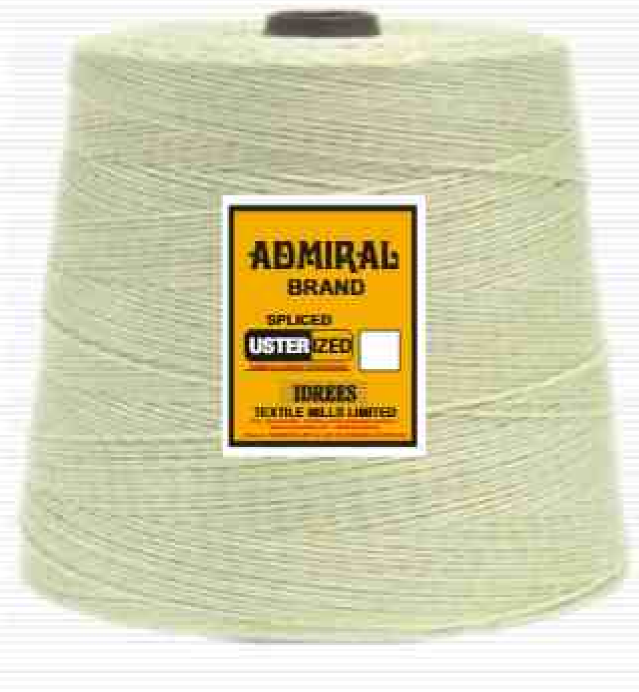
IDREES
TEXTILE MILLS LIMITED

Annual Report 2025



MISSION / VISION STATEMENT

- To concentrate on the changing Yarn/Fabric requirements with higher profitability, both in local as well as in the international market.
- Maximization of profit regardless of the turnover quantum, reducing the cost at all levels.
- Customer satisfaction is our priority and good return to the shareholders is our aim, while maintaining friendly and congenial environment for our employee.

CONTENTS

COMPANY INFORMATION

BOARD OF DIRECTORS	Mr. Rizwan Idrees Allawala	- Chairman
	Mr. S. M. Mansoor Allawala	- Executive Director / CE O
	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
AUDIT COMMITTEE	Ms. Azra Yaqub Vawda	- Chairperson
	Syed Masud Arif	- Member
	Ms. Aamnah Mansoor	- Member
	Syed Shahid Sultan	- Secretary
HUMAN RESOURCE & REMUNERATION COMMITTEE	Syed Masud Arif	- Chairman
	Ms. Aamnah Mansoor	- Member
	Ms. Azra Yaqub Vawda	- Member
COMPANY SECRETARY	Syed Shahid Sultan	
CHIEF FINANCIAL OFFICER	Mr. Muhammad Jawaid	
AUDITORS	M/s. BDO Ebrahim & Co. Chartered Accountants	
BANKERS	National Bank of Pakistan Bank Alfalah Limited Habib Metropolitan Bank United 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 Ltd.	
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. Office No. 20, 5th Floor, Arkay Square, Extension New Chali, Sharah-e-Liaquat, Karachi.	

Notice is hereby given that the 36th Annual General Meeting of the Shareholders of Idrees Textile Mills Ltd. will be held on November 27, 2025 at 11:45 am at Hotel Faran, 8-A P.E.C.H.S, Block-6 Main Shahra-e-Faisal Karachi to transact the following business:

ORDINARY BUSINESS:

1. To confirm the minutes of the last Annual General Meeting held on November 27, 2024.

2. To receive, consider and adopt the standalone and consolidated Annual Audited Financial Statements of the Company for the year ended June 30, 2025, together with the Directors' and Auditors' Reports thereon and Chairman's Review Report.

The audited Financial Statements can be downloaded by using following link and QR Code.

https://idreestextile.com/wp-content/uploads/2025/10/Annual-Report-2025-1-8.pdf

3. To appoint Auditors for the year ending June 30, 2026 and fix their remuneration. The retiring auditors M/s BDO Ebrahim & Co. Chartered Accountants, being eligible, offer themselves for re-appointment.

4. To transact any other business that may be placed before the meeting with the permission of the Chair.

By order of the Board

Karachi

November 04, 2025

SYED SHAHID SULTAN
Company Secretary

Notes:

(i) Shareholders are advised to promptly notify any change in their addresses.

(ii) Share Transfer Books of the Company will remain closed from November 19, 2025 to November 27 , 2025 (both days inclusive).

(iii) A member eligible to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend, and vote for him/her. Proxies must be received at the Registered Office of the Company not less than 48 hours before the time of holding the Meeting

CDC Account Holders will have to follow the guidelines as laid down in Circular No. 1 January 26, 2000. Issued by the Securities & Exchange Commission of Pakistan. In case of corporate entity, the Board's resolution / Power of attorney with specimen signature shall be furnished with proxy from the Company.

(iv) The shareholders who wish to attend the AGM through video link are requested to get themselves registered by providing the following information via email at secretary@idreestextile.com on or before November 21, 2025.

Name of Shareholder	CNIC #	CDC Account No./ /Folio No.	Cell Number	Email Address

Members shall be registered after necessary verification and will be provided a video link and login credentials by the Company on the same email address from which they emailed to the Company. The login facility will remain open from 11:35 am till the end of the meeting.

Shareholders can also provide their comments/suggestions on the proposed agenda items of the AGM on above email address.

(v) Members are requested to provide their International Banking Account Number (IBAN) together with a copy of the Computerized National Identity Card (CNIC) to update our records. In case of non-submission all future dividend payments may be withheld.

(vi) As per section 72 of the Companies Act, 2017 every Company is required to replace its physical shares with book entry form within a period not exceeding four years from the commencement of the Companies Act, 2017 i.e May 30, 2017.

The Securities & Exchange Commission of Pakistan through its circular # CSD/ED/Misc./2016-639-640 dated March 26, 2021 has advised the listed Companies to pursue their such members who still hold shares in physical form, to convert their shares into book-entry form.

The shareholder having physical shareholding are accordingly encouraged to open their account with Investor Accounts Services of CDC or sub-account with any of the brokers and convert their physical shares into scrip less form. This will facilitate the shareholders in many ways, including safe custody and sale of shares, any time they want, as the trading of physical shares is not permitted as per existing regulation of the Pakistan Stock Exchange Limited.

(vii) In terms of the Companies Act, 2017, members residing in a city holding at least 10% of the total paid up share capital may demand the facility of video-link for participating in the annual general meeting.

If you wish to take this facility, please fill the form appearing below and submit it to the Company at its registered address at least seven (07) days prior to the date of the Meeting.

The Company will intimate members regarding venue of video conference facility at least 5 days before the date of meeting along with complete information necessary to enable them to access such facility.

I/We ____________________________ of ________________email address _________, being a member of Idrees Textile Mills Ltd. holder of ____________ Ordinary Share(s) as per Register Folio No. /CDC Account No. ________________ hereby opt for video conference facility at ________________________.

(viii) Under section 244 of the Companies Act, 2017, Shareholders who have not yet collected their dividend/physical shares are advised to contact our Share Registrar JWAFFS Registrar Services (Pvt) Ltd. Office # 20, 5th Floor, Arkay Square Extension New Challi, Shahrah-e-Liaquat Karachi, to collect/enquire about their unclaimed dividend or shares.

(xi) The financial statements of the Company for the year ended June 30, 2025 along with reports have been placed at the website of the Company.

The Directors of *Idrees Textile Mills Limited* are pleased to present the Annual Report together with the audited financial statements of the Company for the financial year ended June 30, 2025 and the auditors' report thereon.

FINANCIAL AND OPERATIONAL OVERVIEW

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

During the FY25, the Company's turnover amounted to Rs. 5,202 million as compared to Rs. 6,450 million in the previous year. Gross profit amounted to Rs. 318 million compared to Rs. 619 million for the last year. Increase in Fuel and Power cost is one of the main reasons of decline in the gross profit. Its percentage to raw material cost increased from 27% to 38% during the year under review. Had this percentage remain the same, the total cost be reduced by about Rs. 300 million.

Finance cost has decreased by Rs. 103 million in FY25 to Rs. 477 million (FY24: Rs. 580 million). Loss for the year amounted to Rs. 395 million as compared to loss of Rs. 194 million in the corresponding period.

The year under review presented formidable challenges for the textile sector. Inadequate domestic cotton crop, increased reliance on imported cotton, volatility in raw material prices, a subdued yarn market and uncompetitive finance and energy costs have collectively weighed on spinning industry's profitability.

On the back of the Export Facilitation Scheme (EFS), exporters increasingly turned to tax-free imported yarn rather than purchasing domestically produced yarn subjected to 18 percent sales tax. This significantly affected the spinning sector which was compelled to sell yarn at reduced prices to remain competitive against imported alternatives. High production cost has intensified financial stress of the industry, leading to capacity underutilization across the sector. The government's drive to shift the industries to the national grid poses additional challenges given the grid's limited reliability in industrial zones. These unfavourable factors have led to a downturn in textile sector's profitability. Inadequate cotton production remains a structural challenge, exacerbating financial strain on the textile value chain. Since the textile and apparel industry remains the backbone of Pakistan's economy, the Government must take well thought out measures to strengthen its competitiveness. Most pressing issues of the industry include availability of affordable financing for renewable energy to support environmental compliance, development of high-yield, disease-resistant seed varieties for betterment of local cotton crop, expanding export destinations, elimination of inefficiencies in the supply chain, improvement in export competitiveness and ensuring textile sector's sustainable growth in a rapidly changing global market place.

The global textile industry is also undergoing a significant transition, like changing tariff regimes and trade policies and evolving sustainability requirements calling for environmentally responsible manufacturing processes. Pakistan's businesses are gradually adapting to these global shifts. In light of international climate regulations, sustainability and compliance have become critical determinants of global competitiveness. Without sizable investment in green technologies and sustainable practices, the Country's textile exports risk losing their market share.

Recent macroeconomic indicators are expected to ease cost pressures, improve margins and support working capital management. The management continues to closely monitor and effectively control the Company's cash flows, remaining resilient and professionally maintaining operational discipline while navigating these headwinds.

(LOSS)/EARNING PER SHARE

The (Loss) per share for the year under review worked out to Rs. (19.88) as compared to loss Rs. (9.79) for the corresponding year.

DIVIDEND

In view of the net loss for the year, the Board of Directors has decided not to recommend any dividend for the financial year ended June 30, 2025.

CORPORATE AND FINANCIAL REPORTING FRAMEWORK

The Board of Directors confirms that:

1. The financial statements prepared by the management present fairly the state of affairs of the Company, the results of its operations, cash flows, and changes in equity.
2. Proper books of account have been maintained.
3. Appropriate accounting policies have been consistently applied in preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment.
4. International Financial Reporting Standards (IFRS), as applicable in Pakistan, have been followed in the preparation of the financial statements and any departure there from has been adequately disclosed.
5. The system of internal control is sound and has been effectively implemented and monitored.
6. There are no significant doubts upon the Company's ability to continue as a going concern.
7. There has been no material departure from the best practices of corporate governance, as detailed in the Statement of Compliance as required of the listed Companies (Code of Corporate Governance) Regulations, 2019.
8. During the year under review, there has been no trading in shares of the Company by Directors and their Spouses and minor children.
9. We have and audit committee the members of which are from the board of directors and the chairman is a non-executive director.
10. We have circulated a statement of ethics and business strategy amongst directors and employees.
11. The board has adopted a mission statement and a statement overall corporate strategy.
12. The book value of investment made by the Employees' Provident Fund, being operated for head office employees, only as per financial statements of the Fund as at June 30, 2025 was Rs.60,208,625/- (2024-Audited Rs. 49,809,900/-)
    Mills employees are entitled to gratuity as per law and appropriate provision has been made in the financial statements.
13. As required by the Code, we have included the following information in this report:

- Statement of Pattern of Shareholding.
- Statement of Shares held by associated undertaking and related parties.
- Key operating and financial statistics for last six years.

MATERIAL CHANGES

There have been no material changes or commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of this report.

The Board confirms that no significant events, transactions, or commitments have arisen after the balance sheet date that would materially affect the Company's financial position, performance, or its ability to continue as a going concern.

BOARD OF DIRECTORS

The total numbers of Directors are seven (7) as per the following:

a. Male: 5 b. Female: 2

The Composition of the Board of Directors (the Board) is as follow:

	Category	Numbers	Names
a)	Executive Directors	02	Mr. S. M. Mansoor Allawala Mr. Omair Idrees Allawala
b)	Non-Executive Directors	03	Mr. Rizwan Idrees Allawala Ms. Aamnah Mansoor Mr. Muhammad Beyaz Aftab Mr. Muhammad Zubair*
c)	Independent Directors	02	Syed Masud Arif Ms. Azra Yaqub Vawda

*Mr. Muhammad Zubair resigned from directors' ship as on November 28, 2024.

CASUAL VACANCY

During the year, Mr. Muhammad Zubair resigned from the Board. To fill the casual vacancy, the Board appointed Mr. Muhammad Beyaz w.e.f February 24, 2025 as Director of the Company. The Board acknowledges with gratitude the valuable services rendered by Mr. Zubair during his tenure.

BOARD COMMITTEES

The Board of Directors has formed the Audit Committee and Human Resource and Remuneration Committee in line with the requirements of the Code of Corporate Governance.

The members of Audit Committee are as follows:

Ms. Azra Yaqub Vawda	Chairperson
Syed Masud Arif	Member
Ms. Aamnah Mansoor	Member

The members of Human Resource and Remuneration Committee is as follows:

Syed Masud Arif	Chairman
Ms. Azra Yaqub Vawda	Member
Ms. Aamnah Mansoor	Member

During the year under review, four meetings of the Board of Directors, four Audit Committee and one Human Resource & Remuneration Committee (HR & RC) meeting were held and attended as follows:

Name of Directors during financial year	Board of Directors Meeting Attended	Audit Committee Meeting Attended	HR & RC Meeting Attended
Mr. S.M. Mansoor Allawala	**04**	**N/A**	**N/A**
Mr. Omair Idrees Allawala	**03**	**N/A**	**N/A**
Mr. Rizwan Idrees Allawala	**04**	**N/A**	**N/A**
Syed Masud Arif	**04**	**04**	**01**
Mr. Muhammad Zubair	**01**	**N/A**	**N/A**
Mr. M. Beyaz Aftab	**03**	**N/A**	**N/A**
Ms. Aamnah Mansoor	**04**	**04**	**01**
Ms. Azra Yaqub Vawda	**04**	**04**	**01**

BOARD EVALUATION

The Company carries out annual evaluation of the Board, members of the Board and its Committees as part of the Code of Corporate Governance. For that purpose, Board has developed a mechanism for evaluation of Board's own performance, members of the Board and its Committees. Based on the evaluation, overall performance of the Board, its members and Committees of the Board for the year under review is satisfactory. Improvement is an ongoing process keeping in view the global best practices.

DIRECTORS' REMUNERATION:

The company does not pay remuneration to its non-executive directors including independent directors except for meeting fee. Aggregate amount of remuneration paid to executive and non-executive directors have been disclosed in note no. 37 of the annexed financial statements.

SUBSIDARY COMPANY

The Company's wholly owned subsidiary ORA Home LLC (ORA), is located in New Jersey, USA. One of the Directors of the Company is the member manager of ORA. The principal business activity of ORA is to deal in home textiles.

CODE OF ETHICS & BUSINESS PRINCIPLES

The Board has adopted the Statement of Ethics and Business Principles, which is signed and acknowledged by all the Directors and employees of the Company who are required to abide by the Code.

HEALTH, SAFETY AND ENVIROMENT (HSE)

The Company ensure adherence to the prevailing standard and guidelines for safety of its workforce. Awareness sessions and safety drills are regularly conducted in order to minimize the risk of hazards to the people, property and environment.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company continues its commitment toward social welfare and community development. During the year, **donations were made to various charitable organizations** engaged in health, education, and social upliftment activities.

SUSTAINABILITY, ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG)

During the year under review, the Company reaffirmed its commitment to sustainable business practices by integrating environmental, social and governance (ESG) considerations into our strategic and operational framework. From a social perspective we maintained focus on worker safety, community engagement and supplier-standards in our value chain. In governance terms we strengthened transparency, risk-management systems and board oversight to uphold stakeholder trust and long-term value creation.

DIVERSITY, EQUITY & INCLUSION (DEI)

The Company recognises that diverse perspectives, equitable opportunities and an inclusive culture are essential for innovation, employee engagement and sustainable growth. We are committed to promoting diversity across gender, age, background and experience; ensuring fairness in recruitment, development and reward; and building an inclusive workplace where every colleague feels valued, respected and able to contribute fully. We continue to embed DEI principles into our people-processes and organisational culture and measure our progress regularly to ensure accountability and continuous improvement.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board of Directors of Idrees Textile Mills Limited recognizes that the identification and effective management of risks are essential for safeguarding shareholders' value and achieving long-term sustainability. The Company has established an appropriate framework for monitoring key business risks, ensuring that adequate systems and internal controls are in place to mitigate their potential impact. Following is a description of the risks and uncertainties:

- Control over cost of production amid high energy tariff.
- Remaining competitive in the domestic as well as in the international market in terms of cost effectiveness and pricing of goods.
- Managing finance cost in the wake of steep rise in interest rate.
- Reduction in demand of goods due to economic slowdown.
- Credit risk arising principally from trade debts, loans and advances. The carrying amount represents the maximum credit exposure.
- Liquidity risk arising because of the possibility that the Company could be required to pay its liabilities earlier than expected.
- Changes in market prices affecting the Company's income or the value of its holdings.
- Risk of changes in market interest rates relating primarily to the Company's long-term financing, short-term borrowings and liabilities against assets subject to finance lease.
- Foreign currency risk arising due to transactions in foreign currency resulting in foreign exchange losses/gains on translation of foreign currency denominated trade debts and trade payables.
- Managing capital to safeguard the Company's ability to continue as a going concern and to support the sustained development of its business.
- imposition of new taxes or increase in the rates of existing ones.

GENDER PAY GAP STATEMENT

Following is the gender pay gap calculated for the year ended June 30, 2025.

(i)	Mean Gender Pay Gap (%)	:	(6.94)
(ii)	Median Gender Pay Gap (%)	:	(6.94)
(iii)	We have only one female member in staff		

CORPORATE BREIFING SESSION (CBS)

During the financial year, the Company conducted one Corporate Briefing Session (CBS) to apprise shareholders and analysts about the Company's financial performance and future outlook.

FUTURE OUTLOOK

The global cotton market remains characterized by supply–demand imbalances and price fluctuations. While these challenges persist, they reinforce the importance of efficient procurement strategies and product diversification. The recent upgrade of the country's sovereign credit rating by S&P reflects growing confidence in fiscal consolidation and macroeconomic stability. Sustained growth will depend on consistent structural reforms, fiscal discipline, calibrated monetary policies and targeted measures to stimulate industrial activity. Global transition towards renewable energy presents long-term opportunities for cost optimization and competitiveness. Trade facilitation and tariff reduction by the U.S. also provides Pakistan a competitive advantage in the U.S. market.

The management consistently monitors all cost elements to ensure operations remain efficient and competitive and is firmly committed to steer your Company towards progress and profitability. Reduction in the rate of mark-up, with expectation of further decline, is promising for businesses in controlling costs. Plans are underway for further expansion in solar capacity to reduce dependence on conventional energy sources, lower operating costs and advance the Company's sustainability objectives. Your Company, under the guidance of its Board, remains resilient, adaptive and proactive. Pakistan's economy has begun to exhibit signs of recovery. Under EFS, imposition of 18 percent sales tax on imported yarn has provided local spinners with a level playing field and improved liquidity, enabling them to better compete with imported alternatives. Despite near-term challenges, the Company continues to work on optimizing its product mix, optimal capacity utilization and capitalizing on favourable policy developments, aiming to enhance shareholder value. Through prudent management of working capital and investment in automation and value addition, the Company is well-positioned to ensure long-term profitability.

AUDITORS

The present auditors, **M/s BDO Ebrahim & Co. Chartered Accountants**, retire and being eligible, offer themselves for reappointment. The Audit Committee has recommended their reappointment for the next financial year. The auditors have been given satisfactory rating under the quality control review program of Institute of Chartered Accountants of Pakistan.

ACKNOWLEDGMENT

The Board of Directors places on record its deep appreciation for the continued support, trust, and confidence of the shareholders, valued customers, bankers, and suppliers. The Directors also acknowledge the dedication and hard work of the Company's management and employees during this challenging period.

For and on behalf of the Board

OMAIR IDREES ALLAWALA	**S.M. MANSOOR ALLAWALA**
Director	**Chief Executive**

Karachi
November 04, 2025

I am pleased to present my review report in respect of the overall performance of the Board of Directors (the Board) and the role played by it in achieving the Company's objectives for the year ended on June 30, 2025.

During FY25, challenges persisted for the spinning sector primarily due to high borrowing cost, uncompetitive energy tariff, disadvantageous EFS regime and inadequacy of local cotton in terms of quality and quantity. The management of your Company remains resilient and is firmly committed to steer your Company towards progress and profitability aiming to enhance shareholder value.

Appropriate mechanism is in place for internal evaluation of the Board's performance and effectiveness in achieving its objectives. As Chairman of the Board, I oversee and monitor the Company's governance according to the requirements of the applicable laws and regulations. For the year under review, based on the evaluation, the overall performance and effectiveness of the Board has been assessed as satisfactory. Evaluation of the Board is aimed to assess its overall performance in accordance with the best practices of corporate governance.

During the year under review, the Board provided strategic directions to the management recognizing the importance of good governance practices that ensure accountability and adherence to high standards of corporate governance with clearly defined roles and responsibilities and consistently performed its duties diligently. Through appropriate oversight and vigilance, compliance with the applicable laws and regulations was duly ensured. The Company's management constantly endeavored to ensure reliable financial reporting and identify areas for improvement. The Board remained fully committed to maintaining a strong internal control system and discharged its responsibilities with respect to management of the Company, formulation of significant policies, evaluating its own performance and monitoring the functioning of the Board's Committees.

Composition of the Board conforms to the statutory requirements with respect to the number of executive, non-executive, independent and female directors. The Audit Committee and the Human Resource & Remuneration Committee duly assisted the Board in performing its duties. These Committees held meetings as per stipulations of the corporate governance regulations. The Board considered and approved, among other things, quarterly and annual financial statements, capital expenditure, borrowings, related party transactions, appointment of external auditors and is committed for due implementation and oversight of long-term sustainability, environmental, social and governance (ESG) principles and corporate social responsibility (CSR).

I would like to extend my sincere appreciation for the trust and support of the Company's shareholders, bankers, suppliers and customers. I also commend the valuable work performed by the employees.

Rizwan Idrees Allawala
Chairman of the Board

Karachi
November 04, 2025

	2020	2021	2022	2023	2024	2025
Sales	3,239,256,236	4,002,482,731	5,166,171,154	4,200,140,937	6,449,760,535	5,201,690,138
Cost of goods sold	(2,956,416,446)	(3,468,653,953)	(4,367,630,755)	(3,779,994,822)	(5,831,174,287)	(4,883,403,274)
Gross Profit	282,839,790	533,828,778	798,540,399	420,146,115	618,586,248	318,286,864
Other operating Income/loss	10,250,912	25,389,171	137,702,874	45,322,054	49,156,375	34,860,163
	293,090,702	559,217,949	936,243,273	465,468,169	667,742,623	353,147,027
Distribution Cost	(26,603,588)	(35,219,989)	(45,848,895)	(42,495,566)	(64,258,167)	(53,491,993)
Administration expenses	(83,287,664)	(77,063,633)	(96,757,796)	(112,114,284)	(122,297,107)	(127,099,228)
Other operating expenses	(21,414,330)	(52,638,715)	(67,393,550)	(38,514,094)	(51,014,056)	(32,475,205)
Finance cost	(240,606,640)	(171,436,880)	(174,390,261)	(306,864,446)	(579,713,599)	(476,963,937)
	(371,912,222)	(336,359,217)	(384,390,502)	(499,988,390)	(817,282,929)	(690,030,363)
Profit/(Loss) before taxation	(78,821,520)	222,858,732	551,852,771	(34,520,221)	(149,540,306)	(336,883,336)
Taxation	(23,759,982)	(61,968,354)	(119,845,916)	22,026,220	(44,848,610)	(57,881,958)
Profit/(Loss) after taxation	(102,581,502)	160,890,378	432,006,855	(12,494,001)	(194,388,916)	(394,765,294)
Other Comprehensive income for the year	45,409,201	327,421,738	18,565,117	36,746,024	107,226,162	(911,578)
Total comprehensive income for the year	(57,172,301)	488,312,116	450,571,972	24,252,023	(87,162,754)	(395,676,872)
Earning/(Loss) per shares	(5.17)	8.10	21.76	(0.63)	(9.79)	(19.88)

Name of Company: **IDREES TEXTILE MILLS LIMITED**
Year Ended: **JUNE 30, 2025**

The company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are seven as per the following:

   a) Male: 0 5
   b) Female: 0 2

2. The composition of board is as follows:

Categor	Name
Independent Directors	Syed Masud Arif Ms. Azra Yaqub Vawda
Executive Directors	Mr. S. M. Mansoor Allawala Mr. Omair Idrees Allawala
Non-Executive Directors	Mr. Rizwan Idrees Allawala Mr. Muhammad Zubair / Muhammad Beyaz Aftab * Ms. Aamnah Mansoor
Female – Directors	Ms. Azra Yaqub Vawda Ms. Aamnah Mansoor

- Appointed to fill the casual vacancy due to resignation of Mr. Muhammad Zubair

Regulation 6 (1) of the CCG Regulations stipulates that it is mandatory for each listed company to have at least two or one-third members of the Board, whichever is higher, as independent directors. In a Board comprising 7 members, one third works out to 2.33 persons. The fraction contained in such one-third is not rounded up as one as the Company has enough experienced and well reputed independent directors on the Board who perform and carry out their responsibilities diligently.

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company;

4. The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;

5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with the dates of approval or updating is maintained by the company;

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board/shareholders as empowered by the relevant provisions of the Act and these Regulations;

7. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board;

8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;

9. The Board has remained fully compliant with the provisions relating to the Directors' Training Program. Five members of the Board had already completed the prescribed Directors' Training Program (DTP) in prior years. One member of the Board possesses the requisite qualifications and experience as specified under Regulation 19(2) of the CCG, and is therefore exempt from the DTP requirement. A newly appointed Director, inducted against a casual vacancy in April 2025, will complete the Directors' Training Program within the prescribed timeline in compliance with the CCG Regulations.

10. There was no new appointment of chief financial officer, company secretary and head of internal audit during the year. However, all such appointments, including their remuneration and terms and conditions of employment are duly approved by the Board and complied with relevant requirements of the Regulations;

11. Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the board;

12. The board has formed committees comprising of members given below;

    a) Audit Committee

    1. Ms. Azra Yaqub Vawda (Chairperson)
    2. Syed Masud Arif
    3. Ms. Aamnah Mansoor

    b) HR and Remuneration Committee

    1. Syed. Masud Arif (Chairman)
    2. Ms. Azra Yaqub Vawda
    3. Ms. Aamnah Mansoor

13. The terms of reference of the aforesaid committees have been formed, documented andadvised to the committee for compliance;

14. The frequency of meetings of the committee were as per following:

Committee	**Frequency of meetings**
Audit Committee	Quarterly
HR and Remuneration Committee	Annually

15. The board has set up an effective internal audit function and the audit personnel are suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company;

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review Program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non- dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;

18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with; and

19. Explanation for non-compliance with requirements, other than regulations 3,6,7,8,27,32 and 36 are below:

S. No.	Requirement	Explanation	Regulation
1	The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	The term of reference for nomination Committee is covered by Human Resource and Remuneration Committee, which timely apprises the Board with regards to any Changes therefore a separate Committee is not considered necessary.	29
2	The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	The Board itself and through its Audit Committee review the effectiveness of the Company's risk management procedures, therefore separate committee is not considered necessary	30
3	The company may post the following on its website: (1) key elements of its significant policies including but not limited to the following: (i) communication and disclosure policy; (ii) code of conduct for members of board of directors, senior management and other employees; (iii) risk management policy; (iv) internal control policy; (v) whistle blowing policy; (vi) corporate social responsibility/sustainability/ environmental, social and governance related policy. (2) brief synopsis of terms of reference of the Board's committees including:	Since the requirement is not mandatory therefore, the company has not posted a brief synopsis of its Board Committees on its website.	35(1)

	(i) Audit Committee (ii) HR and Remuneration Committee (iii) Nomination Committee (iv) Risk Management Committee (3) key elements of the directors' remuneration policy.		
4	The company may post the following on its website: brief synopsis of terms of reference of the Board's committees including: (i) Audit Committee (ii) HR and Remuneration Committee (iii) Nomination Committee (iv) Risk Management Committee	Since the requirement is not mandatory therefore, the company has not posted a brief synopsis of its Board Committees on its website.	35(2)

For and on behalf of the Board

S M MANSOOR ALLAWALA
Chief Executive

RIZWAN IDREES ALLAWALA
Chairman

Karachi
Dated: November 04, 2025

Tel: +92 21 3568 3030
Fax: +92 21 3568 4239
www.bdo.com.pk

2nd Floor, Block-C
Lakson Square, Building No.1
Sarwar Shaheed Road
Karachi-74200
Pakistan

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE SHAREHOLDERS OF IDREES TEXTILE MILLS LIMITED ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Idrees Textile Mills Limited (the Company) for the year ended June 30, 2025 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and to report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention, which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2025.

KARACHI

DATED:

UDIN:

BDO Ebrahim & Co

CHARTERED ACCOUNTANTS
Engagement Partner: Tariq Feroz Khan

Tel: +92 21 3568 3030
Fax: +92 21 3568 4239
www.bdo.com.pk

2nd Floor, Block-C
Lakson Square, Building No.1
Sarwar Shaheed Road
Karachi-74200
Pakistan

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

Report on the Audit of the Unconsolidated Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of **IDREES TEXTILE MILLS LIMITED** (the Company), which comprise the unconsolidated statement of financial position as at June 30, 2025, and the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cashflows for the year then ended, and notes to the unconsolidated financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cashflow together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2025 and of the loss and other comprehensive loss, the changes in equity and its cashflows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the current period. These matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
Following are the key audit matters:

S. No	Key audit matters	How the matter was addressed in our audit
1.	**Revenue recognition**	
	As disclosed in notes 4.15 and 25 in the unconsolidated annexed financial statements. The principal activity of the Company is to engage in manufacturing and sale of yarn and sale of home textile products. Revenue from sale of goods is recognized when performance obligations are satisfied by transferring control of promised goods to customer. We considered revenue recognition as a key audit matter due to the significance of the amounts involved, being key performance indicator, inherent risk of material misstatement in revenue recognition and the audit efforts involved in this area.	Our audit work includes number of procedures, among others: • Assessed the design, implementation and operating effectiveness of the key internal controls involved in revenue recognition. • Understood and evaluated the accounting policy with respect to revenue recognition. • Performed testing of revenue transactions on a sample basis with underlying documentation including dispatch documents and sales invoices. • Tested on a sample basis, specific revenue transactions recorded before and after the reporting date with underlying documentation to assess whether revenue was recognized in the correct period. • Performed audit procedures to analyze variation in the price and quantity sold during the year. • Assessed the adequacy of related disclosures made in accordance with the applicable financial reporting framework.

Tel: +92 21 3568 3030
Fax: +92 21 3568 4239
www.bdo.com.pk

2nd Floor, Block-C
Lakson Square, Building No.1
Sarwar Shaheed Road
Karachi-74200
Pakistan

S. No	Key audit matters	How the matter was addressed in our audit
2.	**Valuation of Stock in trade**	
	As at June 30, 2025, the Company held stock-in-trade amounting to Rs. 1,983.57 million, constituting 26% of the total assets, as disclosed in notes 7 to the unconsolidated financial statements. As described in notes 4.3 to the unconsolidated financial statements, stock-in-trade is measured at a lower of cost and net realizable value. The cost of work-in-process and finished goods is determined by annual average manufacturing cost which consists of prime cost and appropriate manufacturing overheads. Due to the significance of inventory balances and related estimations involved in valuing the inventory, we considered this as a key audit matter.	We obtained an understanding of the Company's processes in place for stock accounting. Our audit procedures to assess the existence and valuation of inventory included the following: • Obtained an understanding of the Company's process with respect to the existence and valuation of stock-in-trade and tested controls relevant to such process; • We attended the physical count of stock in trade to observe the management's process of measurement • We performed tests over the prices of raw materials and verified items in the product costing of work in progress. • Tested the calculations of per unit cost of finished goods and work in process and assessed the appropriateness of management's basis for the allocation of cost and production overheads and compared it with the prior period to assess reasonableness. • Assessed the adequacy of related disclosures made in accordance with the applicable fanatical reporting framework.

Information Other than the Unconsolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the unconsolidated financial statements and our auditor's report thereon.

Our opinion on the unconsolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Unconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the unconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these unconsolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

BDO

Tel: +92 21 3568 3030
Fax: +92 21 3568 4239
www.bdo.com.pk

2nd Floor, Block-C
Lakson Square, Building No.1
Sarwar Shaheed Road
Karachi-74200
Pakistan

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the unconsolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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

KARACHI

DATED: November 05, 2025

UDIN: AR202510166v8e4MKruF

BDO Ebrahim & Co.

