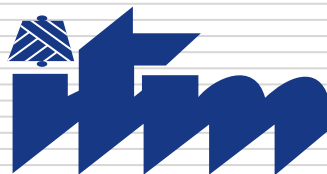


**IDREES**

**TEXTILE MILLS LIMITED**

CONDENSED INTERIM  
FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED  
DECEMBER, 2023  
(UN-AUDITED)





## COMPANY INFORMATION

<b>BOARD OF DIRECTORS</b>	Mr. Rizwan Idrees Allawala	- Chairman
	Mr. S. M. Mansoor Allawala	- Executive Director / CEO
	Mr. Omair Idrees Allawala	- Executive Director
	Ms. Aamnah Mansoor	- Non - Executive Director
	Mr. Muhammad Zubair	- Non - Executive Director
	Syed Masud Arif	- Independent Director
	Ms. Azra Yaqub Vawda	- Independent - Director
<b>AUDIT COMMITTEE</b>	Ms. Azra Yaqub Vawda	- Chairperson
	Syed Masud Arif	- Member
	Ms. Aamnah Mansoor	- Member
	Syed Shahid Sultan	- Secretary
<b>HUMAN RESOURCE &amp; REMUNERATION COMMITTEE</b>	Syed Masud Arif	- Chairman
	Ms. Aamnah Mansoor	- Member
	Ms. Azra Yaqun Vawda	- Member
<b>COMPANY SECRETARY</b>	Syed Shahid Sultan	
<b>CHIEF FINANCIAL OFFICER</b>	Mr. Muhammad Jawaid	
<b>AUDITORS</b>	M/s. BDO Ebrahim & Co. Chartered Accountants	
<b>BANKERS</b>	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	
<b>REGISTERED OFFICE</b>	6-C, Ismail Centre, 1st Floor, Central Commercial Area, Bahadurabad, Karachi - 74800.	
<b>MILLS</b>	Kot Shah Mohammad, Tehsil Nankana, District Nankana, Punjab. <a href="http://www.idreestextile.com">www.idreestextile.com</a>	
<b>SHARES REGISTRAR</b>	M/S. JWAFSS Registrar Services (Pvt) Ltd. 407-408, 4th Floor, Al-Ameera Centre, Shahrah-e-Iraq, Saddar, Karachi.	

The Directors are pleased to present the Condensed Interim Financial Statements of your Company for the half year ended December 31, 2023 duly reviewed by the external auditors.

## FINANCIAL AND OPERATIONAL OVERVIEW

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

During the period, the Company's turnover amounted to Rs. 3,476 million as compared to Rs. 1,525 million in the same period of last year showing an increase of 128 percent. Gross profit amounted to Rs. 372 million compared to Rs. 132 million for the corresponding period and loss for the period amounted to Rs. 36.9 million against Rs. 14.9 million in the comparable period. Loss per share amounted to Rs. 1.86 against Re. 0.75 in the same period of last year.

Following the expansion in production capacity of the mill, your Company's revenue for the period under review increased by Rs. 1,951 million but the net margin remained negative. High markup rate is a major factor for erosion of profitability. Finance cost for the period increased by Rs. 168.6 million, i.e., from Rs. 111.4 million in the same period of FY23 to Rs. 280 million showing 151 percent increase. Due to inflationary pressure and exchange rate volatility, the cost of production remained high. On the selling side, due to low demand in the market, price of yarn did not rise in line with the cost of inputs. All the economic indicators are showing that revival process is slow, but, going forward, it is likely to stimulate business confidence. The numbers of trade and current account deficit have also improved which is a supportive development for market sentiment. Improvement in current account deficit is mainly due to reduction in the import bill while exports registered a little growth. Resumption of IMF program and successful completion of its review helped State Bank of Pakistan's (SBP) foreign exchange reserves cross the mark of USD 8 billion. This improvement in the position of reserves helped prevent substantial depreciation in the value of Pak Rupee and has also facilitated the country in borrowing funds from other lenders enabling SBP to ease out import restrictions. In view of some easing in external pressures, expected GDP growth of 2 percent and cotton crop showing a noteworthy improvement as compared to last year, the management foresees better results in the coming periods.

## CHANGE OF AUDITORS

For the financial year 2023-24, BDO Ebrahim & Co. Chartered Accountants have been appointed as the auditors of the Company in place of retiring auditors, Yousuf Adil, Chartered Accountants.

## FUTURE OUTLOOK

Although, there are several challenges like unaffordable energy cost, high markup rate and uncertain political conditions, the management remains focused to optimize production and cost control to create long term value for the shareholders. Increasing trend in foreign exchange reserves, reduction in trade and current account deficit and growth being witnessed in agricultural output are positive indicators for the economy. Logistic challenges due to the ongoing situation in the Middle East are, however, affecting the timelines in the supply chain. The All Pakistan Textile Mills Association (APTMA) is constantly raising its voice against high electricity and gas tariffs and their implications on industry, especially the textile industry, cautioning that, if urgent measures are not taken, over 50 percent of industry is at a high risk of shutting down. In a letter to the caretaker Minister for Power and Petroleum, APTMA noted that the international competitiveness of Pakistan's textiles and apparel exports is being continuously eroded by ever increasing energy prices that are, on average, more than twice of those in competing countries and merit immediate attention. At prevalent energy rates, production is not financially feasible and the sector's exports are bearing a brunt as the Country is losing its market share to regional economies like Bangladesh, India and Vietnam. The situation has further implications not just for employment and poverty but also for power sector revenue and the government's fiscal position. The country is currently going through a vicious cycle of declining consumption and increasing tariffs. For the industry to remain competitive and earn foreign exchange, energy prices must align with regional benchmarks. For sustained

growth, power sector reforms are imperative for fiscal sustainability. To attract foreign investment and stimulate economic growth, the Interim Government has also formed the Special Investment Facilitation Council (SIFC), a civil-military forum. There is a dire need of consensus among all stakeholders in formulating long term policies for sustainable development.

Consolidated condensed interim financial statements of the Company and its wholly-owned subsidiary ORA Home LLC, for the half year ended December 31, 2023, are annexed in accordance with the statutory requirements.

#### **ACKNOWLEDGEMENT**

The Board would like to acknowledge the valuable support and cooperation of the customers, bankers, suppliers and shareholders and highly recognizes the commendable performance of the management team and all the employees in the challenging business environment.

#### **For and on behalf of the Board**



Rizwan Idrees Allawala  
Chairman



S. M. Mansoor Allawala  
Chief Executive

February 27, 2024

آپ کی کمپنی کے ڈائریکٹرز 31 دسمبر 2023 کو ختم ہونے والے ششماہی کے لیے کنڈینسڈ عبوری مالیاتی گوشواروں کو پیش کرتے ہوئے مسرت محسوس کرتے ہیں جو کہ بیرونی آڈیٹرز کے جائزہ شدہ ہیں۔

### مالیاتی اور آپریشنل جائزہ

کمپنی کی بنیادی سرگرمی یارن اور گھریلو ٹیکسٹائل کی تیاری، پروسیسنگ اور فروخت ہے۔ زیر جائزہ مدت کے دوران، کمپنی کی کاروباری سرگرمیوں میں کوئی مادی تبدیلی نہیں آئی ہے۔

اس مدت کے دوران، کمپنی کا ٹرن اوور 3,476.3 ملین روپے کے مقابلے میں گزشتہ سال کی اسی مدت میں 1,525 ملین روپے ہے جو کہ 128 فیصد کا اضافہ کو ظاہر کرتا ہے۔ مجموعی منافع روپے کی رقم 372 ملین روپے کے مقابلے میں اسی مدت کے لیے 132 ملین روپے اور اس مدت کے لیے نقصان 36.9 ملین روپے کے مقابلے میں تقابلی مدت میں 14.9 ملین روپے تھا۔ فی حصص خسارہ 1.86 روپے کا ہوا جبکہ گزشتہ سال کی اسی مدت میں 0.75 روپے تھا۔

مل کی پیداواری صلاحیت میں توسیع کے بعد، زیر جائزہ مدت کے لیے آپ کی کمپنی کی فروختگی میں 1,951 ملین روپے کا اضافہ ہوا لیکن خالص مارجن منفی رہا۔ بلند شرح سود منافع میں کمی کا ایک بڑا عنصر ہے۔ اس مدت کے لیے مالیاتی لاگت میں 168.6 ملین روپے کا اضافہ ہوا، جیسا کہ FY23 کی اسی مدت میں 111.4 ملین روپے سے 280 ملین روپے یعنی 151 فیصد اضافہ ظاہر کرتا ہے۔ افراط زر کے دباؤ اور شرح مبادلہ میں اتار چڑھاؤ کی وجہ سے پیداواری لاگت زیادہ رہی۔ فروخت کی طرف، مارکیٹ میں کم مانگ کی وجہ سے، یارن کی قیمت لاگت کی قیمت کے مطابق نہیں بڑھی۔ تمام معاشی اشارے یہ ظاہر کر رہے ہیں کہ بحالی کا عمل سست ہے، لیکن، آگے بڑھتے ہوئے، اس سے کاروباری اعتماد کو تحریک ملے گی۔ تجارتی اور کرنٹ اکاؤنٹ خسارے میں بھی کمی آئی ہے جو مارکیٹ کے استحکام کے لیے ایک معاون پیشرفت ہے۔ کرنٹ اکاؤنٹ خسارے میں بہتری بنیادی طور پر درآمدی بل میں کمی کی وجہ سے ہے جبکہ برآمدات میں قدرے اضافہ ہوا ہے۔ آئی ایم ایف پروگرام کی بحالی اور اس کے جائزے کی کامیابی سے تکمیل نے اسٹیٹ بینک آف پاکستان (ایس بی پی) کے زرمبادلہ کے ذخائر کو 8 بلین امریکی ڈالر سے تجاوز کرنے میں مدد دی۔ ذخائر کی پوزیشن میں اس بہتری نے پاکستانی روپے کی قدر میں خاطر خواہ گراؤ کو روکنے میں مدد کی اور ملک کو دوسرے فرض دہندگان سے فنڈز لینے میں بھی سہولت فراہم کی جس سے اسٹیٹ بینک کو درآمدی پابندیوں کو کم کرنے میں مدد ملی۔ بیرونی دباؤ میں کچھ کمی کے پیش نظر، جی ڈی پی میں 2 فیصد کی متوقع نمو اور کپاس کی فصل میں گزشتہ سال کے مقابلے میں قابل ذکر بہتری کے پیش نظر، انتظامیہ آنے والے ادوار میں بہتر نتائج کی توقع رکھتی ہے۔

### آڈیٹرز کی تبدیلی

مالی سال 2023-2024 کے لیے، بی ڈی او ابراہیم اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کو ریٹائر ہونے والے آڈیٹرز، یوسف عادل، چارٹرڈ اکاؤنٹنٹس کی جگہ کمپنی کے آڈیٹرز مقرر کیا گیا ہے۔

