



ISO-9002 CERTIFIED

established since 1988

Ashfaq Textile Mills Ltd.



29TH ANNUAL REPORT 2017

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

شروع اللہ کے نام سے جو بڑا مہربان اور نہایت رحم والا ہے

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Ashfaq Ahmad
(Chief Executive / Managing Director)

Mr. Nadeem Ashfaq
(Executive Director)

Mr. Waseem Ashfaq
(Executive Director)

Mr. Amjad Aslam
(Non-Executive Director)

Mrs. Shazia Amjad
(Non-Executive Director)

Mrs. Nazia Irfan
(Non-Executive Director)

Mirza Muhammad Idrees
(Non-Executive Director)

Khwaja Muhammad Ilyas
(Independent, Non-Executive Director)

COMPANY SECRETARY

Mr. Waseem Ashfaq

CHIEF FINANCIAL OFFICER (CFO)

Mr. Mohammad Anwar Jawed

AUDITORS

M/s Avais Hyder Liaqat Nauman.
Chartered Accountants

BANKERS

United Bank Limited.

AUDIT COMMITTEE

Kh. Muhammad Ilyas (Chairman)
Mrs. Shazia Amjad (Member)
Mr. Mohammad Idrees (Member)

HUMAN RESOURCE AND REMUNERATION COMMITTEE

Mr. Amjad Aslam (Chairman)
Mrs. Nazia Irfan (Member)
Kh. Muhammad Ilyas (Member)

SHARE REGISTRAR

M/s FD Registrar Services (SMC-PVT) Ltd.
1705, 17th Floor, Saima Trade Tower A,
I.I. Chundrigar Road, Karachi.

MAILING ADDRESS

8-A/1, Officers Colony, Susan Road,
Faisalabad.

REGISTERED OFFICE

17 K.M. Main Faisalabad, Jaranwala
Road, Faisalabad.

CONTACT DETAILS

Phones: 92 (41) 2435101-04

Fax: 92 (41) 2435105

E-mail

info@ashfaqtextile.com

Web-Site

www.ashfaqtextile.com

ASHFAQ TEXTILE MILLS LIMITED.

NOTICE OF MEETING

29th Annual General Meeting of ASHFAQ TEXTILE MILLS LIMITED, will be held at the Registered Office of the Company, 17 K.M. Jaranwala Road, Faisalabad on Tuesday, 31st October, 2017 at 09:00 a.m. to transact the following business:-

Ordinary Business:

1. To confirm minutes of the last Meeting.
2. To receive, consider and adopt audited financial statements of the company for the year ended on 30th June 2017 together with the Directors and Auditors reports thereon.
3. To appoint auditors for the year ending June 30, 2018 and to fix their remuneration.
4. To transact any other ordinary business with the permission of the Chair.

By Order of the Board



Ashfaq Ahmad
Chief Executive

Faisalabad: September 27, 2017.

NOTES:

1. The share transfer books of the Company shall remain closed from 24th October, 2017 to 31st October, 2017 (both days inclusive) and no transfer will be accepted during this period.
2. Share transfer received at the Companies Registrars office, M/s FD Registrar Services (SMC-PVT) Ltd., Office # 1705, Saima Trade Tower-A, I.I. Chundrigar Road, Karachi before the close of business on 23rd October 2017 will be treated in time.
3. A member entitled to attend and vote at the general meeting is entitled to appoint another member as proxy. Proxies, in order to be effective, must be received at the Companies registered office not less than 48 hours before the time of meeting.
4. Shareholders are requested to notify the change in their address if any, immediately.
5. CDC Account Holders will further have to follow the under mentioned guidelines as laid down in Circular 1, dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.

A. Attending of Meeting in Person:

- i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the regulations, shall authenticate his/her identity by showing his/her original computerized National Identity Card (CNIC) / original passport at the time of attending the meeting.
- ii) In case of corporate entity, the Board of Directors resolution / power of attorney with specimen signature of the nominee shall be produced at the time of meeting.

B. Appointment of Proxies:

- i) In case of individuals, the Account and sub-account holders and/or the person whose securities are in group account and their registration detail are uploaded as per the regulations, shall submit the proxy form as per the following requirement.
- ii) The proxy form shall be witnessed by two members whose names, address and CNIC numbers shall be mentioned on the form.
- iii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- iv) The proxy shall produce his/her original CNIC/original passport at the time of the meeting.
- v) In case of corporate entity, the Board of Directors resolution / power of attorney with specimen signature shall be submitted and affixed its common seal (unless it has been provided earlier) along with proxy form to the company.
- vi) Members who have not yet submitted copy of their computerized National Identity Card (CNIC) to the company are requested to send at the earliest.

BRIEF HISTORY OF THE COMPANY

Ashfaq Textile Mills Limited was incorporated on January 14, 1988 as a Private Limited Company under the Companies Ordinance 1984 and subsequently converted into a Public Limited Company. Its Shares are quoted on the Pakistan Stock Exchange Limited Karachi. The Company is ISO – 9002 certified. The Mills is located at 17–K.M. Jaranwala Road, Faisalabad. The Company is engaged in the Manufacturing and Sale of Textile goods. Ashfaq Textile Mills Limited is a Weaving unit having 235 Sulzer Shuttleless Machines in operation.

At present the average production capacity of the plant is 29.700 Million Sq. Meters on 60 picks per annum three shifts per day. The Company has produced 27.241 Million Sq. Meters on 60 picks on the basis of 348 days three shifts per day.

VISION

To play a meaningful role in the economy of Pakistan by accepting the challenge of barrier free trade as a dynamic force.

MISSION

To serve the customers by providing quality and high standard products and to expand the sales of the Company through quality control measures and good Governance.

To serve hard for boosting Exports of the country to earn more foreign exchange for tremendous growth of the economy.

DIRECTORS' REPORT

We are pleased to present our 29th Annual Report and Audited Accounts for the year ended June 30, 2017.

Highlights	2017 Rupees in Million	2016 Rupees in Million	Variance %
Sales	285.395	299.055	(4.57)
Gross Profit	35.729	32.645	9.45
Profit Before Tax	6.566	3.120	110.45
Profit After Tax	3.628	3.120	16.28
EPS	0.10	0.09	11.11

Your Company earned profit before tax of Rs.6.566 Million in comparison to Rs. 3.120 Million during the same period last year, which is a remarkable growth. The overall textile market is still under the claws of slowdown. The uncertainty prevailing in country on the Government itself has resulted in slow or no decisions. Textile industry needs a short and long term strategy on part of the Government to give this industry a booster for it to be able to become more competitive and be able to recapture its market share.

We feel that our strategy to convert value added woven fabrics is proving to be the best under the circumstances.

Under these extreme slowdown circumstances the management regrets that no recommendation can be made for payment of dividends or bonus shares for this year.

Marketing strategy and future prospects

We feel that the strategy to keep focus on the domestic market is showing good results and we should continue with this policy till the international market shows signs of recovery and starts paying better profitable prices.

Corporate Social Responsibility

Realizing our social responsibility, your Company contributed Rs. 600,000/- to one of the most renowned charity organizations in Faisalabad, Liver Foundation. This money is spent on the needy patients for their free of charge treatment of liver diseases.

Corporate Governance

The statement of compliance with the best practice of Code of Corporate Governance is annexed.

Corporate and Financial Reporting Frame Work

In compliance of the Code of Corporate Governance, we give below statements on Corporate and Financial Reporting frame work:

1. The financial statements, prepared by the management of the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
2. Proper books of account of the company have been maintained.
3. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and Prudent Judgment.

4. International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
5. The system of internal control is sound in design and has been effectively implemented and monitored.
6. There are no significant doubts upon the company's ability to continue as a going concern.
7. There has been no material departure from the best practices of Corporate Governance, as detailed in the Listing Regulations of the Pakistan Stock Exchange.
8. The Board held four meetings during the year. Attendance by each director was as follows;

Sr.No.	Name of Director	No. of Meetings Attended
1	Mr. Ashfaq Ahmad	04
2	Mr. Nadeem Ashfaq	04
3	Mr. Waseem Ashfaq	04
4	Mr. Amjad Aslam	04
5	Mrs. Shazia Amjad	04
6	Mrs. Nazia Irfan	03
7	Muhammad Idrees	04
8	Khawaja Muhammad Ilyas	04

Leave of absence was granted to directors who could not attend one Board meeting.

9. Key operating and financial data for the last six years are annexed.

10. Audit Committee

The Board of Directors in compliance to the Code of Corporate Governance has established an Audit Committee. The composition of Audit Committee is as under.

Khawaja Muhammad Ilyas	(Chairman)
Mrs. Shazia Amjad	(Member)
Mirza Muhammad Idrees	(Member)

The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the Company. The meeting was also attended by the CFO, Head of Internal Audit and External Auditors as and when it was required.

11. Human Resources and Remuneration Committee.

The Board has also formed an Human Resources and Remuneration Committee, which comprises of the following:

Mr. Amjad Aslam	(Chairman)
Mrs. Nazia Irfan	(Member)
Khawaja Muhammad Ilyas	(Member)

The Human Resources and Remuneration Committee met eight times during the year with an average participation of 95% of its members. The committee makes recommendations to the Board for maintaining a sound organizational plan of the company, an effective employee development programme and sound compensation and benefit plans, policies and practices designed to attract and retain high caliber personnel for effective management of business with a view to achieve set objectives.

