
ISHTIAQ TEXTILE MILLS LIMITED

QUARTERLY REPORT

MARCH 31, 2019

(Un-audited)

CONTENTS

Company Profile	1
Director's Report	2
Condensed Interim Consolidated Statement of Financial Position.....	3
Condensed Interim Consolidated Statement of Profit or Loss	4
Condensed Interim Consolidated Statement of Comprehensive Income.....	5
Condensed Interim Consolidated Cash flow Statement.....	6
Condensed Interim Consolidated Statement of Changes in Equity.....	7
Notes to the Accounts	8
ڈائریکٹر رپورٹ	11

COMPANY PROFILE

BOARD OF DIRECTOR'S	:	DEWAN ABU OBAIDA FAROOQUI (Chairman) DEWAN ABU SAEED FAROOQUI (Chief Executive) DEWAN M. RIZWAN FAROOQUI DEWAN M. EMRAN FAROOQUI DEWAN M. REHAN FAROOQUI DEWAN M. UZAIR FAROOQUI
AUDIT COMMITTEE	:	DEWAN M. RIZWAN FAROOQUI (Chairman) DEWAN M. REHAN FAROOQUI (Member) DEWAN M. UZAIR FAROOQUI (Member)
HR & REMUNERATION COMMITTEE	:	DEWAN REHAN FAROOQUI (Chairman) DEWAN ABU SAEED FAROOQUI (Member) DEWAN M. RIZWAN FAROOQUI (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
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 Nine month period ended March 31, 2019 is being presented to you.

The financial results in a summarized form are given hereunder:

Description	Nine month period ended March 31, 2019	Nine month period ended March 31, 2018
Turnover-net	- million	3.616 million
Gross loss	(13.619) million	(13.152) million
Loss before tax	(21.899) million	(24.572) million
Loss after tax	(19.871) million	(24.416) million

Overview

The Financial Results of your Company for the Nine months period ended continues to be remain discouraging. During the quarter under review, the Company incurred an after tax loss of Rs.(19.871) million as compared to an after tax loss of Rs (24.416) 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: April 30, 2019

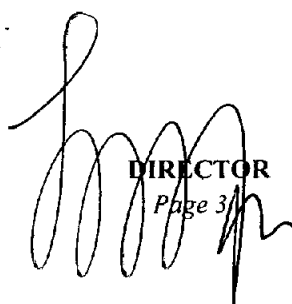
ISHTIAQ TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2019

	Notes	(Un-audited) March,31 2019	(Audited) 30 June 2018
ASSETS		----- (Rupees) -----	
NON-CURRENT ASSETS			
Property, plant and equipment		185,420,355	195,027,277
Claim for penalty and other charges recoverable		39,298,709	39,298,709
		224,719,064	234,325,986
CURRENT ASSETS			
Stores, spares and loose tools		5,472,282	6,322,282
Stock in trade		564,578	564,578
Trade debts - Unsecured		5,317,286	5,767,286
Advances, deposits and prepayments		1,987,189	786,632
Advance income tax - Net		3,744,544	3,739,621
Cash and bank balances		404,125	1,380,433
		17,490,004	18,560,832
		242,209,068	252,886,818
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 5,000,000 (June 2018: 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			
Accumulated losses		(180,438,256)	(165,082,157)
Capital reserve			
Surplus on revaluation of property, plant and equipment	5	96,104,632	100,619,537
		(41,833,624)	(21,962,620)
NON-CURRENT LIABILITIES			
Subordinated loan - Unsecured		79,509,644	74,739,401
Long term finance		38,253,762	38,253,762
Loans from related parties - Unsecured		9,849,761	9,258,818
Deferred liabilities		39,358,913	41,547,079
		166,972,080	163,799,060
CURRENT LIABILITIES			
Trade and other payables		36,740,823	34,524,720
Short term borrowings		76,303,401	71,133,586
Mark-up accrued		3,989,088	3,872,612
Unclaimed dividend		37,300	37,300
Current and overdue portion of lease liability		--	1,482,160
		117,070,612	111,050,378
CONTINGENCIES AND COMMITMENTS			
	6	--	--
		242,209,068	252,886,818

