



Masood Textile Mills Ltd.

**ACCOUNTS
FOR THE THIRD QUARTER ENDED
31 MARCH 2023**

CONTENTS

	Page
COMPANY INFORMATION	1
DIRECTORS' REPORT TO THE MEMBERS	2-5
STATEMENT OF FINANCIAL POSITION	6-7
STATEMENT OF PROFIT OR LOSS	8
STATEMENT OF COMPREHENSIVE INCOME	9
STATEMENT OF CHANGES IN EQUITY	10
STATEMENT OF CASH FLOWS	11
NOTES TO THE INTERIM FINANCIAL STATEMENTS	12-18

COMPANY INFORMATION

CHAIRMAN	MR. NASEER AHMAD SHAH
CHIEF EXECUTIVE OFFICER	MR. SHAHID NAZIR AHMAD
DIRECTORS	MR. SHABIR AHMAD ABID (Independent Director) MR. SHAHID IQBAL (Independent Director) MR. SHOAIB AHMAD KHAN (NIT-Nominee) MS. CHEN YAN (Nominee-Shanghai Challenge Textile Co. Ltd.) MR. SHIBIN YANG (Nominee-Shanghai Challenge Textile Co. Ltd.)
COMPANY SECRETARY	MR. NISAR AHMAD ALVI
CHIEF FINANCIAL OFFICER	MR. MUHAMMAD SHAHID NAVEED
AUDIT COMMITTEE	MR. SHABIR AHMAD ABID (Chairman) MR. NASEER AHMAD SHAH MR. SHAHID IQBAL
HR & REMUNERATION COMMITTEE	MR. SHAHID IQBAL (Chairman) MR. SHAHID NAZIR AHMAD MR. SHABIR AHMAD ABID
RISK MANAGEMENT COMMITTEE	MR. SHAHID NAZIR AHMAD (Chairman) MR. NASEER AHMAD SHAH MR. SHAHID IQBAL
NOMINATION COMMITTEE	MR. NASEER AHMAD SHAH (Chairman) MR. SHABIR AHMAD ABID MR. SHAHID IQBAL
AUDITORS	M/S RIAZ AHMAD & COMPANY CHARTERED ACCOUNTANTS
SHARE REGISTRAR	CorpTec Associates (Pvt.) Limited 503-E, Johar Town, Lahore, Tel:042-35170336 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 of the Company are pleased to present the condensed Un-audited interim financial statements of the Company consisting of directors' review report and financial results for the 3rd quarter and nine months' period ended March 31, 2023.

FINANCIAL RESULTS:

Interim financial results of the Company for the period ended 31st March 2023 are given below:

DESCRIPTION	PERIOD ENDED		QUARTER ENDED	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	(RUPEES IN THOUSAND)			
REVENUE FROM CONTRACTS WITH CUSTOMERS	44,811,149	39,094,252	15,841,775	13,929,183
COST OF SALES	<u>(38,985,429)</u>	<u>(34,117,179)</u>	<u>(13,861,443)</u>	<u>(12,118,099)</u>
GROSS PROFIT	5,825,720	4,977,073	1,980,332	1,811,084
DISTRIBUTION COST	(2,953,513)	(2,285,292)	(1,191,977)	(797,598)
ADMINISTRATIVE EXPENSES	(931,272)	(752,565)	(328,924)	(244,816)
OTHER EXPENSES	(47,999)	(125,400)	(715)	(32,223)
OTHER INCOME	2,517,191	1,163,721	1,240,913	277,369
FINANCE COST	<u>(2,049,577)</u>	<u>(1,006,917)</u>	<u>(856,663)</u>	<u>(370,462)</u>
PROFIT BEFORE TAXATION	2,360,550	1,970,620	842,966	643,354
TAXATION	<u>(524,078)</u>	<u>(392,819)</u>	<u>(179,019)</u>	<u>(124,086)</u>
PROFIT AFTER TAXATION	<u>1,836,472</u>	<u>1,577,801</u>	<u>663,947</u>	<u>519,268</u>
EARNINGS PER SHARE- BASIC (RUPEES)	<u>26.66</u>	<u>23.04</u>	<u>9.64</u>	<u>7.56</u>
- DILUTED (RUPEES)	<u>23.84</u>	<u>20.77</u>	<u>8.81</u>	<u>6.78</u>

For the period ended 31 March 2023, Company recorded revenue amounting to Rs. 44.811 Billion as compared to Rs. 39.094 Billion for the last corresponding period, hence showing an increase of 14.62%. Profit increased by 16.35% from Rs. 1.578 Billion to Rs. 1.836 Billion as compared to the last corresponding period. The basic earnings per share for period ended 31 March 2023 increased from Rs. 23.04 per share to Rs. 26.66 per share.

The management of the company is making continuous efforts and is committed to achieve sustainable future growth.

INDUSTRY / MARKET OVERVIEW:

Overall industry is facing higher inflation, economic slowdown and unpredicted consumer behavior. These factors are undercutting consumer demand, pushing shoppers to curtail fashion spending or trade down for less expensive products owing to spike in energy prices and grocery bills.

The Russia-Ukraine war is another major concern for the industry, having already disrupted trade routes and triggered an energy crisis. The Pakistani textile sector is highly dependent on inputs from China and COVID-19 outbreaks in China have undermined the region's growth trajectory and disrupted supply chains.

Furthermore, Pakistan is currently confronted with liquidity problems. Through demand management policies, government is trying to limit the current account deficit, which, hopefully, will not transfer further pressure on dwindling reserves.

FUTURE OUTLOOK:

The Government is firmly inclined to successfully complete the International Monetary Fund's Extended Finance Facility (IMF's EFF) program, which includes necessary policy measures and will bring additional relief to the financial account of the balance of payments. The policy measures are intended to bring expenditures more in line with the income generated within the country. At fiscal front, Government is pursuing fiscal consolidation in order to reduce the overall fiscal deficit through expenditure management, austerity measures and revenue mobilization.

The management of the Company is closely monitoring the evolving economic and political situation, its impact on business environment and devising suitable strategies to steer through these tough times. The local textile industry, like the rest of the world, is adjusting to new demands by implementing new methods of production and innovative strategies.

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 08 of the annexed financial statements.

Acknowledgement

Directors are pleased and thankful to the employees for their continued dedication and efforts for the Company, and also the support of its shareholders, banks and customers. We look forward to same dedication and cooperation from them in the future as well.

FAISALABAD
27th April, 2023

CHIEF EXECUTIVE OFFICER

DIRECTOR

ممبران کے لئے ڈائریکٹرز رپورٹ

کپنی کے بورڈ آف ڈائریکٹرز 31 مارچ 2023 کو ختم ہونے والی تیسری سہ ماہی اور نو ماہ کی مدت کے لئے ڈائریکٹرز کی جائزہ رپورٹ اور مالیاتی نتائج پر مشتمل کپنی کے غیر آڈٹ شدہ عبوری مالیاتی گوشوارے پیش کرنے پر غور فرمائی ہے۔

مالی نتائج:

31 مارچ 2023 کو ختم ہونے والی مدت کے لئے کپنی کے عبوری مالیاتی نتائج مندرجہ ذیل ہیں۔

