

HALF

YEARLY

REPORT

ISHAQ

TEXTILE MILLS LIMITED

DECEMBER 31, 2015
(UN-AUDITED)

COMPANY INFORMATION

CHAIRMAN	: Mrs. Nazma Amer
Chief Executive	: Mr. Aizad Amer
Directors	: Mrs. Zareen Akhter : Mr. Anns Amer : Mrs. Hajra Raza : Mr. Muhammad Raza : Mr. Abdul Rauf
Audit Committee	: Mr. Abdul Rauf : Mr. Aizad Amer : Mr. Anns Amer
HR & Remuneration Committee	: Mrs. Zareen Akhter : Mr. Abdul Rauf : Mr. Anns Amer
Chief Financial Officer	: Mr. S. Muhammad Abbas Rizvi
Company Secretary	: Mr. Tahir Shahzad
Auditors	: Riaz Ahmad & Company Chartered Accountants.
Bankers	: Habib Bank Limited : Bank Al Habib Limited : Habib Metropolitan Bank Limited : Al Baraka Bank (Pakistan) Limited
Registered Office	: 404-405, 4 th Floor, Business Centre : Mumtaz Hassan Road : Karachi, PH: 02132412814
Share Registrar	: Consulting One (Pvt) Limited : 478=D, Peoples Colony. No. 1 : Faisalabad
Factory	: Sheikhpura Road : Tehsil Jaranwal : District Faisalabad

DIRECTORS' REVIEW TO THE SHAREHOLDERS

The Directors of your Company feel pleasure to submit un-audited condensed interim financial information of your Company for the half year ended December 31, 2015.

	Half year ended	
	31 December 2015	31 December 2014
----(RUPEES IN THOUSAND)----		
Continuing Operations:		
Sales	727,867	702,473
Cost of sales	(726,862)	(699,731)
Gross profit	1,005	2,742
Operating cost	(33,516)	(22,636)
Other income	-	950
Finance cost	(13,806)	(14,620)
Loss before taxation	(46,317)	(33,564)
Taxation	1,142	21,609
Loss after taxation from continuing operations	(45,175)	(11,955)
Discontinued Operation:		
Profit / (loss) after taxation from discontinued Operations	12,245	(62,430)
Loss after taxation	(32,930)	(74,385)

During the period under review sales were Rupees 727.867 million as compared to Rupees 702.473 million of corresponding period. Cost of sales was Rupees 726.862 million as compared to Rupees 699.731 million of corresponding period. However the Company incurred loss after taxation of Rupees 32.930 million from both continuing and discontinuing operations as compared to loss after taxation of Rupees 74.385 million of the corresponding period.

REVIEW OF OPERATING RESULTS

Erratic trends in the prices of raw material and disproportionate selling prices of yarn, adverse economic situation, increase in minimum wages, load shedding of power and gas sector, imposing GIDC over gas billing, free import of cotton / yarn, short production of cotton and uncertainty in the economic policies of the Govt. have resulted in loss for the half year to the Company.

FUTURE OUTLOOK

Power shortage has impacted on the production of the Company which may continue in current financial year. However, after the period end the Company has started to purchase electricity from another source which is relatively cheaper. This will impact the cost of sales in the remaining financial period. The management believes that reduction in the cost of fuel and power will ultimately affect the results of the Company in better way. Moreover, the management has decided to enhance the production capacity of spinning segment through installation of new machinery. The management has fully focused on quality management to fetch attractive prices in local market as well as in international market.

ACKNOWLEDGEMENT

The Board places on record its appreciation for the cooperation, commitment, and hard work extended to the Company by the customers, suppliers, bankers, and all the employees of the Company.

On behalf of the Board



(Aized Amer)

Chief Executive Officer

FAISALABAD

Dated: February 29, 2016

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AUDITORS' REPORT TO THE MEMBERS
ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of ISHAQ TEXTILE MILLS LIMITED as at 31 December 2015 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the half year then ended (here-in-after referred to as "condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended 31 December 2015 and 31 December 2014 have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the half year ended 31 December 2015.

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 condensed interim financial information 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 financial information as of and for the half year ended 31 December 2015 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

RIAZ AHMAD & COMPANY
Chartered Accountants

Riaz Ahmad & Co.

