

MAQBOOL TEXTILE MILLS LTD.

DIRECTORS' REVIEW

Dear Shareholders,

Your Directors are pleased to present before you the financial statements of your Company for the nine months and the third quarter ending on March 31, 2020.

Considering the gravity of effect of the pandemic Coronavirus (COVID-19) on the public health and the ORDER of the Government of the Punjab dated 23.03.2020, for immediate lockdown, the operations of the mills were closed on 23rd March 2020 and are still closed. However, the Government of Pakistan is taking necessary measures for the revival of the industry currently facing huge problems due to lockdown in the world, resultantly the whole economy of the country is depressed and we are also victim of the same.

During the period under report, despite increase in the prices of raw material i.e. Cotton and Polyester Fibre without corresponding increase in prices of yarn the Company has performed quite better financial results. The prices of Polyester Fibre and Cotton went up following the devaluation of Pakistani rupee against international currencies. The total sales, for the period were **Rs.4,863,158,948/-** & **Rs.1,588,647,603/-** for the nine months and the third quarter ended on March 31, 2020 respectively as compared to **Rs.4,232,663,562/-** & **Rs.1,707,738,518/-** for the nine months and the third quarter respectively last year. Under the circumstances, your Company earned **Pre-Tax Profit of Rs.115,489,681/-** for the nine months period ending on March 31, 2020 which after providing the tax liability amounted to **Rs.39,699,282/-** and for the third quarter ending on March 31, 2020 the **Pre-Tax profit of Rs.33,628,918/-** which after providing the tax liability amounted to **Rs.13,749,318/-**

We sincerely believe and hope that by the grace of Almighty Allah the current situation improves soon and mills will start its operations where after the recovery of financial position of the Company is expected.

On behalf of the Board

Sd/-

Mian Tanvir Ahmad Sheikh
Chairman

Place: Multan

Dated: 29-04-2020

BALANCE SHEET
AS AT MARCH 31, 2020
(Un-Audited)

	March 31, 2020 Rupees	June 30, 2019 Rupees
ASSETS		
Non-current assets		
Property, plant and equipment	2,755,678,159	2,736,661,344
Long term deposits	8,181,889	5,770,489
	2,763,860,048	2,742,431,833
Current assets		
Stores and spares	56,010,791	54,147,768
Stock in trade	1,396,801,727	994,564,051
Trade debts	598,771,139	641,645,181
Loans and advances	52,096,720	52,473,293
Prepayments	221,803	221,803
Sales tax refundable	103,578,050	105,992,408
Advance tax	132,570,325	127,172,323
Export rebate refundable	46,140,920	46,755,973
Cash and bank balances	2,816,550	20,709,594
	2,389,008,024	2,043,682,394
Total assets	5,152,868,072	4,786,114,227
EQUITY AND LIABILITIES		
Share capital and reserves		
Share capital	168,000,000	168,000,000
General reserve	168,000,000	168,000,000
Surplus on revaluation of property, plant and equipment - net of deferred tax	1,152,475,600	1,187,724,930
Unappropriated profits	417,217,248	370,168,634
	1,905,692,848	1,893,893,564
Non-current liabilities		
Long term financing	317,993,360	194,699,513
Long term loans from related parties	68,899,311	64,092,383
Liabilities against assets subject to finance lease	12,889,108	3,830,930
Deferred taxation	315,293,254	306,595,062
Staff retirement benefits - gratuity	40,041,828	30,900,229
	755,116,861	600,118,117
Current liabilities		
Trade and other payables	454,759,800	619,229,640
Accrued mark up	62,658,010	40,128,194
Short term borrowings	1,833,920,605	1,491,226,230
Unclaimed dividend	3,052,032	3,052,032
Unpaid dividend	14,832,734	3,218,372
Current portion of long term financing	55,030,001	74,338,672
Current portion of liabilities subject to finance lease	712,973	712,973
Provision for tax	67,092,207	60,196,433
	2,492,058,363	2,292,102,546
Contingencies and commitments	-	-
Total equity and liabilities	5,152,868,072	4,786,114,227

Chief Executive Officer

Director

Chief Financial Officer

PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED MARCH 31, 2020
(Un-Audited)

	Jul. 01, 2019 to Mar. 31, 2020 Rupees	Jul. 01, 2018 to Mar. 31, 2019 Rupees	Jan. 01, 2020 to Mar. 31, 2020 Rupees	Jan. 01, 2019 to Mar. 31, 2019 Rupees
Sales	4,863,158,948	4,232,663,562	1,588,647,603	1,707,738,518
Cost of goods sold	(4,390,287,825)	(3,912,257,416)	(1,452,891,484)	(1,593,046,846)
Gross Profit	472,871,123	320,406,146	135,756,119	114,691,672
Other operating income	773,408	26,928,916	749,894	4,633,598
	473,644,531	347,335,062	136,506,013	119,325,270
Distribution cost	(51,255,236)	(44,627,611)	(17,516,573)	(14,575,837)
Administrative expenses	(94,738,575)	(80,711,241)	(22,838,101)	(20,974,783)
Other operating expenses	(11,376,909)	(2,242,868)	6,713,715	-
	(157,370,720)	(127,581,720)	(33,640,959)	(35,550,620)
Finance cost	(199,284,130)	(117,139,492)	(67,736,136)	(45,846,432)
Profit before taxation	116,989,681	102,613,850	35,128,918	37,928,218
Provision for Taxation	(75,790,399)	(61,519,416)	(19,879,600)	(27,763,556)
Profit for the period	41,199,282	41,094,434	15,249,318	10,164,662
Other comprehensive profit/(loss) for the period - net of tax	-	-	-	-
	41,199,282	41,094,434	15,249,318	10,164,662
Earnings per share	2.45	2.45	0.91	0.61

