



MAHMOOD TEXTILE MILLS LIMITED

HALF YEARLY FINANCIAL STATEMENTS

DECEMBER 31, 2021

(Un-audited)

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

Corporate Information



Board of Directors:

Khawaja Muhammad Ilyas	Chairman
Khawaja Muhammad Iqbal	Chief Executive Officer
Khawaja Muhammad Younus	Director
Mrs. Farah Ilyas	Director
Khawaja Muhammad Muzaffar Iqbal	Director
Khawaja Muhammad Anees	Director
Abdul Rehman Qureshi	Independent Director
Muhammad Asghar	Independent Director

Chief Financial Officer

Yasir Ghaffar
FCA

Company Secretary

Liaqat Ali Dolla

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

Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Al-Habib Limited
Bank Islami Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan Limited
Soneri Bank Limited
The Bank of Punjab
United 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
www.mahmoodtextile.com

Regional Office

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

Directors' Review

The Directors of the Company are pleased to submit financial statements of the Company for the Half-year ending December 31, 2021 duly reviewed by External Auditors, who have issued a review report annexed to the financial statements.

الحمد لله By the grace of ALMIGHTY ALLAH we are pleased to announce that the company earned a net profit of Rs. 1.825 billion as compared to Rs. 239.031 million.

Key performance numbers are presented below;

	Half Year Ended December 31, 2021 (Rupees in Million)	Half Year Ended December 31, 2020 (Rupees in Million)
Export Sales	15,096	10,515
Local Sales	3,564	2,628
Total Sales	18,660	13,142
Gross Profit	3,540	1,377
Profit before Tax	2,118	386
Profit after Tax	1,825	239
Earnings per share (EPS) Rs.	97.35	12.75

Profit has shown an increase of Rs. 1,586 million which is the cumulative result of the following key measures;

- Effective capacity utilization
- Higher sales
- Effective cost curtailment

Textile exporters again proved that if given a level playing field, they can compete the best in the world. We are not short on innovation and taking bold decisions. The sky is the limit for our textile exports to grow and contribute substantially not only to foreign exchange earnings but also to overall sustainable economic growth.

Balancing and modernization activities in the division continue to drive further improvement in quality and the Company is planning capacity expansions at its Spinning sites. The company has set a target of achieving Economy Of Scales (EOS) in each of its spinning units by making approx. 35,000 spindles in each of its units, two units have already achieved this milestone and within a year remaining three units will achieve their targets as well. Moreover, in weaving unit 32 looms are being planned to increase making a total of 228 looms which, will make the weaving unit also feasible.

We have launched a state of an art Apparel Unit with the latest automated systems and all need-of-hour upgrades which is having a production capacity of 10,000 units/day. All major requirements have already been installed such as Infrastructure, Effluent Treatment Plant (ETP), Boiler, Power capacity, sustainability infrastructure, and utilities for expanding our capacity which is targeted at up to 35,000-50,000 units/day. It will be a Platinum LEED Certified facility operating to increase overall output and use leading technologically advanced equipment. All operational and business strategies are aligned with industry 4.0 guidelines. In the same facility, we have installed

- ETP Plant and Ro Setup with a target of zero discharge
- Jacket water heat recovery system
- Waste heat recovery boilers

The current conditions for the textile industry are favorable, however, an unprecedented hike in input prices at the international level and continuous fluctuation in the exchange rate has significantly increased the working capital requirements of the industry. Thus, continuation of ERF/ LTFF/ TUF will definitely boost exports of the country, which is need of the hour.

It can be reasonably expected that the remainder of the current fiscal year will show better results. With the grace of Almighty ALLAH we expect to maintain this growth, provided all is well at international as well as national level.

Adding up all these factors, the directors, management and the employees continue to struggle for healthy growth of the company maximizing their contribution to their respective responsibilities and working hard to meet standards which promise a bright future for the company and the sector.

Acknowledgement

At the end the Directors wish to place on record their sincere appreciation for the Company's employees at all levels for their dedicated efforts and efficiency. They wish to put on record their thanks for the co-operation and support extended by the shareholders, the company's banks, customers and suppliers of the company and hope their wholehearted support will continue in future with the same spirit and zeal.

For and on behalf of the Board

Sd/-
Khawaja Muhammad Iqbal
Chief Executive Officer

Location: Multan
Dated: February 24, 2022

Sd/-
Khawaja Muhammad Younus
Director

- صفر ڈسچارج کے ہدف کے ساتھ ای ٹی پی پلانٹ اور آر او سیٹ اپ
- جیکٹ واٹر ہیٹ ریکوری سسٹم
- فضلہ گرمی کی بحالی بوائیلر

ٹیکسٹائل صنعت کے لئے موجودہ حالات سازگار ہیں تاہم بین الاقوامی سطح پر ان پٹ قیمتوں میں غیر معمولی اضافے اور شرح تبادلہ میں مسلسل اتار چڑھاؤ کی تشخیص سے یقینی طور پر ملک کی برآمدات کو ERF / LTFF / TUF نے صنعت کی ورکنگ کیپیٹل ضروریات میں نمایاں اضافہ کیا ہے۔ اس طرح فروغ ملے گا، جو وقت کی ضرورت ہے۔

