

MASOOD TEXTILE MILLS LIMITED



**ACCOUNTS
FOR THE THIRD QUARTER ENDED
31 MARCH 2018**

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COMPANY INFORMATION

CHAIRMAN	: MR. NASEER AHMAD SHAH
CHIEF EXECUTIVE OFFICER	: MR. SHAHID NAZIR AHMAD
DIRECTORS	: MR. MATLOOB HUSSAIN : MR. FAZAL AHMAD : MR. SHOAIB AHMAD KHAN (Nominee-NIT) : MISS CHEN YAN (Nominee-Shanghai Challenge Textile Co. Ltd.) : MR. SHIBIN YANG (Nominee-Shanghai Challenge Textile Co. Ltd.)
COMPANY SECRETARY	: MR. NISAR AHMAD
CHIEF FINANCIAL OFFICER	: MR. MUHAMMAD SHAHID NAVEED
AUDIT COMMITTEE	: MR. FAZAL AHMAD (Chairman) : MR. NASEER AHMAD SHAH : MR. MATLOOB HUSSAIN
HR & REMUNERATION COMMITTEE	: MR. MATLOOB HUSSAIN (Chairman) : MR. SHAHID NAZIR AHMAD : MR. FAZAL AHMAD
AUDITORS	: M/S. RIAZ AHMAD & COMPANY CHARTERED ACCOUNTANTS
SHARE REGISTRAR	: ORIENT SOFTWARE & MANAGEMENT SERVICES (PVT) LIMITED 35-Z, AMEER PLAZA, OPP: MUJAHID HOSPITAL COMMERCIAL CENTRE, MADINA TOWN, FAISALABAD. PHONE:041-8711930-8715759 FAX:041-8711930
REGISTERED OFFICE	: UNIVERSAL HOUSE, P-17/1, NEW CIVIL LINES, BILAL ROAD, FAISALABAD. PHONE: 041-2600176-276 FAX: 041-2600976
MILLS	: 32-K.M., SHEIKHUPURA ROAD, FAISALABAD.

DIRECTORS' REPORT TO THE MEMBERS

The directors of Masood Textile Mills Limited ("the Company") are pleased to present the un-audited financial statements of the Company for the third quarter ended 31st March, 2018 along with consolidated results of nine months with the comparative figures of the previous corresponding period.

The Company has increased its profitability for the quarter ended 31 March 2018 from Rupees 260.512 million to Rupees 272.332 million as compared to corresponding quarter of the last year. Total sales for the third quarter ended reflected a growth of 20.92 % over the last corresponding period. During the nine months ended 31 March 2018, profit after tax increased from Rupees 613.725 million to Rupees 721.791 million as compared to corresponding period of last year. Resultantly, earnings per share for the nine months ended 31 March 2018 also increased from Rupees 8.81 per share to Rupees 10.41 per share. Financial charges increased due to capitalization and BMR to support the growing export business.

Better management and efficient use of resources was the reason for these sustainable results despite of increase in minimum wages, fuel cost and raw material prices. Recent recovery in textile exports was largely due to incentive package announced by the Government of Pakistan in January 2017 and its extension with some conditions till June 30, 2018.

Local currency sharply devalued in March 2018 and provided some respite in margins and volumes. On the other hand rise in input costs particularly of energy prices, continued liquidity pressure due to blockage of tax refunds, increasing competition of regional players, increase in rate of minimum wages and lack of sales tax refunds on packing material used in exports has negatively impacted the industry.

Despite all these challenges, the management is committed for improvement in performance through better supply chain management, winning customer confidence, improved capacity utilization and efficient cost management. In line with our tradition we remain focused on improving overall performance through an ongoing process of BMR. The management is hopeful for better performance of the company in the long run.

The board of directors convey their gratitude to the members of the Company, banks, financial institutions and customers, whose cooperation and support enabled the company to attain constant improvement. We also wish to place on record our appreciation for dedication and diligence of the employees.

