

**NOTICE FOR EXTRAORDINARY GENERAL MEETING UNDER THE  
SUPERVISION OF THE CHAIRPERSONS APPOINTED BY LAHORE HIGH COURT,  
MULTAN BENCH VIDE ORDER DATED 23<sup>RD</sup> MAY, 2025 IN C.O. NO. 06 OF 2025**

In the matter of:-

**Civil Original No. 06 of 2025**

**MAHMOOD TEXTILE MILLS LIMITED, OFFICE AT MEHR MANZIL, LOHARI  
GATE, MULTAN**

And

**MG APPAREL LIMITED, OFFICE AT MEHR MANZIL, LOHARI GATE, MULTAN**

Notice is hereby given pursuant to the order dated 23 May, 2025 of the Honorable Lahore High Court, Multan Bench, passed in C.O. No. 06 of 2025 (being a Petition for sanctioning of Scheme of Arrangement between above companies under Section 279 to 283 and 285 of the Companies Act, 2017), Extra-Ordinary General Meetings (hereinafter the 'EOGMs') of Mahmood Textile Mills Limited and MG Apparel Limited will be held on 30<sup>th</sup> June 2025 as follows to transact the below mentioned special business:

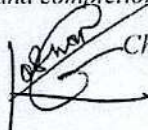
Sr.	Name of Company	Venue	Time
1.	Mahmood Textile Mills Limited	Mehr Manzil o/s Lohari gate Multan	12:30 P.M. Monday, June 30, 2025
2.	MG Apparel Limited	Mehr Manzil o/s Lohari gate Multan	2:00 P.M. Monday, June 30, 2025

**Special Business:**

To consider and if thought fit, to agree, approve and adopt the Scheme of Compromises, Arrangements and Reconstruction (the "**Scheme**") between Mahmood Textile Mills Limited and its wholly owned subsidiary, MG Apparel Limited by passing or otherwise, the following special resolutions, with or without modification(s), addition(s) or deletion(s):

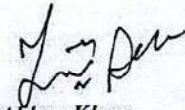
*"Resolved that the Scheme of Arrangement for, inter alia, compromise, arrangement and reconstruction (the "**Scheme**") between M/s. Mahmood Textile Mills Limited and its members and M/s. MG Apparel Limited and its members, considered by this meeting and initialled by the chairpersons of this meeting for purposes of identification, be and is hereby approved, adopted and agreed, subject to any modification(s) or conditions as may be required/imposed by the Honourable Lahore High Court, Multan Bench.*

*Resolved Further that each of the Chief Executive Officer, any of the Directors of the Company, Chief Financial Officer and Company Secretary of the Company, singly and severally, be and are hereby authorized to take any steps / measures for the implementation and completion of the Scheme".*



**Mr. Syed Muhammad Kaswar Gardezi**  
Advocate High Court  
House No. 43/26, Tipu Sultan Road,  
Multan Cantonment, Multan

Chairpersons for the EOGMs appointed by the Court are:



**Mr. Zafar Abbas Khan**  
Advocate Supreme Court  
Room No. 1, 2<sup>nd</sup> Floor,  
Golden Heights Plaza,  
Opposite High Court Multan,  
Multan



**Notes:**

1. The Statement under Section 281 of the Companies Act, 2017 (hereinafter the "Act") read with the statement of material facts under Section 134(3) of the Act (hereinafter the 'Statement') setting forth, *inter alia*, the terms of the compromises, arrangements and reconstruction and explaining its effect, along with a copy of the Scheme, Board Resolutions dated May 21, 2025, the Valuation Certificate of M/s. Shinewing Hameed Chaudhri & Co., Chartered Accountants dated May 14, 2025 and supplementary audited financial statements for the period ended December 31, 2024, are being circulated along with notices of the EOGMs to the members and other person(s) entitled to receive notices of EOGMs.
2. Copies of the Scheme, the Statement, the latest audited financial statements for prior periods of the respective companies can also be obtained, free of charge, from the registered office of the respective Company, each located at Mehr Manzil, Lohari Gate, Multan, during usual business hours i.e., 9:00 a.m. to 5:00 p.m. by the members and other persons entitled to attend the EOGMs by making application addressed to the Company Secretary of the respective Company at their registered address.
3. Copies of the Scheme, the Statement, the latest audited financial statements of the respective Company along with all published or otherwise required financial statements of all prior periods of the respective Company along with copies of its Memorandum and Articles of Association, other report(s) and related information/documents have been kept at the registered office of the respective Company which can be inspected during the business hours on any working day from the date of publication of this notice till the day before the EOGMs by the members and other persons entitled to attend the EOGMs. The same will also be available for inspection at the EOGMs. In case of any difficulty, the same should be brought immediately to the notice of the mentioned Chairperson.
4. Notice of EOGMs along with the Statement, the Scheme and the latest annual audited / half yearly financial statements of Mahmood Textile Mills Limited have also been placed on its website.
5. The Shares Transfer Books of each Company will remain closed from 23<sup>rd</sup> June, 2025 to 30<sup>th</sup> June, 2025 (both days inclusive). Transfers received at the registered address of the respective Company's, and *in case of Mahmood Textile Mills Limited, to its Share Registrar's Office, M/s. Hameed Majeed Associates (Private) Limited, Shares Department, HM House, 7-Bank Square, Lahore*, by the close of business hours on 22<sup>nd</sup> June, 2025 will be treated as being in time for the purpose of attending and voting at the respective EOGM.
6. A member of the Company entitled to attend and vote at the EOGM may appoint another member as his / her proxy to attend and vote in place of him / her at the EOGM. Proxies in order to be effective must be received at the registered office of the respective Company duly stamped and signed not less than 48 hours before the time of EOGMs. A proxy must be a member of the respective Company. Proxy Forms in Urdu and English languages are attached to the notices of EOGMs circulated to the shareholders.
7. Members are requested to immediately notify the change, if any, in their registered addresses to the Company Secretary of the respective Company.
8. No gifts will be distributed in the EOGMs.

**ONLY FOR THE MEMBERS OF MAHMOOD TEXTILE MILLS LIMITED**

9. **Participation in the EOGM through video link.**  
To attend the meeting through video link, members and their proxies are requested to register themselves by providing the following information: Name, Folio Number, Number of shares held in their name, a valid copy of CNIC (both sides) or passport, and an attested copy of board resolution/power of attorney (in case of corporate shareholder) through email at [liaqat.cs@mahmoodgroup.com](mailto:liaqat.cs@mahmoodgroup.com). Those members who register and are verified, shall be provided with the video link facility by the company at the email address provided. The login facility will remain open from the start of the meeting until its conclusion. This facility will be provided in accordance with the provisions of section 132 of the Act.



Name of Member/ proxy holders	CNIC	Folio No./ Participant id/ Account No.	Cell No./ WhatsApp No.	Email ID

10. Members who have deposited their shares into Central Depository Company of Pakistan Limited ("CDC") will further have to follow the applicable guidelines as laid down by the Securities and Exchange Commission of Pakistan in Circular No. 1 of 2000.
11. Members are requested to notify in adequate time of any change in their addresses to the Share Registrar of the company. Name and address of the share registrar is mentioned at serial no. 5 of the Notes.
12. **Notice to Shareholder who have not provided CNIC:**  
The shareholders who have not yet provided their CNICs are once again advised to provide attested copies (both sides) of their CNIC's (if not already provided) directly to the Share Registrar at address given in Note No. 5. The shareholders are further requested to furnish their **IBAN bank account number containing 24 digits directly to our Share Registrar** so that the dividend if any may be sent into their bank accounts. It is further clarified that tax deduction as presently applicable will be applicable on the dividend amount.
13. **Conversion of physical shares in to Book Entry Form**  
As per Section 72 of the Act, all the shareholders of listed companies are required to convert their physical shares into **Book Entry** form within a period not exceeding four years from the commencement of the Act. The SECP vide its circular No. CSD/ED/misc/2016- 639-640 dated March 26, 2021, has advised the listed companies to pursue their members who still hold shares in physical form to convert their shares in to Book Entry Form. Therefore, Mahmood Textile Mills Limited hereby requests all such members who hold physical shares to convert their shares into book entry form at the earliest. For this purpose, they may contact CDC or any active member of the Pakistan Stock Exchange to open an account with CDC at the earliest possible.
14. **Electronic Voting**  
In accordance with Sections 143 – 145 of Act, and Companies (Postal Ballot) Regulations, 2018 ("Regulations"), the right to vote through electronic voting facility and voting by postal ballot shall be provided to members of every listed company for, *inter alia*, all business classified as special business under the Act, in the manner and subject to conditions contained in the Regulations. Accordingly, members of "MAHMOOD TEXTILE MILLS LIMITED" will be allowed to vote through electronic voting or voting by post for the special business mentioned above whenever needed in accordance with the requirements and subject to the conditions contained in the said Regulations.
- Detail of e-Voting facility will be shared through e-mail with those members of the company who have valid cell numbers / e-mail addresses (Registered e-mail ID) available in the Register of Members of the Company by the end of business on 23<sup>rd</sup> June, 2025. Members who intend to exercise their right of vote through E-voting shall provide their valid cell numbers and email addresses on or before 23<sup>rd</sup> June, 2025.
  - Identity of the Members intending to cast vote through e-voting shall be authenticated through electronic signature or authentication for login.
  - Members shall cast vote for agenda item SPECIAL BUSINESS online from 26<sup>th</sup> June, 2025 till 30<sup>th</sup> June, 2025, 11:00 a.m. Voting shall close on 30<sup>th</sup> June, 2025, at 11:00 a.m. A vote once cast by a Member, shall not be allowed to be changed.
15. **Procedure for Voting Through Postal Ballot**
- Members may alternatively opt for voting through postal ballot. For convenience of the members, Ballot Paper is annexed to this notice and the same is also available on the Company's website [www.mahmoodtextile.com](http://www.mahmoodtextile.com), [www.mahmoodgroup.com](http://www.mahmoodgroup.com) to download.
  - The members must ensure that the duly filled and signed ballot paper, along with a copy of Computerized National Identity Card (CNIC) should reach the Chairperson of the meeting through post one working day before the EOGM during working hours i.e. on Friday, 27 June, 2025, before 5:00 p.m. at the following address:



**Mr. Syed Muhammad Kaswar Gardezi**  
House No. 43/26, Tipu Sultan Road, Multan Cantonment, Multan

A postal ballot received after this time / date shall not be considered for voting. The signature on the Ballot Paper shall match with signature on the CNIC.



# اطلاع غیر معمولی اجلاس عام

بیسلسلہ تقریرنگران چیئرمین پر سنز نامزد کردہ از لاہور ہائی کورٹ ملتان بچ

بمعاہ:

سول اور سبجٹل نمبر 06 آف 2025

محمود ٹیکسٹائل ملز لمیٹڈ دفتر بمقام مہر منزل، لوہاری گیٹ ملتان

اور

ایم جی ایپریل لمیٹڈ دفتر بمقام مہر منزل، لوہاری گیٹ ملتان

یہ نوٹس معزز لاہور ہائی کورٹ، ملتان بچ کے 23 مئی 2025 کے حکم نامے کے مطابق دیا گیا ہے، جو C.O. نمبر 06 آف 2025) کمپنی ایکٹ 2017 کے سیکشن 279 سے 283 اور 285 کے تحت مذکورہ کمپنیوں محمود ٹیکسٹائل ملز لمیٹڈ اور ایم جی ایپریل لمیٹڈ کے درمیان ترتیب کی اسکیم کی منظوری کے لیے ایک پیشین کے طور پر 30 جون 2025 کو مندرجہ ذیل خصوصی کاروبار کو لین دین کرنے کے لیے غیر معمولی اجلاس عام (EOGM) کا انعقاد کیا جائے گا۔

نمبر شمار	کمپنی کا نام	جائے مقام	وقت
1	محمود ٹیکسٹائل ملز لمیٹڈ	مہر منزل بیرون لوہاری گیٹ ملتان	بروز پیر 30 جون 2025 '30-12 بجے دن
2	ایم جی ایپریل لمیٹڈ	مہر منزل بیرون لوہاری گیٹ ملتان	بروز پیر 30 جون 2025 '00-02 بجے دن

خصوصی کاروبار:

محمود ٹیکسٹائل ملز لمیٹڈ اور اس کی مکمل ملکیتی ذیلی کمپنی، ایم جی ایپریل لمیٹڈ کے درمیان سمجھوتہ، انتظامات اور تعمیر نو کی اسکیم پر غور کرنا اور اگر مناسب سمجھا گیا تو مندرجہ ذیل خصوصی قراردادیں پاس کر کے یا بصورت دیگر ترمیم کے ساتھ یا اس کے بغیر اتفاق سے منظور کرنا اور اسے لاگو کرنا:

"Resolved that the Scheme of Arrangement for, inter alia, compromise, arrangement and reconstruction (the "Scheme") between M/s. Mahmood Textile Mills Limited and its members and M/s. MG Apparel Limited and its members, considered by this meeting and initialled by the chairpersons of this meeting for purposes of identification, be and is hereby approved, adopted and agreed, subject to any modification (s) or conditions as may be required/imposed by the Honourable Lahore High Court, Multan Branch.

Resolved Further that each of the Chief Executive Officer, any of the Directors of the Company, Chief Financial Officer and Company Secretary of the Company, singly and severally, be and are hereby authorized to take any steps / measures of the implementation and completion of the Scheme."

میںٹنگز کے لئے عدالت کی جانب سے نامزد کردہ چیئرمین پر سنز

مسٹر ظفر عباس خان  
ایڈووکیٹ سپریم کورٹ

آفس روم نمبر 1 سیکنڈ فلور گولڈن ہائوس پلازہ بالمقابل ہائی کورٹ ملتان

مسٹر سید محمد قسور گردیزی  
ایڈووکیٹ ہائی کورٹ

ہاؤس نمبر 43/26 نیچے سلطان روڈ ملتان کینٹ

نوٹس:

- 1- کمپنیز ایکٹ 2017 کے سیکشن 281 کے تحت بیان اس کے بعد "ایکٹ" ایکٹ کی دفعہ (3) 134 کے تحت مادی حقائق کے بیان کے ساتھ پڑھا گیا ہے (اس کے بعد بیان) بیان کیا گیا ہے، دیگر باتوں کے ساتھ ساتھ، سمجھوتوں کی شرائط، انتظامات اور اس کے اثرات کی وضاحت، بورڈ کی تشکیل نو اور اس کے اثرات کی وضاحت مورخہ 21 مئی 2025 اور مورخہ 14 مئی 2025 کی قرارداد کی روشنی میں میسرز شائن ونگ حمید چوہدری اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کاؤنسلیشن سرٹیفکیٹ اور 31 دسمبر 2024 کو ختم ہونے والی مدت کے ضمنی آڈٹ شدہ مالیاتی گوشواروں کو EOGM کے نوٹس کے ساتھ ممبران اور دیگر افراد کو EOGM کے نوٹس وصول کرنے کے اہل ہیں اور معزز ممبران کو نوٹس بھیجا جا رہا ہے۔
- 2- ممبران اور دیگر افراد جو EOGM میں شرکت کے حقدار ہیں متعلقہ کمپنی کے کمپنی سیکرٹری کو ان کے رجسٹرڈ پتے پر درخواست دے کر اسکیم کی کاپیاں، اسٹیمٹ، متعلقہ کمپنیوں کے سابقہ ادوار اور تازہ



6. EOGM میں شرکت کرنے اور ووٹ دینے کا حقد اراکین کی کمیٹی کے کسی دوسرے ممبر کو شرکت کرنے اور ووٹ دینے کے لیے اپنی جگہ پر کسی کے طور پر مقرر کر سکتا ہے۔ پر کسی کا تقرر کرنے والے ممبر کی طرف سے پاور آف اٹارنی یا دیگر اتھارٹی جس کے تحت اس پر دستخط کیے گئے ہوں یا نوٹری پبلک سے تصدیق شدہ کاپی میننگ کے وقت سے کم از کم 48 گھنٹے پہلے متعلقہ کمیٹی کے رجسٹرڈ آفس میں پہنچ جانا چاہیے۔ پر کسی کا کمیٹی کا ممبر ہونا ضروری ہے۔ اردو اور انگریزی زبانوں میں پر کسی فارم شیئر ہولڈرز کو بھیجے گئے EOGM کے نوٹس کے ساتھ ملکہ ہیں۔
7. معزز اراکین سے درخواست کی جاتی ہے کہ اپنے رجسٹرڈ پتے پر کسی بھی تبدیلی کی صورت میں متعلقہ کمیٹی کے کمیٹی سیکرٹری کو فوری طور پر مطلع کریں۔
8. EOGM کے وقت کوئی تحائف تقسیم نہیں کئے جائیں گے۔
- صرف محمود ٹیکسٹائل ملز لمیٹڈ کے ممبران کے لیے:

#### 9۔ سالانہ اجلاس عام میں بذریعہ ویڈیو لنک شرکت:

ویڈیو لنک کے ذریعے میننگ میں شرکت کے لیے ممبران اور ان کے پراکسیز سے درخواست کی جاتی ہے کہ وہ اپنے نام کے ساتھ درج ذیل معلومات، ان کے نام فونیومبر، ان کے نام شخص کی تعداد اور CNIC کی ایک کارآمد کاپی (دونوں اطراف) یا پاسپورٹ کی تصدیق شدہ کاپی کے ساتھ درج ذیل معلومات بورڈ کی قرارداد/ پاور آف اٹارنی (کارپوریٹ شیئر ہولڈر کی صورت میں) بذریعہ ای میل liaquat.cs@mahmoodgroup.com پر فراہم کر کے خود کو رجسٹر کرائیں۔ ضروری تصدیق کے بعد رجسٹر ہونے والے شیئر ہولڈرز کو مذکورہ ای میل ایڈریس پر کمیٹی کی طرف سے ایک ویڈیو لنک فراہم کیا جائے گا۔ لاگ ان کی سہولت میننگ کے آغاز سے اس کی کارروائی کے اختتام تک دستیاب رہے گی۔ کمپنیز ایکٹ 2017 کے سیکشن 132 کی دفعات کو مد نظر رکھتے ہوئے یہ سہولت فراہم کی جائے گی۔

ممبر/پراکسی ہولڈر کا نام	سی این آئی سی	فونیومبر/شرکت کنندہ کا آئی ڈی/اکاؤنٹ نمبر	فون نمبر/وائس ایپ نمبر	ای میل آئی ڈی

10: جن اراکین نے اپنے حصص سینٹرل ڈپازٹری کمیٹی آف پاکستان لمیٹڈ ("CDC") میں جمع کرائے ہیں، انہیں پاکستان سیکورٹیز اینڈ ایکسچینج کمیشن کے 2000 کے سرٹیفیکٹ 1 کی روشنی میں مزید قابل اطلاق رہنما خطوط پر عمل کرنا ہوگا۔

- 11۔ اراکین سے درخواست کی جاتی ہے کہ وہ اپنے پتوں میں کسی بھی تبدیلی کی مناسب وقت میں کمیٹی کے شیئر رجسٹرار کو مطلع کریں۔ شیئر رجسٹرار کا نام اور پتہ نوٹس میں نمبر شمار 5 پر درج ہے۔
- 12۔ اُن شیئر ہولڈر کے لئے اطلاع جنہوں نے CNIC فراہم نہیں کیا ہے:

وہ شیئر ہولڈرز جنہوں نے ابھی تک اپنے CNIC فراہم نہیں کیے ہیں انہیں ایک بار پھر درخواست کی جاتی ہے کہ وہ اپنے CNIC کی دونوں طرف کی مصدقہ کاپیاں براہ راست شیئر رجسٹرار کو نوٹ نمبر 5 میں دیے گئے پتے پر فراہم کریں۔ شیئر ہولڈرز سے مزید درخواست کی جاتی ہے کہ وہ اپنا 24 ہندسوں پر مشتمل IBAN بینک اکاؤنٹ نمبر براہ راست ہمارے شیئر رجسٹرار کو فراہم کریں تاکہ منافع اگر کوئی ہو تو ان کے بینک اکاؤنٹس میں بھیجا جاسکے۔ مزید واضح کیا جاتا ہے کہ موجودہ لاگو ٹیکس کوئی ڈیوڈنڈ کی رقم پر لاگو ہوگی۔

13۔ فزیکل شیئرز کو بک انٹری فارم میں تبدیلی کرنا:

کمپنیز ایکٹ کے سیکشن 72 کے مطابق تمام موجودہ کمپنیوں کو اپنے فزیکل شیئرز بک انٹری فارم میں تبدیل کرنا ضروری ہے۔ جس کی مدت ایکٹ کے آغاز سے چار سال سے زائد نہ ہو۔ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان نے اپنے سرٹیفیکٹ نمبر CSD/ED/misc./2016-639-640 مورخہ 26 مارچ 2021 کے ذریعے ہدایت کی ہے کہ سلف کمپنیاں اپنے اُن ممبران کو جن کے پاس فزیکل شیئرز ہیں بک انٹری فارم میں تبدیل کریں۔

لہذا محمود ٹیکسٹائل ملز لمیٹڈ "ای تمام ممبران سے جو فزیکل شیئرز رکھتے ہیں درخواست کرتی ہے کہ وہ اپنے حصص کو جلد از جلد بک انٹری فارم میں تبدیل کریں۔ اس مقصد کے لیے وہ جس قدر جلد ممکن ہو "سینٹرل ڈپازٹری کمیٹی آف پاکستان لمیٹڈ" یا پاکستان اسٹاک ایکسچینج کے کسی فعال ممبر سے "سینٹرل ڈپازٹری کمیٹی آف پاکستان لمیٹڈ" کے ساتھ اکاؤنٹ کھولنے کے لیے رابطہ کر سکتے ہیں۔

#### 14: الیکٹرونک ووٹنگ:

کمپنیز ایکٹ کی شق 145-143 اور کمپنیز (پوسٹل بیلٹ) ریگولیشن 2018 ("ضابطے") کے مطابق کمپنیز ایکٹ کے تحت کاروباری طریقے اور ضوابط میں موجود شرائط کی روشنی میں ہر سلف کمپنی کے اراکین کو الیکٹرونک ووٹنگ کی سہولت اور پوسٹل بیلٹ کے ذریعے ووٹ دینے کا حق دیا جائے گا۔ اس کے تحت "محمود ٹیکسٹائل ملز لمیٹڈ" کے اراکین کو مذکورہ ضابطوں میں موجود شرائط کے ساتھ ضرورت کے مطابق الیکٹرونک ووٹنگ کے ذریعے ووٹ ڈالنے یا خصوصی کاروبار کے لیے ڈاک کے ذریعے ووٹ ڈالنے کی اجازت دی جائے گی۔

a: ای۔ ووٹنگ کی سہولت کی تفصیلات ای میل کے ذریعے کمیٹی کے ان اراکین کے ساتھ شیئر کی جائیں گی جن کے پاس 23 جون 2025 کو کاروبار کے اختتام تک کمیٹی کے رجسٹر آف ممبرز میں درست سیل نمبر/ای میل ایڈریس (رجسٹرڈ ای میل آئی ڈی) دستیاب ہیں۔ وہ اراکین جو اپنے ووٹ کا حق استعمال کرنے کا ارادہ رکھتے ہیں وہ ای۔ ووٹنگ کے ذریعے اپنا ای میل ایڈریس اور ای میل نمبر مورخہ 23 جون 2025 تک یا اس سے قبل فراہم کریں گے۔

b: ای ووٹنگ کے ذریعے ووٹ ڈالنے کا ارادہ رکھنے والے اراکین کی شناخت الیکٹرونک دستخط یا لاگ ان کے لیے تصدیق کے ذریعے کی جائے گی۔

c: ممبران 26 جون 2025 سے 30 جون 2025 صبح 11:00 بجے تک ایجنڈا انٹیم خصوصی کاروبار کے لیے آن لائن ووٹ ڈالیں گے۔ ووٹنگ 30 جون 2025 صبح 11:00 بجے تک ختم ہو جائے گی۔ کسی رکن کے ووٹ کو ایک بار ڈالنے کے بعد تبدیل کرنے کی اجازت نہیں ہوگی۔



یعنی جمعہ 27 جون 2025 شام 5:00 بجے سے پہلے درج ذیل پتے پر ڈاک کے ذریعے میننگ کے چیئرمین تک پہنچ جائیں۔

جناب سید محمد قسور گرویزی

ایڈووکیٹ ہائی کورٹ

ہاؤس نمبر 43/26 نیپو سلطان روڈ ملتان کینٹ

اس وقت/تاریخ کے بعد موصول ہونے والا پوسٹل بیلٹ ووننگ کے لیے زیر غور نہیں آئے گا۔ بیلٹ ہیپر پر دستخط CNIC پر دستخط سے مماثل ہوں گے۔



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**SCHEME OF ARRANGEMENT**



**BETWEEN**

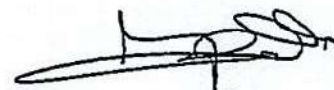

**(1) MAHMOOD TEXTILE MILLS LIMITED AND ITS MEMBERS**

**AND**

**(2) MG APPAREL LIMITED AND ITS MEMBERS**

**(IN TERMS OF PROVISIONS OF SECTIONS 279 TO 283, 285  
AND ALL OTHER ENABLING PROVISIONS  
OF THE COMPANIES ACT, 2017)**



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## PREAMBLE

### MAHMOOD TEXTILE MILLS LIMITED BACKGROUND

MAHMOOD TEXTILE MILLS LIMITED (hereinafter referred to as "MTML" or "Transferor") was incorporated as a public company on February 25, 1970, under the laws of Pakistan and is listed on the Pakistan Stock Exchange. Its registered office is situated at Mehr Manzil, Lohari Gate, Multan. The ownership and management of MTML is specified in Article 2 (I).

### MG APPAREL LIMITED BACKGROUND

MG APPAREL LIMITED (hereinafter referred to as "MGA" or "MG Apparel" or "Transferee") was incorporated on November 16, 2022, as a single member company under the provisions of the Companies Act, 2017 and converted into a public limited company with effect from April 24, 2024. Its registered office is situated at Mehr Manzil, Lohari Gate, Multan. MGA is a wholly owned subsidiary of MTML. The ownership and management of MGA is specified in Article 2 (II).

### Objective and Benefits

The principal object of this Scheme of Arrangement, formulated pursuant to the provisions of Sections 279 to 283 and 285 of the Companies Act, 2017, is to provide for the reconstruction of MTML through the separation of the Transferred Assets and Undertakings (defined hereinafter in Article 1) inclusive of all assets, rights, liabilities and obligations of MTML pertaining thereto (excluding the Retained Assets and Undertakings (defined hereinafter in Article 1)) and transfer and vesting of the Transferred Assets and Undertakings into MGA.

The benefits of the Scheme of Arrangement, shall include but are not limited to the following:

- i. This Scheme will allow MTML to act as holding company in respect of MGA. While MTML can oversee, supervise and control (to the extent possible), the management of MGA shall independently operate businesses on a regular basis;
- ii. Progression of the businesses of MTML and MGA shall be through operation of independent and specialized lines of business;
- iii. Enable MTML and MGA to focus on their specific core businesses and operations by strengthening management and finances and thus, facilitating the businesses to be carried on more advantageously, economically and profitably; and
- iv. This arrangement will result in the businesses being managed and carried out in a more effective, efficient and beneficial manner, thus benefitting the shareholders of MTML.

### Effectiveness of the Scheme

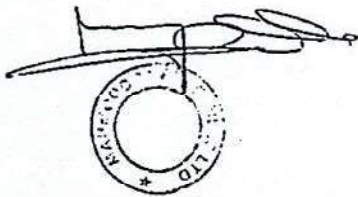
1. The Scheme shall become binding and operative on the Sanction Date (as defined below) with deeming effect from the Effective Date.
2. The vesting of Transferred Assets and Undertakings in MGA shall be deemed to have taken effect on the Effective Date (as defined below) in terms fully set forth in this Scheme.





