



5<sup>th</sup>  
ANNIVERSARY



**3<sup>rd</sup> Quarterly Accounts**

March 31, 2021



**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 3rd Quarter ended on 31st March 2021.

With the blessings of Almighty ALLAH SWT the Company performed well during the period and quarter because of better management and overwhelming export demand from European countries. Company reported Rs. 719.693 million Profit after tax as compare to last quarter Rs. 240.55 million.

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

## **PRODUCTION DATA**

Production of yarn                      =kgs.      30,862,606  
(Converted into 20 count)

Production of cloth                      =mtrs.      25,559,045  
(Converted into 60 picks)

As of now, new strain of COVID-19 has been reported more dangerous than previous one and Government is taking all efforts and options to control the situation. Management is also keeping constant eyes on this new situation so that timely measures can be taken against any adverse effect.

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: 28th April, 2021

# Condensed Interim Statement of Financial Position

As at March 31, 2021

	(Un-Audited) March 31, 2021 Rupees	(Audited) June 30, 2020 Rupees
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	8,224,128,515	8,581,294,924
Long term investments	4,231,292,269	4,189,562,438
Long term deposits	24,548,291	9,980,881
	12,479,969,075	12,780,838,243
<b>Current Assets</b>		
Stores, spares and loose tools	276,106,964	231,879,387
Stock-in-trade	8,440,111,177	7,059,216,934
Trade debts	2,375,435,843	3,102,628,027
Loans and advances	2,334,225,220	183,371,309
Other receivables	279,816,360	715,604,921
Short term investments	1,672,487,903	725,341,435
Tax refunds due from the Government	718,896,674	603,992,409
Cash and bank balances	26,109,850	45,045,826
	16,123,189,991	12,667,080,248
<b>Total Assets</b>	28,603,159,066	25,447,918,491
<b>Equity and Liabilities</b>		
<b>Capital and Reserves</b>		
Authorized capital		
30,000,000 (June 30, 2020: 30,000,000) ordinary shares of Rs. 10 each	300,000,000	300,000,000
Issued, subscribed and paid-up capital	187,500,000	187,500,000
Capital reserve:		
Capital reserve	7,120,600	7,120,600
Surplus on revaluation of property, plant and equipment	2,687,805,957	2,791,356,716
Revenue reserve - unappropriated profit	6,419,187,179	5,596,683,362
	9,301,613,736	8,582,660,678
<b>Liabilities</b>		
<b>Non-current Liabilities</b>		
Long term financing	5,372,350,070	5,497,569,194
Lease liability	9,100,555	-
Deferred liabilities	174,531,010	104,497,826
<b>Current Liabilities</b>		
Trade and other payables	1,079,606,157	1,760,984,425
Unclaimed dividends	2,386,179	2,438,530
Accrued mark-up	239,698,289	293,505,910
Short term borrowings	11,331,279,737	8,763,773,382
Current maturity of long term liabilities	862,593,333	180,488,546
Taxation	230,000,000	262,000,000
	13,745,563,695	11,263,190,793
<b>Total Liabilities</b>	19,301,545,330	16,865,257,813
<b>Total Equity and Liabilities</b>	28,603,159,066	25,447,918,491
<b>Contingencies and Commitments</b>		

