



Masood Textile Mills Ltd.

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

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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. 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 2021</u>	<u>30 Sep 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

یورڈ آف ڈائریکٹرز 30 ستمبر 2021 کو اختتام پذیر ہونے والی سرمایہ کے لئے کھلی کے غیر آڈٹ شدہ مالی نتائج پیش کرنے پر غور کیا۔

مالی نتائج:

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

حصہ	30 ستمبر 2021	30 ستمبر 2020
روپے/ڈالرز میں	روپے/ڈالرز میں	
آمدنی	12,106,219	7,081,674
اخراجات	(10,612,318)	(8,069,944)
مجموعی نتیجہ	1,492,903	991,630
نظریاتی نتائج	(783,785)	(580,737)
آمدنی کے تخمیناتی اثرات	(278,848)	(168,887)
دیگر اخراجات	(38,769)	(66,882)
نہایت آمدنی	554,501	50,174
مالی نفع	(327,748)	(336,168)
نفع (اخراجات) میں سے بچا	607,283	(110,880)
انآمدی نفع	(136,128)	(64,074)
نفع (اخراجات) میں سے بچا	472,157	(184,754)
آمدنی (اخراجات) کی صحت پر مبنی (دیکھیں)	5.88	(2.88)
آمدنی (اخراجات) کی صحت پر مبنی (دیکھیں)	8.34	(2.78)

30 ستمبر 2021 کو اختتام ہونے والی مالی سرمایہ میں خالص فروخت 12,105 ملین روپے/ڈالرز جو کہ کھلی مالی سرمایہ کے دوران 7,082 ملین روپے/ڈالرز میں 70.94 فیصد تک اضافہ ہوا ہے۔ 30 ستمبر 2021 کو اختتام ہونے والی سرمایہ کے دوران کھلی کو 1,492.903 ملین روپے/ڈالرز میں مجموعی نتائج ہوا۔ جو کہ گزشتہ مالی مدت کے مقابلے میں مجموعی نتائج 991.630 ملین روپے/ڈالرز میں تھا۔ آپ کی کھلی کو یورڈ آف ڈائریکٹرز کے 472.157 ملین روپے/ڈالرز میں ہوا ہے۔ (2.88) روپے/ڈالرز میں (مجموعی نتائج) کے مقابلے میں، بعد از ٹیکس آمدنی (194.754) ملین روپے/ڈالرز تھا۔ (2.99) روپے/ڈالرز میں (مجموعی نتائج) ہوا تھا۔

کھلی کی انتظامیہ کی ہر گزوشوں سے کھلی کے نتائج بہتر ہوئے ہیں۔ کھلی نے ہر سے ملنے والی 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۔

صحت لہذا ریکٹ کا جائزہ

پوری دنیا میں سماجی سرگرمیاں کی بحالی نے اشیاء کی قیمتوں میں غیر معمولی اضافہ کیا ہے۔ اسی طرح عالمی سطح پر فراڈ کا دباؤ بڑھ رہا ہے۔ مزید یہ کہ پاکستان وہ ملک ہے جس میں درآمدات کا قتل زیادہ تر ترقی پتی سرمائے کی اشیاء سے ہے۔ گھریلو سطح پر سماجی 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 بنیادی وجہ ہے۔ جس سے پاکستانی روپے پر دباؤ ڈالا ہے۔ مزید یہ کہ جغرافیائی سیاسی صورت حال بدلنے سے ملکی بیرونی مارکیٹ پر دباؤ بڑھ رہا ہے۔ درآمدی مرض کے ساتھ حکومت بار بار آنے والی کوئی 19 ٹیکسوں کی گزروں کو روکنے کا انتظام کرنے، بڑے پیمانے پر ٹیکسیشن کم کو نافذ کرنے، بچنے کی شرحیں بڑھانے اور سماجی فائدہ کو برقرار رکھنے کے لئے مناسب مالی حالات فراہم کرنے پر مرکوز ہے۔