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3. As between the Effective Date and the Sanction Date, there is no restriction on the conduct of the business of MTML, in particular in relation to the Transferred Assets and Undertakings.
4. As and from the Effective Date and until occurrence of the Sanction Date:
  - a. MTML shall carry on and be deemed to have carried on the business relating to the Transferred Assets and Undertakings for and on behalf of MGA and shall stand possessed of, and hold, the Transferred Assets and Undertakings in trust for MGA;
  - b. any income, sales including exports, or profits accruing or arising to MTML or made by MTML, and all costs, charges, expenses and losses or tax incurred by MTML in relation to the Transferred Assets and Undertakings shall for all purposes be treated as the income, sales including exports, profits, costs, charges, expenses and losses or tax of MGA;
  - c. any rights, titles, assets, privileges, powers, licenses, permissions, claims, interests, liabilities and obligations of MTML which arise or accrue in relation to the Transferred Assets and Undertakings shall be deemed to be the rights titles, assets, privileges, powers, licenses, permissions, claims interests, liabilities and obligations of MGA; and
  - d. any transactions, acts, deeds done in the normal course of business and/or sanctioned by the Board of Directors of MTML in relation to the Transferred Assets and Undertakings shall be deemed to have been carried out for the benefit of MGA.





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**ARTICLE-I - DEFINITIONS**

**DEFINITIONS**

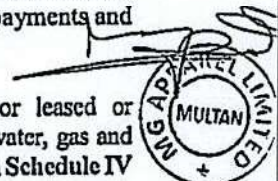
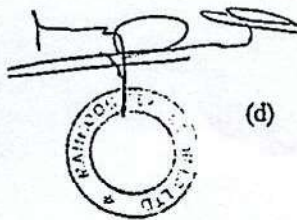
- (I) In this Scheme of Arrangement (including the Preamble hereto), the following expressions shall bear the meanings specified against them below:
- (A) "Act" means the Companies Act, 2017;
- (B) "Additional Land" means the Industrial Plots Nos. 93, 94, 95, and 96, located in Multan Industrial Estate, Multan, in aggregate admeasuring 8.946 acres and currently leased to Mahmood Textile Mills Limite, as more particularly described in Schedule I;
- (C) "Apparel Business" means the business carried out by MTML in relation to sale and manufacture of textiles and apparel and excludes any business relating to the Retained Assets and Undertakings;
- (D) "Apparel Employees" means all employees of MTML who are employed wholly and/or principally for the purposes of the Apparel Business and have given their consent to have their employment transferred to MGA in terms of this Scheme;
- (E) "Apparel IP" means all rights, title and interest of MTML relating to the Apparel Undertaking, anywhere in the world, in any patents, trademarks, service marks, designs, copyrights, inventions, customer database and customer relationships including, without limitation, any licenses (inclusive of the benefits and obligations of such licenses) for the same, and any applications or the rights to apply for protection or registration of any of the same having an effective filing date or priority date on or earlier than the Sanction Date, and any continuing, reissue, divisional and re-examination patent application;
- (F) "Apparel Assets & Liabilities" shall comprise the following:
- (a) the Apparel Business as a going concern;
  - (b) the assets of MTML relating exclusively or primarily to the Apparel Business by whatever title held:
    - (i) any office facilities (including all related infrastructure) rented exclusively or primarily for the Apparel Business, together with all rights, easements, privileges and advantages appurtenant thereto or for the benefit thereof;
    - (ii) the superstructure, plant, and machinery exclusively related to or being utilized for the Apparel Business that currently exist or are installed, or as may be installed between Effective Date and Sanction Date on the immovable properties/land in the ownership of MTML wherever situated, (the "Superstructures");
    - (iii) land measuring 130 marlas situated at Whitehouse Avenue Askari Bypass Multan;
    - (iv) all motor vehicles, furniture, fixtures and fittings owned or leased exclusively or primarily for the Apparel Business;
    - (v) all assets, rights and liabilities owned by, or under the control of MTML and used in the conduct of the Apparel Business, including without limitation, computers, machinery, tools, equipment, furniture, motor vehicles, fixtures and other tangible assets etc.;





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- (vi) to the extent the same relate to the Apparel Business, all inventory, generators, stocks of fuels for generators, office supplies etc.;
- (vii) the goodwill of MTML in relation to the Apparel Business and exclusive right of MTML to represent itself as owning, operating and managing the Apparel Business;
- (viii) all rights, title and interest of MTML relating to the Apparel Business in technical data and know-how, industrial and technical information, trade secrets, secret processes, confidential information, drawings, formulations, technical reports, operating and testing procedures or instruction manuals, the results of research and development work, whether in hard copy or in computer held form (including, for the avoidance of doubt, such media as microfilm and microfiche);
- (ix) all insurance policies relating to the Apparel Business as more particularly specified in Schedule II hereto;
- (x) to the extent the same relate to the Apparel Business, all contracts which remain in whole or in part to be performed at the Sanction Date entered into by or subsisting in favour of MTML, inclusive of all rights and obligations of MTML arising thereunder;
- (xi) long term finance facilities obtained by MTML for the purposes of the Apparel Business as more particularly specified in Schedule III hereto;
- (xii) to the extent the same relate to the Apparel Business, all agreements, the benefits of contracts (including employment/service contracts), trusts, leases, conveyances, grants, instruments of transfer, engagements, commitments and arrangements entered into by or subsisting in favor of MTML, inclusive of all rights and obligations of MTML arising thereunder;
- (xiii) to the extent the same relate to the Apparel Business, all historical and current documents, customer lists, product and supplier lists, catalogues, literature, employee records, documents of title, sales targets, sales statistics, market share statistics, marketing surveys and reports, marketing research and any advertising or other promotional materials and accounting (including management account records) and other financial data whether in hard copy or in computer held form (including, for avoidance of doubt, such media as microfilm and microfiche);
- (xiv) to the extent the same relate to the Apparel Business, all claims, book trade and other debts or sums (including suppliers' credit notes) due, owing, accrued or payable to MTML (whether or not invoiced and whether or not immediately due or payable), advances, deposits, prepayments and other receivables, investments (both short term and long term, including without limitation, investments in shares, debentures, debt instruments and other securities), cash in hand and at bank, or other depositories;
- (c) the connections and facilities for telecommunication owned by, or leased or licensed to MTML and utilised by it for the Apparel Business including telephones, telexes and facsimile and benefit of all payments and deposits made by MTML in connection therewith;
- (d) the connections, meters and other installations owned by, or leased or licensed to MTML for the Apparel Business for the supply of water, gas and electricity (including the connections more particularly specified in Schedule IV hereto) and the benefit of all payments and deposits made by MTML in connection therewith;





- (c) all amounts owing (whether or not due for payment) or payable by MTML and which are unpaid at the Sanction Date in respect of the supply of goods and services, (including, without limitation, credit notes granted and advances received from suppliers or customers) to the extent arising exclusively or primarily in the ordinary course of business in relation to, or in connection with or from the operations of the Apparel Business;
- (f) the liabilities of MTML on account of taxes, including income tax, sales tax, octroi, infrastructure cess, customs duty, excise duty, stamp duties, registration fees, levies, deductions, imposts, and any other charges and withholdings whatsoever, together with any interest, markup or penalties payable in connection with any failure to pay or delay in paying any of the above, to the extent they relate exclusively or primarily to the Apparel Business, and the entitlements of MTML to refunds, including all tax refunds, credits, advance payments or any other benefits in respect of any of the foregoing;
- (g) cash in the bank and other accounts of MTML maintained exclusively or primarily for or in connection with the Apparel Business;
- (h) the capital reserves, revenue reserves and un-appropriated profits and losses of MTML relating to the Apparel Business;
- (i) the contracts of employment of the Apparel Employees, and all rights, obligations and liabilities of MTML arising after the Effective Date under such contracts or otherwise in relation to the Apparel Employees, including such liabilities payable on termination of service by way of gratuity and provident fund;
- (j) all other rights, powers, authorities and privileges of MTML relating exclusively or primarily to the Apparel Business, including, without limitation:
  - (i) all registrations, licenses, permits, authorisations, sanctions, permissions and approvals issued or granted by any government, governmental department or agency, or any statutory, local authority or any municipal corporation to MTML;
  - (ii) all concessions, entitlements duty and tax exemptions and remissions;
  - (iii) all credits and refunds on account of sales tax, income tax, customs duty, octroi and other duties, taxes, levies, fees, charges, or imposts paid on account of, or in connection with, the Apparel Business; and
  - (iv) rights against third parties (including sub-contracts and any retention of title rights);
- (k) all liabilities, including those relating to health, safety and environment, to the extent arising exclusively or primarily in the ordinary course of business in relation to or in connection with or from the operations of the Apparel Business, arising as a result of MTML's failure to comply with any relevant and legally enforceable corporate or other laws, rules, ordinances, or regulations;
- (l) any suit, action, arbitration, charge, governmental investigation, claim, litigation or proceedings, costs, demands and expenses relating to paragraphs above.

BUT EXCLUDING the Retained Assets and Undertakings, which shall remain with MTML.

- (G) "Apparel Undertaking" shall comprise of the following:



- a. Apparel IP; and
  - b. Apparel Assets & Liabilities;
- (H) "Court" means the Lahore High Court, Multan Bench or any other court of competent jurisdiction for the time being having jurisdiction under Sections 279 to 283 and 285 of the Companies Act, 2017, in connection with this Scheme;
- (I) "CRO Multan" means the Companies Registration Office Multan, Securities and Exchange Commission of Pakistan;
- (J) "Effective Date" means 00:00 hours on January 1, 2025;
- (K) "Encumbrances" mean (i) any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, deed of trust, title retention, security interest or other encumbrances of any kind securing, or conferring any priority of payment in respect of, any obligation of any person, including any right granted by a transaction which in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under applicable law; (ii) any proxy, power of attorney, voting trust agreement, interest, option, right of first refusal, transfer restrictions in favor of any person; and (iii) adverse claim as to possession or use;
- (L) "MGA" or "Transferee" means MG Apparel Limited, a public limited company incorporated under the laws of Pakistan and having its registered office at Mehr Manzil, Lohari Gate, Multan;
- (M) "MTML" or "Transferor" means Mahmood Textile Mills Limited, a public listed company incorporated under the laws of Pakistan and having its registered office at Mehr Manzil, Lohari Gate, Multan;
- (N) "Retained Assets and Undertakings" means all the assets, undertakings, liabilities and obligations of MTML that are retained by it under this Scheme, i.e. other than the Transferred Assets and Undertakings;
- (O) "Rs." means "Rupees", being the legal tender money of the Islamic Republic of Pakistan;
- (P) "Sanction Date" means the date on which the Scheme is sanctioned by the Court;
- (Q) "Scheme" means this Scheme of Arrangement in its present form with or without any modification hereof or addition hereto, as approved by the Court; and
- (R) "Transferred Assets and Undertakings" means collectively the Apparel Undertaking and Additional Land.

#### ARTICLE-2 – SHARE CAPITAL AND MANAGEMENT

##### (I) MAHMOOD TEXTILE MILLS LIMITED

The authorized share capital of MTML is Rs. 500,000,000/- (PKR Five Hundred Million Only) divided into 50,000,000 ordinary shares of Rupees 10/- (PKR Ten Only) each. The issued, subscribed and paid-up capital of MTML is Rs. 300,000,000/- (PKR Three Hundred Million Only) divided into 30,000,000 ordinary shares of Rs. 10/- (PKR Ten Only) each.

The registered office of MTML is situated at Mehr Manzil, Lohari Gate, Multan.

(a) The pattern of shareholding of MTML, as of the date of this Scheme, is as follows:



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Shareholding of Mahmood Textile Mills Limited	Shares held	%
Kh. Muhammad Ilyas	100,000	0.333
Mst. Farrah Ilyas	100	0.0003
Kh. Muhamamd Mehr Ali	3,192,543	10.6418
Kh. Muhamamd Qasim	3,192,456	10.6415
Kh. Muhammad Younus	1,945,558	6.4852
Mst. Rubina Wadood	628,366	2.0946
Mr. Muhammad Ancees	1,256,732	4.1891
Kh. Muhamamd Jawad	1,256,732	4.1891
		1.8930
Mst. Sadia Youns	567,908	2.0946
Mst. Ayesha Younus	628,366	
		5.3584
Kh. Muhammad Muzaffar Iqbal	1,607,514	5.2892
Kh. Abdul Haq	1,586,762	5.2550
Kh. Muhammad Mohsin Masood	1,576,495	1.6600
Mst. Khadija Qureshi	497,996	2.9080
Mst. Ghousia Tariq	872,413	
		5.7814
Mst. Rehana Kausar	1,734,427	2.1635
Kh. Muhammad Mudassar	649,060	2.1333
Ghulam Muhammad Tehami	640,000	
		4.5966
Mst. Zahra Rehman	1,378,979	1.6000
Mocen Ud Din Qureshi	480,000	1.6000
Muhammad Luqman Qureshi	480,000	1.6000
Muhammad Hassan Qureshi	480,000	
		4.1370
Mst. Shafique Zahra	1,241,092	2.0685
Mst. Nida Mustafa Shahbazkar	620,547	2.0685
Kh. Muhammad Fraz	620,547	2.0685
Kh. Muhammad Noman	620,547	
		7.1495
Other General Public	2,144,860	
Total	30,000,000	100



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- (b) The total number of shareholders of MTML, as of the date of this Scheme, is 465.
- (c) The Board of Directors of MTML as of the date of this Scheme, consists of the following directors:

Sr.	Name of Directors
1.	Khawaja Muhammad Younas (Chief Executive)
2.	Khawaja Muhammad Muzaffar Iqbal
3.	Abdul Rehman Qureshi
4.	Mrs. Farrah Ilyas
5.	Mr. Muhammad Asghar
6.	Muhammad Anees
7.	Khawaja Muhammad Ilyas

## (II) MG APPAREL LIMITED

The authorized share capital of MGA is Rs. 10,000,000/- (PKR Ten Million Only) divided into 1,000,000 ordinary shares of Rs. 10/- (PKR Ten Only) each. The issued, subscribed and paid-up capital of MGA is Rs. 10,000/- (PKR Ten Thousand Only) divided into 1000 ordinary shares of Rs. 10/- (PKR Ten Only) each. MGA is a wholly owned subsidiary of MTML.

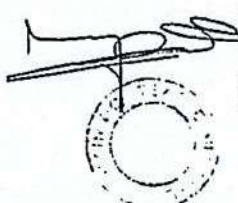
The registered office of MGA is situated at Mehr Manzil, Lohari Gate, Multan.

- (a) The pattern of shareholding of MGA, as of the date of this Scheme, is as follows:

Name of shareholders	Shares held	%
MTML	997	99.7
Khawaja Muhammad Asghar (as qualifying shareholder on behalf of MTML)	01	0.1
Zecshan Haider (as qualifying shareholder on behalf of MTML)	01	0.1
Mohsin Sarwar (as qualifying shareholder on behalf of MTML)	01	0.1
Total	1,000	100

- (b) The total number of shareholders of MGA, as of the date of this Scheme, is 4.
- (c) The Board of Directors of MGA as of the date of this Scheme, consists of the following directors:

Sr.	Name of Directors
1.	Mohsin Sarwar (Chief Executive Officer)
2.	Zecshan Haider
3.	Khawaja Muhammad Asghar





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### ARTICLE-3 - SCHEME OF ARRANGEMENT

#### GENERAL

This Scheme of Arrangement has been formulated pursuant to the provisions of Sections 279 to 283 and 285 of the Act for the separation from MTML of the Transferred Assets and Undertakings and transfer and vesting of the same into MGA.

#### (I) Transfer of Transferred Assets and Undertakings into MGA

The entire Transferred Assets and Undertakings i.e. Apparel Undertaking and Additional Land, shall transfer and vest in MGA in the following manner:

- (i) The entire Transferred Assets and Undertakings as subsisting as of the Sanction Date shall, without further act or deed, matter, instrument or thing, process or procedure, be separated from MTML and shall be transferred to and vested in MGA on the Sanction Date.
- (ii) The separation from MTML and transfer to and vesting in MGA of the Transferred Assets and Undertakings shall be treated as having taken effect from the Effective Date, and as from that time and until the Sanction Date, the Transferred Assets and Undertakings shall be deemed to have been carried on / held on trust for and on account and for the benefit of MGA and all profits and losses accruing or arising to or incurred by MTML through the operation and ownership of the Transferred Assets and Undertakings from the Effective Date shall be treated as profits and losses (as the case may be) of MGA.
- (iii) During the period from the Effective Date till the Sanction Date, MTML shall not sell, transfer or dispose of any of the Transferred Assets and Undertakings except for in the ordinary course of business.
- (iv) For the avoidance of doubt, it is clarified that the sales pertaining to the Apparel Undertaking shall be, during the period from the Effective Date till the Sanction Date, reported in monthly sales tax returns of MTML for sales tax purposes. Furthermore, sales pertaining to the Apparel Undertaking shall be reported in annual income tax returns of MTML, if income tax return filing date falls before the Sanction Date. If income tax return filing date falls after the Sanction Date, these sales shall be reported in annual income tax return of MGA.

#### (II) Determination of Transferred Assets and Undertakings

##### (i) A statement of assets and liabilities:

- a. has been prepared by MTML (appended herewith as Schedule V) of the properties, assets, rights, liabilities and obligations comprised in the Transferred Assets and Undertakings, as reflected in the books of account of MTML immediately preceding the Effective Date and which has been certified by M/s. Crowe Hussain and Chaudhry., Chartered Accountants;

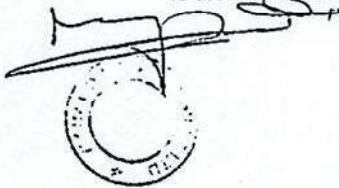
- b. shall be prepared by MTML of the properties, assets, rights, liabilities and obligations comprised in the Transferred Assets and Undertakings, as reflected in the books of account of MTML as of the Sanction Date and which shall be certified by M/s. Crowe Hussain and Chaudhry., Chartered Accountants within ninety (90) days of the Sanction Date.

- (ii) The statement of assets and liabilities mentioned in sub-clause (i) above have been/shall be prepared in accordance with the accounting principles generally accepted in Pakistan and shall include notes setting out assumptions used in identifying the properties, rights, liabilities and obligations of MTML relating to the Transferred Assets and Undertakings.



## ARTICLE-4- CONSIDERATION

- 1) MGA is a wholly owned subsidiary of MTML.
- 2) The Net Assets Value ("NAV") of the Transferred Assets and Undertakings amount to Rs. 3,587,062,617/- (PKR Three Billion Five Hundred Eighty-Seven Million Sixty-Two Thousand Six Hundred Seventeen Only). In consideration of the transfer of Transferred Assets and Undertakings from MTML to MGA, MGA shall, issue and allot 30,000,000 fully paid-up ordinary shares of Rs. 10/- (PKR Ten Only) each of MGA to MTML against a consideration value of Rs. 87.985/- per share which is inclusive of Rs. 77.985/- share premium. This shall result in an increase in share capital of MGA by Rs. 300,000,000/- (PKR Three Hundred Million Only) and the share premium to be recorded in the books of MGA as Rs. 2,339,559,771/- (PKR Two Billion Three Hundred Thirty-Nine Million Five Hundred Fifty-Nine Thousand Seven Hundred Seventy-One Only) as per the valuation certificate attached hereto as Schedule VI prepared by M/s. Shinewing Hameed Chaudhri & Co., Chartered Accountants. These shares shall rank pari passu with the existing ordinary shares of MGA in all respects. Furthermore, the balance of the NAV representing revaluation surplus of Rs. 947,502,846/- (PKR Nine Hundred Forty-Seven Million Five Hundred Two Thousand Eight Hundred Forty-Six) pertaining to property, plant, and equipment transferred to MGA shall be incorporated in the financial statements of MGA as a separate line item of equity subsequent to the transfer.
- 3) The allotment of the ordinary shares of MGA in accordance with preceding clauses shall be made by MGA within thirty (30) days from the Sanction Date. The share certificates for such shares shall be made ready for delivery as soon as practicable thereafter and notice of their readiness for delivery shall be given to MTML in the manner provided in the Articles of Association of MGA. Share certificates not collected within the time specified in any such notice shall be sent by registered post in prepaid envelopes addressed to MTML at its registered address. MGA shall not be responsible for the loss of any share certificate in transmission. In case such shares cannot be delivered as aforesaid, they will be securely held by MGA in safe custody for MTML (and/or its respective successors-in-interest).
- 4) Ordinary shares of MGA upon issue and allotment pursuant to this Scheme, shall rank pari passu with the existing ordinary shares of MGA in all respects and shall be entitled to all dividends declared after the Sanction Date.

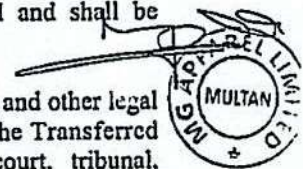
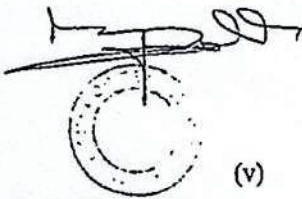





## ARTICLE-5 - RIGHTS AND OBLIGATIONS OF MTML AND MGA

## (I) RIGHTS AND OBLIGATIONS OF MGA IN RESPECT OF THE TRANSFERRED ASSETS AND UNDERTAKINGS

- (i) All contracts, agreements, trusts, leases, licenses, conveyances, commitments, engagements and arrangements, grants, instruments of transfer, rights, powers, authorities and privileges entered into by or subsisting in favor of MTML and comprised in the Transferred Assets and Undertakings, upon being transferred to and vested in MGA, shall remain in full force and effect as if originally entered into by or granted in favor of MGA instead of MTML and MGA may enforce all rights and shall perform all obligations and discharge all liabilities arising thereunder accordingly.
- (ii) The debts, liabilities and obligations of MTML comprised in the Transferred Assets and Undertakings, upon being transferred to and vested in MGA, shall be treated as the debts, liabilities and obligations of MGA as if originally incurred by MGA instead of MTML and MGA shall pay and discharge all such debts and liabilities and shall perform all such obligations accordingly. For the avoidance of doubt, the foregoing shall not include the debts, liabilities and obligations of MTML comprised in the Retained Assets and Undertaking which shall remain with MTML, and as such MTML shall pay and discharge all liabilities comprised in Retained Assets and Undertaking and shall continue to perform all such obligations accordingly.
- (iii) In so far as any of the assets of MTML which form part of the Transferred Assets and Undertakings are subject to any Encumbrances immediately prior to the Sanction Date, such assets shall be deemed to have been transferred to MGA on the Effective Date subject to such Encumbrances. MGA shall be deemed without any further act, deed, matter or thing, to have created all such Encumbrances on the assets of the Transferred Assets and Undertakings in the same amount and for the benefit of the same charge holders. Upon the transfer of Transferred Assets and Undertakings from MTML to MGA in terms of this Scheme, the charges recorded in the register of charges of MTML in respect of Encumbrances on any of the assets comprising the Transferred Assets and Undertakings shall be released and discharged simultaneously with the registration of the same charges by MGA with the CRO Multan in accordance with the Act.
- (iv) The capital reserves, revenue reserves and accumulated profits and losses of MTML accruing between the Effective Date and the Sanction Date, relating to the Transferred Assets and Undertakings shall constitute and be treated as reserves of a corresponding nature in MGA corresponding to such Transferred Assets and Undertakings and shall be accounted on that basis in the books of account of MGA and the capital reserves and revenue reserves of MTML shall correspondingly stand reduced and shall be accounted on that basis in the books of account of MTML.
- (v) All suits, appeals, arbitrations, governmental investigations and other legal proceedings instituted by or against MTML in respect of the Transferred Assets and Undertakings and pending before any court, tribunal, regulatory body or any other authority shall be treated as suits, appeals and legal proceedings by or against MGA under this Scheme and may be continued, prosecuted and enforced by or against MGA accordingly.
- (vi) On and from the Sanction Date, the debts, liabilities and obligations of MTML comprised in the Transferred Assets and Undertakings transferred to and vested in MGA, shall be treated as the debts, liabilities and obligations of MGA, as if originally incurred by MGA instead of MTML



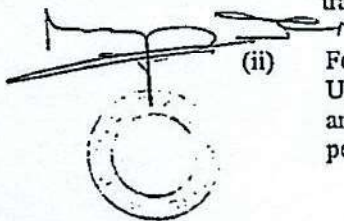
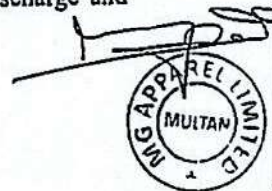


and MTML shall be discharged from all obligations in respect of such liabilities. MGA shall pay and discharge all such debts and liabilities and perform all such obligations accordingly, as may be applicable.

- (vii) With effect on and from the Effective Date, all tax liabilities of MTML relating to the Transferred Assets and Undertakings under any law for the time being in force shall become the tax liabilities of MGA and MTML shall cease to have any tax liabilities in relation to the Transferred Assets and Undertakings on and from the Sanction Date. Where such a tax liability is paid by MTML, MGA shall be liable to reimburse such amounts to MTML. Further, with effect from the Effective Date, all rights of MTML to refunds, credits, advance payments or any other benefits in respect of any tax relating to the Transferred Assets and Undertakings shall stand transferred to MGA. Where any such tax refund or benefits is received by MTML after the Effective Date, it shall promptly upon receipt of it, pay the same to MGA.
- (viii) The Apparel Employees shall, as from the Effective Date, be deemed to be the employees of MGA on the same terms and conditions on which they were employed by MTML immediately prior to the Effective Date, without being required to be paid any terminal or other benefits (other than accrued salaries and wages) by MTML.
  - a. The terms and conditions of services applicable to the Apparel Employees after such transfer to MGA shall not in any way be less favourable than those applicable to them immediately prior to such transfer. The services of all Apparel Employees prior to their transfer to MGA shall be taken into account for the purposes of all benefits to which such employees are eligible under law and/or in terms of their relevant employment contracts.
  - b. In so far as the employees' pension fund of MTML in the name of "Meezan Tahaffuz Pension Fund (Money Market Sub Fund)", the same shall be continued for the benefit of the Apparel Employees.
  - c. It is clarified that the services of the Apparel Employees will be treated as having been continuous and not interrupted for the purpose of the aforesaid employees' pension fund.

## (II) RETENTION OF ASSETS AND OBLIGATIONS BY MTML

- (i) The Retained Assets and Undertakings shall remain the assets, undertakings, liabilities and obligations of MTML and shall not be transferred to or vested in MGA.
- (ii) For the avoidance of doubt, it is clarified that the Retained Assets and Undertakings shall at all times remain the assets, undertakings, liabilities and obligations of MTML and MTML shall continue to discharge and perform the same accordingly.

