

**1st  
Quarter  
Report**

**IDEAL SPINNING MILLS LIMITED**



**IdealGroup**

**CONDENSED INTERIM  
FINANCIAL INFORMATION**

**1st Quarter Report  
(UN-AUDITED)  
30 September, 2022**



## COMPANY INFORMATION

<b>CHAIRMAN:</b>	MR. MUHAMMAD SAEED
<b>CHIEF EXECUTIVE OFFICER:</b>	MR. AMJAD SAEED
<b>DIRECTORS:</b>	MRS. RUBINA AMJAD MR. OMER SAEED MR. AHSAN SAEED MR. KHIZER SAEED MR. MUHAMMAD ASIF (INDEPENDENT) MR. MUHAMMAD AZHAR (INDEPENDENT)
<b>AUDIT COMMITTEE:</b>	
<b>CHAIRMAN</b>	MR. MUHAMMAD AZHAR
<b>MEMBER</b>	MR. MUHAMMAD SAEED
<b>MEMBER</b>	MR. AHSAN SAEED
<b>H.R. &amp; REMUNERATION COMMITTEE:</b>	
<b>CHAIRMAN</b>	MR. MUHAMMAD AZHAR
<b>MEMBER</b>	MR. AHSAN SAEED
<b>MEMBER</b>	MRS. RUBINA AMJAD
<b>NOMINATION COMMITTEE:</b>	
<b>CHAIRMAN</b>	MR. OMER SAEED
<b>MEMBER</b>	MR. AHSAN SAEED
<b>MEMBER</b>	MR. KHIZER SAEED
<b>RISK MANAGEMENT COMMITTEE:</b>	
<b>CHAIRMAN</b>	MR. AHSAN SAEED
<b>MEMBER</b>	MR. OMER SAEED
<b>MEMBER</b>	MR. KHIZER SAEED
<b>CHIEF FINANCIAL OFFICER:</b>	MR. MUHAMMAD KASHIF ZAHUR
<b>COMPANY SECRETARY:</b>	MR. MUHAMMAD NADEEM
<b>SHARE REGISTRAR:</b>	F. D. Registrar Services (SMC-Pvt.) Limited  17 <sup>th</sup> Floor, Saima Trade Tower-A, I. I. Chundrigar Road Karachi.
<b>AUDITORS:</b>	M/S RIAZ AHMAD & COMPANY.  CHARTERED ACCOUNTANTS
<b>BANKERS:</b>	BANK AL-FALAH LIMITED BANK AL-HABIB LTD HABIB METROPOLITAN BANK THE BANK OF PUNJAB HABIB BANK LIMITED
<b>REGISTERED OFFICE :</b>	ROOM NO 404 & 405, 4 <sup>TH</sup> FLOOR, BUSINESS CENTRE, MUMTAZ HASSAN ROAD, KARACHI. www.idealsm.com
<b>FACTORY:</b>	35-K.M SHEIKHUPURA ROAD, TEHSIL JARANWALA, DISTT. FAISALABAD.

**DIRECTORS' REVIEW REPORT TO THE SHAREHOLDERS**

Your Directors feel pleasure in submitting un-audited financial statements of your Company for the First Quarter ended 30 September 2022.

<b>FINANCIAL RESULTS</b>	<b>30.09.2022</b>	<b>30.09. 2021</b>
	<b>(RUPEES IN THOUSAND)</b>	
REVENUE	1,684,387	1,439,882
COST OF SALES	(1,565,460)	(1,144,871)
GROSS PROFIT	118,927	295,011
DISTRIBUTION COST	(43,238)	(29,035)
ADMINISTRATIVE EXPENSES	(91,004)	(69,456)
OTHER EXPENSES	(15,155)	(13,082)
OTHER INCOME	221	11,653
FINANCE COST	(48,693)	(26,921)
(Loss)/PROFIT BEFORE TAXATION	(78,942)	168,170
TAXATION	(19,562)	(52,508)
(Loss)/PROFIT AFTER TAXATION	(98,504)	115,662
EARNING PER SHARE-BASIC AND DILUTED (RUPEES)	(9.93)	11.66

Sales during the period increased to Rs. 1,684.385 Million as compared to Rs.1,439.882 Million of the corresponding period of last year and the gross profit ratio decreased to 7.06 % from 20.49% during the period under review. The period under review remain under financial crisis which affect the business activities. Factors like depressed market condition, recessionary trend in the prices of finished product as compared to raw material and flood put the earning of the company in negative zone. Company suffered after tax loss of rupees 98.506 million as compared to profit of rupees 115.662 million for the corresponding period of last year.

