

HALF

YEARLY

REPORT

ISHAQ

TEXTILE MILLS LIMITED

DECEMBER 31, 2016
(UN-AUDITED)

COMPANY INFORMATION

Board of Directors	<p>Mrs. Nazma Amer Mr. Aized Amer Mrs. Zareen Akhtar Mr. Anns Amer Mrs. Hajra Raza Mrs. Yusra Amer Mr. Abdul Rauf</p>	<p>Chairperson Chief Executive Officer Director Director Director Director</p>
Audit Committee	<p>Mr. Abdul Rauf Mrs. Hajra Raza Mrs. Zareen Akhtar</p>	<p>Chairman Member Member</p>
HR and Remuneration Committee	<p>Mrs. Zareen Akhtar Mr. Abdul Rauf Mrs. Yusra Amer</p>	<p>Chairperson Member Member</p>
Chief Financial Officer	Mr. Muhammad Saqib Ehsan	
Company Secretary	Mr. Tahir Shahzad	
Auditors	<p>Riaz Ahmad and Company Chartered Accountants 560-F, Raja Road, Gulistan Colony, Faisalabad</p>	
Bankers	<p>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</p>	
Share Registrar	<p>Corplink (Private) Limited Wings Arcade, 1-K, Commercial, Model Town, Lahore</p>	
Registered Office & Mills	<p>35 Kilometer, Sheikhpura Road, Tehsil Jaranwala, Faisalabad</p>	

DIRECTORS' REVIEW TO THE SHAREHOLDERS

The Directors of your Company are submitting un-audited condensed interim financial information of your Company for the half year ended December 31, 2016.

Half year ended	
31 December 2016	31 December 2015

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

Continuing Operations:

Sales	587,324	727,867
Cost of sales	<u>(640,866)</u>	<u>(726,862)</u>
Gross (loss) / profit	(53,542)	1,005
Operating cost	(28,691)	(33,516)
Other income	<u>632</u>	<u>-</u>
Finance cost	<u>(22,540)</u>	<u>(13,806)</u>
Loss before taxation	(104,141)	(46,317)
Taxation	<u>(8,774)</u>	<u>1,142</u>

Loss after taxation from continuing operations	<u>(112,915)</u>	<u>(45,175)</u>
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Discontinued Operation:

Profit after taxation from discontinued operations	<u>209</u>	<u>12,245</u>
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Loss after taxation	<u>(112,706)</u>	<u>(32,930)</u>
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During the period under review sales were Rupees 587.324 million as compared to Rupees 727.867 million of corresponding period. Cost of sales was Rupees 640.866 million as compared to Rupees 726.862 million of corresponding period. However the Company incurred loss after taxation of Rupees 112.706 million from both continuing and discontinuing operations as compared to loss after taxation of Rupees 32.930 million of the corresponding period.

REVIEW OF OPERATING RESULTS

The period under review has not been good for textile industry as a whole likewise financial year 2015-16. Due to heavy increase in the prices of raw material and disproportionate selling prices of yarn, adverse economic policies for textile sector, levy of minimum taxation on companies having gross loss, short production of cotton and uncertainty in the economic policies of the Govt. have resulted in loss for the half year to the Company.

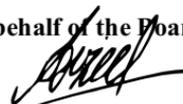
FUTURE OUTLOOK

In order to get rid of the present situation the management of the Company has increased its production capacity by adding new plant and machinery and shifted whole of the mills to fine count i-e. 52 single which is relatively profitable count. The Company is also in process to import Compact System for whole of its spindles which will increase production, improve quality and reduce cost of production. In view of the steps taken, the management is expecting better results in future.

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 28, 2017

ڈائریکٹرز کی جائزہ رپورٹ برائے شیئر ہولڈرز

آپ کی کمپنی کے ڈائریکٹرز عبوری مالی رپورٹ برائے 31 دسمبر، 2016

پیش کر رہے ہیں۔

زیر نظر مدت کے دوران قیمت فروخت 587.324 ملین تھی جبکہ پچھلے سال اسی مدت میں قیمت فروخت 727.867 ملین روپے تھی۔ اس سال لاگت 640.866 ملین روپے تھی جبکہ پچھلے سال اسی مدت میں لاگت 726.862 ملین روپے تھی۔ اس مدت میں کمپنی کو کاروبار چلانے اور بند کرنے کے نتیجے میں ٹیکس ادا کرنے کے بعد 112.706 ملین نقصان ہوا جبکہ اسی مدت میں ٹیکس ادا کرنے کے بعد 32.930 ملین نقصان ہوا۔

