

MASOOD TEXTILE MILLS LIMITED



**ACCOUNTS
FOR THE THIRD QUARTER ENDED
31 MARCH 2017**

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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	: MIAN ABDUL BARI
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

We, the Directors of Masood Textile Mills Limited, are pleased to present the unaudited financial statements of the Company for the third quarter ended 31st March, 2017 along with consolidated results of nine months with the comparative figures of the previous corresponding period.

The profitability of the Company has increased for the quarter ended by 31st March 2017 from Rupees 181.172 million to Rupees 260.512 million as compared to corresponding quarter of the last year. Overall sales for the quarter under review reflected growth by 6.87% over the last corresponding period. Likewise, during the nine months period gross profit and net profit to sales percentage has increased marginally from 14.27% to 15.12% and from 3.09% to 3.50% respectively. Moreover, financial cost also decreased significantly during the nine months from Rupees 546.177 million to Rupees 446.549 million in comparison with corresponding period. The profit before taxation for third quarter ended increased from Rupees 244.809 million to Rupees 321.989 million. The resultant earnings per share also increased from Rupees 2.90 per share to Rupees 3.14 per share for the quarter ended 31st March 2017.

During the quarter under review, the paid-up capital of the Company against ordinary shares, was successfully enhanced from Rupees 600,000,000 to Rupees 675,000,000 by issuing of 7,500,000 Right Shares @ Rs. 140 per share inclusive of premium of Rs. 130 per share. We are pleased that majority of the shareholders subscribed the right issue and put confidence on the policies of the management.

Regarding future prospects, we understand that Government policies comprising of incentive package especially duty drawback of taxes (DDT), is encouraging. Moreover, timely release of sales tax refunds and DDT claims along with improvement of law and order situation in the country will further boost business environment for the exporters. It is hoped that continuation of above incentive package for textile would help the exporters to maintain their margins and enhancing further opportunities for employment. Moreover, we are hopeful that foreign investment, technical skills and proposed balancing, modernization and replacement (BMR) will contribute a lot towards improvement of financial results of the Company in future.

We convey our gratitude towards our members for expressing their faith in the management of the company. We also appreciate the efforts and with thanks place on record the continued support extended to us by our customers, suppliers and bankers. The valuable services render by our team of employees are gratefully acknowledged.

For and on Behalf of the Board,

FAISALABAD :

(Shahid Nazir Ahmad)
Chief Executive Officer

28th April, 2017

حصص یافتگان کے لئے ڈائریکٹرز رپورٹ

مسعود نیکنائلز لمیٹڈ کے ڈائریکٹرز موجودہ اختتام پذیر نو ماہی کے نتائج بشمول اسی مدت کے تقابلی اعداد و شمار کے ساتھ تیسری سہ ماہی جو کہ 31 مارچ 2017 کو اختتام پذیر ہو چکی ہے جس کے غیر آڈٹ شدہ گوشوارے پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

زیر بحث تیسری سہ ماہی جو کہ 31 مارچ 2017 کو اختتام پذیر ہو چکی ہے۔ اسکے دوران کمپنی کا منافع گزشتہ اسی عرصہ کے مقابلے میں 181.172 ملین روپے سے بڑھ کر 260.512 ملین روپے ہو گیا ہے۔ زیر جائزہ سہ ماہی کے دوران مجموعی فروخت میں گزشتہ اسی عرصہ کے مقابلے میں 6.87% تک کا اضافہ ہوا ہے۔ اسی طرح موجودہ نو ماہی کے دوران کمپنی کے مجموعی منافع اور خالص منافع، فروخت کی شرح کے لحاظ سے بالترتیب 14.27 فیصد سے بڑھ کر 15.12 فیصد اور 3.09 فیصد سے 3.50 فیصد تک اضافہ ہوا ہے۔ مزید برآں زیر بحث نو ماہی کے دوران اسی عرصہ کے مقابلہ میں مالیاتی لاگت میں نمایاں کمی ہوئی ہے۔ جو کہ 546.177 ملین روپے سے کم ہو کر 446.549 ملین روپے تک رہ گئی ہے۔ تیسری سہ ماہی کا قبل از ٹیکس منافع 244.809 ملین روپے سے بڑھ کر 321.989 ملین روپے تک ہو گیا نتیجتاً فی حصص کمائی جو کہ زیر بحث اختتام پذیر شدہ سہ ماہی کے دوران گزشتہ اسی سہ ماہی کے مقابلے میں 2.90 روپے فی حصص سے بڑھ کر 3.14 روپے فی حصص ہو گئی ہے۔

