



mtm

Masood Textile Mills

moving towards
sustainable future

3rd QUARTERLY REPORT

31 MARCH 2024

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COMPANY INFORMATION

BOARD OF DIRECTORS

MR. NASEER AHMAD SHAH
(Chairman)
MR. SHAHID NAZIR AHMAD
(Chief Executive Officer)

MR. SHABIR AHMAD ABID
(Independent Director)
MR. SHAHID IOBAL
(Independent Director)
MR. SHOAB AHMAD KHAN
(NIT-Nominee)
MS. CHEN YAN
(Nominee-Shanghai Challenge Textile Co. Ltd.)
MR. SHIBIN YANG
(Nominee-Shanghai Challenge Textile Co. Ltd.)

COMPANY SECRETARY

MR. NISAR AHMAD ALVI

CHIEF FINANCIAL OFFICER

MR. MUHAMMAD SHAHID NAVEED

AUDIT COMMITTEE

MR. SHABIR AHMAD ABID (Chairman)
MR. NASEER AHMAD SHAH
MR. SHAHID IOBAL

HR & REMUNERATION COMMITTEE

MR. SHAHID IOBAL (Chairman)
MR. SHAHID NAZIR AHMAD
MR. SHABIR AHMAD ABID

RISK MANAGEMENT COMMITTEE

MR. SHAHID NAZIR AHMAD (Chairman)
MR. NASEER AHMAD SHAH
MR. SHAHID IOBAL

NOMINATION COMMITTEE

MR. NASEER AHMAD SHAH (Chairman)
MR. SHABIR AHMAD ABID
MR. SHAHID IOBAL

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 are pleased to present the un-audited condensed interim financial results of the Company for the 3rd quarter and nine months period ended 31 March 2024.

FINANCIAL RESULTS:

Following are un-audited interim financial results of the Company for the period ended 31st March 2024:

| DESCRIPTION | PERIOD ENDED | | QUARTER ENDED | |
|---------------------------------------|----------------------|------------------|------------------|------------------|
| | 31 March 2024 | 31 March 2023 | 31 March 2024 | 31 March 2023 |
| | (RUPEES IN THOUSAND) | | | |
| REVENUE FROM CONTRACTS WITH CUSTOMERS | 44,328,669 | 44,811,149 | 14,822,928 | 15,841,775 |
| COST OF SALES | (35,047,767) | (38,985,429) | (11,750,977) | (13,861,443) |
| GROSS PROFIT | 9,280,902 | 5,825,720 | 3,071,951 | 1,980,332 |
| DISTRIBUTION COST | (2,140,842) | (2,953,513) | (647,255) | (1,191,977) |
| ADMINISTRATIVE EXPENSES | (755,376) | (931,272) | (216,635) | (328,924) |
| OTHER EXPENSES | (377,458) | (47,999) | (171,559) | (715) |
| OTHER INCOME | 182,449 | 2,517,191 | 57,568 | 1,240,913 |
| FINANCE COST | (3,635,878) | (2,049,577) | (1,221,694) | (856,663) |
| PROFIT BEFORE TAXATION | 2,553,797 | 2,360,550 | 872,376 | 842,966 |
| TAXATION | (683,236) | (524,078) | (204,215) | (179,019) |
| PROFIT AFTER TAXATION | 1,870,561 | 1,836,472 | 668,161 | 663,947 |
| EARNINGS PER SHARE - BASIC (RUPEES) | 26.96 | 26.66 | 9.66 | 9.64 |
| - DILUTED (RUPEES) | 24.40 | 23.84 | 8.61 | 8.81 |

For the period ended 31 March 2024, Company recorded Gross Profit amounting to Rs. 9,281 billion as compared to Rs. 5,826 billion for the last corresponding period. Net Profit increased from Rs. 1,836 billion to Rs. 1,871 billion as compared to the last corresponding period. The basic earnings per share for period ended 31 March 2024 increased from Rs. 26.66 per share to Rs. 26.96 per share.

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

INDUSTRY / MARKET OVERVIEW:

In Pakistan, economic growth is forecasted to be 1.9 percent in fiscal year 2024 and 2.8 percent in fiscal year 2025, which is up as compared to 0.2 percent contraction in last fiscal year. The shift back to positive growth will come from a recovery in both agriculture and industry. However, domestic demand will remain constrained by the surge in living cost and tight macroeconomic policies. There is a pressure on the gross financing needs, which has been intensified by increased external and domestic financing demands and an uncertain external environment.

There has been a decline in the level of textile output in current financial year. Textile industry has contracted primarily because of a decline in the volume of exports and domestic sales combined of cotton yarn and cloth. Other reasons include the increase in standard sales tax rate to 18%, high interest rates, increase in electricity and gas tariffs and intense competition in export market.

