



Masood Textile Mills Ltd.

**ACCOUNTS
FOR THE THIRD QUARTER ENDED
31 MARCH 2022**

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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. SHOAB 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

On behalf of the Board of Directors of the Company, we are pleased to present the un-audited condensed interim financial results of the Company for the period ended 31 March, 2022.

FINANCIAL RESULTS:

Interim financial results of the Company for the period ended 31st March 2022 are given below

DESCRIPTION	PERIOD ENDED		QUARTER ENDED	
	31 March 2022	31 March 2021	31-March 2022	31-March 2021
	(RUPEES IN THOUSAND)			
REVENUE	39,094,252	25,768,421	13,929,183	10,730,385
COST OF SALES	<u>(34,117,179)</u>	<u>(22,123,836)</u>	<u>(12,118,099)</u>	<u>(9,196,590)</u>
GROSS PROFIT	4,977,073	3,644,585	1,811,084	1,533,795
DISTRIBUTION COST	(2,285,292)	(1,719,656)	(797,598)	(610,789)
ADMINISTRATIVE EXPENSES	(752,565)	(565,871)	(244,816)	(176,956)
OTHER EXPENSES	(125,400)	(503,991)	(32,223)	(261,263)
OTHER INCOME	1,163,721	383,175	277,369	43,953
FINANCE COST	<u>(1,006,917)</u>	<u>(951,790)</u>	<u>(370,462)</u>	<u>(292,887)</u>
PROFIT BEFORE TAXATION	1,970,620	286,452	643,354	235,853
TAXATION	<u>(392,819)</u>	<u>(273,145)</u>	<u>(124,086)</u>	<u>(96,208)</u>
PROFIT AFTER TAXATION	<u>1,577,801</u>	<u>13,307</u>	<u>519,268</u>	<u>139,645</u>
EARNINGS/(LOSS) PER SHARE- BASIC (RUPEES)	<u>23.04</u>	<u>(0.12)</u>	<u>7.56</u>	<u>1.97</u>
- DILUTED (RUPEES)	<u>20.77</u>	<u>(0.11)</u>	<u>6.78</u>	<u>1.80</u>

For the period ended 31 March 2022, Company earned revenue amounting to Rs. 39.094 Billion as compared to Rs. 25.768 Billion for the last corresponding period, hence showing a significant increase of 51.71%. Net profit after taxation increased from Rs. 13.307 Million to Rs. 1.578 Billion up to the period ended 31 March 2022. The basic earnings per share for period ended increased from Rs. (0.12) loss per share to Rs. 23.04 earnings per share.

The remarkable efforts of the Company's management are clearly reflected from these financial results.

INDUSTRY / MARKET OVERVIEW:

During the first nine months of financial year 2021-22, Pakistan's exports grew 25% including mainly textiles products. Strong demand in the Europe and USA before the summer season gave a huge boost to Pakistan's textile exports during the period. It is encouraging for exporters to maintain the momentum of exports under testing times in the global economy.

Pakistan's economy is recovering steadily after well-coordinated fiscal and monetary responses to the pandemic. It is key to continue structural reforms along with appropriate fiscal and monetary policies to contain rising inflation and external imbalance. Comprehensive reforms in tax policy and administration are also critical to boosting revenues in order to fund essential public services.

Inflation increased due to higher international energy prices, significant currency depreciation, and elevated global food prices from supply disruptions. As a net importer of oil and gas,

Pakistan will continue experiencing strong inflationary pressures for the remainder of FY2021-22 from the jump in global fuel prices resulting from the Russian invasion of Ukraine.

FUTURE OUTLOOK

The textile and clothing industry in Pakistan has major importance for the country's economy. Textile and clothing exports account for over 61% of Pakistan's total exports and the industry

provides direct employment for about 40% of the country's total industrial workforce. Although the economic recovery is underway, still, the domestic and international scenario is changing over the course of time. Thus, inflationary and external sectors risks are building macroeconomic imbalances. The government is taking a various policy, administrative and relief measures to counter the downside risks for the economy. International commodity prices are expected to rise further because of rising geopolitical tensions. Although their pass-through into domestic consumer prices will be contained by current and newly designed government measures and relief packages. Inflation is expected to remain temporarily within the double-digit territory.

Election of Directors of the Company was held on 31st March, 2022, all the Directors were re-elected.

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 10 of the annexed financial statements.

