
ISHTIAQ TEXTILE MILLS LIMITED
FINANCIAL STATEMENTS 1ST QUARTER ENDED
SEPTEMBER 30, 2018

VISION / MISSION STATEMENT

- Our mission is to grow with sound financial position, excellent quality and efficiency of production at lower operating cost.
- To utilize available resources to increase earnings to enable us to deliver a good return to our all shareholders.
- To conduct business with responsibility, integrity, honesty and build long term relation with our valued customers and suppliers.
- To create better work environment to achieve our goals.
- To work for the benefit of our shareholders, employees and the country.
- To fulfill the legal, social and environmental obligation.

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COMPANY PROFILE

BOARD OF DIRECTOR'S	:	DEWAN ABU OBAIDA FAROOQUI DEWAN ABU SAEED FAROOQUI DEWAN M. RIZWAN FAROOQUI DEWAN M. EMRAN FAROOQUI DEWAN M. REHAN FAROOQUI DEWAN M. UZAIR FAROOQUI	(Chairman) (Chief Executive)
AUDIT COMMITTEE	:	DEWAN M. RIZWAN FAROOQUI DEWAN M. REHAN FAROOQUI DEWAN M. UZAIR FAROOQUI	(Chairman) (Member) (Member)
HR & REMUNERATION COMMITTEE	:	DEWAN REHAN FAROOQUI DEWAN ABU SAEED FAROOQUI DEWAN M. RIZWAN FAROOQUI	(Chairman) (Member) (Member)
COMPANY SECRETARY	:	MOHAMMAD UMAIR FAROOQUI 19-F Dawood Co-Operative Housing Society, Stadium Road, Karachi.	
AUDITORS	:	M/S. FARUQ ALI & CO Chartered Accountants C-88, Ground Floor, KDA Scheme No. 01, Main Karsaz Road, Opposite Maritime Museum Karachi.	
BANKERS	:	MCB BANK LTD NATIONAL BANK OF PAKISTAN BANK AL FALAH LIMITED HABIB METROPOLITAN BANK LTD BANK AL HABIB HABIB BANK LIMITED	
SHARE REGISTRAR	:	MG ASSOCIATES (PVT) LIMITED Office at Unit-02 Mustafa Avenue F/4 Block # 09 Clifton Karachi	
WEB REFERENCE	:	www.dewanishtiaqgroup.com	
REGISTERED OFFICE	:	155-Napier Road, Karachi – 74000	
MILLS	:	B-27, S.I.T.E., Nooriabad, District : Dadu, Sindh.	



ISHTIAQ TEXTILE MILLS LIMITED

DIRECTORS' REPORT

Dear Shareholders,

The Financial Statement of the Company for the Three month period ended September 30, 2018 (Un-Audited) is being presented to you.

The financial results in a summarized form are given hereunder:

Description	Three month period ended September 30, 2018	Three month period ended September 30, 2017
Turnover-net	--- million	3.616 million
Gross loss	(4.415) million	(4.123) million
Loss before tax	(6.961) million	(6.863) million
Loss after tax	(6.307) million	(6.267) million

Overview

The Financial Results of your Company for the Three months period ended continues to be remain discouraging, During the quarter under review, the Company incurred an after tax loss of Rs.(6.307) million as compared to an after tax loss of Rs (6.267) million during the corresponding period of last year, The main reason of loss is due to closed operations of the company due to circumstances beyond control of company, we were left with no option except to temporarily cease operations of company had have had to endure very difficult times. The government has not taken appropriate steps to improve the viability of this sector; until major steps like ban of the dumping of Indian yarn and improve the energy situation in Pakistan the true revival of spinning sector will not be possible.

Your director's also hope for better result in future tried their best to start operation of your company and the management of company is hopeful of future profitability of the Company and hopeful that working environment for textile sector will improve.


We wish to express thanks to our employees, banks and the customers for their continued support and co operation.