**FUTURE PROSPECTS**

Company is expecting to reduce the loss as the market conditions will improve, by the grace of Almighty and expecting that country will cover the consequences of flood and soon will move from the recession.

**ACKNOWLEDGEMENT**

The Board offers thanks to our shareholders and bankers for their continued support and trust in the company. The Board acknowledges the efforts and devotion of staff and workers which led to achieve milestones and hope these will continue in upcoming years.

Faisalabad  
October 26, 2022

On behalf of the Board



(Amjad Saeed)  
Chief Executive Officer

## حصہ داران کیلئے ڈائریکٹرز کی رپورٹ

آپ کے ڈائریکٹرز 30 ستمبر 2022 کو ختم ہونے والے 3 ماہ کے لئے آپ کی کمپنی کے غیر آڈٹ شدہ نتائج پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

30-09-2021

30-09-2022

مالیاتی نتائج

(رقم ہزاروں میں)

1,439,882

1,684,387

ریونیو

(1,144,871)

(1,565,460)

کاسٹ آف سیل

295,011

118,927

گراس منافع

(29,035)

(43,238)

ڈسٹری بیوٹن اخراجات

(69,456)

(91,004)

انتظامی اخراجات

(13,082)

(15,155)

متفرق اخراجات

11,653

221

دیگر آمدن

(26,921)

(48,693)

نفاصل اخراجات

168,170

(78,942)

ٹیکس کے بغیر نقصان/منافع

(52,508)

(19,562)

ٹیکس

115.662

(98,504)

خالص نقصان/منافع ٹیکس کے بعد

11.66

(9.93)

نقصان/منافع فی حصہ بنیادی

اس عرصے کے دوران فروخت بڑھ کر 1,684,387 ملین روپے تک پہنچ گئی جو گزشتہ سال کی اسی مدت کے 1,439,882 ملین روپے تھی اور مجموعی منافع کا تناسب زیر جائزہ مدت کے دوران 20.49 فیصد سے کم ہو کر 7.06 فیصد رہ گیا۔ زیر نظر مدت مالی بحران کا فکار جو کاروباری سرگرمیوں کو متاثر کرتی ہے۔ مارکیٹ کی مایوس کن صورتحال، خام مال اور سیلاب کے مقابلے میں تیار شدہ مصنوعات کی قیمتوں میں کساد کے رجحان جیسے عوامل نے کمپنی کی کمائی کو منفی زون میں ڈال دیا۔ کمپنی کو 98.504 ملین روپے کے بعد از ٹیکس نقصان اٹھانا پڑا جبکہ گزشتہ سال اسی عرصے میں 115.662 ملین روپے کا منافع ہوا تھا۔

## مستقبل کے امکانات

کمپنی کو امید ہے کہ نقصان کو کم کیا جائے گا کیونکہ مارکیٹ کے حالات بہتر ہوں گے، اللہ کے فضل سے توقع ہے کہ ملک سیلاب کے نتائج کا احاطہ کرے گا اور جلد ہی کساد سے آگے بڑھ جائے گا۔

## کاوشوں کا اعتراف

بورڈ آف ڈائریکٹرز اپنے حصے داروں، بنگرز اور مالیاتی اداروں کے اعتماد اور مسلسل سپورٹ کا شکریہ ادا کرتا ہے۔ بورڈ کمپنی کے سٹاف اور ورکرز کی انتھک کوشش کا اعتراف کرتا ہے جن کی وجہ سے کمپنی نے موجودہ کامیابیاں حاصل کیں۔ ہمیں امید ہے کہ کامیابیوں کا یہ سلسلہ آنے والے سالوں میں بھی جاری رہے گا۔

