

MASOOD TEXTILE MILLS LIMITED

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**ACCOUNTS
FOR THE FIRST QUARTER ENDED
30 SEPTEMBER 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 : MISS CHEN YAN (Nominee-Shanghai Challenge Textile Co. Ltd) : MR. SHIBIN YANG (Nominee-Shanghai Challenge Textile Co. Ltd) : MR. SHOAB AHMAD KHAN (Nominee-NIT)
COMPANY SECRETARY	: Mr. NISAR AHMAD ALVI
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

On behalf of the Board of Directors of Masood Textile Mills Limited (the Company), it is my pleasure to present the un-audited condensed interim financial information of the Company for the first quarter ended 30 September 2018.

During the period under review, your company earned a gross profit of Rs. 971.673 million on sales of Rs. 6,396.249 million compared to gross profit of Rs. 875.322 million on sales of Rs.5,718.234 million for the corresponding period of previous financial year. During the first quarter ended, your company earned a net profit of Rs. 201.598 million (EPS: Rs. 2.88 per share) , compared to net profit of Rs. 171.850 million (EPS: Rs. 2.45 per share) in the corresponding period. Resultantly reflecting a growth of 17.31% in net profit of the Company.

Besides some moderation in current account deficit during the first quarter of financial year 2019 (FY19), the country would hardly be able to cut the current accounts deficit significantly during FY19 due to higher imports of energy, transport, food and metals and insufficient inflows of foreign investment and home remittances. Considering the gravity of the situation, the present government has improved/increased regulatory duties on imports, devalued the Pak rupee by a considerable margin, introduced certain measures to increase home remittances through banking channels and has decided to request friendly countries to lend a helping hand to Pakistan. It would enable Pakistan to negotiate a programme with IMF in a confident manner.

Despite the challenges faced by the textile industry including increase in imported raw materials costs due to currency devaluation, liquidity crunch due to blockage of sales tax, income tax refunds, duty drawback of taxes and increase in labor costs, the textile sector has great potential for improvement and requires Government support to identify textile as a key priority area.

The Board records its appreciation for the performance of the Company's workers, staff and executives for their hard work and dedication. Board also grateful for the support and cooperation of our bankers, supplier, valued customers and shareholders of the Company.

Faisalabad:
29th October, 2018

DIRECTOR

DIRECTOR

ڈائریکٹرز رپورٹ برائے ممبران

مسعود نیکنائیل ملز لمیٹیڈ کے بورڈ آف ڈائریکٹرز کی طرف سے میں کمپنی کے 30 ستمبر 2018 کو اختتام پذیر ہونے والی پہلی سہ ماہی کے غیر آڈٹ شدہ مالی گوشوارے پیش کرتے ہوئے خوشی محسوس کر رہا ہوں۔

زیر بحث سہ ماہی میں آپ کی کمپنی نے 6,396,249 ملین روپے کی فروخت پر 971.673 ملین روپے کل منافع کمایا۔ جو کہ پچھلے سال کی اسی مدت میں 5,718.234 ملین روپے کی فروخت پر کل منافع 875.322 ملین روپے تھا۔ پہلی سہ ماہی کے اختتام پر آپ کی کمپنی نے 201.598 ملین روپے خالص منافع کمایا ہے (فی حصص کمائی 2.88 روپے ہے)۔ جب کہ خالص منافع پچھلے سال کی پہلی سہ ماہی میں 171.850 ملین روپے تھا (فی حصص آمدن 2.45 روپے تھی)۔ نتیجہً کمپنی کے منافع میں 17.31 فیصد اضافہ ہوا ہے۔