اختتامی سرمایہ		اختتامی مدت		
2023 مارچ 31	2022 مارچ 31	2023 مارچ 31	2022 مارچ 31	تفصیل
روپے ہزاروں میں	روپے ہزاروں میں	روپے ہزاروں میں	روپے ہزاروں میں	
13,929,183	15,841,775	39,094,252	44,811,149	صارفین کے ساتھ معاہدوں سے حاصل ہونے والی آمدنی
(12,118,099)	(13,861,443)	(34,117,179)	(38,985,429)	لاگت سیلز
1,811,084	1,980,332	4,977,073	5,825,720	مجموعی نفع
(797,598)	(1,191,977)	(2,285,292)	(2,953,513)	ڈسٹری بیوٹن خرچہ
(244,816)	(328,924)	(752,565)	(931,272)	کاروبار کے انتظامی اخراجات
(32,223)	(715)	(125,400)	(47,999)	دیگر اخراجات
277,369	1,240,913	1,163,721	2,517,191	دیگر آمدن
(370,462)	(856,663)	(1,006,917)	(2,049,577)	مالی لاگت
643,354	842,966	1,970,620	2,360,550	نفع ٹیکس سے پہلے
(124,086)	(179,019)	(392,819)	(524,078)	ادا کردہ ٹیکسز
519,268	663,947	1,577,801	1,836,472	نفع ٹیکس کی ادائیگی کے بعد
7.56	9.64	23.04	26.66	آمدنی فی حصص بنیادی (روپیہ)
6.78	8.81	20.77	23.84	آمدنی فی حصص ڈائریکٹرز (کی کے روپیہ)

31 مارچ 2023 کو ختم ہونے والی مدت کے لئے کپنی نے ریکارڈ 44,811.14 ملین روپے کمائے۔ جو گزشتہ اسی مدت کے دوران 39,094.25 ملین روپے تھے۔ اس طرح 14.62 فی صد کا اضافہ ہوا۔ منافع 16.35 فی صد بڑھ کر 1,836.47 ملین روپے ہوا۔ جو کپنی اسی مدت میں 1,578.01 ملین روپے تھا۔ 31 مارچ 2023 کو ختم ہونے والی مدت کے لیے حصص کی بنیادی آمدنی 23.04 روپے سے بڑھ کر 26.66 روپے فی حصص ہوئی۔ کپنی کی انتظامیہ مسلسل کوشش کر رہی ہے۔ اور مستقبل میں پائیدار ترقی حاصل کرنے کے لیے پرعزم ہے۔

صنعت امریکٹ کا جائزہ

مجموعی طور پر صنعت کو زیادہ افراط زر، معاشی سست روی اور صارفین کے غیر متوقع رویے کا سامنا ہے۔ یہ عوامل صارفین کی مانگ کو کم کر رہے ہیں۔ خریداروں کو فیٹن کے اخراجات کو کم کرنے یا توانائی کی قیمتوں اور گروسری کے بلوں میں اضافے کی وجہ سے کم ہنگامی مصنوعات کے لئے تجارت کرنے پر مجبور کر رہے ہیں۔ روس، یوکرین جنگ صنعت کے لیے ایک اور بڑی تشویش ہے۔ جس نے پہلے ہی تجارتی راستوں میں خلل ڈالا ہے۔ اور توانائی کے بحران کو ختم دیا ہے۔ پاکستان نیکسٹ سال یکٹر چین کے ان پٹ پر انحصار کرتا ہے۔ اور چین میں COVID-19 پھیلنے سے خطے کی ترقی کی رفتار کو نقصان پہنچا ہے۔ اور پلائی وڈ میں خلل ڈالا ہے۔ مزید برآں، پاکستان کو اس وقت Liquidity کے مسائل کا سامنا ہے۔ ڈیما نڈ سٹیجمنٹ پالیسیوں کے ذریعے حکومت کرنٹ اکاؤنٹ خسارے کو محدود کرنے کی کوشش کر رہی ہے۔ جو امید ہے کہ کم ہوتے ذخائر پر مزید باؤ کو منتقل نہیں کرے گا۔

مستقبل کا نقطہ نظر:

حکومت بین الاقوامی مالیاتی فنڈ کی توسیعی مالیاتی سہولت (IMF'S EFF) پروگرام کو کامیابی سے مکمل کرنے کے لئے منظوری سے نکل رہی ہے۔ جس میں ضروری پالیسی اقدامات شامل ہیں۔ اور ادائیگیوں کے توازن کے مالی اکاؤنٹ میں اضافی ریلیف لائے گا۔ پالیسی اقدامات کا مقصد اخراجات کو ملک کے اندر پیدا ہونے والی آمدنی کے مطابق لانا ہے۔ مالیاتی محاذ پر، حکومت اخراجات کے انتظام، کفایت شعاری کے اقدامات، اور محصولات کو متحرک کرنے کے ذریعے مجموعی مالیاتی خسارے کو کم کرنے کے لئے مالیاتی استحکام پر عمل پیرا ہے۔ کپنی کی انتظامیہ ابھرتی ہوئی معاشی اور سیاسی صورتحال، کاروباری ماحول پر اس کے اثرات اور ان مشکلات کو منہ سے منہ کے لئے نمونہ حکمت عملیوں پر گہری نظر رکھے ہوئے ہے۔ مقامی نیکسٹ سال انڈسٹری، باقی دنیا کی طرح، پیداوار کے نئے طریقوں اور اخراجات کی حکمت عملیوں کو لاگو کرنے کے نئے تقاضوں سے ہم آہنگ ہو رہی ہے۔

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 میل ڈائریکٹر

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 میر احمد	ممبر
3	جناب شبیر احمد عابد	ممبر

ریسک مینجمنٹ کمیٹی:-

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

نامزدگی کمیٹی:-

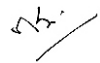
نمبر شمار	ڈائریکٹرز کے نام	عہدہ
1	جناب نصیر احمد شاہ	چیئر مین / ممبر
2	جناب شبیر احمد عابد	ممبر
3	جناب شاہد اقبال	ممبر

ڈائریکٹر کا معاوضہ :

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 8 میں درج کی گئی ہے۔

اعتراف :

ڈائریکٹرز ملازمین کی طرف سے ان کی مسلسل لگن اور کمیٹی کے لیے کوششوں اور اس کے حصص یافتگان، بینکوں اور صارفین کی انتظامیہ کو حمایت کے لئے ان کی شکرگزاری کرتے ہوئے خوشی محسوس کرتے ہیں۔ ہم مستقبل میں بھی ان کی طرف سے ای لگن اور تعاون سے منتظر ہیں۔



چیف ایگزیکٹو آفیسر



ڈائریکٹر

از طرف بورڈ

فیصل آباد

27 اپریل، 2023

**MASOOD TEXTILE
CONDENSED INTERIM STATEMENT OF FINANCIAL**

	NOTE	Un-audited 31 March 2023	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		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		<u>2,447,552</u>	<u>2,447,552</u>
		5,950,885	5,950,885
Revenue reserves		8,400,480	6,596,089
		<u>14,351,365</u>	<u>12,546,974</u>
Total reserves		14,351,365	12,546,974
Total equity		15,301,365	13,496,974
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	3	2,651,367	4,006,065
Lease liabilities		19,275	44,718
Staff retirement gratuity		<u>1,687,264</u>	<u>1,395,252</u>
		4,357,906	5,446,035
CURRENT LIABILITIES			
Trade and other payables		9,459,781	8,660,234
Unclaimed dividend		8,944	10,900
Accrued mark-up		526,609	222,858
Short term borrowings		20,347,732	17,821,275
Current portion of non-current liabilities		1,947,964	2,061,764
Provision for taxation		<u>635,752</u>	<u>732,897</u>
		32,926,782	29,509,928
TOTAL LIABILITIES		<u>37,284,688</u>	<u>34,955,963</u>
CONTINGENCIES AND COMMITMENTS	4		
TOTAL EQUITY AND LIABILITIES		<u>52,586,053</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 31 MARCH 2023

	NOTE	Un-audited 31 March 2023 (RUPEES IN THOUSAND)	Audited 30 June 2022
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	14,417,448	13,997,802
Right-of-use assets		82,938	128,998
Long term advances		14,702	13,744
Long term security deposits		88,099	105,601
		<u>14,603,187</u>	<u>14,246,145</u>
CURRENT ASSETS			
Stores, spare parts and loose tools		3,503,888	2,870,433
Stock in trade		14,037,183	13,251,629
Trade debts		14,406,283	12,424,837
Loans and advances		1,106,802	782,884
Income tax		903,475	1,003,167
Short term deposits and prepayments		295,647	254,007
Other receivables		3,257,660	2,903,378
Short term investments		8,308	7,572
Cash and bank balances		463,620	708,885
		<u>37,982,866</u>	<u>34,206,792</u>
TOTAL ASSETS		<u><u>52,586,053</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 PERIOD / QUARTER ENDED 31 MARCH 2023

