

**MASOOD TEXTILE MILLS LIMITED**



**ACCOUNTS  
FOR THE SECOND QUARTER ENDED  
31 DECEMBER 2015**

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# COMPANY INFORMATION

<b>CHAIRMAN</b>	: MR. NASEER AHMAD SHAH
<b>CHIEF EXECUTIVE OFFICER</b>	: MR. SHAHID NAZIR AHMAD
<b>DIRECTORS</b>	: MR. MUHAMMAD ARSHAD : MR. MATLOOB HUSSAIN : MR. FAZAL AHMAD : MR. SHOAIB AHMAD KHAN (Nominee-NIT) : MISS CHEN YAN (Nominee-Shanghai Challenge Textile Co. Ltd)
<b>COMPANY SECRETARY</b>	: MIAN ABDUL BARI
<b>CHIEF FINANCIAL OFFICER</b>	: MR. MUHAMMAD SHAHID NAVEED
<b>AUDIT COMMITTEE</b>	: MR. FAZAL AHMAD (Chairman) : MR. MATLOOB HUSSAIN : MR. MUHAMMAD ARSHAD
<b>HR &amp; REMUNERATION COMMITTEE</b>	: MR. MUHAMMAD ARSHAD (Chairman) : MR. NASEER AHMAD SHAH : MR. MATLOOB HUSSAIN
<b>AUDITORS</b>	: M/S. RIAZ AHMAD & COMPANY CHARTERED ACCOUNTANTS
<b>SHARE REGISTRAR</b>	: 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
<b>REGISTERED OFFICE</b>	: UNIVERSAL HOUSE, 17/1, NEW CIVIL LINES, BILAL ROAD, FAISALABAD. PHONE: 041-2600176-276 FAX: 041-2600976
<b>MILLS</b>	: 32-K.M., SHEIKHUPURA ROAD, FAISALABAD.

# DIRECTORS' REPORT TO THE MEMBERS

We, the Directors of Masood Textile Mills Limited, are pleased to present the un-audited financial statements of the Company for the 2nd Quarter ended 31st December, 2015 along with consolidated Half Yearly Results with the comparative figures of the previous corresponding period. In compliance to the Code of Corporate Governance, it is accompanied by the Review Report compiled by the Auditors.

The profitability of the Company has decreased for the half year ended by 31st December 2015 as compared to the corresponding half year of the last year. The major reasons for decrease are decline in sales. Sales decreased in international market due to lackluster demand and stiff competition. However, due to efficient cost management, gross profit and net profit to sales percentage has increased marginally from 15.17% to 15.37% and from 2.92% to 2.99% respectively, despite decrease in sales.

During the period under review, the Directors expressed their views to issue further Capital subject to the approval of shareholders in the extra ordinary general meeting and other regulatory approvals. The proceeds from the further issue of capital will be utilized for carrying out necessary balancing modernization and replacement (BMR) to ensure optimal utilization of production facilities.

The management is hopeful that foreign investment, technical skills and proposed balancing modernization and replacement (BMR) will contribute a lot towards enhancement of turnover and financial results of the Company in future. In addition to above, implementation of zero-rated sales tax regime for the export sector will be beneficial to us. Your Company aims to execute best possible initiatives targeted towards key customers, through new business developments and effective cost management. In view of the above, management is expecting improved financial results in the subsequent period.

We express our appreciation for the hard working employed by the workers and exerting professional skills by the officers for achieving production targets, leading towards better financial results during the period under review.

**FOR AND ON BEHALF OF THE BOARD**

FAISALABAD:  
27 February, 2016

**(FAZAL AHMAD)**  
Director

# **AUDITORS' REPORT TO THE MEMBERS**

## **ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION**

### **Introduction**

We have reviewed the accompanying condensed interim balance sheet of MASOOD TEXTILE MILLS LIMITED as at 31 December 2015 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the half year then ended (here-in-after referred to as "condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended 31 December 2015 and 31 December 2014 have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the half year ended 31 December 2015.

