1st Quarter Report



# CONDENSED INTERIM FINANCIAL INFORMATION

1st Quarter Report (UN-AUDITED) 30 September, 2020



### **COMPANY INFORMATION**

CHAIRMAN: MR. MUHAMMAD SAEED CHIEF EXECUTIVE OFFICER: MR. AMJAD SAEED DIRECTORS: MRS. RUBINA AMJAD MR. OMER SAEED MR. AHSAN SAEED MR.KHIZER SAEED MR.MUHAMMAD ASIF (INDEPENDENT) MR. MUHAMMAD AZHAR (INDEPENDENT) AUDIT COMMITTEE: CHAIRMAN MR. MUHAMMAD AZHAR MEMBER MR. MUHAMMAD SAEED MR. AHSAN SAEED MEMBER 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 CHIEF FINANCIAL OFFICER: MR.MUHAMMAD KASHIF ZAHUR COMPANY SECRETARY: MR. MUHAMMAD NADEEM SHARE REGISTRAR: F. D. Registrar Services (SMC-Pvt.) Limited 17th Floor, Saima Trade Tower-A, I. I. Chundrigar Road **AUDITORS:** M/S RIAZ AHMAD & COMPANY. CHARTERED ACCOUNTANTS BANKERS: BANK AL-FALAH LIMITED

BANK AL-HABIB LTD HABIB METROPOLITAN BANK THE BANK OF PUNJAB

HABIB BANK LIMITED REGISTERED OFFICE :

ROOM NO 404 & 405, 4<sup>TH</sup> FLOOR, BUSINESS CENTRE, MUMTAZ HASSAN ROAD,

KARACHI.

FACTORY: www.idealsm.com
35-K.M SHEIKHUPURA ROAD,

TEHSIL JARANWALA, DISTT. FAISALABAD.

### **DIRECTORS' REVIEW REPORT TO THE SHAREHOLDERS**

Your Directors feel pleasure in submitting unaudited financial statements of your Company for the 1st Quarter ended 30 September 2020.

FINANCIAL RESULTS	30.09. 2020	30.09.2019
	(RUPEES IN TH	(OUSAND)
REVENUE	1,126,605	1,041,767
COST OF SALES	(962,020)	(918,398)
GROSS PROFIT	164,585	123,369
DISTRIBUTION COST	(26,280)	(21,069)
ADMINISTRATIVE EXPENSES	(55,064)	(44,486)
OTHER EXPENSES	(7,120)	(2,044)
OTHER INCOME	1,902	*
FINANCE COST	(19,375)	(28,072)
PROFIT BEFORE TAXATION	58,648	27,698
TAXATION	(14,962)	(13,690)
PROFIT AFTER TAXATION	43,686	14,008
EARNING PER SHARE-BASIC AND DILUTED (RUPEES)	4.40	1.41

By the Blessings of Almighty ALLAH your company achieved Revenue growth of 8.14%, resulting in to after Tax Profit of Rs.43.686 million as compared to Rs.14.008 Million in comparative with corresponding period of last year.

### BUSINESS OUTLOOK:

Textile industry is under pressure due to rising cost of raw material, high inflation rates and Covid-19 is an emerging threat.

### PERFORMANCE REVIEW:

With the Almighty ALLAH's blessings, financial performance of the company is promising. Earnings per share has increased to Rs.4.40 from Rs.1.41 per share as compared to Corresponding period of the last year. Company achieved gross profit of 14.61% as compared to 11.84%, which is very good considering the facts cited above. Operational performance of the company was admirable and achieved production targets with exceptional Quality.

### FURTHER EXPANSION

With Almighty ALLAH'S blessings management has planned for CAPEX "Gen Set" in Spinning Unit "Sulzer Shuttleless Looms" in Weaving Unit and "Machinery Hoisery Lonati" in Socks Unit In-Sha-Allah.

