



mtm

Masood Textile Mills

moving towards
sustainable future

HALF YEARLY REPORT

31 DECEMBER 2023

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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

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.

DIRECTOR'S REPORT TO THE MEMBERS

On behalf of 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 year ended 31st December, 2023.

FINANCIAL RESULTS:

Following are the financial results of the Company for the period ended 31st December 2023:

Description	Half year ended		Quarter ended	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	(RUPEES IN THOUSAND)			
REVENUE FROM CONTRACTS WITH CUSTOMERS	29,505,741	28,969,374	14,335,748	13,734,583
COST OF SALES	(23,296,790)	(25,123,986)	(11,235,434)	(11,474,991)
GROSS PROFIT	6,208,951	3,845,388	3,100,314	2,259,592
DISTRIBUTION COST	(1,493,587)	(1,761,536)	(490,865)	(601,596)
ADMINISTRATIVE EXPENSES	(538,741)	(602,348)	(209,282)	(230,471)
OTHER EXPENSES	(205,899)	(66,587)	(167,469)	(195,792)
OTHER INCOME	124,881	1,295,581	27,082	44,828
FINANCE COST	(2,414,184)	(1,192,914)	(1,384,301)	(660,360)
PROFIT BEFORE TAXATION	1,681,421	1,517,584	875,479	616,201
TAXATION	(479,021)	(345,059)	(182,941)	(118,962)
PROFIT AFTER TAXATION	1,202,400	1,172,525	692,538	497,239
EARNINGS PER SHARE -BASIC (RUPEES)	17.30	17.01	10.00	7.18
-DILUTED (RUPEES)	15.79	15.03	9.22	6.16

For the second quarter ended 31st December 2023, Company earned revenue amounting to Rs. 14.336 billion as compared to Rs. 13.735 billion during the corresponding second quarter of previous financial year. During the same period, the Company earned a gross profit of Rs. 3.100 billion (EPS: Rupees 10.00 per share), compared to gross profit of Rs. 2.260 billion (EPS: Rupees 7.18 per share) for the same quarter last year.

INDUSTRY / MARKET OVERVIEW:

During the first six months of the current fiscal year, the significant challenge is higher markup payments due to the high policy rate. Other factors such as taxes, wage growth and social welfare programs influence disposable income, shaping consumer spending patterns amid evolving behaviors and demographics. Inflation poses challenges for both consumers and businesses, affecting purchasing power and profitability. Future considerations may center on sustainable development, inclusive growth and addressing income inequality.

Pakistan has successfully reduced its fiscal deficit, increased its foreign exchange reserves, stabilized its currency and boosted its exports and remittances. Moreover, Pakistan has implemented several structural reforms and policy measures to enhance its economic competitiveness, governance and social welfare.

Major factor behind this economic resurgence is the establishment of the Special Investment Facilitation Council (SIFC) and a successful completion of the first review of IMF that aims to attract foreign investment and to boost the economic growth.

FUTURE OUTLOOK

Despite the projected economic challenges like high rate of inflation, elevated mark up and exorbitant energy prices, company demonstrates a strong resilience in the face of the economic slowdown and political uncertainty. It is hoped that the new government will result in all-round stability. This in turn may lead to the resumption of public spending, possible interest rate reduction and the inflow of foreign investment and IMF support.

The Company therefore remains cautiously optimistic about the remainder of this financial year and the prospects for the next one. The economic situation of the country is posing a serious challenge to business across the board.

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

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

FAISALABAD
28th February, 2024



CHIEF EXECUTIVE OFFICER



DIRECTOR

ممبران کے لئے ڈائریکٹرز رپورٹ

کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے 31 دسمبر 2023 کو ختم ہونے والی دوسری سہ ماہی اور نصف سال کی مدت کے غیر آڈٹ شدہ مالیاتی نتائج پیش کرنے پر مسرت محسوس کر رہے ہیں۔

مالی نتائج:

کمپنی کی 31 دسمبر 2023 کو اختتام پذیر ہونے والی مدت کے مالی نتائج مندرجہ ذیل ہے۔

اختتامی سہ ماہی		اختتامی شش ماہی		تفصیل
31 دسمبر 2022	31 دسمبر 2023	31 دسمبر 2022	31 دسمبر 2023	
روپے ہزاروں میں	روپے ہزاروں میں	روپے ہزاروں میں	روپے ہزاروں میں	
13,734,583	14,335,748	28,969,374	29,505,741	صارفین کے ساتھ معاہدوں سے حاصل ہونے والی آمدنی
(11,474,991)	(11,235,434)	(25,123,986)	(23,296,790)	لاگت سبز
2,259,592	3,100,314	3,845,388	6,208,951	مجموعی نفع
(601,596)	(490,865)	(1,761,536)	(1,493,587)	ڈسٹری بیوشن خرچہ
(230,471)	(209,282)	(602,348)	(538,741)	کاروبار کے انتظامی اخراجات
(195,792)	(167,469)	(66,587)	(205,899)	دیگر اخراجات
44,828	27,082	1,295,581	124,881	دیگر آمدن
(660,360)	(1,384,301)	(1,192,914)	(2,414,184)	مالی لاگت
616,201	875,479	1,517,584	1,681,421	نفع ٹیکس سے پہلے
(118,962)	(182,941)	(345,059)	(479,021)	ادا کردہ ٹیکسز
497,239	692,538	1,172,525	1,202,400	نفع ٹیکس کی ادائیگی کے بعد
7.18	10.00	17.01	17.30	آمدن فی حصص بنیادی (روپیہ)
6.16	9.22	15.03	15.79	آمدن فی حصص ڈائلیٹ (روپیہ)

31 دسمبر 2023 کو ختم ہونے والی دوسری سہ ماہی کے لیے کمپنی نے 14.336 بلین روپے کمائے اس کے مقابلے میں پچھلے مالی سال کی اسی دوسری سہ ماہی کے دوران 13.735 بلین روپے کمائے تھے۔ 31 دسمبر 2023 کو ختم ہونے والی دوسری سہ ماہی کے دوران کمپنی کو 3.100 بلین روپے (فی حصص کمائی) 10.00 روپے (مجموعی نفع ہوا۔ جو کہ گزشتہ اسی مدت میں 2.260 بلین روپے (فی حصص کمائی) 7.18 روپے (مجموعی نفع ہوا تھا۔

صنعت / مارکیٹ کا جائزہ

رواں مالی سال کے پہلے چھ مہینوں کے دوران اہم چیلنج میں بڑھتے ہوئے پالیسی ریٹ کی وجہ سے زیادہ مارک اپ ادائیگیاں ہیں۔ دیگر عوامل جیسے ٹیکس، اجرت میں اضافہ اور سماجی بہبود کے پروگرام ڈسپوزاویل آمدنی پر اثر انداز ہوتے ہیں۔ ابھرتے ہوئے خطرے عمل اور آبادی کے درمیان صارفین کے اخراجات کے طرز کو تشکیل دیتے ہیں۔ مہنگائی صارفین اور کاروبار دونوں کے لئے چیلنج کا باعث بن رہی ہے، جس سے قوت خرید اور منافع متاثر ہوتا ہے۔ مستقبل کے تحفظات پائیدار ترقی، جامع ترقی اور آمدنی میں عدم مساوات کو دور کرنے پر مرکوز ہو سکتے ہیں۔

پاکستان نے کامیابی کے ساتھ اپنے مالیاتی خسارے کو کم کیا ہے، اپنے زرمبادلہ کے ذخائر میں اضافہ کیا ہے، اپنی کرنسی کو مستحکم کیا ہے، اور اپنی برآمدات اور ترسیلات زر کو بڑھایا ہے۔ مزید برآں، پاکستان نے اپنی معاشی مسابقت، جامع ترقی اور سماجی بہبود کو بڑھانے کے لئے کئی بنیادی اصلاحات اور پالیسی اقدامات کئے ہیں۔

اسی معاشی بحالی کے پیچھے اہم عنصر خصوصی سرمایہ کاری سہولت کونسل (SIFC) کا قیام، اور IMF کے پہلے جائزے کی کامیاب تکمیل ہے، جس کا مقصد غیر ملکی سرمایہ کاری کو راغب کرنا اور اقتصادی ترقی کو بڑھانا ہے۔

مستقبل کا نقطہ نظر:

متوقع اقتصادی چیلنجوں جیسا کہ افراط زر کی بلند شرح، بلند مارک اپ اور توانائی کی بڑھتی ہوئی غیر معمولی قیمتوں کے باوجود، کمپنی، معاشی سست روی اور سیاسی غیر یقینی کی صورتحال کے سامنے مضبوط پلک کا مظاہرہ کرتی ہے۔ امید ہے کہ نئی حکومت کے نتیجے میں ہمہ گیر استحکام آئے گا۔ جس کے نتیجے میں عوامی اخراجات کی بحالی، مارک اپ میں ممکنہ کمی، غیر ملکی سرمایہ کاری کی آمد اور IMF کی حمایت کا سبب بن سکتا ہے۔