12. **Safety and Environments**

The Company strictly complies with the standards of the safety rules and regulations. It also follows environmental friendly policies.

13. **Trading in Company's Shares**

Directors, CEO, CFO Company Secretary and their spouses and minor children have made the following transaction of company shares.

	Purchase	SALE
Mrs. Mussarat Ashfaq	-	50,000

The CEO, Director, CFO and Executives do not hold any interest in the Company other than that disclosed in the pattern of the shareholding.

14. **Auditors**

The present auditors M/S Avais Hyder Liaquat Nauman, Chartered Accountants are due to retire and being eligible offer themselves for re-appointment. The Audit Committee has recommended their re-appointment.

15. **Pattern of Shareholding**

Pattern of share holding of the Company as on June 30, 2017 is annexed.

16. **Acknowledgement**

We also record our sincere thanks and appreciations to the management of our banks M/S United Bank Ltd., who always helped us when needed.

The Directors are pleased to again record their appreciation of the continued hard work and devotion of the staff and workers of the Company.

For and on behalf of Board of Director



(ASHFAQ AHMAD)
Chief Executive Officer

FAISALABAD

DATE: September 27, 2017.

FINANCIAL HIGHLIGHTS							
		2017	2016	2015	2014	2013	2012
		(Rupees in Thousand)					
SALES	Rs.	285,395	299,055	384,695	518,405	795,248	931,187
GROSS PROFIT	Rs.	35,729	32,645	38,386	97,471	125,474	159,285
NET PROFIT AFTER TAX	Rs.	3,628	3,120	5,646	41,587	68,501	68,578
FIXED ASSETS	Rs.	725,415	739,657	726,357	747,629	466,235	439,500
LONG TERM LIABILITIES (FINANCIAL INSTITUTION)	Rs.	-	-	-	-	-	-
LONG TERM LIABILITIES (DIRECTORS)	Rs.	-	-	-	-	50,000	139,740
ACCUMULATED PROFIT / (LOSS)	Rs.	207,446	204,513	184,444	164,855	202,746	181,144
GROSS PROFIT RATIO	%	12.52	10.92	9.98	18.80	15.77	17.11
NET PROFIT RATIO	%	1.27	1.04	1.47	8.02	8.61	7.36
DEBT EQUITY RATIO	%	0:100	0:100	0:100	0:100	10:90	15:85
CURRENT RATIO	%	5.36	4.93	9.66	10.55	1.80	1.35
EARNING PER SHARE	%	0.10	0.09	0.16	1.19	2.26	5.60
BONUS SHARES	%	-	-	-	-	58.33	-
DIVIDEND	Rs.	-	-	-	-	-	-

ASHFAQ TEXTILE MILLS LIMITED

PATERN OF SHAREHOLDING FORM "34" SHAREHOLDERS STATISTICS AS AT JUNE 30, 2017

NUMBER OF SHAREHOLDERS	SHARE HOLDING			TOTAL SHARES HELD
	FROM		TO	
41	1	-	100	1,000
174	101	-	500	52,665
201	501	-	1000	165,598
58	1001	-	5000	146,798
18	5001	-	10000	137,830
5	10001	-	15000	58,999
5	15001	-	20000	89,832
1	20001	-	25000	24,500
1	45001	-	50000	48,500
2	65001	-	70000	139,500
1	85001	-	90000	90,000
1	90001	-	95000	90,664
1	120001	-	125000	122,000
1	1945001	-	1950000	1,946,500
1	2010001	-	2015000	2,015,000
2	3465001	-	3470000	6,936,000
1	5020001	-	5025000	5,022,102
1	5025001	-	5030000	5,026,730
1	5695001	-	5700000	5,696,909
1	7170001	-	7175000	7,173,873
517				34,985,000

S.NO.	CATAGORIES OF SHAREHOLDERS	NUMBER OF SHARE HOLDERS	TOTAL SHARES HELD	PERCENTAGE
1	INDIVIDUAL	515	34,976,501	99.98
2	COMPANIES	1	333	0.00
3	FINANCIAL INSTITUTIONS	1	8,166	0.02
		517	34,985,000	100.00

CATEGORIES OF SHARE HOLDING

AS AT JUNE 30, 2017

DIRECTORS AND THEIR SPOUSE:	SHARES HELD	%
Mr. Ashfaq Ahmad	7,173,873	20.5056
Mr. Nadeem Ashfaq	5,022,102	14.3550
Mr. Waseem Ashfaq	5,026,730	14.3682
Mr. Amjad Aslam	70,000	0.2001
Mrs. Shazia Amjad	1,946,500	5.5638
Mrs. Nazia Irfan	2,015,000	5.7596
Muhammad Idrees	5,000	0.0143
Khawaja Muhammad Ilyas	5,000	0.0143
Mrs. Musarat Ashfaq	5,696,909	16.2839
Mrs. Uzma Nadeem	3,468,000	9.9128
Mrs. Memoni Waseem	3,468,000	9.9128
SHAREHOLDERS HOLDING 10% OR MORE:		
Mr. Ashfaq Ahmad	7,173,873	20.5056
Mrs. Musarat Ashfaq	5,696,909	16.2839
Mr. Nadeem Ashfaq	5,022,102	14.3550
Mr. Waseem Ashfaq	5,026,730	14.3682
FINANCIAL INSTITUTIONS:		
IDBL (ICP UNIT)	8,166	0.0233
JOINT STOCK COMPANIES:		
Z.S. Investment (Pvt) Limited.	249	0.00
GENERAL PUBLIC:	1,079,471	3.09
TOTAL	34,985,000	100

STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF THE CODE OF CORPORATE GOVERNANCE

This statement is being presented in compliance with the Code of Corporate Governance (the CCG) contained in Listing Regulations of Pakistan Stock Exchange Limited for the purpose of establishing a framework whereby a listed Company is managed in compliance with best practices for good Corporate Governance.

The Board has applied the principles contained in the CCG in the following manner:

1. The Company encourages representations of independent non-executive Directors and Directors representing minority interest on the Board of the Company. At present, the Board comprises of;

CATEGORY	NAMES
Independent Director	Khawaja Muhammad Ilyas
Executive Directors	Mr. Ashfaq Ahmad Mr. Nadeem Ashfaq Mr. Waseem Ashfaq
Non-Executive Directors	Mr. Amjad Aslam Mrs. Shazia Amjad Mrs. Nazia Irfan Mr. Muhammad Idrees

The independent director meets the criteria of independence under clause 5.19.1.(b) of the CCG.

2. The Directors have confirmed that none of them is serving as a Director in more than seven listed Companies, including this Company.
3. All the Directors of the Company are registered tax payers and none of them has defaulted in payment of any loan to a banking Company, a DFI or an NBFI.
4. During the year, no causal vacancy occurred in the Board.
5. The Company has prepared a 'Code of Conduct', and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
6. The Boards has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which these were approved or amended has been maintained.

7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of CEO and other executive directors have been taken by the Board.
8. The meetings of the Board were presided over by the Chairman and the Board met at least once in every quarter. Written notices of the Board meetings, alongwith agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. The Directors are aware of their duties and responsibilities under the relevant laws and regulations and they are regularly appraised with the amendments in the Corporate and other laws if any. Five out of eight directors are exempt from the requirement of certification under the Directors' Training Program. The remaining Directors will complete their certifications by June 30, 2018.
10. The appointment of Company Secretary, CFO and Head of Internal Audit, including their remuneration and terms and conditions of employment, as recommended by the CEO, was approved by the Board.
11. The Directors' report for the year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
12. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.
13. The CEO, Directors and Executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
14. The Company has complied with all the corporate and financial reporting requirements of the CCG.
15. The Board has formed an Audit Committee. It comprises of three members, of whom two are non-executive directors and one is an independent director who is the Chairman of the Committee.
16. The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the CCG. The terms of reference of the Committee have been defined and communicated to the Committee for compliance.

17. The Board has formed a Human Resource and Remuneration Committee. It comprises of three members, of whom two are non-executive directors including the Chairman of the committee and one is an independent director.
18. The Board has set-up and effective Internal Audit function with employees, who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The related parties transaction and pricing methods have been placed before the audit committee and approved by the board of directors. The transactions were made on terms equivalent to those that prevail in arm's length transaction.
22. The "closed period" prior the announcement of interim / final results, and business decisions, which may materially affect the market price of Company's shares were determined and intimated to directors, employees and the Pakistan Stock Exchange Limited.
23. Material / price sensitive information has been disseminated among all market participants at once through the Pakistan Stock Exchange Limited.
24. We confirm that all other material principles contained in the CCG have been complied with.



On behalf of the Board
(ASHFAQ AHMAD)
Chief Executive Officer



RSM Avasi Hyder Liaquat Nauman

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**REVIEW REPORT TO THE MEMBERS
ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES
OF THE CODE OF CORPORATE GOVERNANCE**

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance for the year ended June 30, 2017 prepared by the Board of Directors of Ashfaq Textile Mills Limited (the company) to comply with the Listing Regulation No. 5.19.23 of the Pakistan Stock Exchange Limited, where the Company is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the company personnel and review of various documents prepared by the company to comply with the Code.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board's statement on internal control covers all risks and controls, or to form an opinion on effectiveness of such internal controls, the company's corporate governance procedures and risks.

