



Masood Textile Mills Ltd.

**ACCOUNTS
FOR THE FIRST QUARTER ENDED
30 SEPTEMBER 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 CorpTec Associates (Pvt.) Limited 503-E, Johar Town, Lahore, Tel:042-35170336-7 Fax: 042-35170338, Web: www.corptec.com.pk
SHARE REGISTRAR	
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 feel pleasure to present the un-audited condensed interim financial information of the Company for the first quarter ended 30 September 2022.

FINANCIAL RESULTS:

The financial results of the Company for the period ended 30 September 2022 are as follow:

<u>Description</u>	<u>30 Sep</u> <u>2022</u> <u>(RUPEES IN THOUSAND)</u>	<u>30 Sep</u> <u>2021</u> <u>(RUPEES IN THOUSAND)</u>
REVENUE	15,234,791	12,105,219
COST OF SALES	<u>(13,648,995)</u>	<u>(10,612,316)</u>
GROSS PROFIT	1,585,796	1,492,903
DISTRIBUTION COST	(1,159,940)	(793,765)
ADMINISTRATIVE EXPENSES	(371,877)	(278,849)
OTHER EXPENSES	(16,104)	(39,759)
OTHER INCOME	1,396,062	554,501
FINANCE COST	<u>(532,554)</u>	<u>(327,748)</u>
PROFIT BEFORE TAXATION	901,383	607,283
TAXATION	<u>(226,097)</u>	<u>(135,126)</u>
PROFIT AFTER TAXATION	<u>675,286</u>	<u>472,157</u>
EARNINGS PER SHARE - BASIC (RUPEES)	<u>9.83</u>	<u>6.89</u>
- DILUTED (RUPEES)	<u>8.87</u>	<u>6.34</u>

For the first quarter ended 30 September 2022, the Company earned revenue amounting to Rs. 15.235 Billion as compared to Rs. 12.105 Billion during the corresponding first quarter of previous financial year, hence showing an increase of 25.85%. During the quarter ended by 30 September 2022, the Company earned a gross profit of Rs. 1.586 Billion as compared to Rs. 1.493 Billion for the Same Period Last Year (SPLY). The company earned profit after tax of Rs. 675.286 Million (Earnings per share: Rs. 9.83 per share) as compared to Rs. 472.157 Million (earning per share: Rs. 6.89 per share) for the SPLY.

The above results were achieved while facing many challenges like unpredictable movements in Pak rupee against US dollar, continuously growing general inflation, increase in raw material prices, utility prices, supply chain costs and other necessary in puts.

Despite of all these challenges, the Company achieved the unprecedented growth in revenue during the first quarter ended 30th September 2022.

INDUSTRY / MARKET OVERVIEW:

General recession in international market, high world commodity prices, and the global economic slowdown contributed to severe external imbalances. To stabilize the economy, the Government implemented a range of policies like concessionary prices of electricity and gas to export oriented sector, fixation of Pak rupee dollar parity from market speculations and general political stability.

Moreover, enormous human and economic impacts have been brought by recent floods. Pakistan had experienced a heavy monsoon rains leading to catastrophic and unprecedented flooding. Almost 33 Million people are affected. More than 2 Million houses have been damaged or destroyed. Loss of life has also been considerable with more than 1,700 fatalities. Loss of livestock is also significant, a large number of roads and bridges are reported to have been affected, damaged or destroyed. Millions of acres of cultivated land destroyed resulting in significant losses of other crops including cotton.

FUTURE OUTLOOK

The economic growth was already under pressure due to unstable economic conditions in the rest of the world and due to the necessary fiscal consolidation, high rates of interest, and inflation. The economic outlook for Pakistan in the current fiscal year has become uncertain and would likely to remain below the target. Macroeconomic imbalances may ease with the expected slowdown in the economic growth.

However, the extreme flooding has severely affected the economy of Pakistan and brought widespread destruction. Consequently, it has detrimental effects on fiscal situation of the Government from the both revenue and expenditure

sides. However, the Government is putting its best efforts to cope with unstable economic conditions such as fixing of concessional electricity tariff at Rs 19.99 per unit to export oriented sectors for Fiscal Year 2022-23.

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 directors have been disclosed in note 10 of the annexed financial statements.

