

MAQBOOL

TEXTILE MILLS LIMITED

Half Yearly Report & Financial Statement (Auditor's Reviewed)
For the half year ended December 31, 2018

Company Profile

Board of Directors	Mian Tanvir Ahmad Sheikh - Chairman Main Anis Ahmad Sheikh - C.E.O Mian Idrees Ahmad Sheikh Mian Aziz Ahmad Sheikh Main Atta Shafi Tanvir Sheikh Maj. (R) Javed Mussarat - Independent Director Syed Raza Abbas Jaffari - Independent Director
Audit Committee	Maj. (R) Javed Mussarat - Chairman Mian Idrees Ahmad Sheikh - Member Mian Aziz Ahmad Sheikh - Member
HR & Remuneration Committee	Mian Aziz Ahmad Sheikh - Chairman Mian Idrees Ahmad Sheikh - Member Main Atta Shafi Tanvir Sheikh - Member
Chief Financial Officer & Company Secretary	M. Ehsanullah Khan
Head of Internal Audit	Mahmood Ul Hassan
Auditors	M/s Deloitte Yousuf Adil Chartered Accountant Mehtar Fatima Tower, Opposite High Court, Multan
Legal Advisor	Malik Masroor Hadier Usman 217-Metro Plaza, Multan
Bankers	Habib Bank Limited Bank Al-Habib Limited Habib Metropolitan Bank Limited United Bank Limited Faysal Bank Limited The Bank of Punjab Bank Al-Falah Limited (Islamic Banking) Meezan Bank Limited National Bank of Pakistan (Islamic Banking)
Registered/Head Office	2-Industrial Estate, Multan
Mills (Unit I, II & Ginning)	M.M. Road, Chowk Sarwar Shaheed, Disst. Muzaffargarh.
Mills (Unit III)	Rajana Road, Pir Mahal, Disst. Toba Tek Singh.
Share Registrar	M/s Hameed Majeed Associates H.M. House, 7-Bank Square, Lahore.

DIRECTORS' REVIEW

Dear Shareholders,

Your Directors are pleased to present before you the Auditors' Reviewed Financial Statements of your Company for the Half Year ended December 31, 2018.

The total sales, for the period have been **Rs. 2,525 Million** as compared to **Rs.2,533 Million** for the same period last year. The gross profit for the period was **Rs.64,685,632/-** as compared to **Rs.45,954,876/-** last year. The net profit after providing for tax amounted to **Rs. 30,929,772/-** for the half year ended December 31, 2018 as compared to net Profit after Tax of **Rs. 12,883,903/-** of the same period last year

In line with the Company's policy of BMR of its spinning Units, 5 Sets of Ring Spinning Frames (RX-300) comprising 6,000 Spindles, 3 Sets of Simplex Machines & 2 Sets of Carding Machines & air conditioning machinery were imported & its installation at Unit No.1 is in progress. Letter of Credits for import of 5 Sets of Auto winders & 3 Sets of Drawing Frames have also been established. Construction of building along with electrification & air conditioning for the new machinery is also being completed and this newly installed machinery will commence production on its completion. With the completion of BMR the total number of Spindles of Unit No.1 shall stand increased to 24,672 from previous 18,672. The Management of the Company believes that with the addition of new machinery not only quality of the yarn will improve but the production will also increase leading to better viability of the Mills.

Your Directors hope that overall performance of the Company will improve in the remaining period of the current financial year to end on June 30, 2019.

On behalf of the

Board
Sd/-

Mian Tanvir Ahmad Sheikh
Chairman

Place: Multan

Dated: 27.02.2019

ڈائریکٹران کا جائزہ

محترم محض داران،

آپ کے ڈائریکٹر کمپنی کے ششماہی پڑتال و جائزہ شدہ مالیاتی نتائج برائے سال ختمہ 31 دسمبر 2018ء پیش کرتے ہیں۔ موجودہ جاری سال ششماہی فروخت 2,525 ملین روپے رہی جبکہ گزشتہ سال ششماہی فروخت 2,533 ملین روپے تھی۔ قیل از نیگس منافع 64,685,632 روپے رہا جبکہ گزشتہ سال 45,954,876 روپے تھا۔ بعد از نیگس منافع 30,929,772 روپے رہا جبکہ گزشتہ سال 12,883,903 روپے رہا تھا۔

