

Half
Yearly
Report

IDEAL SPINNING MILLS LIMITED



IdealGroup

**CONDENSED INTERIM
FINANCIAL INFORMATION**

Half Yearly Report
(UN-AUDITED)
December 31, 2025



COMPANY INFORMATION

CHAIRMAN:	MR. MOHAMMAD SAEED
CHIEF EXECUTIVE OFFICER:	MR. AMJAD SAEED
DIRECTORS:	MRS. RUBINA AMJAD MR. OMER SAEED MR. AHSAN SAEED MR. KHIZER SAEED MR. MUHAMMAD AZHAR (INDEPENDENT) MR. RIZWAN-UL-HASSAN (INDEPENDENT)
AUDIT COMMITTEE:	
CHAIRMAN	MR. MUHAMMAD AZHAR
MEMBER	MR. MUHAMMAD SAEED
MEMBER	MR. AHSAN SAEED
H.R. & REMUNERATION COMMITTEE:	
CHAIRMAN	MR. MUHAMMAD AZHAR
MEMBER	MR. AHSAN SAEED
MEMBER	MRS. RUBINA AMJAD
NOMINATION COMMITTEE:	
CHAIRMAN	MR. OMER SAEED
MEMBER	MR. AHSAN SAEED
MEMBER	MR. KHIZER SAEED
RISK MANAGEMENT COMMITTEE:	
CHAIRMAN	MR. AHSAN SAEED
MEMBER	MR. OMER SAEED
MEMBER	MR. KHIZER SAEED
SUSTAINABILITY COMMITTEE:	
CHAIRMAN	MR. MUHAMMAD AZHAR
MEMBER	MR. AHSAN SAEED
MEMBER	MRS. RUBINA AMJAD
CHIEF FINANCIAL OFFICER:	MR. MUHAMMAD KASHIF ZAHUR
COMPANY SECRETARY:	MR. MUHAMMAD NADEEM
SHARE REGISTRAR:	F. D. Registrar Services Pvt. Limited 17 th Floor, Saima Trade Tower-A, I. I. Chundrigar Road Karachi.
AUDITORS:	M/S RIAZ AHMAD & COMPANY. CHARTERED ACCOUNTANTS
BANKERS:	BANK AL-FALAH LTD NATIONAL BANK OF PAKISTAN BANK AL-HABIB LTD THE BANK OF PUNJAB HABIB BANK LIMITED SAMBA BANK LTD MEEZAN BANK LTD
REGISTERED OFFICE:	ROOM NO 404 & 405, 4 TH FLOOR, BUSINESS CENTRE, MUMTAZ HASSAN ROAD, KARACHI. www.idealsm.com
FACTORY:	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 **31st December, 2025**.

COMPANY'S PERFORMANCE

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

	(RUPEES IN THOUSAND)	
	<u>31.12.2025</u>	<u>31.12.2024</u>
CONTINUING OPERATIONS:		
REVENUE FROM CONTRACTS WITH CUSTOMERS	596,518	827,724
COST OF SALES	<u>(487,066)</u>	<u>(749,030)</u>
GROSS PROFIT	109,452	78,694
DISTRIBUTION COST	(49,347)	(43,004)
ADMINISTRATIVE EXPENSES	(85,197)	(75,437)
OTHER EXPENSES	(1,499)	(1,426)
OTHER INCOME	13,947	14,159
FINANCE COST	<u>(15,249)</u>	<u>(31,080)</u>
LOSS BEFORE LEVY AND TAXATION	(27,893)	(58,094)
LEVY	<u>(5,478)</u>	<u>(10,347)</u>
	(33,371)	(68,441)
TAXATION	-	-
LOSS AFTER TAXATION FROM CONTINUING OPERATIONS	<u>(33,371)</u>	<u>(68,441)</u>
DISCONTINUED OPERATION:		
LOSS AFTER TAXATION FROM DISCONTINUED OPERATIONS	<u>(15,437)</u>	<u>(131,105)</u>
LOSS AFTER TAXATION	<u>(48,808)</u>	<u>(199,546)</u>
LOSS PER SHARE FROM CONTINUED OPERATIONS-BASIC AND DILUTED (RUPEES)	<u>(3.36)</u>	<u>(6.90)</u>
LOSS PER SHARE FROM DISCONTINUED OPERATIONS -BASIC AND DILUTED (RUPEES)	<u>(1.56)</u>	<u>(13.22)</u>

During the half-year under review, the Company achieved a 39.09% increase in gross profit from continuing operations, amounting to Rs. 109.452 million compared to Rs. 78.694 million in the corresponding period last year, despite rising raw material costs and increased fuel and power expenses.