یہ معقول طور پر توقع کی جاسکتی ہے کہ رواں مالی سال کے بقیہ حصے میں بہتر نتائج ظاہر ہوں گے۔ اللہ تعالیٰ کے فضل سے ہم اس ترقی کو برقرار رکھنے کی توقع کرتے ہیں بشرطیکہ بین الاقوامی اور قومی سطح پر سب کچھ ٹھیک ہو۔

ان تمام عوامل کو شامل کرتے ہوئے ڈائریکٹرز، مینجمنٹ اور ملازمین کمپنی کی صحت مند ترقی کے لئے جدوجہد جاری رکھے ہوئے ہیں اور اپنی اپنی ذمہ داریوں میں اپنی شراکت کو زیادہ سے زیادہ بڑھا رہے ہیں اور ان معیارات کو پورا کرنے کے لئے سخت محنت کر رہے ہیں جو کمپنی اور شعبے کے روشن مستقبل کا وعدہ کرتے ہیں۔

اعتراف

آخر میں ڈائریکٹرز کمپنی کے ملازمین کی وقفہ کوششوں اور کارکردگی کے لئے ہر سطح پر ان کی مخلصانہ تعریف ریکارڈ پر رکھنا چاہتے ہیں۔ وہ شیئر ہولڈرز، کمپنی کے بینکوں، صارفین اور کمپنی کے سپلائرز کی جانب سے تعاون اور معاونت کے لئے اپنا شکریہ ریکارڈ پر رکھنا چاہتے ہیں اور امید کرتے ہیں کہ مستقبل میں بھی ان کی دل کھول کر حمایت اسی جذبے اور جوش و جذبے کے ساتھ جاری رہے گی۔

بورڈ کے لئے اور اس کی طرف سے

خواجہ محمد اقبال
چیف ایگزیکٹو آفیسر

خواجہ محمد یونس
ڈائریکٹر

تاریخ: 24 فروری، 2022ء
ملتان

ڈائریکٹرز کا جائزہ:

کمپنی کے ڈائریکٹر 31 دسمبر 2021 کو ختم ہونے والے نصف سال کے لئے کمپنی کے مالیاتی گوشوارے جمع کراتے ہوئے خوش ہیں جس کا بیرونی آڈیٹر نے جائزہ لیا ہے، جنہوں نے مالیاتی گوشواروں کے ساتھ منسلک ایک جائزہ رپورٹ جاری کی ہے۔

الحمد للہ، اللہ تعالیٰ کے فضل سے ہمیں یہ اعلان کرتے ہوئے خوشی ہو رہی ہے کہ کمپنی نے 239.031 ملین روپے کے مقابلے میں 1.825 ارب روپے کا خالص منافع کمایا۔

کلیدی کارکردگی نمبر ذیل میں پیش کیے گئے ہیں:

31 دسمبر 2021 کو ختم ہونے والے نصف سال (ملین روپے میں)	31 دسمبر 2020 کو ختم ہونے والے نصف سال (ملین روپے میں)	
15,096	10,515	برآمدی فروخت
3,564	2,628	مقامی فروخت
18,660	13,142	کل فروخت
3,540	1,377	مجموعی منافع
2,118	386	ٹیکس سے پہلے منافع
1,825	239	ٹیکس کے بعد منافع
97.35	12.75	فی حصص آمدنی (ای پی ایس)

پروفیٹ نے 1,586 ملین روپے کا اضافہ ظاہر کیا ہے جو مندرجہ ذیل اہم اقدامات کا مجموعی نتیجہ ہے۔

- موثر صلاحیت کا استعمال
- زیادہ فروخت
- لاگت میں موثر کمی

ٹیکسٹائل برآمد کنندگان نے بار بار ثابت کیا ہے کہ اگر برابری کا میدان دیا جائے تو وہ دنیا میں بہترین مقابلہ کر سکتے ہیں۔ ہم اختراع اور جرات مندانہ فیصلے لینے میں کم نہیں ہیں۔ آسمان ہماری ٹیکسٹائل برآمدات کے بڑھنے اور نہ صرف زر مبادلہ کی آمدنی بلکہ مجموعی پائیدار معاشی ترقی میں خاطر خواہ حصہ ڈالنے کی حد ہے۔

ڈویژن میں توازن اور جدید کاری کی سرگرمیاں معیار میں مزید بہتری لارہی ہیں اور کمپنی اپنی اسپننگ سائنس پر صلاحیت میں توسیع کی منصوبہ بندی کر رہی ہے۔ نئی کمپنی نے تقریباً بنا کر اپنے ہر اسپننگ یونٹ میں ایکونومی آف سکیلز (ای او ایس) کے حصول کا ہدف مقرر کیا ہے۔ اس کی ہر اکائی میں 35,000 اسپنڈل، دو یونٹ پہلے ہی یہ سنگ میل حاصل کر چکے ہیں اور ایک سال کے اندر باقی تین یونٹس بھی اپنے اہداف حاصل کر لیں گے۔ مزید برآں، ویونگ یونٹ میں ۳۲ لومز کو بڑھانے کی منصوبہ بندی کی جارہی ہے جس سے مجموعی طور پر ۲۲۸ لومز بن جائیں گے جس سے ویونگ یونٹ بھی ممکن ہو سکے گا۔