Acknowledgement

The Management would like to place on record its appreciation for the support of Board of Directors, regulatory authorities, shareholders, customers, financial institutions, suppliers and dedication & hard work of the Staff and Workers.

F A I S A L A B A D

28th April, 2022

DIRECTOR

DIRECTOR

ممبران کے لئے ڈائریکٹرز رپورٹ

کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے ہم 31 مارچ 2022 کو اختتام پزیر ہونے والی مدت کے لئے کمپنی کے غیر آڈٹ شدہ عبوری مالیاتی نتائج پیش کرتے ہوئے خوش ہوئی۔

مالی نتائج:

کمپنی کی 31 مارچ 2022 کو اختتام پزیر ہونے والی مدت کے لئے کمپنی کے عبوری مالیاتی نتائج مندرجہ ذیل ہے۔

تفصیل	اختتامی مدت		اختتامی سہ ماہی	
	31 مارچ 2022	31 مارچ 2021	31 مارچ 2022	31 مارچ 2021
آمدنی	39,094,252	25,768,421	10,730,385	10,730,385
لاگت بٹلر	(34,117,179)	(22,123,836)	(9,196,590)	(9,196,590)
جمودی نفع	4,977,073	3,644,585	1,533,795	1,533,795
ڈائری بونٹس فریچ	(2,285,292)	(1,719,656)	(610,789)	(610,789)
کاروبار کے انتظامی اخراجات	(752,565)	(565,871)	(176,956)	(176,956)
دیگر اخراجات	(125,400)	(503,991)	(261,263)	(261,263)
دیگر آمدن	1,163,721	383,175	43,953	277,369
مالی لاگت	(1,006,917)	(951,790)	(292,887)	(370,462)
نفع ٹیکس سے پہلے	1,970,620	286,452	235,853	643,354
اداکرہ سیکسز	(392,819)	(273,145)	(96,208)	(124,086)
نفع ٹیکس کی ادائیگی کے بعد	1,577,801	13,307	139,645	519,268
نفع (نقصان) آمدنی فی حصص بنیادی (روپیہ)	23.04	(0.12)	1.97	7.56
نفع (نقصان) آمدنی فی حصص ڈائیویڈنڈ کی کر کے (روپیہ)	20.77	(0.11)	1.80	6.78

31 مارچ 2022 کو اختتام ہونے والی مدت کے لئے کمپنی نے 39,094 ارب روپے آمدنی کی۔ جو گزشتہ اسی مدت کے لئے 25,768 ارب روپے تھی، اس طرح آمدنی میں 51.71 فی صد کا اضافہ دیکھا جاسکتا ہے۔ 31 مارچ 2022 کو اختتام پزیر مدت کے دوران بعد از ٹیکس خاص منافع 13.30 ملین روپے سے بڑھ کر 1.578 ارب روپے ہو گیا ہے۔ ختم ہونے والی مدت کے لئے فی حصص بنیادی آمدنی (0.12) روپے فی حصص نقصان سے بڑھ کر 23.04 روپے فی حصص آمدنی ہوئی۔ کمپنی کی انتظامیہ کی قابل ذکر کوشش ان مالیاتی نتائج سے واضح طور پر ظاہر ہو رہی ہیں۔

صنعت / مارکیٹ کا جائزہ

مالی سال 2021-22 کے پہلے نو مہینوں کے دوران پاکستان کی برآمدات میں تقریباً 25 فی صد اضافہ ہوا۔ جس میں بنیادی طور پر ٹیکسٹائل مصنوعات شامل ہیں۔ گرمیوں کے موسم سے قبل یورپ اور امریکہ میں زبردست مانگ نے اس عرصے کے دوران پاکستان کی ٹیکسٹائل برآمدات کو بہت زیادہ فروغ دیا۔ یہ برآمد کنندگان کے لئے حوصلہ افزاء ہے۔ کہ وہ عالمی معیشت میں آزمائشی اوقات میں برآمدات کی رفتار کو برقرار رکھیں۔

پاکستان کی معیشت واپسی مرض کے بارے میں اچھی طرح سے مربوط مالی اور مالیاتی ردعمل کے بعد بہتر متحجیل ہو رہی ہے۔ بڑھتی ہوئی افراط زر بیرونی عدم توازن پر قابو پانے کے لئے مالیاتی پالیسیوں میں بنیادی اصلاحات کو جاری رکھنا کلیدی حیثیت رکھتا ہے۔ ٹیکس پالیسی اور انتظامیہ میں جامع اصلاحات بھی ضروری ہیں۔ تاکہ ضروری عوامی خدمات کو فنڈز فراہم کرنے کے لئے آمدنی کو بڑھایا جائے۔

