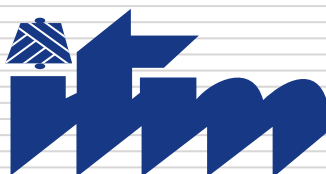


IDREES

TEXTILE MILLS LIMITED

CONDENSED INTERIM
FINANCIAL INFORMATION
FOR THE FIRST QUARTER
ENDED SEPTEMBER 30, 2023
(UN-AUDITED)



COMPANY INFORMATION

BOARD OF DIRECTORS	Mr. Rizwan Idrees Allawala	- Chairman
	Mr. S. M. Mansoor Allawala	- Executive Director / CEO
	Mr. Omair Idrees Allawala	- Executive Director
	Ms. Aamnah Mansoor	- Non - Executive Director
	Mr. Muhammad Zubair	- Non - Executive Director
	Syed Masud Arif	- Independent Director
	Ms. Azra Yaqub Vawda	- Independent - Director
AUDIT COMMITTEE	Ms. Azra Yaqub Vawda	- Chairperson
	Syed Masud Arif	- Member
	Ms. Aamnah Mansoor	- Member
	Syed Shahid Sultan	- Secretary
HUMAN RESOURCE & REMUNERATION COMMITTEE	Syed Masud Arif	- Chairman
	Ms. Aamnah Mansoor	- Member
	Ms. Azra Yaqub Vawda	- Member
COMPANY SECRETARY	Syed Shahid Sultan	
CHIEF FINANCIAL OFFICER	Mr. Muhammad Jawaid	
AUDITORS	M/s. BDO Ebrahim & Co.	
	Chartered Accountants	
BANKERS	National Bank of Pakistan	
	Bank Alfalah Limited	
	Habib Metropolitan Bank Ltd.	
	Meezan Bank Ltd.	
	Bank of Punjab Ltd.	
	BankIslami Pakistan Ltd.	
	Askari Bank Limited	
	Dubai Islamic Bank Pakistan Ltd.	
	Samba Bank Limited	
REGISTERED OFFICE	6-C, Ismail Centre, 1st Floor,	
	Central Commercial Area,	
	Bahadurabad,	
	Karachi - 74800.	
MILLS	Kot Shah Mohammad,	
	Tehsil Nankana,	
	District Nankana,	
	Punjab.	
	www.idreestextile.com	
SHARES REGISTRAR	M/S. JWAFFS Registrar Services (Pvt) Ltd.	
	407-408, 4th Floor, Al-Ameera Centre,	
	Shahrah-e-Iraq, Saddar, Karachi.	

The Directors are pleased to present the un-audited condensed interim financial statements of your Company for the first quarter ended September 30, 2023.

FINANCIAL AND OPERATIONAL OVERVIEW

The principal activity of the Company is manufacturing, processing and sale of all kinds of yarn. The Company is also engaged in the business of Home Textile.

During the first quarter, the Company's turnover amounted to Rs. 1,788 million as compared to Rs. 839 million in the same period of last year. Gross profit amounted to Rs. 209 million compared to Rs. 100 million in the corresponding period. Profit for the quarter amounted to Rs. 8.727 million as compared to profit of Rs. 13.431 in the first quarter of FY22. In the quarter under review, the Company's revenue increased by Rs. 949 million, i.e., by 113 percent as compared to the same period of last year. Gross profit has also increased by Rs. 109 million. Finance cost amounted to Rs. 116 million showing an increase of Rs. 65 million as compared to Rs. 51 million incurred in Q1FY22. Revenue of the company has increased as a result of expansion in the mills production capacity.

The consolidated financial statements of the Company are also annexed. During the period under review, consolidated revenue amounted to Rs. 1,792 million (Q1FY22: Rs. 855 million) and consolidated profit for the period amounted to Rs. 8.357 million (Q1FY22: Rs. 12.230 million).

High interest rate and costly energy are the factors that are negatively affecting the Company's profitability. The prevailing policy rate of 22 percent is significantly affecting the competitiveness of the export oriented industry against other regional countries. While the world economies were bearing the impact of Russia-Ukraine war on the energy sector, the recent unfortunate escalation in Israel-Palestine conflict has also started to exert pressure on the international oil prices.

FUTURE OUTLOOK


A stable political situation and steadiness of Pak Rupee are crucial factors for bringing turnaround in the country's economic condition. Continuity of the Regionally Competitive Energy Tariff (RCET), which was offered by the Government to the textile exporters, is imperative for competitiveness and enabling sustainable growth in the share of our textile products in the international market. Your Company's home textile export is gradually picking up which is promising for business growth and diversification. Conducive steps by the Government, such as reduction in policy rate, zero rating of the textile chain and other measures to bring down inflation, are need of the hour and these shall be highly supportive in restoring the country's economic momentum.

ACKNOWLEDGEMENT

The directors are thankful to the bankers, suppliers and customers of the Company for their continued support and appreciate the hard work by the employees of the Company.