بورڈ آف ڈائریکٹرز کی جانب سے



اسم سعید

چیف ایگزیکٹو آفیسر

فیصل آباد

26 اکتوبر، 2022

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2022

	NOTE	Unaudited Sep 2022 (RUPEES IN THOUSAND)	Audited June 2022 (RUPEES IN THOUSAND)	NOTE	Unaudited Sep 2022 (RUPEES IN THOUSAND)	Audited June 2022 (RUPEES IN THOUSAND)
<b>EQUITY AND LIABILITIES</b>						
<b>SHARE CAPITAL AND RESERVES</b>						
<b>Authorized share capital</b>						
20 000 000 (2022: 20 000 000) ordinary shares of Rupees 10 each		200,000	200,000		1,736,123	1,762,932
<b>Issued, subscribed and paid up share capital</b>						
9 920 000 (2022: 9 920 000) ordinary shares of Rupees 10 each fully paid in cash		99,200	99,200	6.	4,005	4,454
<b>Sponsors' loans</b>						
<b>Reserves</b>						
<b>Capital reserves</b>						
Equity portion of shareholders' loans		241,800	241,800		128	41
Surplus on revaluation of freehold land		183,291	183,291		2,188	1,953
		235,857	235,857		1,742,444	1,769,380
		419,148	419,148			
		500,977	599,481			
<b>Revenue reserve - unappropriated profit</b>		920,125	1,018,629			
<b>Total reserves</b>		1,261,125	1,359,629			
<b>Total equity</b>						
<b>LIABILITIES</b>						
<b>NON-CURRENT LIABILITIES</b>						
Long term financing	3.	165,831	172,883		109,892	102,350
Deferred income tax liability		104,527	104,527		1,625,638	859,048
Deferred liabilities		111,424	101,469		439,742	368,645
		381,782	378,879		307,014	33,038
<b>CURRENT LIABILITIES</b>						
Trade and other payables		735,328	582,554		17,485	661
Unclaimed dividend		2,154	2,177		155,734	133,763
Accrued mark-up		29,093	16,646		222,387	63,242
Short term borrowings		1,928,022	729,360		44,831	45,445
Current portion of long term financing	4.	164,706	162,804		2,922,723	1,606,192
Current portion of deferred liabilities		21,383	21,511			
Provision for taxation		141,574	122,012			
		3,022,260	1,637,064			
<b>TOTAL LIABILITIES</b>		3,404,042	2,015,943			
<b>CONTINGENCIES AND COMMITMENTS</b>						
<b>TOTAL EQUITY AND LIABILITIES</b>		4,665,167	3,375,572		4,665,167	3,375,572

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

  
**AJMAL SAEED**  
 CHIEF EXECUTIVE OFFICER

  
**OMER SAEED**  
 DIRECTOR

  
**MUHAMMAD KASHIF ZAHUR**  
 CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (Un-audited)  
FOR THE 1ST QUARTER ENDED 30 SEPTEMBER 2022**

	NOTE	1ST QUARTER ENDED	
		30 September 2022	30 September 2021
		<b>(RUPEES IN THOUSAND)</b>	
REVENUE FROM CONTRACTS WITH CUSTOMERS		1,684,387	1,439,882
COST OF SALES	7.	(1,565,460)	(1,144,871)
GROSS PROFIT		<u>118,927</u>	<u>295,011</u>
DISTRIBUTION COST		(43,238)	(29,035)
ADMINISTRATIVE EXPENSES		(91,004)	(69,456)
OTHER EXPENSES		(15,155)	(13,082)
OTHER INCOME		221	11,653
FINANCE COST		(48,693)	(26,921)
(LOSS) / PROFIT BEFORE TAXATION		<u>(78,942)</u>	<u>168,170</u>
TAXATION		(19,562)	(52,508)
(LOSS) / PROFIT AFTER TAXATION		<u>(98,504)</u>	<u>115,662</u>
EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)		<u>(9.93)</u>	<u>11.66</u>

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

  
AMJAD SAEED  
CHIEF EXECUTIVE OFFICER

  
OMER SAEED  
DIRECTOR

  
MUHAMMAD KASHIF ZAHUR  
CHIEF FINANCIAL OFFICER

**CONDENSED STATEMENT OF COMPREHENSIVE INCOME-UN AUDITED  
FOR THE 1ST QUARTER ENDED 30 SEPTEMBER 2022**

	1ST QUARTER ENDED	
	30 September 2022	30 September 2021
(LOSS) / PROFIT AFTER TAXATION	(98,504)	115,662
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 year - net of deferred income tax	-	-
<b>TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE YEAR</b>	<b>(98,504)</b>	<b>115,662</b>