توانائی کی بین الاقوامی قیمتوں میں اضافے، برقی کی قدر میں کمی، اور سیلابی میں رکاوٹوں سے خوراک کی عالمی قیمتوں میں اضافے کی وجہ سے افراط زر میں اضافہ ہوا ہے۔ تیل اور گیس کے خالص درآمد کنندہ کے طور پر، یوکرین پر روسی حملے کے نتیجے میں ایندھن کی عالمی قیمتوں میں اضافے سے پاکستان مالی سال 2021-22 کے بقیہ عرصے میں سخت افراط زر کے دباؤ کا سامنا کرتا رہے گا۔

مستقبل کا نقطہ نظر:

پاکستان میں ٹیکسٹائل اور کپڑے کی صنعت ملکی معیشت کے لئے بڑی اہمیت کی حامل ہے۔ پاکستان کی کل برآمدات میں ٹیکسٹائل اور ملبوسات کی برآمدات کا حصہ 61 فی صد سے زیادہ ہے۔ اور یہ صنعت ملک کی کل صنعتی افرادی قوت کے تقریباً 40 فی صد کو براہ راست روزگار فراہم کرتی ہے۔

اگرچہ معاشی بحالی کا عمل جاری ہے، لیکن وقت کے ساتھ ساتھ ملکی اور بین الاقوامی منظر نامہ بدل رہا ہے۔ اس طرح افراط زر اور بیرونی شعبوں کے خطرات بیکرو اٹناک عدم توازن کو بڑھا رہے ہیں۔ حکومت معیشت کو درپیش خطرات سے نمٹنے کے لیے مختلف پالیسی، انتظامی اور امدادی اقدامات کر رہی ہے۔

بڑھتی ہوئی مخرافیائی سیاسی کشیدگی کی وجہ سے بین الاقوامی اجناس کی قیمتوں میں مزید اضافہ متوقع ہے۔ اگرچہ گھریلو صارفین کی قیمتوں میں منتقلی موجودہ اور نئے حکومتی اقدامات اور ریٹیفیکٹوں کے ذریعے ہو سکتا ہے۔ مہنگائی کا عارضی طور پر دہرے ہندسے میں رہنے کی توقع ہے۔

31 مارچ 2022 کو ڈائریکٹرز کے انتخاب میں تمام ڈائریکٹرز دوبارہ منتخب ہوئے۔

بورڈ کی ترتیب:

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

بورڈ کی کمیٹیاں

بورڈ کی آڈٹ کمیٹی

نمبر شمار	ڈائریکٹرز کے نام	عہدہ
1	جناب شیر احمد عابد	چیئرمین 1 نمبر
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	چیئرمین 1 نمبر
2	جناب شاہد یار احمد	ممبر
3	جناب شیر احمد عابد	ممبر

ریسک مینجمنٹ کمیٹی:-

نمبر شمار	ڈائریکٹرز کے نام	عہدہ
1	جناب شاہد یار احمد	چیئرمین 1 نمبر
2	جناب نسیم احمد شاہ	ممبر
3	جناب شاہد اقبال	ممبر

نامزدگی کمیٹی:-

نمبر شمار	ڈائریکٹرز کے نام	عہدہ
1	جناب نسیم احمد شاہ	چیئرمین 1 نمبر
2	جناب شیر 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 منسلکہ مالی حسابات کے نوٹ 10 میں درج کی گئی ہے

اعتراف :

انتظامیہ بورڈ آف ڈائریکٹرز، ریگولیٹری اٹھارٹیز، شیئر ہولڈرز صارفین، مالیاتی اداروں، سپلائرز اور عملے اور کارکنوں کی لگن اور محنت کی حمایت کے اپنی تعریف ریکارڈ پر رکھنا چاہے گی۔

