



3rd Quarterly Accounts

March 31, 2020

Mahmood Textile
Mills Limited





Since
1970



Directors' Review to Shareholders

Your Directors are pleased to present the un-audited accounts of the Company for the Quarter ended 31-03-2020. By the Grace of Almighty Allah the company operational results for the period have shown turnover of Rs. 19.89 billion (2019: 17.36 billion) and net profit Rs. 240.55 million (2019: 39.36 million)

In the last decade of the March-20 Government of Pakistan made a principal decision of lock down in awake of widespread of Covid-19 and we have to stop operations and company suffered losses during this lock down.

Being an export oriented unit our export sales are diversified across the globe and during this Covid-19 pandemic a few countries are owning their contracts and regular lifting is being made but most of them aren't doing so. No one knows, for how long this lock down will continue and adversely affect international as well as domestic markets. Needless we have some contracts of raw material along with booking and some stock which we are carrying.

To combat with the economic crisis due to Covid-19 Government has announced some incentives in the shape of deferment of loans and reduction in interest rate to business community. The company has applied to avail this support and its impact will be revealed in the coming period.

For and on behalf of the board

sd/-
(KHAWAJA MUHAMMAD IQBAL)
Chief Executive Officer

Multan:
Dated: 29th April 2020

Condensed Interim Statement of Financial Position

As at March 31, 2020

	Un-Audited 31 Mar 2020 Rupees	Audited 30 Jun 2019 Rupees
ASSETS		
Non-current assets		
Property, plant and equipment	8,593,829,327	8,941,221,425
Long term investments	4,285,527,558	3,888,694,040
Long term deposits	9,980,881	9,980,881
	12,889,337,766	12,839,896,346
Current assets		
Stores, spares and loose tools	239,403,302	299,902,296
Stock in trade	5,766,303,964	7,593,497,763
Trade debts	3,639,324,044	1,685,878,358
Loans and advances	2,070,428,668	598,860,571
Other receivables	274,418,029	274,891,275
Short term investments	885,489,699	1,370,406,290
Sales tax refund bonds	-	35,300,000
Tax refunds due from the Government	569,025,922	543,014,606
Cash and bank balances	29,116,423	24,598,057
	13,473,510,050	12,426,349,216
	26,362,847,816	25,266,245,562
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 capital	187,500,000	150,000,000
Capital reserves:		
Capital reserve	7,120,600	7,120,600
Surplus on revaluation of property, plant and equipment	2,829,434,617	2,916,720,253
Revenue reserve - Unappropriated profit	5,807,949,452	5,490,667,026
	8,832,004,669	8,564,507,879
Liabilities		
Non-current liabilities		
Long term financing	5,457,575,258	3,349,875,623
Current liabilities		
Trade and other payables	1,407,702,348	1,441,643,503
Unclaimed dividends	2,438,530	2,472,353
Accrued mark-up	259,874,860	379,719,310
Short term borrowings	10,188,252,152	10,863,086,159
Current maturity of long term financing	-	433,940,735
Taxation	215,000,000	231,000,000
	12,073,267,890	13,351,862,060
	26,362,847,816	25,266,245,562
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 quarter and nine months period ended March 31, 2020

	Quarter Ended		Nine Months Period Ended	
	Jan - Mar 2020 Rupees	Jan - Mar 2019 Rupees	Jul - Mar 2020 Rupees	Jul - Mar 2019 Rupees
Sales - net	6,244,636,654	5,997,863,363	19,889,195,788	17,364,569,481
Cost of sales	(5,736,756,806)	(5,392,282,788)	(18,180,563,323)	(15,344,026,953)
Gross Profit	507,879,848	605,580,575	1,708,632,465	2,020,542,528
Distribution cost	(133,334,729)	(121,772,630)	(484,391,696)	(424,232,894)
Administrative expenses	(94,202,607)	(81,669,260)	(366,681,029)	(287,723,470)
Other expenses	(1,430,000)	(10,134,346)	(6,512,968)	(268,293,694)
Other income	3,787,326	4,644,103	237,806,332	174,449,064
Profit from operations	282,699,839	396,648,442	1,088,853,105	1,214,741,534
Finance cost	(356,688,886)	(427,654,183)	(1,172,354,314)	(1,020,365,335)
	(73,989,047)	(31,005,741)	(83,501,209)	194,376,199
Share of profit of associates	152,588,810	-	444,557,408	-
Profit before taxation	78,599,763	(31,005,741)	361,056,199	194,376,199
Taxation				
- Current	(58,608,777)	(62,000,000)	(120,507,459)	(155,000,000)
- Prior year				(12,923)
	(58,608,777)	(62,000,000)	(120,507,459)	(155,012,923)
Profit after Taxation	19,990,986	(93,005,741)	240,548,740	39,363,276
Earnings per Share	1.07	(6.20)	12.83	2.62

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Condensed Interim Statement of Other Comprehensive Income (Un-audited)

For the quarter and nine months period ended March 31, 2020

	Quarter Ended		Nine Months Period Ended	
	Jan - Mar 2020 Rupees	Jan - Mar 2019 Rupees	Jul - Mar 2020 Rupees	Jul - Mar 2019 Rupees
Profit / (Loss) after Taxation	19,990,986	(93,005,741)	240,548,740	39,363,276
Other Comprehensive Income for the period				
Items that will not be reclassified subsequently to statement of profit or loss				
Surplus on revaluation of property, plant and equipment - associate			26,948,050	
Total Comprehensive Income for the period	19,990,986	(93,005,741)	267,496,790	39,363,276

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Condensed Interim Statement of Cash Flows (Un-audited)

