

Half  
Yearly  
Report

**IDEAL SPINNING MILLS LIMITED**



**IdealGroup**

**CONDENSED INTERIM  
FINANCIAL INFORMATION**

Half Yearly Report  
(UN-AUDITED)  
31 December, 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. AHSAN SAEED
<b>MEMBER</b>	MRS. ROBINA 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 (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. <a href="http://www.idealsm.com">www.idealsm.com</a>
<b>FACTORY:</b>	35-K.M SHEIKHUPURA ROAD, TEHSIL JARANWALA, DISTT. FAISALABAD.

**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<sup>st</sup> December, 2024**.

**COMPANY'S PERFORMANCE**

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

	(RUPEES IN THOUSAND)	
	<u>31.12.2024</u>	<u>31.12.2023</u>
REVENUE FROM CONTRACTS WITH CUSTOMERS	2,017,337	3,282,177
COST OF SALES	<u>(1,959,089)</u>	<u>(3,182,557)</u>
GROSS PROFIT	58,248	99,620
	(44,558)	(52,257)
DISTRIBUTION COST		
ADMINISTRATIVE EXPENSES	(118,377)	(155,868)
OTHER EXPENSES	(1,666)	(2,542)
OTHER INCOME	15,709	25,088
FINANCE COST	<u>(83,685)</u>	<u>(100,667)</u>
LOSS BEFORE TAXATION AND LEVY	(174,329)	(186,626)
LEVY	<u>(25,217)</u>	<u>(40,797)</u>
	<b>(199,546)</b>	<b>(227,423)</b>
TAXATION	-	63,716
LOSS AFTER TAXATION	<u>(199,546)</u>	<u>(163,707)</u>
LOSS PER SHARE-BASIC AND DILUTED (RUPEES)	<b>(20.12)</b>	<b>(16.50)</b>

During the half-year, the company faced a decline in business volume due to prevailing weak market conditions, resulting in a reduction in gross profit to Rs. **58.248** million from Rs. **99.620** million in the same period last year. Several external factors, including rising raw material costs, increasing fuel and power expenses, political instability, and high-interest rates, significantly affected our operational efficiency and financial stability.

Despite generating a gross profit of Rs. **58.248** million, our efforts to control distribution, administrative, and finance costs were insufficient to offset market challenges, leading to an after-tax loss of Rs. **199.546** million. These figures reflect the ongoing difficulties within the industry and our continued efforts to enhance cost management and operational efficiencies.

Our primary focus remains on prudent cost control, strategic procurement, and process optimization to mitigate external pressures. We are actively exploring new growth opportunities while implementing robust risk management strategies to navigate the current economic landscape. Our team remains committed to innovation and resilience, ensuring long-term financial sustainability.

**Future Prospects**


Despite current challenges, we anticipate a market recovery and a turnaround in business performance. We remain optimistic about overcoming the recent recession through a strong focus on innovation and operational efficiency. Our commitment to sustainable growth and strategic planning will reinforce our market position and drive long-term success.


**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, 2025

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 2024 کو تمہارے والے سال کے آپ کی کمپنی کے غیر آڈٹ شدہ نتائج پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

31-12-2023	31-12-2024	موازنے والے سال کے نتائج
	(رقم ہزاروں میں)	
3,282,177	2,017,337	سازش کے ساتھ معاہدوں سے حاصل ہونے والی آمدن
(3,182,557)	(1,959,089)	فردت کی قیمت
99,620	-58,248	گراس سائٹ
(52,257)	(44,558)	ڈسٹری بیوٹن اخراجات
(155,868)	(118,377)	انتظامی اخراجات
(2,542)	(1,666)	مخارج اخراجات
25,088	15,709	دیگ آمدن
(100,667)	(83,685)	فنانس اخراجات
(186,626)	(174,329)	ٹیکس اور لیوی کے بغیر (تفصیل)
(40,797)	(25,217)	لیوی
(227,423)	(199,546)	ٹیکس
63,716		غائب
(163,707)	(199,546)	غائب (تفصیل) ٹیکس کے بعد
(16,50)	(20,12)	(تفصیل کی صفائی (روپے)