FOR AND ON BEHALF OF THE BOARD,

FAISALABAD:
28 April, 2018

DIRECTOR

DIRECTOR

ڈائریکٹرز رپورٹ برائے ممبران

مسعود ٹیکسٹائل ملز لمیٹڈ کے ڈائریکٹران 31 مارچ 2018ء کی تیسری سہ ماہی اور مجموعی غیر آڈٹ شدہ مالیاتی گوشواروں کے نتائج بشمول پچھلی نو ماہی کے تقابلی اعداد و شمار کے ساتھ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

کمپنی نے 31 مارچ 2018ء کی سہ ماہی میں 272.332 ملین روپے کا منافع کمایا جو پچھلی اسی مدت کی سہ ماہی میں 260.512 ملین روپے کے منافع سے زیادہ ہے اس سہ ماہی کی کل فروخت میں اضافہ پچھلی اسی مدت کے مقابلے میں %20.92 فیصد بڑھوتری کی شرح کی عکاسی کرتا ہے۔ کمپنی نے 31 مارچ 2018ء کی نو ماہی میں 721.791 ملین روپے خالص منافع کمایا جو کہ پچھلے اسی مدت کے دوران 613.725 ملین روپے خالص منافع سے زیادہ ہے۔ نتیجتاً 31 مارچ 2018ء کو اختتام پذیر نو ماہی میں فی حصص کمائی 8.81 روپے سے بڑھ کر 10.41 روپے ہو گئی ہے۔ بڑھتے ہوئے برآمدی کاروبار میں اضافہ کی مدد کے لئے کی گئی سرمایہ کاری اور BMR کی وجہ سے مالی اخراجات میں اضافہ ہوا ہے۔

کم از کم اجرت، ایندھن اور خام مال کی قیمتوں میں اضافے کے باوجود بہترین انتظامی امور اور وسائل کا موثر استعمال، مستحکم نتائج کا سبب ہے۔ حالیہ ٹیکسٹائل برآمدات میں اضافہ گورنمنٹ آف پاکستان 2017ء کے اعلان کردہ رعایتی ٹیکس اور اس میں 30 جون 2018ء تک چند شرائط کے ساتھ توسیع کی وجہ سے ہے۔

مارچ 2018ء میں مقامی کرنسی کی قدر میں کمی کی وجہ سے منافع کی شرح اور مقدار میں قدرے اضافہ ہوا ہے۔ جب کے دوسری طرف پیداواری لاگت میں اضافہ، خاص کر کے توانائی کی قیمتوں میں اضافہ، ٹیکس ریٹیفیڈ زکی ادائیگیوں میں کمی کی وجہ سے مالی حالات پر مسلسل دباؤ، علاقائی حربیوں میں بڑھتی ہوئی مقابلہ بازی، کم از کم اجرت میں اضافہ، برآمدات میں استعمال ہونے والے پیکیٹ میٹریل پر سبز ٹیکس ریٹیفیڈ زکی عدم دستیابی نے صنعت پر منفی اثر چھوڑا ہے۔

ان تمام تر درپیش چیلنجز کے باوجود انتظامیہ کارکردگی میں بہتری لانے کے لئے بہترین سہ ماہی جین مینجمنٹ، صارفین کے اعتماد کی بحالی، پیداواری گنجائش اور پیداواری لاگت کے موثر استعمال کے لئے سرگرم عمل ہے۔ اپنی روایات کو قائم رکھتے ہوئے ہم نے ہمیشہ کارکردگی میں بہتری کے لئے BMR جیسے اقدامات پر توجہ دی ہے۔ انتظامیہ کمپنی کی کثیر المدد بہترین کارکردگی کے لئے پرامید ہے۔

بورڈ اپنے حصص یافتگان، بینکوں اور مالیاتی اداروں اور گاہکوں کا تہہ دل سے شکر گزار ہے جن کے تعاون اور مدد نے کمپنی کو مسلسل بہتری حاصل کرنے کے قابل بنایا ہے۔ ہم اپنی کمپنی کے ملازمین کی انتھک محنت اور کاوشوں پر اظہار مسرت کرتے ہیں۔

