



Masood Textile Mills Ltd.

**ACCOUNTS
FOR THE FIRST QUARTER ENDED
30 SEPTEMBER 2021**

CONTENTS

	Page
COMPANY INFORMATION	1
DIRECTORS' REPORT TO THE MEMBERS	2-5
STATEMENT OF FINANCIAL POSITION	6-7
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 STATEMENTS	12-18

COMPANY INFORMATION

CHAIRMAN	MR. NASEER AHMAD SHAH
CHIEF EXECUTIVE OFFICER	MR. SHAHID NAZIR AHMAD
DIRECTORS	MR. SHABIR AHMAD ABID (Independent Director) MR. SHAHID IQBAL (Independent Director) MR. SHOAIB AHMAD KHAN (NIT-Nominee) MS. CHEN YAN (Nominee-Shanghai Challenge Textile Co. Ltd.) MR. SHIBIN YANG (Nominee-Shanghai Challenge Textile Co. Ltd.)
COMPANY SECRETARY	MR. NISAR AHMAD ALVI
CHIEF FINANCIAL OFFICER	MR. MUHAMMAD SHAHID NAVEED
AUDIT COMMITTEE	MR. SHABIR AHMAD ABID (Chairman) MR. NASEER AHMAD SHAH MR. SHAHID IQBAL
HR & REMUNERATION COMMITTEE	MR. SHAHID IQBAL (Chairman) MR. SHAHID NAZIR AHMAD MR. SHABIR AHMAD ABID
RISK MANAGEMENT COMMITTEE	MR. SHAHID NAZIR AHMAD (Chairman) MR. NASEER AHMAD SHAH MR. SHAHID IQBAL
NOMINATION COMMITTEE	MR. NASEER AHMAD SHAH (Chairman) MR. SHABIR AHMAD ABID MR. SHAHID IQBAL
AUDITORS	M/S RIAZ AHMAD & COMPANY CHARTERED ACCOUNTANTS
SHARE REGISTRAR	CorpTec Associates (Pvt.) Limited 503-E, Johar Town, Lahore, Tel:042-35170336-7 Fax: 042-35170338, Web: www.corptec.com.pk
REGISTERED OFFICE	Universal House, 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

The Board of Directors is pleased to present the un-audited condensed interim financial results of the Company for the quarter ended 30 September 2021.

FINANCIAL RESULTS:

The financial results of the Company for the period ended 30 September 2021 are as follow:

<u>Description</u>	<u>30 Sep</u> <u>2021</u>	<u>30 Sep</u> <u>2020</u>
	(RUPEES IN THOUSAND)	
REVENUE	12,105,219	7,081,574
COST OF SALES	<u>(10,612,316)</u>	<u>(6,089,944)</u>
GROSS PROFIT	1,492,903	991,630
DISTRIBUTION COST	(793,765)	(560,737)
ADMINISTRATIVE EXPENSES	(278,849)	(168,897)
OTHER EXPENSES	(39,759)	(86,682)
OTHER INCOME	554,501	50,174
FINANCE COST	<u>(327,748)</u>	<u>(336,168)</u>
PROFIT / (LOSS) BEFORE TAXATION	607,283	(110,680)
TAXATION	<u>(135,126)</u>	<u>(84,074)</u>
PROFIT / (LOSS)AFTER TAXATION	<u>472,157</u>	<u>(194,754)</u>
EARNINGS / (LOSS) PER SHARE -BASIC (RUPEES)	<u>6.89</u>	<u>(2.99)</u>
- DILUTED (RUPEES)	<u>6.34</u>	<u>(2.76)</u>

For the first quarter ended 30 September 2021, Company earned revenue amounting to Rs. 12.105 Billion as compared to Rs. 7.082 Billion during the corresponding first quarter of previous financial year, hence showing an increase of 70.94%. During the quarter ended by 30 September 2021, the Company earned a gross profit of Rs. 1,492.903 Million as compared to Rs. 991.630 Million for the Same Period Last Year (SPLY). The company incurred profit after tax of Rs. 472.157 Million (Earnings per share: Rs. 6.89 per share) as compared to loss after tax of Rs. (194.754) Million (loss per share: Rs. (2.99) per share) for the SPLY.

Company's results are improved with the dedicated efforts of management of the Company. The company focused on maintaining its growth momentum in the long run. The management is acutely monitoring its resources to reap the maximum benefits for its Stakeholders.

INDUSTRY / MARKET OVERVIEW:

The revival of economic activities all over the world has increased the prices of commodities unprecedentedly, thus, putting inflationary pressure globally. Further, Pakistan is the country in which imports are mostly related to growth oriented Capital goods. The revival of economic activities domestically has surged imports bills mainly due to an increase in Raw Materials for Consumer and Capital Goods especially in last three months. The substantial rise in international commodity prices is the major reason of increase in our import bills, which has put pressure on the Pakistani rupee. Further, changing geo-political situation is also building pressure on domestic production and the money market. With the pandemic, the Government has been focused on managing the repeated COVID-19 infection waves, implementing a mass vaccination campaign, expanding its cash transfer program, and providing accommodative monetary conditions to sustain economic growth.

FUTURE OUTLOOK

The government is fully committed to promote industrial activities and taking all proactive measures wherever it is necessary to facilitate the industrial sector and its counterparts. The Government of Pakistan is also supporting the exporters by minimizing duty and taxes on import of raw materials in order to bring down the input costs of exportable products.

Pakistan's textile and clothing exports are expected to rise in the coming months due to the diversion of the orders out of neighboring Asian countries. The focus on more value addition and expected textile policy of the country will support the organic growth in exports. The depreciation of PKR has also boosted textile exporters.

Due to the government's growth oriented policies, Pakistan's economy is set to achieve higher, inclusive and sustainable economic growth in FY2022. However, there are some downside risks to the outlook of Pakistan's economy associated with rising international commodity prices, new variants of virus and geopolitical dynamics especially post August 15 scenario, emerged in Afghanistan. The government policies for export promotion will also anchor for providing external sector stability.

COMPOSITION OF BOARD

Total Number of Directors:	07
(a) Male	06
(b) Female	01
Composition:	
(a) Independent Directors	02
(b) Non-Executive Directors	03
(c) Executive Director	01
(d) Female Director	01

Committees of the Board

Audit Committee of the Board:

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

Human Resource & Remuneration (HR&R) Committee:

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

Risk Management Committee:

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

Nomination Committee:

Sr. #	Name of Directors	
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

The Board places on record its appreciation for the support of its shareholders, banks and customers whose cooperation, continued support and patronage have enabled the company to strive for constant improvement. We would also like to highlight the continuous efforts and diligence of the Company's Senior Management, support staff and the production workers. We look forward to same dedication and cooperation from them in the future as well.

FAISALABAD
29th October, 2021

CHIEF EXECUTIVE OFFICER

DIRECTOR

ممبران کے لئے ڈائریکٹرز رپورٹ

بورڈ آف ڈائریکٹرز 30 ستمبر 2021 کو اختتام پذیر ہونے والی سرمایہ کے لئے کمپنی کے غیر آڈٹ شدہ مالی نتائج پیش کرنے پر خوش ہیں۔

مالی نتائج:

کمپنی کی 30 ستمبر 2021 کو اختتام پذیر ہونے والی مدت کے مالی نتائج مندرجہ ذیل ہے۔

تفصیل	30 ستمبر 2021	30 ستمبر 2020
روپے ہزاروں میں	روپے ہزاروں میں	
آمدنی	12,105,219	7,081,574
اگست نیٹ	(10,612,316)	(6,089,944)
مجموعی نفع	1,492,903	991,630
ڈسٹری بیٹن ٹریچ	(793,765)	(560,737)
کاروبار کے تنظیمی اخراجات	(278,849)	(168,897)
دیگر اخراجات	(39,759)	(86,682)
دیگر آمدن	554,501	50,174
مالی اگست	(327,748)	(336,168)
نفع (تقصان) ٹیکس سے پہلے	607,283	(110,680)
اداکرہ ٹیکس	(135,126)	(84,074)
نفع (تقصان) ٹیکس کی ادائیگی کے بعد	472,157	(194,754)
آمدن (تقصان) فی حصص بنیادی (روپیہ)	6.89	(2.99)
آمدن (تقصان) فی حصص ڈائیکریٹ / کی کے (روپیہ)	6.34	(2.76)

30 ستمبر 2021 کو اختتام ہونے والی پہلی سرمایہ میں خالص فروخت 12,105 ملین روپے رہی جو کہ پچھلی پہلی سرمایہ کے دوران 7,082 ملین روپے تھی، جس میں 70.94 فیصد نیک اضافہ ہوا ہے۔ 30 ستمبر 2021 کو اختتام ہونے والی سرمایہ کے دوران کمپنی کو 1,492,903 ملین روپے مجموعی منافع ہوا۔ جو کہ گزشتہ اسی مدت کے مقابلے میں مجموعی منافع 991,630 ملین روپے تھا۔ آپ کی کمپنی کو بعد از ٹیکس ادا کی گئی کے 472,157 ملین روپے منافع ہوا ہے۔ (6.89 روپے فی حصص کمائی) جو کہ گزشتہ اسی مدت کے مقابلے میں بعد از ٹیکس ادا کی گئی (194,754) ملین روپے نقصان تھا۔ (فی حصص (2.99) روپے نقصان) ہوا تھا۔ کمپنی کی انتظامیہ کی بھرپور کوششوں سے کمپنی کے نتائج بہتر ہوئے ہیں۔ کمپنی نے عرصے میں اپنی ترقی کی رفتار کو برقرار رکھنے پر مرکوز ہے۔ انتظامیہ اپنے اسٹیک ہولڈرز کے لئے زیادہ فائدہ حاصل کرنے کے لئے اپنے وسائل کی سخت نگرانی کر رہی ہے۔

صنعت امارت کا جائزہ

پوری دنیا میں معاشی سرگرمیاں کی بحالی نے اشیاء کی قیمتوں میں غیر معمولی اضافہ کیا ہے۔ اسی طرح عالمی سطح پر افراط زر کا دباؤ بڑھ رہا ہے۔ مزید یہ کہ پاکستان وہ ملک ہے۔ جس میں درآمدات کا تعلق زیادہ تر ترقی پزیر ممالک سے ہے۔ گھریلو سطح پر معاشی سرگرمیوں کی بحالی نے درآمدی بلوں میں اضافہ کیا ہے۔ جس کی بنیادی وجہ صارفین اور سرمائے کے سامان کی خام مال میں اضافہ ہے۔ خاص طور پر پچھلے تین مہینوں میں بین الاقوامی اشیاء کی قیمتوں میں خاطر خواہ اضافہ ہمارے درآمدی بلوں میں اضافے کی بڑی وجہ ہے۔ جس سے پاکستانی روپے پر دباؤ ڈالا ہے۔ مزید یہ کہ جغرافیائی سیاسی صورت حال بدلنے سے گلی بیرو اور اوزنی مارکیٹ پر بھی دباؤ بڑھ رہا ہے۔ وہاں ہی مرض کے ساتھ حکومت بار بار آنے والی کوئیڈ-19 انفیکشن کی لہروں کو روکنے کا انتظام کرنے، بڑے پیمانے پر ویکسینیشن ہم کو نافذ کرنے، اپنے کیش فرانسز پر وگرام کو بڑھانے، اور معاشی نمو کو برقرار رکھنے کے لئے مناسب مالی حالات فراہم کرنے پر مرکوز ہے۔

مستقبل کا نقطہ نظر:

حکومت صنعتی سرگرمیوں کو فروغ دینے اور صنعتی شعبے اور اس کے ہم منصبوں کی سہولت کے لئے جہاں بھی ضروری ہو تمام فعال اقدامات کرنے کے لئے پرعزم ہے۔ حکومت پاکستان برآمد کنندگان کی مدد کر رہی ہے۔ تاکہ زیادہ تر خام مال کی درآمد پر ڈیوٹی اور ٹیکس کم کر کے برآمدی مصنوعات کے ان پٹ اخراجات کو کم کیا جاسکے۔ آنے والے مہینوں میں پاکستان ٹیکسٹائل اور کپڑوں کی برآمدات میں اضافے کی توقع ہے۔ کیونکہ یورپی ایشیائی ممالک سے آرڈرز کا رخ موڑ دیا گیا ہے۔ مزید ویلو ایڈیشن پر توجہ اور ملک کی متوقع ٹیکسٹائل پالیسی برآمدات میں نامیاتی نمو کی حمایت کرے گی۔ پاکستانی روپے کی قدر میں کمی نے ٹیکسٹائل برآمد کنندگان کو بھی فروغ دیا ہے۔ حکومت کی ترقی پزیر پالیسیوں کی وجہ سے، پاکستان کی معیشت مالی سال 2022 میں اعلیٰ، جامع اور پائیدار معاشی نمو حاصل کرنے کے لئے تیار ہے۔ تاہم پاکستان کی معیشت کے نقطہ نظر کے کئے کچھ منفی خطرات ہیں۔ جو کہ اشیاء کی بڑھتی ہوئی بین الاقوامی قیمتوں، وائرس کی نئی شکلیں اور جغرافیائی سیاسی صورت حال خاص طور پر 15 اگست کے منظر عام کے بعد افغانستان میں ابھرے ہیں برآمدات کے فروغ کے لیے حکومتی پالیسیاں بیرونی شعبے کو استحکام فراہم کرنے کے لئے اثر انداز ہوگی۔

بورڈ کی ترتیب:

- 7 ڈائریکٹرز کی کل تعداد
 6 (a) مرد
 1 (b) عورت
ترتیب
 2 (a) آزاد ڈائریکٹرز
 3 (b) دیگر نان ایگزیکٹو
 1 (c) ایگزیکٹو
 1 (d) فی نیٹل ڈائریکٹرز

بورڈ کی کمیٹیاں

بورڈ کی آڈٹ کمیٹی

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

انسانی وسائل اور معاوضہ کمیٹی:

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

ریسک منجمنٹ کمیٹی:-

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

نامزدگی کمیٹی:-

نمبر شمار	ڈائریکٹرز کے نام	عہدہ
1	جناب نسیم 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 09 میں درج کی گئی ہے۔

اظہارِ نظر اور اعتراف :

بورڈ اپنے قابل قدر حصص یافتگان، بینکوں اور صارفین کی حدود و حدود دہی کرتا ہے جن کے تعاون، مسلسل مدد اور سرپرستی سے کمیٹی کو مسلسل بہتری کے لئے جدوجہد کرنے کا اہل بنا دیا ہے۔ ہم کمیٹی انتظامیہ کی کاوشوں اور کارکنوں کی مسلسل کوششوں کو سراہتے ہیں اور امید کرتے ہیں کہ مستقبل قریب میں بھی اسی لگن اور محنت سے کام کرتے رہیں گے۔

از طرف بورڈ

فیصل آباد
29 اکتوبر، 2021

چیف ایگزیکٹو آفیسر

ڈائریکٹرز

MASOOD TEXTILE
CONDENSED INTERIM STATEMENT OF FINANCIAL

	NOTE	Un-audited 30 September 2021	Audited 30 June 2021
(RUPEES IN THOUSAND)			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
125 000 000 (30 June 2021: 125 000 000) ordinary shares of Rupees 10 each		1,250,000	1,250,000
60 000 000 (30 June 2021: 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		949,999	986,666
Reserves			
Capital reserves			
Share premium		1,375,000	1,375,000
Redemption fund		128,333	128,333
Capital contribution		1,500,000	1,500,000
Surplus on revaluation of freehold land		2,447,552	2,447,552
		5,450,885	5,450,885
Revenue reserves		4,939,887	4,467,730
Total reserves		<u>10,390,772</u>	<u>9,918,615</u>
Total equity		11,340,771	10,905,281
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	3	4,380,770	5,007,611
Lease liabilities		75,309	94,777
Deferred liabilities		1,158,710	1,087,926
		5,614,789	6,190,314
CURRENT LIABILITIES			
Trade and other payables		6,431,391	4,958,142
Unclaimed dividend		11,145	11,146
Unpaid Dividend		42,071	47,682
Accrued mark-up		167,596	160,164
Short term borrowings		15,658,193	15,011,000
Current portion of non-current liabilities		2,694,231	2,733,292
Provision for taxation		532,778	390,384
		25,537,405	23,311,810
TOTAL LIABILITIES		<u>31,152,194</u>	<u>29,502,124</u>
CONTINGENCIES AND COMMITMENTS	4		
TOTAL EQUITY AND LIABILITIES		<u>42,492,965</u>	<u>40,407,405</u>

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

MILLS LIMITED
POSITION AS AT 30 SEPTEMBER 2021

	NOTE	Un-audited 30 September 2021 (RUPEES IN THOUSAND)	Audited 30 June 2021
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	13,499,060	13,589,405
Right-of-use assets	6	159,420	204,109
Long term advances		7,064	7,469
Long term security deposits		97,397	97,881
		<u>13,762,941</u>	<u>13,898,864</u>
CURRENT ASSETS			
Stores, spare parts and loose tools		2,418,146	2,244,531
Stock in trade		12,218,128	11,283,501
Trade debts		7,882,096	7,435,280
Loans and advances		754,109	634,462
Income tax		1,012,477	883,994
Short term deposits and prepayments		306,894	226,054
Other receivables		3,466,730	3,163,017
Short term investments		106,884	106,771
Cash and bank balances		564,560	530,931
		28,730,024	26,508,541
TOTAL ASSETS		<u><u>42,492,965</u></u>	<u><u>40,407,405</u></u>

CHIEF FINANCIAL OFFICER

MASOOD TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (Un-audited)
FOR THE 1ST QUARTER ENDED 30 SEPTEMBER 2021

	30 September 2021	30 September 2020
(RUPEES IN THOUSAND)		
REVENUE	12,105,219	7,081,574
COST OF SALES	(10,612,316)	(6,089,944)
GROSS PROFIT	1,492,903	991,630
DISTRIBUTION COST	(793,765)	(560,737)
ADMINISTRATIVE EXPENSES	(278,849)	(168,897)
OTHER EXPENSES	(39,759)	(86,682)
OTHER INCOME	554,501	50,174
FINANCE COST	(327,748)	(336,168)
PROFIT / (LOSS) BEFORE TAXATION	607,283	(110,680)
TAXATION	(135,126)	(84,074)
PROFIT / (LOSS) AFTER TAXATION	472,157	(194,754)
EARNINGS / (LOSS) PER SHARE - BASIC (RUPEES)	6.89	(2.99)
- DILUTED (RUPEES)	6.34	(2.76)

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 1ST QUARTER ENDED 30 SEPTEMBER 2021

	30 September 2021	30 September 2020
(RUPEES IN THOUSAND)		
PROFIT / (LOSS) AFTER TAXATION	472,157	(194,754)
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 / (LOSS)	472,157	(194,754)
FOR THE PERIOD	472,157	(194,754)

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 1ST QUARTER ENDED 30 SEPTEMBER 2021

	RESERVES										TOTAL EQUITY
	CAPITAL			RESERVES			REVENUE		Sub total	TOTAL	
	SHARE CAPITAL	Share premium	Redemption fund	Capital Contribution	Surplus on revaluation of freehold land	Sub total	General	Unappropriated profit			
Balance as at 30 June 2020 - (Audited)	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 for the three months ended 30 September 2020	-	-	-	-	-	-	-	(194,754)	(194,754)	(194,754)	(194,754)
Other comprehensive loss for the three months ended 30 September 2020	-	-	-	-	-	-	-	-	-	-	-
Balance as at 30 September 2020 - (Un-audited)	986,666	1,375,000	128,333	-	2,447,552	3,950,885	714,500	2,963,360	3,677,860	7,628,745	8,616,411
Total comprehensive loss for the three months ended 30 September 2020	-	-	-	-	-	-	-	(194,754)	(194,754)	(194,754)	(194,754)
Balance as at 30 September 2021 - (Un-audited)	-	-	-	1,500,000	-	1,500,000	-	-	-	1,500,000	1,500,000
Transactions with owners: Contribution from director / shareholders	-	-	-	1,500,000	-	1,500,000	-	-	-	1,500,000	1,500,000
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 30 June 2021	-	-	-	-	-	-	-	835,289	835,289	835,289	835,289
Other comprehensive income for the nine months ended 30 June 2021	-	-	-	-	-	-	-	2,263	2,263	2,263	2,263
Total comprehensive income for the nine months ended 30 June 2021	-	-	-	-	-	-	-	837,552	837,552	837,552	837,552
Balance as at 30 June 2021 - (Audited)	986,666	1,375,000	128,333	1,500,000	2,447,552	5,450,885	714,500	3,753,230	4,467,730	9,918,615	10,906,281
Transactions with owners: Preference shares repaid	(36,667)	-	-	-	-	-	-	-	-	-	(36,667)
Transfer from capital redemption reserve fund	-	-	(36,667)	-	-	(36,667)	-	36,667	36,667	-	-
Transfer to capital redemption reserve fund	-	-	36,667	-	-	36,667	-	(36,667)	(36,667)	-	-
Profit for the three months ended 30 September 2021	-	-	-	-	-	-	-	472,157	472,157	472,157	472,157
Other comprehensive income for the three months ended 30 September 2021	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the three months ended 30 September 2021	-	-	-	-	-	-	-	472,157	472,157	472,157	472,157
Balance as at 30 September 2021 - (Un-audited)	949,999	1,375,000	128,333	1,500,000	2,447,552	5,450,885	714,500	4,225,387	4,939,887	10,390,772	11,340,771

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 1ST QUARTER ENDED 30 SEPTEMBER 2021

NOTE	30 September 2021	30 September 2020	
	(RUPEES IN THOUSAND)		
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	7	721,233	1,234,158
Finance cost paid		(316,166)	(549,632)
Mark-up paid against lease liabilities		(4,150)	(6,240)
Income tax paid		(121,215)	(75,317)
Dividend paid to ordinary shareholders		(1)	(54,098)
Dividend paid to preference shareholders		(5,611)	-
Gratuity paid		(24,530)	(58,959)
Net decrease in long term advances		405	710
Net decrease in long term security deposits		484	3,955
Net cash generated from operating activities		250,449	494,577
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		21,288	12,207
Capital expenditure on property, plant and equipment		(158,727)	(277,821)
Investment made		(113)	(1,409)
Net cash used in investing activities		(137,552)	(267,023)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		-	603,675
Repayment of long term financing		(644,723)	(13,624)
Capital contribution		-	500,000
Repayment of lease liabilities		(45,071)	(43,510)
Repayment of preference shares		(36,667)	-
Short term borrowings - net		647,193	(857,652)
Net cash (used in) / from financing activities		(79,268)	188,889
NET INCREASE IN CASH AND CASH EQUIVALENTS		33,629	416,443
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		530,931	1,173,014
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		564,560	1,589,457

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 (Un-audited)
FOR THE 1ST QUARTER ENDED 30 SEPTEMBER 2021

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

a) Statement of compliance

- ii) 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 2021. 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 2021.

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 2021.

Un-audited	Audited
30 September 2021	30 June 2021

(RUPEES IN THOUSAND)

3. LONG TERM FINANCING - SECURED

Opening balance	7,553,612	7,755,519
Add: Obtained during the period / year	-	1,003,674
	<u>7,553,612</u>	<u>8,759,193</u>
Less: Repaid during the period / year	644,723	1,161,892
Deferred income - Government grant (Note 3.1)	(12,285)	43,689
	<u>632,438</u>	<u>1,205,581</u>
	<u>6,921,174</u>	<u>7,553,612</u>
Less: Current portion shown under current liabilities	2,540,404	2,546,001
	<u>4,380,770</u>	<u>5,007,611</u>

- 3.1 This represents deferred income charged / recognized on 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 (2021: 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.
- ii) On 13 August 2020, the Supreme Court of Pakistan 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 (2021: Rupees 23.625 million) related to this difference, subject to furnishing of post dated cheques which are being submitted 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 41.083 million (30 June 2021: Rupees 27.462 million) and other than capital expenditure are of Rupees 2,045.826 million (30 June 2021: Rupees 2,020.522 million).
- ii) Ijarah commitments are amounting to Rupees 104.177 million (30 June 2021: Rupees 116.721 million).

5. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets (Note 5.1)	13,212,541	13,231,142
Capital work-in-progress	286,519	358,263
	<u>13,499,060</u>	<u>13,589,405</u>

	Un-audited 30 September 2021	Audited 30 June 2021
(RUPEES IN THOUSAND)		
5.1 Operating fixed assets		
Opening book value	13,231,142	13,161,273
Add:		
Cost of additions during the period / year (Note 5.1.1)	230,471	1,035,441
	<u>13,461,613</u>	<u>14,196,714</u>
Less: Book value of deletions during the period / year (Note 5.1.2)	19,914	13,513
	<u>13,441,699</u>	<u>14,183,201</u>
Less: Depreciation charged during the period / year	229,158	952,059
	<u>13,212,541</u>	<u>13,231,142</u>
5.1.1 Cost of additions during the period / year		
Buildings on freehold land	5,445	43,953
Plant and machinery	125,535	810,880
Electric and gas installations	44,933	81,352
Factory equipment	4,144	7,222
Telephone installations	115	1,199
Furniture and fixtures	9,256	42,270
Office equipment	10	1,664
Computer equipment	5,085	23,550
Vehicles	35,948	23,351
	<u>230,471</u>	<u>1,035,441</u>
5.1.2 Book value of deletions during the period / year		
Plant and machinery	6,519	-
Vehicles	13,395	13,513
	<u>19,914</u>	<u>13,513</u>
6. RIGHT-OF-USE ASSETS		
Opening book value	204,109	320,505
Add: Additions during the period / year - Buildings	-	210,522
	<u>204,109</u>	<u>531,027</u>
Less: Book value of assets eliminated due to termination of lease / transferred to operating fixed assets	-	140,488
	<u>204,109</u>	<u>390,539</u>
Less: Depreciation charged during the period / year	44,689	186,430
	<u>159,420</u>	<u>204,109</u>

(Un-audited)	
30 September 2021	30 September 2020

(RUPEES IN THOUSAND)

7. CASH GENERATED FROM OPERATIONS

Profit / (Loss) before taxation	607,283	(110,680)
---------------------------------	---------	-----------

Adjustments for non-cash charges and other items:

Depreciation	273,847	275,860
Provision for gratuity	101,953	75,686
Gain on sale of property, plant and equipment	(1,374)	(9,863)
Finance cost	327,748	336,168
Working capital changes (Note 7.1)	(588,224)	666,987

	721,233	1,234,158
--	---------	-----------

7.1 Working capital changes

(Increase) / Decrease in current assets:

Stores, spare parts and loose tools	(173,615)	218,264
Stock in trade	(934,627)	425,474
Trade debts	(446,816)	677,939
Loans and advances	(119,647)	(293,678)
Short term deposits and prepayments	(80,840)	(136,626)
Other receivables	(303,713)	(179,806)

	(2,059,258)	711,567
--	-------------	---------

Increase / (decrease) in trade and other payables	1,471,034	(44,580)
---	-----------	----------

	(588,224)	666,987
--	-----------	---------

8. SEGMENT INFORMATION

8.1 Segment results

	Spinning		Knitting		Processing and Garments		Elimination of inter-segment transactions		Total - Company	
	(Un-audited) Quarter Ended	30 September 2020	(Un-audited) Quarter Ended	30 September 2020	(Un-audited) Quarter Ended	30 September 2020	(Un-audited) Quarter Ended	30 September 2020	(Un-audited) Quarter Ended	30 September 2020
Revenue	715,155	357,853	51,475	49,967	6,573,754	-	-	-	12,105,219	7,081,574
External Intersegment	1,059,323	720,073	4,547,500	2,443,224	11,338,589	(5,614,734)	(2,845,377)	(2,845,377)	12,105,219	7,081,574
	1,774,464	1,057,926	4,598,962	2,195,191	11,346,466	(5,614,734)	(2,845,377)	(2,845,377)	12,105,219	7,081,574
Cost of sales	(1,724,305)	(1,025,806)	(4,510,715)	(2,136,786)	(9,992,030)	5,614,734	2,845,377	2,845,377	(10,612,316)	(6,089,944)
Gross profit	50,179	32,126	88,267	56,405	1,354,456	-	-	-	1,492,903	991,630
Distribution cost	(19,225)	(13,036)	(28,521)	(24,853)	(745,019)	(523,348)	-	-	(793,765)	(650,737)
Administrative expenses	(15,045)	(10,116)	(31,793)	(23,162)	(745,019)	(135,612)	-	-	(278,849)	(188,837)
	(34,270)	(23,152)	(60,317)	(47,322)	(978,021)	(658,960)	-	-	(1,072,614)	(729,634)
Profit before taxation and unallocated income and expenses	15,939	8,974	27,950	8,883	376,429	244,139	-	-	420,289	201,996
Unallocated income and expenses:										
Other expenses									(39,759)	(86,682)
Other income									554,501	50,174
Finance cost									(327,748)	(336,168)
Taxation									(135,126)	(84,074)
Profit (loss) after taxation									472,157	(194,754)
Reconciliation of reportable segment assets and liabilities:										
Unallocated assets									(39,759)	(86,682)
Unallocated liabilities									554,501	50,174
Profit (loss) after taxation									(327,748)	(336,168)
									(135,126)	(84,074)
									472,157	(194,754)

16

8.2

	Spinning		Knitting		Processing and Garments		Elimination of inter-segment transactions		Total - Company	
	(Un-audited) Quarter Ended	30 September 2020	(Un-audited) Quarter Ended	30 September 2020	(Un-audited) Quarter Ended	30 September 2020	(Un-audited) Quarter Ended	30 September 2020	(Un-audited) Quarter Ended	30 September 2020
Segment assets	4,733,038	3,539,512	3,120,948	3,276,100	20,440,768	20,505,934	-	-	28,294,754	27,321,546
Unallocated assets									14,198,211	13,085,859
Total assets as per condensed interim statement of financial position	4,733,038	3,539,512	3,120,948	3,276,100	20,440,768	20,505,934	-	-	42,492,965	40,407,405
Segment liabilities	495,365	316,272	1,656,255	1,470,286	5,717,313	4,437,160	-	-	23,341,281	23,278,406
Unallocated liabilities									31,152,194	29,502,124
Total liabilities as per condensed interim statement of financial position	495,365	316,272	1,656,255	1,470,286	5,717,313	4,437,160	-	-	54,493,475	52,780,530
Segment wise and geographical location wise disaggregation of revenue										
America and Canada	-	-	-	-	8,554,703	4,067,657	-	-	8,554,703	4,067,657
Europe	-	-	-	-	1,011,705	1,276,444	-	-	1,011,705	1,276,444
Asia, Africa and Australia	181,664	54,772	-	-	1,035,739	702,053	-	-	1,217,423	756,525
Pakistan	533,491	303,081	51,475	49,967	736,422	625,600	-	-	1,321,388	976,646
	715,155	357,853	51,475	49,967	11,338,589	6,673,754	-	-	12,105,219	7,081,574

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	
Quarter Ended	
30 September 2021	30 September 2020
(RUPEES IN THOUSAND)	

i) Transactions

Associated company

Sales of goods and services	-	42,345
Dividend paid	-	52,190

Other related parties

Capital contribution from director / spouse	-	190,000
Remuneration paid to Chief Executive Officer, Directors and Executives	88,907	51,318

Un-audited	Audited
30 September	June 30
2021	2021
(RUPEES IN THOUSAND)	

ii) Period end balances

Associated company

Trade debts	340,358	340,358
-------------	---------	---------

Other related parties

Long term advances	7,064	7,465
Loans and advances	7,172	7,946

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
.....(RUPEES IN THOUSAND).....			

Financial assets - recurring fair value measurement

At fair value through profit or loss	6,884	-	-	6,884
--------------------------------------	-------	---	---	-------

At 30 September 2021 - un-audited	6,884	-	-	6,884
--	--------------	----------	----------	--------------

At fair value through profit or loss	6,771	-	-	6,771
--------------------------------------	-------	---	---	-------

At 30 June 2021 - audited	6,771	-	-	6,771
----------------------------------	--------------	----------	----------	--------------

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 2021.

12. DATE OF AUTHORIZATION

These condensed interim financial statements were approved by the Board of Directors of the Company and authorized for issue on 29 October 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.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

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