مالیاتی سال 2019 کی پہلی سہ ماہی کے دوران موجودہ اکاؤنٹ خسارہ میں کچھ اعتدال پذیری کے باوجود ملک، بشکل اس قابل ہوگا کہ وہ موجودہ اکاؤنٹ خسارہ کم کر سکے جس کی وجہ تو انائی، نقل و حمل، خوراک اور دھاتوں سے متعلق اشیاء کی درآمد میں اضافہ، غیر ملکی سرمایہ کاری اور باہر کے ملکوں سے رقوم بھیجنے میں کمی ہے۔ صورتحال کی سنگینی کو سمجھتے ہوئے موجودہ حکومت نے درآمدات پر ریگولیشن ڈیوٹی میں اضافہ، پاکستانی روپے کی قیمت میں خاطر خواہ کمی، باہر کے ملکوں سے بینکوں کے ذریعے رقوم بھجوانے کے لئے اقدامات اور دوست ممالک سے پاکستان کی مدد کرنے کا کہا ہے۔ یہ اقدامات پاکستان کو IMF کے ساتھ بہتر انداز سے گفت و شنید کرنے میں مدد فراہم کریں گے۔

نیکنائیل انڈسٹری کو درپیش چیلنجز جن میں روپیہ کی قدر میں کمی کی وجہ سے درآمدی خام مال کی قیمتوں میں اضافہ ہونا، انکم ٹیکس سلائیٹس ریویژن میں تعطل کی وجہ سے روپے کی ترسیل میں کمی، اجرتوں میں اضافہ کے باوجود نیکنائیل سیکٹرز میں بہتری کی، بہت بڑی گنجائش موجود ہے اور حکومت کی طرف سے نیکنائیل سیکٹرز کو کلیدی ترجیحی سیکٹرز کے طور پر مدد فراہم کرنے کی ضرورت ہے۔

بورڈ اپنے ملازمین اور ایگزیکٹوز کی انتھک محنت اور کاوشوں کو سراہتا ہے۔ اور بورڈ اپنے مینجمنٹرز، سپلائرز، اور کسٹمرز کی طرف سے تعاون اور مدد کو بھی سراہتا ہے۔

از طرف بورڈ

فیصل آباد

29 اکتوبر 2018

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MASOOD TEXTILE MILLS LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2018

	Note	UN-AUDITED 30 Sep 2018	AUDITED 30 June 2018
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
125 000 000 (30 June 2018: 125 000 000) ordinary shares of Rupees 10 each		1,250,000	1,250,000
60 000 000 (30 June 2018: 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
Capital reserves			
Share premium		1,375,000	1,375,000
Redemption fund		128,333	128,333
Surplus on revaluation of freehold land		900,234	900,234
Revenue reserves		<u>7,147,239</u>	<u>6,945,641</u>
Total Equity		10,537,472	10,335,874
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	5	4,519,227	4,650,568
Liabilities against assets subject to finance lease		5,737	6,816
Deferred liability for gratuity		764,972	724,353
		5,289,936	5,381,737
CURRENT LIABILITIES			
Trade and other payables		3,833,493	2,676,834
Unclaimed dividend		10,800	10,813
Accrued mark-up		180,258	191,768
Short term borrowings		12,874,513	11,962,878
Current portion of non-current liabilities		1,419,585	1,469,563
Provision for taxation		261,978	191,531
		<u>18,580,627</u>	<u>16,503,387</u>
TOTAL LIABILITIES		23,870,563	21,885,124
CONTINGENCIES AND COMMITMENTS			
TOTAL EQUITY AND LIABILITIES	6	<u>34,408,035</u>	<u>32,220,998</u>
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	10,134,893	10,028,337
Long term advances		1,189	1,814
Long term security deposits		47,556	47,110
		<u>10,183,638</u>	<u>10,077,261</u>
CURRENT ASSETS			
Stores, spare parts and loose tools		1,865,013	1,579,156
Stock-in-trade		7,726,501	5,810,871
Trade debts		8,520,510	9,276,084
Loans and advances		402,617	380,772
Short term deposits and prepayments		1,126,160	939,770
Other receivables		3,769,352	3,536,704
Cash and bank balances		814,244	620,380
		<u>24,224,397</u>	<u>22,143,737</u>
TOTAL ASSETS		<u>34,408,035</u>	<u>32,220,998</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 OR LOSS
FOR THE 1ST QUARTER ENDED 30 SEPTEMBER 2018
(UN-AUDITED)