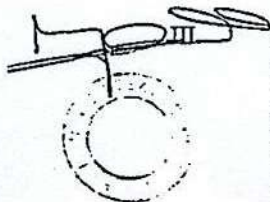





## ARTICLE-6 - GENERAL PROVISIONS

## SANCTION AND EFFECTIVENESS OF SCHEME

- I. (i) The respective Board of Directors of MTML and MGA have approved the foregoing Scheme for submission to the Court. Consequent thereupon, a petition will be submitted to the Court for obtaining sanction of this Scheme (as may be amended or modified in terms hereof) formulated in terms of the provisions of Section 279 and all other enabling provisions of the Act and for an order under Section 282 of the Act for carrying the Scheme into effect.
- (ii) The respective Board of Directors of MTML and MGA may, in their absolute discretion, consent jointly on behalf of all concerned (including MTML and MGA and their respective shareholders) to any modifications or additions or alterations to this Scheme (as considered necessary or expedient by the Board of Directors for any reason whatsoever) or to any conditions which the Court may think fit to impose and may give such directions as they may consider necessary to settle any questions or difficulty arising under this Scheme or in regard to its implementation or in any matter connected therewith.
- (iv) Notwithstanding that the Scheme becomes binding and operative on the Sanction Date, the separation from MTML, and transfer to and vesting in MGA, of the Transferred Assets and Undertakings shall be deemed to have taken place on the Effective Date and shall be treated accordingly, as per the provisions of this Scheme.
- (v) Except as expressly otherwise stated herein, following the Sanction Date, the Transferred Assets and Undertaking shall be recorded in the books of account of MGA at the value appearing in the books of account of MTML on the Effective Date.
- (vi) Each of MTML and MGA shall take all actions and execute all formalities considered by their respective Board of Directors necessary and expedient to properly and smoothly cause the transfer and vesting of the Transferred Assets and Undertakings in the manner stated herein and shall carry out and execute this Scheme pursuant to and in accordance with the orders of the Court.
- (vii) Without prejudice to the generality of the foregoing, the respective Board of Directors of MTML and MGA may generally or with regard to any specific issue or matter related to the execution and implementation of the Scheme, upon its due approval by the Court, authorize any person(s) or committee of persons to carry out such acts, deeds and things as may be deemed, from time to time, expedient and necessary for a proper and smooth implementation of the Scheme.
- II. As of the Sanction Date, the terms of this Scheme shall be binding on each of MTML and MGA and all their respective members, employees, debtors and creditors and any person having any right or liability in relation to them.



This Scheme shall become null and void (i) if the Scheme is not approved by the requisite majority of members of any of MTML or MGA; or (ii) if sanction of the Court in respect of this Scheme is not obtained by or before December 31, 2026, or within such further period or periods as maybe agreed upon among MTML and MGA through their respective Board of Directors and in such event no rights and liabilities shall accrue or be incurred by MTML or MGA in terms of this Scheme:

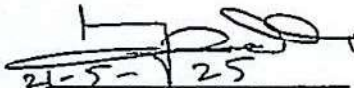


## MISCELLANEOUS

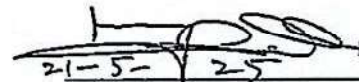


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- (i) This Scheme shall be governed by and be construed in accordance with the substantive and procedural laws of Pakistan.
- (ii) Section headings are solely for convenience of reference and shall not affect the meaning or interpretation of this Scheme or any of its provisions.
- (iii) All costs, charges and expenses incurred in connection with the preparation of this Scheme and of carrying out and implementing the terms and provisions of this Scheme and incidental thereto in pursuance of this Scheme and the transfer to and vesting in MGA of the Transfer Assets and Undertakings shall be borne and paid by MTML.
- (iv) The transfer, vesting and de-merger of the Transferred Assets and Undertakings in terms of this Scheme shall not: (i) constitute any assignment, devolution, conveyance, alienation, parting with possession, or other disposition under any law for the time being in force; (ii) give rise to any forfeiture; (iii) invalidate or discharge any contract; and (iv) give rise to any right of first refusal or pre-emptive right.

  
21-5-25  
Company Secretary  
Mahmood Textile Mills Limited  
Date: May 21, 2025



  
21-5-25  
Company Secretary  
MG Apparel Limited  
Date: May 21, 2025





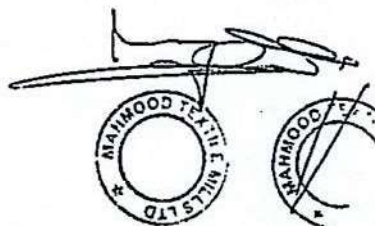
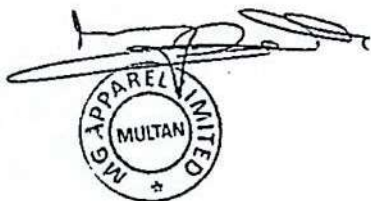
## SCHEDULES

Sr. No.	Detail	Schedule
1.	Details of Additional Land to be transferred to MGA	I
2.	Insurance policies to be transferred to MGA	II
3.	List of Long-Term Loans availed in MTML to be transferred to MGA	III
4.	Utility connections of MTML to be transferred to MGA	IV
5.	Statement of assets and liabilities prepared by M/s. Crowe Hussain and Chaudhry., Chartered Accountants	V
6.	Certificate of valuation M/s. Shinewing Hameed Chaudhri & Co., Chartered Accountants	VI



*Schedule I – Description of Additional Land to be transferred to MGA*

1. Leasehold industrial plot nos. 94, 95, 96 situated in Multan Industrial Estate, Multan measuring 6 acres, leased to MTML by Punjab Industrial Estate Development and Management Company Lahore.
2. Leasehold industrial plot nos. 93 situated in Multan Industrial Estate, Multan measuring 2.946 acres, leased to MTML by Punjab Industrial Estate Development and Management Company Lahore.





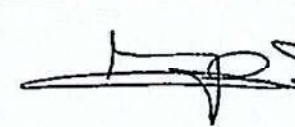



## Schedule II

Insurance policies to be transferred to MGA

Policy Number	Business Class	Period of Insurance		Sum Insured (PKR)	Description
		Starting Period	Ending Period		
2024021FNPOP00159	Normal Fire Policy	1-Jul-24	30-Jun-25	5,015,500,000	On Building of Apparel Unit & Doubling Unit (Excluding Plinths, Pavements and Foundations), including Boundary Walls, All Civil Works etc. & All Types Of Machinery Installed/Fitted in Entire Apparel Unit (detail as per schedule attached) only. Belonging to the Insured and or held by them in trust in deposit and or on commission for which they may be legally responsible in the event of loss or damage by Fire + Allied perils, whilst installed/fitted in their Mills, known as MAHMOOD TEXTILE MILLS LIMITED (Apparel Unit & Doubling Unit), situated at " PLOT NO 94,95, & 96, INDUSTRIAL ESTATE MULTAN"
2024021FNPOP00160	Normal Fire Policy	1-Jul-24	30-Jun-25	2,892,350,000	VARIOUS STOCKS LYING/STORED IN THE MILLS (DETAIL AS PER SCHEDULE ATTACHED) only, belonging to the Insured and or held by them in trust in deposit and or on commission for which they may be legally responsible in the event of loss or damage by Fire + Allied perils, Known as, MEHMOOD TEXTILE MILLS LIMITED (APPAREL UNIT/DOUBLING UNIT) RISK LOCATION: PLOT NO. 94, 95, 96, INDUSTRIAL ESTATE, MULTAN.
2024021FNPOP00161	Normal Fire Policy	1-Jul-24	30-Jun-25	239,000,000	On Complete SOLAR ENERGY SYSTEM/Plant with Invertors, Convertors, Solar Panels, Plates, Frames, Cables, E/Panels, Computerized Monitoring System & All Standard Accessories/Essential Parts etc. Lying/Installed/Fitted In/At the Entire Mills Known as, Mahmood Textile Mills Limited (Apparel Unit/Doubling Unit), Situated At" Plot No 94,95 & 96, Industrial Estate Multan.
2024021EMIOP00014	Machinery Insurance	1-Jul-24	30-Jun-25	1,414,500,000	On Machinery Breakdown Insurance of All ELECTRICAL/ELECTRONICS/MECHANICAL COMPONENTS, ALL STANDARD ACCESSORIES/ESSENTIAL PARTS ETC. IN THE MILLS/FACTORY, All Other Details as Per Schedule Attached, ONLY, WHILST LYING /INSTALLED /FITTED AT THE PREMISES, KNOWN AS Mahmood Textile Mills Limited, Situated at APPAREL/Doubling Unit, PLOT NO 94,95 & 96 Industrial Estate Multan.
2024021EBPOP00016	Boiler and Pressure Vessel Insurance	1-Jul-24	30-Jun-25	60,500,000	Boiler Pressure Vessel Insurance of BOILERS WITH COMPLETE ACCESSORIES, STRUCTURES, FITTINGS etc., whilst fitted/installed in the Insureds Mill, known as M/s. MAHMOOD TEXTILE MILLS LIMITED. Situated At APPAREL UNIT, PLOT NO 94,95 & 96 INDUSTRIAL ESTATE MULTAN

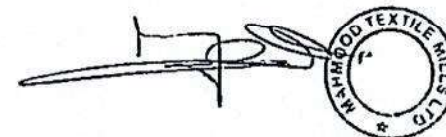
  




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2024021EEQOP00015	Electronic Equipment	1-Jul-24	30-Jun-25	140,000,000	On All Risk Insurance of Electronic Equipment of All Types [A] Computer's CPU /Led's /Lcd's, Led/Lcd Tv's, Laptops, Scanners, Printers, Photo Copiers [B] Telephone Exchanges, [C] CCTV Security Cameras All Types of Air Conditioners, [E] Ups & Batteries, [F] Wireless Communication System, [G] Complete Vrf System, [H] Electric Wiring/Electrifications In The Entire Mills/Factory, known as Mahmood Textile Mills Limited, Situated at Plot No. 94, 95, 96, Industrial Estate, Multan
2024021MILOP00293	MARINE CARGO (INLAND)	1-Jul-24	30-Jun-25	192,000,000	(ALL SORTS/LOOSE/IN ANY PACKING/WITHOUT PACKING) (PERTANING TO APPAREL UNIT) (PERTANING TO DOUBLING UNIT) IN TRANSIT"
2024021SCSOP01994	Cash In Safe	1-Jul-24	30-Jun-25	10,000,000	Indemnity against loss by burglary and or robbery in respect of Money i.e. On Coins, Bank Notes, Bank Cheques, Travelers Cheques, Postal Orders, Currency Notes and or Money Orders, whilst contained in the Insured Iron Safe and or on counter lying in the Insured Office, known as M/s MAHMOOD TEXTILE MILLS LIMITED APPAREL/Doubling UNIT, SITUATED AT PLOT NO.94,95, & 96 INDUSTRIAL ESTATE, MULTAN.
2024021SCTOP01995	Cash In Transit	1-Jul-24	30-Jun-25	10,000,000	On Cash, Currency Notes, Cheques, Drafts, Travelers Cheques /Any Banking Instrument Etc., belonging to the insured whilst in COURSE OF TRANSIT From: Office/Anywhere in Pakistan to Any Where in Pakistan & Vice Versa. OFFICE LOCATION: MAHMOOD TEXTILE MILLS LIMITED APPAREL & Doubling UNIT, Situated At" Plot No 94,95 & 96, Industrial Estate Multan.





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2024021SFGOP01998	Fidelity Guarantee	1-Jul-24	30-Jun-25	5,000,000	On Fidelity Guarantee Insurance of the confirmed employee (Detail as Under) of the Clients (Mahmood Textile Mills Ltd,): Situated at Apparel Unit, Industrial Estate, Multan.
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### Schedule III

#### List of Long-Term Loans availed in MTML to be transferred to MGA

Bank	Description	Loan amount	Closing Balance Outstanding
		(PKR)	(PKR)
Askari Bank Limited	Term Loan	26,442,000	21,649,388
Bank AlFalah	Term Loan	1,016,854,894	803,172,873
Bank Al Habib	Term Loan	319,084,400	293,734,000
Habib Bank Limited	Term Loan	404,264,772	328,465,126
Soneri Bank Limited	Term Loan	250,000,000	137,500,000
Bank of Punjab	Term Loan	500,000,000	446,000,000
<b>Total</b>		<b>2,516,646,066</b>	<b>2,030,521,387</b>

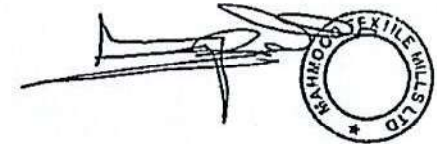




# Schedule IV

## Utility Connections of MTML to be transferred to MGA

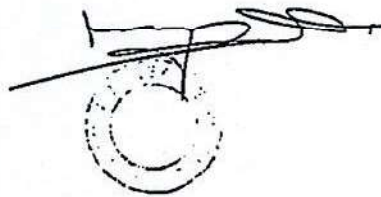
Connection Type	Utility Company	Consumer ID	Reference Number	Name	Address
Net Metering Connection Electricity	MEPCO	2150000318 / 15014366087	30 15118 0004301 U	KH. MUHAMMAD YOUNAS	M/S MEHMOOD TEXTILE MILL PLOT # 90 INDUSTRIAL ESTATE, MULTAN
Sui Gas Connection	Sui Northern Gas Pipelines Limited	76831786686	RM02312105	M/S MEHMOOD TEXTILE MILLS LTD	PLOT No 94, 95, 96 INDUSTRIAL ESTATE, MULTAN
Sui Gas Connection	Sui Northern Gas Pipelines Limited	82972099970	SP07464101	M/S MEHMOOD TEXTILE MILLS LTD (STAFF CANTEEN)	PLOT No 94, 95, 96 INDUSTRIAL ESTATE, MULTAN
Sui Gas Connection	Sui Northern Gas Pipelines Limited	54280332948	RM01905259	M/S MEHMOOD TEXTILE MILLS LTD (BOILER)	PLOT No 94, 95, 96 INDUSTRIAL ESTATE, MULTAN





SCHEDULE V

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Crowe

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Crowe Hussain Chaudhury & Co.  
7th Floor, Gul Mohar Trade Centre,  
8-F Main Market, Gulberg II,  
Lahore-54660, Pakistan  
Main +92-42-3575 9223-5  
www.crowe.pk

May 21, 2025

Ref. No. A/25010/25

Company Secretary  
Mahmood Textile Mills Limited  
Mehr Manzil  
Lohari Gate  
Multan

Dear Sir,

**AUDITOR'S CERTIFICATE ON THE STATEMENT OF ASSETS AND LIABILITIES AS OF DECEMBER 31, 2024 AS REQUIRED UNDER SUB-CLAUSE (I) OF CLAUSE (II) OF ARTICLE-3 OF THE SCHEME OF ARRANGEMENT BETWEEN MAHMOOD TEXTILE MILLS LIMITED AND ITS MEMBERS AND MG APPAREL LIMITED AND ITS MEMBERS, IN TERMS OF SECTIONS 279 TO 283 AND OTHER ENABLING PROVISIONS OF THE COMPANIES ACT, 2017**

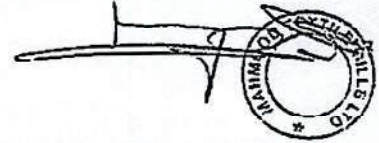
We have been requested by the management of Mahmood Textile Mills Limited (MTML) to provide you with a certificate on the Statement of Assets and Liabilities as of December 31, 2024 ('the Statement'), as required under Sub-Clause (i) of Clause (ii) of Article-3 of the Scheme of Arrangement between MTML and its members, and MG Apparel Limited (MGA) and its members (in terms of provisions of Sections 279 to 283 and all other enabling provisions of the Companies Act, 2017; hereinafter referred to as the 'Scheme').

#### Scope of the Certificate

Sub-Clause (i) of Clause (ii) of Article-3 of the Scheme requires MTML to prepare the Statement, detailing the properties, assets, rights, liabilities, and obligations within the "Transferred Assets and Undertakings" (as defined in the Scheme), as recorded in MTML's books of account as of the "Effective Date" (as defined in the Scheme), and certified by its external auditors. The Statement is based on the 'Reviewed Interim Financial Statements of MTML for the six-month period ended December 31, 2024'. The Statement is compiled with the accounting principles generally accepted in Pakistan and include explanatory notes outlining the assumptions used in identifying the relevant properties, assets, rights, liabilities, and obligations of MTML in relation to the Transferred Assets and Undertakings.

#### Management's Responsibility for the Statement

Management is responsible for preparing the Statement as of December 31, 2024 in compliance with Sub-Clause (i) of Clause (ii) of Article-3 of the Scheme. The assumptions applied in determining the properties, assets, rights, liabilities, and obligations of MTML concerning the Transferred Assets and Undertakings represent management's best estimate.





**Auditor's Responsibility**

Our responsibility is to verify the Statement in accordance with the 'Guidelines for Issue of Certificates for Special Purposes by Practicing Chartered Accountant Firms' Issued by the Institute of Chartered Accountants of Pakistan. The verification procedures were based upon the 'Reviewed Interim Financial Statements of MTML for the six-month period ended December 31, 2024', underlying books of accounts for the Transferred Assets and Undertakings and, where applicable, approval of the Board of Directors for the transfer of specific assets. Our verification was limited to the procedures mentioned below:

- a) Obtained a copy of the Scheme duly approved by the Board of Directors of MTML, along with the Statement to review the Transferred Assets and Undertakings and the Retained Assets and Undertakings;
- b) Reviewed that the Statement has been prepared in accordance with the requirements of the Scheme
- c) Reconciled the grand total of the Transferred Assets and Undertakings, Retained Assets and Undertakings and related adjustments with the 'Reviewed Interim Financial Statements of MTML for the six-month period ended December 31, 2024';
- d) Obtained extracts of relevant minutes of meetings of the Board of Directors as made available / shown to us by the management
- e) Obtained management representation letter regarding the accuracy and completeness of the Statement and the related Information/records provided to us.

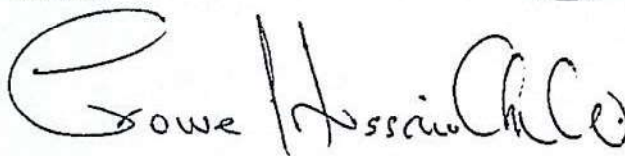
**Certificate**

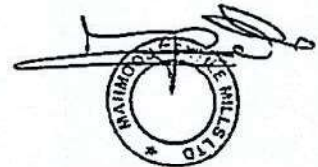
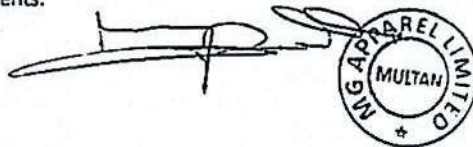
Based on the procedures mentioned above, we certify that the Statement is properly prepared in accordance with the requirements of Sub-Clause (i) of Clause (ii) of Article-3 of the Scheme.

**Restriction on Use and Distribution**

This certificate is issued in relation to Sub-Clause (i) of Clause (ii) of Article-3 of the Scheme and is not to be used or distributed for any other purpose. This certificate is restricted to the facts stated herein and the attachments.

Yours truly,

  
Crowe Hassan Ali





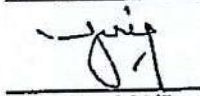
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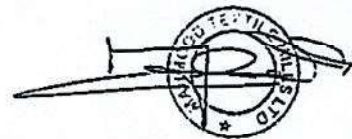
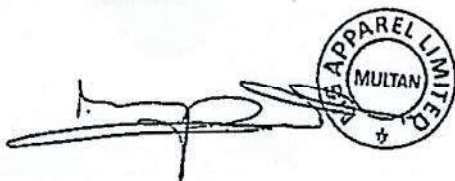
STATEMENT OF ASSETS AND LIABILITIES COMPRISED IN THE TRANSFERRED ASSETS AND UNDERTAKINGS AS REFLECTED IN THE BOOKS OF ACCOUNT OF MTML IMMEDIATELY PRECEDING THE EFFECTIVE DATE

	Ref	December 31, 2024
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment		4,355,358,562
Investment property		-
Intangible assets		-
Investment in Associates		-
Long term deposits		940,000
	A	4,356,298,562
<b>Current assets</b>		
Stores, spares and loose tools		56,233,379
Stock in trade		3,312,517,209
Trade debts		2,755,195,935
Loans and advances		271,009,770
Other receivables		9,586,915
Short term investments		-
Tax refunds due from the Government		-
Cash and bank balances		2,572,076
	B	6,407,115,290
Assets Classified as Hold for Sale		-
<b>TOTAL ASSETS</b>	C=A+B	10,763,413,852
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Long term finances		1,856,508,591
Lease liabilities		-
Deferred tax liability		-
	D	1,856,508,591
<b>Current liabilities</b>		
Trade and other payables		1,627,817,452
Unclaimed dividends		-
Contract liabilities		-
Accrued mark-up		50,000,054
Short term borrowings		3,468,025,138
Current portion of non-current liabilities		174,000,000
Provision for taxation		-
	E	5,319,842,644
<b>Total liabilities</b>	F=D+E	7,176,351,235
<b>Net Assets</b>	G=C-F	3,587,062,617

  
Chairman

  
Director

  
Chief Financial Officer





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# MAHMOOD TEXTILE MILLS LIMITED

## NOTES TO STATEMENT OF ASSETS AND LIABILITIES COMPRISED IN THE TRANSFERRED ASSETS AND UNDERTAKINGS AS REFLECTED IN THE BOOKS OF ACCOUNT OF MTML IMMEDIATELY PRECEDING THE EFFECTIVE DATE

1. Sub-Clause (i) of (II) of the Article-3 of the Scheme requires MTML to prepare a Statement of Assets and Liabilities (the 'Statement') of the properties, assets, rights, liabilities, and obligations comprised in the Transferred Assets and Undertakings, as recorded in the books of account of MTML as of the Effective Date, based on the 'Independent Auditors' Review Report to The Members of Mahmood Textile Mills Limited on Review of Interim Financial Statements' for the six-month period ended December 31, 2024.
  - 1.1. The Statement has been prepared in accordance with the accounting principles generally accepted in Pakistan. These notes set out the assumptions used in identifying the properties, assets, rights, liabilities, and obligations of MTML relating to the Transferred Assets and Undertakings.
  - 1.2. The Effective Date as per the Scheme is 00:00 hours on January 01, 2025. Since the financial statements of MTML are interim and reviewed, not audited, the Statement reflects the financial position as at December 31, 2024 based on the Independent Auditors' Review Report to The Members of Mahmood Textile Mills Limited on Review of Interim Financial Statements.
  - 1.3. The assets and liabilities comprised in the Transferred Assets and Undertakings and the Retained Assets and Undertakings have been determined as follows:

Account Head	Basis
<b>ASSETS</b>	
<b>Non-current assets</b>	
Property, plant and equipment	Segment-wise books of Accounts prepared by MTML and Leasehold Land (Refer to Note 1.5 below)
Investment property	Segment-wise book of accounts prepared by MTML
Intangible assets	Segment-wise book of accounts prepared by MTML
Investment in Subsidiary	As per Note 2 below
Investment in Associates	Segment-wise book of accounts prepared by MTML
Long-term deposits	Segment-wise book of accounts prepared by MTML
<b>Current assets</b>	
Stores, spares and loose tools	Segment-wise book of accounts prepared by MTML
Stock in trade	Segment-wise book of accounts prepared by MTML
Trade debts	Segment-wise book of accounts prepared by MTML
Loans and advances	Segment-wise book of accounts prepared by MTML
Other receivables	Segment-wise book of accounts prepared by MTML
Short term investments	Segment-wise book of accounts prepared by MTML
Tax refunds due from the Government	Entitlement to the Tax Refunds
Cash and bank balances	Earning Potential of the Transferred Undertaking and the Retained Undertakings
<b>Other Assets</b>	
Assets Classified as Held for Sale	Segment-wise book of accounts prepared by MTML





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**Liabilities**

**Non-current liabilities**

Long term finances  
Lease liabilities  
Deferred tax liability

Segment-wise book of accounts prepared by MTML  
Corresponding Right of Use Asset  
Entitlement / Obligation

**Current liabilities**

Trade and other payables  
Unclaimed dividends  
Contract liabilities  
Accrued mark-up  
Short term borrowings  
Current portion of non-current liabilities  
Provision for taxation



Segment-wise book of accounts prepared by MTML  
Entitlement of the shareholders of MTML  
Segment-wise book of accounts prepared by MTML  
Segment-wise book of accounts prepared by MTML  
Segment-wise book of accounts prepared by MTML  
Segment-wise book of accounts prepared by MTML  
Taxable profits and liabilities attributable to the undertaking


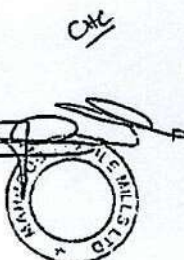
**1.4. As per Schedule I to the scheme:**

Pursuant to the scheme of arrangement between MTML and MG Apparel Limited which has been approved by the Board of Directors, lease hold land has been transferred to the MG Apparel Limited, considering its intended use and strategic alignment with the resulting company's operations.

**1.5. Reconciliation of net assets transferred to MG Apparel Limited as at December 31, 2024:**

	Ref	December 31, 2024
Apparel Undertaking Assets as per Reviewed SOFP	A	10,259,865,776
Apparel Undertaking Liabilities as per Reviewed SOFP	B	7,176,351,235
Apparel Undertaking Net Assets as per Reviewed SOFP	C=A-B	3,083,514,541
<b>Reconciliation</b>		
<b>Adjustments in Assets</b>		
Cash and Bank Balance (allocated to Apparel Undertaking)		2,572,076
Leasehold Land Transferred with the Approval of Board of Directors		500,976,000
Total Adjustment in Assets	D	503,548,076
<b>Adjustments in Liabilities</b>		
	E	-
Net Increase/(Decrease) in net Assets	F=D-E	503,548,076
Adjusted Net Assets	G=C+F	3,587,062,617
Net Assets Transferred	H	3,587,062,617
Unreconciled Amount	I=G-H	0



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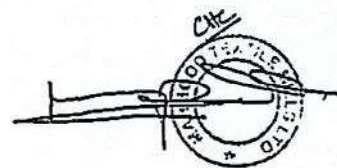
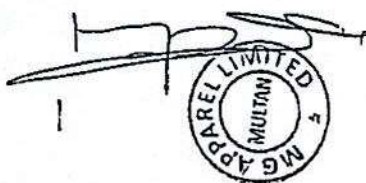
2. As per clause 2 of the Article - 4 of the scheme:

2.1. The Net Assets Value (NAV) of the Transferred Assets and Undertaking, including Leasehold Land, amounts to Rs. 3,587,062,617 as of December 31, 2024. In accordance with the Scheme, MGA shall issue 30,000,000 fully paid-up ordinary shares of Rs. 10 each to MTML as consideration, at an agreed value of Rs. 87.985 per share (inclusive of a share premium of Rs. 77.985 per share). This will result in an increase in share capital of Rs. 300,000,000 and share premium of Rs. 2,339,559,771. The remaining balance of Rs. 947,502,846, representing the revaluation surplus on Property, Plant, and Equipment transferred to MGA, shall be recorded as a separate component of Equity in MGA's financial statements pursuant to the transfer.