Notwithstanding the gross profit of Rs. 109.452 million from continuing operations, our efforts to control distribution, administrative, and finance costs were not sufficient to fully offset prevailing market challenges. Consequently, the Company reported an after-tax loss from continuing operations of Rs. 33.371 million, as compared to a loss of Rs. 68.441 million in the corresponding period of last year. These results reflect the ongoing challenges within the industry, while also demonstrating our continued focus on improving cost management and operational efficiency.

The operations of our Spinning Unit were closed, and a decision was made to dispose of the major portion of the plant and machinery, including standby equipment, following the approval of the Board of Directors of the Company on 11 July 2025 and the shareholders at the EOGM held on 11 August 2025.

The major portion of the plant and machinery and standby equipment related to the Spinning Unit situated at 32-Km Sheikhpura Road, Tehsil Jaranwala, District Faisalabad, has been classified as held for sale. During the period, certain plant and machinery were disposed of for a total consideration of Rupees 273.054 million received from various parties.

The Company remains fully committed to disposing of the remaining assets by the end of the financial year.

Future Prospects

Despite the current challenges, management anticipates a gradual market recovery and improved business performance in the coming periods. The Company is considering various viable options to materialize in future for improving the business prospects of the Company and to boost revenue and ultimately gaining profit. The Company remains optimistic about overcoming the recent economic slowdown through a strengthened focus on innovation, cost optimization, and operational efficiency. Our commitment to sustainable growth and prudent strategic planning will further reinforce our market position and support long-term value creation.

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.

On behalf of the Board

Faisalabad
February 27, 2026


Amjad Saeed
Chief Executive Officer


Omer Saeed
Director

شیر ہولڈرز کو ڈائریکٹرز کی جائز رپورٹ

بورڈ آف ڈائریکٹرز 31 دسمبر 2025 کو ختم ہونے والے ششماہی کے لیے آپ کی کھتی کی غیر آڈٹ شدہ مالیاتی رپورٹ جمع کرانے میں خوشی محسوس کرتے ہیں۔
کھتی کی کارکردگی

کھتی کے ششماہی مالی نتائج کا خلاصہ درج ذیل ہے:

جاری آرہیشنز		تفصیل	
(روپے ہزار میں)			
31-12-2025	31-12-2024		
596,518	827,724	گاہکوں سے معاہدوں کی آمدنی	
(487,066)	(749,030)	فروخت کی لاگت	
109,452	78,694	مجموعی منافع	
(49,347)	(43,004)	ترسیلی اخراجات	
(85,197)	(75,437)	انتظامی اخراجات	
(1,499)	(1,426)	دیگر اخراجات	
13,947	14,159	دیگر آمدنی	
(15,249)	(31,080)	مالی اخراجات	
(27,893)	(58,094)	قبل از لیوی اور ٹیکس (نقصان)	
(5,478)	(10,347)	لیوی	
(33,371)	(68,441)	قبل از ٹیکس نقصان	
-	-	ٹیکس	
(33,371)	(68,441)	جاری آرہیشن سے بعد از ٹیکس نقصان	
		منقطع آرہیشن	
(15,437)	(131,105)	منقطع آرہیشن کا بعد از ٹیکس نقصان	
(48,808)	(199,546)	کل نقصان بعد از ٹیکس	
(3.36)	(6.90)	جاری آرہیشن کافی حصہ نقصان	
(1.56)	(13.22)	منقطع آرہیشن کافی حصہ نقصان	

زیر جائزہ ششماہی کے دوران کھتی نے خام مال کی قیمتوں میں اضافے اور ایندھن کے بڑھتے ہوئے اخراجات کے باوجود جاری آرہیشن سے مجموعی منافع میں 39.09 فیصد اضافہ کیا، جس کی رقم 109.452 ملین روپے ہے۔ جبکہ گزشتہ سال کی اسی مدت میں 78.694 ملین روپے ہے۔