مشغلی 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 قلام خالص اقدامات کرنے کے لئے پرعزم ہے۔ حکومت پاکستان برآمد کنندگان کی مدد کر رہی ہے۔ تاکہ زیادہ تر خام مال کی درآمد کو یومی 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 چڑھی ایشیائی ممالک سے آؤڈرز کا رخ موڑ دیا گیا ہے۔ عربیہ ویلڈ ایٹو لیٹین پروجیکٹ اور ملک کی حوثیہ ٹیکسٹائل پالیسی برآمدات میں اضافی نمو کی حمایت کرے گی۔ پاکستانی روپے کی قدر میں کمی نے ٹیکسٹائل برآمد کنندگان کو بھی فروغ دیا ہے۔ حکومت کی ترقی پتی 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 کچھ مہماتی خطرات ہیں۔ جو کہ اشیاء کی بیرونی ہوئی بین الاقوامی قیمتوں، وائرس کی نئی شکلیں اور جغرافیائی سیاسی صورت حال خاص طور پر 15 اگست کے مقررہ دے کے بعد افغانستان میں ابھرے ہیں برآمدات کے فروغ کے لئے حکومتی پالیسیاں برونی شعبے کو حلقہ آم فراہم کرنے کے لئے اثر انداز ہوگی۔

یورڈ کی ترتیب:

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

یورڈ کی کمیٹیاں

یورڈ کی آڈٹ کمیٹی

نمبر	ڈائریکٹرز کے نام	مہد
1	جناب شیر احمد عابد	جنرل 1 ممبر
2	جناب فیصلہ عابد	ممبر
3	جناب شاہد اقبال	ممبر

انسانی وسائل اور معاوضہ کمیٹی:

نمبر	ڈائریکٹرز کے نام	مہد
1	جناب شاہد اقبال	جنرل 1 ممبر
2	جناب شاہد عابد	ممبر
3	جناب شیر احمد عابد	ممبر

ریک جنرل کمیٹی:-

نمبر	ڈائریکٹرز کے نام	مہد
1	جناب شاہد عابد	جنرل 1 ممبر
2	جناب فیصلہ عابد	ممبر
3	جناب شاہد اقبال	ممبر

نامزدگی کمیٹی:-

نمبر	ڈائریکٹرز کے نام	مہد
1	جناب فیصلہ عابد	جنرل 1 ممبر
2	جناب شیر احمد عابد	ممبر
3	جناب شاہد اقبال	ممبر

ڈائریکٹر کا معاوضہ :

کمیٹی اپنے نان ایگزیکٹو ڈائریکٹر 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۔

اعطاء تشکر اور اعتراف :

یورڈ اپنے قابل قدر حصص یافتگان، بینکوں اور صارفین کی مدد پر داد دیتی کرتا ہے جن کے تعاون، مسلسل مدد اور سرپرستی سے کمیٹی کو مسلسل بہتری کے لئے ہر جدوجہد کرنے کا اہل بنادیا ہے۔ ہم کمیٹی انتظامیہ کی کاوشوں اور کارکنوں کی مسلسل کوششوں کو سراہتے ہیں اور امید کرتے ہیں کہ مستقبل قریب میں بھی اسی گمن اور محنت سے کام کرتے رہیں گے۔
از طریقہ یورڈ

فیصل آباد
29 اکتوبر، 2021

چیف ایگزیکٹو آفیسر

ڈائریکٹر

MASOOD TEXTILE
CONDENSED INTERIM STATEMENT OF FINANCIAL

NOTE	Un-audited 30 September 2021 (RUPEES IN THOUSAND)	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
80 000 000 (30 June 2021: 80 000 000) 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	966,666
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	4,938,887	4,467,730
Total reserves	10,390,772	9,918,615
Total equity	11,340,771	10,905,281
LIABILITIES		
NON-CURRENT LIABILITIES		
Long term financing	4,380,770	5,007,811
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	187,596	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	31,152,194	29,502,124
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
		<u>28,730,024</u>	<u>26,508,541</u>
TOTAL ASSETS		<u>42,492,965</u>	<u>40,407,405</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
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- DILUTED (RUPEES)	<u>6.34</u>	<u>(2.76)</u>

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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)	-	-
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