Economic stability is what Pakistan primarily needs, at both the macroeconomic and microeconomic levels. A comprehensive strategy encompassing necessary steps including tax restructuring, boosting exports, privatization of state-owned assets, providing support to existing investors (both local and foreign) and implementing strategic reforms will bolster these areas.

FUTURE OUTLOOK:

The economic progress of Pakistan is contingent on the progress of industry in the country particularly the manufacturing sector. A clear vision is necessary for harnessing domestic resources to address the current crisis and shape a future, which advances and empowers both industry and individuals towards self-sufficiency and progress.

The management of the company is committed to safeguard the interests of shareholders and focuses on improving operational efficiencies, exploring new markets, and minimizing production costs effectively. The company is making concerted efforts to secure export orders of significant value from existing customers, as well as exploring new markets. We hope that the incumbent government would incentivize the sectors, which contribute to the economic prosperity in terms of employment generation and exports.

COMPOSITION OF BOARD

| | |
|-----------------------------------|-----------|
| Total Number of Directors: | 07 |
| (a) Male | 06 |
| (b) Female | 01 |
| Composition: | |
| (a) Independent Directors | 02 |
| (b) Non-Executive Directors | 04 |
| (c) Executive Director | 01 |

COMMITTEES OF THE BOARD

Audit Committee of the Board:

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

Human Resource & Remuneration (HR&R) Committee:

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

Risk Management Committee:

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

Nomination Committee:

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

DIRECTORS' REMUNERATION:

The Company does not pay remuneration to its non-executive directors including independent directors except for meeting fee. Aggregate amount of remuneration paid to executive and non-executive directors have been disclosed in Note 8 of the annexed financial statements.

ACKNOWLEDGEMENT:

The board places on record its profound gratitude for the continuous support and cooperation from our shareholders, bankers, regulatory authorities and efforts of our employees for the betterment of the Company.

FAISALABAD
29th April, 2024



CHIEF EXECUTIVE OFFICER



DIRECTOR

ممبران کے لئے ڈائریکٹرز رپورٹ

کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے 31 مارچ 2024 کو ختم ہونے والی تیسری سہ ماہی اور نو ماہ کی مدت کے لئے کمپنی کے غیر آڈٹ شدہ عبوری مالیاتی نتائج پیش کرنے پر خوشی محسوس کر رہے ہیں۔

مالی نتائج:

31 مارچ 2024 کو ختم ہونے والی مدت کے لئے کمپنی کے بغیر آڈٹ شدہ عبوری مالیاتی نتائج مندرجہ ذیل ہیں۔

| اختتامی سہ ماہی | | اختتامی مدت | | تفصیل |
|-----------------|-----------------|-----------------|-----------------|--|
| 31 مارچ 2023 | 31 مارچ 2024 | 31 مارچ 2023 | 31 مارچ 2024 | |
| روپے ہزاروں میں | روپے ہزاروں میں | روپے ہزاروں میں | روپے ہزاروں میں | |
| 15,841,775 | 14,822,928 | 44,811,149 | 44,328,669 | صارفین کے ساتھ معاہدوں سے حاصل ہونے والی آمدنی |
| (13,861,443) | (11,750,977) | (38,985,429) | (35,047,767) | لاگت سیلز |
| 1,980,332 | 3,071,951 | 5,825,720 | 9,280,902 | مجموعی نفع |
| (1,191,977) | (647,255) | (2,953,513) | (2,140,842) | ڈسٹری بیوشن خرچے |
| (328,924) | (216,635) | (931,272) | (755,376) | کاروبار کے انتظامی اخراجات |
| (715) | (171,559) | (47,999) | (377,458) | دیگر اخراجات |
| 1,240,913 | 57,568 | 2,517,191 | 182,449 | دیگر آمدن |
| (856,663) | (1,221,694) | (2,049,577) | (3,635,878) | مالی لاگت |
| 842,966 | 872,376 | 2,360,550 | 2,553,797 | نفع ٹیکس سے پہلے |
| (179,019) | (204,215) | (524,078) | (683,236) | اداکرہ ٹیکسز |
| 663,947 | 668,161 | 1,836,472 | 1,870,561 | نفع ٹیکس کی ادائیگی کے بعد |
| 9.64 | 9.66 | 26.66 | 26.96 | آمدنی فی حصص بنیادی (روپیہ) |
| 8.81 | 8.61 | 23.84 | 24.40 | آمدنی فی حصص ڈائریکٹ / کمی کر کے (روپیہ) |

