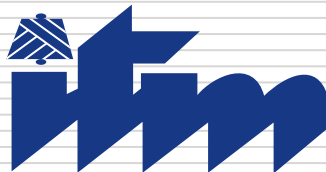


IDREES

TEXTILE MILLS LIMITED

CONDENSED INTERIM
FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED
DECEMBER, 2025
(UN-AUDITED)





COMPANY INFORMATION

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

The directors of your Company are pleased to present their review along with condensed interim financial statements for the half year ended December 31, 2025 duly reviewed by the external auditors.

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

FINANCIAL AND OPERATIONAL PERFORMANCE

During the first half of FY26, the Company's turnover amounted to Rs. 2,151 million as compared to Rs. 2,476 million in the same period of last year (SPLY). Gross profit amounted to Rs. 220 million compared to Rs. 194 million in SPLY. Loss for the period amounted to Rs. 43 million compared to Rs. 179 million in SPLY. Finance cost amounted to Rs. 191 million (SPLY: Rs. 272 million) showing reduction of Rs. 81 million as compared to SPLY. Loss per share worked out to Rs. 2.15 (SPLY: Rs. 9.01).

During the period under review, the Company continued to operate in a complex and challenging environment but, despite of difficult circumstances, your Company demonstrated resilience. While revenue experienced a marginal contraction, primarily attributable to subdued demand, the operational performance showed improvement. By focusing on cost-efficiency, agility and margin preservation, your Company successfully narrowed its losses compared to SPLY. This trajectory demonstrates the effectiveness of the management's turnaround strategy based on cost optimization. Consequent to modest decline in the policy rate there has been a meaningful reduction in finance cost. Due to availability of cheaper imported yarn, the local yarn manufacturers faced significant pricing pressure. However, by refining our product mix, deepening market penetration, strengthening customer engagement and ensuring superior quality standards we were able to achieve sustainable volumes during the period under review.

While Pakistan's economy showed signs of recovery, supported by strong remittance inflows, agriculture recovery and continued IMF engagement under the Extended Fund Facility, the 'cost of doing business' remains a persistent challenge for the country. Our regional competitors like India, Bangladesh and Vietnam benefit from significantly lower energy tariffs, interest rate and more favorable taxation structures. Moreover, Pakistani businesses face delays in tax refunds and volatility in fuel prices which constrain industrial competitiveness and block liquidity. Inadequate domestic cotton production and quality concerns force the spinning sector to buy expensive imported cotton, straining margins and foreign exchange reserves.

International markets remained disrupted by geopolitical tensions and evolving tariff regimes by the United States. In the wake of subdued trade flows and supply chain disruptions, businesses worldwide are focusing on efficiency and resilience.

FUTURE OUTLOOK

Following a period of significant volatility, Pakistan's economy is exhibiting signs of gradual stabilization on the back of improved fiscal discipline and a more predictable exchange rate. While welcoming rationalization of energy tariffs, the industry continues to advocate for long-term policy consistency and alignment of input costs with those of our regional peers. The outlook for the remainder of the year is characterized by 'cautious optimism'. While domestic conditions are improving, the international landscape remains fragmented as cautious consumer spending persists in the face of global economic uncertainty. The ongoing conflict in the

Middle East has disrupted oil and LNG shipments through the Strait of Hormuz, triggering a surge in fuel prices and a 'risk premium' on the cost of logistics.

In rapidly evolving global trade flows, we are actively diversifying the customer base, controlling waste and conserving energy, rather than pursuing aggressive capacity growth, while following a clear path to enhance shareholder value and ensure long-term sustainability. To counter the prevailing headwinds, we believe that immediate, state-level interventions are required to revitalize Pakistan's cotton crop both in terms of quality and output. Access to affordable working capital and consistency in policy implementation will remain critical for sustaining export-led growth. Your Company's management continues to closely monitor global and domestic developments and is adopting a proactive and disciplined approach to navigate market uncertainties.

ACKNOWLEDGEMENT

The directors place on record their sincere appreciation for dedication and hard work by the Company's employees at all levels and also extend their gratitude to the valued customers, suppliers, bankers and shareholders for their confidence in the management and their ongoing commitment to the Company.

For and on behalf of the Board



Rizwan Idrees Allawala
Chairman



S.M. Mansoor Allawala
Chief Executive

Karachi:
March 31, 2026



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 MEMBERS OF IDREES TEXTILE MILLS LIMITED

Report on review of the unconsolidated condensed interim financial statements to the members

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of **IDREES TEXTILE MILLS LIMITED** ("the Company") as at December 31, 2025 and the related unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive loss, unconsolidated condensed interim statement of changes in equity, and unconsolidated condensed interim statement of cash flows and notes to the unconsolidated condensed interim financial statements for the half year then ended (here-in-after referred to as the "interim unconsolidated financial statements"). Management is responsible for the preparation and presentation of these unconsolidated condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim unconsolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of unconsolidated condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated condensed interim financial statements is not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matter

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

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

KARACHI
DATED: April 01, 2026
UDIN: RR202510166TQ9Ck01P6

BDO EBRAHIM & Co.
CHARTERED ACCOUNTANTS

BDO Ebrahim & Co. Chartered Accountants

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

**UNCONSOLIDATED
CONDENSED INTERIM
FINANCIAL STATEMENTS**

FOR THE HALF YEAR ENDED DECEMBER, 2025 (UN-AUDITED)



| | | December 31, 2025 | June 30, 2025 |
|--|------|----------------------|----------------------|
| | Note | Un-audited | Audited |
| | | ----- (Rupees) ----- | |
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 8 | 3,221,276,393 | 3,287,274,093 |
| Long-term deposits | | 3,713,631 | 3,713,631 |
| Investment in subsidiary | 9 | - | - |
| | | <u>3,224,990,024</u> | <u>3,290,987,724</u> |
| CURRENT ASSETS | | | |
| Stores, spares and loose tools | | 36,415,537 | 39,168,127 |
| Stock-in-trade | 10 | 2,015,932,948 | 1,983,572,957 |
| Trade debts | 11 | 2,050,314,240 | 1,678,572,119 |
| Loans and advances | | 79,912,384 | 62,240,220 |
| Prepayments | | 32,400,876 | 48,642,455 |
| Other receivables | 12 | 316,164,005 | 254,910,547 |
| Short term investment | 13 | 162,721,371 | 148,099,669 |
| Advance tax | | 36,335,635 | 39,368,372 |
| Cash and bank balances | 14 | 166,860,153 | 88,970,607 |
| | | <u>4,897,057,149</u> | <u>4,343,545,073</u> |
| TOTAL ASSETS | | <u>8,122,047,173</u> | <u>7,634,532,797</u> |
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Authorized share capital 22,000,000 (June 30, 2025: 22,000,000) ordinary shares of Rs.10/- each | | <u>220,000,000</u> | <u>220,000,000</u> |
| Issued, subscribed and paid-up capital 19,852,800 (June 30, 2025: 19,852,800) ordinary shares of Rs.10/- each | | 198,528,000 | 198,528,000 |
| Capital reserves | | | |
| Surplus on revaluation of property, plant and equipment - net of tax | | 831,645,384 | 847,625,402 |
| Equity portion of loan from related parties | | 165,158,842 | 164,408,050 |
| Revenue reserves | | <u>910,219,844</u> | <u>940,328,105</u> |
| | | <u>2,105,552,070</u> | <u>2,150,889,557</u> |
| NON-CURRENT LIABILITIES | | | |
| Long-term finance | 15 | 523,380,926 | 571,964,487 |
| Deferred Government grant | 16 | 40,058,597 | 49,646,844 |
| Deferred taxation - net | | 116,635,698 | 128,891,442 |
| Retirement benefit obligation | | <u>104,766,606</u> | <u>88,473,344</u> |
| | | 784,841,827 | 838,976,117 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 17 | 2,538,944,887 | 2,125,570,240 |
| Accrued mark-up | | 82,789,203 | 74,936,843 |
| Short-term borrowings | 18 | 2,282,884,014 | 2,062,819,156 |
| Current portion of long-term finance | | 303,493,941 | 340,967,951 |
| Current portion of deferred Government grant | | 20,802,163 | 23,752,731 |
| Unclaimed dividend | | 2,739,068 | 2,739,068 |
| Provision for taxation | | - | 13,881,134 |
| | | <u>5,231,653,276</u> | <u>4,644,667,123</u> |
| TOTAL LIABILITIES | | <u>6,016,495,103</u> | <u>5,483,643,240</u> |
| TOTAL EQUITY AND LIABILITIES | | <u>8,122,047,173</u> | <u>7,634,532,797</u> |

CONTINGENCIES AND COMMITMENTS

20

The annexed notes from 1 to 32 form an integral part of these unconsolidated condensed interim financial statements.

DIRECTOR

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

| | Half-year ended | | Quarter ended | |
|---|----------------------|----------------------|----------------------|----------------------|
| | December 31, 2025 | December 31, 2024 | December 31, 2025 | December 31, 2024 |
| | ----- (Rupees) ----- | | ----- (Rupees) ----- | |
| Sales - net | 2,151,076,241 | 2,475,923,185 | 1,216,420,455 | 1,231,524,440 |
| Cost of sales | (1,930,916,578) | (2,281,848,797) | (1,109,497,083) | (1,071,310,811) |
| Gross profit | 220,159,663 | 194,074,388 | 106,923,372 | 160,213,629 |
| Distribution cost | (11,022,417) | (30,811,746) | (6,517,977) | (19,786,867) |
| Administrative expenses | (61,056,860) | (50,727,186) | (36,152,910) | (23,963,092) |
| | (72,079,277) | (81,538,932) | (42,670,887) | (43,749,959) |
| | 148,080,386 | 112,535,456 | 64,252,485 | 116,463,670 |
| Finance cost | (191,338,469) | (272,027,022) | (99,427,644) | (122,598,991) |
| Other operating expenses | (6,170,592) | (25,574,928) | (6,120,388) | (23,826,805) |
| | (49,428,675) | (185,066,494) | (41,295,546) | (29,962,126) |
| Other income | 14,161,333 | 18,013,375 | 8,361,921 | 11,947,503 |
| Loss before levy and income tax | (35,267,342) | (167,053,119) | (32,933,626) | (18,014,623) |
| Levy: | | | | |
| Final tax | - | (8,101,916) | - | (6,335,872) |
| Minimum tax | (25,779,505) | (20,847,427) | (14,236,589) | (8,467,571) |
| | (25,779,505) | (28,949,343) | (14,236,589) | (14,803,443) |
| Loss before taxation | (61,046,847) | (196,002,462) | (47,170,215) | (32,818,066) |
| Taxation: | | | | |
| Prior | 2,702,823 | 104,695 | 2,702,823 | 104,695 |
| Deferred | 15,621,524 | 16,983,423 | 15,621,524 | 16,983,423 |
| | 18,324,347 | 17,088,118 | 18,324,347 | 17,088,118 |
| Loss for the period | (42,722,500) | (178,914,344) | (28,845,868) | (15,729,948) |
| Loss per share- basic and diluted (Rupees) | (2.15) | (9.01) | (1.45) | (0.79) |

The annexed notes from 1 to 32 form an integral part of these unconsolidated condensed interim financial statements.



DIRECTOR



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER

| | Half-year ended | | Quarter ended | |
|---|----------------------|----------------------|----------------------|----------------------|
| | December 31, 2025 | December 31, 2024 | December 31, 2025 | December 31, 2024 |
| | (Rupees) | | (Rupees) | |
| Loss for the period | (42,722,500) | (178,914,344) | (28,845,868) | (15,729,948) |
| Item not to be classified subsequently in profit or loss: | | | | |
| Adjustment of surplus on revaluation of property, plant and equipment due to change in tax rate | (3,365,779) | - | (3,365,779) | - |
| Total comprehensive loss for the period | <u>(46,088,279)</u> | <u>(178,914,344)</u> | <u>(32,211,647)</u> | <u>(15,729,948)</u> |

The annexed notes from 1 to 32 form an integral part of these unconsolidated condensed interim financial statements.



