



---

**Masood** Textile Mills Ltd.

**ACCOUNTS  
FOR THE FIRST QUARTER ENDED  
30 SEPTEMBER 2020**

# CONTENTS

	Page
COMPANY INFORMATION	1
DIRECTORS' REPORT TO THE MEMBERS	2-6
STATEMENT OF FINANCIAL POSITION	7
STATEMENT OF PROFIT OR LOSS	8
STATEMENT OF COMPREHENSIVE INCOME	9
STATEMENT OF CHANGES IN EQUITY	10
STATEMENT OF CASH FLOWS	11
NOTES TO THE INTERIM FINANCIAL INFORMATION	12-18

## COMPANY INFORMATION

<b>CHAIRMAN</b>	: MR. NASEER AHMAD SHAH
<b>CHIEF EXECUTIVE OFFICER</b>	: MR. SHAHID NAZIR AHMAD
<b>DIRECTORS</b>	: MR. SHABIR AHMAD ABID (Independent Director) : MR. SHAHID IQBAL (Independent Director) : MR. SHOAIB AHMAD KHAN (Nominee-NIT) : MS CHEN YAN (Nominee-Shanghai Challenge Textile Co. Ltd) : MR. SHIBIN YANG (Nominee-Shanghai Challenge Textile Co. Ltd)
<b>COMPANY SECRETARY</b>	: Mr. NISAR AHMAD ALVI
<b>CHIEF FINANCIAL OFFICER</b>	: MR. MUHAMMAD SHAHID NAVEED
<b>AUDIT COMMITTEE</b>	: MR. SHABIR AHMAD ABID (Chairman) : MR. NASEER AHMAD SHAH : MR. SHAHID IQBAL
<b>HR &amp; REMUNERATION COMMITTEE</b>	: MR. SHAHID IQBAL (Chairman) : MR. SHAHID NAZIR AHMAD : MR. SHABIR AHMAD ABID
<b>RISK MANAGEMENT COMMITTEE</b>	: MR. SHAHID NAZIR AHMAD (Chairman) : MR. NASEER AHMAD SHAH : MR. SHAHID IQBAL
<b>NOMINATION COMMITTEE</b>	: MR. NASEER AHMAD SHAH (Chairman) : MR. SHABIR AHMAD ABID : MR. SHAHID IQBAL
<b>AUDITORS</b>	: M/S. RIAZ AHMAD & COMPANY CHARTERED ACCOUNTANTS
<b>SHARE REGISTRAR</b>	: CORPTEC ASSOCIATE (PVT) LIMITED 503-E, JOHAR TOWN, LAHORE. PHONE: 042-35170336-7 FAX: 042-35170338 WEB: www.corptec.com.pk
<b>REGISTERED OFFICE</b>	: UNIVERSAL HOUSE, P-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

On behalf of the Board of Directors of the Company, it gives me immense pleasure to present the un-audited condensed interim financial results of the Company for the first quarter ended 30 September 2020.

### FINANCIAL RESULTS:

The financial results of the Company for the period ended 30 Sep 2020 are as follow:

<u>DESCRIPTION</u>	<u>30-Sep</u> <u>2020</u>	<u>30-Sep</u> <u>2019</u>
	<b>(RUPEES IN THOUSAND)</b>	
REVENUE	7,081,574	9,298,687
COST OF SALES	(6,089,944)	(7,528,845)
GROSS PROFIT	991,630	1,769,842
DISTRIBUTION COST	(560,737)	(704,409)
ADMINISTRATION EXPENSES	(168,897)	(174,379)
OTHER EXPENSES	(86,682)	(186,566)
OTHER INCOME	50,174	96,826
FINANCE COST	(336,168)	(371,517)
(LOSS) /PROFIT BEFORE TAXATION	(110,680)	429,797
TAXATION	(84,074)	(127,877)
(LOSS) /PROFIT AFTER TAXATION	(194,754)	301,920
(LOSS) /EARNINGS PER SHARE - BASIC (RUPEES)	(2.99)	4.30
- DILUTED (RUPEES)	(2.76)	3.94

For the first quarter ended 30th September 2020, Company earned revenue amounting to Rs. 7.081 billion as compared to Rs. 9.299 billion during the corresponding first quarter of previous financial year, hence showing a decreased of 23.84%. During the period ended by 30th September 2020, the Company earned a gross profit of Rs. 991.630 million as compared to gross profit of Rs. 1,769.842 million for the Same Period Last Year (SPLY). The company incurred loss after tax of Rs. 194.754 million (Loss per share: Rs. 2.99 per share) as compared to profit after tax of Rs. 301.920 million (Earnings per share: Rs. 4.30 per share) for the SPLY.

