Form-3B

MASOOD TEXTILE MILLS LIMITED

Registered Office: Universal House, 17/1, New Civil Lines, Bilal Road, Faisalabad Phone: 041-2600176-276 FAX: 041-2600976 Website: www.masoodtextile.com/www.masoodtextile.com/company Share Registrar: Orient Software & Management Services (Pvt) Limited 35-Z, Ameer Plaza, Opp: Mujahid Hospital, Commercial Center, Madina Town, Faisalabad

COMPANIES ORDINANCE, 1984 SECTION 86 (3)
Circular to be sent to members along with the notice offering new shares

Part I-Issuer

	Т-	61 1111			<u> </u>			
а	Company profile and history							
	(i)	Name of company		Masood Textile Mills Limited				
	(ii) Incorporation date			3 October, 1984				
	(iii) Date of commencement of business Status (Public or private, if listed name of		9 Oct	ober, 1984				
	(iv)	stock exchanges where listed)		Listed on Pakistan Stock Exchar				
	(v) Corporate Universal Identification No. (CUIN)			0	012223			
b		f management & sponsors						
	(i) Brief description of profile of dir		<u>irec</u> tors	Ann	exure – A			
	(ii)	Other directorships held		Ann	exure – A			
C	Address							
	(i)	Registered office		Universal House, 17/1, New		ad, Faisalabad		
	(ii)	Website address (If any)			oodtextile.com			
d		of auditor(s)		M/S Riaz Ahmad & Company Cl	nartered Accountan	ts		
e		capital indicating classes of shares	, if any					
	(i)	Authorized Capital		As at 30 Septembe				
		Ordinary share Capital		n divided into 125 million shares	<u> </u>			
		Preference share Capital	Rs. 600 million divided into 60 million preference shares of Rs. 10 each.					
	(ii)	Paid-up Capital						
		Ordinary share Capital	Rs. 600 million divided into 60 million shares of Rs. 10 each.					
			llion divided into 31.167 million preference shares of Rs. 10 each.					
	Particular regarding holding / subsidiary							
f	company					N/A		
g	Financial	highlight of the company for pre-	ceding three yea	· 				
				30-Jun-16	30-Jun-15	30-Jun-14		
					s in thousand			
	Sales			23,183,485	26,702,735	24,371,128		
	Gross pro			3,212,247	3,714,418	3,935,812		
	$\overline{}$	fore interest, tax, Depreciation and	d Amortization	2,124,556	2,499,192	2,781,656		
	profit aft			729,218	754,113	938,299		
		ated profit/(loss)		4,632,722	4,264,426	3,662,119		
	Total assets			22,730,304	22,970,989	22,113,537		
	Total liabilities			15,006,182	15,909,164	13,650,381		
	Net equit		6,823,888	6,455,592	5,818,785			
		per share		11.64	11.88	14.95		
	Cash Dividend-Ordinary share capital Cash Dividend-Preference share capital Bonus issue , if any			264,000	261,000	90,000		
				30,655	41,496	41,320		
				N/A	N/A	N/A		
		ner than right issue , if any	-1-1	N/A	N/A	N/A		
		highlight of consolidated financial		N/A				
	same as i	n above, if any.						
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Description September 2016 June 2016- As per Annual Audited Accounts Rupees in thousand Audited Accounts Audited Accounts Rupees in thousand Purchase of goods and services	i	Major	related party transactions						
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Associated Company Purchase of goods and services		\vdash						Accounts	
Purchase of goods and services		Assoc	ciated Company		napees in thous				
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Accumulated profit/ Loss 4,632,722 5,377,127 6,290,087 7,282,887 8,522,674 Total assets 22,655,558 24,879,176 27,279,941 29,882,006 32,884,912 Total liabilities 13,137,031 14,484,356 16,020,655 17,474,600 19,061,481 Net Equity 8,618,293 9,494,586 10,359,052 11,507,173 12,923,197				, ,,,,,,	,,	, ,,===	,,	,	
Total assets 22,655,558 24,879,176 27,279,941 29,882,006 32,884,912 Total liabilities 13,137,031 14,484,356 16,020,655 17,474,600 19,061,481 Net Equity 8,618,293 9,494,586 10,359,052 11,507,173 12,923,197				4,632,722	5,377,127	6,290,087	7,282,887	8,522,674	
Total liabilities 13,137,031 14,484,356 16,020,655 17,474,600 19,061,481 Net Equity 8,618,293 9,494,586 10,359,052 11,507,173 12,923,197									
Net Equity 8,618,293 9,494,586 10,359,052 11,507,173 12,923,197									
								_	
			Earnings per share (Rs)	14.94	19.31	21.75	24.51	28.02	