رواں مالی سال کی پہلی شش ماہی کے دوران کمپنی کی مالی کارکردگی خراب ہو رہی ہے جس میں گراس سائٹ 99.620 ملین روپے سے کم ہو کر 58.248 روپے رہ گیا ہے۔ مختلف خوردنی عمل جیسے نام پال کی قیمتوں میں مسلسل اضافہ یاہ میں اور کمپنی کے بڑھتے ہوئے اخراجات، سہ ماہی عدم استحکام، زیادہ دوگنی شرانے والی آپریشن کارکردگی اور مالی حکمت عملیوں کو اپن کرنا سبب بنتا ہے۔

اگرچہ گراس سائٹ 58.248 ملین روپے حاصل ہوا ہے مگر ہم انتظامی اور مالی اخراجات پر قابو پانے کی ہماری کوشش مارکیٹ کے خلیجی بڑھ کر اخراجات کے لئے ہکانی حوت میں ہوئی جس کے نتیجے میں 199.546 ملین روپے بعد ازاں نقصان کا سامنا کرنا پڑا ہے اور وہاں منصفہ کو فروغ جاری منتقلات اور ٹاکٹ کے بجز انتظامی پریشانی کارکردگی میں اضافے کے لئے ہماری مسلسل کوششوں کی مکملی کرتے ہیں۔

ہماری بنیادی ڈیویڈنڈ ٹاکٹ کنٹرول نمکٹ عملی کے تحت خریداری اور مالیاتی عمل کی بہتری پر مرکوز ہے تاکہ خوردنی ہارڈ ویئر کو کم کیا جاسکے۔ ہم بڑھتی ہوئی حواش کرنے کے ساتھ ساتھ اور استحکام کے دور میں ملنے والی اصلاح کو پیشی ہائیں گے۔


مستقبل کے امکانات


موجودہ چیلنجوں کے باوجود مارکیٹ کے حالات بہتر ہونے پر ہم ایک تبدیلی کی توقع کرتے ہیں۔ ہم ہر ماہی ہیں۔ ہماری کساد بازاری کے نتائج سے عملی کی توقع کیے ہیں۔ بہت طرزی اور آپریشن کارکردگی ہماری توجہ پانے والی رہتی تاکہ بنیادی کارکردگی اور مارکیٹ میں ہماری پوزیشن کو مضبوط کر سکیں۔

اعتراف:

ہم ہمارے سبب سے بہتر ہونے والے وقت پر ان کی توجہ اور حواش کے لئے ہماری حواش ہے۔ ہم اپنے عمل کارکنوں کی تگن اور منت کو بھی تسلیم کرتے ہیں اور ان کی تگن کرتے ہیں۔ جن کی کوششیں ہم سب کیل حاصل کرنے میں ہم کو مددگار کرتی رہی ہیں۔ ہم نے ہمارے سالوں میں بھی مسلسل اصلاحی کوششیں کی ہیں۔

ہم ڈائریکٹرز کی جانب سے

  
 محمد سعید  
 ڈائریکٹر

  
 اچھڑ سعید  
 چیف ایگزیکٹو آفیسر

فیصل آباد  
 28 فروری 2025ء

**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 2024 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 2024 and 31 December 2023 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 2024.

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 Liaqat Ali Panwar.

  
**RIAZ AHMAD & COMPANY**  
**Chartered Accountants**

**Faisalabad****Date: 28 February, 2025.****UDIN: RR202410184S14F9QAJB**

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024**

	NOTE	Un-audited 31 December 2024	Audited 30 June 2024	NOTE	Un-audited 31 December 2024	Audited 30 June 2024
<b>EQUITY AND LIABILITIES</b>						
<b>SHARE CAPITAL AND RESERVES</b>						
Authorized share capital 20,000,000 (30 June 2024; 20,000,000) ordinary shares of Rupees 10 each		200,000	200,000		1,665,669	1,704,424
Issued, subscribed and paid up share capital 9,920,000 (30 June 2024; 9,920,000) ordinary shares of Rupees 10 each fully paid in cash		99,200	99,200	6	33	824
<b>Sponsors' loans</b>		241,800	241,800		9,038	2,172
<b>Reserves</b>					104,120	104,120
<b>Capital reserves</b>					1,778,902	1,811,530
Equity portion of shareholders' loans		183,291	183,291			
Surplus on revaluation of freehold land		360,555	360,555			
		543,846	543,846			
<b>Accumulated loss</b>		(477,867)	(278,321)			
<b>TOTAL EQUITY</b>		406,979	606,525			
<b>LIABILITIES</b>						
<b>NON-CURRENT LIABILITIES</b>						
Long term financing	3	-	70,000		85,328	102,607
Self retirement gratuity		25,894	16,549		480,999	685,338
		25,894	86,549		321,703	227,534
<b>CURRENT LIABILITIES</b>						
Trade and other payables		687,674	854,186		20,953	17,677
Unclaimed dividend		2,596	2,599		10,546	939
Accrued mark-up		15,318	28,568		24,740	23,290
Short term borrowings	4	1,904,955	1,610,813		294,857	315,506
Current portion of long term financing	3	61,156	91,543		86,544	96,362
		2,671,699	2,587,709		1,325,670	1,469,253
		2,697,993	2,674,258			
<b>TOTAL LIABILITIES</b>	5	3,104,572	3,280,783		3,104,572	3,280,783
<b>TOTAL EQUITY AND LIABILITIES</b>						

