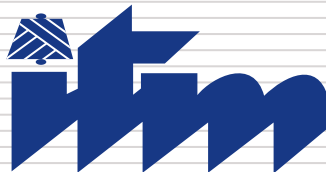


IDREES

TEXTILE MILLS LIMITED

CONDENSED INTERIM
FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED
DECEMBER, 2024
(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 Beyaz Aftab	- Non - Executive Director*
	Syed Masud Arif	- Independent Director
	Ms. Azra Yaqub Vawda	- Independent - Director

COMPANY SECRETARY Syed Shahid Sultan

CHIEF FINANCIAL OFFICER Mr. Muhammad Jawaid

AUDITORS M/s. BDO Ebrahim & Co.
Chartered Accountants

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

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
Bank Al-habib 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.

*Appointed w.e.f 24-2-2025 to fill the casual vacancy created due to resignation of Mr. Muhammad Zubair

The directors of your Company are pleased to present their review along with condensed interim financial statements for the half year ended December 31, 2024 duly reviewed by the external auditors.

The principal activity of the Company is manufacturing, processing and sale of all kinds of yarn and home textile. During the period under review, there has not been any material change in the Company's business activities.

FINANCIAL AND OPERATIONAL PERFORMANCE

During the first half of FY25, the Company's turnover amounted to Rs. 2,476 million as compared to Rs. 3,476 million in the same period of last year (SPLY). Gross profit amounted to Rs. 194 million compared to Rs. 372 million in SPLY. Loss for the period amounted to Rs. 179 million compared to Rs. 37 million in SPLY. Finance cost amounted to Rs. 272 million (SPLY: Rs. 280 million) showing decline of Rs. 8 million as compared to SPLY. Loss per share worked out to Rs. 9.01 (SPLY: Rs. 1.86).

Demand in the yarn market continued to remain sluggish during the period under review which negatively affected the Company's turnover. High cost of production has impacted the Company's gross profit margin. Decline in domestic cotton production and quality concerns compelled your Company to use imported cotton which is costlier. Significantly high tariff of energy is also a major factor in raising the production cost. The prevailing price of electricity and gas is significantly higher than the average cost in competing economies like Vietnam, India and Bangladesh. This is a direct blow to the competitiveness of Pakistani textiles in the global market. Moreover, noticeable increase in import of yarn and fabric under the Export Facilitaion Scheme (EFS) is a harsh blow to Pakistan's textile sector and especially spinning sector in terms of yarn and fabric pricing and volume. Local supply of yarn and fabric to exporters is subjected to sales tax @ 18% whereas import of yarn and fabric under EFS is exempt from tax. EFS in the present shape is being utterly misused and needs to be reformed without delay.

On the monetary front, inflation continued to decline during the period which prompted the State Bank of Pakistan (SBP) to gradually slash the Policy Rate, but it is still higher than the regional competitors. Owing to monetary and fiscal reforms under the directives of IMF, the Country's macroeconomic indicators have demonstrated strong resilience and there has been much needed stability in the exchange rate.

FUTURE OUTLOOK

Lack of good quality local raw material, effects of ongoing global conflicts and unviable energy tariff continue to create uncertain business environment rendering the country's textile sector uncompetitive in the international market. Announcement of regionally competitive energy price is the need of the hour. Immediate measures are required for qualitative and quantitative improvement in Pakistan's cotton crop. Consistent decline in inflation numbers calls for further cuts in the Policy Rate. Predictable and long term policy framework is crucial for economic revival as the economy continues to grapple with structural challenges like energy sector inefficiencies, persistent circular debt, heavy and unfair taxation, under-utilised production capacities, escalation in gas price for CPPs and continuing trade deficit. The Government must also revisit the policy with respect to yarn and fabric import under EFS which is disadvantageous

for the textile sector, especially spinning sector and calls for immediate steps for providing a level playing field. It is a serious challenge for the country's yarn and fabric manufacturers. In the prevailing circumstances, your Company's management remains fully committed for process optimization, improvements in efficiencies and cost reduction.

ACKNOWLEDGEMENT

The Board extends its appreciation to the employees for their dedication and thanks the customers, bankers, suppliers and shareholders of the Company for their trust and support.

For and on behalf of the Board



Rizwan Idrees Allawala
Chairman



S.M Mansoor Allawala
Chief Executive

Karachi : March 25, 2025

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF IDREES TEXTILE MILLS LIMITED

Report on review of the Unconsolidated condensed interim Financial Statements to the members

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of **IDREES TEXTILE MILLS LIMITED** ("the Company") as at December 31, 2024 and the related unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity, and unconsolidated condensed interim statement of cash flows and notes to the unconsolidated condensed interim financial statements for the half year then ended (here-in-after referred to as the "interim unconsolidated financial statements"). Management is responsible for the preparation and presentation of this unconsolidated 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 interim unconsolidated 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 unconsolidated 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 unconsolidated condensed interim financial statements is not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matter

The figures for the quarter ended December 31, 2024 and December 31, 2023 in the unconsolidated condensed interim statement of profit or loss and the unconsolidated condensed interim statement of comprehensive income have not been reviewed and accordingly we do not express a conclusion on them.

The engagement partner on the review resulting in this independent auditor's review report is Tariq Feroz Khan.

KARACHI

DATED: MARCH 26, 2025

UDIN: RR202410166mKQcEyg4



BDO EBRAHIM & Co.
CHARTERED ACCOUNTANTS

UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER, 2024 (UN-AUDITED)

		December 31, 2024 Un-audited	June 30, 2024 Audited
	Note	----- (Rupees) -----	
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	7	3,324,226,644	3,374,850,004
Long-term deposits		5,588,631	6,063,681
Investment in subsidiary	8	-	-
		3,329,815,275	3,380,913,685
CURRENT ASSETS			
Stores, spares and loose tools		43,603,261	53,563,125
Stock-in-trade	9	2,239,868,582	1,928,979,120
Trade debts	10	1,136,781,183	1,106,843,748
Loans and advances		44,553,258	89,784,901
Prepayments		38,339,322	34,303,985
Other receivables	11	284,346,398	188,203,848
Short term investment	12	228,217,230	200,455,670
Advance tax		28,879,832	47,238,331
Cash and bank balances	13	18,548,454	8,607,548
		4,063,137,520	3,657,980,276
		7,392,952,795	7,038,893,961
TOTAL ASSETS			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
22,000,000 (June 30, 2024: 22,000,000) ordinary shares of Rs.10/- each		220,000,000	220,000,000
Issued, subscribed and paid-up capital			
19,852,800 (June 30, 2024: 19,852,800) ordinary shares of Rs.10/- each		198,528,000	198,528,000
Capital reserves			
Surplus on revaluation of property, plant and equipment - net of tax		893,312,767	919,580,955
Equity portion of loan from related parties		157,711,726	104,674,764
Revenue reserves		1,128,276,955	1,280,923,111
		2,377,829,448	2,503,706,830
NON-CURRENT LIABILITIES			
Long-term financing	14	551,084,630	486,099,774
Deferred capital grant	15	61,748,766	74,480,586
Deferred taxation - net		98,415,195	115,398,617
Employee benefits		87,875,766	75,195,066
		799,124,357	751,174,043
CURRENT LIABILITIES			
Trade and other payables	16	1,661,367,310	1,252,356,320
Accrued mark-up		101,087,335	114,013,686
Short-term borrowings	17	2,071,555,396	2,034,831,736
Current portion of long-term finance	14	339,709,716	338,334,122
Current portion of deferred capital grant	15	25,659,032	27,857,022
Unclaimed dividend		2,739,068	2,739,068
Provision for taxation		13,881,133	13,881,134
		4,215,998,990	3,784,013,088
		5,015,123,347	4,535,187,131
TOTAL LIABILITIES			
TOTAL EQUITY AND LIABILITIES			
		7,392,952,795	7,038,893,961

CONTINGENCIES AND COMMITMENTS

18

The annexed notes from 1 to 30 form an integral part of these unconsolidated condensed interim financial statements.



CHAIRMAN



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDTED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2024



	Note	Half year ended		Quarter ended	
		December 31,	December 31,	December 31,	December 31,
		2024	2023	2024	2023
		Restated		Restated	
		(Rupees)		(Rupees)	
Sales - net	19	2,475,923,185	3,476,435,502	1,231,524,440	1,688,404,565
Cost of sales	20	(2,281,848,797)	(3,104,414,712)	(1,071,310,811)	(1,525,715,832)
Gross profit		194,074,388	372,020,790	160,213,629	162,688,733
Distribution cost		(30,811,746)	(45,610,254)	(19,786,867)	(22,931,589)
Administrative expenses		(50,727,186)	(59,515,172)	(23,963,092)	(31,236,051)
		(81,538,932)	(105,125,426)	(43,749,959)	(54,167,640)
Operating profit		112,535,456	266,895,364	116,463,670	108,521,093
Finance cost		(272,027,022)	(279,962,480)	(122,598,991)	(164,100,221)
Other operating expenses	21	(25,574,928)	(33,348,669)	(23,826,805)	(12,614,615)
		(185,066,494)	(46,415,785)	(29,962,126)	(68,193,743)
Other income	22	18,013,375	17,509,165	11,947,503	10,730,484
Loss before taxation and levy		(167,053,119)	(28,906,620)	(18,014,623)	(57,463,259)
Levy:					
Final Tax		(8,101,916)	(24,163,789)	(6,335,872)	(14,898,380)
Minimum tax differential		(20,847,427)	(13,119,658)	(8,467,571)	(2,555,745)
		(28,949,343)	(37,283,447)	(14,803,443)	(17,454,125)
Loss before taxation		(196,002,462)	(66,190,067)	(32,818,066)	(74,917,384)
Taxation:					
Prior		104,695	(758,682)	104,695	(758,682)
Deferred		16,983,423	30,016,400	16,983,423	30,016,400
		17,088,118	29,257,718	17,088,118	29,257,718
Loss for the period		(178,914,344)	(36,932,349)	(15,729,948)	(45,659,666)
Loss per share - basic and diluted (Rupees)	23	(9.01)	(1.86)	(0.79)	(2.30)

The annexed notes from 1 to 30 form an integral part of these unconsolidated condensed interim financial statements.

CHAIRMAN

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

	Half year ended		Quarter ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Note	(Rupees)		(Rupees)	
Loss for the period	(178,914,344)	(36,932,349)	(15,729,948)	(45,659,666)
Surplus on revaluation of property, plant and equipment - net of tax	-	35,362,349	-	35,362,349
Total comprehensive loss	(178,914,344)	(1,570,000)	(15,729,948)	(10,297,317)

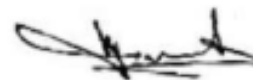
The annexed notes from 1 to 30 form an integral part of these unconsolidated condensed interim financial statements.



