

**3rd  
Quarter  
Report**

**IDEAL SPINNING MILLS LIMITED**



**IdealGroup**

**CONDENSED INTERIM  
FINANCIAL INFORMATION**

**3rd Quarter Report  
(UN-AUDITED)  
31 March, 2024**



**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 third Quarter ended 31 March 2024.

**COMPANY'S PERFORMANCE**

Nine months brief financial position of the Company is presented here under:

	<b>(RUPEES IN THOUSAND)</b>	
	<b><u>31.03.2024</u></b>	<b><u>31.03.2023</u></b>
REVENUE FROM CONTRACTS WITH CUSTOMERS	4,347,371	4,839,791
COST OF SALES	<u>(4,181,527)</u>	<u>(4,688,430)</u>
GROSS PROFIT	165,844	151,361
DISTRIBUTION COST	(75,494)	(135,740)
ADMINISTRATIVE EXPENSES	(224,989)	(258,676)
OTHER EXPENSES	(6,044)	(716)
OTHER INCOME	31,338	39,894
FINANCE COST	<u>(139,713)</u>	<u>(218,161)</u>
LOSS BEFORE TAXATION	(249,058)	(422,038)
TAXATION	<u>17,982</u>	<u>(18,471)</u>
LOSS AFTER TAXATION	<u>(231,076)</u>	<u>(440,509)</u>
LOSS PER SHARE-BASIC AND DILUTED (RUPEES)	(23.29)	(44.41)

The financial performance of the company during the nine months has been challenging, characterized by a gross profit of Rs. 165.844 Million. Various external factors, such as the persistent surge in raw material prices, escalating fuel and power costs, high-interest rates and tight monetary policy have significantly impacted our operational efficiency and financial stability.

Despite generating a commendable revenue of Rs. 4,347.371 Million from contracts with customers, the substantial cost of sales amounting to Rs. 4,181.527 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. 231.076 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.

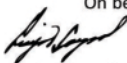
**FUTURE PROSPECTS**

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  
April 30, 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 مارچ 2024 کو ختم ہونے والے 9 ماہ کے لئے آپ کی کمپنی کے غیر آڈٹ شدہ نتائج پیش کرتے ہوئے خوش محسوس کرتے ہیں۔

31-03-2023

31-03-2024

مالیاتی نتائج

(رقم ہزاروں میں)

4,839,791

4,347,371

صارفین کے ساتھ معاہدوں سے حاصل ہونے والی آمدن

(4,688,430)

(4,181,527)

فروخت کی قیمت

151,361

165,844

گراس منافع

(135,740)

(75,494)

ڈسٹری بیوٹن اخراجات

(258,676)

(224,989)

انتظامی اخراجات

(716)

(6,044)

متفرق اخراجات

39,894

31,338

دیگر آمدن

(218,161)

(139,713)

فنانسنگ اخراجات

(422,038)

(249,058)

ٹیکس کے بغیر نقصان

(18,471)

17,982

ٹیکس

(440,509)

(231,076)

خالص نقصان ٹیکس کے بعد

(44.41)

(23.29)

نقصان فی حصہ بنیادی (روپے)

رواں مالی سال کے 9 ماہ کے دوران کمپنی کی مالی کارکردگی چیلنجنگ رہی ہے، جس میں گراس منافع 165.844 ملین روپے ہے۔ مختلف بیرونی عوامل، جیسے خام مال کی قیمتوں میں مسلسل اضافہ، ایندھن اور بجلی کے بڑھتے ہوئے اخراجات، 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 4,347.371 ملین روپے حاصل ہوئے۔ فروخت کی لاگت 4,181.527 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 231.076 ملین روپے کا نقصان ہوا۔

یہ تعداد صنعت کو درپیش مستقل چیلنجوں اور اخراجات کو منظم کرنے اور آپریشنل 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 پروکیورمنٹ 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 نیو گیٹ کرنے کے لئے رسک منجمنٹ کی مضبوط حکمت عملیوں کو نافذ کرنے کے لئے پرعزم ہیں ہماری ٹیم لپک کو مضبوط بنانے اور منافع کے لئے پائے دار راستہ کو یقینی بنانے کے لئے جدید 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 بڑھائے گی اور مارکیٹ میں ہماری پوزیشن کو مضبوط کرے گی۔

