



**ARSHAD GROUP**

**HALF YEARLY  
ACCOUNTS  
DECEMBER 31, 2013  
(UN-AUDITED)**

***ISHAQ* TEXTILE MILLS LIMITED**

## COMPANY INFORMATION

CHAIRMAN	Mr.Muhammad Arshad
CHIEF EXECUTIVE	Mr.Nisar Ahmad Sheikh
DIRECTORS	Mr.Muhammad Saeed Sheikh Mr.Amjad Saeed Mr.Shahzad Ahmad Sheikh Mr.Shehryar Arshad Mr.Aizad Amer Mrs.Zareen Akhtar
AUDIT COMMITTEE	
CHAIRMAN	Mr. Shehryar Arshad
MEMBER	Mr.Muhammad Saeed Sheikh
MEMBER	Mr.Amjad Saeed
HR & REMUNERATION COMMITTEE	
CHAIRMAN	Mr.Muhammad Arshad
MEMBER	Mr.Muhammad Saeed Sheikh
MEMBER	Mr.Shehryar Arshad
CHIEF FINANCIAL OFFICER	Mian Muhammad Tariq Iqbal
COMPANY SECRETARY	Mr.Muhammad Ikram Elahi
AUDITORS	Riaz Ahmad & Co. Chartered Accountants
BANKERS	Habib Bank Limited United Bank Limited Bank Alfalah Limited Faysal Bank Limited Bank Al-Habib Limited Al-Baraka Bank (Pakistan) Limited Habib Metropolitan Bank Limited
REGISTERED OFFICE	404-405, 4 <sup>th</sup> Floor, Business Centre, Mumtaz Hassan Road, Karachi. Tel. 021-32412814 <u>Web: <a href="http://www.arshadgroup.com">www.arshadgroup.com</a></u>
SHARES REGISTRAR	Consulting One (Pvt) Limited, 478-D, Peoples Colony No.1, Faisalabad.
FACTORY	Sheikhupura Road, Tehsil Jaranwala, District Faisalabad.

# ISHAQ TEXTILE MILLS LIMITED

## DIRECTORS' REVIEW TO THE SHARE HOLDERS

The Directors of your Company feel pleasure to submit un-audited financial statements of your Company for the half year ended December 31, 2013.

### FINANCIAL RESULTS

	Half year ended December 31, 2013	Half year ended December 31, 2012
	(Rupees in Million)	
Sales	2,085.239	1,848.576
Cost of sales	(1,881.362)	(1,642.243)
Gross Profit	203.877	206.333
Operating & financial expenses	(183.310)	(156.661)
Net profit/ (loss) after taxation	20.567	49.672
Earnings/ (loss) per share- basic and diluted (Rupees)	2.13	5.14

During the period under review sales were Rs.2,085.239 Million as compared to Rs.1,848.576 Million of corresponding period. Cost of sales was Rs.1,881.362 Million i.e.90.22% as compared to Rs. 1,642.243 Million i.e.88.84% of corresponding period. Gross profit was 9.77% as compared to 11.16% in the corresponding period.

During the period under review cost of sales was increased as compared to corresponding period. The main reason of increase in cost of sales was increase in salaries wages and fuel/power rates.

### FUTURE OUTLOOK

Power crises is very much serious in the country. Gas shut down has created another problem for Textile Industry. The Company have no alternate other than to use other sources of energy, which is very costly and as a result cost of production is increasing day by day. Your Management is doing its level best to achieve local as well as export targets. We hope by the Grace of Almighty Allah, we will maintain the profitability in the period to come.

The Board places on record its appreciation for the loyalty and devotion to work by staff and workers of the Company.

On behalf of the Board



(Nisar Ahmad Sheikh)

Chief Executive Officer

FAISALABAD.

Dated: February 28, 2014

## 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 2013 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 2013 and 31 December 2012 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 2013.