### ACKNOWLEDGEMENT

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

Faisalabad October 29, 2020 (Amind Speed)

Chief Everytive Officer

# حصەداران كىلتے ڈائز يكٹرز كى ريورٹ

آپ کے ڈائر کیٹرز 30 متبر 2020 کوئم ہونے والے 3 ماہ کے لئے آپ کی کھنی کے غیر آڈٹ شدہ نتائج پیش کرتے ہوئے خوشی محسوں کرتے ہیں۔ مالياتي ستائج 30-09-2020 30-09-2019 (رقم بزارون میں) 1,126,605 1,041,767 ريونيو كاسئة فسيل (962,020)(918, 398)گراس منافع 164,585 123,369 وسرى بيوش اخراجات (26,280)(21,069)انظا مي اخراجات (55,064)(44,486)متفرق اخراجات (7,120)(2,044)ديكرآ مدان 1,902 فنانقل اخراجات (28,072)(19,375)قيكس كيغيرمنافع 58,648 27,698 قيس (13,690)(14,962)خالص منافع فیکس کے بعد 43,686 14,008 منافع في حصه بنيادي 1.41

الله تعالى مېريانى سے آپ كى كى كى اصل ميں 8.14% بير حوزى مونى تكس كى اوا يكى كے بعد 43.686 ملين روپ كامنا فع ہوا۔ جبكہ كر شعه سال كار نے كے لئے يُد أميد ہے۔ كار عاصل من اللہ اللہ على اللہ عاميان كى استقال ميں آپ كا استقال ميں آپ كا استقال ميں آپ كا استقال ميں آپ كا استقال ميں آپ كى استقال كى اور كار كے لئے يُد أميد ہے۔

برنس آؤ الك:

کاروبارکرنے میں ٹیکٹائل اعلاسٹری بڑے پیانے پر دشوار یول کا سامنا کررہی ہے۔گزشتہ سال کے مقابلے میں روٹی اور پولیسٹر فائبر کی قیشیں بہت زیادہ بیں COVID.19 اور افراط زرکی شرح میں اضافہ کمپنی کے منافع کومتا اثر کرسکتا ہے۔

كاركردگى كاجائزة:

رب تعالی کے فضل کرم سے کپنی کی مالی کارکردگی قابل تعریف ہے۔ آمدی فی حصہ 1.41رد پے سے بڑھ کر 4.40رد پے فی حصہ ہوئی ہے۔ اوپر بیان کے گئے والی کے باوجود کمپنی نے 14.61 فی صدخام منافع حاصل کیا ہے۔ جو کہ گزشتہ سال کے ای عرصہ میں 11.84 فی صدفتا۔ کمپنی کی آپریشنل کارکردگی قابل قدر ہے اور بہترین معیار کے ساتھ پیداواری اہداف حاصل کیے ہیں۔

تاہم حکومت کی طرف سے تو انائی کی قیمتوں میں جورعائت دی گئی ہاس سے انڈسٹری کو کافی مد دحاصل ہوئی ہے

بروجیک میں توسیع۔

الله تعالى كفضل وكرم سے انتظامير كى جانب سے سپنگ ميں ايك جزير ولونگ ميں سواز راومز اورسوس ميں مشيرى بردھانے كامنصوبہ ہے۔

كاوشول كااعتراف

بور ڈ آف ڈ ائز کیٹر زاپنے مصے داروں ، بکرز اور مالیاتی اداروں کے اعتمادا ورسلسل سپورٹ کاشکر سیادا کرتا ہے۔ بورڈ کمپنی کے شاف اور ورکرز کی انتقر کوشش کا اعتراف کرتا ہے جن کی وجہ سے کمپنی نے موجود د کا میابیاں حاصل کیس جمیس امید ہے کہ کا میابیوں کا پیسلسلہ آنے والے سالوں میں مجھی جاری رہےگا۔