DIRECTOR



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER

| | Half - year ended | |
|--|--------------------------|----------------------|
| | December 31, 2025 | December 31, 2024 |
| | Note----- (Rupees) ----- | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Loss before taxation | (61,046,847) | (196,002,462) |
| Adjustments for: | | |
| Depreciation | 8.1 66,282,883 | 63,840,261 |
| Allowance for expected credit loss | 15,116,082 | - |
| Provision for retirement benefit obligation | 18,455,712 | 14,351,400 |
| Final tax | - | 8,101,916 |
| Minimum tax | 25,779,505 | 20,847,427 |
| Gain on sale of property, plant and equipment | (3,128,855) | (950,000) |
| Finance cost | 191,338,469 | 272,027,022 |
| Operating cash flows before working capital changes | 252,796,949 | 182,215,564 |
| Increase in current assets | | |
| Stores, spares and loose tools | 2,752,590 | 9,959,864 |
| Stock-in-trade | (32,359,991) | (310,889,462) |
| Trade debts | (386,858,203) | (29,937,435) |
| Loans and advances | (17,672,164) | 45,231,643 |
| Deposits and short-term prepayments | (3,507,326) | (34,939,550) |
| Other receivables | (61,253,458) | (96,142,551) |
| | (498,898,551) | (416,717,491) |
| Decrease in current liabilities | | |
| Trade and other payable | 432,626,682 | 458,862,336 |
| | (66,271,869) | 42,144,845 |
| Cash generated from operations | 186,525,080 | 224,360,409 |
| Income tax paid | (33,925,079) | (29,264,528) |
| Finance cost paid | (170,586,088) | (284,953,373) |
| Employees benefits paid | (2,162,451) | (1,670,700) |
| Net cash used in operating activities | (20,148,538) | (91,528,192) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | (2,756,328) | (13,216,901) |
| Long-term deposits | - | 475,050 |
| Proceed from disposal of property, plant and equipment | 5,600,000 | 950,000 |
| Purchase of term deposit receipt - net | (14,621,702) | (27,761,560) |
| Net cash used in investing activities | (11,778,030) | (39,553,411) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Long-term finance repaid to financial institutions | (112,448,746) | (84,701,151) |
| Long-term finance obtained from a related party | 2,200,000 | 141,000,000 |
| Short-term borrowings - net | 162,377,740 | 85,808,953 |
| Proceeds from long-term finance | - | 48,000,000 |
| Net cash generated from financing activities | 52,128,994 | 190,107,802 |
| Net increase in cash and cash equivalents | 20,202,426 | 59,026,199 |
| Cash and cash equivalents at the beginning of the period | (484,863,644) | (600,675,546) |
| Cash and cash equivalents at the end of the period | 19 (464,661,218) | (541,649,347) |

The annexed notes from 1 to 32 form an integral part of these unconsolidated condensed interim financial statements.



DIRECTOR



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER

| | Capital reserves | | Revenue reserves | Total | | |
|---|------------------|--|---|---------------|------------------------|---------|
| | Share capital | Surplus on revaluation of property, plant and equipment - net of tax | Equity portion of loan from related Parties | | Un-appropriated profit | |
| Note ----- (Rupees) ----- | | | | | | |
| Balance as at July 1, 2024 - (audited) | 198,528,000 | 919,580,955 | 104,674,764 | 1,280,923,111 | 2,503,706,830 | |
| Total comprehensive loss for the period | | | | | | |
| Loss for the period | - | - | - | (178,917,344) | (178,917,344) | |
| Other comprehensive income | - | - | - | - | - | |
| | - | - | - | (178,917,344) | (178,917,344) | |
| Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of tax | - | (26,268,188) | - | 26,268,188 | - | |
| Transactions with the owners of the Company: | | | | | | |
| Fair value effect of interest free loan | - | - | 53,036,962 | - | 53,036,962 | |
| Balance as at December 31, 2024 - (unaudited) | 198,528,000 | 893,312,767 | 157,711,726 | 1,128,273,955 | 2,377,826,448 | |
| Balance as at July 1, 2025 - (audited) | 198,528,000 | 847,625,402 | 164,408,050 | 940,328,105 | 2,150,889,557 | |
| Total comprehensive loss for the period | | | | | | |
| Loss for the period | - | - | - | (42,722,500) | (42,722,500) | |
| Other comprehensive income | - | (3,365,779) | - | - | (3,365,779) | |
| | - | (3,365,779) | - | (42,722,500) | (46,088,279) | |
| Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of tax | - | (12,614,239) | - | 12,614,239 | - | |
| Transactions with the owners of the Company: | | | | | | |
| Fair value effect of interest free loan | 15 | - | - | 750,792 | - | 750,792 |
| Balance as at December 31, 2025 - (unaudited) | 198,528,000 | 831,645,384 | 165,158,842 | 910,219,844 | 2,105,552,070 | |

The annexed notes from 1 to 32 form an integral part of these unconsolidated condensed interim financial statements.



DIRECTOR



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER

1. STATUS AND NATURE OF BUSINESS

Idrees Textile Mills Limited (the Company) was incorporated in Pakistan as an unquoted public limited company on June 05, 1990 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and is listed on Pakistan Stock Exchange Limited effective from April 28, 1992. The principal activity of the Company is manufacturing, processing and sale of all kinds of yarn. The Company is also engaged in business of home textile.

These unconsolidated condensed interim financial statements represent standalone financial statements of the Company in which investment in subsidiary has been accounted for at cost less accumulated impairment losses, if any. Details of investment held by the Company in the Subsidiary Company has been given in Note 9.

2. GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

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

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

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

3. BASIS OF PREPARATION

3.1 Statement of compliance

These unconsolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim reporting. The accounting and reporting standards comprise of:

- International Accounting Standards (IAS) 34 "Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

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

3.2 These unconsolidated condensed interim financial statements do not include all the statements and disclosures required for annual unconsolidated financial statements and should be read in conjunction with the annual unconsolidated financial statements of the Company as at and for the year ended June 30, 2025 which have been prepared in accordance with accounting standards as applicable in Pakistan. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual unconsolidated financial statements.

3.3 The comparative unconsolidated statement of financial position presented in these unconsolidated condensed interim statement of financial position has been extracted from the annual audited unconsolidated financial statements of the Company for the year ended June 30, 2025, whereas the comparative unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of cash flows and unconsolidated condensed interim statement of changes in equity are extracted from the unaudited unconsolidated condensed interim financial statements for the half year ended December 31, 2024.



3.4 Basis of measurement

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

3.5 Functional and presentation currency

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

4. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies adopted and methods of computation followed in the preparation of these unconsolidated condensed interim financial statements are same as those for the preceding annual unconsolidated financial statements for the year ended June 30, 2025.

5. USE OF ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements for the year ended June 30, 2025.

6. INITIAL APPLICATION OF STANDARDS, AMENDMENTS OR AN INTERPRETATION TO EXISTING STANDARDS

6.1 Standards, amendments and interpretations to accounting standards that are effective in the current period

There are certain amendments to the published accounting and reporting standards that are mandatory for the Company's annual accounting period beginning on July 01, 2025. However, these do not have any material impact on the Company's financial statements and, therefore, have not been detailed in these unconsolidated condensed interim financial statements.

6.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

There are certain new standards and amendments to the published accounting and reporting standards that will be applicable to the Company for its annual periods beginning on or after July 1, 2026. However, these are not considered to be relevant or will not have any material effect on the unconsolidated condensed interim financial statements except for:

The new standard - IFRS 18 Presentation and Disclosure in Financial Statements (IFRS 18) (published in April 2024) with applicability date of January 1, 2027 by IASB. IFRS 18 when applicable shall impact the presentation of 'Income Statement' with certain additional disclosures in the financial statements; and

Amendments to IFRS 9 'Financial Instruments' which clarify the date of recognition and derecognition of a financial asset or financial liability including settlement of liabilities through banking instruments and channels including electronic transfers with effective date of January 01, 2026. The amendment when applied may impact the timing of recognition and derecognition of financial liabilities.

7. RISK MANAGEMENT POLICIES

The financial risk management objectives and policies are consistent with those disclosed in the annual audited published financial statements of the Company for the year ended June 30, 2025.

| | | December 31, 2025 | June 30, 2025 |
|---|-------------|------------------------------|--------------------------|
| | | (Un-audited) | (Audited) |
| | Note | ----- (Rupees) ----- | |
| 8. PROPERTY, PLANT AND EQUIPMENT | | | |
| Operating fixed assets | | | |
| - Owned | 8.1 | 3,209,636,359 | 3,275,634,059 |
| Capital work in progress: | | | |
| - Building | | 2,197,962 | 2,197,962 |
| - Capital spares | | 9,442,072 | 9,442,072 |
| | | 11,640,034 | 11,640,034 |
| | | 3,221,276,393 | 3,287,274,093 |
| 8.1 Operating fixed assets: | | | |
| Balance at beginning of the period / year | | 3,275,634,059 | 3,363,126,162 |
| Additions during the period / year | | 2,756,328 | 45,467,134 |
| Disposals during the period / year | | (2,471,145) | (3,059,493) |
| Depreciation charged during the period / year | | (66,282,883) | (129,899,744) |
| Balance at end of the period / year | | 3,209,636,359 | 3,275,634,059 |
| 8.2 Fair value measurement | | | |
| <p>The assets include land, building, labour colony and machinery, electric installations and mill equipment are carried at revalued amount. The valuations was based on the calculations carried out by an independent valuer "Tristar International Consultant (Private) Limited" on January 2, 2024 on the basis of market value. As at reporting date, the management has determined that there is no material change in the aforementioned fair value of property, plant and equipment and accordingly no adjustment has been incorporated in these unconsolidated condensed interim financial statements.</p> | | | |
| 9. INVESTMENT IN SUBSIDIARY | | | |
| ORA HOME LLC - at cost | | - | - |

9.1 On January 5, 2022, the Company acquired 100% ownership in the subsidiary incorporated in New Jersey, United States of America (USA). The Company has not paid any consideration for the acquisition of subsidiary due to net liability position in the books of subsidiary and accordingly assumed all liabilities of the subsidiary as on acquisition date i.e. January 5, 2022.

| | | December 31, 2025 (Un-audited) | June 30, 2025 (Audited) |
|-------------------------------------|--|--------------------------------------|-------------------------------|
| | Note | ----- (Rupees) ----- | |
| 10. STOCK-IN-TRADE | | | |
| Raw material | 10.1 | 1,450,303,785 | 1,413,851,808 |
| Work-in-process | | | |
| - Yarn | | 81,217,573 | 111,511,263 |
| - Home textile | | 88,555,503 | 91,383,644 |
| | | 169,773,076 | 202,894,907 |
| Finished goods-yarn | | 387,582,496 | 353,228,959 |
| Waste-yarn | | 8,273,591 | 13,597,283 |
| | | <u>2,015,932,948</u> | <u>1,983,572,957</u> |
| 10.1 | This includes raw material in transit amounting to Rs. 8.095 million (June 2025: 406.421 million). | | |
| 11. TRADE DEBTS | | | |
| Considered good | | | |
| Secured : | | | |
| Export | | 83,517,391 | 15,848,225 |
| Unsecured: | | | |
| Export - due from a related party | | 10,695,927 | 8,807,530 |
| Local | | 1,956,100,922 | 1,653,916,364 |
| | | <u>2,050,314,240</u> | <u>1,678,572,119</u> |
| Considered doubtful | | | |
| Local | | 59,633,884 | 44,517,802 |
| | | <u>2,109,948,124</u> | <u>1,723,089,921</u> |
| Less: Allowance for expected loss | | (59,633,884) | (44,517,802) |
| | | <u>2,050,314,240</u> | <u>1,678,572,119</u> |
| 12. OTHER RECEIVABLES | | | |
| Sales tax | | 238,984,124 | 192,602,793 |
| Cotton claim receivable | 12.1 | 49,618,941 | 39,831,812 |
| Export rebate - considered doubtful | 12.2 | 10,353,624 | 11,114,893 |
| Duty draw back receivable | 12.3 | 5,872,932 | 5,872,932 |
| Profit on deposit | | 8,724,141 | 4,086,290 |
| Others | | 2,610,243 | 1,401,827 |
| | | <u>316,164,005</u> | <u>254,910,547</u> |

- 12.1 This represents claim regarding discrepancies related to cotton weight and quality.
- 12.2 Export rebate comprises of incentives/discounts/refunds and other benefits granted by Government of Pakistan.
- 12.3 This represents receivable from the Government of Pakistan since 2021.

| | | December 31, 2025 (Un-audited) | June 30, 2025 (Audited) |
|----------------------------------|-------------|---|--|
| | Note | ----- (Rupees) ----- | |
| 13. SHORT TERM INVESTMENT | | | |
| At amortized cost | | | |
| Term deposit receipts (TDR) | 13.1 | <u>162,721,371</u> | <u>148,099,669</u> |

- 13.1 These represents investments in Term deposit receipts with various banks. These carries profit ranging from 6.61% to 9.5% (June 30, 2025: 6.93% to 20.50%) per annum. The banks have lien on these term deposit receipts on account of guarantee provided.

