

HALF YEARLY ACCOUNTS

December 31, 2023



MAHMOOD TEXTILE MILLS



CORPORATE INFORMATION



Board of Directors:

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

Chief Financial Officer

Yasir Ghaffar

Company Secretary

Liaqat Ali Dolla

Auditors

CROWE HUSSAIN CHAUDHURY & CO.
Chartered Accountants
7th Floor, Gul Mohar Trade Center, 8-F Main Market,
Gulerg II Lahore, Punjab 54660, Pakistan

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 Khyber
The Bank of Punjab
Askari Bank Limited
Soneri Bank Limited
ICBC 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

Dear Shareholders,

We are pleased to present the Director's Report of Mahmood Textile Mills Limited for the half year ending 31st December 2023. Despite the challenges faced by the textile industry, we are delighted to report that our company has shown resilience, adaptability, and steady growth throughout the period.

Industry Overview:

The textile sector in Pakistan continues to be a vital contributor to the country's economy, accounting for a significant portion of its exports and providing employment opportunities to millions of people. Despite facing challenges such as fluctuating raw material prices, energy price hikes, and global economic uncertainties, the sector has demonstrated its ability to innovate and remain competitive in the international market.

Financial Review:

During the reporting period, Mahmood Textile Mills Limited has continued its growth trajectory, achieving commendable financial results during these hard times. Here are the key highlights of our financial performance:

	December 31, 2023	December 31, 2022
	(Rupees in Million)	
Net turnover	33,979	23,710
Gross profit	4,908	2,865
Profit from operations	3,594	1,699
Other income	59	142
Finance cost	(3,336)	(1,464)
Profit before taxation	651	409
Profit after taxation	259	110

During the period under review the Company's net turnover increased from Rs.23.71 billion to Rs.33.98 billion. The gross profit as a percentage of sales increased to 14.44% from 12.08% in the corresponding period. The finance cost during the period increased to Rs. 3.336 billion from Rs. 1.464 billion in the corresponding period. The Company's profit after tax increased to Rs. 259 million from Rs. 110 million (i.e. 135% increase from the corresponding period).

Earnings per Share:

The earnings per share for the half year ended December 31, 2023 has increased to Rs. 8.62 as compared to Rs. 3.67 for previous year's corresponding period.

Operational Highlights:

Throughout the year, we focused on enhancing our operational capabilities and optimizing our production processes. Key initiatives included:

Investments in Technology: We continued to invest in state-of-the-art machinery and technology to improve

efficiency, reduce waste, and enhance product quality. These investments have enabled us to stay ahead of the competition and meet the evolving needs of our customers.

Product Diversification: We expanded our product portfolio to cater to a wider range of customer requirements.

Quality Assurance: Maintaining the highest standards of quality remains a top priority for us. We implemented rigorous quality control measures across all stages of the production process to ensure that our products meet or exceed customer expectations.

Sustainability Initiatives: As part of our commitment to sustainability, we implemented various initiatives to reduce our environmental footprint and promote responsible manufacturing practices. These efforts include energy conservation measures, waste recycling programs, and the adoption of eco-friendly materials. We have coalition with Net Zero Pakistan for achieving the ambition of Paris agreement.

MG Apparel is playing a pivotal role in this regard and is actively working on following sustainable development goals:



We are very much pleased that MG Apparel's first Sustainability annual report is also published and can be viewed at <https://mgapparel.com/mg-apparel-sustainability-report/>

Future Prospects:

The domestic environment, marked by political uncertainty, high financial costs, and escalating energy prices, poses significant challenges to the manufacturing industry. Urgent measures are imperative, including a substantial reduction in mark-up rates to revitalize the textile sector. Simultaneously, we are actively exploring diverse sustainable energy models—solar, biomass, and steam turbines—to effectively address rising energy costs and fortify the manufacturing landscape.

A substantial reduction of local cotton crop which is being substituted with expensive imports, along with delays in transit of imports and substantial impact on shipping costs due to Red sea tension is also making the industry uncompetitive.

Looking ahead, we remain cautiously optimistic about the future prospects of the textile sector in Pakistan. While challenges such as volatile raw material prices and global economic uncertainties may persist, we believe that our company is well-positioned to navigate these challenges and continue on a path of sustainable growth.

We will continue to focus on innovation, operational excellence, sustainability and customer satisfaction to drive our business forward. By staying agile and responsive to market dynamics, we are confident that we can create long-term value for our shareholders and stakeholders.

Acknowledgments:

We would like to express my sincere appreciation to our dedicated team of employees, whose hard work, professionalism, and commitment have been instrumental in our success. We would also like to thank our customers, suppliers, financial institutions and shareholders for their continued support and trust in Mahmood Textile Mills Limited.

Conclusion:

In conclusion, we are pleased with the progress we have made during the reporting period, and we are confident in our ability to achieve our strategic objectives in the future. We remain committed to delivering superior value to all our stakeholders and maintaining Mahmood Textile Mills Limited's position as one of the leaders in textile industry of Pakistan.

Thank you for your trust and confidence in us.

For and on behalf of the Board

Sd/-
Khawaja Muhammad Ilyas
Chairman

Sd/-
Khawaja Muhammad Younus
Director

Location: Multan
Dated: February 29, 2024

اعترافات:

ہم اپنے ملازمین کی سرشار ٹیم کے لئے اپنی دلی تعریف کا اظہار کرنا چاہیں گے جن کی محنت، پیشہ ورانہ مہارت اور عزم ہماری کامیابی میں اہم کردار ادا کرتے ہیں۔ ہم محمود ٹیکسٹائل ملز لمیٹڈ میں مسلسل تعاون اور اعتماد کے لئے اپنے صارفین، فراہم کنندگان، مالیاتی اداروں اور حصہ داروں کا شکریہ ادا کرنا چاہیں گے۔

نتیجہ:

آخر میں ہم رپورٹنگ کے عرصہ کے دوران ہونے والی پیش رفت سے خوش ہیں، اور ہمیں مستقبل میں اپنے اسٹریٹجک مقاصد کو حاصل کرنے کی اپنی صلاحیت پر یقین ہے۔ ہم اپنے تمام اسٹیک ہولڈرز کو اعلیٰ اقدار فراہم کرنے اور پاکستان کی ٹیکسٹائل انڈسٹری میں ایک لیڈر کے طور پر محمود ٹیکسٹائل ملز لمیٹڈ کی پوزیشن کو برقرار رکھنے کے لئے پُر عزم ہیں۔

ہم پر آپ کے اعتماد اور بھروسے کے لئے آپ کا شکریہ!