از طرف بورڈ

فیصل آباد

28 اپریل، 2022

ڈائریکٹر

ڈائریکٹر

MASOOD TEXTILE
CONDENSED INTERIM STATEMENT OF FINANCIAL

	NOTE	Un-audited 31 March 2022	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	3	950,000	986,666
Capital reserves			
Share premium		1,375,000	1,375,000
Redemption fund		128,333	128,333
Capital contribution		1,700,000	1,500,000
Surplus on revaluation of freehold land		2,447,552	2,447,552
		5,650,885	5,450,885
Revenue reserves		6,016,563	4,467,730
		<u>11,667,448</u>	<u>9,918,615</u>
Total reserves		11,667,448	9,918,615
Total equity		12,617,448	10,905,281
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	4	3,504,467	5,007,611
Lease liabilities		67,219	94,777
Deferred liabilities		1,231,697	1,087,926
		4,803,383	6,190,314
CURRENT LIABILITIES			
Trade and other payables		8,098,855	4,958,142
Unclaimed dividend		10,976	11,146
Unpaid dividend		-	47,682
Accrued mark-up		170,974	160,164
Short term borrowings		17,119,876	15,011,000
Current portion of non-current liabilities		2,752,031	2,733,292
Provision for taxation		392,819	390,384
		28,545,531	23,311,810
TOTAL LIABILITIES		<u>33,348,914</u>	<u>29,502,124</u>
CONTINGENCIES AND COMMITMENTS	5		
TOTAL EQUITY AND LIABILITIES		<u>45,966,362</u>	<u>40,407,405</u>

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

Statement under section 232(1) of the Companies Act, 2017:

The Chief Executive Officer of the Company is presently out of the country. Therefore these condensed interim financial statements have been signed by two Directors and Chief Financial Officer as required under section 232(1) of the Companies Act, 2017.

DIRECTOR

DIRECTOR

MILLS LIMITED
POSITION AS AT 31 MARCH 2022

	NOTE	Un-audited 31 March 2022 (RUPEES IN THOUSAND)	Audited 30 June 2021
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	13,845,452	13,589,405
Right-of-use assets	7	157,639	204,109
Long term advances		7,028	7,469
Long term security deposits		135,710	97,881
		14,145,829	13,898,864
CURRENT ASSETS			
Stores, spare parts and loose tools		2,375,997	2,244,531
Stock in trade		13,017,029	11,283,501
Trade debts		10,571,757	7,435,280
Loans and advances		670,552	634,462
Income tax		852,853	883,994
Short term deposits and prepayments		221,492	226,054
Other receivables		3,660,791	3,163,017
Short term investments		7,097	106,771
Cash and bank balances		442,965	530,931
		31,820,533	26,508,541
TOTAL ASSETS		45,966,362	40,407,405

CHIEF FINANCIAL OFFICER

MASOOD TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (Un-audited)
FOR THE PERIOD / QUARTER ENDED 31 MARCH 2022

Period ended		Quarter ended	
31 March 2022	31 March 2021	31 March 2022	31 March 2021

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

REVENUE	39,094,252	25,768,421	13,929,183	10,730,385
COST OF SALES	(34,117,179)	(22,123,836)	(12,118,099)	(9,196,590)
GROSS PROFIT	4,977,073	3,644,585	1,811,084	1,533,795
DISTRIBUTION COST	(2,285,292)	(1,719,656)	(797,598)	(610,789)
ADMINISTRATIVE EXPENSES	(752,565)	(565,871)	(244,816)	(176,956)
OTHER EXPENSES	(125,400)	(503,991)	(32,223)	(261,263)
OTHER INCOME	1,163,721	383,175	277,369	43,953
FINANCE COST	(1,006,917)	(951,790)	(370,462)	(292,887)
PROFIT BEFORE TAXATION	1,970,620	286,452	643,354	235,853
TAXATION	(392,819)	(273,145)	(124,086)	(96,208)
PROFIT AFTER TAXATION	1,577,801	13,307	519,268	139,645
EARNING / (LOSS) PER SHARE - BASIC (RUPEES)	23.04	(0.12)	7.56	1.97
- DILUTED (RUPEES)	20.77	(0.11)	6.78	1.80

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

Statement under section 232(1) of the Companies Act, 2017:

The Chief Executive Officer of the Company is presently out of the country. Therefore these condensed interim financial statements have been signed by two Directors and Chief Financial Officer as required under section 232(1) of the Companies Act, 2017.