نتیجہ کا جائزہ

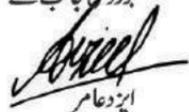
زیر جائزہ مدت، 2015-16 کے پورے سال کی طرح ٹیکسٹائل انڈسٹری کے لیے اچھا نہیں رہا۔ خام مال کی لاگت میں اضافہ، دھاگے کی غیر مناسب قیمتوں پر فروخت، ٹیکسٹائل سیکٹر کے لیے منفی پالیسیوں، کمپنیوں کے نقصان میں جانے کے باوجود کم از کم ٹیکس کی وصولی، کپاس کی کم پیداوار اور گورنمنٹ کی طرف سے اکنامک پالیسی میں غیر توجہ کمپنی کے نقصان کی اہم وجوہات ہیں۔

مستقبل کی توقعات

موجودہ صورتحال سے بچنے کے لیے کمپنی کی انتظامیہ نے پیداواری صلاحیت کو بڑھانے، نئی مشینری لگانے اور تمام ملز مشینری کو دھاگے کے اچھے کاؤنٹ پر منتقل کرنے کا فیصلہ کیا ہے۔ کمپنی بیرون ملک سے مشینری کے لیے بہترین نظام منگوا رہی ہے جس کی وجہ سے پیداوار میں اضافہ، دھاگے کے معیار میں اضافہ اور پیداواری لاگت میں کمی ہوگی۔ اس وجہ سے انتظامیہ حالات میں بہتری کی توقع رکھتی ہے۔

بورڈ آف ڈائریکٹرز کمپنی کے لیے اپنی بہترین صلاحیتوں کا مظاہرہ کرنے پر کمپنی کے گاہکوں، ملازموں، سپلائرز، اور بینکرز کی ستائش کرتی ہے۔

بورڈ کی جانب سے



ایزداعا

چیف ایگزیکٹو آفیسر

فیصل آباد

فروری 28، 2017ء

**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 2016 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 2016 and 31 December 2015 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 2016.

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 2016 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:

Liaqat Ali Panwar

Date: February 28, 2017

FAISALABAD

CONDENSED INTERIM BALANCE SHEET AS AT 31 DECEMBER 2016

NOTE	Un-Audited 31 December 2016 (RUPEES IN THOUSAND)	Audited 30 June 2016 (RUPEES IN THOUSAND)	NOTE	Un-Audited 31 December 2016 (RUPEES IN THOUSAND)	Audited 30 June 2016 (RUPEES IN THOUSAND)
EQUITY AND LIABILITIES					
SHARE CAPITAL AND RESERVES					
	100,000	100,000		870,002	886,546
Authorized share capital 10 000 000 (30 June 2016; 10 000 000) ordinary shares of Rupees 10 each	96,600	96,600	7	7,416	7,149
Issued, subscribed and paid up share capital	99,476	176,241		3,757	3,851
Reserves	196,076	272,841		881,175	897,546
Total equity	289,634	273,904			
Surplus on revaluation of property, plant and equipment - net of deferred income tax					
LIABILITIES					
NON-CURRENT LIABILITIES					
5	291,124	176,736		51,752	37,621
Long term financing	11,163	8,262		251,520	282,710
Deferred income tax liability	6,415	8,007		60,251	89,749
Staff retirement gratuity	308,702	193,005		56,782	49,571
CURRENT LIABILITIES					
	187,237	155,124		4,055	2,438
Trade and other payables	9,556	9,586		36,792	33,382
Accrued mark-up	430,219	570,752		14,385	5,582
Short term borrowings	10,900	1,552		475,537	501,053
Current portion of long term financing	5,873	366			
Provision for taxation	643,785	737,370			
	952,487	930,375		61,485	78,521
TOTAL LIABILITIES			8	537,022	579,574
CONTINGENCIES AND COMMITMENTS					
6	1,418,197	1,477,120		1,418,197	1,477,120
TOTAL EQUITY AND LIABILITIES					

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



AIZAD AMER
Chief Executive Officer



ANNS AMER
Director

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (Un-audited)
FOR THE HALF YEAR ENDED 31 DECEMBER 2016**