بورو آف ڈائز بکٹرز کی جانب

امجد سعید دنه ایگزیکز به فیسه

چيف الکّزيکنُوآ فيسر

فيصل آباد

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	NOTE	Un-Audited 30 Sep 2020 (RUPEES IN	130 Sep 30 June 2020 2020 (RUPEES IN THOUSAND)		NOTE	Un-Audited Audited 30 Sep 30 June 20 20 2020 (RUPEES IN THOUSAND)	Audited 30 June 2020 THOUSAND)
EQUITY AND LIABILITIES SHARE CAPITAL AND RESERVES				ASSETS NON-CURRENT ASSETS			
Authorized share capital 20 000 000 (30 June 2020: 20 000 000) ordinary shares of Rupees 10 each		200,000	200,000	Property, plant and equipment Intangible asset Long term loans	9 21	1,046,218	1,054,426 5,236 87
Issued, subscribed and paid up share capital 9 920 000 (30 June 2020; 9 920 000) ordinary chance of Direct in and fall raid in each		99,200	99,200	Long term deposits and prepayments		1,053,127	1,796
Sponsors foams Control reserves		241,800	241,800				
Equity portion of shareholders' loans Surplus on revaluation of freehold land Unappropriated profit		159,358 100,577 133,040	159,358 100,577 89,354				
TOTAL EQUITY		733,975	690,289	CURRENT ASSETS			
LIABILITIES				Stores, spare parts and loose tools		51,322	47,724
NON-CURRENT LIABILITIES				Stock-in-trade		827,751	593,255
Long term finanding	m	233,045	229,682	Trade debts		239,804	160,284
Defferd Liability		102,563	94,859	Loans and advances		180,191	121,349
CURRENT LIABILITIES		909,555	146,436	Short term deposits and prepayments		266'9	178
Trade and other payables		431,032	365,950	Other receivables		101,032	689'58
Accrued mark-up Short term borrowings Current portion of long term financing	ĸ	11,161 831,160 103,643	16,676 574,512 93,743	Cash and bank balances		49,966 1,457,063	44,336
Provision for taxation		1,440,607	1,099,530				
TOTAL LIABILITIES		1,776,215	1,424,071				
CONTINGENCIES AND COMMITMENTS	4						
TOTAL EQUITY AND LIABILITIES		2,510,190	2,114,360	TOTAL ASSETS		2,510,190	2,114,360

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



# CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (Un-audited) FOR THE 1ST QUARTER ENDED 30 SEPTEMBER 2020

	NOTE	1st Quart	er Ended
		30 Sepember 2020	30 Sepember 2019
		(RUPEES IN	THOUSAND)
REVENUE COST OF SALES	7	1,126,605 (962,020)	1,041,767 (918,398)
GROSS PROFIT		164,585	123,369
DISTRIBUTION COST ADMINISTRATIVE EXPENSES OTHER EXPENSES OTHER INCOME FINANCE COST		(26,280) (55,064) (7,120) 1,902 (19,375)	(21,069) (44,486) (2,044) - (28,072)
PROFIT BEFORE TAXATION		58,648	27,698
TAXATION		(14,962)	(13,690)
PROFIT AFTER TAXATION		43,686	14,008
EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)		4.40	1.41

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

AMJAD SAEED

OMER SAEED

MUHAMMAD KASHIF ZAHUI

# CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-audited) FOR THE IST QUARTER ENDED 30 SEPTEMBER 2020

	1st Quar	ter Ended
	2020	30 September 2019
	(RUPEES IN	THOUSAND)
PROFIT AFTER TAXATION	43,686	14,008
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 INCOME FOR THE PERIOD	43,686	14,008

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

AMJAD SAEED

OMER SAEED

MUHAMMAD KASHIF ZAHUI

# CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-audited) FOR THE 1ST QUARTER ENDED 30 SEPTEMBER 2020

				RESERVES			
				CAPITAL		(ACCIMILIATED LOSS)	
	SHARE	LOANS	Equity portion of shareholders' loan	Surplus on revaluation of freehold land	Sub total	/ UNAPPROPRIATED PROFIT	EQUITY
			0	RUPEES IN THOUS	AND)	(RUPEES IN THOUSAND)	
Balance as at 30 June 2019 - (Audited)	99,200	241,800	121,209	100,577	221,786	(13,581)	549,205
Profit for the Quarter ended 30 September 2019 Other Comprehensive for the Quarter ended 30 September 2019						14,008	14,008
Total Comprehensive for the Quarter ended 30 September 2019	,	140		5383		14,008	14,008
Balance as at 30 September 2019 - (Un-audited)	99,200	241,800	121,209	100,577	221,786	427	563,213
Profit from 01 October 2019 to 30 June 2020 Other Comprehensive income from 01 October 2019 to 30 June 2020		3 K		2.7		92,939	92,939
Total Comprehensive income from 01 October 2019 to 30 June 2020 Equity Portion of Shareholders Loan	•		38,149		38,149	100,831	100,831
Payment of final Dividend for 30 June 2019 @ Rs. 1.20 Per Share						(11,904)	(11,904)
Balance as at 30 June 2020 - (Audited)	66,200	241,800	159,358	100,577	259,935	89,354	690,289
Profit for the quarter ended 30 September 2020 Other comprehensive income for the quarter ended 30 September 2020						43,686	43,686
Total comprehensive income for the quarter ended 30 September 2020	1	1	¥	3		43,686	43,686
Balance as at 30 September 2020 - (Un-audited)	99,200	241,800	159,358	100,577	259,935	133,040	733,975