اعتراف:

بورڈ ہمارے معزز شئر 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 سنگ میل 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



امجد سعید

چیف ایگزیکٹو آفیسر

فیصل آباد

30 اپریل 2024ء

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024

	NOTE	Un-audited 31 March 2024 (RUPEES IN THOUSAND)	Audited 30 June 2023 (RUPEES IN THOUSAND)	NOTE	Un-audited 31 March 2024 (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		1,604,187	1,662,377
<b>Issued, subscribed and paid up share capital</b>					1,780	2,659
9,320,000 (30 June 2023: 9,320,000) ordinary shares of Rupees 10 each fully paid in cash		99,200	99,200	6	16,052	1,907
<b>Sponsors' loans</b>					70,459	-
<b>Reserves</b>					1,692,478	1,666,990
<b>Capital reserves</b>						
Equity portion of shareholders' loans		183,291	183,291			
Surplus on revaluation of freehold land		235,857	235,857			
		419,148	419,148			
<b>(Accumulated loss) / unappropriated profit</b>		(187,235)	43,841			
<b>Total reserves</b>		231,913	462,989			
<b>TOTAL EQUITY</b>		572,913	803,989			
<b>LIABILITIES</b>						
<b>NON-CURRENT LIABILITIES</b>						
Long term financing	3	133,205	153,518		95,890	133,997
Staff retirement gratuity		94,277	120,777		509,737	947,375
<b>CURRENT LIABILITIES</b>						
Trade and other payables		764,666	956,431		173,553	367,611
Unclaimed dividend		2,599	2,801		23,522	20,348
Accrued mark-up		23,025	46,126		68,907	331
Short term borrowings	4	1,283,792	1,439,323		114,946	152,333
Current portion of long term financing	3	35,000	35,000		286,556	318,872
Provision for taxation		92,746	120,880		36,634	70,988
<b>TOTAL LIABILITIES</b>		2,201,828	2,600,561		1,309,745	2,011,855
<b>CONTINGENCIES AND COMMITMENTS</b>	5	2,429,310	2,874,856			
<b>TOTAL EQUITY AND LIABILITIES</b>		3,002,223	3,678,845		3,002,223	3,678,845

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

  
AMJAD SAEED  
CHIEF EXECUTIVE OFFICER

  
OMER SAEED  
DIRECTOR

  
MUHAMMAD KASHIF ZAHUR  
CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (Un-audited)  
FOR THE THIRD QUARTER ENDED 31 MARCH 2024**

	NOTE	Third quarter ended		Quarter ended	
		31 March 2024	31 March 2023	31 March 2024	31 March 2023
------(RUPEES IN THOUSAND)-----					
REVENUE FROM CONTRACTS WITH CUSTOMERS		4,347,371	4,839,791	1,065,194	1,606,851
COST OF SALES	7	(4,181,527)	(4,688,430)	(998,970)	(1,526,653)
GROSS PROFIT / (LOSS)		165,844	151,361	66,224	80,198
DISTRIBUTION COST		(75,494)	(135,740)	(23,237)	(40,329)
ADMINISTRATIVE EXPENSES		(224,989)	(258,676)	(69,121)	(82,552)
OTHER EXPENSES		(6,044)	(716)	(3,502)	594
OTHER INCOME		31,338	39,894	6,250	38,966
FINANCE COST		(139,713)	(218,161)	(39,046)	(84,332)
LOSS BEFORE TAXATION		(249,058)	(422,038)	(62,432)	(87,455)
TAXATION		17,982	(18,471)	(4,937)	9,039
LOSS AFTER TAXATION		(231,076)	(440,509)	(67,369)	(78,416)
LOSS PER SHARE - BASIC AND DILUTED (RUPEES)		(23.29)	(44.41)	(6.79)	(7.90)