Rizwan Idrees Allawala
Chairman



S.M. Mansoor Allawala
Chief Executive

ڈائریکٹرز 30 ستمبر 2023 کو ختم ہونے والی پہلی سہ ماہی کے لیے آپ کی کمپنی کے غیر آڈٹ شدہ کنڈینسڈ عبوری مالیاتی بیانات پیش کرنے پر خوش ہیں۔

مالیاتی اور آپریشنل جائزہ

کمپنی کی بنیادی سرگرمی ہر قسم کے دھاگے کی تیاری، پروسیسنگ اور فروخت ہے۔ کمپنی ہوم ٹیکسٹائل کے کاروبار میں بھی مصروف ہے۔

پہلی سہ ماہی کے دوران، کمپنی کا کاروبار 1,788 ملین روپے کے مقابلے گزشتہ سال میں اسی مدت میں 839 ملین روپے رہا۔ - مجموعی منافع اسی مدت میں 100 ملین روپے کے مقابلے میں 209 ملین روپے رہا۔ مالی سال 22 کی پہلی سہ ماہی میں 13,431 روپے کے منافع کے مقابلے میں سہ ماہی کا منافع 8,727 ملین روپے رہا۔ زیر جائزہ سہ ماہی میں، کمپنی کی آمدنی میں 949 ملین روپے کا اضافہ ہوا، یعنی گزشتہ سال کی اسی مدت کے مقابلے میں 113 فیصد اضافہ ہوا۔ مجموعی منافع میں بھی 109 ملین روپے کا اضافہ ہوا ہے۔ مالیاتی لاگت 116 ملین روپے رہی جو کہ مالی سال 22 کی پہلی سہ ماہی میں 51 ملین روپے کے مقابلے میں 65 ملین روپے کا اضافہ ظاہر کرتی ہے۔ ملز کی پیداواری صلاحیت میں توسیع کے نتیجے میں کمپنی کے ریونیو میں اضافہ ہوا ہے۔

کمپنی کے مجموعی مالی بیانات بھی منسلک ہیں۔ زیر جائزہ مدت کے دوران، مجموعی آمدنی 1,792 ملین روپے (Q1FY22: Rs 855 ملین) اور اس مدت کے لیے مجموعی منافع کی رقم 8,357 ملین روپے (Q1FY22: Rs 12,230 ملین) تھی۔

بلند شرح سود اور مہنگی توانائی وہ عوامل ہیں جو کمپنی کے منافع کو منفی طور پر متاثر کر رہے ہیں۔ 22 فیصد کی مروجہ پالیسی شرح دیگر علاقائی ممالک کے مقابلے برآمدی صنعت کی مسابقت کو نمایاں طور پر متاثر کر رہی ہے۔ جب عالمی معیشتیں روس اور یوکرین جنگ کے توانائی کے شعبے پر اثر انداز ہو رہی تھیں، وہیں اسرائیل فلسطین تنازع میں حالیہ بدقسمت اضافے نے بھی تیل کی بین الاقوامی قیمتوں پر دباؤ ڈالنا شروع کر دیا ہے۔

مستقبل پر نظر

مستحکم سیاسی صورتحال اور پاک روپے کی استحکام ملک کی معاشی حالت میں تبدیلی لانے کے اہم عوامل ہیں۔ علاقائی طور پر مسابقتی توانائی ٹیرف (RCET) کا تسلسل، جو حکومت کی جانب سے ٹیکسٹائل کے برآمد کنندگان کو پیش کیا گیا تھا، بین الاقوامی مارکیٹ میں ہماری ٹیکسٹائل مصنوعات کے حصہ کو میں مسابقت میں اور پائیدار ترقی کے قابل بنانے کے لیے ناگزیر ہے۔ آپ کی کمپنی کی ہوم ٹیکسٹائل ایکسپورٹ میں بتدریج اضافہ ہو رہا ہے جو کاروبار کی ترقی اور تنوع کے لیے امید افزا ہے۔ حکومت کی جانب سے پالیسی ریٹ میں کمی، ٹیکسٹائل چین کی زیرو ریٹنگ اور مہنگائی کو کم کرنے کے لیے دیگر اقدامات جیسے سازگار اقدامات وقت کی ضرورت ہیں اور یہ ملک کی اقتصادی رفتار کو بحال کرنے میں انتہائی معاون ثابت ہوں گے۔

اظہار تشکر

ڈائریکٹرز کمپنی کے بینکرز، سپلائرز اور صارفین کے مسلسل تعاون کے لیے شکر گزار ہیں اور کمپنی کے ملازمین کی محنت کو سراہتے ہیں۔

