

Half  
Yearly  
Report

**IDEAL SPINNING MILLS LIMITED**



**IdealGroup**

**CONDENSED INTERIM  
FINANCIAL INFORMATION**

Half Yearly Report  
(UN-AUDITED)  
31 DECEMBER, 2023



**COMPANY INFORMATION**

<b>CHAIRMAN:</b>	MR. MOHAMMAD SAEED
<b>CHIEF EXECUTIVE OFFICER:</b>	MR. AMJAD SAEED
<b>DIRECTORS:</b>	MRS. ROBINA AMJAD MR. OMER SAEED MR. AHSAN SAEED MR. KHIZER SAEED MR. MUHAMMAD AZHAR (INDEPENDENT) MR. RIZWAN-UL-HASSAN (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. MR. AHSAN SAEED
<b>MEMBER</b>	MRS. RUBINA AMJAD
<b>NOMINATION COMMITTEE:</b>	
<b>CHAIRMAN</b>	MR. OMER SAEED
<b>MEMBER</b>	MR. MR. AHSAN SAEED
<b>MEMBER</b>	MR. KHIZER SAEED
<b>RISK MANAGEMENT COMMITTEE:</b>	
<b>CHAIRMAN</b>	MR. AHSAN SAEED
<b>MEMBER</b>	MR. 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 LTD NATIONAL BANK OF PAKISTAN ASKARI BANK LTD BANK AL-HABIB LTD HABIB METROPOLITAN BANK LTD THE BANK OF PUNJAB HABIB BANK LIMITED SAMBA BANK LTD MEEZAN BANK LTD
<b>REGISTERED OFFICE :</b>	ROOM NO 404 & 405, 4 <sup>TH</sup> FLOOR, BUSINESS CENTRE, MUMTAZ HASSAN ROAD, KARACHI.

**DIRECTORS' REVIEW REPORT TO THE SHAREHOLDERS**

The Board of Directors feel pleasure in submitting un-audited financial statement of your company for the Half year ended 31 December, 2023.

**COMPANY'S PERFORMANCE**

Half Yearly brief financial position of the Company is presented here under:

	(RUPEES IN THOUSAND)	
	<u>31.12.2023</u>	<u>31.12.2022</u>
REVENUE FROM CONTRACTS WITH CUSTOMERS	3,282,177	3,232,940
COST OF SALES	<u>(3,182,557)</u>	<u>(3,161,777)</u>
GROSS PROFIT	99,620	71,163
DISTRIBUTION COST	(52,257)	(95,411)
ADMINISTRATIVE EXPENSES	(155,868)	(176,124)
OTHER EXPENSES	(2,542)	(1,310)
OTHER INCOME	25,088	928
FINANCE COST	<u>(100,667)</u>	<u>(133,829)</u>
(LOSS) BEFORE TAXATION	(186,626)	(334,583)
TAXATION	<u>22,919</u>	<u>(27,510)</u>
(LOSS) AFTER TAXATION	<u>(163,707)</u>	<u>(362,093)</u>
(LOSS) PER SHARE-BASIC AND DILUTED (RUPEES)	(16.50)	(36.50)

The financial performance of the company during the half year has been challenging, characterized by a gross profit of Rs. 99.620 Million. Various external factors, such as the persistent surge in raw material prices, escalating fuel and power costs, political instability, high-interest rates and rapid monetary policy tightening have significantly impacted our operational efficiency and financial stability.

Despite generating a commendable revenue of Rs. 3,282.177 Million from contracts with customers, the substantial cost of sales amounting to Rs. 3,182.557 Million and our efforts to minimize distribution costs, administrative expenses, and finance costs were not sufficient to counterbalance the challenging market conditions, leading to an after-tax loss of Rs. 163.707 Million.

These numbers signify the persistent challenges faced by the industry and our proactive steps to manage costs and enhance operational efficiencies. Our focus remains steadfast on prudent cost management, strategic procurement practices, and operational optimization to mitigate the impact of external factors on our financial performance.

We continue to explore new avenues for growth and remain committed to implementing robust risk management strategies to navigate the current challenging market landscape. Our team is dedicated to exploring innovative solutions to strengthen our resilience and ensure a sustainable path to profitability.

**FUTURE PROSPECTS**

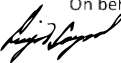
Despite the current challenges, we anticipate a turnaround as the market conditions improve. We remain optimistic, expecting a recovery from the recent recession. Our focus on innovation and operational efficiency will drive sustainable growth and reinforce our position in the market.