	30 Sep 2018	30 Sep 2017
(Rupees in Thousand)		
REVENUE	6,396,249	5,718,234
COST OF SALES	(5,424,576)	(4,842,912)
GROSS PROFIT	971,673	875,322
DISTRIBUTION COST	(504,264)	(380,587)
ADMINISTRATIVE EXPENSES	(136,628)	(121,823)
OTHER EXPENSES	(15,760)	(1,522)
OTHER INCOME	207,776	55,245
FINANCE COST	(250,753)	(199,601)
PROFIT BEFORE TAXATION	272,044	227,034
TAXATION	(70,446)	(55,184)
PROFIT AFTER TAXATION	201,598	171,850
EARNINGS PER SHARE - BASIC (RUPEES)	2.88	2.45
- DILUTED (RUPEES)	2.71	2.32

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DIRECTOR

DIRECTOR

CHIEF FINANCIAL OFFICER

MASOOD TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE 1st QUARTER ENDED 30 SEPTEMBER 2018
(UN-AUDITED)

	30 Sep 2018	30 Sep 2017
	(Rupees in Thousand)	
PROFIT AFTER TAXATION	201,598	171,850
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	201,598	171,850

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DIRECTOR

DIRECTOR

CHIEF FINANCIAL OFFICER

MASOOD TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE 1st QUARTER ENDED 30 SEPTEMBER 2018
(UN-AUDITED)

(Rupees in Thousand)

	Reserves								Total Equity	
	Capital				Revenue			Total		
	Share Capital	Share Premium	Redemption Fund	Surplus on Revaluation of Freehold Land	Sub Total	General	Unappropriated Profit			Sub Total
Balance as at 30 June 2017-Audited	986,666	1,375,000	128,333	900,234	2,403,567	714,500	5,242,866	5,957,366	8,360,933	9,347,599
Profit after taxation for the three months ended 30 Sep 2017	-	-	-	-	-	-	171,850	171,850	171,850	171,850
Other comprehensive income for the three months ended 30 Sep 2017	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the three months ended 30 Sep 2017	-	-	-	-	-	-	171,850	171,850	171,850	171,850
Balance as at 30 Sep 2017-Unaudited	986,666	1,375,000	128,333	900,234	2,403,567	714,500	5,414,716	6,129,216	8,532,783	9,519,449
Transactions with owners:										
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 30 June 2018	-	-	-	-	-	-	941,198	941,198	941,198	941,198
Other comprehensive income for the nine months ended 30 June 2018	-	-	-	-	-	-	18,821	18,821	18,821	18,821
Total comprehensive income for the nine months ended 30 June 2018	-	-	-	-	-	-	960,019	960,019	960,019	960,019
Balance as at 30 June 2018-Audited	986,666	1,375,000	128,333	900,234	2,403,567	714,500	6,231,141	6,945,641	9,349,208	10,335,874
Profit after taxation for the three months ended 30 Sep 2018	-	-	-	-	-	-	201,598	201,598	201,598	201,598
Other comprehensive income for the three months ended 30 Sep 2018	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the three months ended 30 Sep 2018	-	-	-	-	-	-	201,598	201,598	201,598	201,598
Balance as at 30 Sep 2018-Unaudited	986,666	1,375,000	128,333	900,234	2,403,567	714,500	6,432,739	7,147,239	9,550,806	10,537,472

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

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DIRECTOR

DIRECTOR

CHIEF FINANCIAL OFFICER

MASOOD TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE 1st QUARTER ENDED 30 SEPTEMBER 2018
(UN-AUDITED)