زیر جائزہ سہ ماہی کے دوران کمپنی کا ادا شدہ سرمایہ عام حصص پر 600 ملین روپے سے بڑھ کر 675 ملین روپے تک لانے میں کامیابی ہوئی ہے۔ جو 7.5 ملین حصص 140 روپے فی حصص بمشول 130 روپے پر ایم پی پر مشتمل ہے۔ ہم اس بات پر خوشی محسوس کرتے ہیں کہ حصص یافتگان کی اکثریت نے رائٹ ایٹو میں Subscribe کیا ہے اور انتظامیہ کی پالیسیوں پر بھروسہ کیا ہے۔

مستقبل کی بہتر توقعات کے پہلو کو دیکھتے ہوئے حکومت کی حکمت عملی حوصلہ افزاء ہے۔ جس میں خصوصاً ٹیکسوں کی واپسی کا رعایتی چیک (DDT) شامل ہے۔ مزید برآں بروقت ادا شدہ سیلز ٹیکس اور (DDT) کلیجہ کی واپسی، بشمول ملکی امن وامان کی بہتر صورت حال، برآمد کنندگان کے لئے کاروباری سازگار ماحول میں مزید بہتری لائیں گے۔ امید کی جاتی ہے کہ اوپر بیان کردہ نیکنائلز کے لئے رعایتی چیک میں تسلسل برآمد کنندگان کو اپنے مارجنز کو برقرار رکھنے کے ساتھ ساتھ روزگار کے مواقع بھی بہتر بنانے میں مددگار ثابت ہوگا۔ ہم مستقبل میں غیر ملکی سرمایہ کاری، ٹیکنیکی مہارت اور مجوزہ توسیع، جدید متبادل (BMR) کے حصول کے ذریعے بہتر مالیاتی نتائج کے لیے پرامید ہیں۔

ہم کمپنی کے ارکان کا انتظامیہ پر بھروسہ رکھنے پر شکر گزار ہیں۔ ہم اپنے گاہکوں، سپلائرز اور بینکاروں کی طرف سے مسلسل تعاون پر ان کی تعریف کے ساتھ ساتھ شکر یہ بھی ادا کرتے ہیں۔ کمپنی کے تمام ملازمین کی قابل قدر خدمات کا تہہ دل سے اعتراف کیا جاتا ہے۔

