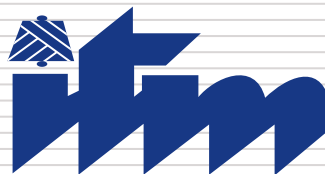


IDREES

TEXTILE MILLS LIMITED

CONDENSED INTERIM
FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED
DECEMBER 31, 2023
(UN-AUDITED)





COMPANY INFORMATION

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

کراچی
27 فروری 2024

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.

BDO Ebrahim & Co. Chartered Accountants

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



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

BDO Ebrahim & Co. Chartered Accountants

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

**UNCONSOLIDATED
CONDENSED INTERIM
FINANCIAL STATEMENTS**

FOR THE HALF YEAR ENDED DECEMBER, 2023(UN-AUDITED)

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



		December 31, 2023 (Un-audited)	June 30, 2023 Audited
	Note	----- (Rupees) -----	
ASSETS			
NON - CURRENT ASSETS			
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>
CURRENT ASSETS			
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>
TOTAL ASSETS			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
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
NON-CURRENT LIABILITIES			
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
CURRENT LIABILITIES			
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>
TOTAL EQUITY AND LIABILITIES			
CONTINGENCIES AND COMMITMENTS			
	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)

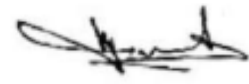
The annexed notes from 1 to 29 form an integral part of these condensed interim unconsolidated financial statements.



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)	
CASH FLOWS FROM OPERATING ACTIVITIES			
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
Increase in current assets			
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>
Decrease in current liabilities			
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>
CASH FLOWS FROM INVESTING ACTIVITIES			
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>
CASH FLOWS FROM FINANCING ACTIVITIES			
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>
CASH AND CASH EQUIVALENTS			
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

1 STATUS AND NATURE OF BUSINESS

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

These condensed interim unconsolidated financial statements represent standalone financial statements of the Company in which investment in subsidiary has been accounted for at cost less accumulated impairment losses, if any. Details of investment held by the Company in the Subsidiary Company has been given in note 8.

2 GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

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

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

Karachi

6-C, Ismail Centre, 1st floor,
Central Commercial Area,
Bahadurabad

Purpose

Head Office

Nankana Sahib

Kot Shah Muhammad, Tehsil &
District Nankana Punjab

Purpose

Regional Office and Production
Plant / Factory

3 BASIS OF PREPARATION

3.1 Statement of compliance

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

These condensed interim unconsolidated 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 unconsolidated financial statements do not include all the statements and disclosures required for full annual unconsolidated financial statements and should be read in conjunction with the annual unconsolidated financial statements of the Company as at and for the year ended June 30, 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 Company's financial position and performance since the last annual unconsolidated financial statements.
- 3.3 The comparative unconsolidated statement of financial position presented in these condensed interim unconsolidated statement of financial position has been extracted from the annual audited unconsolidated financial statements of the Company for the year ended June 30, 2023, whereas the comparative condensed interim unconsolidated statement of profit or loss, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of cash flows and condensed interim unconsolidated statement of changes in equity are extracted from the unaudited condensed interim unconsolidated financial statements for the half year ended December 31, 2022.

3.4 Basis of measurement

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

3.5 Functional and presentation currency

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

4 MATERIAL ACCOUNTING POLICIES INFORMATION

The accounting policies adopted and methods of computation followed in the preparation of these condensed interim 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.