Acknowledgement:

The Board records its appreciation for the performance of the Company's workers, staff and executives for their hard work and dedication. Board also grateful for the support and cooperation of our bankers, supplier, valued customers and shareholders of the Company.

FAISALABAD

27th October, 2022

CHIEF EXECUTIVE OFFICER

DIRECTOR

ممبران کے لئے ڈائریکٹرز رپورٹ

کپنی کے بورڈ آف ڈائریکٹرز کی جانب سے 30 ستمبر 2022 کو ختم ہونے والی پہلی سہ ماہی کے لئے ہمیں کپنی کے غیر آڈٹ شدہ عبوری مالیاتی معلومات پیش کرتے ہوئے خوش محسوس ہو رہی ہے۔

مالی نتائج:

کپنی کی 30 ستمبر 2022 کو اختتام پزیر ہونے والی مدت کے مالی نتائج مندرجہ ذیل ہیں۔

تفصیل	30 ستمبر 2022	30 ستمبر 2021
	روپے ہزاروں میں	روپے ہزاروں میں
آمدنی	15,234,791	12,105,219
لاگت سبز	(13,648,995)	(10,612,316)
مجموعی نفع	1,585,796	1,492,903
ڈسٹری بیوشن خرچہ	(1,159,940)	(793,765)
کاروبار کے انتظامی اخراجات	(371,877)	(278,849)
دیگر اخراجات	(16,104)	(39,759)
دیگر آمدن	1,396,062	554,501
مالی لاگت	(532,554)	(327,748)
نفع ٹیکس سے پہلے	901,383	607,283
ادا کردہ ٹیکسز	(226,097)	(135,126)
نفع ٹیکس کی ادائیگی کے بعد	675,286	472,157
آمدنی فی حصص بنیادی (روپیہ)	9.83	6.89
آمدنی فی حصص ڈائیکوٹ / کی کر کے (روپیہ)	8.87	6.34

30 ستمبر 2022 کو اختتام ہونے والی پہلی سہ ماہی میں خالص فروخت 15.235 ملین روپے رہی جو کہ پچھلی پہلی سہ ماہی کے دوران 12.105 ملین روپے تھی، جس میں 25.85 فیصد تک اضافہ ہوا ہے۔ 30 ستمبر 2022 کو اختتام ہونے والی سہ ماہی کے دوران کپنی کو 1.586 ملین روپے مجموعی منافع ہوا۔ جو کہ گزشتہ اسی مدت کے مقابلے میں مجموعی منافع 1.493 ملین روپے تھا۔

کپنی کو بعد از ٹیکس ادائیگی کے 675.286 ملین روپے منافع ہوا ہے۔ (9.83 روپے فی حصص کمائی) جو کہ گزشتہ اسی مدت کے مقابلے میں بعد از ٹیکس ادائیگی 472.157 ملین روپے منافع تھا۔ (6.89 روپے فی حصص کمائی) ہوئی تھی۔

مذکورہ بالا نتائج بہت سے چیلنجوں کا سامنا کرتے ہوئے حاصل کئے گئے ہیں۔ جیسے امریکی ڈالر کے مقابلے میں پاکستانی روپے کی غیر متوقع حرکت، مسلسل بڑھتی ہوئی مہنگائی جیسے خام مال کی قیمتوں میں اضافہ، پمپنگ کی قیمتوں، سپلائی چین کی لاگت اور دیگر ضروری اشیاء شامل ہیں۔

ان تمام چیلنجوں کے باوجود کپنی نے 30 ستمبر 2022 کو ختم ہونے والی پہلی سہ ماہی کے دوران آمدنی میں بے مثال اضافہ حاصل کیا۔

صنعت / مارکیٹ کا جائزہ

بین الاقوامی منڈی میں عام وجود، عالمی اجناس کی بلند قیمتیں اور عالمی اقتصادی سست روی نے شدید بیرونی عدم توازن پیدا کر دیا ہے۔ معیشت کو مستحکم کرنے کے لئے حکومت نے برآمدی شعبے کے لئے بجلی اور گیس کی رعایتی قیمتوں، مارکیٹ کی قیاس آرائیوں سے پاکستانی روپے سے ڈالر کی برابری اور عمومی سیاسی استحکام جیسی متعدد پالیسیاں نافذ کیں۔

