



Mahmood Textile Mills Ltd.

Corporate Governance & Strategic
Planning Document

Strategic Planning – Scan

(SWOT Analysis of Mahmood Textile Mills Ltd.)

Financial

- We are group of companies, so it provides financial security to our organization.
- Banks portfolio is increasing and, currently working with fifteen banks.

Customer

- A focus on high-quality materials and production ensures customer satisfaction and repeat business.
- Zero Bad Debts in the history of Mahmood Textile Mills Ltd.

Process

- State of the art machinery facility in all technical departments.
- Automation system is core Strength.
- Smart energy management system.
- Compact system to produce high quality production with average quality raw material.

People

- Technically sound, and experience staff.
- Low turnover rate, even in Non-management staff.

Strengths

Strategic Planning – Scan (SWOT Analysis of Mahmood Textile Mills Ltd.)

Financial

Customer

Process

People

- High dependence on the banks.

- Relying on a few major clients can be risky, as losing one could significantly impact revenue.

- Availability of raw material wrt quality & quantity.

Weakness

Strategic Planning – Scan (SWOT Analysis of Mahmood Textile Mills Ltd.)

Financial

Customer

Process

People

Opportunities

- Because of overwhelming response for apparel unit, there is opportunity to increase the export sales.
- Export sales are directly benefit for reduce rate finance.
- Apparel unit can be integrated with further expansion of in line of work wear and jackets.
- Denim slub / Lycra yarn are the opportunity.
- Local sales to LC based special purchased orders, is the benefit for the organization.
- Energy mix can be further improve with shift on the further alternatives i.e Biomass.

Strategic Planning – Scan

(SWOT Analysis of Mahmood Textile Mills Ltd.)

	Financial	Customer	Process	People
Threats	<ul style="list-style-type: none">• Current economic situation is threat for the business.• Current inflation rates, high finance cost, high energy rates are threats.	<ul style="list-style-type: none">• In a saturated market, customers may easily switch for better prices or trends.• Economic instability can affect consumer spending, leading to reduced demand for textile products.	<ul style="list-style-type: none">• Energy crisis is the issue of survival.• Changes in trade policies and regulations can impact operations, especially if the company looks to expand internationally.	<ul style="list-style-type: none">• New units are hunting trained staff from Mahmood Textile Mills Ltd.



Strategic Planning – Inspiration (Financial Vision 2027)

Business	Revenue PKR (Current)	Revenue PKR (FY 26-2027)
Mahmood Textile Mills Ltd.	66.3 billion	90.0 billion

Strategic Planning – Shared Corporate Values

- 1: Quality
- 2: Respect
- 3: Systems
- 4: Clear Communication
- 5: Planned Growth
- 6: Continuous Research & Development
- 7: Commitment
- 8: Sharia Compliant Financing

Strategic Planning – Corporate & Business Strategy

Corporate Strategy of Mahmood Textile Mills Ltd.

- Finalize feasibility study of further expansion of apparel unit maximum till end of Dec-24.

Business Strategy Mahmood Textile Mills Ltd.

Business strategy for **Mahmood Textile Mills Ltd.** will be “Cost Leadership”

Functional Strategy of Mahmood Textile Mills Ltd.

- Innovation in all segments.

**Balanced Scorecard
(2024 – 2025)**

Mahmood Textile Mills Ltd.

Balanced Scorecard

Overview

- This balanced scorecard is an official document of Mahmood Textile Mills Ltd. with an objective to clear the strategic direction of all segments for next Year (July 2024 to June 25).
- The strategic planning covered:
 - Financial Targets
 - Non- Financial Targets

Financial Aims of Mahmood Textile Mills Ltd. – (2024-25)

- **Revenue:**
 - Targeted Revenue: **82 billion**
- **Gross Profit:**
 - Targeted Gross Profit: **14.5%** (Current 14%)
- **Net Profit:**
 - Targeted Net Profit: **1.03%** (Current 0.4%)

Customer Aims of Mahmood Textile Mills Ltd. – (2024-25)

- Sale in Local Market: **50% of revenue**
- Export Sale: **50% of revenue**
 - * **Note:** Sale based on Cost Benefit Analysis , irrespective of above ratios
- No. of Customer Complaints (Non-Financial): **0 / Month**
- Financial Claims by Customers(Including Sale Return): **0%**
- Avg. Sales Receivables Days : **30 Days**
- Overdues: Above **5 working days** from agreed payment terms.
- Max Stock Levels : 10 days production
- Level of Customer Satisfaction (Quarterly Survey): **80% above**

Processes Aims – (2024-25)

Targets / Sales	Target FY 2024-25	Last Year 2022-23
▪ Raw Material to Sales % =	71.68%	76.61%
▪ Power to Sales % =	5.95%	6.68%
▪ Labour to Sales % =	4.74%	4.20%
▪ Mills Store to Sales % =	1.50%	2.07%
▪ Packing Material to Sales % =	0.65%	0.74%
▪ Other Expenses to Sales% =	0.26%	0.39%
Targets / Manufacturing		
▪ Raw Material to Manufacturing % =	82.20%	82.27%
▪ Power to Manufacturing % =	6.82%	7.17%
▪ Labour to Manufacturing % =	5.43%	4.51%
▪ Mills Store to Manufacturing % =	1.18%	2.22%
▪ Packing Material to Manufacturing % =	0.75%	0.80%
▪ Other Expenses to Manufacturing% =	0.30%	0.42%

Processes Aims – (2024-25)

▪ Audit Targets

Target FY 2024-25

- Transactional Audit
 - Pre Audit of all purchase (R.M , store etc.) orders = Same day / 8 working hours
 - Pre Audit of all Payments (R.M, store etc.) = 8 working hours
 - Sales Order Audit before approval= 4 working hours
 - Stock Take = 1st of each month through the year

Accounts & Finance

- Reporting Targets = Management accounts prepared and presented to BOD till 10th of every month.
- Coordination & Support Targets= Provide data, analysis and workings to all concerned timely when and where needed.
- Budgeting= Annual organizational budget prepare and approved from BOD before 30th of September.
- Cash flow Targets= Monthly projected cash flow with variance analysis presented to BOD up to 10th of each subsequent month.
- Cost analysis of Spin plan= Cost analysis (budgeted Vs actual) & development of projection in coordination with related GM.
- Costing & Price of Contract = Verified at the time of contract / sale order approval.

▪ MIS & IT

- ERP Development Targets successful Implementation of oracle fusion.
- Networking Targets IT Infrastructure (all devices, computers, switches, cables etc.) is properly maintained and in working condition throughout the year.
- Security Targets Zero data loss and 100% safe from virus and hacking attacks. Regular Data backups as per policy.
- Downtime Targets Network & ERP Down time including emergencies & maintenance under 24 hours annually.

Processes Aims – (2024-25)

- **Quality Assurance**

- Develop & Implementation of Quality Standards (cotton quality standard, yarn quality standard, maintenance quality standard) 31st Dec, 2024.
- Waste Reduction Target (to be decided 31st Dec, 2024.)

- **Maintenance / Repairs**

- Development & Implementation of Preventive Maintenance Plan (31st Dec, 2024 submission of approved plan)
- Maintenance Budget (31st Dec, 2024 submission of approved plan)
- Maintenance Consumption Report (10th of each month along with accounts)

Developed By:

Approved By: