



The Pakistan Credit Rating Agency Limited

Rating Report

Masood Spinning Mills Limited - PPSTS - PKR 2.0bln - May-25

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Rating History

Dissemination Date	Long Term Rating	Short Term Rating	Outlook	Action	Rating Watch
24-Jul-2025	A-	A1	Stable	Initial	-
26-Mar-2025	A-	A1	Stable	Preliminary	-

Rating Rationale and Key Rating Drivers

The ratings of Masood Spinning Mills Limited (“MSML” or “the Company”) reflect its adequate positioning in Pakistan's spinning industry. The assigned ratings take comfort from the Company's association with the Mahmood Group - the sponsoring group. The Company's principal activity is the manufacturing and sale of yarn and socks. To strengthen its positioning in the rapidly evolving textile industry, the Company recently ventured into the socks segment, aiming to expand its product portfolio and capitalize on more favorable pricing dynamics. The unit is equipped with advanced knitting machinery, enabling production across multiple sock categories while maintaining premium quality standards to meet the requirements of established international clients. Following recent commercialization, the operational efficiencies of the unit have begun to materialize. The management expects the socks segment to make a significant contribution to the topline in the coming quarters, which is likely to enhance the Company's overall valuation metrics. In 9MFY25, the Company's topline demonstrated a notable decrease at PKR 23.5bln compared to PKR 28.0bln in 9MFY24, primarily due to a change in the product composition aimed at capitalizing on the growing demand for coarse yarn. Rather than solely relying on topline growth, the management intends to strengthen the Company's profitability from core business operations. For optimization of the overall cost structure, the management has already invested in renewable energy alternatives, including an operational 11 megawatt solar project. As a result, profitability improved to PKR 190mln in 9MFY25, up from PKR 160mln in 9MFY24. However, the transition from the final tax regime to the normal tax regime has increased the tax burden, which is largely an industry-wide trend. The substantial working capital lines available from several financial institutions indicate ample borrowing capacity, as per management's representation. The working capital cycle on the spinning side is adequate, while it is slightly more efficient on the socks side. The Company's financial risk profile is considered adequate following a slightly stretched working capital cycle. Going forward, the prudent management of the cash flows and improvement in coverage ratios remain essential. The intended sukuk issuance is being done with the dual aim of diversifying and strengthening the working capital funding base of the Company.

The rating of the instrument captures the strength of the security structure, primarily from the DPA (Debt Payment Account) mechanism placed under the lien of the investment agent. The DPA will start getting funded 60 days before maturity and continue fortnightly to ensure that the full issue amount is available in the DPA before maturity. The principal repayment and profit payment will be made as a bullet payment. The underlying instrument is secured by a ranking charge over the Company's current assets with a 25% margin.

Disclosure

Name of Rated Entity	Masood Spinning Mills Limited - PPSTS - PKR 2.0bln - May-25
Type of Relationship	Solicited
Purpose of the Rating	Debt Instrument Rating
Applicable Criteria	Methodology Corporate Rating(Jul-24),Methodology Debt Instrument Rating(Oct-24),Methodology Correlation Between Long-term & Short-term Rating Scales(Apr-25),Methodology Rating Modifiers(Apr-25)
Related Research	Sector Study Spinning(Oct-24)
Rating Analysts	Tasveeb Idrees Tasveeb.Idrees@pacra.com +92-42-35869504

Issuer Profile

Profile Masood Spinning Mills Limited ('MSML' or 'the Company') was incorporated in Pakistan on July 20, 2000, as a public limited Company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The Company is a significant division of the Mahmood Group, which has flourished since its inception in 1935, evolving into a prominent business empire. The Company operates with three production units: Unit 1 and Unit 2, located in Kabirwala, Khanewal district, near the Company's head office in Multan, and Unit 3, situated in Phool Nagar, Kasur district. These units have a combined capacity of 101,664 spindles. During the preceding years, the Company invested in a new socks unit to diversify its product portfolio, which has been operating at a capacity utilization level of 98.0% since January 2025. The Company's total electricity requirement is 14.6 megawatts, which is met through captive generation. Additionally, backup power is available through connections with LESCO and MEPCO to ensure an uninterrupted energy supply. To further optimize the production costs, the Company has fully operationalized an 11-megawatt solar project, while an additional 5-megawatt solar is currently in progress.

