

COMPANY PROFILE

BOARD OF DIRECTORS	Mian Tanvir Ahmad Sheikh - Chairman Mian Anis Ahmad Sheikh - C.E.O Mian Idrees Ahmad Sheikh Mian Aziz Ahmad Sheikh Mian Atta Shafi Tanvir Sheikh Maj. (R) Javed Mussarat - Independent Director Syed Raza Abbas Jaffari - (Rep. NIT)
AUDIT COMMITTEE	Mian Idrees Ahmad Sheikh - Chairman Mian Aziz Ahmad Sheikh - Member Maj. (R) Javed Mussarat - Member
HR & REMUNERATION COMMITTEE	Mian Aziz Ahmad Sheikh - Chairman Mian Idrees Ahmad Sheikh - Member Mian Atta Shafi Tanvir Sheikh - Member
CHIEF FINANCIAL OFFICER & COMPANY SECRETARY	Muhammad Ehsanullah Khan
AUDITORS	M/s Delloite Yousuf Adil Chartered Accountants, Abdali Tower, Abdali Road, Multan.
LEGAL ADVISOR	Asfaq Nadeem - Advocate Muhammad Arcade, Khanewal Road, Multan.
BANKERS	Habib Bank Limited Bank Al-Habib Limited Allied Bank Limited Habib Metropolitan Bank Limited United Bank Limited Faysal Bank Limited Bank of Punjab Meezan Bank
REGISTERED OFFICE	24/3, Tufail Road, Multan Cantt.
MILLS (Unit I-II & Ginning Unit)	M.M. Road, Chowk Sarwar Shaheed, Distt. Muzaffargarh.
MILLS (Unit III)	Rajana Road, Pirmahal, Distt. Toba Tek Singh.
HEAD OFFICE	2-Industrial Estate, Multan.
SHARES REGISTRARS	M/s Hameed Majeed Associates (Pvt.) Ltd. H.M. House, 7-Bank Square, Lahore.

DIRECTORS' REPORT

Dear Shareholders,

Your Directors present before you the Auditors' Reviewed Financial Statements of your Company for the Half Year ended December 31, 2016.

The period under report was difficult for the entire Spinning Industry in the country and your Company also suffered due to same. The overall global demand for yarn slackened depressing its market prices while there was increase in prices of raw material, salaries & wages. The short fall in local crop of cotton further enhanced the crises. The prices of yarn decreased substantially resulting in Net After -Tax Loss of (Rs.44.087 Million) for the Six Months period.

The total sales amounted to Rs.2,480.255 Million as compared to Rs.1,950.352 Million last year. The gross loss was Rs.34.925 Million as compared to Rs.35.868 Million last year and the net Loss after providing for Tax amounted to Rs. 44.088 Million for the Half Year ended December 31, 2016 as compared to Net Loss of Rs. 44.908 Million last year.

Your Directors hope for overall improvement in the market conditions enabling your Company to perform better in the remaining period of the current financial year to end on June 30, 2017.

On behalf of the Board

Sd/-

Mian Tanvir Ahmad Sheikh
Chairman

Place: Multan

Dated: 27.02.2017

ڈائریکٹران کا جائزہ

محترم حصص یافتگان!

آپ کے ڈائریکٹرز کمپنی کی 31-12-2016 کو ختم ہونے والے آدھے سال کے جائزہ مالیاتی نتائج پیش کرتے ہیں۔

پیش کردہ مالیاتی نتائج کے دورانہ میں پورے ملک کی کتناہی (سپینگ) صنعت بشمول آپکی کمپنی کے لئے بہت مشکل تھا۔ سوت کی مجموعی طور پر عالمی مانگ میں کمی کی وجہ سے اس کی قیمتوں میں کمی ہوئی جبکہ اس دوران خام مال، تنخواہوں اور اجرتوں میں اضافہ ہوا۔ ملک میں اس سال روئی کی پیداوار میں کمی نے اس بحران میں مزید اضافہ کیا۔ سوت کی قیمتوں میں کمی کی وجہ سے کمپنی کو چھ ماہ میں 44.087 ملین روپے کا نقد نقصان ہوا۔