### **Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as of and for the half year ended 31 December 2015 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

### **RIAZ AHMAD & COMPANY**

Chartered Accountants

Name of engagement Partner:

Mubashar Mehmood

Date: 27 February, 2016

FAISALABAD

# MASOOD TEXTILE MILLS LIMITED

## CONDENSED INTERIM BALANCE SHEET AS AT 31 DECEMBER 2015

	Note	Un-audited 31 Dec 2015	Audited 30 June 2015
(RUPEES IN THOUSAND)			
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorized share capital</b>			
125 000 000 (30 June 2015: 125 000 000) ordinary shares of Rupees 10 each		1,250,000	1,250,000
60 000 000 (30 June 2015: 60 000 000) preference shares of Rupees 10 each		600,000	600,000
		<u>1,850,000</u>	<u>1,850,000</u>
<b>Issued, subscribed and paid up share capital</b>	5	948,333	948,333
<b>Reserves</b>		5,542,193	5,507,259
<b>Total Equity</b>		6,490,526	6,455,592
<b>Surplus on revaluation of freehold land</b>		606,233	606,233
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Long term financing	6	1,272,316	949,443
Liabilities against assets subject to finance lease		72,159	93,849
Deferred liability for gratuity		477,543	431,923
		<u>1,822,018</u>	<u>1,475,215</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		2,180,396	2,205,160
Accrued mark-up		95,513	155,647
Short term borrowings		10,160,882	11,044,430
Current portion of non-current liabilities		808,135	750,675
Provision for taxation		123,002	278,037
		<u>13,367,928</u>	<u>14,433,949</u>
<b>TOTAL LIABILITIES</b>		15,189,946	15,909,164
<b>CONTINGENCIES AND COMMITMENTS</b>	7		
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>22,286,705</u>	<u>22,970,989</u>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	6,470,315	6,582,729
Long term advances		478	713
Long term security deposits		46,912	50,183
		<u>6,517,705</u>	<u>6,633,625</u>
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools		1,065,453	1,010,124
Stock-in-trade		5,757,225	5,275,563
Trade debts		5,483,685	6,911,990
Loans and advances		307,278	315,190
Short term deposits and prepayments		483,101	550,694
Other receivables		1,278,163	1,106,224
Cash and bank balances		1,394,095	1,167,579
		<u>15,769,000</u>	<u>16,337,364</u>
<b>TOTAL ASSETS</b>		<u>22,286,705</u>	<u>22,970,989</u>

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

### Statement under section 241 (2) of the Companies Ordinance, 1984:

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 as required under section 241 (2) of the Companies Ordinance, 1984.

DIRECTOR

DIRECTOR



**MASOOD TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2015**  
**(UN-AUDITED)**

	Half Year Ended		Quarter Ended	
	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
------(RUPEES IN THOUSAND)-----				
SALES	11,292,600	13,850,416	5,717,374	7,202,143
COST OF SALES	(9,556,615)	(11,749,442)	(4,837,838)	(6,095,775)
GROSS PROFIT	1,735,985	2,100,974	879,536	1,106,368
DISTRIBUTION COST	(680,395)	(720,492)	(344,635)	(393,866)
ADMINISTRATIVE EXPENSES	(234,358)	(246,436)	(112,896)	(129,795)
OTHER EXPENSES	(24,576)	(28,310)	(12,904)	(14,623)
	(939,329)	(995,238)	(470,435)	(538,284)
	796,656	1,105,736	409,101	568,084
OTHER INCOME	50,827	24,301	19,833	12,685
PROFIT FROM OPERATIONS	847,483	1,130,037	428,934	580,769
FINANCE COST	(387,051)	(595,464)	(190,273)	(304,186)
PROFIT BEFORE TAXATION	460,432	534,573	238,661	276,583
TAXATION	(123,002)	(129,568)	(61,860)	(74,774)
PROFIT AFTER TAXATION	337,430	405,005	176,801	201,809
EARNINGS PER SHARE - BASIC (RUPEES)	5.36	6.39	2.82	3.19
- DILUTED (RUPEES)	5.18	6.02	2.73	3.00