  
Chairman

  
Director

  
Chief Financial Officer



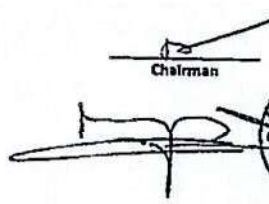


**MAHMOOD TEXTILE MILLS LIMITED**

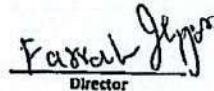
**STATEMENT OF FINANCIAL POSITION AFTER TRANSFER OF ASSETS AND LIABILITIES PERTAINING TO APPAREL UNDERTAKING**  
Effective Date January 01, 2025

	Balance as per Reviewed statement of financial position as at 31 December 2024	Transferred Asset and Liabilities Pertaining to Apparel Undertaking Under the Scheme	Adjustments to be Incorporated Under the Scheme	Adjusted Statement of Financial Position of MTML after Transfer
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	21,452,582,525	(4,355,358,562)	-	17,097,223,964
Investment property	174,038,000	-	-	174,038,000
Intangible assets	60,181,011	-	-	60,181,011
Investment in Subsidiary	-	-	2,639,569,771	2,639,569,771
Investment in Associates	2,182,035,364	-	-	2,182,035,364
Long term deposits	53,854,135	(940,000)	-	52,914,135
	23,922,691,035	(4,356,298,562)	2,639,569,771	22,205,962,244
<b>Current assets</b>				
Stores, spares and loose tools	716,324,425	(56,233,379)	-	660,091,046
Stock in trade	20,685,223,827	(3,312,517,209)	-	17,372,706,618
Trade debts	8,973,256,073	(2,755,195,935)	-	6,218,060,138
Loans and advances	1,334,559,767	(271,009,776)	-	1,063,549,991
Other receivables	536,967,979	(9,586,915)	-	527,381,064
Short term Investments	32,060,791	-	-	32,060,791
Tax refunds due from the Government	1,114,302,720	-	-	1,114,302,720
Cash and bank balances	67,290,015	(2,572,076)	(10,000)	64,707,939
	33,459,985,597	(6,407,115,290)	(10,000)	27,052,860,307
<b>Assets Classified as Held for Sale</b>	2,019,738,143	-	-	2,019,738,143
<b>TOTAL ASSETS</b>	59,402,414,775	(10,763,413,852)	2,639,559,771	51,278,560,694


Chairman

  
Chairman

Director

  
Director

Chief Financial Officer

  
Chief Financial Officer



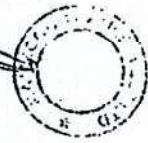
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	Balance as per Reviewed statement of financial position as at 31 December 2024	Transferred Asset and Liabilities Pertaining to Apparel Undertaking as per proposed Reconstruction	Adjustments to be Incorporated upon proposed Reconstruction	Adjusted Statement of Financial Position of MTML after Proposed Reconstruction
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Authorized share capital 50,000,000 ordinary shares of Rs.10 each	500,000,000	-	-	500,000,000
Issued, subscribed and paid-up share capital	300,000,000	-	-	300,000,000
Capital reserves:				
Capital reserve	-	-	-	-
Equity	-	-	-	-
Reserves	11,884,466,130	-	-	11,884,466,130
Revaluation surplus on property, plant and equipment	5,561,797,842	(947,502,846)	-	4,614,294,996
<b>Total Equity</b>	<b>17,746,263,972</b>	<b>(947,502,846)</b>	<b>-</b>	<b>16,798,761,126</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Long term finances	9,320,501,318	(1,856,508,591)	-	7,463,992,727
Lease liabilities	15,037,331	-	-	15,037,331
Deferred tax liability	707,303,556	-	-	707,303,556
	10,042,842,205	(1,856,508,591)	-	8,186,333,614
<b>Current liabilities</b>				
Trade and other payables	7,282,295,131	(1,627,817,452)	-	5,654,477,679
Due to related party	-	-	-	-
Unclaimed dividends	3,680,032	-	-	3,680,032
Contract liabilities	284,838,976	-	-	284,838,976
Accrued mark-up	837,647,143	(50,000,054)	-	787,647,089
Short term borrowings	19,693,748,125	(3,468,025,138)	-	16,225,722,987
Current portion of non-current liabilities	2,036,203,300	(174,000,000)	-	1,862,203,300
Provision for taxation	1,474,895,891	-	-	1,474,895,891
	31,613,308,598	(5,319,842,644)	-	26,293,465,954
<b>Total liabilities</b>	<b>41,656,150,803</b>	<b>(7,176,351,235)</b>	<b>-</b>	<b>34,479,799,568</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>59,402,414,775</b>	<b>(8,123,854,081)</b>	<b>-</b>	<b>51,278,560,694</b>
		<b>2,639,559,771</b>	<b>(2,639,559,771)</b>	

Chairman

Director

Chief Financial Officer



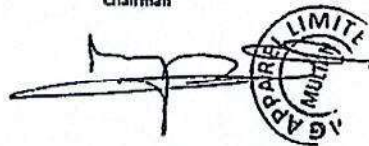


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References

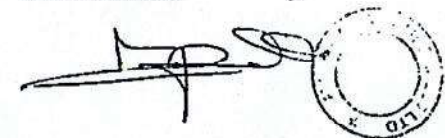
- A) This includes a leasehold land amounting to Rs. 500,975,000, transferred with the approval of Board of Directors
- B) This reflects MTML's net investment in the equity of MG Apparel Limited
- C) This reflects the consideration paid to previous shareholders of MG Apparel Limited to acquire 100% controlling interest on 01 March 2025
- D) This reflects the revaluation surplus on land and building transferred to the Apparel Undertaking of MTML

  
Chairman



  
Director

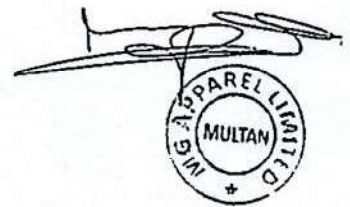
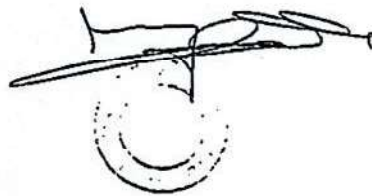
  
Chief Financial Officer





SCHEDULE VI

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**SHINEWING HAMEED CHAUDHRI & CO.**  
CHARTERED ACCOUNTANTS

MTML/4986/25

May 14, 2025

The Chief Executive,  
Mahmood Textile Mills Limited,  
Mehr Manzil, Lohari Gate,  
Multan

**Subject: Certificate of Valuation for Asset-for-Equity Transfer Under the proposed Scheme of Arrangement – Mahmood Textile Mills Limited & MG Apparel Limited**

Dear Sir,

**Purpose of this certificate**

As agreed with management, we have conducted an independent valuation regarding the demerger of the Apparel Segment of Mahmood Textile Mills Limited (MTML) for its subsequent merger into MG Apparel Limited (MGAL), a wholly owned subsidiary. The valuation is undertaken in connection with the Scheme of Arrangement, which is subject to the approval by Honorable Lahore High Court (LHC).

The purpose of this certificate is to determine the valuation of net assets of Apparel Segment of MTML and corresponding number of shares to be issued by MGAL to MTML as a consideration against the proposed transfer of net assets including assets, liabilities and reserves.

**Responsibilities of the Management**

The management of MTML has acknowledged that the valuation methodology adopted for this transaction is appropriate for the determination of the net assets being transferred. It is the management's responsibility to ensure the completeness, accuracy and reliability of the financial information provided for this engagement, including the interim reviewed financial statements relied upon in this valuation.

**Our Responsibilities**

We have undertaken this engagement in accordance with applicable valuation principles and professional standards. Our role is limited to performing the valuation based on the Net Book Value Method on the basis of audited / reviewed financial statements provided to us. We make no representation regarding the appropriateness of the demerger structure beyond the valuation assessment.

**Valuation Summary**

The valuation is based on MTML interim reviewed financial statements and the Audited Financial Statements of MGAL as of December 31, 2024, and the effective date of the demerger is January 1, 2025. The following details have been determined:

Net assets value of Apparel Segment of MTML:	PKR 3,587,062,617 (Annexure A)
Net Assets Value of MG Apparel Limited	PKR 10,000 (Annexure C)

2526/F Shadman Colony, Opposite High Court  
Bahawalpur Road, Multan  
Tel: +92 (0) 61 4785211-12 . 4511979  
Email: mux@hccpk.com  
www.hccpk.com sw.international



Principal Office:  
HM House  
7-Bank Square, Lahore.  
Tel: +92 42 37235084-87  
Email: lhr@hccpk.com



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**Determination of share issuance against net assets of Apparel Segment**

The value of the Apparel Segment of MTML has been determined based on its net assets value provided to us by the management. Corresponding to this valuation, MG Apparel Limited shall issue shares as consideration for the transfer. The details are as follows:

Name of Demerged Segment	Apparel
Transferee Company	MG Apparel Limited
Nature of Consideration	Net Assets Transferred Against Shares
Total Net Assets Transferred (PKR)	3,587,062,617
Total Number of Shares to be Issued (Number)	30,000,000
Breakup Value per Share (PKR)	119.57
Total Value of Shares Issued (PKR)	30,000,000
Face Value per Share of MG Apparel Limited (PKR)	10.00
Net Assets represented by:	
Increase in Share Capital (PKR)	300,000,000
Share Premium (PKR)	2,339,559,771
Revaluation surplus on property, plant and equipment (PKR)	947,502,846

**Reliance on Financial Information**

This valuation is based on financial and other information provided by the management of MTML. We have relied on the reviewed interim financial statements of MTML and audited financial statements of MGAL as of December 31, 2024, as well as management's representations regarding the segment wise net assets of Apparel segment, reconciliation of balances between the segment reporting in the financial statements and the figures designated for transfer to MGAL.

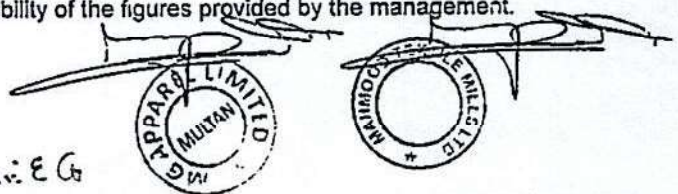
A reconciliation of the net assets to be transferred has been prepared to reflect these adjustments, as provided by the management, and is included in the annexure to this report (Annexure B). We have relied upon the accuracy and completeness of this reconciliation, along with management's representations regarding the allocation methodology and adjustments made to determine the final figures.

**Caveats**

- This certificate has been prepared on the specific request of management for filing of Scheme of Arrangement before the LHC and submission to the Securities and Exchange Commission of Pakistan (SECP). This valuation engagement is not an assurance engagement, and accordingly, we do not express an audit opinion or an assurance conclusion thereon. Had we performed additional procedures beyond those agreed with the management, additional matters might have come to our attention requiring further reporting.
- This certificate should not be distributed to any third party except for the specified regulatory submissions, unless prior written consent is obtained.
- The information contained in this certificate is based on the proposed scheme of arrangement approved by the Board of Directors of MTML and is subject to the approval by LHC.
- The information contained in this certificate is obtained from the management and we are not responsible for the accuracy and reliability of the figures provided by the management.

Yours truly,

*Shinewing Hameed Chaudhri & Co*  
Chartered Accountants



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## Annexure A

Condensed Statement of Financial Position (SOPF) of Apparel Division of Mahmood Textile Mill Limited as on December 31, 2024, for the proposed Asset-for-Equity Transfer with MG Apparel Limited

**ASSETS****Non-current assets**

Property, plant and equipment  
Long term deposits

**Current assets**

Stores, spares and loose tools  
Stock in trade  
Trade debts  
Loans and advances  
Other receivables  
Cash and bank balances

**TOTAL ASSETS****Liabilities**

Non-current liabilities  
Long term financing

**Current liabilities**

Trade and other payables  
Accrued mark-up  
Short term borrowings  
Current maturity of long-term liabilities

**Total liabilities****Net Assets**

Total Existing Number of Shares of MTML  
Break-up Value per share as at December 31, 2024  
of Apparel Undertaking of MTML

Number of Shares to be issued by  
MG Apparel Limited to MTML  
Face Value per share

**Net Assets Represented by:**

Increase in Share Capital  
Revaluation surplus on property, plant and  
Share Premium

**Reserves, Liabilities  
and Assets to be  
transferred to MG  
Apparel Limited  
upon proposed  
reconstruction  
Rupees**

4,355,358,562  
940,000  
**A** 4,356,298,562

56,233,379  
3,312,517,209  
2,755,195,935  
271,009,776  
9,586,915  
2,572,076

**B** 6,407,115,290

**C=A+B** 10,763,413,852

1,856,508,591  
**D** 1,856,508,591

1,627,817,452  
50,000,054  
3,468,025,138  
174,000,000

**E** 5,319,842,644

**F=D+E** 7,176,351,235

**G=C-F** 3,587,062,617

**H** 30,000,000

**I=G/H** 119.57

**J=G/I** 30,000,000

**J** 10

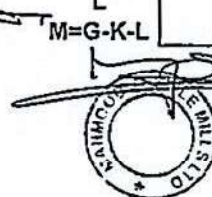
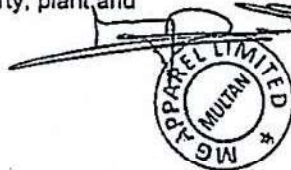
**K=H\*J** 300,000,000

**L** 947,502,846

**M=G-K-L** 2,339,559,771

3,587,062,617

swhu





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Annexure B

Reconciliation of net assets being transferred to MG Apparel Limited as at 31 December 2024

Apparel (Segment) Assets as per Reviewed SOFP  
Apparel (Segment) Liabilities as per Reviewed SOFP  
Apparel (Segment) Net Assets as per Reviewed SOFP

	Rupees
A	10,259,865,776
B	7,176,351,235
C=A-B	3,083,514,541

Reconciliation

Adjustments In Assets:

Cash and Bank Balance (Allocated to Apparel segment)  
Leasehold Land Transferred pursuant to Approval of Board  
Total Adjustment in Assets

	2,572,076
	500,976,000
D	503,548,076
E	-

Adjustments in Liabilities

Net increase / (decrease) In Net Assets

F=D-E 503,548,076

Adjusted Net Assets

G=C+F 3,587,062,617

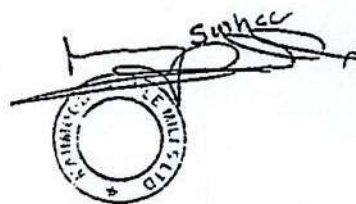
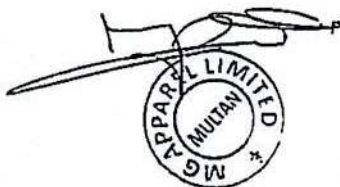
Less:

Net Assets transferred

H 3,587,062,617

Unreconciled Amount (if any)

I=G-H -





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## Annexure C

Condensed Statement of Financial Position of MG Apparel Limited as at December 31, 2024

Rupees

## Equity &amp; Liabilities

## Share Capital and Reserves

## Authorized Share Capital

1,000,000 ordinary shares of Rs 10 each

10,000,000

## Issues Subscribed and paid-up capital

1,000 ordinary shares of Rs 10 each

fully paid in cash

10,000

## Total Equity and Liabilities

10,000

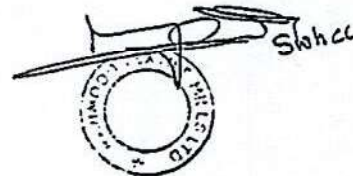
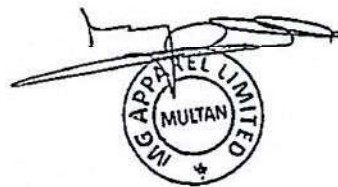
## Assets

## Current Assets

Cash and Bank Balance

10,000

## Total Assets

10,000

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAHMOOD TEXTILE MILLS LIMITED

### Opinion

We have audited the special purpose financial statements (financial statements) of **Mahmood Textile Mills Limited** (the Company), which comprise the special purpose statement of financial position as at December 31, 2024 and the special purpose statement of profit or loss, the special purpose statement of comprehensive income, the special purpose statement of changes in equity, the special purpose statement of cash flows for the six months period then ended, and notes to the special purpose financial statements, including material accounting policy information and other explanatory information.

In our opinion, the accompanying financial statements of the Company for the six months period ended December 31, 2024 are prepared in all material respects, in accordance with the basis of accounting as mentioned in note 2 of the financial statements.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of Matter – Basis of Preparation and Restriction on Distribution and Use

We draw attention to Note 2.1 to the financial statements, which describes the basis of preparation. The financial statements are prepared by the management to accompany the scheme of arrangement to be filed with the Court for the potential demerger of the Company into certain other legal entities. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the Company and the Court and should not be distributed or used by any parties other than the Company or the Court. Our opinion is not modified in respect of this matter.

### Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation of the financial statements in accordance with the basis of preparation as mentioned in note 2 of the financial statements and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the



going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.


**Other Matter**

The Company has prepared a separate set of condensed interim financial statements for the six months period ended December 31, 2024, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting, on which we issued a separate auditor's review report to the members of the Company dated February 28, 2025.

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

Lahore

Dated: June 4, 2025

  
CROWE HUSSAIN CHAUDHURY & CO.  
Chartered Accountants



**MAHMOOD TEXTILE MILLS LIMITED**  
**SPECIAL PURPOSE STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2024**

	Note	December 31, 2024 Rupees	June 30, 2024 Rupees
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Property, plant and equipment	5	21,452,582,525	22,214,635,273
Investment property	6	174,038,000	174,038,000
Intangible assets	7	60,181,011	37,931,636
Investments in associates	8	2,182,035,364	2,073,750,746
Long term deposits	9	53,854,135	53,854,135
		23,922,691,035	24,554,209,790
<b>Current Assets</b>			
Stores, spares and loose tools	10	716,324,425	843,263,574
Stock in trade	11	20,685,223,827	16,830,488,745
Trade debts	12	8,973,256,073	6,724,162,180
Loans and advances	13	1,334,559,767	1,058,282,487
Other receivables	14	536,967,979	487,649,414
Short term investments	15	32,060,791	28,771,225
Tax refunds due from the Government	16	1,114,302,720	1,068,250,317
Cash and bank balances	17	67,290,015	31,957,577
		33,459,985,597	27,072,825,519
<b>Assets Classified as Held for Sale</b>	18	2,019,738,143	3,406,102,791
		<u>59,402,414,775</u>	<u>55,033,138,100</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Share Capital and Reserves</b>			
Authorized share capital: 50,000,000 (June 30, 2024: 50,000,000) ordinary shares of Rs. 10 each		500,000,000	500,000,000
Issued, subscribed and paid up capital	19	300,000,000	300,000,000
Reserves		11,884,466,130	11,416,991,792
Revaluation surplus on property, plant and equipment	20	5,561,797,842	5,688,116,205
Shareholders' equity		17,746,263,972	17,405,107,997
<b>Non Current Liabilities</b>			
Long term financing	21	9,320,501,318	8,375,153,095
Lease liabilities	22	15,037,331	22,049,514
Deferred tax liability	23	707,303,556	805,017,769
		10,042,842,205	9,202,220,378
<b>Current Liabilities</b>			
Trade and other payables	24	7,282,295,131	7,481,900,251
Unclaimed dividend		3,680,032	3,680,032
Contract liabilities	25	284,838,976	84,879,145
Accrued mark up	26	837,647,143	1,183,191,316
Current portion of non-current liabilities	27	2,036,203,300	2,173,210,286
Short term borrowings	28	19,693,748,125	16,421,864,632
Provision for taxation	29	1,474,895,891	1,077,084,053
		31,613,308,598	28,425,809,725
<b>Contingencies and Commitments</b>	30	-	-
		<u>59,402,414,775</u>	<u>55,033,138,100</u>

The annexed notes from 1 to 52 form an integral part of these financial statements.

CHAIRMAN

DIRECTOR

CHIEF FINANCIAL OFFICER

**MAHMOOD TEXTILE MILLS LIMITED**  
**SPECIAL PURPOSE STATEMENT OF PROFIT OR LOSS**  
**FOR THE SIX MONTHS ENDED DECEMBER 31, 2024**

		Six months ended December 31, 2024	June 30, 2024
	Note	Rupees	Rupees
Sales	31	27,707,099,608	66,583,767,005
Cost of sales	32	(23,952,128,378)	(56,855,235,797)
<b>Gross Profit</b>		<b>3,754,971,230</b>	<b>9,728,531,208</b>
<b>Operating Expenses</b>			
Distribution costs	33	(645,513,052)	(1,681,786,859)
Administrative expenses	34	(537,668,946)	(1,200,833,197)
		(1,183,181,998)	(2,882,620,056)
<b>Operating Profit</b>		<b>2,571,789,232</b>	<b>6,845,911,152</b>
Finance cost	35	(1,990,480,059)	(5,631,381,235)
Other operating expenses	36	(63,309,050)	(398,045,195)
Other income	37	85,558,054	117,491,225
Share of net profit of associate	8	108,284,598	437,160,247
		(1,859,946,457)	(5,474,774,958)
<b>Profit before Levy and Taxation</b>		<b>711,842,775</b>	<b>1,371,136,194</b>
Levy / final taxation	38	(348,298,189)	(895,789,009)
<b>Profit before Taxation</b>		<b>363,544,586</b>	<b>475,347,185</b>
Taxation	39	(22,388,611)	(225,810,594)
<b>Net Profit for the Period</b>		<b>341,155,975</b>	<b>249,536,591</b>
<b>Earnings per Share - Basic and Diluted</b>	40	<b>11.00</b>	<b>8.32</b>

The annexed notes from 1 to 52 form an integral part of these financial statements.

  
**CHAIRMAN**

  
**DIRECTOR**

  
**CHIEF FINANCIAL OFFICER**



**MAHMOOD TEXTILE MILLS LIMITED**  
**SPECIAL PURPOSE STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE SIX MONTHS ENDED DECEMBER 31, 2024**

	Six months ended December 31, 2024 Rupees	June 30, 2024 Rupees
Net Profit for the Period / (Year)	341,155,975	249,536,591
Other comprehensive Income for the period / year		
Items that will not be reclassified to profit or loss		
Revaluation surplus on property, plant and equipment	-	3,400,902,916
Items that may be reclassified subsequently to profit or loss	-	-
Other comprehensive Income for the period / year	-	3,400,902,916
Total Comprehensive Income for the Period / (Year)	<u>341,155,975</u>	<u>3,650,439,507</u>

The annexed notes from 1 to 52 form an integral part of these financial statements.

  
**CHAIRMAN**

  
**DIRECTOR**

  
**CHIEF FINANCIAL OFFICER**

# MAHMOOD TEXTILE MILLS LIMITED

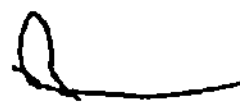
## SPECIAL PURPOSE STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED DECEMBER 31, 2024

Particulars	Share Capital	Reserves			Surplus on Revaluation of Property, Plant and Equipment	Total
		Capital Reserves	Revenue Reserves	Total		
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at June 30, 2023	300,000,000	7,120,600	11,057,700,669	11,064,821,269	2,389,847,221	13,754,668,490
Net profit for the year	-	-	249,536,591	249,536,591	-	249,536,591
Other comprehensive income for the year	-	-	-	-	3,400,902,916	3,400,902,916
Total comprehensive Income for the year	-	-	249,536,591	249,536,591	3,400,902,916	3,650,439,507
Incremental depreciation charged on revalued property, plant and equipment transferred to retained earnings	-	-	102,633,932	102,633,932	(102,633,932)	-
Balance as at June 30, 2024	300,000,000	7,120,600	11,409,871,192	11,416,991,792	5,688,116,205	17,405,107,997
Net profit for the period	-	-	341,155,975	341,155,975	-	341,155,975
Other comprehensive Income for the period	-	-	-	-	-	-
Total comprehensive Income for the period	-	-	341,155,975	341,155,975	-	341,155,975
Incremental depreciation charged on revalued property, plant and equipment transferred to retained earnings	-	-	126,318,363	126,318,363	(126,318,363)	-
Balance as at December 31, 2024	300,000,000	7,120,600	11,877,345,530	11,884,466,130	5,561,797,842	17,746,263,972

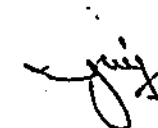
The annexed notes from 1 to 52 form an integral part of these financial statements.



CHAIRMAN



DIRECTOR



CHIEF FINANCIAL OFFICER



**MAHMOOD TEXTILE MILLS LIMITED**  
**SPECIAL PURPOSE STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTHS ENDED DECEMBER 31, 2024**

		Six months ended December 31, 2024	June 30, 2024
	Note	Rupees	Rupees
<b>Cash Used in Operations</b>	46	(2,746,120,515)	10,029,528,906
- Income tax paid - net		(351,329,808)	(288,442,863)
- Finance cost paid		(2,151,514,599)	(5,416,406,919)
- Dividend paid		-	(19,808)
- Workers' (profit) participation fund paid		-	(70,397,152)
		(2,502,844,407)	(5,775,266,742)
<b>Net Cash Used In / (Generated from) Operating Activities</b>		(5,248,964,922)	4,254,262,164
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Payment for acquisition of property, plant and equipment		(219,195,853)	(3,057,794,813)
Payment for acquisition of intangibles		(24,654,854)	(34,260,204)
Dividends received from associate during the period		-	262,008,255
Proceeds from disposal of property, plant and equipment		11,900,000	45,948,853
Proceeds from sale of assets classified as held for sale		1,386,364,628	-
Long term deposits		-	(40,000)
Sale proceeds of short term investments - net		11,735,300	5,422,446
<b>Net Cash Generated from / (Used in) Investing Activities</b>		1,166,149,221	(2,778,715,463)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Long term finances - net		851,695,300	(237,736,109)
Lease liabilities - net		(5,430,654)	(7,821,326)
Short term borrowings - net		3,271,883,493	(1,232,645,350)
<b>Net Cash Generated from / (Used in) Financing Activities</b>		4,118,148,139	(1,478,202,785)
<b>Net Increase / (decrease) In Cash and Cash Equivalents</b>		35,332,438	(2,656,084)
Cash and cash equivalents at the beginning of the period		31,957,577	34,613,661
<b>Cash and Cash Equivalents at the End of the Period</b>		<b>67,290,015</b>	<b>31,957,577</b>

The accompanying notes from 1 to 52 form an integral part of these financial statements.

  
**CHAIRMAN**

  
**DIRECTOR**

  
**CHIEF FINANCIAL OFFICER**

# MAHMOOD TEXTILE MILLS LIMITED

## NOTES TO AND FORMING PART OF THE SPECIAL PURPOSE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED DECEMBER 31, 2024

### Note 1

#### The Company and Its Operations

- 1.1 Mahmood Textile Mills Limited (the Company) was incorporated in Pakistan on February 25, 1970 as a Public Limited Company under the Companies Act, 1913 (now the Companies Act, 2017). The shares of the Company are quoted on Pakistan Stock Exchange Limited. The Company is domiciled in Pakistan and its principal business is to manufacture and deal in all types of yarn, grey cloth and apparel / garments. The Company also manages investments in associated companies engaged in manufacturing and sale of yarn, cotton lint, cotton seed, generation of electricity and sale to power purchaser.

- 1.2 The information on geographical location and address of the Company's business is as under :

Business unit	Geographical location
Head / Registered office	The Company's registered office is situated at Mehr Manzil, Lohari Gate, Multan
	Mahmoodabad, Multan Road, Muzaffargarh
Manufacturing units	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 non-statutory special purpose financial statements (financial statements) have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan, except that the corresponding figures in the special purpose statement of profit or loss, the special purpose statement of other comprehensive income, the special purpose statement of changes in equity, the special purpose statement of cashflows and the related notes to and forming part of the special purpose financial statements are for the year ended June 30, 2024 and, therefore are not entirely comparable. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are 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 from the IFRS or the IFAS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These financial statements have been prepared by the management to accompany the scheme of arrangement to be filed with the court for the potential demerger of the company into certain legal entities. As a result, these financial statements may not be suitable for another purpose.

#### 2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except to the extent of following:

Certain property, plant and equipment	Note 5	Stated at revalued
Investment property	Note 6	Stated at fair value
Investment in associates	Note 8	Stated at equity method
Certain investments	Note 15	Stated at fair value
Assets Classified as Held for Sale	Note 18	Stated at fair value

#### 2.3 Functional and presentational currency

These financial statements are prepared and presented in Pak Rupees which is the functional and presentation currency of the Company. All the figures have been rounded off to the nearest rupee, unless otherwise stated.