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

  
**AMJAD SAEED**  
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 2024**

	NOTE	Half year ended		Quarter ended	
		31 December 2024	31 December 2023	31 December 2024	31 December 2023
------(RUPEES IN THOUSAND)-----					
REVENUE FROM CONTRACTS WITH CUSTOMERS		2,017,337	3,282,177	777,439	1,476,606
COST OF SALES	7	(1,959,089)	(3,182,557)	(826,769)	(1,460,795)
GROSS PROFIT / (LOSS)		58,248	99,620	(49,330)	15,811
DISTRIBUTION COST		(44,558)	(52,257)	(10,946)	(9,274)
ADMINISTRATIVE EXPENSES		(118,377)	(155,868)	(52,398)	(73,242)
OTHER EXPENSES		(1,666)	(2,542)	(1,081)	(2,492)
OTHER INCOME		15,709	25,088	9,659	20,556
FINANCE COST		(83,685)	(100,667)	(29,322)	(42,309)
LOSS BEFORE LEVY AND TAXATION		(174,329)	(186,626)	(133,418)	(90,950)
LEVY		(25,217)	(40,797)	(13,220)	(19,498)
LOSS BEFORE TAXATION		(199,546)	(227,423)	(146,638)	(110,448)
TAXATION		-	63,716	-	63,716
LOSS AFTER TAXATION		(199,546)	(163,707)	(146,638)	(46,732)
LOSS PER SHARE - BASIC AND DILUTED (RUPEES)		(20.12)	(16.50)	(14.78)	(4.71)

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 HALF YEAR ENDED 31 DECEMBER 2024**

Half year ended		Quarter ended	
31 December 2024	31 December 2023	31 December 2024	31 December 2023

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

LOSS AFTER TAXATION	(199,546)	(163,707)	(146,638)	(46,732)
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	<u>(199,546)</u>	<u>(163,707)</u>	<u>(146,638)</u>	<u>(46,732)</u>

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 HALF YEAR ENDED 31 DECEMBER 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 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
Loss for the period	-	-	-	-	-	(158,533)	(158,533)
Other comprehensive income for the period	-	-	-	124,698	124,698	78	124,776
Total comprehensive loss for the period	-	-	-	124,698	124,698	(158,455)	(33,757)
<b>Balance as at 30 June 2024 - (Audited)</b>	99,200	241,800	183,291	360,555	543,846	(278,321)	606,525
Loss for the period	-	-	-	-	-	(199,546)	(199,546)
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	-	(199,546)	(199,546)
<b>Balance as at 31 December 2024 - (Un-audited)</b>	99,200	241,800	183,291	360,555	543,846	(477,867)	406,979

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

  
AMIR 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 2024**

	Half year ended	
	31 December 2024	31 December 2023
	(RUPEES IN THOUSAND)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Cash (used in) / generated from operations</b>	8	(38,566)
Finance cost paid	(92,322)	(111,569)
Income tax and levy paid	(26,667)	(31,567)
Staff retirement gratuity paid	(11,577)	(54,020)
Net (increase) / decrease in long term deposits and prepayments	(6,956)	29
Net decrease in long term loans	-	47
<b>Net cash (used in) / generated from operating activities</b>	(176,088)	63,565
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditure on property, plant and equipment	(24,022)	(31,258)
Proceeds from disposal of property, plant and equipment	1,151	-
<b>Net cash used in investing activities</b>	(22,871)	(31,258)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of long term financing	(105,000)	(17,500)
Dividend paid	(3)	(202)
Short term borrowings - net	294,142	(6,677)
<b>Net cash from / (used in) financing activities</b>	189,139	(24,379)
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>	(9,820)	7,928
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	96,362	70,988
<b>Net foreign exchange difference on translating cash and bank balances</b>	2	395
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	86,544	79,311

