



Masood Textile Mills Ltd.

**ACCOUNTS
FOR THE HALF YEAR ENDED
31 DECEMBER 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. SHOAIB AHMAD KHAN (NIT-Nominee) MS. CHEN YAN (Nominee-Shanghai Challenge Textile Co. Ltd.) MR. SHIBIN YANG (Nominee-Shanghai Challenge Textile Co. Ltd.)
COMPANY SECRETARY	MR. NISAR AHMAD ALVI
CHIEF FINANCIAL OFFICER	MR. MUHAMMAD SHAHID NAVEED
AUDIT COMMITTEE	MR. SHABIR AHMAD ABID (Chairman) MR. NASEER AHMAD SHAH MR. SHAHID IQBAL
HR & REMUNERATION COMMITTEE	MR. SHAHID IQBAL (Chairman) MR. SHAHID NAZIR AHMAD MR. SHABIR AHMAD ABID
RISK MANAGEMENT COMMITTEE	MR. SHAHID NAZIR AHMAD (Chairman) MR. NASEER AHMAD SHAH MR. SHAHID IQBAL
NOMINATION COMMITTEE	MR. NASEER AHMAD SHAH (Chairman) MR. SHABIR AHMAD ABID MR. SHAHID IQBAL
AUDITORS	M/S RIAZ AHMAD & COMPANY CHARTERED ACCOUNTANTS
SHARE REGISTRAR	CorpTec Associates (Pvt.) Limited 503-E, Johar Town, Lahore, Tel:042-35170336-7 Fax: 042-35170338, Web: www.corptec.com.pk
REGISTERED OFFICE	Universal House, 17/1, New Civil Lines, Bilal Road, Faisalabad. Phone: 041-2600176-276 Fax: 041-2600976
MILLS	32-K.M., SHEIKHUPURA ROAD, FAISALABAD.

DIRECTORS' REPORT TO THE MEMBERS

The Board of Directors of the Company are pleased to present the un-audited financial results of the Company for the second quarter and half year ended 31st December 2022.

FINANCIAL RESULTS:

Following are the financial results of the Company for the period ended 31st December 2022:

Description	Half year ended		Quarter ended	
	31-December 2022	31-December 2021	31-December 2022	31-December 2021
	(RUPEES IN THOUSAND)			
REVENUE FROM CONTRACTS WITH CUSTOMERS	28,969,374	25,165,069	13,734,583	13,059,850
COST OF SALE	(25,123,986)	(21,999,080)	(11,474,991)	(11,386,764)
GROSS PROFIT	3,845,388	3,165,989	2,259,592	1,673,086
DISTRIBUTION COST	(1,761,536)	(1,487,694)	(601,596)	(693,929)
ADMINISTRATIVE EXPENSE	(602,348)	(507,749)	(230,471)	(228,900)
OTHER EXPENSE	(66,587)	(93,177)	(195,792)	(53,418)
OTHER INCOME	1,295,581	886,352	44,828	331,851
FINANCE COST	(1,192,914)	(636,455)	(660,360)	(308,707)
PROFIT BEFORE TAXATION	1,517,584	1,327,266	616,201	719,983
TAXATION	(345,059)	(268,733)	(118,962)	(133,607)
PROFIT AFTER TAXATION	1,172,525	1,058,533	497,239	586,376
EARNINGS PER SHARE- BASIC (RUPEES)	17.01	15.48	7.18	8.59
DILUTED (RUPEES)	15.03	13.99	6.16	7.65

During the half year ended 31st December 2022, Company's revenue has been increased to Rs. 28.969 Billion from Rs. 25.165 Billion as compared to last corresponding period. The Company earned net profit after taxation of Rs. 1.173 Billion as compared to net profit of Rs. 1.058 Billion during the corresponding period. The basic earnings per share for half year ended 31st December 2022 increased from Rs. 15.48 to Rs. 17.01.

INDUSTRY / MARKET OVERVIEW:

The first Half of financial year 2023 have witnessed a higher expenditure growth on the back of higher mark-up payments. Currently, the government is facing the unprecedented challenge of providing relief to people in flood-hit areas. In several other emerging economies, the global energy crises, which has pushed up global commodity prices, also puts downward pressure on international official reserves.

During the financial year 2023, economic growth is likely to remain below the budgeted target due to devastation created by floods. This combination of low growth, high inflation and low levels of official reserves is particularly challenging for policy makers. In the short run, demand management policies by State Bank of Pakistan and Government are designed to fight inflation and protect official reserves and protect inclusive growth. But in the long run, the Government aims to stimulate the supply side to elevate the long run potential growth rate of the economy. Increase in the long run growth trends of output, per capita real incomes and employment can only be achieved by stimulating investments in new production facilities along with complete operation of existing production facilities.

FUTURE OUTLOOK

The economic situation of the country is posing a serious challenge to business across the Board. We request our shareholders to pray for our success in this regard.

The year 2022 was an uncertain year for global textiles. Global recession, energy shortages, high costs, and declining orders of low-cost garments took their toll on Pakistani textiles. The year 2023 would however be more challenging than 2022.

Pakistan's economy is expected to be shaped largely by the revival of the IMF program, restoration of political stability, and support from friendly countries along with the continued implementation of reforms aimed at stabilizing the economy. However, after the revival of the IMF loan program, another wave of inflation is expected in the form of high energy prices, imposition of additional taxes, depreciation of the local currency, increase in interest rates and reduction in government spending which may lead to further demand curtailment and economic slowdown.

Experts say the real solution lies in moving towards cheap, alternate sources of energy, especially renewables, as well as diversified exports, particularly the information technology-related goods and services.

However, the management of the Company is making concerted efforts and continues endeavor to achieve improved performance in the future.

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 8 of the annexed financial statements.

Acknowledgement

We thank the management and staff for their untiring efforts towards the company's goals. The Board would also like to express its appreciation to our banks, valued customers, vendors, and all other stakeholders for their cooperation and trust.

FAISALABAD
27th February, 2023



CHIEF EXECUTIVE OFFICER



DIRECTOR

ممبران کے لئے ڈائریکٹرز رپورٹ

کپنی کے بورڈ آف ڈائریکٹرز کو 31 دسمبر 2022 کو ختم ہونے والی دوسری سرمایہ اور شہائی کے لیے کپنی کے غیر آڈٹ شدہ مالیاتی نتائج پیش کرنے پر خوش ہیں۔

مالی نتائج:

کپنی کی 31 دسمبر 2022 کو اختتام پذیر ہونے والی مدت کے مالی نتائج مندرجہ ذیل ہے۔

اختتامی سرمایہ		اختتامی شہائی		
31 دسمبر 2021	31 دسمبر 2022	31 دسمبر 2021	31 دسمبر 2022	تفصیل
روپے ہزاروں میں	روپے ہزاروں میں	روپے ہزاروں میں	روپے ہزاروں میں	
13,059,850	13,734,583	25,165,069	28,969,374	صارفین کے ساتھ معاہدوں سے حاصل ہونے والی آمدنی
(11,386,764)	(11,474,991)	(21,999,080)	(25,123,986)	لاگت بیلز
1,673,086	2,259,592	3,165,989	3,845,388	مجموعی نفع
(693,929)	(601,596)	(1,487,694)	(1,761,536)	ڈسٹری بیٹن خرچ
(228,900)	(230,471)	(507,749)	(602,348)	کاروبار کے انتظامی اخراجات
(53,418)	(195,792)	(93,177)	(66,587)	دیگر اخراجات
331,851	44,828	886,352	1,295,581	دیگر آمدن
(308,707)	(660,360)	(636,455)	(1,192,914)	مالی لاگت
719,983	616,201	1,327,266	1,517,584	نفع ٹیکس سے پہلے
(133,607)	(118,962)	(268,733)	(345,059)	اداکرہ ٹیکس
586,376	497,239	1,058,533	1,172,525	نفع ٹیکس کی ادائیگی کے بعد
8.59	7.18	15.48	17.01	آمدنی فی حصص بنیادی (روپیہ)
7.65	6.16	13.99	15.03	آمدنی فی حصص ڈائیوڈنڈ (روپیہ)

31 دسمبر 2022 کو ختم ہونے والی شہائی کے دوران کپنی کا ریویو بڑھ کر 28,969.374 ارب روپے ہوا جو کچھلی اسی مدت میں 25,165.069 ارب روپے تھا۔ کپنی نے بعد ازاں ٹیکس خالص منافع 1,173.086 ارب روپے کمایا۔ جبکہ کچھلی اسی مدت کے دوران 1,058.069 ارب روپے خالص منافع ہوا تھا۔ ختم ہونے والے نصف سال کی فی حصص بنیادی آمدنی 15.48 روپے سے بڑھ کر 17.01 روپے ہو گئی ہے۔

صنعت امارت کا جائزہ

مالی سال 2023 کی پہلی شہائی میں زیادہ مارک اپ کی ادائیگیوں کی وجہ سے اخراجات میں زیادہ اضافہ دیکھنے میں آیا ہے۔ اس وقت حکومت کو سیلاب زدہ علاقوں میں لوگوں کو ریلت فراہم کرنے کا بہت سا چیلنج درپیش ہے۔ کئی دیگر ابھرتی ہوئی معاشیوں کو عالمی توانائی کے بحران، اجناس کی عالمی قیمتوں میں اضافہ اور نیچے جاتے جاتے بین الاقوامی سرکاری ذخائر کی وجہ سے دباؤ ہے۔ مالی سال 2023 کے دوران سیلاب سے پیدا ہونے والی تباہی کی وجہ سے معاشی ترقی بڑھنے کے ہدف سے کم رہنے کا امکان ہے۔ کم شرح نمو، بلند افراط زر اور سرکاری ذخائر کی حفاظت اور پالیسی سازوں کے لئے خاص طور پر چیلنج ہے۔ قلیل مدت میں، اسٹیٹ بینک آف پاکستان اور حکومت کی طرف سے ڈیما ٹیچنٹ پالیسیاں افراط زر سے لڑنے اور سرکاری ذخائر کی حفاظت اور جامع ترقی کے تحفظ کے لئے بنائی گئی ہے۔ لیکن طویل مدت میں حکومت کا مقصد معیشت کی طویل مدتی مکنڈز ترقی کی شرح کو بلند کرنے کے لیے سیلابی سائیکل کو تھم کر کرنا ہے۔ پیداوار، فی کس حقیقی آمدنی اور روزگار کے طویل مدتی ترقی کے رجحانات میں اضافہ بنی پیداواری ہولیات میں سرمایہ کاری کی حوصلہ افزائی کے ساتھ ساتھ موجودہ پیداواری ہولیات کے مکمل میسر ہونے سے ہی حاصل کیا جاسکتا ہے۔

مستقبل کا نقطہ نظر:

ملک کی معاشی صورتحال اس وقت تیزی کا شکار ہے۔ اور تمام تر طبقات کے کاروبار کے لئے سنگین چیلنج درپیش ہے۔ ہم اپنے شیئرز ہولڈرز سے درخواست کرتے ہیں۔ کہ وہ اس سلسلے میں ہماری کامیابی کے لئے دعا کریں۔

سال 2022 عالمی یکساں کے لئے ایک غیر یقینی سال تھا۔ عالمی کساد بازاری توانائی کی قلت، قیمتوں میں اضافہ اور کم لاگت والے ملبوسات کے گرتے ہوئے آرڈر نے پاکستانی یکساں کو نقصان پہنچایا۔ سال 2023ء تاہم 2022ء کے مقابلے میں زیادہ چیلنجنگ ہوگا۔ توقع ہے کہ پاکستان کی معیشت بڑی حد تک آئی۔ ایم۔ ایف پروگرام کی بحالی، سیاسی استحکام بحالی اور معیشت کو مستحکم کرنے کے لئے اصلاحات کے مسلسل نفاذ کے ساتھ ساتھ دوست ممالک کی حمایت سے تشکیل نو پائے گی۔ تاہم آئی۔ ایم۔ ایف کے قرض پروگرام کی بحالی کے بعد توانائی کی بلند قیمتوں، اضافی یکساں کے نفاذ، مقامی کرنسی کی قدر میں کمی، شرح سود میں اضافہ اور حکومتی اخراجات میں کمی کی صورت میں بینکاری کی ایک اور برہنہ ہے۔ جس سے معاشی مستحکم رہتی ہے۔ ماہرین کا کہنا ہے کہ اصل مل توانائی کے سستے تبادیل ذرائع خصوصاً قابل تجدید ذرائع کے ساتھ ساتھ متنوع برآمدات بالخصوص انفارمیشن ٹیکنالوجی سے متعلقہ ایشیا اور خدمات کی طرف بڑھنے میں مضمر ہے۔ تاہم کپنی کی انتظامیہ بہتر کارکردگی کے لئے مسلسل اومشٹر کو شکر 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 نیر احمد	ممبر
3	جناب شبیر احمد عابد	ممبر

ریسک مینجمنٹ کمیٹی:-

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

نامزدگی کمیٹی:-

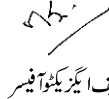
نمبر شمار	ڈائریکٹرز کے نام	عہدہ
1	جناب نصیر احمد شاہ	چیئر مین / ممبر
2	جناب شبیر احمد عابد	ممبر
3	جناب شاہد اقبال	ممبر

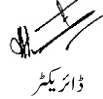
ڈائریکٹرز کا معاوضہ :

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 منسلک مالی حسابات کے نوٹ 8 میں درج کی گئی ہے۔

اعتراف :

ادارے کے اہداف کے لیے انتھک کوششوں پر ہم انتظامیہ اور عملے کے شکر گزار ہیں۔ بورڈ آف ڈائریکٹرز ہمارے بیک، قابل قدر صارفین، ویبڈرز اور دیگر تمام متعلقین کے تعاون اور اعتماد کا بھی محترف ہے۔


چیف ایگزیکٹو آفیسر


ڈائریکٹر

فیصل آباد

27 فروری، 2023

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 2022 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 2022 and 31 December 2021 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 2022.

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 Mubashar Mehmood.


RIAZ AHMAD & COMPANY
Chartered Accountants

Faisalabad


Date: 27th February, 2023

UDIN: RR202210158gbWdMp9H2

MASOOD TEXTILE
CONDENSED INTERIM STATEMENT OF FINANCIAL

	NOTE	Un-audited 31 December 2022 (RUPEES IN THOUSAND)	Audited 30 June 2022
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		2,447,552	2,447,552
		5,950,885	5,950,885
Revenue reserves		7,736,533	6,596,089
Total reserves		13,687,418	12,546,974
Total equity		14,637,418	13,496,974
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	3	3,068,401	4,006,065
Lease liabilities		28,290	44,718
Staff retirement gratuity		1,572,938	1,395,252
		4,669,629	5,446,035
CURRENT LIABILITIES			
Trade and other payables		9,071,326	8,660,234
Unclaimed dividend		10,032	10,900
Accrued mark-up		366,753	222,858
Short term borrowings		18,680,549	17,821,275
Current portion of non-current liabilities		1,990,525	2,061,764
Provision for taxation		533,026	732,897
		30,652,211	29,509,928
TOTAL LIABILITIES		35,321,840	34,955,963
CONTINGENCIES AND COMMITMENTS	4		
TOTAL EQUITY AND LIABILITIES		49,959,258	48,452,937

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



CHIEF EXECUTIVE OFFICER



DIRECTOR

MILLS LIMITED
POSITION AS AT 31 DECEMBER 2022

	NOTE	Un-audited 31 December 2022 (RUPEES IN THOUSAND)	Audited 30 June 2022
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	14,138,308	13,997,802
Right-of-use assets		110,306	128,998
Long term advances		10,456	13,744
Long term security deposits		86,494	105,601
		<u>14,345,564</u>	<u>14,246,145</u>
CURRENT ASSETS			
Stores, spare parts and loose tools		3,686,742	2,870,433
Stock in trade		14,849,530	13,251,629
Trade debts		11,620,183	12,424,837
Loans and advances		709,650	782,884
Income tax		753,132	1,003,167
Short term deposits and prepayments		302,830	254,007
Other receivables		3,039,447	2,903,378
Short term investment		8,043	7,572
Cash and bank balances		644,137	708,885
		35,613,694	34,206,792
TOTAL ASSETS		<u>49,959,258</u>	<u>48,452,937</u>

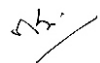


CHIEF FINANCIAL OFFICER

MASOOD TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (Un-audited)
FOR THE HALF YEAR ENDED 31 DECEMBER 2022

	Half year ended		Quarter ended	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
------(RUPEES IN THOUSAND)-----				
REVENUE FROM CONTRACTS WITH CUSTOMERS	28,969,374	25,165,069	13,734,583	13,059,850
COST OF SALES	(25,123,986)	(21,999,080)	(11,474,991)	(11,386,764)
GROSS PROFIT	3,845,388	3,165,989	2,259,592	1,673,086
DISTRIBUTION COST	(1,761,536)	(1,487,694)	(601,596)	(693,929)
ADMINISTRATIVE EXPENSES	(602,348)	(507,749)	(230,471)	(228,900)
OTHER EXPENSES	(66,587)	(93,177)	(195,792)	(53,418)
OTHER INCOME	1,295,581	886,352	44,828	331,851
FINANCE COST	(1,192,914)	(636,455)	(660,360)	(308,707)
PROFIT BEFORE TAXATION	1,517,584	1,327,266	616,201	719,983
TAXATION	(345,059)	(268,733)	(118,962)	(133,607)
PROFIT AFTER TAXATION	1,172,525	1,058,533	497,239	586,376
EARNINGS PER SHARE - BASIC (RUPEES)	17.01	15.48	7.18	8.59
- DILUTED (RUPEES)	15.03	13.99	6.16	7.65

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 HALF YEAR ENDED 31 DECEMBER 2022

Half year ended		Quarter ended	
31 December 2022	31 December 2021	31 December 2022	31 December 2021

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

PROFIT AFTER TAXATION	1,172,525	1,058,533	497,239	586,376
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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 FOR THE PERIOD	1,172,525	1,058,533	497,239	586,376
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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 HALF YEAR ENDED 31 DECEMBER 2022

	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	TOTAL		
	(RUPEES IN THOUSAND)										
Balance as at 30 June 2021 - (Audited)	986,686	1,375,000	128,333	1,500,000	2,447,552	5,450,885	714,500	3,753,230	4,467,730	9,918,615	10,905,281
Transactions with owners:											
Contribution from shareholders	-	-	-	200,000	-	-	-	-	-	200,000	200,000
Redemption of preference shares	(36,666)	-	-	-	-	-	-	-	-	-	(36,666)
Transfer from capital redemption reserve fund	-	(36,666)	-	-	-	-	-	36,666	36,666	-	-
Transfer to capital redemption reserve fund	-	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 period	-	-	-	-	-	-	-	1,058,533	1,058,533	-	1,058,533
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	-	1,058,533	1,058,533	-	1,058,533
Balance as at 31 December 2021 - (Un-audited)	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
Transaction with owners:											
Contribution from shareholders	-	-	-	300,000	-	-	-	-	-	300,000	300,000
Profit for the period	-	-	-	-	-	-	-	1,217,507	1,217,507	1,217,507	1,217,507
Other comprehensive loss for the period	-	-	-	-	-	-	-	(118,713)	(118,713)	-	(118,713)
Total comprehensive income for the period	-	-	-	-	-	-	-	1,098,794	1,098,794	1,098,794	1,098,794
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
Transaction with owners:											
Dividend at the rate of Rupees 1.16 per share (Preference shares)	-	-	-	-	-	-	-	(32,081)	(32,081)	-	(32,081)
Profit for the period	-	-	-	-	-	-	-	1,172,525	1,172,525	1,172,525	1,172,525
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	-	1,172,525	1,172,525	1,172,525	1,172,525
Balance as at 31 December 2022 - (Un-audited)	950,000	1,375,000	128,333	2,000,000	2,447,552	5,950,885	714,500	7,022,033	7,736,533	13,687,418	14,637,418

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 HALF YEAR ENDED 31 DECEMBER 2022

	NOTE	Half year ended	
		31 December 2022	31 December 2021
(RUPEES IN THOUSAND)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	6	2,169,358	1,683,424
Finance cost paid		(1,036,157)	(604,963)
Mark-up paid against lease liabilities		(6,460)	(7,663)
Income tax paid		(294,895)	(252,885)
Dividend paid to ordinary shareholders		(868)	(1)
Dividend paid to preference shareholders		(32,081)	(76,650)
Staff retirement gratuity paid		(61,113)	(89,696)
Net decrease in long term advances		3,288	806
Net decrease / (increase) in long term security deposits		19,107	(33,343)
Net cash generated from operating activities		760,179	619,029
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		18,492	29,741
Capital expenditure on property, plant and equipment		(644,701)	(539,254)
Investment made		(471)	(231)
Net cash used in investing activities		(626,680)	(509,744)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		-	155,000
Repayment of long term financing		(1,001,010)	(1,302,281)
Repayment of lease liabilities		(56,511)	(85,657)
Repayment of preference shares		-	(36,666)
Capital contribution		-	200,000
Short term borrowings - net		859,274	1,142,990
Net cash (used in) / from financing activities		(198,247)	73,386
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		(64,748)	182,671
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		708,885	530,931
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		644,137	713,602

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 HALF YEAR ENDED 31 DECEMBER 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 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 December 2022	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	-	2,106,695
Add: Amortized during the period / year	6,402	37,288
Less: Repaid during the period / year	1,001,010	3,748,698
	4,954,289	5,948,897
Less: Current portion shown under current liabilities	1,885,888	1,942,832
	3,068,401	4,006,065

4. CONTINGENCIES AND COMMITMENTS

a) Contingencies

- i) Guarantees of Rupees 278.495 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 16.745 million (30 June 2022: Rupees 45.578 million) and other than capital expenditure are of Rupees 1,790.236 million (30 June 2022: Rupees 2,666.001 million).
- ii) Ijarah commitments are amounting to Rupees 286.358 million (30 June 2022: Rupees 150.283 million).

Un-audited	Audited
31 December	30 June
2022	2022

(RUPEES IN THOUSAND)

5. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets (Note 5.1)	13,738,704	13,704,433
Capital work-in-progress (Note 5.2)	399,604	293,369
	<u>14,138,308</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)	538,466	1,490,204
Less: Book value of deletions during the period / year (Note 5.1.2)	8,778	61,220
	<u>14,234,121</u>	<u>14,660,126</u>
Less: Depreciation charged during the period / year	495,417	955,693
	<u>13,738,704</u>	<u>13,704,433</u>

5.1.1 Cost of additions during the period / year

Freehold land	-	22,952
Buildings on freehold land	60,486	57,958
Plant and machinery	269,688	919,143
Electric and gas installations	40,891	218,139
Factory equipment	4,092	38,243
Telephone installations	367	1,185
Furniture and fixtures	29,332	43,574
Office equipment	132	285
Computer equipment	15,297	28,902
Vehicles	118,181	159,823
	<u>538,466</u>	<u>1,490,204</u>

5.1.2 Book value of deletions during the period / year

Plant and machinery	-	38,587
Vehicles	8,778	22,633
	<u>8,778</u>	<u>61,220</u>

Un-audited	Audited
31 December 2022	30 June 2022

(RUPEES IN THOUSAND)

5.2 Capital work-in-progress

Buildings on freehold land	153,037	91,351
Plant and machinery	198,729	94,929
Advances against purchase of machinery	23,928	107,089
Electric and gas installations	23,910	-
	<u>399,604</u>	<u>293,369</u>

(Un-audited)	
Half year ended	
31 December 2022	31 December 2021

(RUPEES IN THOUSAND)

6. CASH GENERATED FROM OPERATIONS

Profit before taxation	1,517,584	1,327,266
Adjustments for non-cash charges and other items:		
Depreciation on property, plant and equipment	495,417	463,048
Depreciation on right-of-use assets	53,316	80,346
Provision for staff retirement gratuity	277,682	203,906
Gain on sale of property, plant and equipment	(9,714)	(4,390)
Allowance for expected credit losses - net	3,434	348
Amortization of deferred income - Government grant	(6,402)	(22,620)
Gain on termination of lease liability	(600)	-
Finance cost	1,192,914	636,455
Working capital changes (Note 6.1)	(1,354,273)	(1,000,935)
	<u>2,169,358</u>	<u>1,683,424</u>

6.1 Working capital changes

(Increase) / decrease in current assets

Stores, spare parts and loose tools	(816,309)	(205,957)
Stock in trade	(1,597,901)	(1,950,271)
Trade debts	801,220	(548,150)
Loans and advances	73,234	(12,303)
Short term deposits and prepayments	(48,823)	(28,731)
Other receivables	(136,069)	(188,617)
	(1,724,648)	(2,934,029)
Increase in trade and other payables	370,375	1,933,094
	<u>(1,354,273)</u>	<u>(1,000,935)</u>

7. SEGMENT INFORMATION
7.1 Segment results

	Spinning		Knitting		Processing and Garments		Elimination of inter-segment transactions		Total - Company	
	(Un-audited) Half year ended 2022	(Audited) 31 December 2021	(Un-audited) Half year ended 2022	(Audited) 31 December 2021	(Un-audited) Half year ended 2022	(Audited) 31 December 2021	(Un-audited) Half year ended 2022	(Audited) 31 December 2021	(Un-audited) Half year ended 2022	(Audited) 31 December 2021
Revenue from contracts with customers										
External Intersegment	1,851,724	1,809,623	469,772	178,898	26,647,878	23,176,548	-	-	28,969,374	25,165,069
	4,204,484	2,539,132	10,500,503	30,303	30,303	10,307,387	(14,735,290)	(12,856,578)	-	-
	6,056,208	4,348,755	10,970,275	10,486,265	26,678,181	23,186,627	(14,735,290)	(12,856,578)	28,969,374	25,165,069
Cost of sales	(5,894,558)	(4,195,604)	(10,735,079)	(10,254,635)	(23,239,639)	(20,405,419)	14,735,290	12,856,578	(25,123,986)	(21,999,080)
Gross profit	171,650	153,151	235,196	231,630	3,438,542	2,781,208	-	-	3,845,388	3,165,989
Distribution cost	(65,244)	(49,725)	(91,945)	(67,274)	(1,610,347)	(1,350,695)	-	-	(1,761,536)	(1,487,694)
Administrative expenses	(109,864)	(35,485)	(67,933)	(97,729)	(465,775)	(374,538)	-	-	(602,349)	(507,749)
Finance cost	-	(65,210)	(179,878)	(185,000)	(2,074,122)	(1,725,233)	-	-	(2,363,864)	(1,995,443)
Taxation	-	-	-	-	-	-	-	-	-	-
Profit before taxation and unallocated income and expenses	61,766	67,841	85,318	46,630	1,384,420	1,055,925	-	-	1,481,504	1,170,546
Unallocated income and expenses:										
Other expenses	-	-	-	-	-	-	-	-	(66,587)	(93,177)
Other income	-	-	-	-	-	-	-	-	1,295,581	886,352
Finance cost	-	-	-	-	-	-	-	-	(1,192,914)	(936,455)
Taxation	-	-	-	-	-	-	-	-	(946,099)	(968,733)
Profit after taxation	-	-	-	-	-	-	-	-	1,172,925	1,038,633

