



MAHMOOD TEXTILE MILLS LIMITED

3rd QUARTERLY
ACCOUNTS
March 31,

2023

Directors' Review to Shareholders

The Directors of Mahmood Textile Mills Limited are pleased to present its review report along with un-audited financial results of your Company for the 3rd Quarter ended on 31st March 2023.

By the grace of ALMIGHTY ALLAH, Company earned a net profit of Rs. 127 million as compared to Rs. 2,581 million for the corresponding period. However, the textile sector faced challenges in achieving desired results due to inconsistent government policies.

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

PRODUCTION DATA

Production of yarn = 32,558,614 kgs.
(Converted into 20 count)

Production of cloth = 34,435,473 mtrs.
(Converted into 60 picks)

To achieve sustained economic growth and prosperity, Pakistan needs to implement structural reforms that address managing trade deficits, attracting investment, and improving productivity. It's crucial to create a concrete cotton policy by involving all stakeholders and with the right policies and investments, the domestic textile industry can transform and boost economic activity.

Looking ahead, there is potential for better financial results in the coming quarters if the government supports the textile industry by providing relief on energy tariffs, subsidizing finance costs, and ease on LCs restriction for the import of cotton.

Acknowledgment

Lastly, the directors would like to extend their heartfelt appreciation to all employees of the company for their commitment and efficiency at all levels. They would also like to express their gratitude to shareholders, banks, customers, and suppliers for their cooperation and support. The directors hope to continue receiving their committed support in the future as well.

For and on behalf of the board

sd/-
(KHAWAJA MUHAMMAD IQBAL)
Chief Executive Officer

sd/-
(KHAWAJA MUHAMMAD YOUNUS)
Director

Multan:

Dated: 28 April, 2023

Condensed Interim Statement of Financial Position (Un-audited)

As At March 31, 2023

	31 Mar, 2023 Rupees	30 June, 2022 Rupees
ASSETS		
Non-current assets		
Property, plant and equipment	14,685,927,630	13,938,791,211
Intangible Asset	5,884,567	6,923,021
Long term investments	5,113,120,479	5,114,375,783
Long term deposits	53,814,135	53,425,459
	19,858,746,811	19,113,515,474
Current assets		
Stores, spares and loose tools	713,433,589	394,641,552
Stock in trade	15,481,837,317	11,638,417,719
Trade debts	9,303,762,634	6,281,030,886
Loans and advances	681,516,199	702,190,915
Other receivables	232,081,030	163,147,940
Short term investments	289,870,544	324,774,381
Tax refunds due from the Government	1,774,721,256	1,128,486,383
Cash and bank balances	30,892,640	46,905,744
	28,508,115,209	20,679,595,520
TOTAL ASSETS	48,366,862,020	39,793,110,994
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	2,446,679,907	2,529,956,267
Revenue reserve - Unappropriated profit	9,949,194,992	9,926,512,816
	12,590,495,499	12,651,089,683
Liabilities		
Non-current liabilities		
Long term financing	9,294,267,893	7,961,524,634
Lease liabilities	42,296,268	25,224,449
Deferred liabilities	519,973,641	558,445,492
Current liabilities		
Trade and other payables	3,097,614,494	4,126,396,054
Unclaimed dividends	3,699,839	3,051,775
Accrued mark-up	828,681,100	483,435,874
Short term borrowings	20,225,123,606	12,211,809,855
Current maturity of long term liabilities	1,047,960,016	1,177,961,657
Taxation	716,749,664	594,171,521
	25,919,828,719	18,596,826,736
Total liabilities	35,776,366,521	27,142,021,311
TOTAL EQUITY AND LIABILITIES	48,366,862,020	39,793,110,994
Contingencies and commitments		

sd/-
Kh. Muhammad Ilyas
Chairman

sd/-
Kh. Muhammad Iqbal
Chief Executive Officer

sd/-
Kh. Muhammad Younus
Director

sd/-
Yasir Ghaffar
Chief Financial Officer

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

For The Quarter Ended March 31, 2023

	Quarter Ended		Nine Months Ended	
	Jan - Mar 31 Mar, 2023 Rupees	Jan - Mar 31 Mar, 2022 Rupees	Jul - Mar 31 Mar, 2023 Rupees	Jul - Mar 31 Mar, 2022 Rupees
Sales - net	14,131,087,765	10,443,100,915	37,841,404,765	29,103,581,505
Cost of sales	(12,179,203,312)	(8,564,586,925)	(33,024,798,312)	(23,685,200,526)
Gross profit	1,951,884,453	1,878,513,990	4,816,606,453	5,418,380,979
Distribution cost	(264,061,043)	(270,620,390)	(829,282,043)	(801,475,775)
Administrative expenses	(202,477,205)	(242,282,640)	(852,591,205)	(677,010,215)
Other expenses	30,034,076	(86,205,703)	(62,843,924)	(271,648,570)
Other income	(92,958,328)	(30,159,075)	49,422,672	41,060,986
Profit from operations	1,422,421,953	1,249,246,182	3,121,311,953	3,709,307,405
Finance cost	(1,232,533,175)	(471,573,633)	(2,696,971,175)	(1,166,251,414)
Share of profit of associates	87,231,000	189,413,763	261,693,000	542,949,479
Profit before taxation	277,119,778	967,086,312	686,033,778	3,086,005,470
Taxation	(260,410,962)	(211,182,651)	(559,127,962)	(504,827,473)
Profit after taxation	16,708,816	755,903,661	126,905,816	2,581,177,997
Earnings per share	0.89	40.31	6.77	137.66