	SHARE CAPITAL	RESERVES						REVENUE		TOTAL	TOTAL EQUITY
		CAPITAL			RESERVES			Unappropriated profit	Sub total		
		Share premium	Redemption fund	Capital Contribution	Surplus on realisation of threshold fund	Sub total	Current				
(RUPEES IN THOUSANDS)											
Balance as at 30 June 2020 - (Audited)	986,868	1,375,000	126,333	-	2,447,552	3,850,685	714,000	3,154,114	3,072,614	7,803,498	8,810,165
Loss for the three months ended 30 September 2020	-	-	-	-	-	-	-	-	-	(194,754)	(194,754)
Other comprehensive loss for the three months ended 30 September 2020	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive loss for the three months ended 30 September 2020	-	-	-	-	-	-	-	-	-	-	-
Balance as at 30 September 2020 - (Un-audited)	986,868	1,375,000	126,333	-	2,447,552	3,850,685	714,000	2,959,360	3,077,860	7,608,746	8,616,411
Transactions with owners:	-	-	-	-	-	-	-	-	-	-	-
Contribution from director / shareholders	-	-	-	1,600,000	-	1,600,000	-	-	-	1,600,000	1,600,000
Dividend at the rate of Rupees 1.83 per share (Preference share)	-	-	-	-	-	-	-	(47,892)	(47,892)	(47,892)	(47,892)
Profit for the three months ended 30 June 2021	-	-	-	-	-	-	-	835,289	835,289	835,289	835,289
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	-	-	-	-	-	-	-	837,552	837,552	837,552	837,552
Balance as at 30 June 2021 - (Audited)	986,868	1,375,000	126,333	1,600,000	2,447,552	6,450,685	714,000	3,763,236	4,467,780	9,916,616	10,906,261
Transactions with owners:	-	-	-	-	-	-	-	-	-	-	-
Preference shares repaid	(39,867)	-	-	-	-	-	-	-	-	-	(39,867)
Transfer from capital redemption reserve fund	-	-	(39,867)	-	-	(39,867)	-	34,867	34,867	-	-
Transfer to capital redemption reserve fund	-	-	39,867	-	-	39,867	-	(39,867)	(39,867)	-	-
Profit for the three months ended 30 September 2021	-	-	-	-	-	-	-	472,167	472,167	472,167	472,167
Other comprehensive income for the three months ended 30 September 2021	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the three months ended 30 September 2021	-	-	-	-	-	-	-	472,167	472,167	472,167	472,167
Balance as at 30 September 2021 - (Un-audited)	949,899	1,375,000	126,333	1,600,000	2,447,552	6,450,685	714,000	4,235,397	4,939,947	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 (RUPEES IN THOUSAND)	30 September 2020
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)	(8,240)
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		250,448	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		847,193	(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		530,831	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

- 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

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 30 September 2021	Audited 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
	7,553,612	8,759,193
Less: Repaid during the period / year	644,723	1,161,892
Deferred income - Government grant (Note 3.1)	(12,285)	43,688
	632,438	1,205,581
	6,921,174	7,553,612
Less: Current portion shown under current liabilities	2,540,404	2,546,001
	4,380,770	5,007,611

- 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 Sul 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 Case (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	266,519	358,263
	13,499,060	13,589,405

	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)	<u>19,914</u>	<u>13,513</u>
	<u>13,441,699</u>	<u>14,183,201</u>
Less: Depreciation charged during the period / year	<u>229,158</u>	<u>952,059</u>
	<u><u>13,212,541</u></u>	<u><u>13,231,142</u></u>
5.1.1 Cost of additions during the period / year		
Buildings on freehold land	5,445	43,953
Plant and machinery	125,535	610,680
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	<u>-</u>	<u>210,522</u>
	<u>204,109</u>	<u>531,027</u>
Less: Book value of assets eliminated due to termination of lease / transferred to operating fixed assets	<u>-</u>	<u>140,486</u>
	<u>204,109</u>	<u>390,539</u>
Less: Depreciation charged during the period / year	<u>44,688</u>	<u>186,430</u>
	<u><u>159,420</u></u>	<u><u>204,109</u></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)
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Adjustments for non-cash charges and other items:

Depreciation	273,847	275,880
Provision for gratuity	101,953	75,886
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)	668,987

721,233	1,234,168
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7.1 Working capital changes

(Increase) / Decrease in current assets:

Stores, spare parts and loose tools	(173,615)	218,284
Stock in trade	(934,627)	425,474
Trade debts	(446,816)	877,939
Loans and advances	(119,647)	(283,676)
Short term deposits and prepayments	(80,840)	(136,626)
Other receivables	(303,713)	(179,806)

(2,059,256)	711,567
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Increase / (decrease) in trade and other payables	1,471,034	(44,580)
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(588,224)	668,987
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II. RECENT INFORMATION

3.1 Segment results

[illegible]

16

2.2. Effect of location of reportable segment across and within the

[illegible]

8.8.3 Segment wise and geographical location wise disaggregation of revenue

America and Canada
Europe
Asia, Africa and Australia
Pakistan

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	-	62,190

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 2021	June 30 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	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	6,684	-	-	6,684
At 30 September 2021 - un-audited	6,684	-	-	6,684
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

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