For the period ended March 31, 2020

	Jul - Mar 2020 Rupees	Jul - Mar 2019 Rupees
Cash flows from operating activities		
Profit for the year - before taxation and share of profit of associates	(83,501,209)	194,376,199
Adjustments for non-cash charges and other items:		
Depreciation	583,907,919	438,667,419
Loss / (gain) on disposal of operating fixed assets - net	(591,869)	2,521,702
Loss / (gain) on sale of short term investments	(65,302,540)	54,843,132
Loss / (gain) on re-measurement of short term investments	(133,623,636)	201,342,209
Markup income on TFC	(19,089,790)	-
Duty drawback on export sales	(19,198,498)	-
Dividend income	-	(158,413,955)
Finance cost	1,172,354,314	1,020,365,335
Profit before working capital changes	1,434,954,691	1,753,702,041
Effect on cash flows due to working capital changes		
(Increase) / decrease in current assets		
Stores, spares and loose tools	60,498,994	122,549,688
Stock in trade	1,827,193,799	(2,467,736,449)
Trade debts	(1,953,445,686)	(875,028,802)
Loans and advances	(1,471,568,097)	(1,687,707,414)
Other receivables	19,671,744	65,848,694
Sales tax refunds	(111,109,890)	(8,499,852)
Increase / (decrease) in trade and other payables	(33,941,155)	146,603,335
	(1,662,700,290)	(4,703,970,800)
Cash generated from / (used in) operations	(227,745,599)	(2,950,268,759)
Income tax paid	(16,108,885)	(130,970,550)
Net cash generated from / (used in) operating activities	(243,854,484)	(3,081,239,309)
Cash flows from investing activities		
Purchase of property, plant and equipment	(246,187,286)	(461,108,381)
Sale proceeds of operating fixed assets	10,263,334	37,840,091
Long term deposits	-	(743,360)
Long term investments - net	(100,000,000)	(787,793,358)
Dividend Received	174,671,940	158,413,955
Markup income received on TFC	19,089,790	-
Short term investments - net	683,842,767	138,173,421
Net cash generated from / used in investing activities	541,680,545	(915,217,632)
Cash flows from financing activities		
Long term financing - net	1,673,758,900	1,160,446,698
Dividend paid	(33,823)	(37,374,509)
Short term borrowings - net	(674,834,007)	3,746,118,265
Finance cost paid	(1,292,198,764)	(868,255,035)
Net cash (used in) / generated from financing activities	(293,307,694)	4,000,935,419
Net increase in cash and cash equivalents	4,518,366	4,478,478
Cash and cash equivalents - at beginning of the year	24,598,057	32,362,744
Cash and cash equivalents - at end of the year	29,116,423	36,841,222

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

For the period ended March 31, 2020

	Share Capital	Capital reserves		Revenue reserve	Total
		Capital reserve	Surplus on revaluation of property, plant and equipment	Unappropriated profit	
----- Rupees -----					
Balance as at July 01, 2018 (Audited)	150,000,000	7,120,600	-	4,547,274,280	4,704,394,880
Impact of re-statement due to applicability of IFRS 15	-	-	-	(5,917,520)	(5,917,520)
	150,000,000	7,120,600	-	4,541,356,760	4,698,477,360
Transactions with owners					
Final cash dividend for the year ended June 30, 2018 @ Rs. 2.5 per share				(37,500,000)	(37,500,000)
Total Comprehensive income for the year					
Total Comprehensive income for the period ended March 31, 2019	-	-	-	39,363,276	39,363,276
	-	-	-	-	-
	-	-	-	39,363,276	39,363,276
Balance as at March 31, 2019	150,000,000	7,120,600	-	4,543,220,036	4,700,340,636
Balance as at July 01, 2019 (Audited)	150,000,000	7,120,600	2,916,720,253	5,490,667,026	8,564,507,879
Transactions with owners					
Bonus dividend for the year ended June 30, 2019	37,500,000			(37,500,000)	-
Total Comprehensive income for the period					
Total Comprehensive income for the period ended March 31, 2020				240,548,740	240,548,740
Other Comprehensive income for the period			26,948,050		26,948,050
	-	-	26,948,050	240,548,740	267,496,790
Surplus transferred to un-appropriated profit on account of incremental depreciation charged during the year			(114,233,686)	114,233,686	-
Balance as at March 31, 2020	187,500,000	7,120,600	2,829,434,617	5,807,949,452	8,832,004,669

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 30-06-2019
3. Provision for WPPF has not been made in the accounts and will be provided at the end of the year 30-06-2020.
4. About Rs.450 million current maturity of long term loans has not been accounted for because of moratorium of one year deferment has been applied under circular letter no.13 of 2020 dated March 26, 2020 of State Bank of Pakistan.
5. Figures are re-arranged where ever necessary for the proposes of comparison and figures are rounded off to the nearest rupee.

Sd/-
(KH. MUHAMMAD ILYAS)
CHAIRMAN

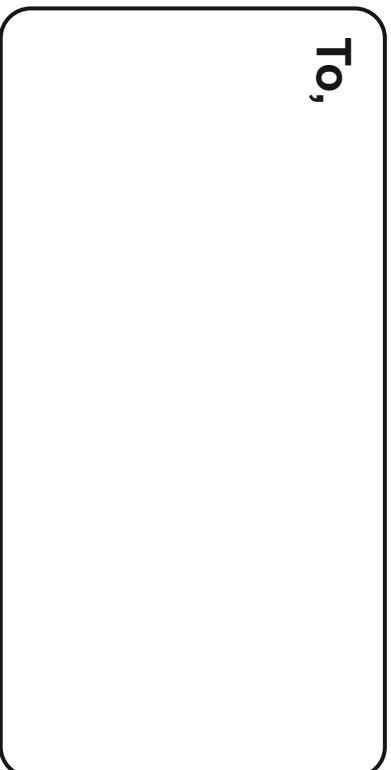
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