109.452 ملین روپے کے منافع کے باوجود جاری آرہیشنز سے ترسیل، انتظامی اور مالیاتی اخراجات کو کنٹرول کرنے کی ہماری کوششیں مارکیٹ میں موجود چیلنجوں کو مکمل طور پر پورا کرنے کے لیے کافی نہیں تھیں۔ جاری آرہیشنز سے بعد از ٹیکس نقصان 33.371 ملین روپے ہے۔ جو کہ گزشتہ سال کی اسی مدت میں 68.441 ملین روپے تھا۔ یہ نتائج صنعت کے اندر جاری چیلنجوں کی عکاسی کرتے ہیں، جبکہ لاگت کے انتظام اور آرہیشنز کا کردار کو بہتر بنانے پر ہماری مسلسل توجہ کو بھی ظاہر کرتے ہیں۔

ہمارے سپننگ یونٹ کا کام بند کر دیا گیا تھا اور 11 جولائی 2025 کو کپھنی کے بورڈ آف ڈائریکٹرز اور 11 اگست 2025 کو منعقدہ EOGM میں حصص یافتگان کی منظوری کے بعد پلانٹ اور مشینری کے بڑے حصے بشمول شیڈ بائی آلات کو فروخت کرنے کا فیصلہ کیا گیا تھا۔

32 کلومیٹر شیڈ پورہ روڈ تحصیل جڑانوالہ، ضلع فیصل آباد پر واقع سپننگ یونٹ سے متعلق پلانٹ اور مشینری اور شیڈ بائی آلات کے بڑے حصے کو فروخت کے لیے رکھا گیا ہے۔ اس مدت کے دوران 273.054 ملین روپے کی کچھ پلانٹ اور مشینری مختلف پارٹنروں کو فروخت کر دی گئی ہے۔

کپھنی مالی سال کے اختتام تک باقی اثاثوں کو فروخت کرنے کے لیے پر عزم ہے۔

مستقبل کے امکانات

موجودہ چیلنجوں کے باوجود انتظامیہ آنے والے ادوار میں مارکیٹ کی بتدریج بحالی اور بہتر کاروباری کارکردگی کی توقع رکھتی ہے۔ کپھنی مستقبل میں کپھنی کے کاروباری امکانات کو بہتر بنانے اور آمدنی بڑھانے اور بالآخر منافع حاصل کرنے کے لیے مختلف قابل عمل اقدامات پر غور کر رہی ہے۔ کپھنی جدت، لاگت کی اصلاح اور آپریشنل کارکردگی پر مضبوط توجہ کے ذریعے حالیہ معاشی ستروی پر قابو پانے کے بارے میں پرامید ہے۔ پائیدار ترقی کے لیے ہماری وابستگی اور دانشمند انڈسٹریل منسوجات منسوب بہتری ہماری مارکیٹ کی پوزیشن کو مزید تقویت بخشنے کی اور طویل مدتی قدر کی تخلیق میں معاونت کرے گی۔

اعتراف

بورڈ ہمارے معزز شیئرز، ہولڈرز اور بینکرز کا کپھنی پر ان کی غیر متزلزل حمایت اور اعتماد کے لیے تہ دل سے شکر یہ ادا کرتا ہے۔ ہم اپنے تمام ملازمین اور کارکنوں کی لگن اور محنت کو بھی تسلیم کرتا ہے اور ان کی تعریف کرتا ہے، جن کی کوششیں، اہم سنگ میلوں کو حاصل کرنے میں اہم کردار ادا کر رہی ہیں۔ ہم ان کے مسلسل عزم کے منتظر ہیں۔


عمر سعید
ڈائریکٹر

بورڈ کی جانب سے
امجد سعید
چیف ایگزیکٹو آفیسر
27 فروری 2026 فیصل آباد

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 2025 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.

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.

Other Matter

Pursuant to the requirement of Section 237 (1) (b) of the Companies Act, 2017, only cumulative figures for the half year, presented in the second quarter accounts are subject to a limited scope review by the statutory auditors of the Company. Accordingly, the figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the three months period ended 31 December 2025 have not been reviewed by us.

The engagement partner on the review resulting in this independent auditor's review report is Liaqat Ali Panwar.