Company's results are improving after COVID-19 lock-down situation. Revenue increased and losses reduced in current quarter under review as compare to the last quarter of previous financial year.

### INDUSTRY / MARKET OVERVIEW:

Overall performance of the industry has not been sparkling and the industry has been struggling throughout the quarter ended 30th September, 2020. Domestic economic activity reduced sharply in the last quarter of FY,20 with GDP contracting by 0.4% for the first time in 70 years. However, since the start of August, business confidence and growth prospects have been showing an up-trend. This was due to declining number of new COVID-19 cases, the easing of lockdown restrictions and the effects of the Government's stimulus and relief measures of the State Bank of Pakistan.

## **FUTURE OUTLOOK**

Despite the some improving indicators in economy, the next quarter is expected to be critical, both globally and in Pakistan. While economic activity has started to resume, the threat of a second wave of COVID-19, with winter approaching, is real and growing. This could disrupt the strong remittance flow of recent months as well as dampen demand in Pakistan's export markets. This is the time to ensure that companies must survive, so that their infrastructure and the production installations do not get dismantled and they are in a position to restore the supply chain when the time comes, and the only way the government can do this is by making sure that businesses stay liquid. To tangibly help these companies, one would have liked to see either the restoration of zero-rating or at least the reduction of sales tax to 5%.

## **COMPOSITION OF BOARD**

<b>Total Number of Directors:</b>	07
(a) Male	06
(b) Female	01

Composition:

(i) Independent Directors	02
(ii) Other Non-Executive Directors	04
(iii) Executive Director	01

## **Committees of the Board**

### **Audit Committee of the Board:**

<b>Sr.</b>	<b>Name of Directors</b>	
1-	Mr. Shabir Ahmad Abid	Chairman/Member
2-	Mr. Shahid Iqbal	Member
3-	Mr. Naseer Ahmad Shah	Member

### **Human Resource & Remuneration (HR&R) Committee:**

<b>Sr.</b>	<b>Name of Directors</b>	
1-	Mr. Shahid Iqbal	Chairman/Member
2-	Mr. Shahid Nazir Ahmad	Member
3-	Mr. Shabir Ahmad Abid	Member

### **Risk Management Committee:**

<b>Sr.</b>	<b>Name of Directors</b>	
1-	Mr. Shahid Nazir Ahmad	Chairman/Member
2-	Mr. Naseer Ahmad Shah	Member
3-	Mr. Shahid Iqbal	Member

### **Nomination Committee:**

<b>Sr.</b>	<b>Name of Directors</b>	
1-	Mr. Naseer Ahmad Shah	Chairman/Member
2-	Mr. Shabir Ahmad Abid	Member
3-	Mr. Shahid Iqbal	Member

### **Directors' Remuneration:**

The Company does not pay remuneration to its non-executive directors including independent directors except for meeting fee. Aggregate amount of remuneration paid to executive and non-executive have been disclosed in note 12 of the annexed financial statements.

## **Acknowledgement**

Directors are pleased and thankful to the employees for their continued dedication and efforts for the Company, and also the support of its shareholders, banks and customers. We look forward to same dedication and cooperation from them in the future as well.

Faisalabad:

28<sup>th</sup> October, 2020

\_\_\_\_\_  
CHIEF EXECUTIVE OFFICER

\_\_\_\_\_  
DIRECTOR

## ممبران کے لئے ڈائریکٹرز رپورٹ

کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے مجھے 30 ستمبر 2020 کو اختتام پذیر ہونے والی سہ ماہی کے غیر آڈٹ شدہ مالی نتائج پیش کرنے پر بے حد خوشی ہوئی ہے۔

مالی نتائج:

کمپنی کی 30 ستمبر 2020 اختتام پذیر ہونے والی مدت کے مالی نتائج مندرجہ ذیل ہے۔

تفصیل	30 ستمبر 2020	30 ستمبر 2019
روپے ہزاروں میں	روپے ہزاروں میں	روپے ہزاروں میں
آمدنی	7,081,574	9,298,687
لاگت سبز	(6,089,944)	(7,528,845)
مجموعی نفع	991,630	1,769,842
ڈسٹری بیوشن خرچہ	(560,737)	(704,409)
کاروبار کے انتظامی اخراجات	(168,897)	(174,379)
دیگر اخراجات	(86,682)	(186,566)
دیگر آمدن	50,174	96,826
مالی لاگت	(336,168)	(371,517)
(نقصان) / نفع ٹیکس سے پہلے	(110,680)	429,797
ٹیکسز	(84,074)	(127,877)
(نقصان) / نفع ٹیکس کی ادائیگی کے بعد	(194,754)	301,920
(نقصان) / آمدن فی حصص بنیادی (روپیہ)	(2.99)	4.30
(نقصان) / آمدن فی حصص ڈائیلیٹ / کمی کر کے (روپیہ)	(2.76)	3.94