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

	Note	2025 Rupees	2024 Rupees
ASSETS			
Non-current Assets			
Property, plant and equipment	5	3,287,274,093	3,374,850,004
Long-term deposits		3,713,631	6,063,681
Investment in subsidiary	6	-	-
		3,290,987,724	3,380,913,685
Current Assets			
Stores, spares and loose tools	7	39,168,127	53,563,125
Stock-in-trade	8	1,983,572,957	1,928,979,120
Trade debts	9	1,678,572,119	1,106,843,748
Loans and advances	10	62,240,220	89,784,901
Short term prepayments	11	48,642,455	34,303,985
Other receivables	12	254,910,547	188,203,848
Short term investment	13	148,099,669	200,455,670
Advance tax		39,368,372	47,238,331
Cash and bank balances	14	88,970,607	8,607,548
		4,343,545,073	3,657,980,276
Total Assets		7,634,532,797	7,038,893,961
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorised capital			
22,000,000 (2024 : 22,000,000) ordinary shares of Rs.10/- each		220,000,000	220,000,000
Issued, subscribed and paid-up capital	15	198,528,000	198,528,000
Capital reserves			
Surplus on revaluation of property, plant and equipment - net of tax	16	847,625,402	919,580,955
Equity portion of loan from related parties		164,408,050	104,674,764
Revenue reserves		940,328,105	1,280,923,111
Total Equity		2,150,889,557	2,503,706,830
Non-current Liabilities			
Long-term finance	17	571,964,487	486,099,774
Deferred Government grant	18	49,646,844	74,480,586
Deferred taxation - net	19	128,891,442	115,398,617
Retirement benefit obligation	20	88,473,344	75,195,066
		838,976,117	751,174,043
Current Liabilities			
Trade and other payables	21	2,125,570,240	1,252,356,320
Accrued mark-up	22	74,936,843	114,013,686
Short-term borrowings	23	2,062,819,156	2,034,831,736
Current portion of long-term finance	17	340,967,951	338,334,122
Current portion of deferred Government grant	18	23,752,731	27,857,022
Unclaimed dividend		2,739,068	2,739,068
Provision for taxation		13,881,134	13,881,134
		4,644,667,123	3,784,013,088
Total Liabilities		5,483,643,240	4,535,187,131
Total Equity and Liabilities		7,634,532,797	7,038,893,961
CONTINGENCIES AND COMMITMENTS	24		

The annexed notes from 1 to 46 form an integral part of these unconsolidated financial statements.

Chief Executive

Chief Financial Officer

Chairman

	Note	2025 Rupees	2024 Rupees
Revenue from contract with customer - net	25	5,201,690,138	6,449,760,535
Cost of sales	26	(4,883,403,274)	(5,831,174,287)
Gross profit		318,286,864	618,586,248
Distribution cost	27	(53,491,993)	(64,258,167)
Administrative expenses	28	(127,099,228)	(122,297,107)
Operating profit		(180,591,221)	(186,555,274)
		137,695,643	432,030,974
Finance cost	29	(476,963,937)	(579,713,599)
Other operating expenses	30	(32,475,205)	(51,014,056)
		(371,743,499)	(198,696,681)
Other income	31	34,860,163	49,156,375
Loss before levy and taxation		(336,883,336)	(149,540,306)
Levy	32	(60,995,181)	(70,609,235)
Loss before taxation		(397,878,517)	(220,149,541)
Taxation	33	3,113,223	25,760,625
Loss for the year		(394,765,294)	(194,388,916)
Loss per share - basic and diluted	34	(19.88)	(9.79)

The annexed notes from 1 to 46 form an integral part of these unconsolidated financial statements.

Chief Executive

Chief Financial Officer

Chairman

	Note	2025 Rupees	2024 Rupees
Loss for the year		(394,765,294)	(194,388,916)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Surplus on revaluation of property, plant and equipment during the year		-	78,747,605
Impact of deferred tax thereon		-	(5,940,002)
		-	72,807,603
Adjustment of surplus on revaluation of property, plant and equipment due to change in tax rate	16	(16,873,687)	34,988,685
Remeasurement loss on retirement benefit obligation	21	(1,283,912)	(802,995)
Related tax	19	372,334	232,869
		(911,578)	(570,126)
Other comprehensive (loss) / income for the year		(17,785,265)	107,226,162
Total comprehensive loss for the year		(412,550,559)	(87,162,754)

The annexed notes from 1 to 46 form an integral part of these unconsolidated financial statements.

Chief Executive

Chief Financial Officer

Chairman

	Note	Share capital	Capital reserve: Surplus on revaluation of property, plant and equipment - net of tax	Capital reserve: Equity portion of loan from related parties	Revenue reserve: Unappropriated profit	Total
		Rupees				
Balance as at July 1, 2023		198,528,000	868,124,011	81,376,153	1,419,542,809	2,567,570,973
Total comprehensive income for the year						
Loss for the year		-	-	-	(194,388,916)	(194,388,916)
Other comprehensive income for the year		-	34,988,685	-	(570,126)	34,418,559
		-	34,988,685		(194,959,042)	(159,970,357)
Transfer to / from surplus on revaluation of property plant and equipment on account of						
- revaluation surplus as at June 30, 2024 - net of tax	16	-	72,807,603	-		72,807,603
- incremental depreciation charged thereon - net of tax			(56,339,344)		56,339,344	-
Transactions with related parties						
Fair value effect of interest free loan provided by related parties	17	-	-	23,298,611	-	23,298,611
Balance as at June 30, 2024		198,528,000	919,580,955	104,674,764	1,280,923,111	2,503,706,830
Total comprehensive loss for the year						
Loss for the year		-	-	-	(394,765,294)	(394,765,294)
Other comprehensive loss for the year		-	(16,873,687)	-	(911,578)	(17,785,265)
		-	(16,873,687)	-	(395,676,872)	(412,550,559)
Transfer to / from surplus on revaluation of property, plant and equipment on account of						
- incremental depreciation charged thereon - net of tax	16	-	(54,772,752)	-	54,772,752	-
- disposals - net of tax			(309,114)		309,114	-
Transactions with related parties						
Fair value effect of interest free loan provided by related parties	17	-	-	59,733,286	-	59,733,286
Balance as at June 30, 2025		198,528,000	847,625,402	164,408,050	940,328,105	2,150,889,557

The annexed notes from 1 to 46 form an integral part of these unconsolidated financial statements.

Chief Executive

Chief Financial Officer

Chairman

	Note	2025 Rupees	2024 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		(397,878,517)	(220,149,541)
Adjustments for non cash income and expense:			
Depreciation	5.1	131,926,198	129,811,954
Provision for retirement benefit obligation	20.4	19,364,765	31,977,786
Levy		60,995,181	70,609,235
Finance cost	29	476,963,937	579,713,599
Allowance for expected credit loss - trade receivable	28	26,324,027	4,135,227
Profit on deposits	31	(25,575,852)	(29,771,558)
Gain on disposal of property, plant and equipment	31	(3,703,456)	(12,627,300)
Unrealized loss on foreign exchange	30	-	936,180
Realized gain on short term investment	31	-	(399,006)
Operating cash flows before working capital changes		288,416,283	554,236,576
(Increase) / decrease in current assets			
Stores, spares and loose tools		14,394,998	3,004
Stock-in-trade		(54,593,837)	(467,161,815)
Trade debts		(598,052,398)	(455,395,556)
Loans and advances		27,544,681	(66,857,067)
Prepayments		(14,338,470)	(28,170,359)
Other receivables		(72,265,662)	38,054,026
		(697,310,688)	(979,527,767)
Increase / (decrease) in current liabilities			
Trade and other payables		876,039,821	660,383,756
		178,729,133	(319,144,011)
Cash generated from operations		467,145,416	235,092,565
Finance cost paid		(499,587,500)	(547,459,533)
Retirement benefit obligation paid		(10,196,300)	(33,377,800)
Income tax paid		(53,020,307)	(63,284,290)
Long-term deposits - net		2,350,050	(3,165,000)
Net cash used in operating activities		(93,308,641)	(412,194,058)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(47,396,832)	(62,498,852)
Proceeds from disposal of property, plant and equipment		6,750,000	42,500,000
Purchase of term deposit receipt - net		52,356,001	(26,083,000)
Sale of shares		-	6,141,996
Profit on deposits received		31,134,815	26,702,939
Net cash generated from / (used in) investing activities		42,843,984	(13,236,917)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term finance repaid to financial institutions		(201,460,308)	(144,441,861)
Long-term finance obtained from financial institutions		150,090,130	57,250,000
Long-term finance repaid to related parties		-	(6,148,312)
Long-term finance obtained from related parties		154,210,474	-
Short term borrowings obtained - net		63,436,263	355,394,229
Lease liabilities repaid during the year		-	(1,962,284)
Dividend paid		-	(11,304)
Net cash generated from financing activities		166,276,559	260,080,468
Net increase / (decrease) in cash and cash equivalents		115,811,902	(165,350,507)
Cash and cash equivalents at beginning of the year		(600,675,546)	(435,325,039)
Cash and cash equivalents at end of the year	35	(484,863,644)	(600,675,546)

The annexed notes from 1 to 46 form an integral part of these unconsolidated financial statements.

Chief Executive

Chief Financial Officer

Chairman

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 5, 1990 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and was listed on Pakistan Stock Exchange on April 28, 1992. The principal activity of the Company is manufacturing, processing and sale of all kinds of yarn. The Company is also engaged in business of Home Textile.

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

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

1.2 During the year ended June 30, 2022, the Company acquired 100% ownership in ORA Home LLC (ORA), a limited liability company incorporated in New Jersey, USA on January 5, 2022. One of the directors of the Company is the member manager of ORA. Pursuant to the acquisition, ORA has become wholly owned subsidiary of the Company (refer note 6).

2. BASIS OF PREPARATION

2.1 Statement of compliance

These unconsolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as applicable on Company comprise of;

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (The Act); and

- Provisions of and directives issued under the Act.

Where the provisions of and directives issued under the Act differ from the requirements of IFRSs the provisions of and directives issued under the Act have been followed for the preparation and presentation of these financial statements.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except as stated otherwise, in the relevant note to the financial statement.

2.3 Presentation and functional currency

These unconsolidated financial statements are presented in Pakistani Rupees, which is the Company's functional and presentation currency.

2.4 Significant accounting estimates, judgments and assumptions

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to estimates are recognized prospectively. Information about judgments made in applying accounting policies that have the most significant effects on the amount recognized in the financial statements and to the carrying amount of the assets and liabilities and assumptions and estimation uncertainties that may have a significant risk resulting in a material adjustment in the subsequent year are set forth below:

- Defined benefit plan (notes 4.10.1 and 20.1);
- Residual value, useful lives, depreciation method / amortization and impairment of property, plant and equipment (notes 4.1, and 5);
- Taxation (notes 4.11, 19 and 33);
- Stock-in-trade and stores and spares (notes 4.3 and 8);
- Contingencies and provisions (note 24); and
- Impairment of financial assets (notes 4.6).

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED ACCOUNTING AND REPORTING STANDARDS AS APPLICABLE IN PAKISTAN

3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2025

The following standards, amendments and interpretations are effective for the year ended June 30, 2025. These standards, amendments and interpretations are either not relevant to the Company's operations or did not have significant impact on the unconsolidated financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024

	Effective date (annual periods beginning on or after)
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024
Amendments to the Fourth schedule to the Companies Act, 2017 made in respect of shariah related disclosure.	August 15, 2024

3.2 New accounting standards, amendments and interpretations that are not yet effective and have not early adopted by the Company

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's unconsolidated financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
- Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
- Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
- Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025

	Effective date (annual periods beginning on or after)
- Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
- Amendments to IFRS 9 'Financial Instruments' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
- IFRS 17 Insurance Contracts	January 01, 2027

Certain annual improvements have also been made to a number of IFRSs and IASs.

IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).

IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the revised timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2027.

IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).

IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).

4. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the presentation of these unconsolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

4.1 Property, plant and equipment

4.1.1 Operating fixed asset

Property, plant and equipment are stated as follows:

- Land is stated at revalued amount;

- Building, labor colony, plant and machinery, electric installations and mill equipment are stated at revalued amounts less accumulated depreciation and impairment losses, if any; and

- Office equipment, furniture and fixtures and vehicles are stated at cost less accumulated depreciation and impairment losses, if any.

Cost includes expenditure that is directly attributable to the acquisition of an asset including borrowing costs, if any. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent costs are included in an asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. Cost incurred to replace a component of an item of property, plant and equipment is capitalized and the asset so replaced is derecognized. Normal repairs and maintenance are charged to the unconsolidated statement of profit or loss during the period in which they are incurred.

Depreciation is charged to the unconsolidated statement of profit or loss on a straight line basis at the rates specified in note 5.1. Depreciation on additions/transfer from capital work in progress is charged when asset is available for use up to the month prior to its disposal.

Depreciation methods, useful lives and residual values of each item of property, plant and equipment are reviewed and adjusted, if appropriate at each reporting date.

Maintenance and normal repairs are charged to the unconsolidated statement of profit and loss as and when incurred.

Surplus on revaluation is credited to the surplus on revaluation of property, plant and equipment account and is shown in the unconsolidated statement of changes in equity. Deficit on revaluation of assets is recognized in the unconsolidated statement of profit or loss, except that it reverses a revaluation surplus for the same asset previously recognized in unconsolidated statement of comprehensive income, in which case the deficit is charged to unconsolidated statement of comprehensive income to the extent of the surplus credited previously. The revaluation reserve is not available for distribution to the Company's shareholders.

Revaluation is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from the estimated fair value. To the extent of the incremental depreciation charged on the revalued assets, the related surplus on revaluation of assets (net of deferred taxation) is transferred directly to retained earnings (unappropriated profit). Further, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is stated to the revalued amount of the asset. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings (unappropriated profit).

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment, and is recognized in other income / other expenses in the statement of profit or loss. When revalued assets are sold, any related amount included in the surplus on revaluation is transferred to retained earnings (unappropriated profit).

4.1.2 Capital work-in-progress

Capital work in progress is stated at cost less impairment loss, if any and consists of expenditures incurred (including any borrowing cost, if applicable) and advances made in the course of their construction and installation. Transfers are made to relevant asset category as and when assets are available for intended use.

4.2 Stores, spares and loose tools

These are stated at first in first out less provision for slow moving items, if any. Items in transit are stated at cost comprising invoice value plus other charges incurred thereon up to the reporting date. Provision for obsolete and slow moving stores, spares and loose tools is determined based on the management's estimate regarding their future usability.

4.3 Stock-in-trade

These are valued at lower of cost and net realizable value applying the following basis:

Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

- Raw material (local and imported)	Weighted average cost comprising purchase price, transportation and other overheads. Items in transit are stated at invoice value and other charges incurred till the reporting date.

- Work-in-process and finished goods	Weighted average cost comprising direct cost of raw material, labor and appropriate portion of production overheads.
- Waste	Net realizable value (NRV)

Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make sales.

4.4 Trade debts and other receivables

These are recognized initially are carried at original invoice amount being the fair value of the consideration to be received in future. An allowance for Expected Credit Loss (ECL) is made against trade debts on the basis of lifetime expected credit loss model as explained in note 12 to the financial statements. The amount of provision / reversal of ECL is charged / reversed to the statement of profit or loss.

Trade debts and other receivables considered irrecoverable are written off.

4.5 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

4.5.1 Classification of financial assets

The Company classifies its financial assets into following three categories:

- At amortized cost ("AC"),
- Fair value through other comprehensive income ("FVTOCI") and
- Fair value through profit or loss ("FVTPL").

The management determines the classification of financial assets into appropriate categories based on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

Financial assets at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVTPL:

1) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

2) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any loss allowance.

Financial assets at FVTOCI

A financial asset is measured at FVTOCI only if it meets both of the following conditions and is not designated as FVTPL:

1) the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

2) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition, for an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in OCI, only dividend income is recognized in statement of profit and loss. This election is made on an investment-by-investment basis.

FVTOCI financial assets are subsequently measured at fair value with gains and losses arising due to changes in fair value recognized in statement of other comprehensive

Financial assets at FVTPL

All other financial assets are classified at FVTPL (for example: equity held for trading and debt securities not classified either as AC or FVTOCI).

In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Company changes its business model for managing financial assets.

Initial Recognition and Subsequently Measurement

All financial assets are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Financial assets at amortized cost are initially recognized at fair value and are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses, if any. Interest income and impairment losses are recognized in the statement of profit or loss.

Financial assets carried at fair value through other comprehensive income are initially and subsequently measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income.

Financial assets carried at fair value through profit or loss are initially recorded at fair value and transaction costs are expensed in the statement of profit or loss. Realized and unrealized gains and losses arising from changes in the fair values of the financial assets held at fair value through profit or loss are included in the statement of profit or loss in the period in which they arise.

All purchases and sales of financial assets are recognized on the trade date which is the date on which the Company commits to purchase or sell the financial asset.

Derecognition of financial assets

Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all the risk and rewards of ownership. On derecognition of a financial asset, in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in the statement of comprehensive income.

4.5.2 Financial liabilities

All financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are recognized initially at fair value less any directly attributable transaction cost. Subsequently to initial recognition, these are measured at amortized cost using the effective interest rate method.

4.5.3 Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of profit or loss.

4.5.4 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

4.6 Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortized cost and at fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

The Company measures ECL of a financial instrument in a way that

a) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;

b) the time value of money; and

c) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default for financial assets, this is represented by the assets' gross carrying amount at the reporting date. Generally, credit terms range from 90 to 120 days from the date of delivery. The Company recognizes in unconsolidated statement of profit or loss, as an impairment loss (or reversal of impairment), the amount of expected credit losses (or reversal of impairment) that is required to adjust the loss allowance at the reporting date. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

4.6.1 Impairment of non financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets at each reporting date to identify circumstances indicating occurrence of impairment loss or reversal of previous impairment losses. An impairment loss is recognized in the unconsolidated statement of profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sale and value in use. Reversal of impairment loss is restricted to the original cost of the asset.

4.7 Foreign currency transactions and translations

Monetary assets and liabilities denominated in foreign currencies are translated into Pakistani Rupees at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into Pakistani Rupees at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognized in the unconsolidated statement of profit or loss.

4.8 Provisions

Provisions are recognized in the unconsolidated statement of financial position when the Company has a present, legal or constructive obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of obligation. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

4.9 Cash and cash equivalents

Cash and cash equivalents used in unconsolidated statement of cash flows include cash in hand balances with banks in current and deposit accounts and short term borrowings. Short-term borrowings availed by the Company, are payable on demand and form an integral part of the Company's cash management.

4.10 Retirement benefit obligation

4.10.1 Defined benefit plan - Unfunded Gratuity

The Company operates an unfunded gratuity scheme covering all its factory workers who have completed the minimum qualifying period of service as defined under the scheme. The Company's obligation under the scheme is determined through actuarial valuation carried out at each year end under the Projected Unit Credit Method. Remeasurements which comprise actuarial gains and losses are recognized immediately in unconsolidated statement of other comprehensive income.

The Company determines the interest expense on the defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to then defined benefit liability, taking into account any changes in the defined benefit liability during the period as a result of benefit payments. Interest expense and current service cost are recognized in the unconsolidated statement of

4.10.2 Defined contribution plan - Provident Fund

A defined contribution plan is a post - employment benefit plan under which a Company's pays fixed contribution into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in the unconsolidated statement of comprehensive income when they are due at the rate of 8.33% of basic salary per annum.

4.11 Taxation

4.11.1 Current tax

Provision for current taxation is based on taxable income at the current rates of taxation, after taking into account tax rebates and tax credits available, if any, or turnover at the specified rate or Alternate Corporate Tax as defined in section 113C of the Income Tax Ordinance, 2001, whichever is higher. Charge for current tax also includes adjustments, where necessary, relating to prior years which arise from assessment framed / finalized during the year.

4.11.2 Deferred tax

Deferred tax is recognized using the liability method, providing for temporary difference between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities using the tax rates enacted or substantively enacted at the reporting date.

The Company recognizes a deferred tax asset to the extent that it is probable that taxable profits in the foreseeable future will be available against which the assets can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Further, the Company also recognizes a deferred tax asset / liability on deficit / surplus on revaluation of property, plant and equipment which is adjusted against the related deficit / surplus.

4.12 Levy

In accordance with the Income Tax Ordinance, 2001, computation of final taxes is not based on taxable income. Therefore, as per IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes issued by the ICAP, these fall within the scope of IFRIC 21 / IAS 37 and accordingly have been classified as levy in these unconsolidated financial statements, except for taxes on dividends on the Company's investments in subsidiaries and associates which are specifically within the scope of IAS 12 and hence these continue to be categorized as current income tax.

4.13 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in future for goods and services received, whether or not invoiced to the Company.

4.14 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalized as part of the cost of the respective assets until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized in unconsolidated statement of profit or loss in the period in which they are incurred.

4.15 Revenue recognition

Revenue from sale of goods is recognized as or when performance obligations are satisfied by transferring control of promised goods to customer, and control is transferred at a point in time either upon shipment or delivery of goods to customer.

Revenue is recognized at transaction price (which excludes estimates of variable consideration), which represents the fair value of the consideration received or receivable excluding discount, rebates and government levies and the payment is typically due on the satisfaction of performance obligation.

Profit on bank deposit is recognized on a time proportion basis on the principal amount outstanding using the effective yield method.

Gains/(losses) arising on disposal of investments are included in income and are recognized on the date when the transaction takes place.

Unrealized gains/(losses) arising on revaluation of securities classified as 'fair value through profit or loss' are included in unconsolidated statement of profit or loss in the period in which they arise.

Other income is recognized when the right to receive is established, and the amount and timing of related receipt is virtually certain

Dividend income is recognized when the Company's right to receive payment have been established and is recognized in unconsolidated statement of profit or loss and included in other income.

4.16 Contract liability / advance from customers

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract.

4.17 Dividend and appropriation to / from reserves

Dividend distribution to the Company's shareholders is recognized as a liability and appropriation to / from reserves are made in the period in which these are approved. However, if these are approved after the reporting period but before the unconsolidated financial statements are authorized for issue, they are disclosed as subsequent event in the unconsolidated financial statements.

4.18 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

4.19 Leases - Lease liabilities and right-of-use assets

Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date discounted using the rate of the entity's incremental borrowing rate being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is re-measured if there is a change in future lease payments arising from a change in assessment of whether extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised. The corresponding adjustment is made to the carrying amount of the right-of-use asset is recorded in statement of comprehensive income if the carrying amount of right-of-use asset has been reduced to zero.

For short term leases and leases of low / immaterial value assets, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Right-of-use assets

The right-of-use asset is initially measured at cost which is the initial measurement of lease liability, and subsequently at cost less any accumulated depreciation and impairment losses, if any. The right-of-use asset is depreciated using the straight-line method over the lease term, as disclosed in the respective note.

4.20 Investment in subsidiary

Investment in subsidiary is measured at cost less any impairment loss, if any in the Company's separate unconsolidated financial statements.

4.21 Government grant

The benefit of interest rate lower than the market rate on borrowings obtained under State Bank of Pakistan (SBP) under Temporary Economic Refinance Facility (TERF), is accounted for as a government grant which is the difference between amount of loan received and the fair value of the loan on the date of disbursement. The differential amount presented in unconsolidated statement of financial position as deferred government grant. The amortization of deferred government grant is netted off with finance cost within in the unconsolidated statement of profit or loss.

Government grants are recognized at fair value, as deferred income, when there is reasonable assurance that the grants will be received and the Company will be able to comply with the conditions associated with the grants.

Grants that compensate the Company for expenses incurred, are recognized on a systematic basis in the income for the year in which the related expenses are recognized. Grants that compensate for the cost of an asset are recognized in income on a systematic basis over the expected useful life of the related asset.

A loan is initially recognized and subsequently measured in accordance with IFRS 9. IFRS 9 requires loans at below-market rates to be initially measured at their fair value - e.g. the present value of the expected future cash flows discounted at a market-related interest rate. The benefit, that is the government grant, is measured as the difference between the fair value of the loan on initial recognition and the amount received, which is accounted for according to the nature of the grant.

4.22 Operating segment

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Company that makes strategic decisions.

4.23 Related party transactions

All transactions with related parties arising in the normal course of business are conducted as determined by the management with the approval of the Board of Directors.

4.24 Loan from directors

Loans from directors are initially recognized at fair value, and subsequently measured at amortized cost.

In cases where such loans are interest-free, the fair value is determined by discounting future cash flows at a market rate of interest applicable to similar instruments. The difference between the loan proceeds and the fair value, if material, is recorded as an equity contribution.

Where the loan is repayable on demand, it is classified as a current liability.

4.25 Contingent liabilities and assets

Contingent liability

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. It can also be a present obligation arising from the past events that is not recognized because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

Contingent liabilities are not recognized but are disclosed in the notes to the accounts. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognized as provision.

Contingent asset

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognized but are disclosed in the notes to the accounts when an inflow of economic benefits is probable. When an inflow is virtually certain, an asset is recognized.

4.26 Share capital and reserves

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Reserves comprise of capital and revenue reserves. Capital reserves represent revaluation reserve, equity portion of loan from directors while revenue reserves comprise of unappropriated profit.

	Note	2025 Rupees	2024 Rupees
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets			
- Owned	5.1	3,275,634,059	3,363,126,163
- Right of use assets	5.1	-	2,013,505
		3,275,634,059	3,365,139,668
Capital spares	5.1.10	9,442,072	7,549,799
Capital work in progress:			
- Building	5.1.2	2,197,962	2,160,537
		3,287,274,093	3,374,850,004

5.1 OPERATING FIXED ASSETS

	2025									
	Cost / Revaluation				Accumulated Depreciation				Written Down Value	
Particulars	July 01, 2024	Additions/ (disposal)	Transfers	June 30, 2025	July 01, 2024	Depreciation charge /(disposals) for the year	Transfers	June 30, 2025	June 30, 2025	Rate (%)
	--Rupees--									
Owned assets										
Freehold Land	256,400,000	-	-	256,400,000	-	-	-	-	256,400,000	-
Factory building on freehold land	453,967,364	-	-	453,967,364	12,934,225	25,868,448	-	38,802,673	415,164,691	5-20
Labour colony	-	-	-					-		
on freehold land	23,126,905	-	-	23,126,905	1,040,721	2,081,421	-	3,122,142	20,004,763	5-14
Plant and machinery	2,518,260,593	7,154,208	-	2,524,293,688	46,000,268	89,234,601	(117,115)	135,117,754	2,389,175,934	4-33
		(1,121,113)			-					
Electric installations	14,207,248	-	-	14,207,248	834,377	1,668,750	-	2,503,127	11,704,121	8-25
Factory equipment	5,364,595	-	-	5,364,595	1,817,745	620,142	-	2,437,887	2,926,708	7-20
Office equipment	18,217,668	-	-	18,217,668	14,056,525	643,389	-	14,699,914	3,517,754	10
Computer Hardware	219,500	80,000	-	299,500	105,819	71,850	-	177,669	121,831	10
Furniture and fixtures	4,183,452	-	-	4,183,452	3,859,713	47,195	-	3,906,908	276,544	10
Solar panel	89,473,382	27,038,226	-	116,511,608	1,145,801	6,458,515	-	7,604,316	108,907,292	10-25
Vehicle	145,071,397	11,194,700	4,069,000	156,266,097	83,570,748	5,057,637	2,229,745	88,831,676	67,434,421	20
		(4,069,000)	-			(2,026,454)				
	3,528,492,104	45,467,134	4,069,000	3,572,838,125	165,365,942	131,751,948	2,112,630	297,204,066	3,275,634,059	
		(5,190,113)				(2,026,454)				
Right of use assets										
Vehicle	4,069,000		(4,069,000)	-	2,055,495	174,250	(2,229,745)	-	-	20
Total June 30, 2025	3,532,561,104	45,467,134	-	3,572,838,125	167,421,437	131,926,198	(117,115)	297,204,066	3,275,634,059	
		(5,190,113)				(2,026,454)				

Operating fixed assets

2024												
	Cost / Revaluation					Accumulated Depreciation					Written Down Value	
Particulars	July 01, 2023	Additions/ (disposal)	Transfers	Revaluation adjustment	June 30, 2024	July 01, 2023	Depreciation charge /(disposals) for the	Transfers	Revaluation adjustment	June 30, 2024	June 30, 2024	Rate (%)
	Rupees											
Owned assets												
Land freehold	240,375,000	-	-	16,025,000	256,400,000	-	-	-	-	-	256,400,000	-
Factory building on freehold land	218,633,050	909,854	199,596,399	34,828,061	453,967,364	32,863,950	23,520,307	-	(43,450,032)	12,934,225	441,033,139	5-20
Labor colony		-	-	-		-				-		
on freehold land	21,352,625	-	-	1,774,280	23,126,905	4,293,472	1,551,590	-	(4,804,341)	1,040,721	22,086,184	5-14
Plant and machinery	1,478,171,882	901,410	1,249,132,689	(209,945,358)	2,518,260,593	143,611,159	90,322,121	-	(187,933,012)	46,000,268	2,472,260,325	4-33
Electric installations	21,988,000	-	-	(7,780,752)	14,207,248	6,127,216	2,366,180	-	(7,659,019)	834,377	13,372,871	8-25
Factory equipment	5,364,595	-	-	-	5,364,595	1,197,605	620,140	-	-	1,817,745	3,546,850	7-20
Office equipment	18,149,168	68,500	-	-	18,217,668	13,300,640	755,885	-	-	14,056,525	4,161,143	10
Computer Hardware	219,500	-	-	-	219,500	39,963	65,856	-	-	105,819	113,681	10
Furniture and fixtures	4,183,452	-	-	-	4,183,452	3,811,251	48,462	-	-	3,859,713	323,739	10
Solar Panel	-	89,473,382	-	-	89,473,382	-	1,145,801	-	-	1,145,801	88,327,581	10
Vehicle	175,206,198	8,842,200	-	-	145,071,398	83,607,933	9,067,115	-	-	83,570,748	61,500,650	20
		(38,977,000)	-	-			(9,104,300)					
	2,183,643,470	100,195,346 (38,977,000)	1,448,729,088	(165,098,799)	3,528,492,104	288,853,189	129,463,457 (9,104,300)	-	(243,846,404)	165,365,942	3,363,126,163	
Right of use assets												
Vehicles	4,069,000	-	-	-	4,069,000	1,706,996	348,499	-	-	2,055,495	2,013,505	20
	4,069,000	-	-	-	4,069,000	1,706,996	348,499	-	-	2,055,495	2,013,505	
Total June 30, 2024	2,187,712,470	100,195,346 (38,977,000)	1,448,729,088	(165,098,799)	3,532,561,104	290,560,185	129,811,954 (9,104,300)	-	(243,846,404)	167,421,437	3,365,139,668	

5.1.1 The cost of fully depreciated assets which are still in use as at June 30, 2025 is Rs 89.98 million (2024 : 89.47 million).

5.1.2 This represents construction work in progress which includes new mill building being constructed as part of a new wing to the existing mill building.

5.1.3 Depreciation for the year has been allocated as under:

	Note	2025 Rupees	2024 Rupees
Cost of sales	26	125,931,877	119,526,130
Administrative expenses	28	5,994,321	10,285,824
		131,926,198	129,811,954

5.1.5 The freehold land, building on freehold land, labor colony on free hold land, plant and machinery, electric installations and factory equipment are carried at revalued amount. The revaluation was carried out during the years ended June 30, 2006, June 30, 2010, June 30, 2013, June 30, 2016, June 30, 2019, June 30, 2021 by independent valuers namely Consultancy Support & Services, Consultancy Support & Services, M/s Al-Noor Consultants & Evaluators, M/s Al-Noor Consultants & Evaluators, M/s Arif Evaluators and Tristar International Consultant Private Limited respectively. The resulting revaluation surpluses have been disclosed in notes 16 and 4.1.1 to the financials statements and have been credited to the revaluation surplus account net of their related tax effect. However, the recent valuation was carried out on January 05, 2024 by an independent valuer, Harvester Consultant Private Limited, which resulted in surplus of Rs. 78.75 million.

The revaluation was carried out based on the market value and discounted cashflow method being the fair value of these assets. Had there been no revaluation, the carrying value of the revalued assets would have been as follows:

	2025			2024		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
	Rupees					
Land - freehold	8,772,600	-	8,772,600	8,772,600	-	8,772,600
Factory building on freehold land	342,767,075	(123,975,744)	218,791,331	342,767,075	(116,581,216)	226,185,859
Labor colony on freehold land	16,533,266	(16,533,266)	-	16,533,266	(15,383,625)	1,149,641
Plant and machinery	2,921,497,668	(878,342,528)	2,043,155,140	2,887,190,485	(825,811,038)	2,061,379,447
Electric installations	43,144,676	(34,464,688)	8,679,988	43,144,676	(33,414,321)	9,730,355
Factory equipment	6,729,139	(5,286,195)	1,442,944	6,729,139	(5,160,541)	1,568,598
	3,339,444,424	(1,058,602,421)	2,280,842,003	3,305,137,241	(996,350,741)	2,308,786,500

5.1.6 Forced sale values as per the latest revaluation report as of January 05, 2024 as mentioned in note 5.1.5 are as follows:

Asset Class	Rupees
Freehold land	217,940,000
Factory building on freehold land	340,475,523
Labor colony on freehold land	17,345,179
Plant and machinery	1,927,349,277
Electric installations	10,655,436
Factory equipment	4,023,446

5.1.7 Particulars of immovable asset of the Company are as follows:

Location	Addresses	Total Area	Covered Area
Nankana Sahib	Kot Shah Muhammad, Tehsil	20.03	10.13

5.1.8 Fair value measurement

Fair value of freehold land, building on freehold land, labor colony on free hold land, electric installations and factory equipment are based on assumptions considered to be level 2 in the fair value hierarchy due to significant observable inputs used in the valuation, while fair value of plant and machinery are considered to be level 3 in the fair value hierarchy due to significant unobservable inputs used in the valuation.

Fair value of freehold land, building on freehold land, labor colony on free hold land have been derived using a sales comparison approach. Sale prices of comparable land and buildings in close proximity are adjusted for differences in key attributes such as location and size of the property. Moreover value of building also depends upon the type of construction, age and quality. The most significant input in this valuation approach is price/rate per square foot in particular locality.