اس لئے کمپنی اس سال شرح سود کی باقی ماندہ اور اگلے سال کے امکانات کے بارے میں محتاط طور پر امید ہے۔ ملک کی معاشی صورتحال پورے خطے میں کاروبار کے لئے ایک سنگین چیلنج بن رہی ہے۔

بورڈ کی ترتیب:

7	ڈائریکٹرز کی کل تعداد
6	(a) مرد
1	(b) عورت

ترتیب

2	(a) آزاد ڈائریکٹرز
3	(b) نان ایگزیکٹو ڈائریکٹرز
1	(c) ایگزیکٹو ڈائریکٹر
1	(d) فی میل ڈائریکٹر

بورڈ کی کمیٹیاں

بورڈ کی آڈٹ کمیٹی:-

نمبر شمار	ڈائریکٹرز کے نام
1	جناب شبیر احمد عابد
2	جناب نصیر احمد شاہ
3	جناب شاہد اقبال

انسانی وسائل اور معاوضہ کمیٹی:-

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

ریک مینجمنٹ کمیٹی:-

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

نامزدگی کمیٹی:-

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

ڈائریکٹرز کا معاوضہ :


کمیٹی اپنے نان ایگزیکٹو ڈائریکٹرز بشمول 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 :

بورڈ، ملازمین، بینکرز، کارپوریٹ ریگولیٹرز، حصص داران، اور دیگر سرکاری حکام کے مسلسل تعاون کو سراہتا ہے۔

از طرف بورڈ

فیصل آباد
28 فروری، 2024


چیف ایگزیکٹو آفیسر


ڈائریکٹر

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 2023 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 2023 and 31 December 2022 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 2023.

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: 28 February 2024


UDIN: RR202310158eu3aw9QWJ

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	NOTE	Un-audited 31 December 2023 (RUPEES IN THOUSAND)	Audited 30 June 2023
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
1 200 000 000 (30 June 2023: 1 200 000 000) ordinary shares of Rupees 10 each		12,000,000	12,000,000
60 000 000 (30 June 2023: 60 000 000) preference shares of Rupees 10 each		600,000	600,000
		<u>12,600,000</u>	<u>12,600,000</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		3,574,318	3,574,318
		7,077,651	7,077,651
Revenue reserves		10,340,202	9,187,819
Total reserves		<u>17,417,853</u>	<u>16,265,470</u>
Total equity		<u>18,367,853</u>	<u>17,215,470</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	3	1,674,753	2,356,062
Lease liabilities		100,822	11,438
Staff retirement gratuity		1,926,016	1,722,219
		3,701,591	4,089,719
CURRENT LIABILITIES			
Trade and other payables		9,806,360	9,675,309
Unclaimed dividend		8,943	8,944
Accrued mark-up		920,692	787,782
Short term borrowings		21,421,813	20,607,236
Current portion of non-current liabilities		1,824,084	1,905,616
Provision for taxation		759,724	951,134
		34,741,616	33,936,021
TOTAL LIABILITIES		<u>38,443,207</u>	<u>38,025,740</u>
CONTINGENCIES AND COMMITMENTS	4		
TOTAL EQUITY AND LIABILITIES		<u>56,811,060</u>	<u>55,241,210</u>

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


CHIEF EXECUTIVE OFFICER

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	NOTE	Un-audited 31 December 2023 (RUPEES IN THOUSAND)	Audited 30 June 2023
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	16,961,540	15,343,727
Right-of-use assets		133,998	58,605
Long term advances		12,159	17,174
Long term security deposits		87,799	75,560
		17,195,496	15,495,066
CURRENT ASSETS			
Stores, spare parts and loose tools		4,249,576	3,936,547
Stock in trade		15,641,285	12,703,259
Trade debts		13,906,832	16,726,515
Loans and advances		827,477	744,733
Income tax		739,418	1,061,618
Short term deposits and prepayments		442,360	298,453
Other receivables		3,066,743	3,252,398
Short term investments		9,389	8,630
Cash and bank balances		732,484	1,013,991
		39,615,564	39,746,144
TOTAL ASSETS		56,811,060	55,241,210



