

1ST
QUARTERLY
REPORT

ISHAQ
TEXTILE MILLS LIMITED

SEPTEMBER 30, 2017
(UN-AUDITED)

COMPANY INFORMATION

Board of Directors	Mrs. Nazma Amer Mr. Aizad Amer Mrs. Zareen Akhtar Mr. Anns Amer Mrs. Hajra Raza Ms. Yusra Amer Mr. Abdul Rauf	Chairperson Chief Executive Officer Director Director Director Director
Audit Committee	Mr. Abdul Rauf Mrs. Hajra Raza Mrs. Zareen Akhtar	Chairman Member Member
HR and Remuneration Committee	Mrs. Zareen Akhtar Mr. Abdul Rauf Ms. Yusra Amer	Chairperson Member Member
Chief Financial Officer	Mr. Muhammad Saqib Ehsan	
Company Secretary	Mr. Tahir Shahzad	
Auditors	Riaz Ahmad and Company Chartered Accountants 560-F, Raja Road, Gulistan Colony, Faisalabad	
Bankers	Bank Al Habib Limited Habib Metropolitan Bank Limited Al-Baraka Bank (Pakistan) Limited Faysal Bank Limited Habib Bank Limited Meezan Bank Limited National Bank of Pakistan	
Share Registrar	Corplink (Private) Limited Wings Arcade, I-K, Commercial, Model Town, Lahore	
Registered Office & Mills	35 Kilometer, Sheikhpura Road, Tehsil Jaranwala, 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 1st quarter ended September 30, 2017.

	Quarter ended	
	30 September 2017	30 September 2016
	(Rupees in Thousand)	
CONTINUING OPERATIONS:		
REVENUE	322,093	260,554
COST OF SALES	(316,846)	(277,660)
GROSS PROFIT / (LOSS)	5,247	(17,106)
DISTRIBUTION COST	(432)	(1,354)
ADMINISTRATIVE EXPENSES	(9,086)	(14,845)
OTHER INCOME	3,034	253
FINANCE COST	(5,754)	(10,440)
LOSS BEFORE TAXATION	(6,991)	(43,492)
TAXATION	(11,139)	(6,116)
LOSS AFTER TAXATION FROM CONTINUING OPERATIONS	(18,130)	(49,608)
DISCONTINUED OPERATIONS:		
LOSS AFTER TAXATION FROM DISCONTINUED OPERATION	-	(9,763)
LOSS AFTER TAXATION	(18,130)	(59,371)
LOSS PER SHARE- BASIC AND DILUTED FROM CONTINUED OPERATIONS (RUPEES)	(1.88)	(5.14)
LOSS PER SHARE- BASIC AND DILUTED FROM DISCONTINUED OPERATIONS (RUPEES)	0.00	(1.01)

REVIEW OF OPERATING RESULTS

During the period under review sales were Rupees 322.093 million as compared to Rupees 260.554 million of corresponding period. Cost of sales was Rupees 316.846 million as compared to Rupees 277.660 million of corresponding period. However the Company incurred loss after taxation of Rupees 18.130 million from both continuing and discontinuing operations as compared to loss after taxation of Rupees 59.371 million of the corresponding period.

The period under review has not been very good for textile industry as a whole. Textile exports of the country are also decreasing day by day. This sluggish trend is mainly due to the high cost of performing business as compared to our competitors in international market, erratic trends in the prices of raw material, disproportionate selling prices of yam, adverse economic conditions, heavy taxes and constant increase in minimum wages.

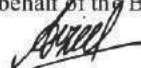
FUTURE OUTLOOK

Due to the installation of Compact Spinning System on 41 ring frames, enhancement of production capacity, conversion of whole of the operations of the Company from coarse count to fine count and all other stern efforts made by the management, the company produced better results as compared to corresponding period. Moreover, the management of the Company is also taking steps to enhance the production capacity by adding more spindles and to install the compact spinning system on the remaining ring frames of the Company

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



(Aizad Amer)

Chief Executive Officer

FAISALABAD

Dated: October 30, 2017

حصص یافتگان کے لئے ڈائریکٹرز کی رپورٹ

بورڈ آف ڈائریکٹرز انہنائی مسرت کے ساتھ 30 ستمبر 2017 کو ختم ہونے والی پہلی سہ ماہی تک کی کارکردگی کا جائزہ پیش کر رہے ہیں۔
مالیاتی نتائج:

30 September 2016	30 September 2017	
(رقم ہزاروں میں)	(رقم ہزاروں میں)	جاری کاروائی
260,554	322,093	آمدن
(277,660)	(316,846)	فروخت کی لاگت
(17,106)	5,247	مجموعی نفع/(نقصان)
(1,354)	(432)	تقسیم کی لاگت
(14,845)	(9,086)	انتظامیہ اخراجات
253	3,034	دیگر آمدن
(10,440)	(5,754)	مالیاتی لاگت
(43,492)	(6,991)	ٹیکس سے پہلے نقصان
(6,116)	(11,139)	ٹیکس
(49,608)	(18,130)	ٹیکس کے بعد نقصان جاری کاروائی سے
(9,763)	-	رکی کاروائی:
(59,371)	(18,130)	ٹیکس کے بعد نقصان رکی کاروائی سے
(5.14)	(1.88)	ٹیکس کے بعد نقصان
(1.01)	0.00	نقصان فی حصہ جاری کاروائی سے (روپے)
		نقصان فی حصہ رکی کاروائی سے (روپے)

کاروائی کے نتیجہ کا جائزہ:

دوران جائزہ سہ ماہی آمدن مبلغ 322.093 ملین میں ہوئی۔ جبکہ اس کے مقابل پچھلے سال کی سہ ماہی آمدن مبلغ 260.554 ملین تھی۔
فروخت کی لاگت مبلغ 316.846 ملین ہے۔ جبکہ اس کے مقابل پچھلے سال کی سہ ماہی میں فروخت کی لاگت مبلغ 277.660 ملین تھی۔
تاہم کمپنی کو اس مالی سال کی پہلی سہ ماہی میں ٹیکس کے بعد مبلغ 18.130 ملین کا نقصان ہوا۔ جبکہ اس کے مقابل پچھلے سال کی سہ ماہی میں ٹیکس کے بعد مبلغ 59.371 ملین کا نقصان ہوا تھا۔ موجودہ مالیاتی سال کی پہلی سہ ماہی تمام ٹیکسٹائل انڈسٹری کے لئے بہت اچھی

نہیں تھی۔ ملک کی ٹیکسٹائل برآمدات روز بروز کم ہو رہی ہیں۔ اس سست رجحان کی بنیادی وجہ عالمی مارکیٹ کے مقابل کارکردگی میں زیادہ اخراجات، خام مال کی قیمتوں میں اضافہ، دھاگے کی غیر مناسب قیمت فروخت، منفی اقتصادی حالات، بھاری ٹیکس اور تنخواہوں میں مسلسل اضافہ ہیں۔

مستقبل کا خاکہ:

کمپنی کے 41 رنگ فریموں پر کمپیکٹ سپننگ سسٹم لگانے، پیداواری صلاحیت بڑھانے، کمپنی کی تمام پیداوار کو موٹے دھاگے سے باریک دھاگے پر تبدیل کرنے اور کمپنی مینجمنٹ کی دیگر انتھک کوششوں کی بدولت کمپنی نے اس مالیاتی سال کی پہلی سہ ماہی میں پچھلے مالیاتی سال کی پہلی سہ ماہی کی نسبت بہتر نتائج دیئے ہیں۔ مزید برآں کمپنی کی انتظامیہ پیداواری صلاحیت کو بڑھانے کے لیے مزید سپنڈلز شامل کر رہی ہے اور بقیہ رنگ فریموں پر بھی کمپیکٹ سپننگ سسٹم لگا رہی ہے۔

اعتراف:

بورڈ اپنے گاہوں، سپلائرز، بنکرز، اور ملازموں کے تعاون، عزم اور محنت کی تعریف کرتا ہے اور اسے اپنے ریکارڈ میں لاتا ہے۔