CHAIRMAN / DIRECTOR



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER

		Half year ended	
		December 31, 2024	December 31, 2023
Note		(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES			
	Loss before taxation	(196,002,462)	(66,190,067)
	Adjustments for:		
	Depreciation	7.1 63,840,261	64,602,609
	Provision for retirement benefit obligation	14,351,400	16,554,960
	Final tax	8,101,916	24,163,789
	Minimum tax differential	20,847,427	13,119,658
	Gain on sale of property, plant and equipment	7.1 (950,000)	(3,084,333)
	Finance cost	272,027,022	274,256,786
	Profit on deposits	-	(13,579,251)
	Unrealized loss on other financial assets	-	(399,006)
	Finance cost on unwinding of discount on long-term finance loan related parties	-	5,705,694
	Operating cash flows before working capital changes	182,215,564	315,150,839
(Increase) / decrease in current assets			
	Stores, spares and loose tools	9,959,864	5,593,852
	Stock-in-trade	(310,889,462)	(802,948,827)
	Trade debts	(29,937,435)	(301,337,509)
	Loans and advances	45,231,643	(9,737,904)
	Deposits and short-term prepayments	(34,939,550)	(9,561,913)
	Other receivables	(96,142,551)	83,946,595
		(416,717,491)	(1,034,045,706)
Increase / (decrease) in current liabilities			
	Trade and other payable	458,862,336	391,129,731
	Cash generated from / (used in) operations	224,360,409	(327,765,136)
	Income tax paid	(29,264,528)	(30,988,467)
	Finance cost paid	(284,953,373)	(212,980,294)
	Employees benefits paid	(1,670,700)	(1,770,500)
	Net cash used in operating activities	(91,528,192)	(573,504,397)
CASH FLOWS FROM INVESTING ACTIVITIES			
	Purchase of property, plant and equipment	(13,216,901)	(52,102,127)
	Long-term deposits	475,050	(1,510,000)
	Proceed from disposal of property, plant and equipment	950,000	8,300,000
	Other financial asset - net	(27,761,560)	(8,088,084)
	Net cash used in investing activities	(39,553,411)	(53,400,211)
CASH FLOWS FROM FINANCING ACTIVITIES			
	Long-term finance paid	(84,701,151)	(59,189,367)
	Long-term finance obtained / (paid to) related party	141,000,000	(6,148,312)
	Short-term borrowings - net	85,808,953	539,516,655
	Proceeds from long-term finance	48,000,000	28,000,000
	Lease rental paid - net	-	(1,362,282)
	Net cash generated from financing activities	190,107,802	500,816,694
	Net increase / (decrease) in cash and cash equivalents	59,026,199	(126,087,914)
	Cash and cash equivalents at the beginning of the period	(600,675,546)	(435,325,039)
24	Cash and cash equivalents at the end of the period	(541,649,347)	(561,412,953)

The annexed notes from 1 to 30 form an integral part of these unconsolidated condensed interim financial statements.



CHAIRMAN



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2024



Share Capital	Capital reserves		Revenue reserves	Total
	Surplus on revaluation of property, plant and equipment - net of tax	Equity portion of loan from related parties	Un-appropriated profit	

Note ----- (Rupees) -----

Balance as at July 1, 2023 (audited)	198,528,000	868,124,011	24,359,148	1,476,559,814	2,567,570,973
Total comprehensive loss for the period					
Loss for the period	-	-	-	(36,932,349)	(36,932,349)
Other comprehensive income	-	35,362,349	-	-	35,362,349
	-	35,362,349	-	(36,932,349)	(1,570,000)
Items that will not be subsequently reclassified into profit or loss					
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of tax	-	(29,016,451)	-	29,016,451	-
Unwinding of discount on long-term loan from related parties	-	-	-	-	-
Balance as at December 31, 2023 - (unaudited)	198,528,000	874,469,909	24,359,148	1,468,643,916	2,566,000,973
Balance as at July 1, 2024 - (audited)	198,528,000	919,580,955	104,674,764	1,280,923,111	2,503,706,830
Total comprehensive loss for the period					
Loss for the period	-	-	-	(178,914,344)	(178,914,344)
Other comprehensive income	-	-	-	-	-
	-	-	-	(178,914,344)	(178,914,344)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of tax	-	(26,268,188)	-	26,268,188	-
Transactions with the owners of the company:					
Fair value effect of interest free loan	14	-	53,036,962	-	53,036,962
Balance as at December 31, 2024 (unaudited)	198,528,000	893,312,767	157,711,726	1,128,276,955	2,377,829,448

The annexed notes from 1 to 30 form an integral part of these unconsolidated condensed interim financial statements.

CHAIRMAN

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

1 STATUS AND NATURE OF BUSINESS

- 1.1 Idrees Textile Mills Limited (the Company) was incorporated in Pakistan as an unquoted public limited company on June 05, 1990 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and is listed on Pakistan Stock Exchange Limited effective from April 28, 1992. The principal activity of the Company is manufacturing, processing and sale of all kinds of yarn.
- 1.2 These unconsolidated condensed interim financial statements represent standalone financial statements of the Company in which investment in subsidiary has been accounted for at cost less accumulated impairment losses, if any. Details of investment held by the Company in the Subsidiary Company has been given in note 8.

2 GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

- 2.1 The registered office of the Company is situated at 6-C, Ismail Centre, 1st floor, Central Commercial Area, Bahadurabad, Karachi, Pakistan. The Company's manufacturing facility is located at Kot Shah Muhammad, District Nankana in the Province of Punjab.
- 2.2 The geographical location and address of the Company's business units, including mill / plants, is under:

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

3 BASIS OF PREPARATION

3.1 Statement of compliance

These unconsolidated 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 Standard 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 from the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These unconsolidated condensed interim financial statements are unaudited but subject to the limited scope review by auditors and are being submitted to the shareholders as required under section 237 of the Companies Act, 2017.

3.2

These unconsolidated condensed interim financial statements do not include all the statements and disclosures required for annual unconsolidated financial statements and should be read in conjunction with the annual unconsolidated financial statements of the Company as at and for the year ended June 30, 2024 which have been prepared in accordance with accounting standards as applicable in Pakistan. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual unconsolidated financial statements.

3.3

The comparative unconsolidated statement of financial position presented in these unconsolidated condensed interim statement of financial position has been extracted from the annual audited unconsolidated financial statements of the Company for the year ended June 30, 2024, whereas the comparative unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of cash flows and unconsolidated condensed interim statement of changes in equity are extracted from the unaudited unconsolidated condensed interim financial statements for the half year ended December 31, 2023.

3.4 Basis of measurement

These unconsolidated condensed interim financial statements have been prepared under the historical cost convention unless stated otherwise.

3.5 Functional and presentation currency

These unconsolidated condensed interim financial statements have been presented in Pakistani Rupee, which is the functional and presentation currency of the Company.

4 MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies adopted and methods of computation followed in the preparation of these unconsolidated condensed interim financial statements are same as those for the preceding annual unconsolidated financial statements for the year ended June 30, 2024, except for:

4.1 Change in accounting policy

Previously, sum of current tax expense calculated as per applicable tax laws, prior year tax expense and deferred tax was recorded as income tax expense.

The Institute of Chartered Accountant of Pakistan (ICAP) has issued the guidance for accounting of minimum and final taxes through circular No. 7/2024 dated May 15, 2024 and defined following two approaches:

Approach 1: Designate the amount calculated as tax on gross amount of revenue or other basis as a levy within the scope of IFRIC 21/IAS 37 and recognize it as an operating expense. Any excess over the amount designated as a levy is then recognized as current income tax expense falling under the scope of IAS 12.

Approach 2: Designate the amount of tax calculated on taxable income using the notified tax rate as an income tax within the scope of IAS 12 'Income Taxes' and recognize it as current income tax expense. Any excess over the amount designated as income tax, is then recognized as a levy falling under the scope of IFRIC 21/IAS 37.

During the year ended June 30, 2024, the Company has revised its accounting policy. This change in accounting policy has been accounted for retrospectively as referred under International Accounting Standard - 8 'Accounting policies, Changes in Accounting Estimates and Errors' in these unconsolidated Financial statements with retrospective effect. Restatement of amounts previously reported in the unconsolidated financial statements for the half year ended December 31, 2023 are given below.

For the half year ended December 31, 2023		
Had there been no change in accounting policy	After incorporating effects of change in accounting policy	Impact of change in policy

Effect on unconsolidated statement of profit or loss.

Minimum tax differential	-	(13,119,658)	13,119,658
Final tax levy	-	(24,163,789)	24,163,789
Income tax	(37,283,447)	-	(37,283,447)
Loss for the period	(36,932,349)	(36,932,349)	-

5 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS

5.1 New accounting standards, amendments and IFRS interpretations that are effective for the half year ended December 31, 2024

Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on January 01, 2024, but are considered not to be relevant or did not have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these unconsolidated condensed interim financial statements.

5.2 New accounting standards, amendments and interpretations that are not yet effective

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after January 1, 2025, but are considered not to be relevant or expected to have any significant effect on the Company's operations and are, therefore, not detailed in these condensed interim financial statements.

6 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of unconsolidated condensed interim financial statements requires management to make certain judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and key sources of estimation of uncertainty are the same as those that were applied to the annual unconsolidated financial statements for the year ended June 30, 2024.

		December 31, 2024	June 30, 2024
	Note	----- (Rupees) -----	
7 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets:			
- Owned		3,314,478,883	3,363,126,163
- Right of use assets		-	2,013,505
	7.1	3,314,478,883	3,365,139,668
Capital work in progress:			
- Building	7.2	2,197,962	2,160,537
- Capital spares		7,549,799	7,549,799
		9,747,761	9,710,336
		3,324,226,644	3,374,850,004

	December 31, 2024	June 30, 2024
	----- (Rupees) -----	
7.1 Operating fixed assets		
Balance at beginning of the period / year	3,365,139,668	1,897,152,285
Additions during the period / year	13,179,476	10,721,964
Disposals during the period / year	(584,000)	(29,872,700)
Surplus on revaluation	-	78,747,605
Transfer from capital work-in-progress	-	1,538,202,470
Depreciation charged during the period / year	(63,256,261)	(129,811,956)
Balance at end of the period / year	<u>3,314,478,883</u>	<u>3,365,139,668</u>

7.1.1 Fair value measurement

The assets include land, building, labour colony and machinery, electric installations and mill equipment are carried at revalued amount. The valuations was based on the calculations carried out by an independent valuer "Harvester Consultant (Pvt.) Ltd" on the basis of market value.

7.2 Movement of capital work in progress:

Opening balance	2,160,537	199,111,306
Addition during the period / year	37,425	2,645,630
Transfers during the period / year	-	(199,596,399)
Closing balance	<u>2,197,962</u>	<u>2,160,537</u>

8 LONG TERM INVESTMENT

ORA HOME LLC - at cost	<u>-</u>	<u>-</u>
------------------------	----------	----------

- 8.1 In year 2022, the Company acquired 100% ownership in the subsidiary incorporated in New Jersey, United States of America (USA). The Company has not paid any consideration for the acquisition of subsidiary due to net liability position in the books of subsidiary and accordingly assumed all liabilities of the subsidiary as on acquisition date.