14. CASH AND BANK BALANCES

| | | | |
|-----------------|------|--------------------|-------------------|
| Cash in hand | | 16,434,843 | 280,531 |
| Cash at banks: | | | |
| Current account | | 87,092,216 | 4,369,873 |
| Saving account | 14.1 | <u>63,333,094</u> | <u>84,320,203</u> |
| | | <u>166,860,153</u> | <u>88,970,607</u> |

- 14.1 These banks carry profit rate from 5.21% to 8.5% (June 30, 2025: 5.36% to 10.05%) per annum.

15. LONG TERM FINANCE

| | | | |
|---------------------------------------|------|--------------------|--------------------|
| From financial institutions - secured | 15.1 | 367,919,304 | 428,692,191 |
| Related parties - unsecured | 15.2 | <u>155,461,622</u> | <u>143,272,296</u> |
| | | <u>523,380,926</u> | <u>571,964,487</u> |

- 15.1 From financial institutions

| | | | |
|--|--------|----------------------|----------------------|
| Liabilities under diminishing musharaka | 15.1.1 | 221,051,883 | 254,228,628 |
| Loan against Temporary Economic Refinance Facility | 15.1.2 | 298,763,315 | 337,855,363 |
| Term Finance Facility | 15.1.3 | 108,462,686 | 135,457,543 |
| Long term financing facility | 15.1.4 | <u>15,044,336</u> | <u>16,187,520</u> |
| | | 643,322,220 | 743,729,054 |
| Current portion shown under current liabilities | | | |
| From financial institutions | | <u>(275,402,916)</u> | <u>(315,036,832)</u> |
| | | <u>367,919,304</u> | <u>428,692,191</u> |

- 15.1.1 These represent diminishing musharaka obtained for plant, machinery and vehicles. The rates of mark-up ranges from 12.65% to 13.44% (June 30, 2025: 13.94% to 22.24%).
- 15.1.2 These represents Temporary Economic Refinance Facility with an Islamic bank and commercial banks, with the total limit aggregating to Rs. 298.763 million (June 30, 2025: Rs. 337.850 million). These facilities carry mark up of SBP Base Rate + 4%. The tenure of these facilities ranges from 5 to 10 years with grace period 1 to 2 years. This is measured at present value using discounting factor ranging from 7.39% to 15.91%. The loan is secured against 1st exclusive charge over specific plant and machinery.
- 15.1.3 These represents term finance which is secured against 1st specific charge over imported plant and machinery aggregating to Rs. 108.46 million (June 30, 2025: 135.46 million). The facilities carry markup at 3 month KIBOR plus 1.50% to 5.00% per annum and are payable in quarterly installments within a period of 4 to 5 years. The loan is secured by way of 1st exclusive charge over specific machinery over landed cost with a margin of 25%.
- 15.1.4 These represents long-term finance facilities obtained by the Company from various banks for the purpose of procurement of plant and machinery. The facilities carry markup at KIBOR +1.5% to 4.00% per annum and are payable in fixed monthly/quarterly installments within a period of 4 to 5 years.

| | December 31, 2025 (Un-audited) | June 30, 2025 (Audited) |
|--|--------------------------------------|-------------------------------|
| Note | ----- (Rupees) ----- | ----- |
| 15.2 From related parties Unsecured - At amortized cost | | |
| Balance at beginning of the period / year | 169,203,415 | 58,272,948 |
| Receipts during the period / year | 2,200,000 | 154,210,474 |
| Unwinding of discount | 12,900,021 | 16,453,279 |
| Less: Fair value adjustment | (750,792) | (59,733,286) |
| | 183,552,644 | 169,203,415 |
| Less: Current maturity portion | (28,091,022) | (25,931,119) |
| Balance at end of the period / year | <u>155,461,622</u> | <u>143,272,296</u> |

- 15.2.1 These loans are unsecured and interest free and are expected to be repaid by the end of June 30, 2029, furthermore, they are extendable by mutual agreement. The interest (i.e. unwinding of the difference between present value on initial recognition and the amount received) is being recognized on the amount of loan in the statement of profit or loss using the effective interest method.

16. DEFERRED GOVERNMENT GRANT

Deferred Government grant against

| | | |
|---------------------------------------|-------------------|-------------------|
| temporary economic refinance facility | 60,860,760 | 73,399,575 |
| Less: current portion | (20,802,163) | (23,752,731) |
| | <u>40,058,597</u> | <u>49,646,844</u> |



- 16.1 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 its disbursed value recognized as deferred government grant .

| | December 31, 2025 (Un-audited) | June 30, 2025 (Audited) |
|------|---|--|
| Note | ----- (Rupees) ----- | |

17. TRADE AND OTHER PAYABLES

| | | |
|---|----------------------|----------------------|
| Contract liabilities | 1,853,158,642 | 1,490,772,454 |
| Accrued liabilities | 244,211,622 | 205,100,769 |
| Infrastructure cess | 17.1 187,322,419 | 184,437,105 |
| Creditors | 182,973,998 | 156,885,716 |
| Worker's welfare fund | 25,729,586 | 25,729,585 |
| Levy payable | 17.2 25,779,505 | 45,031,540 |
| Withholding tax payable | 7,847,356 | 5,639,492 |
| Gratuity due but not yet paid | 5,971,710 | 5,971,710 |
| Provision for gas infrastructure development cess | 5,403,945 | 5,403,945 |
| Payable to provident fund | 546,104 | 597,924 |
| | <u>2,538,944,887</u> | <u>2,125,570,240</u> |

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

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

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, as a matter of prudence, the Company has made provision as follows:

| | December 31, 2025 | June 30, 2025 |
|---|------------------------------|--------------------------|
| | ----- (Rupees) ----- | |
| Balance at beginning of the period / year | 184,437,105 | 166,078,418 |
| Provision for the period / year | 2,885,314 | 18,358,687 |
| Balance at end of the period / year | <u>187,322,419</u> | <u>184,437,105</u> |
| 17.2 Levy: | | |
| Minimum tax | 25,779,505 | 38,305,127 |
| Final tax | - | 6,726,413 |
| | <u>25,779,505</u> | <u>45,031,540</u> |
| 18. SHORT TERM BORROWINGS | | |
| From banking companies - secured | | |
| Running finance | 631,521,371 | 573,834,251 |
| Cash finance | 904,730,410 | 853,090,093 |
| Finance against imported merchandise | 746,632,233 | 635,894,812 |
| | <u>2,282,884,014</u> | <u>2,062,819,156</u> |



- 18.1 Facilities for running finance, cash finance, Finance against imported merchandise and Murabaha are available from various commercial banks up to Rs. 3,600 million (June 30, 2025: Rs. 3,600 million). These facilities are subject to markup at the rates of 3 month KIBOR plus 1% to 2.5% (June 30, 2025: 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, equitable mortgage on various properties and personal guarantees of all the Executive directors of the Company.
- 18.2 The aggregate unavailed short-term borrowing facilities amounted to Rs. 1,317 million (June 30, 2025: Rs. 1,538 million).

| | | Half - year ended | |
|-------------|----------------------------------|--------------------------|----------------------|
| | | December 31, | December 31, |
| | | 2025 | 2024 |
| Note | | ----- | ----- |
| | | (Rupees) | |
| 19. | CASH AND CASH EQUIVALENTS | | |
| | Cash and bank balances | 14 166,860,153 | 18,548,454 |
| | Short term running finance | 18 (631,521,371) | (560,197,801) |
| | | <u>(464,661,218)</u> | <u>(541,649,347)</u> |

20. CONTINGENCIES AND COMMITMENTS

- 20.1 Status of contingencies is the same as disclosed in note 24 to the annual unconsolidated financial statements of the Company for the year ended June 30, 2025.

| | | December 31, | June 30, |
|-------------|--|---------------------|--------------------|
| | | 2025 | 2025 |
| | | ----- | ----- |
| | | (Rupees) | |
| 20.2 | Commitments | | |
| | Letters of guarantee issued by banks on behalf of the company to : | | |
| | Excise and Taxation Office | <u>184,437,105</u> | <u>184,437,105</u> |
| | Letters of credit opened and outstanding for import of : | | |
| | Stores and spares | <u>5,928,406</u> | <u>3,207,423</u> |
| | Raw material | <u>176,977,446</u> | <u>226,882,018</u> |



| | Half year ended | | Quarter ended | |
|---------------------------------|----------------------|----------------------|----------------------|----------------------|
| | December 31, 2025 | December 31, 2024 | December 31, 2025 | December 31, 2024 |
| | ----- (Rupees) ----- | | ----- (Rupees) ----- | |
| 21. SALES - NET | | | | |
| Yarn & Home Textile | | | | |
| -Local | 2,123,466,205 | 1,545,393,906 | 1,123,608,798 | 769,533,034 |
| - Export | 451,032,960 | 810,191,568 | 394,970,377 | 619,056,999 |
| | 2,574,499,165 | 2,355,585,474 | 1,518,579,175 | 1,388,590,033 |
| Raw material - Local | | | | |
| - Cotton / viscose | 108,710,032 | 430,526,801 | 79,977,762 | 21,583,091 |
| - Waste | 101,797,580 | 169,358,017 | 59,048,274 | 101,321,045 |
| | 210,507,612 | 599,884,818 | 139,026,036 | 122,904,136 |
| | 2,785,006,777 | 2,955,470,292 | 1,657,605,211 | 1,511,494,169 |
| Less: | | | | |
| Sales return | (326,710,028) | (155,081,860) | (326,710,028) | (154,878,900) |
| Sales tax | (306,192,783) | (322,488,325) | (113,478,268) | (124,599,472) |
| Brokerage & commission | (1,027,725) | (1,976,922) | (996,460) | (491,357) |
| | (633,930,536) | (479,547,107) | (441,184,756) | (279,969,729) |
| | 2,151,076,241 | 2,475,923,185 | 1,216,420,455 | 1,231,524,440 |
| 22. COST OF SALES | | | | |
| Raw material consumed | 1,207,939,407 | 1,366,205,481 | 698,758,523 | 783,884,166 |
| Manufacturing expenses: | | | | |
| Salaries, wages and benefits | 172,573,347 | 125,653,472 | 88,457,328 | 70,520,586 |
| Fuel and power | 501,016,163 | 507,815,517 | 266,494,674 | 297,918,365 |
| Depreciation | 63,824,302 | 60,799,319 | 33,080,386 | 30,461,037 |
| Stores and spares consumed | 32,776,330 | 32,805,766 | 18,785,034 | 16,625,187 |
| Packing material | 35,989,392 | 34,201,124 | 22,086,848 | 21,956,059 |
| Insurance | 9,000,000 | 8,000,000 | 6,000,000 | 5,000,000 |
| Repairs and maintenance | 2,077,729 | 1,453,860 | 966,332 | 1,074,606 |
| Vehicle running and maintenance | 2,828,680 | 2,088,571 | 1,171,215 | 456,603 |
| Other manufacturing overheads | 2,151,909 | 2,213,226 | 938,434 | 1,759,672 |
| | 822,237,852 | 775,030,855 | 437,980,251 | 445,772,115 |
| Cost of production | 2,030,177,259 | 2,141,236,336 | 1,136,738,774 | 1,229,656,281 |