Ownership Masood Spinning Mills Limited is a wholly owned subsidiary of Mahmood Group. The Company's entire stake is held by individuals and associated companies, with ownership equally distributed among the three families of the late Khawaja M. Masood. The group has a clearly defined shareholding structure among the three brothers. Their mutual understanding regarding the operations of the group companies contributes to the stability of both the sponsoring Group and the Company. However, the formal documentation of the succession plan would further strengthen the clarity and stability of ownership. All three brothers bring extensive experience to the textile industry, each with over forty years of expertise in managing the group's businesses. The third generation of sponsors is already actively involved in the day-to-day operations of various group companies, demonstrating the necessary knowledge and capabilities to drive the business forward. The financial strength of the Company stems from the strong financial backing of the sponsors. In addition to MSML, the Mahmood Group operates four companies in the textile domain: (i) Multan Fabrics (Pvt). Limited, (ii) MG Apparel, (iii) Cotton Ginning Factories, and (iv) Mahmood Textile Mills Limited. This demonstrates the sponsor's strong capacity to support the Company if needed.

Governance The overall control of the board lies with six members from the sponsoring family. The inclusion of an independent director on the Company's board will strengthen the governance framework of the Company. Mr. Khawaja Muhammad Ilyas – CEO – has more than four decades of textile experience. He has been a key position holder in various local corporate bodies of Pakistan. Other directors have expertise in various stages of the textile value chain, indicative of a good skill mix on the board. The board meetings consistently have full attendance, which bodes well for the board's effectiveness. The meeting minutes are formally recorded; however, there is still room for improvement. Two sub-committees have been established to assist the board on various matters: the Audit Committee and the Human Resource Committee. To align with the high standards of transparency, M/s. Yousaf Adil & Co. Chartered Accountants have been appointed the external auditors of the Company, rated in Category "A" by the State Bank's panel of auditors. The auditors issued an unqualified opinion on the Company's financial statements for the period ended June 30th, 2024. The Company has an in-house internal audit department, consisting of one manager and four auditors (two auditors at the head office and two at manufacturing facilities).

Management The Company operates primarily in two distinct divisions before delegating strategic decisions to a single overseeing body. At this highest level, the departments are as follows: (i) Audit, (ii) Taxation, (iii) HR and Administration, (iv) IT and ERP, (v) Export and Import, (vi) Purchase and Production, (vii) Corporate Affairs, (viii) Marketing, and (ix) Finance. The CEO, Mr. Khawaja Muhammad Ilyas, has over four decades of experience in the textile sector. He holds a directorship position on the board of various group companies. He is supported by a team of seasoned professionals. The management's responsibilities are clearly delineated. While the Company does not have formal management committees, it possesses a strong IT infrastructure and controls to support seamless operations. For comprehensive reporting, the Company has embraced digitalization and the principles of Industry 4.0 through the implementation of Oracle Fusion across all operational segments. This strategic initiative leverages cutting-edge technology to enhance efficiency, streamline processes, and improve overall productivity. The Company is following the latest quality assurance standards for the production and trade of yarn. On an operational level, samples of cotton and yarn are tested for quality in the laboratories of each manufacturing unit.