		December 31, 2024	June 30, 2024
	Note	----- (Rupees) -----	
9	STOCK-IN-TRADE		
Raw material	9.1	1,598,091,061	1,550,920,543
Work-in-process			
- Yarn		120,355,769	91,441,947
- Home textile		105,882,670	34,327,602
		226,238,439	125,769,549
Finished goods-yarn		407,563,421	240,222,818
Waste	9.2	7,975,661	12,066,210
		<u>2,239,868,582</u>	<u>1,928,979,120</u>
9.1	This includes raw material in transit amounting to Rs. 30.545 million (June 2024: 428.156 million).		
9.2	This represents replacement cost.		
10	TRADE DEBTS		
Secured:			
- Export - others		33,582,360	33,171,528
- Local		-	294,825,850
		<u>33,582,360</u>	<u>327,997,378</u>
Unsecured:			
Considered good:			
Due from related party - export		36,326,405	29,355,627
Other parties - local		1,066,872,418	749,490,743
		<u>1,136,781,183</u>	<u>1,106,843,748</u>
Considered doubtful			
Local		18,193,775	18,193,775
		<u>1,154,974,958</u>	<u>1,125,037,523</u>
Less: Allowance for expected credit losses		(18,193,775)	(18,193,775)
		<u>1,136,781,183</u>	<u>1,106,843,748</u>

		December 31, 2024	June 30, 2024
	Note	----- (Rupees) -----	
11	OTHER RECEIVABLES		
Sales tax		208,985,422	129,251,358
Export rebate	11.1	7,686,065	7,686,065
Cotton claim receivable	11.2	39,066,549	39,881,372
Duty draw back receivable	11.3	5,872,932	5,872,932
Profit on deposit		19,972,078	9,645,253
Others		2,763,352	1,836,208
		<u>284,346,398</u>	<u>194,173,188</u>
Less: provision for doubtful receivables		<u>-</u>	<u>(5,969,340)</u>
		<u>284,346,398</u>	<u>188,203,848</u>
11.1	Export rebate comprises of incentives/discounts/refunds and other benefits granted by Government of Pakistan.		
11.2	This represents claim regarding discrepancies related to cotton weight and quality.		
11.3	This represents receivable from the Government of Pakistan since 2021.		
12	SHORT TERM INVESTMENT		
At amortized cost			
Term deposit receipts (TDR)	12.1	<u>228,217,230</u>	<u>200,455,670</u>
12.1	These represents investments in Term Deposit Receipts with various banks. These carries profit ranging from 5.75% to 20.5% (June 30, 2024: 5.75% to 21.50%) per annum with maturities up to June 16, 2025. The banks have lien on these TDRs on account of guarantee provided.		
13	CASH AND BANK BALANCES		
Cash in hand		10,975,297	1,552,529
Cash at banks :			
Current account		7,545,362	506,392
Saving account	13.1	<u>27,795</u>	<u>6,548,627</u>
		<u>18,548,454</u>	<u>8,607,548</u>

13.1 These carry profit ranging from 9.5% to 19% (June 30, 2024: 13.5% to 20.5%) per annum.

	Note	December 31, 2024 ----- (Rupees) -----	June 30, 2024 -----
14 LONG TERM FINANCE			
From financial institutions	14.1	415,027,806	433,281,371
From related parties	14.2	136,056,824	52,818,403
		<u>551,084,630</u>	<u>486,099,774</u>
14.1 From financial institutions			
Liability under diminishing musharaka	14.1.1	187,864,831	172,856,226
Loan against Temporary Economic			
Refinance Facility (TERF)	14.1.2	366,515,838	380,376,081
Term Finance Facility	14.1.3	160,612,368	182,012,486
Long term financing facility (LTFF)	14.1.4	23,934,820	30,916,155
		<u>738,927,857</u>	<u>766,160,948</u>
Less: current portion shown under current liabilities		<u>(323,900,050)</u>	<u>(332,879,577)</u>
		<u>415,027,806</u>	<u>433,281,371</u>

14.1.1 These represent diminishing musharaka financing obtained for acquisition of plant, machinery and vehicles. The rates of mark-up ranges from 13.14% to 22.87% (June 30, 2024: 18.00% to 25.68%).

14.1.2 This represents Temporary Economic Refinance Facility (TERF) with an Islamic bank and commercial banks, with the total limit aggregating to Rs. 537.50 million (June 30, 2024: Rs. 537.50 million). The TERF repaid as at period end was Rs. 170.98 million (Year end June 30, 2024: 54.79 million). These facilities carry mark up at SBP Base Rate + 4%. The tenure of these facilities ranges from 5 to 10 years with grace period 1 to 2 years. They are measured at present value using discounting factor ranging from 7.39% to 15.91%. Total sanctioned limit of Rs. 537.50 million have been fully utilized. During the year ended June 30, 2024, the company was in breach of certain covenants as mentioned in the facility letter due to which outstanding long term loan was payable on demand and is reclassified as current liability.

14.1.3 This represents term finance facility which is secured against 1st specific charge over imported plant and machinery aggregating to Rs. 460.30 million (June 30, 2024: 460.3 million). The facilities carry markup at 3 month KIBOR plus 1.50% to 5.00% per annum and are payable in quarterly installments within a period of 4 to 5 years.

14.1.4 This represents long-term finance facilities obtained by the Company from various banks for the purpose of purchase of plant and machinery. The facilities carry markup at 3 month KIBOR plus 4.50% to 10.00% per annum and are payable in monthly/quarterly installments within a period of 4 to 5 years.

		December 31, 2024	June 30, 2024
	Note	----- (Rupees) -----	
14.2	From related parties		
Opening balance		58,272,948	77,274,471
Receipts during the period / year		141,000,000	-
Repayments during the period / year		-	(6,148,312)
Fair value adjustment		(53,036,962)	(23,298,611)
Unwinding of discount		5,630,504	10,445,400
	14.2.1	151,866,490	58,272,948
Less: current portion shown under current liabilities		(15,809,666)	(5,454,545)
		<u>136,056,824</u>	<u>52,818,403</u>

14.2.1 These loans are unsecured and interest free and are expected to be repaid by the end of June 30, 2027, furthermore, they are extendable by mutual agreement. The interest (i.e. unwinding of the difference between present value on initial recognition and the amount received) is being recognized on the loan in the statement of profit or loss using the effective interest method.

15 DEFERRED CAPITAL GRANT

Deferred capital grant against temporary economic refinance facility	15.1	87,407,798	102,337,608
Less: current portion of deferred capital grant		(25,659,032)	(27,857,022)
		<u>61,748,766</u>	<u>74,480,586</u>

15.1 Following is the movement of capital grant during the period / year:

Opening balance	102,337,608	133,506,454
Amortized during the period / year	(14,929,810)	(31,168,846)
Closing balance	<u>87,407,798</u>	<u>102,337,608</u>

15.2 Deferred capital grant relates to the difference between the fair value and actual proceed of temporary economic refinance facility loan obtained under SBP's refinance scheme in accordance with the guidance by Institute of Chartered Accountants of Pakistan (ICAP) under 'IAS 20-Accounting for Government Grants and Disclosure of Government Assistance'. The loan is amortized over the period of ten years from the date of disbursement with an amount equal to the difference between the finance cost charged that would have been charged to statement of profit or loss at market rate and the interest paid as per the scheme.



		December 31, 2024	June 30, 2024
	Note	----- (Rupees) -----	
16	TRADE AND OTHER PAYABLES		
Creditors		147,137,439	155,868,982
Accrued liabilities		116,769,386	104,595,416
Gratuity payable		8,797,611	8,797,611
Contract liabilities		1,122,436,190	710,414,663
Worker's Welfare Fund		25,729,586	25,729,585
Infrastructure cess	16.1	182,667,629	166,078,418
Payable to provident fund		567,527	625,311
Levy - Minimum tax	16.2	28,949,343	49,920,856
Withholding tax liability		28,312,599	30,325,478
		<u>1,661,367,310</u>	<u>1,252,356,320</u>

- 16.1 The Government of Sindh through Sindh Finance Act, 1994 provided for imposition of an infrastructure fee for the development and maintenance of infrastructure on goods entering or leaving the Province through air or sea at prescribed rates. The levy was challenged by the Company along with other companies in the High Court of Sindh through civil suits which were dismissed by the single judge of the High Court of Sindh through its decision in October 2003. On appeal filed there against, the High Court of Sindh has held through an order passed in September 2008 that the levy as imposed through the Sindh Finance Act, 1994 (amended time to time) was not valid till December 28, 2006, however, thereafter on account of an amendment in the Sindh Finance (Amendment) Ordinance, 2006, it had become valid and is payable by the Appellants. The Company, along with other companies, filed an appeal in the Supreme Court of Pakistan against the aforementioned order of the High Court of Sindh. The Supreme Court granted stay by passing an interim order on January 22, 2009. The order passed by the High Court of Sindh was set aside by the Supreme Court vide its order dated May 20, 2011. Consequently, a new petition has been filed in the High Court of Sindh. Through the interim order passed on May 31, 2011, the High Court has ordered that for every consignment cleared after December 28, 2006, 50% of the value of infrastructure fee should be paid in cash and a bank guarantee for the remaining amount should be submitted until the final order is passed.

On April 06, 2021, the High Court of Sindh vide order C.P.No D-3309 / 2011, summoned to encash all the bank guarantees furnished by the petitioners. The SHC issued this order reasoning that the entire cargo being imported in the Country routes through the Province of Sindh, and for that the Provincial Legislature thought it appropriate to impose a certain amount of tax in the form of a cess. It is though being collected from an importer of goods; but in essence it is not on imports; but for maintenance and development of infrastructure on imported goods. However, during the year ended June 30, 2022, the Supreme Court of Pakistan vide its order dated September 01, 2021, suspended the order issued by SHC stating that it suffers from constitutional and legal defects and granted the interim relief to the Company and other petitioners. The order issued by the Supreme Court of Pakistan states that the petitioners shall keep the bank guarantees already submitted pursuant to the earlier order of SHC and shall furnish the fresh bank guarantees equivalent to the amount of levy claimed by the Sindh Government against release of all future consignments of imported goods.



The Management is confident for a favorable outcome. However, as a matter of prudence, the Company has made provision as follows:

	December 31, 2024	June 30, 2024
	----- (Rupees) -----	
Balance as at July 1,	166,078,418	141,343,416
Provision for the period / year	16,589,211	24,735,002
Balance as at June 30,	<u>182,667,629</u>	<u>166,078,418</u>

16.2 Levy:

Minimum tax levy	20,847,428	31,326,445
Final tax	8,101,916	18,594,411
	<u>28,949,343</u>	<u>49,920,856</u>

17 SHORT TERM BORROWINGS

From banking companies - secured

Running finance	560,197,801	609,283,094
Cash finance	785,738,813	393,674,857
Finance against imported merchandise (FIM)	725,618,782	1,031,873,785
	<u>2,071,555,396</u>	<u>2,034,831,736</u>

17.1 These represents facilities running finance, cash finance, finance against imported merchandise and Murabaha available from various commercial banks up to Rs. 2,925 million (June 30, 2024: Rs. 2,925 million). These facilities are subject to markup at the rates of 3 month KIBOR plus 1.00% to 2.5% (June 30, 2024: 3 month KIBOR plus 1.00% to 2.5%) per annum payable quarterly. These are secured against various assets including first pari passu hypothecation charge over present and future stock-in- trade, pledge of cotton, first hypothecation charge over present and future book debts, ranking charge on the stocks and receivables of the Company, equitable mortgage on various properties and personal guarantees of all the Executive directors of the Company.