31 مارچ 2024 کو ختم ہونے والی مدت کے لئے کمپنی نے مجموعی منافع 9.281 بلین روپے کمایا۔ جو کہ گزشتہ اسی مدت کے دوران 5.826 بلین روپے تھا۔ منافع 1.836 بلین روپے سے بڑھ کر 1.871 بلین روپے ہو گیا ہے۔ 31 مارچ 2023 کو ختم ہونے والی مدت کے لیے فی حصص کی بنیادی آمدنی 26.66 روپے سے بڑھ کر 26.96 روپے فی حصص ہو گئی ہے۔ کمپنی کی انتظامیہ مسلسل کوشش کر رہی ہے۔ اور مستقبل میں پائیدار ترقی حاصل کرنے کے لیے پرعزم ہے۔

صنعت / مارکیٹ کا جائزہ

پاکستان میں مالی سال 2024 میں اقتصادی ترقی کی شرح 1.9 فی صد اور مالی سال 2025 میں 2.8 فی صد سے بڑھنے کی پیش گوئی کی گئی ہے۔ جو کہ گزشتہ مالی سال میں 0.2 فی صد سکڑ جانے کے مقابلے میں زیادہ ہے۔ مثبت ترقی کی طرف وابستگی زراعت اور صنعت دونوں میں بحالی سے آئے گی۔ تاہم مقامی طلب اور رہن بہن کے اخراجات میں اضافے اور سخت معاشی پالیسیوں کی وجہ سے محدود رہے گا۔ مجموعی مالیاتی ضروریات پر دباؤ ہے۔ جو بیرونی اور گھریلو مالیاتی مطالبات اور غیر یقینی بیرونی ماحول کی وجہ سے تیز ہو گیا ہے۔

رواں مالی سال میں ٹیکسٹائل کی پیداوار کی سطح میں کمی آئی ہے۔ ٹیکسٹائل کی صنعت بنیادی طور پر برآمدات کے حجم میں کمی اور سوتی دھاگے اور کپڑے کی ملکی فروخت میں کمی کی وجہ سے سلنگ گئی ہے۔ دیگر وجوہات میں سیلز ٹیکس کی شرح میں 18 فیصد تک اضافہ، انٹرسٹ ریٹ کی بلند شرح، بجلی اور گیس کے نرخوں میں اضافہ اور برآمدی منڈی میں شدید مقابلہ شامل ہیں۔

معاشی استحکام پاکستان کو بنیادی طور پر بیکرواکنامک اور مائیکرواکنامک دونوں سطح پر درکار ہے۔ ٹیکس کی تنظیم نو، برآمدات میں اضافہ، سرکاری اثاثوں کی نجکاری، موجودہ سرمایہ کاروں (مقامی اور غیر ملکی دونوں) مدد فراہم کرنے اور اسٹراٹجک اصلاحات پر عمل درآمد سمیت ضروری اقدامات پر مشتمل ایک جامع حکمت عملی ان شعبوں کو تقویت دے گی۔

مستقبل کا نقطہ نظر:

پاکستان کی اقتصادی ترقی ملک میں صنعت بلخصوص پیداواری شعبہ جات کی ترقی پر منحصر ہے۔ موجودہ بحران سے نمٹنے اور مستقبل کی تشکیل کے لئے ملکی وسائل کو بروئے کار لانے کے لئے ایک نقطہ نظر ضروری ہے۔ جو صنعت اور افراد دونوں کو خود کفالت اور ترقی کی طرف بٹھاتا اور باختیار بناتا ہے۔ کمپنی کی انتظامیہ حصص یافتگان کے مفادات کے تحفظ کے لئے پر عزم ہے۔ اور آپریشنل افادیت کو بہتر بنانے، نئی منڈیوں کی تلاش، اور پیداواری لاگت کو موثر طریقے سے کم کرنے پر مرکوز ہے، کمپنی موجودہ گاہکوں سے قابل قدر برآمدی آرڈر حاصل کرنے کے ساتھ ساتھ نئی منڈیوں کی تلاش کے لئے ٹھوس کوشش کر رہی ہے۔ ہمیں امید ہے کہ موجودہ حکومت ان شعبوں کی حوصلہ افزائی کرے گی۔ جو روزگار کے مواقع پیدا کرنے اور برآمدات کے حوالے سے معاشی خوشحالی میں معاون ہیں۔

بورڈ کی ترتیب:

| | |
|---|-----------------------|
| 7 | ڈائریکٹرز کی کل تعداد |
| 6 | (1) مرد |
| 1 | (2) عورت |