اس سال پچھلے سال کی اسی مدت کی 1950.352 ملین روپے کی فروخت کے مقابلے میں 2480.255 ملین روپے کی فروخت ہوئی۔ گزشتہ سال کے 35.868 ملین روپے کے مقابلے میں اس سال 34.925 ملین روپے کا نقصان ہوا۔ جبکہ بعد از ٹیکس نقصان پچھلے سال کی اسی مدت کے 44.908 ملین روپے کے مجموعی نقصان کے مقابلے میں 44.088 ملین روپے رہا۔

آپ کے ڈائریکٹرز امید کرتے ہیں کہ 30-06-2017 کو ختم ہونے والے باقی ماندہ مالیاتی سال میں آپکی کمپنی بازار کی مجموعی حالت میں ہونے والی بہتری کی وجہ سے اچھے نتائج دے گی۔

بحکم بورڈ آف ڈائریکٹرز

میاں تنویر احمد شیخ

(چیئرمین)

ملتان۔ بتاریخ 27 فروری 2017ء

AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of **Maqbool Textile Mills Limited** (the Company) as at December 31, 2016, the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, and condensed interim statement of changes in equity and notes to the accounts for the six months period then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended December 31, 2016 and December 31, 2015 have not been reviewed, as we are required to review only the cumulative figures for the six months period 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 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as of and for the six months period 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.

M/s Delloite Yousuf Adil

Chartered Accountants

Engagement Partner:

Nadeem Yousuf Adil

Date: 27.02.2017

Karachi

CONDENSED INTERIM BALANCE SHEET

AS AT DECEMBER 31, 2016

		<i>(Unaudited)</i> <i>December 31,</i> <i>2016</i> <i>Rupees</i>	<i>(Audited)</i> <i>June 30,</i> <i>2016</i> <i>Rupees</i>
ASSETS			
Non-current assets			
Property, plant and equipment	4	1,828,043,638	1,850,281,415
Long term deposits		5,668,939	5,668,939
		1,833,712,577	1,855,950,354
Current assets			
Stores and spares		43,014,586	39,862,479
Stock in trade	5	951,421,876	787,451,069
Trade debts		336,649,681	320,373,785
Loans and advances		18,669,474	20,083,521
Trade deposits and short term prepayments		-	221,803
Sales tax refundable		79,185,682	62,309,427
Advance tax		81,950,874	56,877,611
Cash and bank balances		90,291,922	17,845,776
		1,601,184,095	1,305,025,471
TOTAL ASSETS		3,434,896,672	3,160,975,825
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital		200,000,000	200,000,000
Issued, subscribed and paid-up capital		168,000,000	168,000,000
General reserve		168,000,000	168,000,000
Unappropriated profits		89,053,139	126,787,632
		425,053,139	462,787,632
Surplus on revaluation of property plant and equipment - net of deferred tax		716,952,959	723,306,444
Non-current liabilities			
Long term financing		145,656,343	179,922,306
Long term loans from related parties		59,181,819	56,363,637
Deferred liabilities		224,659,113	234,478,019
		429,497,275	470,763,962
Current liabilities			
Trade and other payables		334,828,225	198,387,360
Accrued markup		20,560,540	25,606,195
Short term borrowings	6	1,381,839,803	1,182,593,348
Current portion of long term financing		75,036,420	70,530,090
Provision for taxation		51,128,311	27,000,794
		1,863,393,299	1,504,117,787
Contingencies and commitments	7		
TOTAL EQUITY AND LIABILITIES		3,434,896,672	3,160,975,825

The annexed selected notes from 1 to 14 form an integral part of this condensed interim financial information.