Period ended		Quarter ended	
31 March 2023	31 March 2022	31 March 2023	31 March 2022

(RUPEES IN THOUSAND)

REVENUE FROM CONTRACTS WITH CUSTOMERS	44,811,149	39,094,252	15,841,775	13,929,183
COST OF SALES	(38,985,429)	(34,117,179)	(13,861,443)	(12,118,099)
GROSS PROFIT	5,825,720	4,977,073	1,980,332	1,811,084
DISTRIBUTION COST	(2,953,513)	(2,285,292)	(1,191,977)	(797,598)
ADMINISTRATIVE EXPENSES	(931,272)	(752,565)	(328,924)	(244,816)
OTHER EXPENSES	(47,999)	(125,400)	(715)	(32,223)
OTHER INCOME	2,517,191	1,163,721	1,240,913	277,369
FINANCE COST	(2,049,577)	(1,006,917)	(856,663)	(370,462)
PROFIT BEFORE TAXATION	2,360,550	1,970,620	842,966	643,354
TAXATION	(524,078)	(392,819)	(179,019)	(124,086)
PROFIT AFTER TAXATION	1,836,472	1,577,801	663,947	519,268
EARNING PER SHARE - BASIC (RUPEES)	26.66	23.04	9.64	7.56
- DILUTED (RUPEES)	23.84	20.77	8.81	6.78

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



 CHIEF EXECUTIVE OFFICER



 DIRECTOR



 CHIEF FINANCIAL OFFICER

MASOOD TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-audited)
FOR THE PERIOD / QUARTER ENDED 31 MARCH 2023

Period ended		Quarter ended	
31 March 2023	31 March 2022	31 March 2023	31 March 2022

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

PROFIT AFTER TAXATION	1,836,472	1,577,801	663,947	519,268
-----------------------	-----------	-----------	---------	---------


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	1,836,472	1,577,801	663,947	519,268
----------------------------------------------	-----------	-----------	---------	---------

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



 CHIEF EXECUTIVE OFFICER



 DIRECTOR



 CHIEF FINANCIAL OFFICER

MASOOD TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-audited)
FOR THE PERIOD ENDED 31 MARCH 2023

	CAPITAL				RESERVES			REVENUE		TOTAL EQUITY
	SHARE CAPITAL	Redemption premium	Redemption fund	Capital Contribution	Surplus on resolution of financial fund	Sub total	General	Unappropriated profit	Sub total	
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	8,918,615
Transactions with owners:										
Contribution from director / shareholders	-	-	-	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)	-	-
Transfer to capital redemption reserve	-	-	(36,666)	-	-	(36,666)	-	36,666	-	-
Dividend at the rate of Rupees 0.93 per share (Preference shares)	-	-	-	-	-	-	-	(28,968)	(28,968)	(28,968)
Profit for the nine months ended 31 March 2022	-	-	-	-	-	-	-	1,577,801	1,577,801	1,577,801
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
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
Transaction with owners:										
Contribution from shareholders	-	-	-	300,000	-	300,000	-	-	-	300,000
Profit for the three months ended 30 June 2022	-	-	-	-	-	-	-	698,239	698,239	698,239
Other comprehensive loss for the three months ended 30 June 2022	-	-	-	-	-	-	-	(118,713)	(118,713)	(118,713)
Total comprehensive income for the three months ended 30 June 2022	-	-	-	-	-	-	-	579,526	579,526	579,526
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
Transactions with owners:										
Dividend at the rate of Rupees 1.16 per share (Preference shares)	-	-	-	-	-	-	-	(32,081)	(32,081)	(32,081)
Profit for the nine months ended 31 March 2023	-	-	-	-	-	-	-	1,836,472	1,836,472	1,836,472
Other comprehensive income for the nine months ended 31 March 2023	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the nine months ended 31 March 2023	-	-	-	-	-	-	-	1,836,472	1,836,472	1,836,472
Balance as at 31 March 2023 - (Un-audited)	950,000	1,375,000	128,333	2,000,000	2,447,552	5,950,885	714,500	7,685,960	8,400,480	14,351,965