DIRECTOR



CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (Un-audited)

FOR THE HALF YEAR ENDED 31 DECEMBER 2023

	Half year ended		Quarter ended	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	(RUPEES IN THOUSAND)			
REVENUE FROM CONTRACTS WITH CUSTOMERS	29,505,741	28,969,374	14,335,748	13,734,583
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FINANCE COST	(2,414,184)	(1,192,914)	(1,384,301)	(660,360)
PROFIT BEFORE TAXATION	1,681,421	1,517,584	875,479	616,201
TAXATION	(479,021)	(345,059)	(182,941)	(118,962)
PROFIT AFTER TAXATION	1,202,400	1,172,525	692,538	497,239
EARNINGS PER SHARE - BASIC (RUPEES)	17.30	17.01	10.00	7.18
- DILUTED (RUPEES)	15.79	15.03	9.22	6.16

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-audited)

FOR THE HALF YEAR ENDED 31 DECEMBER 2023

	Half year ended		Quarter ended	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	(RUPEES IN THOUSAND)			
PROFIT AFTER TAXATION	1,202,400	1,172,525	692,538	497,239
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss	-	-	-	-
Items that may be reclassified subsequently to profit or loss	-	-	-	-
Other comprehensive income for the period	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>1,202,400</u>	<u>1,172,525</u>	<u>692,538</u>	<u>497,239</u>

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUATY (Un-audited)

FOR THE HALF YEAR ENDED 31 DECEMBER 2023

	RESERVES										TOTAL EQUITY	
	SHARE CAPITAL			CAPITAL			RESERVES					TOTAL
	Share premium	Redemption fund	Capital contribution	Surplus on revaluation of freehold land	Sub total	General	Unappropriated profit	Sub total	TOTAL			
Balance as at 01 July 2022 - (Audited)	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	13,486,974		
Transaction with owners: Dividend at the rate of Rupees 1.166569 per share (Preference shares)	-	-	-	-	-	-	(32,081)	(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)	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		
Transfer from surplus on revaluation of freehold land on disposal of freehold land	-	-	-	(12,277)	(12,277)	-	12,277	12,277	-	-		
Profit for the period	-	-	-	-	-	-	1,478,664	1,478,664	1,478,664	1,478,664		
Other comprehensive income for the period	-	-	-	1,139,043	1,139,043	-	(39,655)	(39,655)	1,099,388	1,099,388		
Total comprehensive income for the period	-	-	-	1,139,043	1,139,043	-	1,439,009	1,439,009	2,578,052	2,578,052		
Balance as at 30 June 2023 - (Audited)	1,375,000	128,333	2,000,000	3,574,318	7,077,651	714,500	8,473,319	9,187,819	16,265,470	17,215,470		
Transactions with owners: Dividend at the rate of Rupees 1.8188 per share (Preference shares)	-	-	-	-	-	-	(50,017)	(50,017)	(50,017)	(50,017)		
Profit for the period	-	-	-	-	-	-	1,202,400	1,202,400	1,202,400	1,202,400		
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-		
Total comprehensive income for the period	-	-	-	-	-	-	1,202,400	1,202,400	1,202,400	1,202,400		
Balance as at 31 December 2023 - (Un-audited)	1,375,000	128,333	2,000,000	3,574,318	7,077,651	714,500	9,625,702	10,340,202	17,417,853	18,367,853		

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

[Signature]

CHIEF EXECUTIVE OFFICER

[Signature]

DIRECTOR

[Signature]

CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF CASH FLOWS (Un-audited)

FOR THE HALF YEAR ENDED 31 DECEMBER 2023

	NOTE	Half Year Ended	
		31 December 2023	31 December 2022
(RUPEES IN THOUSAND)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	6	4,613,641	2,139,026
Finance cost paid		(2,271,280)	(1,036,157)
Mark-up paid against lease liabilities		(9,994)	(6,460)
Income tax paid		(348,231)	(294,895)
Dividend paid to ordinary shareholders		(1)	(868)
Dividend paid to preference shareholders		(50,017)	(32,081)
Staff retirement gratuity paid		(105,800)	(61,113)
Net decrease in long term advances		5,015	3,288
Net (increase) / decrease in long term security deposits		(12,239)	19,107
Net cash generated from operating activities		1,821,094	729,847
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		106,824	18,492
Capital expenditure on property, plant and equipment		(2,275,589)	(644,701)
Investment made		(759)	(471)
Profit on deposits with banks received		57,861	30,332
Net cash used in investing activities		(2,111,663)	(596,348)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		187,571	-
Repayment of long term financing		(947,504)	(1,001,010)
Repayment of lease liabilities		(45,582)	(56,511)
Short term borrowings - net		814,577	859,274
Net cash from / (used in) financing activities		9,062	(198,247)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(281,507)	(64,748)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		1,013,991	708,885
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		732,484	644,137