ایس ایم منصور اللہ والا
چیف ایگزیکٹو

رضوان ادریس اللہ والا
چیرمین / ڈائریکٹر

27 اکتوبر 2023ء

کراچی

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2023

		(Unaudited) September 30, 2023	(Audited) June 30, 2023
		----- Rupees -----	
NON - CURRENT ASSETS			
Property, plant and Equipment	4	3,398,309,290	3,378,314,871
Long-term deposits		3,613,181	2,898,681
		3,401,922,471	3,381,213,552
CURRENT ASSETS			
Stores, spares and loose tools		72,901,716	74,479,461
Stock-in-trade	5	1,720,007,565	1,461,817,305
Trade debts		982,122,877	655,583,419
Loans and advances		200,935,596	124,283,507
Deposits and short term prepayments		17,516,094	1,603,690
Other receivables		163,361,338	223,189,255
Other Financial Assets	6	184,372,670	180,115,660
Cash and bank balances		36,991,026	5,952,513
		3,378,208,882	2,727,024,810
		6,780,131,353	6,108,238,362
SHARE CAPITAL AND RESERVES			
Share capital		198,528,000	198,528,000
Capital reserve			
Equity portion of loan from related parties		27,211,995	30,064,842
Surplus on revaluation of Property, Plant & Equipments		868,124,011	868,124,011
Unappropriated profit		1,482,434,285	1,470,854,120
		2,576,298,291	2,567,570,973
NON-CURRENT LIABILITIES			
Long-term finance		699,656,493	728,952,828
Liabilities against assets subject to finance lease		-	-
Deferred Government Grant		96,144,094	103,735,361
Deferred taxation - net		171,199,477	171,199,476
Retirement benefit obligation		85,639,095	78,775,115
		1,052,639,159	1,082,662,780
CURRENT LIABILITIES			
Trade and other payables		796,688,300	588,989,534
Interest / mark-up accrued		123,010,851	92,205,020
Short term borrowings		1,932,211,525	1,511,431,965
Current portion of			
long term loan		185,152,620	170,505,607
liabilities against assets subject to finance lease		1,281,142	1,962,284
deferred government grant		29,881,037	29,771,093
Unclaimed Dividend		2,750,372	2,750,372
Provision for taxation		80,218,056	60,388,734
		3,151,193,903	2,458,004,609
CONTINGENCIES AND COMMITMENTS	7	6,780,131,353	6,108,238,362

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



Chief Executive



Chief Financial Officer



Director



UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023

		Three Months Ended	
		September 30, 2023	September 30, 2022
	 Rupees	
Revenue from contract with customer - net		1,788,030,937	838,962,935
Cost of goods sold	8	(1,578,698,880)	(739,042,949)
Gross profit		209,332,057	99,919,986
Distribution cost		22,678,665	11,207,767
Administrative expenses		28,279,121	25,518,138
Other operating expenses	9	22,237,004	11,686,575
Finance cost		115,862,259	51,243,770
		189,057,049	99,656,249
Other income	10	(8,281,631)	(22,213,806)
Profit before taxation		28,556,639	22,477,542
Taxation		(19,829,322)	(9,046,269)
Profit for the period		8,727,317	13,431,273
Earnings per share - basic and diluted		0.44	0.68

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

Chief Executive

Chief Financial Officer

Director



UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOW (UNAUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023

	<i>Three Months Ended</i>	
	September 30, 2023	September 30, 2022
	<i>..... Rupees</i>	
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	28,556,639	22,477,542
Adjustments for :		
Depreciation on property, plant and equipment	26,868,401	26,702,721
Provision for staff retirement gratuity	8,277,480	6,051,735
Finance cost	115,862,259	51,243,770
Profit on deposits	(6,583,329)	-
Gain on disposal of property, plant and equipment	(906,000)	-
Realized Gain on other financial assets	(399,006)	-
Operating cashflow before movement of working capital	171,676,444	106,475,768
Changes in working capital		
(Increase) / decrease in current assets		
Stores, spares and loose tools	1,577,745	(965,384)
Stock-in-trade	(258,190,260)	(92,880,423)
Trade debts	(326,539,458)	188,798,961
Loans and advances	(62,649,795)	7,341,638
Deposits and short term prepayments	(15,912,404)	(5,445,198)
Other receivables	65,962,299	(64,652,381)
Increase / (decrease) in current liabilities		
Trade and other payable	207,698,767	(36,683,751)
Cash generated from operations	(216,376,662)	101,989,230
Finance cost paid	(82,203,580)	(33,535,005)
Gratuity paid	(1,413,500)	(1,358,500)
Income tax paid	(14,002,294)	(21,040,930)
Long term deposits (increased) / decreased	(714,500)	233,680
Net cash used in operating activities	(314,710,536)	46,288,475
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(47,456,820)	(676,581,720)
Proceeds from disposal of property, plant and equipment	1,500,000	-
Purchase of term deposit receipt - net	(10,000,000)	(10,000,000)
Sale of shares	6,141,996	-
Profit on deposits received	448,946	-
Net cash used in investing activities	(49,365,878)	(686,581,720)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Obtained /(Paid) of long term finance	(24,983,490)	487,771,788
Short term borrowings obtained - net	365,047,073	180,549,245
Finance lease obtained / (Paid) - net	(681,142)	(3,102,317)
Dividend paid	-	(145,740)
Net cash from financing activities	339,382,441	665,072,976
Net decrease in cash and cash equivalents (A+B+C)	(24,693,973)	24,779,731
Cash and cash equivalents at beginning of the period	(435,325,039)	(288,205,311)
Cash and cash equivalents at end of the period	(460,019,012)	(263,425,580)
Cash and cash equivalents		
Cash and bank balances	36,991,026	9,839,899
Running finance	(497,010,038)	(273,265,479)
	(460,019,012)	(263,425,580)