17.2 The aggregate unavailed short-term borrowing facilities amounted to Rs. 853 million (June 30, 2024: Rs. 890 million).

18 CONTINGENCIES AND COMMITMENTS

Status of contingencies is the same as disclosed in note 24 to the annual unconsolidated financial statements of the Company for the year ended June 30, 2024.

	December 31, 2024	June 30, 2024
	----- (Rupees) -----	
18.1 Commitments		
Letters of guarantee issued by banks on behalf of Excise and Taxation Office	181,847,811	165,258,600
Stores and spares	<u>6,283,015</u>	<u>6,471,076</u>
Raw material	<u>516,468,381</u>	<u>476,600,215</u>



	Half Year Ended		Quarter Ended	
	December 31,	December 31,	December 31,	December 31,
	2024	2023	2024	2023
	----- (Rupees) -----		----- (Rupees) -----	
19 SALES - NET				
Gross Sales:				
Yarn & Home Textile				
Local	1,545,393,906	1,061,973,826	769,533,034	312,013,497
Export	810,191,568	1,217,216,971	619,056,999	486,145,956
Indirect export	-	1,408,505,037	-	1,027,216,828
	2,355,585,474	3,687,695,834	1,388,590,033	1,825,376,281
Raw material - local				
Cotton / viscose	275,444,941	31,144,551	(133,295,809)	-
Waste	169,358,017	177,577,492	101,321,045	79,119,148
	2,800,388,432	3,896,417,877	1,356,615,269	1,904,495,429
Less:				
Sales Tax	(322,488,325)	(404,878,089)	(124,599,472)	(210,250,798)
Brokerage & commission	(1,976,922)	(15,104,286)	(491,357)	(5,840,066)
	2,475,923,185	3,476,435,502	1,231,524,440	1,688,404,565
	Half-year Ended		Quarter Ended	
	December 31,	December 31,	December 31,	December 31,
	2024	2023	2024	2023
	----- (Rupees) -----		----- (Rupees) -----	
20 COST OF SALES				
Raw material consumed	1,366,205,481	2,438,366,140	783,884,166	1,116,762,499
Manufacturing expenses:				
Salaries, wages and benefits	125,653,472	136,659,546	70,520,586	71,137,619
Fuel and power	507,815,517	516,548,766	297,918,365	277,462,269
Depreciation	60,799,319	58,907,776	30,461,037	34,891,958
Stores and spares consumed	32,805,766	43,078,958	16,625,187	24,882,916
Packing material	34,201,124	42,288,424	21,956,059	20,340,948
Insurance	8,000,000	6,000,000	5,000,000	3,000,000
Repairs and maintenance	1,453,860	1,944,275	1,074,606	1,093,146
Vehicle running and maintenance	2,088,571	3,307,524	456,603	1,699,260
Other manufacturing overheads	2,213,226	1,593,844	1,759,672	745,331
	775,030,855	810,329,113	445,772,115	435,253,447
Cost of production	2,141,236,336	3,248,695,253	1,229,656,281	1,552,015,946
Work-in-process				
Opening stock	91,441,947	76,496,220	106,234,547	109,598,723
Closing stock	(120,355,769)	(143,111,149)	(120,355,769)	(143,111,149)
	(28,913,822)	(66,614,929)	(14,121,222)	(33,512,426)
Cost of goods manufactured	2,112,322,514	3,182,080,324	1,215,535,059	1,518,503,520
Finished goods				
Opening stock	252,289,028	460,111,663	360,242,355	607,430,286
Yarn purchased	19,000,000	-	-	-
Yarn transferred	(15,461,500)	(34,871,750)	(9,660,500)	(27,948,250)
Closing stock	(415,539,082)	(593,884,794)	(415,539,082)	(593,884,794)
	(159,711,554)	(168,644,881)	(64,957,227)	(14,402,758)
Cost of Home Textile	35,790,017	68,778,853	35,237,633	22,764,302
Cost of raw material sold	293,447,820	22,200,416	(114,504,654)	(1,149,232)
	2,281,848,797	3,104,414,712	1,071,310,811	1,525,715,832

	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
	----- (Rupees) -----		----- (Rupees) -----	
21 OTHER OPERATING EXPENSES				
Infrastructure cess	16,589,211	18,537,092	16,589,211	7,192,799
Exchange loss	8,985,717	14,811,577	7,237,594	5,421,816
	<u>25,574,928</u>	<u>33,348,669</u>	<u>23,826,805</u>	<u>12,614,615</u>
22 OTHER INCOME				
Profit on deposits with bank	16,977,720	13,579,251	10,938,897	6,995,922
Dividend income	-	198,000	-	-
Gain on disposal of property, plant and equipment	950,000	3,084,333	950,000	2,178,333
Scrap sales	85,655	97,132	58,606	53,279
Realized gain on other financial assets	-	399,006	-	-
Others	-	151,443	-	1,502,950
	<u>18,013,375</u>	<u>17,509,165</u>	<u>11,947,503</u>	<u>10,730,484</u>
23 LOSS PER SHARE - BASIC AND DILUTED				
Loss for the period	(178,914,344)	(36,932,349)	(15,729,948)	(45,659,666)
Weighted average number of ordinary shares	<u>19,852,800</u>	<u>19,852,800</u>	<u>19,852,800</u>	<u>19,852,800</u>
Loss per share	<u>(9.01)</u>	<u>(1.86)</u>	<u>(0.79)</u>	<u>(2.30)</u>

There is no dilutive effect on the basic loss per share of the company.

		Half-year Ended	
		December 31, 2024	December 31, 2023
	Note	----- (Rupees) -----	
24 CASH AND CASH EQUIVALENTS			
Cash and bank balances	13	18,548,454	21,982,465
Short term borrowings - Running finance	17	(560,197,801)	(583,395,418)
		<u>(541,649,347)</u>	<u>(561,412,953)</u>

25 Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The different levels of fair valuation method have been defined as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: Inputs for the asset or liability that are not based on observable market data

As at reporting date, there are no financial asset which have been carried at fair value.

- 25.1 There are no other assets or liabilities to classify under above levels except the Company's land, mill building, labour colony, plant and machinery, electric installations and factory equipment are stated at revalued amounts, being the fair value at the date of revaluation, less subsequent depreciation and subsequent accumulated impairment losses, if any.

26 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The Company has related party relationships with its subsidiary company, key management personnel and other related parties.

The details of significant related party transactions during the period and balances at the reporting date are as follows:

Related parties	Basis of relationship	
ORA Home LLC	Subsidiary company	100.00%
Mr. Rizwan Idrees Allawala	Chairman	27.84%
Mr. S. M. Mansoor Allawala	Executive Director	21.82%
Mr. Omair Idrees Allawala	Executive Director	28.99%
Ms. Aamnah Mansoor	Non-Executive Director	0.01%
Mr. Muhammad Zubair	Non-Executive Director	0.003%
Syed Masud Arif	Independent Director	0.003%
Ms. Azra Yaqub Vawda	Independent Director	0.003%
Mrs. Ambreen Mansoor w/o S.M Mansoor Allawala	Spouse of Director	7.26%

		<u>Half Year Ended</u>		<u>Quarter Ended</u>	
		<u>December 31,</u>	<u>December 31,</u>	<u>December 31,</u>	<u>December 31,</u>
		<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
		----- (Rupees) -----	----- (Rupees) -----	----- (Rupees) -----	----- (Rupees) -----
26.1	Transaction during the half year	Nature of transactions			
	Subsidiary company				
	ORA Home LLC				
	Sales	44,660,405	22,911,514	35,416,666	4,788,897
	Amount received during the period	37,689,627	18,122,617	-	10,962,617
	Key management personnel				
	Salaries & benefits	12,251,438	14,957,811	6,125,719	7,490,406
	Loan repaid during the period to directors	-	6,148,312	-	6,148,312
	Meeting fee	30,000	30,000	30,000	30,000
	Receipts of long term finance during the half year period	141,000,000	-	141,000,000	-
	Unwinding of discount on loan from directors	5,630,504	5,705,694	3,260,651	2,852,847
	Other related parties				
	Contribution made to provident fund	1,110,170	1,228,182	519,677	606,726

		<u>Half Year Ended</u>	
		<u>December 31,</u>	<u>December 31,</u>
		<u>2024</u>	<u>2023</u>
		----- (Rupees) -----	----- (Rupees) -----
26.2	Half year end balances with related parties	Nature of transactions	
	Subsidiary Company		
	ORA Home LLC		
	Receivable against sale of goods	36,326,405	4,788,897
	Key management personnel		
	Loan payable to directors	151,866,490	76,831,853
	Equity portion loan from related parties	157,711,726	24,359,148
	Other related parties		
	Provident fund	567,527	196,007
	ORA Sapphire	-	7,046,517

26.3 All transactions with related parties have been carried out on commercial terms and conditions as approved by the Board of Directors.

27 OPERATING SEGMENTS

These unconsolidated condensed interim financial statements have been prepared on the basis of a single reportable segment.

All non-current assets of the Company as at December 31, 2024 and 2023 are located in Pakistan

Significant sales are made by the company in the following countries:

	2024	2023
	-----Rupees-----	
Pakistan	1,667,248,893	2,263,167,543
China	643,749,373	1,121,742,677
Other countries	164,924,919	91,525,282
	2,475,923,185	3,476,435,502

28 CORRESPONDING FIGURES

Corresponding figures have been rearranged and re-classified, wherever necessary, for the purpose of comparsion and for better presentation.

29 GENERAL

Figures have been rounded off to the nearest rupees, unless otherwise stated.

30 DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial information have been authorized for issue on March 25, 2025 by the Board of Directors of the Company.