Valuation techniques used to derive level 3 fair values - Plant and machinery

In the absence of current prices in an active market, the fair value is determined by taking into account the following factors:

-Make, model, country of origin etc.
-Operational capacity
- Present physical condition
-Resale prospects
-Obsolescence

The valuation is considered to be level 3 in the fair value hierarchy due to the above unobservable inputs used in the valuation. Most significant input in this valuation is the current replacement cost which is adjusted for factors above.

5.1.9 The following is a statement of capital work in progress

	Building on freehold land Rupees	Plant & machinery Rupees	Total Rupees
Balance as at July 1, 2023	199,111,306	1,282,051,280	1,481,162,586
Capital expenditure incurred during the year	2,645,630	43,191,258	45,836,888
Transfer to operating fixed assets	(199,596,399)	(1,325,242,538)	(1,524,838,937)
Balance as at June 30, 2024	2,160,537	-	2,160,537
Capital expenditure incurred during the year	37,425	-	37,425
Transfer to operating fixed assets	-	-	-
Balance as at June 30, 2025	2,197,962	-	2,197,962

5.1.10 Movement in capital spares is as follows

	Rupees
Balance as at July 1, 2023	20,913,332
Transfer to operating fixed assets	(13,363,533)
Balance as at June 30, 2024	7,549,799
Addition to capital spares	1,892,273
Balance as at June 30, 2025	9,442,072

	Note	2025 Rupees	2024 Rupees
6. Investment in subsidiary			
At cost	6.1	-	-
- ORA Homes LLC			

	USD	PKR
Assets		
Stock-in-trade	52,286	9,230,173
Trade receivable	25,000	4,413,284
Cash in hand	1,000	176,531
	78,286	13,819,988
Liabilities		
Loan from related parties	91,061	16,075,147
Trade and other payable	83,171	14,682,210
	174,232	30,757,357
Fair value of net liabilities acquired	(95,946)	(16,937,369)

6.1 On January 5, 2022, the Company acquired 100% ownership in a limited liability company incorporated in New Jersey United States of America (USA). The Company paid NIL consideration for the acquisition of subsidiary due to net liability position in the books of accounts of subsidiary and accordingly assumed all liabilities of the subsidiary as on acquisition date i.e. January 5, 2022.

	Note	2025 Rupees	2024 Rupees
7. STORES, SPARES AND LOOSE TOOLS			
Store and spares:			
In hand		47,746,757	61,124,690
In transit		15,786	117,067
		47,762,543	61,241,757
Loose tools		-	64,585
		47,762,543	61,306,342
Less: provision for slow moving stores		(8,594,416)	(7,743,217)
		39,168,127	53,563,125

8. STOCK-IN-TRADE

	Note	2025 Rupees	2024 Rupees
Raw material			
In hand - cotton		1,006,322,600	1,121,028,719
In hand - yarn		1,108,624	1,735,289
Raw material in transit		406,420,584	428,156,535
Work-in-process			
- Yarn		111,511,263	91,441,947
- Home textile		91,383,644	34,327,602
		202,894,907	125,769,549
Finished goods in hand - yarn	8.1	353,228,959	240,222,818
Waste - yarn		13,597,283	12,066,210
		1,983,572,957	1,928,979,120

8.1 This represents stock in trade net of net realizable value adjustment amounting to Rs. 7.223 million (2024: nil)

9. TRADE DEBTS

	Note	2025 Rupees	2024 Rupees
Considered good			
Secured :			
Export	9.1	15,848,225	33,171,528
Local		-	294,825,850
		15,848,225	327,997,378
Unsecured :			
Export - due from related party	9.2 & 9.3	8,807,530	29,355,627
Local		1,653,916,364	753,625,970
		1,678,572,119	1,110,978,975
Considered doubtful			
Local		44,517,802	14,058,548
		1,723,089,921	1,125,037,523
Less: Allowance for expected credit loss	9.4	(44,517,802)	(18,193,775)
		1,678,572,119	1,106,843,748

9.1 This includes Euro nil (2024 : Euro 73,698) and USD 55,490 (2024 : USD 40,744).

9.2 This represents outstanding balance from ORA Homes LLC of USD 31,056 (2024 : USD 105,401).

9.3 The maximum aggregate amount of receivable due from related parties at the end of any month during the year was Rs. 36.416 million (USD 128,338) (2024: Rs. 41.140 million USD 144,987).

9.4 The movement in allowance for expected credit loss is as follows:

Balance as at July 1,	18,193,775	14,058,548
Charge during the year	26,324,027	4,135,227
Balance as at June 30,	44,517,802	18,193,775

9.5 Ageing of trade debts past due but not impaired

Not past due	1,125,290,074	748,333,073
0 - 90 days	127,687,779	319,078,576
91-180 days	38,656,800	38,876,264
Above 180 days	422,477,464	18,749,610
	1,714,112,117	1,125,037,523

9.6 Ageing of trade debts past due but not impaired - related party

Not past due	-	13,250,336
0 - 90 days	8,807,530	16,105,291
	8,807,530	29,355,627

10. LOANS AND ADVANCES

	Note	2025 Rupees	2024 Rupees
Unsecured Considered good			
- Loan to employees	10.1	369,000	457,000
Advance:			
- to employees		1,434,391	506,981
- to suppliers	10.2	59,547,133	88,262,057
- for expenses		889,696	558,863
		61,871,220	89,327,901
		62,240,220	89,784,901

10.1 These represent unsecured, interest free, short-term loan and advance given to employees of the Company.

10.2 This represents payments made to supplier for purchase of raw material and stores and spares.

11. SHORT TERM PREPAYMENTS

Minimum tax levy	45,528,410	31,326,445
Health Insurance	1,714,904	1,524,963
Others	1,399,141	1,452,577
	48,642,455	34,303,985

12. OTHER RECEIVABLES

Sales tax		192,602,793	129,251,358
Less: Provision for doubtful receivable		-	(5,969,340)
Sales tax - net		192,602,793	123,282,018
Export rebate	12.1	11,114,893	7,686,065
		203,717,686	130,968,083
Duty draw back receivable	12.2	5,872,932	5,872,932
Cotton claim receivable	12.3	39,831,812	39,881,372
Profit on deposits		4,086,290	9,645,253
Others		1,401,827	1,836,208
		51,192,861	57,235,765
		254,910,547	188,203,848

12.1 This comprises of incentives/discounts/refunds and other benefits granted by the Government of Pakistan.

12.2 This represents receivable from the Government of Pakistan since 2021.

12.3 This represents a claim regarding discrepancies related to cotton weight and quality.

	Note	2025 Rupees	2024 Rupees
13. SHORT TERM INVESTMENT			
- At amortized cost			
Term deposit receipts	13.1	148,099,669	200,455,670
		148,099,669	200,455,670

13.1 These represent term deposit receipts placed with various banks for a period ranging from six months to one year carrying mark-up at the rates ranging from 6.93% to 20.5% (2024: 5.75% to 21.50%) per annum. The banks have lien on these term deposit receipts on account of guarantees provided by such banks as disclosed in note 24.1.1 to the unconsolidated financial statements.

14. CASH AND BANK BALANCES

Cash in hand		280,531	1,552,529
Cash at banks			
- in current accounts		4,369,873	506,392
- in saving accounts	14.1	84,320,203	6,548,627
	14.2	88,970,607	8,607,548

14.1 These carry markup of 5.36% to 10.05% (2024: 13.5% to 20.5%) per annum.

14.2 This includes an amount of Rs. 78.14 million (2024: Rs. 6.68 million) on which the bank has created lien on account of guarantee provided by such bank as disclosed in note 24.1.1 to the financial statements.

15. ISSUED SUBSCRIBED AND PAID-UP CAPITAL

2025	2024		2025	2024
Number of Shares			Rupees	Rupees
19,852,800	19,852,800	ordinary shares of Rs. 10/- each fully paid in cash	198,528,000	198,528,000

15.1 The Company has one class of ordinary share, which carry equal voting rights but no right to fixed income. Voting rights, board selection etc. are in proportion to their shareholding.

16. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - NET OF TAX

	Note	2025 Rupees	2024 Rupees
As at July 1,		989,873,708	973,359,080
Surplus arising during the year		-	78,747,605
Less: transferred to unappropriated profit on account of:			
- incremental depreciation		(54,772,752)	(56,339,344)
- related deferred tax liability		(7,288,189)	(5,893,633)
- disposals - net of tax		(309,114)	-
- related deferred tax liability		(41,131)	-
		(62,411,186)	(62,232,977)
As at June 30		927,462,522	989,873,708

17.	Note	2025 Rupees	2024 Rupees
Less: related deferred tax liability on:			
Revaluation surplus as at July 1,		70,292,753	105,235,069
Surplus arising during the year	19	-	5,940,002
Adjustment due to change in tax rate	19	16,873,687	(34,988,685)
Related deferred tax on incremental depreciation		(7,288,189)	(5,893,633)
Assets disposed-off during the year		(41,131)	-
	19	79,837,120	70,292,753
As at June 30		847,625,402	919,580,955

LONG-TERM FINANCE

Long term portion

	Note	2025 Rupees	2024 Rupees
Financial institutions	17.1	428,692,191	433,281,371
Related parties	17.2	143,272,296	52,818,403
		571,964,487	486,099,774

Current portion

	Note	2025 Rupees	2024 Rupees
Financial institutions	17.1	315,036,832	332,879,577
Related parties	17.2	25,931,119	5,454,545
		340,967,951	338,334,122

17.1 Details and movement are as follows:

		Balance at July 01, 2024	Obtained during the year	Principal Repaid during the year	Balance at June 30, 2025	Government Grant	Net Balance at June 30, 2025	Payable within one year	Payable later than one year	Payable within one year as at June 30, 2024	Payable later than one year as at June 30, 2024	Mark up rate (per annum)	Principal and mark up payment	Note
		Rupees												
Dubai Islamic Bank Limited	Diminishing Musharaka (DM)	65,000,000	- -	(9,285,714)	55,714,286	-	55,714,286	(12,380,952)	43,333,334	9,750,000	55,250,000	3 month KIBOR +150 bps	Quarterly (2 years grace period)	17.1.1
	DM	4,221,181	- -	(422,118)	3,799,063	-	3,799,063	(844,236)	2,954,827	422,118	3,799,063			
	DM	4,221,181	- -	(211,059)	4,010,122	-	4,010,122	(844,236)	3,165,886	211,059	4,010,122			
	ITERF 1	4,972,500	- -	(877,500)	4,095,000	(150,494)	3,944,506	(1,388,144)	2,556,362	1,075,248	3,652,003	SBP Rate +400 bps	Quarterly (2 years grace period)	17.1.2
	ITERF 1	11,288,000	- -	(1,992,200)	9,295,800	(319,391)	8,976,409	(3,159,960)	5,816,449	2,456,807	8,302,429			
	ITERF 1	130,000,000	- -	(13,000,000)	117,000,000	(21,487,510)	95,512,490	(17,905,378)	77,607,112	18,926,934	80,250,405			
		219,702,862	-	(25,788,591)	193,914,271	(21,957,395)	171,956,876	(36,522,906)	135,433,970	32,840,166	155,264,022			
Samba Bank Limited	TERF 1	30,651,600	-	(7,662,900)	22,988,700	(1,245,927)	21,742,773	(21,742,773)	-	27,827,226	-	SBP Rate +400 bps	Quarterly (1 year grace period)	17.1.3
	TERF 2	10,774,500	-	(2,938,500)	7,836,000	(301,333)	7,534,667	(7,534,667)	-	10,012,404	-			
	TERF 3	23,538,645	-	(6,419,610)	17,119,035	(1,101,167)	16,017,868	(16,017,868)	-	21,141,073	-			
	TERF 4	26,152,504	-	(7,131,000)	19,021,504	(671,382)	18,350,122	(18,350,122)	-	24,452,056	-			
	TERF 5	57,836,300	-	(13,346,700)	44,489,600	(3,672,039)	40,817,561	(40,817,561)	-	50,244,390	-			
	Term Finance 1	10,567,969	-	(2,818,125)	7,749,844	-	7,749,844	(7,749,844)	-	10,567,969	-	3 month KIBOR +200 bps	Quarterly (1 year grace period)	17.1.4
	Term Finance 2	7,316,000	-	(1,371,750)	5,944,250	-	5,944,250	(5,944,250)	-	7,316,000	-			
	Term Finance 3	30,600,000	-	(5,737,500)	24,862,500	-	24,862,500	(24,862,500)	-	30,600,000	-			
		197,437,518	-	(47,426,085)	150,011,433	(6,991,848)	143,019,585	(143,019,585)	-	182,161,118	-			
Askari Bank Limited	LTFF 1	6,024,125	-	(777,308)	5,246,817	-	5,246,817	(777,308)	4,469,509	777,308	5,246,817	SBP Rate +300 bps	Quarterly (2 year grace period)	17.1.5
	LTFF 2	12,072,500	-	(1,131,797)	10,940,703	-	10,940,703	(1,509,065)	9,431,638	1,131,798	10,940,702			
	Term Finance 1	46,261,881	-	(14,234,424)	32,027,457	-	32,027,457	(14,234,424)	17,793,033	14,234,424	32,027,457	3 month KIBOR +150 bps	Quarterly (1 year grace period)	17.1.6
	Term Finance 2	43,549,932	-	(12,442,838)	31,107,094	-	31,107,094	(15,553,545)	15,553,549	15,553,545	27,996,387			
		107,908,438	-	(28,586,367)	79,322,071	-	79,322,071	(32,074,342)	47,247,729	31,697,075	76,211,363			
Bank Al Falah Limited	TERF 1	16,397,280	-	(2,049,656)	14,347,624	(3,393,327)	10,954,297	(1,237,706)	9,716,591	1,380,548	10,739,028	SBP Rate +400 bps	Quarterly (2 year grace period)	17.1.7
	TERF 2	19,678,360	-	(1,844,846)	17,833,514	(4,429,761)	13,403,753	(1,441,631)	11,962,122	1,710,686	12,435,155			
	TERF 3	151,424,000	-	(14,196,000)	137,228,000	(36,627,083)	100,600,917	(10,570,172)	90,030,745	7,373,893	98,397,796			
	Term Finance 1	43,716,704	-	(9,950,306)	33,766,398	-	33,766,398	(13,904,387)	19,862,011	10,363,723	33,352,981	3 month KIBOR +150 bps	Monthly (0 year grace period)	17.1.8
		231,216,344	-	(28,040,808)	203,175,536	(44,450,171)	158,725,365	(27,153,896)	131,571,469	20,828,850	154,924,960			
	LTFF 2	12,819,620	-	(12,819,620)	-	-	-	-	-	12,819,530	-	SBP Rate +250 bps	Quarterly	17.1.9.
		12,819,620	-	(12,819,620)	-	-	-	-	-	12,819,530	-			
First Habib Modaraba	Diminishing Musharaka	99,413,864	150,090,130	(58,798,837)	190,705,157	-	190,705,157	(76,266,134)	114,439,023	52,532,838	46,881,026	Three month Kibor + (1.0%-2.0%)	Monthly	17.1.10
Total		868,698,646	150,090,130	(201,460,308)	817,128,468	(73,399,414)	743,729,054	(315,036,832)	428,692,191	302,879,577	433,281,371			

17.1.1 The loan is secured by way of 1st exclusive charge over imported solar equipments with a margin of 25%. The loan is utilized for acquisition and installation of solar equipments in the factory.

17.1.2 The Company has entered into a Islamic Temporary Economic Refinance Facility (ITERF) agreement with Dubai Islamic Bank , with having a facility of Rs. 147.217 million. (2024: Rs. 147.217) This facility carries mark up at SBP Base Rate + 4% (2024: SBP Base Rate + 4%). The tenure of this facility is 7 years with grace period of 2 years. This facility is secured against 1st exclusive charge over imported plant and machinery, and land having a pari passu charge also personal guarantee of all the directors and mortgagors of the Company.

17.1.3 The Company has entered into a Temporary Economic Refinance Facility (TERF) agreement with bank, with the total limit aggregating to Rs. 163.59 million (2024: Rs. 163.59 million). This facility carry mark up of SBP Base Rate + 4% (2024: SBP Base Rate + 4%). The tenure of this facility is 5 years with grace period of 1 year. This facility is secured against first exclusive hypothecation charge over specific machinery and equipment with 25% margin.

17.1.4 The Company has entered into a Term finance agreement with bank, with the total limit aggregating to Rs. 50 million (2024: Rs. 50 million). This facility carry mark up of SBP Base Rate + 2% (2024: SBP Base Rate + 2%). The tenure of this facility is 5 years with grace period of 1 year. The loan is secured by way of 1st exclusive charge over specific machinery over landed cost with a margin of 25%.

17.1.5 The Company has entered into a Long term finance facility (LTFF) with bank, with the total limit aggregating to Rs. 108.5 million (2024: Rs. 108.5 million). This facility carry mark up of SBP Base Rate + 3% (2024: SBP Base Rate + 3%). The tenure of this facility is 10 years with grace period of 2 year. The loan is secured by way of specific charge over imported land and machinery to cover 100% exposure (principal amount only). Whereas, 25% margin shall be covered through charge over present and future fixed asset of the Company.

17.1.6 The loan is secured by way of specific charge over imported land and machinery to cover 100% exposure (principal amount only). Whereas, 25% margin shall be covered through charge over present and future fixed asset of the Company.

17.1.7 The Company has entered into a Temporary Economic Refinance Facility (TERF) agreement with banks, having a facility of Rs. 187.5 million (2024: Rs. 187.5 million). This facility carries mark up at SBP Base Rate + 4% (2024: SBP Base Rate + 4%). The tenure of this facility is 10 years with grace period of 2 years. The loan is secured against 1st exclusive charge over specific plant and machinery.

17.1.8 The Company has entered into a Temporary Economic Refinance Facility (TERF) agreement with banks, having the facility of Rs. 45.91 million (2024: Rs. 45.91 million).

This facility carry mark up at SBP Base Rate + 4% (2024: SBP Base Rate + 4%). The tenure of this facility is 10 years with grace period of 2 years. The loan is secured against 1st exclusive charge over specific plant and machinery.

17.1.9. The loan is obtained to meet the capital expenditure requirement of the Company. The loan is secured by way of first exclusive and specific hypothecation charge over imported machinery of the Company.

17.1.10 These represent plant and machinery and vehicles and solar panel acquired under musharaka arrangement. The rates of mark-up ranges from 13.94% to 22.24%.

	Note	2025 Rupees	2024 Rupees
17.2 Loan from related parties - unsecured		143,272,296	52,818,403
Opening as at July 01,		58,272,948	77,274,471
Receipts during the year		154,210,474	-
Repayments during the year		-	(6,148,312)
Unwinding of discount	28	16,453,279	10,445,400
Less: Fair value adjustment	17.2.2	(59,733,286)	(23,298,611)
		169,203,415	58,272,948
Current maturity portion	15	(25,931,119)	(5,454,545)
Closing as at June 30,		143,272,296	52,818,403

17.2.1 Loans from related parties are extended to fulfill the Company's working capital needs. The loans received from directors are due to be paid on different maturities ranging from December 2027 to June 2029, unless otherwise the terms of repayment are further extended.

17.2.2 This includes an equity component of Rs. 57.642 million relating to a loan of Rs. 154.210 million obtained during the year.

18. DEFERRED GOVERNMENT GRANT

	2025	2024
Deferred grant against Temporary Economic Refinance Facility (TERF)	73,399,575	102,337,608
Current portion	(23,752,731)	(27,857,022)
	49,646,844	74,480,586

18.1 This relates to the difference between the fair value of the loan and total loan amount received under the State Bank of Pakistan (SBP) Temporary Economic Refinance Facility (TERF) scheme. The loan is amortized by discounting the total loan amount received over the period of 10 years from the date of loan disbursed and the difference between the total amount and it's disbursed value recognized as deferred government grant .

	Note	2025 Rupees	2024 Rupees

19. DEFERRED TAXATION - NET

	Note	2025 Rupees	2024 Rupees
Balance as at July 1,		115,398,617	171,199,476
Charge / (reversal) to profit or loss	33	(3,008,528)	(26,519,307)
Charged to other comprehensive income		(372,334)	(232,869)
Adjustment to the related deferred tax liability on revaluation surplus	16	-	5,940,002
Tax rate adjustment on surplus	16	16,873,687	(34,988,685)
Balance as at June 30,		128,891,442	115,398,617

This comprises of the following:

	2025 Rupees	2024 Rupees
Taxable temporary differences:		
- accelerated depreciation on property, plant and equipment	148,635,388	108,037,572
- surplus on revaluation of property, plant and equipment	79,878,250	70,292,752
- Other financial asset	(704,765)	954,888
	227,808,873	179,285,212
Deductible temporary differences:		
- provision for doubtful trade debts	5,227,993	1,331,383
- provision for stock in trade	912,193	-
- provision for stores and spares	1,009,294	733,304
- provision for doubtful other receivables	-	565,313
- provision for staff gratuity	10,389,956	7,121,178
- minimum tax	78,356,415	51,698,755
- WWF liability	3,021,580	2,436,662
	(98,917,431)	(63,886,595)
	128,891,442	115,398,617

20. RETIREMENT BENEFIT OBLIGATION

	Note	2025 Rupees	2024 Rupees
Factory staff	20.2	88,220,972	74,942,694
Head office staff	20.10	252,372	252,372
		88,473,344	75,195,066

20.1 Retirement benefit obligation - defined benefit plan

The Projected Unit Credit Method based on following significant assumptions was used for valuation of the scheme.The disclosure made in notes 20.2 to 20.11 are based on information included in acturial report. The basis of recognition together with details as per actuarial valuation conducted as at June 30, 2025 are as under:

	2025	2024
The principal assumptions used are as follows:		
- Discount rate	14.75%	16.25%
- Expected rate of salary increase	10.75%	15.25%
- Mortality rate	SLIC (2001-2005)-adjusted	

20.2 Liability recognized in the statement of financial position

Present value of defined benefit obligations	20.3	88,220,972	74,942,694

20.3 Movement in defined benefit obligation during the year

Balance as at July 1,		74,942,694	78,522,743
Expense recognized in statement of profit or loss	20.4	27,201,765	31,977,786
Remeasurements loss recognized in other comprehensive income	20.5	1,283,912	802,995
Benefits paid		(7,837,000)	(30,793,500)
Benefits due but not yet paid		(7,370,399)	(5,567,330)
		88,220,972	74,942,694

	2025 Rupees	2024 Rupees
20.4 Expense recognized in statement of profit or loss		
Current service cost	17,396,886	22,172,158
Interest cost	9,804,879	9,805,628
	27,201,765	31,977,786

20.5 Total remeasurements recognized in statement of comprehensive income

Actuarial loss on liability arising due to:		
- demographic assumptions	745,055	-
- financial assumptions	(685,399)	(265,428)
- experience adjustments	1,224,256	1,068,423
	1,283,912	802,995

20.6 Sensitivity analysis

The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant:

Current year	Increase /(decease) in defined benefit obligation		
	Change in Assumption	**Increase in Assumption**	**Decrease in Assumption**
Discount rate	1%	(3,902,987)	4,379,230
Salary growth rate	1%	4,578,270	(4,157,790)

Prior year		Increase /(decease) in defined benefit	
	Change in Assumption	**Increase in Assumption**	**Decrease in Assumption**
Discount rate	1%	(3,801,299)	4,293,611
Salary growth rate	1%	4,441,121	(4,002,239)

20.7 The gratuity scheme exposes the Company to the following risks:

Final salary risk (linked to inflation risk): The risk that the final salary at the time of cessation of service is greater than what we assumed. Since the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases.

Mortality risk - The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higer side.

Withdrawal risk: The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

20.8 The weighted average duration of the defined benefit obligation as at June 30, 2025 is 5 years (2024: 5 years).

20.9 Number of employees covered by the scheme are 708 (2024: 513).

20.10 This amount relates to the unfunded gratuity scheme for the head office staff which is freezed since 2002, as per the Company policy.

20.11 Based on the actuarial advice, the Company intends to charge Rs. 36.911 million in the unconsolidated financial statements for the year ending June 30, 2026.

		Note	2025 Rupees	2024 Rupees
21.	**TRADE AND OTHER PAYABLES**			
	Creditors		156,885,716	176,714,944
	Accrued liabilities		205,100,769	78,016,229
	Contract liabilities	21.2	1,490,772,454	710,414,663
	Workers' welfare fund		25,729,585	25,729,585
	Sindh Infrastructure cess	21.3	184,437,105	166,078,418
	Gratuity due but not yet paid	21.4	5,971,710	8,797,611
	Provision for gas infrastructure development cess	24.1.2	5,403,945	5,733,225
	Payable to provident fund		597,924	625,311
	Levy Payable	21.5	45,031,540	49,920,855
	Withholding tax payable		5,639,492	30,325,478
			2,125,570,240	1,252,356,320

21.1 The investments out of provident fund have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

			2025 Rupees	2024 Rupees
21.2	**Movement of Contract liabilities**			
	Balance as at July 01		710,414,663	189,026,671
	Advance received during the year		1,988,675,859	2,426,015,870
	Transferred to revenue during the year	25.1	(1,208,318,068)	(1,904,627,877)
	Balance as at June 30		1,490,772,454	710,414,663

21.3 The Government of Sindh through Sindh Finance Act, 1994 provided for imposition of an infrastructure fee (cess) 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 Honorable High Court (HCS) of Sindh through civil suits which were dismissed by the single judge of the HCS through its decision in October 2003. On appeal filed there against, the HCS 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 Honorable Supreme Court of Pakistan (SCP) against the aforementioned order of the High Court of Sindh. The SCP granted stay by passing an interim order on January 22, 2009. The order passed by the HCS was set aside by the SCP vide its order dated May 20, 2011. Consequently, a new petition has been filed in the HCS. Through the interim order passed on May 31, 2011, the HCS has ordered that for every consignment cleared after December 28, 2006, 50% of the value of infrastructure fee (cess) should be paid in cash and a bank guarantee for the remaining amount should be submitted until the final order is passed. Refer notes 14 & 24.

On April 06, 2021, the HCS vide order C.P.No D-3309 / 2011, summoned to encash all the bank guarantees furnished by the petitioners. The HCS 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 SCP vide its order dated September 01, 2021, suspended the order issued by HCS 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 SCP states that the petitioners shall keep the bank guarantees already submitted pursuant to the earlier order of HCS 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.

During the prior year, a writ petition No. 42176 / 2020 was filed by All Pakistan Textile Mills Association (APTMA) (where the Company is also a party to the petition). The Management is confident for a favorable outcome. However, the Company has made provision as follows:

	Note	2025 Rupees	2024 Rupees
Balance as at July 01,		166,078,418	141,343,416
Charge for the year		18,358,687	24,735,002
Balance as at June 30,		184,437,105	166,078,418

21.4 Movement in gratuity due but not yet paid

	Note	2025	2024
Balance as at July 1,		8,797,611	5,814,581
(Payment) / transfer made during the year - n	20.3	(2,825,901)	2,983,030
		5,971,710	8,797,611

	Note	2025 Rupees	2024 Rupees
21.5 Levy Payable			
Minimum tax levy		38,305,127	31,326,445
Final tax		6,726,413	18,594,411
		45,031,540	49,920,855

22. ACCRUED MARK-UP

	2025	2024
Long-term finance	11,936,123	17,122,368
Short-term borrowings	63,000,720	96,891,318
	74,936,843	114,013,686

	Note	2025 Rupees	2024 Rupees
23. SHORT-TERM BORROWINGS			
Running finance		573,834,251	609,283,094
Cash finance		853,090,093	393,674,857
Finance against Imported Merchandise		635,894,812	1,031,873,785
	23.1	2,062,819,156	2,034,831,736

23.1 The Facilities for running finance, cash finance, finance against imported merchandise are available from various banks up to Rs. 3,600 million (2024: Rs. 2,925 million). These facilities are subject to mark-up at 3 month KIBOR plus 1% to 2.5% (2024: 3 month KIBOR plus 1% 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, plants and machinery, equitable mortgage on various properties and personal guarantees of all the directors of the Company.

23.2 The aggregate unavailed short-term borrowing facilities amounted to Rs.1,538 million (2024: Rs. 892 million).

24. CONTINGENCIES AND COMMITMENTS

24.1 Contingencies

24.1.1 In August 2013, the Oil and Gas Regulatory Authority (OGRA) vide its S.R.O. # 726(I)/2015 notified the sale price for sale of natural gas at Rs. 573.28/MMBTU for Captive Power Consumption (CPP) with immediate effect. Subsequent to the said S.R.O., the Company received gas bills at Rs. 573.28/MMBTU, being considered as CPP by the utility company. The Company, considering itself as industrial consumer paid gas charges at the rate applicable before August 2013 based on the stay order obtained from the Court.

Subsequently, on September 1, 2015, OGRA vide its S.R.O. # 876(I)/2015 notified the price for sale of natural gas at Rs. 600/MMBTU for industrial consumers and on CPC, with effect from September 1, 2015. Aggrieved by the notification, the Company filed a suit in the Honorable Lahore High Court (LHC) contending that the mandatory procedures as laid down in the OGRA Ordinance, 2002 and Rules made thereunder were not fulfilled while issuing the notification. Hence, the Company paid / accrued gas charges at rates applicable before the above S.R.O. # 726(I)/2015 on the basis of stay order obtained from LHC, Multan bench, from time to time, until November 2015.

From December 2015, the SNGPL has started supplying imported Liquefied Natural Gas (LNG) resulting in the change in rates over which no dispute has been raised by the Company.

On July 6, 2020, the OGRA issued a decision whereby, the Company (the petitioner) was directed to pay the outstanding amount to the utility company within 30 day period from the date of decision. In response to the above decision, a writ petition was filed before the LHC by the Company and the LHC issued a stay order on October 8, 2020, which suspended the OGRA's decision, however, the case is still pending before LHC.

24.1.2 The Federal Government issued Gas Infrastructure Development Cess (GIDC) Act in the years 2011, 2014 and 2015. All GIDC Acts have been subject of thorough debate and consideration at honorable High Courts of the country as well as the Honorable Supreme Court of Pakistan (SCP).

On August 12, 2020, the SCP issued its verdict (judgement) and held that "the levy imposed under Gas Infrastructure Development Cess Act, 2015 (the Act) is in accordance with the provisions of the Constitution". The SCP has also held that "the provisions of section 8 of the Act, which give retrospective effect to the charge and recovery of GIDC levied from the year 2011 are also declared to be valid being within the legislative competence of the Parliament." However, since the Company is an industrial concern and it did not pass on the burden of GIDC to its consumers prior to the GIDC Act, 2015 (or even thereafter), management believes that the Company is entitled to the exemption under the first proviso to Section 8(2) of the GIDC Act, 2015 from payment of the GIDC levied under the GIDC Act, 2011 and GIDC Ordinance, 2014. As such, arrears due from the Company may only include amounts levied under the GIDC Act, 2015 from the date of its commencement, i.e., May 22, 2015.

Subsequent to the Order passed by the SCP on August 12, 2020, SNGPL submitted bills to the industry including the Company claiming arrears of first instalment in deference to the said Judgement of the SCP. As the bills of arrears were calculated for monthly instalment on the basis of entire total payable amount from 2011 to July 2020 by charging cess on the higher rate of tariff applicable to Captive Connections apart from the fact that the implication of Section 8 of the said Act, 2015 was not taken into consideration whereby it was provided that the industry, which has not collected the cess from the customers prior to 2015 shall not be liable to the payment of GIDC for the said period from 2011 to 2015. During the year 2020, a writ petition No. 42176 / 2020 was filed by All Pakistan Textile Mills Association (APTMA) (where the Company is also a party to the petition) before Honorable High Court at Lahore against imposition of GIDC Act 2015 and the recovery of cess from December 2011 to May 2015. Further, during the prior year, SNGPL started billing for GIDC to the Company against which payment was made by the Company till March 2021 based on the order issued by LHC against the aforementioned writ petition. Pursuant to the order, LHC restrained SNGPL from charging the cess at the higher tariff rate of Captive Connection and directed to issue revised bill calculated at the rate applicable to industrial connection. Besides, the payment for the period from 2011 to 2015 was also suspended in view of the implication of the said provision of law. Further, the Company made payment which is applicable to industrial consumers and for the difference between the amount charged to industrial consumers and captive power consumers, post-dated cheques are being issued by the Company in favor of SNGPL. For the amount relating to the payment of GIDC based on the actual calculation prior to 2015, the decision was made by the LHC on June 27, 2021 whereby it has restrained the SNGPL to collect the cess prior to 2015.

On September 27, 2021, the LHC issued a judgment on writ petition No. 42716 / 2020 whereby it was concluded that all the parties to the petition (including the Company) fall under the category of industrial consumers rather than Captive Power Plant and shall remain liable to the tariff applicable to industrial consumers.

During the prior years, the Company filed an appeal before the HCS on the ground that no burden of GIDC had been passed to its customers / clients and thus the Company is not liable to pay GIDC under GIDC Act 2015. The HCS granted stay order against recovery of GIDC payable by the Company till the finalization of matter by HCS. The matter is currently pending in the HCS. However, as a matter of abundant caution and without prejudice to the suits filed, the Company has made aggregate provision of Rs. 5.4 million (2024: Rs. 5.4 million) in respect of GIDC up to June 30, 2025.

24.1.3 An order dated November 11, 2020 was passed against the Company by Collector of Customs, Karachi creating a demand of Rs. 13.023 million along with a penalty of Rs. 0.5 million. The Company has challenged the above order by way of filing an appeal before the Customs Appellate Tribunal at Karachi, which is pending for final adjudication. However, a stay order was successfully obtained from Honorable Sindh High Court on December 22, 2020 by filing Constitutional Petition number 6618 / 2020, which is still operative.