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)

FOR THE HALF YEAR ENDED 31 DECEMBER 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. BASIS OF PREPARATION AND STATEMENT OF MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Statement of compliance

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.

2.2 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 2023.

2.3 The figures of condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended 31 December 2023 and 31 December 2022 have not been reviewed by the auditors of the company as they have reviewed the cumulative figures for and half year ended 31 December 2023 and 31 December 2022.

2.4 Statement Of Material Accounting Policy Information

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 2023.

2.5 Critical accounting estimates and judgments

The preparation of these condensed interim financial statements, in conformity with approved accounting and reporting standards requires management to make and use judgements, assumption and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors including reasonable expectations of future events. Revision to accounting estimates are recognized prospectively from the period of revision.

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 applied in the annual financial statements of the Company for the year ended 30 June 2023.

2.6 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 2023.

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)

FOR THE HALF YEAR ENDED 31 DECEMBER 2023

	Un-audited 31 December 2023 (RUPEES IN THOUSAND)	Audited 30 June 2023
3. LONG TERM FINANCING		
From banking companies - secured		
Opening balance	4,206,619	5,948,897
Add:		
Obtained during the period / year	187,571	190,429
Amortization during the period / year	-	6,401
	4,394,190	6,145,727
Less: Repaid during the period / year	947,504	1,939,108
	3,446,686	4,206,619
Less: Current portion shown under current liabilities	1,771,933	1,850,557
	1,674,753	2,356,062

4. CONTINGENCIES AND COMMITMENTS

a) Contingencies

- i) Guarantees of Rupees 461.495 million (30 June 2023: Rupees 403.495 million) are given by the banks of the Company to Sui Northern Gas Pipelines Limited (SNGPL) against gas connections, to Faisalabad Electric Supply Company Limited (FESCO) against electricity 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 2023: Rupees 23.625 million) related to this difference, subject to furnishing of post dated cheques which are being submitted by the Company. This writ petition was decided in favour of the Company. Against this decision, SNGPL filed an Intra Court Appeal No. 73521/2021 in Lahore High Court, Lahore on 27 September 2021 which is pending for adjudication. Keeping in view the opinion of the legal counsel of the Company, the related provision is not made in these condensed financial statements as there are strong grounds of favorable outcome of the petition.
- iii) The Company has filed a writ petition in the Lahore High Court, Lahore on 29 June 2022 against the demand of fifty percent increase on social security contribution as penalty having an amount of Rupees 137.713 million (30 June 2023: 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 financial statements as there are strong grounds of favorable outcome of the petition.

b) Commitments

- i) Contracts / letters of credit for capital expenditure are amounting to Rupees 419.163 million (2023: Rupees 241.975 million) and for other than capital expenditure are of Rupees 1,532.644 million (30 June 2023: Rupees 1,740.946 million).
- ii) Ijarah commitments are amounting to Rupees 659.982 million (30 June 2023: Rupees 488.597 million).

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)

FOR THE HALF YEAR ENDED 31 DECEMBER 2023

	Un-audited 31 December 2023 (RUPEES IN THOUSAND)	Audited 30 June 2023
5. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets (Note 5.1)	16,596,338	14,806,641
Capital work-in-progress (Note 5.2)	365,202	537,086
	16,961,540	15,343,727
5.1 Operating fixed assets		
Opening book value	14,806,641	13,704,433
Add:		
Surplus on revaluation of freehold land	-	1,139,043
Cost of additions during the period / year (Note 5.1.1)	2,447,473	1,419,056
Transferred from right-of-use assets - vehicles	1,740	2,121
	17,255,854	16,264,653
Less: Book value of deletions during the period / year (Note 5.1.2)	92,629	442,604
	17,163,225	15,822,049
Less: Depreciation charged during the period / year	566,887	1,015,408
	16,596,338	14,806,641
5.1.1 Cost of additions during the period / year		
Freehold land	16,202	180,875
Buildings on freehold land	324,292	107,872
Plant and machinery	1,580,565	669,440
Electric and gas installations	73,844	112,298
Factory equipment	71,879	34,027
Telephone installations	882	447
Furniture and fixtures	48,299	60,070
Office equipment	174	528
Computer equipment	55,838	29,776
Vehicles	275,498	223,723
	2,447,473	1,419,056
5.1.2 Book value of deletions during the period / year		
Freehold land	-	408,974
Plant and machinery	43,231	335
Factory equipment	15	-
Vehicles	49,383	33,295
	92,629	442,604
5.2 Capital work-in-progress		
Buildings on freehold land	10,032	175,677
Plant and machinery	276,769	91,042
Advances against purchase of machinery	78,401	270,367
	365,202	537,086