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

Chief Executive

Chief Financial Officer

Director



UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023

	<i>Issued, subscribed and paid up capital</i>	<i>Surplus on revaluation of property, plant and equipment net of tax</i>	<i>Equity portion of loan from related parties</i>	<i>Unappropriated profit</i>	<i>Total</i>
 Rupees				
Balance at June 30, 2022	198,528,000	882,490,524	15,895,730	1,420,418,461	2,517,332,715
Transaction with related parties					
Fair value effect of interest free loan			(2,469,954)	2,469,954	-
Comprehensive Income					
Profit for the period ended September 30, 2022	-	-	-	13,431,273	13,431,273
Other comprehensive income - net of tax	-	-	-	-	-
	-	-	-	13,431,273	13,431,273
Balance at September 30, 2022	198,528,000	882,490,524	13,425,776	1,436,319,688	2,530,763,988
Transfer to / from surplus on revaluation of property, plant and equipment on account of					
- incremental depreciation charged thereon - net of tax		(53,968,778)		53,968,778	-
Transaction with shareholders					
Final dividend at Re. 1 per share for the year ended June 30, 2023			-	-	-
Transaction with related parties					
Fair value effect of interest free loan			(9,347,169)	9,347,169	-
Fair value effect of interest free loan provided by related parties			25,986,235		25,986,235
Comprehensive Income					
Profit for the period ended June 30, 2023	-	-	-	(25,925,274)	(25,925,274)
Other comprehensive income - net of tax	-	39,602,265	-	(2,856,241)	36,746,024
	-	39,602,265	-	(28,781,515)	10,820,750
Balance at June 30, 2023	198,528,000	868,124,011	30,064,842	1,470,854,120	2,567,570,973
Transaction with shareholders					
Unamortized portion of interest free loan					-
Amortized portion of interest free loan due to change in terms of loan			(2,852,847)	2,852,847	-
Comprehensive Income					
Profit for the period ended September 30, 2023	-	-	-	8,727,317	8,727,317
Other comprehensive income - net of tax	-	-	-	-	-
	-	-	-	8,727,317	8,727,317
Balance as at September 30, 2023	198,528,000	868,124,011	27,211,995	1,482,434,285	2,576,298,291

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

Chief Executive

Chief Financial Officer

Director

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023**

- 1 The Company was incorporated in Pakistan on June 05, 1990 as an unquoted public limited company and is listed on Karachi and Lahore Stock Exchanges. The registered office of the company is situated at 6-C, Ismail Center, Central Commercial Area Bahadurabad, Karachi whereas the manufacturing facility of the company is located at Kot Shah Mohammad, Tehsil Nankana, district Nankana, Punjab. The principal activity of the Company is manufacture and sale of yarn.

ORA Home LLC, a wholly owned subsidiary of the Company, is located in New Jersey, USA, and engage in trading of Home Textile.

- 2 These financial statements are unaudited and are being submitted to the shareholders as required under the Companies Act, 2017 and have been prepared in accordance with the requirements of the International Financial Reporting Standards as applicable in Pakistan.

These are separate financial statements of the Company in which investment in subsidiary is stated at cost less impairment losses, if any.

- 3 The accounting convention, policies and methods of computation followed in the preparation of these interim financial statements are the same as those of the published annual financial statements for the year ended June 30, 2023.

		(Unaudited) September 30, 2023	(Audited) June 30, 2023
4 NON-CURRENT ASSETS			
Property, plant and Equipment			
Operating Assets	4.1	3,398,309,290	1,897,152,285
Capital Work in progress	4.2	-	1,481,162,586
		<u>3,398,309,290</u>	<u>3,378,314,871</u>
4.1 Operating Assets			
Net Book value at the beginning of the period/ year		1,897,152,285	1,977,927,782
Addition during the period/ year			
Owned Assets			
Building		199,596,399	-
Plant & Machinery		1,328,954,509	7,234,891
Office Equipment		68,500	2,259,313
Vehicles		-	22,970,340
		1,528,619,408	32,464,544
Net book value of assets disposed during the period/ year		(594,000)	(5,996,950)
Depreciation for the period/ year		(26,868,403)	(107,243,091)
		<u>3,398,309,290</u>	<u>1,897,152,285</u>
4.2 Capital Work in progress			
Opening Balance		1,481,162,586	356,321,410
Addition during the period/ year			
Building		485,093	112,402,286
Machinery		43,191,259	1,058,513,648
Less: Capitalized		(1,524,838,938)	(46,074,758)
Closing Balance		<u>-</u>	<u>1,481,162,586</u>
5. STOCK IN TRADE			
Raw Material - in hand		899,324,695	737,484,435
- in transit		77,209,980	159,022,484
Work in process		136,042,604	105,198,723
Finished Goods		574,297,034	441,731,042
Waste		33,133,252	18,380,621
		<u>1,720,007,565</u>	<u>1,461,817,305</u>
6. OTHER FINANCIAL ASSETS			
These represent term deposit receipts with various banks for a period ranging from six months to one year carrying mark-up at the rates ranging from 4.2% to 21% (June 2023: 4.20% to 21%) per annum. The banks have lien on these term deposit receipts on account of guarantees provided by such banks.			