30 ستمبر 2020 کو اختتام ہونے والی پہلی سہ ماہی میں فروخت 7.081 بلین روپے رہی جو کہ پچھلی پہلی سہ ماہی کے دوران 9.299 بلین روپے تھی، جس میں 23.84% تک کمی واقع ہوئی ہے۔ 30 ستمبر 2020 کو اختتام ہونے والی مدت کے دوران کمپنی کو 991.630 ملین روپے مجموعی منافع ہوا۔ جو کہ گزشتہ اسی مدت کے مقابلے میں 1,769.842 ملین روپے مجموعی منافع ہوا تھا۔ آپ کی کمپنی نے بعد از ٹیکس ادائیگی کے (194.754) ملین روپے نقصان برداشت کیا۔ (2.99) روپے فی حصص نقصان جو کہ گزشتہ اسی مدت کے مقابلے میں بعد از ٹیکس ادائیگی 301.920 ملین روپے منافع تھا۔ بنیادی آمدن فی حصص 4.30 روپے رہی تھی۔ COVID-19 لاک ڈاؤن صورتحال کے بعد کمپنی کے نتائج میں بہتری آرہی ہے۔ گزشتہ مالی سال کے آخری سہ ماہی کے مقابلے میں جائزہ کے تحت موجودہ سہ ماہی میں محصول میں اضافہ اور نقصانات میں کمی واقع ہوئی ہے۔

صنعت / مارکیٹ کا جائزہ

صنعت کی مجموعی کارکردگی، 30 ستمبر 2020 کو اختتام ہونے والی پہلی سہ ماہی میں مسلسل جدوجہد کرتی نظر آئی جو کہ شاندار تھی۔ مقامی معاشی سرگرمیاں مالی سال 2020 کی آخری سہ ماہی میں تیزی سے کم ہوئی ہیں۔ جس کے ساتھ 70 سالوں میں GDP پہلی بار 0.4% پر تک کمی ہوئی ہے۔ تاہم اگست کے شروع سے کاروباری اعتماد اور نمونے کے امکانات میں چڑھاؤ کارہجان ہے۔ اس کی بنیادی وجہ COVID-19 کے نئے کیسز میں کمی، لاک ڈاؤن کی پابندیوں میں نرمی اور حکومت کی حوصلہ افزائی اور اسٹیٹ بینک آف پاکستان کے امدادی اقدامات ہیں۔

مستقبل کا نقطہ نظر:

معشیت میں کچھ بہتری لانے والے اشاروں کے باوجود توقع کی جارہی ہے۔ کہ اگلی سہ ماہی عالمی سطح اور بشمول پاکستان میں بھی نازک ہوگی۔ اگرچہ معاشی سرگرمیاں دوبارہ شروع ہو رہی ہیں۔ لیکن موسم سرما کے قریب آنے کے ساتھ ہی COVID-19 کی دوسری لہر کا حتمی خطرہ اور بڑھتا جا رہا ہے۔ اس سے حالیہ مہینوں میں ترسیلات زر کے تیز بہاؤ میں رکاوٹ پیدا ہو سکتی ہے۔ اور ساتھ ہی ساتھ پاکستان کی برآمدی مارکیٹ کی مانگ میں بھی کمی لاسکتی ہے۔ اب وقت آ گیا ہے کہ کہنیوں کو باقی رہنا چاہئے تاکہ ان کا انفراسٹرکچر اور پیداوار کی تنصیبات ختم نہ ہوں۔ اور وقت آنے پر وہ سپلائی چین کو بحال کرنے کی پوزیشن میں ہوں۔ اور صرف حکومت یہ کر سکتی ہے۔ کہ اس بات کو یقینی بنائے کہ کاروبار دواں دواں رہیں۔ ان کہنیوں کی مستند طور پر مدد کرنے کے لئے ایک تو زیرو۔ ریٹنگ کی بحالی یا سیلز ٹیکس کم از کم 5% تک کر دیں۔

بورڈ کی ترتیب:

7 ڈائریکٹرز کی کل تعداد

6 (i) مرد

1 (ii) عورت

ترتیب

2 (i) آزاد ڈائریکٹرز

4 (ii) دیگر نان ایگزیکٹوز

1 (iii) ایگزیکٹو

بورڈ کی کمیٹیاں

بورڈ کی آڈٹ کمیٹی

نمبر شمار	ڈائریکٹرز کے نام	عہدہ
1	جناب شبیر احمد عابد	چیئر مین / ممبر
2	جناب شاہد اقبال	ممبر
3	جناب نصیر احمد شاہ	ممبر