### مستقبل پر نظر

اگرچہ، توانائی کی ناقابل برداشت قیمت، بلند شرح سود اور غیر یقینی سیاسی حالات جیسے کئی چیلنجز ہیں، لیکن انتظامیہ کی توجہ حصص یافتگان کے لیے طویل مدتی قدر پیدا کرنے کے لیے پیداوار اور لاگت کو بہتر بنانے پر مرکوز ہے۔ زرمبادلہ کے ذخائر میں اضافے کا رجحان، تجارت اور کرنٹ اکاؤنٹ خسارے میں کمی اور زرعی پیداوار میں اضافہ معیشت کے لیے مثبت اشارے ہیں۔ تاہم، مشرق وسطیٰ میں جاری صورتحال کی وجہ سے لاجسٹک چیلنجز سپلائی چین کی ٹائم لائنز کو متاثر کر رہے ہیں۔ آل پاکستان ٹیکسٹائل ملز ایسوسی ایشن (APTMA) مسلسل بجلی اور گیس کے نرخوں میں اضافے اور ان کے صنعت بالخصوص ٹیکسٹائل انڈسٹری پر پڑنے والے اثرات کے خلاف آواز اٹھا رہی ہے اور خبردار کرتی ہے کہ اگر فوری اقدامات نہ کیے گئے تو 50 فیصد سے زائد انڈسٹری بند ہونے کا خطرہ ہے۔ نگران وزیر برائے پاور اینڈ پیٹرولیم کو لکھے گئے خط میں، اپٹما نے زور دیا کہ توانائی کی قیمتوں میں مسلسل اضافے سے پاکستان کی ٹیکسٹائل اور ملبوسات کی برآمدات کی بین الاقوامی مسابقت گراؤ کا شکار ہے جو کہ مسابقتی ممالک کے مقابلے میں اوسطاً دو گنا سے زیادہ ہے۔ توانائی کی مروجہ شرحوں پر، پیداوار مالی طور پر ممکن نہیں ہے اور اس شعبے کی برآمدات کو نقصان پہنچ رہا ہے کیونکہ ہم بنگلہ دیش، بھارت اور ویتنام جیسی علاقائی معیشتوں کے مقابلے میں اپنا مارکیٹ شیئر کھو رہے ہیں۔ صورت حال نہ صرف روزگار اور غربت بلکہ پاور سیکٹر کی آمدنی اور حکومت کی مالی پوزیشن پر منفی اثرات مرتب کرتی ہے۔ ملک اس وقت کھپت میں کمی اور ٹیرف میں اضافے کی گردش پہنسا ہوا ہے۔ صنعت کو مسابقتی رہنے اور زرمبادلہ کمانے کے لیے، توانائی کی قیمتوں کو علاقائی معیار کے مطابق ہونا چاہیے۔ پائیدار ترقی اور مالیاتی استحکام کے لیے پاور سیکٹر میں اصلاحات ناگزیر ہیں۔ غیر ملکی سرمایہ کاری کو راغب کرنے

اور معایب ترقی کو تیز کرنے کے لیے عبوری حکومت نے خصوصی سرمایہ کاری سہولت کونسل (SIFC) بھی تشکیل دی ہے، جو ایک سول ملٹری فورم ہے۔ پائیدار ترقی کے لیے طویل مدتی پالیسیاں تشکیل دینے کے لیے تمام اسٹیک ہولڈرز کے درمیان اتفاق رائے کی اشد ضرورت ہے۔

31 دسمبر 2023 کو ختم ہونے والی ششماہی کے لیے کمپنی اور اس کی مکمل ملکیتی ذیلی کمپنی ORA Home LLC کے کنسولیدیشنڈ کنڈینسٹڈ عبوری گوشوارے، قانونی تقاضوں کے مطابق منسلک ہیں۔

### اعتراف

بورڈ صارفین، بینکرز، سپلائرز اور شیئر ہولڈرز کے گرانقدر تعاون کو سراہتا ہے اور چیلنجنگ کاروباری ماحول میں انتظامی ٹیم اور تمام ملازمین کی قابل ستائش کارکردگی کی قدر کرتا ہے۔

### منجانب بورڈ



ایس ایم منصور اللہ والا  
چیف ایگزیکٹو



رضوان ادریس اللہ والا  
چیرمین ایڈوائزری کمیٹی

## INDEPENDENT AUDITOR'S REPORT ON REVIEW OF CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS TO THE MEMBERS

### Introduction

We have reviewed the accompanying condensed interim unconsolidated statement of financial position of IDREES TEXTILE MILLS LIMITED ("the Company") as at December 31, 2023 and the related condensed interim unconsolidated statement of profit or loss, the condensed interim unconsolidated statement of comprehensive income, the condensed interim unconsolidated statement of changes in equity, and the condensed interim unconsolidated statement of cash flows, together with notes to the condensed interim unconsolidated financial statements for the half year then ended (here-in-after referred as the "interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim unconsolidated 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 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 condensed interim unconsolidated financial statements as at and for the half year ended December 31, 2023 are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

### Other matters

The figures for the quarter ended December 31, 2023 and December 31, 2022 in the condensed interim unconsolidated statement of profit or loss and the condensed interim unconsolidated statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

The unconsolidated financial statements of the Company for the year ended June 30, 2023 and condensed interim unconsolidated financial statements of the Company for the half year ended December 31, 2022 were audited and reviewed by another firm of Chartered Accountants who through their report dated October 04, 2023 and February 27, 2023 expressed an unmodified opinion and conclusion thereon, respectively.



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

KARACHI

DATED: 27 FEB 2024

UDIN: RR202310166QlxuFNbg7

BDO EBRAHIM & Co  
CHARTERED ACCOUNTANTS



**CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2023**



		December 31, 2023 (Un-audited)	June 30, 2023 Audited
	Note	----- (Rupees) -----	
<b>ASSETS</b>			
<b>NON - CURRENT ASSETS</b>			
Property, plant and equipment	6	3,352,210,968	3,375,952,867
Right of use asset	7	2,187,752	2,362,004
Long-term deposits		4,408,681	2,898,681
Long term investment	8	-	-
		<u>3,358,807,401</u>	<u>3,381,213,552</u>
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		68,885,609	74,479,461
Stock-in-trade	9	2,264,766,132	1,461,817,305
Trade debts	10	957,045,828	655,583,419
Loans and advances		117,743,595	124,283,507
Prepayments		11,165,603	1,603,690
Other receivables	11	157,127,092	223,189,255
Short term investments	12	190,372,669	180,115,660
Cash and bank balances	13	21,982,465	5,952,513
		<u>3,789,088,993</u>	<u>2,727,024,810</u>
		<u>7,147,896,394</u>	<u>6,108,238,362</u>
<b>TOTAL ASSETS</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized share capital 22,000,000 (June 30, 2023: 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, 2023: 19,852,800) ordinary shares of		198,528,000	198,528,000
Capital reserves			
Surplus on revaluation of property, plant and equipment - net of tax		874,469,909	868,124,011
Equity portion of loan from related parties		24,359,148	30,064,842
Revenue reserves		<u>1,468,643,916</u>	<u>1,470,854,120</u>
		2,566,000,973	2,567,570,973
<b>NON-CURRENT LIABILITIES</b>			
Long-term financing	14	662,553,912	728,952,828
Employee benefits		93,559,575	78,775,115
Deferred capital grant	16	88,644,215	103,735,361
Deferred tax liability		<u>105,820,728</u>	<u>171,199,476</u>
		950,578,430	1,082,662,780
<b>CURRENT LIABILITIES</b>			
Trade and other payables	17	980,119,265	588,989,534
Accrued mark-up		153,481,512	92,205,020
Short term borrowings	18	2,193,066,489	1,511,431,965
Current portion of long term finance	14	220,298,713	170,505,607
Current portion of lease liability	15	600,000	1,962,284
Current portion of deferred capital grant	16	29,836,060	29,771,093
Unclaimed dividend		2,750,372	2,750,372
Provision for taxation		<u>51,164,580</u>	<u>60,388,734</u>
		3,631,316,991	2,458,004,609
		<u>7,147,896,394</u>	<u>6,108,238,362</u>
<b>TOTAL EQUITY AND LIABILITIES</b>			
<b>CONTINGENCIES AND COMMITMENTS</b>			
	19		

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

CHAIRMAN / DIRECTOR

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

	Note	Half year ended		Quarter ended	
		December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
		(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
		----- (Rupees) -----		----- (Rupees) -----	
Sales - net	20	3,476,435,502	1,524,767,226	1,688,404,565	685,804,291
Cost of sales	21	(3,104,414,712)	(1,392,388,202)	(1,525,715,832)	(653,345,253)
Gross profit		372,020,790	132,379,024	162,688,733	32,459,038
Distribution cost		(45,610,254)	(14,327,422)	(22,931,589)	(3,942,791)
Administrative expenses		(59,515,172)	(52,661,456)	(31,236,051)	(27,143,318)
		(105,125,426)	(66,988,878)	(54,167,640)	(31,086,109)
Operating profit		266,895,364	65,390,146	108,521,093	1,372,929
Finance cost		(279,962,480)	(111,387,838)	(164,100,221)	(60,144,068)
Other operating expenses	22	(33,348,669)	(25,000,664)	(12,614,615)	(12,490,953)
		(46,415,785)	(70,998,356)	(68,193,743)	(71,262,092)
Other income	23	17,509,165	33,793,377	10,730,484	11,579,571
Loss before taxation		(28,906,620)	(37,204,979)	(57,463,259)	(59,682,521)
Taxation					
Current		(37,283,447)	(17,231,291)	(17,454,125)	(8,185,022)
Prior		(758,682)	-	(758,682)	-
Deferred		30,016,400	39,530,149	30,016,400	39,530,149
		(8,025,729)	22,298,858	11,803,593	31,345,127
Loss for the period		(36,932,349)	(14,906,121)	(45,659,666)	(28,337,394)
Loss per share - basic and diluted (Rupees)	24	(1.86)	(0.75)	(2.30)	(1.43)

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

CHAIRMAN / DIRECTOR

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER



	Half year ended		Quarter ended	
	December 31, 2023 (Un-audited)	December 31, 2022 (Un-audited)	December 31, 2023 (Un-audited)	December 31, 2022 (Un-audited)
Loss for the period	(36,932,349)	(14,906,121)	(45,659,666)	(28,337,394)
Adjustment of surplus on revaluation of property, plant and equipment - net of tax	35,362,349	28,274,700	35,362,349	28,274,700
Total comprehensive (loss) / income for the period	<u>(1,570,000)</u>	<u>13,368,579</u>	<u>(10,297,317)</u>	<u>(62,694)</u>

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

CHAIRMAN / DIRECTOR

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

Issued, subscribed and paid-up capital	Capital reserves		Revenue reserve	Total
	Surplus on revaluation of property, plant and equipment - net of tax	Equity portion of loan from related parties	Unappropriated profit	

(Rupees)

Balance as at July 1, 2022 (audited)	198,528,000	882,490,524	15,895,730	1,420,418,461	2,517,332,715
Total comprehensive income for the period ended December 31, 2022					
Loss for the period	-	-	-	(14,906,121)	(14,906,121)
Other comprehensive income	-	28,274,700	-	-	28,274,700
	-	28,274,700	-	(14,906,121)	13,368,579
Transfer from surplus on revaluation of property, plant and equipment on account:					
Incremental depreciation charge thereon - net of tax	-	(26,897,861)	-	26,897,861	-
Transactions with related parties / owners					
Unwinding of discount on long-term loan from related parties	-	-	(3,554,203)	3,554,203	-
Balance as at December 31, 2022 (unaudited)	198,528,000	883,867,363	12,341,527	1,435,964,404	2,530,701,294
Balance as at July 1, 2023 (audited)	198,528,000	868,124,011	30,064,842	1,470,854,120	2,567,570,973
Total comprehensive income for the period ended December 31, 2023					
Loss for the period	-	-	-	(36,932,349)	(36,932,349)
Other comprehensive income	-	35,362,349	-	-	35,362,349
	-	35,362,349	-	(36,932,349)	(1,570,000)
Transfer from surplus on revaluation of property, plant and equipment on account:					
Incremental depreciation charge thereon - net of tax	-	(29,016,451)	-	29,016,451	-
Transactions with related parties / owners					
Unwinding of discount on long-term loan from related parties	-	-	(5,705,694)	5,705,694	-
Balance as at December 31, 2023 (unaudited)	198,528,000	874,469,909	24,359,148	1,468,643,916	2,566,000,973