کمپنی کی BMR پالیسی کے تحت 5 سیٹ رنگ سپینگ فریم جو کہ 6,000 سپینڈلز پر مشتمل ہیں، 3 سیٹ سمپلیکس مشین اور 2 سیٹ کارڈنگ مشین اور انیر کنڈیشننگ یونٹ درآمد کیے گئے ہیں اور انکو یونٹ 1 میں نصب کیا جا رہا ہے۔ اس کے علاوہ 5 سیٹ آٹو وائسٹرز اور 3 سیٹ ڈرائنگ مشین کیلئے لیٹر آف کریڈٹ کھول دیئے گئے ہیں۔ نئی عمارت کی کنسٹرکشن کے ساتھ بجلی اور اے سی کی تنصیب کر دی گئی ہے۔ BMR کے مکمل ہونے کے بعد یونٹ 1 کے سپینڈلز کی تعداد 24,672 ہو جائے گی جو کہ پہلے 18,672 ہے۔ کمپنی کی انتظامیہ کو یقین ہے کہ نئی مشینیں چلنے کے بعد نہ صرف سوت کا معیار اچھا ہوگا بلکہ کل پیداوار میں بھی اضافہ ہوگا۔

آپ کے ڈائریکٹرز اللہ تعالیٰ کی مہربانی سے یہ امید کرتے ہیں کہ 30 جون 2019ء کو اختتام پذیر مالیاتی سال کی بقایہ مدت میں مزید بہتر نتائج دے گی۔

محکم بورڈ آف ڈائریکٹرز

دستخط

میاں تنویر احمد شیخ

(چیئرمین)

ملتان۔ بتاریخ 27 فروری 2019ء

MAQBOOL TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2018

ASSETS	Note	(Unaudited) December 31, 2018 Rupees	(Audited) June 30, 2018 Rupees
Non-current assets			
Property, plant and equipment	3	1,965,831,371	1,799,940,622
Long term deposits		5,668,939	5,668,939
		1,971,500,310	1,805,609,561
Current assets			
Stores and spares		43,629,876	40,610,129
Stock in trade	4	1,004,912,733	606,947,043
Trade debts		474,862,577	610,983,240
Loans and advances		46,937,155	26,580,398
Prepayments		221,803	221,803
Sales tax refundable		69,971,468	77,855,684
Advance tax		74,274,687	97,636,020
Export rebate refundable		90,563,039	92,662,944
Cash and bank balances		37,728,346	72,989,814
		1,843,101,684	1,626,487,075
Total assets		3,814,601,994	3,432,096,636
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital		168,000,000	168,000,000
General reserve		168,000,000	168,000,000
Surplus on revaluation of property plant and equipment - net of deferred tax		662,692,927	680,437,132
Unappropriated profit		298,265,527	275,898,262
		1,296,958,454	1,292,335,394
Non-current liabilities			
Long term financing		175,538,325	72,362,164
Long term loans from related parties		54,032,912	51,459,916
Liabilities against assets subject to finance lease	5	3,320,174	-
Deferred taxation		202,567,187	193,956,066
Staff retirement benefits - gratuity		23,791,935	23,331,292
		459,250,533	341,109,438
Current liabilities			
Trade and other payables		265,787,303	208,235,408
Accrued markup		36,239,944	27,883,138
Short term borrowings	6	1,657,659,558	1,429,273,212
Unclaimed dividend		3,052,032	3,052,032
Unpaid dividend		3,350,675	2,032,694
Current portion of long term financing		61,192,395	72,824,836
Current portion of long term liabilities subject to finance lease	5	659,648	-
Provision for taxation		30,451,452	55,350,484
		2,058,393,007	1,798,651,804
Contingencies and commitments	7		
Total equity and liabilities		3,814,601,994	3,432,096,636