از طرف بورڈ

فیصل آباد
28 اپریل 2017ء

شاہد نذیر احمد
چیف ایگزیکٹو آفیسر

MASOOD TEXTILE MILLS LIMITED
CONDENSED INTERIM BALANCE SHEET AS AT 31 MARCH 2017

	UN-AUDITED	AUDITED
Note	31 March 2017	30 June 2016
	(Rupees in thousand)	
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized share capital		
125 000 000 (30 June 2016: 125 000 000)		
ordinary shares of Rupees 10 each	1,250,000	1,250,000
60 000 000 (30 June 2016: 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	5 986,666	948,333
Reserves	7,169,625	5,875,555
Total Equity	8,156,291	6,823,888
Surplus on revaluation of freehold land	900,234	900,234
LIABILITIES		
NON-CURRENT LIABILITIES		
Long term financing	6 2,445,608	1,105,335
Liabilities against assets subject to finance lease	27,220	52,468
Deferred liability for gratuity	630,583	566,816
	<u>3,103,411</u>	<u>1,724,619</u>
CURRENT LIABILITIES		
Trade and other payables	2,169,162	2,156,675
Accrued mark-up	101,877	91,040
Short term borrowings	10,461,114	10,056,494
Current portion of non-current liabilities	747,359	788,853
Provision for taxation	174,741	188,501
	<u>13,654,253</u>	<u>13,281,563</u>
TOTAL LIABILITIES	16,757,664	15,006,182
CONTINGENCIES AND COMMITMENTS	7	
TOTAL EQUITY AND LIABILITIES	<u>25,814,189</u>	<u>22,730,304</u>
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	8 7,586,906	6,713,395
Long term advances	8,213	289
Long term security deposits	47,257	45,802
	<u>7,642,376</u>	<u>6,759,486</u>
CURRENT ASSETS		
Stores, spare parts and loose tools	1,308,789	956,585
Stock-in-trade	7,371,218	5,277,633
Trade debts	5,683,979	6,067,959
Loans and advances	437,019	303,928
Short term deposits and prepayments	635,172	576,012
Other receivables	1,913,565	1,562,048
Cash and bank balances	822,071	1,226,653
	<u>18,171,813</u>	<u>15,970,818</u>
TOTAL ASSETS	<u>25,814,189</u>	<u>22,730,304</u>

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

MASOOD TEXTILE MILLS LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE QUARTER/PERIOD ENDED 31 MARCH 2017
(UN-AUDITED)

	Period Ended		Quarter Ended	
	31 Mar 2017	31 Mar 2016	31 Mar 2017	31 Mar 2016
	------(Rupees in thousand)-----			
SALES	17,543,385	16,766,572	6,024,435	5,637,337
COST OF SALES	(14,890,609)	(14,374,423)	(5,044,449)	(4,817,808)
GROSS PROFIT	2,652,776	2,392,149	979,986	819,529
DISTRIBUTION COST	(1,186,520)	(1,018,983)	(406,779)	(338,588)
ADMINISTRATIVE EXPENSES	(361,283)	(353,427)	(127,589)	(119,069)
OTHER EXPENSES	(41,805)	(37,461)	(16,947)	(12,885)
OTHER INCOME	171,847	269,140	58,935	54,948
FINANCE COST	(446,549)	(546,177)	(165,617)	(159,126)
PROFIT BEFORE TAXATION	788,466	705,241	321,989	244,809
TAXATION	(174,741)	(186,639)	(61,477)	(63,637)
PROFIT AFTER TAXATION	613,725	518,602	260,512	181,172
EARNINGS PER SHARE - BASIC (RUPEES)	8.81	8.26	3.14	2.90
- DILUTED (RUPEES)	8.45	7.96	3.09	2.78

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

 CHIEF EXECUTIVE OFFICER

 DIRECTOR

MASOOD TEXTILE MILLS LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE QUARTER/PERIOD ENDED 31 MARCH 2017

(UN-AUDITED)

	Period Ended		Quarter Ended	
	31 Mar 2017	31 Mar 2016	31 Mar 2017	31 Mar 2016
	------(Rupees in thousand)-----			
PROFIT AFTER TAXATION	613,725	518,602	260,512	181,172
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	613,725	518,602	260,512	181,172

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

MASOOD TEXTILE MILLS LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 MARCH 2017
(UN-AUDITED)

	Note	Period Ended	
		31 Mar 2017	31 Mar 2016
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (utilized in) / generated from operations	9	(850,516)	3,027,977
Finance cost paid		(435,712)	(622,078)
Income tax paid		(216,125)	(227,347)
Dividend paid to ordinary shareholders		(263,317)	(180,508)
Dividend paid to preference shareholders		(30,655)	(41,496)
Gratuity paid		(79,830)	(70,238)
Net (increase) / decrease in long term advances		(7,924)	363
Net (increase) / decrease in long term security deposits		(1,455)	4,212
Net cash (used in) / generated from operating activities		(1,885,534)	1,890,885
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		46,656	8,789
Capital expenditure on property, plant and equipment		(1,257,187)	(190,676)
Net cash used in investing activities		(1,210,531)	(181,887)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		1,860,277	1,201,855
Repayment of long term financing		(555,658)	(944,530)
Repayment of preference shares		(36,667)	-
Share deposit money received		1,050,000	-
Repayment of liabilities against assets subject to finance lease		(31,089)	(34,578)
Short term borrowings - net		404,620	(1,934,879)
Net cash from / (used in) financing activities		2,691,483	(1,712,132)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(404,582)	(3,134)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		1,226,653	1,167,579
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		822,071	1,164,445