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

  
**AMJAD SAEED**  
 CHIEF EXECUTIVE OFFICER

  
**OMER SAEED**  
 DIRECTOR

  
**MUHAMMAD KASHIF ZAHUR**  
 CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-audited)  
FOR THE 1ST QUARTER ENDED 30 SEPTEMBER 2022

	ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL	SPONSORS' LOANS	RESERVES				TOTAL	TOTAL EQUITY
			CAPITAL RESERVES		REVENUE RESERVE			
			Equity portion of shareholders' loans	Surplus on revaluation of freehold land	Sub total	Unappropriated profit		
<b>Balance as at 01 July 2021</b>	99,200	241,800	159,358	235,857	395,215	289,758	684,973	1,025,973
Profit for the year	-	-	-	-	-	115,662	115,662	115,662
Other comprehensive income for the year	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	115,662	115,662	115,662
<b>Balance as at 30 September 2021 (Un-audited)</b>	99,200	241,800	159,358	235,857	395,215	405,420	800,635	1,141,635
Transaction with owners - Final cash dividend for the year ended 30 June 2021 at the rate of Rupees 1.80 per share	-	-	-	-	-	(17,856)	(17,856)	(17,856)
Profit from 1 October 2021 to 30 June 2022	-	-	-	-	-	207,371	207,371	207,371
Other comprehensive income for the year	-	-	-	-	-	4,546	4,546	4,546
Total comprehensive income for the year	-	-	-	-	-	211,917	211,917	211,917
Equity portion of shareholder's loan	-	-	23,933	-	23,933	-	23,933	23,933
<b>Balance as at 30 June 2022-Audited</b>	99,200	241,800	183,291	235,857	419,148	599,481	1,018,629	1,359,629
Loss for the year	-	-	-	-	-	(98,504)	(98,504)	(98,504)
Other comprehensive income for the year	-	-	-	-	-	-	-	-
Total comprehensive (loss) / income for the year	-	-	-	-	-	(98,504)	(98,504)	(98,504)
<b>Balance as at 30 September 2022-(Un Audited)</b>	99,200	241,800	183,291	235,857	419,148	500,977	920,125	1,261,125

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

  
AMJAD SAEED  
CHIEF EXECUTIVE OFFICER

  
OMER SAEED  
DIRECTOR

  
MUHAMMAD KASHIF ZAHUR  
CHIEF FINANCIAL OFFICER



**CONDENSED STATEMENT OF CASH FLOWS (Unaudited)**  
**FOR THE 1ST QUARTER ENDED 30 SEPTEMBER 2022**

	NOTE	1ST QUARTER ENDED	
		30 September 2022	30 September 2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>(RUPEES IN THOUSAND)</b>			
<b>Net cash used in operations</b>	8.	(1,123,023)	(539,749)
Finance cost paid		(31,634)	(26,674)
Income tax paid		(21,971)	(21,929)
Staff retirement gratuity paid		(3,680)	(6,820)
Net (increase) / decrease in long term deposits and prepayments		-	(163)
Net (increase) / decrease in long term loans		(87)	-
Net increase in long term deposits and prepayments		(235)	-
<b>Net cash used in operating activities</b>		(1,180,630)	(595,335)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure on property, plant and equipment and intangible assets		(8,874)	(175,310)
Proceeds from disposal of property, plant and equipment		-	20,033
<b>Net cash used in investing activities</b>		(8,874)	(155,277)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of long term financing		(9,749)	(13,448)
Dividend paid		(23)	-
Short term borrowings - net		1,198,662	651,939
<b>Net cash generated from financing activities</b>		1,188,890	638,491
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		(614)	(112,121)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>		45,445	166,999
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE Period</b>		44,831	54,878

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

  
**AMJAD SAEED**  
 CHIEF EXECUTIVE OFFICER

  
**OMER SAEED**  
 DIRECTOR

  
**MUHAMMAD KASHIF ZAHUR**  
 CHIEF FINANCIAL OFFICER

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)  
FOR THE 1ST QUARTER ENDED 30 SEPTEMBER, 2022**