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 HALF YEAR ENDED 31 DECEMBER 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 on 30 September 1991. 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**
**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 do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended 30 June 2024. These condensed interim financial statements are un-audited, however, have been subjected to limited scope review by the auditors and are being submitted to the shareholders as required by the Listed Companies (Code of Corporate Governance) Regulations, 2019 and section 237 of the Companies Act, 2017.

**2.3 Material accounting policy information**

The material accounting policy information and methods of computations adopted for the preparation of these condensed interim financial statements are the same as applied in the preparation of the annual audited financial statements of the Company for the year ended 30 June 2024.

**2.4 Financial risk management**

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements for the year ended 30 June 2024.

**2.5 Critical accounting estimates and judgements**

The preparation of these condensed interim financial statements in conformity with approved accounting and reporting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgements in the process of applying Company's accounting policies. Estimates and judgements 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 2024.

Un-audited 31 December 2024	Audited 30 June 2024
<b>(RUPEES IN THOUSAND)</b>	

**3. LONG TERM FINANCING**

Opening balance	161,543	188,518
Add: Fair value adjustment during the period / year	4,613	8,025
	166,156	196,543
Less: Repaid during the period / year (Note 3.1)	105,000	35,000
Closing balance (Note 3.2)	61,156	161,543
Less: Current portion shown under current liabilities	61,156	91,543
	-	70,000

- 3.1** Whole of the outstanding amount of diminishing musharakah was completely repaid on 03 December 2024.
- 3.2** These represent Rupees Nil (30 June 2024: Rupees 105,000 million) secured bank borrowings and Rupees 61,156 million (30 June 2024: Rupees 56,543 million) unsecured borrowing from sponsor director / shareholder.

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

**4. SHORT TERM BORROWINGS**

**From banking companies - secured**

Cash finances	114,561	105,762
Running finances	211,802	198,427
Other short term finances	298,624	476,756
	624,987	780,945

**From others - unsecured**

Related parties	1,279,968	829,868
	<u>1,904,955</u>	<u>1,610,813</u>

**5. CONTINGENCIES AND COMMITMENTS**

**a) Contingencies**

There is no significant change in the status of contingencies as disclosed in the annual audited financial statements of the Company for the year ended 30 June 2024 except as follows:

- i) Guarantees of Rupees 95,611 million (30 June 2024: Rupees 94,294 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) Post dated cheques of Rupees 38,825 million have been issued to custom authorities in respect of duties on imported material availed on the basis of consumption and export plans. If documents of exports are not provided on due dates, cheques issued as security can be encashed by the custom authorities.

**b) Commitments**

- i) Letters of credit other than for capital expenditure are of Rupees 107,219 million (30 June 2024: Rupees 36,566 million).
- ii) Commitments arising from short term lease to be recognised on a straight line basis as expense under the practical expedient applied by the Company with respect to IFRS 16 are of Rupees 1,695 million (30 June 2024: Rupees 5,085 million) which are to be paid within one year (30 June 2024: within one year).

**6. PROPERTY, PLANT AND EQUIPMENT**

Operating fixed assets (Note 6.1)	1,632,457	1,692,554
Capital work-in-progress (Note 6.2)	33,212	11,870
	<u>1,665,669</u>	<u>1,704,424</u>

**6.1 Operating fixed assets**

Opening net book value	1,692,554	1,653,982
Add: Cost of additions during the period / year (Note 6.1.1)	2,680	58,329
Effect of surplus on revaluation during the period / year	-	124,698
	<u>1,695,234</u>	<u>1,837,009</u>
Less: Book value of deletions during the period / year (Note 6.1.2)	898	8,339
	1,694,336	1,828,670
Less: Depreciation charged during the period / year	61,879	136,116
	<u>1,632,457</u>	<u>1,692,554</u>