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\_\_\_\_\_  
DIRECTOR

\_\_\_\_\_  
DIRECTOR

# MASOOD TEXTILE MILLS LIMITED

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 31 DECEMBER 2015 (UN-AUDITED)

	Half Year Ended		Quarter Ended	
	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
	------(RUPEES IN THOUSAND)-----			
PROFIT AFTER TAXATION	337,430	405,005	176,801	201,809
OTHER COMPREHENSIVE INCOME				
<b>Items that will not be reclassified subsequently to profit or loss:</b>	-	-	-	-
<b>Items that may be reclassified subsequently to profit or loss</b>	-	-	-	-
Other comprehensive income for the period	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>337,430</u>	<u>405,005</u>	<u>176,801</u>	<u>201,809</u>

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

### Statement under section 241 (2) of the Companies Ordinance, 1984:

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 as required under section 241 (2) of the Companies Ordinance, 1984.

\_\_\_\_\_  
DIRECTOR

\_\_\_\_\_  
DIRECTOR



**MASOOD TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM CASH FLOW STATEMENT**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2015**  
**(UN-AUDITED)**

	Note	Half Year Ended	
		31 Dec 2015	31 Dec 2014
<b>(RUPEES IN THOUSAND)</b>			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	9	1,741,021	1,171,826
Finance cost paid		(447,185)	(634,501)
Income tax paid		(149,662)	(148,034)
Dividend paid to ordinary shareholders		(180,425)	(82,718)
Dividend paid to preference shareholders		(41,496)	(41,320)
Gratuity paid		(51,154)	(39,645)
Net decrease in long term advances		235	23
Net decrease/(increase) in long term security deposits		3,271	(598)
Net cash generated from operating activities		874,605	225,033
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant and equipment		8,789	27,785
Capital expenditure on property, plant and equipment		(131,972)	(241,916)
Net cash used in investing activities		(123,183)	(214,131)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from long term financing		750,605	-
Repayment of long term financing		(368,878)	(383,784)
Repayment of Preference Shares		-	(5,000)
Repayment of liabilities against assets subject to finance lease		(23,085)	(10,616)
Short term borrowings-net		(883,548)	840,559
Net cash (used in) / from financing activities		(524,906)	441,159
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		226,516	452,061
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>		1,167,579	444,849
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		1,394,095	896,910

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

DIRECTOR

DIRECTOR

# MASOOD TEXTILE MILLS LIMITED

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED 31 DECEMBER 2015

(UN-AUDITED)

(RUPEES IN THOUSAND)

SHARE CAPITAL	RESERVES							TOTAL EQUITY	
	CAPITAL			REVENUE			Total		
	Share Premium	Redemption Fund	Sub Total	General	Unappropriated profit	Sub Total			
Balance as at 30 June 2014 (Audited)	953,333	400,000	133,333	533,333	714,500	3,617,619	4,332,119	4,865,452	5,818,785
Transfer from capital redemption reserve fund	-	-	(5,000)	(5,000)	-	5,000	5,000	-	-
Preference shares repaid	(5,000)	-	-	-	-	-	-	-	(5,000)
Dividend at the rate of Rupees 1.50 per share (Ordinary shares)	-	-	-	-	-	(90,000)	(90,000)	(90,000)	(90,000)
Dividend at the rate of Rupees 1.16 per share (Preference shares)	-	-	-	-	-	(41,320)	(41,320)	(41,320)	(41,320)
Profit after taxation for the half year ended 31 December 2014	-	-	-	-	-	405,005	405,005	405,005	405,005
Other comprehensive income for the half year ended 31 December 2014	-	-	-	-	-	-	-	-	-
Total comprehensive income for the half year ended 31 December 2014	-	-	-	-	-	405,005	405,005	405,005	405,005
Balance as at 31 Dec 2014 (Un-audited)	948,333	400,000	128,333	528,333	714,500	3,896,304	4,610,804	5,139,137	6,087,470
Profit after taxation for the half year ended 30 June 2015	-	-	-	-	-	349,108	349,108	349,108	349,108
Other comprehensive income for the half year ended 30 June 2015	-	-	-	-	-	19,014	19,014	19,014	19,014
Total comprehensive income for the half year ended 30 June 2015	-	-	-	-	-	368,122	368,122	368,122	368,122
Balance as at 30 June 2015 (Audited)	948,333	400,000	128,333	528,333	714,500	4,264,426	4,978,926	5,507,259	6,455,592
Dividend at the rate of Rupees 4.35 per share (Ordinary shares)	-	-	-	-	-	(261,000)	(261,000)	(261,000)	(261,000)
Dividend at the rate of Rupees 1.19 per share (Preference shares)	-	-	-	-	-	(41,496)	(41,496)	(41,496)	(41,496)
Profit after taxation for the half year ended 31 December 2015	-	-	-	-	-	337,430	337,430	337,430	337,430
Other comprehensive income for the half year ended 31 December 2015	-	-	-	-	-	-	-	-	-
Total comprehensive income for the half year ended 31 December 2015	-	-	-	-	-	337,430	337,430	337,430	337,430
Balance as at 31 Dec 2015 (Un-audited)	948,333	400,000	128,333	528,333	714,500	4,299,360	5,013,860	5,542,193	6,490,526