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


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR
 Page 3/3

ISHTIAQ TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS - (UN-AUDITED)
FOR THE QUARTER PERIOD ENDED MARCH 31, 2019

	Notes	Nine month period ended		Three month period	
		July-Mar 19	July-Mar 18	Jan-Mar 19	Jan-Mar 18
		----- (Rupees) -----		----- (Rupees) -----	
Sales - Net	7	--	3,616,000	--	--
Cost of sales	8	(13,618,800)	(16,767,910)	(4,369,546)	(4,427,573)
Gross loss		(13,618,800)	(13,151,910)	(4,369,546)	(4,427,573)
Distribution cost		(64,000)	(46,448)	(30,000)	--
Administrative expenses		(1,634,113)	(5,221,324)	(421,616)	(348,478)
Other expenses		(850,000)	--	--	--
		(2,548,113)	(5,267,772)	(451,616)	(348,478)
Operating loss		(16,166,913)	(18,419,682)	(4,821,162)	(4,776,051)
Finance cost		(5,732,527)	(6,152,162)	(1,790,785)	(2,012,354)
Loss before taxation		(21,899,440)	(24,571,844)	(6,611,947)	(6,788,405)
TAXATION					
Current year		--	(36,160)	--	--
Deferred tax		2,028,436	191,776	(676,145)	703,585
		2,028,436	155,616	(676,145)	703,585
Loss for the year		(19,871,004)	(24,416,228)	(7,288,092)	(6,084,820)
Loss per share - Basic and diluted		(4.68)	(5.74)	(1.71)	(1.43)

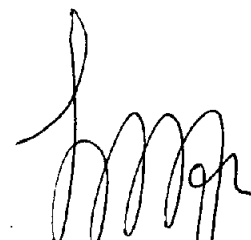
The annexed notes form an integral part of these financial statements.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

ISHTIAQ TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME - (Un-audited)
FOR THE QUARTER PERIOD ENDED MARCH 31, 2019

	Nine month period ended	
	July-Mar 2019	July-Mar 2018
	----- (Rupees) -----	
Loss for the year	(19,871,004)	(24,416,228)
<i>Other comprehensive income:</i>	--	--
Total comprehensive loss for the year	(19,871,004)	(24,416,228)

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


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

ISHTIAQ TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE QUARTER PERIOD ENDED MARCH 31, 2019

	(Un-audited) 31 March 2019	(Un-audited) 31 March 2018
Notes	(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(21,899,440)	(24,571,844)
<i>Adjustment for non-cash items</i>		
Depreciation	9,606,922	10,288,942
Provision for obsolescence and slow moving stores and spares	850,000	1,200,000
Provision for obsolescence and slow moving stocks	--	1,119,486
Advance to staff written-off	--	1,316,560
Finance cost	371,341	1,211,432
Unwinding of discount	5,361,186	4,940,730
Cash outflows before working capital changes	(5,709,991)	(4,494,695)
WORKING CAPITAL CHANGES		
<i>Decrease / (increase) in current assets</i>		
Stock in trade	--	3,068,893
Trade debts	450,000	194,236
Advances, deposits and prepayments	(1,200,557)	(2,579,050)
<i>Increase / (decrease) in current liabilities</i>		
Trade and other payables	2,216,103	
Short term borrowing from related parties	--	961,072
	1,465,546	1,645,151
Cash used in operations	(4,244,445)	(2,849,542)
<i>Payment for:</i>		
Finance cost	(254,865)	(1,548,311)
Gratuity paid	(159,730)	(127,800)
Tax paid	(4,923)	(42,572)
Net cash outflows from operating activities	(4,663,963)	(4,568,225)
CASH FLOWS FROM INVESTING ACTIVITIES		
	--	--
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan from related parties - Net	25,165,836	145,000
Repayment for lease finance	(1,482,160)	(101,881)
Net cash inflows / (outflows) from financing activities	23,683,676	43,119
Net increased / (decrease) in cash and cash equivalents	19,019,713	(4,525,106)
Cash and cash equivalents at beginning of the year	(18,871,680)	(14,180,099)
Cash and cash equivalents at the end of year	148,033	(18,705,205)