Un-audited 31 December 2024	Audited 30 June 2024
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**6.1.1 Cost of additions during the period / year**

Plant and machinery	1,458	48,964
Stand-by equipment	-	5,881
Electric installations	638	200
Factory equipment	282	-
Computers	120	-
Electric appliances	182	381
Vehicles	-	2,903
	2,680	58,329

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

Plant and machinery	-	8,216
Vehicles	898	123
	898	8,339

**6.2 Capital work-in-progress**

Stand-by equipment	3,475	3,475
Advances against plant and machinery	14,868	-
Advances against factory equipment	6,474	-
Advances against Enterprise Resource Planning (ERP)	8,395	8,395
	33,212	11,870

(Un-audited)			
Half year ended		Quarter ended	
31 December 2024	31 December 2023	31 December 2024	31 December 2023

**7. COST OF SALES**

Raw materials consumed	789,443	1,796,248	372,895	725,818
Cost of raw material sold	196,499	12,009	-	12,009
Stores, spare parts and loose tools consumed	77,155	101,166	35,868	49,153
Salaries, wages and other benefits	222,395	207,685	123,570	86,139
Fuel and power	422,139	473,117	220,462	230,007
Sizing materials consumed	24,654	7,328	15,176	5,344
Outside processing / conversion and other charges	6,085	43,673	1,830	21,519
Packing materials consumed	55,381	98,376	25,685	51,310
Repair and maintenance	937	2,321	489	471
Insurance	7,135	7,439	3,524	3,789
Rent, rates and taxes	3,390	3,390	1,695	1,695
Other factory overheads	516	449	258	111
Depreciation	47,027	50,444	23,555	25,508
	1,852,756	2,803,645	825,007	1,212,873
Work-in-process				
Opening stock	84,013	99,755	74,376	93,710
Closing stock	(92,455)	(79,394)	(92,455)	(79,394)
	(8,442)	20,361	(18,079)	14,316
Cost of goods manufactured	1,844,314	2,824,006	806,928	1,227,189
Finished goods				
Opening stock	334,420	558,752	239,486	433,807
Closing stock	(219,645)	(200,201)	(219,645)	(200,201)
	114,775	358,551	19,841	233,606
	1,959,089	3,182,557	826,769	1,460,795

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

(Un-audited)	
Half year ended	
31 December 2024	31 December 2023

(RUPEES IN THOUSAND)

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

Loss before levy and taxation	(174,329)	(186,626)
<b>Adjustments for non-cash charges and other items:</b>		
Amortization	829	902
Depreciation	61,879	67,346
Gain on disposal of property, plant and equipment	(253)	-
Credit balances written back	(2,500)	(13,617)
Provision for staff retirement gratuity	17,208	23,902
Finance cost	83,685	100,667
Provision for doubtful loans and advances	565	-
Net exchange loss	13	1,838
Working capital changes (Note 8.1)	(25,663)	266,233
	<u>(38,566)</u>	<u>260,645</u>

**8.1 Working capital changes**

**Decrease / (increase) in current assets**

Stores, spare parts and loose tools	17,279	13,518
Stock-in-trade	204,339	449,027
Trade debts	(94,184)	72,037
Loans and advances	(3,841)	(22,608)
Short term deposit and prepayments	(9,607)	(11,247)
Other receivables	20,649	61,884
	134,635	562,611
Decrease in trade and other payables	(160,298)	(296,378)
	<u>(25,663)</u>	<u>266,233</u>