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

DIRECTOR

DIRECTOR

# MASOOD TEXTILE MILLS LIMITED

## SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

### FOR THE HALF YEAR ENDED 31 DECEMBER 2015

#### (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 Ordinance, 1984) and listed on Pakistan stock exchange Limited. Its registered office is situated at Universal House, 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. BASIS OF PREPARATION

This condensed interim financial information is un-audited but subject to limited scope review by the statutory auditors and is being submitted to shareholders as required by section 245 of the Companies Ordinance, 1984. This condensed interim financial information of the Company for the half year ended 31 December 2015 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 Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 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 2015.

#### 3. ACCOUNTING POLICIES AND COMPUTATION METHODS

The accounting policies and methods of computation for the preparation of this condensed interim financial information are the same as applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended 30 June 2015.

#### 4. CRITICAL ACCOUNTUNG ESTIMATES AND JUDGEMENTS

The preparation of this condensed interim financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During preparation of this condensed interim financial information, the significant judgements made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Company for the year ended 30 June 2015.

#### 5. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

Un-audited	Audited		Un-audited	Audited
31-Dec	30 June		31 Dec	30 June
2015	2015		2015	2015
(NUMBER OF SHARES)			(RUPEES IN THOUSAND)	
60 000 000	60 000 000	Ordinary shares of Rupees 10 each fully paid in cash	600,000	600,000
34 833 334	34 833 334	Cumulative preference shares (non-voting) of Rupees 10 each fully paid in cash	348,333	348,333
<u>94 833 334</u>	<u>94 833 334</u>		<u>948,333</u>	<u>948,333</u>

5.1 14 621 274 ordinary shares (30 June 2015:14 621 274) of the Company are held by Shangai Challenge Textile Company Limited - associated company.