ہم نے جدید ترین خود کار نظام اور تمام ضرورت کے مطابق اپ گریڈز کے ساتھ ایک جدید ترین بلوسات یونٹ کا آغاز کیا ہے جس کی پیداواری صلاحیت 10,000 یونٹس / دن ہے۔ ہماری صلاحیت کو بڑھانے کے لئے انفراسٹرکچر، ایفلونٹ ٹریٹمنٹ پلانٹ (ای ٹی پی)، بوائلر، بجلی کی صلاحیت، پائیداری کے بنیادی ڈھانچے اور افادیت جیسی تمام بڑی ضروریات پہلے ہی نصب کی جا چکی ہیں جن کا ہدف 35,000 - 50,000 یونٹس فی دن تک ہے۔ یہ ایک پلانٹ میں ای ای ڈی سرٹیفائیڈ سہولت ہوگی جو مجموعی پیداواری بڑھانے اور تکنیکی طور پر جدید آلات کے استعمال کے لئے کام کرے گی۔ تمام آپریشنل اور کاروباری حکمت عملی صنعت ۴.۰ ہنما خطوط کے ساتھ ہم آہنگ ہیں۔ اسی سہولت میں، ہم نے نصب کیا ہے

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, 2021 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 accounting and reporting 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, 2021 and 2020 have not been reviewed, as we are required to review only the cumulative figures for the half-year ended December 31, 2021.

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 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 Talat Javed.

SHINEWING HAMEED CHAUDHRI & CO.
CHARTERED ACCOUNTANTS
MULTAN

Date: February 24, 2022

Unique Document identification Number (UDIN): RR20211016240rIjwLZY

Condensed Interim Statement of Financial Position (Un-audited)

As at December 31, 2021

		<i>Un-audited December 31, 2021 Rupees</i>	<i>Audited June 30, 2021 Rupees</i>
Assets			
Non-current Assets	Note		
Property, plant and equipment	6	11,903,559,656	9,697,357,253
Long term investments	7	4,959,831,899	4,610,296,183
Long term deposits		25,052,711	25,015,991
		<u>16,888,444,266</u>	<u>14,332,669,427</u>
Current Assets			
Stores, spares and loose tools		462,845,409	424,157,383
Stock-in-trade	8	10,147,560,893	7,819,940,634
Trade debts	9	3,997,102,130	2,649,519,841
Loans and advances	10	468,339,787	266,004,529
Other receivables		418,924,363	299,368,361
Short term investments	11	678,299,772	310,890,723
Tax refunds due from the Government		690,664,915	624,605,970
Cash and bank balances		28,474,032	97,604,558
		<u>16,892,211,301</u>	<u>12,492,091,999</u>
Total Assets		<u>33,780,655,567</u>	<u>26,824,761,426</u>
Equity and Liabilities			
Equity			
Capital and Reserves			
Authorized share capital			
30,000,000 (June 30, 2021: 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		187,500,000	187,500,000
Capital reserves:			
Capital reserve		7,120,600	7,120,600
Surplus on revaluation of property, plant and equipment		2,591,642,460	2,653,328,652
Fair value gain on long term investment		15,650,000	15,650,000
Revenue reserve - Unappropriated profit		<u>8,773,827,651</u>	<u>7,074,367,128</u>
		<u>11,575,740,711</u>	<u>9,937,966,380</u>
Liabilities			
Non-current Liabilities			
Long term financing	12	7,089,923,418	5,833,994,499
Lease liability	13	21,058,035	12,686,893
Deferred liabilities	14	474,918,813	387,834,550
Current Liabilities			
Trade and other payables	15	3,734,853,705	1,771,221,349
Unclaimed dividends		3,052,387	2,385,830
Accrued mark-up		303,524,873	274,851,819
Short term borrowings	16	9,199,819,597	7,300,515,179
Current maturity of long term liabilities	17	1,177,764,028	983,304,927
Taxation		200,000,000	320,000,000
		<u>14,619,014,590</u>	<u>10,652,279,104</u>
Total Liabilities		<u>22,204,914,856</u>	<u>16,886,795,046</u>
Total Equity and Liabilities		<u>33,780,655,567</u>	<u>26,824,761,426</u>
Contingencies and Commitments	18		

The annexed notes from 1 to 26 form an integral part of these condensed interim financial statements.