**ACKNOWLEDGEMENT**

The Board extends heartfelt gratitude to our esteemed shareholders and bankers for their unwavering support and trust in the company. We also recognize and appreciate dedication and hard work of our staff and workers, whose efforts have been instrumental in achieving significant milestones. We look forward to their continued commitment in the years to come.

Faisalabad  
February 28, 2024

On behalf of the Board

  
Amjad Saeed  
Chief Executive Officer

  
Omer Saeed  
Director

### حصہ داران کیلئے ڈائریکٹرز کی جائزہ رپورٹ

آپ کے ڈائریکٹرز 31 دسمبر 2023 کو ختم ہونے والے 6 ماہ کے لئے آپ کی کمپنی کے غیر آڈٹ شدہ نتائج پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

31-12-2022	31-12-2023	مالیاتی نتائج
		(رقم ہزاروں میں)
3,232,940	3,282,177	صارفین کے ساتھ معاہدوں سے حاصل ہونے والی آمدن
(3,161,777)	(3,182,557)	فروخت کی قیمت
71,163	99,620	گراس منافع
(95,411)	(52,257)	ڈسٹری بیوٹن اخراجات
(176,124)	(155,868)	انتظامی اخراجات
(1,310)	(2,542)	متفرق اخراجات
928	25,088	دیگر آمدن
(133,829)	(100,667)	نفاٹل اخراجات
(334,583)	(186,626)	ٹیکس کے بغیر (نقصان)
(27,510)	22,919	ٹیکس
(362,093)	(163,707)	خالص (نقصان) ٹیکس کے بعد
(36.50)	(16.50)	(نقصان) فی حصہ بنیادی (روپے)

رواں مالی سال کی پہلی ششماہیکے دوران کمپنی کی مالی کارکردگی چیلنجنگ رہی ہے، جس میں گراس منافع 99.620 ملین روپے ہے۔ مختلف بیرونی عوامل، جیسے خام مال کی قیمتوں میں مسلسل اضافہ، ایندھن اور بجلی کے بڑھتے ہوئے اخراجات، سیاسی عدم استحکام، اعلیٰ سود کی شرح اور تیزی سے مالیاتی پالیسی کی سختی نے ہماری آپریشنل کارکردگی اور مالی استحکام کو نمایاں طور پر متاثر کیا ہے۔

گاہکوں کے ساتھ معاہدوں سے 3282.177 ملین روپے حاصل ہوئے۔ فروخت کی لاگت 3182.557 ملین روپے آئی اور تقسیم کے اخراجات، انتظامی اخراجات اور مالیاتی اخراجات کو کم کرنے کی ہماری کوششیں مارکیٹ کے چیلنجنگ حالات کا مقابلہ کرنے کے لئے کافی نہیں تھی۔ جس کے نتیجے میں بعد از ٹیکس 163.707 ملین روپے کا نقصان ہوا۔

یہ تعداد صنعت کو درپیش مستقل چیلنجوں اور اخراجات کو منظم کرنے اور اپریشنل استعداد کار کو بڑھانے کے لئے ہمارے فعال اقدامات کی نشاندہی کرتی ہے۔ ہماری توجہ ہماری مالی کارکردگی پر بیرونی عوامل کے اثرات کو کم کرنے کے لئے ہوشیار لاگت کے انتظام، سٹریٹجک پروڈیکورمنٹ کے طریقوں، اور آپریشنل اصلاح پر قائم ہے۔

ہم ترقی کے لئے نئی راہیں تلاش کرتے رہتے ہیں اور موجودہ چیلنجنگ مارکیٹ کے منظر نامے کو نیوگیٹ کرنے کے لئے رسک منجمنٹ کی مضبوط حکمت عملیوں کو نافذ کرنے کے لئے پرعزم ہیں ہماری ٹیم پلک کو مضبوط بنانے اور منافع کے لئے پائے دار راستہ کو یقینی بنانے کے لئے جدید حل تلاش کرنے کے لئے وقف ہے۔

مستقبل کے امکانات:

موجودہ چیلنجوں کے باوجود، مارکیٹ کے حالات بہتر ہونے پر ہم ایک تبدیلی کی توقع کرتے ہیں۔ ہم پر امید ہیں، حالیہ کساد بازی کے نتائج سے بحالی کی توقع رکھتے ہیں۔ جدت طرازی اور آپریشنل کارکردگی پر ہماری توجہ پائیدار ترقی کو آگے بڑھانے کی اور مارکیٹ میں ہماری پوزیشن کو مضبوط کرے گی۔

اعتراف:

بورڈ ہمارے محزز شہر ہولڈرز اور بینکرز کا کہنی پر ان کی غیر متزلزل حمایت اور اعتماد کے لئے تہدل سے شکر یہ ادا کرتا ہے۔ ہم اپنے عملے اور کارکنوں کی لگن اور محنت کو بھی تسلیم کرتے ہیں اور ان کی تعریف کرتے ہیں۔ جن کی کوششیں اہم سبب مل حاصل کرنے میں اہم کردار ادا کرتی رہی ہیں۔ ہم آنے والے سالوں میں انکی مسلسل وابستگی کے منتظر ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے



عمر سعید

ڈائریکٹر



اسم سعید

چیف ایگزیکٹو آفیسر

فیصل آباد

28 فروری 2024ء

**INDEPENDENT AUDITOR'S REVIEW REPORT****To the members of Ideal Spinning Mills Limited****Report on review of Condensed Interim Financial Statements**Introduction

We have reviewed the accompanying condensed interim statement of financial position of IDEAL SPINNING MILLS LIMITED as at 31 December 2023 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to condensed interim financial statements for the half year then ended (here-in-after referred to as "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended 31 December 2023 and 31 December 2022 have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the half year ended 31 December 2023.

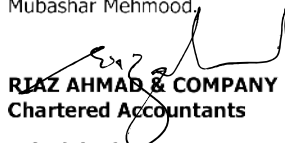
Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's review report is Mubashar Mehmood.



**RIAZ AHMAD & COMPANY**  
Chartered Accountants

**Faisalabad****Date: February 28, 2024.****UDIN: RR202310158gpLWutTmN**

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023**

	NOTE	Un-audited 31 December 2023 (RUPEES IN THOUSAND)	Audited 30 June 2023 (RUPEES IN THOUSAND)	NOTE	Un-audited 31 December 2023 (RUPEES IN THOUSAND)	Audited 30 June 2023 (RUPEES IN THOUSAND)
<b>EQUITY AND LIABILITIES</b>						
<b>SHARE CAPITAL AND RESERVES</b>						
<b>Authorized share capital</b>						
20 000 000 (30 June 2023; 20 000 000) ordinary shares of Rupees 10 each		200,000	200,000			
<b>Issued, subscribed and paid up share capital</b>						
9 920 000 (30 June 2023; 9 920 000) ordinary shares of Rupees 10 each fully paid in cash		99,700	99,700			
<b>Sponsors' loans</b>		241,800	241,800			
<b>Reserves</b>						
<b>Capital reserves</b>						
Equity portion of shareholders' loans		183,291	183,291			
Surplus on evaluation of freehold and		235,857	235,857			
		419,148	419,148			
<b>(Accumulated loss) / unappropriated profit</b>		(119,866)	43,841			
<b>Total reserves</b>		299,282	462,989			
<b>TOTAL EQUITY</b>		610,282	803,989			
<b>LIABILITIES</b>						
<b>NON-CURRENT LIABILITIES</b>						
Long term financing		139,976	153,518			
Staff retirement gratuity	3	300,639	120,777			
		230,635	274,295			
<b>CURRENT LIABILITIES</b>						
Trade and other payables		646,436	956,431			
Undeclared dividend		2,509	2,801			
Accrued interest		31,266	46,125			
Short term borrowings	4	1,432,646	1,430,323			
Current portion of long term financing	3	35,000	35,000			
Provision for taxation		81,066	120,890			
		2,229,013	2,600,361			
<b>TOTAL LIABILITIES</b>		2,459,648	2,874,855			
<b>CONTINGENCIES AND COMMITMENTS</b>						
<b>TOTAL EQUITY AND LIABILITIES</b>		3,029,930	3,678,845			
<b>ASSETS</b>						
<b>NON-CURRENT ASSETS</b>						
Property, plant and equipment	6	1,620,289	1,662,377			
Intangible assets		1,757	2,659			
Long term loans		-	47			
Long term deposits and prepayments		1,878	1,907			
Deferred income tax asset		63,716	-			
		1,693,640	1,666,990			
<b>CURRENT ASSETS</b>						
Stores, spare parts and loose tools		120,479	133,997			
Stock-in-trade		498,348	947,375			
Trade debts		393,341	367,811			
Loans and advances		42,956	20,348			
Short term deposits and prepayments		11,578	331			
Income tax		103,289	132,333			
Other receivables		256,988	318,872			
Cash and bank balances		79,311	70,988			
		1,406,290	2,011,855			
<b>TOTAL ASSETS</b>		3,029,930	3,678,845			