خواجہ محمد یونس
ڈائریکٹر

خواجہ محمد الیاس
چیئرمین

ملتان: مورخہ 29 فروری 2024ء

فی حصص آمدن:

31 دسمبر 2023ء کو ختم ہونے والے ششماہی کے لئے فی حصص آمدن سابقہ مالی سال کے مقابلہ میں 3.67 سے بڑھ کر 8.62 روپے ہو

گئی۔

آپریشنل جھلکیاں:

سال بھر ہم نے اپنی آپریشنل صلاحیتوں کو بڑھانے اور اپنے پیداواری عمل کو بہتر بنانے پر توجہ مرکوز رکھی جس میں کلیدی اقدامات شامل ہیں۔ ٹیکنالوجی میں سرمایہ کاری: ہم نے کارکردگی کو بہتر بنانے، فضلہ کو کم کرنے اور مصنوعات کے معیار کو بڑھانے کے لئے جدید ترین مشینری اور ٹیکنالوجی میں سرمایہ کاری جاری رکھی۔ ان سرمایہ کاری نے ہمیں مقابلہ سے آگے رہنے اور اپنے صارفین کی بڑھتی ہوئی ضروریات کو پورا کرنے کے قابل بنایا ہے۔

مصنوعات کی تنوع: ہم نے اپنی مصنوعات کو صارفوں کی ضروریات کو پورا کرنے کے لئے بڑھایا ہے۔

معیار کی یقین دہانی: معیار کے اعلیٰ ترین معیارات کو برقرار رکھنا ہماری اولین ترجیح ہے۔ ہم نے پیداواری عمل کے تمام مراحل میں کوالٹی کنٹرول کے سخت اقدامات کا نفاذ کیا ہے تاکہ یہ یقینی بنایا جاسکے کہ ہماری مصنوعات صارفین کی توقعات پر پوری اترتی ہیں یا ان کی توقعات اس سے زیادہ ہیں۔ پائیداری کے اقدامات: پائیداری کے لئے اپنی وابستگی کے حصے کے طور پر ہم نے اپنے ماحولیاتی اثرات کو کم کرنے اور مینوفیکچرنگ کے طریقوں کو فروغ دینے کے لئے مختلف اقدامات نافذ کئے ہیں۔

مستقبل کے امکانات:

سیاسی غیر یقینی صورتحال، بلند مالیاتی اخراجات، اور توانائی کی بڑھتی ہوئی قیمتوں سے نشان زدہ گھریلو ماحول، مینوفیکچرنگ انڈسٹری کے لئے اہم چیلنجز ہیں۔ ٹیکسٹائل سیکٹر کو زندہ رکھنے کے لئے مارک اپ کی شرح میں خاطر خواہ کمی سمیت فوری اقدامات ناگزیر ہیں۔ اس کے ساتھ ساتھ، ہم توانائی کے بڑھتے ہوئے اخراجات کو موثر طریقے سے حل کرنے اور مینوفیکچرنگ لینڈ سکیپ کو مضبوط بنانے کے لئے مختلف پائیدار توانائی کے ماڈلز، شمسی، باپوماس، اور سٹیم ٹرانز کو فعال طور پر تلاش کر رہے ہیں۔

مقامی کپاس کی فصل میں خاطر خواہ کمی جو ہنگی درآمدات کے ساتھ بدلی جا رہی ہے، درآمدات کی آمدورفت میں تاخیر اور بحیرہ احمر کے تناؤ کی وجہ سے شپنگ لاگت پر کافی اثر اندازی بھی صنعت کو غیر مسابقتی بنا رہا ہے۔

آگے بڑھتے ہوئے ہم پاکستان میں ٹیکسٹائل سیکٹر کے مستقبل کے امکانات کے بارے میں محتاط طور پر پُر امید ہیں۔ اگرچہ خام مال کی غیر مستحکم قیمتوں اور عالمی اقتصادی غیر یقینی صورتحال جیسے چیلنجز برقرار رہ سکتے ہیں، ہمیں یقین ہے کہ ہماری کمپنی ان چیلنجز کو مست کے تعین کرنے اور پائیدار ترقی کی راہ پر گامزن رہنے کے لئے اچھی پوزیشن میں ہے۔

ہم اپنے کاروبار کو آگے بڑھانے کے لئے جدت، آپریشنل عمدگی، پائیداری اور صارفین کے اطمینان پر توجہ مرکوز کرتے رہیں گے۔ مارکیٹ کی حرکیات کے لئے چست اور جوابدہ رہ کر، ہمیں یقین ہے کہ ہم اپنے حصہ داروں اور اسٹیک ہولڈرز کے لئے طویل مدتی قدر پیدا کر سکتے ہیں۔

ڈائریکٹرز رپورٹ

عزیز شراکت دار حضرات:

ہمیں 31 دسمبر 2023ء کو ختم ہونے والی ششماہی کے لئے محمود ٹیکسٹائل ملز لمیٹڈ کی ڈائریکٹرز رپورٹ پیش کرتے ہوئے انتہائی مسرت ہو رہی ہے۔ ٹیکسٹائل انڈسٹری کو درپیش ہونے والے مسائل کے باوجود ہمیں یہ بتاتے ہوئے خوشی ہو رہی ہے کہ ہماری کمپنی نے انتہائی لچک، موافقت اور مستحکم ترقی کا مظاہرہ کیا ہے۔

صنعت کا جائزہ:

پاکستان میں ٹیکسٹائل کا شعبہ ملکی معیشت میں ایک اہم حصہ دار ہے جو کہ اس کی برآمدات کا ایک اہم جزو ہے نیز لاکھوں لوگوں کو روزگار فراہم کرنے کا ذریعہ بھی ہے۔ خام مال کی قیمتوں میں اتار چڑھاؤ، توانائی کی قیمتوں میں اضافے اور بین الاقوامی اقتصادی صورتحال کی غیر یقینی جیسے مسائل کا سامنا کرنے کے باوجود اس شعبے نے بین الاقوامی مارکیٹ میں جدت اور مسابقت کی صلاحیتوں کا بھرپور مظاہرہ کیا ہے۔

مالیاتی جائزہ:

رپورٹنگ کی مدت کے دوران، محمود ٹیکسٹائل ملز لمیٹڈ نے اس مشکل وقت میں قابل قدر مالیاتی نتائج حاصل کرتے ہوئے اپنی ترقی کی رفتار کو جاری رکھا ہے۔ ہماری مالی کارکردگی کی چند اہم جھلکیاں درج ذیل ہیں:

31 دسمبر 2023ء	31 دسمبر 2022ء	
رقم ملین میں	رقم ملین میں	
33,979	23,710	خالص کاروباری حجم
4,908	2,865	خالص منافع
3,594	1,699	آپریشنز سے حاصل منافع
59	142	دیگر آمدن
(3,396)	(1,464)	مالیاتی لاگت
409	59	ٹیکس سے قبل منافع
110	259	ٹیکس کی ادائیگی کے بعد منافع

زیر جائزہ مدت کے دوران کمپنی کا خالص کاروبار 23.71 بلین روپے سے بڑھ کر 33.98 بلین روپے ہو گیا۔ فروخت کے اعشاریہ کے طور پر مجموعی منافع اسی مدت میں 12.08 فیصد سے بڑھ کر 14.44 فیصد ہو گیا۔ اس مدت کے دوران مالیاتی لاگت 1.464 بلین روپے سے بڑھ کر 3.336 ارب روپے ہو گیا۔ اسی مدت میں کمپنی کا بعد از ٹیکس منافع 110 ملین روپے سے بڑھ کر 259 ملین روپے ہو گیا (یعنی اسی مدت کا اعشاریہ 135% رہا)۔

INDEPENDENT AUDITORS' REVIEW REPORT TO THE MEMBERS OF MAHMOOD TEXTILE MILLS LIMITED REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying condensed interim statement of financial position of MAHMOOD TEXTILE MILLS LIMITED ("the Company") as at December 31, 2023 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the condensed interim financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these 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 financial statements based on our review.

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 interim financial statements consists of making inquiries, primarily of persons responsible for the financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial 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 figures of the condensed interim statement of profit or loss and other comprehensive income for the quarters ended December 31, 2023 and 2022 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2023.

The condensed interim financial statements for the half year ended December 31, 2022 and the annual financial statements for the year ended June 30, 2023 of the Company were reviewed and audited, by another firm of the chartered accountants who expressed an unmodified conclusion and opinion thereon vide their reports dated February 28, 2023 and October 06, 2023, respectively.

The engagement partner on the resulting in this independent auditor's review report is Amin Ali.

LAHORE;
UDIN: RR202310051BgacEXMIF

CROWE HUSSAIN CHAUDHURY & CO.
CHARTERED ACCOUNTANTS

محمود ٹیکسٹائل ملز لمیٹڈ کے ممبران کو آڈیٹر کی جائزہ رپورٹ

تعارف

ہم نے محمود ٹیکسٹائل ملز لمیٹڈ (کمپنی) کی 31 دسمبر 2023 تک کے نفع و نقصان اور آمدنی کی جامع سٹیٹمنٹ کا عبوری اور جامع جائزہ لیا ہے۔ ایکویٹی اور کیش فلو کی تفصیلی سٹیٹمنٹس اور اس کے بعد ختم ہونے والی چھ ماہ کی مدت کے لئے جامع مالیاتی سٹیٹس کے نوٹس (جسے یہاں عبوری مالیاتی سٹیٹمنٹس کہا گیا ہے) کا جائزہ لیا گیا۔ انتظامیہ ان عبوری سٹیٹمنٹس کی تیاری اور اسے پیش کرنے کی ذمہ دار ہے۔ حسابات اور رپورٹنگ کے معیارات کے مطابق جو کہ پاکستان میں عبوری مالیاتی رپورٹنگ کے لئے رائج ہیں کو مد نظر رکھا گیا۔ یہ ہماری ذمہ داری ہے کہ ہم اپنے جائزے کی بنیاد پر ان مالیاتی جدول ہائے کی بنیاد پر کوئی نتیجہ اخذ کریں۔

جائزے کا دائرہ کار:

ہم نے یہ جائزہ بین الاقوامی معیار برائے جائزہ انتظامات 2410 کے مطابق کیا ہے جو کہ غیر جانبدار آڈیٹر کے ذریعہ عبوری مالیاتی معلومات کے جائزہ کے معیار کے مطابق کیا گیا۔ عبوری مالیاتی جدول ہائے کا جائزہ بنیادی طور پر مالیاتی اور حسابات کے ذمہ دار افراد سے معلومات حاصل کرنے اور جزئیاتی اور دیگر جائزے کے طریقہ کار پر مشتمل ہوتا ہے۔ آڈٹ کے مقابلے میں جائزہ کافی حد تک کم ہے اور اس کے نتیجے میں یہ ہمیں اس حد تک یقین دہانی حاصل کرنے کے قابل نہیں بناتا ہے کہ ہم ان تمام معلومات سے آگاہ ہو جائیں گے جن کی نشاندہی آڈٹ میں ہو سکتی ہے، اس کے مطابق آڈٹ کے نقطہ نظر کا اظہار نہیں کرتے ہیں۔

نتائج:

ہمارے جائزے کی بنیاد پر، ہمارے نظر میں ایسی کوئی چیز نہیں آئی جس کے باعث ہم اس نتیجے پر پہنچیں کہ اس کے ساتھ دیئے گئے مالیاتی جدول ہائے، تمام مادی لحاظ سے، حسابات اور رپورٹ کے معیارات کے مطابق، جو کہ عبوری مالیاتی رپورٹ کے لئے پاکستان میں لاگو ہوتے ہیں، تیار نہیں کئے گئے ہیں۔

دیگر معاملات:

سال 2022 اور 31 دسمبر 2023ء میں ختم ہونے والی سہ ماہیوں کے لئے نفع و نقصان اور دیگر جامع آمدن کے جامع عبوری جدول کے اعداد و شمار کا جائزہ نہیں لیا گیا ہے کیونکہ ہمیں صرف 31 دسمبر 2023ء کو ختم ہونے والی ششماہی کے مجموعی اعداد و شمار کا جائزہ لینے کی ہی ضرورت ہے۔ 31 دسمبر 2022ء کو ختم ہونے والے ششماہی کے جامع عبوری مالیاتی گوشواروں اور کمپنی کے 30 جون 2023ء کو ختم ہونے والے سال کے سالانہ مالیاتی گوشواروں کا جائزہ لیا گیا اور آڈٹ کیا گیا۔ چارٹرڈ اکاؤنٹنٹس کی ایک فرم جس نے اس پر ایک غیر ترمیم شدہ رائج اور رائے کا اظہار کیا، بالترتیب 28 فروری 2023ء اور 6 اکتوبر 2023ء کو اپنی رپورٹس کے ذریعے اس غیر جانبدارانہ جائزہ رپورٹ کو مرتب کیا جس میں ہمارے شریک امین علی صاحب ہیں۔

لاہور

UDIN: RR202310051BgacEXMIF

کروو حسین جوہدری اینڈ کمپنی
چارٹرڈ اکاؤنٹنٹس

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

AS AT DECEMBER 31, 2023

AS AT DECEMBER 31, 2023		Un-audited Dec. 31, 2023	Audited June 30, 2023
		----- Rupees in thousand -----	
ASSETS		Note	
Non-Current Assets			
Property, plant and equipment	5	18,549,068	17,654,661
Investment property		162,687	162,687
Intangible assets		4,119	4,846
Long term investments	6	5,670,844	5,538,761
Long term deposits		53,854	53,814
		24,440,572	23,414,769
Current Assets			
Stores, spares and loose tools		1,057,939	1,357,140
Stock-in-trade	7	20,796,009	17,736,241
Trade debts	8	5,832,084	6,144,970
Loans and advances	9	2,086,207	925,348
Other receivables		316,350	256,096
Short term investments	10	31,154	24,795
Tax refunds due from the Government	11	820,970	1,476,973
Cash and bank balances		76,768	34,614
		31,017,481	27,956,177
Total Assets		55,458,053	51,370,946
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital		500,000	300,000
Issued, subscribed and paid-up share capital		300,000	300,000
Capital reserves:			
- Capital reserve		7,121	7,121
- Revaluation surplus on property, plant and equipment		2,458,085	2,508,051
		2,465,206	2,515,172
Revenue reserve - unappropriated profit		11,248,139	10,939,497
Total Equity		14,013,345	13,754,669
Non-Current Liabilities			
Long term finances	12	9,664,491	9,063,681
Lease liabilities	13	26,114	29,871
Deferred liabilities	14	599,013	585,512
		10,289,618	9,679,064
Current Liabilities			
Trade and other payables	15	7,028,501	6,350,162
Unclaimed dividends		3,680	3,700
Contract liabilities - advances from customers		305,147	126,477
Accrued mark-up		1,364,149	1,220,860
Short term borrowings		20,404,799	17,654,510
Current portion of non-current liabilities	16	1,443,379	1,811,821
Taxation	17	605,435	769,683
		31,155,090	27,937,213
CONTINGENCIES AND COMMITMENTS		18	-
Total Equity and Liabilities			51,370,946

The annexed notes to 1 from 28 form an integral part of these condensed interim financial statements (Un-audited).

sd/-
Kh. Muhammad Ilyas
Chairman

sd/-
Kh. Muhammad Younus
Chief Executive Officer

sd/-
Kh. Muhammad Muzaffar Iqbal
Director

sd/-
Yasir Ghaffar
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE QUARTER AND SIX MONTHS PERIOD ENDED DECEMBER 31, 2023

	Note	Quarter ended		Six months period ended	
		Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022
		----- Rupees in thousand -----			
Sales - net	19	33,978,861	23,710,317	16,472,298	11,498,648
Cost of sales	20	(29,070,830)	(20,845,595)	(14,212,313)	(10,333,072)
Gross Profit		4,908,031	2,864,722	2,259,985	1,165,576
Distribution cost	21	(454,778)	(565,221)	(237,892)	(194,093)
Administrative expenses	22	(869,610)	(650,114)	(467,112)	(315,330)
Other expenses		(48,822)	(92,878)	(37,064)	(22,822)
Other income		58,795	142,381	56,684	124,814
		(1,314,415)	(1,165,832)	(685,384)	(407,431)
Profit from Operations		3,593,616	1,698,890	1,574,601	758,145
Finance cost		(3,336,277)	(1,464,438)	(1,532,480)	(815,855)
		257,339	234,452	42,121	(57,710)
Share of profit of associated companies		394,091	174,462	243,155	45,356
Profit / (Loss) before Taxation		651,430	408,914	285,276	(12,354)
Taxation	23	(392,754)	(298,717)	(217,754)	(178,717)
Profit / (Loss) after Taxation		258,676	110,197	67,522	(191,071)
Other Comprehensive Income					
Total Comprehensive Income / (Loss) for the Period		258,676	110,197	67,522	(191,071)
-----Rupees-----					
Earnings / (Loss) per Share (Re-stated)		8.62	3.67	2.25	(6.37)

The annexed notes to 1 from 28 form an integral part of these condensed interim financial statements (Un-audited).