*Note 2, Basis of Preparation - Continued...*

**2.4 Key judgements and estimates**

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. In the process of applying the Company's accounting policies, the management has made the following estimates and judgments which are significant to the financial statements:

- Estimation of provisions - Note 3.1
- Provision for employees' retirement benefits - Note 3.2
- Current income tax expense, provision for current tax and recognition of deferred tax - Note 3.3 & 38
- Estimation of contingent liabilities - Note 4.4 & 30
- Useful lives, residual values and depreciation method of property, plant and equipment - Note 3.5 & 5
- Impairment loss of non-financial assets other than inventories - Note 3.6
- Fair value of investment property - Note 3.7 & 6
- Net realisable values of stock-in-trade & store and spares - Notes 3.9, 3.10, 11 & 10
- Provision for expected credit losses - Note 3.16 & 12

**2.5 Changes in accounting standards, interpretations and pronouncements**

**2.5.1 Standards, interpretations and amendments to approved accounting standards that are effective in the current year**

Certain standards, amendments and interpretations to IFRS are effective for the period ended December 31, 2024. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures:

Standard or Interpretation	Effective Date - Annual Periods Beginning on or After
- IFRS 16 'Leases' - Lease Liability in a Sale and Leaseback (Amendments)	January 01, 2024
- IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants (Amendments)	January 01, 2024
- IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial Instruments disclosures' supplier Finance Arrangements (Amendments)	January 01, 2024
- IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current (Amendments)	January 01, 2024

**2.5.2 Standards, interpretation and amendments to approved accounting standards that are not yet effective**

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Standard or Interpretation	Effective Date - Annual Periods Beginning on or After
- IAS 21 'The Effects of Changes in Foreign Exchange Rates' Lack of Exchangeability (Amendments)	January 01, 2025

**Note 2, Basis of Preparation - Continued..**

- IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments disclosures'  
 Classification and Measurement of Financial Instruments [Amendments]  
 Contracts referencing Nature-dependent electricity January 01, 2026
- Annual Improvement to IFRS 1, 7, 9, 10 and IAS 7 January 01, 2026

Other than the aforesaid amendments, IASB has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 'First Time Adoption of International Financial Reporting Standards'
- IFRS 18 'Presentation and Disclosures in Financial Statements'
- IFRS 19 'Subsidiaries without Public Accountability: Disclosures'
- IFRS S1 - General Requirements for Disclosure of Sustainability-related Financial Information
- IFRS S2 - Climate-Related Disclosures

**Note 3**

**Material Accounting Policy Information**

Material accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented.

**3.1 Provisions**

A provision is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

**3.2 Staff retirement benefits**

The Company operates an un-funded gratuity scheme for all its eligible employees. Provision is made annually to cover obligation under the scheme. The payable balance of gratuity is fully paid to the employees on annual basis.

**3.3 Taxation - Levy and Income tax**

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit or loss except to the extent that relates to items recognized directly in other comprehensive income.

**Levy**

In accordance with the Income Tax Ordinance, 2001, computation of levy / taxes is not based on taxable income. Therefore, as per IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes Issued by the ICAP, these fall within the scope of IFRIC 21 / IAS 37 and accordingly have been classified as levy in the financial statements.

**Current**

Provision for current period's taxation is determined in accordance with the prevailing law of taxation on income enacted or substantively enacted by the end of the reporting period and is based on current rates of taxation being applied on the taxable income for the period, after taking into account tax credits and rebates available, if any, and taxes paid under the Final Tax Regime. The tax charge also includes adjustments, where necessary, relating to prior years which arise from assessments finalized during the current financial year.

**Deferred**

The Company accounts for deferred taxation using the liability method on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liability is recognised for taxable temporary differences and deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax is charged or credited to profit or loss.

*cc*



*Note 3, Material Accounting Policy Information - Continued...*

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

**3.4 Trade and other payables**

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid or given in future for goods and services received or to be delivered or for any other amount, whether or not billed to the Company.

**3.5 Property, plant and equipment**

*Owned*

Items of property, plant and equipment other than leasehold land, freehold land; buildings on leasehold and freehold land; and capital work in progress are stated at cost less accumulated depreciation and identified impairment losses, if any. Leasehold land, freehold land, building on leasehold and freehold land are stated at revalued amount being the fair value at the date of revaluation less accumulated depreciation and subsequent impairment losses, if any. Revaluation is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from their fair value. Additions, subsequent to revaluation, are stated at cost less any identified impairment loss. Surplus on revaluation of leasehold land, freehold land, buildings on leasehold land, and buildings on freehold land is recognized in equity. On disposal of particular revalued asset, the related revaluation surplus is transferred to unappropriated profits.

Cost comprises purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates and includes other costs directly attributable to acquisition or construction including expenditures on material, labour and overheads directly relating to construction, erection and installation of items of property, plant and equipment. Cost in relation to certain assets may also include cost of borrowing during construction period in respect of loans taken for specific projects.

Depreciation on property, plant and equipment, except freehold land and leasehold land, has been provided for using the reducing balance method at the rates specified in Note 5 and is charged to profit or loss. Depreciation on additions is charged from the date at which the asset is available for use up to the date at which the asset is disposed off. Depreciation method, residual value and useful lives of assets are reviewed at least at each reporting date and adjusted if impact on depreciation is significant.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized. Gain or loss on disposal of property, plant and equipment, if any, is shown in profit or loss.

*Capital work-in-progress*

Capital work-in-progress is stated at cost less identified impairment loss, if any. All expenditure connected with specific assets incurred during installation and construction period is carried under capital work in progress. These are transferred to operating fixed assets as and when these are available for use.

**3.6 Impairment of non financial assets**

Assets that are subject to depreciation or amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment losses on fixed assets that offset available revaluation surplus are charged against this surplus, all other impairment losses are charged to statement of profit or loss. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Prior impairments of non-financial assets are reviewed for possible reversal at each reporting date. Where impairment loss is recognized, the depreciation / amortization charge is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value, over its remaining useful life. Any reversal of impairment loss of a revalued asset is treated as a revaluation increase.

**3.7 Investment property**

Investment property, which is property held to earn rentals and / or for capital appreciation is measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. The change in fair value is recognised in profit or loss. The fair value of investment property is determined at each reporting date using the current market prices for comparable real estate, adjusted for any differences in nature, location and condition. The key assumptions used to determine the fair value of investment properties are provided in Note 6.

*Note 3, Material Accounting Policy Information - Continued ...*

**3.8 Investment in associate**

Associates are all entities over which the Company has significant influence but not control or joint control. This is generally the case where the Company holds between 20% and 50% of voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses of the investee in profit or loss, and the Company's share of movements in other comprehensive income of the investee in its other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of investment.

**3.9 Stores, spares and loose tools**

Stores, spares and loose tools are stated at the lower of cost and net realisable value. The cost of inventory is based on moving average cost. The items considered obsolete are written off. Cost of items in transit comprises invoice value plus incidental charges paid thereon.

**3.10 Stock in trade**

These are valued at lower of cost and net realizable value. Cost is determined as follows:

Raw materials	- Moving average cost
Material in transit	- Cost comprising invoice value plus incidental charges paid thereon
Work in process	- Estimated average manufacturing cost
Finished goods	- Average manufacturing cost
Wastes	- Net realizable value

Manufacturing cost in relation to work in process and finished goods comprises cost of material, labour and appropriately allocated manufacturing overheads. Net realizable value signifies estimated selling price in the ordinary course of business less necessary costs to make the sale.

**3.11 Cash and cash equivalents**

Cash and cash equivalents are carried at cost. For the purpose of statement of cash flows, these comprise cash in hand and cash at bank.

**3.12 Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

***Financial assets***

All financial assets are recognized at the time when the Company becomes a party to the contractual provisions of the instrument.

***a) Classification***

Financial assets are classified in either of the three categories: at amortized cost, at fair value through other comprehensive income and at fair value through profit or loss. This classification is based on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. The management determines the classification of its financial assets at the time of initial recognition. The Company currently measures financial assets at amortized cost and at fair value through profit or loss.

***b) Initial recognition and measurement***

All financial assets are initially measured at fair value plus transaction costs that are directly attributable to its acquisition except for trade receivable. Trade receivables are initially measured at the transaction price.

***c) Subsequent measurement***

Financial assets measured at amortized cost are subsequently measured using the Effective Interest Rate (EIR) method. The amortized cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss.



*Note 3, Material Accounting Policy Information - Continued ...*

Financial assets measured at fair value through profit or loss are subsequently measured at fair value prevailing at the reporting date. The difference arising is charged to profit or loss.

*d) Derecognition*

Financial assets are derecognized when the contractual rights to receive cash flows from assets are expired. The difference between the carrying amount and the consideration received is recognized in profit or loss.

*e) Impairment of financial assets*

The Company recognizes an allowance for expected credit losses (ECLs) for all financial assets which are measured at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original EIR.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward looking factors specific to trade debts and the economic environment.

*Financial liabilities*

*a) Initial recognition and measurement*

Financial liabilities are initially classified at amortized cost. Such liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument.

*b) Subsequent measurement*

The Company measures its financial liabilities subsequently at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in profit or loss. Difference between carrying amount and consideration paid is recognized in profit or loss when the liabilities are derecognized.

*Off-setting of financial assets and financial liabilities*

A financial asset and a financial liability is offset and the net amount is reported in the statement of financial position if the Company has a legally enforceable right to offset the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

**3.13 Related party transactions**

Transactions with related parties are based on the transfer pricing policy that all transactions between the Company and the related party or between two or more segments of the Company are at arm's length basis determined using the comparable uncontrolled price method except in circumstances where it is not in the interest of the Company to do so.

**3.14 Revenue recognition**

Revenue is recognized when performance obligation is satisfied by applying the following five steps of revenue recognition:

- i) Identify the contract with a customer
- ii) Identify the performance obligation in the contract
- iii) Determine the transaction price of the contract
- iv) Allocate the transaction price to each of the separate performance obligations in the contract
- v) Recognize the revenue when (or as) the entity satisfies a performance obligation

*Note 3, Material Accounting Policy Information - Continued ...*

Revenue is recognised at amounts that reflect the consideration that the Company expects to be entitled to in exchange for transferring goods or services provided to a customer. Revenue is measured at the fair value of the consideration received or receivable, and is recognised when goods are dispatched from the mill to customer whereas revenue of export sales is recognized on date of issue of bill of lading.

**3.15 Earnings per share - basic and diluted**

The Company presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

**3.16 Trade receivables**

*Contract assets*

A contract asset is the right to receive in exchange for goods transferred to the customer against which no invoice has been raised.

*Trade receivables*

Trade receivables represent the Company's right to an amount of consideration that is unconditional. Trade receivables are carried at original invoice amount less expected credit loss based on review of all outstanding amounts as at the reporting date. Bad debts are written off when identified.

**3.17 Leases**

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

*Company as a lessee*

*Recognition and measurement*

The Company recognizes a right-of-use asset and a lease liability at the commencement date. A commencement date is the date on which the lessor makes an underlying asset available for use by the lessee (the Company).

*Lease liability*

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid. The lease payments are discounted using the interest rate implicit in the lease, or the Company's incremental borrowing rate if the implicit rate is not readily available. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments comprise fixed payments less any lease incentives receivable; variable lease payments that depend on an index or a rate; amounts expected to be payable by the Company under residual value guarantees; the exercise price of a purchase option if the Company is reasonably certain to exercise that option; and payments of penalties for terminating the lease, if the lease term reflects the Company exercising an option to terminate the lease.

After the commencement date, the Company re-measures the lease liability to reflect the affect of interest on outstanding lease liability, lease payments made, reassessments and lease modifications etc. Variable lease payments not included in the measurement of the lease liability and interest on lease liability are recognized in the statement of profit or loss.

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Note 4  
Summary of Other Accounting Policies

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**4.1 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability at the measurement date in an orderly transaction between market participants in the principal, or in its absence, the most advantageous market to which the Company has access at that date. There are three levels which are as under:

**Level 1**

The Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

**Level 2**

When there is no quoted price in an active market, the Company determines transaction price by applying valuation techniques. The chosen valuation technique incorporates all the factors that market participants would take into account in pricing a transaction. The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price i.e. the fair value of the consideration given or received.

**Level 3**

If the Company determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, the instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is credited or charged to profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is supported wholly by observable market data or the transaction is closed out.

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

**4.2 Foreign currency transactions and translation**

All monetary assets and liabilities in foreign currencies are translated into Pak rupees at exchange rates prevailing at the reporting date. Transactions in foreign currencies are translated into Pak rupees at exchange rates prevailing at the date of transaction. Exchange gains and losses are included in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences in assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

**4.3 Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (the Chief Executive Officer of the Company). Segment results, assets and liabilities include items directly attributable to a segment. Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment and intangible assets.

**4.4 Contingent liabilities**

A Contingent liability is disclosed when there is a possible obligation that arises from past events and whose existence is confirmed only by occurrence or non-occurrence of one or more uncertain future events not entirely within the control of the Company.

A Contingent liability is also disclosed when there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits would be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

**4.5 Borrowing costs**

General and specific borrowing costs directly attributable to acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are charged to profit or loss in the period in which they are incurred.

*Note 4, Summary of Other Accounting Policies - Continued ...*

**4.6 Government grants**

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

**4.7 Dividend distribution**

Dividend distribution to Company's shareholders is recognized as a liability in the period in which the dividends are approved.

**4.8 Intangibles**

An intangible asset is recognized as an asset if it is probable that future economic benefits attributable to the asset will flow to the Company and the cost of such asset can be measured reliably. Accordingly, the Company has recognized softwares as intangible assets. Cost of intangible assets i.e. engineering software includes purchase cost and directly attributable expenses incidental to bring the software for its intended use.

Costs that are directly associated with identifiable software and have probable economic benefits beyond one year, are recognized as intangible assets. However, costs associated with the maintenance of software are recognized as expenses.

Intangible assets are measured initially at cost and subsequently stated at cost less accumulated amortization and identified impairment losses, if any. Amortization is charged to profit or loss using the reducing balance method at the rates specified in Note 7. The amortization period and the amortization method for intangible assets are reviewed, at each reporting date, and adjusted if impact on amortization is significant.

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Note 5  
Property, Plant and Equipment

	Note	December 31, 2024 Rupees	June 30, 2024 Rupees
Owned fixed assets	5.1	20,506,416,243	21,034,455,922
Leasehold / right of use assets	5.1	942,998,652	945,517,169
Capital work in progress	5.3	3,167,630	234,662,182
		<u>21,452,582,525</u>	<u>22,214,635,273</u>

5.1 Operating fixed assets

Operating fixed assets	Owned Assets									Leasehold / Right of Use Assets			
	Freehold Land	Buildings on Freehold Land	Buildings on Leasehold Land	Plant and Machinery	Stand-by Equipment / Generators / Electric Installation	Furniture and Fixings	Vehicles	Office Equipment	Computers and Accessories	Total	Leasehold Land	Vehicles	Total
Cost / Revised amount													
Balance as at July 01, 2023	1,067,052,470	3,293,928,560	2,177,883,093	14,066,903,418	3,062,247,739	132,205,888	623,988,773	6,434,476	150,336,222	24,601,000,639	369,776,000	44,223,263	413,999,263
Additions	-	224,360,197	-	2,154,315,712	499,872,935	115,031,227	123,280,488	-	43,475,672	3,160,346,231	-	-	-
Disposals	-	-	-	(40,780,397)	-	-	(63,277,127)	-	-	(104,058,124)	-	-	-
Revaluation adjustments	1,247,685,030	1,553,564,712	49,097,174	-	-	-	-	-	-	2,850,346,916	550,556,000	-	-
	-	(1,401,156,069)	(531,985,267)	-	-	-	-	-	-	(1,933,141,336)	-	-	-
Balance as at June 30, 2024	2,334,737,500	3,670,697,400	1,694,995,000	16,186,448,133	3,562,140,674	247,237,115	683,992,134	6,434,476	193,811,894	28,574,494,326	920,332,000	44,223,263	964,555,263
Additions	76,500,000	7,743,001	174,866,636	84,072,144	59,253,831	6,700,550	29,140,439	-	12,413,805	450,690,406	-	-	-
Disposals	-	-	-	-	-	-	(13,213,279)	-	-	(13,213,279)	-	-	-
Balance as at Dec 31, 2024	2,411,237,500	3,678,440,401	1,869,861,636	16,264,520,277	3,621,394,505	253,937,665	699,919,294	6,434,476	206,225,699	29,019,971,453	920,332,000	44,223,263	964,555,263
Accumulated depreciation													
Balance as at July 01, 2023	-	1,045,359,098	477,880,865	4,781,921,207	1,073,896,182	28,426,283	201,178,596	3,567,809	78,078,894	7,690,508,934	-	12,741,802	12,741,802
Depreciation charged during the year	-	355,596,971	54,104,402	1,066,246,849	232,284,270	16,797,880	92,966,735	286,667	25,163,709	1,843,447,483	-	6,296,292	6,296,292
Disposals	-	-	-	(31,325,282)	-	-	(79,451,395)	-	-	(60,776,677)	-	-	-
	-	(1,401,156,069)	(531,985,267)	-	-	-	-	-	-	(1,933,141,336)	-	-	-
Balance at June 30, 2024	-	-	-	5,816,842,774	1,306,180,452	45,224,163	264,693,936	3,854,476	103,242,603	7,540,038,404	-	19,038,094	19,038,094
Depreciation charged during the period	-	183,695,672	86,803,803	519,517,068	114,582,119	10,259,222	41,913,880	129,004	14,750,314	971,651,122	-	2,518,517	2,518,517
Disposals	-	-	-	-	-	-	(6,134,316)	-	-	(6,134,316)	-	-	-
Balance as at Dec 31, 2024	-	183,695,672	86,803,803	6,336,359,842	1,420,762,571	55,483,385	300,473,500	3,983,480	117,992,917	8,505,555,210	-	21,556,611	21,556,611
Carrying amount													
As at June 30, 2024	2,334,737,500	3,670,697,400	1,694,995,000	10,369,605,359	2,255,960,222	202,017,952	419,298,198	2,580,000	90,569,291	21,034,455,922	920,332,000	25,185,169	945,517,169
As at December 31, 2024	2,411,237,500	3,494,744,729	1,783,057,833	9,928,160,415	2,200,631,934	198,454,780	399,445,794	2,450,996	88,232,762	20,506,416,243	920,332,000	22,666,652	942,998,652
Rate of depreciation - %	-	10	10	5 - 10	10	10	20	10	30	-	-	20	-

Note 5, Property, Plant and Equipment - Continued...

	Note	Six months ended December 31, 2024	June 30, 2024
		Rupees	Rupees
5.2 Depreciation charge for the period has been allocated as under:			
Cost of sales	32	896,318,541	1,710,908,624
Administrative expenses	34	77,851,098	138,835,151
		<u>974,169,639</u>	<u>1,849,743,775</u>
5.3 Capital work in progress			
	Note	December 31, 2024	June 30, 2024
		Rupees	Rupees
Advances for purchase of freehold land		3,167,630	74,205,000
Buildings	5.3.2	-	159,115,800
Plant and machinery		-	1,341,382
		<u>3,167,630</u>	<u>234,662,182</u>
5.3.1 Movement of capital work-in-progress			
Opening balance		234,662,182	337,213,600
Additions during the period / year		462,630	331,693,136
Capitalized during the period / year		<u>(231,957,182)</u>	<u>(434,244,554)</u>
		<u>3,167,630</u>	<u>234,662,182</u>

5.3.2 This represents a colony being constructed for the employees of the Company.

Note 6

Investment Property

	December 31, 2024	June 30, 2024
	Rupees	Rupees
Opening balance	174,038,000	162,687,000
Fair value gain on revaluation	-	11,351,000
Closing balance	<u>174,038,000</u>	<u>174,038,000</u>

6.1 This refers to a piece of land, classified as investment property, held for capital appreciation. The details of Investment properties as of the reporting date are as follows:

Property Type/ Location	Area	Independent Valuer	Fair Value Rupees	Forced Sale Value Rupees
Land/ Mouza Doaba, Muzaffar Garh	309,004 sq. ft.	K.G. Traders (Private) Limited	174,038,000	139,230,400

6.2 Fair value measurements

There are no level 1 and level 3 assets or any transfers between levels 1, 2 and 3 during the period / year.

Valuation techniques used to derive level 2 fair values

Description	Valuation Technique	Significant Unobservable Inputs	Range (weighted average)
Land	Inquiries in the vicinity of land and also information obtained from the estate dealers of the area.	Price per kanal	Reasonable fair value estimates



Note 7  
Intangible Asset

		December 31, 2024	June 30, 2024
	Note	Rupees	Rupees
Intangible asset	7.1	13,631,046	16,036,525
Capital work in progress	7.2	46,549,965	21,895,111
		<u>60,181,011</u>	<u>37,931,636</u>
		December 31, 2024	June 30, 2024
		Rupees	Rupees
<b>7.1 Intangible Asset</b>			
<i>Net Carrying Value</i>			
Net carrying value - opening balance		16,036,525	4,846,115
Additions during the period / year		-	18,063,206
		<u>16,036,525</u>	<u>22,909,321</u>
Amortization during the period / year		(2,405,479)	(6,872,796)
Net carrying value as at June 30,		<u>13,631,046</u>	<u>16,036,525</u>
<i>Gross Carrying Value</i>			
Cost		25,163,740	25,163,740
Accumulated amortization		(11,532,694)	(9,127,215)
Net book value		<u>13,631,046</u>	<u>16,036,525</u>
Amortization rate		<u>30%</u>	<u>30%</u>
<b>7.1.1</b> Amortization charge for the period has been allocated to Administrative Expenses (Note 34).			
<b>7.2 Capital work in progress</b>			
Advances for Implementation of Oracle Fusion Cloud Applications		<u>46,549,965</u>	<u>21,895,111</u>
<b>7.2.1 Movement of capital work-in-progress</b>			
Opening balance		21,895,111	5,698,113
Additions during the period / year		<u>24,654,854</u>	<u>16,196,998</u>
		<u>46,549,965</u>	<u>21,895,111</u>

Note 8  
Investments in Associates

		December 31, 2024	June 30, 2024
	Note	Rupees	Rupees
<b>Associates - Unquoted at equity method</b>			
Masood Spinning Mills Limited			
8,921,692 (June 30, 2024: 8,921,692) ordinary shares of Rs. 10 each			
Equity held 29.71% (June 30, 2024: 29.71%)			
Carrying amount of investment	8.1	<u>2,182,035,364</u>	<u>2,073,750,746</u>
<b>8.1</b> Reconciliation of the above Information to the carrying amount of interest in Masood Spinning Mills Limited is as under:			

*Note 8, Investments in Associates - Continued..*

	December 31, 2024	June 30, 2024
	Rupees	Rupees
Net assets of the Associate	6,660,837,109	6,296,365,154
Percentage of shareholding in Associate	29.71%	29.71%
Company share	1,978,934,705	1,870,650,087
Goodwill arisen on acquisition of shares	202,935,109	202,935,109
Other adjustments	165,550	165,550
Carrying amount of investment	2,182,035,364	2,073,750,746

The Company accounts for its investment in Masood Spinning Mills Limited (the Associate) under equity method as prescribed in IAS 28 (Investments in Associates). Information extracted from the unaudited financial statements of the Associate is as follows:

	December 31, 2024	June 30, 2024
	Rupees	Rupees
Current assets	22,163,587,400	17,984,893,524
Non-current assets	13,316,158,245	12,219,471,179
Current liabilities	(21,913,016,702)	(17,984,672,025)
Non-current liabilities	(6,905,891,834)	(5,923,327,524)
Net assets	6,660,837,109	6,296,365,154
Revenue	15,311,280,635	35,933,733,395
Net profit for the period / year	107,368,345	129,019,947
Other comprehensive income	-	237,696,000
Total comprehensive income for the period / year	107,368,345	366,715,947

**Note 9**  
**Long Term Deposits**

	December 31, 2024	June 30, 2024
	Rupees	Rupees
Multan Electric Power Company (MEPCO)	52,158,325	52,158,325
Sui Northern Gas Pipelines Limited (SNGPL)	1,338,902	1,338,902
Pakistan Telecommunication Company Limited (PTCL)	207,358	207,358
Others	149,550	149,550
	53,854,135	53,854,135

**Note 10**  
**Stores and Spares**

		December 31, 2024	June 30, 2024
	Note	Rupees	Rupees
Stores	10.1	672,155,042	817,091,516
Spares		43,402,056	25,110,279
Loose tools		767,327	1,061,779
		716,324,425	843,263,574

**10.1** This includes stores in transit amounting to Rs. 33.301 million (June 2024: Rs. 130.113 million) as at the reporting date.



**Note 11**  
**Stock In Trade**

		December 31, 2024	June 30, 2024
	Note	Rupees	Rupees
Raw materials	11.1	14,379,224,649	12,620,683,698
Work in process		1,526,668,598	1,083,325,503
Finished goods		4,779,330,580	3,126,479,544
		<u>20,685,223,827</u>	<u>16,830,488,745</u>

**11.1** This includes material in transit amounting to Rs. 3,315.154 million (June 30, 2024: Rs. 3,750.258 million).

**Note 12**  
**Trade Debts**

		December 31, 2024	June 30, 2024
	Note	Rupees	Rupees
<b>Secured</b>			
- Export		3,745,287,548	3,676,453,056
- Local		371,332,345	253,650,089
		<u>4,116,619,893</u>	<u>3,930,103,145</u>
<b>Unsecured</b>			
- Local - Considered good		4,872,964,358	2,810,387,213
		<u>8,989,584,251</u>	<u>6,740,490,358</u>
<b>Less: Allowance for expected credit losses (ECL)</b>	12.1	<u>(16,328,178)</u>	<u>(16,328,178)</u>
		<u>8,973,256,073</u>	<u>6,724,162,180</u>
<b>12.1 Allowance for expected credit losses (ECL)</b>			
Opening balance		16,328,178	-
Add: Allowance for expected credit loss		-	16,328,178
		<u>16,328,178</u>	<u>16,328,178</u>
Less: Reversal of credit loss allowance		-	-
Closing balance		<u>16,328,178</u>	<u>16,328,178</u>

**Note 13**  
**Loans and Advances**

		December 31, 2024	June 30, 2024
	Note	Rupees	Rupees
<b>Advances to:</b>			
- Key management personnel		21,967,278	24,523,113
- Employees		5,624,512	3,120,575
- Suppliers and contractors		1,186,923,514	945,206,751
Deposits with Sui Northern Gas Pipelines Limited (SNGPL)		75,221,140	75,221,140
Letters of credit		71,271,025	37,118,175
Other		459,565	-
		<u>1,361,467,034</u>	<u>1,085,189,754</u>
<b>Less: Provision against doubtful loans and advances</b>	13.1	<u>26,907,267</u>	<u>26,907,267</u>
		<u>1,334,559,767</u>	<u>1,058,282,487</u>
<b>13.1 Provision against doubtful loans and advances:</b>			
Opening balance		26,907,267	-
Add: provision for the period / year		-	26,907,267
Less: Recovery against doubtful advances		-	-
Closing balance		<u>26,907,267</u>	<u>26,907,267</u>

Note 14  
Other Receivables

	December 31, 2024	June 30, 2024
	Rupees	Rupees
Cotton claims receivables	252,992,391	311,480,096
Insurance claims receivable	183,610,743	79,849,144
Containers' deposits	-	1,803,108
Receivable against shares	-	356,005
Bank guarantee margins	90,249,106	90,249,106
Others	12,274,852	6,071,068
	539,127,092	489,808,527
Less: Provision for doubtful advances and other receivables	14.2 (2,159,113)	(2,159,113)
	536,967,979	487,649,414
14.1	No amount was due from chief executive, directors and executives as at the reporting date (June 30, 2024: nil).	
14.2	Provision against doubtful other receivables	
	Opening balance	2,159,113
	Add: provision for the period / year	-
	Closing balance	2,159,113

Note 15  
Short Term Investments

	December 31, 2024	June 30, 2024
	Rupees	Rupees
Equity Instruments - Quoted		
<i>Pakistan Stock Exchange Limited</i>		
Nil (June 30, 2024: 765,000) shares of Rs. 10 each	-	9,799,658
<i>Ghani Chemical Industries Limited</i>		
1,720,000 (June 30, 2024: 1,720,000) shares of Rs. 10 each	32,060,791	18,971,567
	32,060,791	28,771,225

15.1 Investments in quoted shares are measured at fair value through profit or loss. The quoted market value in an active market is considered as the fair value of investment. The resulting difference between cost and fair value of investment is taken to statement of profit or loss.