DIRECTOR

DIRECTOR

CHIEF FINANCIAL OFFICER

MASOOD TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-audited)
FOR THE PERIOD / QUARTER ENDED 31 MARCH 2022

Period ended		Quarter ended	
31 March 2022	31 March 2021	31 March 2022	31 March 2021
----- (RUPEES IN THOUSAND) -----			

PROFIT AFTER TAXATION	1,577,801	13,307	519,268	139,645
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OTHER COMPREHENSIVE INCOME

**Items that will not be reclassified
subsequently to profit or loss**

-	-	-	-
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**Items that may be reclassified
subsequently to profit or loss**

-	-	-	-
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Other comprehensive income for the period	-	-	-	-
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TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>1,577,801</u>	<u>13,307</u>	<u>519,268</u>	<u>139,645</u>
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DIRECTOR

DIRECTOR

CHIEF FINANCIAL OFFICER

MASOOD TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-audited)
FOR THE PERIOD ENDED 31 MARCH 2022

	RESERVES										TOTAL EQUITY	
	CAPITAL			RESERVES				REVENUE				TOTAL
	SHARE CAPITAL	Redemption fund	Capital Contribution	Surplus on revaluation of freehold land	Sub total	General	Unappropriated profit	Sub total				
(RUPEES IN THOUSAND)												
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	
Transactions with owners:												
Dividend at the rate of Rupees 1.53 per share (Preference shares)	-	-	-	-	-	-	-	(47,682)	(47,682)	(47,682)	(47,682)	
Contribution from director / shareholders	-	-	1,320,000	-	-	1,320,000	-	-	-	1,320,000	1,320,000	
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	
Balance as at 31 March 2021 - (Un-audited)	986,666	1,375,000	128,333	1,320,000	2,447,552	5,270,885	714,500	3,123,739	3,838,239	9,109,124	10,095,790	
Transactions with owners:												
Contribution from shareholders	-	-	-	180,000	-	180,000	-	-	-	180,000	180,000	
Profit for the three months ended 30 June 2021	-	-	-	-	-	-	-	627,228	627,228	627,228	627,228	
Other comprehensive income for the three months ended 30 June 2021	-	-	-	-	-	-	-	2,263	2,263	2,263	2,263	
Total comprehensive income for the three months ended 30 June 2021	-	-	-	-	-	-	-	629,491	629,491	629,491	629,491	
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	10,905,281	
Transactions with owners:												
Contribution from shareholders	-	-	-	200,000	-	200,000	-	-	-	200,000	200,000	
Redemption of preference shares	(36,666)	-	(36,666)	-	-	(36,666)	-	36,666	36,666	-	(36,666)	
Transfer from capital redemption reserve fund	-	-	36,666	-	-	36,666	-	(36,666)	(36,666)	-	-	
Transfer to capital redemption reserve fund	-	-	-	-	-	-	-	(28,968)	(28,968)	(28,968)	(28,968)	
Dividend at the rate of Rupees 0.85 per share (Preference shares)	-	-	-	-	-	-	-	1,577,801	1,577,801	1,577,801	1,577,801	
Profit for the nine months ended 31 March 2022	-	-	-	-	-	-	-	-	-	-	-	
Other comprehensive income for the nine months ended 31 March 2022	-	-	-	-	-	-	-	-	-	-	-	
Total comprehensive income for the nine months ended 31 March 2022	-	-	-	-	-	-	-	1,577,801	1,577,801	1,577,801	1,577,801	
Balance as at 31 March 2022 - (Un-audited)	950,000	1,375,000	128,333	1,700,000	2,447,552	5,650,885	714,500	5,302,063	6,016,563	11,667,448	12,617,448	

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

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DIRECTOR

DIRECTOR

CHIEF FINANCIAL OFFICER

MASOOD TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (Un-audited)
FOR THE PERIOD ENDED 31 MARCH 2022

	NOTE	Period ended	
		31 March 2022	31 March 2021
(RUPEES IN THOUSAND)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	8	1,645,365	867,856
Finance cost paid		(952,698)	(1,177,306)
Mark-up paid against lease liabilities		(12,442)	(14,200)
Income tax paid		(359,243)	(247,600)
Dividend paid to ordinary shareholders		(170)	(54,116)
Dividend paid to preference shareholders		(76,650)	-
Gratuity paid		(133,149)	(187,505)
Net decrease in long term advances		441	1,390
Net (increase) / decrease in long term security deposits		(37,829)	4,669
Net cash generated from / (used in) operating activities		73,625	(806,812)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		35,840	19,685
Capital expenditure on property, plant and equipment		(983,668)	(609,236)
Proceeds from Investments		99,674	96,543
Net cash used in investing activities		(848,154)	(493,008)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		1,131,903	1,003,675
Repayment of long term financing		(2,594,632)	(751,502)
Repayment of lease liabilities		(122,918)	(123,405)
Repayment of preference shares		(36,666)	-
Capital contribution		200,000	1,320,000
Short term borrowings - net		2,108,876	(658,060)
Net cash from financing activities		686,563	790,708
NET DECREASE IN CASH AND CASH EQUIVALENTS		(87,966)	(509,112)
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		442,965	663,902