مزید برآں حالیہ سیلاب سے بہت زیادہ انسانی اور معاشی اثرات مرتب ہوئے ہیں۔ پاکستان کو مومن سون کی شدید بارشوں کا سامنا کرنا پڑا۔ جس کی وجہ سے تباہ کن اور بے مثال سیلاب آیا۔ اس سے تقریباً 33 ملین افراد متاثر ہوئے۔ 20 لاکھ سے زیادہ گھروں کو نقصان ہوا یا تباہ ہو چکے ہیں۔ 1700 سے زیادہ اموات کے ساتھ جانی نقصان بھی ہوا ہے۔ مونیٹریوں کا نقصان بھی خاصا ہے۔ بڑی تعداد میں سڑکیں اور پل متاثر یا تباہ ہوئے ہیں۔ لاکھوں ایکڑ زریعہ کاشت اراضی تباہ ہونے سے کپاس سمیت دیگر فصلوں کو کافی نقصان پہنچا ہے۔

مستقبل کا نقطہ نظر:

باقی دنیا میں غیر مستحکم معاشی حالات اور ضروری مالی استحکام، سود کی بلند شرحوں اور افراط زر کی وجہ سے معاشی ترقی تیزی سے دباؤ میں آئی۔ رواں مالی سال میں پاکستان کا معاشی نقطہ نظر غیر یقینی ہو گیا ہے۔ اور ہدف سے کم رہنے کا امکان ہے۔ معاشی ترقی میں متوقع سست روی سے میکرو اکنامک عدم توازن کم ہو سکتا ہے۔ تاہم شدید سیلاب نے پاکستان کی معیشت کو بری طرح متاثر کیا اور بڑے پیمانے پر چاہی چھائی ہے۔ نتیجتاً اس کے محصولات اور اخراجات دونوں پر حکومت کی مالیاتی صورتحال پر نقصان دہ اثرات مرتب ہوئے ہیں۔ تاہم حکومت غیر مستحکم معاشی حالات سے نمٹنے کے لیے اپنی پوری کوشش کر رہی ہے۔ جیسے کہ مالی سال 2022-23 کے لئے ایکسپورٹ پرمیٹی شعبوں کے لئے رعایتی بجلی کے ٹیرف کو 19.99 روپے فی یونٹ مقرر کرنا ہے۔

بورڈ کی ترتیب:

ڈائریکٹرز کی کل تعداد 7

(a) مرد 6

(b) عورت 1

ترتیب

(a) آزاد ڈائریکٹرز 2

(b) دیگر نان ایگزیکٹو 3

(c) ایگزیکٹو 1

(d) فی میل ڈائریکٹرز 1

بورڈ کی کمیٹیاں

بورڈ کی آڈٹ کمیٹی

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

انسانی وسائل اور معاوضہ کمیٹی:

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

ریسک منجمنٹ کمیٹی:-

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

نامزدگی کمیٹی:-

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

ڈائریکٹر کا معاوضہ :

کمپنی 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 10 میں درج کی گئی ہے۔

اظہار تشکر اور اعتراف :

بورڈ کمپنی کے کارکنوں، عملے اور ایگزیکٹو کی محنت اور لگن کی وجہ سے ان کی کارکردگی کی تعریف کرتا ہے۔ بورڈ ہمارے بینکرز، سپلائرز، قابل قدر صارفین اور کمپنی کے شیئرز، بولڈرز کی حمایت اور تعاون کا بھی مشکور ہے۔