	Has the mar	ket price remained below par during preceding				
h	six months?		No			
i	Financial eff	ects arising from right issue				
	(ii) Net assets/breakup value per share before and after right issue (As per the audited accounts 30 June 2016) (iii) Gearing ratio before and after right issue(As per the audited accounts 30 June 2016) s		Rs. 75,000,000 divided into 7,500,000 ordinary shares of Rs. 10 each.			
			Net assets per shares before the right issue is Rs. 107.93 (with surplus on revaluation of fixed assets Rs.122.93) and net assets per shares after the right issue shall be approximately Rs.111.50 (with surplus on revaluation of fixed assets Rs.124.83)			
			The gearing ratio before the right issue is 61:39 (Equity includes surplus on revaluation of fixed assets) and gearing ratio after the right issue shall be approximately 56:44			
J	Total expens	es to the issue				
	(i) Bankers commission		As mutually agreed			
	(ii)	Underwriters commission	0.75% of the total value of the Underwritten Shares			
	(iii)	Others	N/A			

Part III-Risk and Risk mitigating factors

а	Description	of major risks and company's efforts to mitigate	them	
	(i)	Risks relating to the project for which right		
		issue is announced	There is no major risk	
1	(ii)	Risks relating to subscription/under-	The current share price in The stock market is much above The	
		subscription of right issue	offer price. Hence there is no risk of under subscription. The underwriter has already been appointed to cover the risk of under subscription.	
	(iii)	Material contingencies (as per annual	Contingencies	
		audited account for the year ended 30 June 2016)	Guarantees of Rupees 75.021 million (2015: Rupees 74.521 million) have been given by the banks of the Company to Su Northern Gas Pipelines Limited (SNGPL) against gas connections and Collector of Customs, Lahore for import license fee.	
ĺ	(iv)	Material commitments (as per annual	b)Commitments	
		audited account for the year ended 30 June 2016)	i) Contracts for capital expenditure are amounting to Rupees 231.548 million (2015: Rupees 13.600 million) and other than capital expenditure are Rupees 124.025 million (2015: Rupees 166.434 million). ii) Ijarah (operating lease) commitments - Company as lessee The Company obtained vehicles under ijarah (operating lease) agreement. The lease terms are three to five years. The Company has given undertaking to purchase the leased vehicles on agreed purchase price at maturity. The future aggregate minimum lease payments under ijarah	
			(operating lease) are as follows:	
			Rupees in thousand	
			Not later than one year 26,345	
			Later than one year and not later	
	(4)	Description of major court cases	than five years 51,750	
			N/A	
	(01)		Nana	
h	Name of up	<u> </u>	<u> </u>	
D	Name of un	ueiwriter, til required)		
b		Description of major court cases Any adverse issue reported by the auditor in their audit reports in any previous five years derwriter, (if required)	N/A None 1. Summit Bank Limited	

Part IV-Eligibility criteria & associated matters

а	Eligible shareholders/ investor	All shareholders whose names appear on the register of shareholder at the close of business on Saturday, 26 November, 2016
b	Bankers to the issue	1.Summit Bank Limited 2.Samba bank Limited 3.Habib Metropolitan Bank Limited
c	Date by which offer to be accepted	27.01.2017



d	Mode of acceptance Ca			Cash/Cheque/Pay order/Demand Draft			
	i)	Bank account	Bank Name	Account No	Branches		
		number	1.Summit Bank Limited	162-20311-714-129740	All branches in Pakistan		
	2.Samba		2.Samba Bank Limited	6600001062	All branches in Pakistan		
			3. Habib Metropolitan Bank Limited	20353-714-222322	All branches in Pakistan		
	ii) Date by which amount to be credited in bank account to						
		constitute valid	acceptance	27.01.2017			
	iii)	iii) No. and date of pay order / bank draft and other banking		N/A			
		instrument.					