| | Half-year ended | | Quarter ended | |
|---|----------------------|-------------------|----------------------|-------------------|
| | December 31, 2025 | December 31, 2024 | December 31, 2025 | December 31, 2024 |
| | ----- (Rupees) ----- | | ----- (Rupees) ----- | |
| Work-in-process | | | | |
| Opening stock | 111,511,263 | 91,441,947 | 93,036,810 | 106,234,547 |
| Closing stock | (81,217,573) | (120,355,769) | (81,217,573) | (120,355,769) |
| | 30,293,690 | (28,913,822) | 11,819,237 | (14,121,222) |
| Cost of goods manufactured | 2,060,470,949 | 2,112,322,514 | 1,148,558,011 | 1,215,535,059 |
| Finished goods | | | | |
| Opening stock | 366,826,242 | 252,289,028 | 462,945,205 | 360,242,355 |
| Yarn transferred | (17,921,000) | (15,461,500) | (257,000) | (9,660,500) |
| Yarn purchased | - | 19,000,000 | - | - |
| Closing stock | (395,856,087) | (415,539,082) | (395,856,087) | (415,539,082) |
| | (46,950,845) | (159,711,554) | 66,832,118 | (64,957,227) |
| Cost of Home Textile | 54,781,173 | 35,790,017 | 54,781,173 | 35,237,633 |
| Cost of raw material | 22.1 (137,384,700) | 293,447,820 | (160,674,220) | (114,504,654) |
| | 1,930,916,578 | 2,281,848,797 | 1,109,497,083 | 1,071,310,811 |
| 22.1 Cost of raw material sold | | | | |
| Cost of sales | 88,787,298 | 425,022,573 | 65,497,778 | 17,070,099 |
| Cost of sales return | (226,171,998) | (131,574,753) | (226,171,998) | (131,574,753) |
| | (137,384,700) | 293,447,820 | (160,674,220) | (114,504,654) |
| 23. OTHER OPERATING EXPENSES | | | | |
| Infrastructure cess | 2,885,314 | 16,589,211 | 2,885,314 | 16,589,211 |
| Exchange loss | 3,285,278 | 8,985,717 | 3,235,074 | 7,237,594 |
| | 6,170,592 | 25,574,928 | 6,120,388 | 23,826,805 |
| 24. OTHER INCOME | | | | |
| Profit on deposits with bank | 8,631,684 | 16,977,720 | 5,913,537 | 10,938,897 |
| Export rebate | 2,343,417 | - | 1,346,744 | - |
| Gain on disposal of property, plant and equipment | 3,128,855 | 950,000 | 1,100,000 | 950,000 |
| Scrap sales | 57,377 | 85,655 | 1,640 | 58,606 |
| | 14,161,333 | 18,013,375 | 8,361,921 | 11,947,503 |
| 25. LOSS PER SHARE - BASIC AND DILUTED | | | | |
| Loss for the period | (42,722,500) | (178,914,344) | (33,323,345) | (15,729,948) |
| Weighted average number of ordinary shares | 19,852,800 | 19,852,800 | 19,852,800 | 19,852,800 |
| Loss per share | (2.15) | (9.01) | (1.68) | (0.79) |

25.1 There is no dilutive effect on the basic loss per share of the Company



26. FAIR VALUE ESTIMATION

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

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

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

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, 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

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

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

27. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties comprise associated companies where directors hold common directorship, key management personnel, directors and their close family members and staff retirement benefit funds. Transactions and balances with related parties during the period, other than those which have been disclosed elsewhere in these unconsolidated condensed interim financial statements, are as follows:



| 27.1 Related parties | Basis of relationship | % of shareholding in the company |
|---|------------------------|----------------------------------|
| ORA Home LLC | Subsidiary Company | 100.00% |
| Mr. Rizwan Idrees Allawala | Chairman | 27.84% |
| Mr. S. M. Mansoor Allawala | Executive Director | 21.82% |
| Mr. Omair Idrees Allawala | Executive Director | 28.99% |
| Ms. Aamnah Mansoor | Non-Executive Director | 0.01% |
| Mr. Muhammad Beyaz Aftab | Non-Executive Director | 0.003% |
| Syed Masud Arif | Independent Director | 0.003% |
| Ms. Azra Yaqub Vawda | Independent Director | 0.003% |
| Mrs. Ambreen Mansoor w/o S.M Mansoor Allawala | Spouse of Director | 7.26% |

| 27.2 Transaction during the half year | Nature of transactions | Half - year ended | | Quarter ended | |
|---------------------------------------|---|----------------------|-------------------|----------------------|-------------------|
| | | December 31, 2025 | December 31, 2024 | December 31, 2025 | December 31, 2024 |
| | | ----- (Rupees) ----- | | ----- (Rupees) ----- | |
| Subsidiary company | | | | | |
| ORA Home LLC | Sales | 5,799,329 | 44,660,405 | 5,799,329 | 35,416,666 |
| | Amount received during the period | 4,033,582 | 37,689,627 | 4,033,582 | - |
| Key management personnel | Salaries & benefits | 8,121,780 | 12,251,438 | 4,060,890 | 6,125,719 |
| | Meeting fee | 30,000 | 30,000 | 30,000 | 30,000 |
| | Receipts of long term finance during the half year period | 2,200,000 | 141,000,000 | 2,200,000 | 141,000,000 |
| | Unwinding of discount | | | | |
| Other related parties | on loan from directors | 750,792 | 5,630,504 | 750,792 | 3,260,651 |
| | Contribution made to provident fund | 1,124,231 | 1,110,170 | 567,143 | 519,677 |

| 27.3 Balances with related parties | Nature of transactions | December 31, 2025 | June 30, 2025 |
|------------------------------------|--|----------------------|---------------|
| | | ----- (Rupees) ----- | |
| Subsidiary Company | | | |
| ORA Home LLC | Receivable against sale of goods | 10,695,927 | 8,930,180 |
| Key management personnel | Loan payable to directors | 183,552,644 | 169,203,415 |
| | Equity portion loan from related parties | 165,158,842 | 86,198,059 |
| Other related parties | | | |
| Provident fund | Payable to provident fund | 546,104 | 597,924 |

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

28. OPERATING SEGMENTS

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

All non-current assets of the Company as at December 31, 2025 and 2024 are located in Pakistan.

Significant sales are made by Company in the following countries:

| | 2025 | 2024 |
|-----------------|----------------------|----------------------|
| | ----- (Rupees) ----- | |
| Pakistan | 1,701,071,006 | 1,667,248,893 |
| China | 333,986,545 | 643,749,373 |
| Other countries | 116,018,690 | 164,924,919 |
| | <u>2,151,076,241</u> | <u>2,475,923,185</u> |

29. SHARIAH COMPLIANCE DISCLOSURE

Following information has been disclosed as required under amended part I clause VII of Fourth Schedule to the Companies Act ,2017 as amended via S.R.O.1278(I)/2024 dated August 15, 2024.

| | | December 31, 2025 (Un-audited) | June 30, 2025 (Audited) |
|--|-------------------|--------------------------------------|-------------------------------|
| | | -----Rupees----- | |
| | | Note | |
| Statement of Financial Position | | | |
| Assets | | | |
| Short-term Investment | Shariah compliant | 15,209,000 | 15,209,000 |
| | Non - Shariah | <u>147,512,371</u> | <u>132,890,669</u> |
| | | <u>162,721,371</u> | <u>148,099,669</u> |
| Cash and bank balances | Shariah compliant | 84,696 | 81,771 |
| | Non - Shariah | <u>166,775,457</u> | <u>88,888,836</u> |
| | | 14 <u>166,860,153</u> | <u>88,970,607</u> |
| Liabilities | | | |
| Long-term financing | | | |
| | Shariah compliant | 526,216,334 | 587,794,964 |
| | Non - Shariah | <u>300,658,533</u> | <u>325,137,474</u> |
| | | <u>826,874,867</u> | <u>912,932,438</u> |
| Short-term borrowings | Shariah compliant | 507,911,457 | 567,552,289 |
| | Non - Shariah | <u>1,774,972,557</u> | <u>1,495,266,867</u> |
| | | 18 <u>2,282,884,014</u> | <u>2,062,819,156</u> |
| Interest and mark-up accrued | Shariah compliant | 33,512,683 | 38,061,816 |
| | Non - Shariah | <u>49,276,520</u> | <u>36,875,027</u> |
| | | <u>82,789,203</u> | <u>74,936,843</u> |



| | | | December 31, 2025 (Un-audited) | December 31, 2024 (Un-audited) |
|------------------------------------|-------------------|------|--------------------------------------|--------------------------------------|
| | | Note | -----Rupees----- | |
| Statement of Profit or Loss | | | | |
| Sales - net | Shariah compliant | 21 | <u>2,151,076,241</u> | <u>2,475,923,185</u> |
| Finance cost | Shariah compliant | | 71,386,006 | 104,776,269 |
| | Non - Shariah | | <u>119,952,463</u> | <u>167,250,753</u> |
| | | | <u>191,338,469</u> | <u>272,027,022</u> |
| Profit on bank deposit | Shariah compliant | | 551,985 | 567,585 |
| | Non - Shariah | | <u>8,079,699</u> | <u>16,410,135</u> |
| | | 24 | <u>8,631,684</u> | <u>16,977,720</u> |

29.1 The Company has relationships with banks, having Islamic window operations, in respect of availing borrowing facilities amounting to Rs. 1,247 million (June 30, 2025: Rs 1,292 million).

30. CORRESPONDING FIGURES

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

31. GENERAL

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

32. DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements have been authorized for issue on March 31, 2026 by the Board of Directors of the Company.

DIRECTOR

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

اور سپلائی چین میں رکاوٹوں کے پیش نظر دنیا بھر کے کاروبار کارکردگی اور مضبوطی پر توجہ مرکوز کر رہے ہیں۔

مستقبل کا منظر نامہ

شدید اتار چڑھاؤ کے بعد پاکستان کی معیشت بتدریج استحکام کی جانب گامزن ہے، جس کی بنیاد بہتر مالی نظم و ضبط اور نسبتاً مستحکم شرح مبادلہ ہے۔ توانائی نرخوں میں بہتری کا خیر مقدم کیا جاتا ہے، تاہم صنعت طویل مدتی پالیسی استحکام اور علاقائی حریفوں کے برابر لاگت کے تقاضے پر زور دیتی ہے۔ آئندہ مدت کے لیے منظر نامہ "مخاطا امید" پر مبنی ہے۔

اگرچہ ملکی حالات بہتر ہو رہے ہیں، لیکن عالمی سطح پر غیر یقینی صورتحال کے باعث صارفین کے مخاطا رویے برقرار ہیں۔ مشرق وسطیٰ میں جاری تنازعے نے آبنائے ہرمز کے ذریعے تیل اور ایل این جی کی ترسیل کو متاثر کیا ہے، جس سے ایندھن کی قیمتوں میں اضافہ اور لاجسٹکس کی لاگت میں "رسک پریمیم" شامل ہو گیا ہے۔

تیزی سے بدلتے ہوئے عالمی تجارتی رجحانات کے تناظر میں ہم اپنی کسٹمر بیس کو متنوع بنا رہے ہیں، ضیاع کو کم کر رہے ہیں اور توانائی کے تحفظ پر توجہ دے رہے ہیں، بجائے اس کے کہ جارحانہ توسیع کی جائے۔ ہمارا مقصد شیئر ہولڈرز کی قدر میں اضافہ اور طویل مدتی پائیداری کو یقینی بنانا ہے۔