	2025 Rupees	2024 Rupees
24.2 Commitments		
Letters of credit opened and outstanding for import:		
- Stores and spares	3,207,423	6,471,076
- Raw material	226,882,018	476,600,215
Letter of guarantee issued by bank on behalf of the Company to:		
- Lahore Electric Supply Company Limited	34,095,568	34,095,568
- Sui Northern Gas Pipelines Limited	93,913,000	81,684,800
- Excise and Taxation Office	184,437,105	165,258,600
- Post dated cheques given to Collector of Customs as indemnity	1,010,420,492	980,158,170

25. Revenue from contract with customer - net

	2025	2024
Yarn		
- Local	2,697,004,869	2,165,871,496
- Export	1,249,928,953	1,682,072,784
- Indirect export	678,666,457	2,231,968,415
	4,625,600,279	6,079,912,695

	2025 Rupees	2024 Rupees
Home textile		
- Local	-	3,013,200
- Export	312,183,518	321,584,956
	312,183,518	324,598,156
Raw material - local	674,653,083	487,840,237
Waste - local	300,420,053	355,681,836
	5,912,856,933	7,248,032,924
Less:		
Sales tax	(707,778,726)	(778,943,841)
Brokerage and commission	(3,388,069)	(19,328,548)
	5,201,690,138	6,449,760,535

25.1 Revenue recognized during the year from contract liabilities amounted to Rs. 1,208.32 million (2024 : Rs. 1,904.63 million)

26. COST OF SALES

	Note	2025 Rupees	2024 Rupees
Raw material consumed	26.1	2,689,328,806	3,557,010,514
Salaries, wages and benefits	26.1.1	282,397,396	260,700,700
Fuel and power		1,025,952,260	943,888,167
Depreciation	5.1.3	125,931,877	119,526,130
Stores, spares and loose tools consumed		69,303,988	67,443,925
Packing material		69,619,193	69,642,550
Insurance		17,528,283	18,400,863
Repairs and maintenance		3,867,681	2,750,950
Vehicles running and maintenance		5,220,007	5,894,092
Other		4,297,026	3,761,375
		1,604,117,711	1,492,008,753
		4,293,446,517	5,049,019,267
Work in process			
Work-in-process			
Opening stock		91,441,948	76,496,220
Closing stock		(111,511,263)	(91,441,948)
		(20,069,315)	(14,945,728)
Cost of goods manufactured		4,273,377,202	5,034,073,539
Finished goods			
Opening stock		252,289,028	460,111,663
Yarn purchased		19,000,000	24,003,800
Yarn transferred from home textile		978,500	1,912,500
Yarn transferred to home textile		(19,000,000)	(57,141,750)
Closing stock		(366,826,242)	(252,289,028)
		(113,558,714)	176,597,185
Cost of home textile		125,389,260	231,283,557
Cost of raw material sold		598,195,526	389,220,006
		4,883,403,274	5,831,174,287

	Note	2025 Rupees	2024 Rupees
26.1 Raw material consumed			
Opening stock		1,121,028,719	726,259,683
Purchases		2,574,622,687	3,951,779,550
		3,695,651,406	4,678,039,233
Closing stock		(1,006,322,600)	(1,121,028,719)
		2,689,328,806	3,557,010,514

26.1.1 Salaries, wages and benefits include Rs. 28.93 million (2024: Rs. 31.98 million) in respect of charge for staff retirement benefit obligations.

27. DISTRIBUTION COST

Freight and octroi		12,059,419	27,634,471
Commission and other charges		5,714,484	6,396,102
Clearing and forwarding		30,162,983	24,430,050
Business promotion expenses		1,841,250	985,101
Export development surcharge		3,713,857	4,812,443
		53,491,993	64,258,167

28. ADMINISTRATIVE EXPENSES

Salaries and benefits	28.1	75,503,093	79,586,634
Fees, subscription and periodicals		2,271,043	5,522,782
Entertainment		1,840,138	1,657,440
Traveling and conveyance		219,850	635,950
Postage and telephone		1,884,097	1,822,070
Electricity, gas and water		2,136,061	1,847,900
Vehicles running and maintenance		3,559,173	8,710,819
Depreciation	5.1.3	5,994,321	10,285,824
Loose tools written off		64,585	-
Allowance for expected credit loss - trade receivable		26,324,027	4,135,227
Legal and professional		400,000	78,000
Auditor's remuneration	28.2	1,795,000	1,650,000
Printing and stationery		927,057	1,133,277
Computer and accessories		310,200	378,125
Advertisement		70,000	316,150
Donation	28.3	3,439,000	3,923,000
Others		361,583	613,909
		127,099,228	122,297,107

28.1 Salaries and benefits include Rs. 2.17 million (2024: Rs. 2.02 million) in respect of charge for employer's contribution to staff provident fund.

		Note	2025 Rupees	2024 Rupees
28.2	**Auditors' remuneration**			
	Annual audit fee		1,155,000	1,050,000
	Consolidation fee		275,000	250,000
	Half year review fee		200,000	200,000
	Review of code of corporate governance		55,000	50,000
	Certifications		55,000	50,000
	Out of pocket expenses		55,000	50,000
			1,795,000	1,650,000

28.3 No director or their spouse had any interest in the donees' fund. During the year, the Company has donated Rs. 3.44 million (2024: Rs. 3.92 million) to The Citizens Foundation.

29. FINANCE COST

	Note	2025 Rupees	2024 Rupees
Mark-up on long term finance		85,676,109	85,845,782
Mark-up on short-term borrowings		364,246,419	473,437,026
Interest on lease liability		-	175,669
Unwinding of discount on long-term finance from related parties	17.2	16,453,280	10,445,400
Bank charges, guarantee commission and other related		10,588,129	9,809,722
		476,963,937	579,713,599

30. OTHER OPERATING EXPENSES

	Note	2025 Rupees	2024 Rupees
Realized exchange loss on foreign exchange - net		14,116,518	25,342,874
Unrealized exchange loss on foreign exchange- net		-	936,180
Infrastructure cess	21.3	18,358,687	24,735,002
		32,475,205	51,014,056

	Note	2025 Rupees	2024 Rupees
31. OTHER INCOME			
Income from financial assets			
Profit on deposits with bank		25,575,852	29,771,558
Dividend Income		-	198,000
Realized gain on short term investment		-	399,006
		25,575,852	30,368,564
Income from non-financial assets			
Gain on disposal of property, plant and equipment		3,703,456	12,627,300
Scrap sales		143,032	205,329
Export rebate		5,437,823	5,955,182
		9,284,311	18,787,811
		34,860,163	49,156,375
32. LEVY			
Final tax levy		22,690,054	39,282,790
Minimum tax differential	32.1	38,305,127	31,326,445
		60,995,181	70,609,235

32.1 This represents minimum tax on turnover under section 113 of Income Tax Ordinance 2001.

	Note	2025 Rupees	2024 Rupees
33. TAXATION			
Current			
- for the year	33.1	-	-
- prior year		(104,695)	758,682
		(104,695)	758,682
Deferred	19	(3,008,528)	(26,519,307)
		(3,113,223)	(25,760,625)

33.1 Reconciliation of current tax charge charged as per tax laws for the year, with current tax recognized in the unconsolidated statement of profit or loss, is as follows:

	2025 Rupees	2024 Rupees
Income tax under IAS 12	-	-
Income tax levy under IFRIC 21/IAS 37	60,995,181	70,609,235
Current tax liability as per Income Tax Ordinance	60,995,181	70,609,235

33.2 Reconciliation between tax expense and accounting profit for the current year has not been presented as there has been no tax at normal rate of taxation under Income Tax Ordinance, 2001.

34. LOSS PER SHARE - BASIC AND DILUTED

There is no dilutive effect on the basic loss per share of the Company which is based on:

	Note	2025 Rupees	2024 Rupees
Loss for the year		(394,765,294)	(194,388,916)
Weighted average number of ordinary shares outstanding during the year	15	19,852,800	19,852,800
Loss per share	**Rupees / Share**	(19.88)	(9.79)

35. CASH AND CASH EQUIVALENTS

	Note	2025 Rupees	2024 Rupees
Cash and bank balances	14	88,970,607	8,607,548
Running finance	23	(573,834,251)	(609,283,094)
		(484,863,644)	(600,675,546)

36. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated company, subsidiary, directors, key management personnel and post employment contribution plan and remuneration of key management personnel, are disclosed in note 17 and note 37 respectively. Transactions with related parties are carried out on agreed terms as approved by the Board of Directors. Balances with related parties are disclosed in their respective notes. Other significant transactions with the related parties are as follows

Relationship with the Company	Nature of transaction	Note	2025 Rupees	2024 Rupees
Key Management Personnel	Remuneration paid		25,036,172	31,285,047
	Post employment benefits		-	889,788

Relationship with the Company	Nature of transaction	Name	Country	2025 Rupees	2024 Rupees
Subsidiary - 100% holding	Expenses reimbursed	ORA home LLC	USA	Nil	Nil
	Sales	--do--	--do--	69,979,181	64,051,749
	Amount received during the year	--do--	--do--	28,327,206	34,696,122

37. REMUNERATION TO CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	2025				2024			
	Chief Executive	Directors		Executives	Chief Executive	Directors		Executives
		Executive	Non-executive			Executive	Non-executive	
	Rupees							
Remuneration	3,200,000	2,800,000	-	9,475,726	3,200,000	2,800,000	-	14,263,506
House rent allowance	960,000	840,000	-	3,158,575	960,000	840,000	-	4,279,051
Utilities	320,000	280,000	-	1,579,288	320,000	280,000	-	1,426,351
Medical	320,000	280,000	-	1,279,287	320,000	280,000	-	1,426,351
Contribution to Provident Fund	-	-	-	543,296	-	-	-	889,788
Meeting fee	-	-	60,000	-	-	-	60,000	-
	4,800,000	4,200,000	60,000	16,036,172	4,800,000	4,200,000	60,000	22,285,047
Number of persons	1	1	5	6	1	1	5	8

37.1 The Chief Executive, directors and some executives are provided with free use of Company maintained cars.

38. PLANT CAPACITY AND ACTUAL PRODUCTION

	2025 Rupees	2024 Rupees
Installed production capacity 20/s count - yarn in kgs.	17,367,640	16,724,667
Actual production during the year at 20/s count - yarn in Kgs.	11,119,432	10,253,969

It is difficult to precisely describe the production capacity and compare it with actual production in the textile industry since it fluctuates widely depending upon various factors such as count of yarn spun, spindles speeds, twists per inch, raw material used, etc. actual production and sales varies based on market demand.

39. NUMBER OF EMPLOYEES

The total and average number of employees during the year and as at June 30, 2025 and 2024 respectively are as follows:

	2025	2024
Total number of employees of the Company as at reporting date	747	552
Average number of employees of the Company during the year	694	686

40. PROVIDENT FUND RELATED DISCLOSURE

Investment made by the Company have been made in accordance with the provisions of section 218 Companies Act, 2017.

41. FINANCIAL INSTRUMENTS BY CATEGORY

	2025 Rupees	2024 Rupees
Financial assets as per statement of financial position		
At fair value through profit or loss	-	-
At amortized cost		
Long term deposits	4,513,631	6,063,681
Trade debts	1,704,725,872	1,111,090,989
Loans and advances	1,803,391	963,981
Other receivables	45,319,929	51,362,833
Short term investment	148,099,669	200,455,670
Cash and bank balances	88,690,076	7,055,019
	1,993,152,568	1,376,992,173

	2025 Rupees	2024 Rupees
Financial liabilities as per statement of financial position		
At amortized cost		
Long-term finance		
- from banking companies	743,729,023	766,160,948
- from related parties	169,203,415	58,272,948
Trade and other payables	362,584,409	261,089,709
Unclaimed dividend	2,739,068	2,739,068
Accrued mark-up	74,936,843	114,013,686
Short-term borrowings	2,062,819,156	2,034,831,736
	3,416,011,914	3,237,108,095

41.1 RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

Description	Long Term Loan - Institutions	Long Term Loan - Related Party	2025 Liabilities Short Term Borrowing	Total
Balance as at July 1,	766,160,948	58,272,948	1,425,548,642	2,249,982,538
Impact of Grant	28,938,253	-	-	28,938,253
Unwinding of discount	-	16,453,279	-	16,453,279
Fair value adjustment	-	(59,733,286)	-	(59,733,286)
Loan received	150,090,130	154,210,474	3,015,167,660	3,319,468,264
Repayment	(201,460,308)	-	(2,951,731,397)	(3,153,191,705)
Balance as at June 30, 2025	743,729,023	169,203,415	1,488,984,905	2,401,917,343

42. FINANCIAL RISK MANAGEMENT AND RELATED DISCLOSURES

The Board of Directors has overall responsibility for the establishment and oversight of the Company's financial risk management. To assist the Board in discharging its oversight responsibility, management has been made responsible for identifying, monitoring and managing the Company's financial risk exposures. The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

42.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of financial instruments or contracts are entered into with the same party, or when counter parties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

Credit risk of the Company arises principally from the trade debts, loans and advances, other financial assets, other receivables and bank balances. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

	Note	2025 Rupees	2024 Rupees
Security deposits		4,513,631	6,063,681
Trade debts	42.1.1	1,704,725,872	1,111,090,989
Loans and advances	42.1.2	1,803,391	963,981
Other receivables		45,319,929	51,362,833
Short term investment	42.1.3	148,099,669	200,455,670
Bank balances	42.1.3	88,690,076	7,055,019
		1,993,152,568	1,376,992,173

42.1.1 Trade debts

The trade debts at year end are due from local and foreign customers against local sales and export sales respectively. Trade debt due from foreign customers are secured against letter of credit. For local customers management assesses the credit quality of customers, taking into account their financial position, past experience and other factors. The Company's exposure to credit risk arising from trade debtors is mainly influenced by the individual characteristics of each customer. The Company has no major concentration of credit risk with any single customer. The Company establishes an allowance for impairment that represents lifetime expected credit losses (ECL) based on analysis of recovery pattern and adjustment of trade debts secured against letter of credits.

42.1.2 Loans and advances

These include loans and advances given primarily to employees against salaries, which will be adjusted against their future salaries or in case of resignation against their post retirement benefit balances.

42.1.3 Other financial assets and balances with banks

The Company deposits its funds and invests in term deposit receipts (other financial assets) with banks carrying good credit standings assessed by reputable credit agencies. These banks are credit rated as follows:

Bank Name	Date of Rating	Rating Agency	Short Term	Long Term
Bank Al-Falah Limited	28-Jun-25	PACRA	A1+	AAA
Samba Bank Limited	28-Jun-25	PACRA	A1	AA
Dubai Islamic Bank Pakistan Ltd	28-Jun-25	VIS	A1+	AA
Habib Metropolitan Bank Limited	28-Jun-25	PACRA	A1+	AA+
The Bank of Punjab	28-Jun-25	PACRA	A1+	AA+
MCB Islamic Bank Limited	28-Jun-25	PACRA	A1	A+
National Bank of Pakistan	28-Jun-25	VIS	A1+	AAA
Silk Bank Limited	28-Jun-25	VIS	A1+	AAA
Bank Islamic Pakistan Limited	28-Jun-25	PACRA	A1	AA-
Sindh Bank Limited	28-Jun-25	VIS	A1	AA-
Meezan Bank Limited	28-Jun-25	VIS	A1+	AAA
J.S Bank Limited	28-Jun-25	PACRA	A1+	AA
Habib Bank Limited	28-Jun-25	VIS	A1+	AAA
Bank Al-Habib Limited	28-Jun-25	PACRA	A1+	AAA
Soneri Bank Limited	28-Jun-25	PACRA	A1+	AA-
Askari Bank Limited	28-Jun-25	PACRA	A1+	AA+

42.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or would have difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due without incurring unacceptable losses or risking damage to the Company's reputation. The Company manages liquidity risk by maintaining sufficient cash and bank balances and availability of finance through banking arrangements.

The following are the contractual maturities of financial liabilities, including interest payments:

	2025			
	Carrying amount	Contractual maturities	maturity upto one year	maturity after one year
Long-term finance				
- from related parties	169,203,415	255,401,474	25,931,119	229,470,355
- from banking Companies	743,729,023	817,128,468	338,789,402	478,339,035
Lease Liability	-	-	-	-
Trade & other payable	362,584,409	362,584,409	362,584,409	-
Unclaimed dividend	2,739,068	2,739,068	2,739,068	-
Mark-up secured	74,936,843	74,936,843	74,936,843	-
Short-term borrowings	1,488,984,905	1,488,984,905	1,488,984,905	-
	2,842,177,663	3,001,775,167	2,293,965,746	707,809,390

	2024			
	Carrying amount	Contractual maturities	maturity upto one year	maturity after one year
Long-term finance				
- from related parties	58,272,948	101,191,000	5,454,545	95,736,455
- from banking Companies	766,160,948	868,498,558	360,736,599	507,761,957
Lease Liability	-	157,020	157,020	-
Trade & other payable	261,089,709	261,089,709	261,089,709	-
Unclaimed dividend	2,739,068	2,739,068	2,739,068	-
Mark-up secured	114,013,686	114,013,686	114,013,686	-
Short-term borrowings	2,034,831,736	2,034,831,736	2,034,831,736	-
	3,237,108,095	3,382,520,777	2,779,022,363	603,498,412

42.3 Market risk

Market risk is the risk that changes in market prices, such as share price, foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The Company is primarily exposed to interest rate risk and currency risk.

42.3.1 Price risk

Price risk is the risk that the fair value or the future cashflows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. As at June 30, 2025 the company is not exposed to price risk.

42.3.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term financing, short-term borrowings, short term investment and bank balances in savings account.

At the reporting date the interest rate risk profile of the Company's interest-bearing financial instruments is:

	Carrying Amount	
	2025	2024
	Rupees	Rupees
Fixed rate instruments		
Financial assets - at amortized cost	148,099,669	200,455,670
Financial liabilities - at amortized cost	427,442,297	513,629,844
Variable rate instruments		
Financial assets - at amortized cost	84,320,203	6,548,627
Financial liabilities - at amortized cost	2,548,309,297	2,345,635,788

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 500 basis points in KIBOR based on financial liabilities at the reporting date would have increased / (decreased) equity and profit before tax by Rs. 127.42 million (2024: Rs. 117.40 million). This analysis assumes that all other variables remain constant.

42.3.3 Currency risk

Foreign currency risk arises mainly where receivables and payables exist due to transactions with foreign undertakings and bank balances in foreign currency. The Company's exposure to foreign currency risk is as follows:

	2025	2024
	------------Rupees----------	
Trade debts	24,655,755	62,527,155
Trade payable	112,045,502	129,308,404

	Average Rate		Reporting date rate	
	2025	2024	2025	2024
		------------Rupees----------		
USD	279.34	278.52	283.765	278.34

At June 30, 2025, if the Pakistani Rupee had weakened / strengthened by 1-2% against the US Dollar and Euro with all other variables held constant, profit before tax for the year would have been lower / higher by Rs. 1.75 million (2024: Rs. 3.99 million), mainly as a result of foreign exchange losses / gains on translation of US Dollar and Euro - denominated trade debts and trade payables.

42.4 Capital risk management

The objective of the Company when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain a strong capital base to support the sustained development of its businesses.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend to the shareholders or issue bonus / new shares or sell asset to reduce debt.

Consistent with others in the industry, the Company manages its capital risk by monitoring its liquid assets and keeping in view future investment requirements and expectation of the shareholders

As at June 30, 2025 and 2024, the Company had surplus reserves to meet its requirements.

43. FAIR VALUE OF FINANCIAL INSTRUMENTS

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, maximizing the use of relevant observable inputs and minimizing 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

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

There are no transfers between the levels during the year.

43.1 There are no other assets or liabilities to classify under above levels except the Company's freehold land, building on freehold land, labor colony on free hold land, 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. The fair value measurements of these assets carried out as at January, 2024, were performed by Harvester Services (Pvt.) Ltd. not related to the Company. The valuer is listed on panel of Pakistan Banks Association and they have appropriate qualification and experience in the fair value measurement of properties, plant and machinery (Refer note 5.1.5).

44. OPERATING SEGMENT INFORMATION

The Group constitutes a single reportable segment since the executive management monitors the operating results of the entity for the purpose of making decisions about resource allocation and performance assessment. The entity-wide disclosures required by IFRS 8 'Operating Segments' are given below:

(a) Company sales comprise of Terry towels and yarn whereby more than 95% sales pertains to Yarn.

(b) As at June 30, 2025 and June 30, 2024, all non-current assets of the company were located in Pakistan.

(c) Significant sales are made by company in the following countries:

	2025	2024
	-----------Rupees---------	
Pakistan	3,642,129,732	4,446,102,795
China	1,247,376,888	1,682,072,784
Other countries	312,183,518	321,584,956
	5,201,690,138	6,449,760,535

45. CORRESPONDING FIGURES

Corresponding figures have been reclassified and rearranged where necessary to facilitate comparison, however, no significant reclassification have been made in these unconsolidated financial statements.

46. DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated financial statements were authorized for issue on November 04, 2025 by the Board of Directors of the Company.

Chief Executive | Chief Financial Officer | Chairman

آڈیٹرز

موجودہ آڈیٹرز، ایم/ ایس بی ڈی اوابراہیم اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، اپنی مدت پوری کر چکے ہیں اور دوبارہ تقرری کے لیے اہل ہیں۔ آڈٹ کمیٹی نے آئندہ مالی سال کے لیے ان کی دوبارہ تقرری کی سفارش کی ہے۔

ان آڈیٹرز کو انسٹیٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان کے کوالٹی کنٹرول ریویو پروگرام کے تحت اطمینان بخش درجہ دیا گیا ہے۔

اظہار تشکر

بورڈ آف ڈائریکٹرز اپنے معزز حصص یافتگان، قیمتی صارفین، بینکرز اور سپلائرز کے مسلسل تعاون، اعتماد اور یقین پر گہری قدردانی کا اظہار کرتا ہے۔

ڈائریکٹرز کمپنی کی انتظامیہ اور ملازمین کی انتھک محنت، لگن اور عزم کو بھی سراہتے ہیں جنہوں نے مشکل حالات کے باوجود اپنی ذمہ داریاں بخوبی انجام دیں۔

04 نومبر 2025ء کراچی	رضوان ادریس اللہ والا چیئرمین / ڈائریکٹر	ایس ایم منصور اللہ والا چیف ایگزیکیٹو

منفی پے گیپ اسٹیٹمنٹ

30 جون 2024 کو ختم ہونے والے سال کے لیے صنفی تنخواہ کے فرق کا حساب درج ذیل ہے۔

(i) اوسط صنفی تنخواہ میں فرق (٪): (6.94)

(ii) اوسط صنفی تنخواہ کا فرق (٪): (6.94)

(iii) ہمارے عملے میں صرف ایک خاتون رکن ہیں

مستقبل کا منظرنامہ

عالمی کپاس کی منڈی اب بھی رسد و طلب میں عدم توازن اور قیمتوں کے اتار چڑھاؤ سے دوچار ہے۔ اگرچہ یہ چیلنجز برقرار ہیں، لیکن انہوں نے مؤثر خریداری حکمتِ عملیوں اور مصنوعات کے تنوع (Product Diversification) کی اہمیت کو مزید اجاگر کیا ہے۔

حالیہ دنوں میں S&P کی جانب سے ملک کی خودمختار کریڈٹ ریٹنگ میں بہتری سے مالیاتی نظم و ضبط اور معاشی استحکام پر بڑھتے ہوئے اعتماد کا اظہار ہوتا ہے۔ پائیدار ترقی کا انحصار مسلسل ساختی اصلاحات، مالی نظم، متوازن مالیاتی پالیسیوں اور صنعتی سرگرمیوں کو فروغ دینے کے لیے ہدفی اقدامات پر ہوگا۔

عالمی سطح پر قابلِ تجدید توانائی (Renewable Energy) کی طرف منتقلی طویل مدتی طور پر لاگت میں کمی اور مسابقت میں بہتری کے مواقع فراہم کرتی ہے۔ امریکہ کی جانب سے تجارتی سہولیات اور محصولات میں کمی نے پاکستانی برآمدات کو امریکی منڈی میں ایک مسابقتی فائدہ دیا ہے۔

کمپنی کی انتظامیہ تمام اخراجاتی عناصر پر مسلسل نظر رکھتی ہے تاکہ آپریشنز مؤثر اور مسابقتی رہیں، اور وہ کمپنی کو ترقی اور منافع بخشی کی راہ پر گامزن رکھنے کے لیے پُرعزم ہے۔ شرح منافع (Mark-up Rate) میں کمی، اور آئندہ مزید کمی کی توقع، کاروباروں کے لیے لاگت کے کنٹرول میں ایک مثبت پیش رفت ہے۔

شمسی توانائی (Solar Energy) کی گنجائش میں مزید اضافہ کرنے کے منصوبے جاری ہیں، تاکہ روایتی توانائی کے ذرائع پر انحصار کم کیا جا سکے، آپریٹنگ اخراجات گھٹائے جائیں اور کمپنی کے پائیداری (Sustainability) کے اہداف حاصل کیے جائیں۔

آپ کی کمپنی، بورڈ کی رہنمائی میں، لچکدار، موافق اور فعال انداز میں آگے بڑھ رہی ہے۔ پاکستان کی معیشت میں بحالی کے آثار نمایاں ہونے لگے ہیں۔

ایکسپورٹ فسیلیٹیشن اسکیم (EFS) کے تحت درآمد شدہ یارن پر 18 فیصد سیلز ٹیکس کے نفاذ نے مقامی اسپنرز کو مساوی مواقع فراہم کیے ہیں، جس سے ان کی لیکویڈیٹی بہتر ہوئی ہے اور وہ درآمدی متبادل مصنوعات سے بہتر طور پر مسابقت کر پا رہے ہیں۔

قریب المدتی چیلنجز کے باوجود، کمپنی اپنی مصنوعات کے امتزاج کو بہتر بنانے، پیداواری صلاحیت کے مؤثر استعمال اور پالیسی میں ہونے والی مثبت تبدیلیوں سے فائدہ اٹھانے پر کام جاری رکھے ہوئے ہے، تاکہ حصص یافتگان کی قدر (Shareholder Value) میں اضافہ کیا جا سکے۔

ورکنگ کیپٹل کے محتاط انتظام اور خودکار نظام (Automation) اور ویلیو ایڈیشن میں سرمایہ کاری کے ذریعے کمپنی طویل مدتی منافع بخشی کو یقینی بنانے کے لیے بہتر پوزیشن میں ہے۔

ہم صنف (Gender)، عمر، پس منظر اور تجربے کے لحاظ سے تنوع کو فروغ دینے، بھرتی، ترقی اور انعامات میں انصاف کو یقینی بنانے، اور ایسا کام کا ماحول قائم کرنے کے لیے پرعزم ہیں جہاں ہر ساتھی خود کو قابلِ قدر، باعزت اور مکمل طور پر حصہ لینے کے قابل محسوس کرے۔
کمپنی اپنے انسانی وسائل کے عمل اور تنظیمی ثقافت میں DEI کے اصولوں کو ضم کر رہی ہے اور اپنی پیش رفت کا باقاعدہ جائزہ لے کر شفافیت، جوابدہی اور مسلسل بہتری کو یقینی بنا رہی ہے۔

کارپوریٹ بریفنگ سیشن

مالی سال کے دوران، کمپنی نے ایک کارپوریٹ بریفنگ سیشن (CBS) منعقد کیا تاکہ حصص یافتگان اور تجزیہ کاروں کو کمپنی کی مالی کارکردگی اور مستقبل کے لائحہ عمل سے آگاہ کیا جاسکے۔

بنیادی خطرات اور غیر یقینی صورتحال

ادریس ٹیکسٹائل ملز لمیٹڈ کے بورڈ آف ڈائریکٹرز اس بات کو تسلیم کرتے ہیں کہ خطرات کے نشاندہی اور ان کا موثر انتظام حصص یافتگان کی قدر کے تحفظ اور طویل المدتی پائیداری کے حصول کے لئے نہایت ضروری ہے کمپنی نے ایک مناسب فریم ورک قائم کیا ہے تاکہ کاروبار سے متعلق اہم خطرات کی نگرانی کی جاسکے اور اس بات کو یقینی بنایا جاسکے کہ ان کے ممکنہ اثرات کو کم کرنے کے موثر نظام اور اندرونی کنٹرولز موجود ہیں۔ ذیل میں خطرات اور غیر یقینی صورتحال کی تفصیل دی جا رہی ہے۔

- مہنگے توانائی ٹیرف کے پیش نظر پیداوار کی لاگت پر کنٹرول۔
- لاگت اور قیمتوں کے لحاظ سے ملکی اور بین الاقوامی مارکیٹ میں مسابقتی رہنا۔
- شرح سود کو مدنظر رکھتے ہوئے میں مالیاتی لاگت کا انتظام۔
- معاشی صورتحال روی کی وجہ سے سامان کی طلب میں ردوبدل۔
- بنیادی طور پر ادھار، قرضوں اور ایڈوانسز سے پیدا ہونے والا کریڈٹ رسک۔ بقایا رقم زیادہ سے زیادہ کریڈٹ ایکسپوژر کی پیمائش ہے۔
- اس امکان کی وجہ سے پیدا ہونے والا لیکویڈیٹی رسک کہ کمپنی کو اپنے واجبات کو متعین وقت سے پہلے ادا کرنا پڑسکتا ہے۔
- مارکیٹ کی قیمتوں میں تبدیلی کمپنی کی آمدنی یا اس کے اسٹاک کی قدر کو متاثر کرتی ہے۔
- مارکیٹ کی شرح سود میں تبدیلی کمپنی کی طویل مدتی فنانسنگ، قلیل مدتی قرضے اور فنانس لیز پر اثر انداز ہوتی ہے۔
- غیر ملکی کرنسی میں لین دین کی وجہ سے پیدا ہونے والا غیر ملکی کرنسی کا خطرہ جس کے نتیجے میں غیر ملکی کرنسی سے متعلق تجارتی قرضوں اور تجارتی ادائیگیوں کے لین دین پر غیر ملکی کرنسی کے نقصانات/ فائدہ ہوتے ہیں۔
- کاروبار کی پائیدار ترقی کے لیے کمپنی کی صلاحیت کو محفوظ رکھنے کے لیے سرمائے کا انتظام کرنا۔
- نئے ٹیکسوں کا نفاذ یا موجودہ ٹیکسوں کی شرح میں اضافہ

اخلاقی ضابطہ اور کاروباری اصول

بورڈ نے اخلاقی ضابطہ اور کاروباری اصولوں کا بیان (Statement of Ethics and Business Principles) منظور کیا ہے، جس پر کمپنی کے تمام ڈائریکٹرز اور ملازمین نے دستخط کیے ہیں اور وہ اس ضابطہ کی مکمل پابندی کے پابند ہیں۔

صحت، حفاظت اور ماحولیات

کمپنی اپنے کارکنوں کی حفاظت کے لیے رائج معیارات اور رہنما اصولوں پر مکمل عمل درآمد یقینی بناتی ہے۔

خطرات کو کم سے کم کرنے کے لیے باقاعدگی سے آگاہی سیشنز اور حفاظتی مشقیں (Safety Drills) منعقد کی جاتی ہیں، تاکہ انسانی جانوں، املاک اور ماحول کو ممکنہ نقصان سے بچایا جا سکے۔

کارپوریٹ سماجی ذمہ داری

کمپنی سماجی بہبود اور کمیونٹی کی ترقی کے لیے اپنی وابستگی جاری رکھے ہوئے ہے۔

سال کے دوران کمپنی نے مختلف فلاحی تنظیموں کو عطیات دیے جو صحت، تعلیم اور سماجی بہتری کے شعبوں میں کام کر رہی ہیں۔

پائیداری، ماحولیاتی، سماجی اور حکمرانی کے اصول

جائزہ شدہ سال کے دوران کمپنی نے پائیدار کاروباری طرزِ عمل کے عزم کو دوبارہ مستحکم کیا ہے، اور ماحولیاتی، سماجی اور حکمرانی (ESG) کے پہلوؤں کو اپنی حکمتِ عملی اور عملیاتی ڈھانچے میں ضم کیا ہے۔

سماجی لحاظ سے، کمپنی نے کارکنوں کی حفاظت، کمیونٹی کے ساتھ تعلقات، اور سپلائرز کے معیارات پر توجہ مرکوز رکھی۔

گورننس کے لحاظ سے، شفافیت، رسک مینجمنٹ کے نظام اور بورڈ کی نگرانی کو مزید مضبوط کیا گیا تاکہ اسٹیک ہولڈرز کا اعتماد برقرار رہے اور طویل مدتی قدر (valueterm-long) پیدا کی جا سکے۔

تنوع، مساوات اور شمولیت

کمپنی اس حقیقت کو تسلیم کرتی ہے کہ متنوع نظریات، مساوی مواقع، اور جامع (Inclusive) ماحول اختراع (Innovation)، ملازمین کی وابستگی اور پائیدار ترقی کے لیے ضروری ہیں۔

ڈائریکٹر کا نام	بورڈ آف ڈائریکٹرز میٹنگز	آڈٹ کمیٹی میٹنگز	ایچ آر / آر سی میٹنگز
جناب ایس ایم منصور اللہ والا	04	–	–
جناب رضوان ادریس اللہ والا	04	–	–
جناب عمیر ادریس اللہ والا	03	–	–
جناب سید مسعود عارف	04	04	01
مس عزرا یعقوب واڈا	04	04	01
مس آمنہ منصور	04	04	01
جناب محمد زبیر	09	–	–
محمد بیاض آفتاب	03	–	–

بورڈ کا جائزہ

کوڈ آف کارپوریٹ گورننس ریگولیشن 2019 کے مطابق بورڈ، بورڈ کے ممبران اور اسکی کمیٹیوں کا جائزہ لیا گیا ہے تاکہ یہ یقینی بنایا جاسکے کے بورڈ کی مجموعی کارکردگی اور افادیت کمپنی کے طے شدہ مقاصد سے ہم آہنگ ہے اس مقصد کے لئے بورڈ نے ایک طریقہ کار طے کیا ہے جسکی بنیاد پر بورڈ اسکے ممبروں اور بورڈ کی کمیٹیوں کی زیر جائزہ سال کے لئے مجموعی کارکردگی تسلی بخش پائی گئی۔ عالمی بہترین طریقوں کو مدنظر رکھتے ہوئے بہتری کا عمل جاری ہے۔