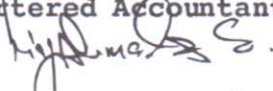
### *Scope of Review*

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 2013 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

  
Name of engagement partner:  
Muhammad Kamran Nasir  
Date: February 28, 2014.  
FAISALABAD


# ISHAQ TEXTILE MILLS LIMITED

## CONDENSED INTERIM BALANCE SHEET AS AT 31 DECEMBER 2013

	NOTE	UN-AUDITED 31 December 2013 (Rupees in thousand)	AUDITED 30 June 2013 (Rupees in thousand)	NOTE	UN-AUDITED 31 December 2013 (Rupees in thousand)	AUDITED 30 June 2013 (Rupees in thousand)
<b>EQUITY AND LIABILITIES</b>						
<b>SHARE CAPITAL AND RESERVES</b>						
Authorized share capital		100,000	100,000			
10 000 000 (30 June 2013; 10 000 000) ordinary shares of Rupees 10 each		96,600	96,600		944,353	947,230
Issued, subscribed and paid up share capital		488,716	467,013	8	7,098	6,831
Reserves		585,316	563,613		3,986	3,956
<b>Total equity</b>		237,512	240,269		955,500	958,076
Surplus on revaluation of property, plant and equipment - net of deferred income tax						
<b>LIABILITIES</b>						
<b>NON-CURRENT LIABILITIES</b>						
Long term financing	5	175,042	186,278		51,895	61,045
Deferred income tax liability		75,941	85,391		1,081,321	679,963
Staff retirement gratuity	6	7,067	19,681		621,377	542,722
		258,050	291,350		26,478	54,336
<b>CURRENT LIABILITIES</b>						
Trade and other payables		269,147	177,040		2,696	378
Accrued mark-up		31,974	27,709		82,744	51,986
Short term borrowings		1,365,408	1,009,879		13,497	55,657
Current portion of non-current liabilities		67,809	66,961		1,880,008	1,446,087
Provision for taxation		20,292	27,342			
<b>TOTAL LIABILITIES</b>		1,754,630	1,308,931			
		2,012,680	1,600,281			
<b>CONTINGENCIES AND COMMITMENTS</b>						
<b>TOTAL EQUITY AND LIABILITIES</b>		2,835,508	2,404,163		2,835,508	2,404,163

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

  
**SHAHZAD AHMAD SHEIKH**  
 Director

  
**NISAR AHMAD SHEIKH**  
 Chief Executive Officer

# HALF YEARLY REPORT

## CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (Un-audited) FOR THE HALF YEAR ENDED 31 DECEMBER 2013

	NOTE	Half year ended		Quarter ended	
		31 December 2013	31 December 2012	31 December 2013	31 December 2012
------(Rupees in thousand)-----					
SALES		2,085,239	1,848,576	1,117,994	991,675
COST OF SALES	9	(1,881,362)	(1,642,243)	(1,020,817)	(884,536)
<b>GROSS PROFIT</b>		<b>203,877</b>	<b>206,333</b>	<b>97,177</b>	<b>107,139</b>
DISTRIBUTION COST		(62,831)	(49,345)	(31,423)	(24,480)
ADMINISTRATIVE EXPENSES		(35,043)	(29,402)	(20,052)	(16,199)
OTHER EXPENSES		(2,448)	(4,523)	(1,276)	(2,840)
		<u>(100,322)</u>	<u>(83,270)</u>	<u>(52,751)</u>	<u>(43,519)</u>
		103,555	123,063	44,426	63,620
OTHER INCOME		1,923	2,786	904	1,215
<b>PROFIT FROM OPERATIONS</b>		<b>105,478</b>	<b>125,849</b>	<b>45,330</b>	<b>64,835</b>
FINANCE COST		(72,951)	(65,243)	(38,639)	(36,056)
<b>PROFIT BEFORE TAXATION</b>		<b>32,527</b>	<b>60,606</b>	<b>6,691</b>	<b>28,779</b>
TAXATION		(11,960)	(10,934)	(2,306)	(5,371)
<b>PROFIT AFTER TAXATION</b>		<b>20,567</b>	<b>49,672</b>	<b>4,385</b>	<b>23,408</b>
<b>EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)</b>		<u>2.13</u>	<u>5.14</u>	<u>0.45</u>	<u>2.42</u>

