



## Half Yearly Accounts

DECEMBER 31, 2016  
(UN-AUDITED)



**Mahmood Textile Mills Ltd.**





بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ



## Company Information

### Board Of Directors:

Khawaja Muhammad Masood	Chairman
Khawaja Muhammad Iqbal	Chief Executive Officer
Khawaja Muhammad Ilyas	Director
Khawaja Muhammad Younus	Director
Jalal-ud-din Roomi	Director
Mst. Khadija Qureshi	Director
Muhammad Muzaffar Iqbal	Director

### Chief Financial Officer/Company Secretary:

Muhammad Amin Pal  
F.C.A.

### Auditors:

Shinewing Hameed Chaudhri & Co.  
Chartered Accountants  
H.M. House, 7-Bank Square, Lahore.

### Audit Committee

Khawaja Muhammad Ilyas	Chairman
Khawaja Muhammad Younus	Member
Muhammad Muzafar Iqbal	Member

### Stock Exchange Listing

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

### Bankers

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

### Mills

Mahmoodabad, Multan Road,  
Muzaffargarh.

Masoodabad, D.G. Khan Road,  
Muzaffargarh.

Chowk Sarwar Shaheed  
Distt. Muzaffargarh

### Registered Office

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

### Share Registrar

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

[www.mahmoodgroup.com](http://www.mahmoodgroup.com)  
[www.mahmoodtextile.com](http://www.mahmoodtextile.com)

## Directors' Review

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

Your Directors are pleased to present half yearly accounts of the Company for the period ended December 31, 2016 duly reviewed by the Statutory Auditor of the Company. The Textile sector is still under severe pressure. However, By the Blessings of Almighty ALLAH, the Company during the half year after providing depreciation of Rs. 151,510,073 earned a net profit of Rs. 454,960,652 as compared to Rs. 90,322,871 earned during the corresponding period. The income in the current period has mainly increased due to income from other sources i.e. dividend income, capital gain on securities etc.

Future results of the industry depend on the market response at local and international level. Moreover, for an export based industry the devaluation of currency turning into revaluation is also a challenge. The company is making efforts to face this uphill task. Govt should take steps on war footing to supply uninterrupted electricity / gas at economical and subsidized rates so as to make our product competitive in the region.

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

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

#### PRODUCTION:

Production of Yarn (Converted into 20 Count)	Kgs	19,212,274
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Production of Cloth (Converted into 60 Picks)	Sq. Mtrs	17,877,418
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#### SALES:

Sales Export (Net)	Rs.	6,118	(Million)
Sales Local (Net)	Rs.	1,435	(Million)
Total Sales (Net)	Rs.	7,553	(Million)

On Behalf of Board of Directors.

sd/-

**Khawaja Muhammad Masood**  
Chairman

Dated: February 25, 2017  
MULTAN

# Auditors' Report To The Members On Review Of Condensed Interim Financial Information

## Introduction

We have reviewed the accompanying condensed interim balance sheet of MAHMOOD TEXTILE MILLS LIMITED as at December 31, 2016 and the related condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof for the half-year then ended (here-in-after referred to as the "condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

The figures of the condensed interim profit and loss account for the quarters ended December 31, 2016 and 2015 have not been reviewed, as we are required to review only the cumulative figures for the half-year ended December 31, 2016.

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

## Basis for Qualified Conclusion

Carrying values of investments in the Associated Companies as at December 31, 2016 have not been accounted for using the equity method as required by IAS 28 (Investments in Associates and Joint Ventures) as detailed in note 7.

## Qualified Conclusion

Based on our review, except for the matter referred to in the preceding paragraph and the extent to which this may affect the annexed condensed interim financial information, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as of and for the half-year ended December 31, 2016 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Dated: February 25, 2017  
LAHORE

SHINEWING HAMEED CHAUDHRI & CO.,  
CHARTERED ACCOUNTANTS  
Engagement Partner: Abdul Hameed Chaudhri