مچانٹ بورڈ آف ڈائریکٹرز


ایزد عامر

چیف ایگزیکٹو آفیسر

فیصل آباد

مورخہ 30 اکتوبر 2017

CONDENSED INTERIM BALANCE SHEET AS AT 30 SEPTEMBER 2017

	NOTE	Un-audited 30 September 2017	Audited 30 June 2017	NOTE	Un-audited 30 September 2017	Audited 30 June 2017
EQUITY AND LIABILITIES						
SHARE CAPITAL AND RESERVES						
Authorized share capital						
10 000 000 (30 June 2017; 10 000 000)				6		
ordinary shares of Rupees 10 each		100,000	100,000			
Issued, subscribed & paid up share capital						
Directors' loan		96,600	96,600		834,135	836,982
Reserves		360,000	360,000		105,979	105,979
		(5,815)	8,706		5,885	5,901
Total equity		449,785	465,306		3,997	3,800
Surplus on revaluation of property, plant and equipment - net of deferred income tax		284,444	287,053		949,996	952,662
LIABILITIES						
NON-CURRENT LIABILITIES						
Deferred income tax liability		57,945	50,917		37,610	36,605
Staff retirement gratuity		9,497	8,950		257,033	146,219
Long term security deposit		4,000	4,000		38,909	51,617
		71,442	63,867		80,841	63,634
CURRENT LIABILITIES						
Trade and other payables		150,835	141,184		4,749	2,431
Accrued mark-up		6,959	6,052		22,571	22,505
Short term borrowings		439,721	325,811		1,575	1,541
Provision for taxation		4,026	3,670		13,938	15,729
		601,551	478,717		457,226	340,281
TOTAL LIABILITIES		672,993	540,584			
CONTINGENCIES AND COMMITMENTS						
TOTAL EQUITY AND LIABILITIES	5	1,407,222	1,292,943		1,407,222	1,292,943

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



AIZAD AMER

Chief Executive Officer



ANIS AMER

Director



Muhammad Saqib Ehsan

Chief Financial Officer

ASSETS

NON-CURRENT ASSETS

Property, plant and equipment						
Investment properties						
Long term investments						
Long term deposits and prepayments						
		834,135	836,982			
		105,979	105,979			
		5,885	5,901			
		3,997	3,800			
		949,996	952,662			

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 investments						
Cash and bank balances						
		37,610	36,605			
		257,033	146,219			
		38,909	51,617			
		80,841	63,634			
		4,749	2,431			
		22,571	22,505			
		1,575	1,541			
		13,938	15,729			
		457,226	340,281			

TOTAL ASSETS

		1,407,222	1,292,943
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**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE 1ST QUARTER ENDED 30 SEPTEMBER 2017**

	NOTE	Quarter ended	
		30 September 2017	30 September 2016
(Rupees in Thousand)			
CONTINUING OPERATIONS:			
REVENUE		322,093	260,554
COST OF SALES	7	<u>(316,846)</u>	<u>(277,660)</u>
GROSS PROFIT / (LOSS)		5,247	(17,106)
DISTRIBUTION COST		(432)	(1,354)
ADMINISTRATIVE EXPENSES		(9,086)	(14,845)
OTHER INCOME		3,034	253
FINANCE COST		<u>(5,754)</u>	<u>(10,440)</u>
LOSS BEFORE TAXATION		(6,991)	(43,492)
TAXATION		<u>(11,139)</u>	<u>(6,116)</u>
LOSS AFTER TAXATION FROM CONTINUING OPERATIONS		(18,130)	(49,608)
DISCONTINUED OPERATIONS:			
LOSS AFTER TAXATION FROM DISCONTINUED OPERATION		-	(9,763)
LOSS AFTER TAXATION		<u>(18,130)</u>	<u>(59,371)</u>
LOSS PER SHARE- BASIC AND DILUTED FROM CONTINUED OPERATIONS (RUPEES)		<u>(1.88)</u>	<u>(5.14)</u>
LOSS PER SHARE- BASIC AND DILUTED FROM DISCONTINUED OPERATIONS (RUPEES)		<u>0.00</u>	<u>(1.01)</u>

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



AIZAD AMER
Chief Executive Officer



ANNS AMER
Director



Muhammad Saqib Ehsan
Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE 1ST QUARTER ENDED 30 SEPTEMBER 2017**

	Quarter ended	
	30 September 2017	30 September 2016
	(Rupees in thousand)	
LOSS AFTER TAXATION	(18,130)	(59,371)
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified subsequently to profit or loss	-	-
Items that may be reclassified subsequently to profit or loss	-	-
	-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	<u>(18,130)</u>	<u>(59,371)</u>

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



AIZAD AMER
Chief Executive Officer



ANNS AMER
Director



Muhammad Saqib Ehsan
Chief Financial Officer

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE 1st QUARTER ENDED 30 SEPTEMBER 2017

	NOTE	Quarter ended	
		30 September 2017	30 September 2016
(Rupees in thousand)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	8	(99,746)	53,938
Finance cost paid		(4,837)	(8,371)
Income tax paid		(2,284)	(2,819)
Staff retirement gratuity paid		(1,525)	(1,044)
Net increase in long term deposits and prepayments		(197)	(213)
NET CASH (USED IN) / GENERATED FROM OPERATING ACTIVITIES		(108,589)	41,491
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant & equipment		(7,226)	(824)
Proceeds from disposal of property, plant & equipment		-	394
Profit on long term investments received		114	-
Net cash used in investing activities		(7,112)	(430)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		-	(963)
Short term borrowings - net		113,910	(41,450)
Net cash from / (used in) financing activities		113,910	(42,413)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(1,791)	(1,352)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		15,729	5,582
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		13,938	4,230