The Code also requires the company to place before the Board of Directors for their consideration and approval of related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the Audit Committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Directors and placement of such transactions before the Audit Committee. We have not carried out any procedure to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the company's compliance, in all material respects, with the best practices contained in the Code as applicable to the company for the year ended June 30, 2017.

Dated: **27 SEP 2017**
Place: Faisalabad

RSM Avasi Hyder Liaquat Nauman
RSM AVAIS HYDER LIAQUAT NAUMAN
CHARTERED ACCOUNTANTS

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

Other Offices at:
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Rawalpindi : 92 (51) 519 3135
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AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of Ashfaq Textile Mills Limited (the company) as at June 30, 2017 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- (a) in our opinion, proper books of account have been kept by the company as required by the Companies Ordinance, 1984;
- (b) in our opinion:
 - i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
 - ii) the expenditure incurred during the year was for the purpose of the company's business; and


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- iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the company;
- (c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the company's affairs as at June 30, 2017 and of the profit, its comprehensive income, cash flows and changes in equity for the year then ended; and
- (d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.


RSM AVAIS HYDER LIAQUAT NAUMAN
CHARTERED ACCOUNTANTS
Engagement Partner:- Hamid Masood

Dated: 27 SEP 2017
Place: Faisalabad

ASHFAQ TEXTILE MILLS LIMITED
BALANCE SHEET
AS AT JUNE 30, 2017

	Note	2017 Rupees	2016 Rupees		Note	2017 Rupees	2016 Rupees
EQUITY AND LIABILITIES				ASSETS			
SHARE CAPITAL AND RESERVE				NON CURRENT ASSETS			
Authorised capital 100,000,000 ordinary shares of Rs.10/- each		<u>1,000,000,000</u>	<u>1,000,000,000</u>	Property, plant and equipment	9	720,905,425	735,147,422
				Long term security deposits	10	4,509,782	4,509,782
						<u>725,415,207</u>	<u>739,657,204</u>
Issued, subscribed and paid up capital	3	349,850,000	349,850,000				
Unappropriated profit		207,446,251	204,512,775				
		<u>557,296,251</u>	<u>554,362,775</u>				
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT	4	324,001,510	338,573,124				
NON CURRENT LIABILITIES							
Deferred liability Staff retirement gratuity	5	41,333,036	20,357,596				
CURRENT LIABILITIES				CURRENT ASSETS			
Trade and other payables	6	21,365,939	12,712,131	Stores, spares and loose tools	11	35,909,147	21,527,697
Interest / mark up payable on short term bank borrowings		43,664	520,526	Stock in trade	12	16,715,034	14,581,706
Short term bank borrowings	7	20,952,247	31,000,000	Trade debts	13	35,059,303	26,811,028
Provision for taxation - income tax		2,878,467	-	Loans and advances	14	52,308,471	59,543,134
		<u>45,240,317</u>	<u>44,232,657</u>	Prepayments		538,549	4,002,343
				Other receivables	15	1,238,579	2,634,941
				Tax refunds due from Government	16	57,649,049	42,985,093
				Cash and bank balances	17	43,037,775	45,783,006
						<u>242,455,907</u>	<u>217,868,948</u>
CONTINGENCY AND COMMITMENT	8	-	-				
		<u>967,871,114</u>	<u>967,526,152</u>			<u>967,871,114</u>	<u>967,526,152</u>

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


CHIEF EXECUTIVE OFFICER


DIRECTOR

ASHFAQ TEXTILE MILLS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2017

	Note	2017 Rupees	2016 Rupees
Sales	18	285,394,889	299,054,810
Cost of sales	19	<u>249,665,433</u>	<u>266,410,281</u>
Gross profit		35,729,456	32,644,529
Distribution cost	20	<u>2,951,511</u>	<u>4,072,536</u>
Administrative expenses	21	<u>23,982,454</u>	<u>23,756,036</u>
Other operating expenses	22	<u>352,103</u>	<u>442,547</u>
Finance cost	23	<u>1,877,002</u>	<u>1,253,353</u>
		<u>29,163,070</u>	<u>29,524,472</u>
Profit for the year before taxation		6,566,386	3,120,057
Provision for taxation	24	2,938,644	-
Profit for the year		<u><u>3,627,742</u></u>	<u><u>3,120,057</u></u>
Earnings per share - Basic and diluted	25	<u><u>0.10</u></u>	<u><u>0.09</u></u>

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


CHIEF EXECUTIVE OFFICER


DIRECTOR

ASHFAQ TEXTILE MILLS LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2017

	Note	2017 Rupees	2016 Rupees
Profit for the year		3,627,742	3,120,057
Other comprehensive (loss) / income			
Items that will not be subsequently reclassified to profit or loss			
Incremental depreciation on revalued assets for the year	4	14,571,614	15,332,283
Remeasurement of staff retirement gratuity		(15,265,880)	1,616,367
		(694,266)	16,948,650
Total comprehensive income for the year		<u>2,933,476</u>	<u>20,068,707</u>

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


CHIEF EXECUTIVE OFFICER


DIRECTOR

ASHFAQ TEXTILE MILLS LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2017

	2017 Rupees	2016 Rupees
(a) CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year before taxation	6,566,386	3,120,057
Adjustments for:		
Depreciation of property, plant and equipment	32,718,775	32,500,350
Provision for staff retirement gratuity	8,569,530	5,992,952
Loss on disposal of property, plant and equipment	5,849	-
Balances written off - net	-	263,645
Finance cost	1,877,002	1,253,353
Operating cash flows before working capital changes	49,737,542	43,130,357
Changes in working capital		
Decrease / (Increase) in current assets		
Stores, spares and loose tools	(14,381,450)	9,018,051
Stock in trade	(2,133,328)	114,719
Trade debts	(8,248,275)	35,979,311
Loans and advances	6,326,746	(29,430,869)
Prepayments	3,463,794	(3,719,234)
Other receivables	1,396,362	(1,712,527)
Tax refunds due from Government	(10,055,368)	(9,930,222)
Increase / (Decrease) in current liabilities		
Trade and other payables	8,653,807	(3,609,025)
Cash generated from operating activities	34,759,830	39,840,561
Finance cost paid	(2,353,864)	(735,155)
Income tax paid	(3,760,847)	(4,668,764)
Staff retirement gratuity paid	(2,859,970)	(4,558,097)
Net cash generated from operating activities	25,785,149	29,878,545
(b) CASH FLOWS FROM INVESTING ACTIVITIES		
Additions in property, plant and equipment	(19,342,627)	(45,800,579)
Proceeds from disposal of operating assets	860,000	-
Net cash (used in) investing activities	(18,482,627)	(45,800,579)

	2017 Rupees	2016 Rupees
(c) CASH FLOWS FROM FINANCING ACTIVITIES		
(Decrease) / Increase in short term bank borrowings - net	(10,047,753)	26,000,000
Net cash (used in) / generated from financing activities	<u>(10,047,753)</u>	<u>26,000,000</u>
Net (Decrease) / increase in cash and cash equivalents (a+b+c)	(2,745,231)	10,077,966
Cash and cash equivalents at the beginning of the year	45,783,006	35,705,040
Cash and cash equivalents at the end of the year	<u><u>43,037,775</u></u>	<u><u>45,783,006</u></u>

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


CHIEF EXECUTIVE OFFICER


DIRECTOR

ASHFAQ TEXTILE MILLS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2017

	Issued, subscribed and paid up capital	Unappropriated profit	Total
	-----Rupees-----		
Balance as at July 01, 2015	349,850,000	184,444,068	534,294,068
Total comprehensive income for the year			
Profit for the year	-	3,120,057	3,120,057
Other comprehensive income			
Items that will not be subsequently reclassified to profit or loss			
Incremental depreciation on revalued assets for the year	-	15,332,283	15,332,283
Remeasurement of defined benefit liability	-	1,616,367	1,616,367
	-	20,068,707	20,068,707
Balance as at June 30, 2016	349,850,000	204,512,775	554,362,775
Total comprehensive income for the year			
Profit for the year	-	3,627,742	3,627,742
Other comprehensive income			
Items that will not be subsequently reclassified to profit or loss			
Incremental depreciation on revalued assets for the year	-	14,571,614	14,571,614
Remeasurement of defined benefit liability	-	(15,265,880)	(15,265,880)
	-	2,933,476	2,933,476
Balance as at June 30, 2017	349,850,000	207,446,251	557,296,251

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


CHIEF EXECUTIVE OFFICER


DIRECTOR

ASHFAQ TEXTILE MILLS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

1. GENERAL INFORMATION

1.1

Ashfaq Textile Mills Limited (the Company) was incorporated in Pakistan on January 14, 1988 as a private limited company under the Companies Ordinance, 1984 and subsequently converted into a public limited company. The Company is listed on Pakistan Stock Exchange Limited. The business of the Company is manufacturing and sale of textiles and rendering of sizing and conversion services. The registered office and mills of the Company are located at 17 K.M. Jaranwala Road, Faisalabad in the Province of Punjab.