Kh. Muhammad Ilyas
Chairman

Kh. Muhammad Iqbal
Chief Executive Officer

Kh. Muhammad Younus
Director

Yasir Ghaffar
Chief Financial Officer

Condensed Interim Statement Of Profit Or Loss (Un-audited)

For the quarter and half-year ended December 31, 2021

	Note	Quarter ended		Half year ended	
		Oct. - Dec., 2021	Oct. - Dec., 2020	July - Dec., 2021	July - Dec., 2020
		----- Rupees -----			
Sales - net	19	10,052,203,383	6,693,404,837	18,660,480,590	13,142,642,314
Cost of Sales		(8,164,542,734)	(5,729,348,985)	(15,120,613,601)	(11,765,363,535)
Gross Profit		1,887,660,649	964,055,852	3,539,866,984	1,377,278,779
Distribution Cost		(300,446,492)	(230,968,656)	(530,855,385)	(375,573,485)
Administrative Expenses		(245,000,135)	(138,893,236)	(434,727,575)	(278,501,566)
Other Expenses		(108,641,974)	(37,912,751)	(185,442,867)	(37,912,751)
Other Income	20	62,285,939	(124,324,241)	71,220,061	112,994,223
		(591, 802,665)	(532,098,884)	(1,079,805,766)	(578,993,579)
Profit from Operations		1,295,857,984	431,956,968	2,460,061,218	798,285,200
Finance Cost	21	(373,573,785)	(325,494,244)	(694,677,781)	(600,778,421)
Share of profit of associates		158,264,538	189,376,158	353,535,716	189,376,158
Profit before Taxation		1,080,548,737	295,838,882	2,118,919,153	386,882,937
Taxation		(203,644,822)	(87,851,652)	(293,644,822)	(147,851,652)
Profit after Taxation		876,903,915	207,987,230	1,825,274,331	239,031,285
Earnings Per Share		46.77	11.09	97.35	12.75

The annexed notes from 1 to 26 form an integral part of these condensed interim financial statements.

Kh. Muhammad Ilyas
Chairman

Kh. Muhammad Iqbal
Chief Executive Officer

Kh. Muhammad Younus
Director

Yasir Ghaffar
Chief Financial Officer

Condensed Interim Statement of Other Comprehensive Income (Un-audited)

For the quarter and half-year ended December 31, 2021

	<i>Quarter ended</i>		<i>Half year ended</i>	
	<i>Oct. - Dec., 2021</i>	<i>Oct. - Dec., 2020</i>	<i>July - Dec., 2021</i>	<i>July - Dec., 2020</i>
	Rupees			
<i>Profit after Taxation</i>	876,903,915	207,987,230	1,825,274,331	239,031,285
<i>Other Comprehensive Income for the period</i>				
<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)	-	(740,438)
<i>Total Comprehensive Income for the period</i>	876,903,915	207,246,792	1,825,274,331	238,290,847

The annexed notes from 1 to 26 form an integral part of these condensed interim financial statements.

Kh. Muhammad Ilyas
Chairman

Kh. Muhammad Iqbal
Chief Executive Officer

Kh. Muhammad Younus
Director

Yasir Ghaffar
Chief Financial Officer

Condensed Interim Statement of Cash Flows (Un-audited)

For the half-year ended December 31, 2021

	<i>Half-year ended</i>	
	<i>December 31, 2021 Rupees</i>	<i>December 31, 2020 Rupees</i>
<i>Cash flow from operating activities</i>		
Profit for the period before taxation	2,118,919,153	386,882,937
Adjustments for non-cash charges and other items:		
Depreciation	388,774,384	361,375,588
Gain on disposal of operating fixed assets - net	(2,812,795)	(1,485,643)
Loss on re-measurement of short term investments	36,911,848	15,182,686
Gain on sale of short term investments	(14,086,354)	(48,126,618)
Dividend on short term investments	(13,930,492)	(46,866,223)
Markup income on Term Finance Certificates	(7,849,249)	(5,640,976)
Share of profit of associates	(353,535,716)	(189,376,158)
Government grant income	(10,932,285)	(10,874,763)
Provision for GIDC	-	104,144,893
Finance cost	694,677,781	600,778,421
<i>Profit before working capital changes</i>	2,836,136,275	1,165,994,144
<i>Effect on cash flow due to working capital changes</i>		
<i>(Increase) / decrease in current assets</i>		
Stores, spares and loose tools	(38,688,026)	(71,695,045)
Stock-in-trade	(2,327,620,259)	(268,562,203)
Trade debts	(1,347,582,289)	518,541,832
Loans and advances	(202,335,258)	(758,712,742)
Prepayments and other receivables	(119,556,002)	433,998,522
Sales tax refundable	(242,199,401)	9,016,183
<i>Increase / (decrease) in current liabilities</i>		
Trade and other payables	1,949,815,006	(199,548,721)
	(2,328,166,229)	(336,962,174)
<i>Cash generated from operations</i>	507,970,046	829,031,970
Income tax paid	(136,602,753)	(200,061,075)
<i>Net cash generated from operating activities</i>	371,367,293	628,970,895
<i>Cash flow from investing activities</i>		
Purchase of property, plant and equipment	(2,623,121,992)	(211,119,195)
Sale proceeds / insurance claims of operating fixed assets	30,958,000	25,250,001
Long term deposits	(36,720)	-
Short term investments - net	(390,234,543)	(142,869,117)
Markup income received on Term Finance Certificates	7,849,249	5,640,976
Dividend received	17,930,492	265,206,692
<i>Net cash used in investing activities</i>	(2,956,655,514)	(57,890,643)
<i>Cash flow from financing activities</i>		
Long term financing - net	1,447,572,188	485,567,745
Short term borrowings - net	1,899,304,418	(386,523,188)
Lease liability	11,186,974	3,648,479
Dividend paid	(186,833,443)	-
Finance cost paid	(655,072,442)	(645,030,623)
<i>Net cash generated from / (used in) financing activities</i>	2,516,157,695	(542,337,587)
<i>Net (decrease) / increase in cash and cash equivalents</i>	(69,130,526)	28,742,665
<i>Cash and cash equivalents - at beginning of the period</i>	97,604,558	45,045,826
<i>Cash and cash equivalents - at end of the period</i>	28,474,032	73,788,491

