% per annum. Rentals are payable in equal monthly installments.

- 13.2 The amount of future minimum lease payments along with their present value and the period during which they will fall due are:

	<i>Minimum lease payments</i>		<i>Present value of minimum lease payments</i>	
	<i>Dec 31, 2020</i>	<i>Jun 30, 2020</i>	<i>Dec 31, 2020</i>	<i>Jun 30, 2020</i>
	<i>----- Rupees -----</i>		<i>----- Rupees -----</i>	
Not later than one year	969,683	-	667,046	-
Later than one year and not later than five years	3,505,776	-	2,981,433	-
	4,475,459	-	3,648,479	-
Less: Future finance cost	(826,980)	-	-	-
Present value of minimum lease payments	<b>3,648,479</b>	<b>-</b>	<b>3,648,479</b>	<b>-</b>

#### 14. *Deferred Liabilities*

These represent deferred taxation amounting to Rs.100.866 million (June 30, 2020: Rs.104.498 million) and long term portion of GIDC amounting to Rs. 73.665 million (June 30, 2020: Nil).

During the period, the Supreme Court of Pakistan has upheld the Gas Infrastructure Development Cess Act, 2015 to be constitutional. As per Supreme Court's Order on review petition, the Government has agreed to recover the GIDC in 48 equal monthly installments. The Company has followed the relevant accounting standards and ICAP guidelines in these condensed interim financial statements.

	<i>Note</i>	<i>Un-audited</i>	<i>Audited</i>
		<i>December 31,</i>	<i>June 30,</i>
		<i>2020</i>	<i>2020</i>
		<i>Rupees</i>	<i>Rupees</i>
15. <i>Trade and Other Payables</i>			
Creditors		289,389,611	302,669,979
Bills payable - secured		649,680,625	776,283,469
Due to an associated undertaking		-	7,840,983
Accrued expenses		542,300,139	603,921,226
Contract liabilities - advances from customers		40,456,080	38,136,755
Tax deducted at source		17,299,456	19,794,291
Workers' profit participation fund		9,877,346	-
Current portion of provision for GIDC		30,479,990	-
Others		12,432,447	12,337,722
		<b>1,591,915,694</b>	<b>1,760,984,425</b>

#### 16. *Short Term Borrowings*

Short term finance facilities available from various commercial banks under mark-up arrangements aggregate Rs. 19,190 million (June 30, 2020: Rs. 15,390 million) including facilities aggregating Rs. 300 million (June 30, 2020: Rs. 300 million) available on Group basis. These finance facilities, during the year, carried mark-up at the rates ranging from 7.66% to 8.44% (June 30, 2020: 9.08% to 15.56%) per annum. The aggregate finance facilities are secured against charge over the Company's current assets, lien over export bills and banks' lien over letters of credit. These facilities are expiring on various dates by November 30, 2021.

Facilities available for opening letters of credit and guarantee from various commercial banks aggregate Rs.14,779 million (June 30, 2020: Rs. 12,929 million) including facilities aggregating Rs. 3,250 million (June 30, 2020: Rs. 2,450 million) available on Group basis. Out of the available

facilities, facilities aggregating Rs. 10,597 million (June 30, 2020: Rs. 10,767 million) remained unutilized at the year-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 November 30, 2021.

	<i>Note</i>	<i>Un-audited December 31, 2020</i>	<i>Audited June 30, 2020</i>
		<i>Rupees</i>	<i>Rupees</i>
<b>17. Current Maturity of Long Term Liabilities</b>			
Current portion of long term financing	12	698,977,436	180,488,546
Current portion of lease liability	13	667,046	-
		<b>699,644,482</b>	<b>180,488,546</b>

### 18. Contingencies and Commitments

**18.1** 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, 2020.

**18.2** Guarantees given by various commercial banks, in respect of financial and operational obligations of the Company, to various institutions and corporate bodies aggregated Rs. 759.114 million as at December 31, 2020 (June 30, 2020: Rs. 783.858 million).