- 1.2** The financial statements are presented in Pak Rupee, which is the Company's functional and presentation currency.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

These financial statements have been prepared in accordance with the requirements of the Companies Ordinance, 1984 (the Ordinance), directives issued by the Securities and Exchange Commission of Pakistan (SECP), and approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Accounting Standards (IASs) / International Financial Reporting Standards (IFRSs) as notified under the provisions of the Ordinance. Wherever, the requirements of the Ordinance or directives issued by SECP differ with the requirements of these standards, the requirements of the Ordinance or the requirements of the said directives take precedence.

2.2 Application of new and revised International Financial Reporting Standards (IFRSs)

2.2.1 Standards, amendments to standards and interpretations becoming effective in current year

The following standards, amendments to standards and interpretations have been effective and are mandatory for financial statements of the Company for the periods beginning on or after July 01, 2016 and therefore, have been applied in preparing these financial statements.

- Amendment s to IAS 1 Disclosure Initiative

These amendments are intended to assist entities in applying judgment when meeting the presentation and disclosure requirements in IFRS, and do not affect recognition and measurement.

These amendments are as part of the IASB initiative to improve presentation and disclosure in financial reports. The application of standard has no significant impact on the Company's financial statements.

- Amendment to IAS 16 "Property Plant and Equipment" and IAS 38 "Intangible Assets":

In this amendment it is clarified that the use of revenue based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. It is clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. The application of standard has no significant impact on the Company's financial statements.

- **Annual improvements 2014**

These set of amendments impacts 3 standards:

IFRS 7, 'Financial instruments: Disclosures', (with consequential amendments to IFRS 1) regarding servicing contracts.

IAS 19, 'Employee benefits' regarding discount rates.

IAS 34, 'Interim financial reporting' regarding disclosure of information.

The company has applied the amendments to IFRS's included in the annual improvements 2014 cycle in the current year.

The application of amendments has no significant impact on the disclosures or amounts recognized in the company's financial statements.

2.2.2 Standards, amendments to standards and interpretations becoming effective in current year but not relevant.

There are certain amendments to standards that became effective during the year and are mandatory for accounting periods of the Company beginning on or after July 01, 2016 but are considered not to be relevant to the Company's operations and are, therefore, not disclosed in these financial statements.

2.2.3 Standards, amendments to standards and interpretations becoming effective in future periods

The following standards, amendments to standards and interpretations have been published and are mandatory for the Company's accounting periods beginning on or after their respective effective dates:

- **IFRS 9 Financial Instruments (2014):**

IFRS 9 contains accounting requirements for financial instruments in the areas of classification and measurement, impairments, hedge accounting, de-recognition:

All recognized financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement are required to be subsequently measured at amortized cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at Fair Value Through Other Comprehensive Income. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods.

With regard to the measurement of financial liabilities designated as at fair value through profit or loss, standard requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss.

In relation to the impairment of financial assets, standard requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39.

The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in IAS 39. Under IFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The standard is effective for accounting period beginning on or after January 01, 2018. The management of the Company is reviewing the changes to evaluate the impact of application of standard on the financial statements.

- **IFRS 15 Revenue from Contracts with Customers:**

IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers.

Guidance is provided on topics such as the point in which revenue is recognized, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced. The standard is effective for accounting periods beginning on or after January 01, 2018. The Management is in the process of evaluating the impact of application of the standard on the Company's financial statements.

- **IAS 12 Income taxes**

The amendments to IAS 12 address the issue of recognition of deferred tax assets for unrealized losses and clarify how to account for deferred tax assets related to debt instruments measured at fair value.

The amendments are effective for accounting period beginning on or after January 01, 2017. The application of standard is not expected to have any material impact on the Company's financial statements.

- **IAS 7 Statement of cash flows**

The amendments to IAS 7 introduce an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities.

The amendment is effective for accounting period beginning on or after January 01, 2017. The application of amendments is not expected to have any material impact on the Company's financial statements.

- **IFRIC 22 Foreign currency transactions and advance consideration :**

This IFRIC addresses foreign currency transactions or parts of transactions where there is consideration that is denominated or priced in a foreign currency. The interpretation provides guidance for when a single payment/receipt is made as well as for situations where multiple payments/receipts are made. The guidance aims to reduce diversity in practice. The company is yet to assess the full impact of the IFRIC.

This IFRIC is effective for accounting period beginning on or after January 01, 2018. The application of IFRIC is not expected to have any material impact on the Company's financial statements.

- **IFRIC 23 Uncertainty over Income Tax Treatments:**

The interpretation is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. The company is yet to assess the full impact of the IFRIC. The Interpretation does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments.

This IFRIC is effective for accounting period beginning on or after January 01, 2019. The application of IFRIC is not expected to have any material impact on the Company's financial statements.

- **Annual improvements 2014-2016**

Annual Improvements to IFRSs through 2014-2016 cycle have been issued by IASB on December 08, 2016, amending the following standards;

IFRS 1: First-time Adoption of International Financial Reporting Standards.

IFRS 12: Disclosure of Interests in Other Entities.

IAS 28: Investments in Associates and Joint Ventures.

The amendments are effective for accounting periods beginning on or after January 01, 2017 and January 01, 2019. The application of amendments is not expected to have any material impact on the Company's financial statements.

2.2.4 Standards, amendments to standards and interpretations becoming effective in future period but not relevant.

There are certain new standards, amendments to standards and interpretations that are effective from different future periods but are considered not to be relevant to the Company's operations, therefore, not disclosed in these financial statements.

2.3 Basis of preparation

These financial statements have been prepared under the historical cost convention except:

- certain property, plant and equipment are stated at valuation.
- staff retirement benefits carried at present value.

The principal accounting policies adopted are set out below:

2.4 Staff retirement gratuity

The Company operates a defined benefit plan - unfunded gratuity scheme covering all permanent employees. Provision is made annually on the basis of actuarial recommendation to cover the period of service completed by employees using Projected Unit Credit Method. All actuarial gains and losses are recognised in 'other comprehensive income' as they occur.

2.5 Trade and other payables

- Liabilities for trade and other payables are carried at cost which is the fair value of the consideration to be paid in future for goods and services received, whether billed to the Company or not.

2.6 Provisions

Provisions are recognised when the Company has a present, legal or constructive obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. However, provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

2.7 Provision for taxation

Current

Provision for current taxation is based on taxable income at the current rate of taxation after taking into account applicable tax credits and tax rebates available under the law.

Deferred

Deferred tax is provided using the liability method for all temporary differences at the balance sheet date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. In this regard, the effect on deferred taxation of the portion of income subject to final tax regime is also considered in accordance with the requirement of Technical Release – 27 of the Institute of Chartered Accountants of Pakistan.

Deferred tax asset is recognised for all deductible temporary differences and carry forward of unused tax losses, if any, to the extent that it is probable that taxable profit will be available against which such temporary differences and tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rate that is expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax charged or credited in the income statement, except in case of items charged or credited to equity in which case it is included in equity.

2.8 Dividend and other appropriations

Dividend is recognised as a liability in the period in which it is approved. Appropriations of profits are reflected in the statement of changes in equity in the period in which such appropriations are made.

2.9 Property, plant and equipment

Property, plant and equipment except freehold land and capital work in progress are stated at cost/valuation less accumulated depreciation and impairment in value, if any. Freehold land is stated at valuation less accumulated impairment in value, if any. Capital work in progress is stated at cost less accumulated impairment in value, if any.

Depreciation is charged to income applying the reducing balance method at the rates specified in property, plant and equipment note.

Depreciation on additions during the year is charged from the month in which asset is acquired or capitalised, while no depreciation is charged for the month in which asset is disposed off. The assets' residual values and useful lives are reviewed at each financial year end and adjusted if impact on depreciation is significant.

Repairs and maintenance costs are charged to income during the period in which they are incurred. Major renewals and improvements are capitalised.

Gains or losses on disposal of assets, if any, are recognised as and when incurred.

All expenditure connected with specific assets incurred during installation and construction period are carried under capital work in progress. These are transferred to specific assets as and when these assets are available for use.

Surplus arising on revaluation of an item of property, plant and equipment is credited to surplus on revaluation of property, plant and equipment, except to the extent of reversal of deficit previously charged to income, in which case that portion of the surplus is recognised in income. Deficit on revaluation of an item of property, plant and equipment is charged to surplus on revaluation of that asset to the extent of surplus and any excess deficit is charged to income. On subsequent sale or retirement of revalued item of property, plant and equipment, the attributable balance of surplus is transferred to unappropriated profit through statement of comprehensive income. The surplus on revaluation of property, plant and equipment to the extent of incremental depreciation charged on the related assets is transferred to unappropriated profit through statement of comprehensive income.

2.10 Impairment

The company assesses at each balance sheet date whether there is any indication that assets except deferred tax assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether these are recorded in excess of their recoverable amounts. Where carrying values exceed the respective recoverable amounts, assets are written down to their recoverable amounts and the resulting impairment loss is recognised in profit and loss account, unless the relevant assets are carried at revalued amounts, in which case the impairment loss is treated as a revaluation decrease. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use.

Where impairment loss subsequently reverses, the carrying amounts of the assets are increased to the revised recoverable amounts but limited to the carrying amounts that would have been determined had no impairment loss been recognised for the assets in prior years. A reversal of an impairment loss is recognised immediately in profit or loss account.