Name of engagement partner:
Liaqat Ali Panwar
Date: February 29, 2016
FAISALABAD

CONDENSED INTERIM BALANCE SHEET AS AT 31 DECEMBER 2015

NOTE	Un-Audited 31 December 2015 (RUPEES IN THOUSAND)	Audited 30 June 2015 (RUPEES IN THOUSAND)	NOTE	Un-Audited 31 December 2015 (RUPEES IN THOUSAND)	Audited 30 June 2015 (RUPEES IN THOUSAND)
EQUITY AND LIABILITIES					
SHARE CAPITAL AND RESERVES					
Authorized share capital 10 000 000 (30 June 2015: 10 000 000) ordinary shares of Rupees 10 each					
Issued, subscribed and paid up share capital		100,000			783,453
Reserves	96,600	96,600	7	819,166	1,266
Total equity	219,301	229,953		3,748	3,787
Surplus on revaluation of property, plant and equipment - net of deferred income tax	315,901	326,553		829,935	788,506
LIABILITIES	230,634	233,749			
NON-CURRENT LIABILITIES					
Long term financing	172,533	91,695			
Deferred income tax liability	20,792	17,986			
Staff retirement gratuity	4,780	1,174			
	198,105	110,855			
CURRENT LIABILITIES					
Trade and other payables	169,732	128,661		39,918	38,572
Accrued mark-up	7,516	8,005		374,769	248,513
Short term borrowings	627,752	605,713		148,720	188,910
Provision for taxation	7,635	11,227		36,154	34,597
TOTAL LIABILITIES	812,635	753,606		4,193	2,525
CONTINGENCIES AND COMMITMENTS	1,010,740	864,461		35,721	31,459
TOTAL EQUITY AND LIABILITIES	1,557,275	1,424,763		6,622	2,765
				644,842	533,963
				82,498	102,254
				727,340	636,257
				1,557,275	1,424,763
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment					
Long term investments		100,000		7,021	1,266
Long term deposits and prepayments				3,748	3,787
				829,935	788,506
CURRENT ASSETS					
Stores, spare parts and loose tools					
Stock in trade					
Trade debts					
Loans and advances					
Short term deposits and prepayments					
Other receivables					
Current portion of long term investment					
Cash and bank balances					
Non-current assets held for sale			8		
TOTAL ASSETS	1,557,275	1,424,763		1,557,275	1,424,763

The annexed notes form an integral part of this condensed interim financial information.



KH. AIZAD AMER
Chief Executive Officer



KH. AANS AMER
Director

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (Un-audited)
FOR THE HALF YEAR ENDED 31 DECEMBER 2015

NOTE	Half year ended		Quarter ended	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
(RUPEES IN THOUSAND)				
CONTINUING OPERATIONS:				
SALES	727,867	702,473	402,144	375,384
COST OF SALES	(726,862)	(699,731)	(386,723)	(370,406)
GROSS PROFIT	1,005	2,742	15,421	4,978
DISTRIBUTION COST	(4,532)	(2,762)	(3,055)	(1,861)
ADMINISTRATIVE EXPENSES	(28,984)	(19,874)	(12,138)	(7,535)
	(33,516)	(22,636)	(15,193)	(9,396)
	(32,511)	(19,894)	228	(4,418)
OTHER INCOME	-	950	-	950
(LOSS) / PROFIT FROM OPERATIONS	(32,511)	(18,944)	228	(3,468)
FINANCE COST	(13,806)	(14,620)	(8,148)	(6,710)
LOSS BEFORE TAXATION	(46,317)	(33,564)	(7,920)	(10,178)
TAXATION	1,142	21,609	2,211	9,201
LOSS AFTER TAXATION FROM CONTINUING OPERATIONS	(45,175)	(11,955)	(5,709)	(977)
DISCONTINUED OPERATION:				
PROFIT / (LOSS) AFTER TAXATION FROM DISCONTINUED OPERATIONS	12,245	(62,430)	15,954	(17,683)
(LOSS) / PROFIT AFTER TAXATION	(32,930)	(74,385)	10,245	(18,660)
LOSS PER SHARE - BASIC AND DILUTED FROM CONTINUING OPERATIONS (RUPEES)	(4.68)	(1.24)	(0.59)	(0.10)
EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED FROM DISCONTINUED OPERATION (RUPEES)	1.27	(6.46)	1.65	(1.83)

The annexed notes form an integral part of this condensed interim financial information.