چیف ایگزیکٹو آفیسر



ڈائریکٹر

از طرف بورڈ


فیصل آباد

27 اکتوبر، 2022

MASOOD TEXTILE
CONDENSED INTERIM STATEMENT OF FINANCIAL

	NOTE	Un-audited 30 September 2022	Audited 30 June 2022
(RUPEES IN THOUSAND)			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
125 000 000 (30 June 2022: 125 000 000) ordinary shares of Rupees 10 each		1,250,000	1,250,000
60 000 000 (30 June 2022: 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	950,000
Reserves			
Capital reserves			
Share premium		1,375,000	1,375,000
Redemption fund		128,333	128,333
Capital contribution		2,000,000	2,000,000
Surplus on revaluation of freehold land		2,447,552	2,447,552
		5,950,885	5,950,885
Revenue reserves		<u>7,271,375</u>	<u>6,596,089</u>
Total reserves		<u>13,222,260</u>	<u>12,546,974</u>
Total equity		14,172,260	13,496,974
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	4	3,535,603	4,006,065
Lease liabilities		23,132	44,718
Deferred liabilities		1,510,166	1,395,252
		5,068,901	5,446,035
CURRENT LIABILITIES			
Trade and other payables		10,048,621	8,660,234
Unclaimed dividend		10,879	10,900
Accrued mark-up		314,533	222,858
Short term borrowings		17,868,803	17,821,275
Current portion of non-current liabilities		2,026,235	2,061,764
Provision for taxation		961,039	732,897
		31,230,110	29,509,928
TOTAL LIABILITIES		<u>36,299,011</u>	<u>34,955,963</u>
CONTINGENCIES AND COMMITMENTS	5		
TOTAL EQUITY AND LIABILITIES		<u>50,471,271</u>	<u>48,452,937</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 2022

	NOTE	Un-audited 30 September 2022 (RUPEES IN THOUSAND)	Audited 30 June 2022
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	13,969,138	13,997,802
Right-of-use assets	7	102,933	128,998
Long term advances		12,396	13,744
Long term security deposits		112,100	105,601
		<u>14,196,567</u>	<u>14,246,145</u>
CURRENT ASSETS			
Stores, spare parts and loose tools		3,324,713	2,870,433
Stock in trade		13,188,966	13,251,629
Trade debts		13,341,776	12,424,837
Loans and advances		1,140,518	782,884
Income tax		1,255,080	1,003,167
Short term deposits and prepayments		235,370	254,007
Other receivables		3,161,648	2,903,378
Short term investments		7,800	7,572
Cash and bank balances		618,833	708,885
		<u>36,274,704</u>	<u>34,206,792</u>
TOTAL ASSETS		<u><u>50,471,271</u></u>	<u><u>48,452,937</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 2022

	30 September 2022	30 September 2021
	(RUPEES IN THOUSAND)	
REVENUE	15,234,791	12,105,219
COST OF SALES	(13,648,995)	(10,612,316)
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TAXATION	(226,097)	(135,126)
PROFIT AFTER TAXATION	<u><u>675,286</u></u>	<u><u>472,157</u></u>
EARNINGS PER SHARE - BASIC (RUPEES)	<u><u>9.83</u></u>	<u><u>6.89</u></u>
- DILUTED (RUPEES)	<u><u>8.87</u></u>	<u><u>6.34</u></u>

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 CHIEF EXECUTIVE OFFICER



 DIRECTOR

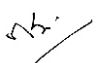


 CHIEF FINANCIAL OFFICER

MASOOD TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-audited)
FOR THE 1ST QUARTER ENDED 30 SEPTEMBER 2022

	30 September 2022	30 September 2021
	(RUPEES IN THOUSAND)	
PROFIT AFTER TAXATION	675,286	472,157
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 FOR THE PERIOD	<u>675,286</u>	<u>472,157</u>

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


 CHIEF EXECUTIVE OFFICER



 DIRECTOR


 CHIEF FINANCIAL OFFICER

MASOOD TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-audited)
FOR THE 1ST QUARTER ENDED 30 SEPTEMBER 2022

	SHARE CAPITAL	RESERVES							TOTAL	TOTAL EQUITY	
		CAPITAL		REVENUE							
		Share premium	Redemption fund	Capital Contribution	Surplus on revaluation of freehold land	Sub total	General	Unappropriated profit			Sub total
----- (RUPEES IN THOUSAND) -----											
	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:											
Preference shares repaid	(36,666)	-	-	-	-	-	-	-	-	-	(36,666)
Transfer from capital redemption reserve fund	-	-	(36,666)	-	-	(36,666)	-	36,666	36,666	-	-
Transfer to capital redemption reserve fund	-	-	36,666	-	-	36,666	-	(36,666)	(36,666)	-	-
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)	950,000	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	11,340,772
Transactions with owners:											
Contribution from director / shareholders	-	-	-	500,000	-	500,000	-	-	-	500,000	500,000
Dividend at the rate of Rupees 0.93 per share (Preference shares)	-	-	-	-	-	-	-	(28,968)	(28,968)	(28,968)	(28,968)
Profit for the nine months ended 30 June 2022	-	-	-	-	-	-	-	1,803,883	1,803,883	1,803,883	1,803,883
Other comprehensive loss for the nine months ended 30 June 2022	-	-	-	-	-	-	-	(118,713)	(118,713)	(118,713)	(118,713)
Total comprehensive income for the nine months ended 30 June 2022	-	-	-	-	-	-	-	1,685,170	1,685,170	1,685,170	1,685,170
Balance as at 30 June 2022 - (Audited)	950,000	1,375,000	128,333	2,000,000	2,447,552	5,950,885	714,500	5,881,589	6,596,089	12,546,974	13,496,974
Transactions with owners:											
Profit for the three months ended 30 September 2022	-	-	-	-	-	-	-	675,286	675,286	675,286	675,286
Other comprehensive income for the three months ended 30 September 2022	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the three months ended 30 September 2022	-	-	-	-	-	-	-	675,286	675,286	675,286	675,286
Balance as at 30 September 2022 - (Un-audited)	950,000	1,375,000	128,333	2,000,000	2,447,552	5,950,885	714,500	6,556,875	7,271,375	13,222,260	14,172,260