2.11 Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.12 Stores, spares and loose tools

These are valued at moving average cost less allowance for obsolete and slow moving items. Items in transit are valued at invoice value plus other charges incurred thereon.

2.13 Stock in trade

Stock in trade except wastes is valued at lower of cost and net realisable value. Cost is determined as follows:

Raw material	Weighted average cost.
Work in process	Average manufacturing cost.
Finished goods	Average manufacturing cost.

Wastes are valued at net realisable value.

Net realisable value represents the estimated selling price in the ordinary course of business less estimated cost of completion and estimated cost necessary to make the sales. Average manufacturing cost includes cost of direct material, labour and appropriate manufacturing overheads.

2.14 Trade debts and other receivables

Trade debts are carried at original invoice amount less an estimate made for doubtful receivables based on review of outstanding amounts at the year end. Balances considered bad are written off when identified. Other receivables are recognised at nominal amount which is fair value of the consideration to be received in future.

2.15 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand, balances with banks, books overdrawn and highly liquid short-term investments that are convertible to known amounts of cash and are subject to insignificant risk of change in value.

2.16 Foreign currencies

Transactions in currencies other than Pakistani Rupee are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date except where forward exchange contracts have been entered into for repayment of liabilities, in that case, the rates contracted for are used.

Gains and losses arising on retranslation are included in net profit or loss for the period.

2.17 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments and derecognised when the Company loses control of the contractual rights that comprise the financial assets and in case of financial liabilities when the obligation specified in the contract is discharged, cancelled or expired.

Other particular recognition methods adopted by the Company are disclosed in the individual policy statements associated with each item of financial instruments.

2.18 Offsetting of financial asset and financial liability

A financial asset and financial liability is offset and the net amount reported in the balance sheet, if the Company has a legal enforceable right to offset the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.19 Related party transactions

Transactions with related parties are priced on arm's length basis. Prices for these transactions are determined on the basis of comparable uncontrolled price method, which sets the price by reference to comparable goods and services sold in an economically comparable market to a buyer unrelated to the seller.

2.20 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business.

Sale of goods is recognised when goods are delivered and title has passed.

Sizing and conversion income is recognised as the services are rendered.

2.21 Critical accounting estimates and judgments

The preparation of financial statements in conformity with IASs / IFRSs requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, incomes and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised.

Significant areas requiring the use of management estimates in these financial statements relate to the useful life of depreciable assets, provision for doubtful receivables and slow moving inventory, staff retirement gratuity and taxation. However, assumptions and judgments made by management in the application of accounting policies that have significant effect on the financial statements are not expected to result in material adjustment to the carrying amounts of assets and liabilities in the next year.

3. Issued, subscribed and paid up capital

2016	2017		2017	2016
Number of shares			Rupees	Rupees
20,991,000	20,991,000	Ordinary shares of Rs. 10/- each fully paid in cash	209,910,000	209,910,000
13,994,000	13,994,000	Ordinary shares of Rs. 10/- each fully paid bonus shares	139,940,000	139,940,000
<u>34,985,000</u>	<u>34,985,000</u>		<u>349,850,000</u>	<u>349,850,000</u>

	2017 Rupees	2016 Rupees
4. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT		
Opening balance	338,573,124	353,905,407
Transferred to Comprehensive Income for the year		
Incremental depreciation for the year	(14,571,614)	(15,332,283)
	<u>324,001,510</u>	<u>338,573,124</u>

- 4.1 Freehold land, building on freehold land and plant and machinery are carried at valuation. Latest valuation on the basis of market values, has been carried out by independent valuers "M/S Empire Enterprises Pakistan" on June 30, 2014 .

5. Staff retirement gratuity

5.1 General description

The scheme provides terminal benefits for all the employees of the Company who attain the minimum qualifying period. Annual charge is based on actuarial valuation carried out as at June 30, 2017 using Projected Unit Credit Method.

	Note	2017 Rupees	2016 Rupees
5.2 Balance sheet reconciliation as at June 30,			
Present value of defined benefit obligation		<u>41,333,036</u>	<u>20,357,596</u>
5.3 Movement in net liability recognised			
Opening balance		20,357,596	20,539,108
Expenses recognised in profit and loss account	5.4	8,569,530	5,992,952
Paid / adjusted during the year		(2,859,970)	(4,558,097)
Remeasurement on obligation		15,265,880	(1,616,367)
Balance at June 30,		<u>41,333,036</u>	<u>20,357,596</u>
5.4 Expenses recognised in profit and loss account			
Current service cost		6,771,407	3,820,483
Interest cost		<u>1,798,123</u>	<u>2,172,469</u>
		<u>8,569,530</u>	<u>5,992,952</u>
5.5 Principal actuarial assumptions			
Discount factor used		7.75% Per annum	9.5% Per annum
Expected rate of increase in salaries		6.75% Per annum	8.5% Per annum
Expected average remaining working lives of participating employees		8 years	5 years

- 5.6 The sensitivity of the defined benefit obligation to changes in the weighted principle assumptions is :

		Reworked defined benefit obligation	
	Change in assumptions	Increase in assumptions	Decrease in assumptions
		-----Rupees-----	
Discount rate	100 bps	38,334,761	44,776,379
Salary increase rate	100 bps	44,883,499	38,183,201

- 5.7 The above sensitivity analysis is based on change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (Projected Unit Credit Method) has been applied as for calculating the liability of staff retirement gratuity.

	Note	2017 Rupees	2016 Rupees
6. Trade and other payables			
Creditors		13,412,400	5,793,319
Accrued liabilities		7,350,672	6,353,340
Workers' profit participation fund	6.1	346,254	178,902
Other		256,613	386,570
		<u>21,365,939</u>	<u>12,712,131</u>

6.1 Workers' profit participation fund

Opening balance	178,902	308,551
Interest on funds utilised in the Company's business	7,049	6,165
	<u>185,951</u>	<u>314,716</u>
Amount paid to workers on behalf of the fund	<u>(185,951)</u>	<u>(314,716)</u>
	-	-
Allocation for the year	346,254	178,902
	<u>346,254</u>	<u>178,902</u>

7. Short term bank borrowings

Secured			
Under mark up arrangement			
From banking company			
Export finance	7.2	<u>20,952,247</u>	<u>31,000,000</u>

7.1 The aggregate unavailed short-term borrowing facilities available to the Company are Rs. 29.05 million (2016: Rs. 19.00 million).

7.2 This is secured against lien on export documents and first charge over fixed and current assets of the Company. This is further secured by personal guarantee of directors of the Company. This is subject to markup at three months KIBOR plus 1.5% per annum. (2016 :1.5% per annum).

Effective mark up rate ranges from 7.59% to 7.61% per annum (2016: 7.55% to 8.50% per annum).

	2017 Rupees	2016 Rupees
8. CONTINGENCY AND COMMITMENT		
Contingency		
Liability of workers' welfare fund not acknowledged. The Company is claiming exemption from the levy.	-	4,884,804
Liability of gas infrastructure development cess not acknowledged due to pending decision on petitions.	250,206	-
Commitment		
Under letter of credit for stores	13,269,000	5,754,188

Note	2017 Rupees	2016 Rupees
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9.1	718,191,425	735,147,422
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2,714,000

- Rupees

766,421,298

(47,345,055)

719,076,243

719,076,243

48,571,529

(22 F00 2E0)

(32,500,350)

735,147,422

814,992,827

(79,845,405)

735 147 422

133,141,422

735 147 422

16,628,627

170,070,01

(2 309 024)

(2,309,024)
1 443 175

1,443,173
(865.849)

(54,0,00)

(32,718,775)

740 404 425

718,191,425

829.312.430

111,121,005)

1

718,191,425

	2017 Rupees	2016 Rupees
9.1.1 Depreciation for the year has been allocated as under:		
Cost of goods sold	29,369,733	28,810,846
Administrative expenses	3,349,042	3,689,504
	<u>32,718,775</u>	<u>32,500,350</u>

9.2 Disposal of property, plant and equipment

Description	Cost	Accumulated depreciation	Written down value	Sale proceeds	Particulars of buyer
Operating assets					
Vehicle	2,309,024	1,443,175	865,849	860,000	Mr. Muhammad Kamran House # 4559, Street # 02, Muhalla ashraf pura, Mansoorabad Faisalabad.