# Condensed Interim Balance Sheet

AS AT DECEMBER 31, 2016

	Note	Un-audited December 31, 2016 Rupees	Audited June 30, 2016 Rupees
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, plant and equipment	6	3,117,331,287	2,924,820,599
Long term investments	7	1,233,266,298	1,233,266,298
Long term deposits		8,732,521	8,732,521
		4,359,330,106	4,166,819,418
<b>Current Assets</b>			
Stores, spares and loose tools		224,507,093	173,180,729
Stock-in-trade	8	4,466,564,710	2,542,956,536
Trade debts		1,931,847,372	1,318,915,400
Loans and advances	9	1,158,972,048	632,943,147
Prepayments and other receivables	10	111,221,972	81,157,583
Short term investments	11	2,814,323,528	1,515,059,701
Tax refunds due from the Government		190,073,486	240,078,371
Cash and bank balances		29,625,200	24,977,265
		10,927,135,409	6,529,268,732
<b>Total Assets</b>		<b>15,286,465,515</b>	<b>10,696,088,150</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and Reserves</b>			
Authorized capital		300,000,000	300,000,000
Issued, subscribed and paid-up capital		150,000,000	150,000,000
Capital reserve		7,120,600	7,120,600
Unappropriated profit		4,763,512,730	4,308,552,078
		4,920,633,330	4,465,672,678
<b>Liabilities</b>			
<b>Non-current Liabilities</b>			
Long term financing	12	862,699,979	705,450,363
<b>Current Liabilities</b>			
Trade and other payables	13	921,520,841	895,955,581
Accrued mark-up		97,190,690	80,738,104
Short term borrowings		8,122,857,502	4,089,627,222
Current maturity of long term financing	12	285,097,615	284,644,202
Taxation		76,465,558	174,000,000
		9,503,132,206	5,524,965,109
<b>Total liabilities</b>		<b>10,365,832,185</b>	<b>6,230,415,472</b>
<b>Total Equity and Liabilities</b>		<b>15,286,465,515</b>	<b>10,696,088,150</b>
Contingencies and Commitments	14		

The annexed notes form an integral part of this condensed interim financial information.

sd/-  
(KH. MUHAMMAD MASOOD)  
Chairman

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

sd/-  
(KH. MUHAMMAD YOUNUS)  
Director

sd/-  
(MUHAMMAD AMIN PAL)  
Chief Financial Officer



# Condensed Interim Profit & Loss Account (un-audited)

FOR THE QUARTER AND HALF-YEAR ENDED DECEMBER 31, 2016

Note	For the 2nd quarter		Cumulative	
	Oct. - Dec., 2016	Oct. - Dec., 2015	Jul - Dec., 2016	Jul - Dec., 2015
----- Rupees -----				
Sales - net	3,973,499,099	3,362,934,181	7,552,658,473	6,754,442,957
Cost Of Sales	3,726,932,313	3,142,688,107	6,960,291,147	6,282,655,550
Gross Profit	246,566,786	220,246,074	592,367,326	471,787,407
Distribution Cost	100,559,476	99,948,974	194,876,717	198,412,478
Administrative Expenses	67,451,656	57,656,239	139,192,629	121,888,709
Other Expenses	2,376,891	8,552,182	2,376,891	8,552,182
Other Income	15 (443,387,782)	(95,619,833)	(453,754,075)	(223,071,627)
	(272,999,759)	70,537,562	(117,307,838)	105,781,742
Profit from Operations	519,566,545	149,708,512	709,675,164	366,005,665
Finance Cost	16 101,386,061	110,519,774	185,301,789	195,645,869
Profit before Taxation	418,180,484	39,188,738	524,373,375	170,359,796
<b>TAXATION</b>				
- Current - net	40,065,558	35,749,300	76,465,558	80,000,000
- Prior years	(7,052,835)	36,925	(7,052,835)	36,925
	33,012,723	35,786,225	69,412,723	80,036,925
Profit After Taxation	385,167,761	3,402,513	454,960,652	90,322,871
Other Comprehensive Income	0	0	0	0
Total Comprehensive Income	385,167,761	3,402,513	454,960,652	90,322,871
Earnings Per Share	25.68	0.23	30.33	6.02

The annexed notes form an integral part of this condensed interim financial information.