موجودہ چیلنجز سے نمٹنے کے لیے ہم سمجھتے ہیں کہ کپاس کی پیداوار اور معیار کو بہتر بنانے کے لیے حکومتی سطح پر فوری اقدامات ضروری ہیں۔ سستے ورکنگ کیپٹل تک رسائی اور پالیسیوں کا تسلسل برآمدات پر مبنی ترقی کے لیے نہایت اہم ہے۔ کمپنی کی انتظامیہ ملکی و عالمی حالات پر گہری نظر رکھے ہوئے ہے اور غیر یقینی حالات سے نمٹنے کے لیے فعال اور منظم حکمت عملی اپنارہی ہے۔

اظہار تشکر

ڈائریکٹرز کمپنی کے تمام ملازمین کی محنت اور لگن کو سراہتے ہیں اور صارفین، سپلائرز، بینکارز اور شیئر ہولڈرز کا بھی شکریہ ادا کرتے ہیں جنہوں نے انتظامیہ پر اعتماد اور مسلسل تعاون فراہم کیا۔

بحکم بورڈ آف ڈائریکٹرز

ایس ایم منصور اللہ والا
چیف ایگزیکٹو

رضوان ادیس اللہ والا
چیئر مین

کراچی: 31 مارچ 2026

آپ کی کمپنی کے ڈائریکٹرز 31 دسمبر 2025 کو ختم ہونے والی ششماہی مدت کے لیے بیرونی آڈیٹرز سے جائزہ شدہ مختصر عبوری مالیاتی گوشواروں کے ساتھ اپنی رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

کمپنی کی بنیادی سرگرمی ہر قسم کے دھاگے اور گھریلو ٹیکسٹائل کی تیاری، پراسیسنگ اور فروخت ہے۔ زیر جائزہ مدت کے دوران کمپنی کی کاروباری سرگرمیوں میں کوئی نمایاں تبدیلی واقع نہیں ہوئی۔

مالیاتی اور آپریشنل کارکردگی کا جائزہ

مالی سال 2026 کی پہلی ششماہی کے دوران کمپنی کا ٹرن اوور 2,151 ملین روپے رہا جبکہ گزشتہ سال کی اسی مدت میں یہ 2,476 ملین روپے تھا۔ مجموعی منافع 220 ملین روپے رہا جو کہ گزشتہ سال کی اسی مدت کے 194 ملین روپے کے مقابلے میں زیادہ ہے۔ زیر جائزہ مدت میں نقصان 43 ملین روپے رہا جبکہ گزشتہ سال کی اسی مدت میں یہ 179 ملین روپے تھا۔ مالیاتی لاگت 191 ملین روپے رہی گزشتہ سال: 272 ملین روپے جس میں 81 ملین روپے کی کمی واقع ہوئی۔ فی حصص نقصان 2.15 روپے رہا گزشتہ سال: 9.01 روپے۔

زیر جائزہ مدت کے دوران کمپنی نے ایک پیچیدہ اور چیلنجنگ ماحول میں کام جاری رکھا، تاہم مشکل حالات کے باوجود کمپنی نے مضبوطی کا مظاہرہ کیا۔ اگرچہ آمدنی میں معمولی کمی واقع ہوئی، جس کی بنیادی وجہ کمزور طلب تھی، تاہم عملی کارکردگی میں بہتری آئی۔ لاگت میں کمی، تیز رفتار حکمت عملی اور منافع کے تحفظ پر توجہ دے کر کمپنی نے گزشتہ سال کے مقابلے میں اپنے نقصانات کو کم کرنے میں کامیابی حاصل کی۔ یہ رجحان انتظامیہ کی لاگت میں کمی پر مبنی حکمت عملی کی کامیابی کو ظاہر کرتا ہے۔ پالیسی ریٹ میں معمولی کمی کے باعث مالی اخراجات میں بھی خاطر خواہ کمی واقع ہوئی۔

درآمد شدہ سستے سوت کی دستیابی کی وجہ سے مقامی سوت بنانے والوں کو قیمتوں کے شدید دباؤ کا سامنا رہا۔ تاہم مصنوعات کے امتزاج میں بہتری، مارکیٹ میں رسائی بڑھانے، صارفین سے تعلق مضبوط بنانے اور اعلیٰ معیار کو یقینی بنا کر ہم اس مدت میں مستحکم حجم حاصل کرنے میں کامیاب رہے۔

پاکستان کی معیشت میں بہتری کے آثار نظر آئے، جس میں ترسیلات زر میں اضافہ، زرعی بحالی اور آئی ایم ایف کے توسیعی فنڈ سہولت پروگرام کے تحت مسلسل تعاون شامل ہیں، تاہم "کاروبار کرنے کی لاگت" اب بھی ایک بڑا چیلنج ہے۔ ہمارے علاقائی حریف جیسے بھارت، بنگلہ دیش اور ویتنام کم توانائی نرخوں، شرح سود اور بہتر ٹیکس نظام سے فائدہ اٹھا رہے ہیں۔ مزید برآں، پاکستان میں ٹیکس ریفرنڈز میں تاخیر اور ایندھن کی قیمتوں میں اتار چڑھاؤ صنعتی مسابقت کو متاثر کرتے ہیں اور لیکویڈیٹی کو محدود کرتے ہیں۔ مقامی کپاس کی کم پیداوار اور معیار کے مسائل کی وجہ سے اسپننگ سیکٹر کو مہنگی درآمد شدہ کپاس خریدنا پڑتی ہے، جو مارجن اور زر مبادلہ کے ذخائر پر دباؤ ڈالتی ہے۔

بین الاقوامی منڈیوں میں جغرافیائی سیاسی کشیدگی اور امریکہ کی جانب سے بدلتے ہوئے ٹیرف نظام کے باعث خلل رہا۔ کمزور تجارتی بہاؤ

**CONSOLIDATED
CONDENSED INTERIM
FINANCIAL STATEMENTS**

FOR THE HALF YEAR ENDED DECEMBER, 2025 (UN-AUDITED)

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT DECEMBER 31, 2025



| | December 31, 2025 (Un-audited) | June 30, 2025 (Audited) |
|--|--------------------------------------|-------------------------------|
| | ----- (Rupees) ----- | |
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 3,221,276,393 | 3,287,274,093 |
| Long-term deposits | 3,713,631 | 3,713,631 |
| Long term investment | - | - |
| | 3,224,990,024 | 3,290,987,724 |
| Current assets | | |
| Stores, spares and loose tools | 36,415,538 | 39,168,127 |
| Stock-in-trade | 2,023,217,855 | 1,983,572,957 |
| Trade debts | 2,039,765,428 | 1,669,653,228 |
| Loans and advances | 82,712,884 | 62,240,220 |
| Prepayments | 32,400,876 | 48,642,455 |
| Other receivables | 316,164,005 | 254,910,547 |
| Short term investment | 162,721,371 | 148,099,670 |
| Advance tax | 36,335,635 | 39,368,371 |
| Cash and bank balances | 181,005,977 | 112,174,039 |
| | 4,910,739,569 | 4,357,829,614 |
| Total assets | 8,135,729,593 | 7,648,817,338 |
| EQUITY AND LIABILITIES | | |
| EQUITY | | |
| Share capital and reserves | | |
| Authorized | | |
| 22,000,000 ordinary shares of Rs.10/- each | 220,000,000 | 220,000,000 |
| Issued, subscribed and paid-up capital | 198,528,000 | 198,528,000 |
| Capital reserves | | |
| Surplus on revaluation of property, plant and equipment - net of tax | 831,645,384 | 847,625,402 |
| Equity portion of loan from related parties | 165,158,842 | 164,408,050 |
| Revenue reserves | | |
| Exchange translation reserve | (8,068,667) | (8,196,792) |
| Unappropriated profit | 904,732,792 | 938,586,460 |
| Total equity | 2,091,996,351 | 2,140,951,120 |
| LIABILITIES | | |
| Non-current liabilities | | |
| Long-term finance | 523,380,926 | 571,964,487 |
| Deferred government grant | 40,058,597 | 49,646,844 |
| Deferred tax liability | 116,635,698 | 128,891,442 |
| Retirement benefit obligation | 104,766,606 | 88,473,344 |
| | 784,841,827 | 838,976,117 |
| Current liabilities | | |
| Trade and other payables | 2,566,183,028 | 2,149,793,219 |
| Accrued mark-up | 82,789,203 | 74,936,843 |
| Short-term borrowings | 2,282,884,014 | 2,062,819,156 |
| Current portion of long-term finance | 303,493,938 | 340,967,951 |
| Current portion of deferred government grant | 20,802,163 | 23,752,731 |
| Unclaimed dividend | 2,739,068 | 2,739,068 |
| Provision for taxation | - | 13,881,133 |
| | 5,258,891,414 | 4,668,890,101 |
| Total liabilities | 6,043,733,241 | 5,507,866,218 |
| Total equity and liabilities | 8,135,729,593 | 7,648,817,338 |
| CONTINGENCIES AND COMMITMENTS | | |

The annexed notes from 1 to 31 form an integral part of these condensed interim financial information.


CHAIRMAN


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER

| | Half-year Ended | | Quarter Ended | |
|--|----------------------|----------------------|----------------------|----------------------|
| | December 31, 2025 | December 31, 2024 | December 31, 2025 | December 31, 2024 |
| | ----- (Rupees) ----- | | ----- (Rupees) ----- | |
| Sales - net | 2,151,076,241 | 2,478,456,717 | 1,225,664,194 | 1,243,301,711 |
| Cost of sales | (1,930,916,578) | (2,276,374,035) | (1,118,740,822) | (1,075,079,788) |
| Gross profit | 220,159,663 | 202,082,682 | 106,923,372 | 168,221,923 |
| Distribution cost | (11,304,241) | (31,570,968) | (6,181,051) | (20,546,090) |
| Administrative expenses | (64,146,423) | (51,533,145) | (36,244,652) | (23,936,120) |
| | (75,450,665) | (83,104,113) | (42,425,703) | (44,482,210) |
| | 144,708,998 | 118,978,569 | 64,497,669 | 123,739,713 |
| Finance cost | (191,382,746) | (272,079,352) | (99,455,046) | (122,623,566) |
| Other operating expenses | (6,170,592) | (25,574,928) | (5,942,187) | (23,624,971) |
| | (52,844,339) | (178,675,711) | (40,899,563) | (22,508,824) |
| Other income | 13,852,735 | 18,013,375 | 8,053,323 | 6,065,872 |
| (Loss) / Profit before taxation | (38,991,605) | (160,662,336) | (32,846,240) | (16,442,952) |
| Levy: | | | | |
| Final | - | (7,767,200) | - | (6,001,156) |
| Minimum tax differencial | (25,800,649) | (20,847,427) | (14,257,733) | (8,467,571) |
| | (25,800,649) | (28,614,627) | (14,257,733) | (14,468,727) |
| (Loss before Taxation) | (64,792,254) | (189,276,963) | (47,103,973) | (30,911,679) |
| Prior | 2,702,823 | 104,695 | 2,702,823 | 104,695 |
| Deferred | 15,621,524 | 16,983,423 | 15,621,524 | 16,983,423 |
| | 18,324,347 | 17,088,118 | 18,324,347 | 17,088,118 |
| (Loss) / Profit for the period | (46,467,907) | (172,188,845) | (28,779,626) | (13,823,561) |
| Earnings per share - basic and diluted (Rupees) | (2.34) | (8.67) | (1.45) | (0.70) |



CHAIRMAN



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER

| Note | Half-year Ended | | Quarter Ended | |
|---|----------------------|----------------------|----------------------|----------------------|
| | December 31, 2025 | December 31, 2024 | December 31, 2025 | December 31, 2024 |
| | (Rupees) | | (Rupees) | |
| (Loss) / Profit for the period | (46,467,907) | (172,188,846) | (28,779,626) | (13,823,561) |
| Items that will not be transferred subsequently to profit or loss | | | | |
| Foreign operations - Foreign currency translation difference | 128,125 | 2,881 | 128,125 | 2,881 |
| Adjustment of surplus on revaluation of property, plant and equipment due to change in tax rate | (3,365,779) | - | (3,365,779) | - |
| Total comprehensive income / (loss) for the period | (49,705,561) | (172,185,965) | (32,017,280) | (13,820,680) |
| Earnings per share - basic and diluted (Rupees) | (2.34) | (8.67) | (1.45) | (0.70) |

The annexed notes from 1 to 31 form an integral part of these condensed interim financial information.