9. SEGMENT INFORMATION

	Spinning		Weaving		Socks		Elimination of Inter-segment transactions		Total - Company	
	(Un-audited) Half year ended 31 December 2024	(Un-audited) Half year ended 31 December 2023	(Un-audited) Half year ended 31 December 2024	(Un-audited) Half year ended 31 December 2023	(Un-audited) Half year ended 31 December 2024	(Un-audited) Half year ended 31 December 2023	(Un-audited) Half year ended 31 December 2024	(Un-audited) Half year ended 31 December 2023	(Un-audited) Half year ended 31 December 2024	(Un-audited) Half year ended 31 December 2023
Revenue from contracts with customers	1,189,613	2,232,207	353,668	501,296	474,056	548,674	-	-	2,017,337	3,282,177
External	195,072	117,385	-	-	-	-	(195,072)	(117,385)	-	-
Inter segment	1,384,690	2,349,592	353,668	501,296	474,056	548,674	(195,072)	(117,385)	2,017,337	3,282,177
Cost of sales	(1,405,136)	(2,274,667)	(372,891)	(519,847)	(376,139)	(505,428)	195,077	117,385	(1,950,089)	(3,182,557)
Gross (loss) / profit	(20,446)	74,925	(19,223)	(18,551)	97,917	43,246	-	-	58,248	99,620
Distribution cost	(1,554)	(10,376)	(2,239)	(8,630)	(40,765)	(33,251)	-	-	(44,558)	(52,257)
Administrative expenses	(42,940)	(85,945)	(32,354)	(24,917)	(43,083)	(45,006)	-	-	(118,377)	(155,868)
Other income	12,956	22,827	232	2,521	2,521	2,261	-	-	15,709	25,088
(Loss) / profit before levy, taxation and unallocated expenses	(51,984)	1,431	(53,584)	(52,098)	16,590	(32,750)	-	-	(88,978)	(83,417)

Unallocated expenses:

Other expense	(1,666)	(2,542)
Finance cost	(83,685)	(100,667)
Levy	(25,217)	(40,797)
Taxation	-	63,716
Loss after taxation	(1,099,546)	(1,637,702)

9.1 Reconciliation of reportable segment assets and liabilities

	Spinning		Weaving		Socks		Total - Company	
	(Un-audited) 31 December 2024	(Audited) 30 June 2024	(Un-audited) 31 December 2024	(Audited) 30 June 2024	(Un-audited) 31 December 2024	(Audited) 30 June 2024	(Un-audited) 31 December 2024	(Audited) 30 June 2024
	2,028,452	2,118,682	414,858	446,044	532,402	588,647	2,975,712	3,153,373
Total assets for reportable segments as per condensed interim statement of financial position								
Unallocated assets							128,860	127,410
Total assets as per condensed interim statement of financial position							3,104,572	3,280,783
Total liabilities as per condensed interim statement of financial position	1,465,382	1,438,188	273,048	247,202	959,161	988,768	2,697,593	2,674,258

(RUPEES IN THOUSAND)

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 2024	31 December 2023	Half year ended 31 December 2024	31 December 2023	Half year ended 31 December 2024	31 December 2023	Half year ended 31 December 2024	31 December 2023
Europe	-	-	-	251,097	278,540	244,016	278,540	495,113
North America	-	-	-	-	125,831	229,364	125,831	229,364
Pakistan	1,189,613	2,232,207	353,668	250,199	69,685	75,294	1,612,966	2,557,700
	1,189,613	2,232,207	353,668	501,296	474,056	548,674	2,017,337	3,282,177

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

Yarn / socks / others	1,186,823	2,225,119	-	-	406,635	484,289	1,593,458	2,709,408
Waste	2,790	7,088	-	-	4,750	5,309	7,540	12,397
Conversion, sizing and CMT income / cloth sale	-	-	353,668	501,296	62,671	59,076	416,339	560,372
	1,189,613	2,232,207	353,668	501,296	474,056	548,674	2,017,337	3,282,177



**10. TRANSACTIONS WITH RELATED PARTIES**

Related parties 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. Detail of transactions and balances with related parties is as follows:

(Un-audited)			
Half year ended		Quarter ended	
31 December 2024	31 December 2023	31 December 2024	31 December 2023

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

**i) Transactions**

**Associated company / undertakings**

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

**Other related parties**

Loans obtained from directors - net	450,100	212,335	625,050	75,035
Remuneration and meeting fee paid to Chief Executive Officer, directors and executives	24,653	40,573	12,416	20,388

Un-audited	Audited
31 December 2024	30 June 2024

(RUPEES IN THOUSAND)

**ii) Period end balances**

**Associated company / undertakings**

Trade and other payables	16,064	13,619
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**Other related parties**

Sponsors' loans	241,800	241,800
Long term financing	61,156	56,543
Short term borrowings	1,279,968	829,868
Loans and advances	2,276	2,595

**11. DATE OF AUTHORIZATION**

These condensed interim financial statements were approved and authorized for issue on 28 February 2025 by the Board of Directors of the Company.

**12. 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 re-arranged, wherever necessary, for the purpose of comparison. However, no significant re-arrangements have been made.

**13. 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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