sd/-  
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Chairman

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Chief Executive Officer

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(KH. MUHAMMAD YOUNUS)  
Director

sd/-  
(MUHAMMAD AMIN PAL)  
Chief Financial Officer

# Condensed Interim Cash Flow Statement (un-audited)

FOR THE HALF-YEAR ENDED DECEMBER 31, 2016

	Half year ended	
	December 31, 2016 Rupees	December 31, 2015 Rupees
<b>Cash flow from operating activities</b>		
Profit for the period - before taxation	524,373,375	170,359,796
Adjustments for non-cash charges and other items:		
Depreciation	151,510,073	154,046,625
Loss / (gain) on sale of operating fixed assets - net	1,574,735	(467,412)
(Gain) / loss on re-measurement of short term investments	(276,380,056)	5,555,144
Gain on sale of short term investments	(61,172,008)	(98,864,562)
Return on bank deposits	(10,875)	(122,753)
Finance cost	185,301,789	195,645,869
<b>Profit for the period before working capital changes</b>	<b>525,197,033</b>	<b>426,152,707</b>
<b>Effect on cash flow due to working capital changes</b>		
<b>(Increase) / decrease in current assets</b>		
Stores, spares and loose tools	(51,326,364)	(40,577,267)
Stock-in-trade	(1,923,608,174)	124,995,196
Trade debts	(612,931,972)	(32,658,010)
Loans and advances	(526,028,901)	(1,702,865,383)
Prepayments and other receivables	(30,064,389)	(32,264,666)
Sales tax refundable	(50,315,747)	75,842,590
<b>Increase in trade and other payables</b>	<b>25,578,402</b>	<b>824,067,307</b>
	<b>(3,168,697,145)</b>	<b>(783,460,233)</b>
<b>Cash used in operations</b>	<b>(2,643,500,112)</b>	<b>(357,307,526)</b>
Income tax paid	(66,626,533)	(63,709,132)
<b>Net cash used in operating activities</b>	<b>(2,710,126,645)</b>	<b>(421,016,658)</b>
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(351,890,998)	(68,930,735)
Sale proceeds / insurance claims of operating fixed assets	6,295,502	1,470,000
Short term investments - net	(961,711,763)	(114,640,503)
Loan to an executive - net	0	974,683
Return on bank deposits	10,875	122,753
<b>Net cash (used in) / generated from investing activities</b>	<b>(1,307,296,384)</b>	<b>(181,003,802)</b>
<b>Cash flow from financing activities</b>		
Long term financing - net	157,703,029	(132,527,106)
Short term borrowings - net	4,033,230,280	1,007,216,852
Finance cost paid	(168,849,203)	(198,630,498)
Dividend paid	(13,142)	(46,248,284)
<b>Net cash generated from financing activities</b>	<b>4,022,070,964</b>	<b>629,810,964</b>
<b>Net increase in cash and cash equivalents</b>	<b>4,647,935</b>	<b>27,790,504</b>
<b>Cash and cash equivalents - At beginning of the period</b>	<b>24,977,265</b>	<b>15,137,192</b>
<b>Cash and cash equivalents - At end of the period</b>	<b>29,625,200</b>	<b>42,927,696</b>

The annexed notes form an integral part of this condensed interim financial information.

sd/-  
(KH. MUHAMMAD MASOOD)  
Chairman

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(KH. MUHAMMAD IQBAL)  
Chief Executive Officer

sd/-  
(KH. MUHAMMAD YOUNUS)  
Director

sd/-  
(MUHAMMAD AMIN PAL)  
Chief Financial Officer

# Condensed Interim Statement Of Changes In Equity (un-audited)

FOR THE HALF-YEAR ENDED DECEMBER 31, 2016

	Share capital	Capital reserve	Unappropriated profit	Total
	----- Rupees -----			
Balance as at June 30, 2016 (audited)	150,000,000	7,120,600	4,308,552,078	4,465,672,678
Total comprehensive income for the half-year ended December 31, 2016	0	0	454,960,652	454,960,652
Balance as at December 31, 2016 (un-audited)	150,000,000	7,120,600	4,763,512,730	4,920,633,330
Balance as at June 30, 2015 (audited)	150,000,000	7,120,600	4,512,425,560	4,669,546,160
Transactions with owners:				
Final cash dividend for the year ended June 30, 2015 @ Rs. 10 per share	0	0	(150,000,000)	(150,000,000)
Total comprehensive income for the half-year ended December 31, 2015	0	0	90,322,871	90,322,871
Balance as at December 31, 2015 (un-audited)	150,000,000	7,120,600	4,452,748,431	4,609,869,031

The annexed notes form an integral part of this condensed interim financial information.

sd/-  
(KH. MUHAMMAD MASOOD)  
Chairman

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

sd/-  
(KH. MUHAMMAD YOUNUS)  
Director

sd/-  
(MUHAMMAD AMIN PAL)  
Chief Financial Officer

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

FOR THE HALF-YEAR ENDED DECEMBER 31, 2016

## 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 Ordinance, 1984) and its shares are quoted on Pakistan Stock Exchange. The Company is principally engaged in manufacture and sale of yarn, grey cloth and generation of electricity. The registered office of the Company is situated at Multan whereas the mills are located at District Muzaffargarh, Dera Ghazi Khan Division, Punjab.