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

  
AMJAD SAEED  
CHIEF EXECUTIVE OFFICER

  
OMER SAEED  
DIRECTOR

  
MUHAMMAD KASHIF ZAHUR  
CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-audited)  
FOR THE THIRD QUARTER ENDED 31 MARCH 2024**

Third quarter ended		Quarter ended	
31 March 2024	31 March 2023	31 March 2024	31 March 2023

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

LOSS AFTER TAXATION (231,076) (440,509) (67,369) (78,416)

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

(231,076) (440,509) (67,369) (78,416)

The annexed notes form an integral part of these condensed interim 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 THIRD QUARTER ENDED 31 MARCH 2024**

	SHARE CAPITAL	SPONSORS' LOANS	CAPITAL RESERVES			UNAPPROPRIATED PROFIT / (ACCUMULATED LOSS)	TOTAL EQUITY
			Equity portion of shareholders' loan	Surplus on revaluation of freehold land	Total		
<b>Balance as at 01 July 2022 - (Audited)</b>	99,200	241,800	183,291	235,857	419,148	599,481	1,359,629
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	-	-	-	-	-	(440,509)	(440,509)
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	-	(440,509)	(440,509)
<b>Balance as at 31 March 2023 - (Un-audited)</b>	99,200	241,800	183,291	235,857	419,148	139,132	899,280
Loss for the period	-	-	-	-	-	(113,561)	(113,561)
Other comprehensive income for the period	-	-	-	-	-	18,270	18,270
Total comprehensive loss for the period	-	-	-	-	-	(95,291)	(95,291)
<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	-	-	-	-	-	(231,076)	(231,076)
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	-	(231,076)	(231,076)
<b>Balance as at 31 March 2024 - (Un-audited)</b>	99,200	241,800	183,291	235,857	419,148	(187,235)	572,913

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 THIRD QUARTER ENDED 31 MARCH 2024**

	Third quarter ended	
	31 March 2024	31 March 2023
<b>(RUPEES IN THOUSAND)</b>		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Net cash from generated from / (used in) operations</b>	8	463,362 (742,411)
Finance cost paid		(156,877) (161,687)
Income tax paid		(43,224) (71,258)
Staff retirement gratuity paid		(59,305) (15,975)
Net decrease / (increase) in long term deposits and prepayments		(14,145) (8)
Net decrease / (increase) in long term loans		47 (80)
<b>Net cash from generated from / (used in) operating activities</b>		<b>189,858 (991,419)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditure on property, plant, equipment and intangible asset		(42,629) (28,236)
Proceeds from disposal of property, plant and equipment		400 500
<b>Net cash used in investing activities</b>		<b>(42,229) (27,736)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of long term financing		(26,250) (19,779)
Dividend paid		(202) (19,236)
Short term borrowings - net		(155,531) 1,075,097
<b>Net cash (used in) / from financing activities</b>		<b>(181,983) 1,036,082</b>
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(34,354) 16,927</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>		<b>70,988 45,445</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<b>36,634 62,372</b>

The annexed notes form an integral part of these condensed interim 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 THIRD QUARTER ENDED 31 MARCH 2024****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 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.