KH. AIZAD AMER
Chief Executive Officer



KH. AANS AMER
Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-audited)
FOR THE HALF YEAR ENDED 31 DECEMBER 2015

	Half year ended		Quarter ended	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
	----- (RUPEES IN THOUSAND) -----			
(LOSS) / PROFIT AFTER TAXATION	(32,930)	(74,385)	10,245	(18,660)
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to subsequently profit or loss	-	-	-	-
Items that may be reclassified subsequently to profit or loss	-	-	-	-
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE PERIOD	<u>(32,930)</u>	<u>(74,385)</u>	<u>10,245</u>	<u>(18,660)</u>

The annexed notes form an integral part of this condensed interim financial information.


KH. AIZAD AMER
Chief Executive Officer


KH. AANS AMER
Director

CONDENSED INTERIM CASH FLOW STATEMENT (Un-audited)
FOR THE HALF YEAR ENDED 31 DECEMBER 2015

	NOTE	Half year ended	
		31 December 2015	31 December 2014
(RUPEES IN THOUSAND)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (utilized in) / generated from operations	10	(85,350)	622,500
Finance cost paid		(14,447)	(55,683)
Income tax paid		191	(5,108)
Staff retirement gratuity paid		-	(1,762)
Net decrease / (increase) in long term deposits and prepayments		39	(2,107)
Net decrease in long term loans		-	37
Net cash (utilized in) / generated from operating activities		(99,567)	557,877
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		211	3,363
Proceeds from sale of non-current assets held for sale		37,595	-
Capital expenditure on property, plant and equipment		(58,808)	(37,653)
Profit on long term investments received		1,132	-
Net cash used in investing activities		(19,870)	(34,290)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		-	105,236
Repayment of long term financing		-	(94,093)
Short term borrowings - net		122,039	(536,674)
Net cash from / (used in) financing activities		122,039	(525,531)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		2,602	(1,944)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		2,765	9,991
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		5,367	8,047

The annexed notes form an integral part of this condensed interim financial information.



KH. AIZAD AMER
Chief Executive Officer




KH. AANS AMER
Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-audited)
FOR THE HALF YEAR ENDED 31 DECEMBER 2015

	SHARE CAPITAL				RESERVES			TOTAL EQUITY
	Share premium	Equity portion of Shareholders' loan	CAPITAL RESERVE		REVENUE RESERVE	Unappropriated profit	TOTAL	
			Sub total	Sub total				
Balance as at 30 June 2014 - (Audited)	96,600	17,250	-	17,250	458,984	-	476,234	5,72,834
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	-	-	1,507	-	1,507	1,507
Loss for the half year ended 31 December 2014	-	-	-	-	(74,385)	-	(74,385)	(74,385)
Other comprehensive income for the half year ended 31 December 2014	-	-	-	-	-	-	-	-
Total comprehensive loss for the half year ended 31 December 2014	-	-	-	-	(74,385)	-	(74,385)	(74,385)
Balance as at 31 December 2014 - (Un-audited)	96,600	17,250	-	17,250	388,106	-	403,356	4,99,966
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	-	-	2,256	-	2,256	2,256
Loss for the half year ended 30 June 2015	-	-	-	-	(199,075)	-	(199,075)	(199,075)
Other comprehensive income for the half year ended 30 June 2015	-	-	-	-	-	-	-	-
Total comprehensive loss for the half year ended 30 June 2015	-	-	-	-	(199,075)	-	(199,075)	(199,075)
Transaction with owners: Equity portion of shareholder's loan	-	-	23,416	23,416	-	(109,075)	(199,075)	(199,075)
Balance as at 30 June 2015 - (Audited)	96,600	17,250	23,416	40,666	180,287	-	23,416	326,653
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	-	-	3,116	-	3,116	3,116
Loss for the half year ended 31 December 2015	-	-	-	-	(32,930)	-	(32,930)	(32,930)
Other comprehensive income for the half year ended 31 December 2015	-	-	-	-	-	-	-	-
Total comprehensive loss for the half year ended 31 December 2015	-	-	-	-	(32,930)	-	(32,930)	(32,930)
Transactions with owners:	-	-	23,416	23,416	-	-	23,416	23,416
Equity portion of shareholder's loan	-	-	(4,254)	(4,254)	-	-	(4,254)	(4,254)
Transferred to shareholder's loan	-	-	-	-	-	-	-	-
Balance as at 31 December 2015 - (Un-audited)	96,600	17,250	19,162	36,412	147,357	-	219,301	3,15,501

The annexed notes form an integral part of this condensed interim financial information.