*For & On Behalf of the Board
Dewan Abu Saeed Farooqui
Chief Executive
Karachi: October 31, 2018*

ISHTIAQ TEXTILE MILLS LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT 30 SEPTEMBER 2018

	Notes	Un-Audited Sep 30, 2018	Audited June 30, 2018
ASSETS		(Rupees)	
NON-CURRENT ASSETS			
Property, plant and equipment		191,850,450	195,027,277
Claim for penalty and other charges recoverable		39,298,709	39,298,709
		231,149,159	234,325,986
CURRENT ASSETS			
Stores, spares and loose tools		6,322,282	6,322,282
Stock in trade		564,578	564,578
Trade debts - Unsecured		5,617,286	5,767,286
Advances, deposits and prepayments		786,632	786,632
Advance income tax - Net		3,739,621	3,739,621
Cash and bank balances		1,402,717	1,380,433
		18,433,116	18,560,832
		249,582,275	252,886,818
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital		50,000,000	50,000,000
5,000,000 (2017: 5,000,000) Ordinary shares of Rs.10/- each		50,000,000	50,000,000
Issued, subscribed and paid-up share capital		42,500,000	42,500,000
Revenue reserve		(169,862,074)	(165,082,157)
Accumulated losses		(169,862,074)	(165,082,157)
Capital reserve		99,092,757	100,619,537
Surplus on revaluation of property, plant and equipment		(28,269,317)	(21,962,620)
NON-CURRENT LIABILITIES			
Subordinated loan - Unsecured		76,329,482	74,739,401
Long term finance		38,253,762	38,253,762
Loans from related parties - Unsecured		9,455,799	9,258,818
Liabilities against assets subject to finance lease		--	--
Deferred liabilities		40,860,345	41,547,079
		164,899,388	163,799,060
CURRENT LIABILITIES			
Trade and other payables		36,663,034	34,524,720
Short term borrowings		71,667,606	71,133,586
Mark-up accrued		3,627,164	3,872,612
Unclaimed dividend		37,300	37,300
Current and overdue portion of lease liability		957,100	1,482,160
		112,952,204	111,050,378
CONTINGENCIES AND COMMITMENTS			
	3	--	--
		249,582,275	252,886,818

The annexed notes form an integral part of these financial statements.

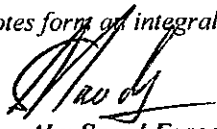

Dewan Abu Saeed Farooqui
Chief Executive


Dewan Emran Farooqui
Director

ISHTIAQ TEXTILE MILLS LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UN -AUDITED)
FOR THE THREE MONTH ENDED SEPTEMBER 30, 2018

	Notes	Three Month Period ended 30-Sep-18	Three Month Period ended 30-Sep-17
		----- (Rupees) -----	
Sales - Net		--	3,616,000
Cost of sales	8	<u>(4,414,656)</u>	<u>(7,738,535)</u>
Gross loss		(4,414,656)	(4,122,535)
Distribution cost		--	(2,448)
Administrative expenses		(749,092)	(628,153)
Other expenses		--	--
		(749,092)	(630,601)
Operating loss		<u>(5,163,748)</u>	<u>(4,753,136)</u>
Finance cost		(1,797,283)	(2,109,954)
Loss before taxation		<u>(6,961,031)</u>	<u>(6,863,090)</u>
TAXATION			
Current year		--	--
Deferred tax		654,334	595,643
		654,334	595,643
Loss for the year		<u><u>(6,306,697)</u></u>	<u><u>(6,267,447)</u></u>
Loss per share - Basic and diluted		<u><u>(1.48)</u></u>	<u><u>(1.47)</u></u>

The annexed notes form an integral part of these financial statements.

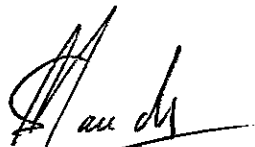

Dewan Abu Saeed Farooqui
 Chief Exexecutive


Dewan Emran Farooqui
 Director

ISHTIAQ TEXTILE MILLS LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE THREE MONTH ENDED SEPTEMBER 30, 2018

	Three Month Period ended 30-Sep-18	Three Month Period ended 30-Sep-17
	----- (Rupees) -----	
Loss for the year	(6,306,697)	(6,267,447)
Other comprehensive income:		
<i>Items that will not be reclassified to profit or loss</i>		
Surplus on revaluation of property, plant and equipment	--	--
Related deferred tax	--	--
	--	--
<i>Items that will not be subsequently reclassified to profit or loss:</i>	--	--
Total comprehensive loss for the year	(6,306,697)	(6,267,447)

The annexed notes form an integral part of these financial statements.