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

  
NISAR AHMAD SHEIKH  
Chief Executive Officer

  
SHAHZAD AHMAD SHEIKH  
Director

# ISHAQ TEXTILE MILLS LIMITED

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-audited) FOR THE HALF YEAR ENDED 31 DECEMBER 2013

	Half year ended		Quarter ended	
	31 December 2013	31 December 2012	31 December 2013	31 December 2012
	----- (Rupees in thousand) -----			
PROFIT AFTER TAXATION	20,567	49,672	4,385	23,408
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 INCOME FOR THE PERIOD	20,567	49,672	4,385	23,408

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



NISAR AHMAD SHEIKH  
Chief Executive Officer



SHAHZAD AHMAD SHEIKH  
Director

# HALF YEARLY REPORT

## CONDENSED INTERIM CASH FLOW STATEMENT (Un-audited) FOR THE HALF YEAR ENDED 31 DECEMBER 2013

	NOTE	Half year ended	
		31 December 2013	31 December 2012
(Rupees in thousand)			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash utilized in operations	10	(243,699)	(139,413)
Finance cost paid		(68,686)	(66,163)
Income tax paid		(33,035)	(17,248)
Staff retirement gratuity paid		(3,193)	(2,733)
Dividend paid		(1,474)	-
Net increase in long term deposits and prepayments		(30)	-
Net (increase) / decrease in long term loans		(4)	50
<b>Net cash utilized in operating activities</b>		<b>(350,121)</b>	<b>(225,507)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant and equipment		87	6,000
Investments made		-	(5,500)
Capital expenditure on property, plant and equipment		(27,846)	(102,616)
<b>Net cash used in investing activities</b>		<b>(27,759)</b>	<b>(102,116)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from long term financing		19,000	92,644
Repayment of long term financing		(38,809)	(26,117)
Short term borrowings - net		355,529	268,129
<b>Net cash from financing activities</b>		<b>335,720</b>	<b>334,656</b>
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(42,160)</b>	<b>7,033</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>		<b>55,657</b>	<b>9,388</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<b>13,497</b>	<b>16,421</b>

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



NISAR AHMAD SHEIKH  
Chief Executive Officer



SHAHZAD AHMAD SHEIKH  
Director



# ISHAQ TEXTILE MILLS LIMITED

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-audited) FOR THE HALF YEAR ENDED 31 DECEMBER 2013

	RESERVES			TOTAL	TOTAL EQUITY
	CAPITAL RESERVE	REVENUE RESERVE	TOTAL		
	Share premium	Unappropriated profit			
----- (Rupees in thousand) -----					
Balance as at 30 June 2012 - Audited	96,600	17,250	374,224	391,474	488,074
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	743	743	743
Profit for the half year ended 31 December 2012	-	-	49,672	49,672	49,672
Other comprehensive income for the half year ended 31 December 2012	-	-	-	-	-
Total comprehensive income for the half year ended 31 December 2012	-	-	49,672	49,672	49,672
Balance as at 31 December 2012 - Un-audited	96,600	17,250	424,639	441,889	538,489
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	2,733	2,733	2,733
Profit for the half year ended 30 June 2013	-	-	22,391	22,391	22,391
Other comprehensive income for the half year ended 30 June 2013	-	-	-	-	-
Total comprehensive income for the half year ended 30 June 2013	-	-	22,391	22,391	22,391
Balance as at 30 June 2013 - Audited	96,600	17,250	449,763	467,013	563,613
Final dividend for the year ended 30 June 2013 at the rate of Rupees 1 per share	-	-	(1,621)	(1,621)	(1,621)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	2,757	2,757	2,757
Profit for the half year ended 31 December 2013	-	-	20,567	20,567	20,567
Other comprehensive income for the half year ended 31 December 2013	-	-	-	-	-
Total comprehensive income for the half year ended 31 December 2013	-	-	20,567	20,567	20,567
Balance as at 31 December 2013 - Un-audited	96,600	17,250	471,466	488,716	585,316