CHIEF EXECUTIVE OFFICER

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



# CONDENSED INTERIM STATEMENT OF CASH FLOWS (Un-audited) FOR THE 1ST QUARTER ENDED 30 SEPTEMBER 2020

	1st Quart	er Ended
	30 September 2020	30 September 2019
	(RUPEES IN	THOUSAND)
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash (used in) / generated from operations 8	(197,948)	2,173
Finance cost paid	(20,604)	(30,670)
Income tax paid	(14,875)	41. W
Staff retirement gratuity paid	(12,815)	(3,923)
Net increase in long term deposits and prepayments	(173)	100000
Net decrease / (increase) in long term loans	87	2
Net cash (used in) operating activities	(246,328)	(32,420)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure on property, plant, equipment and intangible asset	(13,667)	(5,943)
Net cash used in investing activities	(13,667)	(5,943)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term financing	(15,507)	(27,071)
Long term financing obtained	24,484	-
Short term borrowings - net	256,648	60,726
Net cash from financing activities	265,625	33,655
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	5,630	(4,708)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	44,336	38,014
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	49,966	33,306

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

AMJAD SAEED CHIEF EXECUTIVE OFFICER OMER SAEED DIRECTOR

## SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited) FOR THE 1ST QUARTER ENDED 30 September 2020

### 1. THE COMPANY AND ITS OPERATIONS

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

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.1 BASIS OF PREPARATION

### a) Statement of compliance

- i) These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:
  - International Accounting Standard (IAS) 34 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
  - Provisions of and directives issued under the Companies Act, 2017.

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

ii) These condensed interim financial statements do not include all the information and disclosures required in the annua financial statements, and should be read in conjunction with the Company's annual audited financial statements for the year ended 30 June 2020. These condensed interim financial statements are un-audited 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.

### 2.2 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these condensed interim financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During preparation of these condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Company for the year ended 30 June 2020.

### 2.3 INTANGIBLE ASSET AND AMORTIZATION

Intangible asset represents the cost of computer software acquired and is stated at cost less accumulated amortization and any identified impairment loss.

Amortization is charged to the statement of profit or loss on straight line basis so as to write off the cost of asset over its estimated useful life. Amortization is charged from the month in which the asset is acquired or capitalized while no amortization is charged for the month in which the asset is disposed of. Intangible asset is amortized over a period of 5 years.

The Company assesses at each reporting date that whether there is any indication that intangible asset may be impaired. If such indication exists, the carrying amount of such asset is reviewed to assess whether it is recorded in excess of its recoverable amount. When carrying value exceeds the respective recoverable amount, asset is written down to its recoverable amount and resulting impairment is recognized in the statement of profit or loss. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. When an impairment loss is recognized, the amortization charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated useful life.

	Un-audited 30 Sep 2020	Audited 30 June 2020
	(RUPEES IN TH	OUSAND)
LONG TERM FINANCING		
Opening balance	323,425	373,398
Add: Obtained during the period/year	24,484	48,735
Add: Fair value adjustment	4,286	25,219
	352,195	447,352
Less:		
Gain on recognition of shareholders' loan at fair value	-	(38,149)
Repaid during the period / year	(15,507)	(85,778)
	(15,507)	(123,927)
	336,688	323,425
Less; Current portion shown under current liabilities	(103,643)	(93,743)
	233,045	229,682

### 4. CONTINGENCIES AND COMMITMENTS

### a) Contingencies

3.