Sd/-  
(KH. MUHAMMAD ILYAS)  
CHAIRMAN

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

Sd/-  
(KH. MUHAMMAD YUNUS)  
DIRECTOR

Sd/-  
(MUHAMMAD AMIN PAL)  
CHIEF FINANCIAL OFFICER

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

As at March 31, 2021

	Quarter Ended		Nine Months Period Ended	
	Jan - Mar 2021 Rupees	Jan - Mar 2020 Rupees	Jul - Mar 2021 Rupees	Jul - Mar 2020 Rupees
<b>Sales - net</b>	7,162,785,605	6,244,636,654	20,305,427,919	19,889,195,788
<b>Cost of Sales</b>	(6,145,756,584)	(5,736,756,806)	(17,911,120,119)	(18,180,563,323)
<b>Gross Profit</b>	1,017,029,021	507,879,848	2,394,307,800	1,708,632,465
<b>Distribution Cost</b>	(97,830,318)	(133,334,729)	(473,403,803)	(484,391,696)
<b>Administrative Expenses</b>	(139,915,702)	(94,202,607)	(418,417,268)	(366,681,029)
<b>Other Expenses</b>	7,812,080	(1,430,000)	(30,100,671)	(6,512,968)
<b>Other Income</b>	12,572,114	3,787,326	125,566,337	237,806,332
	(217,361,826)	(225,180,010)	(796,355,405)	(619,779,361)
<b>Profit from Operations</b>	799,667,195	282,699,838	1,597,952,395	1,088,853,104
<b>Finance Cost</b>	(311,807,846)	(356,688,886)	(912,586,267)	(1,172,354,314)
<b>Share of profit of associates</b>	71,434,580	152,588,810	260,810,738	444,557,408
<b>Profit before Taxation</b>	559,293,929	78,599,762	946,176,866	361,056,198
<b>Taxation</b>	(166,483,370)	(58,608,777)	(226,483,370)	(120,507,459)
<b>Profit after Taxation</b>	392,810,559	19,990,985	719,693,496	240,548,739
<b>Earnings Per Share</b>	20.95	1.07	38.38	12.83

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(MUHAMMAD AMIN PAL)  
CHIEF FINANCIAL OFFICER  
Quarterly Accounts  
March 31, 2021

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

For the quarter and nine months period ended March 31, 2021

	Quarter Ended		Nine Months Period Ended	
	Jan - Mar 2021 Rupees	Jan - Mar 2020 Rupees	Jul - Mar 2021 Rupees	Jul - Mar 2020 Rupees
<b>Profit after Taxation</b>	392,810,559	19,990,985	719,693,496	240,548,739
<b>Other Comprehensive Income for the period</b>				
<b>Items that will not be reclassified subsequently to statement of profit or loss</b>				
Surplus on revaluation of property, plant and equipment - associate	(740,438)	-	(740,438)	26,948,050
<b>Total Comprehensive Income for the period</b>	<u>392,070,121</u>	<u>19,990,985</u>	<u>718,953,058</u>	<u>267,496,789</u>