از طرف بورڈ

MASOOD TEXTILE MILLS LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2018

	Note	UN-AUDITED 31 March 2018	AUDITED 30 June 2017
(Rupees in Thousand)			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
125 000 000 (30 June 2017: 125 000 000)			
ordinary shares of Rupees 10 each		1,250,000	1,250,000
60 000 000 (30 June 2017: 60 000 000)			
preference shares of Rupees 10 each		600,000	600,000
		<u>1,850,000</u>	<u>1,850,000</u>
Issued, subscribed and paid up share capital		986,666	986,666
Reserves		8,038,895	7,460,699
Total Equity		<u>9,025,561</u>	<u>8,447,365</u>
Surplus on revaluation of freehold land		900,234	900,234
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	5	4,697,473	5,119,282
Liabilities against assets subject to finance lease		10,282	22,657
Deferred liability for gratuity		721,961	609,886
		<u>5,429,716</u>	<u>5,751,825</u>
CURRENT LIABILITIES			
Trade and other payables		2,592,093	1,961,552
Accrued mark-up		182,328	126,698
Short term borrowings		12,846,013	8,907,948
Current portion of non-current liabilities		1,302,591	686,368
Unclaimed dividend		11,605	10,433
Provision for taxation		161,421	106,187
		<u>17,096,051</u>	<u>11,799,186</u>
TOTAL LIABILITIES		<u>22,525,767</u>	<u>17,551,011</u>
CONTINGENCIES AND COMMITMENTS	6		
TOTAL EQUITY AND LIABILITIES		<u>32,451,562</u>	<u>26,898,610</u>
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	9,689,726	8,377,317
Long term advances		89	8,149
Long term security deposits		58,162	47,387
		<u>9,747,977</u>	<u>8,432,853</u>
CURRENT ASSETS			
Stores, spare parts and loose tools		1,583,201	1,312,255
Stock-in-trade		8,269,137	6,916,511
Trade debts		7,970,440	5,618,714
Loans and advances		502,219	354,523
Short term deposits and prepayments		887,549	688,858
Other receivables		2,637,651	2,672,080
Cash and bank balances		853,388	902,816
		<u>22,703,585</u>	<u>18,465,757</u>
TOTAL ASSETS		<u>32,451,562</u>	<u>26,898,610</u>

The annexed notes form an integral part of this condensed interim financial information.

Statement under section 232(1) of the Companies Act, 2017:

The Chief Executive Officer of the Company is presently out of the country. Therefore this condensed interim financial information has been signed by two Directors and Chief Financial Officer as required under section 232(1) of the Companies Act, 2017.

DIRECTOR

DIRECTOR

CHIEF FINANCIAL OFFICER

MASOOD TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS
FOR THE QUARTER / PERIOD ENDED 31 MARCH 2018
(UN-AUDITED)

	Period Ended		Quarter Ended	
	31 Mar 2018	31 Mar 2017	31 Mar 2018	31 Mar 2017
	----- (Rupees in Thousand) -----			
REVENUE	19,919,438	17,543,385	7,284,902	6,024,435
COST OF SALES	(17,220,399)	(14,890,609)	(6,390,862)	(5,044,449)
GROSS PROFIT	2,699,039	2,652,776	894,040	979,986
DISTRIBUTION COST	(1,355,387)	(1,186,520)	(507,417)	(406,779)
ADMINISTRATIVE EXPENSES	(423,102)	(361,283)	(167,312)	(127,589)
OTHER EXPENSES	(24,164)	(41,805)	(403)	(16,947)
OTHER INCOME	626,549	171,847	325,811	58,935
FINANCE COST	(639,723)	(446,549)	(229,229)	(165,617)
PROFIT BEFORE TAXATION	883,212	788,466	315,490	321,989
TAXATION	(161,421)	(174,741)	(43,158)	(61,477)
PROFIT AFTER TAXATION	721,791	613,725	272,332	260,512
EARNINGS PER SHARE - BASIC (RUPEES)	10.41	8.81	3.94	3.14
- DILUTED (RUPEES)	9.87	8.45	3.77	3.09

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DIRECTOR

DIRECTOR

CHIEF FINANCIAL OFFICER

MASOOD TEXTILE MILLS LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE QUARTER/PERIOD ENDED 31 MARCH 2018

(UN-AUDITED)

	Period Ended		Quarter Ended	
	31 Mar 2018	31 Mar 2017	31 Mar 2018	31 Mar 2017
	------(Rupees in Thousand)-----			
PROFIT AFTER TAXATION	721,791	613,725	272,332	260,512
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss	-	-	-	-
Items that may be reclassified subsequently to profit or loss	-	-	-	-
Other comprehensive income for the period	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	721,791	613,725	272,332	260,512

The annexed notes form an integral part of this condensed interim financial information.