The annexed notes from 1 to 26 form an integral part of these condensed interim financial statements.

Kh. Muhammad Ilyas
Chairman

Kh. Muhammad Iqbal
Chief Executive Officer

Kh. Muhammad Younus
Director

Yasir Ghaffar
Chief Financial Officer

Condensed Interim Statement of Changes in Equity (Un-audited)

For The Half-year Ended December 31, 2021

	Share Capital	Capital reserves			Revenue reserve		Total
		Capital Reserve	Surplus on revaluation of property, plant and equipment	Fair value gain on long term investment	Unappropriated Profit		
Rupees							
Balance as at June 30, 2021 (Audited)	187,500,000	7,120,600	2,653,328,652	15,650,000	7,074,367,128	9,937,966,380	
Transactions with owners:							
Annual dividend for the year ended June 30, 2021	-	-	-	-	(187,500,000)	(187,500,000)	
Total comprehensive income for the period							
Profit for the period	-	-	-	-	1,825,274,331	1,825,274,331	
Other comprehensive income for the period	-	-	-	-	-	-	
Transfer from revaluation surplus on property, plant and equipment on account of incremental depreciation	-	-	(61,686,192)	-	61,686,192	-	
Balance as at December 31, 2021 (Un-audited)	187,500,000	7,120,600	2,591,642,460	15,650,000	8,773,827,651	11,575,740,711	
Balance as at June 30, 2020 (Audited)	187,500,000	7,120,600	2,791,356,716	-	5,596,683,362	8,582,660,678	
Total comprehensive income for the period							
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	
Balance as at December 31, 2020 (Un-audited)	187,500,000	7,120,600	2,722,076,064	-	68,540,214	8,820,951,525	

The annexed notes from 1 to 26 form an integral part of these condensed interim financial statements.

Kh. Muhammad Ilyas
Chairman

Kh. Muhammad Iqbal
Chief Executive Officer

Kh. Muhammad Younus
Director

Yasir Ghaffar
Chief Financial Officer

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

For The Half-year Ended December 31, 2021

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

Where the provision of and directives issued 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, 2021.

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, 2021 and 2020 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, 2021.

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.

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, 2021.

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, 2021*

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, 2021. 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.

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

For The Half-year Ended December 31, 2021

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, 2021.
- 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, 2021.

	Note	Un-audited December 31, 2021 Rupees	Audited June 30, 2021 Rupees
6. Property, Plant and Equipment			
Operating fixed assets	6.1	9,021,660,998	8,139,587,130
Capital work-in-progress		2,881,848,658	1,557,770,123
		11,903,559,656	9,697,357,253
6.1 Operating fixed assets			
Book value at the beginning of the period / year		8,139,587,130	8,455,199,841
Additions during the period / year:			
- right of use assets (vehicles)		9,994,070	14,933,763
- land		2,464,820	-
- buildings on freehold land		3,483,873	2,724,164
- buildings on leasehold land		129,520,082	24,506,589
- plant and machinery		721,693,854	71,238,677
- furniture and fittings		23,570,738	8,555,912
- vehicles		121,143,526	127,923,098
- office equipments		1,063,674	-
- electric installations		252,364,730	196,542,229
- gas installations		20,120	-
- tools and equipment		204,346	-
- computers and accessories		33,469,624	8,050,408
		1,298,993,457	454,474,840
Book value of operating fixed assets sold / write-off		(28,145,205)	(37,013,569)
Depreciation charge for the period / year		(388,774,384)	(733,073,982)
Book value at the end of period / year		9,021,660,998	8,139,587,130
6.2 Operating fixed assets include right of use assets having cost amounting to Rs. 24.928 million (June 30, 2021: Rs. 14.934 million) and accumulated depreciation amounting to Rs. 3.136 million (June 30, 2021: Rs. 1.640 million).			