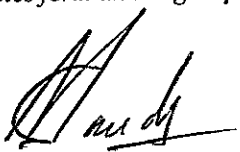

Dewan Abu Saeed Farooqui
 Chief Executive



Dewan Emran Farooqui
 Director

ISHTIAQ TEXTILE MILLS LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE THREE MONTH ENDED SEPTEMBER 30, 2018

	Three Month Period ended 30-Sep-18	Three Month Period ended 30-Sep-17
Notes	----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(6,961,031)	(6,863,090)
<i>Adjustment for non-cash items</i>		
Depreciation	3,176,827	3,429,647
Finance cost	10,221	463,044
Unwinding of discount	1,787,062	1,646,910
Cash flows before working capital changes	(1,986,921)	(1,323,489)
WORKING CAPITAL CHANGES		
<i>Decrease / (increase) in current assets</i>		
Stock in trade	--	3,068,893
Trade debts	150,000	44,236
Advances, deposits and prepayments	--	(2,507,767)
Trade and other payables	2,138,314	8,325
	2,288,314	613,687
Cash generated from operations	301,393	(709,802)
<i>Payment for:</i>		
Finance cost	(255,669)	(840,281)
Gratuity paid	(32,400)	(127,800)
Tax paid	--	(33,079)
Net cash inflows from operating activities	13,324	(1,710,961)
CASH FLOWS FROM INVESTING ACTIVITIES	--	--
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan from related parties - Net	531,422	--
Liabilities against assets subject to finance lease	(525,060)	(101,881)
Net cash inflows from financing activities	6,362	(101,881)
Net increase in cash and cash equivalents	19,686	(1,812,842)
Cash and cash equivalents at beginning of the year	(18,871,680)	(14,180,099)
Cash and cash equivalents at the end of year	(18,851,994)	(15,992,941)

The annexed notes form an integral part of these financial statements.


Dewan Abu Saeed Farooqui
 Chief Executive



Dewan Emran Farooqui
 Director

ISHTIAQ TEXTILE MILLS LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDTED)
FOR THE THREE MONTH PERIOD ENDED SEPTEMBER 30, 2018

	Issued, subscribed and paid-up share capital	Revenue reserve	Capital reserve	Total
		Accumulated losses	Surplus on revaluation of property, plant and equipment	
----- (Rupees) -----				
Balance as on 1 July 2017 - <i>As reported</i>	42,500,000	(130,160,541)	--	(87,660,541)
Impact of change in accounting policy	--	(1,121,536)	91,360,864	90,239,328
Balance as on 1 July 2017 - <i>As restated</i>	42,500,000	(131,282,077)	91,360,864	2,578,787
Total comprehensive loss for the year:				
Loss for the year	--	(6,267,447)	--	(6,267,447)
Other comprehensive income	--	--	--	--
	--	(6,267,447)	--	(6,267,447)
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment - Net of tax	--	1,641,698	(1,641,698)	--
Balance as on 30 September 2017 - <i>As restated</i>	42,500,000	(135,907,826)	89,719,166	(3,688,660)
Balance as on 1 July 2018	42,500,000	(165,082,157)	100,619,537	(21,962,620)
Total comprehensive loss for the year:				
Loss for the year	--	(6,306,697)	--	(6,306,697)
Other comprehensive income	--	--	--	--
	--	(6,306,697)	--	(6,306,697)
Transfer from surplus on revaluation of property, plant and equipment - Net of tax	--	1,526,780	(1,526,780)	--
Balance as at 30 September 2018	42,500,000	(169,862,074)	99,092,757	(28,269,317)

The annexed notes form an integral part of these financial statements


Dewan Abu Saeed Farooqui
 Chief Executive


Dewan Emran Farooqui
 Director

ISHTIAQ TEXTILE MILLS LIMITED

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED) FOR THE PERIOD ENDED SEPTEMBER 30, 2018

1 STATUS AND NATURE OF BUSINESS

- 1.1 Ishtiaq Textile Mills Limited, Karachi was incorporated in Pakistan under Companies Ordinance, 1984 on May 15, 1986 as a public limited company, Its shares are quoted on the Karachi and Lahore Stock Exchanges in Pakistan its is principally engaged in the manufacture and sale of yarn.