KH. AIZAD AMER
Chief Executive Officer


KH. AANS AMER
Director

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (Un-audited)
FOR THE HALF YEAR ENDED 31 DECEMBER 2015**

1. THE COMPANY AND ITS OPERATIONS

Ishaq Textile Mills Limited (the Company) is a public limited company incorporated in Pakistan under the Companies Act, 1913 (now Companies Ordinance, 1984) and is listed on Pakistan Stock Exchange Limited. Its registered office is situated at Room No. 404-405, 4th Floor, Business Centre, Mumtaz Hassan Road, Karachi. The mills premises are located at Tehsil Jaranwala, District Faisalabad, in the Province of Punjab. The principal activity of the Company is manufacturing, sale and trading of yarn and cloth.

2. BASIS OF PREPARATION

This condensed interim financial information is un-audited but subject to limited scope review by the statutory auditors and is being submitted to shareholders as required by section 245 of the Companies Ordinance, 1984. This condensed interim financial information of the Company for the half year ended 31 December 2015 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. This condensed interim financial information should be read in conjunction with the audited annual published financial statements of the Company for the year ended 30 June 2015.

3. ACCOUNTING POLICIES AND COMPUTATION METHODS

The accounting policies and methods of computations adopted for the preparation of this condensed interim financial information are the same as applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended 30 June 2015.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of this condensed interim financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During preparation of this condensed interim financial information, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Company for the year ended 30 June 2015.

5. LONG TERM FINANCING

	Un-audited 31 December 2015	Audited 30 June 2015
	(RUPEES IN THOUSAND)	
Opening balance	91,695	261,814
Add :		
Obtained during the period / year	-	126,500
Transferred from short term borrowings	100,000	-
Transferred from equity portion of shareholder's loan	4,254	-
	195,949	388,314
Less:		
Repaid during the period / year	-	273,203
Equity portion of shareholders' loan	23,416	23,416
	23,416	296,619
	<u>172,533</u>	<u>91,695</u>

6. CONTINGENCIES AND COMMITMENTS

a) Contingencies

- i) The Company is contingently liable for Rupees 2.400 million (30 June 2015: Rupees 2.400 million) to Director Excise and Taxation on account of import duty.
- ii) Guarantees of Rupees 34.442 million (30 June 2015: Rupees 36.841 million) have been given by the banks of the Company to Sui Northern Gas Pipelines Limited against gas connections and to Faisalabad Electric Supply Company Limited against electricity connection.

b) Commitments

- i) Letters of credit for capital expenditure are of Rupees Nil (30 June 2015: Rupees 36.968 million).
- ii) There was no letter of credit or contract other than for capital expenditure (30 June 2015: Rupees Nil)

Un-Audited	Audited
31 December	30 June
2015	2015
(RUPEES IN THOUSAND)	

7. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets (Note 7.1)	811,766	780,713
Capital work-in-progress	7,400	2,740
	<u>819,166</u>	<u>783,453</u>

7.1 Operating fixed assets

Opening book value	780,713	915,760
Add: Cost of additions during the period / year (Note 7.1.1)	54,148	68,172
	<u>834,861</u>	<u>983,932</u>

Less:

Book value of deletions during the period / year (Note 7.1.2)	172	19,698
Book value of assets transferred to non-current assets held for sale	-	133,978
	<u>172</u>	<u>153,676</u>

Depreciation charged during the period / year	22,923	49,543
	<u>811,766</u>	<u>780,713</u>

7.1.1 Cost of additions during the period / year

Buildings on freehold land - mills	2,923	289
Building on freehold land - other	-	6,200
Plant and machinery	48,115	40,268
Electric installations / appliances	364	2,139
Generators	-	1,170
Furniture, fixtures	150	913
Office equipment	-	236
Computers	6	120
Vehicles	2,590	16,837
	<u>54,148</u>	<u>68,172</u>