**2.4 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.

**2.5 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 March 2024	Audited 30 June 2023
<b>(RUPEES IN THOUSAND)</b>		
<b>3. LONG TERM FINANCING</b>		
Opening balance	188,518	335,687
Add:		
Fair value adjustment during the period / year	5,937	11,035
Amortized during the period / year	-	141
	194,455	346,863
Less:		
Repayments made during the period / year	26,250	19,780
Transferred to short term borrowings	-	138,565
	26,250	158,345
Closing balance (Note 3.1)	168,205	188,518
Less: Current portion shown under current liabilities	35,000	35,000
	133,205	153,518
<b>3.1</b> These represent Rupees 113.750 million (30 June 2023: Rupees 140.000 million) secured bank borrowings and Rupees 54.455 million (30 June 2023: Rupees 48.518 million) unsecured borrowing from sponsor director / shareholder.		
<b>4. SHORT TERM BORROWINGS</b>		
<b>From banking companies - secured</b>		
Cash finances	63,154	189,788
Running finances	112,699	231,371
Other short term finances	365,174	405,811
	541,027	826,970
<b>From others - unsecured</b>		
Related parties	742,768	612,353
	1,283,795	1,439,323
<b>5. CONTINGENCIES AND COMMITMENTS</b>		
<b>a) Contingencies</b>		
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>b) Commitments</b>		
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 124.881 million (30 June 2023: Rupees 29.531 million).		
<b>6. PROPERTY, PLANT AND EQUIPMENT</b>		
Operating fixed assets (Note 6.1)	1,591,602	1,653,982
Capital work-in-progress (Note 6.2)	12,585	8,395
	1,604,187	1,662,377
<b>6.1 Operating fixed assets</b>		
Opening net book value	1,653,982	1,730,812
Add: Cost of additions during the period / year (Note 6.1.1)	38,439	71,238
	1,692,421	1,802,050
Less: Book value of deletions during the period / year	14	425
	1,692,407	1,801,625
Less: Depreciation charged during the period / year	100,805	147,643
	1,591,602	1,653,982

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

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

Plant and machinery	29,074	29,387
Stand-by equipment	5,881	-
Electric installations	200	9,218
Factory equipment	-	95
Computers	-	728
Electric appliances	381	1,363
Vehides	2,903	30,447
	<u>38,439</u>	<u>71,238</u>

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

Vehides	14	425
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**6.2 Capital work-in-progress**

Stand-by equipment	4,031	-
Advance against electric appliance	5,597	-
Advance against Enterprise Resource Planning (ERP)	2,957	8,395
	<u>12,585</u>	<u>8,395</u>

(Un-audited)			
Third quarter ended		Quarter ended	
31 March 2024	31 March 2023	31 March 2024	31 March 2023

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

**7. COST OF SALES**

Raw materials consumed	2,348,213	3,293,669	551,965	1,042,404
Cost of raw material sold	12,009	-	-	-
Stores, spare parts and loose tools consumed	150,005	223,341	48,839	70,103
Salaries, wages and other benefits	299,960	448,047	92,275	140,904
Fuel and power	733,228	606,273	260,111	213,936
Sizing materials consumed	18,280	43,604	10,952	13,253
Outside processing / conversion and other charges	53,695	48,243	10,022	19,741
Packing materials consumed	141,843	138,910	43,467	43,864
Repair and maintenance	2,642	8,727	321	5,715
Insurance	11,323	12,026	3,884	4,356
Rent, rates and taxes	5,085	4,965	1,695	1,905
Other factory overheads	657	1,731	208	372
Depreciation	75,539	81,367	25,095	27,395
	<u>3,852,479</u>	<u>4,910,903</u>	<u>1,048,834</u>	<u>1,583,948</u>
Work-in-process				
Opening stock	99,755	100,206	79,394	83,884
Closing stock	(69,807)	(76,970)	(69,807)	(76,970)
	<u>29,948</u>	<u>23,236</u>	<u>9,587</u>	<u>6,914</u>
Cost of goods manufactured	<u>3,882,427</u>	<u>4,934,139</u>	<u>1,058,421</u>	<u>1,590,862</u>
Finished goods				
Opening stock	558,752	436,972	200,201	618,472
Closing stock	(259,652)	(682,681)	(259,652)	(682,681)
	<u>299,100</u>	<u>(245,709)</u>	<u>(59,451)</u>	<u>(64,209)</u>
	<u>4,181,527</u>	<u>4,688,430</u>	<u>998,970</u>	<u>1,526,653</u>

(Un-audited)	
Third quarter ended	
31 March 2024	31 March 2023

(RUPEES IN THOUSAND)