ڈائریکٹران کے لئے معاوضہ کی پالیسی کے نکات

نان ایگزیکٹیو اور انڈیپینڈنٹ ڈائریکٹرز صرف کمپنی اجلاسوں میں شرکت کی فیس کے حقدار ہیں۔ ڈائریکٹرز کو ادا کی جانے والی مجموعی رقم منسلک مالیاتی گوشواروں کے نوٹ 37 میں ظاہر کی گئی ہے

ملکیتی ذیلی ادارہ

کمپنی کا مکمل ملکیتی ذیلی ادارہ (ORA Home LLC)، نیوجرسی، USA میں واقع ہے۔ کمپنی کے ڈائریکٹرز میں سے ایک ORA کے ممبر مینیجر ہیں۔ ORA کی بنیادی کاروباری سرگرمی گھریلو ٹیکسٹائل میں ڈیل کرنا ہے

اخلاقیات اور کاروباری اصولوں کا ضابطہ

بورڈ نے اخلاقیات اور کاروباری اصولوں کا ضابطہ اپنایا ہے، جس پر کمپنی کے تمام ڈائریکٹرز اور ملازمین کے دستخط ہیں اور تسلیم کیا گیا ہے کہ ضابطہ کی پابندی کرنا ضروری ہے۔

بورڈ آف ڈائریکٹرز (بورڈ) کی ساخت درج ذیل ہے۔

عہدہ	تعداد	نام
انڈیپینڈنٹ ڈائریکٹر	2	سید مسعود عارف، مس عذرا یعقوب واڈا
نان ایگزیکٹیو ڈائریکٹرز	4	رضوان ادریس اللہ والا، محمد زبیر، مس آمنہ منصور، محمد بیاض آفتاب
ایگزیکٹیو ڈائریکٹرز	2	ایس ایم منصور اللہ والا، عمیر ادریس اللہ والا

مسٹر محمد زبیر کا استعفیٰ

مسٹر محمد زبیر نے 28 نومبر 2024 کو بطور ڈائریکٹر اپنے عہدے سے استعفیٰ دے دیا۔

عارضی خالی جگہ (Casual Vacancy)

سال کے دوران، مسٹر محمد زبیر کے استعفیٰ کے نتیجے میں بورڈ میں ایک خالی جگہ پیدا ہوئی۔ اس خالی جگہ کو پُر کرنے کے لیے بورڈ نے 24 فروری 2025 سے مؤثر (with effect from February 24, 2025) مسٹر محمد بیاز کو کمپنی کا ڈائریکٹر مقرر کیا۔

بورڈ مسٹر زبیر کی جانب سے اپنے دورِ خدمات کے دوران انجام دی گئی قیمتی خدمات پر ان کا شکریہ ادا کرتا ہے۔

بورڈ کی کمیٹیاں

بورڈ آف ڈائریکٹرز نے کارپوریٹ کے کوڈ کے تقاضوں مطابق آڈٹ کمیٹی اور ہیومین ریسورسس / ریمیونریشن کمیٹی تشکیل دی ہے۔

آڈٹ کمیٹی کی ممبران درج ذیل ہیں

مس عزرا یعقوب واڈا	چیئرپرسن
سید مسعود عارف	ممبر
مس آمنہ منصور	ممبر

ہیومین ریسورسس اور ریمیونریشن کمیٹی کے ممبران درج ذیل ہیں

سید مسعود عارف	چیئرمین
مس عزرا یعقوب واڈا	ممبر
مس آمنہ منصور	ممبر

8. جائزہ شدہ سال کے دوران کمپنی کے ڈائریکٹرز، ان کے شریکِ حیات یا کم عمر بچوں کی جانب سے کمپنی کے حصص میں کوئی خرید و فروخت نہیں کی گئی۔

9. کمپنی کے پاس ایک آڈٹ کمیٹی موجود ہے جس کے اراکین بورڈ آف ڈائریکٹرز میں سے ہیں، اور اس کے چیئرمین ایک نان ایگزیکٹو ڈائریکٹر ہیں۔

10. ہم نے ڈائریکٹرز اور ملازمین کے مابین اخلاقی ضابطے (Statement of Ethics) اور کاروباری حکمتِ عملی (Business Strategy) کا بیان تقسیم کیا ہے۔

11. بورڈ نے ایک مشن اسٹیٹمنٹ اور مجموعی کارپوریٹ حکمتِ عملی کا بیان منظور کیا ہے۔

12. ملازمین کے پروویڈنٹ فنڈ (Provident Fund Employees) میں کی گئی سرمایہ کاری کی کتابی مالیت، جو کہ ہیڈ آفس کے ملازمین کے لیے چلایا جا رہا ہے، 30 جون 2025 تک فنڈ کے مالی بیانات کے مطابق روپے 60,208,625 تھی (2024 - آڈٹ شدہ: روپے 49,809,900)۔

مِل کے ملازمین قانون کے مطابق گریجویٹی کے حقدار ہیں اور اس سلسلے میں مالی بیانات میں مناسب رقم مختص کی گئی ہے۔

13. ضابطہ کے مطابق، ہم نے اس رپورٹ میں درج ذیل معلومات شامل کی ہیں:

- حصص کی ملکیت کے پیٹرن (Statement of Pattern of Shareholding) کا بیان۔
- وابستہ اداروں اور متعلقہ فریقوں کے زیرِ ملکیت حصص کا بیان۔
- گزشتہ چھ سالوں کے کلیدی عملیاتی اور مالیاتی اعداد و شمار۔
- اہم تبدیلیاں
- (Material Changes)
- مالی سال کے اختتام اور اس رپورٹ کی تاریخ کے درمیان کمپنی کی مالی حالت پر اثر انداز ہونے والی کوئی اہم تبدیلی یا وعدہ ظاہر نہیں ہوا۔
- بورڈ اس بات کی تصدیق کرتا ہے کہ بیلنس شیٹ کی تاریخ کے بعد کوئی ایسی نمایاں سرگرمی، لین دین یا معاہدہ سامنے نہیں آیا جو کمپنی کی مالی حالت، کارکردگی یا بطور جاری کاروبار (Going Concern) اس کی صلاحیت پر نمایاں اثر ڈالے۔

بورڈ آف ڈائریکٹرز

مندرجہ ذیل تفصیل کے مطابق ڈائریکٹران کی تعداد 7 ہے

(ا) مرد	05
(ب) عورت	02

عالمی ٹیکسٹائل صنعت بھی بڑی تبدیلیوں سے گزر رہی ہے، جن میں تجارتی پالیسیوں اور محصولات کے نظام میں تبدیلیاں اور پائیدار پیداوار سے متعلق سخت تقاضے شامل ہیں۔ پاکستانی کاروبار بھی بتدریج ان عالمی تبدیلیوں کے مطابق خود کو ڈھال رہے ہیں۔ بین الاقوامی ماحولیاتی ضوابط کے پیشِ نظر پائیداری اور تعمیل اب عالمی مسابقت کے اہم عوامل بن چکے ہیں۔ اگر ماحول دوست ٹیکنالوجی اور پائیدار پیداواری طریقوں میں خاطرخواہ سرمایہ کاری نہ کی گئی تو ملک کی ٹیکسٹائل برآمدات کے لیے عالمی منڈیوں میں اپنی جگہ برقرار رکھنا مشکل ہو جائے گا۔

حالیہ معاشی اشاریے لاگت کے دباؤ میں کمی، منافع کے مارجن میں بہتری اور ورکنگ کیپیٹل کے مؤثر انتظام کی امید دلاتے ہیں۔ کمپنی کی انتظامیہ مالیاتی نظم و ضبط کو برقرار رکھتے ہوئے نقد بہاؤ پر قریبی نگرانی جاری رکھے ہوئے ہے اور چیلنجنگ حالات کے باوجود پیشہ ورانہ انداز میں لچکدار کارکردگی دکھا رہی ہے۔

فی حصص (نقصان)/آمدنی

زیر جائزہ سال کے لیے فی حصص نقصان (19.88) روپے ہوا جب کے گزشتہ سال نقصان اسی مدت میں (9.79) میں روپے ہوا۔

ڈیویڈینڈ

سال کے نقصان کے پیشِ نظر، بورڈ آف ڈائریکٹرز نے 5 نومبر 2025 کو ہونے والے اپنے اجلاس میں فیصلہ کیا ہے کہ اس سال ڈیویڈنڈ نہ دیا جائے۔

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک

ڈائریکٹرز کا بورڈ اس بات کی تصدیق کرتا ہے کہ:

1. مینجمنٹ کی جانب سے تیار کردہ مالی بیانات کمپنی کی مالی حالت، اس کی کارکردگی، نقد بہاؤ اور سرمائے میں ہونے والی تبدیلیوں کو درست طور پر پیش کرتے ہیں۔
2. مناسب حساب کتاب کی کتب (Books of Accounts) برقرار رکھی گئی ہیں۔
3. مالی بیانات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو مستقل طور پر اپنایا گیا ہے اور اکاؤنٹنگ تخمینے معقول اور محتاط اندازے پر مبنی ہیں۔
4. مالی بیانات کی تیاری میں بین الاقوامی مالیاتی رپورٹنگ معیارات (IFRS)، جو پاکستان میں قابلِ اطلاق ہیں، کی پیروی کی گئی ہے، اور اگر کہیں ان سے انحراف ہوا ہے تو اسے مناسب طور پر ظاہر کیا گیا ہے۔
5. اندرونی کنٹرول کا نظام مضبوط ہے اور اسے مؤثر طریقے سے نافذ اور مانیٹر کیا گیا ہے۔
6. کمپنی کی بطور ''گوانگ کاروبار'' (Going Concern) جاری رہنے کی صلاحیت پر کسی قسم کا نمایاں شک موجود نہیں ہے۔
7. کارپوریٹ گورننس کی بہترین روایات سے کوئی اہم انحراف نہیں ہوا، جیسا کہ 2019 کے Listed Companies (Code of Corporate Governance) Regulations کے تحت بیانِ تعمیل (Statement of Compliance) میں تفصیل سے درج ہے۔

ادریس ٹیکسٹائل ملز لمیٹڈ کے ڈائریکٹرز کو یہ رپورٹ پیش کرتے ہوئے مسرت محسوس کرتے ہیں کہ کمپنی کی سالانہ رپورٹ بمعہ مالی سال ختم شدہ 30 جون 2025 کے لیے آڈٹ شدہ مالی بیانات اور آڈیٹرز کی رپورٹ پیش کی جارہی ہے۔

مالیاتی اور آپریشنل جائزہ

کمپنی کی بنیادی سرگرمی ہر قسم کے یارن (دھاگے) کی تیاری، پروسیسنگ اور فروخت ہے۔ کمپنی گھریلو ٹیکسٹائل کے کاروبار میں بھی مصروف ہے۔ جائزہ شدہ سال کے دوران کمپنی کی کاروباری سرگرمیوں میں کوئی نمایاں تبدیلی واقع نہیں ہوئی۔

مالی سال 2025 کے دوران کمپنی کی ٹرن اوور روپے 5,202 ملین رہی جو کہ گزشتہ سال روپے 6,450 ملین کے مقابلے میں کم ہے۔ مجموعی منافع (گراس پرافٹ) روپے 318 ملین رہا جو گزشتہ سال روپے 619 ملین تھا۔ مجموعی منافع میں کمی کی ایک بڑی وجہ ایندھن اور بجلی کے اخراجات میں اضافہ ہے، جن کا خام مال کی لاگت سے تناسب 27% سے بڑھ کر 38% تک پہنچ گیا۔ اگر یہ تناسب وہی رہتا تو کل لاگت میں تقریباً روپے 300 ملین کی کمی واقع ہوتی۔

مالیاتی اخراجات مالی سال 2025 میں روپے 103 ملین کم ہو کر روپے 477 ملین رہے (مالی سال 2024: روپے 580 ملین)۔ سال کے دوران کمپنی کو روپے 395 ملین کا نقصان ہوا جبکہ گزشتہ سال اسی مدت میں نقصان روپے 194 ملین تھا۔

جائزہ شدہ سال کے دوران ٹیکسٹائل شعبے کو شدید مشکلات کا سامنا رہا۔ ملکی کپاس کی ناکافی پیداوار، درآمد شدہ کپاس پر انحصار میں اضافہ، خام مال کی قیمتوں میں اتار چڑھاؤ، دھاگے کی منڈی کی کمزوری، اور توانائی و مالیاتی اخراجات میں اضافہ — ان تمام عوامل نے سپننگ انڈسٹری کی منافع بخشی پر منفی اثر ڈالا۔ ایکسپورٹ فسیلیٹیشن اسکیم (EFS) کے تحت برآمد کنندگان نے 18 فیصد سیلز ٹیکس سے مستثنیٰ درآمد شدہ یارن خریدنے کو ترجیح دی، جس سے مقامی طور پر تیار کردہ یارن کی طلب میں نمایاں کمی آئی۔ اس صورتحال میں سپننگ سیکٹر کو مسابقت برقرار رکھنے کے لیے اپنی مصنوعات کم قیمت پر فروخت کرنی پڑیں۔ پیداواری لاگت میں اضافے نے مالی دباؤ کو مزید بڑھا دیا، جس کے نتیجے میں صنعتی صلاحیت کے استعمال میں کمی واقع ہوئی۔ حکومت کی جانب سے صنعتوں کو نیشنل گرڈ پر منتقل کرنے کی پالیسی بھی مشکلات کا باعث ہے، کیونکہ صنعتی علاقوں میں بجلی کی فراہمی کا نظام ابھی غیر مستحکم ہے۔ یہ تمام منفی عوامل ٹیکسٹائل سیکٹر کی منافع بخشی میں نمایاں کمی کا باعث بنے۔

ملکی سطح پر کپاس کی ناکافی پیداوار ایک ساختی مسئلہ بنی ہوئی ہے، جو پوری ٹیکسٹائل ویلیو چین پر مالی دباؤ بڑھا رہی ہے۔ چونکہ ٹیکسٹائل و گارمنٹس انڈسٹری پاکستان کی معیشت کی ریڑھ کی ہڈی ہے، لہٰذا حکومت کو اس کی مسابقت بڑھانے کے لیے سنجیدہ اقدامات کرنے کی ضرورت ہے۔ صنعت کے اہم مسائل میں قابلِ برداشت فنانسنگ کے ذریعے قابلِ تجدید توانائی میں سرمایہ کاری، اعلیٰ پیداوار دینے والی اور بیماریوں سے مزاحم بیجوں کی تیاری، نئی برآمدی منڈیوں کی تلاش، سپلائی چین کی بہتری، برآمدی مسابقت میں اضافہ اور عالمی سطح پر پائیدار ترقی کو یقینی بنانا شامل ہیں۔

IDREES
TEXTILE MILLS LIMITED

Consolidated Financial Statements of
Idrees Textile Mills Limited
and its Subsidiary
for the year ended June 30, 2025

ifm

CONTENTS

The Directors are pleased to present the consolidated financial statements of Idrees Textile Mills Limited (the Holding Company) and its subsidiary company, ORA Home LLC (ORA), together referred to as 'Group' for the year ended June 30, 2025.

The Holding Company has annexed its consolidated financial statements along with its separate financial statements in accordance with the requirements of International Financial Reporting Standards and Companies Act, 2017.

The Directors' Report on the unconsolidated financial statements of the Holding Company contains a review on the performance of Idrees Textile Mills Limited for the year ended June 30, 2025. It also includes a brief description of the subsidiary company, ORA Home LLC.

For and on behalf of the Board

Rizwan Idrees Allawala	**S. M. Mansoor Allawala**
Chairman	**Chief Executive**

Karachi: November 04, 2025

ڈائریکٹرز کو اوریس ٹیکسٹائل ملز لمیٹڈ (دی ہولڈنگ کمپنی) اور اس کی ذیلی کمپنی، ORA Home LLC (ORA) کے 30 جون 2025 کو ختم ہونے والے سال کے لیے مجموعی مالیاتی گوشواروں کو پیش کرتے ہوئے خوشی ہو رہی ہے، جنہیں مجموعی طور پر گروپ کہا گیا ہے۔

ہولڈنگ کمپنی نے بین الاقوامی مالیاتی رپورٹنگ اسٹینڈرڈز اور کمپنیز ایکٹ، 2017 کے تقاضوں کے مطابق اپنے الگ الگ مالیاتی بیانات کے ساتھ اپنے کنسولیڈیٹڈ مالیاتی گوشواروں کو منسلک کیا ہے۔

ہولڈنگ کمپنی کے غیر کنسولیڈیٹڈ مالیاتی گوشواروں پر ڈائریکٹرز کی رپورٹ 30 جون 2025 کو ختم ہونے والے سال کے لیے اوریس ٹیکسٹائل ملز لمیٹڈ کی کارکردگی کے جائزے پر مشتمل ہے۔ اس میں ذیلی کمپنی ORA Home LLC کی مختصر تفصیل بھی شامل ہے۔

04 نومبر 2025ء
کراچی

رضوان ادریس اللہ والا
چیئر مین / ڈائریکٹر

ایس ایم منصور اللہ والا
چیف ایگزیکٹو

BDO

Tel: +92 21 3568 3030
Fax: +92 21 3568 4239
www.bdo.com.pk

2nd Floor, Block-C
Lakson Square, Building No.1
Sarwar Shaheed Road
Karachi-74200
Pakistan

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the annexed consolidated financial statements of Idrees Textile Mills Limited and its subsidiary (together referred to as "the Group"), which comprise the consolidated statement of financial position as at June 30, 2025, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cashflows for the year then ended, and notes to the consolidated financial statements, including a material accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at June 30, 2025, and of its consolidated financial performance and its consolidated cashflows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of the Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

S. No	Key audit matters	How the matter was addressed in our audit
1.	**Revenue recognition**	
	As disclosed in notes 4.15 and 25 in the consolidated financial statements. The principal activity of the Group is to engage in manufacturing and sale of yarn and sale of home textile products. Revenue from sale of goods is recognized when performance	Our audit work includes number of procedures, among others: • Assessed the design, implementation and operating effectiveness of the key internal controls involved in revenue recognition.

S. No	Key audit matters	How the matter was addressed in our audit
	obligations are satisfied by transferring control of promised goods to customer. We considered revenue recognition as a key audit matter due to the significance of the amounts involved, being key performance indicator, inherent risk of material misstatement in revenue recognition and the audit efforts involved in this area.	• Understood and evaluated the accounting policy with respect to revenue recognition. • Performed testing of revenue transactions on a sample basis with underlying documentation including dispatch documents and sales invoices. • Tested on a sample basis, specific revenue transactions recorded before and after the reporting date with underlying documentation to assess whether revenue was recognized in the correct period. • Performed audit procedures to analyze variation in the price and quantity sold during the year. • Assessed the adequacy of related disclosures made in accordance with the applicable financial reporting framework.
2.	**Valuation of Stock in trade**	
	As at June 30, 2025, the Group held stock-in-trade amounting to Rs. 1,983.57 million, constituting 26% of the total assets, as disclosed in note 8 to the consolidated financial statements. As described in note 4.3 to the consolidated financial statements, stock-in-trade is measured at a lower of cost and net realizable value. The cost of work-in-process and finished goods is determined by annual average manufacturing cost which consists of prime cost and appropriate manufacturing overheads. Due to the significance of inventory balances and related estimations involved in valuing the inventory, we considered this as a key audit matter.	We obtained an understanding of the Company's processes in place for stock accounting. Our audit procedures to assess the existence and valuation of inventory included the following: • Obtained an understanding of the Company's process with respect to the existence and valuation of stock-in-trade and tested controls relevant to such process; • We attended the physical count of stock in trade to observe the management's process of measurement • We performed tests over the prices of raw materials and verified items in the product costing of work in progress.

Tel: +92 21 3568 3030
Fax: +92 21 3568 4239
www.bdo.com.pk

2nd Floor, Block-C
Lakson Square, Building No.1
Sarwar Shaheed Road
Karachi-74200
Pakistan

S. No	Key audit matters	How the matter was addressed in our audit
		• Tested the calculations of per unit cost of finished goods and work in process and assessed the appropriateness of management's basis for the allocation of cost and production overheads and compared it with the prior period to assess reasonableness. • Assessed the adequacy of related disclosures made in accordance with the applicable financial reporting framework.

Information Other than the Consolidated and Unconsolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and unconsolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and Companies Act, 2017 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

Tel: +92 21 3568 3030
Fax: +92 21 3568 4239
www.bdo.com.pk

2nd Floor, Block-C
Lakson Square, Building No.1
Sarwar Shaheed Road
Karachi-74200
Pakistan

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Tel: +92 21 3568 3030
Fax: +92 21 3568 4239
www.bdo.com.pk

2nd Floor, Block-C
Lakson Square, Building No.1
Sarwar Shaheed Road
Karachi-74200
Pakistan

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

KARACHI

DATED: NOVEMBER 5, 2025

UDIN: AR202510166Wu4OsSamt

BDO Ebrahim & Co

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at June 30, 2025

	Note	2025 Rupees	2024 Rupees
ASSETS			
Non-current Assets			
Property, plant and equipment	5	3,287,274,093	3,374,850,004
Long-term deposits		3,713,631	6,063,681
		3,290,987,724	3,380,913,685
Current Assets			
Stores, spares and loose tools	6	39,168,127	53,563,125
Stock-in-trade	7	1,983,572,957	1,928,979,120
Trade debts	8	1,669,653,228	1,112,371,065
Loans and advances	9	62,240,220	89,784,901
Prepayments	10	48,642,455	34,303,985
Other receivables	11	254,910,547	188,203,848
Short term investment	12	148,099,670	200,455,670
Advance tax		39,368,371	47,238,331
Cash and bank balances	13	112,174,039	15,914,192
		4,357,829,614	3,670,814,237
Total Assets		7,648,817,338	7,051,727,922
EQUITY AND LIABILITIES			
Share Capital and Reserves			
22,000,000 (2024 : 22,000,000) ordinary shares of Rs.10/- each		220,000,000	220,000,000
Issued, subscribed and paid-up capital	14	198,528,000	198,528,000
Capital reserves			
Surplus on revaluation of property, plant and equipment - net of tax	15	847,625,402	919,580,955
Equity portion of loan from related parties		164,408,050	104,674,764
Revenue reserves			
Exchange translation reserve		(8,196,792)	(7,944,267)
Unappropriated profit		938,586,460	1,271,889,720
Total Equity		2,140,951,120	2,486,729,172
Non-current Liabilities			
Long-term finance	16	571,964,487	486,099,774
Deferred Government grant	17	49,646,844	74,480,586
Deferred taxation - net	18	128,891,442	115,398,617
Retirement benefit obligation	19	88,473,344	75,195,066
		838,976,117	751,174,043
Current Liabilities			
Trade and other payables	20	2,149,793,219	1,275,209,410
Accrued mark-up	21	74,936,843	114,013,686
Short-term borrowings	22	2,062,819,156	2,041,790,265
Current portion of long-term finance	16	340,967,951	338,334,122
Current portion of deferred Government grant	17	23,752,731	27,857,022
Unclaimed dividend		2,739,068	2,739,068
Provision for taxation		13,881,133	13,881,134
		4,668,890,101	3,813,824,707
Total Liabilities		5,507,866,218	4,564,998,750
Total Equity and Liabilities		7,648,817,338	7,051,727,922
CONTINGENCIES AND COMMITMENTS	23		

The annexed notes from 1 to 45 form an integral part of these consolidated financial statements.

Chief Executive

Chief Financial Officer

Chairman

	Note	2025 Rupees	2024 Rupees
Revenue from contract with customer - net	24	5,230,687,894	6,469,262,856
Cost of sales	25	(4,890,673,245)	(5,841,403,396)
Gross profit		340,014,649	627,859,460
Distribution cost	26	(53,491,993)	(64,258,167)
Administrative expenses	27	(139,998,610)	(128,392,366)
Operating profit		(193,490,603)	(192,650,533)
		146,524,046	435,208,927
Finance cost	28	(477,136,903)	(579,853,271)
Other operating expenses	29	(32,475,205)	(51,014,056)
		(363,088,062)	(195,658,400)
Other income	30	34,860,163	49,209,986
Loss before levy and taxation		(328,227,899)	(146,448,414)
Levy	31	(60,995,181)	(70,609,235)
Loss before taxation		(389,223,080)	(217,057,649)
Taxation	32	1,749,532	25,576,371
Loss for the year		(387,473,548)	(191,481,278)
Loss per share - basic and diluted	33	(19.52)	(9.65)

The annexed notes from 1 to 45 form an integral part of these consolidated financial statements.

Chief Executive

Chief Financial Officer

Chairman

	Note	2025 Rupees	2024 Rupees
Loss for the year		(387,473,548)	(191,481,278)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Surplus on revaluation of property, plant and equipment during the year		-	78,747,605
Impact of deferred tax thereon		-	(5,940,002)
		-	72,807,603
Adjustment of surplus on revaluation of property, plant and equipment due to change in tax rate	15	(16,873,687)	34,988,685
Remeasurement loss on retirement benefit obligation	19.5	(1,283,912)	(802,995)
Related tax	18	372,334	232,869
Foreign operations - foreign currency translation difference		(252,525)	505,954
Other comprehensive (loss)/income for the year		(18,037,790)	34,924,513
Total comprehensive (loss) for the year		(405,511,338)	(156,556,765)

The annexed notes from 1 to 45 form an integral part of these consolidated financial statements.

Chief Executive

Chief Financial Officer

Chairman

	Note	Share capital	Capital reserve: Surplus on revaluation of property, plant and equipment - net of tax	Capital reserve: Equity portion of loan from related parties	Revenue reserve: Unappropriated profit	Revenue reserve: Exchange translation reserve	Total
		----------	----------	Rupees	----------	----------	
Balance as at July 1, 2024		198,528,000	868,124,011	81,376,153	1,407,601,780	(8,450,221)	2,547,179,723
Total comprehensive income for the year							
Loss for the year		-	-	-	(191,481,278)		(191,481,278)
Other comprehensive income for the year		-	34,988,685	-	(570,126)		34,418,559
Foreign operations - foreign currency translation difference					-	505,954	505,954
		-	34,988,685	-	(192,051,404)	505,954	(156,556,765)
Transfer to / from surplus on revaluation of property plant and equipment on account of							
- revaluation surplus as at June 30, 2024 - net of tax	15	-	72,807,603	-			72,807,603
- incremental depreciation charged thereon - net of tax			(56,339,344)		56,339,344		-
Transactions with shareholders							
Final dividend at Rs.1 per share for the year ended June 30, 2021		-	-	-	-		-
Transactions with related parties							
Fair value effect of interest free loan provided by related parties	16.2	-	-	23,298,611	-		23,298,611
Balance as at June 30, 2024		198,528,000	919,580,955	104,674,764	1,271,889,720	(7,944,267)	2,486,729,172
Total comprehensive loss for the year							
Loss for the year		-	-	-	(387,473,548)	-	(387,473,548)
Other comprehensive income for the year		-	(16,873,687)	-	(911,578)	-	(17,785,265)
Foreign operations - foreign currency translation difference		-	-	-	-	(252,525)	(252,525)
		-	(16,873,687)	-	(388,385,126)	(252,525)	(405,511,338)
Transfer to / from surplus on revaluation of property, plant and equipment on account of							
- incremental depreciation charged thereon - net of tax	15	-	(54,772,752)	-	54,772,752		-
- disposals - net of tax			(309,114)		309,114		-
Transactions with related parties							
Fair value effect of interest free loan provided by related parties	16.2	-	-	59,733,286	-		59,733,286
Balance as at June 30, 2025		198,528,000	847,625,402	164,408,050	938,586,460	(8,196,792)	2,140,951,120

The annexed notes from 1 to 45 form an integral part of these consolidated financial statements.

Chief Executive	Chief Financial Officer	Chairman

	Note	2025 Rupees	2024 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		(389,223,080)	(217,057,649)
Adjustments for non cash income and expense:			
Depreciation	5.1	131,926,198	129,811,954
Provision for retirement benefit obligation	19.4	19,364,765	31,977,786
Levy		60,995,181	70,609,235
Finance cost	28	477,136,903	579,853,271
Expected credit loss - trade receivable	27	26,324,027	4,135,227
Profit on deposits	30	(25,575,852)	(29,771,558)
Gain on disposal of property, plant and equipment	30	(3,703,456)	(12,627,300)
Unrealized loss on foreign exchange	29	-	936,180
Realized gain on short term investment	30	-	(399,006)
Operating cash flows before working capital changes		297,244,686	557,468,140
(Increase) / decrease in current assets			
Stores, spares and loose tools		14,394,998	3,004
Stock-in-trade		(54,593,837)	(467,161,815)
Trade debts		(592,317,740)	(461,881,454)
Loans and advances		27,544,681	(66,857,067)
Prepayments		(14,338,470)	(28,170,359)
Other receivables		(72,265,662)	38,054,026
		(691,576,030)	(986,013,665)
Increase / (decrease) in current liabilities			
Trade and other payables		884,499,710	662,517,125
		192,923,681	(323,496,540)
Cash generated from operations		490,168,367	233,971,600
Finance cost paid		(499,760,466)	(547,599,205)
Retirement benefit obligation paid		(10,421,300)	(33,377,800)
Income tax paid		(53,020,527)	(63,284,290)
Long-term deposits - net		2,350,050	(3,165,000)
Net cash used in operating activities		(70,683,877)	(413,454,695)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(47,396,831)	(62,498,852)
Proceeds from disposal of property, plant and equipment		6,750,000	42,500,000
Purchase of term deposit receipt - net		52,356,000	(26,083,000)
Sale of shares		-	6,141,996
Profit on deposits received		31,134,815	26,702,939
Net cash generated from / (used in) investing activities		42,843,984	(13,236,917)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term finance repaid to financial institutions		(201,460,308)	(148,922,931)
Long-term finance obtained from financial institutions		150,090,130	57,250,000
Long-term finance repaid to related parties		(7,090,000)	(6,148,312)
Long-term finance obtained from related parties		154,210,474	-
Short term borrowings obtained - net		63,436,263	355,394,229
Lease liabilities repaid during the year		-	(1,962,284)
Dividend paid		-	(11,304)
Net cash generated from financing activities		159,186,559	255,599,398
Net increase / (decrease) in cash and cash equivalents		131,346,666	(171,092,214)
Cash and cash equivalents at the beginning of the year		(593,368,902)	(422,306,531)
Effect of exchange rate changes in cash and cash equivalents		362,024	29,843
Cash and cash equivalents at the end of the year	34	(461,660,212)	(593,368,902)

The annexed notes from 1 to 45 form an integral part of these consolidated financial statements.

Chief Executive

Chief Financial Officer

Chairman

1. STATUS AND NATURE OF BUSINESS

1.1 The Group consist of Idrees Textile Mills Limited (the Holding Company) and its 100% owned subsidiary ORA Home LLC (ORA) (the Subsidiary). Together referred to as "the Group" and individually as "Group entities"

1.2 Idrees Textile Mills Limited (the Holding Company) was incorporated in Pakistan as an unquoted public limited Group on June 5, 1990 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and was listed on Pakistan Stock Exchange Limited on April 28, 1992. The registered office of the Holding Group is situated at 6-C, Ismail Centre, 1st floor, Central Commercial Area, Bahadurabad, Karachi in the Province of Sindh. The principal activity of the Holding Group is manufacturing, processing and sale of all kinds of yarn. The Holding Group is also engaged in business of Home Textile.

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

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

The geographical location and address of Subsidiary is as follows:

New Jersey, USA	**Purpose**
1215 Livingston Avenue, STE 4 North Brunswick, NJ 08902	Registered office

During the year ended June 30, 2022, the Holding Company acquired 100% ownership in ORA Home LLC (ORA), a limited liability company incorporated in New Jersey, USA on January 5, 2022. One of the directors of the Holding Company is the member manager of ORA. Pursuant to the acquisition, ORA has become wholly owned subsidiary of the Holding Company (refer note 6).

2. BASIS OF PREPARATION

2.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as applicable in Pakistan comprise of;

- International Financial Reporting Standards (IFRS Accounting Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

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

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except as stated otherwise, in the relevant note to the financial statement.

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

2.3 Basis of consolidation

Subsidiary

These consolidated financial statements include the financial statements of the Holding Company and its Subsidiary. A company is a subsidiary, if the Holding Company directly or indirectly controls, beneficially owns or holds more than fifty percent of its voting securities or otherwise has power to elect and appoint more than fifty percent of its directors. 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 Group) and its subsidiary entity ORA Home LLC, i.e., the entity in which the Holding Group directly owns 100%. Accordingly, there is no non-controlling interest.

Inter-company transactions, balances and unrealized gain / (losses) on transactions between group are eliminated. Accounting policies of subsidiary have been changed where necessary to ensure consistency with the policies adopted by the Group.

ORA Homes LLC (the subsidiary) has been consolidated on the basis of unaudited financial statement prepared by the management. The financial position as at reporting date and financial performance for the year of subsidiary on the basis of unaudited financial statements prepared for the purpose of consolidation are as follow:

	Unaudited 2025 Rupees
Total assets	23,203,432
Total liabilities	33,141,870
Expenses	62,813,217
Income	98,976,937

2.4 Business combination

The Group accounts for business combination using the acquisition method when control is transferred to the Group. The consideration transferred (including contingent consideration) in the year of acquisition is measured at fair value, as are the identifiable net assets acquired. Any goodwill acquired is not amortized but tested annually for impairment. Any gain on a bargain purchase is recognized in consolidated statement of profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities. When the initial accounting for a business combination is incomplete at the end of a reporting period, provisional amounts are used. During the measurement period, the provisional amounts are retrospectively adjusted and additional assets and liabilities are recognized, to reflect new information obtained about the facts and circumstances that existed at the acquisition date which would have affected the measurement of the amounts recognized at that date, had they been known. The measurement period does not exceed twelve months from the date of acquisition.