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

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>

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2023



6.1 Operating fixed assets

Particulars	C o s t					D e p r e c i a t i o n			As at December 31, 2023	
	As at July 01, 2023	Additions	Transfers	(Disposal)	As at December 31, 2023	Rate %	For the period	Transfers		(Disposal)
Owned assets										
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	5 - 20%	9,911,084	-	-	42,775,034
Labour colony on freehold land	21,352,625	-	-	-	21,352,625	5 - 14%	1,185,868	-	-	5,479,340
Plant and machinery	1,478,171,882	48,478,143	1,282,051,280	-	2,808,701,305	4 - 33%	45,962,236	-	-	189,573,395
Electric installators	21,988,000	-	-	-	21,988,000	8 - 25%	6,127,216	-	-	7,659,021
Factory equipment	5,364,595	-	-	-	5,364,595	7 - 20%	1,197,605	-	-	1,507,674
Office equipment	18,149,168	68,500	-	-	18,217,668	10%	13,300,640	-	-	13,709,047
Computer Hardware	219,500	-	-	-	219,500	10%	39,963	-	-	72,891
Furniture and fixtures	4,183,452	-	-	-	4,183,452	10%	3,811,251	-	-	3,842,700
Vehicle	175,206,198	-	-	(16,585,000)	158,621,198	20%	83,607,933	-	(5,169,333)	83,493,113
Total Dec 31 2023	2,183,643,470	49,941,590	1,481,162,586	(16,585,000)	3,698,162,646		288,853,189	64,428,359	(5,169,333)	348,112,215
Total June 30 2023	2,125,554,426	32,464,544	37,980,000	(12,355,500)	2,183,643,470		185,221,363	105,466,258	(6,338,550)	288,853,189

6.1.1 Allocation of depreciation expense:

Note	December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
Cost of sales	58,748,884	96,169,220
Administrative expenses	5,679,475	9,297,038
	<u>64,428,359</u>	<u>105,466,258</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 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>	

	December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
Note	----- (Rupees) -----	
6.2 Capital work in progress		
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	(1,481,162,586)	-
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	(174,252)	(1,776,833)
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	<u>20%</u>	<u>20%</u>
-----------------------------	------------	------------

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

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

		December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
	Note	----- (Rupees) -----	
9	STOCK-IN-TRADE		
Raw material	9.1	1,498,613,425	896,506,919
Work-in-process		172,267,913	105,198,723
Finished goods		529,868,810	441,731,042
Waste		64,015,984	18,380,621
		<u>2,264,766,132</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).		
10	TRADE DEBTS		
Considered good			
Local - unsecured		913,304,437	519,141,902
Export - secured		43,741,391	136,441,517
		<u>957,045,828</u>	<u>655,583,419</u>
Considered doubtful			
Local - unsecured		14,058,548	14,058,548
		<u>971,104,376</u>	<u>669,641,967</u>
Less: Allowance for expected credit losses		<u>(14,058,548)</u>	<u>(14,058,548)</u>
		<u>957,045,828</u>	<u>655,583,419</u>
11	OTHER RECEIVABLES		
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>

		December 31, 2023	June 30, 2023
	Note	(Un-audited)	(Audited)
		-----	-----
		(Rupees)	
12	SHORT TERM INVESTMENTS		
	At amortised cost		
	Term Deposit Receipts (TDR)	190,372,669	174,372,670
	At fair value through profit or loss		
	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
		<u>4,033,979</u>	<u>5,245,170</u>
		<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.

	December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
Note	----- (Rupees) -----	
15 LEASE LIABILITY		
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	-	-

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)
		88,644,215	103,735,361

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	118,480,275	133,506,454

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) -----	
17 TRADE AND OTHER PAYABLES		
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	-
	980,119,265	588,989,534

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	2,193,066,489	1,511,431,965

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, **June 30,**
2023 **2023**
(Un-audited) **(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
	139,363,381	214,897,633

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

20 SALES - NET

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	December 31, 2022	December 31, 2023	December 31, 2022
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
	----- (Rupees) -----		----- (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
	810,329,113	501,066,212	435,253,447	240,808,259
Cost of production	3,248,695,253	1,734,951,268	1,552,015,946	715,001,057
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	1,719,190,936	1,518,503,520	708,560,533
	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) -----	
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)
	(168,644,881)	(352,026,022)	(14,402,758)	(77,622,995)
Cost of Home Textile	68,778,853	-	22,764,302	(2,815,573)
Cost of raw material sold	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	December 31, 2022	December 31, 2023	December 31, 2022
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
	----- (Rupees) -----		----- (Rupees) -----	
22 OTHER OPERATING EXPENSES				
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
	33,348,669	25,000,664	12,614,615	12,490,953
23 OTHER INCOME				
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	-	1,523,750	-	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	-
	17,509,165	33,793,377	10,730,484	11,579,571
24 LOSS PER SHARE - BASIC AND DILUTED				
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 (Un-audited)	December 31, 2022 (Un-audited)
25 CASH AND CASH EQUIVALENTS		
Cash and bank balances	21,982,465	15,517,210
Short-term borrowings	(583,395,418)	(316,056,780)
	(561,412,953)	(300,539,570)

