

5th ANNIVERSARY



1st Quarterly Accounts

September 30, 2020



MAHMOOD TEXTILE MILLS LIMITED

Sustainable Innovation In Every Thread



Directors' Review to Shareholders

The Directors of Mahmood Textile Mills Limited are pleased to present its review report along with un-audited condensed interim financial information of your Company for the 1st Quarter ended 30th September 2020.

As already mentioned in the Director's report of the preceding year, result of the first quarter would bear the after effects of COVID-19. However with the blessings of Almighty Allah the Company during the quarter under report after providing depreciation amounting to Rs. 179.74 Million and income tax amounting to Rs. 60.00 Million earned net profit of Rs. 31.04 Million.

The detail of production and sales of yarn and fabrics is tabulated as under:

PRODUCTION DATA

Production of yarn (Converted into 20 count)	=kgs.	9,874,874
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Production of cloth (Converted into 60 picks)	=mtrs.	10,080,940
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TURNOVER

Total Sales (Net)	=Rs. (Million)	6,449.24
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Better performance for the balance quarters was expected, unfortunately production of local cotton has critically been decreased and prices of local cotton have jumped to an alarming level even higher than imported cotton. Thus reliance would be placed on imported cotton in current year. At this stage no definite conclusion can be drawn about future results but management is committed to recoup with all circumstances and obtain better result in next period by adopting better strategy.

The Board of Directors records its appreciation for all stakeholders.

For and on behalf of the board

sd/-
(KHAWAJA MUHAMMAD IQBAL)
Chief Executive Officer

sd/-
(KHAWAJA MUHAMMAD YOUNUS)
Director

Multan:

Dated: 29th October, 2020

Condensed Interim Statement of Financial Position

As at September 30, 2020

	(Un-Audited) 30 Sep 2020 Rupees	(Audited) 30 Jun 2020 Rupees
ASSETS		
Non-current assets		
Property, plant and equipment	8,289,622,224	8,581,294,924
Long term investments	4,345,062,438	4,189,562,438
Long term deposits	9,980,881	9,980,881
	12,644,665,543	12,780,838,243
Current assets		
Stores, spares and loose tools	240,267,217	231,879,387
Stock in trade	7,140,922,334	7,059,216,934
Trade debts	2,841,047,683	3,102,628,027
Loans and advances	888,035,375	183,371,309
Other receivables	743,052,542	715,604,921
Short term investments	666,119,246	725,341,435
Tax refunds due from the Government	663,424,721	603,992,409
Cash and bank balances	30,325,912	45,045,826
	13,213,195,030	12,667,080,248
	25,857,860,573	25,447,918,491
TOTAL ASSETS		
EQUITY AND LIABILITIES		
Equity		
Authorized share capital 30,000,000 ordinary shares of Rs.10 each	300,000,000	300,000,000
Issued, subscribed and paid-up share capital	187,500,000	187,500,000
Capital reserves:		
Capital reserve	7,120,600	7,120,600
Surplus on revaluation of property, plant and equipment	2,757,086,609	2,791,356,716
Revenue reserve - Unappropriated profit	5,661,997,524	5,596,683,362
	8,613,704,733	8,582,660,678
Liabilities		
Non-current liabilities		
Long term financing	5,652,665,438	5,497,569,194
Deferred taxation	104,497,826	104,497,826
Current liabilities		
Trade and other payables	1,306,017,052	1,760,984,425
Unclaimed dividends	2,438,530	2,438,530
Accrued mark-up	184,958,055	293,505,910
Short term borrowings	9,347,051,830	8,763,773,382
Current maturity of long term financing	324,527,109	180,488,546
Taxation	322,000,000	262,000,000
	11,486,992,576	11,263,190,793
	25,857,860,573	25,447,918,491
TOTAL EQUITY AND LIABILITIES		

Sd/-
(KH. MUHAMMAD ILYAS)
CHAIRMAN

Sd/-
(KH. MUHAMMAD IQBAL)
CHIEF EXECUTIVE OFFICER

Sd/-
(KH. MUHAMMAD YOUNUS)
DIRECTOR

Sd/-
(MUHAMMAD AMIN PAL)
CHIEF FINANCIAL OFFICER

Condensed Interim Statement of Profit or Loss (Un-audited)

For the period ended September 30, 2020

	Jul-Sep 30-Sep-20 Rupees	Jul-Sep 30-Sep-19 Rupees
Sales - net	6,449,237,477	6,337,709,893
Cost of sales	(6,036,014,550)	(5,747,416,691)
Gross Profit	413,222,927	590,293,202
Distribution cost	(144,604,829)	(140,848,123)
Administrative expenses	(139,608,330)	(143,734,911)
Other income	237,318,464	274,808,936
Other expenses	-	-
Profit from operations	366,328,232	580,519,104
Finance cost	(275,284,177)	(442,866,764)
Profit before taxation	91,044,055	137,652,340
Taxation	(60,000,000)	(20,844,748)
Profit after Taxation	31,044,055	116,807,592
Earnings per Share	1.66	6.23
Cost of Sales		
Opening Stock	1,378,899,676	967,848,935
Cost of goods manufactured	5,755,988,320	6,250,776,302
Closing Stock	(1,098,873,446)	(1,471,208,546)
	6,036,014,550	5,747,416,691
Cost of Goods Manufactured		
Raw material consumed	4,697,690,811	5,163,881,028
Stores, spares and loose tools	157,904,927	170,528,239
Salaries, wages and benefits	327,638,377	345,789,036
Insurance	17,500,000	17,610,606
Electric power and gas	375,098,188	401,444,857
Repair and maintenance	9,012,688	7,191,580
Depreciation	171,143,329	144,330,955
	5,755,988,320	6,250,776,302