Statement under section 232(1) of the Companies Act, 2017:

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DIRECTOR

DIRECTOR

CHIEF FINANCIAL OFFICER

MASOOD TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2018
(UN-AUDITED)

(Rupees in Thousand)

	RESERVES							TOTAL EQUITY	
	CAPITAL			REVENUE			Total		
	Share Premium	Redemption Fund	Sub Total	General	Unappropriated profit	Sub Total			
Balance as at 30 June 2016(Audited)	948,333	400,000	128,333	528,333	714,500	4,632,722	5,347,222	5,875,556	6,823,888
Transfer from capital redemption reserve fund	-	-	(36,667)	(36,667)	-	36,667	36,667	-	-
Transfer to capital redemption reserve fund	-	-	36,667	36,667	-	(36,667)	(36,667)	-	-
Transactions with owners:									
Preference shares repaid	(36,667)	-	-	-	-	-	-	-	(36,667)
Dividend at the rate of Rupees 4.40 per share (Ordinary shares)	-	-	-	-	-	(264,000)	(264,000)	(264,000)	(264,000)
Dividend at the rate of Rupees 0.88 per share (Preference shares)	-	-	-	-	-	(30,655)	(30,655)	(30,655)	(30,655)
Profit after taxation for the nine months ended 31 March 2017	-	-	-	-	-	613,725	613,725	613,725	613,725
Other comprehensive income for the nine months ended 31 March 2017	-	-	-	-	-	-	-	-	-
Total comprehensive income for the nine months ended 31 March 2017	-	-	-	-	-	613,725	613,725	613,725	613,725
Balance as at 31 Mar 2017(Unaudited)	911,666	400,000	128,333	528,333	714,500	4,951,792	5,666,292	6,194,625	7,106,291
Issue of 12.50 % right shares at premium of Rupees 130 per share	75,000	975,000	-	975,000	-	-	-	975,000	1,050,000
Profit after taxation for the three months ended 30 June 2017	-	-	-	-	-	273,276	273,276	273,276	273,276
Other comprehensive income for the three months ended 30 June 2017	-	-	-	-	-	17,798	17,798	17,798	17,798
Total comprehensive income for the three months ended 30 June 2017	-	-	-	-	-	291,074	291,074	291,074	291,074
Balance as at 30 June 2017(Audited)	986,666	1,375,000	128,333	1,503,333	714,500	5,242,866	5,957,366	7,460,699	8,447,365
Dividend at the rate of Rupees 1.75 per share (Ordinary shares)	-	-	-	-	-	(118,125)	(118,125)	(118,125)	(118,125)
Dividend at the rate of Rupees 0.81 per share (Preference shares)	-	-	-	-	-	(25,470)	(25,470)	(25,470)	(25,470)
Profit after taxation for the nine months ended 31 March 2018	-	-	-	-	-	721,791	721,791	721,791	721,791
Other comprehensive income for the nine months ended 31 March 2018	-	-	-	-	-	-	-	-	-
Total comprehensive income for the nine months ended 31 March 2018	-	-	-	-	-	721,791	721,791	721,791	721,791
Balance as at 31 Mar 2018(Unaudited)	986,666	1,375,000	128,333	1,503,333	714,500	5,821,062	6,535,562	8,038,895	9,025,561

The annexed notes form an integral part of this condensed interim financial information.

Statement under section 232(1) of the Companies Act, 2017:

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DIRECTOR

DIRECTOR

CHIEF FINANCIAL OFFICER

MASOOD TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2018
(UN-AUDITED)

	Note	Period Ended	
		31 Mar 2018	31 Mar 2017
		(Rupees in Thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations	8	(1,354,539)	(850,516)
Finance cost paid		(584,093)	(435,712)
Income tax paid		(210,991)	(216,125)
Dividend paid to ordinary shareholders		(116,953)	(263,317)
Dividend paid to preference shareholders		(25,470)	(30,655)
Gratuity paid		(54,404)	(79,830)
Net Decrease / (increase) in long term advances		8,060	(7,924)
Net increase in long term security deposits		(10,775)	(1,455)
Net cash used in operating activities		(2,349,165)	(1,885,534)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		78,259	46,656
Capital expenditure on property, plant and equipment		(1,898,625)	(1,257,187)
Net cash used in investing activities		(1,820,366)	(1,210,531)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		755,875	1,860,277
Repayment of long term financing		(549,073)	(555,658)
Repayment of preference shares		-	(36,667)
Share deposit money received		-	1,050,000
Repayment of liabilities against assets subject to finance lease		(24,764)	(31,089)
Short term borrowings - net		3,938,065	404,620
Net cash from financing activities		4,120,103	2,691,483
NET DECREASE IN CASH AND CASH EQUIVALENTS		(49,428)	(404,582)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		902,816	1,226,653
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		853,388	822,071

The annexed notes form an integral part of this condensed interim financial information.