	(Unaudited) September 30, 2023	(Audited) June 30, 2023
7. CONTINGENCIES AND COMMITMENTS		
7.1 Contingencies		
There is no material change in Contingent liabilities as disclosed in annual financial statements of June 30, 2023		
7.2 Commitments		
Letters of credit for import of spare parts, machinery & raw material	376,090,275	733,365,213
8. COST OF GOODS SOLD	September 30, 2023	September 30, 2022
Raw material consumed	1,321,603,641	759,692,258
Salaries, wages and benefits	65,521,927	48,212,741
Fuel and power	239,086,497	157,491,638
Stores and spares	18,196,042	11,618,169
Packing Material	21,947,476	12,763,092
Depreciation	24,015,818	23,620,323
Insurance	3,000,000	3,000,000
Repairs and maintenance	851,129	1,633,381
Other manufacturing overheads	2,456,777	1,918,609
	<u>1,696,679,307</u>	<u>1,019,950,211</u>
Work-in-process		
Opening stock	76,496,220	56,022,198
Closing stock	(109,598,723)	(65,342,006)
	<u>(33,102,503)</u>	<u>(9,319,808)</u>
Cost of goods manufactured	<u>1,663,576,804</u>	<u>1,010,630,403</u>
Finished goods		
Opening stock	460,111,662	264,126,222
Yarn Transferred to Home Textile	(6,923,500)	-
Closing stock	(607,430,286)	(538,529,249)
	<u>(154,242,124)</u>	<u>(274,403,027)</u>
Cost of Home Textile	46,014,551	2,815,573
Cost of raw material sold	23,349,649	-
	<u>1,578,698,880</u>	<u>739,042,949</u>
9. OTHER OPERATING EXPENSES		
Workers' participation fund	1,502,950	-
Infrastructure cess	11,344,293	11,686,575
Exchange loss-net	9,389,761	-
	<u>22,237,004</u>	<u>11,686,575</u>
10. OTHER INCOME		
Profit on deposits with bank	6,583,329	2,679,270
Exchange gain - net	-	19,430,369
Dividend Income	198,000	-
Realized Gain on other financial assets	399,006	-
Gain on disposal of property, plant and equipment	906,000	-
Scrap sales	43,853	104,167
Other revenue	151,443	-
	<u>8,281,631</u>	<u>22,213,806</u>

11. **TRANSACTIONS WITH RELATED PARTIES**

The related parties comprise associated undertakings, key management personnel. Significant transactions with related parties during the period are as follows:

Relationship with Company	Nature of Transactions	(Unaudited) Three Months ended September 30, 2023 Rupees	(Unaudited) Three Months ended September 30, 2022 Rupees
Provident Fund of the Company	Contribution paid	621,456	474,521
Key Management personnel			
Chief Executive		1,200,000	1,200,000
Directors		1,050,000	1,050,000
Executives		5,217,405	3,597,897
Subsidiary - 100% holding	Sales	18,122,617	14,167,618
	Amount received	7,160,000	8,192,841

12. **DATE OF AUTHORIZATION FOR ISSUE**

The financial statements were authorized for issue on October, 27, 2023 by the Board of Directors of the Company.

13. **GENERAL**

Figures have been re-arranged wherever it was necessary for the purpose of comparison and rounded off nearest to rupee.