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

For The Half-year Ended December 31, 2021

	Note	Un-audited December 31, 2021 Rupees	Audited June 30, 2021 Rupees
7. Long Term Investments			
<i>Associated Companies at equity method - Un-quoted</i>			
Masood Spinning Mills Limited	7.1	620,494,259	455,324,862
Orient Power Company (Private) Limited	7.2	3,299,337,640	3,114,971,321
<i>Others at fair value through OCI - Un-quoted</i>			
Roomi Fabrics Limited	7.3	1,040,000,000	1,040,000,000
		4,959,831,899	4,610,296,183
7.1 Masood Spinning Mills Limited			
4,000,000 (June 30, 2021: 4,000,000) ordinary shares of Rs. 10 each - cost		40,000,000	40,000,000
Equity held: 13.32% (June 30, 2021: 13.32%)			
Post acquisition profits brought forward		415,324,862	326,524,475
		455,324,862	366,524,475
Share of profit for the period / year		169,169,397	120,008,358
Dividend received		(4,000,000)	-
Adjustment based on latest audited financial statements:			
- Statement of profit or loss		-	(30,467,533)
- Statement of other comprehensive income		-	(740,438)
		620,494,259	455,324,862
7.2 Orient Power Company (Pvt.) Limited			
87,335,969 (June 30, 2021: 87,335,969) ordinary shares of Rs. 10 each		2,485,343,420	2,485,343,420
Equity held: 20.967% (June 30, 2021: 20.967%)			
Post acquisition profits brought forward		629,627,901	562,177,531
		3,114,971,321	3,047,520,951
Share of profit for the period / year		184,366,319	250,378,078
Dividend received		-	(218,339,245)
Adjustment based on latest audited financial statements:			
- Statement of profit or loss		-	35,411,537
		3,299,337,640	3,114,971,321
7.3 This represents 4,000,000 (June 30, 2021: 4,000,000) un-quoted ordinary shares of Roomi Fabrics Limited measured at fair value through other comprehensive income. The fair value of this investment has been determined as at June 30, 2021 by an independent valuer and designated at level 3 as mentioned in note. 24.			

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

For The Half-year Ended December 31, 2021

	Un-audited December 31, 2021 Rupees	Audited June 30, 2021 Rupees
8. Stock-in-Trade		
Raw materials including in-transit inventory valuing Rs. 1,838.774 million (June 30, 2021: Rs. 737.871 million)	9,060,067,457	6,629,381,592
Work-in-process	250,970,807	215,687,450
Finished goods	836,522,629	974,871,592
	10,147,560,893	7,819,940,634
9. Trade debts		
This includes Rs. 51.567 million (June 30, 2021: Rs. 399.338 million) 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. 108.377 million (June 30, 2021: Rs. 173.090 million).		
	Un-audited December 31, 2021 Rupees	Audited June 30, 2021 Rupees
11. Short Term Investments - Quoted (at fair value through profit and loss)		
Equity Instruments		
Oil & Gas Development Company Limited (OGDC) 2,940,000 (June 30, 2021: 1,440,000) shares of Rs. 10 each	271,821,641	133,652,387
United Bank Limited (UBL) Nil (June 30, 2021: 116,600) shares of Rs. 10 each	-	14,189,917
TRG Pakistan Limited (TRG) 1,070,000 (June 30, 2021: Nil) shares of Rs. 10 each	139,167,942	-
Engro Corporation Limited (ENGRO) 253,090 (June 30, 2021: Nil) shares of Rs. 10 each	71,827,624	-
Habib Bank Limited (HBL) 600,000 (June 30, 2021: Nil) shares of Rs. 10 each	72,594,413	-
	555,411,620	147,842,304
Adjustment on re-measurement to fair value	(36,911,848)	3,248,419
	518,499,772	151,090,723
Debt Instrument		
Habib Bank Limited - TFC's (June 30, 2021: 1,700)	159,800,000	166,600,000
Adjustment on re-measurement to fair value	-	(6,800,000)
	159,800,000	159,800,000
	678,299,772	310,890,723