Business Risk The textile exports of the country reached USD 16.7bln in FY24, a slight increase from USD 16.5bln in the previous year, reflecting a growth of 0.93% YoY. The highest contribution came from the composite and garments segment at USD 9.1bln, followed by the weaving segment at USD 6.5bln and the spinning segment at USD 1.0bln. During 6MFY25, the textile exports stood at USD 9.1bln. In FY25, the transition from the final tax regime to the normal tax regime is set to impact the profitability matrix of export-oriented units, with a 29% tax on profits and a super tax of up to 10%. The consistent decline in policy rates over the last two quarters, along with the anticipation of further reductions, is expected to provide a cushion in the financial metrics of the industry. A major chunk of the Company's revenue base is generated from export sales. During FY24, the Company's topline reflected a robust increase at PKR 36.2bln (FY23: PKR 31.9bln) primarily due to an upswing in the sale of yarn. The exports illustrated an upward trend and reached PKR 29.7bln (FY23: PKR 25.6bln), posting a growth of 16.0% on a year-on-year basis as the Company made adjustments in its product portfolio and opted towards the manufacturing of finer yarn count. Indirect sales make up a considerable portion of the Company's exports with a contribution of PKR 18.3bln (FY23: PKR 17.4bln). The sales in the domestic market stood at PKR 6.7bln (FY23: PKR 6.5bln). The Company's revenue concentration is diversified, indicating a low geographic concentration risk. China and Bangladesh are the leading export destinations, followed by Türkiye, Portugal, Germany, and a few others. Locally, the Company mostly sells to several big players in the respective industry. The top five local customers of the Company are well-established and stable entities: Gul Ahmed Textile Mills Limited, Orient Textile Mills Limited, Al Rahim Textile Industries Limited, Kohinoor Mills Limited and Mustaqim Dyeing & Printing Industries (Pvt). Limited. During FY24, the Company took the initiative to sell legwear in the international market, which is a niche product for MSML. Looking ahead, the management intends to boost the sale of the legwear and socks segment to achieve long-term sustainability in the volatile industry. The efficient management of the production cost resulted in a slight improvement in the gross profit margin (FY24: 13.8%, FY23: 12.2%). The operating margin stood at 11.6% (FY23: 9.6%) on the back of controlled operating expenses. In FY24, the surge in short-term conventional debt led to a massive increase in the Company's finance cost reported at PKR 3.7bln (FY23: PKR 2.4bln). As a result, the Company's bottom line tumbled to PKR 148mln (FY23: PKR 542mln). The Company's net profit inched down to 0.4% in FY24 (1.7% in FY23). During 9MFY25, the Company's topline showed a diminution at PKR 23.5bln (9MFY25: PKR 28.0bln) to cater to the seasonal requirements of coarse yarn. However, the Company secured healthy revenue from the socks segment. The Company's gross margin went down to 12.2% on the back of elevated production costs in line with the industry norm. However, the gradual decrease in the interest rates, coupled with repayment of conventional debt, provided a cushion to the Company's net profitability. Resultantly, the Company's bottom line exhibited a considerable improvement clocking at PKR 190mln, with the net profit margin of 0.8%.

Financial Risk The Company's working capital needs emanate from financing inventories and trade receivables. During 9MFY25, the Company's net working capital cycle was stretched to 152 days (FY24: 126 days), mainly due to an increase in inventory days. The total trade assets reflected a slight improvement as illustrated by the Company's short-term trade of 3.7% (FY24: 3.1%), depicting a limited borrowing capacity. The Company's free cash flows from operations were recorded at PKR 2.5bln (FY24: PKR 4.7bln), driven by an improvement in PBT. Despite this decrease, the Company's interest coverage and core operating coverage remained in a moderate range. Going forward, the improvement in the coverage ratios remains essential. The Company's debt payback period stood at 6.8 years (FY24: 6.6 years). The Company has a highly leveraged capital structure. The total leveraging dropped to 77.3% (FY24: 78.5%) following the optimization of the debt structure. The size of the Company's debt book declined to PKR 22.9bln (FY24: PKR 23.9bln) mainly concentrated in the short-term borrowings. The Company's equity base strengthened to PKR 6.7bln (FY24: PKR 6.5bln), supported by a positive bottom line.