sd/-
Kh. Muhammad Ilyas
Chairman

sd/-
Kh. Muhammad Younus
Chief Executive Officer

sd/-
Kh. Muhammad Muzaffar Iqbal
Director

sd/-
Yasir Ghaffar
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023

Share capital	Capital Reserves		Revenue	Total
	Capital reserve	Surplus on revaluation of property, plant and equipment	Un-appropriated profit	

-----Rupees in thousands-----

Balance as at June 30, 2022 (Audited)	187,500	7,121	2,529,956	9,926,513	12,651,090
Cash dividend at the rate of Rs.10 per share for the year ended June 30, 2022	-	-	-	(187,500)	(187,500)
Total comprehensive income for the six months period ended December 31, 2022	-	-	-	110,197	110,197
Revaluation surplus on property, plant and equipment realised during the period on account of incremental depreciation	-	-	(55,517)	55,517	-
Balance as at December 31, 2022 (Un-audited)	187,500	7,121	2,474,439	9,904,727	12,573,787
Balance as at June 30, 2023 (Audited)	300,000	7,121	2,508,051	10,939,497	13,754,669
Transactions with owners of the Company:					
Total comprehensive income for the six months period ended December 31, 2023	-	-	-	258,676	258,676
Revaluation surplus on property, plant and equipment realised during the period on account of incremental depreciation	-	-	(49,966)	49,966	-
Balance as at December 31, 2023 (Un-audited)	300,000	7,121	2,458,085	11,248,139	14,513,345

The annexed notes to 1 from 28 form an integral part of these condensed interim financial statements (Un-audited).

sd/-
Kh. Muhammad Ilyas
Chairman

sd/-
Kh. Muhammad Younus
Chief Executive Officer

sd/-
Kh. Muhammad Muzaffar Iqbal
Director

sd/-
Yasir Ghaffar
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023

	Half Year Ended December 31,	
	2023	2022
	----- Rupees in thousand -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period - before taxation	651,430	408,914
Adjustments for non-cash charges and other items:		
Depreciation on operating fixed assets and right-of-use assets	878,214	547,102
Amortisation	727	1,038
Gain on disposal of operating fixed assets - net	(2,290)	(6,478)
Fair value (gain) / loss on re-measurement of short term investments	(6,194)	22,525
Gain on sale of short term investments	(2,573)	(8,998)
Dividend on short term investments	-	(398)
Mark-up income on term finance certificates	-	(26,912)
Share of profit of associated companies	(394,091)	(174,462)
Government grant recognised	(43,909)	(38,455)
Finance cost	3,336,277	1,464,438
Profit before working capital changes	4,417,591	2,188,314
Effect on cash flows due to working capital changes		
(Increase) / decrease in current assets		
Stores, spares and loose tools	299,201	(225,675)
Stock-in-trade	(3,059,768)	(7,370,184)
Trade debts	312,886	(1,692,439)
Loans and advances	(1,160,859)	(40,954)
Other receivables	(60,254)	(103,625)
Sales tax refunds	317,898	(572,098)
Contract liabilities - advances from customers	305,147	
Increase in trade and other payables	678,339	1,948,886
	(2,367,410)	(8,056,089)
Cash generated from /(used in) operations	2,050,181	(5,867,775)
Income tax paid - net	(265,949)	(320,195)
Net Cash Generated from /(Used in) Operating Activities	1,784,232	(6,187,970)
Cash flows from investing activities		
Fixed capital expenditure	(1,802,920)	(1,620,805)
Sale proceeds and insurance claims of operating fixed assets	31,862	38,953
Long term deposits	(40)	(389)
Short term investments - net	(3,786)	38,613
Mark-up received on term finance certificates	-	26,912
Dividend received	262,008	263,346
Net Cash Used in Investing Activities	(1,512,876)	(1,253,370)
Cash flows from financing activities		
Long term finances - net	224,037	471,455
Lease liabilities - net	(3,757)	2,927
Short term borrowings - net	2,750,289	8,364,693
Finance cost paid	(3,199,750)	(1,206,905)
Dividend paid	(21)	(186,702)
Net Cash (Used in) / Generated from Financing Activities	(229,202)	7,445,468
Net Increase in Cash and Cash Equivalents	42,154	4,128
Cash and Cash Equivalents - at the Beginning of the Period	34,614	46,906
Cash and Cash Equivalents - at End of the Period	76,768	51,034

The annexed notes to 1 from 28 form an integral part of these condensed interim financial statements (Un-audited).

sd/-
Kh. Muhammad Ilyas
Chairman

sd/-
Kh. Muhammad Younus
Chief Executive Officer

sd/-
Kh. Muhammad Muzaffar Iqbal
Director

sd/-
Yasir Ghaffar
Chief Financial Officer

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023

Note 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 manufacturing and sale of yarn, grey cloth and apparel / garments.

Geographical location and addresses of business units / mills:

1.1 Registered Office / Head Office

Mehr Manzil, Lohari Gate, Multan

1.2 Regional Office

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

1.3 Mills

Mahmoodabad, Multan Road, Muzaffargarh

Masoodabad, D.G. Khan Road, Muzaffargarh

Chowk Sarwar Shaheed, District Muzaffargarh

Industrial Estate, Multan

Note 2

Basis of Preparation

2.1 Statement of compliance

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, 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions 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 do not include all of the information required for full annual financial statements and should be read in conjunction with the annual audited financial statements of the Company as at and for the year ended June 30, 2023. Selected explanatory notes are included to explain events and transactions that are significant to the understanding of the changes in the Company's financial position and performance since the last annual audited financial statements.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023

- 2.3** These condensed interim financial statements are un-audited and are being submitted to the members as required by section 237 of the Companies Act, 2017. The figures for the six months period ended December 31, 2023 have, however, been subjected to limited scope review by external Auditors.

2.4 Functional and presentation currency

These condensed interim financial statements are presented in Pak Rupees, which is also the Company's functional currency. All amounts have been rounded to the nearest thousand of rupees, unless otherwise stated.