CHAIRMAN



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER

مالیاتی محاذ پر، اس مدت کے دوران افراط زر میں کمی جاری رہی جس نے اسٹیٹ بینک آف پاکستان (SBP) کو پالیسی ریٹ میں بتدریج کمی کرنے پر مجبور کیا، لیکن یہ اب بھی علاقائی حریفوں سے زیادہ ہے۔ آئی ایم ایف کی ہدایات کے تحت مالیاتی اصلاحات کی وجہ سے، ملک میکرو اکنامک انڈیکیٹرز نے مضبوط لچک کا مظاہرہ کیا ہے اور شرح مبادلہ میں استحکام کی ضرورت ہے۔

مستقبل پر نظر

اچھے معیار کے مقامی خام مال کی کمی، جاری عالمی تنازعات کے اثرات اور ناقابل عمل توانائی ٹیرف غیر یقینی کاروباری ماحول پیدا کر رہے ہیں جو ملک کے ٹیکسٹائل سیکٹر کو بین الاقوامی مارکیٹ میں غیر مسابقتی بنا رہا ہے علاقائی سطح پر مسابقتی توانائی کی قیمت کا اعلان وقت کی اہم ضرورت ہے۔ پاکستان میں کپاس کی فصل میں معیار اور مقداری بہتری کے لئے فوری اقدامات کی ضرورت ہے۔ افراط زر کی تعداد میں مسلسل کمی پالیسی کی شرح میں مزید کمی کا مطالبہ کرتی ہے اقتصادی بحالی کے لئے پیش قیاسی اور طویل مدتی پالیسی کا فریم ورک بہت اہم ہے کیونکہ معیشت توانائی کے شعبے کی ناکامیوں، مسلسل گردش قرضوں، بھاری اور غیر منصفانہ ٹیکس، غیر استعمال شدہ پیداواری صلاحیت، سی پی پی ایس (CPPs) کے لئے گیس کی قیمت میں اضافہ اور تجارتی خسارے جیسے ساختی چیلنجوں سے دوچار ہے حکومت کے EFS کے تحت یارن اور فیبرک کی درآمد کے حوالے سے بھی پالیسی پر نظر ثانی کرنی چاہئے جو کہ ٹیکسٹائل سیکٹر، خاص طور پر اسپننگ سیکٹر کے لئے نقصان دہ ہے اور ایک برابری کا میدان فراہم کرنے کے لئے فوری اقدامات کا مطالبہ کرتی ہے یہ ملک کے یارن اور فیبرک مینوفیکچررز کے لئے ایک سنگین چیلنج ہے۔ موجودہ حالات میں، آپ کی کمپنی کا انتظام عمل کی اصلاح، استعداد کار میں بہتری اور لاگت میں کمی کے لئے پوری طرح پرعزم ہے۔

اظہار تشکر

بورڈ ملازمین کو ان کی لگن کے لئے سراہتا ہے اور صارفین، بینکرز، سپلائرز اور کمپنی کے شیر ہولڈرز کے اعتماد اور تعاون کے لئے ان کا شکریہ ادا کرتا ہے۔

منجانب بورڈ

ایس ایم منصور اللہ والا
چیف ایگزیکٹو

رضوان اد ریس اللہ والا
چیرمین / ڈائریکٹر

آپ کی کمپنی کے ڈائریکٹرز 31 دسمبر 2024 کو ختم ہونے والے ششماہی کے لئے کنڈنسڈ عبوری مالیاتی گوشواروں کے ساتھ اپنا جائزہ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں جس کا بیرونی آڈیٹرز کے ذریعے جائزہ لیا گیا ہے۔

کمپنی کی بنیادی سرگرمی ہر قسم کے دھاگے اور گھریلو ٹیکسٹائل کی تیاری پر وسیع اور فروخت ہے زیر جائزہ مدت کے دوران، کمپنی کی کاروباری سرگرمیوں میں کوئی مادی تبدیلی نہیں آئی ہے۔

مالیاتی اور آپریشنل کارکردگی کا جائزہ

FY25 کی پہلی ششماہی کے دوران کمپنی کا ٹرن اوور Rs.2,476 ملین روپے کے مقابلے میں گزشتہ سال کی اسی مدت میں 3,476 ملین روپے (SPLY)۔ مجموعی منافع کی رقم 194 ملین روپے کے مقابلے میں SPLY میں 372 ملین۔ اس مدت کے لئے نقصان 179 ملین روپے کے مقابلے میں SPLY میں 37 ملین روپے کا تھا۔ مالیاتی لاگت کی رقم 272 ملین (SPLY: Rs. 280) SPLY کے مقابلے میں 8 ملین روپے کی کمی دکھارہا ہے۔ SPLY کے مقابلے میں فی حصص خسارہ 9.01 روپے تک پہنچ گیا۔ (SPLY: Rs.1.86)۔

یاریں مارکیٹ میں ڈیمانڈ زیر جائزہ مدت کے دوران مسلسل سست رہی جس نے کمپنی کے کاروبار کو منفی طور پر متاثر کیا۔ پیداوار کی زیادہ لاگت نے کمپنی کے مجموعی منافع کے مارجن کو متاثر کیا ہے مقامی کپاس کی پیداوار میں کمی اور معیار کے خدشات نے آپ کی کمپنی کو درآمد شدہ کپاس استعمال کرنے پر مجبور کیا جو کہ مہنگا ہے۔ توانائی کا نمایاں طور پر زیادہ ٹیرف بھی پیداواری لاگت میں اضافے کا ایک بڑا عنصر ہے۔ بجلی اور گیس کے موجودہ قیمت ویت نام، ہندوستان اور بنگلہ دیش جیسی مسابقتی معیشتوں میں اوسط قیمت سے نمایاں طور پر زیادہ ہے یہ عالمی منڈی میں پاکستانی ٹیکسٹائل کی مسابقت پر براہ راست دھچکا ہے مزید برآں، برآمدی سہولت سکیم (EFS) کے تحت یاریں اور فیبرک کی درآمد میں نمایاں اضافہ پاکستان کے ٹیکسٹائل سیکٹر اور خاص طور پر سپننگ سیکٹر کے لئے یاریں اور فیبرک کی قیمتوں اور حجم کے لحاظ سے ایک سخت دھچکا ہے۔ برآمد کنندگان کو یاریں اور فیبرک کی مقامی سپلائی پر 18% سیلز ٹیکس عائد ہے جبکہ EFS کے تحت یاریں اور فیبرک کی درآمدی ٹیکس سے مستثنیٰ ہے موجودہ شکل میں EFS کا سراسر غلط استعمال ہو رہا ہے اور اسے بغیر کسی تاخیر کے اصلاح کرنے کی ضرورت ہے۔

CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER, 2024 (UN-AUDITED)

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT DECEMBER 31, 2024



		December 31, 2024 (Un-audited)	June 30, 2024 (Audited)
	Note	----- (Rupees) -----	
ASSETS			
Non-current assets			
Property, plant and equipment	7	3,324,226,644	3,374,850,004
Long-term deposits		5,588,631	6,063,681
Long term investment	8	-	-
		<u>3,329,815,275</u>	<u>3,380,913,685</u>
Current assets			
Stores, spares and loose tools		43,603,261	53,563,125
Stock-in-trade	9	2,257,471,369	1,928,979,120
Trade debts	10	1,139,174,034	1,112,371,065
Loans and advances		44,553,258	89,784,901
Prepayments		38,339,322	34,303,985
Other receivables	11	284,346,397	188,203,848
Short term investment	12	228,217,230	200,455,670
Advance tax		28,879,832	47,238,331
Cash and bank balances	13	19,147,744	15,914,192
		<u>4,083,732,446</u>	<u>3,670,814,237</u>
Total assets		<u>7,413,547,721</u>	<u>7,051,727,922</u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital and reserves			
Authorized			
22,000,000 ordinary shares of Rs.10/- each		220,000,000	220,000,000
Issued, subscribed and paid-up capital		<u>198,528,000</u>	<u>198,528,000</u>
Capital reserves			
Surplus on revaluation of property, plant and equipment - net of tax		893,312,767	919,580,955
Equity portion of loan from related parties		157,711,726	104,674,764
Revenue reserves			
Exchange translation reserve		(7,947,136)	(7,944,267)
Unappropriated profit		<u>1,125,969,062</u>	<u>1,271,889,720</u>
Total equity		<u>2,367,574,419</u>	<u>2,486,729,172</u>
LIABILITIES			
Non-current liabilities			
Long-term finance	14	551,084,630	486,099,774
Lease liability		-	-
Deferred government grant	15	61,748,766	74,480,586
Deferred tax liability		98,415,195	115,398,617
Retirement benefit obligation		87,875,766	75,195,066
		<u>799,124,357</u>	<u>751,174,043</u>
Current liabilities			
Trade and other payables	16	1,685,258,515	1,275,209,410
Accrued mark-up		101,087,335	114,013,686
Short-term borrowings	17	2,078,514,146	2,041,790,265
Current portion of long-term finance	14	339,709,716	338,334,122
Current portion of deferred government grant	15	25,659,032	27,857,022
Unclaimed dividend		2,739,068	2,739,068
Provision for taxation		13,881,133	13,881,134
		<u>4,246,848,945</u>	<u>3,813,824,707</u>
Total liabilities		<u>5,045,973,302</u>	<u>4,564,998,750</u>
Total equity and liabilities		<u>7,413,547,721</u>	<u>7,051,727,922</u>

CONTINGENCIES AND COMMITMENTS

18

The annexed notes from 1 to 29 form an integral part of these condensed interim financial information.

CHAIRMAN

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

	Note	Half-year Ended		Quarter Ended	
		December 31,	December 31,	December 31,	December 31,
		2024	2023	2024	2023
		----- (Rupees) -----		----- (Rupees) -----	
Sales - net	19	2,478,456,717	3,475,822,701	1,243,301,711	1,683,384,796
Cost of sales	20	(2,276,374,035)	(3,102,601,091)	(1,075,079,788)	(1,521,471,117)
Gross profit		202,082,682	373,221,610	168,221,923	161,913,679
Distribution cost		(31,570,968)	(45,610,254)	(20,546,090)	(21,396,861)
Administrative expenses		(51,533,145)	(61,869,345)	(23,936,120)	(32,933,238)
		(83,104,113)	(107,479,599)	(44,482,210)	(54,330,099)
		118,978,569	265,742,011	123,739,713	107,583,580
Finance cost		(272,079,352)	(280,019,265)	(122,623,566)	(164,128,319)
Other operating expenses	21	(25,574,928)	(33,348,669)	(23,624,971)	(12,614,615)
		(178,675,712)	(47,625,923)	(22,508,824)	(69,159,354)
Other income	22	18,013,375	17,563,111	6,065,872	10,784,430
(Loss) / Profit before taxation		(160,662,337)	(30,062,812)	(16,442,952)	(58,374,924)
Levy:					
Final		(7,767,200)	(24,163,789)	(6,001,156)	(14,898,380)
Minimum tax differential		(20,847,427)	(13,119,658)	(8,467,571)	(2,555,745)
		(28,614,627)	(37,283,447)	(14,468,727)	(17,454,125)
(Loss before Taxation)		(189,276,964)	(67,346,259)	(30,911,679)	(75,829,049)
Prior		104,695	(758,682)	104,695	(758,682)
Deferred		16,983,423	30,016,400	16,983,423	30,016,400
		17,088,118	29,257,718	17,088,118	29,257,718
(Loss) / Profit for the period		(172,188,846)	(38,088,541)	(13,823,561)	(46,571,331)
Loss per share - basic and diluted (Rupees)	23	(8.67)	(1.92)	(0.70)	(2.35)

The annexed notes from 1 to 29 form an integral part of these condensed interim financial information.