**1. THE COMPANY AND ITS OPERATIONS**

Ideal Spinning Mills Limited (the Company) is a public limited company incorporated in Pakistan on 08 June 1989 under the Companies Ordinance, 1984 (Now Companies Act, 2017) and its shares are quoted on Pakistan Stock Exchange Limited. The principal activity of the Company is manufacturing and sale of yarn, cloth and hosiery products. The Company's registered office is situated at Room No. 404-405, 4th Floor, Business Centre, Mumtaz Hassan Road, Karachi.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**2.1 BASIS OF PREPARATION**

**a) Statement of compliance**

i) These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

ii) These condensed interim financial statements do not include all the information and disclosures as required for annual audited financial statements, and therefore, should be read in conjunction with the annual audited financial statements of the Company for the year ended 30 June 2022.

**b) Accounting policies and computation methods**

The accounting policies and methods of computations adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual audited financial statements of the Company for the year ended 30 June 2022.

**2.2 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

In preparing these condensed interim financial statements in conformity with the approved accounting and reporting standards requires the use of certain critical accounting estimates. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During preparation of these condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the annual audited financial statements of the Company for the year ended 30 June 2022.

Un-audited 30 September 2022	Audited 30 June 2022
(RUPEES IN THOUSAND)	

**3. LONG TERM FINANCING**

Opening balance	335,687	273,331
Add:		
Obtained during the period / year	-	140,000
Fair value adjustment	4,599	19,248
Amortized during the period / year	141	1,900
	340,427	434,479
Less:		
Repaid during the period / year	9,890	74,859
Gain on recognition of shareholder's loan at fair value	-	23,933
	9,890	98,792
Closing balance (Note 3.1)	330,537	335,687
Less: Current portion shown under current liabilities	164,706	162,804
	165,831	172,883

**3.1** These represent Rupees 149.890 million (30 June 2022: Rupees 159.639 million) secured bank borrowings and Rupees 180.647 million (30 June 2022: Rupees 176.048 million) unsecured borrowing from sponsor director / shareholder.

Un-audited 30 September 2022	Audited 30 June 2022
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(RUPEES IN THOUSAND)

**4. SHORT TERM BORROWINGS****From banking companies - secured**

Cash finances  
Running finances  
Other short term finances

963,135	-
154,857	151,144
544,392	352,278
1,662,384	503,422

**Others - unsecured**

Other related parties

265,638	225,938
1,928,022	729,360

**5. CONTINGENCIES AND COMMITMENTS****a) Contingencies**

There has been no significant change in the status of contingencies as reported in the annual audited financial statements of the Company for the year ended 30 June 2022.

**b) Commitments**

- i) Commitments for capital expenditure are of Rupees Nil (30 June 2022: Rupees 4.207 million).  
ii) Letters of credit other than for capital expenditure are of Rupees 144.058 million (30 June 2022: Rupees 60.102 million).

**6. PROPERTY, PLANT AND EQUIPMENT**

Operating fixed assets (Note 6.1)  
Capital work-in-progress (Note 6.2)

1,722,419	1,730,812
13,704	32,120
1,736,123	1,762,932

**6.1 Operating fixed assets**

Opening net book value  
Add: Cost of additions during the period / year (Note 6.1.1)  
  
Less: Book value of deletions during the period / year (Note 6.1.2)  
  
Less: Depreciation charged during the period / year

1,730,812	1,272,784
27,290	589,185
1,758,102	1,861,969
-	11,803
1,758,102	1,850,166
35,683	119,354
1,722,419	1,730,812

**6.1.1 Cost of additions during the period / year**

Freehold land  
Buildings  
Plant and machinery  
Stand-by equipment  
Electric installations  
Factory equipment  
Office equipment  
Computers  
Electric appliances  
Furniture and fixtures  
Vehicles

-	6,472
-	191,220
2,270	188,942
-	119,381
418	5,580
-	19,986
-	65
219	3,413
146	3,765
-	1,465
24,237	48,896
27,290	589,185

**6.1.2 Book value of deletions during the period / year**

Plant and machinery  
Stand-by equipment  
Vehicles

-	1,463
-	224
-	10,116
-	11,803

**6.2 Capital work-in-progress**

Plant and machinery  
Advances against vehicles  
Advance against Enterprise Resource Planning (ERP)