2.5 Goodwill

In a business combination, goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, then the gain is recognised in the consolidated statement of profit and loss and other consolidated statement of comprehensive income .

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

2.6 Presentation and functional currency

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the Holding Company operates. These consolidated financial statements are presented in Pakistani Rupees, which is the Holding Company's functional and presentation currency. All financial information presented in Pakistan Rupees has been rounded off to the nearest rupee.

2.7 Use of estimates, assumptions and judgments

The preparation of consolidated financial statements in conformity with the accounting and reporting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of the accounting and reporting standards, as applicable in Pakistan, that have a significant effect on the consolidated financial statements and estimates with significant risk of material judgment in the next financial year are set forth below:

- Defined benefit plan (notes 4.10.1 and 19.1);
- Residual value, useful lives, depreciation method / amortization and impairment of property, plant and equipment (notes 4.1, 4.20 and 5);
- Taxation (notes 4.11, 18 and 32);
- Stock-in-trade and stores and spares (notes 4.2 and 7);
- Contingencies and provisions (note 23); and
- Impairment of financial assets (notes 4.6).

3 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED ACCOUNTING AND REPORTING STANDARDS AS APPLICABLE IN PAKISTAN

3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2025

The following standards, amendments and interpretations are effective for the year ended June 30, 2025. These standards, amendments and interpretations are either not relevant to the Group's operations or did not have significant impact on the consolidated financial statements.

	Effective date (annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024

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

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the Group's operations or are not expected to have significant impact on the Group's consolidated financial statements.

	Effective date (annual periods beginning on or after)
- Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
- Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
- Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
- Amendments to IFRS 9 'Financial Instruments' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
- Amendmends to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025
- IFRS 17 Insurance Contracts	January 01, 2027

Certain annual improvements have also been made to a number of IFRSs and IASs.

IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2027.

IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

4 MATERIAL ACCOUNTING POLICIES INFORMATION

The material accounting policies applied in the presentation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

4.1 Property, plant and equipment

4.1.1 Operating fixed asset

Property, plant and equipment are stated as follows:

- Land is stated at revalued amount;

- Building, Labour colony, plant and machinery, electric installations and factory equipment are stated at revalued amounts less accumulated depreciation and impairment losses, if any; and

- Office equipment, furniture and fixtures and vehicles are stated at cost less accumulated depreciation and impairment losses, if any.

Cost includes expenditure that is directly attributable to the acquisition of an asset including borrowing costs, if any. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent costs are included in an asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and its cost can be measured reliably. Cost incurred to replace a component of an item of property, plant and equipment is capitalized and the asset so replaced is derecognised. Normal repairs and maintenance are charged to the consolidated statement of profit or loss during the period in which they are incurred.

Depreciation is charged to the consolidated statement of profit or loss on a straight line basis at the rates specified in note 5.1. Depreciation on additions is charged when asset is available for use upto the month prior to its disposal.

Depreciation methods, useful lives and residual values of each item of property, plant and equipment are reviewed and adjusted, if appropriate at each reporting date.

Maintenance and normal repairs are charged to the unconsolidated statement of profit and loss as and when incurred.

Surplus on revaluation is credited to the surplus on revaluation of property, plant and equipment account and is shown in the unconsolidated statement of changes in equity. Deficit on revaluation of assets is recognized in the unconsolidated statement of profit or loss, except that it reverses a revaluation surplus for the same asset previously recognized in unconsolidated statement of comprehensive income, in which case the deficit is charged to unconsolidated statement of comprehensive income to the extent of the surplus credited previously. The revaluation reserve is not available for distribution to the Company's shareholders.

Revaluation is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from the estimated fair value. To the extent of the incremental depreciation charged on the revalued assets, the related surplus on revaluation of assets (net of deferred taxation) is transferred directly to retained earnings (unappropriated profit). Further, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is stated to the revalued amount of the asset. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings (unappropriated profit).

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment, and is recognized in other income / other expenses in the statement of profit or loss. When revalued assets are sold, any related amount included in the surplus on revaluation is transferred to retained earnings (unappropriated profit).

4.1.2 Capital work-in-progress

Capital work-in-progress is stated at cost less impairment loss, if any, and consists of expenditure incurred and advances made in respect of assets in the course of their acquisition, construction and installation. Transfers are made to relevant asset categories as and when assets are available for intended use.

4.2 Stores, spares and loose tools

These are stated at first in first out less provision for slow moving items, if any. Items in transit are stated at cost comprising invoice value plus other charges incurred thereon up to the reporting date. Provision for obsolete and slow moving stores, spares and loose tools is determined based on the management's estimate regarding their future usability.

4.3 Stock-in-trade

These are valued at lower of cost and net realizable value applying the following basis:

Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

- Raw material (local and imported)	Weighted average cost comprising purchase price, transportation and other overheads. Items in transit are stated at invoice value and other charges incurred till the reporting date.
- Work-in-process and finished goods	Weighted average cost comprising direct cost of raw material, labor and appropriate portion of production overheads.
- Waste	Net realisable value (NRV)

Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make sales.

4.4 Trade debts and other receivables

These are recognized initially are carried at original invoice amount being the fair value of the consideration to be received in future. An allowance for Expected Credit Loss (ECL) is made against trade debts on the basis of lifetime expected credit loss model. The amount of provision / reversal of ECL is charged / reversed to the consolidated statement of profit or loss.

Trade debts and other receivables considered irrecoverable are written off.

4.5 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

4.5.1 Classification of financial assets

The Group classifies its financial assets into following three categories:

At amortized cost ("AC"),

Fair value through other comprehensive income ("FVTOCI") and

Fair value through profit or loss ("FVTPL").

The management determines the classification of financial assets into appropriate categories based on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

Financial assets at amortised cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVTPL:

1) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
2) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any loss allowance.

Financial assets at FVTOCI

A financial asset is measured at FVTOCI only if it meets both of the following conditions and is not designated as FVTPL:

1) the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
2) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition, for an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI, only dividend income is recognised in consolidated statement of profit or loss. This election is made on an investment-by-investment basis.

FVTOCI financial assets are subsequently measured at fair value with gains and losses arising due to changes in fair value recognized in consolidated statement of other comprehensive income.

Financial assets at FVTPL

All other financial assets are classified at FVTPL (for example: equity held for trading and debt securities not classified either as AC or FVTOCI).

In addition, on initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing financial assets.

Initial Recognition and Subsequently Measurement

All financial assets are recognized at the time when the Group becomes a party to the contractual provisions of the instrument. Financial assets at amortized cost are initially recognized at fair value and are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses, if any. Interest income and impairment losses are recognized in the consolidated statement of profit or loss.

Financial assets carried at fair value through other comprehensive income are initially and subsequently measured at fair value, with gains and losses arising from changes in fair value recognized in consolidated statement of other comprehensive income.

Financial assets carried at fair value through profit or loss are initially recorded at fair value and transaction costs are expensed in the consolidated statement of profit or loss. Realized and unrealized gains and losses arising from changes in the fair values of the financial assets held at fair value through profit or loss are included in the consolidated statement of profit or loss in the period in which they arise.

All purchases and sales of financial assets are recognized on the trade date which is the date on which the Group commits to purchase or sell the financial asset.

Derecognition of financial assets

Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Group has transferred substantially all the risk and rewards of ownership. On derecognition of a financial asset, in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in the consolidated statement of comprehensive income.

4.5.2 Financial liabilities

All financial liabilities are recognized at the time when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are recognized initially at fair value less any directly attributable transaction cost. Subsequently to initial recognition, these are measured at amortized cost using the effective interest rate method.

4.5.3 Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the consolidated statement of profit or loss.

4.5.4 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

4.6 Impairment of financial assets

The Group assesses on a forward-looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortized cost and at fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

The Group measures ECL of a financial instrument in a way that reflects:

a) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;

b) the time value of money; and

c) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default for financial assets, this is represented by the assets' gross carrying amount at the reporting date. Generally, credit terms range from 90 to 120 days from the date of delivery.

The Group recognizes in consolidated statement of profit or loss, as an impairment loss (or reversal of impairment), the amount of expected credit losses (or reversal of impairment) that is required to adjust the loss allowance at the reporting date. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

4.6.1 Impairment of non financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets at each reporting date to identify circumstances indicating occurrence of impairment loss or reversal of previous impairment losses. An impairment loss is recognized in the consolidated statement of profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sale and value in use. Reversal of impairment loss is restricted to the original cost of the asset.

4.7 Foreign currency transactions and translation

Monetary assets and liabilities denominated in foreign currencies are translated into Pakistani Rupees at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into Pakistani Rupees at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognized in the consolidated statement of profit or loss.

4.8 Provisions

Provisions are recognised in the consolidated statement of financial position when the Group has a present, legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of obligation. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

4.9 Cash and cash equivalents

Cash and cash equivalents used in consolidated statement of cash flows include cash in hand balances with banks in current and deposit accounts and short term borrowings. Short-term borrowings availed by the Group, are payable on demand and form an integral part of the Group's cash management.

4.10 Retirement benefit obligation

4.10.1 Defined benefit plan - Unfunded Gratuity

The Holding Group operates an unfunded gratuity scheme covering all its factory workers who have completed the minimum qualifying period of service as defined under the scheme. The Group's obligation under the scheme is determined through actuarial valuation carried out at each year end under the Projected Unit Credit Method. Remeasurements which comprise actuarial gains and losses are recognized immediately in consolidated statement of other comprehensive income.

The Holding Group determines the interest expense on the defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to then defined benefit liability, taking into account any changes in the defined benefit liability during the period as a result of benefit payments. Interest expense and current service cost are recognized in the consolidated statement of profit or loss.

4.10.2 Defined contribution plan

A defined contribution plan is a post - employment benefit plan under which the Holding Group pays fixed contribution into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in the consolidated statement of comprehensive income when they are due at the rate of 8.33% of basic salary per annum.

4.11 Taxation

4.11.1 Current tax

Provision for current taxation is based on taxable income at the current rates of taxation, after taking into account tax rebates and tax credits available, if any, or turnover at the specified rate or Alternate Corporate Tax as defined in section 113C of the Income Tax Ordinance, 2001, whichever is higher. Charge for current tax also includes adjustments, where necessary, relating to prior years which arise from assessment framed / finalized during the year.

4.11.2 Deferred tax

Deferred tax is recognized using the liability method, providing for temporary difference between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities using the tax rates enacted or substantively enacted at the reporting date.

The Group recognizes a deferred tax asset to the extent that it is probable that taxable profits in the foreseeable future will be available against which the assets can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Further, the Group also recognizes a deferred tax asset / liability on deficit / surplus on revaluation of property, plant and equipment which is adjusted against the related deficit / surplus.

4.12 Levy

In accordance with the Income Tax Ordinance, 2001, computation of final taxes is not based on taxable income. Therefore, as per IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes issued by the ICAP, these fall within the scope of IFRIC 21 / IAS 37 and accordingly have been classified as levy in these consolidated financial statements, except for taxes on dividends on the Group's investments in subsidiaries and associates which are specifically within the scope of IAS 12 and hence these continue to be categorized as current income tax.

4.13 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in future for goods and services received, whether or not invoiced to the Group.

4.14 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalized as part of the cost of the respective assets until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized in consolidated statement of profit or loss in the period in which they are incurred.

4.15 Revenue recognition

Revenue from sale of goods is recognized as or when performance obligations are satisfied by transferring control of promised goods to customer, and control is transferred at a point in time either upon shipment or delivery of goods to customer.

Revenue is recognized at transaction price (which excludes estimates of variable consideration), which represents the fair value of the consideration received or receivable excluding discount, rebates and government levies and the payment is typically due on the satisfaction of performance obligation.

Profit on bank deposit is recognized on a time proportion basis on the principal amount outstanding using the effective yield method.

Gains/(losses) arising on disposal of investments are included in income and are recognized on the date when the transaction takes place.

Unrealized gains/(losses) arising on revaluation of securities classified as 'fair value through profit or loss' are included in consolidated statement of profit or loss in the period in which they arise.

Other income is recognized when the right to receive is established, and the amount and timing of related receipt is virtually certain

4.16 Dividend income

Dividend income is recognized when the Company's right to receive payment have been established and is recognized in unconsolidated statement of profit or loss and included in other income.

4.17 Dividend and appropriation to / from reserves

Dividend distribution to the Company's shareholders is recognized as a liability and appropriation to / from reserves are made in the period in which these are approved. However, if these are approved after the reporting period but before the unconsolidated financial statements are authorized for issue, they are disclosed as subsequent event in the unconsolidated financial statements.

4.18 Contract liability / advance from customers

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract.

4.19 Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

4.20 Leases - Lease liabilities and right-of-use assets

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date discounted using the rate of the Group's incremental borrowing rate being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is re-measured if there is a change in future lease payments arising from a change in assessment of whether extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised. The corresponding adjustment is made to the carrying amount of the right-of-use asset is recorded in statement of comprehensive income if the carrying amount of right-of-use asset has been reduced to zero.

For short term leases and leases of low / immaterial value assets, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Right of use asset

The right-of-use asset is initially measured at cost which is the initial measurement of lease liability, and subsequently at cost less any accumulated depreciation and impairment losses, if

any. The right-of-use asset is depreciated using the straight-line method over the lease term, as disclosed in the respective note.

4.21 Government grant

The benefit of interest rate lower than the market rate on borrowings obtained under State Bank of Pakistan (SBP) under Temporary Economic Refinance Facility (TERF), is accounted for as a government grant which is the difference between amount of loan received and the fair value of the loan on the date of disbursement. The differential amount presented in consolidated statement of financial position as deferred government grant. The amortization of deferred government grant is netted off with finance cost within in the consolidated statement of profit or loss.

Government grants are recognized at fair value, as deferred income, when there is reasonable assurance that the grants will be received and the Group will be able to comply with the conditions associated with the grants.

Grants that compensate the Group for expenses incurred, are recognized on a systematic basis in the income for the year in which the related expenses are recognized. Grants that compensate for the cost of an asset are recognized in income on a systematic basis over the expected useful life of the related asset.

A loan is initially recognized and subsequently measured in accordance with IFRS 9. IFRS 9 requires loans at below-market rates to be initially measured at their fair value - e.g. the present value of the expected future cash flows discounted at a market-related interest rate. The benefit, that is the government grant, is measured as the difference between the fair value of the loan on initial recognition and the amount received, which is accounted for according to the nature of the grant.

4.22 Operating segment

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Group that makes strategic decisions.

4.23 Related party transactions

All transactions with related parties arising in the normal course of business are conducted as determined by the management with the approval of the Board of Directors.

4.24 Loan from directors

Loans from directors are initially recognized at fair value, and subsequently measured at amortized cost.

In cases where such loans are interest-free, the fair value is determined by discounting future cash flows at a market rate of interest applicable to similar instruments. The difference between the loan proceeds and the fair value, if material, is recorded as an equity contribution.

Where the loan is repayable on demand, it is classified as a current liability.

4.25 Contingent liabilities and assets

Contingent liability

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from the past events that is not recognized because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

Contingent liabilities are not recognized but are disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognized as provision.

Contingent asset

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent assets are not recognized but are disclosed in the notes to the financial statements when an inflow of economic benefits is probable. When an inflow is virtually certain, an asset is recognized.

4.26 Share capital and reserves

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Reserves comprise of capital and revenue reserves. Capital reserves represent revaluation reserve, equity portion of loan from directors while revenue reserves comprise of unappropriated profit.

	Note	2024 Rupees	2023 Rupees
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets			
- Owned	5.1	3,275,634,059	3,363,126,163
- Right of use assets	5.1	-	2,013,505
		3,275,634,059	3,365,139,668
Capital spares		9,442,072	7,549,799
Capital work in progress:			
- Building	5.1.2	2,197,962	2,160,537
		3,287,274,093	3,374,850,004

5.1 OPERATING FIXED ASSETS

	2025									
	Cost / Revaluation				Accumulated Depreciation				Written Down Value	
Particulars	July 01, 2024	Additions/ (disposal)	Transfers	June 30, 2025	July 01, 2024	Depreciation charge /(disposals) for the year	Transfers	June 30, 2025	June 30, 2025	Rate (%)
	---Rupees---									
Owned assets										
Freehold Land	256,400,000	-	-	256,400,000	-	-	-	-	256,400,000	-
Factory building on freehold land	453,967,364	-	-	453,967,364	12,934,225	25,868,448	-	38,802,673	415,164,691	5-20
Labour colony	-	-	-					-		
on freehold land	23,126,905	-	-	23,126,905	1,040,721	2,081,421	-	3,122,142	20,004,763	5-14
Plant and machinery	2,518,260,593	7,154,208	-	2,524,293,688	46,000,268	89,234,601	(117,115)	135,117,754	2,389,175,934	4-33
		(1,121,113)			-					
Electric installations	14,207,248	-	-	14,207,248	834,377	1,668,750	-	2,503,127	11,704,121	8-25
Factory equipment	5,364,595	-	-	5,364,595	1,817,745	620,142	-	2,437,887	2,926,708	7-20
Office equipment	18,217,668	-	-	18,217,668	14,056,525	643,389	-	14,699,914	3,517,754	10
Computer Hardware	219,500	80,000	-	299,500	105,819	71,850	-	177,669	121,831	10
Furniture and fixtures	4,183,452	-	-	4,183,452	3,859,713	47,195	-	3,906,908	276,544	10
Solar panel	89,473,382	27,038,226	-	116,511,608	1,145,801	6,458,515		7,604,316	108,907,292	10-25
Vehicle	145,071,397	11,194,700	4,069,000	156,266,097	83,570,748	5,057,637	2,229,745	88,831,676	67,434,421	20
		(4,069,000)	-			(2,026,454)				
	3,528,492,104	45,467,134	4,069,000	3,572,838,125	165,365,942	131,751,948	2,112,630	297,204,066	3,275,634,059	
		(5,190,113)				(2,026,454)				
Right of use assets										
Vehicle	4,069,000		(4,069,000)	-	2,055,495	174,250	(2,229,745)	-	-	20%
Total June 30, 2025	3,532,561,104	45,467,134	-	3,572,838,125	167,421,437	131,926,198	(117,115)	297,204,066	3,275,634,059	
		(5,190,113)				(2,026,454)				

Operating fixed assets

Particulars	Cost / Revaluation					Accumulated Depreciation					Written Down Value	
2024	July 01, 2023	Additions/ (disposal)	Transfers	Revaluation adjustment	June 30, 2024	July 01, 2023	Depreciation charge /(disposals) for the year	Transfers	Revaluation adjustment	June 30, 2024	June 30, 2024	Rate (%)
	Rupees											
Owned assets												
Freehold Land	240,375,000	-	-	16,025,000	256,400,000	-	-	-	-	-	256,400,000	-
Factory building on freehold land	218,633,050	909,854	199,596,399	34,828,061	453,967,364	32,863,950	23,520,307	-	(43,450,032)	12,934,225	441,033,139	5-20
Labor colony on freehold land	21,352,625	-	-	1,774,280	23,126,905	4,293,472	1,551,590	-	(4,804,341)	1,040,721	22,086,184	5-14
Plant and machinery	1,478,171,882	901,410	1,249,132,689	(209,945,388)	2,518,260,593	143,611,159	90,322,121	-	(187,933,012)	46,000,268	2,472,260,325	4-33
Electric installations	21,988,000	-	-	(7,780,752)	14,207,248	6,127,216	2,366,180	-	(7,659,019)	834,377	13,372,871	8-25
Factory equipment	5,364,595	-	-	-	5,364,595	1,197,605	620,140	-	-	1,817,745	3,546,850	7-20
Office equipment	18,149,168	68,500	-	-	18,217,668	13,300,640	755,885	-	-	14,056,525	4,161,143	10
Computer Hardware	219,500	-	-	-	219,500	39,963	65,856	-	-	105,819	113,681	10
Furniture and fixtures	4,183,452	-	-	-	4,183,452	3,811,251	48,462	-	-	3,859,713	323,739	10
Solar Panel	-	89,473,382	-	-	89,473,382	-	1,145,801	-	-	1,145,801	88,327,581	10
Vehicle	175,206,198	8,842,200 (38,977,000)	- -	- -	145,071,398	83,607,933	9,067,115 (9,104,300)	-	-	83,570,748	61,500,650	20
	2,183,643,470	100,195,346 (38,977,000)	1,448,729,088	(165,098,799)	3,528,492,104	288,853,189	129,463,457 (9,104,300)	-	(243,846,404)	165,365,942	3,363,126,163	
Right of use assets												
Vehicles	4,069,000	-	-	-	4,069,000	1,706,996	348,499	-	-	2,055,495	2,013,505	20
	4,069,000	-	-	-	4,069,000	1,706,996	348,499	-	-	2,055,495	2,013,505	
Total June 30, 2024	2,187,712,470	100,195,346 (38,977,000)	1,448,729,088	(165,098,799)	3,532,561,104	290,560,185	129,811,954 (9,104,300)	-	(243,846,404)	167,421,437	3,365,139,668	

5.1.1 The cost of fully depreciated assets which are still in use as at June 30, 2025 is Rs 89.98 million (2024 : 89.47 million).

5.1.2 This represents construction work in progress which includes new mill building being constructed as part of a new wing to the existing mill building.

5.1.3 Depreciation for the year has been allocated as under:

	Note	2025 Rupees	2024 Rupees
Cost of sales	25	125,931,877	119,526,130
Administrative expenses	27	5,994,321	10,285,824
		131,926,198	129,811,954

5.1.4 The freehold land, building on freehold land, labor colony on free hold land, plant and machinery, electric installations and factory equipment are carried at revalued amount. The revaluation was carried out during the years ended June 30, 2006, June 30, 2010, June 30, 2013, June 30, 2016, June 30, 2019, June 30, 2021 by independent valuers namely Consultancy Support & Services, Consultancy Support & Services, M/s Al-Noor Consultants & Evaluators, M/s Al-Noor Consultants & Evaluators, M/s Arif Evaluators and Tristar International Consultant Private Limited respectively. The resulting revaluation surpluses have been disclosed in notes 16 and 4.1.1 to the financials statements and have been credited to the revaluation surplus account net of their related tax effect. However, the recent valuation was carried out on January 05, 2024 by an independent valuer, Harvester Consultant Private Limited, which resulted in surplus of Rs. 78.75 million.

The revaluation was carried out based on the market value and discounted cashflow method being the fair value of these assets. Had there been no revaluation, the carrying value of the revalued assets would have been as follows:

	2025			2024		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
	Rupees					
Land - freehold	8,772,600	-	8,772,600	8,772,600	-	8,772,600
Factory building on freehold land	342,767,075	(123,975,744)	218,791,331	342,767,075	(116,581,216)	226,185,859
Labor colony on freehold land	16,533,266	(16,533,266)	-	16,533,266	(15,383,625)	1,149,641
Plant and machinery	2,921,497,668	(878,342,528)	2,043,155,140	2,887,190,485	(825,811,038)	2,061,379,447
Electric installations	43,144,676	(34,464,688)	8,679,988	43,144,676	(33,414,321)	9,730,355
Factory equipment	6,729,139	(5,286,195)	1,442,944	6,729,139	(5,160,541)	1,568,598
	3,339,444,424	(1,058,602,421)	2,280,842,003	3,305,137,241	(996,350,741)	2,308,786,500

5.1.5 Forced sale values as per the latest revaluation report as of January 05, 2024 as mentioned in note 5.1.5 are as follows:

Asset Class	**Rupees**
Freehold land	217,940,000
Factory building on freehold land	340,475,523
Labor colony on freehold land	17,345,179
Plant and machinery	1,927,349,277
Electric installations	10,655,436
Factory equipment	4,023,446

5.1.6 Particulars of immovable asset of the Group are as follows:

Location	**Addresses**	**Total Area**	**Covered Area**
Nankana Sahib	Kot Shah Muhammad, Tehsil & District Nankana Punjab	20.03	10.13

5.1.7 Fair value measurement

Fair value of freehold land, building on freehold land, labor colony on free hold land, electric installations and factory equipment are based on assumptions considered to be level 2 in the fair value hierarchy due to significant observable inputs used in the valuation, while fair value of plant and machinery are considered to be level 3 in the fair value hierarchy due to significant unobservable inputs used in the valuation.

Fair value of freehold land, building on freehold land, labor colony on free hold land have been derived using a sales comparison approach. Sale prices of comparable land and buildings in close proximity are adjusted for differences in key attributes such as location and size of the property. Moreover value of building also depends upon the type of construction, age and quality. The most significant input in this valuation approach is price/rate per square foot in particular locality.

Valuation techniques used to derive level 3 fair values - Plant and machinery

In the absence of current prices in an active market, the fair value is determined by taking into account the following factors:

-Make, model, country of origin etc.
-Operational capacity
- Present physical condition
-Resale prospects
-Obsolescence

The valuation is considered to be level 3 in the fair value hierarchy due to the above unobservable inputs used in the valuation. Most significant input in this valuation is the current replacement cost which is adjusted for factors above.

5.1.8 The following is a statement of capital work in progress

	Building on freehold land Rupees	Plant & machinery Rupees	Total Rupees
Balance as at July 1, 2023	199,111,306	1,282,051,280	338,981,410
Capital expenditure incurred during the year	2,645,630	43,191,258	45,836,888
Transfer to operating fixed assets	(199,596,399)	(1,325,242,538)	-
Balance as at June 30, 2024	2,160,537	-	384,818,298
Capital expenditure incurred during the year	37,425	-	37,425
Transfer to operating fixed assets	-	-	-
Balance as at June 30, 2025	2,197,962	-	2,197,962

5.1.9 Movement in capital spares is as follows

	Rupees
Balance as at July 1, 2023	20,913,332
Transfer to operating fixed assets	(13,363,533)
Balance as at June 30, 2024	7,549,799
Addition to capital spares	1,892,273
Balance as at June 30, 2025	9,442,072

6. STORES, SPARES AND LOOSE TOOLS

	Note	2025 Rupees	2024 Rupees
Store and spares:			
In hand		47,746,757	61,124,690
In transit		15,786	117,067
		47,762,543	61,241,757

	Note	2025 Rupees	2024 Rupees
Loose tools		-	64,585
		47,762,543	61,306,342
Less: provision for slow moving stores		(8,594,416)	(7,743,217)
		39,168,127	53,563,125

7. STOCK-IN-TRADE

Raw material			
In hand - cotton		1,006,322,600	1,121,028,719
In hand - yarn		1,108,624	1,735,289
Raw material in transit		406,420,584	428,156,535
Work-in-process			
- Yarn		111,511,263	91,441,947
- Home textile		91,383,644	34,327,602
		202,894,907	125,769,549
Finished goods in hand - yarn	7.1	353,228,959	240,222,818
Waste - yarn		13,597,283	12,066,210
		1,983,572,957	1,928,979,120

7.1 This represents stock in trade net of net realizable value adjustment amounting to Rs. 7.223 million (2024: nil)

8. TRADE DEBTS

Considered good			
Secured :			
Export	8.1	15,736,864	68,054,472
Local		-	294,825,850
		15,736,864	362,880,322
Unsecured :			
Local		1,653,916,364	749,490,743
		1,669,653,228	1,112,371,065
Considered doubtful			
Local		44,517,802	18,193,775
		1,714,171,030	1,130,564,840
Less: Expected credit loss	8.2	(44,517,802)	(18,193,775)
		1,669,653,228	1,112,371,065

8.1 This includes Euro nil (2024 : Euro 73,698) and USD 55,490 (2024 : USD 40,744).

	Note	2025 Rupees	2024 Rupees
8.2 Expected credit loss			
Balance as at July 1,		18,193,775	14,058,548
Charge during the year		26,324,027	4,135,227
Balance as at June 30,		44,517,802	18,193,775

8.3 Ageing of trade debts past due but not impaired

Not past due	1,125,290,074	748,333,073
0 - 90 days	127,746,691	319,078,576
91-180 days	38,656,800	38,876,264
Above 180 days	422,477,464	18,749,610
	1,714,171,030	1,125,037,523

9. LOANS AND ADVANCES

Unsecured Considered good			
- Loan to employees	9.1	369,000	457,000
Advances:			
- to employees		1,434,391	506,981
- to suppliers	9.2	59,547,133	88,262,057
- for expenses		889,696	558,863
		61,871,220	89,327,901
		62,240,220	89,784,901

9.1 These represent unsecured, interest free, short-term loan and advance given to employees of the Group.

9.2 This represents payments made to supplier for purchase of raw material and stores and spares.

10. SHORT TERM PREPAYMENTS

	Note	2025 Rupees	2024 Rupees
Minimum tax levy		45,528,410	31,326,445
Health insurance		1,714,904	1,524,963
Other prepayments		1,399,141	1,452,577
		48,642,455	34,303,985

11. OTHER RECEIVABLES

	Note	2025 Rupees	2024 Rupees
Sales tax		192,602,793	129,251,358
Less: Provision for doubtful receivable		-	(5,969,340)
Sales tax - net		192,602,793	123,282,018
Export rebate	11.1	11,114,893	7,686,065
		203,717,686	130,968,083

	Note	2025 Rupees	2024 Rupees
Duty draw back receivable	11.2	5,872,932	5,872,932
Cotton claim receivable	11.3	39,831,812	39,881,372
Profit on deposits		4,086,290	9,645,253
Others		1,401,827	1,836,208
		51,192,861	57,235,765
		254,910,547	188,203,848

11.1 This comprises of incentives/discounts/refunds and other benefits granted by the Government of Pakistan.

11.2 This represents receivable from the Government of Pakistan since 2021.

11.3 This represents a claim regarding discrepancies related to cotton weight and quality.

12. Short term investment

	Note	2025 Rupees	2024 Rupees
- At amortised cost			
Term deposit receipts	12.1	148,099,670	200,455,670

12.1 These represent term deposit receipts placed with various banks for a period ranging from six months to one year carrying mark-up at the rates ranging from 6.93% to 20.5% (2024: 5.75% to 21.50%) per annum. The banks have lien on these term deposit receipts on account of guarantees provided by such banks as disclosed in note 24.1.1 to the consolidated financial statements. These will mature at various maturity dates.

13. CASH AND BANK BALANCES

	Note	2025 Rupees	2024 Rupees
Cash in hand		280,531	1,552,529
Cash at banks			
- in current accounts		27,573,305	7,813,036
- in savings account	13.1	84,320,203	6,548,627
	13.2	112,174,039	15,914,192

13.1 These carry markup of 5.36% to 10.05% (2024: 13.5% to 20.5%) per annum.

13.2 This includes an amount of Rs. 78.14 million (2024: Rs. 6.68 million) on which the bank has created lien on account of guarantee provided by such bank as disclosed in note 24.1.1 to the financial statements.

14. ISSUED SUBSCRIBED AND PAID-UP CAPITAL

2025	2024		2025	2024
Number of Shares			Rupees	Rupees
19,852,800	19,852,800	Ordinary Shares of Rs. 10/- each fully paid	198,528,000	198,528,000

14.1 The Group has one class of ordinary share, which carry equal voting rights but no right to fixed income. Voting rights, board selection etc. are in proportion to their shareholding.

15. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - net of tax

	Note	2025 Rupees	2024 Rupees
As at July 1,		989,873,708	973,359,080
Surplus arising during the year		-	78,747,605
Less: transferred to unappropriated profit on account of:			
- incremental depreciation - net of tax		(54,772,752)	(56,339,344)
- related deferred tax liability		(7,288,189)	(5,893,633)
- disposals - net of tax		(309,114)	-
- related deferred tax liability		(41,131)	-
		(62,411,186)	(62,232,977)
As at June 30		927,462,522	989,873,708
Less: related deferred tax liability on:			
Revaluation surplus as at July 1,		70,292,753	105,235,069
Surplus arising during the year	18	-	5,940,002
Adjustment due to change in tax rate	18	16,873,687	(34,988,685)
Related deferred tax on incremental depreciation		(7,288,189)	(5,893,633)
Disposal during the year		(41,131)	-
	18	79,837,120	70,292,753
As at June 30		847,625,402	919,580,955

16. LONG-TERM FINANCE

	Note	2025 Rupees	2024 Rupees
Long term portion			
Financial institutions	16.1	428,692,191	433,281,371
Related parties	16.2	143,272,296	52,818,403
		571,964,487	486,099,774
Current portion			
Financial institutions	16.1	315,036,832	332,879,577
Related parties	16.2	25,931,119	5,454,545
		340,967,951	338,334,122

16.1 Details and movement are as follows:

		Balance at July 01, 2024	Obtained during the year		Principal Repaid during the year	Balance at June 30, 2025	Government Grant	Net Balance at June 30, 2025	Payable within one year	Payable later than one year	Payable within one year as at June 30, 2024	Payable later than one year as at June 30, 2024	Mark up rate (per annum)	Principal and mark up payment	Note
		Rupees													
Dubai Islamic Bank Limited	Diminishing Musharaka (DM)	65,000,000	-	-	(9,285,714)	55,714,286	-	55,714,286	(12,380,952)	43,333,334	9,750,000	55,250,000	3 month KIBOR +150 bps	Quarterly (2 years grace period)	17.1.1
	DM	4,221,181	-	-	(422,118)	3,799,063	-	3,799,063	(844,236)	2,954,827	422,118	3,799,063			
	DM	4,221,181	-	-	(211,059)	4,010,122	-	4,010,122	(844,236)	3,165,886	211,059	4,010,122			
	ITERF 1	4,972,500	-	-	(877,500)	4,095,000	(150,494)	3,944,506	(1,388,144)	2,556,362	1,073,248	3,652,003	SBP Rate +400 bps	Quarterly (2 years grace period)	17.1.2
	ITERF 1	11,288,000	-	-	(1,992,200)	9,295,800	(319,391)	8,976,409	(3,159,960)	5,816,449	2,459,807	8,502,429			
	ITERF 1	130,000,000	-	-	(13,000,000)	117,000,000	(21,487,510)	95,512,490	(17,905,378)	77,607,112	18,926,934	80,250,405			
		219,702,862	-		(25,788,591)	193,914,271	(21,957,395)	171,956,876	(36,522,906)	135,433,970	32,840,166	155,264,022			
Soneri Bank Limited	TERF 1	30,651,600	-		(7,662,900)	22,988,700	(1,245,927)	21,742,773	(21,742,773)	-	27,827,226	-	SBP Rate +400 bps	Quarterly (1 year grace period)	17.1.3
	TERF 2	10,774,500	-		(2,938,500)	7,836,000	(301,333)	7,534,667	(7,534,667)	-	10,012,404	-			
	TERF 3	23,538,645	-		(6,419,610)	17,119,035	(1,101,167)	16,017,868	(16,017,868)	-	21,141,073	-			
	TERF 4	26,152,504	-		(7,131,000)	19,021,504	(671,382)	18,350,122	(18,350,122)	-	24,452,056	-			
	TERF 5	57,836,300	-		(13,346,700)	44,489,600	(3,672,039)	40,817,561	(40,817,561)	-	50,244,390	-			
	Term Finance 1	10,567,969	-		(2,818,125)	7,749,844	-	7,749,844	(7,749,844)	-	10,567,969	-	3 month KIBOR +200 bps	Quarterly (1 year grace period)	17.1.4
	Term Finance 2	7,316,000	-		(1,371,750)	5,944,250	-	5,944,250	(5,944,250)	-	7,316,000	-			
	Term Finance 3	30,600,000	-		(5,737,500)	24,862,500	-	24,862,500	(24,862,500)	-	30,600,000	-			
		197,437,518	-		(47,426,085)	150,011,433	(6,991,848)	143,019,585	(143,019,585)	-	182,161,118	-			
Askari Bank Limited	LTFF 1	6,024,125	-		(777,308)	5,246,817	-	5,246,817	(777,308)	4,469,509	777,308	5,246,817	SBP Rate +300 bps	Quarterly (2 year grace period)	17.1.5
	LTFF 2	12,072,500	-		(1,131,797)	10,940,703	-	10,940,703	(1,509,065)	9,431,638	1,131,798	10,940,702			
	Term Finance 1	46,261,881	-		(14,234,424)	32,027,457	-	32,027,457	(14,234,424)	17,793,033	14,234,424	32,027,457	3 month KIBOR +150 bps	Quarterly (1 year grace period)	17.1.6
	Term Finance 2	43,549,932	-		(12,442,838)	31,107,094	-	31,107,094	(15,553,545)	15,553,549	15,553,545	27,996,387			
		107,908,438	-		(28,586,367)	79,322,071	-	79,322,071	(32,074,342)	47,247,729	31,697,075	76,211,363			
Bank Al Falah Limited	TERF 1	16,597,280	-		(2,049,656)	14,547,624	(3,593,327)	10,954,297	(1,237,706)	9,716,591	1,380,548	10,739,028	SBP Rate +400 bps	Quarterly (2 year grace period)	17.1.7
	TERF 2	19,678,360	-		(1,844,846)	17,833,514	(4,429,761)	13,403,753	(1,441,631)	11,962,122	1,710,686	12,435,155			
	TERF 3	151,424,000	-		(14,196,000)	137,228,000	(36,627,083)	100,600,917	(10,570,172)	90,030,745	7,373,893	98,397,796			
	Term Finance 1	43,716,704	-		(9,950,306)	33,766,398	-	33,766,398	(13,904,387)	19,862,011	10,363,723	33,352,981	3 month KIBOR +150 bps	Monthly (0 year grace period)	17.1.8
		231,216,344	-		(28,040,808)	203,175,536	(44,450,171)	158,725,365	(27,153,896)	131,571,469	20,828,850	154,924,960			
	LTFF 2	12,819,620	-		(12,819,620)	-	-	-	-	-	12,819,530	-	SBP Rate +250 bps	Quarterly	17.1.9
		12,819,620	-		(12,819,620)	-	-	-	-	-	12,819,530	-			
First Habib Modaraba	Diminishing Musharaka	59,413,864	150,090,130		(58,798,837)	190,705,157	-	190,705,157	(76,266,134)	114,439,023	52,532,838	46,881,026	Three month Kibor + (1.0%-2.0%)	Monthly	17.1.10
	Total	868,498,546	150,090,130		(201,460,308)	817,128,468	(73,399,414)	743,729,054	(315,036,832)	428,692,191	332,879,577	433,281,371			
							73,399,575		315,036,832	428,692,191					

16.1.1 The loan is secured by way of 1st exclusive charge over imported solar equipments with a margin of 25%. The loan is utilized for acquisition and installation of solar equipments in the factory.

16.1.2 The Group has entered into a Islamic Temporary Economic Refinance Facility (ITERF) agreement with Dubai Islamic Bank , with having a facility of Rs. 147.217 million. (2024: Rs. 147.217) This facility carries mark up at SBP Base Rate + 4% (2024: SBP Base Rate + 4%). The tenure of this facility is 7 years with grace period of 2 years. This facility is secured against 1st exclusive charge over imported plant and machinery, and land having a pari passu charge also personal guarantee of all the directors and mortgagors of the Group.

16.1.3 The Group has entered into a Temporary Economic Refinance Facility (TERF) agreement with bank, with the total limit aggregating to Rs. 163.59 million (2024: Rs. 163.59 million). This facility carry mark up of SBP Base Rate + 4% (2024: SBP Base Rate + 4%). The tenure of this facility is 5 years with grace period of 1 year. This facility is secured against first exclusive hypothecation charge over specific machinery and equipment with 25% margin.

16.1.4 The Group has entered into a Term finance agreement with bank, with the total limit aggregating to Rs. 50 million (2024: Rs. 50 million). This facility carry mark up of SBP Base Rate + 2% (2024: SBP Base Rate + 2%). The tenure of this facility is 5 years with grace period of 1 year. The loan is secured by way of 1st exclusive charge over specific machinery over landed cost with a margin of 25%.

16.1.5 The Group has entered into a Long term finance facility (LTFF) with bank, with the total limit aggregating to Rs. 108.5 million (2024: Rs. 108.5 million). This facility carry mark up of SBP Base Rate + 3% (2024: SBP Base Rate + 3%). The tenure of this facility is 10 years with grace period of 2 year. The loan is secured by way of specific charge over imported land and machinery to cover 100% exposure (principal amount only). Whereas, 25% margin shall be covered through charge over present and future fixed asset of the Group.

16.1.6 The loan is secured by way of specific charge over imported land and machinery to cover 100% exposure (principal amount only). Whereas, 25% margin shall be covered through charge over present and future fixed asset of the Group.

16.1.7 The Group has entered into a Temporary Economic Refinance Facility (TERF) agreement with banks, having a facility of Rs. 187.5 million (2024: Rs. 187.5 million). This facility carries mark up at SBP Base Rate + 4% (2024: SBP Base Rate + 4%). The tenure of this facility is 10 years with grace period of 2 years. The loan is secured against 1st exclusive charge over specific plant and machinery.

16.1.8 The Group has entered into a Temporary Economic Refinance Facility (TERF) agreement with banks, having the facility of Rs. 45.91 million (2024: Rs. 45.91 million). This facility carry mark up at SBP Base Rate + 4% (2024: SBP Base Rate + 4%). The tenure of this facility is 10 years with grace period of 2 years. The loan is secured against 1st exclusive charge over specific plant and machinery.

16.1.9. The loan is obtained to meet the capital expenditure requirement of the Group. The loan is secured by way of first exclusive and specific hypothecation charge over imported machinery of the Group.

16.1.10 These represent plant and machinery and vehicles and solar panel acquired under musharaka arrangement. The rates of mark-up ranges from 13.94% to 22.24%.

	Note	2025 Rupees	2024 Rupees
16.2 Loan from related parties - unsecured		143,272,296	52,818,403
Opening as at July 01,		58,272,948	77,274,471
Receipts during the year		154,210,474	-
Repayments during the year		-	(6,148,312)
Unwinding of discount	28	16,453,279	10,445,400
Less: Fair value adjustment	16.2.2	(59,733,286)	(23,298,611)
		169,203,415	58,272,948
Payable within one year	15	(25,931,119)	(5,454,545)
Closing as at June 30,		143,272,296	52,818,403

16.2.1 Loans from related parties are extended to fulfill the Group's working capital needs. The loans received from directors are due to be paid on different maturities ranging from December 2027 to June 2029, unless otherwise the terms of repayment are further extended.

16.2.2 This includes an equity component of Rs. 57.642 million relating to a loan of Rs. 154.210 million obtained during the year.

17. DEFERRED GOVERNMENT GRANT

	2025	2024
Deferred grant against temporary economic refinance facility	73,399,575	102,337,608
Current portion of deferred Government grant	(23,752,731)	(27,857,022)
	49,646,844	74,480,586

17.1 This relates to the difference between the fair value of the loan and total loan amount received under the State Bank of Pakistan (SBP) Temporary Economic Refinance Facility (TERF) scheme. The loan is amortized by discounting the total loan amount received over the period of 10 years from the date of loan disbursed and the difference between the total amount and it's disbursed value recognized as deferred government grant .

	Note	2025 Rupees	2024 Rupees
18. DEFERRED TAXATION - NET			
Balance as at July 1,		115,398,617	171,199,476
Reversal to profit or loss	32	(3,008,528)	(26,519,307)
Charged to other comprehensive income		(372,334)	(232,869)
Adjustment to the related deferred tax liability on revaluation surplus	15	-	5,940,002
Tax rate adjustment on surplus	15	16,873,687	(34,988,685)
Balance as at June 30,		128,891,442	115,398,617

This comprises of the following:

Taxable temporary differences:

	2025	2024
- accelerated depreciation on property, plant and equipment	148,635,388	108,037,572
- surplus on revaluation of property, plant and equipment	79,878,250	70,292,752
- Other financial asset	(704,765)	954,888
	227,808,873	179,285,212

Deductible temporary differences:

	2025	2024
- provision for doubtful trade debts	5,227,993	1,331,383
- provision for stock in trade	912,193	-
- provision for stores and spares	1,009,294	733,304
- provision for doubtful other receivables	-	565,313
- provision for staff gratuity	10,389,956	7,121,178
- minimum tax	78,356,415	51,698,755
- WWF liability	3,021,580	2,436,662
	(98,917,431)	(63,886,595)
	128,891,442	115,398,617

	Note	2025 Rupees	2024 Rupees

19. RETIREMENT BENEFIT OBLIGATION

	Note	2025 Rupees	2024 Rupees
Factory	19.2	88,220,972	74,942,694
Head office	19.10	252,372	252,372
		88,473,344	75,195,066

19.1 Retirement benefit obligation - defined benefit plan

The Projected Unit Credit Method based on following significant assumptions was used for valuation of the scheme.The disclosure made in notes 20.2 to 20.11 are based on information included in acturial report. The basis of recognition together with details as per actuarial valuation conducted as at June 30, 2025 are as under:

The principal assumptions used are as follows:

	2025	2024
- Discount rate	14.75%	16.25%
- Expected rate of salary increase	10.75%	15.25%
- Mortality rate	SLIC (2001-2005)-adjusted	

19.2 Liability recognized in the statement of financial position

	Note	2025 Rupees	2024 Rupees
Present value of retirement benefit obligation (RBO)	19.3	88,220,972	74,942,694

19.3 Movement in Retirement benefit obligation (RBO) during the year

	Note	2025 Rupees	2024 Rupees
Balance as at July 1,		74,942,694	78,522,743
Expense recognized in statement of profit or loss	19.4	27,201,765	31,977,786
Remeasurement loss recognized in other comprehensive income	19.5	1,283,912	802,995
Benefits paid		(7,837,000)	(30,793,500)
Benefits due but not yet paid		(7,370,399)	(5,567,330)
		88,220,972	74,942,694

	Note	2025 Rupees	2024 Rupees
19.4 Expense recognized in profit or loss			
Current service cost		17,396,886	22,172,158
Interest cost		9,804,879	9,805,628
		27,201,765	31,977,786
19.5 Total remeasurements recognized in other comprehensive income			
Actuarial gain on liability arising on			
- demographic assumptions		745,055	
- financial assumptions		(685,399)	(265,428)
- experience adjustments		1,224,256	1,068,423
		1,283,912	802,995

19.6 Sensitivity analysis

The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant:

Current year	**Increase /(decrease) in defined benefit obligation**		
	Change in Assumption	**Increase in Assumption**	**Decrease in Assumption**
Discount rate	1%	(3,902,987)	4,379,230
Salary growth rate	1%	4,578,270	(4,157,790)

Prior year	**Increase /(decrease) in defined benefit obligation**		
	Change in Assumption	**Increase in Assumption**	**Decrease in Assumption**
Discount rate	1%	(3,801,299)	4,293,611
Salary growth rate	1%	4,441,121	(4,002,239)

19.7 The gratuity scheme exposes the Group to the following risks:

Final salary risk (linked to inflation risk): The risk that the final salary at the time of cessation of service is greater than what we assumed. Since the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases.

Mortality risk - The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higer side.

Withdrawal risk: The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

19.8 The weighted average duration of the defined benefit obligation as at June 30, 2025 is 5 years (2024: 5 years).

19.9 Number of employees covered by the scheme are 708 (2024: 513).

19.10 This amount relates to the unfunded gratuity scheme for the head office staff which is freezed since 2002, as per the Group policy.

19.11 Based on the actuarial advice, the Group intends to charge Rs. 36.911 million in the consolidated financial statements for the year ending June 30, 2026.

20. TRADE AND OTHER PAYABLES

	Note	2025 Rupees	2024 Rupees
Creditors		176,890,457	172,988,847
Accrued liabilities		209,184,609	104,595,416
Contract liabilities	20.1	1,490,906,852	710,414,663
Workers' welfare fund		25,729,585	25,729,585
Sindh Infrastructure cess	20.2	184,437,105	166,078,418
Gratuity due but not yet paid	20.3	5,971,710	8,797,611
Provision for gas infrastructure development cess	23.1.2	5,403,945	5,733,225
Payable to provident fund		597,924	625,311
Minimum tax levy	20.4	45,031,540	49,920,855
Withholding tax payable		5,639,492	30,325,478
		2,149,793,219	1,275,209,410

	Note	2025 Rupees	2024 Rupees
20.1 Movement of Contract liabilities			
Opening balance		710,414,663	189,026,671
Advance received during the year		1,988,675,859	2,426,015,870
Transferred to revenue during the year		(1,208,318,068)	(1,904,627,877)
Closing balance		1,490,772,454	710,414,663

20.2 The Government of Sindh through Sindh Finance Act, 1994 provided for imposition of an infrastructure fee (cess) 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 Group along with other companies in the Honorable High Court (HCS) of Sindh through civil suits which were dismissed by the single judge of the HCS through its decision in October 2003. On appeal filed there against, the HCS 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 Holding Company, along with other companies, filed an appeal in the Honorable Supreme Court of Pakistan (SCP) against the aforementioned order of the High Court of Sindh. The SCP granted stay by passing an interim order on January 22, 2009. The order passed by the HCS was set aside by the SCP vide its order dated May 20, 2011. Consequently, a new petition has been filed in the HCS. Through the interim order passed on May 31, 2011, the HCS has ordered that for every consignment cleared after December 28, 2006, 50% of the value of infrastructure fee (cess) should be paid in cash and a bank guarantee for the remaining amount should be submitted until the final order is passed. Refer notes 13 & 23

On April 06, 2021, the HCS vide order C.P.No D-3309 / 2011, summoned to encash all the bank guarantees furnished by the petitioners. The HCS 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 SCP vide its order dated September 01, 2021, suspended the order issued by HCS stating that it suffers from constitutional and legal defects and granted the interim relief to the Holding Company and other petitioners. The order issued by the SCP states that the petitioners shall keep the bank guarantees already submitted pursuant to the earlier order of HCS 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.

During the prior year, a writ petition No. 42176 / 2020 was filed by All Pakistan Textile Mills Association (APTMA) (where the Holding Company is also a party to the petition). The Management is confident for a favorable outcome. However, the Holding Company has made provision as follows:

	Note	2025 Rupees	2024 Rupees
Balance as at July 1,		166,078,418	141,343,416
Charge for the year		18,358,687	24,735,002
Balance as at June 30,		184,437,105	166,078,418

20.3 Movement in gratuity due but not yet paid

Balance as at July 1,		8,797,611	5,814,581
(Payment) / transfer made during the year - net	19.3	(2,825,901)	2,983,030
		5,971,710	8,797,611

20.4 Levy Payable

Minimum tax levy	38,305,127	31,326,445
Final tax	6,726,413	18,594,411
	45,031,540	49,920,855

21. ACCRUED MARK-UP

Long-term finance	11,936,123	17,122,368
Short-term borrowings	63,000,720	96,891,318
	74,936,843	114,013,686

22. SHORT-TERM BORROWINGS

Running finance		573,834,251	609,283,094
Cash finance		853,090,093	393,674,857
Finance against Imported Merchandise (FIM)		635,894,812	1,031,873,785
Loan from ORA Saphaire Inc.		-	6,958,529
	22.1	2,062,819,156	2,041,790,265

22.1 The Facilities for running finance, cash finance, finance against imported merchandise are available from various banks up to Rs. 3,600 million (2024: Rs. 2,925 million). These facilities are subject to mark-up at 3 month KIBOR plus 1% to 2.5% (2024: 3 month KIBOR plus 1% 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 Group, plants and machinery, equitable mortgage on various properties and personal guarantees of all the directors of the Group.

22.2 The aggregate unavailed short-term borrowing facilities amounted to Rs.1,538 million (2024: Rs. 892 million).

23. CONTINGENCIES AND COMMITMENTS

23.1 Contingencies

23.1.1 In August 2013, the Oil and Gas Regulatory Authority (OGRA) vide its S.R.O. # 726(I)/2015 notified the sale price for sale of natural gas at Rs. 573.28/MMBTU for Captive Power Consumption (CPP) with immediate effect. Subsequent to the said S.R.O., the Group received gas bills at Rs. 573.28/MMBTU, being considered as CPP by the utility Group. The Group, considering itself as industrial consumer paid gas charges at the rate applicable before August 2013 based on the stay order obtained from the Court.

Subsequently, on September 1, 2015, OGRA vide its S.R.O. # 876(I)/2015 notified the price for sale of natural gas at Rs. 600/MMBTU for industrial consumers and on CPC, with effect from September 1, 2015. Aggrieved by the notification, the Holding Company filed a suit in the Honorable Lahore High Court (LHC) contending that the mandatory procedures as laid down in the OGRA Ordinance, 2002 and Rules made thereunder were not fulfilled while issuing the notification. Hence, the Group paid / accrued gas charges at rates applicable before the above S.R.O. # 726(I)/2015 on the basis of stay order obtained from LHC, Multan bench, from time to time, until November 2015.

From December 2015, the SNGPL has started supplying imported Liquefied Natural Gas (LNG) resulting in the change in rates over which no dispute has been raised by the Holding Company.

On July 6, 2020, the OGRA issued a decision whereby, the Holding Company (the petitioner) was directed to pay the outstanding amount to the utility Company within 30 day period from the date of decision. In response to the above decision, a writ petition was filed before the LHC by the Holding Company and the LHC issued a stay order on October 8, 2020, which suspended the OGRA's decision, however, the case is still pending before LHC.

23.1.2 The Federal Government issued Gas Infrastructure Development Cess (GIDC) Act in the years 2011, 2014 and 2015. All GIDC Acts have been subject of thorough debate and consideration at honorable High Courts of the country as well as the Honorable Supreme Court of Pakistan (SCP).

On August 12, 2020, the SCP issued its verdict (judgement) and held that "the levy imposed under Gas Infrastructure Development Cess Act, 2015 (the Act) is in accordance with the provisions of the Constitution". The SCP has also held that "the provisions of section 8 of the Act, which give retrospective effect to the charge and recovery of GIDC levied from the year 2011 are also declared to be valid being within the legislative competence of the Parliament." However, since the Holding Company is an industrial concern and it did not pass on the burden of GIDC to its consumers prior to the GIDC Act, 2015 (or even thereafter), management believes that the Holding Company is entitled to the exemption under the first proviso to Section 8(2) of the GIDC Act, 2015 from payment of the GIDC levied under the GIDC Act, 2011 and GIDC Ordinance, 2014. As such, arrears due from the Group may only include amounts levied under the GIDC Act, 2015 from the date of its commencement, i.e., May 22, 2015.

Subsequent to the Order passed by the SCP on August 12, 2020, SNGPL submitted bills to the industry including the Holding Company claiming arrears of first instalment in deference to the said Judgement of the SCP. As the bills of arrears were calculated for monthly instalment on the basis of entire total payable amount from 2011 to July 2020 by charging cess on the higher rate of tariff applicable to Captive Connections apart from the fact that the implication of Section 8 of the said Act, 2015 was not taken into consideration whereby it was provided that the industry, which has not collected the cess from the customers prior to 2015 shall not be liable to the payment of GIDC for the said period from 2011 to 2015. During the year 2020, a writ petition No. 42176 / 2020 was filed by All Pakistan Textile Mills Association (APTMA) (where the Holding Company is also a party to the petition) before Honorable High Court at Lahore against imposition of GIDC Act 2015 and the recovery of cess from December 2011 to May 2015. Further, during the prior year, SNGPL started billing for GIDC to the Holding Company against which payment was made by the Group till March 2021 based on the order issued by LHC against the aforementioned writ petition. Pursuant to the order, LHC restrained SNGPL from charging the cess at the higher tariff rate of Captive Connection and directed to issue revised bill calculated at the rate applicable to industrial connection. Besides, the payment for the period from 2011 to 2015 was also suspended in view of the implication of the said provision of law. Further, the Holding Company made payment which is applicable to industrial consumers and for the difference between the amount charged to industrial consumers and captive power consumers, post-dated cheques are being issued by the Group in favor of SNGPL. For the amount relating to the payment of GIDC based on the actual calculation prior to 2015, the decision was made by the LHC on June 27, 2021 whereby it has restrained the SNGPL to collect the cess prior to 2015.

On September 27, 2021, the LHC issued a judgment on writ petition No. 42716 / 2020 whereby it was concluded that all the parties to the petition (including the Group) fall under the category of industrial consumers rather than Captive Power Plant and shall remain liable to the tariff applicable to industrial consumers.

During the prior years, the Holding Company filed an appeal before the HCS on the ground that no burden of GIDC had been passed to its customers / clients and thus the Group is not liable to pay GIDC under GIDC Act 2015. The HCS granted stay order against recovery of GIDC payable by the Group till the finalization of matter by HCS. The matter is currently pending in the HCS. However, as a matter of abundant caution and without prejudice to the suits filed, the Holding Company has made aggregate provision of Rs. 5.4 million (2024: Rs. 5.4 million) in respect of GIDC up to June 30, 2025.

23.1.3 An order dated November 11, 2020 was passed against the Holding Company by Collector of Customs, Karachi creating a demand of Rs. 13.023 million along with a penalty of Rs. 0.5 million. The Group has challenged the above order by way of filing an appeal before the Customs Appellate Tribunal at Karachi, which is pending for final adjudication. However, a stay order was successfully obtained from Honorable Sindh High Court on December 22, 2020 by filing Constitutional Petition number 6618 / 2020, which is still operative.

	2025 Rupees	2024 Rupees
23.2 Commitments		
Letters of credit opened and outstanding for import:		
- Stores and spares	3,207,423	6,471,076
- Raw material	226,882,018	476,600,215
Letter of guarantee issued by bank on behalf of the Group to:		
- Lahore Electric Supply Group Limited	34,095,568	34,095,568
- Sui Northern Gas Pipelines Limited	93,913,000	81,684,800
- Excise and Taxation Office	184,437,105	165,258,600
- Post dated cheques given to Collector of Customs as indemnity	1,010,420,492	980,158,170

24. Revenue from contract with customer - net

	Note	2025 Rupees	2024 Rupees
Yarn			
- Local		2,697,004,869	2,165,871,496
- Export		1,249,928,953	1,682,072,784
- Indirect export		678,666,457	2,231,968,415
		4,625,600,279	6,079,912,695
Home textile			
- Local		28,997,756	22,515,521
- Export		312,183,518	321,584,956
		341,181,274	344,100,477
Raw material - local		674,653,083	487,840,237
Waste - local		300,420,053	355,681,836
		5,941,854,689	7,267,535,245
Less:			
Sales tax		(707,778,726)	(778,943,841)
Brokerage and commission		(3,388,069)	(19,328,548)
		5,230,687,894	6,469,262,856

24.1 Revenue recognized during the year from contract liabilities amounted to Rs. 1,208.32 million (2024 : Rs. 1,904.63 million)

25. COST OF SALES

	Note	2025 Rupees	2024 Rupees
Raw material consumed	25.1	2,689,328,806	3,557,010,514
Salaries, wages and benefits	25.1.1	282,397,396	260,700,700
Fuel and power		1,025,952,260	943,888,167
Depreciation	5.1.3	125,931,877	119,526,130
Stores, spares and loose tools consumed		69,303,988	67,443,925
Packing material		69,619,193	69,642,550
Insurance		17,528,283	18,400,863
Repairs and maintenance		3,867,681	2,750,950
Vehicles running and maintenance		5,220,007	5,894,092
Other manufacturing overheads		4,296,964	3,761,375
		1,604,117,649	1,492,008,753
		4,293,446,455	5,049,019,267

	Note	2025 Rupees	2024 Rupees
Work in process			
Work-in-process			
Opening stock		91,441,948	76,496,220
Closing stock		(111,511,263)	(91,441,948)
		(20,069,315)	(14,945,728)
Cost of goods manufactured		4,273,377,140	5,034,073,539
Finished goods			
Opening stock		252,289,028	460,111,663
Yarn purchased		19,000,000	24,003,800
Yarn transferred from home textile		978,500	1,912,500
Yarn transferred to home textile		(19,000,000)	(57,141,750)
Closing stock		(366,826,242)	(252,289,028)
		(113,558,714)	176,597,185
Cost of home textile		132,659,293	241,512,666
Cost of raw material sold		598,195,526	389,220,006
		4,890,673,245	5,841,403,396

25.1 Raw material consumed

	2025 Rupees	2024 Rupees
Opening stock	1,121,028,719	726,259,683
Purchases - net	2,574,622,687	3,951,779,550
	3,695,651,406	4,678,039,233
Closing stock	(1,006,322,600)	(1,121,028,719)
	2,689,328,806	3,557,010,514

25.1.1 Salaries, wages and benefits include Rs. 28.93 million (2024: Rs. 31.98 million) in respect of charge for staff retirement benefit obligations.

26. DISTRIBUTION COST

	2025 Rupees	2024 Rupees
Freight and octroi	12,059,419	27,634,471
Commission and other charges	5,714,484	6,396,102
Clearing and forwarding	30,162,983	24,430,050
Business promotion expenses	1,841,250	985,101
Export development surcharge	3,713,857	4,812,443
	53,491,993	64,258,167

27. ADMINISTRATIVE EXPENSES

	Note	2025 Rupees	2024 Rupees
Salaries and benefits	27.1	75,503,093	79,586,634
Fees, subscription and periodicals		5,732,064	5,607,432
Entertainment		3,061,559	1,877,529
Traveling and conveyance		1,577,834	3,451,672
Postage and telephone		2,221,262	1,991,369
Electricity, gas and water		2,136,061	1,847,900
Vehicles running and maintenance		3,559,173	8,710,819
Depreciation	5.1.3	5,994,321	10,285,824
Expected credit loss - trade receivable	8.2	26,324,027	4,135,227
Loose tools written off		64,585	-
Legal and professional		5,288,888	78,000
Auditor's remuneration	27.2	1,795,000	1,650,000
Printing and stationery		927,057	1,133,277
Computer		310,200	716,724
Advertisement		461,954	316,150
Donation	27.3	3,721,373	3,923,000
Others		1,320,159	3,080,809
		139,998,610	128,392,366

27.1 Salaries and benefits include Rs. 2.17 million (2024: Rs. 2.02 million) in respect of charge for employer's contribution to staff provident fund.

27.2 Auditors' remuneration

	2025 Rupees	2024 Rupees
Audit Services		
Annual audit fee	1,155,000	1,050,000
Consolidation fee	275,000	250,000
Half year review fee	200,000	200,000
Review of code of corporate governance	55,000	50,000
Certifications	55,000	50,000
Out of pocket expenses	55,000	50,000
	1,795,000	1,650,000

27.3 No director or their spouse had any interest in the donees' fund. During the year, the Group has donated Rs. 3.44 million (2024: Rs. 3.92 million) to The Citizens Foundation.

	Note	2025 Rupees	2024 Rupees
28. FINANCE COST			
Mark-up on long term finance		85,676,109	85,845,782
Mark-up on short-term borrowings		364,246,419	473,437,026
Interest on lease liability		-	175,669
Unwinding of discount on long-term finance from related parties	16.2	16,453,280	10,445,400
Bank charges, guarantee commission and other related charges		10,761,095	9,949,394
		477,136,903	579,853,271
29. OTHER OPERATING EXPENSES			
Realized exchange loss on foreign exchange - net		14,116,518	25,342,874
Unrealized exchange loss on foreign exchange- net		-	936,180
Infrastructure cess	20.2	18,358,687	24,735,002
		32,475,205	51,014,056
30. OTHER INCOME			
Income from financial assets			
Profit on deposits with bank		25,575,852	29,771,558
Dividend Income		-	198,000
Realized gain on short term investment		-	399,006
		25,575,852	30,368,564
Income from non-financial assets			
Gain on disposal of property, plant and equipment		3,703,456	12,627,300
Scrap sales		143,032	205,329
Other revenue		-	53,611
Export rebate		5,437,823	5,955,182
		9,284,311	18,841,422
		34,860,163	49,209,986
31. LEVY			
Final tax levy		22,690,054	39,282,790
Minimum tax differential		38,305,127	31,326,445
	31.1	60,995,181	70,609,235

31.1 This represents minimum tax on turnover under section 113 of Income Tax Ordinance 2001.

32. TAXATION

	Note	2025 Rupees	2024 Rupees
Current			
- for the year	32.1	-	184,254
- prior year		(104,695)	758,682
		(104,695)	942,936
Deferred	18	(3,008,528)	(26,519,307)
		(3,113,223)	(25,576,371)

32.1 Reconciliation of current tax charge charged as per tax laws for the year, with current tax recognized in the consolidated statement of profit or loss, is as follows:

	2025	2024
Income tax under IAS 12		184,254
Income tax levy under IFRIC 21/IAS 37	60,995,181	70,609,235
Current tax liability as per Income Tax Ordinance	60,995,181	70,793,489

32.2 Reconciliation between tax expense and accounting profit for the current year has not been presented as there has been no tax at normal rate of taxation under Income Tax Ordinance, 2001.

33. LOSS PER SHARE - BASIC AND DILUTED

There is no dilutive effect on the basic loss per share of the Group which is based on:

		2025	2024
Loss for the year	**Rupees**	(387,473,548)	(191,481,278)
Weighted average number of ordinary shares outstanding during the year	14	19,852,800	19,852,800
Loss per share	**Rupees / Share**	(19.52)	(9.65)

34. CASH AND CASH EQUIVALENTS

	Note	2025	2024
Cash and bank balances	13	112,174,039	8,607,548
Short-term borrowings	22	(573,834,251)	(609,283,094)
		(461,660,212)	(600,675,546)

35. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise subsidiary company, other related parties, post employment benefit plan and key management personnel, are disclosed in note 16 and note 36 respectively. The Group in the normal course of business carries out transactions with various related parties. Detail of transactions with related parties, other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

Relationship with the Group	Nature of transaction	2025 Rupees	2024 Rupees
Key Management Personnel	Remuneration paid	25,036,172	31,285,047
	Post employment benefits	-	889,788

36. REMUNERATION TO CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	2025				2024			
	Chief Executive	Directors		Executives	Chief Executive	Directors		Executives
		Executive	Non-executive			Executive	Non-executive	
	Rupees							
Remuneration	3,200,000	2,800,000	-	9,475,726	3,200,000	2,800,000	-	14,263,506
House rent allowance	960,000	840,000	-	3,158,575	960,000	840,000	-	4,279,051
Utilities	320,000	280,000	-	1,579,288	320,000	280,000	-	1,426,351
Medical	320,000	280,000	-	1,279,287	320,000	280,000	-	1,426,351
Contribution to Provident Fund	-	-	-	543,296	-	-	-	889,788
Meeting fee	-	-	60,000	-	-	-	60,000	-
	4,800,000	4,200,000	60,000	16,036,172	4,800,000	4,200,000	60,000	22,285,047
Number of persons	1	1	5	8	1	1	5	7

36.1 The Chief Executive, directors and some executives are provided with free use of Group maintained cars.

37. PLANT CAPACITY AND ACTUAL PRODUCTION

	2025 Rupees	2024 Rupees
Installed production capacity 20/s count - yarn in kgs.	17,367,640	16,724,667
Actual production during the year at 20/s count - yarn in Kgs.	11,119,432	10,253,969

It is difficult to precisely describe the production capacity and compare it with actual production in the textile industry since it fluctuates widely depending upon various factors such as count of yarn spun, spindles speeds, twists per inch, raw material used, etc. actual production and sales varies based on market demand.

38. NUMBER OF EMPLOYEES

The total and average number of employees during the year and as at June 30, 2025 and 2024

	2025	2024
Total number of employees of the Group as at reporting date	747	552
Average number of employees of the Group during the year	694	686

39. PROVIDENT FUND RELATED DISCLOSURE

Investment made by the Group have been made in accordance with the provisions of section 218 Companies Act, 2017.