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

MASOOD TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2017
(UN-AUDITED)

(Rupees in Thousand)

	SHARE CAPITAL	DEPOSIT FOR SHARES	RESERVES						TOTAL EQUITY	
			CAPITAL			REVENUE				
			Share Premium	Redemption Fund	Sub Total	General	Unappropriated profit	Sub Total		Total
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
Transactions with owners:										
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 nine months ended 31 March 2016	-	-	-	-	-	-	518,602	518,602	518,602	518,602
Other comprehensive income for the nine months ended 31 March 2016	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the nine months ended 31 March 2016	-	-	-	-	-	-	518,602	518,602	518,602	518,602
Balance as at 31 Mar 2016-Unaudited	948,333	-	400,000	128,333	528,333	714,500	4,480,532	5,195,032	5,723,365	6,671,698
Profit after taxation for the three months ended 30 June 2016	-	-	-	-	-	-	210,616	210,616	210,616	210,616
Other comprehensive income for the three months ended 30 June 2016	-	-	-	-	-	-	(58,426)	(58,426)	(58,426)	(58,426)
Total comprehensive income for the three months ended 30 June 2016	-	-	-	-	-	-	152,190	152,190	152,190	152,190
Balance as at 30 June 2016-Audited	948,333	-	400,000	128,333	528,333	714,500	4,632,722	5,347,222	5,875,555	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)	-	-
Transaction 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)
Deposit for shares received against issuance of 12.50% right shares at the premium of Rupees 130 per share	-	1,050,000	-	-	-	-	-	-	-	1,050,000
Deposit for shares converted into share capital @ Rupees 10 per share	75,000	(75,000)	-	-	-	-	-	-	-	-
Deposit for shares transferred to Share Premium account @ Rupees 130 per share	-	(975,000)	975,000	-	975,000	-	-	-	975,000	-
	75,000	-	975,000	-	975,000	-	-	-	975,000	1,050,000
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	986,666	-	1,375,000	128,333	1,503,333	714,500	4,951,792	5,666,292	7,169,625	8,156,291

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

MASOOD TEXTILE MILLS LIMITED
SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE PERIOD ENDED 31 MARCH 2017
(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 (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. BASIS OF PREPARATION

This condensed interim financial information is un-audited 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 nine months ended 31 March 2017 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 2016.

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 2016.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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 judgments 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 2016.

5. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

Un-audited 31 Mar 2017 (Number of shares)	Audited 30 June 2016		Un-audited 31 Mar 2017 (Rupees in Thousand)	Audited 30 June 2016
67 500 000	60 000 000	Ordinary shares of Rupees 10 each fully paid in cash	675,000	600,000
31 166 666	34 833 334	Cumulative preference shares (non-voting) of Rupees 10 each fully paid in cash	311,666	348,333
<u>98 666 666</u>	<u>94 833 334</u>		<u>986,666</u>	<u>948,333</u>

Some of the preference shareholders have served conversion notice, for one third of their holding, to the Company of 3 666 666 preference shares amounting to Rupees 36.667 million. Responding there to, the Company exercised call option and repaid these preference shares.

5.1 17 396 833 ordinary shares (30 June 2016: 14 621 274) of the company are held by Shanghai Challenge Textile Company Limited- Associated Company.