2 BASIS OF PREPARATION

The interim condensed financial information is un-audited. These are required to be presented to the share holders under section 245 of the ordinance, 1984 and have been prepared in accordance with the requirements of the international accounting standard (IAS-34) "Interim financial reporting". The interim condensed financial information does not include all the information and disclosure required in the annual financial statements, and should be read in conjunction with the company's annual financial statements for the year ended June 30, 2018

3 SIGNIFICANT ACCOUNTING POLICIES

- 3.1 The principal accounting policies adopted in the preparation of this interim condensed financial information are consistent with those followed in the preparation of the company's annual financial statements for the year ended June 30, 2018.
- 3.2 The preparation of interim condensed financial information in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires 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. Actual results may differ from these estimates. The estimates and judgment applied by the management in preparation of this interim condensed financial information is same as those applied in preparation of annual financial statements of the company for the year ended June 30, 2018.

ISHTIAQ TEXTILE MILLS LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINAINCAL INFORMATION

		Three Month Period ended 30-Sep-18	Three Month Period ended 30-Sep-17
		Rupees	
4	PROPERTY, PLANT AND EQUIPMENT	191,850,450	205,316,218
	4.1 Additions, Revaluations and disposals during the period (Operating fixed assets)	-	-
	<u>Additions (Owned assets)</u>	-	-
	<u>Disposal (Owned assets)</u>	-	-
5	SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT		
	Opening balance	100,619,537	101,936,028
	Transfer to accumulated loss on account of Incremental depreciation for the period	(1,526,780)	(1,641,698)
	Surplus on revaluation of Property, plant and equipment - Closing	<u>99,092,757</u>	<u>100,294,330</u>
6	CONTINGENCIES AND COMMITMENTS		
	6.1 There has been no significant changes in the status of contingencies and commitments as reported in the annual financial statement for the year ended June 30, 2018		

ISHTIAQ TEXTILE MILLS LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINAINCAL INFORMATION

	Three Month Period ended 30-Sep-18	Three Month Period ended 30-Sep-17
RUPEES		
7 SALES-Net		
Gross Sales	--	3,616,000
Yarn	--	--
	<hr/>	<hr/>
Less: Sales tax	--	--
Less: Sales return	--	--
	<hr/>	<hr/>
	<u> --</u>	<u> 3,616,000</u>
8 COST OF SALES		
Opening finished goods	19,340	3,088,233
Cost of goods manufactured	4,414,656	4,669,642
	4,433,996	7,757,875
Closing finished goods	(19,340)	(19,340)
	<hr/>	<hr/>
	<u> 4,414,656</u>	<u> 7,738,535</u>
8.1 COST OF GOODS MANUFACTURED		
Raw material consumed	-	-
Salaries, wages and other benefits	710,859	822,584
Fuel, power and water	440,619	304,654
Insurance expenses	--	95,676
Store and spares consumed	16,205	28,320
Misc exp	29,131	6,635
Rent, rates and taxes		43,375
Vehicle running expenses	17,940	28,045
Telephone bill	3,790	8,950
Repair and Maintenance	98,150	-
Depreciation	3,097,962	3,331,403
	<hr/>	<hr/>
	<u> 4,414,656</u>	<u> 4,669,642</u>
Work-in-process		
At the beginning of the year	--	--
At the end of the year	--	--
	<hr/>	<hr/>
	<u> --</u>	<u> --</u>
	<u> 4,414,656</u>	<u> 4,669,642</u>

ISHTIAQ TEXTILE MILLS LIMITED
NOTED TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

Three Month Period ended 30-Sep-18	Three Month Period ended 30-Sep-17
--	--

RUPEES

8.2 RAW MATERIAL CONSUMED

Opening stock	--	--
Add: Purchase including expenses	--	--
	--	--
Less: Closing stock	--	--
	--	--