Riaz Ahmad & Co.
RIAZ AHMAD & COMPANY
Chartered Accountants

Faisalabad**Date: Faburary 27, 2026.****UDIN: RR20251018475JoWyXv4**

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

	NOTE	Un-audited 31 December 2025 (RUPEES IN THOUSAND)	Audited 30 June 2025 (RUPEES IN THOUSAND)	NOTE	Un-audited 31 December 2025 (RUPEES IN THOUSAND)	Audited 30 June 2025 (RUPEES IN THOUSAND)
EQUITY AND LIABILITIES						
SHARE CAPITAL AND RESERVES						
Authorized share capital						
20 000 000 (30 June 2025; 20 000 000) ordinary shares of Rupees 10 each		200,000	200,000		1,129,531	1,572,160
Issued, subscribed and paid up share capital						
9 920 000 (30 June 2025; 9 920 000) ordinary shares of Rupees 10 each fully paid in cash				5	8,858	8,919
Sponsors' loans					1,138,389	1,581,079
Reserves						
Capital reserves						
Equity portion of shareholders' loans		183,291	183,291			
Surplus on revaluation of freehold land		360,555	360,555			
		543,846	543,846			
Accumulated loss		(750,534)	(701,726)			
TOTAL EQUITY		134,312	183,120			
LIABILITIES						
NON-CURRENT LIABILITIES						
Staff retirement gratuity		24,655	20,247		104,585	97,109
CURRENT LIABILITIES						
Trade and other payables					201,703	283,211
Short term borrowings	3	409,753	550,470		189,906	187,627
Accrued mark-up		8,114	13,179		14,523	15,782
Undeclared dividend		2,592	2,596		8,475	2,114
		2,160,488	1,740,029		64,443	42,875
		2,185,143	2,354,703		262,223	306,549
TOTAL LIABILITIES					1,36,570	41,724
CONTINGENCIES AND COMMITMENTS					982,428	976,991
TOTAL EQUITY AND LIABILITIES	4	2,319,455	2,374,950	7	1,181,066	976,991
					2,319,455	2,558,070

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 HALF YEAR ENDED 31 DECEMBER 2025**

	NOTE	Half year ended		Quarter ended	
		31 December 2025	31 December 2024	31 December 2025	31 December 2024
------(RUPEES IN THOUSAND)-----					
CONTINUING OPERATIONS :					
REVENUE FROM CONTRACTS WITH CUSTOMERS		596,518	827,724	259,628	324,005
COST OF SALES	8	(487,066)	(749,030)	(233,411)	(331,877)
GROSS PROFIT / (LOSS)		109,452	78,694	26,217	(7,872)
DISTRIBUTION COST		(49,347)	(43,004)	(28,566)	(10,863)
ADMINISTRATIVE EXPENSES		(85,197)	(75,437)	(39,019)	(39,074)
OTHER EXPENSES		(1,499)	(1,426)	(582)	(921)
OTHER INCOME		13,947	14,159	13,947	8,495
FINANCE COST		(15,249)	(31,080)	(7,489)	(10,267)
LOSS BEFORE LEVY AND TAXATION		(27,893)	(58,094)	(35,492)	(60,502)
LEVY		(5,478)	(10,347)	(1,871)	(5,180)
LOSS BEFORE TAXATION		(33,371)	(68,441)	(37,363)	(65,682)
TAXATION		-	-	-	-
LOSS AFTER TAXATION FROM CONTINUING OPERATIONS		(33,371)	(68,441)	(37,363)	(65,682)
DISCONTINUED OPERATION :					
LOSS AFTER TAXATION FROM DISCONTINUED OPERATION	7	(15,437)	(131,105)	(17,101)	(80,956)
LOSS AFTER TAXATION		(48,808)	(199,546)	(54,464)	(146,638)
LOSS PER SHARE FROM CONTINUED OPERATIONS - BASIC AND DILUTED (RUPEES)		(3.36)	(6.90)	(3.77)	(6.62)
LOSS PER SHARE FROM DISCONTINUED OPERATIONS - BASIC AND DILUTED (RUPEES)		(1.56)	(13.22)	(1.72)	(8.16)

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 2025

Half year ended		Quarter ended	
31 December 2025	31 December 2024	31 December 2025	31 December 2024
----- (RUPEES IN THOUSAND) -----			

LOSS AFTER TAXATION	(48,808)	(199,546)	(54,464)	(146,638)
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	(48,808)	(199,546)	(54,464)	(146,638)