CHAIRMAN / DIRECTOR



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2025



| | Half - year Ended | |
|---|----------------------|----------------------|
| | December 31, 2025 | December 31, 2024 |
| | ----- (Rupees) ----- | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| (Loss) / Profit before taxation | (64,792,254) | (189,276,963) |
| Adjustments for: | | |
| Depreciation | 66,282,883 | 63,840,261 |
| Allowance for expected credit loss | 15,116,082 | - |
| Provision for retirement benefit obligation | 18,455,712 | 14,351,400 |
| Final tax | - | 8,101,916 |
| Minimum tax differential | 25,800,649 | 20,847,427 |
| Gain on sale of property, plant and equipment | (3,128,855) | (950,000) |
| Expected credit loss - other receivable | - | - |
| Finance cost | 191,382,746 | 272,079,352 |
| Profit on deposits | - | - |
| Unrealized loss on other financial Assets | - | - |
| Finance cost on unwinding of discount on long-term finance from related parties | - | - |
| Operating cash flows before working capital changes | <u>249,116,963</u> | <u>188,993,393</u> |
| (Increase) / decrease in current assets | | |
| Stores, spares and loose tools | 2,752,588 | 9,959,864 |
| Stock-in-trade | (39,644,898) | (328,491,692) |
| Trade debts | (385,228,283) | (26,801,743) |
| Loans and advances | (20,472,664) | 45,231,643 |
| Deposits and short-term prepayments | (3,507,326) | (4,035,337) |
| Other receivables | (61,253,458) | (96,142,549) |
| | <u>(507,354,040)</u> | <u>(400,279,814)</u> |
| Increase / (decrease) in current liabilities | | |
| Trade and other payable | 435,641,845 | 439,905,012 |
| Cash generated / (used) from operations | 177,404,768 | 228,618,591 |
| Finance cost paid | (170,630,365) | (285,005,703) |
| Income tax paid | (33,946,223) | (29,264,528) |
| | <u>(27,171,819)</u> | <u>(85,651,640)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | (2,756,328) | (13,216,901) |
| Long-term deposits | 0 | 475,050 |
| Proceed from disposal of property, plant and equipment | 5,600,000 | 950,000 |
| Other financial asset - net | (14,621,701) | (27,761,560) |
| Net cash used in investing activities | <u>(11,778,029)</u> | <u>(39,553,411)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Long-term finance paid | (112,448,746) | (95,617,447) |
| Employee benefits paid | (2,162,451) | (1,670,700) |
| Long-term finance obtained/(paid) to related party | 2,200,000 | 141,000,000 |
| Short-term borrowings - net | 162,377,738 | 85,809,174 |
| Proceeds from long-term finance | - | 48,000,000 |
| Lease rental paid - net | - | - |
| Dividend paid | - | - |
| Net cash generated from / (used in) financing activities | <u>49,966,541</u> | <u>177,521,027</u> |
| Net increase / (decrease) in cash and cash equivalents | <u>11,016,693</u> | <u>52,315,976</u> |
| Cash and cash equivalents at the beginning of the period | <u>(461,660,212)</u> | <u>(593,368,902)</u> |
| Effect of exchange rate changes in cash and cash equivalents | <u>128,125</u> | <u>2,869</u> |
| Cash and cash equivalents at the end of the period | <u>(450,515,394)</u> | <u>(541,050,057)</u> |
| CASH AND CASH EQUIVENTS | | |
| Cash and bank balances | 181,005,977 | 19,147,744 |
| Short-term borrowings | (631,521,371) | (560,197,801) |
| | <u>(450,515,394)</u> | <u>(541,050,057)</u> |

The annexed notes from 1 to 31 form an integral part of these condensed interim financial information.


CHAIRMAN


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2025



| | Capital reserves | | Equity portion of loan from related Parties | Revenue reserves | | Total |
|--|--|--|---|------------------------|------------------------------|----------------------|
| | Issued, subscribed and paid up capital | surplus on revaluation of property, plant and equipment - net of tax | | Un-appropriated profit | Exchange translation reserve | |
| | (Rupees) | | | | | |
| Balance as at July 1, 2024 (audited) | 198,528,000 | 919,580,955 | 104,674,764 | 1,271,889,720 | (7,944,267) | 2,486,729,172 |
| Total comprehensive income for the period | | | | | | |
| Profit for the period | - | - | - | (172,188,846) | - | (172,188,846) |
| Other comprehensive income | - | - | - | - | (2,869) | (2,869) |
| | - | - | - | (172,188,846) | (2,869) | (172,191,715) |
| Transfer from surplus on revaluation of property, plant and equipment on account: | | | | | | |
| - incremental depreciation charge thereon - net of tax | - | (26,268,188) | - | 26,268,188 | - | - |
| - disposals - net of tax | - | - | - | - | - | - |
| | - | (26,268,188) | - | 26,268,188 | - | - |
| Transactions with related parties / owners | | | | | | |
| Unwinding of discount on long-term loan from related parties | - | - | (5,705,694) | 5,705,694 | - | 3,365,139,668 |
| Balance as at December 31, 2024 | 198,528,000 | 893,312,767 | 98,969,070 | 1,131,674,756 | (7,947,136) | 5,679,677,125 |
| Balance as at July 1, 2025 (audited) | 198,528,000 | 847,625,402 | 164,408,050 | 938,586,460 | (8,196,792) | 2,140,951,120 |
| Total comprehensive income for the period | | | | | | |
| Profit for the period | - | - | - | (46,467,907) | - | (46,467,907) |
| Other comprehensive income | - | (3,365,779) | - | - | 128,125 | (3,237,654) |
| | - | (3,365,779) | - | (46,467,907) | 128,125 | (49,705,561) |
| Transfer from surplus on revaluation of property, plant and equipment on account: | | | | | | |
| - incremental depreciation charge thereon - net of tax | - | (12,614,239) | - | 12,614,239 | - | - |
| - disposals - net of tax | - | - | - | - | - | - |
| | - | (12,614,239) | - | 12,614,239 | - | - |
| Transactions with related parties / owners | | | | | | |
| Fair value effect of interest free loan provided | | | 750,792 | | | 750,792 |
| Unwinding of discount on long-term loan from related parties | - | - | - | - | - | - |
| Balance as at December 31, 2025 | 198,528,000 | 831,645,384 | 165,158,842 | 904,732,792 | (8,068,667) | 2,091,996,351 |

The annexed notes from 1 to 31 form an integral part of these condensed interim financial information.


CHAIRMAN


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER

1. STATUS AND NATURE OF BUSINESS

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

Idrees Textile Mills Limited (the Company) was incorporated in Pakistan as an unquoted public limited company on June 5, 1990 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and is listed on Pakistan Stock Exchange Limited effective from April 28, 1992. The principal activity of the Company is manufacturing, processing and sale of all kinds of yarn.

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

2. GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

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

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

| Karachi | Purpose |
|---|--|
| 6-C, Ismail Centre, 1st floor, Central Commercial Area, Bahadurabad | Head office |
| Nankana Sahib | Purpose |
| Kot Shah Muhammad, Tehsil & District Nankana Punjab | Regional Office and Production Plant / Factory |
| New Jersey, USA | Purpose |
| 1215 Livingstn Avnue, STE 4 North Brunswick, NJ 08902 | Registered office |

3. BASIS OF PREPARATION

3.1 Statement of compliance

These condensed interim consolidated financial statements for the half year ended December 31, 2025 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standard Board (IASB) as notified under the Companies Act, 2017 and provisions of and directives issued under the Companies Act, 2017.



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

3.3 Basis of measurement

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

3.4 Basis of consolidation

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

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

3.5 Functional and presentation currency

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

4. MATERIAL ACCOUNTING POLICIES INFORMATION

The accounting policies adopted and methods of computation followed in the preparation of these condensed interim consolidated financial statements are same as those for the preceding annual consolidated financial statements for the year ended June 30, 2025.

5. USE OF ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements for the year ended June 30, 2025.

6. INITIAL APPLICATION OF STANDARDS, AMENDMENTS OR AN INTERPRETATION TO EXISTING STANDARDS

6.1 Standards, amendments and interpretations to accounting standards that are effective for the half year ended December 31, 2025



There are certain amendments to the published accounting and reporting and reporting standards that are mandatory for the Company's annual accounting period beginning on July 01, 2025. However, these do not have any material impact on the Company's financial statements and, therefore, have not been detailed in these unconsolidated condensed interim financial statements.

6.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Holding Company

There are certain new standards and amendments to the published accounting and reporting standards that will be applicable to the Company for its annual periods beginning on or after July 1, 2026. However, these are not considered to be relevant or will not have any material effect on the unconsolidated condensed interim financial statements except for:

The new standard - IFRS 18 Presentation and Disclosure in Financial Statements (IFRS 18) (published in April 2024) with applicability date of January 1, 2027 by IASB. IFRS 18 when applicable shall impact the presentation of 'Income Statement' with certain additional disclosures in the financial statements; and

Amendments to IFRS 9 'Financial Instruments' which clarify the date of recognition and derecognition of a financial asset or financial liability including settlement of liabilities through banking instruments and channels including electronic transfers with effective date of January 01, 2026. The amendment when applied may impact the timing of recognition and derecognition of financial liabilities.

7. RISK MANAGEMENT POLICIES

The financial risk management objectives and policies are consistent with those disclosed in the annual audited published financial statements of the Company for the year ended June 30, 2025.

| | | December 31, 2025 (Un-audited) | June 30, 2025 (Audited) |
|---|------|--------------------------------------|-------------------------------|
| | Note | ----- (Rupees) ----- | |
| 8. PROPERTY, PLANT AND EQUIPMENT | | | |
| Operating fixed assets: | | | |
| - Owned | | 3,209,636,359 | 3,275,634,059 |
| | | 3,209,636,359 | 3,275,634,059 |
| - Capital work in progress | | - | |
| - Building | 8.2 | 2,197,962 | 2,197,962 |
| - Capital spares | | 9,442,072 | 9,442,072 |
| | | 11,640,034 | 11,640,034 |
| | | 3,221,276,393 | 3,287,274,093 |
| 8.1 Operating fixed assets | | | |
| Balance at beginning of the period / year | | 3,275,634,059 | 3,365,139,668 |
| Addition during the period /year | | 2,756,328 | 45,467,134 |
| Disposal during the period /year | | (2,471,145) | (3,046,545) |
| Surplus on revaluation | | - | - |
| Transfers from capital work in progress | | - | - |
| Depreciation charge during the period /year | | (66,282,883) | (131,926,198) |
| Closing Balance | | 3,209,636,359 | 3,275,634,059 |

- 8.1.1** The assets include land, building, labour colony and machinery, electric installations and mill equipment are carried at revalued amount. The valuations was based on the calculations carried out by an independent valuer "Tristar International Consultant (Private) Limited" on January 2, 2024 on the basis of market value. As at reporting date, the management has determined that there is no material change in the aforementioned fair value of property, plant and equipment and accordingly no adjustment has been incorporated in these unconsolidated condensed interim financial statements.