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



**NISAR AHMAD SHEIKH**  
Chief Executive Officer



**SHAHZAD AHMAD SHEIKH**  
Director

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (Un-audited)  
FOR THE HALF YEAR ENDED 31 DECEMBER 2013

**1. THE COMPANY AND ITS OPERATIONS**

Ishaq Textile Mills Limited (the Company) is a public limited company incorporated in Pakistan under the Companies Ordinance, 1984 and is listed on Karachi and Lahore Stock Exchanges in Pakistan. Its registered office is situated at Room No. 404-405, 4th Floor, Business Centre, Mumtaz Hassan Road, Karachi. The mill is 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 2013 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 2013.

**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 2013, except for the change in accounting estimate as given below:

- 3.1** Until the previous year, the Company was operating unfunded gratuity scheme for all its employees except the employees at Head Office. However, from the current year, the Company has curtailed the unfunded gratuity scheme and started provident fund scheme for all of its permanent employees. The accounting policy of employees' provident fund as mentioned in annual published financial statements is adopted to these employees also. Impact of change of this accounting estimate on figures recognized in this condensed interim financial information could not be determined due to non-availability of actuarial valuation of gratuity.

**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.

## ISHAQ TEXTILE MILLS LIMITED

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 2013.

Un-audited	Audited
31 December 2013	30 June 2013

(Rupees in thousand)

### 5. LONG TERM FINANCING

Opening balance	253,239	221,250
Add : Obtained during the period / year	19,000	100,000
Less: Repaid during the period / year	38,809	68,011
Closing balance	233,430	253,239
Less: Current portion shown under current liabilities	58,388	66,961
	<u>175,042</u>	<u>186,278</u>

### 6. STAFF RETIREMENT GRATUITY

Opening balance	19,681	24,184
Add: Charge for the period / year	-	9,915
Less: Paid during the period / year	3,193	14,418
	16,488	19,681
Less: Current portion shown under current liabilities	9,421	-
	<u>7,067</u>	<u>19,681</u>

- 6.1 Board of Directors in their meeting held on 30 September 2013, decided to curtail the staff retirement gratuity with effect from 01 July 2013 and transferred all its permanent employees to provident fund scheme. The amount of staff retirement gratuity will be paid to all the employees on monthly basis uptill 30 September 2015.

### 7. CONTINGENCIES AND COMMITMENTS

#### a) Contingencies

- i) The Company is contingently liable for Rupees 2.400 million (30 June 2013: Rupees 2.100 million) to Director Excise and Taxation on account of import duty.
- ii) Guarantees of Rupees 34.442 million (30 June 2013: Rupees 26.942 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.

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iii) Post dated cheques of Rupees 4.551 million (30 June 2013: Rupees 8.409 million) are issued to custom authorities in respect of duties on imported machinery availed on the basis of installation and manufacturing. If documents of installations are not provided on due dates, cheques issued as security shall be encashable.

### b) Commitments

i) Letters of credit for capital expenditure are of Rupees 65.217 million (30 June 2013: Rupees 3.063 million).

ii) Letters of credit other than for capital expenditure are of Rupees 21.110 million (30 June 2013: Rupees Nil).

Un-Audited 31 December 2013	Audited 30 June 2013
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(Rupees in thousand)

### 8. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets (Note 8.1)	944,353	945,960
Capital work-in-progress	-	1,270
	<u>944,353</u>	<u>947,230</u>

#### 8.1 Operating fixed assets

Opening book value	945,960	699,155
Add: Cost of additions during the period / year (Note 8.1.1)	29,116	148,719
Effect of surplus on revaluation as at 28 June 2013	-	161,888
	<u>975,076</u>	<u>1,009,762</u>
Less: Book value of deletions during the period / year (Note 8.1.2)	74	12,314
	<u>975,002</u>	<u>997,448</u>
Less: Depreciation charged during the period / year	30,649	51,488
	<u>944,353</u>	<u>945,960</u>