انسانی وسائل اور معاوضہ کمیٹی:

نمبر شمار	ڈائریکٹرز کے نام	عہدہ
1	جناب شاہد اقبال	چیئر مین / ممبر
2	جناب شبیر احمد عابد	ممبر
3	جناب شاہد نذیر احمد	ممبر

رسک میٹجٹ کمیٹی:-

نمبر شمار	ڈائریکٹرز کے نام	عہدہ
1	جناب شاہد نذیر احمد	چیئر مین / ممبر
2	جناب نصیر احمد شاہ	ممبر
3	جناب شاہد اقبال	ممبر

نامزدگی کمیٹی:-

نمبر شمار	ڈائریکٹرز کے نام	عہدہ
1	جناب نصیر احمد شاہ	چیئر مین / ممبر
2	جناب شبیر احمد عابد	ممبر
3	جناب شاہد اقبال	ممبر

ڈائریکٹرز کا معاوضہ :

کمیٹی اپنے نان ایگزیکٹو ڈائریکٹرز سمیت آزاد ڈائریکٹرز کو اجلاس فیس کے علاوہ معاوضہ ادا نہیں کرتی۔ ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز کو ادا کئے گئے معاوضہ کی مجموعی رقم منسلک مالی حسابات کے نوٹ 12 میں درج کی گئی ہے۔

اعتراف :

ڈائریکٹرز ملازمین کی طرف سے ان کی مسلسل لگن اور کمیٹی کے لئے کوششوں اور اس کے حصص یافتگان، بینکوں اور صارفین کی حمایت کے لئے ان کی شکرگزاری کرتے ہوئے خوش محسوس کرتے ہیں۔ ہم مستقبل میں بھی ان کی طرف سے اسی لگن اور تعاون کے منتظر ہیں۔

از طرف بورڈ

فیصل آباد

ڈائریکٹر

چیف ایگزیکٹو آفیسر

28 اکتوبر، 2020



**MASOOD TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2020**

	Note	UN-AUDITED 30 Sep 2020	AUDITED 30 June 2020
(Rupees in Thousand)			
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorized share capital</b>			
125 000 000 (30 June 2020: 125 000 000) ordinary shares of Rupees 10 each		1,250,000	1,250,000
60 000 000 (30 June 2020: 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>		986,666	986,666
<b>Capital reserves</b>			
Share premium		1,375,000	1,375,000
Redemption fund		128,333	128,333
Surplus on revaluation of freehold land		2,447,552	2,447,552
<b>Revenue reserves</b>		<u>3,677,860</u>	<u>3,872,614</u>
<b>Total Equity</b>		<u>8,615,411</u>	<u>8,810,165</u>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Long term financing	5	7,020,560	7,254,526
Sponsor Loans	6	500,000	-
Lease Liabilities		190,065	210,712
Deferred liability for gratuity		969,745	964,354
		<u>8,680,370</u>	<u>8,429,592</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		2,428,717	2,461,960
Unclaimed dividend		11,163	65,262
Accrued mark-up		175,080	394,784
Short term borrowings		14,978,208	15,835,860
Current portion of non-current liabilities		1,441,631	630,857
Provision for taxation		452,703	368,629
		<u>19,487,502</u>	<u>19,757,352</u>
<b>TOTAL LIABILITIES</b>		<u>28,167,872</u>	<u>28,186,944</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	7		
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>36,783,283</u>	<u>36,997,109</u>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	13,659,001	13,612,031
Right - of - use assets	9	282,773	320,505
Long term advances		7,350	8,060
Long term security deposits		94,820	98,775
		<u>14,043,944</u>	<u>14,039,371</u>
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools		2,029,410	2,247,674
Stock-in-trade		7,699,692	8,125,166
Trade debts		7,085,912	7,763,851
Loans and advances		831,563	537,886
Short term deposits and prepayments		1,284,686	1,072,743
Other receivables		2,013,992	1,834,186
Short term investment		204,627	203,218
Cash and bank balances		1,589,457	1,173,014
		<u>22,739,339</u>	<u>22,957,738</u>
<b>TOTAL ASSETS</b>		<u>36,783,283</u>	<u>36,997,109</u>

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

\_\_\_\_\_  
**CHIEF EXECUTIVE OFFICER**

\_\_\_\_\_  
**DIRECTOR**

\_\_\_\_\_  
**CHIEF FINANCIAL OFFICER**

**MASOOD TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS**  
**FOR THE 1ST QUARTER ENDED 30 SEPTEMBER 2020**  
**(UN-AUDITED)**