Sd/-

Mian Anis Ahmad Sheikh
Chief Executive Officer

Sd/-

Mian Atta Shafi Tanvir Sheikh
Director

Sd/-

M. Ehsanullah Khan
Chief Financial Officer

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
(UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2016**

	Note Six months period ended Three months period ended	
		December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
----- Rupees -----					
Sales - net	8	2,480,255,447	1,950,351,663	1,336,690,673	1,195,626,200
Cost of goods sold	9	(2,377,161,807)	(1,879,919,071)	(1,273,698,839)	(1,176,671,161)
Gross profit		103,093,640	70,432,592	62,991,834	18,955,039
Other income		3,745,831	2,665,900	2,631,533	2,521,859
		106,839,471	73,098,492	65,623,367	21,476,898
Distribution expenses		(36,254,052)	(19,970,475)	(21,014,623)	(9,321,843)
Administrative expenses		(55,410,169)	(50,320,828)	(31,312,141)	(28,406,270)
		(91,664,221)	(70,291,303)	(52,326,764)	(37,728,113)
Finance cost		(50,100,209)	(38,674,843)	(27,464,851)	(20,343,920)
Loss before taxation		(34,924,959)	(35,867,654)	(14,168,248)	(36,595,135)
Taxation		(9,163,019)	(9,039,925)	2,272,629	(1,492,670)
Loss after taxation		(44,087,978)	(44,907,579)	(11,895,619)	(38,087,805)
Earning per share - basic and diluted		(2.62)	(2.67)	(0.71)	(2.27)

The annexed selected notes from 1 to 14 form an integral part of this condensed interim financial information.

Sd/-

Mian Anis Ahmad Sheikh
Chief Executive Officer

Sd/-

Mian Atta Shafi Tanvir Sheikh
Director

Sd/-

M. Ehsanullah Khan
Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
(UNAUDITED)**

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2016

	...Six months period endedThree months period ended ...	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
	----- Rupees -----			
Loss for the period	(44,087,978)	(44,907,579)	(11,895,619)	(38,087,805)
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>(44,087,978)</u>	<u>(44,907,579)</u>	<u>(11,895,619)</u>	<u>(38,087,805)</u>

The annexed selected notes from 1 to 14 form an integral part of this condensed interim financial information.

Sd/-

Mian Anis Ahmad Sheikh
Chief Executive Officer

Sd/-

Mian Atta Shafi Tanvir Sheikh
Director

Sd/-

M. Ehsanullah Khan
Chief Financial Officer

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2016

	&..Six months period ended&..	
	December 31, 2016 Rupees	December 31, 2015 Rupees
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(34,924,959)	(35,867,654)
Adjustments for :		
Depreciation on property, plant and equipment	44,889,189	43,255,655
Provision for staff retirement benefits - gratuity	9,538,992	8,640,505
Finance cost	50,100,209	38,674,843
	<u>104,528,390</u>	<u>90,571,003</u>
Operating cash flows before working capital changes	69,603,431	54,703,349
(Increase) / decrease in current assets		
Stores and spares	(3,152,107)	(9,027,751)
Stock in trade	(163,970,807)	(178,806,714)
Trade debts	(16,275,896)	(26,513,654)
Loans and advances	1,414,047	(32,234,303)
Sales tax refundable	(16,876,255)	15,087,990
Other receivables	221,803	-
	<u>(198,639,215)</u>	<u>(231,494,432)</u>
Increase / (decrease) in current liabilities		
Trade and other payables (excluding unclaimed dividend)	136,444,812	127,445,379
Cash generated from / (used in) operations	<u>7,409,028</u>	<u>(49,345,704)</u>
Income tax paid	(25,073,263)	(26,635,971)
Gratuity paid	(4,393,400)	(2,508,601)
Finance cost paid	(52,327,682)	(38,855,933)
	<u>(81,794,345)</u>	<u>(68,000,505)</u>
Net cash used in operating activities	<u>(74,385,317)</u>	<u>(117,346,209)</u>
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	<u>(22,651,412)</u>	<u>(103,590,307)</u>
Net cash used in investing activities	<u>(22,651,412)</u>	<u>(103,590,307)</u>
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Receipt / (repayment) of long term financing - net	<u>(29,759,633)</u>	58,326,960
Short term borrowings - net	199,246,455	133,546,226
Dividend paid	(3,947)	(3,506,232)
Net cash generated from financing activities	169,482,875	188,366,954
Net increase/(decrease) in cash and cash equivalents (A+B+C)	72,446,146	(32,569,562)
Cash and cash equivalents at beginning of the period	<u>17,845,776</u>	<u>48,435,632</u>
Cash and cash equivalents at end of the period	<u><u>90,291,922</u></u>	<u><u>15,866,070</u></u>

The annexed selected notes from 1 to 14 form an integral part of this condensed interim financial information.