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

CHAIRMAN / DIRECTOR

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CASH FLOWS**  
FOR THE HALF YEAR ENDED DECEMBER 31, 2023



	Note	Half year ended	
		December 31, 2023 (Un-audited)	December 31, 2022 (Un-audited)
		----- (Rupees) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss before taxation		(28,906,620)	(37,204,979)
Adjustments for:			
Depreciation	6.1 & 7	64,602,609	53,448,639
Provision for retirement benefit obligation		16,554,960	12,103,470
Gain on sale of property, plant and equipment	23	(3,084,333)	(1,523,750)
Finance cost		274,256,786	107,833,635
Profit on deposits	23	(13,579,251)	-
Realized gain on short term investment	23	(399,006)	132,320
Finance cost on unwinding of discount on long-term finance from related parties	14	5,705,694	3,554,203
		<u>344,057,459</u>	<u>175,548,517</u>
Operating cash flows before working capital changes		315,150,839	138,343,538
<b>Increase in current assets</b>			
Stores, spares and loose tools		5,593,852	(25,240,142)
Stock-in-trade		(802,948,827)	(832,915,224)
Trade debts		(301,337,509)	361,193,433
Loans and advances		(9,737,904)	46,144,153
Deposits and short-term prepayments		(9,561,913)	(4,389,943)
Other receivables		83,946,595	(74,098,085)
		<u>(1,034,045,706)</u>	<u>(529,305,808)</u>
<b>Decrease in current liabilities</b>			
Trade and other payable		391,129,731	(23,429,551)
		<u>(327,765,136)</u>	<u>(414,391,821)</u>
Income tax paid		(30,988,467)	(2,473,761)
Finance cost paid		(212,980,294)	(70,455,114)
Net cash used in operating activities		<u>(571,733,897)</u>	<u>(487,320,696)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment	6	(52,102,127)	(928,546,712)
Long-term deposits		(1,510,000)	233,680
Proceed from disposal of property, plant and equipment		8,300,000	2,675,000
Other financial asset - net		(8,088,084)	(30,840,030)
Net cash used in investing activities		<u>(53,400,211)</u>	<u>(956,478,062)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Long-term finance paid		(59,189,367)	(72,116,964)
Employee benefits paid		(1,770,500)	(4,121,800)
Long-term finance paid to related party		(6,148,312)	(4,000,000)
Short-term borrowings - net		539,516,655	737,055,273
Proceeds from long-term finance		28,000,000	686,269,901
Lease rental paid - net		(1,362,282)	(6,204,626)
Dividend paid		-	(145,740)
Net cash generated from financing activities		<u>499,046,194</u>	<u>1,336,736,044</u>
Net decrease in cash and cash equivalents		(126,087,914)	(107,062,714)
Cash and cash equivalents at the beginning of the period		(435,325,039)	(193,476,856)
Cash and cash equivalents at the end of the period	25	<u>(561,412,953)</u>	<u>(300,539,570)</u>
<b>CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances	13	21,982,465	15,517,210
Short-term borrowings	18	(583,395,418)	(316,056,780)
		<u>(561,412,953)</u>	<u>(300,539,570)</u>

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

CHAIRMAN / DIRECTOR

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

#### **4 MATERIAL ACCOUNTING POLICIES INFORMATION**

The accounting policies adopted and methods of computation followed in the preparation of these condensed interim unconsolidated financial statements are same as those for the preceding annual unconsolidated financial statements for the year ended June 30, 2023.

##### **4.1 Initial application of standards, amendments or an interpretation to existing standards**

###### **a) Standards, amendments and interpretations to accounting standards that are effective in the current period**

Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on January 01, 2023, but are considered not to be relevant or expected to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these condensed interim unconsolidated financial statements.

The Company adopted the narrow-scope amendments to the International Accounting Standard (IAS) 1, Presentation of Financial Statements which have been effective for annual reporting periods beginning on or after 1 January 2023. Although the amendments did not result in any changes to accounting policy themselves, they will impact the accounting policy information disclosed in the annual financial statements.

The amendments aim to make accounting policy disclosures more informative by replacing the requirement to disclose 'significant accounting policies' with 'material accounting policy information'. The amendments also provide guidance under what circumstance, the accounting policy information is likely to be considered material and therefore requiring disclosure.

These amendments had no effect on the interim condensed financial statements of the Company as they relate to disclosures of accounting policies in the annual financial statements rather than interim financial statements. The amendments are expected to be applicable for the accounting policy disclosures in the annual financial statements of the Company.

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

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after January 1, 2024, but are considered not to be relevant or expected to have any significant effect on the Company's operations and are, therefore, not detailed in these condensed interim unconsolidated financial statements.

**5 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT**

The preparation of condensed interim unconsolidated financial statements requires management to make certain judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and key sources of estimation of uncertainty are the same as those that were applied to the annual unconsolidated financial statements for the year ended June 30, 2023.

		<b>December 31, 2023 (Un-audited)</b>	<b>June 30, 2023 (Audited)</b>
	Note	----- (Rupees) -----	-----
<b>6 PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	6.1	3,350,050,431	1,894,790,281
Capital work in progress	6.2	2,160,537	1,481,162,586
		<u>3,352,210,968</u>	<u>3,375,952,867</u>

6.1 Operating fixed assets

Particulars	C o s t				Rate %	D e p r e c i a t i o n				Written down value As at December 31, 2023
	As at July 01, 2023	Additions	Transfers	(Disposal)		As at December 31, 2023	For the period	Transfers	(Disposals)	
Owned assets	240,375,000	-	-	-	-	-	-	-	-	240,375,000
Freehold land	218,633,050	1,394,947	199,111,306	-	419,139,303	9,911,084	-	-	42,775,034	376,364,269
Mill building on freehold land	21,352,625	-	-	-	21,352,625	1,185,868	-	-	5,479,340	15,873,285
Labour colony on freehold land	1,478,171,882	48,478,143	1,282,051,280	-	2,808,701,305	45,962,236	-	-	189,573,395	2,619,127,910
Plant and machinery	21,988,000	-	-	-	21,988,000	1,531,805	-	-	7,659,021	14,328,979
Electric installations	5,364,595	-	-	-	5,364,595	310,069	-	-	1,507,674	3,856,921
Factory equipment	18,149,168	68,500	-	-	18,217,668	408,407	-	-	13,709,047	4,508,621
Office equipment	219,500	-	-	-	219,500	39,963	-	-	72,891	146,609
Computer Hardware	4,183,452	-	-	-	4,183,452	31,449	-	-	3,842,700	340,752
Furniture and fixtures	175,206,198	-	-	(16,585,000)	158,621,198	5,054,513	-	(5,169,333)	83,493,113	75,128,085
Vehicle	2,183,643,470	49,941,590	1,481,162,586	(16,585,000)	3,698,162,646	64,428,359	4,504,118	(5,169,333)	288,853,189	3,350,050,431
<b>Total Dec 31 2023</b>	<b>2,125,534,426</b>	<b>32,464,544</b>	<b>37,980,000</b>	<b>(12,335,500)</b>	<b>2,183,643,470</b>	<b>105,466,258</b>	<b>4,504,118</b>	<b>(6,338,550)</b>	<b>288,853,189</b>	<b>1,894,790,281</b>

6.1.1 Allocation of depreciation expense:

Note	December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
21	38,748,884	96,160,220
	5,679,475	9,297,038
	64,428,359	105,466,258

6.1.2 Fair value measurement

Fair value of property, plant and equipment are based on the valuations carried out by an independent valuer "Tristar International Consultant (Pvt.) Ltd." on the basis of market value.

Latest revaluation of land, building, labour colony, plant and machinery, electric installations and mill equipment was carried out as at 30 June, 2021 by Tristar International Consultant (Pvt.) Ltd. Surplus on revaluation of assets and related adjustments have been recorded as on June 30, 2021.

6.1.3 Details of disposal of fixed assets (at NBV) are as follows:

Description	Cost of asset	Accumulated Depreciation	Carrying Value	Sale proceeds	Gain / (loss) on disposal	Mode of disposal
Vehicle	1,485,000	891,000	594,000	1,500,000	906,000	Negotiation
Vehicle	15,100,000	4,278,333	10,821,667	13,000,000	2,178,333	Negotiation
	16,585,000	5,169,333	11,415,667	14,500,000	3,084,333	



	December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
Note	----- (Rupees) -----	
<b>6.2 Capital work in progress</b>		
Work in progress	6.2.1 <u>2,160,537</u>	<u>1,481,162,586</u>
<b>6.2.1 Movement of capital work in progress:</b>		
Opening Balance	1,481,162,586	338,981,410
Additions during the period / year	2,160,537	1,142,181,176
Transfers during the period / year	<u>(1,481,162,586)</u>	-
Closing Balance	<u>2,160,537</u>	<u>1,481,162,586</u>

## 7 RIGHT-OF-USE ASSET

The carrying amount of right-of-use assets recognised and the movement during the period / year are as follows:

### Net carrying value basis

Opening Balance	2,362,004	37,614,719
Transfers during the period / year	-	(33,475,882)
Depreciation charge during the period / year	<u>(174,252)</u>	<u>(1,776,833)</u>
Closing Balance	<u>2,187,752</u>	<u>2,362,004</u>

### Gross carrying value basis

Cost	4,069,000	42,049,000
Accumulated depreciation	(1,881,248)	(1,706,996)
Transfers during the period / year	-	(37,980,000)
Net book value	<u>2,187,752</u>	<u>2,362,004</u>

Depreciation rate per annum

20%	20%
-----	-----

7.1 Depreciation charged on right-of-use assets has been allocated to administrative expenses amounting to Rs. 15,361 (June 2023: Rs. 156,631).

## 8 LONG TERM INVESTMENT

Cost

-	-
---	---



	Note	December 31, 2023 (Un-audited) ----- (Rupees) -----	June 30, 2023 (Audited) -----	
<b>12</b>	<b>SHORT TERM INVESTMENTS</b>			
	<b>At amortised cost</b>			
	Term Deposit Receipts (TDR)	12.1	190,372,669	174,372,670
	<b>At fair value through profit or loss</b>			
	Investment in listed company		-	5,742,990
			<u>190,372,669</u>	<u>180,115,660</u>

12.1 These represents investments in Term Deposit Receipts with various banks. The profit rate on these TDRs ranges from 6.25% to 20.50% (June 30, 2023: 6.25% to 14.50%) per annum with maturities upto June 16, 2024. The banks have lien on these TDRs on account of guarantee provided by such banks.