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

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DIRECTOR

DIRECTOR

CHIEF FINANCIAL OFFICER

MASOOD TEXTILE MILLS LIMITED
SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)
FOR THE PERIOD ENDED 31 MARCH 2022

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 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 and methods of computation

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

In preparing these condensed interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

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.

3. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

Un-audited 31 March 2022 (NUMBER OF SHARES)	Audited 30 June 2021		Un-audited 31 March 2022 (RUPEES IN THOUSAND)	Audited 30 June 2021
67 500 000	67 500 000	Ordinary shares of Rupees 10 each fully paid in cash	675,000	675,000
27 500 000	31 166 668	Cumulative preference shares (non-voting) of Rupees 10 each fully paid in cash (Note 3.2)	275,000	311,666
<u>95 000 000</u>	<u>98 666 668</u>		<u>950,000</u>	<u>986,666</u>

3.1 17 396 833 ordinary shares (30 June 2021: 17 396 833) of the Company were held by Shanghai Challenge Textile Company Limited - an associate.

3.2 Movement during the period / year

31 166 668	31 166 668	Opening balance	311,666	311,666
3 666 668	-	Redemption of preference shares at Rupees 10 each	36,666	-
<u>27 500 000</u>	<u>31 166 668</u>	Closing balance	<u>275,000</u>	<u>311,666</u>

4. LONG TERM FINANCING - SECURED

Opening balance	7,553,612	7,755,519
Add:		
Obtained during the period / year	1,131,903	1,003,674
Amortization during the period / year	30,967	46,258
	<u>8,716,482</u>	<u>8,805,451</u>
Less: Repaid during the period / year	2,594,632	1,161,892
Deferred income recognized during the period / year	-	89,947
	<u>2,594,632</u>	<u>1,251,839</u>
	<u>6,121,850</u>	<u>7,553,612</u>
Less: Current portion shown under current liabilities	2,617,383	2,546,001
	<u>3,504,467</u>	<u>5,007,611</u>

5. CONTINGENCIES AND COMMITMENTS

a) Contingencies

i) Guarantees of Rupees 263.495 million (30 June 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 (30 June 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 condensed interim financial statements as there are strong grounds of favourable outcome of the petition.

b) Commitments

i) Contracts for capital expenditure are amounting to Rupees 78.773 million (30 June 2021: Rupees 27.462 million) and other than capital expenditure are of Rupees 2,244.881 million (30 June 2021: Rupees 2,020.522 million).

ii) Ijarah commitments are amounting to Rupees 149.263 million (30 June 2021: Rupees 116.721 million).

	Un-audited	Audited
	31 March	30 June
	2022	2021
	(RUPEES IN THOUSAND)	
6. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets (Note 6.1)	13,244,230	13,231,142
Capital work-in-progress (Note 6.2)	601,222	358,263
	<u>13,845,452</u>	<u>13,589,405</u>
6.1 Operating fixed assets		
Opening book value	13,231,142	13,161,273
Add: Cost of additions during the period / year (Note 6.1.1)	740,709	1,035,441
	<u>13,971,851</u>	<u>14,196,714</u>
Less: Book value of deletions during the period / year (Note 6.1.2)	29,829	13,513
	<u>13,942,022</u>	<u>14,183,201</u>
Less: Depreciation charged during the period / year	697,792	952,059
	<u>13,244,230</u>	<u>13,231,142</u>
6.1.1 Cost of additions during the period / year		
Freehold land	22,952	-
Buildings on freehold land	31,461	43,953
Plant and machinery	467,155	810,880
Electric and gas installations	81,906	81,352
Factory equipment	36,321	7,222
Telephone installations	1,056	1,199
Furniture and fixtures	28,959	42,270
Office equipment	210	1,664
Computer equipment	22,821	23,550
Vehicles	47,868	23,351
	<u>740,709</u>	<u>1,035,441</u>
6.1.2 Book value of deletions during the period / year		
Plant and machinery	7,749	-
Vehicles	22,080	13,513
	<u>29,829</u>	<u>13,513</u>
6.2 Capital work-in-progress		
Buildings on freehold land	65,514	36,191
Plant and machinery	100,589	60,941
Advances against purchase of machinery	384,894	261,131
Electric and gas installations	50,225	-
	<u>601,222</u>	<u>358,263</u>