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

Chief Executive

Director

Chief Financial Officer

MAQBOOL TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2018

	NoteSix months period ended Three months period ended	
		December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
----- Rupees -----					
Sales - net	8	2,524,925,044	2,532,916,367	1,489,282,264	1,349,527,028
Cost of goods sold	9	(2,319,210,570)	(2,347,650,632)	(1,374,388,854)	(1,252,347,012)
Gross profit		205,714,474	185,265,735	114,893,410	97,180,016
Other income		22,295,318	9,202,689	11,674,088	8,482,837
		228,009,792	194,468,424	126,567,498	105,662,853
Selling & Distribution Expense		(30,051,774)	(40,103,411)	(17,668,618)	(22,486,222)
Administrative expenses		(59,736,458)	(50,928,954)	(33,712,402)	(29,881,310)
Other operating expenses		(2,242,868)	(1,579,866)	(209,735)	192,180
		(92,031,100)	(92,612,231)	(51,590,755)	(52,367,532)
Finance cost		(71,293,060)	(55,901,317)	(40,227,149)	(31,250,227)
Profit before taxation		64,685,632	45,954,876	34,749,594	22,045,094
Provision for taxation		(33,755,860)	(33,070,973)	(21,209,719)	(18,564,153)
Profit after taxation		30,929,772	12,883,903	13,539,875	3,480,941
Earnings per share - basic and diluted		1.84	0.77	0.81	0.21

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

Chief Executive

Director

Chief Financial Officer

MAQBOOL TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2018

	...Six months period endedThree months period ended ...	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
	----- Rupees -----			
Profit for the period	30,929,772	12,883,903	13,539,875	3,480,941
Other comprehensive income:				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Transfer from deferred tax due to change rate on opening revaluation surplus	(5,306,712)	-	(5,306,712)	-
Total comprehensive income for the period	<u><u>25,623,060</u></u>	<u>12,883,903</u>	<u><u>8,233,163</u></u>	<u>3,480,941</u>

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

Chief Executive

Director

Chief Financial Officer

MAQBOOL TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2018

	Share capital	Capital Reserve	Revenue Reserves		Total
		Surplus on revaluation of property, plant and equipment	Unappropriated profit	General reserve	
----- Rupees -----					
Balance as at July 01, 2017	168,000,000	704,975,105	194,868,151	168,000,000	1,235,843,256
Profit for the six months period ended December 31,2017	-	-	12,883,903	-	12,883,903
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	12,883,903	-	12,883,903
Dividend for the year ended June 30,2017	-	-	-	-	-
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax	-	(15,543,760)	15,543,760	-	-
Balance as at December 31, 2017	168,000,000	689,431,345	223,295,814	168,000,000	1,248,727,159
Balance as at July 01, 2018	168,000,000	680,437,132	275,898,262	168,000,000	1,292,335,394
Profit for the six months period ended December 31,2018	-	-	30,929,772	-	30,929,772
Other comprehensive (loss) for the period	-	(5,306,712)	-	-	(5,306,712)
Total comprehensive income for the period	-	(5,306,712)	30,929,772	-	25,623,060
Dividend for the year ended June 30,2018 @ Rs. 1.25 per Share	-	-	(21,000,000)	-	(21,000,000)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax	-	(12,437,493)	12,437,493	-	-
Balance as at December 31, 2018	168,000,000	662,692,927	298,265,527	168,000,000	1,296,958,454

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

Chief Executive

Director

Chief Financial Officer

MAQBOOL TEXTILE MILLS LIMITED
CONDENSED INETRIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2018

Six months period ended.....	
	December 31, 2018 Rupees	December 31, 2017 Rupees
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	64,685,632	45,954,876
Adjustments for :		
Depreciation on property, plant and equipment	43,442,862	43,759,463
Provision for staff retirement benefits - gratuity	10,213,952	10,815,141
Finance cost	71,293,060	55,901,317
	<u>124,949,874</u>	<u>110,475,921</u>
Operating cash flows before working capital changes (Increase) / decrease in current assets	189,635,506	156,430,797
Stores and spares	(3,019,747)	(22,906,190)
Stock in trade	(397,965,690)	(441,663,309)
Trade debts	136,120,663	(154,854,651)
Loans and advances	(20,356,757)	7,151,593
Export rebate refundable	2,099,905	(26,349,498)
Sales tax refundable	7,884,216	87,351
Other receivables	-	(40,784)
	<u>(275,237,410)</u>	<u>(638,575,488)</u>
Increase in current liabilities		
Trade and other payables	57,551,895	69,648,841
Cash (used in) operations	(28,050,009)	(412,495,850)
Income tax paid	(31,989,151)	(30,193,610)
Gratuity paid	(9,753,309)	(5,463,366)
Finance cost paid	(60,363,257)	(49,905,710)
	<u>(102,105,717)</u>	<u>(85,562,686)</u>
Net cash used in operating activities	(130,155,726)	(498,058,536)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(24,366,153)	(4,657,459)
Additions to capital work in progress	(184,967,458)	-
Net cash used in investing activities	<u>(209,333,611)</u>	<u>(4,657,459)</u>
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Receipt of long term financing	130,034,260	-
Repayment of long term financing	(38,490,540)	(34,265,963)
Repayment of liabilities against assets subject to finance lease	3,979,822	-
Short term borrowings - net	228,386,346	510,033,752
Dividend paid	(19,682,019)	-
Net cash generated from financing activities	<u>304,227,869</u>	<u>475,767,789</u>
Net (decrease) in cash and cash equivalents (A+B+C)	(35,261,468)	(26,948,206)
Cash and cash equivalents at beginning of the period	<u>72,989,814</u>	<u>32,176,107</u>
Cash and cash equivalents at end of the period	<u><u>37,728,346</u></u>	<u><u>5,227,901</u></u>