Instrument Rating Considerations

About The Instrument MSML issued a Rated, Secured, Privately Placed, Short-term Sukuk of PKR 2.0bln on May 22nd, 2025. The purpose of the instrument is to fund the short-term working capital requirements of the Company. The tenor of the instrument is 6 months from the date of issue, and it carries a profit rate of 6MK+0.95%. The instrument will be redeemable at the maturity date through a bullet payment. The Sukuk includes a call option feature, allowing the issuer to partially or fully redeem it with a five-day prior notice. The call option is exercisable by the Issuer after three months from the issuance date, and once issued, the call option will be irrevocable.

Relative Seniority/Subordination Of Instrument The claims of the Sukuk holders will rank superior to the claims of ordinary shareholders.

Credit Enhancement The instrument will be secured by way of a ranking charge over the current assets of the Company with a 25% margin. The DPA will start getting funded 60 days before maturity and continue fortnightly to ensure that the full issue amount is available in the DPA before maturity.



The Pakistan Credit Rating Agency Limited

Masood Spinning Mills Limited Spinning	Mar-25 9M	Jun-24 12M	Jun-23 12M	Jun-22 12M
A BALANCE SHEET				
1 Non-Current Assets	12,857	12,725	8,899	6,532
2 Investments	889	901	1,084	706
3 Related Party Exposure	-	-	-	604
4 Current Assets	19,950	21,906	16,818	14,141
a Inventories	10,802	10,195	8,513	8,914
b Trade Receivables	5,077	4,905	4,928	3,504
5 Total Assets	33,696	35,531	26,801	21,982
6 Current Liabilities	4,031	5,052	2,574	1,996
a Trade Payables	2,135	2,656	753	263
7 Borrowings	22,922	23,926	17,950	14,522
8 Related Party Exposure	-	-	-	-
9 Non-Current Liabilities	-	-	109	-
10 Net Assets	6,743	6,553	6,167	5,464
11 Shareholders' Equity	6,743	6,553	6,167	5,464
B INCOME STATEMENT				
1 Sales	23,514	36,274	31,938	24,356
a Cost of Good Sold	(20,634)	(31,278)	(28,048)	(19,067)
2 Gross Profit	2,879	4,997	3,890	5,289
a Operating Expenses	(672)	(787)	(809)	(1,290)
3 Operating Profit	2,207	4,210	3,080	3,999
a Non Operating Income or (Expense)	3	150	356	(495)
4 Profit or (Loss) before Interest and Tax	2,210	4,360	3,437	3,504
a Total Finance Cost	(1,668)	(3,720)	(2,410)	(1,056)
b Taxation	(353)	(491)	(485)	(370)
6 Net Income Or (Loss)	190	148	542	2,077
C CASH FLOW STATEMENT				
a Free Cash Flows from Operations (FCFO)	2,502	4,769	3,380	3,748
b Net Cash from Operating Activities before Working Capital Changes	586	1,268	1,380	2,761
c Changes in Working Capital	948	(2,945)	(1,354)	(4,317)
1 Net Cash provided by Operating Activities	1,534	(1,677)	27	(1,556)
2 Net Cash (Used in) or Available From Investing Activities	(531)	(4,386)	(3,297)	(3,342)
3 Net Cash (Used in) or Available From Financing Activities	(1,004)	5,975	3,277	4,922
4 Net Cash generated or (Used) during the period	(1)	(89)	7	24
D RATIO ANALYSIS				
1 Performance				
a Sales Growth (for the period)	-13.6%	13.6%	31.1%	40.3%
b Gross Profit Margin	12.2%	13.8%	12.2%	21.7%
c Net Profit Margin	0.8%	0.4%	1.7%	8.5%
d Cash Conversion Efficiency (FCFO adjusted for Working Capital/Sal	14.7%	5.0%	6.3%	-2.3%
e Return on Equity [Net Profit Margin * Asset Turnover * (Total Asset:	3.8%	2.3%	9.3%	46.8%
2 Working Capital Management				
a Gross Working Capital (Average Days)	180	144	148	153
b Net Working Capital (Average Days)	152	126	142	149
c Current Ratio (Current Assets / Current Liabilities)	4.9	4.3	6.5	7.1
3 Coverages				
a EBITDA / Finance Cost	1.8	1.4	1.6	4.1
b FCFO / Finance Cost+CMLTB+Excess STB	1.0	0.9	1.1	2.5
c Debt Payback (Total Borrowings+Excess STB) / (FCFO-Finance Cos	6.8	6.6	5.2	1.5
4 Capital Structure				
a Total Borrowings / (Total Borrowings+Shareholders' Equity)	77.3%	78.5%	74.4%	72.7%
b Interest or Markup Payable (Days)	110.1	91.1	104.8	96.4
c Entity Average Borrowing Rate	9.5%	17.2%	13.5%	8.4%