ترتیب

| | |
|---|---------------------------------|
| 2 | (1) آزاد ڈائریکٹرز |
| 4 | (2) دیگر نان ایگزیکٹو ڈائریکٹرز |
| 1 | (3) ایگزیکٹو 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 |

| نمبر شمار | ڈائریکٹرز کے نام | عہدہ |
|-----------|---------------------|-----------------|
| 1 | جناب شاہد اقبال | چیئر مین 1 ممبر |
| 2 | جناب شاہد نیر احمد | ممبر |
| 3 | جناب شہیر احمد عابد | ممبر |

ریٹک میٹنگ کمیٹی:-

| نمبر شمار | ڈائریکٹرز کے نام | عہدہ |
|-----------|--------------------|-----------------|
| 1 | جناب شاہد نیر احمد | چیئر مین 1 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 1 ممبر |
| 2 | جناب شہیر 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 :

بورڈ، جنس یا فینگان، ہیکرز، ریگولیٹرز اور کمیٹی کی بہتری کے لئے ہمارے ملازمین کی کوششوں کی مسلسل حمایت اور تعاون کے لئے تہدول سے شکریہ ادا کرتا ہے۔

از طرف بورڈ

فیصل آباد
29 اپریل، 2024


چیف ایگزیکٹو آفیسر


ڈائریکٹر

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2024

| | NOTE | Un-audited 31 March 2024 (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 | | 11,008,363 | 9,187,819 |
| Total reserves | | <u>18,086,014</u> | <u>16,265,470</u> |
| Total equity | | 19,036,014 | 17,215,470 |
| LIABILITIES | | | |
| NON-CURRENT LIABILITIES | | | |
| Long term financing | 3 | 1,444,705 | 2,356,062 |
| Lease liabilities | | 96,270 | 11,438 |
| Staff retirement gratuity | | 1,958,857 | 1,722,219 |
| | | 3,499,832 | 4,089,719 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | | 9,992,195 | 9,675,309 |
| Unclaimed dividend | | 8,943 | 8,944 |
| Accrued mark-up | | 865,823 | 787,782 |
| Short term borrowings | | 21,786,587 | 20,607,236 |
| Current portion of non-current liabilities | | 1,591,819 | 1,905,616 |
| Provision for taxation | | 892,875 | 951,134 |
| | | 35,138,242 | 33,936,021 |
| TOTAL LIABILITIES | | <u>38,638,074</u> | <u>38,025,740</u> |
| CONTINGENCIES AND COMMITMENTS | 4 | | |
| TOTAL EQUITY AND LIABILITIES | | <u>57,674,088</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 MARCH 2024

| | NOTE | Un-audited 31 March 2024 (RUPEES IN THOUSAND) | Audited 30 June 2023 (RUPEES IN THOUSAND) |
|-------------------------------------|------|--|--|
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 5 | 17,129,073 | 15,343,727 |
| Right-of-use assets | | 121,095 | 58,605 |
| Long term advances | | 11,726 | 17,174 |
| Long term security deposits | | 95,712 | 75,560 |
| | | 17,357,606 | 15,495,066 |
| CURRENT ASSETS | | | |
| Stores, spare parts and loose tools | | 4,076,925 | 3,936,547 |
| Stock in trade | | 15,865,062 | 12,703,259 |
| Trade debts | | 15,000,812 | 16,726,515 |
| Loans and advances | | 1,163,605 | 744,733 |
| Income tax | | 872,808 | 1,061,618 |
| Short term deposits and prepayments | | 359,373 | 298,453 |
| Other receivables | | 2,754,129 | 3,252,398 |
| Short term investments | | 9,784 | 8,630 |
| Cash and bank balances | | 213,984 | 1,013,991 |
| | | 40,316,482 | 39,746,144 |
| TOTAL ASSETS | | 57,674,088 | 55,241,210 |



DIRECTOR



CHIEF FINANCIAL OFFICER

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

FOR THE PERIOD / QUARTER ENDED 31 MARCH 2024

| | Period ended | | Quarter ended | |
|---------------------------------------|------------------|------------------|------------------|------------------|
| | 31 March 2024 | 31 March 2023 | 31 March 2024 | 31 March 2023 |
| ----- (RUPEES IN THOUSAND) ----- | | | | |
| REVENUE FROM CONTRACTS WITH CUSTOMERS | 44,328,669 | 44,811,149 | 14,822,928 | 15,841,775 |
| COST OF SALES | (35,047,767) | (38,985,429) | (11,750,977) | (13,861,443) |
| GROSS PROFIT | 9,280,902 | 5,825,720 | 3,071,951 | 1,980,332 |
| DISTRIBUTION COST | (2,140,842) | (2,953,513) | (647,255) | (1,191,977) |
| ADMINISTRATIVE EXPENSES | (755,376) | (931,272) | (216,635) | (328,924) |
| OTHER EXPENSES | (377,458) | (47,999) | (171,559) | (715) |
| OTHER INCOME | 182,449 | 2,517,191 | 57,568 | 1,240,913 |
| FINANCE COST | (3,635,878) | (2,049,577) | (1,221,694) | (856,663) |
| PROFIT BEFORE TAXATION | 2,553,797 | 2,360,550 | 872,376 | 842,966 |
| TAXATION | (683,236) | (524,078) | (204,215) | (179,019) |
| PROFIT AFTER TAXATION | 1,870,561 | 1,836,472 | 668,161 | 663,947 |
| EARNING PER SHARE - BASIC (RUPEES) | 26.96 | 26.66 | 9.66 | 9.64 |
| - DILUTED (RUPEES) | 24.40 | 23.84 | 8.61 | 8.81 |