Part V-Any other material information

Any information which has direct or indirect bearing on the		
investment issue	None	

Part VI-annexures

a	Annexure A - Particulars of Chief executive / Directors and offices held by them in other companies				
b	Annexure B - Extract of resolution passing the right issue				
C	Annexure C - Certificate of chief executive and CFO that the circular constitute full and true disclosure of all material facts				
	relating to the right issue and that the Company will provide copies of financial statements on demand				

Officers authorized by Directors

Faisalabad 12th December, 2016

1 Name: Muhammad Shahid Naveed Designation: Chief Financial Officer 2 Name: Mian Abdul Bari Designation: Company Secretary

PROFILE OF BOARD OF DIRECTORS

Shahid Nazir Ahmad, CEO/Director

Mr. Shahid Nazir Ahmed, CEO is an MBA from London and has over 20 years of experience in the textile sector including spinning, knitting, dyeing, finishing and garments. He has been the main driving force along with experienced professionals behind the growth of the Company from a spinning unit to one of the largest vertically integrated business in Pakistan. He has extensive experience in production, IT, marketing and administration.

Miss. Chen Yan

Miss. Chen Yan is non-executive director of the board and is chines national. She was appointed as Nominee board member after Shanghai Change Textile. Co., Ltd investment in MTM. She holds bachelor degree and has vast 18 years' experience in textile industry as senior executive. Currently, she is also serving as Vice President of sales and Marketing in Shanghai Change Textile. Co., Ltd and she had also served Shanghai Jiale Corp Ltd from 1998 to 2004.

Mr. Shibin Yang

Mr. Shibin Yang is a non-executive member of the board. He is also Nominee board member of Shanghai Change Textile. Co., Ltd at the board of MTM. He is post graduate and currently serving Shanghai Change Textile. Co., Ltd. He had been employed with Ministry of Textile; China National Textile Council; State Bureau of textile Industry, China National Textile and Apparel Council and other companies and have more than 26-years professional experience.

Mr. Naseer Ahmad Shah

Mr. Naseer Ahmad Shah is non-executive director. He holds M.Sc (Computer science) degree and various certifications in the field of IT. Further he has more than 30-years professional experience and is a Certified Director by completing the Director's Training Program from ICAP

Mr. Matloob Hussian

Mr. Matloob Hussian is non-executive director of the board since 2007. He has done his graduation from University of the Punjab, Lahore. Mr. Matloob Hussian has over 10 Year of experience in management and over 9-years' experience of directorship of listed company. He is a Certified Director by completing the Director's Training Program from ICAP

Mr. Fazal Ahmad

Mr. Fazal Ahmad hold graduate degree form Punjab Collage of Commerce and currently serving company and non-executive director since 2005 and has over 10-years' experience in various position in management. He is also a Certified Director by completing the Director's Training Program from ICAP

Mr. Shoaib Ahmad Khan

Mr. Shoaib Ahmad Khan is the independent director on the board. He is MBA from Adamson University-Manila, Philippines and Bachelor of Science from Punjab University. He further holds DAIBP from Institute of Bankers, Pakistan and certificate course on Islamic Banking from Institute of Islamic Banking & Finance, Pakistan. He has more than 30 years working experience at executive level in various companies.