Note 3

Significant Accounting Policies

The accounting policies adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of audited annual financial statements of the Company as at and for the year ended June 30, 2023.

Note 4

Accounting Estimates and Judgments

- 4.1** The preparation of these condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.
- 4.2** In preparing these condensed interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the financial statements for the year ended June 30, 2023.

		December 31, 2023	June 30, 2023
		(Un-audited)	(Audited)
Note 5			
Property, Plant and Equipment	Note	Rupees in thousands	
Operating fixed assets	5.1	18,046,649	16,910,492
Right-of-use assets	5.2	396,835	401,257
Capital work-in-progress	5.3	105,584	342,912
		18,549,068	17,654,661

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023

		December 31, 2023 (Un-audited) Rupees in thousands	June 30, 2023 (Audited)
5.1 Operating fixed assets	Note		
Opening balance		16,910,492	10,929,832
Additions made during the period / year:			
- Freehold land		-	129,00
- Buildings on leasehold land		263,279	259,560
- Buildings on freehold land		32,280	1,166,819
- Plant and machinery		1,193,835	4,744,564
- Stand-by equipment / generators		-	74,049
- Furniture and fittings		54,132	36,886
- Vehicles		72,174	277,199
- Office equipment		-	72
- Electric installations		399,628	789,521
- Gas installations		2,681	311
- Tools and equipment		1,030	868
- Computer and accessories		20,482	21,437
- Weighing bridge		-	1,610
		2,039,521	7,373,025
		18,950,013	18,302,857
Book value of operating fixed assets disposed-off		(29,572)	(115,462)
Transferred to investment property		-	(67,822)
Depreciation charge for the period / year		(873,792)	(1,209,081)
Closing balance		18,046,649	16,910,492
5.2 Capital work-in-progress			
- Advances for purchase of freehold land		-	74,205
- Advances for intangible		14,242	5,698
- Advances to building contractors		87,296	81,421
- Plant and machinery		1,341	181,588
- Advances for purchase of vehicles		2,705	-
		105,584	342,912
5.3 Right-of-Use Assets			
Opening balance		401,257	394,403
Additions made during the period / year		-	13,798
Depreciation charge for the period / year		(4,422)	(6,944)
Closing balance		396,835	401,257

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023

		December 31, 2023	June 30, 2023
		(Un-audited)	(Audited)
Long Term Investments (Un-Quoted at Equity Method)	Note	Rupees in thousands	
Associated Companies			
Masood Spinning Mills Limited	6.1	2,030,682	1,969,128
Orient Power Company (Private) Limited	6.2	3,640,162	3,569,633
		5,670,844	5,538,761
6.1 Masood Spinning Mills Limited (MSML)			
Carrying value of 8,921,692 ordinary shares of Rs. 10 each as at June 30, Equity held: 29.71%		1,969,128	1,830,071
Share of profit for the period based on un-audited financial statements of MSML for the period		61,554	187,180
Dividend received during the period		-	(44,608)
Adjustment based on last year's audited financial statements: statement of profit or loss		-	(3,515)
Carrying value of investment		2,030,682	1,969,128
6.2 Orient Power Company (Pvt.) Limited (OPCL)			
Carrying value of 87,335,969 ordinary shares of Rs. 10 each as at June 30, Equity held: 20.97%		3,569,633	3,284,305
Share of profit for the period based on un-audited financial statements of OPCL for the period		332,537	423,424
Dividend received during the period		(262,008)	(218,340)
Adjustment based on last year's audited financial statements: statement of profit or loss			80,244
Carrying value of investment as at December 31, 2023		3,640,162	3,569,633
Note 7			
Stock-in-Trade			
Raw materials including in-transit inventory valuing Rs. 3,028.905 million (June 30, 2023: Rs. 3,331.864 million)		11,362,583	11,363,841
Work-in-process		2,708,801	1,354,323
Finished goods		6,724,625	5,018,077
		20,796,009	17,736,241

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023

Note 8 Trade Debits	Note	December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
		Rupees in thousands	
Secured			
- Export		1,340,401	2,061,803
- Local	8.1	4,261,989	3,795,215
		5,602,390	5,857,018
Unsecured - considered good - local		229,694	287,952
		5,832,084	6,144,970

8.1 Based on expected credit loss (ECL) workings, no allowance for ECL is required as at December 31, 2023.

Note 9 Loans and Advances			
Advances to:			
- key management personnel		15,758	15,811
- employees		6,106	27,820
- suppliers and contractors		1,156,621	798,708
Due from associate		66,481	-
Deposit with Sui Northern Gas Pipelines Limited		75,221	75,221
Letters of credit		766,020	7,788
		2,086,207	925,348

Note 10 Short Term Investments (At fair value through profit or loss)			
Quoted			
Equity Instruments			
Pakistan Stock Exchange Limited			
1,100,000 (June 30, 2023: 2,049,500) shares of Rs.10 each		24,694	47,080
Ghani Chemical Industries Limited			
1,720,000 (June 30, 2023: 1,020,000) shares of Rs.10 each		48,700	26,149
		73,394	73,229
Adjustment on re-measurement to fair value		(42,240)	(48,434)
		31,154	24,795

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023

		December 31, 2023	June 30, 2023
		(Un-audited)	(Audited)
Note		Rupees in thousands	
Note 11			
Tax Refunds due from the Government			
Income tax refundable, advance tax and tax deducted at source		242,681	580,786
Sales tax refundable		578,289	896,187
		820,970	1,476,973
Note 12			
Long Term Finances - secured			
From banking companies			
Habib Bank Limited (HBL)		1,641,166	1,809,625
MCB Bank Limited (MCB)		250,598	275,598
Meezan Bank Limited (MBL)		1,078,223	1,086,002
United Bank Limited (UBL)		210,978	234,420
Allied Bank Limited (ABL)		1,059,955	846,376
Bank Al Habib Limited (BAHL)		1,203,018	1,102,165
National Bank of Pakistan (NBP)		1,478,556	1,478,556
Bank Alfalah Limited (BAFL)		1,484,983	1,218,970
Soneri Bank Limited (SNBL)		488,750	555,550
Askari Bank Limited (AKBL)		478,981	500,000
Bank of Punjab (BoP)		661,629	661,629
Bank Al Habib Limited - Islamic		499,999	499,999
		10,536,836	10,268,890
Deferred Government Grant:			
Temporary Economic Refinance Facility			
Bank Al Habib Limited		149,283	164,859
Bank of Punjab		310,018	338,351
		459,301	503,210
		10,996,137	10,772,100
Less: Current portion grouped under current liabilities		1,331,646	1,708,419
		9,664,491	9,063,681