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



CHIEF EXECUTIVE OFFICER



DIRECTOR




CHIEF FINANCIAL OFFICER

MASOOD TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (Un-audited)
FOR THE PERIOD ENDED 31 MARCH 2023

	NOTE	Period ended	
		31 March 2023	31 March 2022
(RUPEES IN THOUSAND)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	6	2,295,606	1,645,365
Finance cost paid		(1,730,025)	(952,698)
Mark-up paid against lease liabilities		(9,399)	(12,442)
Income tax paid		(521,531)	(359,243)
Dividend paid to ordinary shareholders		(1,956)	(170)
Dividend paid to preference shareholders		(32,081)	(76,650)
Staff retirement gratuity paid		(108,373)	(133,149)
Net (increase) /decrease in long term advances		(958)	441
Net decrease /(increase) in long term security deposits		17,502	(37,829)
Net cash (used in) / generated from operating activities		(91,215)	73,625
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		32,879	35,840
Capital expenditure on property, plant and equipment		(1,187,510)	(983,668)
Investment made		(736)	99,674
Net cash used in investing activities		(1,155,368)	(848,154)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		41,581	1,131,903
Repayment of long term financing		(1,480,623)	(2,594,632)
Repayment of lease liabilities		(86,097)	(122,918)
Repayment of preference shares		-	(36,666)
Capital contribution		-	200,000
Short term borrowings - net		2,526,457	2,108,876
Net cash from financing activities		1,001,318	686,563
NET DECREASE IN CASH AND CASH EQUIVALENTS		(245,265)	(87,966)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		708,885	530,931
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		463,620	442,965

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 PERIOD ENDED 31 MARCH 2023

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 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 and disclosures required for annual financial statements and should be read in conjunction with the annual financial statements of the Company for the year ended 30 June 2022.

b) Accounting policies and computation methods

The accounting policies and methods of computations adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual 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.

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 annual financial statements of the Company for the year ended 30 June 2022.

Un-audited	Audited
31 March 2023	30 June 2022

(RUPEES IN THOUSAND)

3. LONG TERM FINANCING - SECURED

From banking / investment companies - secured

Opening balance	5,948,897	7,553,612
Add: Obtained during the period / year	41,581	2,106,695
Add: Amortized during the period / year	6,402	37,288
Less: Repaid during the period / year	<u>1,480,623</u>	<u>3,748,698</u>
	4,516,257	5,948,897
Less: Current portion shown under current liabilities	1,864,890	1,942,832
	<u>2,651,367</u>	<u>4,006,065</u>

4. CONTINGENCIES AND COMMITMENTS

a) Contingencies

i) Guarantees of Rupees 348.495 million (30 June 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 (30 June 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 condensed interim 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 (30 June 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 condensed interim financial statements as there are strong grounds of favorable outcome of the petition.

b) Commitments

i) Contracts for capital expenditure are amounting to Rupees 309.508 million (30 June 2022: Rupees 45.578 million) and other than capital expenditure are of Rupees 2,108.740 million (30 June 2022: Rupees 2,666.001 million).

ii) Ijarah commitments are amounting to Rupees 316.191 million (30 June 2022: Rupees 150.283 million).