40. FINANCIAL INSTRUMENTS BY CATEGORY

	2025 Rupees	2024 Rupees
Financial assets as per statement of financial position		
At fair value through profit or loss	-	-
At amortised cost		
Long term deposits	4,513,631	6,063,681
Trade debts	1,704,725,872	1,111,090,989
Loans and advances	1,803,391	963,981
Other receivables	214,832,579	51,362,833
Short term investment	148,099,670	200,455,670
Cash and bank balances	111,893,508	7,055,019
	2,185,868,651	1,376,992,173
Financial liabilities as per statement of financial position		
At amortized cost		
Long-term finance		
- from banking companies	743,729,023	766,160,948
- from related parties	169,203,415	58,272,948
Trade and other payables	386,672,990	261,089,709

	2025 Rupees	2024 Rupees
Unclaimed dividend	2,739,068	2,739,068
Accrued mark-up	74,936,843	114,013,686
Short-term borrowings	2,062,819,156	2,034,831,736
	3,440,100,495	3,237,108,095

40.1 RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	2025			
	Liabilities			
Description	Long Term Loan - Institutions	Long Term Loan - Related Party	Short Term Borrowing	Total
Balance as at July 1,	766,160,948	58,272,948	1,432,507,171	2,256,941,067
Impact of Grant	28,938,253			28,938,253
Unwinding of discount		16,453,279		16,453,279
Fair value adjustment		(59,733,286)		(59,733,286)
Loan received	150,090,130	154,210,474	3,015,167,660	3,319,468,264
Repayment	(201,460,308)		(2,958,689,926)	(3,160,150,234)
Balance as at June 30, 2025	743,729,023	169,203,415	1,488,984,905	2,401,917,343

	2024				
	Liabilities				
Description	Long Term Loan - Institutions	Long Term Loan - Related Party	Short term borrowing	Lease Liability	Total
Balance as at July 1, 2023	819,222,063	77,274,471	1,077,112,942	1,962,284	1,975,571,759
Impact of Grant	31,168,846	-	-	-	31,168,846
Unwinding of discount	-	10,445,400	-	-	10,445,400
Fair value adjustment	-	(23,298,611)	-	-	(23,298,611)
Loan received	61,199,200		3,701,572,392	-	3,762,771,592
Repayment during the period	(145,429,161)	(6,148,312)	(3,346,178,163)	##########	(3,499,717,920)
Balance as at June 30, 2024	766,160,948	58,272,948	1,432,507,171	-	2,256,941,067

41. FINANCIAL RISK MANAGEMENT AND RELATED DISCLOSURES

The Board of Directors has overall responsibility for the establishment and oversight of the Group's financial risk management. To assist the Board in discharging its oversight responsibility, management has been made responsible for identifying, monitoring and managing the Group's financial risk exposures. The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

41.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of financial instruments or contracts are entered into with the same party, or when counter parties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

Credit risk of the Group arises principally from the trade debts, loans and advances, other financial assets, other receivables and bank balances. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

	Note	2025 Rupees	2024 Rupees
Security deposits		4,513,631	6,063,681
Trade debts	41.1.1	1,704,725,872	1,111,090,989
Loans and advances	41.1.2	1,803,391	963,981
Other receivables		45,319,929	51,362,833
Short term investment	41.1.3	148,099,670	200,455,670
Bank balances	41.1.3	111,893,508	7,055,019
		2,016,356,001	1,376,992,173

41.1.1 Trade debts

The trade debts at year end are due from local and foreign customers against local sales and export sales respectively. Trade debt due from foreign customers are secured against letter of credit. For local customers management assesses the credit quality of customers, taking into account their financial position, past experience and other factors. The Group's exposure to credit risk arising from trade debtors is mainly influenced by the individual characteristics of each customer. The Group has no major concentration of credit risk with any single customer. The Group establishes an allowance for impairment that represents lifetime expected credit losses (ECL) based on analysis of recovery pattern and adjustment of trade debts secured against letter of credits.

41.1.2 Loans and advances

These include loans and advances given primarily to employees against salaries, which will be adjusted against their future salaries or in case of resignation against their post retirement benefit balances.

41.1.3 Other financial assets and balances with banks

The Group deposits its funds and invests in term deposit receipts (other financial assets) with banks carrying good credit standings assessed by reputable credit agencies. These banks are credit rated as follows:

Bank Name	Date of Rating	Rating Agency	Short Term	Long Term
Bank Al-Falah Limited	28-Jun-25	PACRA	A1+	AAA
Samba Bank Limited	28-Jun-25	PACRA	A1	AA
Dubai Islamic Bank Pakistan Ltd	28-Jun-25	VIS	A1+	AA
Habib Metropolitan Bank Limited	28-Jun-25	PACRA	A1+	AA+
The Bank of Punjab	28-Jun-25	PACRA	A1+	AA+
MCB Islamic Bank Limited	28-Jun-25	PACRA	A1	A+
National Bank of Pakistan	28-Jun-25	VIS	A1+	AAA
Silk Bank Limited	28-Jun-25	VIS	A1+	AAA
Bank Islamic Pakistan Limited	28-Jun-25	PACRA	A1	AA-
Sindh Bank Limited	28-Jun-25	VIS	A1	AA-
Meezan Bank Limited	28-Jun-25	VIS	A1+	AAA
J.S Bank Limited	28-Jun-25	PACRA	A1+	AA
Habib Bank Limited	28-Jun-25	VIS	A1+	AAA
Bank Al-Habib Limited	28-Jun-25	PACRA	A1+	AAA
Soneri Bank Limited	28-Jun-25	PACRA	A1+	AA-
Askari Bank Limited	28-Jun-25	PACRA	A1+	AA+
HAB bank	30-Jun-25	WEISS	B	B

41.2 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Group could be required to pay its liabilities earlier than expected or would have difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due without incurring unacceptable losses or risking damage to the Group's reputation. The Group manages liquidity risk by maintaining sufficient cash and bank balances and availability of finance through banking arrangements.

The following are the contractual maturities of financial liabilities, including interest payments:

	2025			
	Carrying amount	Contractual maturities	maturity upto one year	maturity after one year
Long-term finance				
- from related parties	169,203,415	255,401,474	25,931,119	229,470,355
- from banking Companies	743,729,023	817,128,468	338,789,402	478,339,035
Lease Liability	-	-	-	-
Trade & other payable	362,584,409	386,672,990	386,672,990	-
Unclaimed dividend	2,739,068	2,739,068	2,739,068	-
Mark-up secured	74,936,843	74,936,843	74,936,843	-
Short-term borrowings	1,488,984,905	1,488,984,905	1,488,984,905	-
	2,842,177,663	3,025,863,748	2,318,054,327	707,809,390

	2024			
	Carrying amount	Contractual maturities	maturity upto one year	maturity after one year
Long-term finance				
- from related parties	58,272,948	101,191,000	5,454,545	95,736,455
- from banking Companies	766,160,948	868,498,558	360,736,599	507,761,957
Lease Liability	-	157,020	157,020	-
Trade & other payable	261,089,709	261,089,709	261,089,709	-
Unclaimed dividend	2,739,068	2,739,068	2,739,068	-
Mark-up secured	114,013,686	114,013,686	114,013,686	-
Short-term borrowings	2,034,831,736	2,034,831,736	2,034,831,736	-
	3,237,108,095	3,382,520,777	2,779,022,363	603,498,412

41.3 Market risk

Market risk is the risk that changes in market prices, such as share price, foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. The Group is primarily exposed to interest rate risk and currency risk.

41.3.1 Price risk

Price risk is the risk that the fair value or the future cashflows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. As at June 30, 2025 the Group is not exposed to price risk.

Price risk is the risk that the fair value or the future cashflows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. As at June 30, 2025 the Group is not exposed to price risk.

41.3.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term financing, short-term borrowings, short term investment and bank balances in savings account.

At the reporting date the interest rate risk profile of the Group's interest-bearing financial instruments is:

	Carrying Amount	
	2025	2024
	Rupees	Rupees
Fixed rate instruments		
Financial assets - at amortised cost	148,099,670	200,455,670
Financial liabilities - at amortised cost	427,442,297	513,629,844
Variable rate instruments		
Financial assets - at amortised cost	84,320,203	6,548,627
Financial liabilities - at amortised cost	2,548,309,297	2,345,635,788

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 500 basis points in KIBOR based on financial liabilities at the reporting date would have increased / (decreased) equity and profit before tax by Rs. 127.42 million (2024: Rs. 117.40 million). This analysis assumes that all other variables remain constant.

41.3.3 Currency risk

Foreign currency risk arises mainly where receivables and payables exist due to transactions with foreign undertakings and bank balances in foreign currency. The Group's exposure to foreign currency risk is as follows:

	2025	2024
	------------Rupees---------	
Trade debts	24,655,755	62,527,155
Trade payable	112,045,502	129,308,404

	Average Rate		Reporting date rate	
	2025	2024	2025	2024
	------------Rupees----------			
USD	279.34	278.52	283.765	278.34

At June 30, 2025, if the Pakistani Rupee had weakened / strengthened by 1-2% against the US Dollar and Euro with all other variables held constant, profit before tax for the year would have been lower / higher by Rs. 1.75 million (2024: Rs. 3.99 million), mainly as a result of foreign exchange losses / gains on translation of US Dollar and Euro - denominated trade debts and trade payables.

41.4 Capital risk management

The objective of the Group when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain a strong capital base to support the sustained development of its businesses.

The Group manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend to the shareholders or issue bonus / new shares or sell asset to reduce debt.

Consistent with others in the industry, the Group manages its capital risk by monitoring its liquid assets and keeping in view future investment requirements and expectation of the shareholders

As at June 30, 2025 and 2024, the Group had surplus reserves to meet its requirements.

42. FAIR VALUE OF FINANCIAL INSTRUMENTS

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 Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing 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

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

There are no transfers between the levels during the year.

42.1 There are no other assets or liabilities to classify under above levels except the Group's freehold land, building on freehold land, labor colony on free hold land, 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. The fair value measurements of these assets carried out as at January, 2024, were performed by Harvester Services (Pvt.) Ltd. not related to the Group. The valuer is listed on panel of Pakistan Banks Association and they have appropriate qualification and experience in the fair value measurement of properties, plant and machinery (Refer note 5.1.5).

43. OPERATING SEGMENT INFORMATION

The Group constitutes a single reportable segment since the executive management monitors the operating results of the entity for the purpose of making decisions about resource allocation and performance assessment. The entity-wide disclosures required by IFRS 8 'Operating Segments' are given below:

(a) Group sales comprise of Terry towels and yarn whereby more than 95% sales pertains to Yarn.

(b) As at June 30, 2025 and June 30, 2024, all non-current assets of the Group were located in Pakistan.

(c) Significant sales are made by Group in the following countries:

	2025	2024
	---Rupees---	
Pakistan	3,227,030,154	3,303,202,504
China	1,682,072,784	812,458,615
Other countries	321,584,956	84,479,818
	5,230,687,894	6,469,262,856

44. CORRESPONDING FIGURES

Corresponding figures have been reclassified and rearranged where necessary to facilitate comparison, however, no significant reclassification have been made in these consolidated financial statements.

45. DATE OF AUTHORIZATION FOR ISSUE

These consolidated financial statements were authorized for issue on November 04, 2025 by the Board of Directors of the Group.

Chief Executive | Chief Financial Officer | Chairman

NUMBER OF SHARE HOLDERS	SHARE HOLDINGS			TOTAL SHARES HELD
265	1	-	100	6,360
417	101	-	500	92,768
638	501	-	1,000	364,302
162	1,001	-	5,000	322,036
14	5,001	-	10,000	105,794
10	10,001	-	15,000	118,936
7	15,001	-	20,000	121,752
8	20,001	-	25,000	180,690
2	25,001	-	30,000	55,293
3	30,001	-	35,000	96,810
4	35,001	-	40,000	154,960
2	40,001	-	45,000	85,439
1	55,001	-	60,000	57,959
1	60,001	-	65,000	65,000
1	105,001	-	110,000	110,000
1	115,001	-	120,000	117,600
1	130,001	-	135,000	130,350
1	155,001	-	160,000	158,192
1	200,001	-	205,000	201,671
1	250,001	-	255,000	250,003
1	1,440,001	-	1,445,000	1,442,039
1	4,330,001	-	4,335,000	4,332,557
1	5,525,001	-	5,530,000	5,527,143
1	5,755,001	-	5,760,000	5,755,146
1,544				**19,852,800**

Categories of Shareholders	No. of Shareholders	Shares held	Percentage
Associated Companies, Undertaking and Related Paraties	-	-	-
Directors, CFO & their Spouse and Minor Children	08		
Mr. S. M. Mansoor Allawala		4,332,557	21.823
Mr. Rizwan Idrees Allawala		5,527,143	27.841
Mr. Omair Idrees Allawala		5,755,146	28.989
Syed Masud Arif		500	0.003
Miss. Azra Yaqub Vawda		500	0.003
Miss Aamnah Mansoor		2,000	0.010
Mr. Muhammad Zubair		500	0.003
Mrs. Ambreen Mansoor W/o S. M. Mansoor Allawala		1,442,039	7.264
Executive	-	-	-
Joint Stock Companies	11	104,090	0.524
NIT & ICP	-	-	-
Investment Company	1	990	0.005
Other	1	550	0.003
Banks, Development Finance Institutions, Non-Banking Finance Institutions, Insurance Companies, Modarabas & Mutual Funds	2	3,850	0.019
Shareholders holding 5% or more voting interest			
Mr. S. M. Mansoor Allawala		4,332,557	21.823
Mr. Rizwan Idrees Allawala		5,527,143	27.841
Mr. Omair Idrees Allawala		5,755,146	28.989
Ms. Ambreen Mansoor W/0 S. M. Mansoor Allawala		1,442,039	7.264

CATEGORIES OF SHAREHOLDERS	NUMBER	SHARES HELD	PERCENTAGE
Associated Companies, Undertaking, and Related Parties	-	-	-
Directors, CFO & their Spouse & Minor Children	8	17,060,385	85.934
Joint Stock Companies	11	104,090	0.524
Bank, Development Finance Institutions	2	3,850	0.019
Insurance Companies, Modarabas			
Investmnet Company	1	990	0.005
Other	1	550	0.003
Individuals	1521	2,682,935	13.514
	1,544	19,852,800	100.00

میں یہ رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہا ہوں جو بورڈ آف ڈائریکٹرز (بورڈ) کی مجموعی کارکردگی اور اس کے اس کردار سے متعلق ہے جو اس نے کمپنی کے مقاصد کے حصول میں ادا کیا ہے، برائے مالی سال ختم شدہ 30 جون 2025ء۔

مالی سال 2025 کے دوران، اسپننگ (دھاگہ سازی) کے شعبے کو درپیش چیلنجز برقرار رہے، جن میں بلند شرح سود، غیر مسابقتی توانائی نرخ، غیر موافق ایکسپورٹ فنانسنگ اسکیم (EFS) نظام، اور مقامی روئی کی کمی، مقدار اور معیار دونوں کے لحاظ سے شامل تھے۔ آپ کی کمپنی کی انتظامیہ پُرعزم اور ثابت قدم رہی اور کمپنی کو ترقی اور منافع کی راہ پر گامزن رکھنے کے لیے پوری تندہی سے کوشاں رہی تاکہ حصص یافتگان کی قدر میں اضافہ کیا جا سکے۔

بورڈ کی کارکردگی اور اس کے مقاصد کے حصول میں کارگردگی کے جائزے کے لیے ایک مناسب نظام موجود ہے۔ بطور چیئرمین، میں کمپنی کے نظم و نسق کی نگرانی کرتا ہوں تاکہ وہ متعلقہ قوانین وضوابط کے مطابق رہے۔ زیرِ جائزہ سال کے دوران کی گئی تشخیص کے مطابق، بورڈ کی مجموعی کارکردگی اور اثرات کو اطمینان بخش قرار دیا گیا۔ بورڈ کی تشخیص کا مقصد اس کی مجموعی کارکردگی کا جائزہ لینا ہے تاکہ کارپوریٹ گورننس کی بہترین روایات کے مطابق عمل درآمد کو یقینی بنایا جا سکے۔

زیرِ جائزہ سال کے دوران بورڈ نے انتظامیہ کو اسٹریٹجک رہنمائی فراہم کی، اچھی حکمرانی کے اصولوں کی اہمیت کو تسلیم کرتے ہوئے جن سے شفافیت، جواب دہی اور اعلیٰ معیار کی کارپوریٹ گورننس یقینی بنتی ہے۔ بورڈ نے اپنے فرائض محنت اور ذمہ داری سے انجام دیے۔ مؤثر نگرانی اور احتیاطی تدابیر کے ذریعے، تمام متعلقہ قوانین وضوابط کی مکمل پابندی کو یقینی بنایا گیا۔ انتظامیہ نے درست مالی رپورٹنگ کو یقینی بنانے اور بہتری کے مواقع کی نشاندہی کے لیے مستقل کوششیں جاری رکھیں۔ بورڈ اندرونی کنٹرول کے مضبوط نظام کے قیام اور اس کی نگہداشت کے لیے پُرعزم رہا اور اس نے کمپنی کے انتظام، پالیسی سازی، اپنی کارکردگی کے جائزے، اور بورڈ کی کمیٹیوں کے امور کی نگرانی جیسے فرائض بھرپور طریقے سے انجام دیے۔

بورڈ کی تشکیل قانونی تقاضوں کے مطابق ہے، جس میں ایگزیکٹو، نان ایگزیکٹو، آزاد اور خواتین ڈائریکٹرز کی مناسب نمائندگی شامل ہے۔ آڈٹ کمیٹی اور ہیومن ریسورس اینڈ ریمونریشن کمیٹی نے بورڈ کی معاونت میں اہم کردار ادا کیا۔ ان کمیٹیوں کے اجلاس کارپوریٹ گورننس کے ضوابط کے مطابق باقاعدگی سے منعقد کیے گئے۔ بورڈ نے دیگر معاملات کے علاوہ، سہ ماہی اور سالانہ مالیاتی بیانات، سرمایہ جاتی اخراجات، قرضہ جات، متعلقہ فریقین کے معاملات، اور بیرونی آڈیٹر کی تقرری کی منظوری دی۔ اس کے علاوہ، بورڈ پائیدار ترقی، ماحولیاتی، سماجی اور گورننس (ESG) اصولوں اور کارپوریٹ سماجی ذمہ داری (CSR) کے مؤثر نفاذ اور نگرانی کے لیے بھی پُرعزم ہے۔

میں کمپنی کے حصص یافتگان، بینکوں، سپلائرز اور صارفین کے اعتماد اور تعاون پر اپنی دلی تشکر کا اظہار کرتا ہوں۔ میں کمپنی کے تمام ملازمین کی انتھک محنت اور قیمتی خدمات کو بھی سراہتا ہوں۔

رضوان ادریس اللہ والا
چیئرمین

کراچی: 4 نومبر 2025

(v) ممبران سے درخواست کی جاتی ہے کہ وہ اپنے بین الاقوامی بینکنگ اکاؤنٹ نمبر (IBAN) کے ساتھ ساتھ کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) کی ایک کاپی ہمارے ریکارڈ کو اپ ڈیٹ کرنے کے لیے فراہم کریں۔ جمع نہ کرانے کی صورت میں مستقبل کی تمام ڈیویڈنڈ کی ادائیگیاں روکی جاسکتی ہیں۔

(vi) کمپنیز ایکٹ، 2017 کے سیکشن 72 کے مطابق ہر کمپنی کو کمپنیز ایکٹ، 2017 یعنی 30 مئی، 2017 کے آغاز سے چار سال کی مدت کے اندر اپنے فزیکل شیئرز کو بک انٹری فارم کے ساتھ تبدیل کرنا ہوگا۔

پاکستان کے سیکورٹیز اینڈ ایکسچینج کمیشن نے اپنے سرکلر نمبر CSD/ED/Misc./2016-639-640 مورخہ 26 مارچ 2021 کے ذریعے لسٹڈ کمپنیوں کو مشورہ دیا ہے کہ وہ اپنے ایسے ممبران کی قائل کریں جن کے پاس ابھی بھی فزیکل شکل میں حصص ہیں، اپنے شیئرز کو بک انٹری فارم میں تبدیل کریں۔

اس کے مطابق فزیکل شیئر ہولڈنگ رکھنے والے شیئر ہولڈر کی حوصلہ افزائی کی جاتی ہے کہ وہ سی ڈی سی کی انویسٹر اکاؤنٹس سروسز کے ساتھ اپنا اکاؤنٹ یا کسی بھی بروکر کے ساتھ ذیلی اکاؤنٹ کھولیں اور اپنے فزیکل شیئرز کو اسکرپ لیس فارم میں تبدیل کریں۔ یہ حصص یافتگان کو کئی طریقوں سے سہولت فراہم کرے گا، جس میں حصص کی محفوظ تحویل اور وہ جب چاہیں فروخت کریں گے، کیونکہ پاکستان اسٹاک ایکسچینج لمیٹڈ کے موجودہ ضابطے کے مطابق فزیکل شیئرز کی تجارت کی اجازت نہیں ہے۔

(vii) کمپنیز ایکٹ، 2017 کے لحاظ سے، ایسے شہر میں رہنے والے ممبران جو کل ادا شدہ شیئر کیپیٹل کا کم از کم 10% رکھتے ہیں، انہیں سالانہ جنرل میٹنگ میں شرکت کے لیے ویڈیو لنک کی سہولت درکار ہوسکتی ہے۔

اگر آپ یہ سہولت لینا چاہتے ہیں، تو براہ کرم ذیل میں ظاہر ہونے والے فارم کو پُر کریں اور میٹنگ کی تاریخ سے کم از کم سات (07) دن پہلے کمپنی کو اس کے رجسٹرڈ پتے پر جمع کرائیں۔

کمپنی ممبران کو میٹنگ کی تاریخ سے کم از کم 5 دن پہلے ویڈیو کانفرنس کی سہولت کے مقام کے بارے میں مطلع کرے گی اور اس کے ساتھ اس طرح کی سہولت تک رسائی حاصل کرنے کے لیے ضروری مکمل معلومات کے ساتھ۔

میں/ہم ______________ ای میل ایڈریس ______________ کا ______________، ادریس ٹیکسٹائل ملز لمیٹڈ کے رکن ہونے کے ناطے ______________ کے عام حصص (شیئرز) ہولڈر رجسٹر فولیو نمبر/CDC اکاؤنٹ نمبر ______________ کے مطابق ______________ پر ویڈیو کانفرنس کی سہولت کا انتخاب کرتے ہیں۔

(viii) کمپنیز ایکٹ، 2017 کے سیکشن 244 کے تحت، جن شیئر ہولڈرز نے ابھی تک اپنے ڈیویڈنڈ/فزیکل شیئرز وصول نہیں کیے ہیں، انہیں مشورہ دیا جاتا ہے کہ وہ ہمارے شیئر رجسٹرار JWAFFS رجسٹرار سروسز (پرائیویٹ) لمیٹڈ آفس نمبر 20، 5 ویں منزل، آر کے اسکوائر ایکسٹینشن نیو چالی کراچی سے رابطہ کریں۔

(xi) 30 جون 2025 کو ختم ہونے والے سال کے لیے کمپنی کے مالیاتی گوشواروں کے ساتھ رپورٹس کمپنی کی ویب سائٹ پر ڈال دی گئی ہیں۔

اطلاع دی جاتی ہے کہ ادریس ٹیکسٹائل ملز لمیٹڈ کے شیئر ہولڈرز کا 36 واں سالانہ اجلاس 27 نومبر 2025 کو صبح 11:45 بجے فاران ہوٹل، 8۔اے۔پی۔ای۔سی۔ایچ۔ایس، بلاک 6، مین شاہراہ فیصل کراچی میں درج ذیل کاروبار کو لین دین کے لیے منعقد کیا جائے گا۔

عام کاروبار:

1۔ 27 نومبر 2025 کو منعقدہ آخری سالانہ اجلاس عام کی کاروائی کی توثیق۔

2۔ 30 جون 2025 کو مکمل ہونے والے سال کیلئے کمپنی کے آڈٹ شدہ مالی گوشواروں معہ چیئرمین، ڈائریکٹرز اور آڈیٹرز کی رپورٹس کی وصولی، غور وخوض اور منظوری۔

آڈٹ شدہ مالی گوشوارے مندرجہ ذیل لنک اور کیو آر کوڈ کا استعمال کرتے ہوئے ڈاؤن لوڈ کئے جا سکتے ہیں۔

https://idreestextile.com/wp-content/uploads/2025/10/Annual-Report-2025-1-8.pdf

3۔ 30 جون 2026 کو ختم ہونے والے سال کے لیے آڈیٹرز کا تقرر اور ان کے معاوضے کو طے کرنا۔ ریٹائر ہونے والے آڈیٹرز میسرز بی ڈی او، ابراہیم اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس، اہل ہوتے ہوئے، خود کو دوبارہ تقرری کے لیے پیش کرتے ہیں۔

4۔ چیئر کی اجازت سے میٹنگ سے پہلے کسی دوسرے کاروبار کا لین دین کرنا۔

بحکم بورڈ

سید شاہد سلطان

کمپنی سیکریٹری

کراچی

4 نومبر 2025

نوٹس:

(i) شیئر ہولڈرز کو مشورہ دیا جاتا ہے کہ وہ اپنے پتوں میں کسی بھی تبدیلی کو فوری طور پر مطلع کریں۔

(ii) کمپنی کی حصص کی منتقلی کی کتابیں 19 نومبر 2025 سے 27 نومبر 2025 تک (دونوں دن سمیت) بند رہیں گی۔

(iii) سالانہ اجلاس عام میں شرکت کرنے اور ووٹ دینے کا اہل ممبر شرکت کے لیے پراکسی مقرر کرنے اور اسے ووٹ دینے کا حقدار ہے۔ پراکسیز کمپنی کے رجسٹرڈ آفس میں میٹنگ کے انعقاد کے وقت سے کم از کم 48 گھنٹے قبل موصول ہونے چاہئیں CDC اکاؤنٹ ہولڈرز کو سرکلر نمبر 1 26 جنوری 2000 میں بیان کردہ رہنما خطوط پر عمل کرنا ہوگا۔ سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے ذریعہ جاری کیا گیا کارپوریٹ ادارے کی صورت میں، بورڈ کی قرارداد/ پاور آف اٹارنی نمونہ دستخط کے ساتھ کمپنی کی طرف سے پراکسی کے ساتھ پیش کی جائے گی۔

(iv) شیئر ہولڈرز جو ویڈیو لنک کے ذریعے AGM میں شرکت کرنا چاہتے ہیں ان سے درخواست ہے کہ وہ 21 نومبر 2025 کو یا اس سے پہلے سیکرٹری secretary@idreestextile.com پر ای میل کے ذریعے درج ذیل معلومات فراہم کر کے خود کو رجسٹر کریں۔

شیئر ہولڈر کا نام	CNIC نمبر	CDC اکاؤنٹ نمبر/ فولیو نمبر	موبائل نمبر	ای میل ایڈریس

اراکین کو ضروری تصدیق کے بعد رجسٹر کیا جائے گا اور انہیں کمپنی کی طرف سے اسی ای میل ایڈریس پر ایک ویڈیو لنک اور لاگ ان کی اسناد فراہم کی جائیں گی جس سے انہوں نے کمپنی کو ای میل کیا تھا۔ لاگ ان کی سہولت صبح 11:35 بجے سے میٹنگ کے اختتام تک کھلی رہے گی۔

شیئر ہولڈرز مندرجہ بالا ای میل ایڈریس پر AGM کے مجوزہ ایجنڈا آئٹمز پر اپنے تبصرے/ تجاویز بھی فراہم کر سکتے ہیں۔

پراکسی فارم

سیکریٹری
ادریس ٹیکسٹائل ملز لمیٹڈ
اسمٰعیل سینٹر، پہلی منزل
C-6، سینٹرل کمرشیل ایریا
بہادرآباد، کراچی - 74800

میں/ہم ____________________
ساکن ____________________
بحیثیت رکن ادریس ٹیکسٹائل ملز لمیٹڈ مقرر کرتا ہوں/کرتے ہیں مسمی/مسماۃ ____________________
ساکن ____________________
کو یا ان کی غیر حاضری میں مسمی/مسماۃ ____________________
ساکن ____________________

کو جو خود بھی ادریس ٹیکسٹائل لمیٹڈ کا رکن ہے کہ وہ بطور میرا/ ہمارا مختارنامہ (پراکسی) ادریس ٹیکسٹائل لمیٹڈ کے ۳۶ ویں سالانہ اجلاس عام میں جو بروز جمعرات، ۲۷ نومبر ۲۰۲۵ کو منعقد ہو رہا ہے، یا اس کے کسی ملتوی شدہ اجلاس میں شرکت کرے اور وہ میری/ ہماری جگہ میری/ ہماری طرف سے حق رائے دہی استعمال کرے۔

بطور گواہ میرے دستخط آج مورخہ ____________ ۲۰۲۵ جاری ہوا۔
دستخط متعلقہ پراکسی ____________________ کی موجودگی میں۔

گواہ ۱		گواہ ۲	
دستخط	____________	دستخط	____________
نام	____________	نام	____________
پتہ	____________	پتہ	____________

ممبر فولیو نمبر ____________ CDC شراکت داری نمبر ____________ I.D./Sub A/c No.
شناختی کارڈ نمبر | | | | | | | | | | | | | | |

ہدایات: یہ مختارنامہ (پراکسی فارم) مکمل پُر شدہ اور پانچ روپے کی ریوینیوٹکٹ پر دستخط شدہ کمپنی کے رجسٹرڈ دفتر میں اجلاس منعقد ہونے سے کم از کم ۴۸ گھنٹے قبل جمع کرانا ضروری ہے۔

FORM OF PROXY

The Secretary
IDREES TEXTILE MILLS LTD.
Ismail Centre, 1st Floor,
6-C, Central Commercial Area,
Bahadurabad, Karachi - 74800

I/We ____

of ____

being a member of Idrees Textile Mills Ltd. hereby appoint ______________

of ____

or failing ____

of ____

As my/our proxy in my/our absence to attend and vote for me/us on my/our behalf at the 36th Annual General Meeting of the Company to be held on Thursday November 27, 2025 and at any adjournment thereof.

As witness my hand this ______________________________ of 2025

Signed by the said ______________________________ in the presence of

1. Witness:

Signature ____________________

Name: ____________________

Address ____________________

Signature on
Five Rupees
Revenue Stamp

____
Signature of Member

2. Witness:

Signature ____________________ Shareholder's Folio No. ____________________

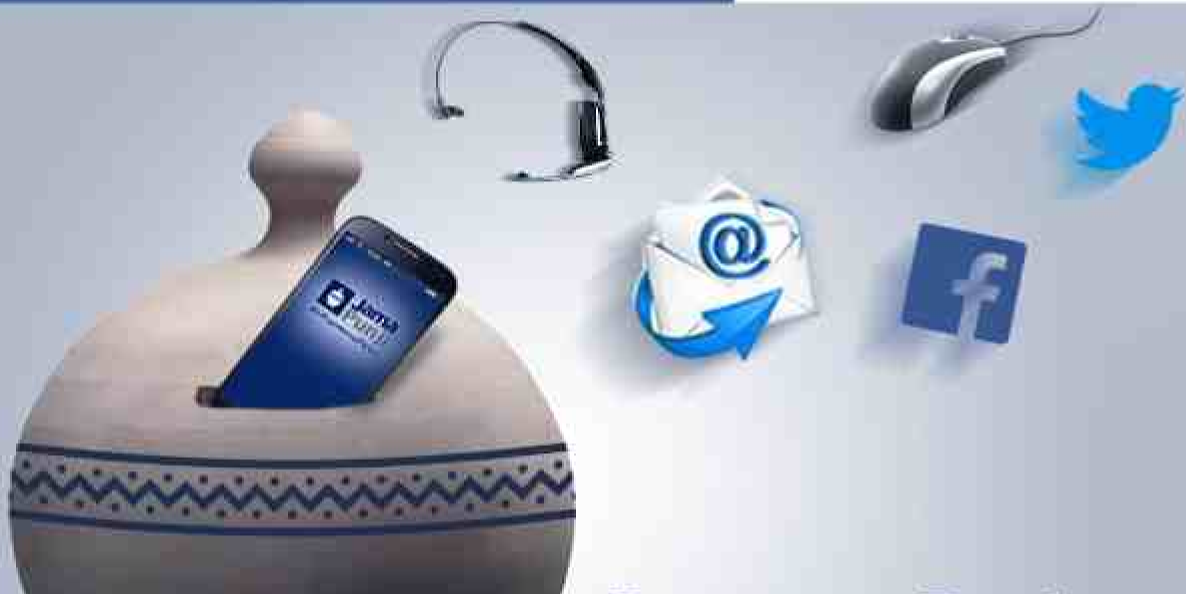
Name: ____________________ CDC Participants I.D./Sub A/C # ____________________

Address ____________________ CNIC No. | | | | | | | | | | | | | | | |

(Important: This form of Proxy, duly completed and signed across a Rs. 5/-revenue stamp, must be deposited at the Company's Registered Office not less than 48 hours before the time for holding the meeting).

www.jamapunji.pk

Jama Punji
سرمایہ کاری سمجھداری کے ساتھ



Be aware, Be alert, Be safe

Learn about investing at www.jamapunji.pk

Key features:

- Licensed Entities Verification
- Scam meter*
- Jamapunji games*
- Tax credit calculator*
- Company Verification
- Insurance & Investment Checklist
- FAQs Answered
- Stock trading simulator (based on live feed from KSE)
- Knowledge center
- Risk profiler*
- Financial calculator
- Subscription to Alerts (event notifications, corporate and regulatory actions)
- Jamapunji application for mobile device
- Online Quizzes

jamapunji.pk @jamapunji_pk

Jama Punji is an Investor Education Initiative of Securities and Exchange Commission of Pakistan

SECP

*Mobile apps are also available for download for android and ios devices

A MEMBER OF THE

Idrees

ALLAWALA GROUP