Chief Executive

Director

Chief Financial Officer

MAQBOOL TEXTILE MILLS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2018

1. LEGAL STATUS

1.1 Maqbool Textile Mills Limited (the "Company") was incorporated in Pakistan on December 03, 1989 as a public limited company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and is listed on Pakistan Stock Exchange (formerly Karachi, Lahore and Islamabad Stock Exchanges). The registered office of the Company is situated at 2-Industrial Estate Multan, Pakistan. The Company is principally engaged in manufacturing and sale of yarn, cotton seed and cotton lint. The Company's area of the mill at unit 1 and unit 2 is 63.77 acres located at M.M. Road, Chowk Sarwar Shaheed, Distt.Muzaffargarh and area of unit 3 is 29.14 acres located at Rajana Road, Pirmahal, Distt.Toba Tek Singh.

1.2 These condensed interim financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

These condensed interim financial statements of the Company 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 the 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. These condensed interim financial statements are unaudited but subject to limited scope review by auditors and is being submitted to the shareholders as required under Section 237 of the Act.

2.2 These condensed interim financial statements do 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, 2018. Comparative condensed interim statement of financial position has been extracted from annual audited financial statements for the year ended June 30, 2018 whereas comparative condensed interim statement of profit or loss and condensed interim statement of comprehensive income, comparative condensed interim statement of changes in equity and comparative condensed interim statement of cash flows have been extracted from un-audited condensed interim financial statements for the six months period ended December 31, 2017.

2.3 Application of new and revised International Financial Reporting Standards (IFRS Standards)

2.3.1 Standards, amendments to standards and interpretations becoming effective during the period

The Securities and Exchange Commission of Pakistan (SECP) has adopted new IFRS - 15 "Revenue from contracts with customers". Impact of this IFRS Standard on these condensed interim financial statements are explained in note 2.5.

Furthermore, SECP through SRO 1007(I)/2017, dated October 4, 2017, had notified IFRS 9 "Financial Instruments", replacing the International Accounting Standard (IAS) 39 "Financial Instruments: Recognition and Measurement" with effect from reporting periods starting July 1, 2018. Applicability of this IFRS 9 has been subsequently deferred through SRO 229 (I)/2019, dated February 14, 2019. Accordingly the requirements of IFRS 9 have not been considered in the preparation of these condensed interim financial statements.

There are other new standards, amendments to standards and interpretations that became effective during the period and are mandatory for accounting periods of the Company beginning on or after July 01, 2018 but are considered not to be relevant or not to have any significant effect on the Company's operations and are, therefore, not disclosed in these condensed interim financial statements.

2.3.2 Standards, amendments to standards and interpretations becoming effective in future periods

There are certain new standards, amendments to standards and interpretations that will become effective in future accounting periods but are considered not to be relevant or not to have any significant effect on Company's operations and are, therefore, not disclosed in these condensed interim financial statements.

2.4 Basis of preparation

These condensed interim financial statements have been prepared under the "historical cost convention" except staff retirement gratuity carried at present value. These condensed interim financial statements do not include all the information required for complete set of financial statements and should be read in conjunction with the Company's published audited financial statements for the year ended June 30, 2018.