### 13 CASH AND BANK BALANCES

Cash in hand		17,948,486	707,343
Cash at banks			
Current account		3,922,176	5,029,589
Saving account	13.1	111,803	215,581
		4,033,979	5,245,170
		<u>21,982,465</u>	<u>5,952,513</u>

13.1 These banks carry profit rate from 13.5% to 20.5% (June 30, 2023: 13.5% to 20.5%) per annum.

### 14 LONG TERM FINANCING

#### From financial institutions

Liability under diminishing musharaka	14.2	172,710,500	164,402,370
Loan against Temporary Economic Refinance Facility (TERF)	14.3	391,145,550	397,626,100
Term finance	14.4	200,328,472	207,593,494
Long term financing facility	14.5	41,836,250	52,562,000
Related parties	14.1	76,831,853	77,274,471
		<u>882,852,625</u>	<u>899,458,435</u>

	December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
Note	----- (Rupees) -----	
Current portion shown under current liabilities:		
Loan from financial institutions	(169,571,440)	(128,365,121)
Related parties	(50,727,273)	(42,140,486)
	(220,298,713)	(170,505,607)
	<u>662,553,912</u>	<u>728,952,828</u>

#### 14.1 From related parties

Opening balance	77,274,471	96,739,869
Receipts during the year	-	1,450,000
Repayments during the year	(6,148,312)	(6,746,286)
Unwinding of discount	5,705,694	11,817,123
Less: Fair value adjustment	-	(25,986,235)
14.6	<u>76,831,853</u>	<u>77,274,471</u>

- 14.2 These represent diminishing musharak obtained for plant, machinery and vehicles. The rates of mark-up ranges from 14.5% to 22.14% (June 30, 2023: 14.5% to 22.14%).
- 14.3 This represents Temporary Economic Refinance Facility (TERF) with an Islamic bank and commercial banks, with the total limit aggregating to Rs. 537.50 million (June 30, 2023: Rs. 537.50 million). The unavailed facility as at period end was Rs. 0.87 million (June 30, 2023: 61 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 measures at present value using discounting factor ranging from 7.39% to 15.91%.
- 14.4 This represents term finance which is secured against 1st specific charge over imported plant and machinery aggregating to Rs. 460.3 million (June 30, 2023: 460.3 million).
- 14.5 This 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. It also includes long-term financing obtained from a conventional bank under the Refinance Scheme for Payment of Wages and Salaries by the State Bank of Pakistan. It carries mark-up at the rate of 2% per annum. The facility as at period end was Nil (June 30, 2023: Nil).

14.6 These loans are interest free, unsecured and are expected to be repaid by the end of June 30, 2027, further 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.

		<b>December 31, 2023</b>	<b>June 30, 2023</b>
		<b>(Un-audited)</b>	<b>(Audited)</b>
	<b>Note</b>	----- <b>(Rupees)</b> -----	-----
<b>15 LEASE LIABILITY</b>			
Balance as at July 01,		1,962,284	1,962,284
Repayments during the period / year		(1,362,284)	-
Balance as at December 31,		600,000	1,962,284
Less: current portion of lease liability		(600,000)	(1,962,284)
Non current portion of lease liability		-	-
<b>16 DEFERRED CAPITAL GRANT</b>			
Deferred grant against Temporary Economic Refinance Facility (TERF)	16.1	118,480,275	133,506,454
Current portion of deferred capital grant		(29,836,060)	(29,771,093)
		<u>88,644,215</u>	<u>103,735,361</u>
16.1 Following is the movement of government grant during the period / year:			
Opening balance		133,506,454	152,228,182
Addition during the period / year		-	-
Amortized during the period / year		(15,026,179)	(18,721,728)
Closing balance		<u>118,480,275</u>	<u>133,506,454</u>
16.2 Deferred capital grant relates to the difference between the fair value and actual proceed of temporary economic refinance facility loan obtained under SBP's refinance scheme. It is being amortised over the period of ten years from the date of loan disbursement with an amount equal to the difference between the finance cost charged that would have been charged to statement of profit or loss at market rate and the interest paid as per the scheme. ICAP issued the guidance for accounting of said financing through circular No. 11/2021, and based on this, the Company recognized the Deferred Capital Grant in accordance with the requirements of 'IAS 20-Accounting for Government Grants and Disclosure of Government Assistance'.			

	December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
Note	----- (Rupees) -----	
<b>17 TRADE AND OTHER PAYABLES</b>		
Creditors	365,035,512	78,620,482
Accrued liabilities	228,593,044	137,470,025
Contract liabilities	163,896,293	189,026,671
Workers' welfare fund	25,729,586	25,729,586
Infrastructure cess	165,284,453	141,343,416
Payable to provident fund	580,440	605,419
Withholding tax payable	30,537,410	16,193,935
Others	462,527	-
	<u>980,119,265</u>	<u>588,989,534</u>

## 18 SHORT-TERM BORROWINGS

### From banking companies - secured

Running finance	583,395,418	441,277,552
Cash finance	408,738,784	230,082,741
Finance Against Imported Merchandise (FIM)	1,200,932,287	840,071,672
18.1	<u>2,193,066,489</u>	<u>1,511,431,965</u>

- 18.1 Facilities for running finance, cash finance, FIM and Murabaha are available from various commercial banks up to Rs. 2,825 million (June 30, 2023: Rs. 2,825 million). These facilities are subject to markup at the rates of 3 month KIBOR plus 1.00% to 2.5% (June 30, 2023: 3 month KIBOR plus 1.00% to 2.5%) per annum payable quarterly. These are secured against various assets including first pari passu hypothecation charge over present and future stock-in-trade, pledge of cotton, first hypothecation charge over present and future book debts, ranking charge on the stocks and receivables of the Company, equitable mortgage on various properties and personal guarantees of all the Executive directors of the Company.

The aggregate unavailed short-term borrowing facilities amounted to Rs. 632 million (June 30, 2023: Rs. 1,314 million).

## 19 CONTINGENCIES AND COMMITMENTS

- 19.1 Status of contingencies and commitments are same as disclosed in note 23 to the annual unconsolidated financial statements of the Company for the year ended June 30, 2023 except for:

December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
----- (Rupees) -----	

## 19.2 Contingencies

Letters of guarantee issued by banks on behalf of Excise and Taxation Office

155,558,659	139,558,660
-------------	-------------

## 19.3 Commitments

Letters of credit opened and outstanding for import of:

Plant and machinery

-

28,609,191

Stores and spares

7,990,567

9,629,233

Raw material

251,741,286

695,126,790

Local bills discounted

139,363,381

214,897,633

	Half year ended		Quarter ended	
	December 31,	December 31,	December 31,	December 31,
	2023 (Un-audited) ----- (Rupees) -----	2022 (Un-audited) ----- (Rupees) -----	2023 (Un-audited) ----- (Rupees) -----	2022 (Un-audited) ----- (Rupees) -----
<b>20 SALES - NET</b>				
Gross Sales				
Yarn & Home Textile				
Local	1,061,973,826	883,342,902	312,013,497	20,991,620
Export	1,217,216,971	27,787,913	486,145,956	11,620,295
Indirect export	1,408,505,037	704,852,450	1,027,216,828	673,945,145
	3,687,695,834	1,615,983,265	1,825,376,281	706,557,060
Raw material - Local				
Cotton / viscose	31,144,551	29,364,742	-	29,364,742
Waste	177,577,492	146,505,156	79,119,148	66,605,069
	3,896,417,877	1,791,853,163	1,904,495,429	802,526,870
Less:				
Sales Tax	(404,878,089)	(260,496,522)	(210,250,798)	(116,997,752)
Brokerage & Commission	(15,104,286)	(6,589,415)	(5,840,066)	(1,724,827)
	3,476,435,502	1,524,767,226	1,688,404,565	683,804,291



	Half year ended		Quarter ended	
	December 31, 2023 (Un-audited) ----- (Rupees) -----	December 31, 2022 (Un-audited) ----- (Rupees) -----	December 31, 2023 (Un-audited) ----- (Rupees) -----	December 31, 2022 (Un-audited) ----- (Rupees) -----

## 21 COST OF SALES

Raw material consumed	2,438,366,140	1,233,885,056	1,116,762,499	474,192,798
Manufacturing expenses				
Salaries, wages and other benefits	136,659,546	99,730,272	71,137,619	51,517,531
Fuel and power	516,548,766	293,454,720	277,462,269	135,963,082
Depreciation	58,907,776	47,164,229	34,891,958	23,543,906
Stores and spares consumed	43,078,958	25,028,339	24,882,916	13,410,170
Packing material	42,288,424	23,775,904	20,340,948	11,012,812
Insurance	6,000,000	6,000,000	3,000,000	3,000,000
Repairs and maintenance	1,944,275	2,385,852	1,093,146	752,471
Vehicle running and maintenance	3,307,524	2,282,661	1,699,260	1,536,984
Other manufacturing overheads	1,593,844	1,244,235	745,331	71,303
Cost of production	810,329,113	501,066,212	435,253,447	240,808,259
Work-in-process	3,248,695,253	1,734,951,268	1,552,015,946	715,001,057
Opening stock	76,496,220	56,022,198	109,598,723	65,342,006
Closing stock	(143,111,149)	(71,782,530)	(143,111,149)	(71,782,530)
Cost of goods manufactured	(66,614,929)	(15,760,332)	(33,512,426)	(6,440,524)
	3,182,080,324	1,719,190,936	1,518,503,520	708,560,533

	Half year ended		Quarter ended	
	December 31, 2023 (Un-audited) ----- (Rupees) -----	December 31, 2022 (Un-audited) ----- (Rupees) -----	December 31, 2023 (Un-audited) ----- (Rupees) -----	December 31, 2022 (Un-audited) ----- (Rupees) -----
Finished goods				
Opening balance	460,111,663	264,126,222	607,430,286	538,529,249
Yarn Transferred	(34,871,750)	-	(27,948,250)	-
Yarn purchased	-	12,272,128	-	12,272,128
Closing balance	(593,884,794)	(628,424,372)	(593,884,794)	(628,424,372)
Cost of Home Textile	(168,644,881)	(352,026,022)	(14,402,758)	(77,622,995)
Cost of raw material sold	68,778,853	-	22,764,302	(2,815,573)
	22,200,416	25,223,288	(1,149,232)	25,223,288
	3,104,414,712	1,392,388,202	1,525,715,832	653,345,253

	Half year ended		Quarter ended	
	December 31, 2023 (Un-audited) ----- (Rupees) -----	December 31, 2022 (Un-audited) ----- (Rupees) -----	December 31, 2023 (Un-audited) ----- (Rupees) -----	December 31, 2022 (Un-audited) ----- (Rupees) -----
<b>22 OTHER OPERATING EXPENSES</b>				
Infrastructure cess	18,537,092	24,868,344	7,192,799	12,358,633
Exchange Loss	14,811,577	-	5,421,816	-
Unrealised loss on short term investment	-	132,320	-	132,320
	<b>33,348,669</b>	<b>25,000,664</b>	<b>12,614,615</b>	<b>12,490,953</b>
<b>23 OTHER INCOME</b>				
Profit on deposits / investment	13,579,251	5,912,030	6,995,922	3,232,760
Dividend Income	198,000	-	-	-
Gain on disposal of property, plant and equipment	3,084,333	1,523,750	2,178,333	1,523,750
Scrap sales	97,132	264,166	53,279	159,999
Exchange gain	-	26,093,431	-	6,663,062
Realized gain on short term investment	399,006	-	-	-
Others	151,443	-	1,502,950	-
	<b>17,509,165</b>	<b>33,793,377</b>	<b>10,730,484</b>	<b>11,579,571</b>
<b>24 LOSS PER SHARE - BASIC AND DILUTED</b>				
Loss for the period	(36,932,349)	(14,906,121)	(45,659,666)	(28,337,394)
Weighted average number of ordinary shares	19,852,800	19,852,800	19,852,800	19,852,800
Loss per share	(1.86)	(0.75)	(2.30)	(1.43)

	Half year ended	
	December 31, 2023	December 31, 2022
	(Un-audited)	(Un-audited)
	21,982,465	15,517,210
	(583,395,418)	(316,056,780)
	<u>(561,412,953)</u>	<u>(300,539,570)</u>

**25 CASH AND CASH EQUIVALENTS**

Cash and bank balances  
Short-term borrowings

**26 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES**

26.1 The carrying values of all financial assets and liabilities reflected in the condensed interim unconsolidated financial statements approximate their fair values. Fair value is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

**26.2 Fair value estimation**

The carrying values of all financial assets and liabilities reflected in the condensed interim unconsolidated financial statements approximate their fair values. Fair value is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset either directly or derived from prices.