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



**OMER SAAD**  
CHIEF EXECUTIVE OFFICER



**MUHAMMAD KASHIF ZAHUR**  
CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (Un-audited)  
FOR THE HALF YEAR ENDED 31 DECEMBER 2023**

	NOTE	Half year ended		Quarter ended	
		31 December 2023	31 December 2022	31 December 2023	31 December 2022
------(RUPEES IN THOUSAND)-----					
REVENUE FROM CONTRACTS WITH CUSTOMERS		3,282,177	3,232,940	1,476,606	1,548,553
COST OF SALES	7	(3,182,557)	(3,161,777)	(1,460,794)	(1,594,787)
GROSS PROFIT / (LOSS)		99,620	71,163	15,812	(46,234)
DISTRIBUTION COST		(52,257)	(95,411)	(9,274)	(52,173)
ADMINISTRATIVE EXPENSES		(155,868)	(176,124)	(73,242)	(86,650)
OTHER EXPENSES		(2,542)	(1,310)	(2,492)	(1,310)
OTHER INCOME		25,088	928	20,556	15,862
FINANCE COST		(100,667)	(133,829)	(42,309)	(85,136)
LOSS BEFORE TAXATION		(186,626)	(334,583)	(90,949)	(255,641)
TAXATION		22,919	(27,510)	44,218	(7,948)
LOSS AFTER TAXATION		(163,707)	(362,093)	(46,731)	(263,589)
LOSS PER SHARE - BASIC AND DILUTED (RUPEES)		(16.50)	(36.50)	(4.71)	(26.57)

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

  
ANJAD SAEED  
CHIEF EXECUTIVE OFFICER

  
OMER SAEED  
DIRECTOR

  
MUHAMMAD KASHIF ZAHUR  
CHIEF FINANCIAL OFFICER



**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-audited)  
FOR THE HALF YEAR ENDED 31 DECEMBER 2023**

Half year ended		Quarter ended	
31 December 2023	31 December 2022	31 December 2023	31 December 2022

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

LOSS AFTER TAXATION (163,707) (362,093) (46,731) (263,589)

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 LOSS FOR THE PERIOD (163,707) (362,093) (46,731) (263,589)

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

  
ANJAD SAEED  
CHIEF EXECUTIVE OFFICER

  
OMER SAEED  
DIRECTOR

  
MUHAMMAD KASHIF ZAHUR  
CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-audited)  
FOR THE HALF YEAR ENDED 31 DECEMBER 2023**

	SHARE CAPITAL	SPONSORS' LOANS	CAPITAL RESERVES			UNAPPROPRIATED PROFIT / (ACCUMULATED LOSS)	TOTAL EQUITY
			Equity portion of shareholders' loan	Surplus on revaluation of freehold land	Total		
	99,200	241,800	183,291	235,857	419,148	599,481	1,359,629
<b>Balance as at 01 July 2022 - (Audited)</b>							
Transaction with owners - Final cash dividend for the year ended 30 June 2022 at the rate of Rupees 2.00 per share	-	-	-	-	-	(19,840)	(19,840)
Loss for the period	-	-	-	-	-	(362,093)	(362,093)
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	-	(362,093)	(362,093)
<b>Balance as at 31 December 2022 - (Un-audited)</b>	99,200	241,800	183,291	235,857	419,148	217,548	977,696
Loss for the period	-	-	-	-	-	(191,977)	(191,977)
Other comprehensive income for the period	-	-	-	-	-	18,270	18,270
Total comprehensive loss for the period	-	-	-	-	-	(173,707)	(173,707)
<b>Balance as at 30 June 2023 - (Audited)</b>	99,200	241,800	183,291	235,857	419,148	43,841	803,989
Loss for the period	-	-	-	-	-	(163,707)	(163,707)
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	-	(163,707)	(163,707)
<b>Balance as at 31 December 2023 - (Un-audited)</b>	99,200	241,800	183,291	235,857	419,148	(119,866)	640,282