**18.3** Foreign and local bills discounted outstanding as at December 31, 2020 aggregated Rs. 2,739.150 million (June 30, 2020: Rs. 260.727 million) and Rs. 433.752 million (June 30, 2020: Rs. 168.462 million) respectively.

**18.4** Commitments for irrevocable letters of credit:

- capital expenditure
- others

	<i>Un-audited December 31, 2020</i>	<i>Audited June 30, 2020</i>
	<i>Rupees</i>	<i>Rupees</i>
	294,360,538	3,939,000
	3,128,208,462	1,374,141,000
	<b>3,422,569,000</b>	<b>1,378,080,000</b>

### 19. Sales - net

#### Local

- yarn
- cloth
- waste
- doubling / sizing income
- cotton

#### Export

- yarn
- cloth
- waste

Sales tax

	<i>Un-audited Half-year ended</i>	
	<i>December 31, 2020</i>	<i>December 31, 2019</i>
	<i>Rupees</i>	<i>Rupees</i>
	1,144,692,261	1,523,041,116
	1,481,752,374	1,016,633,516
	400,080,534	393,927,909
	4,491,359	8,844,142
	992,040,309	932,389,503
	4,023,056,837	3,874,836,186
	7,703,992,458	7,902,279,725
	2,775,653,359	3,100,053,912
	35,089,727	108,430,866
	10,514,735,544	11,110,764,503
	14,537,792,381	14,985,600,689
	(1,395,150,067)	(1,341,041,555)
	<b>13,142,642,314</b>	<b>13,644,559,134</b>

		<i>Un-audited</i>	
		<i>Half-year ended</i>	
		<i>December 31,</i>	<i>December 31,</i>
		<i>2020</i>	<i>2019</i>
		<i>Rupees</i>	<i>Rupees</i>
<b>20.</b>	<b><i>Other Income</i></b>		
	<b><i>Income from financial assets</i></b>		
	Realized gain on sale of short term investments at fair value through profit or loss	48,126,618	65,302,540
	Unrealized gain on re-measurement of short term investments at fair value through profit or loss	-	133,623,636
	Dividend on short term investments	46,866,223	-
	Markup income on Term Finance Certificates	5,640,976	11,540,521
	Exchange fluctuation gain - net	-	3,869,046
	Government grant	10,874,763	-
	<b><i>Income from non-financial assets</i></b>		
	Gain on disposal of operating fixed assets - net	1,485,643	484,765
	Duty drawback on export sale	-	19,198,498
		<b>112,994,223</b>	<b>234,019,006</b>
<b>21.</b>	<b><i>Finance Cost</i></b>		
	Markup on:		
	- long term financing	178,930,021	130,126,248
	- short term borrowings	383,641,653	576,142,336
	Bank charges, commission and GIDC	38,206,747	109,396,844
		<b>600,778,421</b>	<b>815,665,428</b>

**22. *Segment Information***

Based on internal management reporting structure and products being produced and sold, the Company has been organized into two operating segments i.e. spinning and weaving.

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

***Segment Analysis***

	<i>Spinning</i>	<i>Weaving</i>	<i>Total</i>
	<i>----- Rupees -----</i>		
<b><i>Half-year ended December 31, 2020 (un-audited)</i></b>			
Revenue	9,400,865,915	3,741,776,399	13,142,642,314
Segment results	411,459,515	311,744,213	723,203,728
<b><i>Half-year ended December 31, 2019 (un-audited)</i></b>			
Revenue	9,963,746,429	3,680,812,705	13,644,559,134
Segment results	468,037,913	109,179,315	577,217,228

**Reconciliation of segment results with profit before taxation:**

	<i>Un-audited</i>	
	<i>Half-year ended</i>	
	<i>December 31, 2020</i>	<i>December 31, 2019</i>
	<i>Rupees</i>	<i>Rupees</i>
Total results for reportable segments	723,203,728	577,217,228
Other expenses	(37,912,751)	(5,082,968)
Other income	112,994,223	234,019,006
Finance cost	(600,778,421)	(815,665,428)
Profit from Associates	189,376,158	291,968,598
Profit before taxation	<b>386,882,937</b>	<b>282,456,436</b>