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 2025

	SHARE CAPITAL	SPONSORS' LOANS	CAPITAL RESERVES			ACCUMULATED LOSS	TOTAL EQUITY
			Equity portion of shareholders' loan	Surplus on revaluation of freehold land	Total		
(RUPEES IN THOUSAND)							
Balance as at 30 June 2024 - (Audited)	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)
Balance as at 31 December 2024 - (Un-audited)	99,200	241,800	183,291	360,555	543,846	(477,867)	406,979
Loss for the period	-	-	-	-	-	(224,013)	(224,013)
Other comprehensive income for the period	-	-	-	-	-	154	154
Total comprehensive loss for the period	-	-	-	-	-	(223,859)	(223,859)
Balance as at 30 June 2025 - (Audited)	99,200	241,800	183,291	360,555	543,846	(701,726)	183,120
Loss for the period	-	-	-	-	-	(48,808)	(48,808)
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	-	(48,808)	(48,808)
Balance as at 31 December 2025 - (Un-audited)	99,200	241,800	183,291	360,555	543,846	(750,534)	134,312

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 2025**

Half year ended	
31 December 2025	31 December 2024

(RUPEES IN THOUSAND)

CASH FLOWS FROM OPERATING ACTIVITIES

Cash used in operations	9	(60,011)	(38,566)
Finance cost paid		(37,274)	(92,322)
Income tax and levy paid		(27,338)	(26,667)
Staff retirement gratuity paid		(4,791)	(11,577)
Net decrease / (increase) in long term deposits and prepayments		61	(6,956)
Net cash used in operating activities		<u>(129,353)</u>	<u>(176,088)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Capital expenditure on property, plant and equipment		(9,796)	(24,022)
Proceeds from disposal of property, plant and equipment		9,361	1,151
Proceeds from sale of non-current assets held for sale		273,054	-
Net cash from / (used in) investing activities		<u>272,619</u>	<u>(22,871)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Repayment of long term financing		-	(105,000)
Dividend paid		(4)	(3)
Short term borrowings - net		(48,429)	294,142
Net cash (used in) / from financing activities		<u>(48,433)</u>	<u>189,139</u>

NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS

94,833 (9,820)

**CASH AND CASH EQUIVALENTS AT THE
BEGINNING OF THE PERIOD**

41,724 96,362

**Net foreign exchange difference on translating cash
and bank balances**

13 2

CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD

136,570 86,544

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 2025**

1. THE COMPANY AND ITS OPERATIONS

- 1.1** 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 cloth and hosiery products. The Company's registered office is situated at Room No. 404-405, 4th Floor, Business Centre, Mumtaz Hassan Road, Karachi.
- 1.2** The Company was previously operating a spinning Unit situated at 32-Km Shekupura Road, Tehsil Jaranwala, District Faisalabad. However, due to continuous challenges faced by the spinning business especially the demand of yarn and costs of operation, after the approval by the members in Extra Ordinary General Meeting (EOGM) dated 11 August 2025, it was decided to discontinue the spinning operations. Therefore, the major portion of plant and machinery of the Company along with stand-by equipment were approved for disposal. The Company is considering various viable options to materialize in future for improving the business prospects of the Company and to boost revenue and ultimately gaining profit.

2. BASIS OF PREPARATION, MATERIAL ACCOUNTING POLICY INFORMATION, CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

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, directives and notifications issued under the Companies Act, 2017.

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

- 2.2** These condensed interim financial statements do not include all the information required for annual financial statements and should be read in conjunction with the annual financial statements of the Company for the year ended 30 June 2025. 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 2025 except for the new accounting policy disclosed in Note 2.6 to these condensed interim financial statements.

2.4 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 2025.

2.5 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 2025.

2.6 Non-current assets held for sale

Non-current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and the sale is considered highly probable. These are stated at the lower of carrying amount and fair value less cost to sell.

Un-audited 31 December 2025	Audited 30 June 2025
(RUPEES IN THOUSAND)	

3. SHORT TERM BORROWINGS
From banking companies - secured

Running finances	119,511	182,353
Other short term finances	330,000	400,862
	449,511	583,215

From others - unsecured

Related parties	1,290,518	1,205,243
	<u>1,740,029</u>	<u>1,788,458</u>

4. 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 2025 except as follows:

Guarantees of Rupees 94.294 million (30 June 2025: Rupees 95.611 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.

b) Commitments

Commitments arising from short term leases 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 1.130 million (30 June 2025: Rupees 4.520 million) which are to be paid within one year (30 June 2025: within one year).

5. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets (Note 5.1)	1,117,661	1,560,290
Capital work-in-progress (Note 5.2)	11,870	11,870
	<u>1,129,531</u>	<u>1,572,160</u>

5.1 Operating fixed assets

Opening net book value	1,560,290	1,692,554
Add: Cost of additions during the period / year (Note 5.1.1)	9,796	32,825
	1,570,086	1,725,379

Less:

Book value of deletions during the period / year (Note 5.1.2)	8,489	40,740
Classified as non-current assets held for sale during the period / year (Note 7)	406,403	-
	414,892	40,740
	1,155,194	1,684,639

Less: Depreciation charged during the period / year

	37,533	124,349
	<u>1,117,661</u>	<u>1,560,290</u>

5.1.1 Cost of additions during the period / year

Plant and machinery	-	25,157
Electric installations	397	6,823
Factory equipment	-	282
Computers	170	270
Electric appliances	-	182
Furniture and fixtures	-	111
Vehicles	9,229	-
	9,796	32,825

5.1.2 Book value of deletions during the period / year

Plant and machinery	8,224	39,842
Vehicles	265	898
	<u>8,489</u>	<u>40,740</u>

5.2 Capital work-in-progress

Stand-by equipment	3,475	3,475
Advances against Enterprise Resource Planning (ERP)	8,395	8,395
	<u>11,870</u>	<u>11,870</u>

Un-audited 31 December 2025	Audited 30 June 2025
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(RUPEES IN THOUSAND)

6. CASH AND BANK BALANCES
With banks:

On current accounts	102,473	14,225
On PLS saving accounts	26,879	26,016
	129,352	40,241
Cash in hand	7,218	1,483
	136,570	41,724

7. NON-CURRENT ASSETS HELD FOR SALE

The non-current assets classified as held for sale in their respective categories are summarized hereunder :

(a) Non-current assets classified as held for sale

Plant and machinery	309,817	-
Stand-by equipment	96,586	-
	406,403	-
Disposals during the year of plant and machinery	(207,765)	-
	198,638	-

7.1 Major portion of plant and machinery and stand-by equipment related to Spinning Unit situated at 32-Km Sheikupura Road, Tehsil Jaranwala, District Faisalabad are presented as held for sale following the approval of Board of Directors of the Company on 11 July 2025 and shareholders in EOGM held on 11 August 2025. Disposal of some plant and machinery was made during the period against collective consideration of Rupees 273.054 million received from various parties. The Company is fully committed to dispose of the remaining assets uptill the end of the financial year.

(b) Analysis of results of discontinued operation

	(Un-audited)			
	Half year ended		Quarter ended	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
	----- (RUPEES IN THOUSAND) -----			
Revenue from contracts with customers	23,366	1,189,613	3,395	453,434
Cost of sales	(52,331)	(1,210,059)	(9,690)	(494,892)
Gross loss	(28,965)	(20,446)	(6,295)	(41,458)
Distribution cost	-	(1,554)	-	(83)
Administrative expenses	(30,554)	(42,940)	(13,643)	(13,324)
Other expenses	(5,034)	(240)	(4,914)	(160)
Other income	66,368	1,550	15,098	1,164
Finance cost	(16,960)	(52,605)	(7,305)	(19,055)
	13,820	(95,789)	(10,764)	(31,458)
Loss before taxation and levy from discontinued operation	(15,145)	(116,235)	(17,059)	(72,916)
Levy	(292)	(14,870)	(42)	(8,040)
Loss before taxation from discontinued operation	(15,437)	(131,105)	(17,101)	(80,956)
Taxation	-	-	-	-
Loss after taxation from discontinued operation	(15,437)	(131,105)	(17,101)	(80,956)

(Un-audited) Half year 31 December 2025
--

(c) Analysis of the cash flows of discontinued operation

Cash outflows from operating activities	(174,450)
Cash inflows from investing activities	274,154
Cash outflows from financing activities	(14,319)

(Un-audited)			
Half year ended		Quarter ended	
31 December 2025	31 December 2024	31 December 2025	31 December 2024