(RUPEES IN THOUSAND)

Transaction with owners - Final cash dividend for the year ended 30 June 2022 at the rate of Rupees 2.00 per share

Loss for the period  
Other comprehensive income for the period  
Total comprehensive loss for the period

**Balance as at 31 December 2022 - (Un-audited)**

Loss for the period  
Other comprehensive income for the period  
Total comprehensive loss for the period

**Balance as at 30 June 2023 - (Audited)**

Loss for the period  
Other comprehensive income for the period  
Total comprehensive loss for the period

**Balance as at 31 December 2023 - (Un-audited)**

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

  
**AMIRJAD SAEED**  
CHIEF EXECUTIVE OFFICER

  
**OMER SAEED**  
DIRECTOR

  
**MUHAMMAD KASHIF ZAHUR**  
CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (Un-audited)  
FOR THE HALF YEAR ENDED 31 DECEMBER 2023**

	Half year ended	
	31 December 2023	31 December 2022
	<b>(RUPEES IN THOUSAND)</b>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Net cash from generated from / (used in) operations</b>	8	261,040
Finance cost paid		(1,160,901)
Income tax paid		(111,569)
Staff retirement gratuity paid		(31,567)
Net decrease / (increase) in long term deposits and prepayments		(54,020)
Net decrease / (increase) in long term loans		29
		(61)
		47
<b>Net cash from generated from / (used in) operating activities</b>		<b>63,960</b>
		<b>(1,300,644)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditure on property, plant, equipment and intangible asset		(31,258)
Proceeds from disposal of property, plant and equipment		(28,307)
		-
<b>Net cash used in investing activities</b>		<b>(31,258)</b>
		<b>(27,807)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of long term financing		(17,500)
Dividend paid		(19,779)
Short term borrowings - net		(202)
		(19,116)
		(6,677)
		1,368,375
<b>Net cash (used in) / from financing activities</b>		<b>(24,379)</b>
		<b>1,329,480</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>8,323</b>
		<b>1,029</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>		<b>70,988</b>
		<b>45,445</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<b>79,311</b>
		<b>46,474</b>

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

  
ANJAD 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 HALF YEAR ENDED 31 DECEMBER 2023****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 repealed Companies Ordinance, 1984 (Now Companies Act, 2017) and listed 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. 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 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.

**2.2** These condensed interim financial statements are un-audited and have been presented in condensed form and do not include all the information and disclosures as required to be provided in annual financial statements. These condensed interim financial statements should be read in conjunction with the annual financial statements of the Company for the year ended 30 June 2023.

**2.3** These condensed interim financial statements have been subjected to limited scope review by the auditors of the Company as required under section 237 of the Companies Act, 2017. Moreover, the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended 31 December 2023 and 31 December 2022 are neither audited nor reviewed by the auditors.

**2.4 Statement of material accounting policy information**

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 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 for the year ended 30 June 2023.

**2.6 Critical accounting estimates and judgements**

The preparation of these condensed interim financial statements in conformity with approved accounting and reporting standards requires management to make estimates, assumptions and judgements that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions and judgements are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which forms the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. The significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the annual financial statements of the Company for the year ended 30 June 2023.

Un-audited 31 December 2023	Audited 30 June 2023
-----------------------------------	----------------------------

(RUPEES IN THOUSAND)

**3. LONG TERM FINANCING**

Opening balance	188,518	335,687
Add:		
Fair value adjustment during the period / year	3,958	11,035
Amortized during the period / year	-	141
	192,476	346,863
Less:		
Repayments made during the period / year	17,500	19,780
Transferred to short term borrowings	-	138,565
	17,500	158,345
Closing balance (Note 3.1)	174,976	188,518
Less: Current portion shown under current liabilities	35,000	35,000
	139,976	153,518

- 3.1** These represent Rupees 122.500 million (30 June 2023: Rupees 140.000 million) secured bank borrowings and Rupees 52.476 million (30 June 2023: Rupees 48.518 million) unsecured borrowing from sponsor director / shareholder.