	NOTE	Half year ended		Quarter ended	
		31 December 2016	31 December 2015	31 December 2016	31 December 2015
------(RUPEES IN THOUSAND)-----					
CONTINUING OPERATIONS:					
SALES		587,324	727,867	326,770	402,144
COST OF SALES	9	(640,866)	(726,862)	(363,207)	(386,723)
GROSS (LOSS) / PROFIT		(53,542)	1,005	(36,437)	15,421
DISTRIBUTION COST		(2,514)	(4,532)	(1,160)	(3,055)
ADMINISTRATIVE EXPENSES		(25,720)	(28,984)	(10,875)	(12,138)
OTHER EXPENSES		(457)	-	(457)	-
OTHER INCOME		632	-	379	-
FINANCE COST		(22,540)	(13,806)	(12,100)	(8,148)
LOSS BEFORE TAXATION		(104,141)	(46,317)	(60,650)	(7,920)
TAXATION		(8,774)	1,142	(2,658)	2,211
LOSS AFTER TAXATION FROM CONTINUING OPERATION		(112,915)	(45,175)	(63,308)	(5,709)
DISCONTINUED OPERATION:					
PROFIT AFTER TAXATION FROM DISCONTINUED OPERATION	8	209	12,245	-	15,954
(LOSS) / PROFIT AFTER TAXATION		(112,706)	(32,930)	(63,308)	10,245
LOSS PER SHARE - BASIC AND DILUTED FROM CONTINUING OPERATIONS (RUPEES)		(11.69)	(4.68)	(6.55)	(0.59)
EARNINGS PER SHARE - BASIC AND DILUTED FROM DISCONTINUED OPERATION (RUPEES)		0.02	1.27	-	1.65

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



AIZAD AMER
Chief Executive Officer



ANNS AMER
Director

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-audited)
FOR THE HALF YEAR ENDED 31 DECEMBER 2016**

	Half year ended		Quarter ended	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
	----- (RUPEES IN THOUSAND) -----			
(LOSS) / PROFIT AFTER TAXATION	(112,706)	(32,930)	(63,308)	10,245
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) / INCOME FOR THE PERIOD	<u>(112,706)</u>	<u>(32,930)</u>	<u>(63,308)</u>	<u>10,245</u>

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



AIZAD AMER
Chief Executive Officer



ANNS AMER
Director

**CONDENSED INTERIM CASH FLOW STATEMENT (Un-audited)
FOR THE HALF YEAR ENDED 31 DECEMBER 2016**

	NOTE	Half year ended	
		31 December 2016	31 December 2015
(RUPEES IN THOUSAND)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (utilized in) operations	10	13,291	(85,350)
Finance cost paid		(15,399)	(14,447)
Income tax paid		(5,429)	191
Staff retirement gratuity paid		(4,343)	-
Net decrease in long term deposits and prepayments		94	39
Net cash utilized in operating activities		<u>(11,786)</u>	<u>(99,567)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		296	211
Proceeds from non-current assets held for sale		17,545	37,595
Capital expenditure on property, plant and equipment		(4,955)	(58,808)
Profit on long term investments received		-	1,132
Net cash used in / (from) investing activities		<u>12,886</u>	<u>(19,870)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds of long term financing		150,000	-
Repayment of long term financing		(1,764)	-
Short term borrowings - net		(140,533)	122,039
Net cash from financing activities		<u>7,703</u>	<u>122,039</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		8,803	2,602
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		5,582	2,765
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		<u>14,385</u>	<u>5,367</u>

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



AIZAD AMER
Chief Executive Officer



ANNS AMER
Director

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-audited)
FOR THE HALF YEAR ENDED 31 DECEMBER 2016**

SHARE CAPITAL	RESERVES					TOTAL
	CAPITAL RESERVES			REVENUE RESERVE		
	Share premium	Equity portion of shareholder's loan	Sub total	Unappropriated profit		
(RUPEES IN THOUSAND)						
Balance as at 30 June 2015 - (Audited)	96,600	17,250	23,416	40,666	189,287	229,953
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	-	-	3,116	3,116
Loss for the half year ended 31 December 2015	-	-	-	-	(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)
Equity portion of shareholder's loan			21,362	21,362	-	21,362
Balance as at 31 December 2015 - (Un-audited)	96,600	17,250	44,778	62,028	159,473	221,501
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	-	-	3,938	3,938
Loss for the half year ended 30 June 2016	-	-	-	-	(49,198)	(49,198)
Other comprehensive income for the half year ended 30 June 2016	-	-	-	-	-	-
Total comprehensive loss for the half year ended 30 June 2016	-	-	-	-	(49,198)	(49,198)
Balance as at 30 June 2016 - (Audited)	96,600	17,250	44,778	62,028	114,213	176,241
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	-	-	4,270	4,270
Loss for the half year ended 31 December 2016	-	-	-	-	(112,706)	(112,706)
Other comprehensive income for the half year ended 31 December 2016	-	-	-	-	-	-
Total comprehensive loss for the half year ended 31 December 2016	-	-	-	-	(112,706)	(112,706)
Equity portion of shareholder's loan			31,671	31,671	-	31,671
Balance as at 31 December 2016 - (Un-audited)	96,600	17,250	76,449	93,699	5,777	99,476

