

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		5,367	6,622
				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