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 2022

	NOTE	30 September 2022 (RUPEES IN THOUSAND)	30 September 2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	8	1,313,734	721,233
Finance cost paid		(433,795)	(316,166)
Mark-up paid against lease liabilities		(2,830)	(4,150)
Income tax paid		(249,868)	(121,215)
Dividend paid to ordinary shareholders		(21)	(1)
Dividend paid to preference shareholders		-	(5,611)
Staff retirement gratuity paid		(24,801)	(24,530)
Net decrease in long term advances		1,348	405
Net (increase) / decrease in long term security deposits		(6,499)	484
Net cash generated from operating activities		597,268	250,449
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		14,304	21,288
Capital expenditure on property, plant and equipment		(223,182)	(158,727)
Investment made		(228)	(113)
Net cash used in investing activities		(209,106)	(137,552)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		(498,269)	(644,723)
Repayment of lease liabilities		(27,473)	(45,071)
Repayment of preference shares		-	(36,667)
Short term borrowings - net		47,528	647,193
Net cash used in financing activities		(478,214)	(79,268)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		(90,052)	33,629
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		708,885	530,931
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		618,833	564,560

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 2022

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 2022. 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 2022.

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 2022.

3. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

Un-audited 30 September 2022 (NUMBER OF SHARES)	Audited 30 June 2022		Un-audited 30 September 2022 (RUPEES IN THOUSAND)	Audited 30 June 2022
67 500 000	67 500 000	Ordinary shares of Rupees 10 each fully paid in cash	675,000	675,000
27 500 000	27 500 000	Cumulative preference shares (non-voting) of Rupees 10 each fully paid in cash	275,000	275,000
<u>95 000 000</u>	<u>95 000 000</u>		<u>950,000</u>	<u>950,000</u>

- 3.1 17 396 833 ordinary shares (30 June 2022: 17 396 833) of the Company were held by Shanghai Challenge Textile Company Limited - an associate.

4. LONG TERM FINANCING - SECURED

Opening balance	5,948,897	7,553,612
Add: Obtained during the period / year	-	2,106,695
Amortization during the period / year	4,254	37,288
	<u>5,953,151</u>	<u>9,697,595</u>
Less: Repaid during the period / year	498,269	3,748,698
	<u>5,454,882</u>	<u>5,948,897</u>
Less: Current portion shown under current liabilities	1,919,279	1,942,832
	<u>3,535,603</u>	<u>4,006,065</u>

5. CONTINGENCIES AND COMMITMENTS

a) Contingencies

- i) Guarantees of Rupees 278.495 million (2022: Rupees 278.495 million) are given by the banks of the Company to Sui Northern Gas Pipelines Limited (SNGPL) against gas connections and to Total Parco Pakistan Limited and Gas and Oil 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 (2022: 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.
- iii) The Company has filed a writ petition in the Lahore High Court, Lahore against the recovery of fifty percent increase on social security contribution as penalty having an amount of Rupees 137.713 million (2022: Rupees 137.713 million) by Punjab Employees Social Security Institution. Keeping in view of 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 favorable outcome of the petition.

b) Commitments

- i) Contracts for capital expenditure are amounting to Rupees 74,307 million (2022: Rupees 45.578 million) and other than capital expenditure are of Rupees 2,576.197 million (2022: Rupees 2,666.001 million).
- ii) Ijarah commitments are amounting to Rupees 228.737 million (30 June 2022: Rupees 150.283 million).