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 PERIOD / QUARTER ENDED 31 MARCH 2024

| | Period ended | | Quarter ended | |
|---|----------------------------------|------------------|------------------|------------------|
| | 31 March 2024 | 31 March 2023 | 31 March 2024 | 31 March 2023 |
| | ----- (RUPEES IN THOUSAND) ----- | | | |
| PROFIT AFTER TAXATION | 1,870,561 | 1,836,472 | 668,161 | 663,947 |
| 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>1,870,561</u> | <u>1,836,472</u> | <u>668,161</u> | <u>663,947</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 EQUITY (Un-audited)

FOR THE PERIOD / QUARTER ENDED 31 MARCH 2024

| | RESERVES | | | | | | | | | | TOTAL EQUITY | |
|---|----------------------|-----------------|----------------------|---|-----------|-----------|-----------------------|------------|------------|------------|--------------|-------|
| | SHARE CAPITAL | | | 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) | | | | | | | | | | | |
| Balance as at 01 July 2022 - (Audited) | 950,000 | 1,375,000 | 128,333 | 2,000,000 | 2,447,552 | 5,950,885 | 714,500 | 5,681,589 | 6,596,089 | 12,546,974 | 13,496,974 | |
| Transactions with owners: | | | | | | | | | | | | |
| Dividend at the rate of Rupees 1.665 per share (Preference shares) for the nine months ended 31 March 2023 | - | - | - | - | - | - | - | (32,081) | (32,081) | (32,081) | (32,081) | |
| Other comprehensive income for the nine months ended 31 March 2023 | - | - | - | - | - | - | - | 1,836,472 | 1,836,472 | 1,836,472 | 1,836,472 | |
| Total comprehensive income for the nine months ended 31 March 2023 | - | - | - | - | - | - | - | 1,836,472 | 1,836,472 | 1,836,472 | 1,836,472 | |
| Balance as at 31 March 2023 - (Un-audited) | 950,000 | 1,375,000 | 128,333 | 2,000,000 | 2,447,552 | 5,950,885 | 714,500 | 7,685,980 | 8,400,480 | 14,351,365 | 15,301,365 | |
| Transfer from surplus on revaluation of freehold land on disposal of freehold land | - | - | - | - | (12,277) | (12,277) | - | 12,277 | 12,277 | - | - | |
| Profit for the three months ended 30 June 2023 | - | - | - | - | 1,139,043 | 1,139,043 | - | 814,717 | 814,717 | 814,717 | 814,717 | |
| Other comprehensive loss for the three months ended 30 June 2023 | - | - | - | - | 1,139,043 | 1,139,043 | - | (39,655) | (39,655) | 1,099,388 | 1,099,388 | |
| Total comprehensive income for the three months ended 30 June 2023 | - | - | - | - | 1,139,043 | 1,139,043 | - | 775,062 | 775,062 | 1,914,105 | 1,914,105 | |
| Balance as at 30 June 2023 - (Audited) | 950,000 | 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) for the nine months ended 31 March 2024 | - | - | - | - | - | - | - | (50,017) | (50,017) | (50,017) | (50,017) | |
| Other comprehensive income for the nine months ended 31 March 2024 | - | - | - | - | - | - | - | 1,870,561 | 1,870,561 | 1,870,561 | 1,870,561 | |
| Total comprehensive income for the nine months ended 31 March 2024 | - | - | - | - | - | - | - | 1,870,561 | 1,870,561 | 1,870,561 | 1,870,561 | |
| Balance as at 31 March 2024 - (Un-audited) | 950,000 | 1,375,000 | 128,333 | 2,000,000 | 3,574,318 | 7,077,651 | 714,500 | 10,293,863 | 11,008,363 | 18,086,014 | 19,036,014 | |

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



CHIEF EXECUTIVE OFFICER

DIRECTOR



CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF CASH FLOWS (Un-audited)