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

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

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
Financial assets measured at fair value				
Equity securities - listed	-	-	-	-
	June 30, 2023			
	Fair Value			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Equity securities - listed	5,742,990	-	-	5,742,990

27 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	December 31, 2022	December 31, 2023	December 31, 2022	
			(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)	
			----- (Rupees) -----	----- (Rupees) -----	----- (Rupees) -----	----- (Rupees) -----	
	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	
		December 31, 2023 (Un-audited)	December 31, 2022 (Un-audited)
		----- (Rupees) -----	
27.2	Half year end balances with related parties		
	Nature of transactions		
	Subsidiary Company		
	ORA Home LLC	Receivable against sale of goods	4,788,897
			-
	Key management personnel		
		Loan payable to directors	76,831,853
		Equity portion of loan from related parties	24,359,148
	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)			
	Chief Executive	Directors Executive	Directors Non-executive	Executives	Chief Executive	Directors Executive	Directors Non-executive	Executives
	----- (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	1	1	3	8	1	1	3	6

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 February 27, 2024 by the Board of Directors of the Company.


CHAIRMAN / DIRECTOR


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER

**CONSOLIDATED
CONDENSED INTERIM
FINANCIAL STATEMENTS**

FOR THE HALF YEAR ENDED DECEMBER, 2023(UN-AUDITED)

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



		December 31, 2023 (Un-audited)	June 30, 2023 Audited
	Note	----- (Rupees) -----	
ASSETS			
NON - CURRENT ASSETS			
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>
CURRENT ASSETS			
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>
TOTAL ASSETS			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
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
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			
Exchange translation reserves		(8,150,885)	(8,450,221)
Unappropriated profit		<u>1,455,546,695</u>	<u>1,458,913,091</u>
		<u>2,544,752,867</u>	<u>2,547,179,723</u>
NON-CURRENT LIABILITIES			
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
CURRENT LIABILITIES			
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		<u>51,164,580</u>	<u>60,388,752</u>
		<u>3,660,016,448</u>	<u>2,491,414,367</u>
		<u>7,155,347,745</u>	<u>6,121,256,870</u>
TOTAL EQUITY AND LIABILITIES			
CONTINGENCIES AND COMMITMENTS			
	19		

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

CHAIRMAN / DIRECTOR

CHIEF EXECUTIVE

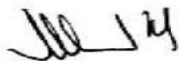
CHIEF FINANCIAL OFFICER

	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	3,475,822,701	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

	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	(38,088,541)	(14,579,953)	(46,571,331)	(28,791,065)
Items that may be transferred subsequently to profit or loss				
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	Total	
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	
Transfer from surplus on revaluation of property, plant and equipment on account:							
Incremental depreciation charge thereon - net of tax	-	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	
Transfer from surplus on revaluation of property, plant and equipment on account:							
Incremental depreciation charge thereon - net of tax	-	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

CONDENSED INTERIM CONSOLIDATED 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) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
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
Increase in current assets			
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>
Decrease in current liabilities			
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		<u>(575,810,724)</u>	<u>(494,916,899)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
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		<u>(53,400,211)</u>	<u>(956,478,062)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
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		<u>494,653,134</u>	<u>1,337,257,676</u>
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	25	<u>(556,833,109)</u>	<u>(294,731,547)</u>
CASH AND CASH EQUIVALENTS			
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:

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

Following is the geographical location and address of Subsidiary.

New Jersey, USA	Purpose
2088 US-130, Suite 405, Monmouth Junction, NJ 08852	Registered office

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.