Un-audited	Audited
31 March	30 June
2022	2021

(RUPEES IN THOUSAND)

7. RIGHT-OF-USE ASSETS

Opening book value	204,109	320,505
Add: Additions during the period / year - Buildings	72,222	210,522
	<u>276,331</u>	<u>531,027</u>
Less: Book value of assets disposed off during the period	-	140,488
	<u>276,331</u>	<u>390,539</u>
Less: Depreciation charged during the period / year	118,692	186,430
	<u>157,639</u>	<u>204,109</u>

(Un-audited)	
Period ended	
31 March	31 March
2022	2021

(RUPEES IN THOUSAND)

8. CASH GENERATED FROM OPERATIONS

Profit before taxation	1,970,620	286,452
Adjustments for non-cash charges and other items:		
Depreciation	816,484	836,128
Provision for gratuity	305,859	227,059
Gain on sale of property, plant and equipment	(6,011)	(11,574)
Finance cost	1,006,917	951,790
Reversal of allowance for expected credit losses	(2,570)	(196,466)
Amortization of deferred income - Government grant	(30,967)	-
Gain on remeasurement of deferred liability	-	(2,740)
Gain on termination of lease liability	-	(10,388)
Working capital changes (Note 8.1)	(2,414,967)	(1,212,405)
	<u>1,645,365</u>	<u>867,856</u>

8.1 Working capital changes

Increase / (decrease) in current assets:

Stores, spare parts and loose tools	(131,466)	(10,196)
Stock in trade	(1,733,528)	(2,557,561)
Trade debts	(3,133,907)	6,263
Loans and advances	(36,090)	(133,079)
Short term deposits and prepayments	4,562	(97,514)
Other receivables	(497,774)	(1,026,975)
	(5,528,203)	(3,819,062)
Increase in trade and other payables	3,113,236	2,606,657
	<u>(2,414,967)</u>	<u>(1,212,405)</u>

9. SEGMENT INFORMATION

9.1 Segment results

	Spinning		Knitting		Processing and Garments		Elimination of Inter-segment transactions		Total - Company	
	(Un-audited) Period ended 31 March 2022	(Un-audited) Period ended 31 March 2021	(Un-audited) Period ended 31 March 2022	(Un-audited) Period ended 31 March 2021	(Un-audited) Period ended 31 March 2022	(Un-audited) Period ended 31 March 2021	(Un-audited) Period ended 31 March 2022	(Un-audited) Period ended 31 March 2021	(Un-audited) Period ended 31 March 2022	(Un-audited) Period ended 31 March 2021
Revenue	3,032,389	1,129,975	345,981	226,825	35,715,882	24,411,621	-	-	39,094,252	25,768,421
External Intersegment	4,343,977	2,708,321	15,501,501	10,964,990	9,863	15,488	(19,855,341)	(13,688,795)	39,094,252	25,768,421
	7,376,366	3,838,296	15,847,482	11,191,815	35,725,745	24,427,109	(19,855,341)	(13,688,795)	39,094,252	25,768,421
Cost of sales	(6,998,404)	(3,718,323)	(15,359,109)	(10,985,839)	(31,615,009)	(21,108,473)	19,855,341	13,688,799	(34,117,179)	(22,123,836)
Gross profit	377,982	119,973	488,374	205,976	4,110,737	3,318,636	-	-	4,977,073	3,644,585
Distribution cost	(83,426)	(44,642)	(131,774)	(89,053)	(2,070,092)	(1,565,961)	-	-	(2,285,292)	(1,719,656)
Administrative expenses	(61,947)	(37,804)	(139,606)	(92,015)	(552,012)	(436,052)	-	-	(752,565)	(595,871)
	(145,373)	(82,446)	(270,380)	(181,068)	(2,622,104)	(2,022,013)	-	-	(3,037,857)	(2,465,527)
Profit before taxation and unallocated income and expenses	232,559	37,527	217,994	24,908	1,488,633	1,296,623	-	-	1,939,216	1,359,058
Unallocated income and expenses:										
Other expenses									(125,400)	(503,991)
Other income									1,163,721	383,175
Finance cost									(1,006,917)	(951,790)
Taxation									(392,819)	(273,145)
Profit after taxation									1,577,801	13,307