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)

FOR THE HALF YEAR ENDED 31 DECEMBER 2023

	Un-audited Half year ended	
	31 December 2023	31 December 2022
	(RUPEES IN THOUSAND)	
6. CASH GENERATED FROM OPERATIONS		
Profit before taxation	1,681,421	1,517,584
Adjustments for non-cash charges and other items:		
Depreciation on property, plant and equipment	566,887	495,417
Depreciation on right-of-use assets	45,663	53,316
Provision for staff retirement gratuity	342,181	277,682
Gain on sale of property, plant and equipment	(14,195)	(9,714)
Finance cost	2,414,184	1,192,914
Allowance for expected credit losses - net	1,316	3,434
Amortization of deferred income - Government grant	-	(6,402)
Gain on termination of lease liability	-	(600)
Profit on deposits with banks	(57,820)	(32,263)
Working capital changes (Note 6.1)	(365,996)	(1,352,342)
	<u>4,613,641</u>	<u>2,139,026</u>
6.1 Working capital changes		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(313,029)	(816,309)
Stock in trade	(2,938,026)	(1,597,901)
Trade debts	2,818,367	801,220
Loans and advances	(82,744)	73,234
Short term deposits and prepayments	(143,907)	(48,823)
Other receivables	185,614	(134,138)
	(473,725)	(1,722,717)
Increase in trade and other payables	107,729	370,375
	<u>(365,996)</u>	<u>(1,352,342)</u>

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)

FOR THE HALF YEAR ENDED 31 DECEMBER 2023

7. SEGMENT INFORMATION

7.1 Segment results

	Spinning (Un-audited)		Knitting (Un-audited)		Processing and Garments (Un-audited)		Elimination of Inter-segment transactions (Un-audited)		Total - Company (Un-audited)	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Revenue from contracts with customers	3,504,837	1,851,724	652,802	469,772	25,378,026	26,647,878	29,505,741	29,505,741	28,968,374	28,968,374
External Inter-segment	84,377,955	4,066,208	9,993,242	10,970,273	25,406,724	26,678,181	(4,332,151)	(4,728,290)	29,505,741	28,968,374
Cost of sales	(6,241,044)	(5,684,558)	(9,759,210)	(10,735,079)	(9,629,687)	(23,239,639)	14,332,151	14,725,290	(29,290,790)	(25,123,986)
Gross profit	1,263,793	2,802,368	1,864,350	2,351,916	15,748,659	16,816,319	15,175,741	14,782,740	19,678,064	13,844,388
Distribution cost	(76,567)	(59,244)	(80,046)	(91,945)	(1,316,974)	(1,800,347)	-	-	(1,487,313)	(1,791,536)
Administrative expenses	(54,215)	(50,642)	(87,683)	(87,833)	(395,842)	(463,775)	-	-	(863,418)	(958,348)
Profit before taxation and unallocated income and expenses	(130,783)	(109,894)	(167,729)	(179,879)	(1,733,818)	(2,074,122)	-	-	(2,033,840)	(2,353,884)
Unallocated income and expenses:										
Other expenses	66,128	81,768	67,274	95,318	4,043,231	1,854,420	-	-	4,176,623	1,481,504
Other income	-	-	-	-	-	-	-	-	-	(203,899)
Taxation cost	-	-	-	-	-	-	-	-	-	124,881
Taxation	-	-	-	-	-	-	-	-	-	(1,155,891)
Profit after taxation	-	-	-	-	-	-	-	-	-	(1,408,495)
Reconciliation of reportable segment assets and liabilities	-	-	-	-	-	-	-	-	-	172,555

