



Masood Textile Mills Ltd.

**ACCOUNTS
FOR THE HALF YEAR ENDED
31 DECEMBER 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

On behalf the board of directors of the Company, we feel pleasure to present the un-audited financial results of the Company for the second quarter and half yearly ended 31 December, 2021.

FINANCIAL RESULTS:

Following are the financial results of the Company for the period ended 31st December 2021:

Description	Half year ended		Quarter ended	
	31-December 2021	31-December 2020	31-December 2021	31-December 2020
	(RUPEES IN THOUSAND)			
REVENUE	25,165,069	15,038,036	13,059,850	7,956,462
COST OF SALE	(21,999,080)	(12,927,246)	(11,386,764)	(6,837,302)
GROSS PROFIT	3,165,989	2,110,790	1,673,086	1,119,160
DISTRIBUTION COST	(1,487,694)	(1,108,867)	(693,929)	(548,130)
ADMINISTRATIVE EXPENSE	(507,749)	(388,915)	(228,900)	(220,018)
OTHER EXPENSE	(93,177)	(242,728)	(53,418)	(156,046)
OTHER INCOME	886,352	339,222	331,851	289,048
FINANCE COST	(636,455)	(658,903)	(308,707)	(322,735)
PROFIT BEFORE TAXATION	1,327,266	50,599	719,983	161,279
TAXATION	(268,733)	(176,937)	(133,607)	(92,863)
PROFIT/ (LOSS) AFTER TAXATION	1,058,533	(126,338)	586,376	68,416
EARNINGS / (LOSS) PER SHARE- BASIC (RUPEES)	15.48	(2.09)	8.59	0.90
DILUTED (RUPEES)	13.99	(1.91)	7.65	0.85

During the first half year, revenue has been increased to Rs. 25.165 billion from Rs. 15.038 billion as compared to last corresponding period, hence showing a considerable increase of 67.34%. Your Company earned net profit after taxation Rs. 1.059 billion as compared to net loss of Rs. (126.338) million during the corresponding period. The basic earnings per share for first half year ended increased from Rs. (2.09) loss per share to Rs. 15.48 earnings per share. It is the sincere commitment and dedicated efforts of management of the Company that make the such results possible.

INDUSTRY / MARKET OVERVIEW:

Current conditions for textile industry are favorable. However, unprecedented hike in input / raw material prices at international level and continuous fluctuation in exchange rate has significantly increased the working capital requirements of the export industry. The SBP's Export Refinance Scheme is the only support for the exporters to meet the capital investment requirements. However, amount allowed to SBP's ERF Scheme need substantial enhancement to cater working capital requirements of the textile industry.

Textile sector is one of the significant contributors of the foreign reserves of the country and therefore has been playing a pivotal role for the betterment of the economy. When severe economic depression was prevailing around the globe, our Government has taken effective policy measures to contain the virus along with State Bank of Pakistan's fiscal stimulus and monetary measures which helped to sustain the economy during the pandemic.

Half-year exports of readymade garments went up 22.93 percent, knitwear increased by 35.21 percent. Growth in textile exports have come on the back of quantum growth in high value-added products. However, this sector has now picked up a growing pace following the removal of Covid-19 restrictions witnessing a sharp surge of 26pc year-on-year in the first half of FY2021-22.

FUTURE OUTLOOK

Strengthening exports is critical for economic growth. To sustain strong economic growth, Pakistan needs to increase private investment and enhance export volume. Textile sector is capable of harnessing

Billions of dollars' exports for the economy of Pakistan. The sector not only provides large-scale jobs but also has a huge share in the exports of the country coupled with a magnanimous room for value-added textile products. These pertinently shed light upon the importance of textile industry in Pakistan which, unfortunately, is facing numerous problems.

To benefit from the economic potential that lies in the textile sector, a number of carefully curated policy measures have to be taken that can support the sustainable growth of textile industry. Shifting focus from apparel to global textile market have already created room for Pakistan and other competitors to enhance their shares in apparel exports. The first six months of 2021-22 started with a high level of optimism about prospects for the economy.

COMPOSITION OF BOARD

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

Committees of the Board

Audit Committee of the Board:

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

Human Resource & Remuneration (HR&R) Committee:

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

Risk Management Committee:

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

Nomination Committee:

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

Directors' Remuneration:

The Company does not pay remuneration to its non-executive directors including independent directors except for meeting fee. Aggregate amount of remuneration paid to executive and non-executive have been disclosed in note 10 of the annexed financial statements.

Acknowledgement

The Board highly appreciates the contribution of employees, bankers, corporate regulators, stakeholders and other government authorities for their continuous support.

FAISALABAD -----
24th February, 2022 **DIRECTOR**

DIRECTOR

ممبران کے لئے ڈائریکٹرز رپورٹ

ہم کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے 31 دسمبر 2021 کو اختتام پذیر ہونے والی دوسری سرمایہ اور نصف سال کی مدت کے غیر آڈٹ شدہ مالی نتائج پیش کرنے پر مسرت محسوس کر رہے ہیں

مالی نتائج:

کمپنی کی 31 دسمبر 2021 کو اختتام پذیر ہونے والی مدت کے مالی نتائج مندرجہ ذیل ہے۔

تفصیل	اختتامی ششماہی		اختتامی سرمایہ	
	31 دسمبر 2021	31 دسمبر 2020	31 دسمبر 2021	31 دسمبر 2020
آمدنی	25,165,069	13,038,036	13,059,850	7,956,462
آؤٹ سٹیز	(21,999,080)	(12,927,246)	(11,386,764)	(6,837,302)
مجموعی نفع	3,165,989	2,110,790	1,673,086	1,119,160
ڈسٹری بوتن ٹریچ	(1,487,694)	(1,108,867)	(693,929)	(548,130)
کاروبار کے انتظامی اخراجات	(507,749)	(388,915)	(228,900)	(220,018)
دیگر اخراجات	(93,177)	(242,728)	(53,418)	(156,046)
دیگر آمدن	886,352	339,222	331,851	289,048
مالی آؤٹ	(636,455)	(658,903)	(308,707)	(322,735)
نفع / نکلنے سے پہلے	1,327,266	50,599	719,983	161,279
اداکرہ ٹیکسز	(268,733)	(176,937)	(133,607)	(92,863)
نفع / (نقصان) ٹیکس کی ادائیگی کے بعد	1,058,533	(126,338)	586,376	68,416
آمدن / (نقصان) فی حصص بنیادی (روپیہ)	15.48	(2.09)	8.59	0.90
آمدن / (نقصان) فی حصص ڈائیوٹ / کمی کر کے (روپیہ)	13.99	(1.91)	7.65	0.85

پچھلے نصف سال کے دوران ریویو بڑھ کر 25.165.165 روپے ہوا جو کہ پچھلی اسی مدت میں 15.038.038 روپے ہوا تھا۔ اس میں 67.34 فیصد نمائیاں اضافہ کیا گیا۔ آپ کی کمپنی نے بعد از ٹیکس خالص منافع 1.059.059 روپے کمایا۔ جب کہ پچھلی اسی مدت کے دوران (126.338) ملین روپے خالص نقصان ہوا تھا۔ ختم ہونے والے نصف سال کی فی حصص بنیادی آمدنی (2.09) روپے فی حصص نقصان سے بڑھ کر 15.48 روپے فی حصص آمدنی ہوئی ہے۔

ایسے نتائج کمپنی کی انتظامیہ کی مخلصانہ و انتہائی اور شرشار کو مششوں کی بدولت ممکن ہوئے ہیں۔

صنعت / مارکیٹ کا جائزہ

ٹیکسٹائل انڈسٹری کے لئے موجودہ حالات سازگار ہیں۔ تاہم بین الاقوامی سطح پر خام مال کی قیمتوں میں غیر معمولی اضافے اور شرح مبادلہ میں مسلسل اتار چڑھاؤ نے برآمدی صحت کے ورکنگ کپیلٹی کی ضرورت میں نمایاں اضافہ کیا ہے۔ اسٹیٹ بینک آف پاکستان کی ایکسیپورٹ ری فنانس اسکیم ہی برآمد کنندگان کے لئے سرمایہ کاری کی ضروریات کو پورا کرنے کا واحد سہارا ہے۔ تاہم ٹیکسٹائل انڈسٹری کی ورکنگ کپیلٹی کی ضرورت کو پورا کرنے کے لئے اسٹیٹ بینک آف پاکستان کی ایکسیپورٹ ری فنانس اسکیم کو دی گئی رقم غلط طور پر اضافی ضرورت ہے۔

ٹیکسٹائل کا شعبہ ملکی زرمبادلہ کے ذخائر میں اہم کردار ادا کرنے والوں میں سے ایک ہے۔ اور اسی وجہ سے معیشت کی بہتری کے لئے کلیدی کردار ادا کر رہا ہے۔ جب دنیا بھر میں شدید معاشی بدحالی پھیلی ہوئی تھی، کوویڈ وائرس پر قابو پانے کے لئے ہماری حکومت کی موثر پالیسیوں کے ساتھ ساتھ اسٹیٹ بینک آف پاکستان کے مالیاتی محرک اور مالیاتی اقدامات کی وجہ سے واپسی مرض کے دوران معیشت کو مستحکم رکھنے میں مدد ملی ہے۔

نصف سال کی ریویو میڈیٹلسٹ میں 22.93 فی صد بڑھوتی ہوئی ہے۔ اسی طرح وٹیر میں 35.21 فی صد بڑھوتی ہوئی ہے۔ ٹیکسٹائل کی برآمدات میں اضافہ ہائی ویلویوڈ مصنوعات کی مقدار میں اضافہ کی وجہ سے ہوا ہے۔ تاہم اس شعبے نے COVID-19 کی پابندیوں کے خاتمے کے بعد تیزی سے ترقی کی ہے۔ جس میں مالی سال 2021-22 کی پہلی ششماہی میں 26 فی صد اضافہ دیکھنے میں آیا جو کہ سال بہ سال کی بنیاد پر ہے۔

مستقبل کا نقطہ نظر:

برآمدات کو مضبوط کرنا اقتصادی ترقی کے لئے اہم ہے۔ مضبوط اقتصادی ترقی کو برقرار رکھنے کے لیے پاکستان کو ملٹی سرمایہ کاری بڑھانے اور برآمدات کے حجم کو بڑھانے کی ضرورت ہے۔ ٹیکسٹائل کا شعبہ پاکستان کی معیشت کے لئے اربوں کی برآمدات سے فائدہ اٹھانے کی صلاحیت رکھتا ہے۔ یہ شعبہ نہ صرف بڑے پیمانے پر ملازمتیں فراہم کرتا ہے۔ بلکہ ملک کی برآمدات میں بھی اس کا بہت بڑا حصہ ہے۔ اور اس کے ساتھ ساتھ ویلویوڈ ٹیکسٹائل مصنوعات کے لئے اضافے کی وسیع گنجائش ہے۔ یہ پاکستان میں ٹیکسٹائل انڈسٹری کی اہمیت پر روشنی ڈالتے ہیں جو بدقسمتی سے متعدد مسائل کا شکار ہے۔

ٹیکسٹائل ٹیکسٹائل میں موجود شاندار معاشی صلاحیت سے فائدہ اٹھانے کے لئے بہت ہی احتیاط سے تیار کردہ پالیسی کے لئے اقدامات اٹھانے ہو گئے۔ جو ٹیکسٹائل انڈسٹری کی پائیدار ترقی میں معاون ثابت ہوئیں۔ پہلے ہی بلو سٹات سے عالمی ٹیکسٹائل مارکیٹ پر توجہ مرکوز کرنے سے پاکستان اور دیگر ریونیوں کیلئے بلو سٹات کی برآمدات میں اپنے حصے کو بڑھانے کی گنجائش پیدا ہو گئی ہے۔ 2021-22 کے پہلے چھ مہینوں کا آغاز معیشت کے امکانات کے بارے میں اعلیٰ سطح پر امید کے ساتھ ہوا 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	چیئرمین 1 ممبر
2	جناب نسیم احمد شاہ	ممبر
3	جناب شاہد اقبال	ممبر

انسانی وسائل اور معاوضہ کمیٹی:

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

ریسک مینجمنٹ کمیٹی:-

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

نامزدگی کمیٹی:-

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

ڈائریکٹرز کا معاوضہ:

کمیٹی اپنے نان ایگزیکٹو ڈائریکٹرز سمیت آزاد ڈائریکٹرز کو اجلاس فیس کے علاوہ معاوضہ ادا نہیں کرتی۔ ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز کو ادا کئے گئے معاوضہ کی مجموعی رقم منسلکہ مالی حسابات کے نوٹ 10 میں درج کی گئی ہے۔

اعتراف:

بورڈ ملازمین، بینکرز، کارپوریٹ ریگولیٹرز، اسٹیٹ ہولڈرز / متعلقین اور دیگر سرکاری حکام سے مسلسل تعاون کے لئے ان کے تعاون کو سراہتا ہے۔

از طرف بورڈ

فیصل آباد

ڈائریکٹر

ڈائریکٹر

24 فروری، 2022

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Masood Textile Mills Limited

Report on review of Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of MASOOD TEXTILE MILLS LIMITED as at 31 December 2021 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to condensed interim financial statements for the half year then ended (here-in-after referred to as "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended 31 December 2021 and 31 December 2020 have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the half year ended 31 December 2021.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's review report is Liaqat Ali Panwar.

Riaz Ahmad & Co.
RIAZ AHMAD & COMPANY
Chartered Accountants

Faisalabad

Date: 24 February 2022

UDIN: RR202110184ptkTCXe5V

MASOOD TEXTILE
CONDENSED INTERIM STATEMENT OF FINANCIAL

	NOTE	Un-audited 31 December 2021 (RUPEES IN THOUSAND)	Audited 30 June 2021
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
125 000 000 (30 June 2021: 125 000 000) ordinary shares of Rupees 10 each		1,250,000	1,250,000
60 000 000 (30 June 2021: 60 000 000) preference shares of Rupees 10 each		600,000	600,000
		<u>1,850,000</u>	<u>1,850,000</u>
Issued, subscribed and paid up share capital	3	950,000	986,666
Capital reserves			
Share premium		1,375,000	1,375,000
Redemption fund		128,333	128,333
Capital contribution		1,700,000	1,500,000
Surplus on revaluation of freehold land		2,447,552	2,447,552
		5,650,885	5,450,885
Revenue reserves		5,497,295	4,467,730
Total reserves		<u>11,148,180</u>	<u>9,918,615</u>
Total equity		12,098,180	10,905,281
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	4	3,888,340	5,007,611
Lease liabilities		58,733	94,777
Deferred liabilities		1,185,074	1,087,926
		5,132,147	6,190,314
CURRENT LIABILITIES			
Trade and other payables		6,904,239	4,958,142
Unclaimed dividend		11,145	11,146
Unpaid dividend		-	47,682
Accrued mark-up		161,373	160,164
Short term borrowings		16,153,990	15,011,000
Current portion of non-current liabilities		2,659,728	2,733,292
Provision for taxation		266,688	390,384
		26,157,163	23,311,810
TOTAL LIABILITIES		<u>31,289,310</u>	<u>29,502,124</u>
CONTINGENCIES AND COMMITMENTS	5		
TOTAL EQUITY AND LIABILITIES		<u>43,387,490</u>	<u>40,407,405</u>

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

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

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

DIRECTOR

DIRECTOR

MILLS LIMITED
POSITION AS AT 31 DECEMBER 2021

	NOTE	Un-audited 31 December 2021 (RUPEES IN THOUSAND)	Audited 30 June 2021
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	13,640,260	13,589,405
Right-of-use assets	7	123,763	204,109
Long term advances		6,663	7,469
Long term security deposits		131,224	97,881
		<u>13,901,910</u>	<u>13,898,864</u>
CURRENT ASSETS			
Stores, spare parts and loose tools		2,450,488	2,244,531
Stock in trade		13,233,772	11,283,501
Trade debts		7,983,082	7,435,280
Loans and advances		646,765	634,462
Income tax		744,450	883,994
Short term deposits and prepayments		254,785	226,054
Other receivables		3,351,634	3,163,017
Short term investments		107,002	106,771
Cash and bank balances		713,602	530,931
		<u>29,485,580</u>	<u>26,508,541</u>
TOTAL ASSETS		<u>43,387,490</u>	<u>40,407,405</u>

CHIEF FINANCIAL OFFICER

MASOOD TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (Un-audited)
FOR THE HALF YEAR ENDED 31 DECEMBER 2021

	Half year ended		Quarter ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
------(RUPEES IN THOUSAND)-----				
REVENUE	25,165,069	15,038,036	13,059,850	7,956,462
COST OF SALES	(21,999,080)	(12,927,246)	(11,386,764)	(6,837,302)
GROSS PROFIT	3,165,989	2,110,790	1,673,086	1,119,160
DISTRIBUTION COST	(1,487,694)	(1,108,867)	(693,929)	(548,130)
ADMINISTRATIVE EXPENSES	(507,749)	(388,915)	(228,900)	(220,018)
OTHER EXPENSES	(93,177)	(242,728)	(53,418)	(156,046)
OTHER INCOME	886,352	339,222	331,851	289,048
FINANCE COST	(636,455)	(658,903)	(308,707)	(322,735)
PROFIT BEFORE TAXATION	1,327,266	50,599	719,983	161,279
TAXATION	(268,733)	(176,937)	(133,607)	(92,863)
PROFIT / (LOSS) AFTER TAXATION	1,058,533	(126,338)	586,376	68,416
EARNINGS / (LOSS) PER SHARE - BASIC (RUPEES)	15.48	(2.09)	8.59	0.90
- DILUTED (RUPEES)	13.99	(1.91)	7.65	0.85

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

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DIRECTOR

DIRECTOR

CHIEF FINANCIAL OFFICER

MASOOD TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-audited)
FOR THE HALF YEAR ENDED 31 DECEMBER 2021

Half year ended		Quarter ended	
31 December 2021	31 December 2020	31 December 2021	31 December 2020

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

PROFIT / (LOSS) AFTER TAXATION	1,058,533	(126,338)	586,376	68,416
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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	-	-	-	-
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TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD	1,058,533	(126,338)	586,376	68,416
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DIRECTOR

DIRECTOR

CHIEF FINANCIAL OFFICER

MASOOD TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-audited)
FOR THE HALF YEAR ENDED 31 DECEMBER 2021

	RESERVES										TOTAL EQUITY	
	CAPITAL					REVENUE						TOTAL
	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	-	2,447,552	3,950,885	714,500	3,158,114	3,872,614	7,823,499	8,810,165		
-	-	-	-	-	-	-	(47,682)	(47,682)	(47,682)	(47,682)		
-	-	-	1,000,000	-	1,000,000	-	-	-	1,000,000	1,000,000		
-	-	-	-	-	-	-	(126,338)	(126,338)	(126,338)	(126,338)		
-	-	-	-	-	-	-	-	-	-	-		
986,666	1,375,000	128,333	1,000,000	2,447,552	4,950,885	714,500	2,984,094	3,698,594	8,649,479	9,636,145		
-	-	-	500,000	-	500,000	-	-	-	500,000	500,000		
-	-	-	-	-	-	-	766,873	766,873	766,873	766,873		
-	-	-	-	-	-	-	2,263	2,263	2,263	2,263		
-	-	-	-	-	-	-	769,136	769,136	769,136	769,136		
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		
-	-	-	200,000	-	200,000	-	-	-	200,000	200,000		
(36,666)	-	(36,666)	-	-	(36,666)	-	36,666	36,666	-	(36,666)		
-	-	36,666	-	-	36,666	-	(36,666)	(36,666)	-	-		
-	-	-	-	-	-	-	(28,968)	(28,968)	(28,968)	(28,968)		
-	-	-	-	-	-	-	1,058,533	1,058,533	1,058,533	1,058,533		
-	-	-	-	-	-	-	-	-	-	-		
-	-	-	-	-	-	-	1,058,533	1,058,533	1,058,533	1,058,533		
950,000	1,375,000	128,333	1,700,000	2,447,552	5,650,885	714,500	4,782,795	5,497,295	11,148,180	12,098,180		

Balance as at 30 June 2020 - (Audited)

Transactions with owners:
 Dividend at the rate of Rupees 1.53 per share (Preference shares)
 Contribution from director / shareholders
 Loss for the period
 Other comprehensive income for the period
 Total comprehensive loss for the period

Balance as at 31 December 2020 - (Un-audited)

Transaction with owners:
 Contribution from shareholders
 Profit for the period
 Other comprehensive income for the period
 Total comprehensive income for the period

Balance as at 30 June 2021 - (Audited)

Transactions with owners:
 Contribution from shareholders
 Redemption of preference shares
 Transfer from capital redemption reserve fund
 Transfer to capital redemption reserve fund
 Dividend at the rate of Rupees 0.93 per share (Preference shares)
 Profit for the period
 Other comprehensive income for the period
 Total comprehensive income for the period

Balance as at 31 December 2021 - (Un-audited)

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

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DIRECTOR

DIRECTOR

CHIEF FINANCIAL OFFICER

MASOOD TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (Un-audited)
FOR THE HALF YEAR ENDED 31 DECEMBER 2021

	NOTE	(Half year ended)	
		31 December 2021	31 December 2020
(RUPEES IN THOUSAND)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	8	1,683,424	922,421
Finance cost paid		(604,963)	(828,625)
Mark-up paid against lease liabilities		(7,663)	(10,742)
Income tax paid		(252,885)	(147,893)
Dividend paid to ordinary shareholders		(1)	(54,099)
Dividend paid to preference shareholders		(76,650)	-
Gratuity paid		(89,696)	(124,044)
Net decrease in long term advances		806	1,150
Net (increase) / decrease in long term security deposits		(33,343)	6,231
Net cash generated from / (used in) operating activities		619,029	(235,601)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		29,741	11,127
Capital expenditure on property, plant and equipment		(539,254)	(461,207)
Investment made		(231)	(211,247)
Net cash used in investing activities		(509,744)	(661,327)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		155,000	1,003,675
Repayment of long term financing		(1,302,281)	(421,464)
Repayment of lease liabilities		(85,657)	(84,994)
Repayment of preference shares		(36,666)	-
Capital contribution		200,000	1,000,000
Short term borrowings - net		1,142,990	(568,960)
Net cash from financing activities		73,386	928,257
NET INCREASE IN CASH AND CASH EQUIVALENTS		182,671	31,329
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		530,931	1,173,014
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		713,602	1,204,343

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

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DIRECTOR

DIRECTOR

CHIEF FINANCIAL OFFICER

MASOOD TEXTILE MILLS LIMITED
SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)
FOR THE HALF YEAR ENDED 31 DECEMBER 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, however, have been subjected to limited scope review by the auditors 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 those applied in the preparation of the annual audited financial statements for the year ended 30 June 2021.

2.2 Critical accounting estimates and judgments

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

During preparation of these condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the audited annual financial statements of the Company for the year ended 30 June 2021.

3. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

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

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

3.2 Movement during the period / year

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

4. LONG TERM FINANCING

Financing from banking companies - secured

Opening balance	7,553,612	7,755,519
Add:		
Obtained during the period / year	155,000	1,003,674
Amortization during the period / year	22,620	46,258
	<u>7,731,232</u>	<u>8,805,451</u>
Less:		
Repaid during the period / year	1,302,281	1,161,892
Deferred income recognized during the period / year	-	89,947
	<u>1,302,281</u>	<u>1,251,839</u>
	<u>6,428,951</u>	<u>7,553,612</u>
Less: Current portion shown under current liabilities	2,540,611	2,546,001
	<u>3,888,340</u>	<u>5,007,611</u>

5. CONTINGENCIES AND COMMITMENTS

a) Contingencies

i) Guarantees of Rupees 247.995 million (30 June 2021: Rupees 244.995 million) are given by the banks of the Company to Sui Northern Gas Pipelines Limited (SNGPL) against gas connections and Total Parco Pakistan Limited against fuel cards.

ii) On 13 August 2020, the Supreme Court of Pakistan upheld the Gas Infrastructure Development Cess (GIDC) Act, 2015 to be constitutional and intra vires. In connection with this decision, the Company filed a writ petition in Lahore High Court, Lahore on 14 September 2020 against the charge of GIDC at the rate of captive power consumer instead of industrial consumer. Lahore High Court, Lahore suspended the payment of Rupees 23.625 million (30 June 2021: Rupees 23.625 million) related to this difference, subject to furnishing of post dated cheques which are being submitted by the Company. Keeping in view the opinion of the legal counsel of the Company, the related provision is not made in these condensed interim financial statements as there are strong grounds of favourable outcome of the petition.

b) Commitments

- i) Contracts for capital expenditure are amounting to Rupees 70.917 million (30 June 2021: Rupees 27.462 million) and other than capital expenditure are of Rupees 1,801.338 million (30 June 2021: Rupees 2,020.522 million).
- ii) Ijarah commitments are amounting to Rupees 137.390 million (30 June 2021: Rupees 116.721 million).

	Un-audited	Audited
	31 December	30 June
	2021	2021
	(RUPEES IN THOUSAND)	
6. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets (Note 6.1)	13,250,332	13,231,142
Capital work-in-progress (Note 6.2)	389,928	358,263
	<u>13,640,260</u>	<u>13,589,405</u>
6.1 Operating fixed assets		
Opening book value	13,231,142	13,161,273
Add: Cost of additions during the period / year (Note 6.1.1)	507,589	1,035,441
	<u>13,738,731</u>	<u>14,196,714</u>
Less: Book value of deletions during the period / year (Note 6.1.2)	25,351	13,513
	<u>13,713,380</u>	<u>14,183,201</u>
Less: Depreciation charged during the period / year	463,048	952,059
	<u>13,250,332</u>	<u>13,231,142</u>
6.1.1 Cost of additions during the period / year		
Freehold land	22,952	-
Buildings on freehold land	24,433	43,953
Plant and machinery	322,789	810,880
Electric and gas installations	60,852	81,352
Factory equipment	7,906	7,222
Telephone installations	559	1,199
Furniture and fixtures	15,735	42,270
Office equipment	71	1,664
Computer equipment	10,183	23,550
Vehicles	42,109	23,351
	<u>507,589</u>	<u>1,035,441</u>

	Un-audited	Audited
	31 December 2021	30 June 2021
6.1.2 Book value of deletions during the period / year	(RUPEES IN THOUSAND)	
Plant and machinery	6,519	-
Vehicles	18,832	13,513
	<u>25,351</u>	<u>13,513</u>
6.2 Capital work-in-progress		
Buildings on freehold land	45,838	36,191
Plant and machinery	104,624	60,941
Advances against purchase of machinery	189,242	261,131
Electric and gas installations	50,224	-
	<u>389,928</u>	<u>358,263</u>
7. RIGHT-OF-USE ASSETS		
Opening book value	204,109	320,505
Add: Additions during the period / year - Buildings	-	210,522
	<u>204,109</u>	<u>531,027</u>
Less: Book value of assets disposed of / transferred to operating fixed assets	-	140,488
	<u>204,109</u>	<u>390,539</u>
Less: Depreciation charged during the period / year	80,346	186,430
	<u>123,763</u>	<u>204,109</u>

	(Un-audited)	
	(Half year ended)	
	31 December 2021	31 December 2020
8. CASH GENERATED FROM OPERATIONS	(RUPEES IN THOUSAND)	
Profit before taxation	1,327,266	50,599
Adjustments for non-cash charges and other items:		
Depreciation	543,394	558,861
Provision for gratuity	203,906	151,372
Gain on sale of property, plant and equipment	(4,390)	(7,913)
Allowance for expected credit losses - net	348	(194,494)
Amortization of deferred income - Government grant	(22,620)	(15,988)
Gain on remeasurement of deferred liability	-	(2,740)
Gain on termination of lease liability	-	(10,388)
Finance cost	636,455	658,903
Working capital changes (Note 8.1)	(1,000,935)	(265,791)
	<u>1,683,424</u>	<u>922,421</u>
8.1 Working capital changes		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(205,957)	21,531
Stock in trade	(1,950,271)	(1,653,999)
Trade debts	(548,150)	809,571
Loans and advances	(12,303)	(55,968)
Short term deposits and prepayments	(28,731)	(186,197)
Other receivables	(188,617)	(568,926)
	<u>(2,934,029)</u>	<u>(1,633,988)</u>
Increase in trade and other payables	1,933,094	1,368,197
	<u>(1,000,935)</u>	<u>(265,791)</u>

9. SEGMENT INFORMATION
9.1 Segment results

	Spinning		Knitting		Processing and Garments		Elimination of Inter-segment transactions		Total - Company	
	(Un-audited) Half year ended 31 December 2021	(Un-audited) Half year ended 31 December 2020	(Un-audited) Half year ended 31 December 2021	(Un-audited) Half year ended 31 December 2020	(Un-audited) Half year ended 31 December 2021	(Un-audited) Half year ended 31 December 2020	(Un-audited) Half year ended 31 December 2021	(Un-audited) Half year ended 31 December 2020	(Un-audited) Half year ended 31 December 2021	(Un-audited) Half year ended 31 December 2020
Revenue	1,809,623	730,793	178,696	11,614	23,176,548	14,186,629	-	-	25,165,069	15,038,036
External Intersegment	2,330,259	1,230,259	10,316,285	6,403,617	6,403,617	14,194,288	(12,856,578)	(7,990,108)	25,165,069	15,038,036
	4,348,755	2,230,259	10,486,285	6,603,617	23,186,627	14,194,288	(12,856,578)	(7,990,108)	25,165,069	15,038,036
Cost of sales	(4,195,604)	(2,164,293)	(10,254,635)	(6,478,564)	(20,405,419)	(12,274,497)	12,866,578	7,990,108	(21,999,080)	(12,927,246)
Gross profit	153,151	65,966	231,630	125,053	2,781,208	1,919,771	-	-	3,165,989	2,110,790
Distribution cost	(49,725)	(25,554)	(87,274)	(52,353)	(1,350,695)	(1,030,960)	-	-	(1,487,694)	(1,108,867)
Administrative expenses	(35,485)	(21,502)	(97,726)	(57,720)	(374,538)	(309,693)	-	-	(697,749)	(388,915)
	(85,210)	(47,056)	(185,000)	(110,073)	(1,725,233)	(1,340,653)	-	-	(1,995,443)	(1,497,782)
Profit before taxation and unallocated income and expenses	67,941	18,910	46,630	14,980	1,055,975	579,118	-	-	1,170,546	613,008
Unallocated income and expenses:										
Other expenses										(93,177)
Other income										866,352
Finance cost										(636,455)
Taxation										(268,733)
Profit / (loss) after taxation										(1,058,533)
Reconciliation of reportable segment assets and liabilities:										
Spinning										
(Un-audited) Half year ended 31 December 2021	4,570,835	3,539,512	3,150,207	3,276,100	21,603,479	20,505,934			28,324,521	27,321,546
Knitting										
(Un-audited) Half year ended 31 December 2021	570,696	316,272	2,290,056	1,470,266	5,387,674	4,437,180			14,062,969	13,065,659
Processing and Garments										
(Un-audited) Half year ended 31 December 2021									43,387,490	40,407,405
Elimination of Inter-segment transactions										
(Un-audited) Half year ended 31 December 2021									23,040,884	23,278,406
Total - Company	31,299,310	29,502,124							31,299,310	29,502,124
Spinning										
(Un-audited) Half year ended 31 December 2021	1,809,623	730,793	178,696	11,614	23,176,548	14,186,629			25,165,069	15,038,036
Knitting										
(Un-audited) Half year ended 31 December 2021	570,696	316,272	2,290,056	1,470,266	5,387,674	4,437,180			14,062,969	13,065,659
Processing and Garments										
(Un-audited) Half year ended 31 December 2021									43,387,490	40,407,405
Elimination of Inter-segment transactions										
(Un-audited) Half year ended 31 December 2021									23,040,884	23,278,406
Total - Company	31,299,310	29,502,124							31,299,310	29,502,124

(RUPEES IN THOUSAND)

9.2 Reconciliation of reportable segment assets and liabilities:

	Spinning		Knitting		Processing and Garments		Elimination of Inter-segment transactions		Total - Company	
	(Un-audited) Half year ended 31 December 2021	(Un-audited) Half year ended 31 December 2020	(Un-audited) Half year ended 31 December 2021	(Un-audited) Half year ended 31 December 2020	(Un-audited) Half year ended 31 December 2021	(Un-audited) Half year ended 31 December 2020	(Un-audited) Half year ended 31 December 2021	(Un-audited) Half year ended 31 December 2020	(Un-audited) Half year ended 31 December 2021	(Un-audited) Half year ended 31 December 2020
Revenue	1,809,623	730,793	178,696	11,614	23,176,548	14,186,629	-	-	25,165,069	15,038,036
External Intersegment	2,330,259	1,230,259	10,316,285	6,403,617	6,403,617	14,194,288	(12,856,578)	(7,990,108)	25,165,069	15,038,036
	4,348,755	2,230,259	10,486,285	6,603,617	23,186,627	14,194,288	(12,856,578)	(7,990,108)	25,165,069	15,038,036
Cost of sales	(4,195,604)	(2,164,293)	(10,254,635)	(6,478,564)	(20,405,419)	(12,274,497)	12,866,578	7,990,108	(21,999,080)	(12,927,246)
Gross profit	153,151	65,966	231,630	125,053	2,781,208	1,919,771	-	-	3,165,989	2,110,790
Distribution cost	(49,725)	(25,554)	(87,274)	(52,353)	(1,350,695)	(1,030,960)	-	-	(1,487,694)	(1,108,867)
Administrative expenses	(35,485)	(21,502)	(97,726)	(57,720)	(374,538)	(309,693)	-	-	(697,749)	(388,915)
	(85,210)	(47,056)	(185,000)	(110,073)	(1,725,233)	(1,340,653)	-	-	(1,995,443)	(1,497,782)
Profit before taxation and unallocated income and expenses	67,941	18,910	46,630	14,980	1,055,975	579,118	-	-	1,170,546	613,008
Unallocated income and expenses:										
Other expenses										(93,177)
Other income										866,352
Finance cost										(636,455)
Taxation										(268,733)
Profit / (loss) after taxation										(1,058,533)
Reconciliation of reportable segment assets and liabilities:										
Spinning										
(Un-audited) Half year ended 31 December 2021	4,570,835	3,539,512	3,150,207	3,276,100	21,603,479	20,505,934			28,324,521	27,321,546
Knitting										
(Un-audited) Half year ended 31 December 2021	570,696	316,272	2,290,056	1,470,266	5,387,674	4,437,180			14,062,969	13,065,659
Processing and Garments										
(Un-audited) Half year ended 31 December 2021									43,387,490	40,407,405
Elimination of Inter-segment transactions										
(Un-audited) Half year ended 31 December 2021									23,040,884	23,278,406
Total - Company	31,299,310	29,502,124							31,299,310	29,502,124

(RUPEES IN THOUSAND)

9.3 Segment wise and geographical location wise disaggregation of revenue

	Spinning		Knitting		Processing and Garments		Elimination of Inter-segment transactions		Total - Company	
	(Un-audited) Half year ended 31 December 2021	(Un-audited) Half year ended 31 December 2020	(Un-audited) Half year ended 31 December 2021	(Un-audited) Half year ended 31 December 2020	(Un-audited) Half year ended 31 December 2021	(Un-audited) Half year ended 31 December 2020	(Un-audited) Half year ended 31 December 2021	(Un-audited) Half year ended 31 December 2020	(Un-audited) Half year ended 31 December 2021	(Un-audited) Half year ended 31 December 2020
Revenue	1,809,623	730,793	178,696	11,614	23,176,548	14,186,629	-	-	25,165,069	15,038,036
External Intersegment	2,330,259	1,230,259	10,316,285	6,403,617	6,403,617	14,194,288	(12,856,578)	(7,990,108)	25,165,069	15,038,036
	4,348,755	2,230,259	10,486,285	6,603,617	23,186,627	14,194,288	(12,856,578)	(7,990,108)	25,165,069	15,038,036
Cost of sales	(4,195,604)	(2,164,293)	(10,254,635)	(6,478,564)	(20,405,419)	(12,274,497)	12,866,578	7,990,108	(21,999,080)	(12,927,246)
Gross profit	153,151	65,966	231,630	125,053	2,781,208	1,919,771	-	-	3,165,989	2,110,790
Distribution cost	(49,725)	(25,554)	(87,274)	(52,353)	(1,350,695)	(1,030,960)	-	-	(1,487,694)	(1,108,867)
Administrative expenses	(35,485)	(21,502)	(97,726)	(57,720)	(374,538)	(309,693)	-	-	(697,749)	(388,915)
	(85,210)	(47,056)	(185,000)	(110,073)	(1,725,233)	(1,340,653)	-	-	(1,995,443)	(1,497,782)
Profit before taxation and unallocated income and expenses	67,941	18,910	46,630	14,980	1,055,975	579,118	-	-	1,170,546	613,008
Unallocated income and expenses:										
Other expenses										(93,177)
Other income										866,352
Finance cost										(636,455)
Taxation										(268,733)
Profit / (loss) after taxation										(1,058,533)
Reconciliation of reportable segment assets and liabilities:										
Spinning										
(Un-audited) Half year ended 31 December 2021	4,570,835	3,539,512	3,150,207	3,276,100	21,603,479	20,505,934			28,324,521	27,321,546
Knitting										
(Un-audited) Half year ended 31 December 2021	570,696	316,272	2,290,056	1,470,266	5,387,674	4,437,180			14,062,969	13,065,659
Processing and Garments										
(Un-audited) Half year ended 31 December 2021									43,387,490	40,407,405
Elimination of Inter-segment transactions										
(Un-audited) Half year ended 31 December 2021									23,040,884	23,278,406
Total - Company	31,299,310	29,502,124							31,299,310	29,502,124

(RUPEES IN THOUSAND)

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

	Spinning		Knitting		Processing and Garments		Elimination of Inter-segment transactions		Total - Company	
	(Un-audited) Half year ended 31 December 2021	(Un-audited) Half year ended 31 December 2020	(Un-audited) Half year ended 31 December 2021	(Un-audited) Half year ended 31 December 2020	(Un-audited) Half year ended 31 December 2021	(Un-audited) Half year ended 31 December 2020	(Un-audited) Half year ended 31 December 2021	(Un-audited) Half year ended 31 December 2020	(Un-audited) Half year ended 31 December 2021	(Un-audited) Half year ended 31 December 2020
Revenue	1,809,623	730,793	178,696	11,614	23,176,548	14,186,629	-	-	25,165,069	15,038,036
External Intersegment	2,330,259	1,230,259	10,316,285	6,403,617	6,403,617	14,194,288	(12,856,578)	(7,990,108)	25,165,069	15,038,036
	4,348,755	2,230,259	10,486,285	6,603,617	23,186,627	14,194,288	(12,856,578)	(7,990,108)	25,165,069	15,038,036
Cost of sales	(4,195,604)	(2,164,293)	(10,254,635)	(6,478,564)	(20,405,419)	(12,274,497)	12,866,578	7,990,108	(21,999,080)	(12,927,246)
Gross profit	153,151	65,966	231,630	125,053	2,781,208	1,919,771	-	-	3,165,989	2,110,790
Distribution cost	(49,725)	(25,554)	(87,274)	(52,353)	(1,350,695)	(1,030,960)	-	-	(1,487,694)	(1,108,867)
Administrative expenses	(35,485)	(21,502)	(97,726)	(57,720)	(374,538)	(309,693)	-	-	(697,749)	(388,915)
	(85,210)	(47,056)	(185,000)	(110,073)	(1,725,233)	(1,340,653)	-	-	(1,995,443)	(1,497,782)
Profit before taxation and unallocated income and expenses	67,941	18,910								

10. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of associate, 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			
Half Year Ended		Quarter Ended	
31 December 2021	31 December 2020	31 December 2021	31 December 2020

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

i) Transactions				
Associate				
Dividend paid	-	44,362	-	-
Associated company				
Purchase of operating fixed assets	-	26,860	-	26,860
Sales of goods and services	-	68,324	-	25,979
Other related parties				
Capital contribution from director / spouse	-	200,000	-	10,000
Remuneration paid to Chief Executive Officer, Directors and Executives	189,750	120,876	100,843	69,558
			Un-audited	Audited
			31 December	30 June
			2021	2021
			(RUPEES IN THOUSAND)	
ii) Period end balances				
Associated company				
Trade debts			340,358	340,358
Other related parties				
Long term advances			6,663	7,465
Loans and advances			7,575	7,946

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	7,002	-	-	7,002
At 31 December 2021 - unaudited	7,002	-	-	7,002
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 market prices.

12. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the Company for the year ended 30 June 2021.

13. DATE OF AUTHORIZATION

These condensed interim financial statements were approved by the Board of Directors of the Company and authorized for issue on 24 February, 2022

14. CORRESPONDING FIGURES

In order to comply with the requirements of IAS 34, the condensed interim statement of financial position and condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding financial year, whereas, the condensed interim statement of profit or loss, condensed interim statement of comprehensive income and condensed interim statement of cash flows have been compared with the balances of comparable period of immediately preceding financial year.

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However, no significant re-arrangements have been made.

15. GENERAL

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

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

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

DIRECTOR

DIRECTOR

CHIEF FINANCIAL OFFICER