Sd/-

Mian Anis Ahmad Sheikh
Chief Executive Officer

Sd/-

Mian Atta Shafi Tanvir Sheikh
Director

Sd/-

M. Ehsanullah Khan
Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
(UNAUDITED)
FOR THE SIX MONTHS ENDED DECEMBER 31, 2016**

Issued, subscribed and paid-up capital	General reserve	Unappropriated profits	Total
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----- Rupees -----

Balance as at July 01, 2015 - (audited)	168,000,000	168,000,000	157,539,979	493,539,979
Profit for the period	-	-	(44,907,579)	(44,907,579)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the six months period ended December 31, 2015	-	-	(44,907,579)	(44,907,579)
Surplus transferred to unappropriated profit on account of incremental depreciation - net	-	-	13,320,594	13,320,594
Balance as at December 31, 2015	168,000,000	168,000,000	125,952,994	461,952,994
Balance as at July 01, 2016 - (audited)	168,000,000	168,000,000	126,787,632	462,787,632
Loss for the period	-	-	(44,087,978)	(44,087,978)
Other comprehensive income	-	-	-	-
Total comprehensive income for the six months period ended December 31, 2016	-	-	(44,087,978)	(44,087,978)
Surplus transferred to unappropriated profit on account of incremental depreciation - net	-	-	6,353,485	6,353,485
Balance as at December 31, 2016	168,000,000	168,000,000	89,053,139	425,053,139

The annexed selected notes from 1 to 14 form an integral part of this condensed interim financial information.

Sd/-

Mian Anis Ahmad Sheikh
Chief Executive Officer

Sd/-

Mian Atta Shafi Tanvir Sheikh
Director

Sd/-

M. Ehsanullah Khan
Chief Financial Officer

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2016

1. STATUS AND ACTIVITIES

1.1 Maqbool Textile Mills Limited ("the Company") was incorporated in Pakistan on December 03, 1989 as a public limited company under the Companies Ordinance, 1984 and its shares are quoted on Pakistan Stock Exchange Limited ("PSX"). The registered office of the Company is situated in Multan, Pakistan. The Company is principally engaged in manufacturing and sale of yarn, cotton seed and cotton lint. The Company's manufacturing facilities are located at District Muzaffar Garh and District Toba Tek Singh, Pakistan.

2. BASIS OF PREPARATION

2.1 This condensed interim financial information of the Company for the six months period ended December 31, 2016 has been prepared in accordance with the requirements of the International Accounting Standard 34 - "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, provisions of and directives issued under the Companies Ordinance, 1984 have been followed.

2.2 This condensed interim financial information does not include all information required for full annual financial statements and should be read in conjunction with annual audited financial statements for the year ended June 30, 2016. Comparative balance sheet is extracted from annual audited financial statements for the year ended June 30, 2016 whereas comparative profit and loss account, comparative statement of changes in equity and comparative cash flow statement are extracted from un-audited condensed interim financial information for the six months period ended on December 31, 2015.

2.3 This condensed interim financial information is un-audited. However, a limited scope review has been performed by the statutory auditors of the Company in accordance with the requirements of clause 5.19.13(b) of Rule Book of Pakistan Stock Exchange Limited and they have issued their review report thereon.

2.4 This condensed interim financial information is presented in Pak Rupees, which is the Company's functional and presentation currency.

3. ACCOUNTING POLICIES AND ESTIMATES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information and the significant judgments made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of annual audited financial statements of the Company for the year ended June 30, 2016.