	Un-audited 31 Dec 2015	Audited 30 June 2015
	(RUPEES IN THOUSAND)	
<b>6. LONG TERM FINANCING-SECURED</b>		
Opening balance	1,655,697	2,277,732
Add: Obtained during the period / year	750,605	132,000
Less: Repaid during the period / year	368,878	754,035
	<u>2,037,424</u>	<u>1,655,697</u>
Less: Current portion shown under current liabilities	765,108	706,254
	<u>1,272,316</u>	<u>949,443</u>
<b>7. CONTINGENCIES AND COMMITMENTS</b>		
<b>a) Contingencies</b>		
Guarantees of Rupees 74.521 million (30 June 2015: Rupees 74.521 million) have been given by the banks of the Company to Sui Northern Gas Pipelines Limited (SNGPL) against gas connections and Collector of Customs for import license fee.		
<b>b) Commitments</b>		
i) Contracts for capital expenditure are amounting to Rupees 14.504 million (30 June 2015: Rupees 13.600 million) and other than capital expenditure are amounting to Rupees 244.600 million (30 June 2015: Rupees 166.434 million).		
ii) Ijarah ( operating lease ) commitments amounting to Rupees 96.334 million ( 30 June 2015 : Rupees 117.677 million).		
<b>8. PROPERTY, PLANT AND EQUIPMENT</b>		
Operating fixed assets (Note 8.1)	6,137,514	6,242,057
Assets subject to finance lease (Note 8.2)	155,305	170,034
Capital work-in-progress	177,496	170,638
	<u>6,470,315</u>	<u>6,582,729</u>
<b>8.1 Operating fixed assets</b>		
Opening book value	6,242,057	5,436,360
Add: Cost of additions during the period/year (Note 8.1.1)	125,114	1,198,952
Book value of assets transferred from assets subject to finance lease	4,010	77,514
	<u>6,371,181</u>	<u>6,712,826</u>
Less: Book value of deletions during the period/year (Note 8.1.2)	3,197	31,310
	<u>6,367,984</u>	<u>6,681,516</u>
Less: Depreciation charged during the period/year	230,470	439,459
	<u>6,137,514</u>	<u>6,242,057</u>
<b>8.1.1 Cost of additions during the period / year</b>		
Freehold land	5,218	142,237
Buildings on freehold land	18,099	688,924
Plant and machinery	58,996	278,623
Electric and gas installations	14,041	31,967
Factory equipment	4,124	2,861
Telephone installations	440	914
Furniture and fixtures	8,562	8,262
Office equipment	305	69
Computer equipment	12,132	14,048
Vehicles	3,197	31,047
	<u>125,114</u>	<u>1,198,952</u>

**Un-audited**      **Audited**  
**31 Dec**      **30 June**  
**2015**      **2015**  
**(RUPEES IN THOUSAND)**

<b>8.1.2 Book value of deletions during the period / year</b>		
Plant and machinery	-	1,011
Furniture and fixtures	-	52
Office equipment	-	39
Vehicles	3,197	30,208
	<u>3,197</u>	<u>31,310</u>
<b>8.2 Assets subject to finance lease</b>		
Opening book value	170,034	214,378
Add: Additions during the period / year (Note 8.2.1)	-	57,860
	<u>170,034</u>	<u>272,238</u>
Less: Book value of assets transferred to operating fixed assets (Note 8.2.2)	4,010	77,514
	<u>166,024</u>	<u>194,724</u>
Less: Depreciation charged for the period / year	10,719	24,690
	<u>155,305</u>	<u>170,034</u>
<b>8.2.1 Additions during the period / year</b>		
Plant and machinery	-	35,808
Vehicles	-	22,052
	<u>-</u>	<u>57,860</u>
<b>8.2.2 Book value of assets transferred to operating fixed assets</b>		
Plant and machinery	-	41,615
Vehicles	4,010	35,899
	<u>4,010</u>	<u>77,514</u>

**(Un-audited)**

**Half Year Ended**

31 Dec 2015	31 Dec 2014
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**(RUPEES IN THOUSAND)**

<b>9. CASH GENERATED FROM OPERATIONS</b>		
Profit before taxation	460,432	534,573
Adjustments for non-cash charges and other items:		
Depreciation	241,189	227,968
Provision for gratuity	84,836	97,249
Gain on sale of property, plant and equipment	(5,592)	(2,732)
Finance cost	387,051	595,464
Working capital changes (Note 9.1)	573,105	(280,696)
	<u>1,741,021</u>	<u>1,171,826</u>
<b>9.1 Working capital changes</b>		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(55,329)	34,916
Stock in trade	(481,662)	798,458
Trade debts	1,428,305	(1,213,668)
Loans and advances	7,912	174,430
Short term deposits and prepayments	(60,781)	(79,834)
Other receivables	(171,939)	(29,161)
	<u>666,506</u>	<u>(314,859)</u>
(Decrease) / Increase in trade and other payables	(93,401)	34,163
	<u>573,105</u>	<u>(280,696)</u>