Note 16  
Tax Refunds Due from the Government

	December 31, 2024	June 30, 2024
	Rupees	Rupees
Income tax refundable, advance tax and tax deducted at source	671,905,123	396,468,886
Sales tax refundable	442,397,597	671,781,431
	1,114,302,720	1,068,250,317

Note 17  
Cash and Bank Balances

	December 31, 2024	June 30, 2024
	Rupees	Rupees
Cash in hand	26,801,938	8,708,109
Cash at banks:		
- Current accounts	40,488,077	21,815,728
- Saving accounts	-	1,433,740
	40,488,077	23,249,468
	67,290,015	31,957,577



**Note 17, Cash and Bank Balances - Continued...**

**17.1** This represents amounts in saving accounts yielding profit at rates ranging from 13.50% to 13.96% (June 30, 2024: 13.00% to 15.36%) per annum, approximately.

**17.2** The above figures of cash and bank balances reconcile to the amount of cash and cash equivalents shown in the statement of cash flows.

**Note 18**

**Assets Classified as Held for Sale**

	December 31, 2024	June 30, 2024
	Rupees	Rupees
Orient Power Company (Private) Limited		
51,788,158 (June 30, 2024: 87,335,969) ordinary shares of Rs. 10 each		
Shareholding held 12.433% (June 30, 2024: 20.957%)		
Carrying amount of investment	<u>2,019,738,143</u>	<u>3,406,102,791</u>

**18.1** During the period, the Company has partially disposed off its investment. Remaining investment is expected to be sold by June 30, 2025.

**Note 19**

**Issued, Subscribed and Paid Up Capital**

	December 31, 2024	June 30, 2024		December 31, 2024	June 30, 2024
				Rupees	Rupees
Number of shares					
6,288,800	6,288,800	Ordinary shares of Rs. 10 each fully paid in cash		62,888,000	62,888,000
		Ordinary shares of Rs. 10 each Issued fully paid against shares of Mahmood Power Generation			
11,000	11,000	Limited upon merger		110,000	110,000
		Ordinary shares of Rs. 10 each Issued paid bonus			
<u>23,700,200</u>	<u>23,700,200</u>			<u>237,002,000</u>	<u>237,002,000</u>
<u>30,000,000</u>	<u>30,000,000</u>			<u>300,000,000</u>	<u>300,000,000</u>

**19.1 Movement in number of shares issued**

Opening balance	300,000,000	300,000,000
Issuance of bonus shares / (shares cancelled)	-	-
Closing balance	<u>300,000,000</u>	<u>300,000,000</u>

**19.2 Shares held by related parties are as follows:**

	December 31, 2024	June 30, 2024	December 31, 2024	June 30, 2024
	(Percentage)	(Percentage)	(Number of Shares)	(Number of Shares)
Rooml Enterprises (Private) Limited	0.003%	0.003%	800	800
Directors	17.171%	17.171%	<u>5,151,440</u>	<u>5,151,440</u>
			<u>5,152,240</u>	<u>5,152,240</u>

**19.3** There are no agreements with shareholders for any specific voting rights, board selection, rights of first refusal and block voting etc.

**19.4** All ordinary shares rank equally with regard to residual assets of the Company. Ordinary shareholders are entitled to receive all distributions including dividends and other entitlements in the form of bonus and right shares as and when declared by the Company. Voting and other rights are in proportion to the shareholding.

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## Note 20

## Surplus on Revaluation of Property, Plant and Equipment

	December 31, 2024	June 30, 2024
	Rupees	Rupees
<b>Freehold Land:</b>		
- Opening balance	2,262,172,681	1,014,487,651
- Surplus during the period / year	-	1,247,685,030
- Closing surplus	2,262,172,681	2,262,172,681
<b>Leasehold Land:</b>		
- Opening balance	899,576,257	349,020,257
- Surplus during the period / year	-	550,556,000
- Closing surplus	899,576,257	899,576,257
<b>Buildings on Freehold Land:</b>		
- Opening balance	2,334,672,727	867,897,795
- Surplus during the period / year	-	1,553,564,712
- Incremental depreciation	(116,733,636)	(86,789,780)
- Closing surplus	2,217,939,091	2,334,672,727
<b>Buildings on Leasehold Land:</b>		
- Opening balance	191,694,540	158,441,518
- Surplus during the year	-	49,097,174
- Incremental depreciation	(9,584,727)	(15,844,152)
- Closing surplus	182,109,813	191,694,540
	<b>5,561,797,842</b>	<b>5,688,116,205</b>

20.1 Revaluation of land and building was initially carried out by an Independent valuer as at June 30, 2019 that resulted in revaluation surplus of Rs. 2,886.620 million. Latest revaluation of property, plant and equipment was carried out as on June 30, 2024 by an Independent valuer that resulted in revaluation surplus of Rs. 3,400.903 million. The following basis were used for revaluation of property, plant and equipment:

Land	Market Value
Buildings	Market Value / Depreciated Value

20.2 The surplus on revaluation of property, plant and equipment is not available for distribution to shareholders in accordance with Section 241 of the Companies Act, 2017.

## Note 21

## Long Term Financing

	December 31, 2024	June 30, 2024
Note	Rupees	Rupees
Habib Bank Limited	1,573,830,751	1,469,957,501
MCB Bank Limited	200,598,604	226,503,076
Meezan Bank Limited	1,057,072,182	1,070,722,981
United Bank Limited	481,015,928	507,535,349
Allied Bank Limited	828,209,770	923,531,073
Bank Al Habib Limited	886,129,244	1,082,795,597
National Bank of Pakistan	978,556,222	1,159,039,556
Bank Alfalah Limited	1,280,140,066	1,403,758,071
Soneri Bank Limited	367,385,981	421,935,981
Askari Bank Limited	416,756,784	448,006,785
Bank of Punjab	1,107,414,274	661,628,535
Pak Brunel Investment Company Limited	200,000,000	150,000,000
Bank Al Habib Limited - Islamic	499,999,423	499,999,423
Bank Islamic Limited	1,000,000,000	-
	<b>10,877,109,229</b>	<b>10,025,413,928</b>



Note 21, Long term financing - continued....

Deferred Government Grant:  
Temporary Economic Refinance Facility  
Bank Al Habib Limited  
Bank of Punjab

Less: Current portion

27

December 31, 2024	June 30, 2024
Rupees	Rupees
118,471,419	133,645,609
250,401,395	280,162,798
368,872,814	413,808,407
11,245,982,043	10,439,222,335
(1,925,480,725)	(2,064,069,240)
9,320,501,318	8,375,153,095

Note 22  
Lease Liabilities

Gross liability  
Less: Current portion

December 31, 2024	June 30, 2024
Rupees	Rupees
24,613,931	30,044,585
(9,576,600)	(7,995,071)
15,037,331	22,049,514

Note 23  
Deferred Liabilities

Deferred tax liability

Note

23.1

December 31, 2024	June 30, 2024
Rupees	Rupees
707,303,556	805,017,769
707,303,556	805,017,769

23.1 Analysis of deferred tax

On taxable temporary difference  
Investments in associate

Statement of Financial Position		Statement of Profit or Loss	
31-Dec-24	30-Jun-24	31-Dec-24	30-Jun-24
Rupees		Rupees	
707,303,556	805,017,769	(97,714,213)	895,789,009

23.2 Deferred tax assets / liabilities on temporary differences are measured at effective rate of 10.625% (June 30, 2024: 10.625%).

23.3 Reconciliation of deferred tax liabilities - net

Opening balance  
Recognized in statement of profit or loss  
Recognized in other comprehensive income  
Closing balance

December 31, 2024	June 30, 2024
Rupees	Rupees
805,017,769	579,207,175
(97,714,213)	225,810,594
707,303,556	805,017,769

**Note 24**

**Trade and Other Payables**

	<b>December 31, 2024</b>	<b>June 30, 2024</b>
	<b>Rupees</b>	<b>Rupees</b>
Creditors	2,371,212,880	2,554,444,408
Bills payable - secured	2,302,871,671	2,900,940,985
Accrued expenses	2,127,664,014	1,592,589,252
Tax deducted at source	186,951,814	192,256,200
Workers' (profit) participation fund	93,367,061	60,836,241
Workers' welfare fund	174,577,898	160,050,494
Others	25,649,793	20,782,671
	<u>7,282,295,131</u>	<u>7,481,900,251</u>

**Note 25**

**Contract Liabilities**

	<b>December 31, 2024</b>	<b>June 30, 2024</b>
	<b>Rupees</b>	<b>Rupees</b>
Advances from customers		
- Local	180,548,307	76,664,453
- Foreign	104,290,669	8,214,692
	<u>284,838,976</u>	<u>84,879,145</u>

**Note 26**

**Accrued Mark-up**

	<b>December 31, 2024</b>	<b>June 30, 2024</b>
	<b>Rupees</b>	<b>Rupees</b>
Long term financing	490,568,525	404,125,863
Short term borrowings	347,078,618	779,065,453
	<u>837,647,143</u>	<u>1,183,191,316</u>

**Note 27**

**Current Portion of Non-Current Liabilities**

	<b>December 31, 2024</b>	<b>June 30, 2024</b>
	<b>Rupees</b>	<b>Rupees</b>
Long term financing	1,925,480,725	2,064,069,240
Lease liabilities	9,576,600	7,995,071
Provisions against GIDC	101,145,975	101,145,975
	<u>2,036,203,300</u>	<u>2,173,210,286</u>



## Note 28

## Short Term Borrowings

	December 31, 2024	June 30, 2024
	Rupees	Rupees
<b>Banking Companies (secured)</b>		
Short-term borrowings - secured	8,868,972,220	13,653,615,387
Short-term running finances - secured	5,646,361,092	155,167,504
<b>Islamic mode of financing (secured)</b>		
Islamic finance	5,178,414,813	2,613,081,741
	19,693,748,125	16,421,864,632
Temporary bank overdrafts - unsecured	-	-
	19,693,748,125	16,421,864,632

## Note 29

## Provision for Taxation

	December 31, 2024	June 30, 2024
	Rupees	Rupees
Opening balance	1,077,084,063	769,682,788
Add: provision made during the period / year		
- Current tax	348,298,189	687,163,425
- Super tax	120,102,824	256,377,632
- Prior year adjustments	-	(47,752,048)
Tax expense for the period / year	468,401,013	895,789,009
	1,545,485,076	1,665,471,797
Less: payments / adjustments made during the period / year	(70,589,185)	(588,387,734)
	1,474,895,891	1,077,084,063

- 29.1 Income tax assessments of the Company have been finalized by the Income Tax Department or deemed to be assessed under section 120 of the Income Tax Ordinance, 2001 (the Ordinance) upto the year ended June 30, 2024 (Tax year 2024).

## Note 30

## Contingencies and Commitments

## 30.1 Contingencies

- 30.1.1 Guarantees given by various commercial banks, in respect of financial and operational obligations of the Company, to various institutions and corporate bodies aggregated to Rs. 1,481.170 million as at December 31, 2024 (June 30, 2024: Rs. 1,452.167 million).
- 30.1.2 Sui Northern Gas Pipelines Ltd. (SNGPL) had raised an arrears demand aggregating to Rs. 75.221 million (2023: Rs. 75.221 million) from the Company against the charge that the Company's gas meter was not working properly. The Company challenged the said demand by filing a petition before the General Manager, SNGPL, Lahore (the GM). Now, the case has been referred to the Gas Utility Court (the Court) as per the requirement of the Gas (Theft Control and Recovery) Act, 2016. As per the direction of the Court, the Company has deposited Rs. 75.221 million under protest and grouped this amount under loans and advances (note 13). If the case is decided in the Company's favor, the Company will receive back the demand paid under protest. The case is still pending before the Court. The Company has challenged the decision and wants to provide the record of curtailment days (the period for which gas was not supplied to the Company). The next date of hearing is June 14, 2025.

*Note 30, Contingencies and Commitments - Continued...*

**30.1.3** The Company has filed a petition before the Civil Court of Multan against SNGPL, which has alleged that the Company's gas meter was malfunctioning during the period from May 2012 to September 2013. SNGPL has raised a demand of Rs. 1.101 million. The Company's petition is currently pending adjudication.

**30.1.4** The Company had challenged the imposition of Infrastructure cess by the Directorate of Excise & Taxation, Karachi (the Directorate) at the rate of 0.85% of the value of imported goods by filing a suit before the High Court of Sindh at Karachi (the Court). The Court had directed the Company to furnish a bank guarantee covering the disputed amount of cess. The Company, during the period from December 28, 2006 to May 30, 2011, had utilised bank guarantees to the tune of Rs. 32.489 million. The Directorate, vide its letter dated July 13, 2011, had requested the Company to furnish a bank guarantee of 50% of the aforementioned amount along with a demand draft for the balance 50% of the aforementioned amount in order to return of the previous bank guarantees.

The Company had submitted a bank draft amounting Rs. 16.245 million to the Directorate during September, 2011, which was grouped under loans and advances. Habib Bank Limited, on behalf of the Company in consideration of allowing the release of consignments imported from time to time for the purpose of carriage of goods by road within the province of Sindh, has undertaken and guaranteed to pay an amount of Rs. 16.245 million to the Directorate in case if the Court decides that the cess imposed under the Sindh Finance Act, 1994 is lawful and validly imposed. The bank guarantee is valid upto August 15, 2025. The management, during year ended June 30, 2013, had expensed the advance of Rs. 16.245 million.

**30.1.5** Foreign and local bills discounted outstanding as at December 31, 2024 aggregated to Rs. 8,744.466 million (June 30, 2024: Rs. 5,235.873 million) and Rs. 700.634 million (June 30, 2024: Rs. 1,195.985 million) respectively.

**30.2 Commitments**

Commitments for Irrevocable letters of credit:

- Capital expenditure
- Others others

December 31, 2024	June 30, 2024
Rupees in millions	
-	5.773
950.049	2,069.365
950.049	2,075.138



**Note 31**  
**Sales**

	Six months ended December 31, 2024	June 30, 2024
	Rupees	Rupees
Yarn sales		
- Local	7,427,646,017	4,256,077,868
- Export	3,627,919,315	32,018,463,013
Cloth sales		
- Local	10,276,425,300	4,939,435,805
- Export	777,452,344	16,256,053,059
Waste sales		
- Local	996,886,881	2,373,121,015
- Export		152,777,693
Doubling/sizing Income		
- Local	60,080,485	101,384,241
Apparel		
- Local	170,026,441	92,726,416
- Export	3,927,063,287	6,635,697,429
Cotton sales		
- Local	3,933,520,829	4,224,335,347
	<u>31,197,020,899</u>	<u>71,050,071,886</u>
	<u>(3,489,921,291)</u>	<u>(4,466,304,881)</u>
Sales tax	<u>27,707,099,608</u>	<u>66,583,767,005</u>

**31.1** Revenue has been recognised at a point in time for both local and export sales during the period.

**31.2** This represents the revenue earned from shariah compliant activities.

**31.3** There is no individual customer to whom sales are more than 10% of total revenue.

**Note 32**  
**Cost of Sales**

	Six months ended December 31, 2024	June 30, 2024
	Rupees	Rupees
Raw materials consumed	19,713,444,907	42,919,620,941
Stores and spares consumed	541,748,226	1,321,198,452
Packing materials consumed	177,818,764	459,102,157
Salaries, wages and benefits	32.1 1,578,025,724	2,989,090,034
Power and fuel	2,938,887,035	4,886,148,256
Repairs and maintenance	34,789,693	60,131,526
Depreciation	5.2 896,318,541	1,710,908,624
Insurance	121,747,958	229,197,189
Doubling charges	45,541,661	117,244,075
	<u>26,048,322,509</u>	<u>54,692,641,254</u>
Work-In-process		
- Opening	1,083,325,503	1,354,322,926
- Closing	<u>(1,526,668,598)</u>	<u>(1,083,325,503)</u>
	<u>(443,343,095)</u>	<u>270,997,423</u>
Cost of goods manufactured	<u>25,604,979,414</u>	<u>54,963,638,677</u>

*See*

## Note 32, Cost of sales - Continued....

	Six months ended December 31, 2024	June 30, 2024
	Rupees	Rupees
Finished goods	3,126,479,544	5,018,076,664
- Opening stock	(4,779,330,580)	(3,126,479,544)
- Closing stock	(1,652,851,036)	1,891,597,120
	23,952,128,378	56,855,235,797

32.1 This includes staff retirement benefits amounting to Rs. 53.24 million (June 30, 2024: 105.524 million).

## Note 33

## Distribution Cost

	Six months ended December 31, 2024	June 30, 2024
	Rupees	Rupees
Advertisement	1,229,483	12,869,578
Export expenses	125,841,388	441,065,538
Commission	391,860,015	878,205,323
Export development surcharge	19,880,120	62,343,032
Freight and other expenses	106,702,046	287,303,388
	645,513,052	1,681,786,859

## Note 34

## Administrative Expenses

		Six months ended December 31, 2024	June 30, 2024
	Note	Rupees	Rupees
Salaries and benefits	34.1	234,739,372	477,161,789
Travelling and conveyance		29,795,018	177,944,204
Rent, rates and taxes		5,557,577	4,738,576
Entertainment		15,061,682	74,598,020
Utilities		11,742,085	30,903,125
Communication		28,400,498	52,313,382
Printing and stationery		4,345,347	28,749,438
Insurance		2,147,331	17,051,908
Repairs and maintenance		24,269,218	63,032,502
Vehicles running and maintenance		36,510,480	60,669,918
Subscription and licensing fees		37,276,132	48,444,662
Auditors' remuneration		402,500	2,350,000
Legal and professional charges		6,405,957	6,855,088
Depreciation	5.2	77,851,098	138,835,151
Amortization		2,405,479	6,872,796
General		20,759,172	10,312,638
		537,668,946	1,200,833,197

34.1 This includes staff retirement benefits - amounting Rs. 8.78 million (June 30, 2024: 16.413 million)



## Note 35

## Finance Cost

	Six months ended December 31, 2024	June 30, 2024
	Rupees	Rupees
Mark-up on:		
- Long term financing	728,291,212	1,604,714,977
- Short term borrowings	1,074,811,390	3,766,022,698
- Lease liabilities	2,867,824	8,000,294
Interest on workers' (profit) participation fund	-	6,990,418
Bank charges and commission	184,509,633	245,652,848
	<u>1,990,480,059</u>	<u>5,631,381,235</u>

## Note 36

## Other Expenses

	Six months ended December 31, 2024	June 30, 2024
	Rupees	Rupees
Donations	16,250,826	25,894,115
Loss on valuation of asset held for sale	-	234,059,305
Loss on sale of short-term investments - net	-	-
Allowance for expected credit losses (ECL)	-	16,328,178
Provision for doubtful loan and advances	-	26,907,267
Provision for doubtful other receivables	-	2,159,113
Workers' (profit) participation fund	32,530,820	60,836,241
Workers' welfare fund	14,527,404	31,860,976
	<u>63,309,050</u>	<u>398,045,195</u>

## Note 37

## Other Income

	Six months ended December 31, 2024	June 30, 2024
	Rupees	Rupees
<b>Income from financial assets</b>		
Gain on disposal of short-term investments - net	1,935,666	3,109,006
Unrealised gain on remeasurement of short-term investments - net	13,089,200	6,289,565
Exchange gain	536,370	4,672,035
Amortization of deferred grant	44,935,593	89,402,213
<b>Income from non-financial assets</b>		
Fair value gain on Investment property	-	11,351,000
Export rebate	20,240,187	-
Gain on disposal of operating fixed assets - net	4,821,038	2,667,406
	<u>85,558,054</u>	<u>117,491,225</u>

**Note 38**

**Levy / final taxation**

	Six months ended December 31, 2024	June 30, 2024
	Rupees	Rupees
Levy / final taxation	348,298,189	895,789,009

- 38.1** No numeric tax rate reconciliation is presented in these financial statements as the Company is only liable to pay tax due under sections 4C (Super tax on high earning persons), 5 (Tax on dividends), 37 A (Capital gains on sale of securities), 113 (Minimum tax on the Income of certain persons) and 154 (Tax on export proceeds) of the Ordinance.

**Note 39**

**Taxation**

	Six months ended December 31, 2024	June 30, 2024
	Rupees	Rupees
Current tax	120,102,824	-
Deferred tax	(97,714,213)	225,810,594
	22,388,611	225,810,594

**39.1 Reconciliation of Final tax and Income tax under IAS 12:**

Current tax liability as per applicable tax laws	468,401,013	895,789,009
Portion of current tax liability representing income tax as per IAS-12	(120,102,824)	-
Portion of final tax liability representing final taxation as per IFRIC-21 / IAS-37	(348,298,189)	(895,789,009)
Difference	-	-

- 39.2** Levy represents tax under final tax regime under section 113 of the Income Tax Ordinance, 2001 and requirements of IFRIC 21 / IAS 37. Final tax regime is not available for set off against normal tax liability

- 39.3** The current tax expense for the period is calculated using minimum tax rate of 1.25% and super tax at 10%.

**Note 40**

**Earnings per Share**

		Six months ended December 31, 2024	June 30, 2024
		Rupees	
Profit after taxation attributable to ordinary shareholders	Rupees	341,155,975	249,536,591
Weighted average number of ordinary shares outstanding during the period	Numbers	30,000,000	30,000,000
Earnings per share	Rupees	11	8.32

**40.1 Diluted Earnings per Share**

There is no dilution effect on the earnings per share of the Company as the Company does not have any convertible instruments in issue as at the reporting date which would have any effect on the earnings per share if the option to convert is exercised.

**Note 41**  
**Balances and Transactions with Related Parties**

Related parties comprise associated company, directors and key management personnel. The Company in the normal course of business carries out transactions with various related parties. The Company enters into transactions with related parties on the basis of mutually agreed terms. Significant balances and transactions with related parties are as follows:

**Transactions during the period / year**

Related Party	Basis of relationship	Nature of Transaction	Aggregate Shareholding	Six months ended December 31, 2024	June 30, 2024
				Rupees	Rupees
Masood Spinning Mills Limited	Common Directorship	Sale of goods	29.71%	1,929,713,643	1,133,153,005
		Purchase of goods		2,269,237,068	1,691,059,589
		Doubling revenue		50,891,665	92,165,910
Multan Fabrics (Private) Limited	Common Directorship	Sale of goods		5,115,500	94,941,784
		Doubling revenue		50,891,665	332,684
Key management personnel					
- remuneration and other benefits				73,113,008	70,991,618
Orient Power Company (Private) Limited	Shareholding	Dividend Income	20.97%	-	262,007,929

**41.1 Balances Outstanding for the Period / Year Ended**

		December 31, 2024	June 30, 2024
		Rupees	Rupees
Masood Spinnings Mills Limited	Trade debts	1,271,155,801	-
Multan Fabrics (Private) Limited	Trade debts	6,036,485	-

**41.2** There were no transactions with key management personnel other than those undertaken as per terms of their employment that have been disclosed.

**41.3** Sales and purchase transactions have been carried out on commercial terms and conditions under comparable uncontrolled price method.



**Note 42**

**Chief Executive's Officer, Directors' and Executives' Remuneration**

Aggregate amounts charged in the financial statements for the period as remuneration and benefits to the Chief Executive Officer, Directors and Executives of the Company are as follows:

	December 31, 2024			June 30, 2024		
	Chief Executive Officer	Director	Executives	Chief Executive Officer	Director	Executives
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Managerial remuneration	4,839,120	4,091,010	67,490,523	8,065,200	7,114,800	107,984,836
Staff retirement benefits	-	-	4,947,325	-	-	8,995,137
Meeting fee	-	200,000	-	-	200,000	-
	<u>4,839,120</u>	<u>4,291,010</u>	<u>72,437,848</u>	<u>8,065,200</u>	<u>7,314,800</u>	<u>116,979,973</u>
Number of persons	1	3	54	1	3	42

**42.1** In addition to above, the Chief Executive Officer, Directors, and Executives are provided with free use of the Company maintained vehicles in accordance with the Company's policy.

**42.2** An Executive is defined as an employee, other than the Chief Executive Officer and Directors, whose basic salary exceeds Rs. 1.2 million in a financial year.

**Note 43**

**Segment Information**

For management purposes, the activities of the Company are recognized into three operating segments, i.e. spinning, weaving and apparel. The Company operates in the said reportable operating segments based on the nature of the product, risk and return, organizational and management structure and internal financial reporting systems. Accordingly, the figures reported in these financial statements relate to the Company's reportable segments of spinning, weaving and apparel. Entity-wide disclosures regarding reportable segments are as follows:

	Spinning	Weaving	Apparel	Total
	Rupees in Thousand			
<b>43.1 Segment Results for the period ended December 31, 2024</b>				
Segment results	<u>16,350,926</u>	<u>7,285,020</u>	<u>4,071,153</u>	<u>27,707,099</u>
Operating profit	<u>2,164,264</u>	<u>244,475</u>	<u>163,050</u>	<u>2,571,789</u>
Total results for reportable segments				2,571,789
Finance cost - unallocated				(1,990,480)
Other operating expense				(63,309)
Other income				85,558
Share of net profit from associate				108,285
Profit before levy and taxation				<u>711,843</u>

Note 43, Segment information - Cont....

Segment Results for the period ended June 30, 2024

Revenue	43,857,579	16,010,677	6,715,511	66,583,767
Segment results	5,786,239	480,036	579,636	6,845,911
Finance cost - unallocated				(5,631,381)
Other operating expense				(398,045)
Other Income				117,491
Share of net profit from associate				437,160
Profit before levy and taxation				1,371,136

43.2 Segment financial position for the period ended December 31, 2024

	Spinning	Weaving	Apparel	Total
	Rupees in Thousand			
Assets	38,506,325	7,434,893	10,259,866	56,201,084
Unallocated Assets				1,114,303
Tax refunds due from the Government				67,290
Cash and bank balances				2,019,738
Assets classified as held for sale				59,402,415
Total assets				
Liabilities	30,674,994	1,502,743	7,176,351	39,354,088
Unallocated liabilities				3,680
Unclaimed dividend				1,474,896
Provision for taxation				15,037
Lease liabilities				707,304
Deferred taxation				101,146
GIDC payable				41,656,151
Total liabilities				

*Note 43, Segment Information - Cont....*

**Segment financial position for the year ended June 30, 2024**

	Spinning	Weaving	Apparel	Total
	Rupees in Thousand			
<b>Assets</b>	<b>30,219,554</b>	<b>6,340,852</b>	<b>13,966,421</b>	<b>50,526,827</b>
<b>Unallocated Assets</b>				
Tax refunds due from the Government				1,068,250
Cash and bank balances				31,958
Assets classified as held for sale				3,406,103
<b>Total assets</b>				<b>55,033,138</b>
<b>Liabilities</b>	<b>25,895,607</b>	<b>1,931,416</b>	<b>7,784,034</b>	<b>35,611,057</b>
<b>Unallocated Liabilities</b>				
Unclaimed dividend				3,681
Provision for taxation				1,077,084
Lease liabilities				30,045
Deferred taxation				805,018
GIDC payable				101,146
<b>Total liabilities</b>				<b>37,628,031</b>

**43.3 Major customers:**

There is no individual customer to whom sales are more than 10% of total revenue.