	Un-Audited 31 Mar 2017 (Rupees in Thousand)	Audited 30 June 2016
6. LONG TERM FINANCING - SECURED		
Opening balance	1,853,485	1,655,697
Add: Obtained during the period/year	1,860,277	1,307,772
Less: Repaid during the period/year	<u>555,658</u>	<u>1,109,984</u>
	3,158,104	1,853,485
Less: Current portion shown under current liabilities	<u>712,496</u>	<u>748,150</u>
	<u><u>2,445,608</u></u>	<u><u>1,105,335</u></u>
7. CONTINGENCIES AND COMMITMENTS		
a) Contingencies		
Guarantees of Rupees 117.197 million (30 June 2016: Rupees 75.021 million) have been given by the banks of the company to Sui Northern Gas Pipelines Limited (SNGPL) against gas connections. Total Parco Pakistan Limited against fuel cards and Collector of Customs for import license fee.		
b) Commitments		
i) Contracts for capital expenditure are amounting to Rupees 512.768 million (30 June 2016: Rupees 231.548 million) and other than capital expenditure are amounting to Rupees 518.651 million (30 June 2016: Rupees 124.025 million).		
ii) Ijarah (operating lease) commitments amounting to Rupees 62.646 million (30 June 2016: Rupees 78.095 million).		
8. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets (Note 8.1)	6,848,294	6,450,508
Assets subject to finance lease (Note 8.2)	118,790	137,474
Capital work-in-progress	<u>619,822</u>	<u>125,413</u>
	<u><u>7,586,906</u></u>	<u><u>6,713,395</u></u>
8.1 Operating fixed assets		
Opening book value	6,450,508	6,242,057
Add:		
Surplus on revaluation freehold land	-	294,001
	6,450,508	6,536,058
Cost of additions during the period/year (Note 8.1.1)	762,779	377,043
Book value of assets transferred from assets subject to finance lease	<u>6,745</u>	<u>11,975</u>
	7,220,032	6,925,076
Less:		
Book value of deletions during the period/year (Note 8.1.2)	<u>20,839</u>	<u>6,884</u>
	7,199,193	6,918,192
Less: Depreciation charged during the period/year	<u>350,899</u>	<u>467,684</u>
	<u><u>6,848,294</u></u>	<u><u>6,450,508</u></u>
8.1.1 Cost of additions during the period/year		
Freehold land	-	5,217
Buildings on freehold land	39,708	57,281
Plant and machinery	649,568	230,457
Electric and gas installations	21,462	19,868
Factory equipment	3,896	10,101
Telephone installations	348	835
Furniture and fixtures	10,312	15,875
Office equipment	172	6,066
Computer equipment	13,733	23,552
Vehicles	<u>23,580</u>	<u>7,791</u>
	<u><u>762,779</u></u>	<u><u>377,043</u></u>

	Un-Audited 31 Mar 2017	Audited 30 June 2016
	(Rupees in thousand)	
8.1.2 Book value of deletions during the period/year		
Computer equipment	85	-
Vehicles	20,754	6,884
	<u>20,839</u>	<u>6,884</u>
8.2 Assets subject to finance lease		
Opening book value	137,474	170,034
Less: Book value of assets transferred to operating fixed assets-vehicle	<u>6,745</u>	<u>11,975</u>
	130,729	158,059
Less: Depreciation charged for the period/year	<u>11,939</u>	<u>20,585</u>
	<u>118,790</u>	<u>137,474</u>
(UN-AUDITED)		
Period Ended		
	31 Mar 2017	31 Mar 2016
(Rupees in thousand)		
9. CASH (UTILIZED IN) / GENERATED FROM OPERATIONS		
Profit before taxation	788,466	705,241
Adjustments for non-cash charges and other items:		
Depreciation	362,838	363,814
Provision for gratuity	133,059	125,739
Gain on sale of property, plant and equipment	(25,817)	(5,592)
Finance cost	446,549	546,177
Working capital changes (Note 9.1)	(2,555,611)	1,292,598
	<u>(850,516)</u>	<u>3,027,977</u>
9.1 Working capital changes		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(352,204)	(29,945)
Stock in trade	(2,093,585)	(357,218)
Trade debts	383,980	2,311,534
Loans and advances	(133,091)	2,042
Short term deposits and prepayments	(31,536)	(100,769)
Other receivables	(351,517)	(355,940)
	<u>(2,577,953)</u>	<u>1,469,704</u>
Increase / (decrease) in trade and other payables	22,342	(177,106)
	<u>(2,555,611)</u>	<u>1,292,598</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)	
Period ended		Period ended		Period ended		Period ended		Period ended	
31 Mar 2017	31 Mar 2016	31 Mar 2017	31 Mar 2016	31 Mar 2017	31 Mar 2016	31 Mar 2017	31 Mar 2016	31 Mar 2017	31 Mar 2016