7.1.2 Book value of deletions during the period / year

Plant and machinery	-	17,072
Vehicles	172	2,626
	<u>172</u>	<u>19,698</u>

Un-Audited	Audited
31 December 2015	30 June 2015

(RUPEES IN THOUSAND)

8. NON-CURRENT ASSETS HELD FOR SALE

The non-current assets classified as held for sale under IFRS 5 "Non Current Assets Held for Sale and Discontinued Operations" are summarized hereunder:

Property, plant and equipment - Weaving segment (Note 8.1)	82,498	102,294
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Certain items of property, plant and equipment related to Weaving Unit have been presented as held for sale following the approval of the Board of Directors and shareholders of the Company in Annual General Meeting held on 31 October 2014 regarding the disposal of certain items of plant and machinery of Weaving segment of the Company. Some assets have been sold during the period. Moreover the management is hopeful of completing the sale transactions of remaining assets during the current financial year.

8.1 Book value of assets transferred from property, plant and equipment:

Plant and machinery	102,294	133,978
Less: Book value of assets disposed of during the period / year	19,796	31,684
Carrying value of non-current assets held for sale as at 31 December / 30 June	82,498	102,294

Some of the non-current assets held for sale were disposed of during the period / year against sale consideration of Rupees 37.595 million (30 June 2015: Rupees 8.750 million)

Un-Audited	
31 December 2015	31 December 2014

(RUPEES IN THOUSAND)

8.2 Analysis of results of discontinued operations

SALES	-	209,317
COST OF SALES	-	(239,436)
GROSS LOSS	-	(30,119)
DISTRIBUTION COST	-	(1,089)
ADMINISTRATIVE EXPENSES	(1,212)	(8,359)
OTHER EXPENSES	(5,843)	-
	(7,055)	(9,448)
	(7,055)	(39,567)
OTHER INCOME	19,808	2,552
PROFIT / (LOSS) FROM DISCONTINUED OPERATION	12,753	(37,015)
FINANCE COST	(152)	(25,199)
PROFIT / (LOSS) BEFORE TAXATION FROM DISCONTINUED OPERATION	12,601	(62,214)
TAXATION	(356)	(216)
PROFIT / (LOSS) AFTER TAXATION FROM DISCONTINUED OPERATION	12,245	(62,430)

8.3 Analysis of the cash flows of discontinued operation

Operating cash flows	(38,456)	330,376
Investing cash flows	38,727	1,902
Financing cash flows	-	(329,437)
	271	2,841

(Un-audited)			
Half year ended		Quarter ended	
31 December 2015	31 December 2014	31 December 2015	31 December 2014

(RUPEES IN THOUSAND)

9. COST OF SALES

Raw materials consumed	540,029	476,345	294,553	253,558
Loading, unloading and other charges	1,860	1,231	1,111	139
Salaries, wages and other benefits	62,243	48,589	32,550	26,061
Stores, spare parts and loose tools consumed	11,997	13,085	5,636	6,147
Packing materials consumed	12,599	8,777	6,709	4,305
Repair and maintenance	313	1,564	192	773
Fuel and power	67,503	85,243	30,683	38,747
Insurance	1,133	1,374	560	679
Other factory overheads	107	23	55	12
Depreciation	14,340	13,712	7,570	4,669
	712,124	649,943	379,619	335,090
Work-in-process				
Opening stock	8,245	9,014	7,586	8,294
Closing stock	(7,907)	(10,822)	(7,907)	(10,822)
	338	(1,808)	(321)	(2,528)
Cost of goods manufactured	712,462	648,135	379,298	332,562
Finished goods				
Opening stock	64,320	126,800	57,345	113,048
Closing stock	(49,920)	(75,204)	(49,920)	(75,204)
	14,400	51,596	7,425	37,844
	726,862	699,731	386,723	370,406

Un-audited	
Half year ended	
31 December 2015	31 December 2014

(RUPEES IN THOUSAND)

