

## COMPANY INFORMATION

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



## DIRECTORS' REVIEW TO THE SHAREHOLDERS

The Directors of the Company are pleased to present their un-audited condensed interim financial information of the Company for the half year ended December 31, 2017. The comparative financial results of the company are reproduced hereunder:

	Half year ended	
	31 December 2017	31 December 2016
	(Rupees in thousands)	
<b>CONTINUING OPERATIONS:</b>		
REVENUE	700,655	587,324
COST OF SALES	(684,625)	(640,866)
GROSS PROFIT/ (LOSS)	16,030	(53,542)
DISTRIBUTION COST	(1,463)	(2,514)
ADMINISTRATIVE EXPENSES	(16,794)	(25,720)
OTHER EXPENSES	(1,689)	(457)
OTHER INCOME	6,338	632
FINANCE COST	(14,758)	(22,540)
LOSS BEFORE TAXATION	(12,336)	(104,141)
TAXATION	(6,943)	(8,774)
LOSS AFTER TAXATION FROM CONTINUING OPERATIONS	(19,279)	(112,915)
<b>DISCONTINUED OPERATION:</b>		
PROFIT AFTER TAXATION FROM DISCONTINUED OPERATION	-	209
LOSS AFTER TAXATION	(19,279)	(112,706)
LOSS PER SHARE - BASIC AND DILUTED FROM CONTINUING OPERATIONS (RUPEES)	(2.00)	(11.69)
EARNINGS PER SHARE - BASIC AND DILUTED FROM DISCONTINUED OPERATION (RUPEES)	-	0.02

### REVIEW OF OPERATING RESULTS

During the period under review sales were Rupees 700.655 million as compared to Rupees 587.324 million of corresponding period. Cost of sales was Rupees 684.625 million as compared to Rupees 640.866 million of corresponding period. The company earned gross profit of Rupees 16.030 million as compared to gross loss of Rupees 53.542 million of the corresponding period from continuing operations. However the Company incurred loss after taxation of Rupees 19.279 million from both continuing and discontinuing operations as compared to loss after taxation of Rupees 112.706 million of the corresponding period.

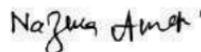
**FUTURE OUTLOOK**

Due to the installation of Compact Spinning System on all ring frames of the Company, enhancement of production capacity, conversion of whole of the operations of the Company from coarse count to fine count and due to all other stern efforts made by the management, the company produced better results as compared to corresponding period. Moreover, every possible effort is being made by the management of the Company to enhance its profitability by achieving optimum production and reducing conversion cost. Due to the above mentioned factors, the management expects 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



(Nazma Amer)

Director

FAISALABAD

Dated: February 28, 2018

## حصص یافتگان کے لئے ڈائریکٹرز کی رپورٹ

کمپنی کی ڈائریکٹرز 31 دسمبر 2017 کی غیر آڈٹ شدہ ششماہی مالیاتی رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔ پچھلے ششماہی مالیاتی رپورٹ کے نتائج موازنہ کے لئے پیش کیے جا رہے ہیں۔

ششماہی اہتمام	
31 دسمبر 2016	31 دسمبر 2017
(رقم ہزاروں میں)	(رقم ہزاروں میں)
587,324	700,655
(640,866)	(684,625)
(53,542)	16,030
(2,514)	(1,463)
(25,720)	(16,794)
(457)	(1,689)
632	6,338
(22,540)	(14,758)
(104,141)	(12,336)
(8,774)	(6,943)
(112,915)	(19,279)
209	-
(112,706)	(19,279)
(11.69)	(2.00)
0.02	-

جاری کارروائی  
آمدن  
فروخت کی لاگت  
مجموعی نفع / نقصان  
تقسیم کی لاگت  
انتظامی اخراجات  
دیگر اخراجات  
دیگر آمدن  
مالیاتی لاگت  
ٹیکس سے پہلے نقصان  
ٹیکس  
ٹیکس کے بعد نقصان جاری کارروائی سے

رہی کارروائی:

ٹیکس کے بعد نفع رہی کارروائی سے

ٹیکس کے بعد نقصان

نقصان فی حصہ جاری کارروائی سے (روپے)

نقصان فی حصہ رہی کارروائی سے (روپے)

کارروائی کے نتیجہ کا جائزہ:

دوران جائزہ کمپنی کی ششماہی آمدن 700.655 ملین رہی جو پچھلے ششماہی میں 587.324 ملین تھی فروخت کی لاگت 684.625 ملین رہی جو پچھلے ششماہی میں 640.866 ملین تھی۔ کمپنی نے جاری کارروائی سے پچھلے ششماہی کے مقابلے میں 16.030 ملین کا مجموعی نفع کمایا جو پچھلے ششماہی میں 53.542 ملین کا مجموعی نقصان تھا۔ تاہم اس ششماہی میں جاری اور رہی ہوئی کارروائی میں کمپنی کا ٹیکس کے بعد نقصان 19.279 ملین رہا۔ جو پچھلے ششماہی میں 112.706 ملین تھا۔

مستقبل کا خاکہ:

کمپنی کے تمام رنگ فریسوں پر کیمیکل سپننگ سسٹم لگانے، پیداواری صلاحیت بڑھانے، کمپنی کی تمام پیداوار کو نئے دھاگے سے پارک دھاگے پر تبدیل کرنے اور کمپنی سٹیٹ کی دیگر مختلف کوششوں کی بدولت کمپنی نے اس مالیاتی سال کی پہلی ششماہی میں پچھلے مالیاتی سال کی پہلی ششماہی کی نسبت بہتر نتائج دینے ہیں۔ مزید برآں کمپنی کی انتظامیہ کی طرف سے بہتر پیداوار حاصل کرنے اور پیداواری لاگت کو کم کرنے کی ہر ممکن کوشش کی جارہی ہے۔  
مندرجہ بالا بیان کردہ عناصر کی بدولت کمپنی کی انتظامیہ مستقبل میں مزید بہتر نتائج کی امید رکھتی ہے۔

اعتراف:

یورڈ اسپننگ کاروں، سپلائرز، بنگلہ، اور ملازموں کے تعاون، عزم اور محنت کی تعریف کرتا ہوں اور اسے اپنے ریکارڈز میں لاتا ہوں۔

مخائب یورڈ آف ڈائریکٹرز

Naqam Ahamat

ناظم عامر

ڈائریکٹر

فیصل آباد

مورخہ 28 فروری 2018

**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 2017 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 2017 and 31 December 2016 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 2017.

### 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 2017 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 28, 2018**

**FAISALABAD**

CONDENSED INTERIM BALANCE SHEET AS AT 31 DECEMBER 2017

NOTE

NOTE

Un-Audited  
31 December  
2017  
(RUPEES IN THOUSAND)

Un-Audited  
31 December  
2017  
(RUPEES IN THOUSAND)

EQUITY AND LIABILITIES	100,000	96,600	100,000	836,982
<b>SHARE CAPITAL AND RESERVES</b>				
Authorized share capital	100,000	96,600	100,000	836,982
10,000,000 (30 June 2017: 10,000,000) ordinary shares of Rupees 10 each		360,000		1,05,979
Issued, subscribed and paid up share capital	(7,419)	8,706		5,901
Directors' loans	449,181	465,306		3,800
Reserves	283,899	287,053		945,625
<b>TOTAL EQUITY</b>	449,181	465,306	449,181	945,625
Surplus on revaluation of property, plant and equipment and investment properties - net of deferred income tax liabilities				952,662
<b>NON-CURRENT LIABILITIES</b>				
Defered income tax liability	50,485	50,917		41,789
Staff retirement gratuity	11,046	8,950		374,843
Long term security deposit	4,000	4,000		44,312
	65,531	63,867		80,999
<b>CURRENT LIABILITIES</b>				
Trade and other payables	3,04,051	141,184		36,605
Accrued mark up	9,350	6,052		1,46,219
Short term borrowings	532,915	325,811		51,617
Provision for taxation	7,482	3,620		63,634
	733,298	476,717		2,431
	799,329	540,584		22,505
<b>TOTAL LIABILITIES</b>	799,329	540,584	799,329	1,541
<b>CONTINGENCIES AND COMMITMENTS</b>				15,729
<b>TOTAL EQUITY AND LIABILITIES</b>	1,532,409	1,292,943	1,532,409	340,261

ASSETS

NON-CURRENT ASSETS

Property, plant and equipment  
Investment properties  
Long term investments  
Long term deposits and prepayments

CURRENT ASSETS

Stores, spare parts and 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

TOTAL ASSETS

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

Statement under section 232(1) of the Companies Act, 2017:

The Chief Executive Officer of the Company is presently out of the country. Therefore this condensed interim financial information has been signed by two Directors and Chief Financial Officer as required under section 232(1) of the Companies Act, 2017.