Chief Executive



Chief Financial Officer



Director

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2023

		(Unaudited) September 30, 2023	(Audited) June 30, 2023
		----- Rupees -----	
NON - CURRENT ASSETS			
Property, plant and Equipment	4	3,398,309,290	3,378,314,871
Long-term deposits		3,613,181	2,898,681
		3,401,922,471	3,381,213,552
CURRENT ASSETS			
Stores, spares and loose tools		72,901,716	74,479,461
Stock-in-trade	5	1,720,007,565	1,461,817,305
Trade debts		993,758,565	655,583,419
Loans and advances		200,935,596	124,283,507
Deposits and short term prepayments		17,516,094	1,603,690
Other receivables		163,361,338	223,189,255
Other Financial Assets	6	184,372,670	180,115,660
Cash and bank balances		38,697,566	18,971,021
		3,391,551,110	2,740,043,318
		6,793,473,581	6,121,256,870
SHARE CAPITAL AND RESERVES			
Share capital		198,528,000	198,528,000
Equity portion of loan from related parties		27,211,995	30,064,842
Exchange translation reserve		(8,575,744)	(8,450,221)
Surplus on revaluation of Property, Plant & Equipments		868,124,011	868,124,011
Unappropriated profit		1,470,248,728	1,458,913,091
		2,555,536,990	2,547,179,723
NON-CURRENT LIABILITIES			
Long-term finance		699,656,493	728,952,828
Liabilities against assets subject to finance lease		-	-
Deferred Government Grant		96,144,094	103,735,361
Deferred taxation - net		171,199,477	171,199,476
Retirement benefit obligation		85,639,095	78,775,115
		1,052,639,159	1,082,662,780
CURRENT LIABILITIES			
Trade and other payables		818,390,216	610,959,675
Interest / mark-up accrued		123,010,851	92,205,020
Short term borrowings		1,944,613,138	1,522,871,564
Current portion of			
long term loan		185,152,620	170,505,607
liabilities against assets subject to finance lease		1,281,142	1,962,284
deferred government grant		29,881,037	29,771,093
Unclaimed Dividend		2,750,372	2,750,372
Provision for taxation		80,218,056	60,388,752
		3,185,297,432	2,491,414,367
CONTINGENCIES AND COMMITMENTS	7	6,793,473,581	6,121,256,870

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


Chief Executive


Chief Financial Officer


Director

CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS ACCOUNT (UNAUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023

		<i>Three Months Ended</i>	
		<i>September 30, 2023</i>	<i>September 30, 2022</i>
		<i>Consolidated</i>	<i>Consolidated</i>
		<i>..... Rupees</i>	
Revenue from contract with customer - net		1,792,437,905	855,489,442
Cost of goods sold	8	(1,581,129,974)	(754,181,795)
Gross profit		211,307,931	101,307,647
Distribution cost		24,213,393	11,672,266
Administrative expenses		28,793,765	25,518,138
Other operating expenses	9	22,379,346	11,825,299
Finance cost		115,890,946	51,248,369
		191,277,450	100,264,072
Other income	10	(8,281,631)	(22,213,806)
Profit before taxation		28,312,112	23,257,381
Foreign operations - currency translation difference		(125,523)	(1,981,501)
Taxation		(19,829,322)	(9,046,269)
Profit for the year		8,357,267	12,229,611
Earnings per share basic & diluted		0.42	0.62

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



Chief Executive



Chief Financial Officer



Director

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOW (UNAUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023**

	Three Months Ended	
	September 30, 2023	September 30, 2022
	Consolidated	Consolidated
 Rupees	
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	28,312,112	23,257,381
Adjustments for :		
Depreciation on property, plant and equipment	26,868,401	26,702,721
Provision for staff retirement gratuity	8,277,480	6,051,735
Finance cost	115,862,259	51,248,369
Profit on deposits	(6,583,329)	-
Gain on disposal of property, plant and equipment	(906,000)	-
Realized Gain on other financial assets	(399,006)	-
Operating cashflow before movement of working capital	<u>171,431,917</u>	<u>107,260,206</u>
Changes in working capital		
(Increase) / decrease in current assets		
Stores, spares and loose tools	1,577,745	(965,384)
Stock-in-trade	(258,190,260)	(92,880,423)
Trade debts	(337,900,266)	172,272,454
Loans and advances	(62,649,795)	7,341,638
Deposits and short term prepayments	(15,912,404)	(5,445,198)
Other receivables	65,962,299	(64,652,381)
Increase / (decrease) in current liabilities		
Trade and other payable	<u>207,629,203</u>	<u>(29,431,929)</u>
Cash from / (used in) operations	<u>(228,051,561)</u>	<u>93,498,983</u>
Finance cost paid	(82,203,580)	(33,535,005)
Gratuity paid	(1,413,500)	(1,358,500)
Income tax paid	(14,002,294)	(21,040,930)
Long term deposits (increased) / decreased	<u>(714,500)</u>	<u>233,680</u>
Net cash from / (used in) operating activities	<u>(326,385,435)</u>	<u>37,798,228</u>
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(47,456,820)	(676,581,719)
Proceeds from disposal of property, plant and equipment	1,500,000	-
Purchase of term deposit receipt - net	(10,000,000)	-
Sale of shares	6,141,996	(10,000,000)
Profit on deposits received	448,946	-
Net cash used in investing activities	<u>(49,365,878)</u>	<u>(686,581,719)</u>
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Obtained /(Paid) of long term finance	(24,983,490)	487,771,788
Short term borrowings obtained - net	365,398,879	180,549,244
Finance lease obtained / (Paid) - net	(681,142)	(3,102,317)
Dividend paid	-	(145,740)
Net cash from financing activities	<u>339,734,247</u>	<u>665,072,975</u>
Net decrease in cash and cash equivalents (A+B+C)	<u>(36,017,066)</u>	<u>16,289,484</u>
Cash and cash equivalents at beginning of the period	(422,306,531)	(275,865,547)
Effects of exchange rate changes in cash and cash equivalents	11,125	-
Cash and cash equivalents at end of the period	<u>(458,312,472)</u>	<u>(259,576,063)</u>
Cash and cash equivalents		
Cash and bank balances	38,697,566	13,689,416
Running finance	<u>(497,010,038)</u>	<u>(273,265,479)</u>
	<u>(458,312,472)</u>	<u>(259,576,063)</u>