4,524	-
3,523	26,473
5,657	5,647
13,704	32,120

(Un-audited)	
1st Quarter ended	
30 September 2022	30 September 2021

(RUPEES IN THOUSAND)

**7. COST OF SALES**

Raw materials consumed	1,071,160	723,835
Salaries, wages and other benefits	156,492	145,565
Stores, spare parts and loose tools consumed	75,229	77,774
Packing materials consumed	37,235	35,221
Sizing materials consumed	14,534	9,322
Outside processing / conversion and other charges	13,960	16,742
Repair and maintenance	548	2,389
Fuel and power	228,100	124,469
Insurance	3,556	2,879
Other factory overheads	693	660
Depreciation	26,622	20,000
	<u>1,628,129</u>	<u>1,158,856</u>
Work-in-process		
Opening stock	100,207	58,438
Closing stock	(105,447)	(77,970)
	<u>(5,240)</u>	<u>(19,532)</u>
Cost of goods manufactured	<u>1,622,889</u>	<u>1,139,324</u>
Finished goods		
Opening stock	436,971	204,703
Closing stock	(494,400)	(199,156)
	<u>(57,429)</u>	<u>5,547</u>
	<u>1,565,460</u>	<u>1,144,871</u>

(Un-audited)	
1st Quarter ended	
30 September 2022	30 September 2021

(RUPEES IN THOUSAND)

**8. NET CASH USED IN OPERATIONS**

(Loss) / Profit before taxation	(78,942)	168,170
<b>Adjustments for non-cash charges and other items:</b>		
Depreciation	35,683	24,963
Amortization	449	240
Gain on disposal of property, plant and equipment	-	(168)
Provision for staff retirement gratuity	13,635	10,621
(Reversal of) / allowance for expected credit losses - net	-	18,788
Finance cost	48,693	26,921
Amortization of deferred grant	(141)	(674)
Provision for workers' profit participation fund	-	12,432
Provision for workers' welfare fund	-	450
Working capital changes (Note 8.1)	(1,142,400)	(801,492)
	<u>(1,123,023)</u>	<u>(539,749)</u>

**8.1 Working capital changes****Increase in current assets**

Stores, spare parts and loose tools	(7,542)	(17,532)
Stock-in-trade	(766,590)	(749,429)
Trade debts	(71,097)	(62,213)
Loans and advances	(273,976)	(15,055)
Short term deposits and prepayments	(16,824)	(10,496)
Other receivables	(159,145)	(74,554)
	<u>(1,295,174)</u>	<u>(929,279)</u>
Increase in trade and other payables	152,774	127,787
	<u>(1,142,400)</u>	<u>(801,492)</u>

9. SEGMENT INFORMATION

	Spinning (Un-audited)		Weaving (Un-audited)		Socks (Un-audited)		Elimination of Inter-segment transactions (Un-audited)		Total - Company (Un-audited)	
	1st Quarter ended 30 September 2022	30 September 2021	1st Quarter ended 30 September 2022	30 September 2021	1st Quarter ended 30 September 2022	30 September 2021	1st Quarter ended 30 September 2022	30 September 2021	1st Quarter ended 30 September 2022	30 September 2021
Revenue	991,291	744,066	306,533	357,627	386,564	338,189	-	-	1,684,388	1,439,882
External	296,745	283,594	-	-	-	-	(296,745)	(283,594)	-	-
Inter segment	1,288,036	1,027,660	306,533	357,627	386,564	338,189	(296,745)	(283,594)	1,684,388	1,439,882
Cost of sales	(1,273,744)	(808,014)	(275,080)	(317,983)	(313,381)	(302,468)	296,745	283,594	(1,565,460)	(1,144,871)
Gross profit	14,292	219,646	31,453	39,644	73,183	35,721	-	-	118,928	295,011
Distribution cost	(5,183)	(3,910)	(3,797)	(5,280)	(34,258)	(19,845)	-	-	(43,238)	(29,035)
Administrative expenses	(44,745)	(32,672)	(14,673)	(11,303)	(31,586)	(25,481)	-	-	(91,004)	(69,456)
Other income	221	826	-	1,441	9,386	-	-	-	221	11,653
Profit / (loss) before taxation and unallocated expenses	(35,415)	183,890	12,983	24,502	7,339	(2,191)	-	-	(15,093)	208,173
<b>Unallocated expenses:</b>										
Other expenses										(15,155)
Finance cost										(48,693)
Taxation										(19,562)
Profit / (loss) after taxation										(98,503)