*Naqia Amer*  
**NAZIMA AMER**  
Director

*Amir*  
**ANNS AMER**  
Director

*M Saqib*  
**Muhammad Saqib Ehsan**  
Chief Financial Officer

1,532,409  
1,292,943

41,789  
374,843  
44,312  
80,999  
4,061  
23,830  
7,594  
9,956  
587,384

36,605  
1,46,219  
51,617  
63,634  
2,431  
22,505  
1,541  
15,729  
340,261

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (Un-audited)  
FOR THE HALF YEAR ENDED 31 DECEMBER 2017**

	NOTE	Half year ended		Quarter ended	
		31 December 2017	31 December 2016	31 December 2017	31 December 2016
------(RUPEES IN THOUSAND)-----					
<b>CONTINUING OPERATIONS:</b>					
REVENUE		700,655	587,324	378,562	326,770
COST OF SALES	5	(684,625)	(640,866)	(367,779)	(363,207)
GROSS PROFIT / (LOSS)		16,030	(53,542)	10,783	(36,437)
DISTRIBUTION COST		(1,463)	(2,514)	(1,031)	(1,160)
ADMINISTRATIVE EXPENSES		(16,794)	(25,720)	(7,708)	(10,875)
OTHER EXPENSES		(1,689)	(457)	(1,689)	(457)
OTHER INCOME		6,338	632	3,304	379
FINANCE COST		(14,758)	(22,540)	(9,004)	(12,100)
LOSS BEFORE TAXATION		(12,336)	(104,141)	(5,345)	(60,650)
TAXATION		(6,943)	(8,774)	4,196	(2,658)
LOSS AFTER TAXATION FROM CONTINUING OPERATIONS		(19,279)	(112,915)	(1,149)	(63,308)
<b>DISCONTINUED OPERATION:</b>					
PROFIT AFTER TAXATION FROM DISCONTINUED OPERATION		-	209	-	-
LOSS AFTER TAXATION		(19,279)	(112,706)	(1,149)	(63,308)
LOSS PER SHARE - BASIC AND DILUTED FROM CONTINUING OPERATIONS (RUPEES)		(2.00)	(11.69)	(0.12)	(6.55)
EARNINGS PER SHARE - BASIC AND DILUTED FROM DISCONTINUED OPERATION (RUPEES)		-	0.02	-	-

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

**Statement under section 232(1) of the Companies Act, 2017:**

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*Naqia Amer*

**NAZIMA AAMER**  
Director

*Annas Amer*

**ANNS AMER**  
Director

*M. Saqib Ehsan*

**Muhammad Saqib Ehsan**  
Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-audited)  
FOR THE HALF YEAR ENDED 31 DECEMBER 2017**

	Half year ended		Quarter ended	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	----- (RUPEES IN THOUSAND) -----			
LOSS AFTER TAXATION	(19,279)	(112,706)	(1,149)	(63,308)
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss	-	-	-	-
Items that may be reclassified subsequently to profit or loss	-	-	-	-
Other comprehensive income for the period	-	-	-	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	<u>(19,279)</u>	<u>(112,706)</u>	<u>(1,149)</u>	<u>(63,308)</u>

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

**Statement under section 232(1) of the Companies Act, 2017:**

The Chief Executive Officer of the Company is presently out of the country. Therefore this condensed interim financial information has been signed by two Directors and Chief Financial Officer as required under section 232(1) of the Companies Act, 2017.

*Nazma Amer*

**NAZMA AMER**  
Director

*Annas Amer*

**ANNS AMER**  
Director

*Muhammad Saqib Ehsan*

**Muhammad Saqib Ehsan**  
Chief Financial Officer

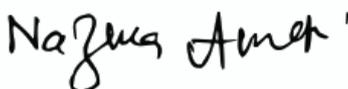
**CONDENSED INTERIM CASH FLOW STATEMENT (Un-audited)  
FOR THE HALF YEAR ENDED 31 DECEMBER 2017**