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


Chief Executive


Chief Financial Officer


Director



**CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023**

	<i>Issued, subscribed and paid up capital</i>	<i>Surplus on revaluation of property, plant and equipment net of tax</i>	<i>Equity portion of loan from related parties</i>	<i>Unappropriated profit</i>	<i>Exchange translation reserve</i>	<i>Total</i>
 Rupees					
Balance at June 30, 2022	198,528,000	882,490,524	15,895,730	1,406,774,561	(2,366,429)	2,501,322,386
Transaction with related parties						-
Fair value effect of interest free loan			(2,469,954)	2,469,954		-
Comprehensive Income						
Profit for the period ended September 30, 2022	-	-	-	14,211,112	-	14,211,112
Other comprehensive income - net of tax	-	-	-	-	(1,981,501)	(1,981,501)
Exchange Translation reserve	-	-	-	14,211,112	(1,981,501)	12,229,611
Balance at September 30, 2022	198,528,000	882,490,524	13,425,776	1,423,455,627	(4,347,930)	2,513,551,996
Transfer to / from surplus on revaluation of property, plant and equipment on account of						
- incremental depreciation charged thereon - net of tax		(53,968,778)		53,968,778	-	-
Transaction with shareholders						
Final dividend at Re. 1 per share for the year ended June 30, 2022			-	-	-	-
Transaction with related parties						
Fair value effect of interest free loan			(9,347,169)	9,347,169	-	-
Fair value effect of interest free loan provided by related parties			25,986,235			25,986,235
Comprehensive Income						
Profit for the period ended June 30, 2023	-	39,602,265		(25,002,242)	-	(25,002,242)
Other comprehensive income - net of tax	-	-		(2,856,241)	-	36,746,024
Exchange Translation reserve	-	-	-	-	(4,102,291)	(4,102,291)
Balance at June 30, 2023	198,528,000	868,124,011	30,064,842	1,458,913,091	(8,450,221)	2,547,179,723
Transaction with share holders						
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax	-	-				
Transaction with shareholders						
Unamortized portion of interest free loan						-
Amortized portion of interest free loan due to change in terms of loan			(2,852,847)	2,852,847	-	-
Comprehensive Income						
Profit for the period ended September 30, 2023	-	-	-	8,482,790	-	8,482,790
Exchange Translation reserve	-	-	-	-	(125,523)	(125,523)
Balance as at September 30, 2023	198,528,000	868,124,011	27,211,995	1,470,248,728	(8,575,744)	2,555,536,990

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

Chief Executive

Chief Financial Officer

Director

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023

1. THE GROUP AND ITS OPERATIONS

- 1.1** The Group consists of Idrees Textile Mills Limited (the Holding Company) and its 100% owned subsidiary ORA Home LLC (ORA) (the Subsidiary). Together referred to as "the Group" and individually as "Group entities".
- 1.2** The Holding Company was incorporated in Pakistan as an unquoted public limited company on June 5, 1990 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and was listed on Pakistan Stock Exchange Limited on April 28, 1992. The registered office of the Holding Company is situated at 6-C, Ismail Centre, 1st floor, Central Commercial Area, Bahadurabad, Karachi in the Province of Sindh. The principal activity of the Holding Company is manufacturing, processing and sale of all kinds of yarn.

Following are the geographical location and address of all business units of the Holding Company:

Karachi	Purpose
6-C, Ismail Centre, 1st floor, Central Commercial Area, Bahadurabad	Head Office
Kot Shah Muhammad, Tehsil & District Nankana Punjab	Regional Office & Production Plant/Factory

Following is the geographical location and address of the Subsidiary:

4 Conklin Lane Raritan, New Jersey 08869-2315 Registered Office

- 2** These consolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as applicable in Pakistan comprise of;
- International Financial Reporting Standards (IFRS Standards) 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 provisions of and directives issued under the Companies Act, 2017 differ with requirements of IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.
- 3** The accounting convention, policies and methods of computation followed in the preparation of these condensed interim financial statements are the same as those of the published annual financial statements for the year ended June 30, 2023.