2.5 Accounting policies and methods of computation

The accounting policies and methods of computation followed in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the published audited financial statements for the year ended June 30, 2018 except the following:

- IFRS - 15 "Revenue from contracts with customers" amends revenue recognition requirements and establishes principles for reporting information about the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. Under new IFRS Standard, revenue is recognized when control is transferred to the customer which replaced the notion of transfer of risks and rewards in IAS 18 - Revenue.

The application of these IFRS Standards do not have any material impact on these condensed interim financial statements.

		(Unaudited) December 31, 2018 Rupees	(Audited) June 30, 2018 Rupees
3. PROPERTY, PLANT AND EQUIPMENT	Note		
Operating assets	3.1	1,780,473,851	1,799,550,560
Capital work-in-progress	3.2	185,357,520	390,062
		<u>1,965,831,371</u>	<u>1,799,940,622</u>
3.1 Operating assets			
Opening carrying value		1,799,550,560	1,805,074,292
Additions during the period / year			
Plant and machinery		17,066,610	76,807,888
Electric fittings and installations		2,479,163	4,509,594
Tools and equipments		17,500	103,350
Office equipments		67,000	-
Furniture and fixtures		40,000	1,329,600
Weighing scales		-	611,403
Tube well		90,000	-
Fire extinguishing equipment		-	16,000
Vehicles		4,605,880	88,000
		<u>24,366,153</u>	<u>83,465,835</u>
Disposal for the period		-	(213,720)
Depreciation charge for the period		(43,442,862)	(88,775,847)
Closing carrying value		<u>1,780,473,851</u>	<u>1,799,550,560</u>
3.2 Capital Work in progress			
Opening carrying value		390,062	34,945,185
Additions during the period / year			
Plant and machinery		149,990,716	-
Civil works		34,976,742	-
		<u>184,967,458</u>	<u>-</u>
Capitalized during the period		-	(34,555,123)
Closing carrying value		<u>185,357,520</u>	<u>390,062</u>
4. STOCK IN TRADE			
Raw materials		485,102,484	468,106,891
Work in process		49,392,329	40,096,000
Finished goods			
- Yarn		467,985,786	93,416,838
- Waste		2,432,134	5,327,314
		<u>470,417,920</u>	<u>98,744,152</u>
		<u>1,004,912,733</u>	<u>606,947,043</u>

5.	LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE	Note	(Unaudited)	(Audited)
			December 31, 2018 Rupees	June 30, 2018 Rupees
	Present value of minimum lease payments	5.1	3,979,822	-
	Less: Current portion shown under current liabilities		(659,648)	-
	Non- Current liability against asset subject to finance lease		3,320,174	-

5.1 During the period , Company signed agreement with Bank Al-Habib for purchase of two vehicles on finance lease costing 2.14 million each to be repaid in 60 monthly installments. Minimum lease payments have been discounted at an implicit interest rate 6.48% per annum for the period (June 30,2018, Nil) to arrive at their present value. The lessee has the option to purchase the asset after expiry of lease term.

6.	SHORT TERM BORROWINGS From banking companies Secured - under markup arrangements	(Unaudited)	(Audited)
		December 31, 2018 Rupees	June 30, 2018 Rupees
	Running finance	755,045,848	674,236,677
	Cash finance	703,214,910	555,536,535
	Murabaha finance	199,398,800	199,500,000
		1,657,659,558	1,429,273,212

Short term borrowings are available from various commercial banks under mark-up arrangements aggregating to Rs. 3,772 million (June 2018: Rs. 3,020 million) of which facilities remained un-utilized at the period end amounted to Rs. 2,115 million (June 2018: 1,591 million). These facilities are subject to markup ranging from 7.18 % to 11.70 % (June 30, 2018: 6.9 % to 8.75 %) 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, 2018.

7.2 Commitments outstanding at the end of the period in respect of irrevocable letters of credit is Rs. 78.30 million (June 30, 2018: Rs. 78 million) and letters of guarantee is Rs. 7.43 million (June 30, 2018: 7.43 million).