Statement under section 232(1) of the Companies Act, 2017:

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DIRECTOR

DIRECTOR

CHIEF FINANCIAL OFFICER

MASOOD TEXTILE MILLS LIMITED

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE PERIOD ENDED 31 MARCH 2018

(UN-AUDITED)

1. THE COMPANY AND ITS OPERATIONS

Masood Textile Mills Limited is a public limited company incorporated under the Companies Act, 1913 (Now Companies Act, 2017) and listed on Pakistan Stock Exchange Limited (PSX). Its registered office is situated at Universal House, P-17/1, New Civil Lines, Bilal Road, Faisalabad. The main objects of the Company are manufacturing and sale of cotton / synthetic fiber yarn, knitted / dyed fabrics and garments.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are consistent with those applied in the preparation of the audited annual financial statements of the Company for the year ended 30 June 2017.

3. BASIS OF PREPARATION

This condensed interim financial information is un-audited and is being submitted to shareholders as required by section 237 of the Companies Act ,2017. This condensed interim financial information of the Company for the nine months ended 31 March 2018 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Act ,2017. In case where requirements differ, the provisions of or directives issued under the Companies Act ,2017 have been followed. This condensed interim financial information should be read in conjunction with the audited annual published financial statements of the Company for the year ended 30 June 2017.

4. ACCOUNTING ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that effect the application of accounting policies and the reported amounts. Actual results may differ from these judgments, estimates and assumptions.

However, the management believes that the change in outcome of judgments, estimates and assumptions would not have a material impact on the amounts disclosed in this condensed interim financial information. Judgments and estimates made by the management in the preparation of this condensed interim financial information are the same as those applied in Company's annual audited financial statements for the year ended 30 June 2017.

The Company's financial risk management objectives and policies are consistent with those disclosed in the Company's annual audited financial statements for the year ended 30 June 2017.

Un-Audited	Audited
31 Mar	30 June
2018	2017
(Rupees in Thousand)	

5. LONG TERM FINANCING-SECURED

Opening balance	5,776,320	1,853,485
Add: Obtained during the period/ year	755,875	4,714,588
Less: Repaid during the period/ year	549,073	791,753
	<u>5,983,122</u>	<u>5,776,320</u>
Less: Current portion shown under current liabilities	<u>1,285,649</u>	<u>657,038</u>
	<u>4,697,473</u>	<u>5,119,282</u>

6. CONTINGENCIES AND COMMITMENTS

a) Contingencies

- i) Guarantees of Rupees 244.995 million (30 June 2017: Rupees 107.045 million) have been given by the banks of the company to Sui Northern Gas Pipelines Limited(SNGPL) against gas connections and Total Parco Pakistan Limited against fuel cards.
- ii) The Company has challenged, before Lahore High Court, Lahore, the provisions of SRO 491(1)/2016 dated 30 June 2016 issued under section 8(1)(b) of the Sales Tax Act, 1990 whereby through amendment in the earlier SRO 1125(1) / 2011 dated 31 December 2011, claim of input sales tax in respect of packing material has been disallowed. Lahore High Court, Lahore has issued stay order in favour of the Company. Consequently, the Company has accounted for input sales tax amounting to Rupees 130.108 million (30 June 2017: Rupees 51.994 million) paid on such items as receivable balance. The Company is confident on positive outcome of the appeal, on the advice of legal counsel.
- iii) Provision for gas infrastructure development cess (GIDC) and cost of supply charges thereon amounting to Rupees 2.745 million (30 June 2017: Rupees Nil) and 11.214 million (30 June 2017: Rupees Nil) respectively for the period from November 2017 has not been recognized in the books of account as the Company has obtained stay order from Honorable Islamabad High Court, Islamabad and Honorable Lahore High Court, Lahore. Company is confident of favorable outcome of the matter.

b) Commitments

- i) Contracts for capital expenditure are amounting to Rupees 282.459 million (30 June 2017: Rupees 508.558 million) and other than capital expenditure are amounting to Rupees 692.743 million (30 June 2017: Rupees 208.687 million).
- ii) Ijarah (operating lease) commitments amounting to Rupees 79.130 million (30 June 2017: Rupees 60.298 million).