CHAIRMAN



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER

Note	Half-year Ended		Quarter Ended	
	December 31,	December 31,	December 31,	December 31,
	2024	2023	2024	2023
	----- (Rupees) -----		----- (Rupees) -----	
(Loss) / Profit for the period	(172,188,846)	(38,088,541)	(13,823,561)	(46,571,331)
Items that will not be transferred subsequently to profit or loss				
Foreign operations - Foreign currency translation difference	2,881	299,336		424,859
Adjustment of surplus on revaluation of property, plant and equipment due to change in tax rate	-	35,362,349	-	35,362,349
Total comprehensive income / (loss) for the period	(172,185,965)	(2,426,856)	(13,823,561)	(10,784,123)
Earnings per share - basic and diluted (Rupees)	(8.67)	(1.92)	(0.70)	(2.35)


The annexed notes from 1 to 29 form an integral part of these condensed interim financial information.



CHAIRMAN / DIRECTOR



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2024



	Half - year Ended	
	December 31, 2024	December 31, 2023
	----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / Profit before taxation	(189,276,964)	(30,062,812)
Adjustments for:		
Depreciation	63,840,261	64,602,609
Provision for retirement benefit obligation	14,351,400	16,554,960
Final tax	8,101,916	-
Minimum tax differencial	20,847,427	
Gain on sale of property, plant and equipment	(950,000)	(3,084,333)
Expected credit loss - other receivable	-	124,900
Finance cost	272,079,352	274,313,571
Profit on deposits	-	(13,579,251)
Unrealized loss on other financial Assets	-	(399,006)
Finance cost on unwinding of discount on long-term finance from related parties	-	5,705,694
Operating cash flows before working capital changes	188,993,393	314,176,332
(Increase) / decrease in current assets		
Stores, spares and loose tools	9,959,864	5,593,852
Stock-in-trade	(328,491,692)	(807,257,559)
Trade debts	(26,801,743)	(300,074,292)
Loans and advances	45,231,643	(9,737,904)
Deposits and short-term prepayments	(4,035,337)	(9,561,913)
Other receivables	(96,142,549)	83,946,595
	(400,279,814)	(1,037,091,221)
Increase / (decrease) in current liabilities		
Trade and other payable	439,905,012	391,129,729
Cash generated / (used) from operations	228,618,591	(331,785,160)
Finance cost paid	(285,005,703)	(213,037,079)
Income tax paid	(29,264,528)	(30,988,485)
	(85,651,640)	(575,810,724)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(13,216,901)	(52,102,127)
Long-term deposits	475,050	(1,510,000)
Proceed from disposal of property, plant and equipment	950,000	8,300,000
Other financial asset - net	(27,761,560)	(8,088,084)
Net cash used in investing activities	(39,553,411)	(53,400,211)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long-term finance paid	(95,617,447)	(59,189,367)
Employee benefits paid	(1,670,700)	(1,770,500)
Long-term finance obtained/(paid) to related party	141,000,000	(6,148,312)
Short-term borrowings - net	85,809,174	535,123,595
Proceeds from long-term finance	48,000,000	28,000,000
Lease rental paid - net	-	(1,362,282)
Dividend paid	-	-
Net cash generated from / (used in) financing activities	177,521,027	494,653,134
Net increase / (decrease) in cash and cash equivalents	52,315,976	(134,557,801)
Cash and cash equivalents at the beginning of the period	(593,368,902)	(422,306,531)
Effect of exchange rate changes in cash and cash equivalents	2,869	31,223
Cash and cash equivalents at the end of the period	24 (541,050,057)	(556,833,109)
CASH AND CASH EQUIVENTS		
Cash and bank balances	19,147,744	26,562,309
Short-term borrowings	(560,197,801)	(583,395,418)
	(541,050,057)	(556,833,109)

The annexed notes from 1 to 29 form an integral part of these condensed interim financial information.

CHAIRMAN

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER



CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2024



		Capital reserves		Revenue reserves		
	Issued,subscribed and paid up capital	surplus on revaluation of property, plant and equipment - net of tax	Equity portion of loan from related Parties	Un-appropriated profit	Exchange translation reserve	Total
	(Rupees)					
Balance as at July 1, 2023 (audited)	198,528,000	868,124,011	30,064,842	1,458,913,091	(8,450,221)	2,547,179,723
Total comprehensive income for the period						
Profit for the period	-	-	-	(38,088,541)	-	(38,088,541)
Other comprehensive income	-	35,362,349	-	-	299,336	35,661,685
	-	35,362,349	-	(38,088,541)	299,336	(2,426,856)
Transfer from surplus on revaluation of property, plant and equipment on account:						
- incremental depreciation charge thereon - net of tax	-	(29,016,451)	-	29,016,451	-	-
- disposals - net of tax	-	-	-	-	-	-
	-	(29,016,451)	-	29,016,451	-	-
Transactions with related parties / owners						
Unwinding of discount on long-term loan from related parties	-	-	(5,705,694)	5,705,694		3,365,139,668
Balance as at December 31, 2022	198,528,000	874,469,909	24,359,148	1,455,546,695	(8,150,885)	5,909,892,535
Balance as at July 1, 2024 (audited)	198,528,000	919,580,955	104,674,764	1,271,889,720	(7,944,267)	2,486,729,172
Total comprehensive income for the period						
Profit for the period	-	-	-	(172,188,846)		(172,188,846)
Other comprehensive income	-	-	-	-	(2,869)	(2,869)
	-	-	-	(172,188,846)	(2,869)	(172,191,715)
Transfer from surplus on revaluation of property, plant and equipment on account:						
- incremental depreciation charge thereon - net of tax	-	(26,268,188)	-	26,268,188		-
- disposals - net of tax	-	-	-	-		-
	-	(26,268,188)	-	26,268,188	-	-
Transactions with related parties / owners						
Fair value effect of interest free loan provided			53,036,962			53,036,962
Unwinding of discount on long-term loan from related parties	-	-	-	-		-
Balance as at December 31, 2024	198,528,000	893,312,767	157,711,726	1,125,969,062	(7,947,136)	2,367,574,419

The annexed notes from 1 to 29 form an integral part of these condensed interim financial information.

CHAIRMAN

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

1. STATUS AND NATURE OF BUSINESS

- 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".

Idrees Textile Mills Limited (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 is listed on Pakistan Stock Exchange Limited effective from April 28, 1992. The principal activity of the Holding Company is manufacturing, processing and sale of all kinds of yarn.

ORA Home LLC (ORA), a limited liability company (the subsidiary) incorporated in New Jersey, USA on January 5, 2022. The principal activity of the subsidiary is trading of Home textile.

2. GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

The registered office of the Holding Company is situated at 6-C, Ismail Centre, 1st floor, Central Commercial Area, Bahadurabad, Karachi Pakistan. The Company's manufacturing facility is located at Kot Shah Muhammad, District Nankana in the Province of Punjab.

The geographical location and address of the Holding Company's business units, including mill / plants, is as under:

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

Following are the geographical location and address of Subsidiary:

New Jersey, USA	Purpose
1215 Livingstn Avnue, STE 4 North Brunswick, NJ 08902	Registered office

3. BASIS OF PREPARATION

3.1 Statement of compliance

These condensed interim consolidated financial statements for the half year ended December 31,

2024 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 Standard Board (IASB) as notified under the Companies Act, 2017 and provisions of and directives issued under the Companies Act, 2017.

- 3.2 These condensed interim consolidated financial statements do not include all the statements and disclosures required for full annual consolidated financial statements and should be read in conjunction with the annual consolidated financial statements of the Company as at and for the year ended June 30, 2024 which have been prepared in accordance with accounting standards as applicable in Pakistan. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual consolidated financial statements.
- 3.3 The comparative consolidated statement of financial position presented in these condensed interim consolidated statement of financial position has been extracted from the annual audited consolidated financial statements of the Company for the year ended June 30, 2024, whereas the comparative condensed interim consolidated statement of profit or loss, condensed interim consolidated statement of comprehensive income, condensed interim consolidated statement of cash flows and condensed interim consolidated statement of changes in equity are extracted from the unaudited condensed interim consolidated financial statements for the half year ended December 31, 2023.

3.4 Basis of measurement

These condensed interim consolidated financial statements have been prepared under the historical cost convention unless stated otherwise.

3.5 Basis of consolidation

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity generally accompanying a share of more than fifty percent of the voting rights. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and up to the date when the control ceases. These consolidated financial statements include Idrees Textile Mills Limited (the Holding Company) and its subsidiary entity ORA Home LLC, i.e., the entity in which the Holding Company directly owns 100%. Accordingly, there is no non-controlling interest.



The financial statements of the Subsidiary have been consolidated on a line-by-line basis. Inter-company balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from inter-company transactions, are eliminated.

3.6 Functional and presentation currency

These condensed interim consolidated financial statements have been presented in Pakistani Rupee, which is the functional and presentation currency of the Company.

4. MATERIAL ACCOUNTING POLICIES INFORMATION

The accounting policies adopted and methods of computation followed in the preparation of these condensed interim consolidated financial statements are same as those for the preceding annual consolidated financial statements for the year ended June 30, 2024.

4.1 Change in accounting policy

Previously, sum of current tax expense calculated as per applicable tax laws, prior year tax expense and deferred tax was recorded as income tax expense.

During the year the Institute of Chartered Accountant of Pakistan (ICAP) has issued the guidance for accounting of minimum and final taxes through circular No. 7/2024 dated May 15, 2024 and defined following two approaches:

Approach 1: Designate the amount calculated as tax on gross amount of revenue or other basis as a levy within the scope of IFRIC 21/IAS 37 and recognize it as an operating expense. Any excess over the amount designated as a levy is then recognized as current income tax expense falling under the scope of IAS 12.

Approach 2: Designate the amount of tax calculated on taxable income using the notified tax rate as an income tax within the scope of IAS 12 'Income Taxes' and recognize it as current income tax expense. Any excess over the amount designated as income tax, is then recognized as a levy falling under the scope of IFRIC 21/IAS 37.

During the year ended June 30, 2024, the Company has revised its accounting policy. This change in accounting policy has been accounted for retrospectively as referred under International Accounting Standard - 8 'Accounting policies, Changes in Accounting Estimates and Errors'. There is however no material impact on the consolidated financial statements of the prior year.

5. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS

5.1 New accounting standards, amendments and IFRS interpretations that are effective for the half year ended December 31, 2024

Certain standards, amendments and interpretations to approved accounting standards are effective for the accounting period beginning on January 01, 2024, but are considered not to be relevant or did not have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these consolidated condensed interim financial statements.

5.2 New accounting standards, amendments and interpretations that are not effective

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after January 1, 2025, but are considered not to be relevant or expected to have any significant effect on the Company's operations and are, therefore, not detailed in these condensed interim financial statements.

6. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of condensed interim consolidated financial statements requires management to make certain judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Holding Company's accounting policies and key sources of estimation of uncertainty are the same as those that were applied to the annual consolidated financial statements for the year ended June 30, 2024.

		December 31, 2024 (Un-audited)	June 30, 2024 (Audited)
	Note	----- (Rupees) -----	
7. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets:			
- Owned		3,314,478,883	3,363,126,163
- Right of use	7.1	-	2,013,505
		3,314,478,883	3,365,139,668
 - Capital work in progress		 -	
- Building	7.2	2,197,962	2,160,537
- Capital spares		7,549,799	7,549,799
		9,747,761	9,710,336
		3,324,226,644	3,374,850,004



7.1 Operating fixed assets

Balance at beginning of the period / year	3,365,139,668	1,897,152,285
Addition during the period /year	13,179,476	10,721,964
Disposal during the period /year	(584,000)	(29,872,700)
Surplus on revaluation	-	78,747,605
Transfers from capital work in progress	-	1,538,202,470
Depreciation charge during the period /year	(63,256,261)	(129,811,956)
Closing Balance	<u>3,314,478,883</u>	<u>3,365,139,668</u>

- 7.1.1** The assets include land, building, labour colony and machinery, electric installations and mill equipment are carried at revalued amount. The valuations was based on the calculations carried out by an independent valuer "Harvester Consultant (Pvt.) Ltd" on the basis of market value.

7.2 Movement of capital work in progress:

Opening balance	2,160,537	199,111,306
Addition during the period / year	37,425	2,645,630
Transfers during the period / year	-	(199,596,399)
Closing balance	<u>2,197,962</u>	<u>2,160,537</u>

December 31,
2024
(Un-audited)
----- (Rupees) -----

June 30,
2024
(Audited)

8. LONG TERM INVESTMENT

ORA HOME LLC - at cost

- -

- 8.1** In year 2022, the Company acquired 100% ownership in the subsidiary incorporated in New Jersey, United States of America (USA). The Company has not paid any consideration for the acquisition of subsidiary due to net liability position in the books of subsidiary and accordingly assumed all liabilities of the subsidiary as on acquisition date.

December 31,
2024
(Un-audited)
----- (Rupees) -----

June 30,
2024
(Audited)

9. STOCK-IN-TRADE

Raw material

- In hand	1,567,545,605	1,122,764,008
- In transit	39,742,062	428,156,535

Work-in-process

120,355,769 91,441,947

Work-in-process home textile

105,882,670 34,327,602

Finished goods

415,969,602 240,222,818

Waste

7,975,661 12,066,210

2,257,471,369 1,928,979,120

10. TRADE DEBTS

Considered goods

Local - Secured

33,582,360 294,825,850

Export - Secured

38,779,421 68,054,472

72,361,781 362,880,322

Unsecured:

Export - due from related party

(60,164) -

Local

1,066,872,417 749,490,743

1,139,174,034 1,112,371,065

Considered doubtful

Local

18,193,775 18,193,775

1,157,367,809 1,130,564,840

Less: Allowance for expected credit losses

(18,193,775) (18,193,775)

1,139,174,034 1,112,371,065



		December 31, 2024 (Un-audited)	June 30, 2024 (Audited)
	Note	----- (Rupees) -----	
11. OTHER RECEIVABLES			
Sales tax		208,985,422	129,251,358
Export rebate	11.1	7,686,065	7,686,065
Cotton claim receivable	11.2	39,066,549	39,881,372
Duty draw back receivable	11.3	5,872,932	5,872,932
Profit on deposit		19,972,077	9,645,253
Others		2,763,352	1,836,208
		284,346,397	194,173,188
Less: provision for doubtful receivables		-	(5,969,340)
		284,346,397	188,203,848
11.1	Export rebate comprises of incentives/discounts/refunds and other benefits granted by Government of Pakistan.		
11.2	This represents claim regarding discrepancies related to cotton weight and quality.		
11.3	This represents receivable from the Government of Pakistan since 2021.		
12. SHORT TERM INVESTMENT			
At amortised cost			
Term deposit receipts (TDR)	12.1	228,217,230	200,455,670
		228,217,230	200,455,670
12.1	These represents investments in Term Deposit Receipts with various banks. The profit rate on these TDRs ranges from 5.75% to 21.50% (June 30, 2024: 5.75% to 21.50%) per annum with maturities upto June 16, 2025. The banks have lien on these TDRs on account of guarantee provided by such banks		
13. CASH AND BANK BALANCES			
Cash in hand		10,975,297	1,552,529
Cash at banks			
- in current accounts	13.1	8,144,652	7,813,036
- in savings accounts		27,795	6,548,627
		19,147,744	15,914,192
13.1	These banks carry profit rate from 9.5% to 19% (June 30, 2024: 13.5% to 20.5%) per annum.		
14. LONG TERM FINANCE			
From financial institutions	14.1	415,027,806	433,281,371
From Related parties	14.2	136,056,824	52,818,403
		551,084,630	486,099,774
From financial institutions			
Liability under diminishing musharaka	14.1.1	187,864,830	172,856,226
Loan against Temporary Economic Refinance Facility (TERF)	14.1.2	366,515,838	380,376,081
Term finance	14.1.3	160,612,368	182,012,486
Long term financing facility	14.1.4	23,934,820	30,916,155
		738,927,856	766,160,948
Current portion shown under current liabilities		(323,900,050)	(332,879,577)
		415,027,806	433,281,371



NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2024



- 14.1.1** These represent diminishing musharaka financing obtained for acquisition of plant, machinery and vehicles. The rates of mark-up ranges from 13.14% to 22.87% (June 30, 2024: 18.00% to 25.68%).
- 14.1.2** This represents Temporary Economic Refinance Facility (TERF) with an Islamic bank and commercial banks, with the total limit aggregating to Rs. 537.50 million (June 30, 2024: Rs. 537.50 million). The TERF repaid as at period end was Rs. 170.98 million (Year end June 30, 2024: 54.79 million). These facilities carry mark up at SBP Base Rate + 4%. The tenure of these facilities ranges from 5 to 10 years with grace period 1 to 2 years. They are measured at present value using discounting factor ranging from 7.39% to 15.91%. Total sanctioned limit of Rs. 537.50 million have been fully utilized. During the year ended June 30, 2024, the company was in breach of certain covenants as mentioned in the facility letter due to which outstanding long term loan was payable on demand and is reclassified as current liability.
- 14.1.3** This represents term finance facility which is secured against 1st specific charge over imported plant and machinery aggregating to Rs. 460.30 million (June 30, 2024: 460.3 million). The facilities carry markup at 3 month KIBOR plus 1.50% to 5.00% per annum and are payable in quarterly installments within a period of 4 to 5 years.
- 14.1.4** This represents long-term finance facilities obtained by the Company from various banks for the purpose of purchase of plant and machinery. The facilities carry markup at 3 month KIBOR plus 4.50% to 10.00% per annum and are payable in monthly/quarterly installments within a period of 4 to 5 years.

		December 31, 2024 (Un-audited)	June 30, 2024 (Audited)
	Note	----- (Rupees) -----	
14.2	From related parties		
Opening balance		58,272,948	77,274,471
Receipts during the period/year		141,000,000	-
Repayments during the period/year		-	(6,148,312)
Fair value adjustment		(53,036,962)	(23,298,611)
Unwinding of discount		5,630,504	10,445,400
		151,866,490	58,272,948
Less: current portion shown under current liabilities		(15,809,666)	(5,454,545)
		<u>136,056,824</u>	<u>52,818,403</u>
Current portion shown under current liabilities			
From financial institutions		(323,900,050)	(332,879,577)
Related parties		(15,809,666)	(5,454,545)
		<u>(339,709,716)</u>	<u>(338,334,122)</u>
		<u>(339,709,716)</u>	<u>(338,334,122)</u>
15	DEFERRED GOVERNMENT GRANT		
Deferred grant against temporary economic refinance facility	15.1	87,407,798	102,337,608
Current portion of deferred government grant		(25,659,032)	(27,857,022)
		<u>61,748,766</u>	<u>74,480,586</u>
15.1	Following is the movement of capital grant during the period / year:		
Opening balance		102,337,608	133,506,454
Amortized during the period / year		(14,929,810)	(31,168,846)
Closing balance		<u>87,407,798</u>	<u>102,337,608</u>

Deferred capital grant relates to the difference between the fair value and actual proceed of temporary economic refinance facility loan obtained under SBP's refinance scheme in accordance with the guidance by Institute of Chartered Accountants of Pakistan (ICAP) under 'IAS 20-Accounting for Government Grants and Disclosure of Government Assistance'. The loan is amortized over the period of ten years from the date of disbursement with an amount equal to the difference between the finance cost charged that would have been charged to statement of profit or loss at market rate and the interest paid as per the scheme.

16 TRADE AND OTHER PAYAPBLES

Creditors		147,269,349	155,868,982
Accrued Liabilities		136,816,031	104,595,416
Gratuity due but not yet paid		8,797,611	8,797,611
Contract Liabilities		1,126,148,840	710,414,663
Worker's welfare fund		25,729,586	25,729,585
Infrastructure cess	16.1	182,667,629	166,078,418
Payable to provident fund		567,527	625,311
Minimum tax levy	16.2	28,949,343	49,920,856
Withholding tax liability		28,312,599	30,325,478
		1,685,258,515	1,252,356,320

- 16.1** 'The Government of Sindh through Sindh Finance Act, 1994 provided for imposition of an infrastructure fee for the development and maintenance of infrastructure on goods entering or leaving the Province through air or sea at prescribed rates. The levy was challenged by the Company along with other companies in the High Court of Sindh through civil suits which were dismissed by the single judge of the High Court of Sindh through its decision in October 2003. On appeal filed there against, the High Court of Sindh has held through an order passed in September 2008 that the levy as imposed through the Sindh Finance Act, 1994 (amended time to time) was not valid till December 28, 2006, however, thereafter on account of an amendment in the Sindh Finance (Amendment) Ordinance, 2006, it had become valid and is payable by the Appellants. The Company, along with other companies, filed an appeal in the Supreme Court of Pakistan against the aforementioned order of the High Court of Sindh. The Supreme Court granted stay by passing an interim order on January 22, 2009. The order passed by the High Court of Sindh was set aside by the Supreme Court vide its order dated May 20, 2011. Consequently, a new petition has been filed in the High Court of Sindh. Through the interim order passed on May 31, 2011, the High Court has ordered that for every consignment cleared after December 28, 2006, 50% of the value of infrastructure fee should be paid in cash and a bank guarantee for the remaining amount should be submitted until the final order is passed.