## 10. SEGMENT INFORMATION

### 10.1 Segment results

Spinning		Knitting		Processing and Garments		Elimination of inter-segment transactions		Total-Company	
(Un-audited)		(Un-audited)		(Un-audited)		(Un-audited)		(Un-audited)	
Half year ended		Half year ended		Half year ended		Half year ended		Half year ended	
31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014

----- (RUPEES IN THOUSAND) -----

#### Sales

External	573,602	374,964	29,316	12,482	10,689,682	13,462,970	-	-	11,292,600	13,850,416
Intersegment	782,436	932,187	3,707,031	4,040,357	22,916	8,538	(4,512,383)	(4,981,082)	-	-
	1,356,038	1,307,151	3,736,347	4,052,839	10,712,598	13,471,508	(4,512,383)	(4,981,082)	11,292,600	13,850,416
Cost of sales	(1,316,172)	(1,226,495)	(3,619,874)	(3,908,734)	(9,132,952)	(11,595,295)	4,512,383	4,981,082	(9,556,615)	(11,749,442)
Gross profit	39,866	80,656	116,473	144,105	1,579,646	1,876,213	-	-	1,735,985	2,100,974
Distribution cost	(20,503)	(15,383)	(48,213)	(52,137)	(611,679)	(652,972)	-	-	(680,395)	(720,492)
Administrative expenses	(13,442)	(14,179)	(33,254)	(32,072)	(187,662)	(200,185)	-	-	(234,358)	(246,436)
	(33,945)	(29,562)	(81,467)	(84,209)	(799,341)	(853,157)	-	-	(914,753)	(966,928)

#### Profit before

taxation and unallocated income and expenses

	5,921	51,094	35,006	59,896	780,305	1,023,056	-	-	821,232	1,134,046
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#### Unallocated income and expenses:

Other expenses									(24,576)	(28,310)
Other income									50,827	24,301
Finance cost									(387,051)	(595,464)
Taxation									(123,002)	(129,568)
Profit after taxation									337,430	405,005

### 10.2 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 Dec 2015	30 June 2015	31 Dec 2015	30 June 2015	31 Dec 2015	30 June 2015	31 Dec 2015	30 June 2015

----- (RUPEES IN THOUSAND) -----

Total assets for reportable segments	1,755,356	1,066,007	1,725,238	1,934,398	9,812,399	9,868,011	13,292,993	12,868,416
Unallocated assets							8,993,712	10,102,573
Total assets as per balance sheet							22,286,705	22,970,989
Total liabilities for reportable segments	214,542	124,558	320,742	451,798	2,218,168	2,216,374	2,753,452	2,792,730
Unallocated liabilities							12,436,494	13,116,434
Total liabilities as per balance sheet							15,189,946	15,909,164



## 11. TRANSACTIONS WITH RELATED PARTIES

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

(RUPEES IN THOUSAND)			
Un-audited			
Half Year Ended		Quarter Ended	
31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014

### i) Transactions

#### Associated company

Purchase of goods and services	70,720	17,197	53,002	17,197
Sale of goods and services	170,511	-	26,202	-
Sale of operating fixed assets	-	3,500	-	3,500
Dividend paid	63,603	-	63,603	-

#### Other related parties

Dividend paid	6,488	2,282	6,488	2,282
Remuneration paid to Chief Executive Officer, Directors and Executives	93,578	78,663	45,464	39,376

Un-Audited	Audited
31 Dec	30 June
2015	2015

(RUPEES IN THOUSAND)

### ii) Period end balances

Trade debts	269,649	217,913
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## 12. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the Company for the year ended 30 June 2015.

## 13. DATE OF AUTHORIZATION

This condensed interim financial information was approved and authorized for issue on 27 February, 2016 by the Board of Directors of the Company.

## 14. CORRESPONDING FIGURES

In order to comply with the requirements of (IAS) 34, 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-arrangements have been made.

## 15. GENERAL

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

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