		<i>(Unaudited)</i> <i>December 31,</i> <i>2016</i> <i>Rupees</i>	<i>(Audited)</i> <i>June 30,</i> <i>2016</i> <i>Rupees</i>
4. PROPERTY, PLANT AND EQUIPMENT	Note		
Operating assets	4.1	1,822,518,973	1,849,725,973
Capital work-in-progress		5,524,665	555,442
		<u>1,828,043,638</u>	<u>1,850,281,415</u>
4.1 Operating assets			
Opening carrying value		1,849,725,973	1,773,392,960
Additions during the period / year			
Building on freehold land		-	533,334
Plant and machinery		15,004,738	158,051,045
Generator		-	1,253,099
Electric fittings and installations		2,242,350	5,497,265
Tools and equipments		34,185	87,125
Office equipments		271,616	336,633
Telephone installations		129,300	9,500
Furniture and fixtures		-	461,177
Arms and ammunitions		-	-
Weighing scales		-	28,000
Fire extinguishing equipments		-	8,200
Vehicles		-	68,700
		17,682,189	166,334,078
Depreciation charge for the period		(44,889,189)	(90,001,065)
Closing carrying value		<u>1,822,518,973</u>	<u>1,849,725,973</u>
5. STOCK IN TRADE			
Raw materials		723,203,384	449,003,590
Work in process		35,483,426	49,062,672
Finished goods			
- Yarn		190,505,994	286,447,858
- Waste		2,229,072	2,936,949
		192,735,066	289,384,807
		<u>951,421,876</u>	<u>787,451,069</u>
5.1	Net realizable value of stock in trade was higher than its cost resulting in no write down (June 30, 2016: Rs. 7.72 million).		
		<i>(Unaudited)</i> <i>December 31,</i> <i>2016</i> <i>Rupees</i>	<i>(Audited)</i> <i>June 30,</i> <i>2016</i> <i>Rupees</i>
6. SHORT TERM BORROWINGS			
Secured - under markup arrangements			
Running finance		549,164,618	652,865,507
Cash finance		792,875,185	496,261,199
Murabaha finance		39,800,000	33,466,642
		<u>1,381,839,803</u>	<u>1,182,593,348</u>

Short term borrowings are available from various commercial banks under mark-up arrangements aggregating to Rs. 3,070 million (2016: Rs. 2,870 million) of which facilities remained un-utilized at the year end amounted to Rs. 1,688 million (2016: 1,687 million). These facilities are subject to markup ranging from 6.71 % to 7.875 % (June 30, 2016: 2.25 % to 10.91 %) per annum. These facilities are secured against pledge of raw materials and finished goods, hypothecation charge over present and future current assets of the Company, lien on documents of title to goods and personal guarantees of certain directors of the Company.

7. CONTINGENCIES AND COMMITMENTS

7.1 There is no significant change in the status of contingent liabilities since the annual financial statements as at June 30, 2016.

7.2 Commitments outstanding at the end of the period in respect of irrevocable letters of credit is Rs. 80.10 million (June 30, 2016: Rs. 21.4 million) and letters of guarantee is Rs. 7.40 million (June 30, 2016: 6.50 million).

----- (Unaudited) -----

	<i>Six months period ended</i>		<i>Three months period ended</i>	
	<i>December 31,</i>		<i>December 31,</i>	
	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
8. SALES - NET				
Local	1,610,273,948	1,335,834,589	887,989,367	702,163,037
Export	869,981,499	614,517,074	448,701,306	493,463,163
	2,480,255,447	1,950,351,663	1,336,690,673	1,195,626,200

9. COST OF GOODS SOLD

Raw materials consumed	1,630,760,313	1,411,400,817	825,247,197	877,408,588
Salaries, wages and benefits	172,334,122	156,788,185	84,419,645	86,658,321
Stores consumed	20,458,629	23,707,979	9,579,951	14,164,272
Packing materials consumed	42,527,847	38,990,375	20,240,340	23,216,325
Power and fuel	316,705,363	320,618,790	158,821,470	173,142,090
Repair and maintenance	4,246,351	4,188,363	2,912,866	3,035,953
Insurance	3,376,319	4,192,669	1,452,751	1,856,419
Depreciation	43,106,476	41,230,933	22,530,044	20,710,933
	2,233,515,420	2,001,118,111	1,125,204,264	1,200,192,901
Work-in-process				
Opening stock	49,062,672	39,556,000	35,614,260	39,099,060
Closing stock	(35,483,426)	(40,457,000)	(35,483,426)	(40,457,000)
	13,579,246	(901,000)	130,834	(1,357,940)
Cost of goods manufactured	2,247,094,666	2,000,217,111	1,125,335,098	1,198,834,961
Finished goods				
Opening stock	289,384,807	200,151,859	317,243,306	316,891,599
Purchases	33,417,400	18,605,500	23,855,500	-
Closing stock	(192,735,066)	(339,055,399)	(192,735,066)	(339,055,399)
	130,067,141	(120,298,040)	148,363,740	(22,163,800)
	2,377,161,807	1,879,919,071	1,273,698,839	1,176,671,161