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023

Note 13 Lease Liabilities	Note	December 31, 2023	June 30, 2023
		(Un-audited) Rupees in thousands	(Audited)
Present value of minimum lease payments		34,675	38,432
Current portion shown under current liabilities		(8,561)	(8,561)
		26,114	29,871

13.1 The Company has entered into finance lease agreement with Bank Al-Habib Limited to acquire vehicles upto a total limit of Rs. 100 million. These are secured against title of the leased assets in the name of the bank.

Note 14 Deferred Liabilities			
Deferred taxation		599,013	579,207
Long term portion of provision against Gas Infrastructure Development Cess		-	6,305
		599,013	585,512

Note 15 Trade and Other Payables			
Trade creditors		2,516,938	2,369,563
Bills payable		1,862,632	1,973,860
Due to Associated Undertaking and Company		-	396
Accrued expenses		2,274,574	1,728,159
Tax deducted at source		135,704	70,324
Workers' (profit) participation fund		77,881	63,407
Workers' welfare fund		140,216	128,190
Others		20,556	16,263
		7,028,501	6,350,162

Note 16 Current Portion Of Non-Current Liabilities			
Long term finances		1,331,646	1,708,419
Lease liabilities		8,561	8,561
Provision against Gas Infrastructure Development Cess		103,172	94,841
		1,443,379	1,811,821

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023

		December 31, 2023	June 30, 2023
		(Un-audited)	(Audited)
		Rupees in thousands	
Note 17			
Taxation - net	Note		
Balance as at June 30		769,683	594,171
Add: provision for the period / year:			
- current period		420,000	672,179
- prior year		4,139	(8,727)
Less: payments / adjustments made during the period / year against completed assessment		(588,387)	(487,940)
Closing balance		605,435	769,683

- 17.1** Returns filed by the Company upto the tax year 2023 have been assessed under the self assessment scheme envisaged in section 120 of the Income Tax Ordinance, 2001 (the Ordinance).
- 17.2** The Company is mainly liable to pay tax due under sections 4C (Super tax on high earning persons) and 154 (Tax on export proceeds) of the Ordinance.
- 17.3** Income tax expense is recognised in each interim period based on best estimate. Amounts accrued for income tax expense in one interim period may have to be adjusted in a subsequent interim period of that financial year if the estimate changes.

Note 18

Contingencies and Commitments

- 18.1** There has been no significant change during the current period in the status of contingencies as reported in the audited financial statements of the Company for the year ended June 30, 2023.
- 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. 1,160.739 million as at December 31, 2023 (June 30, 2023: Rs. 1,168.974 million).
- 18.3** Foreign and local bills discounted outstanding as at December 31, 2023 aggregated Rs. 4,585.151 million (June 30, 2023: Rs. 7,378.998 million) and Rs. 922.638 million (June 30, 2023: Rs. 132.315 million) respectively.

		December 31, 2023	June 30, 2023
		(Un-audited)	(Audited)
		Rupees in million	
18.4	Commitments for irrevocable letters of credit:		
	- Capital expenditure	13.796	58.634
	- Others	250.301	3,413.100
		264.097	3,471.734

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023

	Half Year Ended December 31,		Quarter Ended December 31,	
	2023	2022	2023	2022
Note 19	----- (Un-audited) -----		----- (Un-audited) -----	
Sales	Rupees in thousands		Rupees in thousands	
Export				
- Yarn	20,986,744	13,117,458	9,029,277	5,917,607
- Cloth	2,285,968	5,256,287	917,609	2,835,606
- Waste	64,592	67,838	10,493	27,344
- Apparel	1,398,980	833,364	464,303	472,980
	24,736,284	19,274,947	10,421,682	9,253,537
Local (net of sales tax)				
- Yarn	5,056,560	2,337,425	2,989,384	1,410,856
- Cloth	2,879,215	1,282,053	2,113,749	530,020
- Waste	648,296	779,281	140,319	365,969
- Doubling / Sizing Income	12,439	20,532	12,439	10,209
- Cotton	1,055,444	83,213	948,162	19,923
- Apparel	26,754	133,375	8,084	18,081
	9,678,708	4,635,879	6,212,137	2,355,058
	34,414,992	23,910,826	16,633,819	11,608,595
Less: Commission	436,131	200,509	161,521	109,947
	33,978,861	23,710,317	16,472,298	11,498,648

Note 20

Cost of Sales

Raw materials consumed	25,987,182	18,582,388	14,296,559	9,579,985
Stores and spares consumed	732,571	321,496	385,976	157,133
Packing materials consumed	242,143	174,012	129,047	90,393
Salaries, wages and other benefits	1,760,877	1,318,525	1,064,003	624,751
Fuel and power	2,348,562	1,670,043	1,442,280	838,201
Repair and maintenance	36,883	31,675	19,146	14,973
Depreciation	812,587	487,393	420,583	253,965
Insurance	113,269	65,586	57,831	31,909
Doubling charges	97,782	39,675	24,894	13,810
	32,131,856	22,690,793	17,840,319	11,605,120
Adjustment of work-in-process				
Opening	1,354,323	536,584	1,054,164	489,220
Closing	(2,708,801)	(557,032)	(2,708,801)	(557,032)
	(1,354,478)	(20,448)	(1,654,637)	(67,812)
Cost of goods manufactured	30,777,378	22,670,345	16,185,682	11,537,308
Adjustment of finished goods				
Opening stock	5,018,077	1,889,987	4,751,256	2,510,501
Closing stock	(6,724,625)	(3,714,737)	(6,724,625)	(3,714,737)
	(1,706,548)	(1,824,750)	(1,973,369)	(1,204,236)
	29,070,830	20,845,595	14,212,313	10,333,072