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



AIZAD AMER
Chief Executive Officer



ANNS AMER
Director

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (Un-audited)
FOR THE HALF YEAR ENDED 31 DECEMBER 2016**

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 and mills premises are located at 35 Kilometers, Sheikhpura 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 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 2016 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 shall prevail. This condensed interim financial information should be read in conjunction with the preceding audited annual published financial statements of the Company for the year ended 30 June 2016.

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 2016.

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 2016.

Un-audited	Audited
31 December	30 June
2016	2016

(RUPEES IN THOUSAND)

5. LONG TERM FINANCING

Opening balance	178,288	91,695
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Add :

Obtained during the period / year	150,000	100,000
Fair value adjustment	7,171	10,402
	<u>335,459</u>	<u>202,097</u>

Less:

Repaid during the period / year	1,764	2,447
Gain on recognition of shareholder's loan at fair value	31,671	21,362
	<u>33,435</u>	<u>23,809</u>
	<u>302,024</u>	<u>178,288</u>
Less: Current portion shown under current liabilities	10,900	1,552
	<u><u>291,124</u></u>	<u><u>176,736</u></u>

6. CONTINGENCIES AND COMMITMENTS**a) Contingencies**

- i) The Company is contingently liable for Rupees 2.400 million (30 June 2016: Rupees 2.400 million) to Director Excise and Taxation on account of import duty.
- ii) Guarantees of Rupees 36.841 million (30 June 2016: 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.
- iii) The Company has filed an appeal before Appellate Tribunal Inland Revenue against the order of the Commissioner Inland Revenue (Appeals) for Rupees 1.914 million (30 June 2016: Rupees 1.914 million) regarding certain additions in the declared income for the tax year 2007. The related provision is not made in this condensed interim financial information in view of favourable outcome of the appeal.
- iv) A liability of Rupees 21.666 million (30 June 2016: Rupees 21.666 million) was created by the Assistant Commissioner (Withholding Tax) for the tax year 2014. The Company has filed an appeal before Commissioner Inland Revenue (Appeals) against this liability. The related provision is not made in this condensed interim financial information in view of favourable outcome of the appeal.

b) Commitments

- i) There is no letter of credit for capital expenditure (30 June 2016: Rupees Nil).
- ii) Letter of credit other than for capital expenditure is of Rupees 8.866 million (30 June 2016: Rupees Nil)

Un-audited 31 December 2016	Audited 30 June 2016
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(RUPEES IN THOUSAND)

7. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets (Note 7.1)	868,536	883,546
Capital work-in-progress	1,466	3,000
	870,002	886,546

7.1 Operating fixed assets

Opening book value	883,546	780,713
Add:		
Cost of additions during the period / year (Note 7.1.1)	6,489	75,735
Effect of surplus on revaluation	-	68,457
	890,035	924,905
Less: Book value of deletions during the period / year - vehicles	141	237
	889,894	924,668
Less: Depreciation charged during the period / year	21,358	41,122
	868,536	883,546

Un-Audited	Audited
31 December	30 June
2016	2016

(RUPEES IN THOUSAND)

7.1.1 Cost of additions during the period / year

Buildings on freehold land - mills	4,070	2,923
Plant and machinery	2,419	67,384
Electric installations / appliances	-	605
Laboratory equipment	-	925
Furniture, fixtures	-	150
Computers	-	7
Vehicles	-	3,741
	<u>6,489</u>	<u>75,735</u>

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 Unit (Note 8.1)	<u>61,485</u>	<u>78,521</u>
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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 Unit of the Company. Some of the non-current assets held for sale were disposed off during the period against sale consideration of Rupees 17.545 million. 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	78,521	102,294
Less: Book value of assets disposed of during the period / year	17,036	23,773
Carrying value of non-current assets held for sale	<u>61,485</u>	<u>78,521</u>