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

Cash finances	31,789	189,788
Running finances	188,661	231,371
Other short term finances	387,508	405,811
	607,958	826,970

**From others - unsecured**

Related parties	824,688	612,353
	1,432,646	1,439,323

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

- i) Guarantees of Rupees 61.093 million (30 June 2023: Rupees 54.695 million) are given by the banks of the Company to Sui Northern Gas Pipelines Limited against gas connections and to Faisalabad Electric Supply Company Limited against electricity connections.
- ii) There is no significant change in the status of other contingencies as reported in the annual financial statements of the Company for the year ended 30 June 2023.

**b) Commitments**

- i) Commitments for capital expenditure are of Rupees Nil (30 June 2023: Rupees Nil).
- ii) Letters of credit other than for capital expenditure are of Rupees 40.536 million (30 June 2023: Rupees 29.531 million).

**6. PROPERTY, PLANT AND EQUIPMENT**

Operating fixed assets (Note 6.1)	1,613,468	1,653,982
Capital work-in-progress (Note 6.2)	12,821	8,395
	1,626,289	1,662,377

**6.1 Operating fixed assets**

Opening net book value	1,653,982	1,730,812
Add: Cost of additions during the period / year (Note 6.1.1)	26,832	71,238
	1,680,814	1,802,050
Less: Book value of deletions during the period / year	-	425
	1,680,814	1,801,625
Less: Depreciation charged during the period / year	67,346	147,643
	1,613,468	1,653,982

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

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

Plant and machinery	20,435	29,387
Stand-by equipment	5,881	-
Electric installations	-	9,218
Factory equipment	-	95
Computers	-	728
Electric appliances	516	1,363
Vehicles	-	30,447
	<u>26,832</u>	<u>71,238</u>

**6.2 Capital work-in-progress**

Stand-by equipment	4,031	-
Advance against electric appliance	160	-
Advance against vehicle	235	-
Advance against Enterprise Resource Planning (ERP)	8,395	8,395
	<u>12,821</u>	<u>8,395</u>

(Un-audited)			
Half year ended		Quarter ended	
31 December 2023	31 December 2022	31 December 2023	31 December 2022

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

**7. COST OF SALES**

Raw materials consumed	1,796,248	2,251,265	725,818	1,180,105
Cost of raw material sold	12,009	-	12,009	-
Stores, spare parts and loose tools consumed	101,166	153,238	49,153	78,009
Salaries, wages and other benefits	207,685	307,143	86,139	150,651
Fuel and power	473,117	392,337	230,007	164,237
Sizing materials consumed	7,328	30,351	5,344	15,817
Outside processing / conversion and other charges	43,673	28,502	21,519	14,542
Packing materials consumed	98,376	95,046	51,310	57,811
Repair and maintenance	2,321	3,012	471	2,464
Insurance	7,439	7,670	3,789	4,114
Rent, rates and taxes	3,390	3,060	1,695	1,530
Other factory overheads	449	1,359	111	666
Depreciation	50,444	53,972	25,508	27,350
	<u>2,803,645</u>	<u>3,326,955</u>	<u>1,212,873</u>	<u>1,697,296</u>
Work-in-process				
Opening stock	99,755	100,206	93,710	105,447
Closing stock	(79,394)	(83,884)	(79,394)	(83,884)
	<u>20,361</u>	<u>16,322</u>	<u>14,316</u>	<u>21,563</u>
Cost of goods manufactured	<u>2,824,006</u>	<u>3,343,277</u>	<u>1,227,189</u>	<u>1,718,859</u>
Finished goods				
Opening stock	558,752	436,972	433,807	494,400
Closing stock	(200,201)	(618,472)	(200,201)	(618,472)
	<u>358,551</u>	<u>(181,500)</u>	<u>233,606</u>	<u>(124,072)</u>
	<u>3,182,557</u>	<u>3,161,777</u>	<u>1,460,795</u>	<u>1,594,787</u>

(Un-audited)	
Half year ended	
31 December 2023	31 December 2022

(RUPEES IN THOUSAND)

**8. NET CASH GENERATED FROM / (USED IN) OPERATIONS**

Loss before taxation	(186,626)	(334,583)
<b>Adjustments for non-cash charges and other items:</b>		
Amortization	902	898
Depreciation	67,346	72,699
Gain on disposal of property, plant and equipment	-	(75)
Allowance for expected credit losses - net	-	7
Credit balances written back	(13,617)	-
Provision for staff retirement gratuity	23,902	27,277
Finance cost	100,667	133,829
Amortization of deferred grant	-	(141)
Provision for doubtful loans and advances	-	27
Working capital changes (Note 8.1)	268,466	(1,060,839)
	261,040	(1,160,901)