NOTES TO THE ACCOUNTS

- 1- These un-audited financial statements are being presented to the shareholders as required under SECP Notification No. SRO 746(1)2001 dated 05-11-2001 and in accordance with the requirements of International Accounting Standard-34 "Interim Financial Reporting".
- 2- Accounting policies adopted for the preparation of these quarterly accounts are the same as adopted in the preceding periodic financial statements.
- 3- Figures in these accounts have been rounded off to the nearest rupee.

Chief Executive Officer

Director

Chief Financial Officer

CASH FLOW STATEMENT
FOR THE PERIOD ENDED MARCH 31, 2020
(Un-Audited)

	March 31, 2020 Rupees	March 31, 2019 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	116,989,681	102,613,850
Adjustments for:		
Depreciation	94,475,080	65,164,293
Provision for gratuity	21,536,346	15,320,927
Finance cost	199,284,130	117,139,492
	<u>315,295,556</u>	<u>197,624,712</u>
Operating cash flows before working capital changes	432,285,237	300,238,562
(Increase)/decrease in current assets		
Stores and spares	(1,863,023)	(4,905,613)
Stock-in-trade	(402,237,676)	(245,101,543)
Trade debts	42,874,043	20,743,197
Loans and advances	376,573	(2,300,749)
Trade deposits and short-term prepayments	(2,411,400)	-
Tax refunds due from government	2,414,358	(16,525,130)
Export rebate refundable	615,053	2,099,905
	<u>(360,232,071)</u>	<u>(245,989,933)</u>
(Decrease)/increase in current liabilities		
Trade and other payables	(164,469,840)	153,922,770
Cash generated from operations	<u>(92,416,674)</u>	<u>208,171,399</u>
Income tax paid	(65,594,435)	(46,956,222)
Gratuity paid	(12,394,747)	(4,088,445)
Finance cost paid	(171,947,386)	(100,940,402)
	<u>(249,936,569)</u>	<u>(151,985,069)</u>
Net cash generated from operating activities	(342,353,243)	56,186,330
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(113,491,895)	(224,794,766)
Net cash used in investing activities	(113,491,895)	(224,794,766)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of Long-term finances	113,043,360	87,002,207
Short-term borrowings - net	342,694,374	40,165,047
Dividend paid	(17,785,641)	(19,963,808)
Net cash used in financing activities	437,952,093	107,203,446
Net increase/(decrease) in cash and cash equivalents	<u>(17,893,045)</u>	<u>(61,404,990)</u>
Cash and cash equivalents at the beginning of the year	20,709,594	72,989,814
Cash and cash equivalents at the end of the period	<u>2,816,550</u>	<u>11,584,824</u>

Chief Executive Officer

Director

Chief Financial Officer

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED MARCH 31, 2020
(Un-Audited)**

	Share capital	Capital Reserve	Revenue reserves		Total
	Issued, subscribed and paid-up	Surplus on revaluation of Property, Plant and Equipment	General reserve	Unappropriated profit	
	----- Rupees -----				
Balance as at July 01, 2018	168,000,000	680,437,132	168,000,000	275,898,262	1,292,335,394
Profit for the nine months ended March 31, 2019	-	-	-	41,094,434	41,094,434
Other comprehensive income for the period	-	-	-	-	-
	-	-	-	41,094,434	41,094,434
Transactions with shareholders:					
Dividend for the year ended June 30, 2018 @ Rs. 1.25 per share	-	-	-	(21,000,000)	(21,000,000)
Transfer to unappropriated profit on account of incremental depreciation on surplus of revaluation of property, plant & machinery	-	(16,454,570)	-	16,454,570	-
Present value adjustment on loan from related parties	-	-	-	2,360,023	2,360,023
Balance as at March 31, 2019	168,000,000	663,982,562	168,000,000	314,807,289	1,314,789,851
Balance as at July 01, 2019	168,000,000	1,187,724,932	168,000,000	370,168,634	1,893,893,566
Profit for the nine months ended March 31, 2019	-	-	-	41,199,282	41,199,282
Other comprehensive income for the period	-	-	-	-	-
	-	-	-	41,199,282	41,199,282
Transactions with shareholders:					
Dividend for the year ended June 30, 2019 @ Rs. 1.75 per share	-	-	-	(29,400,000)	(29,400,000)
Transfer to unappropriated profit on account of incremental depreciation on surplus of revaluation of property, plant & machinery	-	(35,249,332)	-	35,249,332	-
Balance as at March 31, 2020	168,000,000	1,152,475,600	168,000,000	417,217,248	1,905,692,848

Chief Executive Officer

Director

Chief Financial Officer