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


CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER


DIRECTOR
Page 6

ISHTIAQ TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY - (Un-audited)
FOR THE QUARTER PERIOD ENDED MARCH 31, 2019

	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 restated</i>	42,500,000	(132,079,520)	107,092,519	17,512,999
Total comprehensive loss for the year:				
Loss for the year	--	(39,475,619)	--	(39,475,619)
Other comprehensive income	--	--	--	--
	--	(39,475,619)	--	(39,475,619)
transferred from surplus on revaluation of property, plant and equipment - Net of tax	--	6,472,982	(6,472,982)	--
Balance as on June 2018	42,500,000	(165,082,157)	100,619,537	(21,962,620)
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	--	(19,871,004)	--	(19,871,004)
Other comprehensive income	--	--	--	--
	--	(19,871,004)	--	(19,871,004)
Transfer from surplus on revaluation of property, plant and equipment - Net of tax	--	4,514,905	(4,514,905)	--
Balance as at March 31, 2019	42,500,000	(180,438,256)	96,104,632	(41,833,624)

The annexed notes form an integral part of these financial statements



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

ISHTIAQ TEXTILE MILLS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - (UN-AUDITED)
FOR THE QUARTER PERIOD ENDED MARCH 31, 2019

1 STATUS AND NATURE OF BUSINESS

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

2 BASIS OF PREPARATION

2.1 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 statement, and should be read in conjunction with the company's annual financial statements for the year ended June 30, 2018

3 SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

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 apply 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

4 PROPERTY, PLANT AND

	(Unaudited)	(Unaudited)
	March 31, 2019	March 31, 2018
	Rupees	
4	185,420,355	198,456,924
4.1 Additions. Revaluation and disposals during the period (Operation fixed assets)	-	-
Additional (Owned assets)	-	-
Disposal (Owned assets)	-	-

	(Unaudited) 31 March 2019	(Audited) 31 March 2018
	----- (Rupees) -----	
5 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT		
Opening balance	97,010,932	101,936,028
Transfer to accumulate losses on account of incremental depreciation for the year - Net of tax	(4,514,905)	(4,925,096)
Surplus on revaluation of Property, equipment-Closing	<u>92,496,027</u>	<u>97,010,932</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

7 SALES-Net	Nine month Period ended		Three month Period ended	
	July--Mar 2019	July--Mar 2018	Jan-Mar 2019	Jan-Mar 2018
	----- (Rupees) -----		----- (Rupees) -----	
Yarn - Local	--	3,616,000	--	--

8 COST OF SALES

		Nine month Period ended		Three month Period ended	
		July--Mar 2019	July--Mar 2018	Jan-Mar 2019	Jan-Mar 2018
		----- (Rupees) -----		----- (Rupees) -----	
Opening finished goods		19,340	3,088,233	19,340	19,340
Cost of goods manufactured	8.1	13,618,800	13,699,017	4,369,546	4,427,573
		<u>13,638,140</u>	<u>16,787,250</u>	<u>4,388,886</u>	<u>4,446,913</u>
Closing finished goods		(19,340)	(19,340)	(19,340)	(19,340)
		<u>13,618,800</u>	<u>16,767,910</u>	<u>4,369,546</u>	<u>4,427,573</u>

8.1 Cost of goods manufactured

	Nine month Period ended		Three month Period ended	
	31 March 2019	31 March 2018	Jan-Mar 2019	Jan-Mar 2018
	----- (Rupees) -----		----- (Rupees) -----	
Depreciation	9,293,886	9,994,208	3,097,962	3,331,403
Fuel, power and water	1,591,934	1,112,280	391,469	499,646
Salaries, wages and other benefits	2,247,817	1,915,750	779,553	336,600
Insurance expenses	--	350,991	--	159,154
Rent, rates and taxes	130,125	130,125	43,375	43,375
Vehicle expenses	27,040	62,814	3,800	29,399
Telephone expense	8,280	21,220	2,140	8,830
Miscellaneous	252,638	34,769	50,092	18,426
Stores, spares and loose tools consumed	27,080	41,860	1,155	740
Repair and maintenance	40,000	35,000	--	--
	<u>13,618,800</u>	<u>13,699,017</u>	<u>4,369,546</u>	<u>4,427,573</u>