| | December 31, 2025 (Un-audited) ----- (Rupees) ----- | June 30, 2025 (Audited) |
|--|--|-------------------------------|
| 8.2 Movement of capital work in progress: | | |
| Opening balance | 2,197,962 | 2,160,537 |
| Addition during the period / year | - | 37,425 |
| Transfers during the period / year | - | - |
| Closing balance | <u>2,197,962</u> | <u>2,197,962</u> |
| 9. LONG TERM INVESTMENT | | |
| ORA HOME LLC - at cost | <u>-</u> | <u>-</u> |
| 9.1 In year 2022, the Company acquired 100% ownership in the subsidiary incorporated in New Jersey, United States of America (USA). The Company has not paid any consideration for the acquisition of subsidiary due to net liability position in the books of subsidiary and accordingly assumed all liabilities of the subsidiary as on acquisition date. | | |
| 10. STOCK-IN-TRADE | | |
| Raw material | | |
| - In hand | 1,442,209,252 | 1,007,431,224 |
| - In transit | 8,094,533 | 406,420,584 |
| Work-in-process | 81,217,573 | 111,511,263 |
| Work-in-process home textile | 88,555,503 | 91,383,644 |
| Finished goods | 394,867,403 | 353,228,959 |
| Waste | 8,273,591 | 13,597,283 |
| | <u>2,023,217,855</u> | <u>1,983,572,957</u> |
| 11. TRADE DEBTS | | |
| Considered goods | | |
| Local -secured | - | - |
| Export - Secured | 83,517,391 | 15,736,864 |
| | <u>83,517,391</u> | <u>15,736,864</u> |
| Unsecured: | | |
| Export - due from related party | 147,116 | - |
| Local | 1,956,100,922 | 1,653,916,364 |
| | <u>2,039,765,428</u> | <u>1,669,653,228</u> |
| Considered doubtful | | |
| Local | 59,633,884 | 44,517,802 |
| | <u>2,099,399,313</u> | <u>1,714,171,030</u> |
| Less: Allowance for expected credit losses | <u>(59,633,884)</u> | <u>(44,517,802)</u> |
| | <u><u>2,039,765,428</u></u> | <u><u>1,669,653,228</u></u> |

| | Note | December 31, 2025 (Un-audited) ----- (Rupees) ----- | June 30, 2025 (Audited) |
|--|--|---|-------------------------------|
| 12. OTHER RECEIVABLES | | | |
| Sales tax | | 238,984,124 | 192,602,793 |
| Export rebate | 12.1 | 10,353,624 | 11,114,893 |
| Cotton claim receivable | 12.2 | 39,831,812 | 39,831,812 |
| Duty draw back receivable | 12.3 | 5,872,932 | 5,872,932 |
| Claim Against Detention / Demmarage/ Others - (Cot/Vis/Poly) | | 9,787,129 | - |
| Profit on deposit | | 8,724,141 | 4,086,290 |
| Others | | 2,610,243 | 1,401,827 |
| | | <u>316,164,005</u> | <u>254,910,547</u> |
| 12.1 | Export rebate comprises of incentives/discounts/refunds and other benefits granted by Government of Pakistan. | | |
| 12.2 | This represents claim regarding discrepancies related to cotton weight and quality. | | |
| 12.3 | This represents receivable from the Government of Pakistan since 2021. | | |
| 13. SHORT TERM INVESTMENT | | | |
| At amortised cost | | | |
| Term deposit receipts (TDR) | 13.1 | <u>162,721,371</u> | <u>148,099,670</u> |
| 13.1 | These represents investments in Term Deposit Receipts with various banks. The profit rate on these TDRs ranges from 6.61% to 9.50% (June 30, 2025: 6.93% to 20.50%) per annum. The banks have lien on these TDRs on account of guarantee provided by such banks. | | |
| 14. CASH AND BANK BALANCES | | | |
| Cash in hand | | 16,434,843 | 280,531 |
| Cash at banks | | | |
| - in current accounts | 14.1 | 101,238,040 | 27,573,305 |
| - in savings accounts | | 63,333,094 | 84,320,203 |
| | | <u>181,005,977</u> | <u>112,174,039</u> |
| 13.1 | These banks carry profit rate from 5.21% to 8.5% (June 30, 2025: 5.36% to 10.05%) per annum. | | |
| 15. LONG TERM FINANCE | | | |
| From financial institutions | 15.1 | 367,919,304 | 428,692,191 |
| From Related parties | 15.2 | 155,461,622 | 143,272,296 |
| | | <u>523,380,926</u> | <u>571,964,487</u> |
| 15.1 | From financial institutions | | |
| Liability under diminishing musharaka | 15.1.1 | 221,051,883 | 254,228,628 |
| Loan against Temporary Economic Refinance Facility (TERF) | 15.1.2 | 298,763,315 | 337,855,363 |
| Term finance (TF) | 15.1.3 | 108,462,686 | 135,457,543 |
| Long term financing facility (LTFF) | 15.1.4 | 15,044,336 | 16,187,520 |
| | | <u>643,322,220</u> | <u>743,729,054</u> |
| Current portion shown under current liabilities | | <u>(275,402,916)</u> | <u>(315,036,863)</u> |
| | | <u>367,919,304</u> | <u>428,692,191</u> |

15.1.1 These represent diminishing musharaka obtained for plant, machinery and vehicles. The rates of mark-up ranges from 12.65% to 13.44% (June 30, 2025: 13.94% to 22.24%).

15.1.2 These represents Temporary Economic Refinance Facility with an Islamic bank and commercial banks, with the total limit aggregating to Rs. 298.763 million (June 30, 2025: Rs. 337.850 million). These facilities carry mark up of SBP Base Rate + 4%. The tenure of these facilities ranges from 5 to 10 years with grace period 1 to 2 years. This is measured at present value using discounting factor ranging from 7.39% to 15.91%. The loan is secured against 1st exclusive charge over specific plant and machinery.

15.1.3 These represents term finance which is secured against 1st specific charge over imported plant and machinery aggregating to Rs. 108.46 million (June 30, 2025: 135.46 million). The facilities carry markup at 3 month KIBOR plus 1.50% to 5.00% per annum and are payable in quarterly installments within a period of 4 to 5 years. The loan is secured by way of 1st exclusive charge over specific machinery over landed cost with a margin of 25%.

15.1.4 These represents long-term finance facilities obtained by the Company from various banks for the purpose of procurement of plant and machinery. The facilities carry markup at KIBOR +1.5% to 4.00% per annum and are payable in fixed monthly/quarterly installments within a period of 4 to 5 years.

| | Note | December 31, 2025 (Un-audited) | June 30, 2025 (Audited) |
|---|------|-----------------------------------|-------------------------------|
| ----- (Rupees) ----- | | | |
| 15.2 From related parties | | | |
| Opening balance | | 169,203,415 | 58,272,948 |
| Receipts during the period/year | | 2,200,000 | 154,210,474 |
| Fair value adjustment | | (750,792) | (59,733,286) |
| Unwinding of discount | | 12,900,021 | 16,453,279 |
| | | 183,552,644 | 169,203,415 |
| Less: current portion shown under current liabilities | | (28,091,022) | (25,931,119) |
| | | 155,461,622 | 143,272,296 |

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

16. DEFERRED GOVERNMENT GRANT

| | | | |
|--|------|---------------------|--------------|
| Deferred grant against temporary economic refinance facility | 16.1 | 60,860,760 | 73,399,575 |
| Current portion of deferred government grant | | (20,802,163) | (23,752,731) |
| | | 40,058,597 | 49,646,844 |

16.1 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 .

| | | December 31 2025 (Un-audited) | June 30, 2025 (Audited) |
|---|------|-------------------------------------|-------------------------------|
| | Note | ----- (Rupees) ----- | |
| 17. TRADE AND OTHER PAYAPBLES | | | |
| Creditors | | 198,461,801 | 176,890,457 |
| Accrued Liabilities | | 248,328,357 | 209,184,609 |
| Gratuity due but not yet paid | | 5,971,710 | 5,971,710 |
| Contract Liabilities | | 1,860,792,245 | 1,490,906,852 |
| Worker's welfare fund | | 25,729,586 | 25,729,585 |
| Infrastructure cess | 17.1 | 187,322,419 | 184,437,105 |
| Provision for gas infrastructure development cess | | 5,403,945 | 5,403,945 |
| Payable to provident fund | | 546,104 | 597,924 |
| Minimum tax levy | 17.2 | 25,779,505 | 45,031,540 |
| Withholding tax liability | | 7,847,356 | 5,639,492 |
| | | 2,566,183,028 | 2,149,793,218 |

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

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

A writ petition No. 42176 / 2020 was filed by all Pakistan Textile Association (APTMA) (where the Company is also a party to the Petition). The Management is confident for a favorable outcome. However, as a matter of prudence, the Company has made provision as follows:

| | December 31 2025 (Un-audited) | June 30, 2025 (Audited) |
|---------------------------------|-------------------------------------|-------------------------------|
| | ----- (Rupees) ----- | |
| Balance as at July 1, | 184,437,105 | 166,078,418 |
| Provision for the period / year | 2,885,314 | 18,358,687 |
| Balance as at June 30, | <u>187,322,419</u> | <u>184,437,105</u> |
| 17.2 Levy: | 25,779,505 | 38,305,127 |
| Minimum tax levy | - | 6,726,413 |
| Final tax | <u>25,779,505</u> | <u>45,031,540</u> |

18. SHORT-TERM BORROWINGS

From banking companies - secured

| | | |
|--|----------------------|----------------------|
| Running finance | 631,521,371 | 573,834,251 |
| Cash finance | 904,730,410 | 853,090,093 |
| Finance Against Imported Merchandise (FIM) | 746,632,233 | 635,894,812 |
| Related Party - unsecured | | |
| Loan from ORA Saphire | - | - |
| | <u>2,282,884,014</u> | <u>2,062,819,156</u> |

- 18.1** Facilities for running finance, cash finance, FIM and Murabaha are available from various commercial banks up to Rs.3,600 million (June 30, 2025: Rs. 3,600 million). These facilities are subject to markup at the rates of 3 month KIBOR plus 1.00% to 2.5% (June 30, 2025: 3 month KIBOR plus 1.00% to 2.5%) per annum payable quarterly. These are secured against various assets including first pari passu hypothecation charge over present and future stock-in-trade, pledge of cotton, first hypothecation charge over present and future book debts, ranking charge on the stocks and receivables of the Holding Company, equitable mortgage on various properties and personal guarantees of all the Executive directors of the Holding Company.

The aggregate unavailed short-term borrowing facilities amounted to Rs. 1,317 million (June 30, 2025: Rs. 1,538 million).

19 CONTINGENCIES AND COMMITMENTS

- 19.1** Status of contingencies are same as disclosed in 23 to the unconsolidated annual audited financial statements of the Company for the year ended June 30, 2025.

| | December 31,2025 (Un-audited) | June 30, 2025 (Audited) |
|--------------------------------------|-------------------------------------|----------------------------|
| | ----- (Rupees) ----- | |
| Contingencies And Commitments | | |

Status of contingencies is the same as disclosed in note 23.2 to the annual consolidated financial statements of the Company for the year ended June 30, 2025.