Un-Audited	Audited
31 Mar	30 June
2018	2017
(Rupees in Thousand)	

7. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets (Note 7.1)	9,154,762	7,796,407
Assets subject to finance lease (Note 7.2)	62,072	108,022
Capital work-in-progress	472,892	472,888
	<u>9,689,726</u>	<u>8,377,317</u>

7.1 Operating fixed assets

Opening book value	7,796,407	6,450,508
Cost of additions during the period/year (Note 7.1.1)	1,898,622	1,874,619
Book value of assets transferred from assets subject to finance lease	39,077	13,771
	<u>9,734,106</u>	<u>8,338,898</u>
Less: book value of deletions during the period/year (Note 7.1.2)	87,286	46,520
	<u>9,646,820</u>	<u>8,292,378</u>
Less: Depreciation charged during the period/year	492,058	495,971
	<u>9,154,762</u>	<u>7,796,407</u>

7.1.1 Cost of additions during the period/year

Buildings on freehold land	181,437	176,430
Plant and machinery	1,373,391	1,489,892
Electric and gas installations	200,470	121,078
Factory equipment	10,025	7,035
Telephone installations	599	547
Furniture and fixtures	75,926	24,425
Office equipment	409	147
Computer equipment	34,272	25,223
Vehicles	22,093	29,842
	<u>1,898,622</u>	<u>1,874,619</u>

Un-Audited 31 Mar 2018	Audited 30 June 2017
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(Rupees in Thousand)

7.1.2 Book value of deletions during the period/year

Buildings on freehold land	28,079	5,999
Plant and machinery	17,197	5,109
Electric and gas installations	9,173	2,801
Factory equipment	1,450	624
Furniture and fixtures	17,568	7,456
Computer equipment	3,086	685
Vehicles	10,733	23,846
	<u>87,286</u>	<u>46,520</u>

7.2 Assets subject to finance lease

Opening book value	108,022	137,474
Less: Book value of assets transferred to operating fixed assets (Note 7.2.1)	<u>39,077</u>	<u>13,771</u>
	68,945	123,703
Less: Depreciation charged for the period/year	<u>6,873</u>	<u>15,681</u>
	<u>62,072</u>	<u>108,022</u>

7.2.1 Book value of assets transferred to operating fixed assets

Plant and machinery	36,184	-
Vehicles	<u>2,893</u>	<u>13,771</u>
	<u>39,077</u>	<u>13,771</u>

(Un-Audited)

Period Ended	
31 Mar 2018	31 Mar 2017

(Rupees in Thousand)

8. CASH USED IN OPERATIONS

Profit before taxation	883,212	788,466
Adjustments for non-cash charges and other items:		
Depreciation	498,931	362,838
Provision for gratuity	156,447	133,059
Loss / (Gain) on sale of property, plant and equipment	9,027	(25,817)
Finance cost	639,723	446,549
Working capital changes (Note 8.1)	(3,541,879)	(2,555,611)
	<u>(1,354,539)</u>	<u>(850,516)</u>

8.1 Working capital changes

(Increase) / decrease In current assets:

Stores, spare parts and loose tools	(270,946)	(352,204)
Stock in trade	(1,352,626)	(2,093,585)
Trade debts	(2,351,726)	383,980
Loans and advances	(147,696)	(133,091)
Short term deposits and prepayments	(93,887)	(31,536)
Other receivables	34,429	(351,517)
	(4,182,452)	(2,577,953)
Increase in trade and other payables	640,573	22,342
	<u>(3,541,879)</u>	<u>(2,555,611)</u>

9. SEGMENT INFORMATION

9.1 Segment results

Spinning		Knitting		Processing and Garments		Elimination of Inter-segment transactions		Total-Company	
(Un-Audited)		(Un-Audited)		(Un-Audited)		(Un-Audited)		(Un-Audited)	
Period ended		Period ended		Period ended		Period ended		Period ended	
31 Mar 2018	31 Mar 2017	31 Mar 2018	31 Mar 2017	31 Mar 2018	31 Mar 2017	31 Mar 2018	31 Mar 2017	31 Mar 2018	31 Mar 2017

(Rupees In Thousand)