11.1 Nil (June 30, 2021: nil) shares are pledged with any commercial bank as a security against finance facilities.

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

For The Half-year Ended December 31, 2021

		Un-audited December 31, 2021 Rupees	Audited June 30, 2021 Rupees
12. Long Term Financing - Secured			
<i>From Banking Companies</i>			
Habib Bank Limited (HBL)		1,592,004,696	1,566,481,061
MCB Bank Limited (MCB)		311,921,461	336,917,368
Meezan Bank Limited (MBL)		213,711,602	243,886,466
United Bank Limited (UBL)		310,997,849	346,940,250
Allied Bank Limited (ABL)		505,638,145	542,059,047
Bank Al Habib Limited (BAH)		975,661,950	510,000,000
National Bank of Pakistan (NBP)		1,970,926,452	1,968,018,766
Bank Alfalah Limited (BAF)		1,432,607,158	1,127,088,575
Soneri Bank Limited (SNBL)		668,000,000	120,000,000
Askari Bank Limited (AKBL)		273,631,992	35,205,300
		<u>8,255,101,305</u>	<u>6,796,596,833</u>
Deferred Income - Government Grant		7,358,300	18,290,584
		<u>8,262,459,605</u>	<u>6,814,887,417</u>
<i>Less: current portion grouped under current liabilities:</i>			
- HBL		238,569,996	241,430,041
- MCB		49,999,283	49,990,794
- MBL		54,438,765	59,760,655
- UBL		53,135,059	65,635,011
- ABL		72,841,666	72,841,666
- BAH		63,750,000	63,750,000
- NBP		333,333,334	166,666,667
- BAF		253,459,784	243,789,891
- SNBL		45,650,000	-
Deferred Income - Government Grant		7,358,300	17,028,193
	17	<u>1,172,536,187</u>	<u>980,892,918</u>
		<u>7,089,923,418</u>	<u>5,833,994,499</u>
13. Lease Liability			
Present value of minimum lease payments		26,285,876	15,098,902
Less: Current portion shown under current liabilities	17	(5,227,841)	(2,412,009)
		<u>21,058,035</u>	<u>12,686,893</u>

13.1 The Company has entered into finance lease agreement with Bank Al-Habib Limited to acquire vehicles upto a total limit of Rs. 50 million. These are secured against title of the leased assets in the name of the bank.

The minimum lease payments have been discounted at implicit rate of 6 months KIBOR + 1% per annum. Lease rentals are payable in equal monthly installments.

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

For The Half-year Ended December 31, 2021

- 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, 2021</i>	<i>Jun 30, 2021</i>	<i>Dec 31, 2021</i>	<i>Jun 30, 2021</i>
	<i>Rupees</i>			
Not later than one year	7,373,599	3,972,298	5,227,841	2,412,009
Later than one year and not later than five years	24,509,350	14,424,877	21,058,035	12,686,893
	31,882,949	18,397,175	26,285,876	15,098,902
Less: Future finance cost	(5,597,073)	(3,298,273)	-	-
Present value of minimum lease payments	26,285,876	15,098,902	26,285,876	15,098,902

14. *Deferred Liabilities*

These represents deferred taxation amounting to Rs. 427.958 million (June 30, 2021: Rs. 327.057 million) and long term portion of provision for GIDC amounting to Rs. 46.961 million (June 30, 2021: Rs. 60.778 million).

15. *Trade and Other Payables*

	<i>Un-audited December 31, 2021 Rupees</i>	<i>Audited June 30, 2021 Rupees</i>
Creditors	589,066,446	399,668,758
Bills payable - secured	1,201,374,919	366,106,818
Due to an associated undertaking	162,182,550	55,534,742
Accrued expenses	1,438,405,427	729,840,322
Contract liabilities - advances from customers	84,681,736	33,051,138
Tax deducted at source	23,064,302	24,977,825
Workers' profit participation fund	94,873,083	76,210,678
Worker welfare fund	66,165,188	28,960,058
Current portion of provision for GIDC	57,184,296	43,959,477
Others	17,855,758	12,911,533
	3,734,853,705	1,771,221,349

16. *Short Term Borrowings*

Short term finance facilities available from various commercial banks under mark-up arrangements aggregate Rs. 16,850 million (June 30, 2021: Rs. 15,650 million) including facilities aggregating Rs. 300 million (June 30, 2021: Rs. 300 million) available on Group basis. These finance facilities, during the year, carried mark-up at the rates ranging from 7.85% to 10.52% (June 30, 2021: 7.66% to 8.54%) 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 December 31, 2022.

Facilities available for opening letters of credit and guarantee from various commercial banks aggregate Rs. 16,990 million (June 30, 2021: Rs. 15,090 million) including facilities aggregating Rs. 3,200 million (June 30, 2021: Rs. 1,600 million) available on Group basis. Out of the available facilities, facilities aggregating Rs. 12,215 million (June 30, 2021: Rs. 10,404 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 December 31, 2022.

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

For The Half-year Ended December 31, 2021

		<i>Un-audited December 31, 2021 Rupees</i>	<i>Audited June 30, 2021 Rupees</i>
17. Current Maturity of Long Term Liabilities			
Long term financing	12	1,172,536,187	980,892,918
Lease liability	13	5,227,841	2,412,009
		1,177,764,028	983,304,927

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, 2021.

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. 839.630 million as at December 31, 2021 (June 30, 2021: Rs. 795.947 million).

18.3 Foreign and local bills discounted outstanding as at December 31, 2021 aggregated Rs. 1,945.242 million (June 30, 2021: Rs. 2,146.383 million) and Rs.587.090 million (June 30, 2021: Rs. 262.466 million) respectively.