Work-in-process	Nine month period ended		Three Month period ended	
	July-Mar 2019	July-Mar 2018	July-Mar 2019	July-Mar 2018
At the beginning of the year	-	-	-	-
At the end of the year	-	-	-	-
	-	-	-	-

Nine month period ended **Three Month period ended**
July-Mar **July-Mar** **July-Mar** **July-Mar**
2019 **2018** **2019** **2018**
RUPEES **RUPEES**

8.2 RAW MATERIAL CONSUMED

Opening Stock	-	-	-	-
Add: Purchase including exp	-	-	-	-
Less: Closing Stock	-	-	-	-

9 CASH AND CASH EQUIVALENTS

	Nine month Period ended		Three month Period ended	
	July--Mar 2019	July--Mar 2018	Jan-Mar 2019	Jan-Mar 2018
	----- (Rupees) -----		----- (Rupees) -----	
Cash and bank balances	404,125	1,545,417	68,563	(189,080)
Running finance	--	(20,000,000)	--	--
Book overdraft	(256,092)	(250,622)	(39)	(250,622)
	<u>148,033</u>	<u>(18,705,205)</u>	<u>68,524</u>	<u>(439,702)</u>
			March 31,2019	March 31,2018

10 TRANSACTION WITH RELATED PARTIES

Associated Companies

Short Term Finance

Received during the period	5,165,836	145,000
Paid during the period	-	-
	<u>5,165,836</u>	<u>145,000</u>

11 AUTHORIZATION

These accounts have been authorized for issue on Tuesday April 30, 2019 by the Board of Director of the Company

12 GENERAL

These financial statements are presented in Rupees and Figures have been rounded off to nearest thousand rupees


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

Page 10

اشتقاق ٹیکسٹائل ملز لمیٹڈ

ڈائریکٹر کی رپورٹ

پیارے شیئر ہولڈرز،

نو ماہ کی مدت کے لئے کمپنی کے مالیاتی بیان 31 مارچ 2019 کو ختم کر دینے گئے ہیں

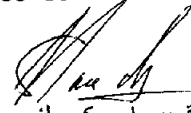
خلاصہ شکل میں مالیاتی نتائج درج ذیل ہیں:

	Nine month period ended March 31, 2019	Nine month period ended March 31, 2018
Turnover-net	- million	3.616 million
Gross loss	(13.619) million	(13.152) million
Loss before tax	(21.899) million	(24.572) million
Loss after tax	(19.871) million	(24.416) million

نو مہینے کے دوران آپ کی کمپنی کے مالیاتی نتائج ختم ہو چکے رہیں گے، تجزیہ کار کے تحت، سہ ماہی کے دوران اس سہ ماہی کے دوران، کمپنی نے (19.871 ملین) ٹیکس کے نقصان کے بعد ایک روپے (24.416) ملین سال گزشتہ سال کی اسی مدت کے دوران، نقصان کا بنیادی سبب کمپنی کے بند آپریشنوں کی وجہ سے کمپنی کے کنٹرول سے باہر ہونے کی وجہ سے ہے، ہم چھوڑ دیا گیا تھا اس کے بغیر کسی بھی اختیار کے بغیر عارضی طور پر بند کرنے کے لئے کمپنی کے آپریشنز بہت مشکل کو برداشت کرنا پڑا تھا 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 میں 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 عمل کو شروع کرنے کے لئے اپنی پوری کوشش کی جا رہی ہے اور کمپنی کا انتظام کمپنی کی مستقبل میں منافع بخش ہونے کی امید ہے اور امید ہے کہ ٹیکسٹائل سیکٹر کے کام کرنے والے ماحول کو بہتر بنایا جائے گا

ہم اپنے ملازمین، بینکوں اور گاہکوں کو ان کے مسلسل تعاون اور تعاون کے لئے شکریہ کا اظہار کرنا چاہتے ہیں


بورڈ کے قریب اور کے لئے

دیوان ابو سعید فاروقی

چیف ایگزیکٹو

کراچی: 30 اپریل 2019