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

8. COST OF SALES

Raw materials consumed	185,886	366,735	111,858	172,368
Stores, spare parts and loose tools consumed	49,249	54,079	24,161	26,129
Salaries, wages and other benefits	95,500	129,019	48,573	66,302
Fuel and power	66,697	105,529	29,103	47,354
Sizing materials consumed	23,014	24,654	10,294	15,176
Outside processing / conversion and other charges	8,111	6,085	5,566	1,830
Packing materials consumed	35,387	38,559	16,100	16,059
Repair and maintenance	439	616	280	322
Insurance	3,131	3,277	1,327	1,639
Rent, rates and taxes	3,390	3,390	1,695	1,695
Other factory overheads	114	168	94	144
Depreciation	15,264	16,355	7,859	8,219
	486,182	748,466	256,910	357,237
Work-in-process				
Opening stock	14,553	17,395	10,809	24,624
Closing stock	(11,128)	(30,416)	(11,128)	(30,416)
	3,425	(13,021)	(319)	(5,792)
Cost of goods manufactured	489,607	735,445	256,591	351,445
Finished goods				
Opening stock	142,024	126,005	121,385	92,852
Closing stock	(144,565)	(112,420)	(144,565)	(112,420)
	(2,541)	13,585	(23,180)	(19,568)
	487,066	749,030	233,411	331,877

9. CASH USED IN OPERATIONS

(Un-audited)		
Half year ended		
31 December 2025	31 December 2024	
------(RUPEES IN THOUSAND)-----		
Loss before levy and taxation	(43,038)	(174,329)
Adjustments for non-cash charges and other items:		
Amortization	-	829
Depreciation	37,533	61,879
Gain on sale of non-current assets held for sale	(65,289)	-
Gain on disposal of property, plant and equipment	(872)	(253)
Allowance for expected credit losses - net	3,063	-
Credit balances written back	(244)	(2,500)
Provision for staff retirement gratuity	9,199	17,208
Finance cost	32,209	83,685
Provision for doubtful loans and advances - net	1,741	565
Net exchange loss	192	13
Working capital changes (Note 9.1)	(34,505)	(25,663)
	(60,011)	(38,566)

9.1 Working capital changes
(Increase) / decrease in current assets

Stores, spare parts and loose tools	(7,476)	17,279
Stock-in-trade	81,508	204,339
Trade debts	(5,547)	(94,184)
Loans and advances	(482)	(3,841)
Short term deposits and prepayments	(6,361)	(9,607)
Other receivables	44,326	20,649
	105,968	134,635
Decrease in trade and other payables	(140,473)	(160,298)
	(34,505)	(25,663)

10. SEGMENT INFORMATION

	Weaving		Socks		Total - Company	
	(Un-audited)		(Un-audited)		(Un-audited)	
	Half year ended					
	31 December					
	2025	2024	2025	2024	2025	2024
..... (RUPEES IN THOUSAND)						
Revenue from contracts with customers	166,439	353,668	428,079	474,056	596,518	827,724
Cost of sales	(137,535)	(372,891)	(349,531)	(376,139)	(487,066)	(749,030)
Gross profit / (loss)	30,904	(19,223)	78,548	97,917	109,452	78,694
Distribution cost	(1,825)	(2,239)	(47,522)	(40,765)	(49,347)	(43,004)
Administrative expenses	(26,302)	(32,354)	(58,895)	(43,083)	(85,197)	(75,437)
Profit / (loss) before levy, taxation, unallocated expenses and income	2,777	(53,816)	(27,869)	14,069	(25,092)	(39,747)
Unallocated expenses and income:						
Other expenses					(1,499)	(1,426)
Other income					13,947	14,159
Finance cost					(15,249)	(31,080)
Levy					(5,478)	(10,347)
Taxation						
Loss after taxation from continued operations					(33,371)	(68,441)
Loss after taxation from discontinued operations (Note 7)					(15,437)	(131,105)
Loss after taxation					(48,808)	(199,546)

10.1 Reconciliation of reportable segment assets and liabilities

	Spinning (Note 10.1.1.)		Weaving		Socks		Total - Company	
	(Un-audited) 31 December 2025	(Audited) 30 June 2025	(Un-audited) 31 December 2025	(Audited) 30 June 2025	(Un-audited) 31 December 2025	(Audited) 30 June 2025	(Un-audited) 31 December 2025	(Audited) 30 June 2025
Total assets for reportable segments as per condensed interim statement of financial position	1,058,104	1,466,161	350,248	367,375	648,022	661,659	2,056,374	2,515,195
 (RUPEES IN THOUSAND)							
Unallocated assets								
Advance income tax and levy-net							64,443	42,875
Non-current assets held for sale							198,638	-
Total assets as per condensed interim statement of financial position							2,319,455	2,558,070
Total liabilities as per condensed interim statement of financial position	843,535	1,036,555	239,995	256,507	1,101,613	1,081,888	2,185,143	2,374,950

10.1.1 As mentioned in Note 1.2 and Note 7.1 to the condensed interim financial statements, the spinning segment has been discontinued and major portion of plant and machinery and stand-by equipment were classified as held for sale. However, there are certain corporate and other assets / liabilities which are to be allocated to other segments upto 30 June 2025. Therefore those specific assets and liabilities are still shown in spinning segment.