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

Loss before taxation	(249,058)	(422,038)
<b>Adjustments for non-cash charges and other items:</b>		
Amortization	879	1,347
Depreciation	100,805	109,717
Gain on disposal of property, plant and equipment	(386)	(75)
Allowance for expected credit losses - net	-	7
Credit balances written back	(13,617)	-
Provision for staff retirement gratuity	32,805	40,915
Finance cost	139,713	218,161
Amortization of deferred grant	-	(141)
Provision for doubtful loans and advances	-	27
Working capital changes (Note 8.1)	452,221	(690,331)
	<u>463,362</u>	<u>(742,411)</u>

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

Stores, spare parts and loose tools	38,107	(6,732)
Stock-in-trade	437,638	(611,623)
Trade debts	194,058	(32,783)
Loans and advances	(3,174)	9,382
Short term deposit and prepayments	(68,576)	(5,838)
Other receivables	32,316	(185,880)
	630,369	(833,474)
(Decrease) / increase in trade and other payables	(178,148)	143,143
	<u>452,221</u>	<u>(690,331)</u>

9. SEGMENT INFORMATION

	Spinning		Weaving		Socks		Elimination of inter-segment transactions		Total - Company	
	(Un-audited) Third quarter ended 31 March 2024	(Un-audited) Third quarter ended 31 March 2023	(Un-audited) Third quarter ended 31 March 2024	(Un-audited) Third quarter ended 31 March 2023	(Un-audited) Third quarter ended 31 March 2024	(Un-audited) Third quarter ended 31 March 2023	(Un-audited) Third quarter ended 31 March 2024	(Un-audited) Third quarter ended 31 March 2023	(Un-audited) Third quarter ended 31 March 2024	(Un-audited) Third quarter ended 31 March 2023
Revenue from contracts with customers	2,912,572	2,883,164	669,764	849,565	765,035	1,107,062	-	-	4,347,371	4,839,791
External Inter segment	(169,731)	701,612	-	-	-	-	(169,731)	(701,612)	4,347,371	4,839,791
Cost of sales	3,082,303	3,584,776	669,764	849,565	765,035	1,107,062	(169,731)	(701,612)	4,347,371	4,839,791
	(2,976,608)	(3,666,152)	(683,106)	(779,339)	(691,344)	(939,586)	169,331	701,612	(4,181,527)	(4,683,465)
Gross profit / (loss)	105,495	(81,376)	(13,342)	70,226	73,691	167,476	-	-	165,844	156,326
Distribution cost	(11,244)	(14,745)	(13,447)	(13,220)	(50,803)	(107,775)	-	-	(75,494)	(135,740)
Administrative expenses	(124,153)	(133,592)	(37,567)	(42,489)	(63,669)	(87,560)	-	-	(224,989)	(263,641)
Other income	29,076	1,292	-	8,622	2,262	29,980	-	-	31,338	39,894
Profit / (loss) before taxation and unallocated expenses	(826)	(228,421)	(64,356)	23,139	(38,119)	2,121	-	-	(103,301)	(203,161)

Unallocated expenses:

Other expenses	(6,044)	(716)
Finance cost	(139,713)	(218,161)
Taxation	17,982	(18,471)
Loss after taxation	(231,076)	(440,509)

9.1 Reconciliation of reportable segment assets and liabilities

	Spinning		Weaving		Socks		Total - Company	
	(Un-audited) 31 March 2024	(Audited) 30 June 2023	(Un-audited) 31 March 2024	(Audited) 30 June 2023	(Un-audited) 31 March 2024	(Audited) 30 June 2023	(Un-audited) 31 March 2024	(Audited) 30 June 2023
Total assets for reportable segments	1,987,249	2,132,715	447,378	781,443	497,137	764,687	2,931,764	3,678,845
Deferred income tax asset	-	-	-	-	-	-	70,459	-
Total assets as per condensed interim statement of financial position	1,987,249	2,132,715	447,378	781,443	497,137	764,687	3,002,223	3,678,845
Total liabilities for reportable segments	1,293,315	1,325,880	216,070	463,539	827,179	965,557	2,336,564	2,753,976
Provision for taxation	-	-	-	-	-	-	92,746	120,880
Total liabilities as per condensed interim statement of financial position	1,293,315	1,325,880	216,070	463,539	827,179	965,557	2,429,310	2,874,856