	Note	30 Sep 2018	30 Sep 2017
(Rupees in Thousand)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	8	131,555	308,571
Finance cost paid		(262,263)	(175,297)
Income tax paid		(80,389)	(60,779)
Dividend paid to ordinary shareholders		(13)	-
Gratuity paid		(26,477)	(17,466)
Net decrease in long term advances		625	740
Net (increase) / decrease in long term security deposits		(446)	2,600
Net cash (used in) / generated from operating activities		(237,408)	58,369
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		14,501	8,150
Capital expenditure on property, plant and equipment		(309,544)	(617,396)
Net cash used in investing activities		(295,043)	(609,246)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		166,988	295,100
Repayment of long term financing		(345,815)	(192,534)
Repayment of liabilities against assets subject to finance lease		(6,493)	(15,671)
Short term borrowings - net		911,635	538,967
Net cash from financing activities		726,315	625,862
NET INCREASE IN CASH AND CASH EQUIVALENTS		193,864	74,985
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		620,380	902,816
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		814,244	977,801

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 1st QUARTER ENDED 30 SEPTEMBER 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.

Geographical location and addresses of all business units of the Company are as follows:

<u>Manufacturing Units</u>	<u>Address</u>
Spinning, Knitting and Dyeing units	32 Kilometers, Sheikhpura Road, Faisalabad
Spinning Unit	Satiyana Road, Faisalabad
Stitching Unit	Sargodha Road, Faisalabad
Stitching Units	Nishatabad, Faisalabad
Stitching Unit	Chak Jhumra Road, Nishatabad, Faisalabad
Stitching Unit	Hajiabad, Sheikhpura Road, Faisalabad
Stitching Unit	Koh-i-Noor City, Jaranawala Road, Faisalabad
Stitching Unit	Faisalabad Garments City Company, Khurrianwala, Faisalabad
Stitching Unit	Small Scale Industrial Estate, Faisalabad
Stitching Unit	Khurrianwala Jaranwala Road, Faisalabad

2. BASIS OF PREPARATION

2.1 This condensed interim financial information have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

Provisions of and directives issued under the Companies Act, 2017:

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 This condensed interim financial information do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended 30 June 2018. This condensed interim financial information is un-audited, and is being submitted to the shareholders as required by the Listed Companies (Code of Corporate Governance) Regulations, 2017 and Section 237 of the Companies Act, 2017.

3. ACCOUNTING POLICIES AND COMPUTATION METHODS

The accounting policies and methods of computation adopted 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 2018.

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 2018.

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 2018.

	UN-AUDITED	AUDITED
	30 Sep	30 June
	2018	2018
	(Rupees in Thousand)	

5. LONG TERM FINANCING-SECURED

Opening balance	6,105,246	5,776,320
Add: Obtained during the period / year	166,988	1,044,867
Less: Repaid during the period / year	345,815	715,941
	<u>5,926,419</u>	<u>6,105,246</u>
Less: Current portion shown under current liabilities	<u>1,407,192</u>	<u>1,454,678</u>
	<u>4,519,227</u>	<u>4,650,568</u>

6. CONTINGENCIES AND COMMITMENTS

a) Contingencies

- Guarantees of Rupees 277.995 million (2018: Rupees 244.995 million) are 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.
- 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 on 18 January 2017. Consequently, the Company has accounted for input sales tax amounting to Rupees 151.862 million (2018:151.862 million) paid on such items as receivable balance. The Company is confident on positive outcome of the appeal, on the advice of legal counsel.
- Provision for Gas Infrastructure Development Cess (GIDC) and cost of supply charges thereon amounting to Rupees 15.775 million (2018: Rupees 9.429 million) and 22.203 million (2018: Rupees 20.118 million) respectively for the period from November 2017 has not been recognized in the books of account as the Company has obtained stay orders from Lahore High Court, Lahore on 15 November 2017 and from Islamabad High Court, Islamabad on 15 December 2017. Post dated cheques amounting to Rupees 14.496 million (2018: Rupees 7.413 million) are issued to SNGPL against GIDC. Company is confident of favorable outcome of the matter, on the advice of legal counsel.

b) Commitments

- Contracts for capital expenditure are amounting to Rupees 102.926 million (2018: Rupees 267.754 million) and other than capital expenditure are of Rupees 576.041 million (2018: Rupees 830.887 million).
- Ijarah (operating lease) commitments amounting to Rupees 76.569 million (30 June 2018: Rupees 71.063 million).

7. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets (Note 7.1)	9,726,072	9,282,929
Assets subject to finance lease (Note 7.2)	42,641	59,848
Capital work-in-progress	366,180	685,560
	<u>10,134,893</u>	<u>10,028,337</u>

	UN-AUDITED 30 Sep 2018 (Rupees in Thousand)	AUDITED 30 June 2018
7.1 Operating Fixed Assets		
Opening book value	9,282,929	7,796,407
Add:		
Cost of additions during the period/year (Note 7.1.1)	628,924	2,197,924
Book value of assets transferred from assets subject to finance lease	18,718	40,211
	<u>9,930,571</u>	<u>10,034,542</u>
Less:		
Book value of deletions during the period/year (Note 7.1.2)	15,841	67,426
	<u>9,914,730</u>	<u>9,967,116</u>
Less: Depreciation charged during the period/year	188,658	684,187
	<u>9,726,072</u>	<u>9,282,929</u>
7.1.1 Cost of additions during the period / year		
Buildings on freehold land	190,113	208,839
Plant and machinery	382,716	1,690,672
Electric and gas installations	34,047	139,342
Factory equipment	3,132	13,670
Telephone installations	384	673
Furniture and fixtures	11,247	79,320
Office equipment	144	598
Computer equipment	6,840	39,027
Vehicles	301	25,783
	<u>628,924</u>	<u>2,197,924</u>
7.1.2 Book value of deletions during the period / year		
Buildings on freehold land	-	28,086
Plant and machinery	-	19,887
Electric and gas installations	3,604	6,971
Furniture and fixtures	8,616	-
Computer equipment	315	22
Vehicles	3,306	12,460
	<u>15,841</u>	<u>67,426</u>
7.2 Assets subject to finance lease		
Opening book value	59,848	108,022
Add: Additions during the period / year (Note 7.2.1)	2,922	-
	<u>62,770</u>	<u>108,022</u>
Less: Book value of assets transferred to operating fixed assets (Note 7.2.2)	18,718	40,211
	<u>44,052</u>	<u>67,811</u>
Less: Depreciation charged for the period / year	1,411	7,963
	<u>42,641</u>	<u>59,848</u>
7.2.1 Additions during the period / year		
Vehicles	2,922	-
	<u>2,922</u>	<u>-</u>
7.2.2 Book value of assets transferred to operating fixed assets		
Plant and machinery	18,718	36,184
Vehicles	-	4,027
	<u>18,718</u>	<u>40,211</u>
	UN-AUDITED	
	Quarter Ended	
	30 Sep 2018	30 Sep 2017
8. CASH GENERATED FROM OPERATIONS		
	(Rupees in Thousand)	
Profit before taxation	272,044	227,034
Adjustments for non-cash charges and other items:		
Depreciation	190,069	152,020
Provision for gratuity	61,283	52,266
Loss/(gain) on sale of property, plant and equipment	1,340	(3,104)
Finance cost	250,753	199,601
Working capital changes (Note 8.1)	(643,934)	(319,246)
	<u>131,555</u>	<u>308,571</u>

UN-AUDITED	
Quarter Ended	
30 Sep 2018	30 Sep 2017

(Rupees in Thousand)

8.1 Working capital changes

(Increase)/decrease in current assets:

Stores, spare parts and loose tools	(285,857)	19,789
Stock in trade	(1,915,630)	(466,211)
Trade debts	755,574	(214,839)
Loans and advances	(21,845)	(69,532)
Short term deposits and prepayments	(106,000)	(68,368)
Other receivables	(232,648)	366,922
	(1,806,406)	(432,239)
Increase in trade and other payables	1,162,472	112,993
	<u>(643,934)</u>	<u>(319,246)</u>