- Guarantees of Rupees 30.335 million (30 June 2020: Rupees 29.511 million) are given by the banks of the Company to Sui Northern Gas Pipelines Limited (SNGPL) against gas connections and to Faisalabad Electric Supply Company Limited against electricity connection.
- ii) The Company is contingently liable for Rupees 2.812 million (30 June 2020: Rupees 2.812 million) on account of Sindh infrastructure cess not acknowledged in view of pending appeal before appellate authorities since 07 July 2014. The related provision is not made in these condensed interim financial statements in view of expected favourable outcome of the appeal.
- iii) An appeal was filed in Lahore High Court, Lahore on 09 April 2018 against cost of supply of Re-Gasified Liquefied Natural Gas (RLNG) by SNGPL amounting to Rupees 4.953 million (2020: Rupees 4.953 million). This appeal was allowed by Lahore High Court, Lahore on 13 December 2019 by asking Oil and Gas Regulatory Authority (OGRA) to conduct a public hearing to determine the level of cost of supply of RLNG. Keeping in view the opinion of the legal counsel of the Company, the related provision is not made in these financial statements as there are strong grounds that the decision of the proposed public hearing of OGRA will be decided in favour of the Company.
- iv) The Company filed an appeal on 23 July 2019 before Commissioner Inland Revenue (Appeals) against the sales tax order in original No.33/2009 dated 15 May 2019 made by the Assistant Commissioner Inland Revenue to pay further tax amounting to Rupees 9.211 million along with the default surcharge under section 3 (1A) of the Sales Tax Act, 1990 on supplies made to unregistered persons during the period from 01 July 2017 to 30 June 2018. This appeal was rejected on 29 October 2019. Against this decision, the Company filed an appeal on 07 December 2019 before Appellate Tribunal Inland Revenue which is pending for decision. The management is hopeful of positive outcome of the appeal and therefore no provision has been made in these financial statements, on the advice of legal counsel.

- v) The Company received show cause notice from Assistant Commissioner Inland Revenue dated 16 December 2019 for further tax not paid amounting to Rupees 11.957 million (2019: Rupees Nil) on sale to unregistered persons from 01 July 2018 to 30 June 2019 along with default surcharge and penalty under section 34(1) and section 33 of Sales Tax Act, 1990 respectively. Against the order, an appeal has been filed by the Company on 06 May 2020 before Commissioner Inland Revenue (Appeals) which is pending for decision. No provision has been made in these financial statements as the management is hopeful for positive outcome, on the advice of the legal counsel.
- vi) The Company received show cause notice from Assistant Commissioner Inland Revenue dated 16 December 2019 for further tax not paid amounting to Rupees 11.957 million on sale to unregistered persons from 01 July 2018 to 30 June 2019 along with default surcharge and penalty under section 34(1) and section 33 of Sales Tax Act, 1990 respectively. No provision has been made in these condensed interim financial statements as the tax advisor of the Company foresees that this show cause notice will be withdrawn from the Assistant Commissioner Inland Revenue on the basis of legal grounds.
- vii) The Company has challenged, before Lahore High Court, Lahore, the provisions of SRO 491(1)/2016 dated 30 June 2016 issued under section 8(1)(b) of the Sales Tax Act, 1990 whereby through amendment in the earlier SRO 1125(1)/2011 dated 31 December 2011, daim of input sales tax in respect of packing material has been disallowed. The Company filed a Writ Petition No. 96551/2017 dated 03 November 2017 before the Lahore High Court, Lahore. Consequently, the Company has accounted for input sales tax amounting to Rupees 4.791 million (2019: Rupees 4.791 million) paid on such items as receivable balance. The Lahore High Court, Lahore through its order dated 25 June 2019 has dismissed the petition filed by the Company. Being aggrieved by the order, an Intra Court Appeal (ICA) No. 1247 of 2020 dated 14 January 2020 has been filed by the Company in Lahore High Court, Lahore. The Company is confident of positive outcome of the appeal, on the advice of legal counsel.

### b) Commitments

- i) Letters of credit for capital expenditure are of Rupees 38.452 million (30 June 2020: Rupees 3.245 million).
- ii) Letters of credit other than for capital expenditure are of Rupees 82.136 million (30 June 2020: Rupees 33.559 million).