	<b>30 Sep 2020</b>	<b>30 Sep 2019</b>
<b>(Rupees in Thousand)</b>		
<b>REVENUE</b>	7,081,574	9,298,687
<b>COST OF SALES</b>	(6,089,944)	(7,528,845)
<b>GROSS PROFIT</b>	<u>991,630</u>	<u>1,769,842</u>
<b>DISTRIBUTION COST</b>	(560,737)	(704,409)
<b>ADMINISTRATIVE EXPENSES</b>	(168,897)	(174,379)
<b>OTHER EXPENSES</b>	(86,682)	(186,566)
<b>OTHER INCOME</b>	50,174	96,826
<b>FINANCE COST</b>	(336,168)	(371,517)
<b>(LOSS) / PROFIT BEFORE TAXATION</b>	<u>(110,680)</u>	<u>429,797</u>
<b>TAXATION</b>	(84,074)	(127,877)
<b>(LOSS) / PROFIT AFTER TAXATION</b>	<u><u>(194,754)</u></u>	<u><u>301,920</u></u>
<b>(LOSS) / EARNINGS PER SHARE - BASIC (RUPEES)</b>	<u>(2.99)</u>	<u>4.30</u>
<b>- DILUTED (RUPEES)</b>	<u>(2.76)</u>	<u>3.94</u>

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

\_\_\_\_\_  
**CHIEF EXECUTIVE OFFICER**

\_\_\_\_\_  
**DIRECTOR**

\_\_\_\_\_  
**CHIEF FINANCIAL OFFICER**

**MASOOD TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE 1ST QUARTER ENDED 30 SEPTEMBER 2020**  
**(UN-AUDITED)**

	<b>30 Sep 2020</b>	<b>30 Sep 2019</b>
	<b>(Rupees in Thousand)</b>	
(LOSS) / PROFIT AFTER TAXATION	(194,754)	301,920
 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 (LOSS) / INCOME FOR THE PERIOD	(194,754)	301,920

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

\_\_\_\_\_  
**CHIEF EXECUTIVE OFFICER**

\_\_\_\_\_  
**DIRECTOR**

\_\_\_\_\_  
**CHIEF FINANCIAL OFFICER**

**MASOOD TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE 1ST QUARTER ENDED 30 SEPTEMBER 2020**  
**(UN-AUDITED)**

Share Capital	Reserves							Total	Total Equity
	Capital				Revenue				
	Share Premium	Redemption Fund	Surplus on revaluation of freehold land	Sub Total	General	Unappropriated Profit	Sub Total		

----- (Rupees in thousand) -----

<b>Balance as at 30 June 2019- Audited</b>	986,666	1,375,000	128,333	900,234	2,403,567	714,500	7,393,006	8,107,506	10,511,073	11,497,739
Profit after taxation for the three months ended 30 Sep 2019	-	-	-	-	-	-	301,920	301,920	301,920	301,920
Other comprehensive income for the three months ended 30 Sep 2019	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the three months ended 30 Sep 2019	-	-	-	-	-	-	301,920	301,920	301,920	301,920
<b>Balance as at 30 Sep 2019- Unaudited</b>	986,666	1,375,000	128,333	900,234	2,403,567	714,500	7,694,926	8,409,426	10,812,993	11,799,659
Transactions with owners:										
Dividend at the rate of Rupees 1.50 per share (Ordinary shares)	-	-	-	-	-	-	(101,250)	(101,250)	(101,250)	(101,250)
Dividend at the rate of Rupees 1.09 per share (Preference shares)	-	-	-	-	-	-	(33,986)	(33,986)	(33,986)	(33,986)
Loss after taxation for the nine months ended 30 June 2020	-	-	-	-	-	-	(4,422,199)	(4,422,199)	(4,422,199)	(4,422,199)
Other comprehensive income for the nine months ended 30 June 2020	-	-	-	1,547,318	1,547,318	-	20,623	20,623	1,567,941	1,567,941
Total comprehensive loss for the nine months ended 30 June 2020	-	-	-	1,547,318	1,547,318	-	(4,401,576)	(4,401,576)	(2,854,258)	(2,854,258)
<b>Balance as at 30 June 2020- Audited</b>	986,666	1,375,000	128,333	2,447,552	3,950,885	714,500	3,158,114	3,872,614	7,823,499	8,810,165
Loss after taxation for the three months ended 30 Sep 2020	-	-	-	-	-	-	(194,754)	(194,754)	(194,754)	(194,754)
Other comprehensive income for the three months ended 30 Sep 2020	-	-	-	-	-	-	-	-	-	-
Total comprehensive loss for the three months ended 30 Sep 2020	-	-	-	-	-	-	(194,754)	(194,754)	(194,754)	(194,754)
<b>Balance as at 30 Sep 2020- Unaudited</b>	986,666	1,375,000	128,333	2,447,552	3,950,885	714,500	2,963,360	3,677,860	7,628,745	8,615,411