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

**Transfers during the period**

During the period ended December 31, 2023, there were no transfers between level 1 and level 2 fair value measurement and into or out of Level 3 fair value measurements.

**December 31, 2023**

**Fair Value**

<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
----- Rupees -----			

**Financial assets measured  
at fair value**

Equity securities - listed

-	-	-	-
---	---	---	---

**June 30, 2023**

**Fair Value**

<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
----- Rupees -----			

**Financial assets measured  
at fair value**

Equity securities - listed

5,742,990	-	-	5,742,990
-----------	---	---	-----------

## TRANSACTIONS WITH RELATED PARTIES

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

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

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

27.1	Transaction during the half year	Nature of transactions	Half year ended		Quarter ended	
			December 31, 2023 (Un-audited)	December 31, 2022 (Un-audited)	December 31, 2023 (Un-audited)	December 31, 2022 (Un-audited)
	Subsidiary company					
	ORA Home LLC					
		Sales	22,911,514	27,796,360	4,788,897	13,620,295
		Amount Received during the period	18,122,617	23,516,426	10,962,617	13,620,295
	Key management personnel					
		Salaries & Benefits	14,957,811	11,695,795	7,490,406	5,847,898
		Short-term employee benefit	-	1,671,300	-	-
		Loan repaid during the period to Directors	6,148,312	4,000,000	6,148,312	4,000,000
		Meeting fee	30,000	25,000	30,000	25,000
		Unwinding of discount on loan from directors	5,705,694	3,554,203	2,852,847	3,235,740
	Other Related Parties					
		Contribution made to provident fund	1,228,182	933,306	606,726	458,785

**Half year ended**

<b>December 31,</b>	<b>December 31,</b>
<b>2023</b>	<b>2022</b>
<b>(Un-audited)</b>	<b>(Un-audited)</b>
<b>----- (Rupees) -----</b>	

**27.2 Half year end balances with related parties**

**Subsidiary Company**

ORA Home LLC

**Nature of transactions**

Receivable against sale of goods

4,788,897

-

**Key management personnel**

Loan payable to directors

76,831,853

77,274,471

Equity portion of loan from related parties

24,359,148

30,064,842

**Other related parties**

Provident fund

Payable to provident fund

196,007

152,369

**27.3 Remuneration to Chief Executive, Directors and Executives**

December 31,  
2023  
(Un-audited)

December 31,  
2022  
(Un-audited)

	December 31, 2023 (Un-audited)				December 31, 2022 (Un-audited)			
	Chief Executive	Directors		Executives	Chief Executive	Directors		Executives
	Executive	Non-executive			Executive	Non-executive		
	----- (Rupees) -----							
Remuneration	1,600,000	1,400,000	-	6,971,865	1,600,000	1,400,000	-	4,797,196
House rent allowance	480,000	420,000	-	2,091,562	480,000	420,000	-	1,439,159
Utilities	160,000	140,000	-	697,192	160,000	140,000	-	479,720
Medical	160,000	140,000	-	697,192	160,000	140,000	-	479,720
Meeting fee	-	-	30,000	-	-	-	25,000	-
	<u>2,400,000</u>	<u>2,100,000</u>	<u>30,000</u>	<u>10,457,811</u>	<u>2,400,000</u>	<u>2,100,000</u>	<u>25,000</u>	<u>7,195,795</u>
Number of persons	<u>1</u>	<u>1</u>	<u>3</u>	<u>8</u>	<u>1</u>	<u>1</u>	<u>3</u>	<u>6</u>

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

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

**28 CORRESPONDING FIGURES**

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

29 **DATE OF AUTHORIZATION FOR ISSUE**

These condensed interim unconsolidated financial statements have been authorized for issue on 27 FEB 2024 by the Board of Directors of the Company. *BR*



CHAIRMAN / DIRECTOR



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



**28      CORRESPONDING FIGURES**

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

**29      DATE OF AUTHORIZATION FOR ISSUE**

These condensed interim consolidated financial statements have been authorized for issue on February 27, 2024 by the Board of Directors of the Holding Company.

**CHAIRMAN / DIRECTOR**

**CHIEF EXECUTIVE**

**CHIEF FINANCIAL**

**IDREES TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2023**

		<b>December 31, 2023</b>	<b>June 30, 2023</b>
	<b>Note</b>	<b>(Un-audited)</b>	<b>Audited</b>
		<b>----- (Rupees) -----</b>	
<b>ASSETS</b>			
<b>NON - CURRENT ASSETS</b>			
Property, plant and equipment	6	3,352,210,968	3,375,952,867
Right of use asset	7	2,187,752	2,362,004
Long-term deposits		4,408,681	2,898,681
Long term investment	8	-	-
		<u>3,358,807,401</u>	<u>3,381,213,552</u>
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		68,885,609	74,479,461
Stock-in-trade	9	2,269,074,864	1,461,817,305
Trade debts	10	955,608,603	655,583,419
Loans and advances		117,743,595	124,283,507
Prepayments		11,165,603	1,603,690
Other receivables	11	157,127,092	223,189,255
Short term investments	12	190,372,669	180,115,660
Cash and bank balances	13	26,562,309	18,971,021
		<u>3,796,540,344</u>	<u>2,740,043,318</u>
		<u>7,155,347,745</u>	<u>6,121,256,870</u>
<b>TOTAL ASSETS</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized share capital			
22,000,000 (June 30, 2023: 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, 2023: 19,852,800) ordinary shares of Rs.10/- each		198,528,000	198,528,000
<b>Capital reserves</b>			
Surplus on revaluation of property, plant and equipment - net of tax		874,469,909	868,124,011
Equity portion of loan from related parties		24,359,148	30,064,842
<b>Revenue reserves</b>			
Exchange translation reserves		(8,150,885)	(8,450,221)
Unappropriated profit		1,455,546,695	1,458,913,091
		<u>2,544,752,867</u>	<u>2,547,179,723</u>
<b>NON-CURRENT LIABILITIES</b>			
Long-term financing	14	662,553,912	728,952,828
Employee benefits		93,559,575	78,775,115
Deferred capital grant	16	88,644,215	103,735,361
Deferred tax liability		105,820,728	171,199,476
		950,578,430	1,082,662,780
<b>CURRENT LIABILITIES</b>			
Trade and other payables	17	1,001,772,186	610,959,675
Accrued mark-up		153,481,512	92,205,020
Short term borrowings	18	2,200,113,025	1,522,871,564
Current portion of long term finance	14	220,298,713	170,505,607
Current portion of lease liability	15	600,000	1,962,284
Current portion of deferred capital grant	16	29,836,060	29,771,093
Unclaimed dividend		2,750,372	2,750,372
Provision for taxation		51,164,580	60,388,752
		<u>3,660,016,448</u>	<u>2,491,414,367</u>
		<u>7,155,347,745</u>	<u>6,121,256,870</u>
<b>TOTAL EQUITY AND LIABILITIES</b>			
<b>CONTINGENCIES AND COMMITMENTS</b>			

19

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

**CHAIRMAN / DIRECTOR**

**CHIEF EXECUTIVE**

**CHIEF FINANCIAL OFFICER**

**IDREES TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2023**

	Note	Half year ended		Quarter ended	
		December 31,	December 31,	December 31,	December 31,
		2023	2022	2023	2022
		(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
		----- (Rupees) -----		----- (Rupees) -----	
Sales - net	20	3,475,822,701	1,526,663,945	1,683,384,796	671,174,503
Cost of sales	21	(3,102,601,091)	(1,392,957,266)	(1,521,471,117)	(638,775,471)
Gross profit		373,221,610	133,706,679	161,913,679	32,399,032
Distribution cost		(45,610,254)	(14,327,422)	(21,396,861)	(3,478,292)
Administrative expenses		(61,869,345)	(53,260,791)	(32,933,238)	(27,742,653)
		(107,479,599)	(67,588,213)	(54,330,099)	(31,220,945)
Operating profit		265,742,011	66,118,466	107,583,580	1,178,087
Finance cost		(280,019,265)	(111,401,847)	(164,128,319)	(60,153,478)
Other operating expenses	22	(33,348,669)	(25,388,807)	(12,614,615)	(12,740,372)
		(47,625,923)	(70,672,188)	(69,159,354)	(71,715,763)
Other income	23	17,563,111	33,793,377	10,784,430	11,579,571
Loss before taxation		(30,062,812)	(36,878,811)	(58,374,924)	(60,136,192)
Taxation					
Current		(37,283,447)	(17,231,291)	(17,454,125)	(8,185,022)
Prior		(758,682)	-	(758,682)	-
Deferred		30,016,400	39,530,149	30,016,400	39,530,149
		(8,025,729)	22,298,858	11,803,593	31,345,127
Loss for the period		(38,088,541)	(14,579,953)	(46,571,331)	(28,791,065)
Loss per share - basic and diluted (Rupees)	24	(1.92)	(0.73)	(2.35)	(1.45)

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

**CHAIRMAN / DIRECTOR**

**CHIEF EXECUTIVE**

**CHIEF FINANCIAL OFFICER**

**IDREES TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2023**

	Half year ended		Quarter ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
Loss for the period	(38,088,541)	(14,579,953)	(46,571,331)	(28,791,065)
<b>Items that may be transferred subsequently to profit or loss</b>				
Foreign operations - foreign currency translation difference	299,336	(1,689,660)	424,859	291,841
Adjustment of surplus on revaluation of property, plant and equipment - net of tax	35,362,349	28,274,700	35,362,349	28,274,700
Total comprehensive (loss) / income for the period	<u>(2,426,856)</u>	<u>12,005,087</u>	<u>(10,784,123)</u>	<u>(224,524)</u>