**8.1 Working capital changes**
**Decrease / (increase) in current assets**

Stores, spare parts and loose tools	13,518	(4,288)
Stock-in-trade	449,027	(638,687)
Trade debts	74,270	78,744
Loans and advances	(22,608)	(326,620)
Short term deposit and prepayments	(11,247)	(11,290)
Other receivables	61,884	(219,561)
	564,844	(1,121,702)
(Decrease) / increase in trade and other payables	(296,378)	60,863
	268,466	(1,060,839)

9. SEGMENT INFORMATION

	Spinning		Weaving		Socks		Elimination of Inter-segment transactions		Total - Company	
	(Un-audited) Half year ended 31 December 2023	(Un-audited) Half year ended 31 December 2022	(Un-audited) Half year ended 31 December 2023	(Un-audited) Half year ended 31 December 2022	(Un-audited) Half year ended 31 December 2023	(Un-audited) Half year ended 31 December 2022	(Un-audited) Half year ended 31 December 2023	(Un-audited) Half year ended 31 December 2022	(Un-audited) Half year ended 31 December 2023	(Un-audited) Half year ended 31 December 2022
Revenue from contracts with customers	2,232,207	1,936,538	501,296	521,372	548,674	775,030	-	-	3,282,177	3,232,940
External Inter-segment	117,385	526,207	-	-	-	-	(117,385)	(526,207)	-	-
Cost of sales	2,349,592	2,462,745	501,296	521,372	548,674	775,030	(117,385)	(526,207)	3,282,177	3,232,940
Gross profit / (loss)	(2,274,667)	(2,583,664)	(519,847)	(74,708)	(505,428)	(626,552)	117,385	526,207	(3,182,557)	(3,158,717)
Distribution cost	74,925	(120,919)	(18,551)	46,664	43,246	148,478	-	-	99,620	74,223
Administrative expenses	(10,376)	(9,653)	(8,630)	(7,145)	(33,251)	(78,613)	-	-	(52,257)	(95,411)
Other income	(85,945)	(90,444)	(24,917)	(28,269)	(45,006)	(60,471)	-	-	(155,868)	(179,184)
Profit / (loss) before taxation and unallocated expenses	22,827	928	-	2,261	-	-	-	-	25,088	928
	1,431	(220,088)	(52,098)	11,250	(32,750)	9,394	-	-	(83,417)	(199,444)

Unallocated expenses:

Other expenses	(2,542)	(1,310)
Finance cost	(100,667)	(133,829)
Taxation	22,919	(27,510)
Loss after taxation	(163,707)	(362,093)

9.1 Reconciliation of reportable segment assets and liabilities

	Spinning		Weaving		Socks		Total - Company	
	(Un-audited) 31 December 2023	(Audited) 30 June 2023	(Un-audited) 31 December 2023	(Audited) 30 June 2023	(Un-audited) 31 December 2023	(Audited) 30 June 2023	(Un-audited) 31 December 2023	(Audited) 30 June 2023
Total assets for reportable segments	1,993,894	2,132,715	523,056	781,443	519,264	764,687	3,036,214	3,678,845
Deferred income tax asset	-	-	-	-	-	-	63,716	-
Total assets as per condensed interim statement of financial position	-	-	-	-	-	-	3,099,930	3,678,845
Total liabilities for reportable segments	1,278,507	1,325,880	277,928	462,639	822,147	965,557	2,378,582	2,753,976
Provision for taxation	-	-	-	-	-	-	81,066	120,880
Total liabilities as per condensed interim statement of financial position	-	-	-	-	-	-	2,459,648	2,874,856



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)	
	Half year ended 31 December 2023	31 December 2022	Half year ended 31 December 2023	31 December 2022	Half year ended 31 December 2023	31 December 2022	Half year ended 31 December 2023	31 December 2022
Europe	-	-	251,097	180,972	244,016	535,629	495,113	716,601
Asia	-	-	-	-	-	101,265	-	101,265
North America	-	-	-	-	229,364	111,301	229,364	111,301
Pakistan	2,232,207	1,936,538	250,199	340,400	75,294	26,835	2,557,700	2,303,773
	2,232,207	1,936,538	501,296	521,372	548,674	775,030	3,282,177	3,232,940