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

\_\_\_\_\_  
**CHIEF EXECUTIVE OFFICER**

\_\_\_\_\_  
**DIRECTOR**

\_\_\_\_\_  
**CHIEF FINANCIAL OFFICER**

**MASOOD TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS**  
**FOR THE 1ST QUARTER ENDED 30 SEPTEMBER 2020**  
**(UN-AUDITED)**

	Note	30 Sep 2020	30 Sep 2019
(Rupees in Thousand)			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	10	1,234,158	654,366
Finance cost paid		(549,632)	(367,966)
Markup paid against lease liabilities		(6,240)	(780)
Income tax paid		(75,317)	(102,388)
Dividend paid to ordinary shareholders		(54,098)	-
Gratuity paid		(58,959)	(22,141)
Net decrease in long term advances		710	465
Net decrease / (increase) in long term security deposits		3,955	(526)
<b>Net cash generated from operating activities</b>		494,577	161,030
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant and equipment		12,207	573,327
Capital expenditure on property, plant and equipment		(277,821)	(655,651)
Investment made		(1,409)	-
<b>Net cash used in investing activities</b>		(267,023)	(82,324)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from long term financing		603,675	56,427
Repayment of long term financing		(13,624)	(417,508)
Sponsor loans obtained		500,000	-
Repayment of lease liabilities		(43,510)	(4,384)
Short term borrowings - net		(857,652)	591,186
<b>Net cash from financing activities</b>		188,889	225,721
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		416,443	304,427
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>		1,173,014	380,463
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		1,589,457	684,890

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

\_\_\_\_\_  
**CHIEF EXECUTIVE OFFICER**

\_\_\_\_\_  
**DIRECTOR**

\_\_\_\_\_  
**CHIEF FINANCIAL OFFICER**

**MASOOD TEXTILE MILLS LIMITED**  
**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE 1ST QUARTER ENDED 30 SEPTEMBER 2020**  
**(UN-AUDITED)**

**1. THE COMPANY AND ITS OPERATIONS**

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

**2. BASIS OF PREPARATION**

**2.1** This condensed interim financial information has 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 2020. This condensed interim financial information is un-audited, and are being submitted to the shareholders as required by the Listed Companies (Code of Corporate Governance) Regulations, 2019 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 2020.

**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 2020.

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 2020.

	<b>UN-AUDITED</b>	<b>AUDITED</b>
	<b>30 Sep</b>	<b>30 June</b>
	<b>2020</b>	<b>2020</b>
	<b>(Rupees in Thousand)</b>	
<b>5. LONG TERM FINANCING-SECURED</b>		
Opening balance	7,755,519	5,958,439
Add: Obtained during the period / year	603,675	3,067,377
Less: Repaid during the period / year	13,624	1,270,297
	<u>8,345,570</u>	<u>7,755,519</u>
Less: Current portion shown under current liabilities	1,325,010	500,993
	<u><u>7,020,560</u></u>	<u><u>7,254,526</u></u>

#### **6. SPONSOR LOANS**

These are unsecured and interest free loans given by director and sponsor of the company to ease out liquidity crunch of the company due to Covid-19.

#### **7. CONTINGENCIES AND COMMITMENTS**

##### **a) Contingencies**

i) Guarantees of Rupees 259.995 million (30 June 2020: Rupees 259.995 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.

ii) The Supreme Court of Pakistan has upheld the Gas Infrastructure Development Cess (GIDC) Act, 2015 to be constitutional and intra vires. In connection with this decision, the Company filed a writ petition in Lahore High Court, Lahore on 14 September 2020 against the charge of GIDC at the rate of captive power consumer instead of industrial consumer. Lahore High Court, Lahore suspended the payment of Rupees 20.200 million (30 June 2020: Rupees 20.200 million) related to this difference, subject to furnishing of post dated cheques. Keeping in view the opinion of the legal counsel of the Company, the related provision is not made in these financial statements as there are strong grounds of favourable outcome of the petition.

##### **b) Commitments**

i) Contracts for capital expenditure are amounting to Rupees 42.309 million (30 June 2020: Rupees 167.148 million) and other than capital expenditure are of Rupees 1,178.352 million (30 June 2020: Rupees 628.862 million).

ii) Ijarah (operating lease) commitments amounting to Rupees 106.770 million (30 June 2020: Rupees 122.905 million).