10. RELATED PARTY TRANSACTIONS

The related parties comprise associated undertakings and key management personnel. The company in the normal course of business carries out transactions with related parties. Significant transactions with related parties are as follows:

----- (Unaudited) -----

	<i>Six months period ended</i>		<i>Three months period ended</i>	
	<i>December 31,</i>		<i>December 31,</i>	
	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
Nature of transactions				
<u>Key management personnel</u>				
Remuneration to:				
Directors	3,455,128	3,476,696	1,711,364	1,738,348
Executives	1,896,725	1,519,625	947,568	682,500

10.1 All transactions with related parties have been carried out on agreed terms and conditions.

11. FAIR VALUE MEASUREMENTS

IFRS 13 requires fair value measurement disclosures using following three level fair value hierarchy that reflects the significance of the inputs used in measuring fair value of financial instruments.

Information about fair value hierarchy and asset classified under the hierarchy as follows.

- Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derive from prices). The Company has no items to report in this level.
- Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

11.1. Fair value of property, plant and equipment

Freehold land, building on free hold land and machinery including generators & electric fittings and installations are stated at revalued amount being the fair value at the date of revaluation, less any subsequent accumulated depreciation and impairment losses. The fair value measurement of below stated assets was performed by an independent valuer M/s KG Traders (Private) Limited on June 30, 2014 on the basis of depreciated replacement value. The valuer is listed on the panel of Pakistan Banks Association and possesses appropriate qualification experience in the fair value measurements.

	------(Unaudited)-----			------(Audited)-----		
	December 31, 2016			June 30, 2016		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	----- Rupees -----					
Property, plant and equipment						
- Freehold lands	-	230,369,000	-	-	230,369,000	-
- Buildings on freehold lands	-	373,310,958	-	-	382,883,034	-
- Plant and machinery	-	1,134,741,056	-	-	1,148,703,745	-
- Generators	-	11,211,652	-	-	11,801,739	-
- Electric fittings and installations	-	48,426,592	-	-	50,031,549	-
	-	<u>1,798,059,258</u>	-	-	<u>1,823,789,067</u>	-

There were no transfers between levels and no changes in valuation techniques during the period / year.

The carrying values of all other financial assets and liabilities reflected in this condensed interim financial information is approximate at their fair values.

11.2. Had there been no revaluation the related carrying amounts of freehold land, buildings and machinery would have been as follows:

	<i>Unaudited</i> December 31, 2016	<i>Audited</i> June 30, 2016
	Rupees	
Property, plant and equipment		
- Freehold lands	31,787,994	31,787,994
- Buildings on freehold lands	115,606,759	118,571,035
- Plant and machinery	777,412,939	782,213,368
- Generators	4,932,340	5,191,937
- Electric fittings and installations	35,395,471	35,943,851
	<u>965,135,503</u>	<u>973,708,185</u>

12. FINANCIAL RISK MANAGEMENT

The Company's risk management objectives and policies are consistent with those objectives and policies which were disclosed in the annual audited financial statements of the Company as at and for the year ended June 30,

13. DATE OF AUTHORIZATION OF INTERIM FINANCIAL INFORMATION

The condensed interim financial information was authorized for issue on February 22, 2017 by the Board of Directors of the Company.

14. FIGURES

Figures have been rounded-off to the nearest rupee except stated otherwise.

Sd/-
Mian Anis Ahmad Sheikh
Chief Executive Officer

Sd/-
Mian Atta Shafi Tanvir Sheikh
Director

Sd/-
M. Ehsanullah Khan
Chief Financial Officer