9.3 Had there been no revaluation, the related figures of freehold land, building on freehold land and plant and machinery at June 30, 2017 and 2016 would have been as follows:

	2017		
	Cost	Accumulated depreciation	Written down value
	-----Rupees-----		
Freehold land	9,659,905	-	9,659,905
Building on freehold land	153,357,409	32,902,974	120,454,435
Plant and machinery	441,990,369	218,325,510	223,664,859
	<u>605,007,683</u>	<u>251,228,484</u>	<u>353,779,199</u>

	2016		
	Cost	Accumulated depreciation	Written down value
	-----Rupees-----		
Freehold land	9,659,905	-	9,659,905
Building on freehold land	149,852,099	29,896,788	119,955,311
Plant and machinery	431,553,126	206,754,484	224,798,642
	<u>591,065,130</u>	<u>236,651,272</u>	<u>354,413,858</u>

	2017 Rupees	2016 Rupees
10. Long term security deposits		
Against utilities	4,467,696	4,467,696
Others	42,086	42,086
	<u>4,509,782</u>	<u>4,509,782</u>

11. Stores, spares and loose tools

Stores	24,205,701	10,822,141
Spares	11,629,393	10,627,047
Loose tools	74,053	78,509
	<u>35,909,147</u>	<u>21,527,697</u>

11.1 Stores and spares include items that may result in fixed capital expenditure but are not distinguishable.

	2017 Rupees	2016 Rupees
12. Stock in trade		
Raw material	3,592,474	3,025,277
Work in process	11,612,343	7,027,339
Finished goods	1,510,217	4,529,090
	<u>16,715,034</u>	<u>14,581,706</u>
13. Trade debts		
Considered good		
Unsecured		
Local	<u>35,059,303</u>	<u>26,811,028</u>
14. Loans and advances		
Considered good		
Loans		
Executives	7,075,161	10,731,151
Other employees	9,505,242	13,137,932
	<u>16,580,403</u>	<u>23,869,083</u>
Advances		
Suppliers	4,539,018	931,947
For purchases / expenses	26,626,075	29,458,080
Income tax	3,760,847	4,668,764
Letters of credit fee margin and expenses	802,128	615,260
	<u>52,308,471</u>	<u>59,543,134</u>
15. Other receivables		
Considered good		
Export rebate / duty drawback	946,500	211,263
Insurance claim	-	2,136,585
Other	292,079	287,093
	<u>1,238,579</u>	<u>2,634,941</u>
16. Tax refunds due from Government		
Sales tax	40,476,532	30,421,164
Income tax	17,172,517	12,563,929
	<u>57,649,049</u>	<u>42,985,093</u>
17. Cash and bank balances		
Cash in hand	1,489,207	1,403,168
Cash at banks		
In current accounts	41,548,568	44,379,838
	<u>43,037,775</u>	<u>45,783,006</u>

	Note	2017 Rupees	2016 Rupees
18. Sales			
Cloth			
Export	18.1	26,864,740	65,407,993
Local	18.2	260,313	308,387
		27,125,053	65,716,380
Conversion and sizing income		258,490,698	235,004,224
		285,615,751	300,720,604
Add: Rebates		765,600	35,528
		286,381,351	300,756,132
Less: Commission and claims		986,462	1,701,322
		<u>285,394,889</u>	<u>299,054,810</u>

18.1 It includes exchange gain of Rs. 96,565/- (2016: Rs. 72,023/-).

18.2 It represents sale of left over / waste material out of goods manufactured for export.

	Note	2017 Rupees	2016 Rupees
19. Cost of sales			
Cost of goods manufactured	19.1	246,646,560	263,953,839
Finished goods			
Opening stock		4,529,090	6,985,532
Closing stock		(1,510,217)	(4,529,090)
		3,018,873	2,456,442
		<u>249,665,433</u>	<u>266,410,281</u>

19.1 Cost of goods manufactured

Raw material consumed	19.1.1	17,662,291	36,156,378
Sizing cost		43,028,244	47,299,271
Salaries, wages and benefits		80,458,294	75,646,249
Staff retirement benefits		7,369,796	5,153,939
Fuel and power		52,902,580	53,903,636
Stores, spares and loose tools		14,833,800	14,292,537
Packing material		1,857,097	3,117,475
Repairs and maintenance		1,154,884	454,526
Insurance		2,594,845	3,481,189
Depreciation	9.1.1	29,369,733	28,810,846
		<u>251,231,564</u>	<u>268,316,046</u>

Work in process			
Opening stock		7,027,339	2,665,132
Closing stock		(11,612,343)	(7,027,339)
		(4,585,004)	(4,362,207)
		<u>246,646,560</u>	<u>263,953,839</u>

19.1.1 Raw material consumed

Opening stock		3,025,277	5,045,761
Purchases including purchase expenses		18,229,488	34,135,894
		21,254,765	39,181,655
Closing stock		(3,592,474)	(3,025,277)
		<u>17,662,291</u>	<u>36,156,378</u>

	Note	2017 Rupees	2016 Rupees
20. Distribution cost			
Ocean freight		1,127,589	1,812,773
Clearing and forwarding		1,823,922	2,259,763
		<u>2,951,511</u>	<u>4,072,536</u>

21. Administrative expenses

Directors' remuneration	26	5,760,000	5,760,000
Salaries and benefits		3,480,000	3,382,500
Staff retirement benefits		1,199,734	839,013
Electricity and gas		432,665	404,593
Insurance		894,247	894,252
Rent, rates and taxes		564,023	182,805
Vehicles running and maintenance		3,075,729	3,408,250
Travelling and conveyance		2,101,309	1,447,852
Postage, telephone and telex		653,211	675,023
Printing and stationery		256,919	250,794
Auditors' remuneration	21.1	325,000	575,000
Legal and professional		39,896	169,533
Fees and subscriptions		613,425	595,342
Entertainment		504,418	729,004
Newspaper and periodicals		-	5,357
Charity and donations	21.2	600,000	600,000
Depreciation	9.1.1	3,349,042	3,689,504
Other		132,836	147,214
		<u>23,982,454</u>	<u>23,756,036</u>

21.1 Auditors' remuneration

Audit fee	250,000	500,000
Sundry services	75,000	75,000
	<u>325,000</u>	<u>575,000</u>

21.2 Ashfaq Ahmad - Chief Executive Officer of the Company is Trustee of the Liver Foundation Trust, Faisalabad. The Company has made payment of donation amounting to Rs.600,000/- (2016: Rs.600,000/-) to Liver Foundation Trust during the year.

	2017 Rupees	2016 Rupees
22. Other operating expenses		
Workers' profit participation fund	346,254	178,902
Loss on disposal of property, plant and equipment	5,849	-
Balances written off - net	-	263,645
	<u>352,103</u>	<u>442,547</u>

23. Finance cost

Interest / mark up on:		
Short term bank borrowings	1,780,437	1,066,676
Workers' profit participation fund	7,049	6,165
Bank charges and commission	89,516	180,512
	<u>1,877,002</u>	<u>1,253,353</u>

	Note	2017 Rupees	2016 Rupees
24. Provision for taxation			
Current			
For the year		2,878,467	-
For prior year		60,177	-
Deferred	24.1	-	-
		<u>2,938,644</u>	<u>-</u>

24.1 Deferred taxation

There are no temporary differences as the income of the Company is chargeable to tax under final tax regime. Hence no provision for deferred taxation has been made.

24.2 The relationship between tax expense and accounting profit

The relationship between tax expense and accounting profit has not been presented in these financial statements as the total income of the Company falls under final tax regime. The provision for current taxation is made under section 153, 154 and 169 of the Income Tax Ordinance, 2001.

		2017	2016
25. Earnings per share - Basic and diluted			
Profit for the year	(Rupees)	<u>3,627,742</u>	<u>3,120,057</u>
Weighted average number of ordinary shares outstanding during the year	(Number)	<u>34,985,000</u>	<u>34,985,000</u>
Earnings per share - Basic and diluted	(Rupees)	<u>0.10</u>	<u>0.09</u>

25.1 There is no dilutive effect on the earnings per share of the Company.

26. REMUNERATION TO CHIEF EXECUTIVE OFFICER , DIRECTORS AND EXECUTIVES

	2017			2016		
	Chief Executive Officer	Directors	Executives	Chief Executive Officer	Directors	Executive
	Rupees					
Remuneration	1,440,000	2,400,000	4,324,536	1,440,000	2,400,000	3,912,516
House rent allowance	648,000	1,080,000	1,945,944	648,000	1,080,000	1,760,544
Conveyance allowance	72,000	120,000	216,000	72,000	120,000	195,420
	<u>2,160,000</u>	<u>3,600,000</u>	<u>6,486,480</u>	<u>2,160,000</u>	<u>3,600,000</u>	<u>5,868,480</u>
Number of persons	<u>1</u>	<u>2</u>	<u>8</u>	<u>1</u>	<u>2</u>	<u>8</u>

26.1 The Chief Executive Officer and Directors are entitled to reimbursement of telephone bills. The monetary value of these benefits is Rs. 157,449 /- (2016: Rs. 110,620 /-). The Directors have waived off their meeting fee.

27. TRANSACTIONS WITH RELATED PARTIES

The Company in the normal course of business carries out transactions with various related parties which comprise of associated undertakings, directors and key management personnel. Remuneration to Chief Executive Officer, Directors and Executives is disclosed in Note 26. The Company has not carried out any other significant transaction with the related parties.

28. PLANT CAPACITY AND ACTUAL PRODUCTION

	2017	2016
Weaving		
Number of looms installed	235	235
Number of looms worked	235	235
Standard cloth production (Sq. meters)	29,700,000	29,700,000
Actual production (Sq. meters)	26,240,898	26,627,020
Sizing		
Warping machines	3	3
Sizing machines	1	1
Standard production (Kgs.)	4,150,000	4,150,000
Actual production (Kgs.)	2,209,244	2,116,438

28.1 Reasons for short fall:

- It is difficult to determine precisely the production / rated capacity in textile weaving since it fluctuates widely depending on various factors such as speed, width and construction of cloth etc.
- The actual production is planned to meet the market demand.