	<b>UN-AUDITED</b>	<b>AUDITED</b>
	<b>30 Sep</b>	<b>30 June</b>
	<b>2020</b>	<b>2020</b>
	<b>(Rupees in Thousand)</b>	
<b>8. PROPERTY, PLANT AND EQUIPMENT</b>		
Operating fixed assets (Note 8.1)	13,360,167	13,161,273
Capital work-in-progress	298,834	450,758
	<u>13,659,001</u>	<u>13,612,031</u>

	<b>UN-AUDITED</b>	<b>AUDITED</b>
	<b>30 Sep</b>	<b>30 June</b>
	<b>2020</b>	<b>2020</b>
	<b>(Rupees in Thousand)</b>	
<b>8.1 Operating fixed assets</b>		
Opening book value	13,161,273	10,492,605
Add:		
Surplus on revaluation of freehold land	-	1,547,318
Cost of additions during the period / year (Note 8.1.1)	429,745	2,544,620
Book value of assets transferred from assets subject to finance lease	-	34,442
	<u>13,591,018</u>	<u>14,618,985</u>
Less:		
Book value of deletions during the period/year (Note 8.1.2)	<u>2,344</u>	<u>557,747</u>
	<u>13,588,674</u>	<u>14,061,238</u>
Less: Depreciation charged during the period / year	<u>228,507</u>	<u>899,965</u>
	<u><u>13,360,167</u></u>	<u><u>13,161,273</u></u>
<b>8.1.1 Cost of additions during the period / year</b>		
Freehold land	-	596,128
Buildings on freehold land	7,642	62,892
Plant and machinery	377,973	1,573,965
Electric and gas installations	21,961	165,500
Factory equipment	2,157	10,283
Telephone installations	218	1,890
Furniture and fixtures	10,952	44,992
Office equipment	788	1,402
Computer equipment	2,955	60,910
Vehicles	5,099	26,658
	<u>429,745</u>	<u>2,544,620</u>
<b>8.1.2 Book value of deletions during the period / year</b>		
Plant and machinery	-	516,739
Electric and gas installations	-	15,252
Factory equipment	-	2,178
Telephone installations	-	41
Furniture and fixtures	-	10,895
Office wquipment	-	7
Computer equipment	-	4,572
Vehicles	2,344	8,063
	<u>2,344</u>	<u>557,747</u>
<b>9. Right - of - use assets</b>		
Opening book value	320,505	270,314
Add: Additions during the period / year (Note 9.1)	<u>9,620</u>	<u>238,560</u>
	<u>330,125</u>	<u>508,874</u>
Less: Book value of assets transferred to operating fixed assets (Note 9.2)	-	34,442
	<u>330,125</u>	<u>474,432</u>
Less: Depreciation charged for the period / year	<u>47,352</u>	<u>153,927</u>
	<u><u>282,773</u></u>	<u><u>320,505</u></u>



	UN-AUDITED 30 Sep 2020	AUDITED 30 June 2020
	(Rupees in Thousand)	
<b>9.1 Additions during the period / year</b>		
Building on freehold land	9,620	238,560
	<u>9,620</u>	<u>238,560</u>
<b>9.2 Book value of assets transferred to operating fixed assets</b>		
Plant and machinery	-	27,314
Vehicles	-	7,128
	<u>-</u>	<u>34,442</u>
	(UN - AUDITED)	
	30 Sep 2020	30 Sep 2019
	(Rupees in Thousand)	
<b>10. CASH GENERATED FROM OPERATIONS</b>		
(Loss) / profit before taxation	(110,680)	429,797
<b>Adjustments for non-cash charges and other items:</b>		
Depreciation	275,860	214,454
Provision for gratuity	75,686	77,464
Gain on sale of property, plant and equipment	(9,863)	(55,337)
Finance cost	336,168	371,517
Working capital changes (Note 10.1)	666,987	(383,529)
	<u>1,234,158</u>	<u>654,366</u>
<b>10.1 Working capital changes</b>		
<b>(Increase) /decrease in current assets:</b>		
Stores, spare parts and loose tools	218,264	(369,940)
Stock in trade	425,474	(474,282)
Trade debts	677,939	162,264
Loans and advances	(293,678)	(95,583)
Short term deposits and prepayments	(136,626)	(43,047)
Other receivables	(179,806)	(557,354)
	<u>711,567</u>	<u>(1,377,942)</u>
(Decrease) / Increase in trade and other payables	(44,580)	994,413
	<u>666,987</u>	<u>(383,529)</u>

## 11. SEGMENT INFORMATION

### 11.1 Segment results

Spinning		Knitting		Processing & Garments		Elimination of inter-segment transactions		Total - Company	
(Un-audited)		(Un-audited)		(Un-audited)		(Un-audited)		(Un-audited)	
1st Quarter ended		1st Quarter ended		1st Quarter ended		1st Quarter ended		1st Quarter ended	
30 Sep 2020	30 Sep 2019	30 Sep 2020	30 Sep 2019	30 Sep 2020	30 Sep 2019	30 Sep 2020	30 Sep 2019	30 Sep 2020	30 Sep 2019