Debt Instrument Rating

Credit rating reflects forward-looking opinion on credit worthiness of underlying entity or instrument; more specifically it covers relative ability to honor financial obligations. The primary factor being captured on the rating scale is relative likelihood of default.

Scale	Long-Term Rating
AAA	Highest credit quality. Lowest expectation of credit risk. Indicate exceptionally strong capacity for timely payment of financial commitments
AA+ AA AA-	Very high credit quality. Very low expectation of credit risk. Indicate very strong capacity for timely payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.
A+ A A-	High credit quality. Low expectation of credit risk. The capacity for timely payment of financial commitments is considered strong. This capacity may, nevertheless, be vulnerable to changes in circumstances or in economic conditions.
BBB+ BBB BBB-	Good credit quality. Currently a low expectation of credit risk. The capacity for timely payment of financial commitments is considered adequate, but adverse changes in circumstances and in economic conditions are more likely to impair this capacity.
BB+ BB BB-	Moderate risk. Possibility of credit risk developing. There is a possibility of credit risk developing, particularly as a result of adverse economic or business changes over time; however, business or financial alternatives may be available to allow financial commitments to be met.
B+ B B-	High credit risk. A limited margin of safety remains against credit risk. Financial commitments are currently being met; however, capacity for continued payment is contingent upon a sustained, favorable business and economic environment.
CCC CC C	Very high credit risk. Substantial credit risk "CCC" Default is a real possibility. Capacity for meeting financial commitments is solely reliant upon sustained, favorable business or economic developments. "CC" Rating indicates that default of some kind appears probable. "C" Ratings signal imminent default.
D	Obligations are currently in default.

Scale	Short-Term Rating
A1+	The highest capacity for timely repayment.
A1	A strong capacity for timely repayment.
A2	A satisfactory capacity for timely repayment. This may be susceptible to adverse changes in business, economic, or financial conditions.
A3	An adequate capacity for timely repayment. Such capacity is susceptible to adverse changes in business, economic, or financial conditions.
A4	The capacity for timely repayment is more susceptible to adverse changes in business, economic, or financial conditions. Liquidity may not be sufficient.