Un-Audited	
31 December	31 December
2016	2015

(RUPEES IN THOUSAND)

8.2 Analysis of results of discontinued operations

OTHER INCOME	509	19,808
ADMINISTRATIVE EXPENSES	(300)	(1,212)
OTHER EXPENSES	-	(5,843)
FINANCE COST	-	(152)
PROFIT BEFORE TAXATION FROM DISCONTINUED OPERATION	<u>209</u>	<u>12,601</u>
TAXATION	-	(356)
PROFIT AFTER TAXATION FROM DISCONTINUED OPERATION	<u>209</u>	<u>12,245</u>

8.3 Analysis of the cash flows of discontinued operation

Operating cash flows	-	(38,456)
Investing cash flows	17,545	38,727
Financing cash flows	-	-
	<u>17,545</u>	<u>271</u>

(Un-audited)			
Half year ended		Quarter ended	
31 December 2016	31 December 2015	31 December 2016	31 December 2015

(RUPEES IN THOUSAND)

9. COST OF SALES

Raw materials consumed	365,526	540,029	209,184	294,553
Loading, unloading and other charges	1,806	1,860	1,014	1,111
Salaries, wages and other benefits	62,173	62,243	31,647	32,550
Stores, spare parts and loose tools consumed	19,999	11,997	11,555	5,636
Packing materials consumed	9,468	12,599	5,631	6,709
Repair and maintenance	251	313	138	192
Fuel and power	64,955	67,503	34,648	30,683
Insurance	1,165	1,133	583	560
Other factory overheads	1,305	107	512	55
Depreciation	19,043	14,340	9,548	7,570
	545,691	712,124	304,460	379,619
Work-in-process				
Opening stock	1,645	8,245	8,262	7,586
Closing stock	(9,600)	(7,907)	(9,600)	(7,907)
	(7,955)	338	(1,338)	(321)
Cost of goods manufactured	537,736	712,462	303,122	379,298
Finished goods				
Opening stock	122,561	64,320	80,660	57,345
Closing stock	(32,525)	(49,920)	(32,525)	(49,920)
	90,036	14,400	48,135	7,425
Cost of sales - purchased for resale	13,094	-	11,950	-
	640,866	726,862	363,207	386,723

Un-audited	
Half year ended	
31 December 2016	31 December 2015

(RUPEES IN THOUSAND)

10. CASH GENERATED FROM / (UTILIZED IN) OPERATIONS

Loss before taxation	(103,932)	(33,716)
Adjustments for non-cash charges and other items:		
Depreciation	21,358	22,923
Gain on sale of non-current assets held for sale	(509)	(17,799)
Gain on sale of property, plant and equipment	(155)	(38)
Credit balances written back	(168)	(1,706)
Other receivables written off	(457)	-
Provision for staff retirement gratuity	2,751	3,606
Profit on long term investments	(267)	(265)
Finance cost	22,540	13,958
Working capital changes (Note 10.1)	72,130	(72,313)
	13,291	(85,350)

10.1 Working capital changes**(Increase) / decrease in current assets:**

Stores, spare parts and loose tools	(14,131)	(1,346)
Stock in trade	31,190	(126,256)
Trade debts	29,498	20,190
Loans and advances	(2,138)	(1,748)
Short term deposits and prepayments	(1,617)	(1,668)
Other receivables	(2,953)	(4,262)
	39,849	(115,090)
Increase in trade and other payables	32,281	42,777
	72,130	(72,313)

11. 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 2016	31 December 2015	31 December 2016	31 December 2015

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

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

Fuel purchased	1,281	1,717	529	862
Sale of goods	-	572	-	12

Other related parties:

Remuneration paid to Chief Executive Officer, Directors and Executives	3,242	5,896	1,109	3,240
Loan obtained from / (repaid to) directors - net	4,000	56,690	22,000	(810)

Un-audited 31 December 2016	Audited 30 June 2016
(RUPEES IN THOUSAND)	

ii) Period end balances

Long term financing	291,124	165,624
Trade and other payables	8,106	6,825
Short term borrowings	19,467	135,467

12. 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 2016.

13. DATE OF AUTHORIZATION

This condensed interim financial information was approved by the Board of Directors and authorized for issue on february 28, 2017.

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

15. GENERAL

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



AIZAD AMER
Chief Executive Officer



ANNS AMER
Director

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