	NOTE	Half year ended	
		31 December 2017	31 December 2016
<b>(RUPEES IN THOUSAND)</b>			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash (used in) / generated from operations</b>	6	(175,166)	13,291
Finance cost paid		(11,460)	(15,399)
Income tax paid		(5,827)	(5,429)
Staff retirement gratuity paid		(2,048)	(4,343)
Net decrease in long term deposits and prepayments		36	94
<b>Net cash used in operating activities</b>		(194,465)	(11,786)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant and equipment		1,451	296
Proceeds from non-current assets held for sale		-	17,545
Capital expenditure on property, plant and equipment		(19,977)	(4,955)
Profit on long term investments received		114	-
<b>Net cash (used in) / from investing activities</b>		(18,412)	12,886
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from directors' loans		-	150,000
Repayment of long term financing		-	(1,764)
Short term borrowings - net		207,104	(140,533)
<b>Net cash from financing activities</b>		207,104	7,703
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>		(5,773)	8,803
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>		15,729	5,582
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		9,956	14,385

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

**Statement under section 232(1) of the Companies Act, 2017:**

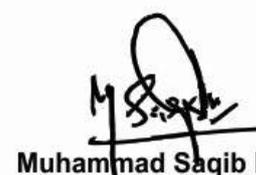
The Chief Executive Officer of the Company is presently out of the country. Therefore this condensed interim financial information has been signed by two Directors and Chief Financial Officer as required under section 232(1) of the Companies Act, 2017.



**NAZMA AMER**  
Director



**ANNS AMER**  
Director



**Muhammad Saqib Ehsan**  
Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-audited)**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2017**

	SHARE CAPITAL	DIRECTORS' LOANS	RESERVES				TOTAL	TOTAL EQUITY
			CAPITAL RESERVES			REVENUE RESERVE		
			SHARE PREMIUM	EQUITY PORTION OF SHAREHOLDERS' LOAN	SUB TOTAL	UNAPPROPRIATED PROFIT / (ACCUMULATED LOSS)		
<b>----- (RUPEES IN THOUSAND) -----</b>								
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	-	-	-	-	-	4,270	4,270	4,270
Loss for the half year ended 31 December 2016	-	-	-	-	-	(112,706)	(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)	(112,706)
Balance as at 31 December 2016 - (Un-audited)	96,600	-	17,250	44,778	62,028	5,777	67,805	164,405
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	-	-	-	4,033	4,033	4,033
Surplus transferred to unappropriated profit on account of disposal of property, plant and equipment - net of deferred income tax	-	-	-	-	-	4,126	4,126	4,126
Loss for the half year ended 30 June 2017	-	-	-	-	-	(67,632)	(67,632)	(67,632)
Other comprehensive income for the half year ended 30 June 2017	-	-	-	-	-	374	374	374
Total comprehensive loss for the half year ended 30 June 2017	-	-	-	-	-	(67,258)	(67,258)	(67,258)
Directors' loan received / revoked during the period	-	360,000	-	-	-	-	-	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	-	-	-	-	-	2,980	2,980	2,980
Surplus transferred to unappropriated profit on account of disposal of property, plant and equipment - net of deferred income tax	-	-	-	-	-	174	174	174
Loss for the half year ended 31 December 2017	-	-	-	-	-	(19,279)	(19,279)	(19,279)
Other comprehensive income for the half year ended 31 December 2017	-	-	-	-	-	-	-	-
Total comprehensive loss for the half year ended 31 December 2017	-	-	-	-	-	(19,279)	(19,279)	(19,279)
Balance as at 31 December 2017 - (Un-audited)	96,600	360,000	17,250	44,778	62,028	(69,447)	(7,419)	449,181

**Statement under section 232(1) of the Companies Act, 2017:**

The Chief Executive Officer of the Company is presently out of the country. Therefore this condensed interim financial information has been signed by two Directors and Chief Financial Officer as required under section 232(1) of the Companies Act, 2017.

*NaZma Amer*

**NAZMA AMER**  
Director

*ANNS AMER*

**ANNS AMER**  
Director

*Muhammad Saqib Ehsan*

**Muhammad Saqib Ehsan**  
Chief Financial Officer

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (Un-audited)  
FOR THE HALF YEAR ENDED 31 DECEMBER 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 listed on Pakistan Stock Exchange Limited. Its registered office and mills premises are situated at 35 Kilometers Sheikhpura Road, Faisalabad. The principal activity of the Company is manufacturing, sale and trading of yarn and cloth.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are consistent with those applied in the preparation of the audited annual financial statements of the Company for the year ended 30 June 2017.