9.1 Reconciliation of reportable segment assets and liabilities

	Spinning (Un-audited)		Weaving (Un-audited)		Socks (Un-audited)		Total - Company (Un-audited)	
	30 September 2022	30 June 2022	30 September 2022	30 June 2022	30 September 2022	30 June 2022	30 September 2022	30 June 2022
<b>Total assets for reportable segments as per condensed interim statement of financial position</b>	3,098,178	1,972,520	743,664	703,665	823,325	699,387	4,665,167	3,375,572
<b>Total liabilities for reportable segments</b>	1,799,381	608,457	404,324	375,283	954,236	805,664	3,157,941	1,789,404
<b>Unallocated liabilities:</b>								
Deferred income tax liability							104,527	104,527
Provision for taxation							141,574	122,012
<b>Total liabilities as per condensed interim statement of financial position</b>							3,404,042	2,015,943

9.2 Geographical information

The Company's segment wise revenue from external customers as per geographical locations is detailed below:

	Spinning (Un-audited)		Weaving (Un-audited)		Socks (Un-audited)		Total - Company (Un-audited)	
	1st Quarter ended 30 September 2022	30 September 2021	1st Quarter ended 30 September 2022	30 September 2021	1st Quarter ended 30 September 2022	30 September 2021	1st Quarter ended 30 September 2022	30 September 2021
Europe	-	-	107,740	107,204	212,796	171,979	320,536	279,183
North America	1,288,036	744,066	198,790	250,423	159,385	147,728	159,385	147,728
Pakistan	1,288,036	744,066	306,530	357,627	14,383	18,482	1,501,209	1,012,971
The Company's revenue from external customers in respect of products is detailed below:							338,189	1,981,130
<b>Major products / service lines</b>								
Yarn / socks	1,284,012	742,019	-	-	372,058	319,207	1,656,070	1,061,226
Waste	4,024	2,047	-	-	4,423	4,279	8,447	6,326
Sizing income	-	-	-	1,117	-	-	-	1,117
Conversion income / doth sales	-	-	306,533	356,510	10,083	14,203	316,616	370,713
Raw materials	1,288,036	744,066	306,533	357,627	386,564	338,189	1,981,133	1,439,882
							(3)	(3)

**10. TRANSACTIONS WITH RELATED PARTIES**

Detail of transactions and balances with related parties are as follows:

(Un-audited)	
1st Quarter ended	
30 September 2022	30 September 2021

(RUPEES IN THOUSAND)

**i) Transactions****Associated company / undertakings**

Fuel purchased	1,539	1,225 #
Rental expense	1,530	1,755 #

**Other related parties**

Loans obtained from / (repaid to) directors - net	39,700	55,225 #
Remuneration paid to Chief Executive Officer, Director and Executives	12,983	12,466 #

Un-audited	Audited
30 September 2022	30 June 2022

(RUPEES IN THOUSAND)

**ii) Period end balances****Associated company / undertakings**

Trade and other payables	11,937	10,460
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**Other related parties**

Sponsors' loans	241,800	241,800
Long term financing	180,647	176,048
Short term borrowings	265,638	225,938
Loans and advances	550	459

**11. FINANCIAL RISK MANAGEMENT**

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the Company for the year ended 30 June 2022.

**12. DATE OF AUTHORIZATION**

These condensed interim financial statements have been approved and authorized for issue on 26 October, 2022 by the Board of Directors.

**13. CORRESPONDING FIGURES**

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

Corresponding figures have been rearranged, wherever necessary, for the purpose of comparison. However, no significant rearrangements have been made.

**14. GENERAL**

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

  
AMJAD SAEED  
CHIEF EXECUTIVE OFFICER

  
OMER SAEED  
DIRECTOR

  
MUHAMMAD KASHIF ZAHUR  
CHIEF FINANCIAL OFFICER

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