**43.4 Geographical Information:**

The Company's revenue from external customers and geographical location is given as under:

	December 31, 2024	June 30, 2024
	Rupees in thousand	
Pakistan	19,374,665	11,520,776
United States	404,147	1,761,968
China	1,815,098	9,012,576
Turkey	363,230	2,530,429
Others	5,749,921	41,758,018
	<b>27,707,061</b>	<b>66,583,767</b>

**43.5 All segments of the Company are managed on nation-wide basis and operate manufacturing facilities and sale offices in Pakistan.**

**Note 44**

**Plant Capacity and Production**

	December 31, 2024	June 30, 2024
<b>Yarn</b>		
Number of spindles installed	158,064	158,064
Number of spindles-shifts worked	86,657,798	169,467,392
Production capacity at 20's count 1,097 shifts (June 30, 2024: 1,097 shifts) Kgs.	32,774,358	65,192,474
Actual production converted into 20's count kgs	32,651,974	63,822,953



## Note 44, Plant capacity and production - Cont....

<b>Cloth</b>		
Number of looms installed	228	228
Number of looms-shifts worked	125,628	250,116
Installed capacity at 60 picks 1,097 shifts (June 30, 2024: 1,094 shifts) (Meters)	29,109,955	58,325,450
Actual production converted into 60 picks (Meters)	26,927,043	52,435,753
<b>Apparel</b>		
Installed capacity (Pieces)	2,817,900	5,454,000
Actual production (Pieces)	2,401,007	3,456,697
<b>Power House</b>		
Number of generators installed	19	19
Number of shifts worked	551	1,097
Generation capacity in Mega Watts	27	27
Actual generation in Mega Watts	14	14

44.1 Reasons attributable to under utilization of optimal production capacity are mainly due to various factors such as spindles speed, twist, maintenance of machinery, power shutdown, demand etc.

44.2 It is difficult to describe precisely the production capacity in spinning / weaving mills since it fluctuates widely depending on various factors such as count of yarn spun, spindles' speed, twist, the width and construction of fabric woven, etc. It also varies according to the pattern of production adopted in a particular period / year.

## Note 45

## Credit Facilities Available to the Company - Short Term Borrowings

	December 31, 2024			June 30, 2024		
	Available Limit	Utilised Credit	Unavailed Credit	Available Limit	Utilised Credit	Unavailed credit
	Rupees in million			Rupees in million		
Funded facilities						
Conventional mode of finance	34,250	14,515	19,735	25,550	12,711	12,839
Islamic financing	7,450	5,178	2,272	7,400	3,711	3,689
	41,700	19,693	22,007	32,950	16,422	16,528
Unfunded facilities						
Letters of credits	14,660	3,440	11,220	5,050	2,075	2,975
Letters of guarantees	2,310	1,481	829	1,452	1,452	-
	16,970	4,921	12,049	6,502	3,527	2,975

Note 46

Cash Flows from Operating Activities

		Six months ended December 31, 2024	June 30, 2024
	Note	Rupees	Rupees
Profit before levy and taxation		711,842,775	1,371,136,194
Adjustments for:			
- Depreciation	5.2	974,169,639	1,849,743,775
- Share of net profit of associate	8	(108,284,598)	(437,160,247)
- Amortisation	34	2,405,479	6,872,796
- Gain on disposal of property, plant and equipment - Net	37	(4,821,037)	(2,667,406)
- Gain on sale of short-term investments	37	(1,935,666)	(3,109,006)
- Amortization of deferred grant	37	(44,935,593)	(89,402,213)
- Fair value gain on re-measurement of short-term investments	37	(13,089,200)	(6,289,565)
- Fair value gain on investment property		-	(11,351,000)
- Loss on valuation of asset held for sale		-	234,059,305
- Interest on workers' (profit) participation fund		-	6,990,418
- Provision of workers' (profit) participation fund	36	32,530,820	60,836,241
- Provision of Workers' welfare fund	36	14,527,404	31,860,976
- Allowance for expected credit losses (ECL)		-	16,328,178
- Provision for doubtful loan and advances		-	26,907,267
- Provision for doubtful other receivables		-	2,159,113
- Finance cost	35	1,805,970,426	5,378,737,969
		<u>2,656,537,674</u>	<u>7,064,516,601</u>
Operating profit before working capital changes		3,368,380,449	8,435,652,795
Decrease / (increase) in current assets:			
- Stores, spares and loose tools		126,939,149	513,876,531
- Stock in trade		(3,854,735,082)	905,751,575
- Trade debts		(2,249,093,893)	(595,519,787)
- Loans and advances		(276,277,280)	(159,842,249)
- Other receivables		(49,318,565)	(233,712,544)
- Sales tax due from the Government		229,383,834	224,405,444
Increase / (decrease) in current liabilities:			
- Trade and other payables		(241,358,958)	980,515,020
- Contract liabilities		199,959,831	(41,597,879)
		<u>(6,114,500,964)</u>	<u>1,593,876,111</u>
Cash (Used In) / Generated from Operations		<u>(2,746,120,515)</u>	<u>10,029,528,906</u>

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Note 47  
Financial Risk Management

47.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management policies focus on the unpredictability of financial markets and seek to minimize potential adverse effects on the Company's financial performance.

Risk management is carried out by the Board of Directors (the Board). The Company's finance department evaluates financial risks based on principles for overall risk management, as well as policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity provided by the board of directors.

(a) Market risk

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Company is exposed to foreign currency risk on import of plant & machinery, raw materials, stores & spares and export of goods mainly denominated in U.S Dollars (US \$), Euro, Japanese Yen (JPY), Swiss Franc (CHF) and Chinese Yuan (CNY). Currently, the Company's foreign exchange risk exposure is restricted to the amounts receivable from / payable to foreign entities. As at the reporting date, the Company's exposure to currency risk was as follows:

December 31, 2024						
	Rupees	USD	Euro	JPY	CHF	CNY
<b>On balance sheets</b>						
Foreign debtors	3,745,287,548	13,444,786	836	-	-	-
Bills payable	(2,302,871,671)	(8,267,355)	-	-	-	-
	1,442,415,877	5,177,431	836	-	-	-
<b>Off balance sheets</b>						
Outstanding commitments						
against letters of cred	(950,049,000)	(3,410,695)	-	-	-	-
	492,366,877	1,766,736	836	-	-	-
June 30, 2024						
	Rupees	USD	Euro	JPY	CHF	CNY
<b>On balance sheets</b>						
Foreign debtors	3,676,453,056	13,172,103	1,569	-	-	-
Bills payable	(2,900,940,985)	(10,392,156)	(28,178)	-	(4,680)	-
	775,512,071	2,779,947	(26,609)	-	(4,680)	-
<b>Off balance sheets</b>						
Outstanding commitments						
against letters of cred	(2,075,138,000)	(7,173,238)	(253,659)	(1,749,814)	-	-
	(1,299,625,929)	(4,393,291)	(280,268)	(1,749,814)	(4,680)	-

Exchange rate applied during the period / year

The following significant exchange rates have been applied:

	Average rate		Reporting date rate	
	December 31, 2024	June 30, 2024	December 31, 2024	June 30, 2024
USD to PKR	278.45	282.17	278.55	278.34
Euro to PKR	293.89	305.31	290.08	297.69
JPY to PKR	1.76	1.86	1.78	1.73
CHF to PKR	308.93	314.59	308.44	309.41
CNY to PKR	38.24	38.99	38.16	38.31



**Note 47, Financial Risk Management - Cont...**

**Sensitivity analysis**

As at the reporting date, if the PKR had strengthened by 1% against the foreign currencies with all other variables held constant, profit before tax for the period / year would have been higher / (lower) by Rs. 4.924 million (June 30, 2024: 7.094 million), mainly as a result of net foreign exchange gain / (loss) on translation of foreign debtors and foreign currency bank account.

The weakening of the PKR against foreign currencies would have had an equal but opposite impact on profit before tax.

The sensitivity analysis prepared is not necessarily indicative of the effects on profit before taxation for the period / year and assets / liabilities of the company.

**(II) Price risk**

Price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instruments or its issuer or factors affecting all similar financial instruments traded in the market. Price risk arises from the Company's investments in ordinary shares of listed companies. To manage the price risk arising from the aforesaid investments, the Company actively monitors the key factors that affect stock price movement.

**(III) Interest rate risk**

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

As at the reporting date the interest rate profile of the Company's interest bearing financial instruments are as follows:

	December 31, 2024	June 30, 2024
	Carrying Amount Rupees in thousands	
<b>Fixed rate instruments - Financial liabilities</b>		
Long term financing	4,541,384	5,031,584
<b>Floating rate instruments - Financial liabilities</b>		
Long term financing	6,704,598	5,407,638
Lease Liabilities	24,614	18,793
Short term borrowings	19,693,748	16,421,865
<b>Floating rate instruments - Financial assets</b>		
Bank balances in saving's account	-	1,434

**Sensitivity analysis for fixed rate instruments**

The Company has certain financial liabilities and financial assets at fixed rate. Therefore, no impact on profit or loss of the Company is expected.

**Cash flow sensitivity analysis for variable rate instruments**

If mark-up rate on variable rate financial liabilities had been 1% higher / lower with all other variables held constant, profit before taxation for the period / year would have been Rs. 264,230 million (June 30, 2024: Rs. 218,469 million) lower / higher, mainly as a result of higher / lower mark-up expense on variable rate financial liabilities.

**Effect on profit or loss**

264,230	218,469
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**Credit risk**

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Carrying amounts of financial assets represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	December 31, 2024	June 30, 2024
	Rupees in thousand	
Investment in associates	2,182,035	2,073,751
Trade debts	8,973,256	6,724,162
Loan and advances	1,334,560	1,058,282
Other receivables	536,968	487,649
Short term investments	32,061	28,771
Bank balances	40,488	23,249

Note 47, Financial Risk Management - Cont...

The aging of trade debts as at the reporting date is as follows:

Not past due	4,664,429	4,664,429
Past due less than 3 months	988,900	988,900
Past due less than 6 months	699,155	699,155
Past due more than 6 months	2,620,772	371,678
	<u>8,973,256</u>	<u>6,724,162</u>

The Company's exposure relating to credit risk relating to trade debt is disclosed in relevant notes to the financial statement. There are no significant trade debts that are past due as at the reporting date.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate:

	Credit rating		Rating Agency	December 31, 2024	June 30, 2024
	Short term	Long term			
Rupees					
Bank Al-Habib Limited	A-1+	AAA	PACRA	9,951,308	2,151,886
Bank Islami Pakistan Limited	A1	AA-	PACRA	-	5,633,611
Habib Bank Limited	A-1+	AAA	VIS	298,415	1,650,765
MCB Bank Limited	A-1+	AAA	PACRA	1,020,603	1,019,707
National Bank of Pakistan	A-1+	AAA	PACRA	-	1,761,403
Soneri Bank Limited	A-1+	AA-	PACRA	-	2,673,179
Standard Chartered Bank (Pakistan) Limited	A-1+	AAA	PACRA	11,928,369	240,469
The Bank of Punjab	A-1+	AA+	PACRA	(11,083,575)	1,803,543
United Bank Limited	A-1+	AAA	PACRA	59,016	89,381
Askari Bank Limited	A-1+	AA+	PACRA	28,714,187	2,254,309
The Bank of Khyber	A-1	A+	PACRA	1,747,364	530,515
Faysal Bank Limited	A-1+	AA	PACRA	517,437	1,213,036
Allied Bank Limited	A-1+	AAA	PACRA	(2,990,430)	334,470
JS Bank Limited	A-	A2	VIS	-	-
Silk Bank Limited	A+	A1		-	89,891
Summit Bank Limited	A-1+	AAA	PACRA	-	6,222
Bank Alfalah Limited	A1	A+	VIS	-	1,100,000
Albaraka Bank Limited	A-1+	AAA	PACRA	159,618	678,495
National Bank of Pakistan Islami Limited				147,758	-
Industrial and Commercial Bank of China Limited	F1+	A-	Fitch Ratings	18,006	18,586
				40,488,076	23,249,468

Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, the management does not expect non-performance by these counter parties on their obligations to the Company. Accordingly, the credit risk is minimal.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages its liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Following are the contractual maturities of financial liabilities:

Note 47, Financial Risk Management - Cont....

Contractual maturities of financial liabilities as at December 31, 2024:

	Carrying Amount	Contractual Cashflow	Less than 1 year	1-5 Years	More than 5 Years
-----Rupees in thousands-----					
Long term financing	11,245,982	12,783,391	2,166,594	5,718,897	4,897,900
Lease Liabilities	24,614	26,313	10,953	15,360	-
Short term borrowings	19,693,748	19,693,748	19,693,748	-	-
Trade and other payable	6,827,398	6,827,398	6,827,398	-	-
Undalmed dividend	3,680	3,680	3,680	-	-
Accrued mark-up	837,647	837,647	837,647	-	-
	<u>38,633,069</u>	<u>40,172,177</u>	<u>29,540,020</u>	<u>5,734,257</u>	<u>4,897,900</u>

Contractual maturities of financial liabilities as at June 30, 2024:

	Carrying Amount	Contractual Cashflow	Less than 1 year	1-5 Years	More than 5 Years
-----Rupees in thousands-----					
Long term financing	10,439,222	14,441,662	3,146,032	8,096,981	3,198,649
Lease Liabilities	30,045	30,045	11,711	18,334	-
Short term borrowings	16,421,865	16,421,865	16,421,865	-	-
Trade and other payable	7,068,757	7,068,757	7,068,757	-	-
Undalmed dividend	3,680	3,680	3,680	-	-
Accrued mark-up	1,183,191	1,183,191	1,183,191	-	-
	<u>35,146,760</u>	<u>39,149,200</u>	<u>27,835,236</u>	<u>8,115,315</u>	<u>3,198,649</u>

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates / mark up rates effective as at the reporting date. The rates of interest / mark up have been disclosed in relevant notes to these financial statements.

(d) Fair value of financial instruments

Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences may arise between the carrying value and the fair value estimates.

As at the reporting date, the net fair value of all financial assets and financial liabilities are estimated to approximate their carrying values.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the reporting date. The fair values of all other financial assets and liabilities are not considered to be significantly different from their carrying values. The Company classifies the financial instruments measured in the statement of financial position at fair value in accordance with the following fair value measurement hierarchy:

Level 1, Level 2 and Level 3

	December 31, 2024			June 30, 2024		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
-----Rupees in thousands-----						
Property, Plant and Equipment	-	21,034,456	-	-	21,034,456	-
Short term Investments	32,061	-	-	28,771	-	-
	<u>32,061</u>	<u>21,034,456</u>	<u>-</u>	<u>28,771</u>	<u>21,034,456</u>	<u>-</u>

47.2 Financial Instruments by categories

	Fair value through profit or loss	At amortized Cost	At fair value through other comprehensive Income	Total
-----Rupees in thousand-----				
<b>Financial assets as at Dec 31, 2024</b>				
Short term Investments	32,060.8	-	-	32,061
Investment in associates	-	-	2,182,035.4	2,182,035
Trade debts	-	8,973,256	-	8,973,256
Other receivables	-	536,968	-	536,968
Bank balances	-	67,290	-	67,290
	<u>32,060.8</u>	<u>9,577,514.0</u>	<u>2,182,035.4</u>	<u>11,791,610</u>



## Note 47, Financial Risk Management - Cont...

**Financial assets as at June 30, 2024**

Short term investments	28,771	-	-	28,771
Investment in associates	-	-	2,073,751	2,073,751
Trade debts	-	6,724,162	-	6,724,162
Other receivables	-	487,649	-	487,649
Bank balances	-	31,958	-	31,958
	28,771	7,243,769	2,073,751	9,346,291

**Financial liabilities at amortized cost**

	December 31, 2024	June 30, 2024
	Rupees in thousand	
Long term financing	11,245,982	10,439,222
Lease liabilities	24,614	30,045
Deferred liabilities (GIDC)	707,304	906,164
Trade and other payables	7,014,350	7,068,757
Undeclared dividends	3,680	3,680
Accrued mark-up	837,647	1,183,191
Short term borrowings	19,693,748	16,421,865
	39,527,325	36,052,924

**Fair values of financial assets and liabilities**

Carrying values of all financial assets and liabilities reflected in these financial statements approximate to their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

## Note 48

**Capital Risk Management**

While managing capital, the objectives of the Company are to ensure that it continues to meet the going concern assumption, enhances shareholders' wealth and meets stakeholders' expectations. The Company ensures its sustainable growth viz. maintaining optimal capital structure, keeping its finance cost low, exercising the option of issuing right shares or repurchasing shares, if possible, selling surplus property, plant and equipment without affecting the optimal production and operating level and regulating its dividend payout thus maintaining smooth capital management.

In line with others in the industry, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital employed. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital employed is calculated as equity as shown in the statement of financial position plus net debt.

	Note	December 31, 2024	June 30, 2024
		Rupees in thousands	
As at the reporting date, the gearing ratio of the Company was as under:			
Total borrowings	21 & 28	31,050,453	26,970,228
Cash and bank balances	17	(67,290)	(31,958)
Net Debt		30,983,163	26,938,270
Equity		17,746,264	17,405,108
Total capital employed		48,729,427	44,343,378
Gearing Ratio		63.58%	60.75%

## Note 49

**Shariah Screening Disclosures as at period / year**

	December 31, 2024	June 30, 2024
	Rupees in thousands	
Loans / advances obtained as per Islamic mode - Short Term Borrowings	5,178,415	2,613,082
Loans / advances obtained as per Islamic mode - Long Term finances	2,757,072	1,720,722
Shariah compliant bank deposits / bank balances	2,055	1,434
Shariah Screening Disclosures for the period		
Profit earned from shariah compliant bank deposits / bank balances	-	1,690
Revenue earned from a shariah compliant business segment	27,707,100	66,583,767
Finance cost paid on Islamic mode of financing	250,622	927,827
Interest paid on any conventional loan or advance	1,900,893	2,271,923

For total finance cost including on conventional loans, refer to note 35.

For exchange gains, refer to note 37

Note 50  
Number of Employees

	December 31, 2024	June 30, 2024
	Number	Number
Total number of employees as at		
Permanent	8,438	8,334
Contractual	1,622	1,428
Average number of employees during the period / year		
Permanent	8,134	7,176
Contractual	1,479	1,096

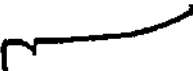
Note 51  
Authorization of Financial Statements

These financial statements were authorized by the Management of the Company for issuance on \_\_\_\_\_.

Note 52  
General

Corresponding figures in these financial statements pertain to the year ended June 30, 2024 and, therefore, are not entirely comparable in respect of the special purpose statement of profit or loss, the special purpose statement of other comprehensive income, the special purpose statement of changes in equity, the special purpose statement of cashflows and related notes to the special purpose financial statements.

Corresponding figures are rearranged / reclassified for better presentation and comparison.



CHAIRMAN



DIRECTOR



CHIEF FINANCIAL OFFICER



SHINEWING HAMEED CHAUDHRI & CO.  
CHARTERED ACCOUNTANTS

MTML/4986/25

May 14, 2025

The Chief Executive,  
Mahmood Textile Mills Limited,  
Mehr Manzil, Lohari Gate,  
Multan

Subject: Certificate of Valuation for Asset-for-Equity Transfer Under the proposed Scheme of Arrangement – Mahmood Textile Mills Limited & MG Apparel Limited

Dear Sir,

#### Purpose of this certificate

As agreed with management, we have conducted an independent valuation regarding the demerger of the Apparel Segment of Mahmood Textile Mills Limited (MTML) for its subsequent merger into MG Apparel Limited (MGAL), a wholly owned subsidiary. The valuation is undertaken in connection with the Scheme of Arrangement, which is subject to the approval by Honorable Lahore High Court (LHC).

The purpose of this certificate is to determine the valuation of net assets of Apparel Segment of MTML and corresponding number of shares to be issued by MGAL to MTML as a consideration against the proposed transfer of net assets including assets, liabilities and reserves.

#### Responsibilities of the Management

The management of MTML has acknowledged that the valuation methodology adopted for this transaction is appropriate for the determination of the net assets being transferred. It is the management's responsibility to ensure the completeness, accuracy and reliability of the financial information provided for this engagement, including the interim reviewed financial statements relied upon in this valuation.

#### Our Responsibilities

We have undertaken this engagement in accordance with applicable valuation principles and professional standards. Our role is limited to performing the valuation based on the Net Book Value Method on the basis of audited / reviewed financial statements provided to us. We make no representation regarding the appropriateness of the demerger structure beyond the valuation assessment.

#### Valuation Summary

The valuation is based on MTML Interim reviewed financial statements and the Audited Financial Statements of MGAL as of December 31, 2024, and the effective date of the demerger is January 1, 2025. The following details have been determined:

Net assets value of Apparel Segment of MTML:	PKR 3,587,062,617 (Annexure A)
Net Assets Value of MG Apparel Limited	PKR 10,000 (Annexure C)

2526/F Shadman Colony, Opposite High Court  
Bahawalpur Road, Multan  
Tel: +92 (0) 61 4785211-12, 4511979  
Email: mux@hccpk.com  
www.hccpk.com sw.international



Principal Office:  
HM House  
7-Bank Square, Lahore.  
Tel: +92 42 37235084-87  
Email: lhr@hccpk.com



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**Determination of share issuance against net assets of Apparel Segment**

The value of the Apparel Segment of MTML has been determined based on its net assets value provided to us by the management. Corresponding to this valuation, MG Apparel Limited shall issue shares as consideration for the transfer. The details are as follows:

Name of Demerged Segment	Apparel
Transferee Company	MG Apparel Limited
Nature of Consideration	Net Assets Transferred Against Shares
Total Net Assets Transferred (PKR)	3,587,062,617
Total Number of Shares to be Issued (Number)	30,000,000
Breakup Value per Share (PKR)	119.57
Total Value of Shares Issued (PKR)	30,000,000
Face Value per Share of MG Apparel Limited (PKR)	10.00
Net Assets represented by:	
Increase in Share Capital (PKR)	300,000,000
Share Premium (PKR)	2,339,559,771
Revaluation surplus on property, plant and equipment (PKR)	947,502,846

**Reliance on Financial Information**

This valuation is based on financial and other information provided by the management of MTML. We have relied on the reviewed interim financial statements of MTML and audited financial statements of MGAL as of December 31, 2024, as well as management's representations regarding the segment wise net assets of Apparel segment, reconciliation of balances between the segment reporting in the financial statements and the figures designated for transfer to MGAL.

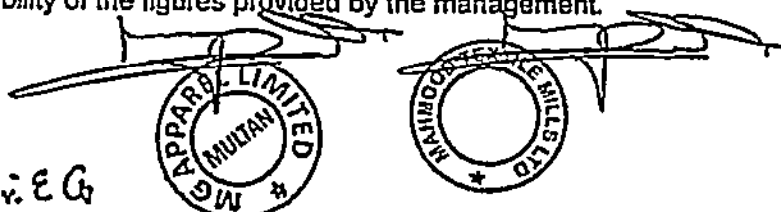
A reconciliation of the net assets to be transferred has been prepared to reflect these adjustments, as provided by the management, and is included in the annexure to this report (Annexure B). We have relied upon the accuracy and completeness of this reconciliation, along with management's representations regarding the allocation methodology and adjustments made to determine the final figures.


**Caveats**

- This certificate has been prepared on the specific request of management for filing of Scheme of Arrangement before the LHC and submission to the Securities and Exchange Commission of Pakistan (SECP). This valuation engagement is not an assurance engagement, and accordingly, we do not express an audit opinion or an assurance conclusion thereon. Had we performed additional procedures beyond those agreed with the management, additional matters might have come to our attention requiring further reporting.
- This certificate should not be distributed to any third party except for the specified regulatory submissions, unless prior written consent is obtained.
- The information contained in this certificate is based on the proposed scheme of arrangement approved by the Board of Directors of MTML and is subject to the approval by LHC.
- The information contained in this certificate is obtained from the management and we are not responsible for the accuracy and reliability of the figures provided by the management.

Yours truly,

**Shinewing Hamood Chaudhri & Co**  
Chartered Accountants



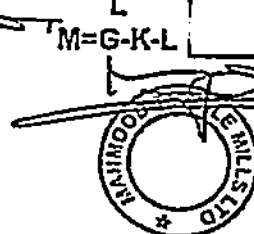
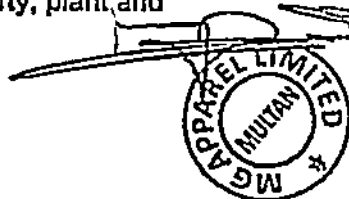
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## Annexure A

Condensed Statement of Financial Position (SOPF) of Apparel Division of Mahmood Textile Mill Limited as on December 31, 2024, for the proposed Asset-for-Equity Transfer with MG Apparel Limited

	Reserves, Liabilities and Assets to be transferred to MG Apparel Limited upon proposed reconstruction Rupees
<b>ASSETS</b>	
Non-current assets	
Property, plant and equipment	4,355,358,562
Long term deposits	940,000
	<b>A 4,356,298,562</b>
Current assets	
Stores, spares and loose tools	56,233,379
Stock in trade	3,312,517,209
Trade debts	2,755,195,935
Loans and advances	271,009,776
Other receivables	9,586,915
Cash and bank balances	2,572,076
	<b>B 6,407,115,290</b>
<b>TOTAL ASSETS</b>	<b>C=A+B 10,763,413,852</b>
<b>Liabilities</b>	
Non-current liabilities	
Long term financing	1,856,508,591
	<b>D 1,856,508,591</b>
Current liabilities	
Trade and other payables	1,627,817,452
Accrued mark-up	50,000,054
Short term borrowings	3,468,025,138
Current maturity of long-term liabilities	174,000,000
	<b>E 5,319,842,644</b>
<b>Total liabilities</b>	<b>F=D+E 7,176,351,235</b>
<b>Net Assets</b>	<b>G=C-F 3,587,062,617</b>
Total Existing Number of Shares of MTML	<b>H 30,000,000</b>
Break-up Value per share as at December 31, 2024 of Apparel Undertaking of MTML	<b>I=G/H 119.57</b>
Number of Shares to be issued by MG Apparel Limited to MTML	<b>J=G/I 30,000,000</b>
Face Value per share	<b>J 10</b>
<b>Net Assets Represented by:</b>	
Increase in Share Capital	<b>K=H*J 300,000,000</b>
Revaluation surplus on property, plant and	<b>L 947,502,846</b>
Share Premium	<b>M=G-K-L 2,339,559,771</b>
	<b>3,587,062,617</b>



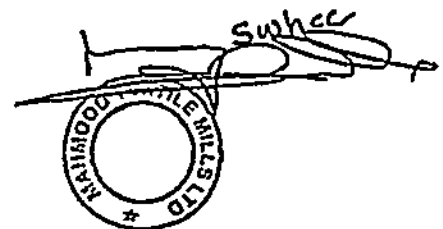
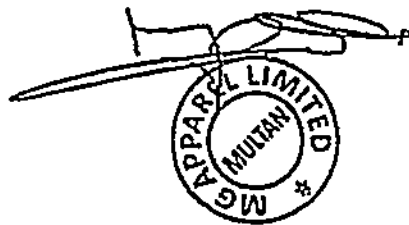
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Annexure B

Reconciliation of net assets being transferred to MG Apparel Limited as at 31 December 2024

		Rupees
Apparel (Segment) Assets as per Reviewed SOFP	A	10,259,865,776
Apparel (Segment) Liabilities as per Reviewed SOFP	B	7,176,351,235
Apparel (Segment) Net Assets as per Reviewed SOFP	C=A-B	3,083,514,541
Reconciliation		
Adjustments In Assets:		
Cash and Bank Balance (Allocated to Apparel segment)		2,572,076
Leasehold Land Transferred pursuant to Approval of Board		500,976,000
Total Adjustment in Assets	D	503,548,076
Adjustments In Liabilities		
	E	-
Net Increase / (decrease) in Net Assets	F=D-E	503,548,076
Adjusted Net Assets	G=C+F	3,587,062,617
Less:		
Net Assets transferred	H	3,587,062,617
Unreconciled Amount (If any)	I=G-H	-



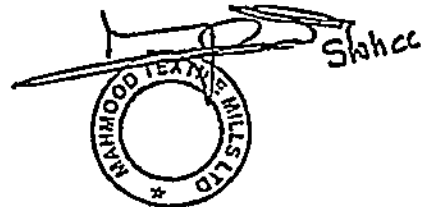
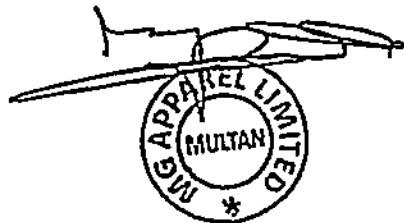


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Annexure C

Condensed Statement of Financial Position of MG Apparel Limited as at December 31, 2024

	Rupees
Equity & Liabilities	
Share Capital and Reserves	
Authorized Share Capital	
1,000,000 ordinary shares of Rs 10 each	<u>10,000,000</u>
Issues Subscribed and paid-up capital	
1,000 ordinary shares of Rs 10 each	
fully paid in cash	<u>10,000</u>
Total Equity and Liabilities	<u>10,000</u>
Assets	
Current Assets	
Cash and Bank Balance	<u>10,000</u>
Total Assets	<u>10,000</u>





## DAWN

E-PAPER | JUNE 05, 2025

## NOTICE FOR EXTRAORDINARY GENERAL MEETING

UNDER THE SUPERVISION OF THE CHAIRPERSONS APPOINTED BY LAHORE HIGH COURT,  
MULTAN BENCH VIDE ORDER DATED 23<sup>RD</sup> MAY, 2025 IN C.O. NO. 06 OF 2025

In the matter of:-

Civil Original No. 06 of 2025

**MAHMOOD TEXTILE MILLS LIMITED, OFFICE AT MEHR MANZIL, LOHARI GATE, MULTAN**  
And  
**MG APPAREL LIMITED, OFFICE AT MEHR MANZIL, LOHARI GATE, MULTAN**

Notice is hereby given pursuant to the order dated 23 May, 2025 of the Honorable Lahore High Court, Multan Bench, passed in C.O. No. 06 of 2025 (being a Petition for sanctioning of Scheme of Arrangement between above companies under Section 279 to 283 and 285 of the Companies Act, 2017), Extra-Ordinary General Meetings (hereinafter the 'EOGMs') of Mahmood Textile Mills Limited and MG Apparel Limited will be held on 30<sup>th</sup> June 2025 as follows to transact the below mentioned special business:

Sr.	Name of Company	Venue	Date & Time
1.	Mahmood Textile Mills Limited	Mehr Manzil o/s Lohari gate Multan	12:30 P.M. Monday, June 30, 2025
2.	MG Apparel Limited	Mehr Manzil o/s Lohari gate Multan	2:00 P.M. Monday, June 30, 2025

**Special Business:**

To consider and if thought fit, to agree, approve and adopt the Scheme of Compromises, Arrangements and Reconstruction (the "Scheme") between Mahmood Textile Mills Limited and its wholly owned subsidiary, MG Apparel Limited by passing or otherwise, the following special resolutions, with or without modification(s), addition(s) or deletion(s):

"Resolved that the Scheme of Arrangement for, inter alia, compromise, arrangement and reconstruction (the "Scheme") between M/s. Mahmood Textile Mills Limited and its members and M/s. MG Apparel Limited and its members, considered by this meeting and initialled by the chairpersons of this meeting for purposes of identification, be and is hereby approved, adopted and agreed, subject to any modification(s) or conditions as may be required/imposed by the Honourable Lahore High Court, Multan Bench.