9 CASH AND CASH EQUIVALENTS

Cash and bank balances	1,402,717.0	
Short term running finance	(20,000,000.0)	4,007,059
Temporary book overdraft	(254,711.0)	(20,000,000)
	(18,851,994)	(15,992,941)

Three Month Period ended 30-Sep-18	Three Month Period ended 30-Sep-17
--	--

RUPEES

10 TRANSACTION WITH RELATED PARTIES

Associated Companies

10.1 Short Term Finance

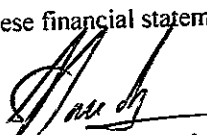
Received during the period	531,422	--
Paid during the period	--	--
	531,422	--

11 AUTHORIZATION

These accounts have been authorized for issue on Wednesday October 31, 2018 by the Board of Director of the Company.

12 GENERAL

These financial statements are presented in Rupees and Figures have been


Dewan Abu Saeed Farooqui
 Chief Executive


Dewan Emran Farooqui
 Director

اشتقاق ٹیکسٹائل ملز لمیٹڈ

ڈائریکٹر کی رپورٹ

پیارے شیئر ہولڈرز،

تین ماہ کی مدت کے لئے کمپنی کے مالیاتی بیان 30 ستمبر، 2018 تک ختم ہو گیا (غیر آٹھ کردہ) آپ کو پیش کیا جا رہا ہے۔

خلاصہ فارم میں مالیاتی نتائج درج ذیل ہیں

تفصیل 30 ستمبر، 2018 کو ختم ہونے والے تین ماہ کی مدت

نیٹ کاروبار --- ملین

مجموعی نقصان (4.415 ملین)

ٹیکس (6.961 ملین) سے پہلے نقصان

ٹیکس (6.307) ملین کے بعد نقصان:

تفصیل 30 ستمبر 2017 کو ختم ہونے والے تین ماہ کی مدت

نیٹ کاروبار 3.616 ملین

مجموعی نقصان (4.123 ملین)

ٹیکس سے پہلے نقصان (6.863 ملین)

ٹیکس کے بعد نقصان (6.267 ملین)

جائزہ

تین مہینے کی مدت کے لئے آپ کی کمپنی کے مالیاتی نتائج ختم ہو چکے ہیں گے، تجزیہ کار کے تحت، اس سہ ماہی کے دوران، کمپنی نے (6.307 ملین) ٹیکس کے بعد نقصان کے ٹیکس کے بعد نقصان (6.267) گزشتہ سال کے اسی عرصے کے دوران، نقصان کی بنیادی وجہ کمپنی کی بند آپریشنوں کی وجہ سے ہے، کمپنی کے کنٹرول سے باہر کی حالتوں کے سبب، ہم چھوڑ دیا گیا تھا کے علاوہ کسی بھی اختیار کے بغیر عارضی طور پر روکنے کے لئے کمپنی کے آپریشنز بہت مشکل کو برداشت کرنا پڑا اوقات حکومت نے اس شعبے کی استعداد کو بہتر بنانے کے لئے مناسب اقدامات نہیں کیے ہیں؛ ہندوستانی سوت کے ڈمپنگ کی پابندی اور پاکستان کی توانائی کی صورتحال کو بہتر بنانے کی طرح بڑے اقدامات تک تکلیف دہ شعبہ کی حقیقی بحالی ممکن نہیں ہوگی۔

آپ کے ڈائریکٹر کا بھی بہتر نتیجہ ہے کہ مستقبل میں بہتر نتائج کی وجہ سے آپ کی کمپنی کے آپریشن شروع کرنے کی کوشش کی جا رہی ہے اور کمپنی کا انتظام امید ہے کہ کمپنی کی مستقبل میں منافع بخش ہونے کی امید ہے اور امید ہے کہ ٹیکسٹائل سیکٹر کے لئے کام کرنے والی ماحول بہتر ہوگی۔

ہم اپنے ملازمین، بینکوں اور گاہکوں کو ان کی مسلسل حمایت اور تعاون کے لئے شکریہ ادا کرنا چاہتے ہیں۔

بورڈ کے قریب اور کے لئے

دیوان ابو سعید فاروقی

چیف ایگزیکٹو

کراچی: ستمبر 30، 2018