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

**CHAIRMAN / DIRECTOR**

**CHIEF EXECUTIVE**

**CHIEF FINANCIAL OFFICER**

**IDREES TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2023**

	Capital reserves		Revenue reserve		Total	
	Issued, subscribed and paid-up capital	Surplus on revaluation of property, plant and equipment - net of tax	Equity portion of loan from related parties	Unappropriated profit		Exchange translation reserve
----- (Rupees) -----						
Balance as at July 1, 2022 (audited)	198,528,000	882,490,524	15,895,730	1,406,774,561	(2,366,429)	2,501,322,386
Total comprehensive income for the period ended December 31, 2022						
Loss for the period	-	-	-	(14,579,953)	-	(14,579,953)
Other comprehensive income	-	28,274,700	-	-	(1,689,660)	26,585,040
	-	28,274,700	-	(14,579,953)	(1,689,660)	12,005,087
Transfer from surplus on revaluation of property, plant and equipment on account:						
Incremental depreciation charge thereon - net of tax	-	(26,897,861)	-	26,897,861	-	-
Transactions with related parties / owners						
Unwinding of discount on long-term loan from related parties	-	-	(3,554,203)	3,554,203	-	-
Balance as at December 31, 2022 (unaudited)	198,528,000	883,867,363	12,341,527	1,422,646,672	(4,056,089)	2,513,327,473
Balance as at July 1, 2023 (audited)	198,528,000	868,124,011	30,064,842	1,458,913,091	(8,450,221)	2,547,179,723
Total comprehensive income for the period ended December 31, 2023						
Loss for the period	-	-	-	(38,088,541)	-	(38,088,541)
Other comprehensive income	-	35,362,349	-	-	299,336	35,661,685
	-	35,362,349	-	(38,088,541)	299,336	(2,426,856)
Transfer from surplus on revaluation of property, plant and equipment on account:						
Incremental depreciation charge thereon - net of tax	-	(29,016,451)	-	29,016,451	-	-
Transactions with related parties / owners						
Unwinding of discount on long-term loan from related parties	-	-	(5,705,694)	5,705,694	-	-
Balance as at December 31, 2023 (unaudited)	198,528,000	874,469,909	24,359,148	1,455,546,695	(8,150,885)	2,544,752,867

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

CHAIRMAN / DIRECTOR

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

**IDREES TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2023**

	Half year ended	
	December 31, 2023	December 31, 2022
	(Un-audited)	(Un-audited)
Note	----- (Rupees) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(30,062,812)	(36,878,811)
Adjustments for:		
Depreciation	64,602,609	53,448,639
Provision for retirement benefit obligation	16,554,960	12,103,470
Gain on sale of property, plant and equipment	(3,084,333)	(1,523,750)
Expected credit loss - other receivable	124,900	-
Finance cost	274,313,571	107,847,644
Profit on deposits	(13,579,251)	-
Unrealized loss on other financial Assets	(399,006)	132,320
Finance cost on unwinding of discount on long-term finance from related parties	5,705,694	3,554,203
	<u>344,239,144</u>	<u>175,562,526</u>
Operating cash flows before working capital changes	314,176,332	138,683,715
<b>Increase in current assets</b>		
Stores, spares and loose tools	5,593,852	(25,240,142)
Income tax paid	(30,988,485)	(2,473,761)
Stock-in-trade	(807,257,559)	(848,171,159)
Trade debts	(300,074,292)	361,193,433
Loans and advances	(9,737,904)	46,144,153
Deposits and short-term prepayments	(9,561,913)	(4,389,943)
Other receivables	83,946,595	(74,098,085)
	<u>(1,068,079,706)</u>	<u>(547,035,504)</u>
<b>Decrease in current liabilities</b>		
Finance cost paid	(213,037,079)	(70,469,123)
Trade and other payable	391,129,729	(16,095,987)
Net cash used in operating activities	(575,810,724)	(494,916,899)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(52,102,127)	(928,546,712)
Long-term deposits	(1,510,000)	233,680
Proceed from disposal of property, plant and equipment	8,300,000	2,675,000
Other financial asset - net	(8,088,084)	(30,840,030)
Net cash used in investing activities	(53,400,211)	(956,478,062)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long-term finance paid	(59,189,367)	(72,116,964)
Employee benefits paid	(1,770,500)	(4,121,800)
Long-term finance paid to related party	(6,148,312)	(4,000,000)
Short-term borrowings - net	535,123,595	737,576,905
Proceeds from long-term finance	28,000,000	686,269,901
Lease rental paid - net	(1,362,282)	(6,204,626)
Dividend paid	-	(145,740)
Net cash generated from financing activities	494,653,134	1,337,257,676
Net decrease in cash and cash equivalents	(134,557,801)	(114,137,286)
Cash and cash equivalents at the beginning of the period	(422,306,531)	(181,137,093)
Effects of exchange rate changes in cash and cash equivalents	31,223	542,832
Cash and cash equivalents at the end of the period	<u>(556,833,109)</u>	<u>(294,731,547)</u>
	25	
<b>CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	13 26,562,309	21,325,233
Short-term borrowings	18 (583,395,418)	(316,056,780)
	<u>(556,833,109)</u>	<u>(294,731,547)</u>

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

CHAIRMAN / DIRECTOR

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

**IDREES TEXTILE MILLS LIMITED**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2023**

**1 STATUS AND NATURE OF BUSINESS**

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

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

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

**2 GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS**

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

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

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

Following is the geographical location and address of Subsidiary.

<b>New Jersey, USA</b> 2088 US-130, Suite 405, Monmounth Junction, NJ 08852	<b>Purpose</b>  Registered office
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**3 BASIS OF PREPARATION**

**3.1 Statement of compliance**

These condensed interim consolidated financial statements for the half year ended December 31, 2023 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

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

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

- 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 Group as at and for the year ended June 30, 2023 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 Group's financial position and performance since the last annual consolidated financial statements.
- 3.3** The comparative consolidated statement of financial position presented in these condensed interim consolidated statement of financial position has been extracted from the annual audited consolidated financial statements of the Group for the year ended June 30, 2023, whereas the comparative condensed interim consolidated statement of profit or loss, condensed interim consolidated statement of comprehensive income, condensed interim consolidated statement of cash flows and condensed interim consolidated statement of changes in equity are extracted from the audited condensed interim consolidated financial statements for the half year ended December 31, 2022.

#### **3.4 Basis of measurement**

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

#### **3.5 Basis of Consolidation**

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

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

#### **3.5 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 Hoding 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, 2023.

### 4.1 Initial application of standards, amendments or an interpretation to existing standards

#### a) Standards, amendments and interpretations to accounting standards that are effective in the current period

Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on January 01, 2023, but are considered not to be relevant or expected to have any significant effect on the Group's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these condensed interim consolidated financial statements.

The Holding Company adopted the narrow-scope amendments to the International Accounting Standard (IAS) 1, Presentation of Financial Statements which have been effective for annual reporting periods beginning on or after 1 January 2023. Although the amendments did not result in any changes to accounting policy themselves, they will impact the accounting policy information disclosed in the annual financial statements.

The amendments aim to make accounting policy disclosures more informative by replacing the requirement to disclose 'significant accounting policies' with 'material accounting policy information'. The amendments also provide guidance under what circumstance, the accounting policy information is likely to be considered material and therefore requiring disclosure.

These amendments had no effect on the interim condensed financial statements of the Group as they relate to disclosures of accounting policies in the annual financial statements rather than interim financial statements. The amendments are expected to be applicable for the accounting policy disclosures in the annual financial statements of the Group.

#### b) 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 standards, amendments to the accounting standards and interpretations that are mandatory for the Holding Company's accounting periods beginning on or after January 1, 2024, but are considered not to be relevant or expected to have any significant effect on the Holding Company's operations and are, therefore, not detailed in these condensed interim consolidated financial statements.

## 5 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of condensed interim consolidated financial statements requires management to make certain judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Holding Company's accounting policies and key sources of estimation of uncertainty are the same as those that were applied to the annual consolidated financial statements for the year ended June 30, 2023.

	<b>December 31, 2023 (Un-audited)</b>	<b>June 30, 2023 (Audited)</b>
<b>Note</b>	<b>----- (Rupees) -----</b>	<b>-----</b>

## 6 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	6.1	3,350,050,431	1,894,790,281
Capital work in progress	6.2	2,160,537	1,481,162,586
		<u>3,352,210,968</u>	<u>3,375,952,867</u>

6.1 Operating fixed assets

Particulars	C o s t					Rate %	D e p r e c i a t i o n				Written down value as at December 31, 2023	
	As at July 01, 2023	Additions	Transfers	Transfer / (Deletion)	As at December 31, 2023		As at July 01, 2023	Adjustments / (Disposal)	For the period	Transfers		As at December 31, 2023
	<b>Owned assets</b>											
Freehold land	240,375,000	-	-	-	240,375,000	-	-	-	-	-	240,375,000	
Mill building on freehold land	218,633,050	1,394,947	199,111,306	-	419,139,303	20%	32,863,950	-	8,114,716	1,796,368	42,775,034	376,364,269
Labour colony on freehold land	21,352,625	-	-	-	21,352,625	14%	4,293,472	-	1,185,868	-	5,479,340	15,873,285
Plant and machinery	1,478,171,882	48,478,143	1,282,051,280	-	2,808,701,305	33%	143,611,159	-	36,909,543	9,052,693	189,573,395	2,619,127,910
Electric installations	21,988,000	-	-	-	21,988,000	25%	6,127,216	-	1,531,805	-	7,659,021	14,328,979
Factory equipment	5,364,595	-	-	-	5,364,595	20%	1,197,605	-	310,069	-	1,507,674	3,856,921
Office equipment	18,149,168	68,500	-	-	18,217,668	10%	13,300,640	-	408,407	-	13,709,047	4,508,621
Computer Hardware	219,500	-	-	-	219,500	10%	39,963	-	32,928	-	72,891	146,609
Furniture and fixtures	4,183,452	-	-	-	4,183,452	10%	3,811,251	-	31,449	-	3,842,700	340,752
Vehicle	175,206,198	-	-	(16,585,000)	158,621,198	20%	83,607,933	(5,169,333)	5,054,513	-	83,493,113	75,128,085
<b>Total Dec 31 2023</b>	<b>2,183,643,470</b>	<b>49,941,590</b>	<b>1,481,162,586</b>	<b>(16,585,000)</b>	<b>3,698,162,646</b>		<b>288,853,189</b>	<b>(5,169,333)</b>	<b>53,579,298</b>	<b>10,849,061</b>	<b>348,112,215</b>	<b>3,350,050,431</b>
<b>Total June 30 2023</b>	<b>2,125,534,426</b>	<b>32,464,544</b>	<b>37,980,000</b>	<b>(12,335,500)</b>	<b>2,183,643,470</b>		<b>185,221,363</b>	<b>(6,338,500)</b>	<b>105,466,258</b>	<b>4,504,118</b>	<b>288,853,189</b>	<b>1,894,790,281</b>

6.1.1 Allocation of depreciation expense:

Note	December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
Cost of sales	58,907,774	94,572,910
Administrative expenses	5,694,835	12,670,181
	<u>64,602,609</u>	<u>107,243,091</u>

6.1.2 Fair value measurement

Fair value of property, plant and equipment are based on the valuations carried out by an independent valuer "Tristar International Consultant (Pvt.) Ltd " on the basis of market value.

Latest revaluation of land, building, labour colony, plant and machinery, electric installations and mill equipment of the Holding Company was carried out as at 30 June, 2021 by Tristar International Consultant (Pvt.) Ltd. Surplus on revaluation of assets and related adjustments have been recorded as on June 30, 2021.