Un-audited	Audited
31 March 2023	30 June 2022

(RUPEES IN THOUSAND)

5. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets (Note 5.1)	13,897,709	13,704,433
Capital work-in-progress (Note 5.2)	519,739	293,369
	<u>14,417,448</u>	<u>13,997,802</u>

5.1 Operating fixed assets

Opening book value	13,704,433	13,231,142
Add: Cost of additions during the period / year (Note 5.1.1)	961,140	1,490,204
Less: Book value of deletions during the period / year (Note 5.1.2)	<u>18,670</u>	<u>61,220</u>
	14,646,903	14,660,126
Less: Depreciation charged during the period / year	749,194	955,693
	<u>13,897,709</u>	<u>13,704,433</u>

5.1.1 Cost of additions during the period / year

Freehold land	182,558	22,952
Buildings on freehold land	64,096	57,958
Plant and machinery	398,609	919,143
Electric and gas installations	67,085	218,139
Factory equipment	5,113	38,243
Telephone installations	375	1,185
Furniture and fixtures	38,084	43,574
Office equipment	390	285
Computer equipment	25,417	28,902
Vehicles	179,413	159,823
	<u>961,140</u>	<u>1,490,204</u>

5.1.2 Book value of deletions during the period / year

Plant and machinery	-	38,587
Vehicles	18,670	22,633
	<u>18,670</u>	<u>61,220</u>

5.2 Capital work-in-progress

Buildings on freehold land	189,522	91,351
Plant and machinery	212,896	94,929
Advances against purchase of machinery	89,372	107,089
Electric and gas installations	<u>27,949</u>	-
	<u>519,739</u>	<u>293,369</u>

(Un-audited)	
Period ended	
31 March 2023	31 March 2022

(RUPEES IN THOUSAND)

6. CASH GENERATED FROM OPERATIONS

Profit before taxation	2,360,550	1,970,620
Adjustments for non-cash charges and other items:		
Depreciation	828,884	816,484
Provision for staff retirement gratuity	416,523	305,859
Gain on sale of property, plant and equipment	(14,208)	(6,011)
Finance cost	2,049,577	1,006,917
Allowance for expected credit losses - net	3,434	(2,570)
Amortization of deferred income - Government grant	(6,402)	(30,967)
Gain on termination of lease liability	(600)	-
Working capital changes (Note 6.1)	(3,342,152)	(2,414,967)
	<u>2,295,606</u>	<u>1,645,365</u>

6.1 Working capital changes

Increase / (decrease) in current assets:

Stores, spare parts and loose tools	(633,455)	(131,466)
Stock in trade	(785,554)	(1,733,528)
Trade debts	(1,984,880)	(3,133,907)
Loans and advances	(323,918)	(36,090)
Short term deposits and prepayments	(41,640)	4,562
Other receivables	(354,282)	(497,774)
	(4,123,729)	(5,528,203)
Increase in trade and other payables	781,577	3,113,236
	<u>(3,342,152)</u>	<u>(2,414,967)</u>

7. SEGMENT INFORMATION
7.1 Segment results

	Spinning		Knitting		Processing and Garments		Elimination of inter-segment transactions		Total - Company	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Revenue from contracts with customers	2,707,046	3,032,389	843,890	41,260,213	35,715,882	-	-	44,811,149	39,094,252	
External Intersgment	6,808,490	4,343,977	16,183,802	15,501,801	9,983	(23,025,862)	(19,855,341)	-	-	
	8,515,539	7,376,366	17,867,482	15,947,482	41,257,269	(23,025,862)	(19,855,341)	44,811,149	39,094,252	
	(9,247,830)	(6,998,404)	(16,873,374)	(12,598,106)	(36,093,987)	(31,615,008)	23,029,862	(36,965,429)	(34,117,179)	
Cost of sales	267,696	377,962	354,118	488,374	5,203,988	4,110,737	-	5,625,720	4,977,073	
Gross profit	(96,033)	(65,426)	(138,444)	(131,774)	(2,718,966)	(2,070,092)	-	(2,953,513)	(2,285,292)	
Distribution cost	(173,129)	(143,373)	(358,423)	(270,390)	(3,443,930)	(2,622,107)	-	(3,984,722)	(3,157,855)	
Administrative expenses	-	-	(48,662)	(20,390)	(1,762,657)	(1,468,633)	-	(1,940,935)	(1,930,216)	
Profit before taxation and unallocated income and expenses	84,427	232,389	84,451	217,984	3,534,198	3,466,660	23,546,310	22,475,033	32,041,457	30,103,507
Unallocated income and expenses:										
Other expenses									(47,999)	(125,400)
Other income									2,517,191	1,163,721
Finance cost									(2,049,577)	(1,006,917)
Taxation									(524,076)	(892,819)
Profit after taxation									1,836,472	1,577,801