8.	SALES - NET	----- (Unaudited) -----			
		...Six months period endedThree months period ended ...	
		December 31, 2018 Rupees	December 31, 2017 Rupees	December 31, 2018 Rupees	December 31, 2017 Rupees
	Local	2,080,880,729	1,372,166,619	1,204,995,376	782,714,300
	Export	444,044,315	1,160,749,748	284,286,888	566,812,728
		2,524,925,044	2,532,916,367	1,489,282,264	1,349,527,028
9.	COST OF GOODS SOLD				
	Raw materials consumed	2,081,116,047	1,775,894,012	1,109,660,875	928,845,364
	Salaries, wages and benefits	192,733,841	179,387,966	95,691,568	89,157,212
	Stores consumed	27,583,664	23,265,172	17,593,034	13,438,369
	Packing materials consumed	39,537,345	38,102,853	19,721,859	20,180,790
	Power and fuel	303,917,120	282,687,986	160,359,754	152,413,966
	Repair and maintenance	5,977,662	4,006,205	4,667,573	3,166,273
	Insurance	7,692,934	5,335,606	4,092,934	2,932,606
	Depreciation	41,622,054	42,179,598	19,122,054	20,579,598
		2,700,180,667	2,350,859,398	1,430,909,651	1,230,714,178
	Work-in-process				
	Opening stock	40,096,000	40,217,892	37,044,300	35,190,900
	Closing stock	(49,392,329)	(38,494,809)	(49,392,329)	(38,494,809)
		(9,296,329)	1,723,083	(12,348,029)	(3,303,909)
	Cost of goods manufactured	2,690,884,338	2,352,582,481	1,418,561,622	1,227,410,269
	Finished goods				
	Opening stock	98,744,152	223,196,156	426,245,152	282,228,748
	Purchases	-	29,164,000	-	-
	Closing stock	(470,417,920)	(257,292,005)	(470,417,920)	(257,292,005)
		(371,673,768)	(4,931,849)	(44,172,768)	24,936,743
		2,319,210,570	2,347,650,632	1,374,388,854	1,252,347,012

10. 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 are 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. drive from prices).
- Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

10.1. Fair value of property, plant and equipment

Freehold land, buildings on free hold land, 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 and experience in the fair value measurements.

	------(Unaudited)-----			------(Audited)-----		
	December 31, 2018			June 30, 2018		
	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	-	336,913,141	-	-	345,551,939	-
- Plant and machinery	-	1,136,102,800	-	-	1,147,988,116	-
- Generators	-	9,103,323	-	-	9,582,445	-
- Electric fittings and installations	-	43,284,585	-	-	44,243,332	-
	-	1,755,772,847	-	-	1,777,734,832	-

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

The carrying values of all other financial assets and liabilities reflected in these condensed interim financial statements approximate their fair values.

11. 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:

Nature of transactions	----- (Unaudited) -----			
	Six months period ended December 31, 2018 Rupees	December 31, 2017 Rupees	Three months period ended December 31, 2018 Rupees	December 31, 2017 Rupees
<u>Key management personnel</u>				
Remuneration to:			(Unaudited)	(Audited)
Directors	3,487,523	3,345,855	1,743,762	1,672,928
Executives	1,192,556	1,897,258	596,278	948,629
		Note	(Unaudited) December 31, 2018 Rupees	(Audited) June 30, 2018 Rupees
Loan from Related Parties		11.1	54,032,912	51,239,670

11.1 The Company entered into agreements with various related parties (directors / chief executive) in their capacity as sponsors, whereby the repayment of loans was deferred for a period of three years. The loans are interest free, unsecured and are repayable in full at the end of three-year period unless further extended by mutual agreement. In 2017, loan was extended for further three years up to 2020 using the discount rate of 10% per annum. The fair value of the loans was estimated at Rs. 40.95 million. The difference of Rs. 15.42 million, between the gross proceeds and the fair value of loans was recognized in equity through a transfer to unappropriated profit (the unamortized portions is not available for distribution). During the period, the unwinding of discount (i.e., unwinding of the difference between present value on initial recognition and the amount received) amounting to Rs. 2.5 million (June 30,2018: 4.88 million) is recognized in statement of profit or loss using the effective interest rate method.

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

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, 2018.

13. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Audited June 30, 2018	Net Cash flow	Unaudited December 31, 2018
	-----Rupees-----		
Long term financing	145,187,000	91,543,720	236,730,720
Short term borrowings	1,429,273,212	228,386,346	1,657,659,558
	1,574,460,212	319,930,066	1,894,390,278

14. DATE OF AUTHORIZATION OF CONDENSED INTERIM FINANCIAL STATEMENTS

The condensed interim financial statements were authorized for issue on _____, 2019 by the Board of Directors of the Company.

15. FIGURES

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

Chief Executive

Director

Chief Financial Officer

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