6.1.3 Details of disposal of fixed assets (at NBV) are as follows:

Description	Cost of asset	Accumulated Depreciation	Carrying Value	Sale proceeds	Gain / (loss) on disposal	Mode of disposal
Vehicle	1,485,000	891,000	594,000	1,500,000	906,000	Negotiation
Vehicle	15,100,000	4,278,333	10,821,667	13,000,000	2,178,333	Negotiation
	<u>16,585,000</u>	<u>5,169,333</u>	<u>11,415,667</u>	<u>14,500,000</u>	<u>3,084,333</u>	

		<b>December 31, 2023 (Un-audited)</b>	<b>June 30, 2023 (Audited)</b>
	<b>Note</b>	<b>----- (Rupees) -----</b>	
<b>6.2 Capital work in progress</b>			
Work in progress	6.2.1	<u>2,160,537</u>	<u>1,481,162,586</u>

#### 6.2.1 Movement of capital work in progress:

Opening Balance	1,481,162,586	338,981,410
Additions during the period / year	2,160,537	1,142,181,176
Transfers during the period / year	<u>(1,481,162,586)</u>	-
Closing Balance	<u>2,160,537</u>	<u>1,481,162,586</u>

## 7 RIGHT-OF-USE ASSET

The carrying amount of right-of-use assets recognised and the movement during the period / year are as follows:

#### Net carrying value basis

Balance as at July 01,	2,362,004	37,614,719
Addition during the period / year	-	-
Disposals during the period / year	-	-
Transfers during the period / year	-	(33,475,882)
Depreciation charged	<u>(174,252)</u>	<u>(1,776,833)</u>
Balance as at June 30,	<u>2,187,752</u>	<u>2,362,004</u>

#### Gross carrying value basis

Cost	4,069,000	37,614,719
Accumulated amortisation	<u>(1,881,246)</u>	<u>(1,776,833)</u>
Transfers during the period / year	-	(33,475,882)
Net book value	<u>2,187,754</u>	<u>2,362,004</u>

#### Depreciation rate per annum

<u>20%</u>	<u>20%</u>
------------	------------

7.1 Depreciation charged on right-of-use assets has been allocated to administrative expenses amounting to Rs. 174,252 (June 2023: Rs. 1,776,833).

## 8 LONG TERM INVESTMENT

Cost	<u>-</u>	<u>-</u>
------	----------	----------

8.1 The Holding Company acquired 100% ownership in ORA Home LLC (ORA), a limited liability company incorporated in New Jersey, USA on January 5, 2022. The Holding Company paid nil 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 January 5, 2022.

		<b>December 31, 2023 (Un-audited)</b>	<b>June 30, 2023 (Audited)</b>
	<b>Note</b>	<b>----- (Rupees) -----</b>	
<b>9 STOCK-IN-TRADE</b>			
Raw material	9.1	1,498,613,425	896,506,919
Work-in-process		172,267,913	105,198,723
Finished goods		534,177,542	441,731,042
Waste		64,015,984	18,380,621
		<u>2,269,074,864</u>	<u>1,461,817,305</u>
9.1 This raw material in transit amounting to Rs. 62,404,670 (June 30, 2023: Rs. 159,022,484).			
<b>10 TRADE DEBTS</b>			
Considered good			
Local - unsecured		911,867,212	519,141,902
Export - secured		43,741,391	136,441,517
		<u>955,608,603</u>	<u>655,583,419</u>
Considered doubtful			
Local - unsecured		14,058,548	14,058,548
		<u>969,667,151</u>	<u>669,641,967</u>
Less: Allowance for expected credit losses		<u>(14,058,548)</u>	<u>(14,058,548)</u>
		<u>955,608,603</u>	<u>655,583,419</u>
<b>11 OTHER RECEIVABLES</b>			
Sales tax			
- Considered good		95,823,851	185,987,592
- Considered doubtful		3,774,996	3,774,996
Cotton claim receivable		30,690,344	23,767,311
Duty draw back receivable		5,872,932	5,872,932
Profit on deposit		18,385,966	6,576,634
Export rebate - considered doubtful		2,194,344	2,194,344
Receivable from sale of vehicle		6,200,000	-
Others		153,999	984,786
		<u>163,096,432</u>	<u>229,158,595</u>
Less: Provision for doubtful receivables		<u>(5,969,340)</u>	<u>(5,969,340)</u>
		<u>157,127,092</u>	<u>223,189,255</u>

		<b>December 31, 2023</b>	<b>June 30, 2023</b>
		<b>(Un-audited)</b>	<b>(Audited)</b>
	<b>Note</b>	<b>----- (Rupees) -----</b>	
<b>12</b>	<b>SHORT TERM INVESTMENTS</b>		
	<b>At amortised cost</b>		
	Term Deposit Receipts (TDR)	190,372,669	174,372,670
	<b>At fair value through profit or loss</b>		
	Investment in listed company	-	5,742,990
		<u>190,372,669</u>	<u>180,115,660</u>

12.1 These represents investments in Term Deposit Receipts with various banks. The profit rate on these TDRs ranges from 6.25% to 20.50% (June 30, 2023: 6.25% to 14.50%) per annum with maturities upto June 16, 2024. The banks have lien on these TDRs on account of guarantee provided by such banks.

### 13 CASH AND BANK BALANCES

Cash in hand		17,948,486	707,343
Cash at banks			
Current account		8,502,020	18,048,097
Saving account	13.1	111,803	215,581
		<u>8,613,823</u>	<u>18,263,678</u>
		<u>26,562,309</u>	<u>18,971,021</u>

13.1 These banks carry profit rate from 13.5% to 20.5% (June 30, 2023: 13.5% to 20.5%) per annum.

### 14 LONG TERM FINANCING

#### From financial institutions

Liability under diminishing musharaka	14.2	172,710,500	164,402,370
Loan against Temporary Economic Refinance Facility (TERF)	14.3	391,145,550	397,626,100
Term finance	14.4	200,328,472	207,593,494
Long term financing facility	14.5	41,836,250	52,562,000
Related parties	14.1	76,831,853	77,274,471
		<u>882,852,625</u>	<u>899,458,435</u>

	<b>December 31, 2023 (Un-audited)</b>	<b>June 30, 2023 (Audited)</b>
Note	----- (Rupees) -----	
Current portion shown under current liabilities:		
Loan from financial institutions	(169,571,440)	(128,365,121)
Related parties	(50,727,273)	(42,140,486)
	(220,298,713)	(170,505,607)
	<u>662,553,912</u>	<u>728,952,828</u>

#### 14.1 From related parties

Opening balance	77,274,471	96,739,869
Receipts during the year	-	1,450,000
Repayments during the year	(6,148,312)	(6,746,286)
Unwinding of discount	5,705,694	11,817,123
Less: Fair value adjustment	-	(25,986,235)
14.6	<u>76,831,853</u>	<u>77,274,471</u>

- 14.2 These represent diminishing musharak obtained by Holding Company for plant, machinery and vehicles. The rates of mark-up ranges from 14.5% to 22.14% (June 30, 2023: 14.5% to
- 14.3 This represents Temporary Economic Refinance Facility (TERF) with an Islamic bank and commercial banks, by Holding Company, with the total limit aggregating to Rs. 537.50 million (June 30, 2023: Rs. 537.50 million). The unavailed facility as at period end was Rs. 0.87 million (June 30, 2023: 61 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 measures at present value using discounting factor ranging from 7.39% to 15.91%..
- 14.4 This represents term finance taken by Holding Company which is secured against 1st specific charge over imported plant and machinery aggregating to Rs. 460.3 million (June 30, 2023: 460.3 million )
- 14.5 This represents long-term finance facilities obtained by the Holding 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. It also includes long-term financing obtained from a conventional bank under the Refinance Scheme for Payment of Wages and Salaries by the State Bank of Pakistan. It carries mark-up at the rate of 2% per annum. The facility as at period end was Nil (June 30, 2023: Nil).
- 14.6 These loans are interest free, unsecured and are expected to be repaid by the end of June 30, 2027, further 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.

		<b>December 31, 2023 (Un-audited)</b>	<b>June 30, 2023 (Audited)</b>
	Note	----- (Rupees) -----	
<b>15 LEASE LIABILITY</b>			
Balance as at July 01,		1,962,284	1,962,284
Repayments during the period / year		(1,362,284)	-
Balance as at December 31,		<u>600,000</u>	<u>1,962,284</u>
Less: current portion of lease liability		(600,000)	(1,962,284)
Non current portion of lease liability		<u>-</u>	<u>-</u>

**16 DEFERRED CAPITAL GRANT**

Deferred grant against Temporary Economic Refinance Facility (TERF)	16.1	118,480,275	133,506,454
Current portion of deferred capital grant		(29,836,060)	(29,771,093)
		<u>88,644,215</u>	<u>103,735,361</u>

16.1 Following is the movement of government grant during the period / year:

Opening balance		133,506,454	152,228,182
Addition during the period / year		-	-
Amortized during the period / year		(15,026,179)	(18,721,728)
Closing balance		<u>118,480,275</u>	<u>133,506,454</u>

16.2 Deferred capital grant relates to the difference between the fair value and actual proceed of temporary economic refinance facility loan obtained under SBP's refinance scheme. It is being amortised over the period of ten years from the date of loan disbursement with an amount equal to the difference between the finance cost charged that would have been charged to statement of profit or loss at market rate and the interest paid as per the scheme. ICAP issued the guidance for accounting of said financing through circular No. 11/2021, and based on this, the Holding Company recognized the Deferred Capital Grant in accordance with the requirements of 'IAS 20-Accounting for Government Grants and Disclosure of Government Assistance'.



	<b>December 31, 2023 (Un-audited)</b>	<b>June 30, 2023 (Audited)</b>
Note	----- (Rupees) -----	
<b>17 TRADE AND OTHER PAYABLES</b>		
Creditors	386,316,152	100,212,887
Accrued liabilities	228,593,044	137,470,025
Contract liabilities	164,268,574	189,404,407
Workers' welfare fund	25,729,586	25,729,586
Infrastructure cess	165,284,453	141,343,416
Payable to provident fund	580,440	605,419
Withholding tax payable	30,537,410	16,193,935
Others	462,527	-
	<u>1,001,772,186</u>	<u>610,959,675</u>

## 18 SHORT-TERM BORROWINGS

### From banking companies - secured

Running finance	583,395,418	441,277,552
Cash finance	408,738,784	230,082,741
Finance Against Imported Merchandise (FIM)	1,200,932,287	840,071,672
18.1	<u>2,193,066,489</u>	<u>1,511,431,965</u>

### Related Party - unsecured

Loan from ORA Sapphire	7,046,536	11,439,599
	<u>2,200,113,025</u>	<u>1,522,871,564</u>

18.1 Facilities for running finance, cash finance, FIM and Murabaha are available to Holding Company from various commercial banks up to Rs. 2,825 million (June 30, 2023: Rs. 2,825 million). These facilities are subject to markup at the rates of 3 month KIBOR plus 1.00% to 2.5% (June 30, 2023: 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. 632 million (June 30, 2023: Rs. 1,314 million).

18.2 This represent short term loan obtained by the subsidiary from a related party. This loan is interest free. There is no term of this loan and is repayable on demand. Accordingly, it has been classified as short term.