----- (Rupees in Thousand) -----

#### Revenue

External	357,853	410,509	49,967	103,325	6,673,754	8,784,853	-	-	7,081,574	9,298,687
Intersegment	700,079	475,235	2,143,224	3,324,079	2,074	6,079	(2,845,377)	(3,805,393)	-	-
	1,057,932	885,744	2,193,191	3,427,404	6,675,828	8,790,932	(2,845,377)	(3,805,393)	7,081,574	9,298,687
Cost of sales	(1,025,806)	(856,874)	(2,136,786)	(3,333,061)	(5,772,729)	(7,144,303)	2,845,377	3,805,393	(6,089,944)	(7,528,845)
Gross profit	32,126	28,870	56,405	94,343	903,099	1,646,629	-	-	991,630	1,769,842
Distribution cost	(13,036)	(11,976)	(24,353)	(38,833)	(523,348)	(653,600)	-	-	(560,737)	(704,409)
Administrative expenses	(10,116)	(10,131)	(23,169)	(34,277)	(135,612)	(129,971)	-	-	(168,897)	(174,379)
	(23,152)	(22,107)	(47,522)	(73,110)	(658,960)	(783,571)	-	-	(729,634)	(878,788)

#### Profit before taxation

and unallocated income										
and expenses	8,974	6,763	8,883	21,233	244,139	863,058	-	-	261,996	891,054

#### Unallocated income and expenses:

Other expenses									(86,682)	(186,566)
Other income									50,174	96,826
Finance cost									(336,168)	(371,517)
Taxation									(84,074)	(127,877)
(Loss) / Profit after taxation									(194,754)	301,920

## 11.2 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 2020	30 Jun 2020	30 Sep 2020	30 Jun 2020	30 Sep 2020	30 Jun 2020	30 Sep 2020	30 Jun 2020
	----- (Rupees in Thousand) -----							
Segment Assets	2,611,554	2,712,468	2,674,272	2,498,141	18,385,050	19,094,761	23,670,876	24,305,370
Unallocated assets							13,112,407	12,691,739
Total assets as per statement of financial position							<u>36,783,283</u>	<u>36,997,109</u>
Segment Liabilities	179,077	184,799	213,200	499,717	3,192,428	3,201,844	3,584,705	3,886,360
Unallocated liabilities							24,583,167	24,300,584
Total liabilities as per statement of financial position							<u>28,167,872</u>	<u>28,186,944</u>

## 11.3 Segment wise and geographical location wise disaggregation of revenue

	Spinning		Knitting		Processing & Garments		Total - Company	
	Un-audited		Un-audited		Un-audited		Un-audited	
	30 Sep 2020	30 Sep 2019	30 Sep 2020	30 Sep 2019	30 Sep 2020	30 Sep 2019	30 Sep 2020	30 Sep 2019
	----- (Rupees in Thousand) -----							
America and Canada	-	-	-	-	4,067,657	6,816,399	4,067,657	6,816,399
Europe	-	-	-	-	1,278,444	717,664	1,278,444	717,664
Asia, Africa and Australia	54,772	23,216	-	-	702,053	314,844	756,825	338,060
Pakistan	303,081	387,293	49,967	103,325	625,600	935,946	978,648	1,426,564
	<u>357,853</u>	<u>410,509</u>	<u>49,967</u>	<u>103,325</u>	<u>6,673,754</u>	<u>8,784,853</u>	<u>7,081,574</u>	<u>9,298,687</u>

## 12. 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 else where in these financial statements, are as follow:

Un-audited	
Quarter Ended	
(Rupees in Thousand)	
30 Sep 2020	30 Sep 2019

### i) Transactions

#### Associated company

Dividend paid	52,190	-
Sale of goods and services	42,345	475,647

#### Other related parties

Sponsor loans obtained	500,000	-
Remuneration paid to Chief Executive Officer, Directors and Executives	51,318	39,412

**13. DATE OF AUTHORIZATION FOR ISSUE**

This condensed interim financial information was authorized for issue on 28<sup>th</sup> October, 2020 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 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.

**15. GENERAL**

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

\_\_\_\_\_  
CHIEF EXECUTIVE OFFICER

\_\_\_\_\_  
DIRECTOR

\_\_\_\_\_  
CHIEF FINANCIAL OFFICER

## **BOOK POST**

*If undelivered please return to:*

**MASOOD TEXTILE MILLS LIMITED**

**UNIVERSAL HOUSE, P-17/1 NEW CIVIL LINES,  
BILAL RAOD, FAISALABAD.**

**Tel: 92-41-2600176-276 Fax: 92-41-2600976**