**Information on assets and liabilities by segment is as follows:**

	<i>Spinning</i>	<i>Weaving</i>	<i>Total</i>
	<i>----- Rupees -----</i>		
<b>As at December 31, 2020 (un-audited)</b>			
Segment assets	14,184,826,188	5,671,561,080	19,856,387,268
Segment liabilities	15,265,671,128	1,106,128,094	16,371,799,222
<b>As at June 30, 2020 (audited)</b>			
Segment assets	15,072,090,890	4,811,885,493	19,883,976,383
Segment liabilities	15,284,470,652	1,211,850,805	16,496,321,457

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

	<i>As at Dec 31, 2020 (un-audited)</i>		<i>As at Jun 30, 2020 (audited)</i>	
	<i>Assets</i>	<i>Liabilities</i>	<i>Assets</i>	<i>Liabilities</i>
	<i>----- Rupees -----</i>			
Total for reportable segments	19,856,387,268	16,371,799,222	19,883,976,383	16,496,321,457
Unallocated assets / liabilities	5,671,352,594	334,989,115	5,563,942,108	368,936,356
Total as per statement of financial position	<b>25,527,739,862</b>	<b>16,706,788,337</b>	<b>25,447,918,491</b>	<b>16,865,257,813</b>

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

**Geographical Segments**

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



## 23. Transactions with Related Parties

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

Relationship	Nature of transactions	Un-audited Half-year ended	
		December 31, 2020	December 31, 2019
		Rupees	Rupees
Associated Companies	- sale of goods	729,412,489	916,042,882
	- purchase of goods	722,388,185	714,282,975
	- doubling charges	601,815	4,227,818
	- doubling revenue	3,643,393	4,156,677
	- sale of plots	-	71,433,856
Key management personnel	- remuneration and other benefits	22,006,313	25,335,792
		Un-audited December 31, 2020	Audited June 30, 2020
		Rupees	Rupees

### 23.2 Period / year-end balances

Trade and other payable	-	7,840,983
Trade debts	594,389,563	-

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

## 24. 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, 2020 (Un-audited)			June 30, 2020 (Audited)		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	----- Rupees -----					
Property, plant and equipment	-	3,520,769,809	-	-	3,620,728,721	-
Short term investments	901,154,484	-	-	725,341,435	-	-

## 25. *Restatement Of Prior Period Financial Statements*

As at June 30, 2020 the Company has corrected a prior period error and accounted for deferred taxation on investment in associate (Orient Power Company (Private) Limited) in accordance with the requirements of IAS - 12 Income taxes. The adjustment has been made retrospectively and comparative figures have been restated in accordance with IAS - 8 Accounting Policies, Changes in Accounting Estimates and Errors.

The effect of restatement on condensed interim Statement of profit or loss for the period ended December 31, 2019 is as follows:

	<i>Effect of restatement</i>		
	<i>Balance as reported earlier</i>	<i>Deferred taxation</i>	<i>Restated balance</i>
	-----Rupees-----		
<i>Effect of Restatement</i>			
<i>Condensed Interim Statement of profit or loss</i>			
Taxation - net	61,898,682	85,528,026	147,426,708
Earnings per share	11.76	(4.56)	7.20

## 26. *Date of Authorization for Issue*

These condensed interim financial statements were approved and authorized for issue by the Board of Directors of the Company on February 26, 2021.

## 27. *Corresponding Figures*

- 27.1 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 profit or loss, 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.
- 27.2 Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purposes of comparison. During the period deferred taxation has been reclassified under deferred liabilities for better presentation. Except for this change and change as disclosed in note 25, no significant re-classifications / re-statements have been made to these condensed interim financial statements.

sd/-  
Kh. Muhammad Ilyas  
Chairman

sd/-  
Kh. Muhammad Iqbal  
Chief Executive Officer

sd/-  
Kh. Muhammad Younus  
Director

sd/-  
Muhammad Amin Pal  
Chief financial Officer





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