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CHIEF FINANCIAL OFFICER

# Condensed Interim Statement of Cash Flows (Un-audited)

For the period ended March 31, 2021

Nine months ended

	Jul - Mar 2021 Rupees	Jul - Mar 2020 Rupees
<b>Cash flow from operating activities</b>		
Profit for the period before taxation	946,176,866	(83,501,209)
Adjustments for non-cash charges and other items:		
Depreciation	544,763,287	583,907,919
Gain on disposal of operating fixed assets - net	(1,485,643)	(591,869)
Gain on re-measurement of short term investments	-	(133,623,636)
Gain on sale of short term investments	(53,690,057)	(65,302,540)
Dividend on short term investments	(50,144,212)	-
Duty drawback on export sales	-	(19,198,498)
Markup income on Term Finance Certificates	(9,371,662)	(19,089,790)
Share of profit of associates	(260,810,738)	-
Government grant income	(10,874,763)	-
Finance cost	912,586,267	1,172,354,314
<b>Profit before working capital changes</b>	<b>2,017,149,345</b>	<b>1,434,954,691</b>
<b>Effect on cash flow due to working capital changes (Increase) / decrease in current assets</b>		
Stores, spares and loose tools	(44,227,577)	60,498,994
Stock-in-trade	(1,380,894,243)	1,827,193,799
Trade debts	727,192,184	(1,953,445,686)
Loans and advances	(2,150,853,911)	(1,471,568,097)
Prepayments and other receivables	435,788,561	19,671,744
Sales tax refundable	(88,377,762)	(111,109,890)
<b>(Decrease) / increase in trade and other payables</b>	<b>(681,378,268)</b>	<b>(33,941,155)</b>
	<b>(3,182,751,016)</b>	<b>(1,662,700,291)</b>
<b>Cash generated from operations</b>	<b>(1,165,601,671)</b>	<b>(227,745,600)</b>
Income tax (paid) / received	(214,976,689)	(16,108,885)
<b>Net cash generated from operating activities</b>	<b>(1,380,578,360)</b>	<b>(243,854,485)</b>
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(213,711,235)	(246,187,286)
Sale proceeds / insurance claims of operating fixed assets	27,600,000	10,263,334
Long term investments	-	(100,000,000)
Short term investments - net	(893,456,411)	683,842,767
Proceeds for long term deposits	(14,567,410)	-
Markup income received on Term Finance Certificates	9,371,662	19,089,790
Dividend received	268,484,681	174,671,940
<b>Net cash (used in) / generated from investing activities</b>	<b>(816,278,713)</b>	<b>541,680,545</b>
<b>Cash flow from financing activities</b>		
Long term financing - net	567,760,426	1,673,758,900
Dividend paid	(52,351)	(33,823)
Short term borrowings - net	2,567,506,355	(674,834,007)
Finance cost paid	(966,393,888)	(1,292,198,764)
<b>Net cash used in financing activities</b>	<b>2,177,921,097</b>	<b>(293,307,694)</b>
<b>Net increase in cash and cash equivalents</b>	<b>(18,935,976)</b>	<b>4,518,366</b>
<b>Cash and cash equivalents - at beginning of the period</b>	<b>45,045,826</b>	<b>24,598,057</b>
<b>Cash and cash equivalents - at end of the period</b>	<b>26,109,850</b>	<b>29,116,423</b>

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Quarterly Accounts  
March 31, 2021

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

For the period ended March 31, 2021

	Share Capital	Capital reserves		Revenue reserve	Total
		Capital reserve	Surplus on revaluation of property, plant and equipment	Revenue reserve- Unappropriated profit	
----- Rupees -----					
<b>Balance as at June 30, 2020 (Audited)</b>	187,500,000	7,120,600	2,791,356,716	5,596,683,362	8,582,660,678
<b>Total comprehensive income for the period</b>					
Profit for the period	-	-	-	719,693,496	719,693,496
Other comprehensive income for the period	-	-	(740,438)	-	(740,438)
	-	-	(740,438)	719,693,496	718,953,058
Transfer from revaluation surplus on property, plant and equipment on account of incremental depreciation	-	-	(102,810,321)	102,810,321	-
<b>Balance as at March 31, 2021 (Un-audited)</b>	<b>187,500,000</b>	<b>7,120,600</b>	<b>2,687,805,957</b>	<b>6,419,187,179</b>	<b>9,301,613,736</b>
<b>Balance as at June 30, 2019 (Audited)</b>	150,000,000	7,120,600	2,916,720,253	5,490,667,026	8,564,507,879
<i>Transactions with owners:</i>					
Bonus shares issued during the period in ratio of 25 shares for every 100 shares held	37,500,000	-	-	(37,500,000)	-
<b>Total comprehensive income for the period</b>					
Profit for the period - re-stated	-	-	-	240,548,739	240,548,739
Other comprehensive income for the period	-	-	26,948,050	-	26,948,050
	-	-	26,948,050	240,548,739	267,496,789
Transfer from revaluation surplus on property, plant and equipment on account of incremental depreciation	-	-	(114,233,686)	114,233,686	-
<b>Balance as at March 31, 2020 (Un-audited)</b>	<b>187,500,000</b>	<b>7,120,600</b>	<b>2,829,434,617</b>	<b>5,807,949,451</b>	<b>8,832,004,668</b>

## 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 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.

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# BOOK POST

Printed Matter

UNDER POSTAL CERTIFICATE

To,



## Mahmood Textile Mills Limited

📍 Head Office: Mehr Manzil, O/s Lohari Gate,

🏠 P.O. Box 28, Multan - Pakistan.

☎ (92 61) 111 181 181

📠 (92 61) 4511262, 4549711

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