9.2 Reconciliation of reportable segment assets and liabilities:

	Spinning		Knitting		Processing and Garments		Total - Company	
	(Un-audited) Period ended 31 March 2022	(Un-audited) Period ended 31 March 2021	(Un-audited) Period ended 31 March 2022	(Un-audited) Period ended 31 March 2021	(Un-audited) Period ended 31 March 2022	(Un-audited) Period ended 31 March 2021	(Un-audited) Period ended 31 March 2022	(Un-audited) Period ended 31 March 2021
Total assets for reportable segments	4,081,135	3,539,512	3,435,568	3,275,100	21,879,424	20,505,534	29,396,117	27,321,546
Unallocated assets							16,570,245	13,085,859
Total assets as per condensed interim statement of financial position	764,005	316,272	2,262,437	1,475,266	6,315,086	4,437,160	45,966,362	40,407,405

9.3 Segment wise and geographical location wise disaggregation of revenue

	Spinning		Knitting		Processing and Garments		Total - Company	
	(Un-audited) Period ended 31 March 2022	(Un-audited) Period ended 31 March 2021	(Un-audited) Period ended 31 March 2022	(Un-audited) Period ended 31 March 2021	(Un-audited) Period ended 31 March 2022	(Un-audited) Period ended 31 March 2021	(Un-audited) Period ended 31 March 2022	(Un-audited) Period ended 31 March 2021
America and Canada	-	-	-	-	25,794,086	15,084,320	-	-
Asia, Africa and Australia	533,199	189,474	-	-	3,268,820	2,739,172	3,802,019	2,928,646
Pakistan	2,499,190	940,501	345,981	226,825	2,463,922	2,052,642	5,309,093	3,219,968
	3,032,389	1,129,975	345,981	226,825	35,715,882	24,411,621	39,094,252	25,768,421
Yarn	2,982,483	1,102,161	88,193	122,658	848,152	1,017,890	3,070,676	1,224,819
Knitting / dyeing income	-	-	257,788	104,167	39,848,152	22,568,950	1,205,940	1,122,157
Processing of fabric / garments	49,906	27,814	-	-	1,088,279	568,950	1,138,185	596,764
Waste	3,032,389	1,129,975	345,981	226,825	35,715,882	24,411,621	39,094,252	25,768,421

The Company's revenue from external customers in respect of product is detailed below:

10. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of associated company, other related parties and key management personnel. The Company in the normal course of business carries out transactions with various related parties. Detail of transactions with related parties are as follows:

Un-audited			
Period Ended		Quarter Ended	
31 March 2022	31 March 2021	31 March 2022	31 March 2021

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

i) Transactions

Associated company

Purchase of operating fixed assets	-	26,860	-	-
Sales of goods and services	-	68,324	-	-
Dividend paid	-	44,362	-	-

Other related parties

Capital Contribution from director/ spouse	-	200,000	-	-
Remuneration paid to Chief Executive Officer, Directors and Executives	283,785	177,865	94,035	56,989

Un-audited Audited
31 March June 30
2022 2021
(RUPEES IN THOUSAND)

ii) Period end balances

Associated company

Trade debts		340,358	340,358
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Other related parties

Long term advances		6,991	7,465
Loans and advances		6,773	7,946
Capital Contribution from director/ spouse		200,000	200,000

11. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

(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	7,097	-	-	7,097
At 31 March 2022 - unaudited	<u>7,097</u>	<u>-</u>	<u>-</u>	<u>7,097</u>
At fair value through profit or loss	6,771	-	-	6,771
At 30 June 2021 - audited	<u>6,771</u>	<u>-</u>	<u>-</u>	<u>6,771</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 market prices.

12. 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.

13. 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, 2022.

14. 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.

15. GENERAL

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

Statement under section 232(1) of the Companies Act, 2017:

The Chief Executive Officer of the Company is presently out of the country. Therefore these condensed interim financial statements have been signed by two Directors and Chief Financial Officer as required under section 232(1) of the Companies Act, 2017.

DIRECTOR

DIRECTOR

CHIEF FINANCIAL OFFICER

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