	2017	2016
29. NUMBER OF EMPLOYEES		
Total number of employees as at June 30,	448	475
Average number of employees for the year	450	480

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company finances its operations through the mix of equity, debt and working capital management with a view to maintain an appropriate mix between various sources of finance to minimise risk. The overall risk management is carried out by the finance department under the oversight of Board of Directors in line with the policies approved by the Board.

	2017 Rupees	2016 Rupees
30.1 FINANCIAL INSTRUMENTS BY CATEGORY		
Financial assets at amortized cost:		
Deposits	4,509,782	4,509,782
Trade debts	35,059,303	26,811,028
Loans	16,580,403	23,869,083
Cash and bank balances	43,037,775	45,783,006
	<u>99,187,263</u>	<u>100,972,899</u>
Financial liabilities at amortized cost:		
Trade and other payables	21,019,685	12,533,229
Interest / markup payable	43,664	520,526
Short term bank borrowings	20,952,247	31,000,000
	<u>42,015,596</u>	<u>44,053,755</u>

30.2 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

The Company's activities expose it to a variety of financial risks (credit risk, liquidity risk and market risk). Risks measured and managed by the Company are explained below:

30.2.1 Credit risk and concentration of credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counter parties failed completely to perform as contracted. The Company is exposed to concentration of credit risk towards a customer which represent 42.36% (2016 : 43.79%) of total trade debts. The maximum exposure to credit risk at the reporting date is as follows:

	2017 Rupees	2016 Rupees
Deposits	4,509,782	4,509,782
Trade debts	35,059,303	26,811,028
Loans	16,580,403	23,869,083
Bank balances	41,548,568	44,379,838
	<u>97,698,056</u>	<u>99,569,731</u>

Due to the Company's long standing relations with counter parties and after giving due consideration to their financial standing, the management do not expect non performance by these counter parties on their obligations towards the Company.

For trade debts, credit quality of the customer is assessed, taking into consideration its financial position and previous dealings. Individual credit limits are set. The management regularly monitor and review customers credit exposure. The majority of customers of the Company are situated at Pakistan and USA.

The aging of trade debts as at balance sheet date is as under:

Not past due	34,981,771	26,669,190
Past due - within one year	77,532	141,838
	<u>35,059,303</u>	<u>26,811,028</u>

30.2.2 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to manage liquidity is to maintain sufficient level of liquidity of the Company on the basis of expected cash flows, requirements of holding highly liquid assets and maintaining adequate reserve borrowing facilities to cover liquidity risk. This includes maintenance of balance sheet liquidity ratios through working capital management. Following are the contractual maturities of financial liabilities including interest payments as at June 30, 2017 and 2016;

	2017		
	Carrying amount	Contractual cash flows	Six months or less
	-----Rupees-----		
Financial liabilities:			
Trade and other payables	21,019,685	21,019,685	21,019,685
Interest / markup payable	43,664	43,664	43,664
Short term bank borrowings	20,952,247	21,752,623	21,752,623
	42,015,596	42,815,972	42,815,972
	2016		
	Carrying amount	Contractual cash flows	Six months or less
	-----Rupees-----		
Financial liabilities:			
Trade and other payables	12,533,229	12,533,229	12,533,229
Interest / markup payable	520,526	520,526	520,526
Short term bank borrowings	31,000,000	32,145,450	32,145,450
	44,053,755	45,199,205	45,199,205

The Company will manage the liquidity risk from its own source through equity and working capital management. As at the balance sheet date, the Company has liquid assets of Rs. 189.83 (2016: Rs. 147.53 million) and unavailed short term borrowing facilities of Rs. 29.05 million (2016 : Rs. 19.00 million) (Refer Note 7).

30.2.3 Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing returns.

i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Majority of interest rate risk arises from short term borrowings from banks. The interest rate profile of the Company's interest bearing financial instruments is presented in relevant notes to the financial statements.

Sensitivity analysis

Sensitivity to interest rate risk arises from mismatches of financial assets and financial liabilities that mature or reprice in a given period. The Company manages these mismatches through risk management strategies where significant changes in gap position can be adjusted.

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit and loss, therefore a change in interest rates at the reporting date would not effect profit and loss account.

Cash flow sensitivity analysis for variable rate instruments

Had interest rate been increased / decreased by 1% at the reporting date with all other variables held constant, profit for the year and equity would have been higher / lower by Rs.259,761 (2016: Rs. 310,000).

ii) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency risk arises mainly where receivables and payables exist due to transactions with foreign undertakings. The Company is exposed to currency risk on foreign debtors. At the balance sheet date, the Company is not exposed to any currency risk.

iii) Equity price risk

Trading and investing in quoted equity securities give rise to equity price risk. At the balance sheet date, the Company is not exposed to equity price risk.

30.3 Fair values of financial instruments

The carrying values of all the financial assets and financial liabilities reported in the financial statements approximate their fair values.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

30.4 Capital risk management

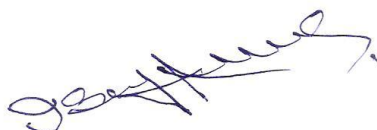
The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares or obtain long term financing from directors / financial institutions.

The Company manages its capital risk by monitoring its debt levels and liquid assets and keeping in view the future investment requirements and expectation of the shareholders. At the balance sheet date, the Company is not exposed to capital risk.

31. DATE OF AUTHORISATION FOR ISSUE

The financial statements were authorised for issue on 27 SEP 2017 by the Board of Directors of the Company.

32. Figures have been rounded off to the nearest Rupee.



CHIEF EXECUTIVE OFFICER



DIRECTOR

ڈائریکٹر رپورٹ

ڈائریکٹر 30 جون 2017 کو ختم ہونے والے سال کے اکتیسویں سالانہ آڈیٹڈ مالیاتی اسٹیٹمنٹ بمعہ آڈیٹر رپورٹ بخوشی پیش کرتے ہیں۔
اس سال کے مالیاتی نتائج درج ذیل ہیں۔

تفصیل	روپے ملین میں	روپے ملین میں	فرق %
فروخت (Sale)	285.395	299.055	(4.57)
کل نفع (Gross Profit)	35.729	32.645	9.45
سال کے لیے قبل از ٹیکس منافع	6.566	3.120	110.45
سال کے لیے بعد از ٹیکس منافع	3.628	3.120	16.28
آمدنی فی شیئر (EPS)	0.100	0.090	11.11

آپ کی کمپنی نے اس سال قبل از ٹیکس منافع 6.566 ملین کمایا ہے سابقہ سال قبل از ٹیکس منافع 3.120 ملین تھا۔ جو کہ ایک قابل ذکر ترقی ہے۔ پورے ملک میں ٹیکسٹائل کی صنعت سست روی کا شکار ہے۔ ملک میں بے یقینی کی کیفیت حکومت کی اپنی سستی اور فیصلوں میں کمی کا نتیجہ ہے۔ ہماری حکومت کو چاہیے کہ ٹیکسٹائل انڈسٹری کے لیے چھوٹی اور بڑی مدت کی ایسی حکمت عملی وضع کرے کہ یہ انڈسٹری اس اہل ہو کہ دنیا کے ساتھ مقابلہ کرے اور ترقی کرے اور تجارتی منڈی میں اپنا کھویا ہوا مقام حاصل کرنے کے قابل بن جائے۔

موجودہ حالات کے مطابق ہم محسوس کرتے کہ اضافی قدر کا کپڑا بنانے کا فیصلہ بہتر ثابت ہو رہا ہے۔
مارکیٹ میں انتہاء درجے کی تنزلی کے حالات کے پیش نظر کمپنی کی انتظامیہ تجویز کرتی ہے کہ اس سال ڈیوڈنڈ یا بونس شیئرز نہ دے سکے گی۔

مارکیٹ کے حالات اور مستقبل کے خدو خال

ہماری پالیسی جو کہ ملکی مارکیٹ کی طرف مرکوز ہے۔ بہتر ہے اور ہم سمجھتے ہیں کہ جب تک انٹرنیشنل مارکیٹ بہتر نہیں اور صحیح دام نہیں ملتے۔ یہی بہتر رہے گا۔

کمپنی کی سماجی ذمہ داری

سماجی ذمہ داری کے پیش نظر آپ کی کمپنی نے مبلغ 600,000 روپے فیصل آباد کے بہت ہی جانے پہچانے خیراتی ادارے لیور فاؤنڈیشن کو ادا کیے ہیں یہ رقم غریب اور نادار یرپا ٹائٹس کے مریضوں کے مفت علاج کے لیے خرچ کی گئی۔

کارپوریٹ گورننس

اہم کارپوریٹ گورننس کی تفصیل جس پر پوری طرح عمل کیا گیا ہے ہمراہ ہے۔

کارپوریٹ اور فائننشیل رپورٹنگ کافریم ورک

کوڈ آف کارپوریٹ گورننس پر عمل کرتے ہوئے اہم کارپوریٹ اور فائننشیل رپورٹنگ کافریم ورک درج کر رہے ہیں۔