7.2 Reconciliation of reportable segment assets and liabilities

	Spinning (Un-audited)		Knitting (Un-audited)		Processing and Garments (Un-audited)		Total - Company (Un-audited)	
	31 December 2023	30 June 2023	31 December 2023	30 June 2023	31 December 2023	30 June 2023	31 December 2023	30 June 2023
Total assets for reportable segments	6,247,934	5,050,350	4,529,851	3,633,228	23,394,815	22,475,103	36,852,400	31,158,911
Unallocated assets	-	-	-	-	-	-	19,958,690	24,112,299
Total assets as per condensed interim statement of financial position	6,247,934	5,050,350	4,529,851	3,633,228	23,394,815	22,475,103	56,811,090	55,271,210
Total liabilities for reportable segments	1,866,063	1,363,726	2,460,973	2,289,921	8,337,158	8,332,355	12,654,194	12,176,054
Unallocated liabilities	-	-	-	-	-	-	25,789,013	25,849,676
Total liabilities as per condensed interim statement of financial position	1,866,063	1,363,726	2,460,973	2,289,921	8,337,158	8,332,355	38,443,207	38,025,730

7.3 Segment wise and geographical location wise disaggregation of revenue:

	Spinning (Un-audited)		Knitting (Un-audited)		Processing and Garments (Un-audited)		Total - Company (Un-audited)	
	31 December 2023	30 June 2023	31 December 2023	30 June 2023	31 December 2023	30 June 2023	31 December 2023	30 June 2023
North America	8,290	2,098	-	-	13,093,322	17,588,610	15,101,322	17,590,708
South America	23,611	-	-	-	6,343,938	5,447,377	6,343,938	5,447,377
Europe	471,911	386,084	-	-	842,160	346,658	2,421,160	377,770
Africa	3,000,225	1,422,400	622,802	469,772	2,479,255	1,255,734	3,478,445	2,254,288
Australia	-	-	-	-	-	-	-	-
Pakistan	-	-	-	-	-	-	-	-

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

	Spinning (Un-audited)		Knitting (Un-audited)		Processing and Garments (Un-audited)		Total - Company (Un-audited)	
	31 December 2023	30 June 2023	31 December 2023	30 June 2023	31 December 2023	30 June 2023	31 December 2023	30 June 2023
Yarn	3,475,562	1,825,119	153,023	134,552	1,479,113	603,972	3,628,985	1,959,671
Knitting / dyeing income	-	-	469,779	335,068	23,380,772	25,591,544	23,380,772	25,591,544
Finished fabric / garments	29,275	26,605	-	152	518,417	452,362	547,952	479,119
Waste	3,504,837	1,851,724	622,802	469,772	25,378,102	26,647,878	29,505,741	28,968,374

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)

FOR THE HALF YEAR ENDED 31 DECEMBER 2023

8. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of associated company, other related parties and key management personnel. Detail of transactions and balances with related parties, other than those which have been disclosed elsewhere in these financial statements are as follows:

Un-audited			
Half Year Ended		Quarter Ended	
31 December 2023	31 December 2022	31 December 2023	31 December 2022
(RUPEES IN THOUSAND)			

i) Transactions

Other related parties

Remuneration and meeting fee paid to Chief Executive Officer, Directors and Executives	283,063	256,312	145,933	120,822
Sale of vehicles to executives	5,414	9,918	3,514	2,687

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

ii) Period end balances

Associated company

Trade debts	258,040	311,665
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Other related parties

Capital contribution	200,000	200,000
Long term advances	11,923	16,630
Loans and advances	28,239	27,991

9. 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 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	9,389	-	-	9,389
At 31 December 2023 - unaudited	9,389	-	-	9,389
At fair value through profit or loss	8,630	-	-	8,630
At 30 June 2023 - audited	8,630	-	-	8,630

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.

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)

FOR THE HALF YEAR ENDED 31 DECEMBER 2023

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.

10. DATE OF AUTHORIZATION

These condensed interim financial statements were approved by the Board of Directors of the Company and authorized for issue on 28 February 2024.

11. 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 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 and reclassified, wherever necessary, for the purpose of comparison. However, no significant rearrangements or reclassifications have been made except for 'GIDC Payable' amounting to Rupees 9,262 million which has been included in 'Trade and Other Payables' instead of including in 'Current Portion of Non current Liabilities', for better presentation.

12. GENERAL

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER



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