4. NON-CURRENT ASSETS

Property, plant and Equipment

		(Unaudited) September 30, 2023	(Audited) June 30, 2023
Operating Assets	4.1	3,398,309,290	1,897,152,285
Capital Work in progress	4.2	-	1,481,162,586
		<u>3,398,309,290</u>	<u>3,378,314,871</u>

4.1 Operating Assets

Net Book value at the beginning of the period/ year	1,897,152,285	1,977,927,782
Addition during the period/ year		

Owned Assets

Building	199,596,399	-
Plant & Machinery	1,328,954,509	7,234,891
Office Equipment	68,500	2,259,313
Vehicles	-	22,970,340
	1,528,619,408	32,464,544
Net book value of assets disposed during the period/ year	(594,000)	(5,996,950)
Depreciation for the period/ year	(26,868,403)	(107,243,091)
	<u>3,398,309,290</u>	<u>1,897,152,285</u>

(Unaudited)
September
30, 2023

(Audited)
June
30, 2023

4.2 Capital Work in progress

Opening Balance	1,481,162,586	356,321,410
Addition during the period		
Building	485,093	112,402,286
Machinery	43,191,259	1,058,513,648
Less: Capitalized	(1,524,838,938)	(46,074,758)
Closing Balance	<u>-</u>	<u>1,481,162,586</u>

5. STOCK IN TRADE

Raw Material - in hand	899,324,695	737,484,435
- in transit	77,209,980	159,022,484
Work in process	136,042,604	105,198,723
Finished Goods	574,297,034	441,731,042
Waste	33,133,252	18,380,621
	<u>1,720,007,565</u>	<u>1,461,817,305</u>

6. OTHER FINANCIAL ASSETS

These represent term deposit receipts with various banks for a period ranging from six months to one year carrying mark-up at the rates ranging from 4.2% to 21% (June 2023: 4.2% to 21%) per annum. The banks have lien on these term deposit receipts on account of guarantees provided by such banks.

7. CONTINGENCIES AND COMMITMENTS

7.1 Contingencies

There is no material change in Contingent liabilities as disclosed in annual financial statements of June 30, 2023

7.2 Commitments

Letters of credit for import of spare parts, machinery & raw material	<u>376,090,275</u>	<u>733,365,213</u>
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8. COST OF GOODS SOLD

	September 30, 2023	September 30, 2022
	<i>Consolidated</i>	<i>Consolidated</i>
Raw material consumed	1,324,034,735	774,831,104
Salaries, wages and benefits	65,521,927	48,212,741
Fuel and power	239,086,497	157,491,638
Stores and spares	18,196,042	11,618,169
Packing Material	21,947,476	12,763,092
Depreciation	24,015,818	23,620,323
Insurance	3,000,000	3,000,000
Repairs and maintenance	851,129	1,633,381
Other manufacturing overheads	2,456,777	1,918,609
	<u>1,699,110,401</u>	<u>1,035,089,057</u>
Work-in-process		
Opening stock	76,496,220	56,022,198
Closing stock	(109,598,723)	(65,342,006)
	<u>(33,102,503)</u>	<u>(9,319,808)</u>
Cost of goods manufactured	<u>1,666,007,898</u>	<u>1,025,769,249</u>
Finished goods		
Opening stock	460,111,662	264,126,222
Yarn Transferred to Home Textile	(6,923,500)	-
Closing stock	(607,430,286)	(538,529,249)
	<u>(154,242,124)</u>	<u>(274,403,027)</u>
Cost of Home Textile	<u>46,014,551</u>	<u>2,815,573</u>
Cost of raw material sold	<u>23,349,649</u>	<u>-</u>
	<u><u>1,581,129,974</u></u>	<u><u>754,181,795</u></u>

9. OTHER OPERATING EXPENSES

Workers' participation fund	1,502,950	-
Workers' welfare fund	-	-
Insurance Expenses	142,342	138,724
Infrastructure cess	11,344,293	11,686,575
Exchange loss-net	9,389,761	-
	<u>22,379,346</u>	<u>11,825,299</u>

10. OTHER INCOME

Profit on deposits	6,583,329	2,679,270
Exchange gain-net	-	19,430,369
Dividend Income	198,000	-
Realized Gain on other financial assets	399,006	-
Gain on disposal of property, plant and equipment	906,000	-
Sale of scrap	43,853	104,167
Other Revenue	151,443	-
	<u>8,281,631</u>	<u>22,213,806</u>

11. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated undertakings, key management personnel. Significant transactions with related parties during the period are as follows:

Relationship with Company	Nature of Transactions	(Unaudited) Three Months ended September 30, 2023 Rupees	(Unaudited) Three Months ended September 30, 2022 Rupees
Provident Fund of the Company	Contribution paid	621,456	474,521
Key Management personnel			
Chief Executive		1,200,000	1,200,000
Directors		1,050,000	1,050,000
Executives		5,217,405	3,597,897

12. DATE OF AUTHORIZATION FOR ISSUE


The financial statements were authorized for issue on October, 27, 2023 by the Board of Directors of the Company.

13. GENERAL

Figures have been re-arranged wherever it was necessary for the purpose of comparison and rounded off nearest to rupee.

A handwritten signature in black ink, appearing to be 'M. J. H.', located below the '12. DATE OF AUTHORIZATION FOR ISSUE' section.

Chief Executive

A handwritten signature in black ink, appearing to be 'S. K. S.', located below the '12. DATE OF AUTHORIZATION FOR ISSUE' section.

Chief Financial Officer

A handwritten signature in black ink, appearing to be 'M. S. S.', located below the '12. DATE OF AUTHORIZATION FOR ISSUE' section.

Director

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