## 19 CONTINGENCIES AND COMMITMENTS

19.1 Status of contingencies and commitments are same as disclosed in note 23 to the annual consolidated financial statements of the Group for the year ended June 30, 2023 except for:

<b>December 31, 2023 (Un-audited)</b>	<b>June 30, 2023 (Audited)</b>
----- (Rupees) -----	

### 19.2 Contingencies

Letters of guarantee issued by banks on behalf of Excise and Taxation Office

155,558,659	139,558,660
-------------	-------------

### 19.3 Commitments

Letters of credit opened and outstanding for import of:

Plant and machinery

-

28,609,191

Stores and spares

7,990,567

9,629,233

Raw material

251,741,286

695,126,790

Local bills discounted

139,363,381

214,897,633

**20 SALES - NET**

Gross Sales

Yarn & Home Textile

Local

Export

Indirect export

Raw material - Local

Cotton / viscose

Waste

Others

Less:

Sales Tax

Brokerage & Commission

	Half year ended		Quarter ended	
	December 31, 2023 (Un-audited) ----- (Rupees) -----	December 31, 2022 (Un-audited) ----- (Rupees) -----	December 31, 2023 (Un-audited) ----- (Rupees) -----	December 31, 2022 (Un-audited) ----- (Rupees) -----
Local	1,084,272,539	883,342,902	329,905,243	6,465,113
Export	1,194,305,457	27,787,913	463,234,442	11,620,295
Indirect export	1,408,505,037	704,852,450	1,027,216,828	673,945,145
	3,687,083,033	1,615,983,265	1,820,356,513	692,030,553
Cotton / viscose	31,144,551	29,364,742	-	29,364,742
Waste	177,577,492	146,505,156	79,119,148	66,605,069
Others	-	1,896,719	-	1,896,719
	3,895,805,076	1,793,749,882	1,899,475,661	789,897,082
Sales Tax	(404,878,089)	(260,496,522)	(210,250,798)	(116,997,752)
Brokerage & Commission	(15,104,286)	(6,589,415)	(5,840,066)	(1,724,827)
	3,475,822,701	1,526,663,945	1,683,384,797	671,174,503

	Half year ended		Quarter ended	
	December 31, 2023 (Un-audited) ----- (Rupees) -----	December 31, 2022 (Un-audited) ----- (Rupees) -----	December 31, 2023 (Un-audited) ----- (Rupees) -----	December 31, 2022 (Un-audited) ----- (Rupees) -----
<b>21 COST OF SALES</b>				
Raw material consumed	2,438,366,140	1,249,710,056	1,114,331,405	474,878,952
Manufacturing expenses				
Salaries, wages and other benefits	136,659,546	99,730,272	71,137,619	51,517,531
Fuel and power	516,548,766	293,454,720	277,462,269	135,963,082
Depreciation	58,907,774	47,164,229	34,891,956	23,543,906
Stores and spares consumed	43,078,958	25,028,339	24,882,916	13,410,170
Packing material	42,288,424	23,775,904	20,340,948	11,012,812
Insurance	6,000,000	6,000,000	3,000,000	3,000,000
Repairs and maintenance	1,944,275	2,385,852	1,093,146	752,471
Vehicle running and maintenance	3,307,524	2,282,661	1,699,260	1,536,984
Other manufacturing overheads	1,593,846	1,244,235	745,333	71,303
	810,329,113	501,066,212	435,253,446	240,808,259
Cost of production	3,248,695,253	1,750,776,268	1,549,584,851	715,687,211
Work-in-process				
Opening stock	76,496,220	56,022,198	109,598,723	65,342,006
Closing stock	(143,111,149)	(71,782,530)	(143,111,149)	(71,782,530)
	(66,614,929)	(15,760,332)	(33,512,426)	(6,440,524)
Cost of goods manufactured	3,182,080,324	1,735,015,936	1,516,072,425	709,246,687

	Half year ended		Quarter ended	
	December 31, 2023 (Un-audited) ----- (Rupees) -----	December 31, 2022 (Un-audited) ----- (Rupees) -----	December 31, 2023 (Un-audited) ----- (Rupees) -----	December 31, 2022 (Un-audited) ----- (Rupees) -----
Finished goods				
Opening balance	460,111,663	264,126,222	607,430,286	538,529,249
Yarn Transferred	(34,871,750)	-	(27,948,250)	-
Yarn purchased	-	12,272,128	-	12,272,128
Closing balance	(593,884,794)	(643,680,308)	(593,884,794)	(643,680,308)
	(168,644,881)	(367,281,958)	(14,402,758)	(92,878,931)
Cost of Home Textile	66,965,232	-	20,950,681	(2,815,573)
Cost of raw material sold	22,200,416	25,223,288	(1,149,232)	25,223,288
	<u>3,102,601,091</u>	<u>1,392,957,266</u>	<u>1,521,471,116</u>	<u>638,775,471</u>

	Half year ended		Quarter ended	
	December 31, 2023 (Un-audited) ----- (Rupees) -----	December 31, 2022 (Un-audited) ----- (Rupees) -----	December 31, 2023 (Un-audited) ----- (Rupees) -----	December 31, 2022 (Un-audited) ----- (Rupees) -----
<b>22 OTHER OPERATING EXPENSES</b>				
Infrastructure cess	18,537,092	24,868,344	7,192,799	12,358,633
Exchange Loss	14,811,577	388,143	5,421,816	249,419
Unrealised loss on short term investment	-	132,320	-	132,320
	<u>33,348,669</u>	<u>25,388,807</u>	<u>12,614,615</u>	<u>12,740,372</u>
<b>23 OTHER INCOME</b>				
Profit on deposits / investment	13,579,251	5,912,030	6,995,922	3,232,760
Dividend Income	198,000	-	-	-
Gain on disposal of property, plant and equipment	3,084,333	1,523,750	2,178,333	1,523,750
Scrap sales	97,132	264,166	53,279	159,999
Exchange gain	-	26,093,431	-	6,663,062
Realized gain on short term investment	399,006	-	-	-
Others	205,389	-	1,556,896	-
	<u>17,563,111</u>	<u>33,793,377</u>	<u>10,784,430</u>	<u>11,579,571</u>
<b>24 LOSS PER SHARE - BASIC AND DILUTED</b>				
Loss for the period	<u>(38,088,541)</u>	<u>(14,579,953)</u>	<u>(46,571,331)</u>	<u>(28,791,065)</u>
Weighted average number of ordinary shares	<u>19,852,800</u>	<u>19,852,800</u>	<u>19,852,800</u>	<u>19,852,800</u>
Loss per share	<u>(1.92)</u>	<u>(0.73)</u>	<u>(2.35)</u>	<u>(1.45)</u>

		<b>Half year ended</b>	
		<b>December 31,</b>	<b>December 31,</b>
		<b>2023</b>	<b>2022</b>
		<b>(Un-audited)</b>	<b>(Un-audited)</b>
<b>25</b>	<b>CASH AND CASH EQUIVALENTS</b>		
	Cash and bank balances	26,562,309	21,325,233
	Short-term borrowings	(583,395,418)	(316,056,780)
		<u>(556,833,109)</u>	<u>(294,731,547)</u>
<b>26</b>	<b>FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES</b>		

26.1 The carrying values of all financial assets and liabilities reflected in the condensed interim consolidated financial statements approximate their fair values. Fair value is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

#### 26.2 Fair value estimation

The carrying values of all financial assets and liabilities reflected in the condensed interim consolidated financial statements approximate their fair values. Fair value is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset either directly or derived from prices.

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

#### Transfers during the period

During the period ended December 31, 2023, there were no transfers between level 1 and level 2 fair value measurement and into or out of Level 3 fair value measurements.

December 31, 2023

Fair Value

Level 1	Level 2	Level 3	Total
----- Rupees -----			

Financial assets measured  
at fair value

Equity securities - listed

-	-	-	-
---	---	---	---

June 30, 2023

Fair Value

Level 1	Level 2	Level 3	Total
----- Rupees -----			

Financial assets measured  
at fair value

Equity securities - listed

5,742,990	-	-	5,742,990
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## 27 TRANSACTIONS WITH RELATED PARTIES

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

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

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

27.1 Transaction during the half year	Nature of transactions	Half year ended		Quarter ended	
		December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
		(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
		----- (Rupees) -----			
<b>Subsidiary company</b>					
<b>ORA Home LLC</b>					
	Sales	22,911,514	27,796,360	4,788,897	13,620,295
	Amount Received during the period	18,122,617	23,516,426	10,962,617	13,620,295
<b>Key management personnel</b>					
	Salaries & Benefits	14,957,811	11,695,795	7,490,406	5,847,898
	Short-term employee benefit	-	1,671,300	-	-
	Loan repaid during the period to Directors	6,148,312	4,000,000	6,148,312	4,000,000
	Meeting fee	30,000	25,000	30,000	25,000
	Unwinding of discount on loan from directors	5,705,694	3,554,203	2,852,847	3,235,740
<b>Other Related Parties</b>					
	Loan Paid to ORA Sapphire	4,858,880	-	4,858,880	-
	Contribution made to provident fund	1,228,182	933,306	606,726	458,785

		<b>Half year ended</b>	
		<b>December 31, 2023</b>	<b>December 31, 2022</b>
		<b>(Un-audited)</b>	<b>(Un-audited)</b>
		<b>----- (Rupees) -----</b>	
<b>27.2</b>	<b>Half year end balances with related parties</b>	<b>Nature of transactions</b>	
	<b>Subsidiary Company</b>		
	ORA Home LLC	Receivable against sale of goods	4,788,897
			-
	<b>Key management personnel</b>		
		Loan payable to directors	76,831,853
		Equity portion of loan from related parties	24,359,148
	<b>Other related parties</b>		
	Provident fund	Payable to provident fund	196,007
	ORA Sapphire	Short Term Loan payable	7,046,517
			152,369
			11,439,599

### 27.3 Remuneration to Chief Executive, Directors and Executives

	<b>December 31, 2023 (Un-audited)</b>				<b>December 31, 2022 (Un-audited)</b>			
	<b>Chief Executive</b>	<b>Directors</b>		<b>Executives</b>	<b>Chief Executive</b>	<b>Directors</b>		<b>Executives</b>
		<b>Executive</b>	<b>Non-executive</b>			<b>Executive</b>	<b>Non-executive</b>	
	<b>(Rupees)</b>							
Remuneration	1,600,000	1,400,000	-	6,971,865	1,600,000	1,400,000	-	4,797,196
House rent allowance	480,000	420,000	-	2,091,562	480,000	420,000	-	1,439,159
Utilities	160,000	140,000	-	697,192	160,000	140,000	-	479,720
Medical	160,000	140,000	-	697,192	160,000	140,000	-	479,720
Meeting fee	-	-	30,000	-	-	-	25,000	-
	<b>2,400,000</b>	<b>2,100,000</b>	<b>30,000</b>	<b>10,457,811</b>	<b>2,400,000</b>	<b>2,100,000</b>	<b>25,000</b>	<b>7,195,795</b>
Number of persons	<b>1</b>	<b>1</b>	<b>3</b>	<b>8</b>	<b>1</b>	<b>1</b>	<b>3</b>	<b>6</b>

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

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

**28      CORRESPONDING FIGURES**

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

**29      DATE OF AUTHORIZATION FOR ISSUE**

These condensed interim consolidated financial statements have been authorized for issue on \_\_\_\_\_ by the Board of Directors of the Holding Company.

**CHAIRMAN / DIRECTOR**

**CHIEF EXECUTIVE**

**CHIEF FINANCIAL**

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