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DIRECTOR

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(MUHAMMAD AMIN PAL)
CHIEF FINANCIAL OFFICER

Condensed Interim Statement of Changes in Equity (Un-audited)

For the period ended September 30, 2020

	Capital reserves		Revenue reserve	Total	
	Share Capital	Capital reserve	Surplus on revaluation of property, plant and equipment Unappropriated profit		
	----- Rupees -----				
Balance as at June 30, 2019 (re-stated)	150,000,000	7,120,600	2,916,720,253	5,410,057,250	8,483,898,103
Transactions with owners					
Bonus shares issued during the period in ratio of 25 shares for every 100 shares held	37,500,000			(37,500,000)	-
Total Comprehensive income for the year					
Profit for the year	-	-	-	71,814,526	71,814,526
Other comprehensive income for the year	-	-	26,948,050	-	26,948,050
	-	-	26,948,050	71,814,526	98,762,576
Transfer from revaluation surplus on property, plant and equipment on account of incremental depreciation			(152,311,587)	152,311,587	-
Balance as at June 30, 2020	<u>187,500,000</u>	<u>7,120,600</u>	<u>2,791,356,716</u>	<u>5,596,683,362</u>	<u>8,582,660,678</u>
Total Comprehensive income for the period					
Profit for the period				31,044,055	31,044,055
Other comprehensive income for the period			-	-	-
			-	31,044,055	31,044,055
Transfer from revaluation surplus on property, plant and equipment on account of incremental depreciation			(34,270,107)	34,270,107	-
Balance as at September 30, 2020	<u>187,500,000</u>	<u>7,120,600</u>	<u>2,757,086,609</u>	<u>5,661,997,524</u>	<u>8,613,704,733</u>

NOTES TO THE ACCOUNTS

1. These accounts are un-audited and are being presented to Members as required under Section 237 of the Companies Act 2017.
2. Accounting Policies have been adopted are the same applied in the preparation of Annual Accounts for the year ended 30-06-2020
3. Provision for WPPF has not been made in the accounts and will be provided at the end of the year 30-06-2021.
4. Figures are re-arranged where ever necessary for the proposes of comparison and figures are rounded off to the nearest rupee.

Sd/-
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CHAIRMAN

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DIRECTOR

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(MUHAMMAD AMIN PAL)
CHIEF FINANCIAL OFFICER

Condensed Interim Statement of Cash Flows (Un-audited)

For the period ended September 30, 2020

	Jul-Sep 30-Sep-20 Rupees	Jul-Sep 30-Sep-19 Rupees
Cash flows from operating activities		
Profit for the year - before taxation and share of profit of associates	91,044,055	137,652,340
Adjustments for non-cash charges and other items:		
Depreciation	179,739,868	152,775,770
Gain on disposal of operating fixed assets - net	(579,952)	(112,960)
Gain on sale of short term investments	(43,702,835)	(9,363,828)
Finance cost	275,284,177	442,866,764
Profit before working capital changes	501,785,313	723,818,085
Effect on cash flows due to working capital changes		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(8,387,830)	39,794,792
Stock in trade	(81,705,400)	2,935,235,190
Trade debts	261,580,344	(137,861,085)
Loans and advances	(578,568,983)	(1,874,077,188)
Other receivables	(27,447,621)	(118,653,565)
Sales tax refunds	34,751,454	20,152,310
Trade and other payables	(415,812,121)	144,741,849
	(815,590,157)	1,009,332,303
Cash generated from / (used in) operations	(313,804,844)	1,733,150,388
Income tax paid	(133,339,018)	(31,931,357)
Net cash generated from / (used in) operating activities	(447,143,862)	1,701,219,031
Cash flows from investing activities		
Purchase of property, plant and equipment	(33,732,299)	(17,240,019)
Sale proceeds of operating fixed assets	20,150,000	6,350,000
Short term investments - net	102,925,024	131,634,805
Long term investments	(155,500,000)	(100,000,000)
Net cash generated from / used in investing activities	(66,157,275)	20,744,786
Cash flows from financing activities		
Long term financing - net	299,134,807	1,916,986,085
Short term borrowings - net	583,278,448	(3,104,497,415)
Finance cost paid	(383,832,032)	(469,812,605)
Net cash (used in) / generated from financing activities	498,581,223	(1,657,323,935)
Net increase in cash and cash equivalents	(14,719,914)	64,639,882
Cash and cash equivalents - at beginning of the year	45,045,826	24,598,057
Cash and cash equivalents - at end of the year	30,325,912	89,237,939

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