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

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>

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2023



6.1 Operating fixed assets

Particulars	C o s t				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	Rate %	As at July 01, 2023	For the period		(Disposal)	Transfers	As at December 31, 2023
Owned assets												
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	5 - 20%	32,863,950	9,911,084	-	-	42,775,034	376,364,269
Labour colony on freehold land	21,352,625	-	-	-	21,352,625	5 - 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	4 - 33%	143,611,159	45,962,236	-	-	189,573,395	2,619,127,910
Electric installations	21,988,000	-	-	-	21,988,000	8 - 25%	6,127,216	1,531,805	-	-	7,659,021	14,328,979
Factory equipment	5,364,595	-	-	-	5,364,595	7 - 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	5,054,513	(5,169,333)	-	83,493,113	75,128,085
Total Dec 31 2023	2,183,643,470	49,941,590	1,481,162,586	(16,585,000)	3,698,162,646		288,853,189	64,428,359	(5,169,333)	-	348,112,215	3,350,050,431
Total June 30 2023	2,125,534,426	32,464,544	37,980,000	(12,335,500)	2,183,643,470		185,221,363	105,466,258	(6,338,550)	4,504,118	288,853,189	1,894,790,281

6.1.1 Allocation of depreciation expense:

Note	December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
21	58,748,884	96,169,220
Cost of sales	5,679,475	9,297,038
Administrative expenses	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 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
	16,585,000	5,169,333	11,415,667	14,500,000	3,084,333	

	December 31, 2023 (Un-audited) Note ----- (Rupees) -----	June 30, 2023 (Audited)
6.2 Capital work in progress		
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

20%	<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.

		December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
	Note	----- (Rupees) -----	
9 STOCK-IN-TRADE			
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).			
10 TRADE DEBTS			
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>
11 OTHER RECEIVABLES			
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>

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

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
		8,613,823	18,263,678
		26,562,309	18,971,021

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
		882,852,625	899,458,435

	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 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.

		December 31, 2023	June 30, 2023
		(Un-audited)	(Audited)
	Note	----- (Rupees) -----	-----
15 LEASE LIABILITY			
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'.			

	December 31, 2023 (Un-audited) ----- (Rupees) -----	June 30, 2023 (Audited) -----
17 TRADE AND OTHER PAYABLES		
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	-
	1,001,772,186	610,959,675

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	2,193,066,489	1,511,431,965

Related Party - unsecured

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

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:

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

	December 31, 2023 (Un-audited) ----- (Rupees) -----	June 30, 2023 (Audited)
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)	December 31, 2023 (Un-audited) ----- (Rupees) -----	December 31, 2022 (Un-audited)
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
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
Others	-	1,896,719	-	1,896,719
	3,895,805,076	1,793,749,882	1,899,475,661	789,897,082
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)
	3,475,822,701	1,526,663,945	1,683,384,797	671,174,503

24 LOSS PER SHARE - BASIC AND DILUTED

Loss for the period	(38,088,541)	(14,579,953)	(46,571,331)	(28,791,065)
Weighted average number of ordinary shares	19,852,800	19,852,800	19,852,800	19,852,800
Loss per share	(1.92)	(0.73)	(2.35)	(1.45)

25 CASH AND CASH EQUIVALENTS

	Half year ended	
	December 31, 2023 (Un-audited)	December 31, 2022 (Un-audited)
Cash and bank balances	26,562,309	21,325,233
Short-term borrowings	(583,395,418)	(316,056,780)
	(556,833,109)	(294,731,547)

26 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

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	-	-	-	-
	----- Rupees -----			
	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

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) -----			
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					
	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

		Half year ended	
		December 31, 2023 (Un-audited)	December 31, 2022 (Un-audited)
		----- (Rupees) -----	
27.2	Half year end balances with related parties	Nature of transactions	
	Subsidiary Company		
	ORA Home LLC	Receivable against sale of goods	4,788,897
			-
	Key management personnel		
		Loan payable to directors	76,831,853
		Equity portion of loan from related parties	24,359,148
	Other related parties		
	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

	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 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

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