## 2. Basis of Preparation

2.1 This condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 - "Interim financial reporting" and provisions of and directives issued under the Companies Ordinance, 1984 (the Ordinance). In case where requirements differ, the provisions of or directives issued under the Ordinance have been followed. This condensed interim financial information of the Company for the half-year ended December 31, 2016 is un-audited but subject to limited scope review by the statutory auditors as required by the Code of Corporate Governance.

2.2 The figures of the condensed interim profit and loss account for the quarters ended December 31, 2016 and 2015 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, 2016. This condensed interim financial information does not include all the information and disclosures as required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2016.

2.3 This condensed interim financial information is being submitted to the shareholders as required by the Listing Regulations of Pakistan Stock Exchange and section 245 of the Ordinance.

2.4 Provisions for workers' (profit) participation fund and workers' welfare fund have not been made in this condensed interim financial information and will be provided for in the financial statements for the year ending June 30, 2017.

## 3. Accounting Policies

The accounting policies and methods of computation used in the preparation of this condensed interim financial information are the same as those applied in the preparation of financial statements of the Company for the year ended June 30, 2016.

## 4. New / Revised Standards, Interpretations and Amendments

### 4.1 Standards, interpretations and amendments to approved accounting standards that are effective in the current period

Certain standards, interpretations and amendments to approved accounting standards are effective for accounting periods beginning on July 01, 2016, but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in this condensed interim financial information.

### 4.2 Standards, interpretations and amendments to existing standards that are not yet effective and have not been early adopted by the Company.

There are certain standards, interpretations and amendments to approved accounting standards that are mandatory for the Company's accounting periods beginning on or after July 01, 2017, but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in this condensed interim financial information.

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

- 5.1 The preparation of condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.
- 5.2 Judgments and estimates made by the management in the preparation of this condensed interim financial information are the same as those that were applied to the financial statements as at and for the year ended June 30, 2016.
- 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, 2016.

6. Property, Plant and Equipment	Note	Un-audited December 31, 2016 Rupees	Audited June 30, 2016, Rupees
Operating fixed assets	6.1	2,969,416,624	2,891,986,823
Capital work-in-progress		147,914,663	32,833,776
		3,117,331,287	2,924,820,599
<b>6.1 Operating Fixed Assets</b>			
Book value as at June 30, 2016		2,891,986,823	
Additions during the period:			
- buildings on freehold land		16,030,728	
- buildings on leasehold land		1,721,368	
- plant and machinery		202,329,293	
- vehicles		15,568,610	
- electric installations		806,900	
- computers and accessories		58,600	
- tools and equipment		294,612	
		236,810,111	
Book value of operating fixed assets sold		(7,870,237)	
Depreciation charge for the period		(151,510,073)	
Book value as at December 31, 2016		2,969,416,624	

## 7. Long Term Investments

Carrying values of investments in Masood Spinning Mills Ltd. and Roomi Fabrics Ltd. (Associated Companies) as at December 31, 2016 have not been accounted for using the equity method as required by IAS 28 (Investments in Associates and Joint Ventures) due to non-availability of financial statements for the half-year ended December 31, 2016 of these Associated Companies.

	Un-audited December 31, 2016 Rupees	Audited June 30, 2016 Rupees
<b>8. Stock-in-Trade</b>		
Raw materials including in-transit inventory valuing Rs. 148.891 million (June 30, 2016: Rs. 458,335 million)	4,076,957,720	1,894,666,795
Work-in-process	96,617,945	82,575,952
Finished goods	<b>292,989,045</b>	<b>565,713,789</b>
	4,466,564,710	2,542,956,536

**9. Loans and Advances**

Period-end balance includes advances made to suppliers & contractors aggregating Rs.378.055 million (June 30, 2016: Rs.101.105 million), advances for purchase of shares aggregating Rs.490 million (June 30, 2016: Rs.490 million) and due from Associated Companies aggregating Rs.258.483 million against trading activities (June 30, 2016: Rs.Nil).