Rating Modifiers | Rating Actions

Outlook (Stable, Positive, Negative, Developing) Indicates the potential and direction of a rating over the intermediate term in response to trends in economic and/or fundamental business / financial conditions. It is not necessarily a precursor to a rating change. 'Stable' outlook means a rating is not likely to change. 'Positive' means it may be raised. 'Negative' means it may be lowered. Where the trends have conflicting elements, the outlook may be described as 'Developing'.	Rating Watch Alerts to the possibility of a rating change subsequent to, or, in anticipation of some material identifiable event with indeterminable rating implications. But it does not mean that a rating change is inevitable. A watch should be resolved within foreseeable future, but may continue if underlying circumstances are not settled. Rating watch may accompany rating outlook of the respective opinion.	Suspension It is not possible to update an opinion due to lack of requisite information. Opinion should be resumed in foreseeable future. However, if this does not happen within six (6) months, the rating should be considered withdrawn.	Withdrawn A rating is withdrawn on a) termination of rating mandate, b) the debt instrument is redeemed, c) the rating remains suspended for six months, d) the entity/issuer defaults, or/and e) PACRA finds it impractical to surveil the opinion due to lack of requisite information.	Harmonization A change in rating due to revision in applicable methodology or underlying scale.
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Surveillance. Surveillance on a publicly disseminated rating opinion is carried out on an ongoing basis till it is formally suspended or withdrawn. A comprehensive surveillance of rating opinion is carried out at least once every six months. However, a rating opinion may be reviewed in the intervening period if it is necessitated by any material happening. Rating actions may include "maintain", "upgrade", or "downgrade".

Note: This scale is applicable to the following methodology(s):

- | | |
|---------------------------------|--------------------------------------|
| a) Broker Entity Rating | e) Holding Company Rating |
| b) Corporate Rating | f) Independent Power Producer Rating |
| c) Debt Instrument Rating | g) Microfinance Institution Rating |
| d) Financial Institution Rating | h) Non-Banking Finance Company |

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Rating Team Statements

(1) Rating is just an opinion about the creditworthiness of the entity and does not constitute recommendation to buy, hold or sell any security of the entity rated or to buy, hold or sell the security rated, as the case may be | Chapter III; 14-3-(x)

2) Conflict of Interest

- i. The Rating Team or any of their family members have no interest in this rating | Chapter III; 12-2-(j)
- ii. PACRA, the analysts involved in the rating process and members of its rating committee, and their family members, do not have any conflict of interest relating to the rating done by them | Chapter III; 12-2-(e) & (k)
- iii. The analyst is not a substantial shareholder of the customer being rated by PACRA [Annexure F; d-(ii)] Explanation: for the purpose of above clause, the term “family members” shall include only those family members who are dependent on the analyst and members of the rating committee

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- (4) PACRA does not disclose or discuss with outside parties or make improper use of the non-public information which has come to its knowledge during business relationship with the customer | Chapter III; 10-7-(d)
- (5) PACRA does not make proposals or recommendations regarding the activities of rated entities that could impact a credit rating of entity subject to rating | Chapter III; 10-7-(k)

Conduct of Business

- (6) PACRA fulfills its obligations in a fair, efficient, transparent and ethical manner and renders high standards of services in performing its functions and obligations; | Chapter III; 11-A-(a)
- (7) PACRA uses due care in preparation of this Rating Report. Our information has been obtained from sources we consider to be reliable but its accuracy or completeness is not guaranteed. PACRA does not, in every instance, independently verifies or validates information received in the rating process or in preparing this Rating Report | Clause 11-(A)(p).
- (8) PACRA prohibits its employees and analysts from soliciting money, gifts or favors from anyone with whom PACRA conducts business | Chapter III; 11-A-(q)
- (9) PACRA ensures before commencement of the rating process that an analyst or employee has not had a recent employment or other significant business or personal relationship with the rated entity that may cause or may be perceived as causing a conflict of interest; | Chapter III; 11-A-(r)
- (10) PACRA maintains principal of integrity in seeking rating business | Chapter III; 11-A-(u)
- (11) PACRA promptly investigates, in the event of a misconduct or a breach of the policies, procedures and controls, and takes appropriate steps to rectify any weaknesses to prevent any recurrence along with suitable punitive action against the responsible employee(s) | Chapter III; 11-B-(m)

