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**Masood** Textile Mills Ltd.

**ACCOUNTS  
FOR THE THIRD QUARTER ENDED  
31 MARCH 2021**

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## COMPANY INFORMATION

<b>CHAIRMAN</b>	: MR. NASEER AHMAD SHAH
<b>CHIEF EXECUTIVE OFFICER</b>	: MR. SHAHID NAZIR AHMAD
<b>DIRECTORS</b>	: MR. 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 ASSOCIATES (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 us immense pleasure to present the un-audited condensed interim financial results of the Company for the period ended 31 March 2021.

### **FINANCIAL RESULTS:**

The financial results of the Company for the period ended 31 March 2021 are as follows:

Description	Period ended		Quarter ended	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	<b>(RUPEES IN THOUSAND)</b>			
REVENUE	25,768,421	23,796,348	10,730,385	6,831,443
COST OF SALES	<u>(22,123,836)</u>	<u>(21,709,402)</u>	<u>(9,196,590)</u>	<u>(8,001,620)</u>
GROSS PROFIT / (LOSS)	3,644,585	2,086,946	1,533,795	(1,170,177)
DISTRIBUTION COST	(1,719,656)	(1,785,022)	(610,789)	(511,645)
ADMINISTRATIVE EXPENSES	(565,871)	(512,937)	(176,956)	(150,639)
OTHER EXPENSES	(503,991)	(476)	(261,263)	(476)
OTHER INCOME	383,175	190,879	43,953	253,093
FINANCE COST	<u>(951,790)</u>	<u>(1,283,657)</u>	<u>(292,887)</u>	<u>(458,654)</u>
PROFIT / (LOSS) BEFORE TAXATION	286,452	(1,304,267)	235,853	(2,038,498)
TAXATION	<u>(273,145)</u>	<u>(222,131)</u>	<u>(96,208)</u>	<u>(81,304)</u>
PROFIT / (LOSS) AFTER TAXATION	<u>13,307</u>	<u>(1,526,398)</u>	<u>139,645</u>	<u>(2,119,802)</u>
(LOSS)/ EARNINGS PER SHARE- BASIC (RUPEES)	<u>(0.12)</u>	<u>(23.14)</u>	<u>1.97</u>	<u>(31.08)</u>
- DILUTED (RUPEES)	<u>(0.11)</u>	<u>(21.20)</u>	<u>1.80</u>	<u>(28.59)</u>

For the third quarter ended 31 March 2021, Company earned revenue amounting to Rs. 10.730 Billion as compared to Rs. 6.831 Billion during the corresponding third quarter of previous financial year, hence showing an increase of 57.07%. During the quarter ended by 31 March 2021, the Company earned a gross profit of Rs. 1.534 Billion as compared to gross loss of Rs. (1.170) Billion for the Same Period Last Year (SPLY). The company incurred profit after tax of Rs. 139.645 Million (Earnings per share: Rs. 1.97 per share) as compared to loss after tax of Rs. (2.119) Billion (loss per share: Rs. (31.08) per share) for the SPLY.

The management of the Company striving their best to capture international market more rigorously by intelligent marketing tactics.

### **INDUSTRY / MARKET OVERVIEW:**

At present the world is facing a third wave of COVID 19. Though the worldwide vaccination is underway, there is need to speed up the vaccine rollout as the virus still affecting the economies and the livelihood of people around the world.

The third wave of COVID-19 spell in Pakistan has raised the daily cases along with increase in percent of death rate. In response, the government has started 'smart lockdown' strategy to ensure the public to observe SOPs strictly. The expectations of economics recovery are strengthening on the basic of improvement in business confidence evident from industrial growth. The government's fiscal stimulus thus succeeded in improving economics as well as social prospects. Therefore, the state Bank of Pakistan in its recent Monetary Policy Statement is now projecting higher growth in FY 2021 compared to its previous anticipation. As the third wave of pandemic is posing downside risk, the government timely measures combined with the observance of SOPs by the general public will be helpful in continuation of economic recovery along with decelerating inflationary pressure and preserving external balance.

### **FUTURE OUTLOOK**

A competitive exchange rate parity and fears of COVID-19 third wave in our neighboring countries has made Pakistan prime choice for sourcing textile products globally; strengthening demand in Pakistan. The textile sector is running at full capacity with no dearth of orders and we expect that for the near future demand will remain strong.



New markets targeted along with putting emphasis on existing markets as well. The management is continuously working toward improvement in efficiencies and productivity as well as enhance cost controls.

**COMPOSITION OF BOARD**

<b>Total Number of Directors:</b>	<b>07</b>
(a) Male	<b>06</b>
(b) Female	<b>01</b>
Composition:	
(i) Independent Directors	<b>02</b>
(ii) Other Non-Executive Directors	<b>04</b>
(iii) Executive Director	<b>01</b>

**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. Naseer Ahmad Shah	Member
3-	Mr. Shahid Iqbal	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 9 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> April, 2021

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

\_\_\_\_\_  
DIRECTOR

## ممبران کے لئے ڈائریکٹرز رپورٹ

کمپنی کی بورڈ آف ڈائریکٹرز کی جانب سے مجھے 31 مارچ 2021 کو اختتام پذیر ہونے والی مدت کے غیر آڈٹ شدہ مالی نتائج پیش کرنے پر بے حد خوشی ہوئی ہے۔

مالی نتائج:

کمپنی کی 31 مارچ 2021 کو اختتام پذیر ہونے والی مدت کے مالی نتائج مندرجہ ذیل ہے۔

اختتامی سرمایہ		اختتامی مدت		تفصیل
31 مارچ 2020	31 مارچ 2021	31 مارچ 2020	31 مارچ 2021	
روپے ہزاروں میں	روپے ہزاروں میں	روپے ہزاروں میں	روپے ہزاروں میں	
6,831,443	10,730,385	23,796,348	25,768,421	آمدنی
(8,001,620)	(9,196,590)	(21,709,402)	(22,123,836)	لاگت
(1,170,177)	1,533,795	2,086,946	3,644,585	مجموعی نفع (نقصان)
(511,645)	(610,789)	(1,785,022)	(1,719,656)	ڈسٹری بیوٹن خرچہ
(150,639)	(176,956)	(512,937)	(565,871)	کاروبار کے انتظامی اخراجات
(476)	(261,263)	(476)	(503,991)	دیگر اخراجات
253,093	43,953	190,879	383,175	دیگر آمدن
(458,654)	(292,887)	(1,283,657)	(951,790)	مالی لاگت
(2,038,498)	235,853	(1,304,267)	286,452	نفع (نقصان) ٹیکس سے پہلے
(81,304)	(96,208)	(222,131)	(273,145)	اداکرہ ٹیکسز
(2,119,802)	139,645	(1,526,398)	13,307	نفع (نقصان) ٹیکس کی ادائیگی کے بعد
(31.08)	1.97	(23.14)	(0.12)	نفع (نقصان) آمدنی فی حصص بنیادی (روپیہ)
(28.59)	1.80	(21.20)	(0.11)	نفع (نقصان) آمدنی فی حصص ڈائیوٹ کی کر کے (روپیہ)

31 مارچ 2021 کو اختتام ہونے والی تیسری سرمایہ میں خالص فروخت 10.730 بلین روپے رہی جو کہ پچھلی تیسری سرمایہ کے دوران 6.831 بلین روپے تھی، جس میں 57.07% تک اضافہ ہوا ہے۔ 31 مارچ 2021 کو اختتام ہونے والی سرمایہ کے دوران کمپنی کو 1.535 بلین روپے مجموعی منافع ہوا۔ جو کہ گزشتہ اسی مدت کے مقابلے میں مجموعی نقصان (1.170) بلین روپے ہوا تھا۔ آپ کی کمپنی کو بعد از ٹیکس ادائیگی کے 139.645 بلین روپے منافع ہوا ہے۔ (1.97) روپے فی حصص کمائی جو کہ گزشتہ اسی مدت کے مقابلے میں بعد از ٹیکس ادائیگی (2.119) بلین روپے نقصان تھا۔ بنیادی آمدنی فی حصص نقصان (31.08) روپے ہی تھی۔

پرزہانت مارکیٹنگ کی حکمت عملی کے ذریعہ کمپنی کی انتظامیہ بین الاقوامی منڈی کو زیادہ شہرت سے گرفت میں لینے کی پوری کوشش کر رہی ہے۔

صنعت / مارکیٹ کا جائزہ

فی الحال دنیا کو کوویڈ-19 کی تیسری لہر کا سامنا ہے۔ اگرچہ دنیا بھر میں ویکسینیشن جاری ہے۔ اس ویکسین کے عمل کو تیز کرنے کی ضرورت ہے۔ کیوں کہ یہ وائرس اب بھی پوری دنیا کے لوگوں کی معیشت اور ان کے رہن سہن کو متاثر کر رہا ہے۔

پاکستان میں کوویڈ-19 کی تیسری لہر میں کئی روزانہ بڑھ رہے ہیں اور ساتھ ہی شرح اموات فی صد میں اضافہ ہو رہا ہے۔ اس کے جواب میں حکومت نے عوام کو ایس او بیس پر سختی سے عمل درآمد کو یقینی بنانے کے لیے سارٹ لاک ڈاؤن حکمت عملی کا آغاز کیا ہے۔

معیشت کی بہتری کی توقعات صنعتی نموسے واضح کاروبار کے اعتماد میں بہتری کی بنیاد کو مضبوط کر رہی ہیں، حکومت کا مالی محرک معاشی امکانات کے ساتھ ساتھ معاشرتی امکانات کو بہتر بنانے میں کامیاب رہا۔ لہذا اسٹیٹ بینک آف پاکستان اپنے حالیہ مالیاتی پالیسی بیان میں مالی سال 2021 میں اس کی سابقہ توقع کے مقابلے میں زیادہ نموسے رہا ہے۔ چونکہ وبائی امراض کی تیسری لہر سے منفی خطرہ لاحق ہے۔ حکومت عوام کے ذریعے ایس او بیس اوپن کے عمل کے ساتھ مل کر بروقت اقدامات معاشی بحالی کے تسلسل کے ساتھ فراہم کرنے دباؤ کو گھٹانے اور بیرونی توازن کے تحفظ میں معاون ثابت ہوگی۔

مستقبل کا نقطہ نظر:

مساقتی زرمبادلہ کی شرح کی برابری اور ہمارے پڑوسی ممالک میں کوویڈ-19 کی تیسری لہر کے خدشات نے عالمی سطح پر ٹیکسٹائل کی مصنوعات کو خریدنے کے لئے پاکستان کا اولین انتخاب کیا ہے۔ پاکستان کی اب ڈیمانڈ بہت مضبوط ہے۔ ٹیکسٹائل کی شعبہ پوری صلاحیت کے ساتھ چل رہا ہے۔ جس میں آرڈرز کی کوئی کمی نہ ہے۔ اور ہم امید کرتے ہیں کہ مستقبل قریب میں طلب مستحکم رہے گی۔ موجودہ مارکیٹوں پر بھی زور دینے کے ساتھ ساتھ نئی منڈیوں کا بھی انتخاب کیا گیا ہے۔ انتظامیہ استعداد کار اور پیداواری صلاحیت میں بہتری کے ساتھ ساتھ قیمتوں پر قابو پانے میں بہتری لانے کی کوشش کر رہی ہے۔

بورڈ کی ترتیب:

7	ڈائریکٹرز کی کل تعداد
6	(a) مرد
1	(b) عورت
ترتیب	
2	(i) آزاد ڈائریکٹرز
4	(ii) دیگران ایگزیکٹو
1	(iii) ایگزیکٹو

بورڈ کی کمیٹیاں

بورڈ کی آڈٹ کمیٹی

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

انسانی وسائل اور معاوضہ کمیٹی:

نمبر شمار	ڈائریکٹرز کے نام	عہدہ
1	جناب شاہد اقبال	چیئرمین / ممبر
2	جناب شاہد براء احمد	ممبر
3	جناب شبیر احمد عابد	ممبر

ریسک مینجمنٹ کمیٹی:-

نمبر شمار	ڈائریکٹرز کے نام	عہدہ
1	جناب شاہد براء احمد	چیئرمین / 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	چیئرمین / ممبر
2	جناب شبیر احمد عابد	ممبر
3	جناب شاہد اقبال	ممبر

ڈائریکٹرز کا معاوضہ :

کمیٹی اپنے نان ایگزیکٹو ڈائریکٹرز سے آزاد ڈائریکٹرز کو اجلاس فیس کے علاوہ کوئی اور معاوضہ دانتیں کرتی۔ ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز کو ادا کئے گئے معاوضہ کی مجموعی رقم منسلک مالی حسابات کے نوٹ نمبر 9 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، بیٹوں اور صارفین کی انتظامیہ کو حمایت کے لئے ان کی شکرگزاری کرتے ہوئے خوشی محسوس کرتے ہیں۔ ہم مستقبل میں بھی ان کی طرف سے اسی لگن اور تعاون کے منتظر ہیں۔

از طرف بورڈ

فیصل آباد  
28 اپریل، 2021

ڈائریکٹر

چیئف ایگزیکٹو آفیسر

# MASOOD TEXTILE

## CONDENSED INTERIM STATEMENT OF FINANCIAL

NOTE	Un-audited 31 March 2021	Audited 30 June 2020
<b>(RUPEES IN THOUSAND)</b>		
<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 cap</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>3,838,239</u>	<u>3,872,614</u>
<b>Total equity</b>	<u>8,775,790</u>	<u>8,810,165</u>
<b>LIABILITIES</b>		
<b>NON-CURRENT LIABILITIES</b>		
Long term financing	5,642,166	7,254,526
Lease liabilities	56,324	210,712
Deferred liabilities	1,026,734	964,354
	6,725,224	8,429,592
<b>CURRENT LIABILITIES</b>		
Trade and other payables	5,037,221	2,461,960
Unclaimed dividend	11,146	65,262
Dividend payable	47,682	-
Accrued mark-up	156,387	394,784
Short term borrowings	16,497,800	15,835,860
Current portion of non-current liabilities	2,482,145	630,857
Provision for taxation	273,145	368,629
	24,505,526	19,757,352
<b>TOTAL LIABILITIES</b>	<u>31,230,750</u>	<u>28,186,944</u>
<b>CONTINGENCIES AND COMMITMENTS</b>		
	<u>40,006,540</u>	<u>36,997,109</u>

The annexed notes form an integral part of these condensed interim financial statements.

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

\_\_\_\_\_  
DIRECTOR

**MILLS LIMITED**  
**POSITION AS AT 31 MARCH 2021**

	NOTE	Un-audited 31 March 2021 (RUPEES IN THOUSAND)	Audited 30 June 2020
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	13,507,254	13,612,031
Right-of-use assets	6	151,928	320,505
Long term advances		6,670	8,060
Long term security deposits		94,106	98,775
		13,759,958	14,039,371
 <b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools		2,257,870	2,247,674
Stock in trade		10,682,727	8,125,166
Trade debts		7,954,054	7,763,851
Loans and advances		670,965	537,886
Short term deposits and prepayments		1,049,228	1,072,743
Other receivables		2,861,161	1,834,186
Short term investments		106,675	203,218
Cash and bank balances		663,902	1,173,014
		26,246,582	22,957,738
<b>TOTAL ASSETS</b>		40,006,540	36,997,109

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

**MASOOD TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (Un-audited)**  
**FOR THE PERIOD / QUARTER ENDED 31 MARCH 2021**

	Period ended		Quarter ended	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	------(RUPEES IN THOUSAND)-----			
REVENUE	25,768,421	23,796,348	10,730,385	6,831,443
COST OF SALES	(22,123,836)	(21,709,402)	(9,196,590)	(8,001,620)
GROSS PROFIT / (LOSS)	<u>3,644,585</u>	<u>2,086,946</u>	<u>1,533,795</u>	<u>(1,170,177)</u>
DISTRIBUTION COST	(1,719,656)	(1,785,022)	(610,789)	(511,645)
ADMINISTRATIVE EXPENSES	(565,871)	(512,937)	(176,956)	(150,639)
OTHER EXPENSES	(503,991)	(476)	(261,263)	(476)
OTHER INCOME	383,175	190,879	43,953	253,093
FINANCE COST	(951,790)	(1,283,657)	(292,887)	(458,654)
PROFIT /(LOSS) BEFORE TAXATION	<u>286,452</u>	<u>(1,304,267)</u>	<u>235,853</u>	<u>(2,038,498)</u>
TAXATION	(273,145)	(222,131)	(96,208)	(81,304)
PROFIT / (LOSS) AFTER TAXATION	<u>13,307</u>	<u>(1,526,398)</u>	<u>139,645</u>	<u>(2,119,802)</u>
(LOSS) / EARNING PER SHARE - BASIC (RUPEES)	<u>(0.12)</u>	<u>(23.14)</u>	<u>1.97</u>	<u>(31.08)</u>
- DILUTED (RUPEES)	<u>(0.11)</u>	<u>(21.20)</u>	<u>1.80</u>	<u>(28.59)</u>

The annexed notes form an integral part of these condensed interim financial statements.

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

\_\_\_\_\_  
DIRECTOR

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

**MASOOD TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-audited)**  
**FOR THE PERIOD / QUARTER ENDED 31 MARCH 2021**

	Period ended		Quarter ended	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	----- (RUPEES IN THOUSAND) -----			
PROFIT / (LOSS) AFTER TAXATION	13,307	(1,526,398)	139,645	(2,119,802)
OTHER COMPREHENSIVE INCOME				
<b>Items that will not be reclassified subsequently to profit or loss</b>	-	-	-	-
<b>Items that may be reclassified subsequently to profit or loss</b>	-	-	-	-
Other comprehensive income for the period	-	-	-	-
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD	13,307	(1,526,398)	139,645	(2,119,802)

The annexed notes form an integral part of these condensed interim financial statements.

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

\_\_\_\_\_  
DIRECTOR

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

**MASOOD TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-audited)**  
**FOR THE PERIOD ENDED 31 MARCH 2021**

	RESERVES						TOTAL EQUITY			
	CAPITAL			REVENUE						
	SHARE CAPITAL	REDEMPTION FUND	SURPLUS ON REVALUATION OF FREEHOLD LAND	SUB TOTAL	GENERAL	UNAPPROPRIATED PROFIT		SUB TOTAL		
<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
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 for the nine months ended 31 March 2020	-	-	-	-	-	-	(1,526,398)	(1,526,398)	(1,526,398)	(1,526,398)
Other comprehensive loss for the nine months ended 31 March 2020	-	-	-	-	-	-	-	-	-	-
Total comprehensive loss for the nine months ended 31 March 2020	-	-	-	-	-	-	(1,526,398)	(1,526,398)	(1,526,398)	(1,526,398)
<b>Balance as at 31 March 2020 - (Un-audited)</b>	986,666	1,375,000	128,333	900,234	2,403,567	714,500	5,731,372	6,445,872	8,849,439	9,836,105
Loss for the three months ended 30 June 2020	-	-	-	1,547,318	1,547,318	-	(2,593,881)	(2,593,881)	(2,593,881)	(2,593,881)
Other comprehensive income for the three months ended 30 June 2020	-	-	-	-	-	-	20,623	20,623	1,967,941	1,967,941
Total comprehensive loss for the three months ended 30 June 2020	-	-	-	1,547,318	1,547,318	-	(2,573,258)	(2,573,258)	(1,025,940)	(1,025,940)
<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
Transactions with owners:										
Dividend at the rate of Rupees 1.53 per share (Preference shares)	-	-	-	-	-	-	(47,682)	(47,682)	(47,682)	(47,682)
Profit for the nine months ended 31 March 2021	-	-	-	-	-	-	13,307	13,307	13,307	13,307
Other comprehensive income for the nine months ended 31 March 2021	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the nine months ended 31 March 2021	-	-	-	-	-	-	13,307	13,307	13,307	13,307
<b>Balance as at 31 March 2021 - (Un-audited)</b>	986,666	1,375,000	128,333	2,447,552	3,950,885	714,500	3,123,739	3,838,239	7,789,124	8,775,790

The annexed notes form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER



**MASOOD TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (Un-audited)**  
**FOR THE PERIOD ENDED 31 MARCH 2021**

	NOTE	Period ended	
		31 March 2021	31 March 2020
<b>(RUPEES IN THOUSAND)</b>			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash generated from operations</b>	7	867,856	1,386,912
Finance cost paid		(1,177,306)	(1,250,060)
Mark-up paid against lease liabilities		(14,200)	(2,083)
Income tax paid		(247,600)	(298,269)
Dividend paid to ordinary shareholders		(54,116)	(69,201)
Dividend paid to preference shareholders		-	(33,986)
Gratuity paid		(187,505)	(87,452)
Net decrease / (increase) in long term advances		1,390	(6,738)
Net decrease / (increase) in long term security deposits		4,669	(16,943)
<b>Net cash used in operating activities</b>		<u>(806,812)</u>	<u>(377,820)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant and equipment		19,685	558,496
Capital expenditure on property, plant and equipment		(609,236)	(1,934,301)
Proceeds from Investments		96,543	-
<b>Net cash used in investing activities</b>		<u>(493,008)</u>	<u>(1,375,805)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from long term financing		1,003,675	2,848,705
Repayment of long term financing		(751,502)	(1,162,573)
Repayment of lease liabilities		(123,405)	(8,654)
Short term borrowings - net		661,940	2,061,024
<b>Net cash from financing activities</b>		<u>790,708</u>	<u>3,738,502</u>
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>		<u>(509,112)</u>	<u>1,984,877</u>
<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>		<u><u>663,902</u></u>	<u><u>2,365,340</u></u>

The annexed notes form an integral part of these condensed interim financial statements.

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

\_\_\_\_\_  
DIRECTOR

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

**MASOOD TEXTILE MILLS LIMITED**  
**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 MARCH 2021**  
**(Un-audited)**

**1. THE COMPANY AND ITS OPERATIONS**

Masood Textile Mills Limited (the Company) 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**2.1 Basis of preparation**

**a) Statement of compliance**

- i) These condensed interim financial statements 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.

- ii) These condensed interim financial statements do not include all the information 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. These condensed interim financial statements are 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.

**b) Accounting policies**

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are the same as applied in the preparation of the annual audited financial statements for the year ended 30 June 2020.

**2.2 Critical accounting estimates and judgments**

The preparation of these condensed interim financial statements 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 these condensed interim financial statements, 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 audited annual financial statements of the Company for the year ended 30 June 2020.

Un-audited	Audited
31 March 2021	30 June 2020

(RUPEES IN THOUSAND)

### 3. LONG TERM FINANCING - SECURED

Opening balance	7,755,519	5,958,439
Add: Obtained during the period / year	1,003,675	3,067,377
	<u>8,759,194</u>	<u>9,025,816</u>
Less: Repaid during the period / year	751,502	1,270,297
Deferred income - Government grant (Note 3.1)	57,887	-
	<u>809,389</u>	<u>1,270,297</u>
	<u>7,949,805</u>	<u>7,755,519</u>
Less: Current portion shown under current liabilities	2,307,639	500,993
	<u>5,642,166</u>	<u>7,254,526</u>

- 3.1 This represents deferred income on initial recognition of loans obtained under SBP Refinance Scheme for payment of wages and salaries to workers.

### 4. CONTINGENCIES AND COMMITMENTS

#### a) Contingencies

- i) Guarantees of Rupees 244.995 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) On 13 August 2020, 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 23.625 million related to this difference, subject to furnishing of post dated cheques. Post dated cheques are being monthly furnished by the Company. 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 137.551 million (30 June 2020: Rupees 167.148 million) and other than capital expenditure are of Rupees 1,514.203 million (30 June 2020: Rupees 628.862 million).
- ii) Ijarah commitments are amounting to Rupees 109.073 million (30 June 2020: Rupees 122.905 million).

### 5. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets (Note 5.1)	13,308,866	13,161,273
Capital work-in-progress	198,388	450,758
	<u>13,507,254</u>	<u>13,612,031</u>

	Un-audited	Audited
	31 March 2021	30 June 2020
<b>(RUPEES IN THOUSAND)</b>		
<b>5.1 Operating fixed assets</b>		
Opening book value	13,161,273	10,492,605
<b>Add:</b>		
Surplus on revaluation of freehold land	-	1,547,318
Cost of additions during the period / year (Note 5.1.1)	861,606	2,544,620
Book value of assets transferred from right-of-use assets	-	34,442
	14,022,879	14,618,985
Less: Book value of deletions during the period / year (Note 5.2)	8,111	557,747
	14,014,768	14,061,238
Less: Depreciation charged during the period / year	705,902	899,965
	13,308,866	13,161,273
<b>5.1.1 Cost of additions during the period / year</b>		
Freehold land	-	596,128
Buildings on freehold land	25,816	62,892
Plant and machinery	712,653	1,573,965
Electric and gas installations	54,516	165,500
Factory equipment	4,956	10,283
Telephone installations	614	1,890
Furniture and fixtures	25,016	44,992
Office equipment	998	1,402
Computer equipment	15,510	60,910
Vehicles	21,527	26,658
	861,606	2,544,620
<b>5.2 Book value of deletions during the period / year</b>		
Buildings on freehold land	568	-
Plant and machinery	-	516,739
Electric and gas installations	-	15,252
Factory equipment	-	2,178
Telephone installations	-	41
Furniture and fixtures	-	10,895
Office equipment	-	7
Computer equipment	-	4,572
Vehicles	7,543	8,063
	8,111	557,747
<b>6. RIGHT-OF-USE ASSETS</b>		
Opening book value	320,505	270,314
Add: Additions during the period / year - Buildings	102,137	238,560
	422,642	508,874
Less: Book value of assets eliminated due to termination of lease / transferred to operating fixed assets (Note 6.1)	140,488	34,442
	282,154	474,432
Less: Depreciation charged during the period / year	130,226	153,927
	151,928	320,505

Un-audited	Audited
31 March 2021	30 June 2020

(RUPEES IN THOUSAND)

**6.1 Book value of assets eliminated due to termination of lease / transferred to operating fixed assets**

Buildings	140,488	-
Plant and machinery	-	27,314
Vehicles	-	7,128
	<u>140,488</u>	<u>34,442</u>

(Un-audited)	
Period ended	
31 March 2021	31 March 2020

(RUPEES IN THOUSAND)

**7. CASH GENERATED FROM OPERATIONS**

Profit / (Loss) before taxation	286,452	(1,304,267)
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**Adjustments for non-cash charges and other items:**

Depreciation	836,128	667,323
Provision for gratuity	227,059	232,391
Gain on sale of property, plant and equipment	(11,574)	(5,630)
Finance cost	951,790	1,283,657
Reversal of allowance for expected credit losses - net	(196,466)	-
Gain on remeasurement of deferred liability	(2,740)	-
Gain on termination of lease liability	(10,388)	-
Working capital changes (Note 7.1)	(1,212,405)	513,438
	<u>867,856</u>	<u>1,386,912</u>

**7.1 Working capital changes**

**Decrease / (increase) in current assets:**

Stores, spare parts and loose tools	(10,196)	(326,417)
Stock in trade	(2,557,561)	(827,302)
Trade debts	6,263	2,699,805
Loans and advances	(133,079)	(371,602)
Short term deposits and prepayments	(97,514)	(4,121)
Other receivables	(1,026,975)	(196,912)
	(3,819,062)	973,451
Increase / (decrease) in trade and other payables	2,606,657	(460,013)
	<u>(1,212,405)</u>	<u>513,438</u>

8. SEGMENT INFORMATION  
8.1 Segment results

	Spinning		Knitting		Processing and Garments		Elimination of Inter-segment transactions		Total - Company	
	(Un-audited) Period ended	31 March 2021	(Un-audited) Period ended	31 March 2020	(Un-audited) Period ended	31 March 2020	(Un-audited) Period ended	31 March 2020	(Un-audited) Period ended	31 March 2020
Revenue	1,129,975	1,314,109	226,825	165,029	24,411,621	22,297,210	-	-	25,766,421	23,796,348
External Intersegment	2,128,871	3,183,871	10,391,892	8,336,973	1,436	22,313,159	(13,688,799)	(8,707,779)	25,766,421	23,796,348
	3,658,256	2,862,256	11,191,815	8,506,792	24,427,109	22,313,159	(13,688,799)	(8,707,779)	25,766,421	23,796,348
Cost of sales	(3,718,323)	(2,592,525)	(10,985,839)	(8,384,037)	(21,108,473)	(20,440,619)	13,688,799	9,707,779	(22,123,836)	(21,709,402)
Gross profit	119,973	85,741	205,976	124,665	3,318,636	1,872,540	-	-	3,644,585	2,086,946
Distribution cost	(44,642)	(34,227)	(89,053)	(97,576)	(1,595,961)	(1,652,219)	-	-	(1,719,656)	(1,785,022)
Administrative expenses	(37,804)	(30,765)	(32,015)	(66,770)	(436,052)	(395,402)	-	-	(565,871)	(512,932)
	(82,446)	(64,992)	(181,068)	(184,346)	(2,022,013)	(2,048,621)	-	-	(2,285,527)	(2,297,959)
Profit / (Loss) before taxation and unallocated income and expense	37,527	24,749	24,908	(59,681)	1,296,623	(176,081)	-	-	1,359,058	(211,013)

Unallocated income and expenses:

Other expenses	(603,991)
Other income	883,175
Finance cost	(674,469)
Taxation	(273,146)
Profit / (Loss) after taxation	13,307

Reconciliation of reportable segment assets and liabilities:

	Spinning		Knitting		Processing and Garments		Total - Company	
	(Un-audited) Period ended	30 June 2020	(Un-audited) Period ended	30 June 2020	(Un-audited) Period ended	30 June 2020	(Un-audited) Period ended	30 June 2020
Total assets for reportable segments	3,352,184	2,712,468	2,633,297	2,498,141	20,614,298	19,094,761	26,596,779	24,305,370
Unallocated assets							13,406,761	12,691,739
Total assets as per condensed interim statement of financial position							40,006,540	36,997,109
Total liabilities for reportable segments	307,269	184,799	1,438,558	499,717	4,593,343	3,201,844	6,279,170	3,886,360
Unallocated liabilities							24,951,580	24,300,584
Total liabilities as per condensed interim statement of financial position							31,230,750	28,186,944

  

	Spinning		Knitting		Processing and Garments		Total - Company	
	(Un-audited) Period ended	31 March 2021	(Un-audited) Period ended	31 March 2020	(Un-audited) Period ended	31 March 2020	(Un-audited) Period ended	31 March 2020
Segment wise and geographical location wise disaggregation of revenue								
America and Canada	-	-	-	-	15,084,320	16,436,591	15,084,320	16,436,591
Euro	-	-	-	-	4,535,487	2,680,003	4,535,487	2,680,003
Asia, Africa and Australia	189,474	65,819	-	-	2,733,172	1,227,366	2,826,646	1,293,185
Pakistan	940,501	1,248,290	2,26,825	185,029	2,052,642	1,953,260	3,219,968	3,386,579
	1,129,975	1,314,109	2,26,825	185,029	24,411,621	22,297,210	25,766,421	23,796,348

8.3

## 9. 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 are as follows:

Un-audited			
Period Ended		Quarter Ended	
31 March 2021	31 March 2020	31 March 2021	31 March 2020

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

### i) Transactions

#### Associated company

Purchase of services	-	81,985	-	32,906
Purchase of operating fixed assets	26,860	-	-	-
Sales of goods and services	68,324	784,487	-	39,546
Dividend paid	44,362	-	-	-

#### Other related parties

Dividend paid	-	32,959	-	-
Loans obtained from Chief Executive Officer and Sponsor	200,000	-	-	-
Remuneration paid to Chief Executive Officer, Directors and Executives	177,865	158,257	56,989	48,578

Un-audited  
31 March  
2021  
Audited  
30 June  
2020  
(RUPEES IN THOUSAND)

### ii) Period end balances

#### Associated company

Trade debts	358,706	876,761
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#### Other related parties

Long term advances	6,670	8,510
Loans and advances	2,160	2,330
Short term borrowings	200,000	-

## 10. RECOGNIZED FAIR VALUE MEASUREMENTS

### (i) Fair value hierarchy

Judgements and estimates are made in determining the fair values of the financial instruments that are recognized and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into following three levels. An explanation of each level follows underneath the table:

	Level 1	Level 2	Level 3	Total
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----- (RUPEES IN THOUSAND) -----

<b>Financial assets - recurring fair value measurement</b>				
At fair value through profit or loss	106,675	-	-	106,675
<b>At 31 March 2021 - unaudited</b>	<u>106,675</u>	<u>-</u>	<u>-</u>	<u>106,675</u>
At fair value through profit or loss	103,218	-	-	103,218
<b>At 30 June 2020 - audited</b>	<u>103,218</u>	<u>-</u>	<u>-</u>	<u>103,218</u>

The above table does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to the short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year. Further there was no transfer out of level 3 measurements.

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

**Level 1:** The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

(ii) **Valuation techniques used to determine fair values**

Specific valuation technique used to value financial instruments include the use of quoted market prices.

**11. 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 2020.

**12. DATE OF AUTHORIZATION**

These condensed interim financial statements were approved by the Board of Directors of the Company and authorized for issue on 28 April, 2021.

**13. CORRESPONDING FIGURES**

In order to comply with the requirements of IAS 34, 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 balances of comparable period of immediately preceding financial year.

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However, no significant re-arrangements have been made.

**14. GENERAL**

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

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CHIEF EXECUTIVE OFFICER

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DIRECTOR

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CHIEF FINANCIAL OFFICER



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