9.3 Disaggregation of revenue from contracts with customers by major products / service lines

Yarn / socks / others	2,225,119	1,928,724	-	-	484,289	748,195	2,709,408	2,676,919
Waste	7,088	7,814	-	-	5,309	8,432	12,397	16,246
Conversion, sizing and CMT income / doth sale	-	-	501,296	521,372	59,076	18,403	560,372	539,775
	2,232,207	1,936,538	501,296	521,372	548,674	775,030	3,282,177	3,232,940

**10. TRANSACTIONS WITH RELATED PARTIES**

Related parties from the Company's prospective comprise associated company / undertakings, other related parties and key management personnel. The Company in the normal course of business carries out transactions with various related parties and continues to have a policy whereby all such transactions are carried out on commercial terms and conditions which are equivalent to those prevailing in an orderly transaction between market participants at the date of transaction. Detail of transactions and balances with related parties is as follows:

(Un-audited)			
Half year ended		Quarter ended	
31 December 2023	31 December 2022	31 December 2023	31 December 2022

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

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

Fuel purchased	3,524	3,162	1,857	1,623
Rental expense	3,390	3,060	1,695	1,530
Sale of goods	8,813	-	8,813	-

**Other related parties**

Dividend paid to directors / major shareholders	-	16,578	-	16,578
Loans obtained from directors	212,335	118,500	75,035	78,800
Remuneration and meeting fee paid to Chief Executive Officer, directors and executives	40,573	38,446	20,388	18,765

Un-audited	Audited
31 December 2023	30 June 2023

(RUPEES IN THOUSAND)

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

Trade and other payables	14,477	14,454
Trade debts	4,899	-

**Other related parties**

Sponsors' loans	241,800	241,800
Long term financing	52,476	48,518
Short term borrowings	824,688	612,353
Loans and advances	2,847	2,584

**11. DISCLOSURES BY COMPANY LISTED ON ISLAMIC INDEX**

Description	(Un-audited)	
	31 December 2023	
	(RUPEES IN THOUSAND)	

**Loans / advances obtained as per Islamic mode**

Long term financing	174,976
Short term borrowings	824,688
Contract liabilities	27,493

**Shariah compliant bank deposits / bank balances**

Bank balances	2,248
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Description	(Un-audited)	
	Half year ended	
	31 December 2023	31 December 2022

(RUPEES IN THOUSAND)

**Profit earned from shariah compliant bank deposits / bank balances**

Profit on deposit with bank	15	21
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**Revenue earned from shariah compliant business**

3,282,177	3,232,940
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Description	(Un-audited)	
	Half year ended	
	31 December 2023	31 December 2022
(RUPEES IN THOUSAND)		
<b>Mark-up on Islamic mode of financing</b>		
Mark-up on long term financing	16,367	12,386
Mark-up on short term borrowings	864	1,383
<b>Profit / interest on any conventional advance / loans</b>		
Mark-up on long term financing	-	233
Mark-up on short term borrowings	72,854	103,239
Profit on deposits with banks	1,280	276

**Relationship with shariah compliant banks**

Bank Name	Relationship
Habib Bank Limited	Bank balances
AlBaraka Bank (Pakistan) Limited	Bank balances
Meezan Bank Limited	Bank balances, long term financing and short term borrowings
BankIslami Pakistan Limited	Bank balance

Comparative figures of the statement of financial position are not given as the Company ceased to be listed on Islamic Index as at 30 June 2023.

There was no dividend on any investment. Moreover, there was an unavailed loan facility from Meezan Bank Limited.

**12. DATE OF AUTHORIZATION**

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

**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 financial statements of preceding financial year, whereas, the condensed interim statement of profit or loss, condensed interim statement of comprehensive income and condensed interim statement of cash flows have been compared with the balances of comparable period of immediately preceding financial year:

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison and better presentation. However, no significant re-arrangements have been made except following:

PARTICULARS	RECLASSIFICATION		RUPEES IN THOUSAND
	FROM	TO	
Rent, rates and taxes	Administrative expenses	Cost of sales	3,060
Gas Infrastructure Development Cess (GIDC) payable	Current portion of non-current liabilities	Trade and other payables	21,383

**14. GENERAL**

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

  
**ANJAD SAEED**  
 CHIEF EXECUTIVE OFFICER

  
**OMER SAEED**  
 DIRECTOR

  
**MUHAMMAD KASHIF ZAHUR**  
 CHIEF FINANCIAL OFFICER

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