7.2 Reconciliation of reportable segment assets and liabilities:

	Spinning		Knitting		Processing and Garments		Total - Company	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Total assets for reportable segments	4,950,949	4,141,834	3,534,198	3,466,660	23,546,310	22,475,033	32,041,457	30,103,507
Unallocated assets							20,544,596	18,349,340
Total assets as per condensed interim statement of financial position	890,894	675,726	1,877,192	2,020,018	8,267,692	6,900,603	52,586,053	48,452,837
Total liabilities for reportable segments							11,155,988	10,276,345
Unallocated liabilities							26,128,700	24,677,618
Total liabilities as per condensed interim statement of financial position							37,284,688	34,955,963

7.3 Segment wise and geographical location wise disaggregation of revenue

	Spinning		Knitting		Processing and Garments		Total - Company	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
America and Canada	-	-	-	-	27,630,510	25,794,086	27,630,510	25,794,086
Europe	-	-	-	-	8,013,814	4,189,054	8,013,814	4,189,054
Asia, Africa and Australia	626,744	533,199	-	-	3,609,591	3,268,820	4,238,335	3,802,019
Pakistan	2,090,302	2,499,190	843,890	345,981	2,006,298	2,483,922	4,930,490	5,309,093
	2,707,046	3,032,389	843,890	345,981	41,260,213	35,715,882	44,811,149	39,094,252

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

	Spinning		Knitting		Processing and Garments		Total - Company	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Yarn	2,667,634	2,962,463	209,465	98,183	1,059,149	948,152	2,870,100	3,070,876
Knitting / dyeing income	-	-	641,272	257,788	39,521,120	33,679,451	1,701,491	1,205,940
Finished fabric / garments	38,412	48,906	152	152	679,944	1,088,279	39,521,120	33,679,451
Waste	2,707,046	3,032,389	843,890	345,981	41,260,213	35,715,882	44,811,149	39,094,252

8. 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 2023	31 March 2022	31 March 2023	31 March 2022
(RUPEES IN THOUSAND)			

i) Transactions

Other related parties

Remuneration paid to Chief Executive Officer,

Directors and Executives	385,988	283,785	129,676	94,035
Sale of vehicles to executives	9,918	-	2,687	-

Un-audited	Audited
31 March	June 30
2023	2022
(RUPEES IN THOUSAND)	

ii) Period end balances

Associated company

Trade debts	324,900	327,454
-------------	---------	---------

Other related parties

Capital contribution	200,000	200,000
Long term advances	15,381	13,512
Loans and advances	15,513	14,198

9. 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	8,308	-	-	8,308
At 31 March 2023 - unaudited	8,308	-	-	8,308
At fair value through profit or loss	7,552	-	-	7,552
At 30 June 2022 - audited	7,552	-	-	7,552

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 equity securities) is based on quoted market prices at the end of the reporting period.

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.

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.

10. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Company for the year ended 30 June 2022.

11. DATE OF AUTHORIZATION

These condensed interim financial statements were approved by the Board of Directors of the Company and authorized for issue on 27 April, 2023.

12. 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.

13. GENERAL

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

BOOK POST

If undelivered please return to:

MASOOD TEXTILE MILLS LIMITED

**UNIVERSAL HOUSE, P-17/1 NEW CIVIL LINES,
BILAL RAOD, FAISALABAD.**

Tel: 92-41-2600176-276 Fax: 92-41-2600976