(Rupees in Thousand)

Sales

External	623,864	855,840	36,732	40,036	16,882,788	15,870,696	-	-	17,543,385	16,766,572
Intersegment	1,152,013	1,157,511	6,742,191	5,711,453	23,669	32,761	(7,917,872)	(6,901,725)	-	-
	1,775,877	2,013,351	6,778,923	5,751,489	16,906,457	15,903,457	(7,917,872)	(6,901,725)	17,543,385	16,766,572
Cost of sales	(1,723,207)	(1,963,955)	(6,529,268)	(5,564,697)	(14,556,005)	(13,747,496)	7,917,872	6,901,725	(14,890,609)	(14,374,423)
Gross Profit	52,670	49,396	249,655	186,792	2,350,452	2,155,961	-	-	2,652,776	2,392,149
Distribution cost	(24,141)	(29,275)	(94,450)	(75,219)	(1,067,929)	(914,495)	-	-	(1,186,520)	(1,018,983)
Administrative expenses	(19,246)	(19,441)	(63,161)	(51,130)	(278,876)	(282,856)	-	-	(361,263)	(353,427)
	(43,387)	(48,716)	(157,611)	(126,343)	(1,346,805)	(1,197,351)	-	-	(1,547,803)	(1,372,410)

Profit before taxation and unallocated income and expenses

Unallocated income and expenses:

Other expenses									(41,805)	(37,461)
Other income									171,847	269,140
Finance cost									(446,549)	(546,177)
Taxation									(174,741)	(186,639)
Profit after taxation									613,725	518,602

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 Mar 2017	30 June 2016	31 Mar 2017	30 June 2016	31 Mar 2017	30 June 2016	31 Mar 2017	30 June 2016

(Rupees in Thousand)

Total assets for reportable segments	2,086,577	1,147,517	2,492,432	1,930,360	11,687,804	9,869,716	16,266,913	12,847,613
Unallocated assets							9,547,276	9,782,691
Total assets as per balance sheet							25,814,189	22,730,304
Total liabilities for reportable segments	128,804	162,316	362,128	641,231	2,410,690	2,010,983	2,901,622	2,814,530
Unallocated liabilities							13,856,042	12,191,652
Total liabilities as per balance sheet							16,757,664	15,006,182

11. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated company 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			
Period ended		Quarter Ended	
31 Mar 2017	31 Mar 2016	31 Mar 2017	31 Mar 2016

i) Transactions

Associated company

Purchase of goods and services	-	128,748	-	58,028
Sale of good and services	-	187,617	-	17,106
Dividend paid	64,334	63,603	-	-
Share deposit money received	388,578	-	132,706	-

Other related parties

Dividend paid	6,480	6,488	-	-
Share deposit money received	25,773	-	-	-
Remuneration paid to Chief Executive Officer, Directors and Executives	214,973	143,134	72,347	49,556

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 2016.

13. DATE OF AUTHORIZATION

This condensed interim financial information was approved and authorized for issue on 28 April 2017 by the Board of Directors of the Company.

14. 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 has been made, except for the exchange gain amounting to Rupees 198.573 million reclassified from export sales to other income.

15. GENERAL

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

BOOK POST

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