18.4 Commitments for irrevocable letters of credit:

- capital expenditure
- others

<i>Un-audited December 31, 2021 Rupees</i>	<i>Audited June 30, 2021 Rupees</i>
1,698,996,659	2,569,967,000
2,236,064,765	1,319,678,000
3,935,061,424	3,889,645,000

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, 2021 Rupees</i>	<i>December 31, 2020 Rupees</i>
3,134,262,120	1,144,692,261
1,938,989,813	1,481,752,374
514,121,435	400,080,534
41,399,032	4,491,359
80,633,453	992,040,309
5,709,405,853	4,023,056,837
10,307,149,189	7,703,992,458
4,585,224,939	2,775,653,359
36,010,344	35,089,727
15,096,075,500	10,514,735,544
20,805,481,353	14,537,792,381
(2,145,000,763)	(1,395,150,067)
18,660,480,590	13,142,642,314

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

For The Half-year Ended December 31, 2021

		<i>Un-audited</i> <i>Half-year ended</i>	
		<i>December 31, 2021</i> <i>Rupees</i>	<i>December 31, 2020</i> <i>Rupees</i>
20. Other Income			
<i>Income from financial assets</i>			
Realized gain on sale of short term investments at fair value through profit or loss		14,086,354	48,126,618
Dividend on short term investments		13,930,492	46,866,223
Markup income on Term Finance Certificates		7,849,249	5,640,976
Exchange fluctuation gain - net		18,582,247	-
Government grant		10,932,285	10,874,763
<i>Income from non-financial assets</i>			
Gain on disposal of operating fixed assets - net		2,812,795	1,485,643
Rebate on export sale		3,026,639	-
		71,220,061	112,994,223
21. Finance Cost			
Markup on:			
- long term financing		244,748,801	178,930,021
- short term borrowings		383,523,002	383,641,653
- lease liability		868,134	-
- WPPF utilized		2,434,711	-
Bank charges, commission and GIDC		63,103,133	38,206,747
		694,677,781	600,778,421

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>	<i>Rupees</i>	<i>Rupees</i>
Half-year ended Dec 31, 2021 (un-audited)			
Revenue	13,270,716,877	5,389,763,713	18,660,480,590
Segment results	2,134,851,844	439,432,180	2,574,284,024
Half-year ended Dec 31, 2020 (un-audited)			
Revenue	9,400,865,915	3,741,776,399	13,142,642,314
Segment results	411,459,515	311,744,213	723,203,728

Reconciliation of segment results with profit before taxation:

		<i>Un-audited</i> <i>Half-year ended</i>	
		<i>December 31, 2021</i> <i>Rupees</i>	<i>December 31, 2020</i> <i>Rupees</i>
Total results for reportable segments		2,574,284,024	723,203,728
Other expenses		(185,442,867)	(37,912,751)
Other income		71,220,061	112,994,223
Finance cost		(694,677,781)	(600,778,421)
Share of profit of associates		353,535,716	189,376,158
Profit before taxation		2,118,919,153	386,882,937

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

For The Half-year Ended December 31, 2021

Information on assets and liabilities by segment is as follows:

	Spinning	Weaving	Total
	Rupees		
As at Dec 31, 2021 (un-audited)			
Segment assets	22,065,433,826	5,165,975,138	27,231,408,964
Segment liabilities	15,998,521,527	5,441,435,917	21,439,957,444
As at Jun 30, 2021 (audited)			
Segment assets	16,628,508,231	4,360,879,776	20,989,388,007
Segment liabilities	10,797,774,611	5,300,184,985	16,097,959,596

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

	As at Dec 31, 2021 (un-audited)		As at Jun 30, 2021 (audited)	
	Assets	Liabilities	Assets	Liabilities
	Rupees			
Total for reportable segments	27,231,408,964	21,439,957,444	20,989,388,007	16,097,959,596
Unallocated assets / liabilities	6,549,246,603	764,957,413	5,835,373,419	788,835,450
Total as per statement of financial position	33,780,655,567	22,204,914,856	26,824,761,426	16,886,795,046

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.

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, 2021 Rupees	December 31, 2020 Rupees
Associated Companies	- sale of goods	201,740,696	729,412,489
	- purchase of goods	502,630,591	722,388,185
	- doubling charges	1,676,095	601,815
	- doubling revenue	5,788,967	3,643,393
	- dividend income	4,000,000	-
Key management personnel	- remuneration and other benefits	29,412,476	22,006,313
		Un-audited December 31, 2021 Rupees	Audited June 30, 2021 Rupees
23.2 Period / year-end balances			
Trade and other payable		162,182,550	55,534,742
Trade debts		51,566,870	399,338,361

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

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

For The Half-year Ended December 31, 2021

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, 2021			June 30, 2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	Rupees					
Property, plant and equipment	-	3,461,943,111	-	-	3,428,875,084	-
Long term investment - FVTOCI			1,040,000,000	-	-	1,040,000,000
Short term investments	678,299,772	-	-	310,890,723	-	-

25. 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 24, 2022.

26. Corresponding Figures

- 26.1** 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, the 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.
- 26.2** Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purposes of comparison. However, during the period no significant re-classifications / re-statements have been made to these condensed interim financial statements.

Kh. Muhammad Ilyas
Chairman

Kh. Muhammad Iqbal
Chief Executive Officer

Kh. Muhammad Younus
Director

Yasir Ghaffar
Chief Financial Officer



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