		Un-audited	Audited
		30 Sep 2020	30 June 2020
5.	PROPERTY, PLANT AND EQUIPMENT	(RUPEES IN TH	IOUSAND)
	Operating fixed assets (Note 5.1)	1,041,101	1,050,804
	Capital work-in-progress (Note 5.2)	5,118	3,622
		1,046,218	1,054,426
5.1	Operating fixed assets		
	Opening net book value	1,050,804	1,089,101
	Add: Cost of additions during the period / year (Note 5.1.1)	12,171	56,307
		1,062,975	1,145,408
	Less: Book value of deletions during the period / year		28
		1,062,975	1,145,380
	Less: Depreciation charged during the period / year	21,874	94,576
		1,041,101	1,050,804
5.1.1	Cost of additions during the period / year		
	Buildings on freehold land	u u	2
	Plant and machinery	5,920	25,066
	Electric installations	2,523	4,521
	Factory equipment	923	2,029
	Office equipment	<u> </u>	-
	Computers	106	2,582
	Electric appliances	911	2,049
	Furniture and fixtures Vehicles	1,788	20,060
		12,171	56,307
		12,171	30,307

		Un-audited	Audited 30 June
		30 Sep 2020	2020
		(RUPEES IN TH	
5.2	Capital work-in-progress		
	Buildings on freehold land	89	422
	Advance against Enterprise Resource Planning (ERP)	5,029	3,200
		5,118	3,622
		Un-audited	Audited
		30 Sep	30 June
		2020 (RUPEES IN TH	2020 OUSAND)
6.	INTANGIBLE ASSET	(1101 220 211 711	,
	Computer software		
	Opening net book value	5,236	
	Amount capitalized during the period / year		5,928
	The partie of th	5,236	5,928
	Less: Amortization	296	692
	Closing net book value	4,940	5,236
	Amortization rate (per annum)	20%	20%
		1st Quarter	
		30 Sep 2020	30 Sep 2019
7.	COST OF SALES		
	Raw materials consumed	703,838	691,938
	Cost of raw material sold	703,636	13,517
	Stores, spare parts and loose tools consumed	49,308	25,019
	Salaries, wages and other benefits	122,111	105,138
	Fuel and power	110,888	153,955
	Sizing materials consumed	8,407	9,182
	Outside processing / conversion and other charges	14,749	25,752
	Packing materials consumed	29,549	27,143
	Repair and maintenance	616	1,707
	Insurance	1,971	1,383
	Other factory overheads	1,317	269
	Depreciation	18,847	20,287
	Work-in-process	1,061,691	1,075,290
	Opening stock	48,829	36,665
	Closing stock	(51,225)	(47,735)
		(2,396)	(11,070)
	Cost of goods manufactured	1,059,295	1,064,220
	Finished goods		
	Opening stock	188,275	90,411
		(146,290)	(125,995)
	Opening stock		90,411 (125,995) (35,584) 1,028,636

rended
30 Sep
2019

### 8. CASH GENERATED FROM / (USED IN) OPERATIONS

Profit before taxation	58,648	27,698
Adjustments for non-cash charges and other items:		
Amortization	296	2
Depreciation	21,874	22,714
Allowance for expected credit losses	14,073	
Provision for staff retirement gratuity	20,519	7,849
Finance cost	19,375	28,072
Working capital changes (Note 8.1)	(332,734)	(84,160)
	(197,948)	2,173

### 8.1 Working capital changes

### Increase in current assets:

Stores, spare parts and loose tools	(3,598)	(13,161)
Stock-in-trade	(234,496)	(119,848)
Trade debts	(93,593)	(59,954)
Loans and advances	(43,967)	(28,837)
Short term deposits and prepayments	(6,819)	(4,292)
Other receivables	(15,343)	(49,086)
	(397,816)	(275,178)
Increase in trade and other payables	65,082	191,018
	(332,734)	(84,160)