7.2 Reconciliation of reportable segment assets and liabilities:

	Spinning		Knitting		Processing and Garments		Elimination of inter-segment transactions		Total - Company	
	(Un-audited) Half year ended 2022	(Audited) 31 December 2021	(Un-audited) Half year ended 2022	(Audited) 31 December 2021	(Un-audited) Half year ended 2022	(Audited) 31 December 2021	(Un-audited) Half year ended 2022	(Audited) 31 December 2021	(Un-audited) Half year ended 2022	(Audited) 31 December 2021
Total assets for reportable segments	4,853,441	4,141,624	3,493,504	3,486,660	24,317,635	22,475,103	-	-	32,674,580	30,103,597
Unallocated assets	-	-	-	-	-	-	-	-	17,284,678	18,349,340
Total assets as per condensed interim statement of financial position	4,853,441	4,141,624	3,493,504	3,486,660	24,317,635	22,475,103	-	-	49,959,258	48,452,937
Total liabilities for reportable segments	714,574	675,729	2,409,611	2,702,018	7,892,632	6,800,601	-	-	11,011,017	10,278,345
Unallocated liabilities	-	-	-	-	-	-	-	-	24,910,823	24,677,618
Total liabilities as per condensed interim statement of financial position	714,574	675,729	2,409,611	2,702,018	7,892,632	6,800,601	-	-	35,321,840	34,955,963

7.3 Segment wise and geographical location wise disaggregation of revenue

	Spinning		Knitting		Processing and Garments		Total - Company			
	(Un-audited) Half year ended 2022	(Audited) 31 December 2021	(Un-audited) Half year ended 2022	(Audited) 31 December 2021	(Un-audited) Half year ended 2022	(Audited) 31 December 2021	(Un-audited) Half year ended 2022	(Audited) 31 December 2021		
America and Canada	-	-	-	-	19,511,532	17,118,703	-	-	18,511,532	17,118,703
Europe	429,324	347,376	-	-	4,549,343	2,516,877	-	-	4,549,343	2,516,877
Asia, Africa and Australia	1,422,400	1,462,247	469,772	178,898	2,331,269	2,042,935	-	-	2,760,593	2,390,311
Pakistan	1,851,724	1,809,623	469,772	178,898	1,295,734	1,498,033	-	-	3,147,906	3,139,178
Yarn	1,825,119	1,779,307	134,552	49,092	49,092	-	-	-	1,959,671	1,828,399
Knitting / dyeing income	-	-	335,068	129,806	603,872	549,455	-	-	939,040	679,261
Finished fabric / garments	26,605	30,316	152	-	25,591,544	22,035,198	-	-	25,591,544	22,035,198
Waste	-	-	-	-	452,362	591,895	-	-	479,119	622,211
Total	1,851,724	1,809,623	469,772	178,898	26,647,878	23,176,548	-	-	28,969,374	25,165,069

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

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 and balances with related parties are as follows:

(Un-audited)			
Half Year Ended		Quarter Ended	
31 December 2022	31 December 2021	31 December 2022	31 December 2021
----- (RUPEES IN THOUSAND) -----			

i) Transactions

Other related parties

Remuneration paid to Chief Executive

Officer, directors and executives	256,312	189,750	120,822	100,843
Sale of vehicles to executives	9,918	-	2,687	-

Un-audited	Audited
31 December 2022	30 June 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

9,828 13,512

Loans and advances

14,761 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 31 December 2022 - (un-audited)

At fair value through profit or loss

8,043 - - 8,043

Total financial assets

8,043 - - 8,043

At 30 June 2022 - (audited)

At fair value through profit or loss

7,572 - - 7,572

Total financial assets

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 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.

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 February, 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

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