**2.1 Basis of preparation****2.1.1 Statement of compliance**

- a) As per the requirements of Circular No. 23 of 2017 dated 04 October 2017 issued by the Securities and Exchange Commission of Pakistan (SECP) and clarification issued by the Institute of Chartered Accountants of Pakistan via Circular No. 17 of 2017, companies whose financial year, including quarterly and other interim periods, closes on or before 31 December 2017, shall prepare their financial statements, including interim financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. Accordingly, this condensed interim financial information 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 repealed Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the repealed Companies Ordinance, 1984 have been followed.
- b) This condensed interim financial information does not include all the information and disclosures required in the annual audited financial statements, and should be read in conjunction with the Company's annual audited financial statements for the year ended 30 June 2017.
- c) The figures included in this condensed interim profit and loss account for the quarters ended 31 December 2017 and 31 December 2016 along with the notes forming part thereof have not been reviewed by the auditors of the Company, as they have reviewed the accumulated figures for the half years ended 31 December 2017 and 31 December 2016.

**2.1.2 Accounting estimates, judgments and financial risk management**

The preparation of this condensed interim financial information requires management to make judgments, estimates and assumptions that effect the application of accounting policies and the reported amounts. Actual results may differ from these judgments, estimates and assumptions.

However, the management believes that the change in outcome of judgments, estimates and assumptions would not have a material impact on the amounts disclosed in this condensed interim financial information.

Judgments and estimates made by the management in the preparation of this condensed interim financial information are the same as those applied in Company's annual audited financial statements for the year ended 30 June 2017.

The Company's financial risk management objectives and policies are consistent with those disclosed in the Company's annual audited financial statements for the year ended 30 June 2017.

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

- i) The Company is contingently liable for Rupees 3.000 million (30 June 2017: Rupees 3.000 million) to Director Excise and Taxation on account of import duty.

- ii) Guarantees of Rupees 34.442 million (30 June 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) Provision for Gas Infrastructure Development Cess (GIDC) and cost of supply charges thereon amounting to Rupees 16.484 million (30 June 2017: Rupees 13.500 million) and 3.555 million (30 June 2017: Rupees Nil) respectively have not been recognized in the books of account as the Company has obtained stay orders from Lahore High Court, Lahore. The Company is confident for favorable outcomes of the above matters.
- iv) An appeal has been filed by the Company before Commissioner Inland Revenue (Appeals) against the demand of Rupees 22.378 million (30 June 2017: 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 this condensed interim financial information in view of favorable outcome of the appeal.

## b) Commitments

- i) There is no letter of credit for capital expenditure (30 June 2017: Rupees 1.680 million).
- ii) Letters of credit other than for capital expenditure are of Rupees 23.271 million (30 June 2017: Rupees 18.575 million)

Un-audited 31 December 2017	Audited 30 June 2017
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**(RUPEES IN THOUSAND)**

## 4. PROPERTY, PLANT AND EQUIPMENT

Opening book value	836,982	883,546
Add: Cost of additions during the period / year (Note 4.1)	19,977	79,209
	856,959	962,755
Less:		
Book value of assets transferred to investment properties	13,977	76,155
Book value of deletions during the period / year (Note 4.2)	1,571	7,720
	15,548	83,875
	841,411	878,880
Less: Depreciation charged during the period / year	20,106	41,898
	821,305	836,982

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

Buildings on freehold land - mills	4,045	4,414
Plant and machinery	12,890	73,588
Electric installations / appliances	-	102
Factory equipment	-	74
Generators	-	832
Furniture, fixtures	-	3
Computers	70	83
Vehicles	2,972	113
	19,977	79,209

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

Plant and machinery	879	6,625
Vehicles	692	1,095
	1,571	7,720

(Un-audited)			
Half year ended		Quarter ended	
31 December 2017	31 December 2016	31 December 2017	31 December 2016