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Chief Executive Officer

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Kh. Muhammad Younus
Director

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Yasir Ghaffar
Chief Financial Officer

Condensed Interim Statement of Comprehensive Income (Un-audited)

For The Quarter Ended March 31, 2023

	Quarter Ended		Nine Months Ended	
	Jan - Mar 31 Mar, 2023 Rupees	Jan - Mar 31 Mar, 2022 Rupees	Jul - Mar 31 Mar, 2023 Rupees	Jul - Mar 31 Mar, 2022 Rupees
Profit after taxation	16,708,816	755,903,661	126,905,816	2,581,177,997
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	16,708,816	755,903,661	126,905,816	2,581,177,997

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

For The Quarter Ended March 31, 2023

	Capital reserves			Revenue reserve	Total	
	Capital reserve	Surplus on revaluation of property, plant and equipment	Fair value gain on long term investment	Unappropriated profit		
	----- Rupees -----					
Balance as at June 30, 2021	187,500,000	7,120,600	2,653,328,652	15,650,000	7,074,367,128	9,937,966,380
Total Comprehensive income for the year						
Transactions with the owners						
100 % cash dividend for the year ended June 30, 2021	-	-	-	-	(187,500,000)	(187,500,000)
Profit for the year	-	-	-	-	3,178,195,303	3,178,195,303
Other comprehensive income for the year	-	-	-	(277,572,000)	-	(277,572,000)
	-	-	-	(277,572,000)	3,178,195,303	2,900,623,303
Reclassification adjustment on account of deemed disposal due to approval of scheme of arrangement	-	-	-	261,922,000	(261,922,000)	-
Transfer from revaluation surplus on property, plant and equipment on account of incremental depreciation	-	-	(123,372,385)	-	123,372,385	-
Balance as at June 30, 2022	187,500,000	7,120,600	2,529,956,267	-	9,926,512,816	12,651,089,683
Total Comprehensive income for the year						
Transactions with the owners						
100 % cash dividend for the year ended June 30, 2022	-	-	-	-	(187,500,000)	(187,500,000)
Profit for the period	-	-	-	-	126,905,816	126,905,816
Other comprehensive income for the period	-	-	-	-	-	-
	-	-	-	-	126,905,816	126,905,816
Transfer from revaluation surplus on property, plant and equipment on account of incremental depreciation	-	-	(83,276,360)	-	83,276,360	-
Balance as at March 31, 2023	187,500,000	7,120,600	2,446,679,907	-	9,949,194,992	12,590,495,499

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 30-06-2022.
3. 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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Chief Financial Officer

Condensed Interim Statement of Cash Flows (Un-audited)

For The Quarter Ended March 31, 2023

	Jul - Mar 31 Mar, 2023 Rupees	Jul - Mar 31 Mar, 2022 Rupees
Cash flows from operating activities		
Profit for the year - before taxation and share of profit of associates	424,340,778	2,543,055,991
Adjustments for non-cash charges and other items:		
Depreciation	840,764,213	624,355,500
Amortization	1,253,909	-
Gain on disposal of operating fixed assets - net	(8,886,428)	(1,237,503)
Gain on sale of short term investments	(8,997,739)	(9,564,683)
Dividend income and markup on TFC's	(30,531,131)	(27,297,303)
Finance cost	2,696,971,175	1,166,251,414
Profit before working capital changes	3,914,914,777	4,295,563,416
Effect on cash flows due to working capital changes		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(318,792,037)	(254,335,888)
Stock in trade	(3,843,419,598)	(1,252,314,757)
Trade debts	(3,022,731,748)	(3,000,860,371)
Loans and advances	20,674,716	(814,676,880)
Other receivables	(68,933,090)	173,837,250
Sales tax refunds	(651,021,038)	(254,128,840)
Increase / (decrease) in trade and other payables	(1,067,253,411)	440,107,670
	(8,951,476,206)	(4,962,371,816)
Cash used in operations	(5,036,561,429)	(666,808,400)
Income tax paid	(431,763,654)	(266,578,415)
Net cash used in operating activities	(5,468,325,083)	(933,386,815)
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,650,933,762)	(3,924,249,041)
Sale proceeds of operating fixed assets	71,704,101	63,472,883
Short term investments - net	43,901,576	(67,879,327)
Long term deposits	(388,676)	(1,025,820)
Dividends and profit on TFC's	293,479,416	205,969,243
Net cash used in investing activities	(1,242,237,345)	(3,723,712,062)
Cash flows from financing activities		
Long term financing - net	1,202,741,618	2,143,326,333
Lease liabilities	17,071,819	11,476,850
Dividend paid	(186,851,936)	(186,834,055)
Short term borrowings - net	8,013,313,751	3,755,686,037
Finance cost paid	(2,351,725,928)	(1,124,447,155)
Net cash generated from/(used in) financing activities	6,694,549,324	4,599,208,010
Net increase in cash and cash equivalents	(16,013,104)	(57,890,867)
Cash and cash equivalents - at beginning of the year	46,905,744	97,604,558
Cash and cash equivalents - at end of the year	30,892,640	39,713,691

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- ✉ mtm@mahmoodgroup.com
- 🌐 www.mahmoodgroup.com