9.2 Geographical Information

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

	Spinning		Weaving		Socks		Total - Company	
	(Un-audited) Third quarter ended 31 March 2024	(Un-audited) Third quarter ended 31 March 2023	(Un-audited) Third quarter ended 31 March 2024	(Un-audited) Third quarter ended 31 March 2023	(Un-audited) Third quarter ended 31 March 2024	(Un-audited) Third quarter ended 31 March 2023	(Un-audited) Third quarter ended 31 March 2024	(Un-audited) Third quarter ended 31 March 2023
	..... (RUPEES IN THOUSAND) .....							
Europe	-	-	318,501	323,853	339,503	621,182	658,004	945,035
Asia	-	-	-	-	-	-	-	-
North America	-	-	-	-	320,901	349,854	320,901	349,854
Pakistan	2,912,572	2,883,164	351,263	525,712	104,631	34,749	3,368,466	3,443,625
	2,912,572	2,883,164	669,764	849,565	765,035	1,107,062	4,347,371	4,839,791

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

Yarn / socks / others	2,903,326	2,871,818	-	-	672,527	1,071,138	3,575,853	3,942,956
Waste	9,246	11,346	-	-	8,330	12,100	17,576	23,446
Conversion, sizing and CMT income / cloth sale	-	-	669,764	849,565	84,178	23,824	753,942	873,389
Raw materials	-	-	-	-	-	-	-	-
	2,912,572	2,883,164	669,764	849,565	765,035	1,107,062	4,347,371	4,839,791



**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)			
Third quarter ended		Quarter ended	
31 March 2024	31 March 2023	31 March 2024	31 March 2023

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

**i) Transactions**

**Associated company / undertakings**

Fuel purchased	3,869	4,514	2,202	1,352
Rental expense	5,085	4,590	3,390	1,530
Sale of goods	8,813	-	8,813	-

**Other related parties**

Dividend paid to directors / major shareholders	-	16,578	-	-
Loans obtained from directors	130,415	247,850	(6,885)	129,350
Remuneration and meeting fee paid to Chief Executive Officer, directors and executives	65,120	57,420	44,935	18,974

Un-audited	Audited
31 March 2024	30 June 2023

(RUPEES IN THOUSAND)

**ii) Period end balances**

**Associated company / undertakings**

Trade and other payables	13,239	14,454
--------------------------	--------	--------

**Other related parties**

Sponsors' loans	241,800	241,800
Long term financing	54,455	48,518
Short term borrowings	742,768	612,353
Loans and advances	2,527	2,584

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

Description	(Un-audited)	
	31 March 2024	
	(RUPEES IN THOUSAND)	

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

Long term financing	168,205
Short term borrowings	742,768
Contract liabilities	43,074

**Shariah compliant bank deposits / bank balances**

Bank balances	14,812
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Description	(Un-audited)	
	Third quarter ended	
	31 March 2024	31 March 2023
	(RUPEES IN THOUSAND)	

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

Profit on deposit with bank	20	33
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**Exchange gain**

-	38,603
---	--------

Description	(Un-audited)	
	Third quarter ended	
	31 March 2024	31 March 2023
(RUPEES IN THOUSAND)		
<b>Mark-up on Islamic mode of financing</b>		
Mark-up on long term financing	23,375	19,200
Mark-up on short term borrowings	864	2,008
<b>Profit / interest on any conventional advance / loans</b>		
Mark-up on long term financing	-	233
Mark-up on short term borrowings	99,793	172,963
Profit on deposits with banks	1,918	647

**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 30th April 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	4,905
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.

  
**AMJAD SAEED**  
 CHIEF EXECUTIVE OFFICER

  
**OMER SAEED**  
 DIRECTOR

  
**MUHAMMAD KASHIF ZAHUR**  
 CHIEF FINANCIAL OFFICER

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