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023

	Half Year Ended December 31,		Quarter Ended December 31,	
	2023	2022	2023	2022
Note 21	----- (Un-audited) -----		----- (Un-audited) -----	
Distribution Cost	Rupees in thousands		Rupees in thousands	
Advertisement	10,223	844	4,177	442
Export expenses	273,257	282,944	123,038	98,906
Export development surcharge	32,508	16,955	18,558	5,679
Freight and other expenses	138,790	264,478	92,119	89,066
	454,778	565,221	237,892	194,093

Note 22

Administrative Expenses

Salaries and benefits	259,766	219,668	138,444	123,058
Travelling and conveyance	230,302	92,835	115,437	4,938
Rent, rates and taxes	2,895	4,237	1,124	1,048
Entertainment	56,415	35,662	29,855	7,659
Utilities	13,951	7,884	9,430	3,036
Communication	52,747	26,016	22,714	13,404
Printing and stationery	15,602	13,168	10,857	8,066
Insurance	19,695	12,657	18,285	12,488
Repair and maintenance	32,634	58,336	14,330	37,978
Vehicles' running and maintenance	36,604	29,741	19,555	12,778
Fees and subscription	42,258	28,062	24,797	18,360
Auditors' remuneration	1,674	310	-	310
Legal and professional charges	6,098	7,154	4,999	2,797
Depreciation	66,243	59,709	34,747	31,123
Amortisation	727	1,038	163	519
General	31,999	53,637	22,375	37,768
	869,610	650,114	467,112	315,330

Note 23

Taxation

- Current period	420,000	319,850	-	-
- Prior year	(47,052)	(8,727)	-	-
- Deferred	19,806	(12,406)	-	-
	392,754	298,717	-	-

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023

Note 24

Segment Information

- 24.1** Based on internal management reporting structure and products being produced and sold, the Company has been organized into three operating segments i.e. spinning, weaving and apparel. Information regarding the Company's reportable segments is presented below:

	Spinning	Weaving	Apparel	Total
	----- Rupees in thousands -----			
Six months period ended				
Dec. 31, 2023 (un-audited)				
Revenue	22,961,356	8,270,219	2,747,285	33,978,860
Segment results	2,890,457	522,133	121,053	3,533,643
Six months period ended				
Dec. 31, 2022 (un-audited)				
Revenue	17,378,404	5,335,627	996,286	23,710,317
Segment results	1,264,810	325,272	59,305	1,649,387

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

	December 31, 2023	December 31, 2022
	Rupees in thousands	
Total results for reportable segments	3,533,643	1,649,387
Other expenses	(48,822)	(92,878)
Other income	58,795	142,381
Finance cost	(3,336,277)	(1,464,438)
Share of profit of Associates	394,091	174,462
	601,430	408,914

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

	Spinning	Weaving	Apparel	Total
	----- Rupees in thousands -----			
As at Dec. 31, 2023 (un-audited)				
Segment assets	31,440,994	10,960,064	5,939,635	48,340,693
Segment liabilities	31,633,084	4,436,547	4,194,513	40,264,144
As at June 30, 2023 (audited)				
Segment assets	30,441,899	8,122,460	5,726,597	44,290,956
Segment liabilities	28,006,547	4,106,087	4,114,876	36,227,510

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

	As at Dec. 31, 2023 (un-audited)		As at June 30, 2023 (audited)	
	Assets	Liabilities	Assets	Liabilities
	----- Rupees in thousands -----			
Total for reportable segments	48,340,693	40,264,146	44,290,956	36,227,511
Unallocated assets / liabilities	7,117,360	1,230,562	7,079,990	1,388,766
Total as per statement of financial position	55,458,053	41,494,708	51,370,946	37,616,277

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023

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.

Note 25

Transactions with Related Parties

The related parties comprise of associated companies, undertakings and key management personnel. The Company in the normal course of business carries-out transactions with various related parties. Amounts due from and to related parties are shown under receivables and payables. Other significant transactions with related parties were as follows:

Transactions with related parties for half year ended December 31,

Relationship	Nature of Transactions	2023	2022
		----(Un-audited)----	
		Rupees in thousands	
Associated Companies			
	- sale of goods	152,042	98,454
	- purchase of goods	1,020,872	582,072
	- doubling charges	-	990
	- doubling revenue	25,593	16,140
	- dividend income	262,008	262,948
Key management personnel			
- remuneration and other benefits		73,854	56,811

- All transactions with related parties have been carried-out on commercial terms and conditions.

Note 26

Financial Risk Management

26.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

These condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's financial statements as at and for the year ended June 30, 2023.

There have been no changes in the risk management department or in any risk management policies since the year ended June 30, 2023.

26.2 Fair value estimation

During the period, there were no significant changes in the business or economic circumstances that affect the fair value of the Company's financial assets and financial liabilities. Further, there were no reclassifications of financial assets.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023

Note 27

Corresponding Figures

The comparative condensed interim statement of financial position presented in these condensed interim financial statements has been extracted from the audited financial statements of the Company for the year ended June 30, 2023, whereas the comparative condensed interim statement of profit or loss & other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows have been extracted from the unaudited condensed interim financial statements for the period ended December 31, 2022.

Note 28

Date of Authorisation for Issue

These condensed interim financial statements were approved and authorised for issue by the Board of Directors of the Company on February 29, 2024.

sd/-
Kh. Muhammad Ilyas
Chairman

sd/-
Kh. Muhammad Younus
Chief Executive Officer

sd/-
Kh. Muhammad Muzaffar Iqbal
Director

sd/-
Yasir Ghaffar
Chief Financial Officer



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