- 1- کمپنی کی مینجمنٹ فائننشیل اسسٹنٹس اور کمپنی کے جملہ معاملات کاروبار کے نتائج، نقدی بہاؤ اور لین دین میں تبدیلی شفاف اور درست پیش کرتی ہے۔
- 2- کمپنی کے حساب کا اندراج کمپنی آرڈیننس کے مطابق کیا جاتا ہے۔
- 3- مالی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو تسلسل سے لاگو کیا گیا ہے۔ اکاؤنٹنگ یا اندازے معقول اور دانشمندانہ فیصلے پر مبنی ہے۔
- 4- مالی گوشواروں کو بین الاقوامی اکاؤنٹنگ سٹینڈرڈز کے مطابق رکھا گیا ہے۔
- 5- اندرونی کنٹرول کا نظام مضبوط ہے اور اس کی موثر طریقے سے نگرانی اور عملدرآمد کیا گیا ہے۔
- 6- کاروبار جاری رکھنے کے لیے کمپنی کی صلاحیت پر کوئی قابل ذکر شکوک و شبہات نہیں ہیں۔
- 7- پاکستان کے اسٹاک ایکسچینج کے اصولوں کے مطابق کارپوریٹ گورننس کے بہترین طریقوں میں سے کوئی مادی تجاوز نہیں ہوا۔
- 8- مینجمنٹ بورڈ کا چار دفع اجلاس ہوا جس میں مندرجہ ذیل حاضری رہی۔

حاضری کی تفصیل

نمبر شمار ڈائریکٹران کے نام

- | | |
|----|--------------------------|
| 04 | 1- اشفاق احمد صاحب |
| 04 | 2- ندیم اشفاق صاحب |
| 04 | 3- وسیم اشفاق صاحب |
| 04 | 4- امجد اسلم صاحب |
| 04 | 5- مسز شازیہ امجد صاحبہ |
| 03 | 6- مسز نازیہ عرفان صاحبہ |
| 04 | 7- محمد ادریس صاحب |
| 04 | 8- خواجہ محمد الیاس صاحب |

جن ڈائریکٹرز نے غیر حاضری کے لیے درخواست دی ان کی درخواست کو منظور کیا گیا۔

- 9- پچھلے چھ سالوں کے کارکردگی کی تفصیل لف ہے۔

آڈٹ کمیٹی

بورڈ آف ڈائریکٹرز نے کوڈ آف کارپوریٹ پر عمل کرتے ہوئے آڈٹ کمیٹی کی تشکیل کی ہوئی ہے۔ جس کی تفصیل درج ذیل ہے۔

- | | |
|------------------|---------|
| خواجہ محمد الیاس | چئیرمین |
| مسز شازیہ امجد | ممبر |
| مرزا محمد ادریس | ممبر |

آڈٹ کمیٹی کی مینٹگ ہر کوارٹر سے پہلے ہوتی ہے۔ اور حساب کتاب کی چھان بین کر کے عبوری اور سالانہ حساب کتاب کی منظوری دیتی ہے۔ مینٹگ میں سی۔ ایف۔ او، انٹرئل آڈیٹرز کے سنیر اور ایکسٹرنل آڈیٹر بھی شریک ہوتے ہیں۔

11- انسانی وسائل اور معاوضہ کمیٹی

انسانی وسائل اور معاوضہ کمیٹی بورڈ آف ڈائریکٹر کی طرف سے منظور شدہ قواعد و ضوابط کے مطابق چلتی ہے۔ مندرجہ ذیل اس کے ممبران ہیں۔

ممبر	محمد اسلم صاحب
ممبر	مسز نازیہ عرفان صاحبہ
ممبر	خواجہ محمد الیاس صاحب

اس کمیٹی کے سال میں آٹھ اجلاس ہوئے جس میں حاضری 95 فیصد رہی۔ اس کمیٹی میں بورڈ کو اپنی سفارشات پیش کیں کہ کس طرح کمیٹی کو ایک مضبوط ادارے کے طور پر چلایا جائے۔ ملازموں کی فلاح و بہبود کے متعلق بھی بہت سے پلان اور پالیسیوں پر عملدرآمد کے لیے سفارشات کیں تاکہ ادارہ اپنے اہداف حاصل کر سکے۔

12- حفاظتی اقدام اور ماحولیاتی آلودگی سے بچاؤ

ادارہ اس بات پر سختی سے عمل کرتا ہے کہ حفاظتی اقدامات پر پوری طرح عمل کیا جائے جو کہ قانون کے مطابق واجب ہیں اور ماحول کو صاف ستھرا رکھنے کے لیے ہر ممکن اقدام کیا جاتا ہے۔ جس کی وجہ سے ہمارے ادارے کا ماحول صاف ستھرا ہے اور ماحولیاتی ادارے اُس کی تعریف کر چکے ہیں۔

13- کمیٹی کے حصص کی تجارت

کمپنی کے بھلہ ڈائریکٹر ان بشمول چیف ایگزیکٹو آفیسر، چیف فنانس آفیسر، کمپنی سیکرٹری نے کمپنی کے شیئروں کی درج ذیل تجارت کی۔

نمبر شمار	نام	خرید	فروخت
1-	مسز مسرت اشفاق	-	50,000

چیف ایگزیکٹو آفیسر، ڈائریکٹر، چیف فنانس آفیسر اور ایگزیکٹوز کو ماسوائے اُن شیئروں کے جن کو بتا دیا گیا ہے اور کسی چیز میں دلچسپی نہ ہے۔

14- آڈیٹرز

موجودہ آڈیٹرز میسرز اویس حیدر لیاقت نعمان، چارٹرڈ اکاؤنٹنٹس مستقل ہو رہے ہیں مگر وہ دوبارہ اپائنٹمنٹ کے لیے اپنے آپ کو پیش کر سکتے ہیں۔ آڈٹ کمیٹی نے ان کی دوبارہ اپائنٹمنٹ کی سفارش کی ہے۔

15- حصص کی تفصیل

حصص کی تفصیل جو کہ 30 جون، 2017 کو کمپنی کے حصے دار ہیں ان کی تفصیل منسلک ہے۔

16- اعتراف

ہم یہ بات ریکارڈ پر لانا چاہتے ہیں اور ہم شکریہ کے ساتھ تعریف کرتے ہیں۔ اپنی مینجمنٹ کی، اپنے ٹیکرز میسرز یونیٹڈ بینک لمیٹڈ کی جنھوں نے ہر موقع پر ہمارے ساتھ تعاون کیا ڈائریکٹر صاحبان خوشی سے اپنے کارگیروں کی محنت اور دل لگی سے کام کرنے کی تعریف کرتے ہیں۔

فیصل آباد

بورڈ آف ڈائریکٹر ان کی طرف سے



27 ستمبر، 2017

اشفاق احمد

چیف ایگزیکٹو آفیسر

فنانشل جھلکیاں

روپے ہزاروں میں

	2012	2013	2014	2015	2016	2017	
روپے	931,187	795,248	518,405	384,695	299,055	285,395	فروخت
روپے	159,285	125,474	97,471	38,386	32,645	35,729	مجموعی نفع
روپے	68,578	68,501	41,587	5,646	3,120	3,628	خالص نفع بعد از ٹیکس
روپے	439,500	466,235	747,629	726,357	739,657	725,415	اثاثہ جات
روپے	-	-	-	-	-	-	طویل مدتی ذمے داری (مالیاتی ادارہ)
روپے	139,740	50,000	-	-	-	-	طویل مدتی ذمے داری (ڈائریکٹرز)
روپے	181,144	202,746	164,855	184,444	204,513	207,446	مجموعی نفع (نقصان)
%	17.11	15.77	18.80	9.98	10.92	12.52	نفع کا شرح کا تناسب
%	7.36	8.61	8.02	1.47	1.04	1.27	خالص نفع کا تناسب
%	15:85	10:90	0:100	0:100	0:100	0:100	لیون دین کا تناسب
%	1.35	1.80	10.55	9.66	4.93	5.36	موجودہ تناسب
%	5.60	2.26	1.19	0.16	0.09	0.10	آمدنی فی شیئر
%	-	58.33	-	-	-	-	بونس شیئر
روپے	-	-	-	-	-	-	ڈیویڈنڈ

PROXY FORM

The Corporate Secretary
ASHFAQ TEXTILE MILLS LTD.
8-A/1, Officer Colony,
Susan Road, Madina Town,
Faisalabad.

I/We _____ of _____ being
member(s) of **ASHFAQ TEXTILE MILLS LIMITED.**, and holder of _____
Ordinary Shares as per Share Register Folio # _____ (In case of Central Depository System
Account Holder A/C # _____ Participant I.D. # _____) hereby
appoint _____ of _____ who is member of the
company as Register Folio # _____ or failing him/her _____
of _____ who is member of the company as per Register Folio # _____
as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the company to be held
on Tuesday, October 31, 2017 at 09.00 a.m. at any adjournment thereof.

Signd this _____ day of _____ 2017.

Affix Rs. 5/-
Revenue
Stamp

Signature

(Signature appended above should agree with the
specimen signature registered with the Company.

NOTES:

1. The proxy form, duly completed and signed, must be received at the Registered Office of the Company not less than 48 hours before the time of holding the meeting.
2. No person shall act as proxy unless he / she himself / herself is a member of the Company, except that, a corporation may appoint any person as a proxy who is not a member.
3. If a member appoints more than one proxy and more than one instruments of proxy are deposited by a member with the Company all such instruments of proxy shall be rendered invalid.
4. In case of proxy for an individual CDC shareholder, attested copies of NIC or the passport, account and participant's I. D. number of the beneficial owner alongwith the proxy is required to be furnished with the proxy form.
3. In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form of the Company.