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Cut	9.1	Spin	Spinning	Wear	Weaving	Socks	ks	Elimination of transa	Elimination of Inter-segment transactions	Total - C	Total - Company
12 Cut-fire tended   30 September   30 September		Un-au	idited)	ne-un)	idited)	me-un)	dited)	ne-un)	idited)	(Un-audited)	idited)
SSS 653   613 491   246,663   177,168   250,289   251,108   139,269   139,		30 September	er ended 30 September	30 September	er ended 30 September	30 September	an ended 30 September	30 September	30 September	30 September 30 September	ao Septembe
130,256		2020	2019	2020	2019	(RUPEES IN	CHOUSAND)	2020	2019	2020	2019
130 260   110,289   246,654   177,168   250,289   251,108   178,250   150,269   150,	Revenue										
1,135,315   1,135,325   1,13	External	589,653	613,491	246,663	177,168	290,289	251,108	(136 PT1)	(12,6211)	1,126,605	1,041,767
C2 269   C2 12, S82   C2 12, S83   C2 12, S83   C2 12, S84   C2 12, S85   C2 12,		728,913	723,729	246,663	177,168		251,108	]	(216,211)	1,126,605	1,041,76
13.5403   11,922   23,581   27,403   67,401   44,044	Cost of sales	(655,310)	(671,807)	(223,082)	(149,765)	Ĭ	(207,064)		216,211	(962,020)	(918,398)
C   C   C   C   C   C   C   C   C   C	Gross profit.	73,603	51,922	23,581	27,403	67,401	44,044			164,585	123,369
1,2,3,5,5	Distribution cost	(2,269)	(2,412)	100,00	(254)	(21,268)	(18,403)			(26,280)	(21,069)
(13,536)   (20,526)   (1,494)   (2,173)   (3,945)   (5,373)	Other income	974	(100/17)		(2)5(7)	(427,42)	(000/11)			1 900	PL'EL
32.550   7,100   11,450   17,004   21,766   5,638     .   .   .   .   .   .   .   .	Finance cost	(13,936)	(20,526)	(1,494)	(2,173)	(3,945)	(5,373)	,		(19,375)	(28,072)
Spinning   Spinning   Weaving   We	Profit before taxation and unallocated expenses	32,550	7,100	11,450	17,004	21,768	5,638			65,768	29,742
Charles   Spinning   Weaving   Wea	Unallocated expenses:										
Social Charling   Ch	Other expenses Taxation									(7,120)	(13,590)
Social Charling   Ch	Profit after taxation									43,686	14,008
Clin-audited   Clin	Reconciliation of reportable segment assets and liabilit	ties									
(Un-audited)         (Audited)         (Un-audited)         (Audited)		Spin	ning	Wea	ving	Soc	ks	Total - C	ompany		
1,622,088 1,386,335 424,677 419,501 463,425 306,524 2,510,190 2,1 1,135,335 954,709 122,630 76,437 455,903 345,540 1,713,888 1,3		(Un-audited) 30 September 2020	(Audited) 30 June 2020								
1,562,088 1,386,335 424,677 419,501 463,425 306,524 2,510,190 2,1 1,135,335 954,709 122,630 76,437 455,903 345,540 1,713,868 1,3	Total asserts for reportable seements as nor				(RUPEES IN T	HOUSAND)					
reportable segments 1,135,335 954,709 122,630 76,437 455,903 345,540 1,713,869 1,3	condensed interim statement of financial position	1,622,088	1,386,335	424,677	419,501	463,425	308,524	2,510,190	2,114,360	20	
les s	Total liabilities for reportable segments	1,135,335	954,709	122,630	76,437	455,903	345,540	1,713,868	1,376,686		
	Unallocated liabilities:										
	Provision for taxation							62,347	47,385		

### 10. TRANSACTIONS WITH RELATED PARTIES

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

	1st Quarter Ended		
	30 September 2020	30 Septembe 2019	
	(RUPEES IN	THOUSAND)	
i) Transactions			
Associated companies / undertakings			
Fuel purchased	932	943	
Rental expense	1,550	1,500	
Other related parties			
Dividend paid	2	1/2/1	
Loans obtained from directors - net	(725)	4,575	
Remuneration paid to Chief Executive			
Officer, Director and Executives	5,863	5,316	
	Un-audited 30 September 2020	Audited 30 June 2020	
	(RUPEES IN	(RUPEES IN THOUSAND)	
ii) Period end balances			
Associated companies / undertakings			
Trade and other payables	15,156	19,820	
Other related parties			
Sponsors' loans	241,800	241,800	
Long term financing	168,730	165,416	
Short term borrowings	224,413	225,13	

### 11. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and polices are consistent with those disclosed in the financial statements for the year ended 30 June 2020.

### 12. DATE OF AUTHORIZATION

These condensed interim financial statements were approved by the Board of Directors of the Company and authorized for issue on 29 October 2020.

### 13. CORRESPONDING FIGURES

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

Corresponding figures have been reclassified wherever necessary to reflect more appropriate presentation of events and transactions for the purpose of comparison in accordance with the accounting and reporting standards as applicable in Pakistan. However, no significant reclassification has been made.

### 14. GENERAL

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

AMJAD SAEED CHIEF EXECUTIVE OFFICER OMER SAEED DIRECTOR

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