FOR THE PERIOD ENDED 31 MARCH 2024

| | NOTE | Period ended | |
|---|------|--------------------|--------------------|
| | | 31 March 2024 | 31 March 2023 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Cash generated from operations | 6 | 6,266,058 | 2,245,622 |
| Finance cost paid | | (3,543,566) | (1,730,025) |
| Mark-up paid against lease liabilities | | (14,271) | (9,399) |
| Income tax paid | | (552,685) | (521,531) |
| Dividend paid to ordinary shareholders | | (1) | (1,956) |
| Dividend paid to preference shareholders | | (50,017) | (32,081) |
| Staff retirement gratuity paid | | (255,558) | (108,373) |
| Net decrease / (increase) in long term advances | | 5,448 | (958) |
| Net (increase) / decrease in long term security deposits | | (20,152) | 17,502 |
| Net cash generated / (used in) from operating activities | | 1,835,256 | (141,199) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Proceeds from sale of property, plant and equipment | | 300,571 | 32,878 |
| Capital expenditure on property, plant and equipment | | (2,923,454) | (1,187,510) |
| Investment made | | (1,154) | (736) |
| Profit on deposits with banks received | | 80,064 | 49,985 |
| Net cash used in investing activities | | (2,543,973) | (1,105,383) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Proceeds from long term financing | | 187,571 | 41,581 |
| Repayment of long term financing | | (1,402,979) | (1,480,623) |
| Repayment of lease liabilities | | (55,233) | (86,097) |
| Short term borrowings - net | | 1,179,351 | 2,526,457 |
| Net cash (used in) / from financing activities | | (91,290) | 1,001,318 |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | | (800,007) | (245,264) |
| 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 | | 213,984 | 463,621 |

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 PERIOD ENDED 31 MARCH 2024

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 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.

2.4 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, assumptions and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments 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 commencing 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.

2.5 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 PERIOD ENDED 31 MARCH 2024

| | Un-audited 31 March 2024 (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 |
| Add: Amortized during the period / year | - | 6,401 |
| | 4,394,190 | 6,145,727 |
| Less: Repaid during the period / year | 1,402,979 | 1,939,108 |
| | 2,991,211 | 4,206,619 |
| Less: Current portion shown under current liabilities | 1,546,506 | 1,850,557 |
| | 1,444,705 | 2,356,062 |

4. CONTINGENCIES AND COMMITMENTS

a) Contingencies

i) Guarantees of Rupees 454,245 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 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 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 interim 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 158.691 million (30 June 2023: Rupees 241.975 million) and for other than capital expenditure are of Rupees 1,621.812 million (30 June 2023: Rupees 1,740.946 million).

ii) Ijarah commitments are amounting to Rupees 717.101 million (30 June 2023: Rupees 488.597 million).

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

FOR THE PERIOD ENDED 31 MARCH 2024

| | Un-audited 31 March 2024 (RUPEES IN THOUSAND) | Audited 30 June 2023 |
|---|--|----------------------------|
| 5. PROPERTY, PLANT AND EQUIPMENT | | |
| Operating fixed assets (Note 5.1) | 16,622,686 | 14,806,641 |
| Capital work-in-progress (Note 5.2) | 506,387 | 537,086 |
| | 17,129,073 | 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) | 2,952,414 | 1,419,056 |
| Transferred from right-of-use assets - vehicles | 1,740 | 2,121 |
| | 17,760,795 | 16,264,653 |
| Less: Book value of deletions during the period / year (Note 5.1.2) | 272,185 | 442,604 |
| | 17,488,610 | 15,822,049 |
| Less: Depreciation charged during the period / year | 865,924 | 1,015,408 |
| | 16,622,686 | 14,806,641 |
| 5.1.1 Cost of additions during the period / year | | |
| Freehold land | 16,212 | 180,875 |
| Buildings on freehold land | 333,653 | 107,872 |
| Plant and machinery | 1,966,048 | 669,440 |
| Electric and gas installations | 101,042 | 112,298 |
| Factory equipment | 77,487 | 34,027 |
| Telephone installations | 945 | 447 |
| Furniture and fixtures | 65,133 | 60,070 |
| Office equipment | 178 | 528 |
| Computer equipment | 82,696 | 29,776 |
| Vehicles | 309,020 | 223,723 |
| | 2,952,414 | 1,419,056 |
| 5.1.2 Book value of deletions during the period / year | | |
| Freehold land | - | 408,974 |
| Plant and machinery | 75,016 | 335 |
| Factory equipment | 15 | - |
| Vehicles | 197,154 | 33,295 |
| | 272,185 | 442,604 |
| 5.2 Capital work-in-progress | | |
| Buildings on freehold land | 13,309 | 175,677 |
| Plant and machinery | 50,189 | 91,042 |
| Advances against purchase of machinery | 442,889 | 270,367 |
| | 506,387 | 537,086 |