Revenue

External	973,841	623,664	87,271	36,732	18,858,327	16,882,788	-	-	19,919,439	17,543,385
Intersegment	1,479,515	1,152,013	7,918,844	6,742,191	13,988	23,669	(9,412,347)	(7,917,872)	-	-
	2,453,356	1,775,677	8,006,115	6,778,923	18,872,315	16,906,457	(9,412,347)	(7,917,872)	19,919,439	17,543,385
Cost of sales	(2,385,466)	(1,723,207)	(7,754,913)	(6,529,268)	(16,492,367)	(14,556,005)	9,412,347	7,917,872	(17,220,399)	(14,890,609)
Gross Profit	67,890	52,670	251,202	249,655	2,379,948	2,350,452	-	-	2,699,040	2,652,776
Distribution cost	(28,586)	(24,141)	(101,312)	(94,450)	(1,225,489)	(1,067,929)	-	-	(1,355,387)	(1,186,520)
Administrative expenses	(24,399)	(19,246)	(83,718)	(63,161)	(314,996)	(278,876)	-	-	(423,103)	(361,283)
	(52,975)	(43,387)	(185,030)	(157,611)	(1,540,485)	(1,346,805)	-	-	(1,778,490)	(1,547,803)

Profit before

taxation and

unallocated income

and expenses	14,915	9,283	66,172	92,044	839,483	1,003,647	-	-	920,550	1,104,973
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Unallocated income and expenses:

Other expenses									(24,164)	(41,805)
Other income									626,549	171,847
Finance cost									(639,723)	(446,549)
Taxation									(161,421)	(174,741)
Profit after taxation									721,791	613,725

9.2 Reconciliation of reportable segment assets and liabilities:

	Spinning		Knitting		Processing and Garments		Total-Company	
	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited
	31 Mar 2018	30 June 2017	31 Mar 2018	30 June 2017	31 Mar 2018	30 June 2017	31 Mar 2018	30 June 2017

(Rupees In Thousand)

Total assets for reportable segments	1,946,896	1,978,453	2,566,683	2,810,236	15,028,485	11,819,798	19,542,064	16,608,487
Unallocated assets							12,909,498	10,290,123
Total assets as per balance sheet							32,451,562	26,898,610
Total liabilities for reportable segments	169,770	118,635	274,587	328,189	3,083,629	2,261,746	3,507,986	2,708,570
Unallocated liabilities							19,017,781	14,842,441
Total liabilities as per balance sheet							22,525,767	17,551,011

10. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated company and other related parties. The company in the normal course of business carries out transactions with various related parties. Detail of transactions with related parties are as follow:

(Rupees in Thousand)

Un-audited			
Period ended		Quarter Ended	
31 Mar 2018	31 Mar 2017	31 Mar 2018	31 Mar 2017

Transactions

Associated company

Dividend paid	30,444	64,334	-	-
Share deposit money received	-	388,578	-	132,706

Other related parties

Dividend paid	2,899	6,480	-	-
Share deposit money received	-	25,773	-	-

(Restated)

(Restated)

Remuneration paid to Chief Executive Officer, Directors and Executives	104,491	88,439	39,713	30,466
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11. DATE OF AUTHORIZATION

This condensed interim financial information was approved and authorized for issue on 28 April, 2018 by the Board of Directors of the Company.

12. CORRESPONDING FIGURES

In order to comply with the requirements of IAS 34 'Interim Financial Reporting', the condensed interim balance sheet and condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding financial year, whereas, the condensed interim profit and loss account, condensed interim statement of comprehensive income and condensed interim cash flow statement have been compared with the balances of comparable period of immediately preceding financial year.

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However, no significant re-arrangement have been made, except the name of balance sheet is changed as "statement of financial position" and the unclaimed dividend are shown as separate line item on face of the statement of financial position, moreover executive remunerations is restated in the corresponding periods due to change of criteria via Companies Act, 2017.

13. GENERAL

Figures have been rounded off to the nearest thousand of Rupees unless otherwise stated.

Statement under section 232(1) of the Companies Act, 2017:

The Chief Executive Officer of the Company is presently out of the country. Therefore this condensed interim financial information has been signed by two Directors and Chief Financial Officer as required under section 232(1) of the Companies Act, 2017.

DIRECTOR

DIRECTOR

CHIEF FINANCIAL OFFICER

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