Independence & Conflict of interest

- (12) PACRA receives compensation from the entity being rated or any third party for the rating services it offers. The receipt of this compensation has no influence on PACRA’s opinions or other analytical processes. In all instances, PACRA is committed to preserving the objectivity, integrity and independence of its ratings. Our relationship is governed by two distinct mandates i) rating mandate - signed with the entity being rated or issuer of the debt instrument, and fee mandate - signed with the payer, which can be different from the entity
- (13) PACRA does not provide consultancy/advisory services or other services to any of its customers or to any of its customers’ associated companies and associated undertakings that is being rated or has been rated by it during the preceding three years unless it has adequate mechanism in place ensuring that provision of such services does not lead to a conflict of interest situation with its rating activities; | Chapter III; 12-2-(d)
- (14) PACRA discloses that no shareholder directly or indirectly holding 10% or more of the share capital of PACRA also holds directly or indirectly 10% or more of the share capital of the entity which is subject to rating or the entity which issued the instrument subject to rating by PACRA; | Reference Chapter III; 12-2-(f)
- (15) PACRA ensures that the rating assigned to an entity or instrument is not be affected by the existence of a business relationship between PACRA and the entity or any other party, or the non-existence of such a relationship | Chapter III; 12-2-(i)
- (16) PACRA ensures that the analysts or any of their family members shall not buy or sell or engage in any transaction in any security which falls in the analyst’s area of primary analytical responsibility. This clause shall, however, not be applicable on investment in securities through collective investment schemes. | Chapter III; 12-2-(l)
- (17) PACRA has established policies and procedure governing investments and trading in securities by its employees and for monitoring the same to prevent insider trading, market manipulation or any other market abuse | Chapter III; 11-B-(g)

Monitoring and review

- (18) PACRA monitors all the outstanding ratings continuously and any potential change therein due to any event associated with the issuer, the security arrangement, the industry etc., is disseminated to the market, immediately and in effective manner, after appropriate consultation with the entity/issuer; | Chapter III | 17-(a)
- (19) PACRA reviews all the outstanding ratings periodically, on annual basis; Provided that public dissemination of annual review and, in an instance of change in rating will be made; | Chapter III | 17-(b)
- (20) PACRA initiates immediate review of the outstanding rating upon becoming aware of any information that may reasonably be expected to result in downgrading of the rating; | Chapter III | 17-(c)
- (21) PACRA engages with the issuer and the debt securities trustee, to remain updated on all information pertaining to the rating of the entity/instrument; | Chapter III | 17-(d)

Probability of Default

- (22) PACRA’s Rating Scale reflects the expectation of credit risk. The highest rating has the lowest relative likelihood of default (i.e., probability). PACRA’s transition studies capture the historical performance behavior of a specific rating notch. Transition behavior of the assigned rating can be obtained from PACRA’s Transition Study available at our website. (www.pacra.com). However, actual transition of rating may not follow the pattern observed in the past; | Chapter III | 14-3(f)(vii)

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Regulatory and Supplementary Disclosure

Nature of Instrument	Size of Issue (PKR)	Tenor	Security	Nature of Assets	Trustee
Rated, Secured, Privately Placed, Short-term Sukuk	PKR 2,000mln	6 months from the date of issue	The underlying instrument will be secured by ranking charge over Current Assets of the Company with 25% margin and buildup of a dedicated Debt Payment Account (“DPA”) sixty days prior from the maturity date.	Current Assets	Pak Oman Investment Company Limited

Name of Issuer	Masood Spinning Mills Limited
Issue Date	22-May-25
Maturity	6 months after issuance
Profit Rate	6M Kibor+0.95%

Masood Spinning Mills Limited | PPSTS | Repayment Schedule

Sr.	Due Date Principal	Opening Principal	6M Kibor	Markup/Profit Rate (6M Kibor+0.95%)	Markup/Profit Payment	Principal Payment	Total	Principal Outstanding (closing)
		PKR			PKR			
Issue Date	22-May-25	2,000,000,000				-	-	2,000,000,000
1	22-Nov-25	2,000,000,000	11.39%	12.34%	124,414,247	2,000,000,000	2,124,414,247	-
					124,414,247	2,000,000,000	2,124,414,247	

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