**10. Prepayments and Other Receivables**

As fully detailed in note 12.1 to the financial statements of the Company for the year ended June 30, 2016, mark-up aggregating Rs.73.198 million approximately, on receivable balance from Three Star Hosiery Mills (Pvt.) Ltd. against sale of shares, has not been accrued in this interim financial information as the ultimate outcome of the matter depends upon judgment of the Court. The suit has been decreed along with costs vide order dated May 02, 2015 by the Additional District Judge , Multan.

**11. Short Term Investments - Quoted**

(at fair value through profit or loss)

<b>Soneri Bank Ltd (SBL)</b>		
36,214,344 (June 30, 2016:25,584,000) shares of Rs.10 each	513,179,828	341,601,421
<b>IGI Investment Bank Ltd.</b>		
Nil shares (June 30, 2016: 6,631,000) shares of Rs. 10 each	0	10,204,495
<b>Faysal Bank Ltd.</b>		
Nil shares (June 30, 2016: 12,615,650) shares of Rs.10 each	0	175,234,373
<b>Lalpir Power Ltd. (LPL)</b>		
36,897,000 (June 30, 2016: 21,649,500) shares of Rs.10 each	816,752,878	568,344,708
<b>Dandot Cement Company Limited</b>		
731,500 (June 30, 2016: 731,500) shares of Rs.10 each	6,766,375	8,521,975
<b>Arif Habib Corporation Limited (AHC)</b>		
12,709,500 (June 30, 2016: 12,709,500) shares of Rs.10 each	501,389,776	677,348,013
<b>National Bank of Pakistan</b>		
2,889,500 shares of Rs.10 each	213,509,158	0
<b>Jahangir Siddiqui &amp; Company Limited</b>		
9,650,000 shares of Rs.10 each	235,932,683	0
<b>Fauji Fertilizer Company Limited (FFC)</b>		
2,400,000 shares of Rs.10 each	250,412,774	0
	2,537,943,472	1,781,254,985
Adjustment on re-measurement to fair value	276,380,056	(266,195,284)
	2,814,323,528	1,515,059,701

11.1 34 million shares of SBL, 28.500 million shares of LPL, 12.700 million shares of AHC and 1.200 million shares of FFC are pledged with commercial banks as securities for short term finance facilities utilised.

	Un-audited December 31, 2016 Rupees	Audited June 30, 2016 Rupees
<b>12. Long Term Financing - Secured</b>		
Habib Bank Ltd. (HBL)	139,688,515	173,413,469
MCB Bank Ltd. (MCB)	506,430,448	262,500,000
Meezan Bank Ltd. (MBL)	336,408,888	368,265,304
United Bank Ltd. (UBL)	165,269,743	185,915,792
Balance at end of the period / year	1,147,797,594	990,094,565
Less: current portion grouped under current liabilities:		
- HBL	57,652,591	61,087,245
- MCB	75,000,000	75,000,000
- MBL	72,229,862	69,056,852
- UBL	80,215,162	79,500,105
	285,097,615	284,644,202
	862,699,979	705,450,363
<b>13. Trade and Other Payables</b>		
Creditors	181,876,812	89,108,694
Bills payable - secured	68,036,020	192,804,289
Due to an associated undertaking	0	121,640,646
Accrued expenses	595,962,289	419,015,643
Advances from customers	16,952,450	21,408,589
Tax deducted at source	8,638,562	3,613,679
Workers' welfare fund	39,155,252	39,155,252
Unclaimed dividends	1,771,497	1,784,639
Others	9,127,959	7,424,150
	921,520,841	895,955,581

#### 14. Contingencies and Commitments

- 14.1 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, 2016.
- 14.2 Guarantees given by various commercial banks, in respect of financial and operational obligations of the Company, to various institutions and corporate bodies aggregated Rs.384.301 million as at December 31, 2016 (June 30, 2016: Rs.337.183 million).
- 14.3 Foreign bills discounted outstanding as at December 31, 2016 aggregated Rs.757.838 million (June 30, 2016: Rs.612.069 million).
- 14.4 Local bills discounted outstanding as at December 31, 2016 aggregated Rs.13.553 (June 30, 2016: Rs.103.758 million).