On April 06, 2021, the High Court of Sindh vide order C.P.No D-3309 / 2011, summoned to encash all the bank guarantees furnished by the petitioners. The SHC issued this order reasoning that the entire cargo being imported in the Country routes through the Province of Sindh, and for that the Provincial Legislature thought it appropriate to impose a certain amount of tax in the form of a cess. It is though being collected from an importer of goods; but in essence it is not on imports; but for maintenance and development of infrastructure on imported goods. However, during the year ended June 30, 2022, the Supreme Court of Pakistan vide its order dated September 01, 2021, suspended the order issued by SHC stating that it suffers from constitutional and legal defects and granted the interim relief to the Company and other petitioners. The order issued by the Supreme Court of Pakistan states that the petitioners shall keep the bank guarantees already submitted pursuant to the earlier order of SHC and shall furnish the fresh bank guarantees equivalent to the amount of levy claimed by the Sindh Government against release of all future consignments of imported goods.

The Management is confident for a favorable outcome. However, as a matter of prudence, the Company has made provision as follows:

	December 31, 2024 (Un-audited)	June 30, 2024 (Audited)
	----- (Rupees) -----	
Balance as at July 1,	166,078,418	141,343,416
Provision for the period / year	16,589,211	24,735,002
Balance as at June 30,	182,667,629	166,078,418
16.2 Levy:	20,847,428	31,326,445
Minimum tax levy	8,101,916	18,594,411
Final tax	28,949,343	49,920,856

17 SHORT-TERM BORROWINGS

From banking companies - secured

Running finance	560,197,801	609,283,094
Cash finance	785,738,813	393,674,857
Finance Against Imported Merchandise (FIM)	725,618,782	1,031,873,785
Related Party - unsecured		
Loan from ORA Sapphire	6,958,750	6,958,529
	2,078,514,146	2,041,790,265

- 17.1** Facilities for running finance, cash finance, FIM and Murabaha are available from various commercial banks up to Rs. 2,925 million (June 30, 2024: Rs. 2,925 million). These facilities are subject to markup at the rates of 3 month KIBOR plus 1.00% to 2.5% (June 30, 2024: 3 month KIBOR plus 1.00% to 2.5%) per annum payable quarterly. These are secured against various assets including first pari passu hypothecation charge over present and future stock-in-trade, pledge of cotton, first hypothecation charge over present and future book debts, ranking charge on the stocks and receivables of the Holding Company, equitable mortgage on various properties and personal guarantees of all the Executive directors of the Holding Company.

- 18** The aggregate unavailed short-term borrowing facilities amounted to Rs. 853 million (June 30, 2024: Rs. 890 million).

CONTINGENCIES AND COMMITMENTS

- 18.1** Status of contingencies are same as disclosed in 23 to the unconsolidated annual audited financial statements of the Company for the year ended June 30, 2024.

18.2 Commitments

Letters of credit opened and outstanding for import of:

Letters of guarantee issued by banks on behalf of Excise and Taxation Office	181,847,811	165,258,600
Stores and spares	6,283,015	6,471,076
Raw material	516,468,381	476,600,215

19 SALES - NET

Yarn & Home Textile

-Local

- Export

-Indirect export

Raw material - Local

- Cotton / viscose

- Waste

Less:

Sales Tax

Brokerage & Commission

Half Year Ended		Quarter Ended	
December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
----- (Rupees) -----	----- (Rupees) -----	----- (Rupees) -----	----- (Rupees) -----
1,545,393,906	1,084,272,539	769,533,034	329,905,243
812,725,100	1,194,305,457	630,834,270	463,234,442
-	1,408,505,037		1,027,216,828
2,358,119,006	3,687,083,033	1,400,367,304	1,820,356,513
275,444,941	31,144,551	(133,295,811)	-
169,358,017	177,577,492	101,321,045	79,119,148
2,802,921,964	3,895,805,076	1,368,392,538	1,899,475,661
(322,488,325)	(404,878,089)	(124,599,470)	(210,250,798)
(1,976,922)	(15,104,286)	(491,357)	(5,840,066)
2,478,456,717	3,475,822,701	1,243,301,711	1,683,384,797

20 COST OF SALES

Raw material consumed

Salaries, wages and benefits

Fuel and power

Depreciation

Stores and spares consumed

Packing material

Insurance

Repairs and maintenance

Vehicle running and maintenance

Other manufacturing overheads

Work-in-process

Opening stock

Closing stock

Cost of goods manufactured

Finished goods

Opening stock

Yarn Transferred

Yarn purchased

Closing stock

Cost of Home Textile

Cost of raw material sold

1,366,205,481	2,438,366,140	793,127,905	1,114,331,405
125,653,472	136,659,546	70,520,586	71,137,619
507,815,517	516,548,766	297,918,365	277,462,269
60,799,319	58,907,776	30,461,037	34,891,958
32,805,766	43,078,958	16,625,187	24,882,916
34,201,124	42,288,424	21,956,059	20,340,948
8,000,000	6,000,000	5,000,000	3,000,000
1,453,860	1,944,275	1,074,606	1,093,146
2,088,571	3,307,524	456,603	1,699,260
2,213,226	1,593,844	1,759,672	745,331
2,141,236,336	3,248,695,253	1,238,900,020	1,549,584,852
91,441,947	76,496,220	106,234,547	109,598,723
(120,355,769)	(143,111,149)	(120,355,769)	(143,111,149)
(28,913,822)	(66,614,929)	(14,121,222)	(33,512,426)
2,112,322,514	3,182,080,324	1,224,778,798	1,516,072,426
252,289,028	460,111,663	360,242,355	607,430,286
(15,461,500)	(34,871,750)	(9,660,500)	(27,948,250)
19,000,000	-	-	-
(424,738,381)	(593,884,794)	(424,738,381)	(593,884,794)
(168,910,853)	(168,644,881)	(74,156,526)	(14,402,758)
39,514,554	66,965,232	38,962,170	20,950,681
293,447,820	22,200,416	(114,504,654)	(1,149,232)
2,276,374,035	3,102,601,091	1,075,079,788	1,521,471,117

	Half Year Ended		Quarter Ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
	(Un-audited) ----- (Rupees) -----	(Un-audited)	(Un-audited) ----- (Rupees) -----	(Un-audited)
21 OTHER OPERATING EXPENSES				
Infrastructure cess	16,589,211	18,537,092	16,387,377	7,192,799
Exchange Loss	8,985,717	14,811,577	7,237,594	5,421,816
Unrealised loss on short term investment	-	-	-	-
Other	-	-	-	-
	25,574,928	33,348,669	23,624,971	12,614,615
22 OTHER INCOME				
Profit on deposits / investment	16,977,720	13,579,251	10,938,897	6,995,922
Dividend Income		198,000	-	-
Gain on disposal of property, plant and equipment	950,000	3,084,333	950,000	2,178,333
Scrap sales	85,655	97,132	58,606	53,279
Exchange gain		-	-	-
Realized Gain on other financial assets		399,006	-	-
Others		205,389	-	1,556,896
	18,013,375	17,563,111	11,947,503	10,784,430
23 LOSS PER SHARE - BASIC AND DILUTED				
Loss for the period	(172,188,846)	(38,088,541)	(13,823,561)	(46,571,331)
Weighted average number of ordinary shares	19,852,800	19,852,800	19,852,800	19,852,800
Loss per share	(8.67)	(1.92)	(0.70)	(2.35)
	December 31, 2024	December 31, 2023		
	(Un-audited)	(Audited)		
	----- (Rupees) -----			
24 CASH AND CASH EQUIVALENTS				
Cash and bank balances	13	19,147,744	15,914,192	
Short term borrowings	17	(560,197,801)	(609,283,094)	
		(541,050,057)	(593,368,902)	
25 FAIR VALUE ESTIMATION				

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The different levels of fair valuation method have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at reporting date, there are no financial asset which have been carried at fair value.

- 25.1** There are no other assets or liabilities to classify under above levels except the Company's land, mill building, labour colony, plant and machinery, electric installations and factory equipment are stated at revalued amounts, being the fair value at the date of revaluation, less subsequent depreciation and subsequent accumulated impairment losses, if any.

26 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The Company has related party relationships with its subsidiary company, key management personnel and other related parties.

The details of significant related party transactions during the year and balances at the reporting date are as follows:

Related parties	Basis of relationship	
ORA Home LLC	Subsidiary company	100.00%
Mr. Rizwan Idrees Allawala	Chairman	27.84%
Mr. S. M. Mansoor Allawala	Executive Director	21.82%
Mr. Omair Idrees Allawala	Executive Director	28.99%
Ms. Aamnah Mansoor	Non-Executive Director	0.01%
Mr. Muhammad Zubair	Non-Executive Director	0.003%
Syed Masud Arif	Independent Director	0.003%
Ms. Azra Yaqub Vawda	Independent Director	0.003%
Mrs. Ambreen Mansoor w/o S.M Mansoor Allawala	Spouse of Director	7.26%

26.1	Transection during the half Year	Nature of transections	Half Year Ended		Quarter Ended	
			December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
			(Un-audited) ----- (Rupees) -----	(Un-audited) ----- (Rupees) -----	(Un-audited) ----- (Rupees) -----	(Un-audited) ----- (Rupees) -----
	Subsidiary company					
	ORA Home LLC					
		Sales	44,660,405	22,911,514	35,416,666	4,788,897
		Amount recived during the period	37,689,627	18,122,617	-	10,962,617
	Key management personnel					
		Salaries & benefits	12,251,438	14,957,811	6,125,719	7,490,406
		Loan repaid during the period to Directors	-	6,148,312	-	6,148,312
		Meeting Fee	30,000	30,000	30,000	30,000
		Receipts of long term finance during the half year period	141,000,000	-	141,000,000	-
		Unwinding of discount on loan from directors	5,630,504	5,705,694	3,260,651	2,852,847
	Other related parties					
		Contribution made to provident fund	1,110,170	1,228,182	519,677	606,726

Half Year Ended
December 31, 2024 **December 31, 2023**

26.2 Half year end balances with related parties	Nature of transactions	----- (Rupees) -----	
Subsidiary Company			
ORA Home LLC	Receivable against sale of goods	36,326,405	4,788,897
Key management personnel			
	Loan payable to directors	151,866,490	76,831,853
	Equity portion loan from related parties	157,711,726	24,359,148
Other related parties			
Provident fund	Payable to provident fund	567,527	196,007
ORA Sapphire	Short term loan payable	-	7,046,517

27 OPERATING SYSTEM

These consolidated condensed interim financial statements have been prepared on the basis of a single reportable segment.

All non-current assets of the Company as at December 31, 2024 and 2023 are located in Pakistan
Significant sales are made by the company in the following countries:

	2024	2023
	----- (Rupees) -----	
Pakistan	1,667,248,893	2,263,167,543
China	643,749,373	1,121,742,677
Other countries	164,924,919	91,525,282
	2,475,923,185	3,476,435,502

28. CORRESPONDING FIGURES

Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purpose of comparison and for better presentation.

29. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim consolidated financial information have been authorized for issue on March 25, 2025 by the Board of Directors of the Company.



CHAIRMAN



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER

BOOK POST

Printed Material

If undelivered please return to:

IDREES TEXTILE MILLS LIMITED

6-C, Ismail Centre, 1st Floor, Central Commercial Area,
Bahadurabad, Karachi - 74800 (Pakistan)

A MEMBER OF THE



ALLWALA GROUP