Directorship in other Companies

Status		Other Dire	ectorship		
CEO/Director	-	Nil			
Director Chairmar	1	Nil			
	J	Shanghai Limited (C	Challenge hines compa	Textile	Company
	•	Shanghai Limited (C	Challenge hines compa	Textile	Company
Director		Nil			
Director		Nil			
Nominee-NIT					
	Director — Chairman Director — Nom Challenge Textile Co Director Nom Challenge Textile Co Director — Director Director	Director — Chairman Director — Nominee-Shanghai Challenge Textile Co. Ltd Director Nominee-Shanghai Challenge Textile Co. Ltd Director Director	Director - Chairman Nil Director - Chairman Nil Director Nominee-Shanghai Shanghai Limited (C Director Nominee-Shanghai Shanghai Challenge Textile Co. Ltd Limited (C Director Nominee-Shanghai Limited (C Director Nil Director Nil Nil Nominee-NIT 1- Salma	Director - Chairman Nil Director - Chairman Nil Director Nominee-Shanghai Shanghai Challenge Challenge Textile Co. Ltd Limited (Chines compa Director Nominee-Shanghai Shanghai Challenge Challenge Textile Co. Ltd Limited (Chines compa Director Nil Director Nil Nominee-NIT 1- Salman Noman Er	Director - Chairman Nil Director Nominee-Shanghai Shanghai Challenge Textile Challenge Textile Co. Ltd Limited (Chines company) Director Nominee-Shanghai Shanghai Challenge Textile Challenge Textile Co. Ltd Limited (Chines company) Director Nil Director Nil Nominee-NIT 1- Salman Noman Enterprises





Regd. Office: Universal House, 17/1, New Civil Lines, Bilal Road, Faisalabad. Tel::041-2600176-276 Fax::92-41-2600976

MILLS: 32 K.M. SHEIKHUPURA ROAD, FAISALABAD,

COPY OF RESOLUTIONS PASSED BY THE BOARD OF DIRECTORS OF MASOOD TEXTILE MILLS LIMITED IN THEIR MEETING HELD AT 11 A.M.ON 29TH. OCTOBER, 2016 HELD AT ITS REGISTERED OFFICE, UNIVERSAL HOUSE, 17/1, NEW CIVIL LINES, BILAL ROAD, FAISALABAD.

"Resolved that Ordinary Paid-up Share Capital of Masood Textile Mills Ltd.('the Company") be and is hereby increased from Rs.600,000,000 to Rs.675,000,000 by issuing further 7,500,000 Ordinary Shares to be offered as Right Shares @ Rs. 140 per share inclusive of Rs. 130 as premium per share in the ratio of 12 ½ Right Shares for every 100 existing Ordinary Shares of Rs.10 each (i.e.,@ 12 ½ %) and that these Ordinary Right Shares be and are hereby offered to the Company's existing ordinary shareholders as provided under section 86 of the Companies Ordinance, 1984 against payment of value of shares to the Company up to the date as per Right Allotment Letters to be issued. These shares shall rank pari passu in all respects with the existing ordinary shares of the company."

"Resolved further that Chief Financial Officer and/or Company Secretary be and are hereby singly/jointly authorized to appoint the Bankers to collect the amount of subscription towards right shares. They are also authorized to finalize the prescribed Circular u/s 86 containing necessary information along with Letter of Rights and Intimation Letters."

"Resolved further that Chief Financial Officer and/or Company Secretary be and are singly/jointly authorized to appoint consultant/advisor for Right Issue, announce Book Closure dates or any change therein and to prepare the schedule for issue of Right Shares and to make any amendment in the said schedule and to make all necessary actions required by SECP/PSX/CDC or any other authority and to take all necessary actions as may be required in this regard."

"Resolved further that the Chief Executive Officer be and is hereby authorized to manage allotment of unsubscribed portion of Right Shares or negotiate with the underwriters or any/all Directors of the Company. He is also empowered to effect transfer of proceeds of Right Subscription Account to the Company's account, through authorized signatories:"

For Masood Textile Mills

Mian Abdul Bar

Company Secretary

Faisalabad; 29th October, 2016.



Certificate from Chief Executive and Chief Financial Officer

We hereby certify that the Circular under section 86(3) of the Companies Ordinance, 1984 constitute full and true disclosure of all material facts relating to the right issue and the company will provide copies of financial statements on demand.

For Masood Textile Mills Limited

(Shahid Nazir Ahmad)
Chief Executive Officer

(Muhammad Shahid Naveed) Chief Financial Officer