10. CASH (UTILIZED IN) / GENERATED FROM OPERATIONS

Loss before taxation	(33,716)	(95,777)
Adjustments for non-cash charges and other items:		
Depreciation	22,923	22,295
Transfer of staff retirement gratuity to Employees' Provident Fund Trust	-	566
Gain on sale of non-current assets held for sale	(17,799)	-
Gain on sale of property, plant and equipment	(38)	(1,210)
Credit balances written back	(1,706)	-
Provision for staff retirement gratuity	3,606	-
Profit on long term investments	(265)	(267)
Finance cost	13,958	39,819
Working capital changes (Note 10.1)	(72,313)	657,074
	(85,350)	622,500

10.1 Working capital changes

(Increase) / decrease in current assets:

Stores, spare parts and loose tools	(1,346)	9,237
Stock in trade	(126,256)	205,176
Trade debts	20,190	420,303
Loans and advances	(1,748)	(6,350)
Short term deposits and prepayments	(1,668)	(1,892)
Other receivables	(4,262)	6,709
	(115,090)	633,183
Increase in trade and other payables	42,777	23,891
	(72,313)	657,074

11. SEGMENT INFORMATION

11.1 Reconciliation of reportable segment assets and liabilities:

	Spinning		Weaving		Total - Company	
	(Un-audited) 31 December 2015	Audited 30 June 2015	(Un-audited) 31 December 2015	Audited 30 June 2015	(Un-audited) 31 December 2015	Audited 30 June 2015
(RUPEES IN THOUSAND)						
Total assets for reportable segments	1,244,828	1,067,995	312,447	356,768	1,557,275	1,424,763
Total liabilities for reportable segments	852,773	660,830	129,540	174,418	982,313	835,248
Unallocated liabilities:						
Deferred income tax liability					20,792	17,986
Provision for taxation					7,635	11,227
Total liabilities as per balance sheet					1,010,740	864,461

11.2 Segments results are not given for the current period because the Company has discontinued the operation of Weaving segment during the year ended 30 June 2015. Analysis of results of discontinued operation has been given in Note 8 of this condensed interim financial information. Meanwhile whole of the results of the Company relates to the Spinning segment.

12. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated companies / undertakings, other related parties and key management personnel. The Company in the normal course of business carries out transactions with various related parties. Detail of transactions and balances with related parties are as follows:

(Un-audited)			
Half year ended		Quarter ended	
31 December 2015	31 December 2014	31 December 2015	31 December 2014

----- (RUPEES IN THOUSAND) -----

i) Transactions**Associated companies / undertakings:**

Purchase of goods and services	-	761	-	-
Fuel purchased	1,717	1,643	862	838
Purchase of operating fixed assets	-	1,125	-	1,125
Sale of goods	572	155,143	12	3,942
Sale of spare parts, chemicals etc.	-	1,060	-	1,060
Sale of operating fixed assets	-	1,455	-	-

Other related parties:

Remuneration paid to Chief Executive Officer, Directors and Executives	5,896	5,272	3,240	2,775
Loan obtained from directors	92,540	105,236	27,440	94,712
Loan repaid to directors	35,850	21,500	28,250	12,200
Company's contribution to Employees' Provident Fund Trust	-	2,299	-	526

Un-audited	Audited
31 December	30 June
2015	2015
(RUPEES IN THOUSAND)	

ii) Period end balances

Long term financing	200,000	100,000
Trade and other payables	4,906	4,380
Short term borrowings	152,143	195,453
Trade debts	6,678	8,294

13. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual financial statements of the Company for the year ended 30 June 2015.

14. DATE OF AUTHORIZATION

This condensed interim financial information was approved by the Board of Directors and authorized for issue on February 29, 2016.

15. CORRESPONDING FIGURES

In order to comply with the requirements of IAS 34, the condensed interim balance sheet and condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding financial year, whereas, the condensed interim profit and loss account, condensed interim statement of comprehensive income and condensed interim cash flow statement have been compared with the balances of comparable period of immediately preceding financial year.

Corresponding figures of profit and loss account and related notes have been re-arranged due to showing Weaving segment as discontinued operation. Apart from that, no significant re-arrangements have been made.

16. GENERAL

Figures have been rounded off to the nearest thousand of Rupees unless otherwise stated.



KH. AIZAD AMER
Chief Executive Officer



KH. AANS AMER
Director

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