19.2 Commitments

Letters of credit opened and outstanding for import of:

| | | |
|--|--------------------|--------------------|
| Letters of guarantee issued by banks on behalf of Excise and Taxation Office | 184,437,105 | 184,437,105 |
| Stores and spares | <u>5,928,406</u> | <u>3,207,423</u> |
| Raw material | <u>176,977,446</u> | <u>226,882,018</u> |

| | Half Year Ended | | Quarter Ended | |
|------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| | December 31, 2025 | December 31, 2024 | December 31, 2025 | December 31, 2024 |
| | (Un-audited) ----- (Rupees) ----- | (Un-audited) ----- (Rupees) ----- | (Un-audited) ----- (Rupees) ----- | (Un-audited) ----- (Rupees) ----- |
| 20. SALES - NET | | | | |
| Yarn & Home Textile | | | | |
| - Local | 2,123,466,205 | 1,545,393,906 | 1,123,608,798 | 769,533,034 |
| - Export | 451,032,960 | 812,725,100 | 404,214,116 | 630,834,270 |
| | 2,574,499,165 | 2,358,119,006 | 1,527,822,914 | 1,400,367,304 |
| Raw material - Local | | | | |
| - Cotton / viscose | 108,710,032 | 430,526,801 | 79,977,762 | 21,583,091 |
| - Waste | 101,797,580 | 169,358,017 | 59,048,274 | 101,321,045 |
| | 2,785,006,777 | 2,958,003,824 | 1,666,848,950 | 1,523,271,440 |
| Less: | | | | |
| Sales return | (326,710,028) | (155,081,860) | (326,710,028) | (154,878,900) |
| Sales Tax | (306,192,783) | (322,488,325) | (113,478,268) | (124,599,472) |
| Brokerage & Commission | (1,027,725) | (1,976,922) | (996,460) | (491,357) |
| | (633,930,536) | (479,547,107) | (441,184,756) | (279,969,729) |
| | 2,151,076,241 | 2,478,456,717 | 1,225,664,194 | 1,243,301,711 |

| | Half-year Ended | | Quarter Ended | |
|--|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| | December 31, 2025 | December 31, 2024 | December 31, 2025 | December 31, 2024 |
| | (Un-audited) ----- (Rupees) ----- | (Un-audited) ----- (Rupees) ----- | (Un-audited) ----- (Rupees) ----- | (Un-audited) ----- (Rupees) ----- |

21. COST OF SALES

| | | | | |
|---------------------------------|----------------------|----------------------|----------------------|----------------------|
| Raw material consumed | 1,207,939,407 | 1,366,205,481 | 698,758,523 | 793,127,905 |
| Salaries, wages and benefits | 172,573,347 | 125,653,472 | 88,457,328 | 70,520,586 |
| Fuel and power | 501,016,163 | 507,815,517 | 266,494,674 | 297,918,365 |
| Depreciation | 63,824,302 | 60,799,319 | 33,080,386 | 30,461,037 |
| Stores and spares consumed | 32,776,330 | 32,805,766 | 18,785,034 | 16,625,187 |
| Packing material | 35,989,392 | 34,201,124 | 22,086,848 | 21,956,059 |
| Insurance | 9,000,000 | 8,000,000 | 6,000,000 | 5,000,000 |
| Repairs and maintenance | 2,077,729 | 1,453,860 | 966,332 | 1,074,606 |
| Vehicle running and maintenance | 2,828,680 | 2,088,571 | 1,171,215 | 456,603 |
| Other manufacturing overheads | 2,151,909 | 2,213,226 | 938,434 | 1,759,672 |
| | 2,030,177,259 | 2,141,236,336 | 1,136,738,774 | 1,238,900,020 |
| Work-in-process | | | | |
| Opening stock | 111,511,263 | 91,441,947 | 93,036,810 | 106,234,547 |
| Closing stock | (81,217,573) | (120,355,769) | (81,217,573) | (120,355,769) |
| | 30,293,690 | (28,913,822) | 11,819,237 | (14,121,222) |
| Cost of goods manufactured | 2,060,470,949 | 2,112,322,514 | 1,148,558,011 | 1,224,778,798 |
| Finished goods | | | | |
| Opening stock | 366,826,242 | 252,289,028 | 462,945,205 | 360,242,355 |
| Yarn Transferred | (10,636,093) | (15,461,500) | 16,271,646 | (9,660,500) |
| Yarn purchased | - | 19,000,000 | - | - |
| Closing stock | (403,140,994) | (424,738,381) | (403,140,994) | (424,738,381) |
| | (46,950,845) | (168,910,853) | 76,075,857 | (74,156,526) |
| Cost of Home Textile | 54,781,173 | 39,514,554 | 54,781,173 | 38,962,170 |
| Cost of raw material sold | (137,384,700) | 293,447,820 | (160,674,220) | (114,504,654) |
| | 1,930,916,578 | 2,276,374,035 | 1,118,740,822 | 1,075,079,788 |

| | | (Un-audited) December 31, 2025 | (Un-audited) December 31, 2024 | (Un-audited) December 31, 2025 | (Un-audited) December 31, 2024 |
|---|------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| | Note | ----- (Rupees) ----- | | ----- (Rupees) ----- | |
| 22 OTHER OPERATING EXPENSES | | | | | |
| Infrastructure cess | | 2,885,314 | 16,589,211 | 2,707,113 | 16,387,377 |
| Exchange Loss | | 3,285,278 | 8,985,717 | 3,235,074 | 7,237,594 |
| Other | | - | | | |
| | | <u>6,170,592</u> | <u>25,574,928</u> | <u>5,942,187</u> | <u>23,624,971</u> |
| 23. OTHER INCOME | | | | | |
| Profit on deposits / investment | | 8,631,684 | 16,977,720 | 5,913,537 | 10,938,897 |
| Gain on disposal of property, plant and equipment | | 3,128,855 | 950,000 | 1,100,000 | 950,000 |
| Scrap sales | | 57,377 | 85,655 | 1,640 | 58,606 |
| Export Rebate | | 2,343,417 | | | |
| Others | | (308,598) | | (308,598) | - |
| | | <u>13,852,735</u> | <u>18,013,375</u> | <u>6,706,579</u> | <u>11,947,503</u> |
| 24. LOSS PER SHARE - BASIC AND DILUTED | | | | | |
| Loss for the period | | (46,467,907) | (172,188,845) | (28,779,626) | (13,823,561) |
| Weighted average number of ordinary shares | | 19,852,800 | 19,852,800 | 19,852,800 | 19,852,800 |
| Loss per share | | (2.34) | (8.67) | (1.45) | (0.70) |
| | | December 31, 2025 | December 31, 2024 | | |
| | | (Un-audited) | (Un-Audited) | | |
| | | ----- (Rupees) ----- | | | |
| 25 CASH AND CASH EQUIVALENTS | | | | | |
| Cash and bank balances | 13 | 181,005,977 | 19,147,744 | | |
| Short term borrowings | 17 | (631,521,371) | (560,197,801) | | |
| | | <u>(450,515,394)</u> | <u>(541,050,057)</u> | | |

26 Fair value estimation

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

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

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

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

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

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

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

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

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

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

27. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

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

| 27.1 Related parties | Basis of relationship | % of shareholding | |
|---|------------------------|-------------------|--|
| | | | |
| ORA Home LLC | Subsidiary company | 100.00% | |
| Mr. Rizwan Idrees Allawala | Chairman | 27.84% | |
| Mr. S. M. Mansoor Allawala | Executive Director | 21.82% | |
| Mr. Omair Idrees Allawala | Executive Director | 28.99% | |
| Ms. Aamnah Mansoor | Non-Executive Director | 0.01% | |
| Mr. Muhammad Beyaz Aftab | Non-Executive Director | 0.03% | |
| Syed Masud Arif | Independent Director | 0.03% | |
| Ms. Azra Yaqub Vawda | Independent Director | 0.03% | |
| Mrs. Ambreen Mansoor w/o S.M Mansoor Allawala | Spouse of Director | 7.26% | |

| 27.2 Transection during the half Year | Nature of transections | Half Year Ended | | Quarter Ended | |
|---------------------------------------|---|----------------------|-------------------|----------------------|-------------------|
| | | December 31, 2025 | December 31, 2024 | December 31, 2025 | December 31, 2024 |
| | | (Un-audited) | (Un-audited) | (Un-audited) | (Un-audited) |
| | | ----- (Rupees) ----- | | ----- (Rupees) ----- | |
| Subsidiary company ORA Home LLC | Sales | 5,799,329 | 44,660,405 | 5,799,329 | 35,416,666 |
| | Amount recived during the period | 4,033,582 | 37,689,627 | 4,033,582 | - |
| Key management personnel | Salaries & benefits | 8,121,780 | 12,251,438 | 4,060,890 | 6,125,719 |
| | Loan repaid during the period to Directors | - | - | - | - |
| | Meeting Fee | 30,000 | 30,000 | 30,000 | 30,000 |
| | Receipts of long term finance during the half year period | 2,200,000 | 141,000,000 | 2,200,000 | 141,000,000 |
| Other related parties | Unwinding of discount on loan from directors | 750,792 | 5,630,504 | 750,792 | 3,260,651 |
| | Contribution made to provident fund | 1,124,231 | 1,110,170 | 567,143 | 519,677 |

| | | Half Year Ended | |
|-------------|---|-------------------------------|----------------------|
| | | December 31, 2025 | December 31, 2023 |
| 27.3 | Half year end balances with related parties | Nature of transactions | |
| | Subsidiary Company | ----- (Rupees) ----- | |
| | ORA Home LLC | 10,695,927 | 8,930,180 |
| | Key management personnel | | |
| | Loan payable to directors | 183,552,644 | 169,203,415 |
| | Equity portion loan from related parties | 157,711,726 | 157,711,726 |
| | Other related parties | | |
| | Provident fund | 546,104 | 597,924 |
| | ORA Sapphire | - | - |
| 27.4 | All transactions with related parties have been carried out on commercial terms and conditions as approved by the Board of Directors. | | |

28. Operating Segments

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

All non-current assets of the Company as at December 31, 2025 and 2024 are located in Pakistan. Significant sales are made by the company in the following countries:

| | 2025 | 2024 |
|-----------------|-----------------------------|----------------------|
| | ----- (Rupees) ----- | |
| Pakistan | 1,701,071,006 | 1,667,248,893 |
| China | 333,986,545 | 643,749,373 |
| Other countries | 116,018,690 | 164,924,919 |
| | <u>2,151,076,241</u> | <u>2,475,923,185</u> |

29. SHARIAH COMPLIANCE DISCLOSURE

Following information has been disclosed as required under amended part 1 clause VII of fourth schedule to the Companies Act, 2017 as amended via S/R/O. 1278 91) 2024 dated August 15, 2024.

| | | December 31 2025 (Un-audited) | December 31 2025 (Audited) |
|--|------------------|-------------------------------------|----------------------------------|
| | | ----- Rupees ----- | |
| | Note | | |
| Statement of Financial Position | | | |
| Assets | | | |
| Short Term Investment | Sharia compliant | 15,209,000 | 15,209,000 |
| | Non-Sharia | 147,512,371 | 132,890,669 |
| | | <u>162,721,371</u> | <u>148,099,669</u> |
| Cash and Bank Balances | Sharia compliant | 84,696 | 81,171 |
| | Non-Sharia | 180,921,281 | 112,092,868 |
| | | <u>181,005,977</u> | <u>112,174,039</u> |
| Liabilities | | | |
| Long-term financing | Sharia compliant | 526,216,334 | 587,794,964 |
| | Non-Sharia | 300,658,533 | 325,137,474 |
| | | <u>826,874,867</u> | <u>912,932,438</u> |

| | | | |
|------------------------------------|------------------|----------------------|----------------------|
| Short-term borrowings | Sharia compliant | 507,911,457 | 567,552,289 |
| | Non-Sharia | <u>1,774,972,557</u> | <u>1,495,266,867</u> |
| | | <u>2,282,884,014</u> | <u>2,062,819,156</u> |
| Interest and mark-up accrued | Sharia compliant | 33,512,683 | 38,061,816 |
| | Non-Sharia | <u>49,276,520</u> | <u>36,875,027</u> |
| | | <u>82,789,203</u> | <u>74,936,843</u> |
| Statement of Profit or Loss | | | |
| Sales -net | Sharia compliant | <u>2,151,076,241</u> | <u>2,478,456,717</u> |
| | | | |
| Finance cost | Sharia compliant | 71,386,006 | 104,776,269 |
| | Non-Sharia | <u>119,996,740</u> | <u>167,303,083</u> |
| | | <u>191,382,746</u> | <u>272,079,352</u> |
| Profit on bank deposit | Sharia compliant | 551,985 | 567,585 |
| | Non-Sharia | <u>8,079,699</u> | <u>16,410,135</u> |
| | | <u>8,631,684</u> | <u>16,977,720</u> |

29.1 The Company has relationship with banks, having Islamic window operations, in respect of availing borrowing facilities amounting To Rs. 1,247 million (June 30, 2025: Rs. 1,292 million).

30. CORRESPONDING FIGURES

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

31. GENERAL

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

31. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim consolidated financial information have been authorized for issue on March 31, 2026 by the Board of Directors of the Company.

BOOK POST

Printed Material

If undelivered please return to:

IDREES TEXTILE MILLS LIMITED

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

A MEMBER OF THE



ALLWALA GROUP