	Un-audited December 31, 2016	Audited June 30, 2016
	Rupees in million	
<b>14.5</b> Commitments for irrevocable letters of credit:		
- capital expenditure	134,666	374,082
- others	718,740	348,317
	853,406	722,399

	Un-audited Half-year ended December 31, 2016	December 31, 2015
	Rupees	
<b>15. Other Income</b>		
<b>Income from financial assets</b>		
Realised gain on sale of short term investments at fair value through profit or loss	61,172,008	98,864,562
Fair value gain on re-measurement of short term investments	276,380,056	0
Return on bank deposits	10,875	122,753
Dividend received on:		
- long term investments	79,685,000	59,763,750
- short term investments	33,004,000	63,809,250
<b>Income from non-financial assets</b>		
Rent	3,502,136	0
Gain on sale of operating fixed assets - net	0	467,412
Export rebate	0	43,900
	453,754,075	223,071,627

<b>16. Finance Cost</b>		
Mark-up on:		
- long term financing	37,026,329	50,482,388
- short term borrowings	120,540,166	115,514,666
Bank charges and commission	27,735,294	29,648,815
	185,301,789	195,645,869

#### 17. Segment Information

Based on internal management reporting structure and products being produced and sold, the Company has been organised into three operating segments i.e. spinning, weaving and power. Segment results and assets include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.



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

### Segment Analysis

	Spinning	Weaving Rupees	Total
Half-year ended December 31, 2016			
Revenue	6,143,542,500	1,409,115,973	7,552,658,473
Segment results	233,124,025	25,173,955	258,297,980
Half-year ended December 31, 2015			
Revenue	5,468,420,405	1,286,022,552	6,754,442,957
Segment results	140,733,406	10,752,814	151,486,220

The Company, during the current period and preceding years, has self consumed all the electricity generated and no sales were made to MEPCO.

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

	Un-audited Half-year ended December 31, 2016 Rupees	December 31, 2015 Rupees
Total results for reportable segments	258,297,980	151,486,220
Other expenses	(2,376,891)	(8,552,182)
Other income	453,754,075	223,071,627
Finance cost	(185,301,789)	(195,645,869)
Profit before taxation	524,373,375	170,359,796

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

	Spinning	Weaving	Power	Total
	Rupees			
As at December 31, 2016				
Segment assets	13,882,011,854	887,415,305	517,038,356	15,286,465,515
Segment liabilities	7,595,546,797	703,019,722	1,705,702,493	10,004,269,012
As at June 30, 2016				
Segment assets	6,534,257,835	896,697,103	241,019,056	7,673,973,994
Segment liabilities	2,958,555,335	2,009,194,170	17,833,298	4,985,582,803

### Reconciliation of segments assets and liabilities with totals in balance sheet is as follows:

	As at December 31, 2016 Assets	Liabilities	As at June 30, 2016 Assets	Liabilities
	Rupees			
Total for reportable segments	15,286,465,515	10,004,269,013	7,673,973,994	4,985,582,803
Unallocated assets / liabilities	0	361,563,172	3,022,114,156	1,244,832,669
Total as per balance sheet	15,286,465,515	10,365,832,185	10,696,088,150	6,230,415,472

- 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.

## 18. Transactions With Related Parties

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

Relationship	Nature of transactions	Un-audited Half-year ended December 31,	
		2016 Rupees	2015 Rupees
Associated Companies	- sale of goods	821,640,227	660,976,184
	- purchase of goods	246,086,881	501,694,640
	- doubling charges	3,314,411	0
	- doubling revenue	10,517,582	12,738,620
	- gas generator rent	5,580,000	0
Key management personnel	- remuneration and other benefits	14,524,047	11,189,098

Commercial Transactions with associated Companies have been made at market rates.

## 18.2 Period / year-end balances

	Un-audited December 31, 2016 Rupees	Audited June 30, 2016 Rupees
Trade and other payables	0	121,640,646
Loans and advances	258,482,867	0

These balances have arisen on account of commercial Transactions.

## 19. Date Of Authorisation For Issue

This condensed interim financial information was approved and authorised for issue by the Board of Directors of the Company on February 25, 2017.

## 20. Corresponding Figures

- 20.1 In order to comply with the requirements of IAS 34 'Interim financial reporting', the condensed interim balance sheet has been compared with the balances of annual audited financial statements of the preceding financial year, whereas, the condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity have been compared with the balances of comparable period of immediately preceding financial year.
- 20.2 Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purposes of comparison; however, no significant re-classifications / re-statements have been made to this condensed interim financial information.

sd/-  
(KH. MUHAMMAD MASOOD)  
Chairman

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

sd/-  
(KH. MUHAMMAD YOUNUS)  
Director

sd/-  
(MUHAMMAD AMIN PAL)  
Chief Financial Officer





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