#### 8.1.1 Cost of additions during the period / year

Plant and machinery	16,745	142,694
Electric installations / appliances	-	1,624
Generators	2,495	958
Office equipment	-	59
Factory equipment	73	44
Computers	48	75
Vehicles	9,755	3,265
	<u>29,116</u>	<u>148,719</u>

#### 8.1.2 Book value of deletions during the period / year

Plant and machinery	-	12,314
Vehicles	74	-
	<u>74</u>	<u>12,314</u>

# ISHAQ TEXTILE MILLS LIMITED

	(Un-audited)			
	Half year ended		Quarter ended	
	31 December 2013	31 December 2012	31 December 2013	31 December 2012
----- (Rupees in thousand) -----				
<b>9. COST OF SALES</b>				
Raw materials consumed	1,258,205	1,143,544	672,911	562,827
Cloth purchased	183,355	48,334	69,846	28,080
Processing charges	172,451	101,699	91,023	52,098
Sizing and beam filling	19,876	18,923	10,495	10,452
Loading and unloading charges	3,929	3,515	2,127	2,012
Salaries, wages and other benefits	96,863	86,656	55,771	45,605
Stores, spare parts and loose tools consumed	33,689	25,553	18,421	12,270
Packing materials consumed	14,614	11,550	7,916	5,634
Repair and maintenance	2,755	1,870	1,673	815
Fuel and power	179,425	145,466	91,013	74,604
Insurance	2,146	1,858	1,127	951
Other factory overheads	3,354	723	1,663	356
Depreciation	28,765	23,965	14,433	11,856
	1,999,427	1,613,656	1,038,419	807,560
Work-in-process				
Opening stock	53,189	31,214	45,142	28,529
Closing stock	(40,875)	(29,022)	(40,878)	(29,022)
	12,314	2,192	4,264	(493)
Cost of goods manufactured	2,011,741	1,615,848	1,042,683	807,067
Finished goods				
Opening stock	378,573	510,935	487,087	562,009
Closing stock	(508,952)	(484,540)	(508,953)	(484,540)
	(130,379)	26,395	(21,866)	77,469
	1,881,362	1,642,243	1,020,817	884,536
			<b>Half year ended</b>	
			<b>31 December</b>	<b>31 December</b>
			<b>2013</b>	<b>2012</b>
----- (Rupees in thousand) -----				
<b>10. CASH UTILIZED IN OPERATIONS</b>				
Profit before taxation			32,527	60,606
<b>Adjustments for non-cash charges and other items:</b>				
Depreciation			30,649	25,021
Provision for staff retirement gratuity			-	5,940
Provision for workers' profit participation fund			2,111	3,262
Provision for workers' welfare fund			771	1,261
Gain on sale of property, plant and equipment			(13)	(1,002)
Profit on long term investments			(267)	(195)
Finance cost			72,951	65,243
Working capital changes (Note 10.1)			(382,428)	(299,549)
			(243,699)	(139,413)
<b>10.1 Working capital changes</b>				
<b>Decrease / (increase) in current assets:</b>				
Stores, spare parts and loose tools			9,150	(11,002)
Stock in trade			(401,358)	(372,978)
Trade debts			(78,655)	(21,072)
Loans and advances			10,188	(7,299)
Short term prepayments			(2,318)	(2,157)
Other receivables			(7,918)	5,496
			(470,911)	(409,012)
Increase in trade and other payables			88,483	109,463
			(382,428)	(299,549)