	Un-audited 30 September 2022	Audited 30 June 2022
	(RUPEES IN THOUSAND)	
6. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets (Note 6.1)	13,720,352	13,704,433
Capital work-in-progress	248,786	293,369
	<u>13,969,138</u>	<u>13,997,802</u>
6.1 Operating fixed assets		
Opening book value	13,704,433	13,231,142
Add:		
Cost of additions during the period / year (Note 6.1.1)	267,765	1,490,204
	<u>13,972,198</u>	<u>14,721,346</u>
Less: Book value of deletions during the period / year (Note 6.1.2)	7,756	61,220
	<u>13,964,442</u>	<u>14,660,126</u>
Less: Depreciation charged during the period / year	244,090	955,693
	<u>13,720,352</u>	<u>13,704,433</u>
6.1.1 Cost of additions during the period / year		
Freehold land	-	22,952
Buildings on freehold land	12,067	57,958
Plant and machinery	169,830	919,143
Electric and gas installations	20,139	218,139
Factory equipment	2,896	38,243
Telephone installations	319	1,185
Furniture and fixtures	20,110	43,574
Office equipment	107	285
Computer equipment	7,916	28,902
Vehicles	34,381	159,823
	<u>267,765</u>	<u>1,490,204</u>
6.1.2 Book value of deletions during the period / year		
Plant and machinery	-	38,587
Vehicles	7,756	22,633
	<u>7,756</u>	<u>61,220</u>
7. RIGHT-OF-USE ASSETS		
Opening book value	128,998	204,109
Add: Additions during the period / year - Buildings	-	72,222
	<u>128,998</u>	<u>276,331</u>
Less: Depreciation charged during the period / year	26,065	147,333
	<u>102,933</u>	<u>128,998</u>

		(Un-audited)	
		30 September 2022	30 September 2021
		(RUPEES IN THOUSAND)	
8. CASH GENERATED FROM OPERATIONS			
Profit before taxation		901,383	607,283
Adjustments for non-cash charges and other items:			
Depreciation		270,155	273,847
Provision for gratuity		138,841	101,953
Gain on sale of property, plant and equipment		(6,548)	(1,374)
Finance cost		532,554	327,748
Amortization of deferred income - Government grant		(4,254)	-
Working capital changes (Note 8.1)		(518,397)	(588,224)
		<u>1,313,734</u>	<u>721,233</u>
8.1 Working capital changes			
(Increase) / Decrease in current assets:			
Stores, spare parts and loose tools		(454,280)	(173,615)
Stock in trade		62,663	(934,627)
Trade debts		(916,939)	(446,816)
Loans and advances		(357,634)	(119,647)
Short term deposits and prepayments		18,637	(80,840)
Other receivables		(258,270)	(303,713)
		(1,905,823)	(2,059,258)
Increase in trade and other payables		1,387,426	1,471,034
		<u>(518,397)</u>	<u>(588,224)</u>

Segment results

Reconciliation of reportable segment assets and liabilities:

Total liabilities as per condensed interim statement of financial position

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

Yarn	1,090,276	706,201	58,846	27,439	-	-	1,149,122	733,640
Knitting / dyeing income	-	-	142,978	24,036	300,945	285,652	443,523	309,688
Finished fabric / garments	17,552	8,954	-	-	13,375,456	10,804,700	13,375,456	10,804,700
Waste	1,107,528	715,135	201,824	51,475	249,438	248,237	266,690	187,191

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	
Quarter Ended	
30 September 2022	30 September 2021
(RUPEES IN THOUSAND)	

i) Transactions

Other related parties

Remuneration paid to Chief Executive Officer, Directors and Executives

135,490 88,907

Un-audited Audited
30 September 30 September
2022 2022
(RUPEES IN THOUSAND)

ii) Period end balances

Associated company

Trade debts 327,454 327,454

Other related parties

Long term advances 11,432 13,512
Loans and advances 14,051 13,948

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 condensed interim 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 7,800 - - 7,800

At 30 September 2022 - un-audited 7,800 - - 7,800

At fair value through profit or loss 7,572 - - 7,572

At 30 June 2022 - audited 7,572 - - 7,572

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 2022.

13. DATE OF AUTHORIZATION

These condensed interim financial statements were approved by the Board of Directors of the Company and authorized for issue on 27 October 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.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

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