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

FOR THE PERIOD ENDED 31 MARCH 2024

| | (Un-audited) Period ended | |
|--|------------------------------|------------------|
| | 31 March 2024 | 31 March 2023 |
| | (RUPEES IN THOUSAND) | |
| 6. CASH GENERATED FROM OPERATIONS | | |
| Profit before taxation | 2,553,797 | 2,360,550 |
| Adjustments for non-cash charges and other items: | | |
| Depreciation on property, plant and equipment | 865,924 | 828,884 |
| Depreciation on right-of-use assets | 58,566 | - |
| Provision for staff retirement gratuity | 513,272 | 416,523 |
| Gain on sale of property, plant and equipment | (28,386) | (14,208) |
| Finance cost | 3,635,878 | 2,049,577 |
| Allowance for expected credit losses - net | 1,316 | 3,434 |
| Amortization of deferred income - Government grant | - | (6,401) |
| Gain on termination of lease liability | - | (600) |
| Profit on deposits with banks | (71,673) | (47,438) |
| Working capital changes (Note 6.1) | (1,262,636) | (3,344,699) |
| | 6,266,058 | 2,245,622 |
| 6.1 Working capital changes | | |
| Increase / (decrease) in current assets: | | |
| Stores, spare parts and loose tools | (140,378) | (633,455) |
| Stock in trade | (3,161,803) | (785,554) |
| Trade debts | 1,724,387 | (1,984,880) |
| Loans and advances | (418,872) | (323,918) |
| Short term deposits and prepayments | (60,920) | (41,640) |
| Other receivables | 489,878 | (356,829) |
| | (1,567,708) | (4,126,276) |
| Increase in trade and other payables | 305,072 | 781,577 |
| | (1,262,636) | (3,344,699) |

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited) FOR THE PERIOD ENDED 31 MARCH 2024

7. SEGMENT INFORMATION

Segment results

Revenue from contracts with customers

External Intersegment
Cost of sales
Gross profit
Distribution cost
Administrative expenses

Profit before taxation and unallocated income and expenses

Unallocated income and expenses:

Other expenses
Other income
Finance cost
Taxation

72 Reconciliation of reportable segment assets and liabilities:

Total assets for reportable segments

Unallocated assets

Total assets as per condensed interim statement of financial position

Total liabilities for reportable segments

Unallocated liabilities

Total liabilities as per condensed interim statement of financial position

73 Segment wise and geographical location wise disaggregation of revenue

North America
South America
Europe
Africa
Asia
Australia
Pakistan

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

Yarn
Knitting / dyeing income
Finished fabric / garments
Waste

| | Spinning | | Knitting | | Processing and Garments | | Elimination of Intersegment Transactions | | Total - Company | |
|--|---|---|---|---|---|---|--|---|---|---|
| | (Un-audited) Period ended 31 March 2024 | (Un-audited) Period ended 31 March 2023 | (Un-audited) Period ended 31 March 2024 | (Un-audited) Period ended 31 March 2023 | (Un-audited) Period ended 31 March 2024 | (Un-audited) Period ended 31 March 2023 | (Un-audited) Period ended 31 March 2024 | (Un-audited) Period ended 31 March 2023 | (Un-audited) Period ended 31 March 2024 | (Un-audited) Period ended 31 March 2023 |
| | 5,197,517 | 2,707,046 | 1,015,595 | 843,890 | 38,115,557 | 41,260,213 | - | - | 44,328,669 | 44,811,149 |
| | 12,813,128 | 6,808,430 | 15,427,710 | 16,833,602 | 36,775 | 37,770 | (23,074,096) | (23,029,882) | 44,328,669 | 44,811,149 |
| | (12,529,047) | 9,515,536 | 16,437,305 | 17,027,492 | 38,152,336 | 41,297,983 | (23,074,096) | (23,029,882) | (35,047,767) | (38,985,429) |
| | 284,081 | 267,606 | 348,367 | (16,673,374) | (29,504,099) | (36,093,987) | 23,074,096 | 23,029,882 | 9,280,902 | 5,825,720 |
| | (109,159) | (96,103) | (127,076) | (138,444) | (1,904,807) | (2,783,866) | - | - | (2,140,842) | (2,953,513) |
| | (74,552) | (77,076) | (30,079) | (81,223) | (550,345) | (752,973) | - | - | (755,376) | (931,272) |
| | (85,711) | (73,179) | (27,555) | (269,667) | (2,454,959) | (3,441,939) | - | - | (2,896,218) | (3,884,785) |
| | 100,370 | 94,427 | 91,952 | 84,451 | 6,193,281 | 1,782,057 | - | - | 6,384,634 | 1,940,935 |
| | | | | | | | | | (377,458) | (477,959) |
| | | | | | | | | | 182,449 | 2,517,191 |
| | | | | | | | | | (3,635,878) | (2,045,577) |
| | | | | | | | | | (683,236) | (324,078) |
| | | | | | | | | | 1970,951 | 1,935,472 |