## 11. SEGMENT INFORMATION

### 11.1 Segment results

	Spinning		Weaving		Elimination of Inter-segment transactions (Un-audited)		Total - Company	
	(Un-audited)		(Un-audited)		(Un-audited)		(Un-audited)	
	Half year ended	31 December 2012	Half year ended	31 December 2012	Half year ended	31 December 2012	Half year ended	31 December 2012
	31 December 2013	31 December 2012	31 December 2013	31 December 2012	31 December 2013	31 December 2012	31 December 2013	31 December 2012
	(Rupees in thousand)							
Sales	831,736	842,399	1,420,134	1,104,782	(166,631)	(98,605)	2,085,239	1,848,576
Cost of sales	(763,000)	(658,840)	(1,284,993)	(1,082,008)	166,631	98,605	(1,881,362)	(1,642,243)
Gross profit	68,736	183,559	135,141	22,774	-	-	203,877	206,333
Distribution cost	(3,142)	(5,267)	(59,689)	(44,078)	-	-	(62,831)	(49,345)
Administrative expenses	(17,010)	(14,134)	(18,033)	(15,268)	-	-	(35,043)	(29,402)
Other expenses	(1,483)	(3,904)	(965)	(619)	-	-	(2,448)	(4,523)
Profit / (loss) before taxation and unallocated income and expenses	(21,635)	(23,305)	(78,687)	(59,965)	-	-	(100,322)	(83,270)
Unallocated income and expenses:								
Other income	47,101	160,254	56,454	(37,191)	-	-	103,555	123,063
Finance cost							1,923	2,786
Taxation							(72,951)	(65,243)
Profit after taxation							(11,960)	(10,934)
							20,567	49,672

### 11.2 Reconciliation of reportable segment assets and liabilities:

	Spinning		Weaving		Total - Company	
	(Un-audited)		(Un-audited)		(Un-audited)	
	30 June 2013	31 December 2013	30 June 2013	31 December 2013	30 June 2013	31 December 2013
	31 December 2013	30 June 2013	31 December 2013	30 June 2013	31 December 2013	30 June 2013
	(Rupees in thousand)					
Total assets for reportable segments	1,415,960	1,069,178	1,419,548	1,334,985	2,835,508	2,404,163
Total liabilities for reportable segments	858,305	532,819	1,078,434	982,071	1,936,739	1,514,890
Unallocated liabilities:						
Deferred income tax liability					75,941	85,391
Total liabilities as per balance sheet					2,012,680	1,600,281

# ISHAQ TEXTILE MILLS LIMITED

## 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 2013	31 December 2012	31 December 2013	31 December 2012

----- (Rupees in thousand) -----

### i) Transactions

#### Associated companies / undertakings:

Purchase of goods and services	176,079	115,133	81,511	67,188
Fuel and power purchased	9,644	17,226	1,806	5,826
Processing, packing and doubling charges paid	125,381	87,628	63,440	39,792
Purchase of spare parts	2,106	-	2,106	-
Sale of goods	621,346	485,657	340,856	269,387
Sale of spare parts, chemicals etc.	1,016	-	1,016	-
Sale of operating fixed assets	-	6,000	-	-
Doubling and conversion income	-	560	-	-
Other charges recovered / (paid) - net	18,192	(484)	7,645	(205)

#### Other related parties:

Remuneration paid to Chief Executive Officer, Directors and Executives	6,865	5,799	3,432	3,022
Loan obtained from directors	19,000	-	17,000	-
Company's contribution to Employees' Provident Fund Trust	3,230	477	1,784	331

Un-audited 31 December 2013	Audited 30 June 2013
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(Rupees in thousand)

### ii) Period end balances

Long term financing	108,250	99,000
Trade and other payables	15,578	17,448
Trade debts	190,910	163,209
Loans and advances	683	4,198

## 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 2013.

## 14. DATE OF AUTHORIZATION

This condensed interim financial information was approved by the Board of Directors and authorised for issue on February 28, 2014.

### 15. 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 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 have been re-arranged, wherever necessary, for the purpose of comparison, however, no significant re-arrangements have been made except for making certain re-arrangements in cost of sales as staff retirement benefits have been grouped in salaries, wages and other benefits instead of showing separately and showing net figure of raw material consumed instead of giving its reconciliation.

### 16. GENERAL

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



**NISAR AHMAD SHEIKH**  
Chief Executive Officer



**SHAHZAD AHMAD SHEIKH**  
Director



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