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

**5. COST OF SALES**

Raw materials consumed	431,967	365,526	227,119	209,184
Loading and unloading charges	1,361	1,806	764	1,014
Salaries, wages and other benefits	62,728	62,173	34,368	31,647
Stores, spare parts and loose tools consumed	18,886	19,999	9,768	11,555
Packing materials consumed	13,695	9,468	7,651	5,631
Repair and maintenance	556	251	179	138
Fuel and power	97,846	64,955	53,586	34,648
Insurance	1,499	1,165	750	583
Other factory overheads	1,019	1,305	489	512
Depreciation	18,180	19,043	9,010	9,548
	<u>647,737</u>	<u>545,691</u>	<u>343,684</u>	<u>304,460</u>
Work-in-process				
Opening stock	2,906	1,645	10,430	8,262
Closing stock	(10,654)	(9,600)	(10,654)	(9,600)
	<u>(7,748)</u>	<u>(7,955)</u>	<u>(224)</u>	<u>(1,338)</u>
Cost of goods manufactured	639,989	537,736	343,460	303,122
Finished goods				
Opening stock	39,224	122,561	35,343	80,660
Closing stock	(12,424)	(32,525)	(12,424)	(32,525)
	<u>26,800</u>	<u>90,036</u>	<u>22,919</u>	<u>48,135</u>
Cost of sales - purchased for resale	17,836	13,094	1,400	11,950
	<u>684,625</u>	<u>640,866</u>	<u>367,779</u>	<u>363,207</u>

Un-audited	
Half year ended	
31 December 2017	31 December 2016

(RUPEES IN THOUSAND)

**6. CASH (USED IN) / GENERATED FROM OPERATIONS**

Loss before taxation	(12,336)	(103,932)
<b>Adjustments for non-cash charges and other items:</b>		
Depreciation	20,106	21,358
Gain on sale of non-current assets held for sale	-	(509)
Loss / (gain) on sale of property, plant and equipment	120	(155)
Credit balances written back	-	(168)
Other receivables written off	-	(457)
Provision for staff retirement gratuity	4,144	2,751
Interest / profit on long term investments	(266)	(267)
Finance cost	14,758	22,540
Net exchange loss	1,569	-
Working capital changes (Note 7.1)	(203,261)	72,130
	<u>(175,166)</u>	<u>13,291</u>

**6.1 Working capital changes**

(Increase) / decrease in current assets:

Stores, spare parts and loose tools	(5,184)	(14,131)
Stock in trade	(228,624)	31,190
Trade debts	7,305	29,498
Loans and advances	(15,101)	(2,138)
Short term deposits and prepayments	(1,630)	(1,617)
Other receivables	(1,325)	(2,953)
	<u>(244,559)</u>	<u>39,849</u>
Increase in trade and other payables	41,298	32,281
	<u>(203,261)</u>	<u>72,130</u>

**7. TRANSACTIONS WITH RELATED PARTIES**

The related parties comprise associated undertaking, 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 2017	31 December 2016	31 December 2017	31 December 2016
------(RUPEES IN THOUSAND)-----			

**i) Transactions****Associated undertaking**

Fuel purchased	1,256	1,281	542	529
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**Other related parties**

Loan obtained from directors - net	5,000	4,000	14,000	22,000
Remuneration paid to Chief Executive Officer, Directors and Executives	2,221	3,242	1,200	1,109

<b>Un-audited</b>	<b>Audited</b>
<b>31 December</b>	<b>30 June</b>
<b>2017</b>	<b>2017</b>
<b>(RUPEES IN THOUSAND)</b>	

**ii) Period end balances**

Directors' loans	360,000	360,000
Trade and other payables	10,523	9,268
Short term borrowings	32,353	27,353

**8. DATE OF AUTHORIZATION**

This condensed interim financial information was approved by the Board of Directors and authorized for issue on February 28, 2018.

**9. 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.

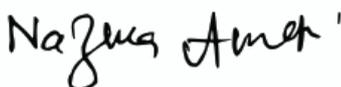
Corresponding figures have been re-arranged wherever necessary, for the purpose of comparison. However, no significant re-arrangements have been made.

**10. GENERAL**

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

**Statement under section 232(1) of the Companies Act, 2017:**

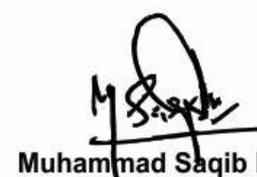
The Chief Executive Officer of the Company is presently out of the country. Therefore this condensed interim financial information has been signed by two Directors and Chief Financial Officer as required under section 232(1) of the Companies Act, 2017.



**NAZMA AMER**  
Director



**ANNS AMER**  
Director



**Muhammad Saqib Ehsan**  
Chief Financial Officer