| | Spinning | | Knitting | | Processing and Garments | | Total - Company | |
|--|---|--|---|--|---|--|---|--|
| | (Un-audited) Period ended 31 March 2024 | (Un-audited) Period ended 30 June 2023 | (Un-audited) Period ended 31 March 2024 | (Un-audited) Period ended 30 June 2023 | (Un-audited) Period ended 31 March 2024 | (Un-audited) Period ended 30 June 2023 | (Un-audited) Period ended 31 March 2024 | (Un-audited) Period ended 30 June 2023 |
| | 5,899,602 | 5,050,510 | 3,874,652 | 3,603,238 | 27,417,901 | 22,475,103 | 37,192,155 | 31,128,911 |
| | | | | | | | 20,481,933 | 24,122,299 |
| | | | | | | | 57,674,088 | 55,241,210 |
| | | | | | | | 11,959,994 | 12,176,064 |
| | | | | | | | 26,678,060 | 25,849,676 |
| | | | | | | | 38,636,074 | 39,025,740 |

| | Spinning | | Knitting | | Processing and Garments | | Total - Company | |
|--|---|---|---|---|---|---|---|---|
| | (Un-audited) Period ended 31 March 2024 | (Un-audited) Period ended 31 March 2023 | (Un-audited) Period ended 31 March 2024 | (Un-audited) Period ended 31 March 2023 | (Un-audited) Period ended 31 March 2024 | (Un-audited) Period ended 31 March 2023 | (Un-audited) Period ended 31 March 2024 | (Un-audited) Period ended 31 March 2023 |
| | 8,292 | 2,197 | - | - | 20,743,179 | 26,640,204 | 20,751,471 | 26,642,401 |
| | 47,295 | - | - | - | 146,056 | 72,739 | 9,49,056 | 27,739 |
| | 25,705 | 32,390 | - | - | 9,46,836 | 8,027,818 | 4,66,610 | 8,027,818 |
| | 896,383 | 592,157 | - | - | 404,636 | 493,948 | 800,600 | 826,338 |
| | 4,219,848 | 2,080,302 | - | - | 3,724,048 | 2,949,546 | 4,690,431 | 3,541,603 |
| | 5,197,517 | 2,707,046 | 1,015,595 | 843,890 | 255,744 | 159,211 | 255,744 | 159,211 |
| | | | | | 38,115,557 | 2,006,236 | 8,532,812 | 4,930,490 |
| | | | | | | | 44,328,669 | 44,811,149 |
| | 5,154,531 | 2,687,634 | 233,593 | 202,466 | 18,49,517 | 1,059,149 | 5,987,764 | 2,970,100 |
| | 42,986 | 39,412 | 782,642 | 641,172 | 35,508,063 | 39,521,120 | 5,381,853 | 2,707,000 |
| | | | | | 152 | 679,944 | 800,963 | 38,521,120 |
| | | | | | | | 44,328,669 | 719,508 |
| | | | | | | | | 44,811,149 |

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

FOR THE PERIOD ENDED 31 MARCH 2024

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 | | | |
|----------------------------------|---------------|---------------|---------------|
| Period Ended | | Quarter Ended | |
| 31 March 2024 | 31 March 2023 | 31 March 2024 | 31 March 2023 |
| ----- (RUPEES IN THOUSAND) ----- | | | |

i) Transactions

Other related parties

| | | | | |
|---|---------|---------|---------|---------|
| Remuneration and meeting fee to Chief Executive Officer, directors and executives | 423,562 | 385,988 | 140,499 | 129,676 |
| Sale of vehicles to executives | 6,234 | 9,918 | 833 | 2,687 |

| | |
|--------------------------|----------------------|
| Un-audited 31 March 2024 | Audited June 30 2023 |
| (RUPEES IN THOUSAND) | |

ii) Period end balances

Associated company

| | | |
|------------------------------|---------|---------|
| Trade debts | 215,140 | 311,665 |
| Other related parties | | |
| Capital contribution | 200,000 | 200,000 |
| Long term advances | 10,186 | 16,630 |
| Loans and advances | 25,640 | 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 | 9,784 | - | - | 9,784 |
| At 31 March 2024 - unaudited | 9,784 | - | - | 9,784 |
| 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 PERIOD ENDED 31 MARCH 2024

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 29 April, 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 re-arrangements have been made.

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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