**Resolved Further that each of the Chief Executive Officer, any of the Directors of the Company, Chief Financial Officer and Company Secretary of the Company, singly and severally, be and are hereby authorized to take any steps / measures for the implementation and completion of the Scheme".**

Chairpersons for the EOGMs appointed by the Court are:

**Mr. Syed Muhammad Kaswar Gardezi**  
Advocate High Court  
House No. 43/26, Tipu Sultan Road,  
Multan Cantonment, Multan

**Mr. Zafar Abbas Khan**  
Advocate Supreme Court  
Room No. 1, 2<sup>nd</sup> Floor,  
Golden Heights Plaza, Opposite High Court Multan, Multan

**Notes:**

- The Statement under Section 281 of the Companies Act, 2017 (hereinafter the "Act") read with the statement of material facts under Section 134(3) of the Act (hereinafter the "Statement") setting forth, inter alia, the terms of the compromises, arrangements and reconstruction and explaining its effect, along with a copy of the Scheme, Board Resolutions dated May 21, 2025, the Valuation Certificate of M/s. Shinewing Hameed Chaudhri & Co., Chartered Accountants dated May 14, 2025 and supplementary audited financial statements for the period ended December 31, 2024, are being circulated along with notices of the EOGMs to the members and other person(s) entitled to receive notices of EOGMs.
- Copies of the Scheme, the Statement, the latest audited financial statements for prior periods of the respective companies can also be obtained, free of charge, from the registered office of the respective Company, each located at Mehr Manzil, Lohari Gate, Multan, during usual business hours i.e., 9:00 a.m. to 5:00 p.m. by the members and other persons entitled to attend the EOGMs by making application addressed to the Company Secretary of the respective Company at their registered address.
- Copies of the Scheme, the Statement, the latest audited financial statements of the respective Company along with all published or otherwise required financial statements of all prior periods of the respective Company along with copies of its Memorandum and Articles of Association, other report(s) and related information/documents have been kept at the registered office of the respective Company which can be inspected during the business hours on any working day from the date of publication of this notice till the day before the EOGMs by the members and other persons entitled to attend the EOGMs. The same will also be available for inspection at the EOGMs. In case of any difficulty, the same should be brought immediately to the notice of the mentioned Chairperson.
- Notice of EOGMs along with the Statement, the Scheme and the latest annual audited / half yearly financial statements of Mahmood Textile Mills Limited have also been placed on its website.
- The Shares Transfer Books of each Company will remain closed from 23<sup>rd</sup> June, 2025 to 30<sup>th</sup> June, 2025 (both days inclusive). Transfers received at the registered address of the respective Company's, and in case of Mahmood Textile Mills Limited, to its Share Registrar's Office, M/s. Hameed Majeed Associates (Private) Limited, Mahmood Department, HM House, 7-Bank Square, Lahore, by the close of business hours on 22<sup>nd</sup> June, 2025 will be treated as being in time for the purpose of attending and voting at the respective EOGM.
- A member of the Company entitled to attend and vote at the EOGM may appoint another member as his / her proxy to attend and vote in place of him / her at the EOGM. Proxies in order to be effective must be received at the registered office of the respective Company duly stamped and signed not less than 48 hours before the time of EOGMs. A proxy must be a member of the respective Company. Proxy Forms in Urdu and English languages are attached to the notices of EOGMs circulated to the shareholders.
- Members are requested to immediately notify the change, if any, in their registered addresses to the Company Secretary of the respective Company.
- No gifts will be distributed in the EOGMs.

**ONLY FOR THE MEMBERS OF MAHMOOD TEXTILE MILLS LIMITED****Participation in the EOGM through video link.**

To attend the meeting through video link, members and their proxies are requested to register themselves by providing the following information; Name, Folio Number, Number of shares held in their name, a valid copy of CNIC (both sides) or passport, and an attested copy of board resolution/power of attorney (in case of corporate shareholder) through email at [liaqat.cs@mahmoodgroup.com](mailto:liaqat.cs@mahmoodgroup.com). Those members who register and are verified, shall be provided with the video link facility by the company at the email address provided. The login facility will remain open from the start of the meeting until its conclusion. This facility will be provided in accordance with the provisions of section 132 of the Act.

Name of Member/ proxy holders	CNIC	Folio No./ Participant id/ Account No.	Cell No./ WhatsApp No.	Email ID

- Members who have deposited their shares into Central Depository Company of Pakistan Limited ("CDC") will further have to follow the applicable guidelines as laid down by the Securities and Exchange Commission of Pakistan in Circular No. 1 of 2000.
- Members are requested to notify in adequate time of any change in their addresses to the Share Registrar of the company. Name and address of the share registrar is mentioned at serial no. 5 of the Notes.
- Notice to Shareholder who have not provided CNIC:**  
The shareholders who have not yet provided their CNICs are once again advised to provide attested copies (both sides) of their CNIC's (if not already provided) directly to the Share Registrar at address given in Note No. 5. The shareholders are further requested to furnish their **IBAN bank account number containing 24 digits directly to our Share Registrar** so that the dividend if any may be sent into their bank accounts. It is further clarified that tax deduction as presently applicable will be applicable on the dividend amount.
- Conversion of physical shares in to Book Entry Form**  
As per Section 72 of the Act, all the shareholders of listed companies are required to convert their physical shares into **Book Entry** form within a period not exceeding four years from the commencement of the Act. The SECP vide its circular No. CSD/ED/misc/2016- 639-640 dated March 26, 2021, has advised the listed companies to pursue their members who still hold shares in physical form to convert their shares in to Book Entry Form. Therefore, Mahmood Textile Mills Limited hereby requests all such members who hold physical shares to convert their shares into book entry form at the earliest. For this purpose, they may contact CDC or any active member of the Pakistan Stock Exchange to open an account with CDC at the earliest possible.
- Electronic Voting**  
In accordance with Sections 143 145 of Act, and Companies (Postal Ballot) Regulations, 2018 ("Regulations"), the right to vote through electronic voting facility and voting by postal ballot shall be provided to members of every listed company for, inter alia, all business classified as special business under the Act, in the manner and subject to conditions contained in the Regulations. Accordingly, members of "MAHMOOD TEXTILE MILLS LIMITED" will be allowed to vote through electronic voting or voting by post for the special business mentioned above whenever needed in accordance with the requirements and subject to the conditions contained in the said Regulations.
  - Detail of e-Voting facility will be shared through e-mail with those members of the company who have valid cell numbers / e-mail addresses (Registered e-mail ID) available in the Register of Members of the Company by the end of business on 23<sup>rd</sup> June, 2025. Members who intend to exercise their right of vote through E-voting shall provide their valid cell numbers and email addresses on or before 23<sup>rd</sup> June, 2025.
  - Identity of the Members intending to cast vote through e-voting shall be authenticated through electronic signature or authentication for login.
  - Members shall cast vote for agenda item **SPECIAL BUSINESS** online from 26<sup>th</sup> June, 2025 till 30<sup>th</sup> June, 2025, 11:00 a.m. Voting shall close on 30<sup>th</sup> June, 2025, at 11:00 a.m. A vote once cast by a Member, shall not be allowed to be changed.
- Procedure for Voting Through Postal Ballot**
  - Members may alternatively opt for voting through postal ballot. For convenience of the members, Ballot Paper is annexed to this notice and the same is also available on the Company's website [www.mahmoodtextile.com](http://www.mahmoodtextile.com). [www.mahmoodgroup.com](http://www.mahmoodgroup.com) to download.
  - The members must ensure that the duly filled and signed ballot paper, along with a copy of Computerized National Identity Card (CNIC) should reach the Chairperson of the meeting through post one working day before the EOGM during working hours i.e. on Friday, 27 June, 2025, before 5:00 p.m. at the following address:  
**Mr. Syed Muhammad Kaswar Gardezi** House No. 43/26, Tipu Sultan Road, Multan Cantonment, Multan

A postal ballot received after this time / date shall not be considered for voting. The signature on the Ballot Paper shall match with signature on the CNIC.



## اطلاع غیر معمولی اجلاس عام

بلسلہ تقریر نگران چیئر پرسنز نامزد کردہ ازلاہور ہائی کورٹ ملتان بچ

بمعاملہ:

سول اور ایپل نمبر 06 آف 2025

محمود ٹیکسٹائل ملز لمیٹڈ دفتر بمقام مہر منزل، لوہاری گیٹ ملتان

اور

ایم جی ایپریل لمیٹڈ دفتر بمقام مہر منزل، لوہاری گیٹ ملتان

یہ نوٹس معزز لاہور ہائی کورٹ، ملتان بچ کے 23 مئی 2025ء کے حکم نامے کے مطابق دیا گیا ہے، جو C.O. نمبر 06 آف (2025) کمپنی ایکٹ 2017ء کے سیکشن 279 سے 283 اور 285 کے تحت مذکورہ کمپنیوں محمود ٹیکسٹائل ملز لمیٹڈ اور ایم جی ایپریل لمیٹڈ کے درمیان ترتیب کی اسکیم کی منظوری کے لیے ایک پیشین کے طور پر 30 جون 2025ء کو مندرجہ ذیل خصوصی کاروبار کو لین دین کرنے کے لیے غیر معمولی اجلاس عام (EOGM) کا انعقاد کیا جائے گا۔

نمبر شمار	کمپنی کا نام	جائے مقام	وقت
1-	محمود ٹیکسٹائل ملز لمیٹڈ	مہر منزل بیرون لوہاری گیٹ ملتان	بروز پیر، 30 جون 2025ء، بوقت 12:30 بجے دن
2-	ایم جی ایپریل لمیٹڈ	مہر منزل بیرون لوہاری گیٹ ملتان	بروز پیر، 30 جون 2025ء، بوقت 02:00 بجے دن

خصوصی کاروبار:

محمود ٹیکسٹائل ملز لمیٹڈ اور اس کی مکمل ملکیتی ذیلی کمپنی، ایم جی ایپریل لمیٹڈ کے درمیان سمجھوتہ، انتظامات اور تعمیر نو کی اسکیم پر غور کرنا اور اگر مناسب سمجھا گیا تو مندرجہ ذیل خصوصی قراردادیں پاس کر کے یا بصورت دیگر ترمیم کے ساتھ پاس کے بغیر اتفاق سے منظور کرنا اور اسے لاگو کرنا۔

**"Resolved that the Scheme of Arrangement for, inter alia, compromise, arrangement and reconstruction (the "Scheme") between M/s. Mahmood Textile Mills Limited and its members and M/s. MG Apparel Limited and its members, considered by this meeting and initialled by the chairpersons of this meeting for purposes of identification, be and is hereby approved, adopted and agreed, subject to any modification(s) or conditions as may be required/imposed by the Honourable Lahore High Court, Multan Bench. Resolved Further that each of the Chief Executive Officer, any of the Directors of the Company, Chief Financial Officer and Company Secretary of the Company, singly and severally, be and are hereby authorized to take any steps / measures for the implementation and completion of the Scheme".**

میٹنگز کے لیے عدالت کی جانب سے نامزد کردہ چیئر پرسنز

مشرقی عرس خان

ایڈووکیٹ سپریم کورٹ

آفس روم نمبر 1 سکیڈ فلور گولڈن ہائیس پلازہ باہر مقابل ہائی کورٹ ملتان

مشرقی عرس خان

ایڈووکیٹ ہائی کورٹ

ہاؤس نمبر 43/26 نیچے سلطان روڈ ملتان کینٹ

## نوٹس

- کمپنیز ایکٹ 2017ء کے سیکشن 281 کے تحت بیان اس کے بعد "ایکٹ" ایکٹ کی دفعہ (3) 134 کے تحت مادی حقائق کے بیان کے ساتھ پڑھا گیا ہے (دس کے بعد بیان) بیان کیا گیا ہے، دیگر باتوں کے ساتھ ساتھ، سمجھوتہ کی شرائط، انتظامات اور اس کے اثرات کی وضاحت، بورڈ کی تشکیل اور اس کے اثرات کی وضاحت معرہ 21 مئی 2025ء اور معرہ 14 مئی 2025ء کی قرارداد کی روشنی میں میسرز شائن ونگ جمیڈ پری اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کا ویٹیکنس سرٹیفیکٹ اور 31 دسمبر 2024ء کو ختم ہونے والی مدت کے ضمنی آڈٹ شدہ مالیاتی گوشواروں کی EOGM کے نوٹس کے ساتھ ممبران اور دیگر افراد کو EOGM کے نوٹس وصول کرنے کے قابل ہیں اور معزز ممبران کو نوٹس بھیجا جا رہا ہے۔
- ممبران اور دیگر افراد جو EOGM میں شرکت کے حقدار ہیں متعلقہ کمپنی کے سیکرٹری کو ان کے رجسٹرڈ پتے پر درخواست دے کر اسکیم کا پتہ، اسٹینٹ، متعلقہ کمپنیوں کے سابقہ ادوار اور تازہ ترین آڈٹ شدہ مالیاتی گوشواروں کو بھی متعلقہ کمپنی کے رجسٹرڈ آف واقعہ مہر منزل، لوہاری گیٹ ملتان سے معمول کے کاروباری اوقات کے دوران یعنی صبح 9:00 بجے سے شام 5:00 بجے تک بلا معاوضہ حاصل کر سکتے ہیں۔
- اسکیم کی کاپیاں، اسٹینٹ، متعلقہ کمپنی کے تازہ ترین آڈٹ شدہ مالیاتی گوشواروں کے ساتھ متعلقہ کمپنی کے تمام سابقہ ادوار کے تمام شائع شدہ یا بصورت دیگر مطلوبہ مالیاتی گوشواروں کے ساتھ اس کے مندرجہ اور ریگولر آف ایسوسی ایشن کی کاپیاں، دیگر رپورٹیں اور متعلقہ معلومات دستاویزات متعلقہ کمپنی کے رجسٹرڈ آفس میں موجود ہیں جو کسی بھی کام کے دن کام کے اوقات کے دوران دیکھی جاسکتی ہیں۔ یہی EOGMs میں معائنہ کے لئے بھی دستیاب ہوں گے۔ معزز ممبران سے انتہا ہے کہ کسی بھی مشکل کی صورت میں اسے فوری طور پر مذکورہ چیئر پرسنز کے نوٹس میں لایا جائے۔
- ای او جی ایم کے نوٹس کے ساتھ اسٹینٹ، اسکیم اور محمود ٹیکسٹائل ملز لمیٹڈ کے تازہ ترین سالانہ آڈٹ شدہ شش ماہی مالیاتی گوشوارے بھی اس کی ویب سائٹ پر دستیاب ہیں۔
- ہر کمپنی کے حصص کی منتقلی کی کتب 23 جون 2025ء سے 30 جون 2025ء تک بشمول ہر دو دن (بندر گی) حصص کی منتقلیاں جو کہ معرہ 22 جون 2025ء تک کاروباری اوقات کے اختتام (شام 5:00 بجے) تک اور محمود ٹیکسٹائل ملز لمیٹڈ کی صورت میں، کمپنی کے شیئر رجسٹرار انس میسرز جمیڈ ایسوسی ایشن (پرائیوٹ) لمیٹڈ شیئر ڈیپازٹسٹ، ایچ ایم ہاؤس-7 بینک سکوائر، لاہور میں بھیج جائیں۔ سالانہ اجلاس عام میں شرکت اور ووٹنگ کے لیے شمار ہوں گی۔ انگریزی اور اردو دونوں زبانوں میں پراسی نام کمپنی کی ویب سائٹ پر دستیاب ہے۔
- EGOM میں شرکت کرنے اور ووٹ دینے کا حقدار ممبر کمپنی کے کسی دوسرے ممبر کو شرکت کرنے اور ووٹ دینے کے لیے اپنی جگہ پر اس کے طور پر مقرر کر سکتا ہے۔ پراسی کا تقرر کرنے والے ممبر کی طرف سے پاور آف اٹارنی یا دیگر اتھارٹی جس کے تحت اس پر دستخط کیے گئے ہوں یا نوٹری پبلک سے تصدیق شدہ کاپی مینٹنگ کے وقت سے کم از کم 48 گھنٹے پہلے متعلقہ کمپنی کے رجسٹرڈ آفس میں بھیج جانا چاہئے۔ پراسی کا کمپنی کا ممبر ضروری ہے۔ اردو اور انگریزی زبانوں میں پراسی نام میسرز ہولڈرز کو بھیجے گئے EOGM کے نوٹس کے ساتھ منسلک ہیں۔
- معزز اراکین سے درخواست کی جاتی ہے کہ اپنے رجسٹرڈ پتے پر کسی بھی تبدیلی کی صورت میں متعلقہ کمپنی کے سیکرٹری کو فوری طور پر مطلع کریں۔
- EOGM کے وقت کوئی حائل تقسیم نہیں کئے جائیں گے۔
- صرف محمود ٹیکسٹائل ملز لمیٹڈ کے ممبران کے لیے:
- سالانہ اجلاس عام میں بذریعہ ویڈیو لنک شرکت:

ممبر، پراسی ہولڈرز کا نام	سی این آئی سی	فولیو، شرکت کنندہ کا آئی ڈی، اکاؤنٹ نمبر	فون نمبر، واٹس ایپ نمبر	ای میل آئی ڈی

- جن اراکین نے اپنے حصص سینٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ CDC میں جمع کرائے ہیں انہیں پاکستان سیکورٹیز اینڈ ایکسچینج کمیشن کے 2000ء کے سرکلر نمبر 1 کی روشنی میں مزید قابل اطلاق رہنما خطوط پر عمل کرنا ہوگا۔
- اراکین سے درخواست کی جاتی ہے کہ وہ اپنے بچوں میں کسی بھی تبدیلی کی مناسب وقت میں کمپنی کے شیئر رجسٹرار کو مطلع کریں۔ شیئر رجسٹرار کا نام پتہ نوٹس میں نمبر شمار 5 پر درج ہے۔
- ان شیئر ہولڈرز کیلئے اطلاع جنہوں نے CNIC فراہم نہیں کیا ہے:
- ووٹیں ہولڈرز جنہوں نے ابھی تک CNIC فراہم نہیں کئے ہیں انہیں ایک بار پھر درخواست کی جاتی ہے کہ وہ اپنے CNIC کی دونوں طرف کی تصدیق کاپیاں براہ راست شیئر رجسٹرار کو نمبر 5 میں دیئے گئے پتے پر فراہم کریں۔ شیئر ہولڈرز سے مزید درخواست کی جاتی ہے کہ وہ اپنا 24 ہندسوں پر مشتمل IBAN بینک اکاؤنٹ نمبر براہ راست ہمارے شیئر رجسٹرار کو فراہم کریں تاکہ کرمانچہ اگر کوئی ہوتو ان کے بینک اکاؤنٹس میں بھیجا جاسکے، مزید واضح کیا جاتا ہے کہ موجودہ لاگوئیں کوئی ڈیویڈنڈ کی رقم پر لاگو ہوگی۔
- فزیکل شیئر ڈوک ایٹری فارم میں تبدیل کرنا:
- کمپنیز ایکٹ کے سیکشن 72 کے مطابق تمام موجودہ کمپنیوں کو فیزیکل شیئر ڈوک ایٹری فارم میں تبدیل کرنا ضروری ہے۔ جس کی مدت ایکٹ کے آغاز سے چار سال سے زائد ہو۔ سیکورٹیز اینڈ ایکسچینج آف پاکستان نے سرکلر نمبر CSD/ED/misc./2016-639-640 کے تحت 26 مارچ 2021ء کے ذریعے ہدایت کی ہے کہ لکھنؤ کمپنیاں اپنے ان ممبران کو جن کے پاس فزیکل شیئر ہیں بک ایٹری فارم میں تبدیل کریں۔ لہذا محمود ٹیکسٹائل ملز لمیٹڈ ایسے تمام ممبران سے فزیکل شیئرز رکھنے ہیں درخواست کرتی ہے کہ وہ اپنے حصص کو جلد از جلد بک ایٹری فارم میں تبدیل کریں۔ اس مقصد کے لیے وہ جس قدر جلد ممکن ہو "سنٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ" یا پاکستان اسٹاک ایکسچینج کی کسی فعال ممبر سے "سنٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ" کے ساتھ اکاؤنٹ کھولنے کے لیے رابطہ کر سکتے ہیں۔
- الیکٹرونک ووٹنگ:
- کمپنیز ایکٹ کی شق 145-143 اور کمپنیز (پوسٹل بلیٹ) ریگولیشن 2018 (ضابطے) کے مطابق کمپنیز ایکٹ کے تحت کاروباری طریقے اور ضوابط میں موجودہ شرائط کی روشنی میں ہر کمپنی کے اراکین کو الیکٹرونک ووٹنگ کی سہولت اور پوسٹل بلیٹ کے ذریعے ووٹ دینے کا حق دیا جائے گا۔ اس کے تحت "محمود ٹیکسٹائل ملز لمیٹڈ" کے اراکین کو مذکورہ ضابطوں میں موجودہ شرائط کے ساتھ ضرورت کے مطابق الیکٹرونک ووٹنگ کے ذریعے ووٹ ڈالنے یا خصوصی کاروبار کے لیے ڈاک کے ذریعے ووٹ ڈالنے کی اجازت دی جائے گی۔
- a- ای۔ ووٹنگ کی سہولت کی تفصیلات ای میل کے ذریعے کمپنی کے ان اراکین کے ساتھ شیئر کی جائیں گی جن کے پاس 23 جون 2025ء کو کاروبار کے اختتام تک کمپنی کے رجسٹرڈ آف ممبرز میں درست سیل نمبر ای میل ایڈریس (رجسٹرڈ ای میل آئی ڈی) دستیاب ہیں۔ وہ اراکین جو اپنے ووٹ کا حق استعمال کرنے کا ارادہ رکھتے ہیں وہ ای۔ ووٹنگ کے ذریعے اپنا ای میل ایڈریس اور ای میل سیل نمبر مورخہ 23 جون 2025ء تک پاس سے قبل فراہم کریں گے۔
- b- ای ووٹنگ کے ذریعے ووٹ ڈالنے کا ارادہ رکھنے والے اراکین کی شناخت الیکٹرونک دستخط یا لاگ ان کے لیے تصدیق کے ذریعے کی جائے گی۔
- c- ممبران 26 جون 2025ء سے 30 جون 2025ء صبح 11:00 بجے تک ایجنڈا اسکیم خصوصی کاروبار کے لیے آن لائن ووٹ ڈالیں گے۔ ووٹنگ 30 جون 2025ء صبح 11:00 بجے تک ختم ہو جائے گی۔ کسی رکن کے ووٹ کو ایک بار ڈالنے کے بعد تبدیل کرنے کی اجازت نہیں ہوگی۔
- پوسٹل بلیٹ کے ذریعے ووٹ ڈالنے کا طریقہ کار
- a- اراکین متبادل طور پر پوسٹل بلیٹ کے ذریعے ووٹ ڈالنے کا انتخاب کر سکتے ہیں۔ اراکین کی سہولت کے لیے، بلیٹ بھیج اس نوٹس کے ساتھ منسلک ہے اور یہ کمپنی کی ویب سائٹ [www.mahmoodtextile.com](http://www.mahmoodtextile.com)، [www.mahmoodgroup.com](http://www.mahmoodgroup.com) پر ڈاؤن لوڈ کرنے کے لیے بھی دستیاب ہے۔
- b- اراکین کو اس بات کو یقینی بنانا چاہیے کہ صحیح طریقے سے پھر سے پھر سے اور دستخط شدہ بلیٹ بھیج سیکورٹیز اینڈ ایکسچینج کا ڈی (CNIC) کی کاپی کے ساتھ کام کے دوران EOGM سے ایک دن پہلے یعنی جمعہ 27 جون 2025ء شام 5:00 بجے سے پہلے درج ذیل پتے پر ڈاک کے ذریعے مینٹنگ کے چیئر پرسنز تک بھیج جائیں۔
- جناب سید محمد قسور گروہی ایڈووکیٹ ہائی کورٹ
- ہاؤس نمبر 43/26 نیچے سلطان روڈ ملتان کینٹ
- اس وقت / تاریخ کے بعد موصول ہونے والا پوسٹل بلیٹ ووٹنگ کے لیے زیر غور نہیں آئے گا۔ بلیٹ بھیج پرنٹڈ CNIC پر دستخط سے مراد ہوں گے۔