10.2 Geographical information

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

	Weaving		Socks		Total - Company	
	(Un-audited) Half year ended 31 December 2025	(Un-audited) Half year ended 31 December 2024	(Un-audited) Half year ended 31 December 2025	(Un-audited) Half year ended 31 December 2024	(Un-audited) Half year ended 31 December 2025	(Un-audited) Half year ended 31 December 2024
Europe	-	-	323,344	278,540	323,344	278,540
North America	-	-	61,234	125,831	61,234	125,831
Pakistan	168,439	353,668	43,501	69,685	211,940	423,353
	168,439	353,668	428,079	474,056	596,518	827,724

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

Socks / others						
Wools	-	-	385,376	406,635	385,376	406,635
Conversion, CMT income and cloth sale	168,439	353,668	37,820	62,671	206,659	416,339
	168,439	353,668	428,079	474,056	596,518	827,724

10.4 Revenue is recognized at point in time as per terms and conditions of underlying contracts with customers.

11. 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 2025	31 December 2024	31 December 2025	31 December 2024

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

i) Transactions
Associated company / undertaking

Rental expense	3,390	3,390	1,695	1,695
Sale of goods	869	-	869	-

Other related parties

Loans obtained from directors - net	85,275	450,100	154,350	625,050
Remuneration and meeting fee paid to Chief Executive Officer, directors and executives	30,877	24,653	16,238	12,416

Un-audited 31 December 2025	Audited 30 June 2025
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(RUPEES IN THOUSAND)

ii) Period end balances
Associated company / undertaking

Trade and other payables	13,239	13,239
Trade debts	225	-

Other related parties

Sponsors' loans	241,800	241,800
Short term borrowings	1,290,518	1,205,243
Loans and advances	865	485

12. DISCLOSURES REQUIREMENTS FOR COMPANY NOT ENGAGED IN SHARIAH NON-PERMISSIBLE BUSINESS ACTIVITIES AS ITS CORE ACTIVITIES

Description	Un-audited 31 December 2025	Audited 30 June 2025
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(RUPEES IN THOUSAND)

Financing obtained as per Islamic mode

Short term borrowings	1,290,518	1,205,243
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Interest or mark-up accrued on any conventional loan or advance

Short term borrowings	29,302	102,893
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Shariah-compliant bank deposits and bank balances

Bank balances	13,526	3,309
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Description	Un-audited	Un-audited
	31 December 2025	31 December 2024
(RUPEES IN THOUSAND)		
Revenue earned from Shariah-compliant business segment	619,884	2,017,337
Profit earned from Shariah-compliant bank deposits and bank balances	6	6
Total interest earned on any conventional loan or advance	1,081	1,544
Source and detailed breakup of other income, including breakup of other or miscellaneous portions of other income into Shariah-compliant and non-compliant income		
Shariah-compliant income		
Scrap sales	190	-
Rental income	12,633	11,406
Gain on disposal of property plant and equipment	872	253
Gain on disposal of non-current assets held for sale	65,289	-
Profit earned from bank deposits / bank balances	6	6
Credit balances written back	244	2,500
Non-Shariah compliant income		
Profit earned from bank deposits / bank balances	1,081	1,544

Relationship with Shariah-compliant financial institutions / banks

Bank Name	Relationship
Habib Bank Limited	Bank balances
AlBaraka Bank (Pakistan) Limited	Bank balances
Meezan Bank Limited	Bank balances
BankIslami Pakistan Limited	Bank balance

There were no liquidity damages or late payments during the period. Moreover, there were no investments made by the Company.

13. DATE OF AUTHORIZATION

These condensed interim financial statements were approved and authorized for issue on February 27, 2026 by the Board of Directors of the Company.

14. 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.

15. 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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