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



AIZAD AMER
Chief Executive Officer



ANNS AMER
Director



Muhammad Saqib Ehsan
Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-audited)
FOR THE 1ST QUARTER ENDED 30 SEPTEMBER 2017**

	RESERVES				TOTAL EQUITY					
	SHARE CAPITAL	DIRECTORS' LOAN	CAPITAL RESERVE			TOTAL				
			Share premium	Equity portion of Shareholder's loan			Sub total	REVENUE RESERVE Unappropriated profit / (accumulated loss)		
Balance as at 30 June 2016 - (Audited)	96,600	-	17,250	44,778	62,028	114,213	176,241	272,841		
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	-	-	-	1,763	1,763	1,763	(59,371)	(59,371)
Loss for the period ended	-	-	-	-	-	-	-	-	-	-
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	-	-	-	-	(59,371)	(59,371)
Balance as at 30 September 2016 - (Un-audited)	96,600	-	17,250	44,778	62,028	56,606	118,633	215,233		
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	-	-	-	6,540	6,540	6,540		
Surplus transferred to unappropriated profit on account of disposal of property, plant and equipment - net of deferred income tax	-	-	-	-	-	-	4,126	4,126	(120,967)	(120,967)
Loss for the period	-	-	-	-	-	-	-	-	374	374
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	-	-	-	-	(120,593)	(120,593)
Directors' loans received / repaid during the period	-	360,000	-	-	-	-	-	-	-	-
Balance as at 30 June 2017 - (Audited)	96,600	360,000	17,250	44,778	62,028	(53,322)	8,706	465,306		
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	-	-	-	2,609	2,609	2,609	(18,130)	(18,130)
Loss for the period	-	-	-	-	-	-	-	-	-	-
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	-	-	-	-	(18,130)	(18,130)
Balance as at 30 September 2017 - (Un-audited)	96,600	360,000	17,250	44,778	62,028	(68,843)	(6,815)	449,795		

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



AIZAD AMER
Chief Executive Officer



ANNS AMER
Director



Muhammad Saqib Ehsan
Chief Financial Officer

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE 1ST QUARTER ENDED 30 SEPTEMBER 2017**

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 Act, 2017) and is listed on Pakistan Stock Exchange Limited. Its registered office and mills premises are situated at 35 Kilometers Shekhupura Road, Faisalabad. 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 unaudited 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 1st quarter ended 30 September 2017 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 as applicable in Pakistan and notified by the Securities and Exchange Commission of Pakistan (SECP). 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 for the year ended 30 June 2017.

The Companies Ordinance, 1984 has been repealed after the enactment of Companies Act, 2017 on 30 May 2017. SECP vide its circular 23 of 2017 dated 04 October 2017 has clarified that the Companies whose financial year closes on or before 31 December 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984.

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 2017.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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 2017.

Un-Audited	Audited
30 September 2017	30 June 2017

Rupees in thousand

5. CONTINGENCIES AND COMMITMENTS

a) Contingencies

- i) i) The Company is contingently liable for Rupees 3,000 million (2017: Rupees 3,000 million) to Director Excise and Taxation on account of import duty.
- ii) ii) Guarantees of Rupees 34,442 million (2017: Rupees 34,442 million) are given by the banks of the Company to Sui Northern Gas Pipelines Limited (SNGPL) against gas connections and Faisalabad Electric Supply Company Limited (FESCO) against electricity connection.
- iii) iii) An appeal has been filed by the Company before Commissioner Inland Revenue (Appeals) against the demand of Rupees 22,378 million by the tax department regarding disallowance of minimum tax adjustment for the tax year 2011. The related provision is not made in these financial statements in view of favorable outcome of the appeal.
- iv) iv) The Company has filed an appeal in Lahore High Court, Lahore against the charge of Gas Infrastructure Development Cess (GIDC) charged by SNGPL. The related provision of Rupees 13,500 million is not accounted for in these financial statements in view of favourable outcome of the appeal.

b) Commitments

- i) Letter of credit for capital expenditure is of Rupees 2,272 million (2017: Rupees 1,680 million).
- ii) Letters of credit other than for capital expenditure are of Rupees 41,751 million (2017: Rupees 18,575 million).

6. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets (Note 6.1)	833,474	836,982
Capital work-in-progress	661	-

834,135	836,982
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6.1 Operating fixed assets

Opening book value	836,982	883,546
Add: Cost of additions during the period / year (Note 6.1.1)	6,565	79,209
Effect of revaluation- Net of deferred tax	-	-
	843,547	962,755

Un-Audited	Audited
30 September 2017	30 June 2017

Rupees in thousand

Less: Book value of land and building transferred to investment properties		76,155
Less: Book value of deletions during the period / year (Note 6.1.2)	-	7,720
	843,547	878,880

Less: Depreciation charged for the period / year	10,073	41,898
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833,474	836,982
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Un-Audited	Audited
30 September 2017	30 June 2017

Rupees in thousand

6.1.1 Cost of additions during the period/year

Buildings on free hold land - mills	-	4,414
Plant and machinery	5,668	73,588
Electric installations / appliances	12	102
Factory equipment	-	74
Generators	-	832
Furniture, fixtures	-	3
Office equipment	-	83
Computers	20	-
Vehicles	865	113

6,585	79,209
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6.1.2 Book value of deletions during the period / year

Plant and machinery	-	6,625
Vehicles	-	1,095

-	7,720
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(Un-Audited)	
Quarter ended	
30 September 2017	30 September 2016

7. COST OF SALES

Raw material consumed (Note 7.1)	204,848	156,342
Loading and unloading	597	792
Salaries, wages and other benefits	26,646	29,312
Staff retirement benefits	1,714	1,214
Stores, spares and loose tools consumed	9,118	8,444
Packing material consumed	6,044	3,837
Repairs and maintenance	377	113
Fuel and power	44,260	30,307
Insurance	749	582
Other factory overheads	530	793
Depreciation	9,170	9,496
	304,053	241,232

Work in process

Opening stock	2,906	1,645
Closing stock	(10,430)	(8,262)
	(7,524)	(6,617)

Cost of goods manufactured	296,529	234,615
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Cost of sales purchased for resale	16,436	1,144
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Finished goods

Opening stock	39,224	122,561
Closing stock	(35,343)	(80,660)

3,881	41,901
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316,846	277,660
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(Un-Audited)	
Quarter ended	
30 September 2017	30 September 2016

7.1 Raw material consumed

Opening Stock	104,089	158,504
Add: Purchases during the period	<u>310,762</u>	<u>97,571</u>
	414,851	256,075
Less: Closing Stock	<u>(210,003)</u>	<u>(99,733)</u>
	<u>204,848</u>	<u>156,342</u>

8. CASH (USED IN) / GENERATED FROM OPERATIONS

Loss before taxation	(6,991)	(43,492)
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Adjustments for non-cash charges and other items:

Depreciation	10,073	10,654
Transfer of staff retirement gratuity to Employees' Provident Fund Trust	-	-
Provision for gratuity	2,072	1,803
Gain on sale of property, plant and equipment	-	(155)
Profit on long term investments	(133)	(98)
Finance cost	5,754	10,440
Working capital changes (Note 8.1)	<u>(110,521)</u>	<u>74,786</u>
	<u>(99,746)</u>	<u>53,938</u>

8.1 Working capital changes

Decrease / (Increase) in current assets:

Stores, spare parts and loose tools	(1,006)	(1,355)
Stock in trade	(110,814)	94,054
Trade debts	12,708	27,127
Loans and advances	(18,677)	(17,226)
Short term deposits and prepayments	(2,318)	(2,321)
Other receivables	(66)	(4,924)
	<u>(120,172)</u>	<u>95,355</u>
Increase in trade and other payables	9,651	(20,569)
	<u>(110,521)</u>	<u>74,786</u>

9. TRANSACTIONS WITH RELATED PARTIES

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

i) Transactions

Associated companies / undertakings

Fuel and power purchased	714	752
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Other related parties

Remuneration paid to Chief Executive Officer, Directors and executives	1,021	1,885
Loan obtained from directors	3,300	88,280
Loan repaid to directors	12,300	75,380

10. 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 2017.

11. DATE OF AUTHORIZATION

This condensed interim financial information was approved by the Board of Directors of the Company and authorised for issue on 30 October 2017.

12. CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting", 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 profit or loss and other comprehensive income and condensed interim cash flow statement have been compared with the balances of comparable period of immediately preceding financial year.

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However, no significant re-arrangements have been made.

13. GENERAL

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



AIZAD AMER
Chief Executive Officer



ANNS AMER
Director



Muhammad Saqib Ehsan
Chief Financial Officer

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