9. SEGMENT INFORMATION

9.1 Segment results

	Spinning		Knitting		Processing & Garments		Elimination of Inter-Segment Transactions		Total - Company	
	(Un-audited)		(Un-audited)		(Un-audited)		(Un-audited)		(Un-audited)	
	1 st Quarter Ended		1 st Quarter Ended		1 st Quarter Ended		1 st Quarter Ended		1 st Quarter Ended	
	30 Sep 2018	30 Sep 2017	30 Sep 2018	30 Sep 2017	30 Sep 2018	30 Sep 2017	30 Sep 2018	30 Sep 2017	30 Sep 2018	30 Sep 2017

(Rupees in Thousand)

Revenue

External	327,719	302,689	25,498	48,994	6,043,032	5,366,551	-	-	6,396,249	5,718,234
Intersegment	385,627	444,513	3,018,613	2,589,522	4,244	4,312	(3,408,484)	(3,038,347)	-	-
	713,346	747,202	3,044,111	2,638,516	6,047,276	5,370,863	(3,408,484)	(3,038,347)	6,396,249	5,718,234
Cost of sales	(687,525)	(725,660)	(2,924,154)	(2,538,220)	(5,221,361)	(4,617,379)	3,408,484	3,038,347	(5,424,576)	(4,842,912)
Gross profit	25,821	21,542	119,957	100,296	825,895	753,484	-	-	971,673	875,322
Distribution cost	(10,566)	(9,897)	(37,667)	(35,663)	(456,031)	(335,027)	-	-	(504,264)	(380,587)
Administrative expenses	(8,816)	(7,736)	(29,240)	(24,584)	(98,572)	(89,503)	-	-	(136,628)	(121,823)
	(19,382)	(17,633)	(66,907)	(60,247)	(554,603)	(424,530)	-	-	(640,892)	(502,410)

Profit before taxation
and unallocated income
and expenses

Unallocated income and expenses:

Other expenses		(15,760)	(1,522)
Other income		207,776	55,245
Finance cost		(250,753)	(199,601)
Taxation		(70,446)	(55,184)
Profit after taxation		<u>201,596</u>	<u>171,850</u>

9.2 Reconciliation of reportable segment assets and liabilities:

Spinning		Knitting		Processing & Garments		Total - Company	
Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited
30 Sep 2018	30 Jun 2018	30 Sep 2018	30 Jun 2018	30 Sep 2018	30 Jun 2018	30 Sep 2018	30 Jun 2018

(Rupees in Thousand)

Segment Assets	1,662,459	1,613,093	2,790,766	2,590,936	15,273,183	13,224,089	19,726,406	17,428,120
Unallocated assets							14,681,627	14,792,878
Total assets as per statement of financial position							<u>34,408,035</u>	<u>32,220,998</u>
Segment Liabilities	160,822	109,893	989,099	562,085	3,619,604	2,933,614	4,789,525	3,605,592
Unallocated liabilities							19,081,038	18,279,532
Total liabilities as per statement of financial position							<u>23,870,563</u>	<u>21,885,124</u>

10. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of associated company, other related parties and key management personnel. The company in the normal course of business carries out transactions with various related parties. Detail of transactions with related parties, other than those which have been disclosed elsewhere in these financial statements, are as follow:

UN-AUDITED	
Quarter Ended	
30 Sep 2018	30 Sep 2017

(Rupees in Thousand)

Other related parties

Remuneration paid to Chief Executive Officer, Directors and Executives	37,861	30,774
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Comparative figures have been amended to reflect changes in the definition of executive as per the Companies Act, 2017.

11. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on 29th October, 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 statement of financial position 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 statement of profit or loss, condensed interim statement of comprehensive income and condensed interim statement of cash flows have been compared with the amounts 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.

13. GENERAL

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

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