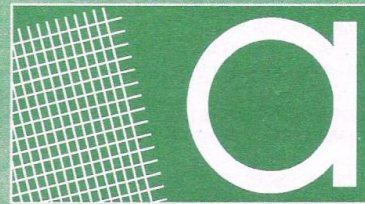


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**ASHFAQ TEXTILE MILLS
LIMITED**

Mailing Address:
8.A, Officers Colony No.1, Susan Road. Faisalabad- Pakistan
Tel: +92-41-2435101-4 Fax: +92-41-2435105



**1st. Quarter Report
September 30, 2016
(Unaudited)**

Ashfaq Textile Mills Ltd.

COMPANY INFORMATION

CHIEF EXECUTIVE

MR. ASHFAQ AHMED

EXECUTIVE DIRECTORS

MR. ASHFAQ AHMED
MR. NADEEM ASHFAQ
MR. WASEEM ASHFAQ

NON-EXECUTIVE DIRECTORS

MR. AMJAD ASLAM
MRS. SHAZIA AMJAD
MRS. NAZIA IRFAN
KHAWAJA MUHAMMAD ILYAS
MIRZA MUHAMMAD IDREES

COMPANY SECRETARY

MR. WASEEM ASHFAQ

CHIEF FINANCIAL OFFICER (CFO)

MR. MOHAMMAD ANWAR JAWED

AUDITORS

M/S AVAIS HYDER LIAQAT NAUMAN,
CHARTERED ACCOUNTANTS

SHARE REGISTRAR

M/S CONSULTING ONE (PVT) LTD.
478-D, PEOPLES COLONY #1, FSD.

BANKERS

UNITED BANK LIMITED.

AUDIT COMMITTEE

KH. MUHAMMAD ILYAS (CHAIRMAN)
MRS. SHAZIA AMJAD (MEMBER)
MR. MOHAMMAD IDREES (MEMBER)

HUMAN RESOURCES AND REMUNERATION COMMITTEE

MR. AMJAD ASLAM (CHAIRMAN)
MRS. NAZIA IRFAN (MEMBER)
KH. MUHAMMAD ILYAS (MEMBER)

MAILING ADDRESS:

8/A-1, OFFICERS COLONY, SUSAN
ROAD, FAISALABAD.

REGISTERED OFFICE / MILLS

17TH K.M. MAIN FAISALABAD
JARANWALA ROAD, FAISALABAD.

CONTACTS:

PHONES : 041-2435101-4
FAX : 041-2435105
E-mail : info@ashfaqtextile.com
WEB : www.ashfaqtextile.com

DIRECTOR'S REPORT TO THE SHARE HOLDERS

Dear Share Holders,

The Directors of your Company are pleased to present 1st Quarter's report for the period ended 30th September, 2016.

Review of the Results.

Sales during the period were recorded Rs.66.346 Million in comparison to last years same period Rs.65.593 Million.

During this period the Operating (Distribution, Administrative & Other) expenses were 10.57% to sales, in comparison to Rs.11.75% in the same period last year. Gross profit for this period is 13.32% in comparison to 8.27% during the same period last year. Financial charges to sales were recorded as 0.85% in comparison to 0.11% in the same period in last year. Cost of goods sold are 86.68% in comparison to 91.73% in the same period last year.

In the coming days:

As you can see from the results above that the Company's marketing strategy of shifting towards local market and converting value added fabrics has started to show its positive results while the recession and slowness in the textile market still prevails. The current political and security situation in Pakistan is also making its heavy impact on the market as customers are feeling shy to place orders under the fear of uncertain short term future.

The trust and patronage of our valued customers, cooperation of our vendors and bankers and efforts of our staff members is highly appreciated. We pray to Allah Almighty for its continuous blessings on us.



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

ڈائریکٹر رپورٹ برائے حصہ داران اشفاق ٹیکسٹائل ملز لمیٹڈ

محترم حصہ داران / ممبران

کمپنی کے ڈائریکٹران کو پہلی سہ ماہی رپورٹ یکم جولائی، 2016ء سے 30 ستمبر، 2016ء حاضر خدمت ہے:

تین ماہ کے مالیاتی نتائج مندرجہ ذیل ہیں۔

ان تین ماہ میں 66.346 ملین کی فروخت ہوئی۔ پچھلے سال انہی تین مہینوں میں 65.593 ملین کی فروخت ہوئی تھی۔

اس دوران آپریٹنگ (ڈسٹری بیوٹن، ایڈمنسٹریشن و دیگر اخراجات) فروخت کا %10.57 فیصدی خرچ آیا۔ پچھلے سال اسی دوران %11.57 فیصدی خرچ آیا تھا۔ مجموعی نفع (بغیر منہائی اخراجات) %13.32 فیصدی ہوا ہے۔ پچھلے سال کا اسی دوران میں %8.27 فیصدی منافع ہوا تھا۔ فنانشل اخراجات، سیل پر %0.85 فیصدی آئے۔ جبکہ سابقہ سال کے اسی دوران میں %0.11 فیصدی اخراجات آئے تھے۔ اس دوران فروخت شدہ اشیاء پر لاگت فروخت کا %86.68 فیصد آیا۔ جبکہ پچھلے سال اسی دوران %91.73 فیصد تھا۔

آئیوالے وقت کے متعلق:-

جیسا کہ مندرجہ بالا نتائج سے ظاہر ہے کہ کمپنی نے نئی حکمت عملی کا مظاہرہ کرتے ہوئے اپنی توجہ لوکل مارکیٹ کی طرف کی۔ اور اضافی قدر کا فیہرک بنایا جس سے بہتر نتائج آنے شروع ہوئے۔ جب کہ ٹیکسٹائل مارکیٹ کی کساد بازاری ابھی تک غالب ہے۔ ملک کے موجودہ سیاسی اور حفاظتی حالات کی وجہ سے خریداروں پر گہرے اثرات مرتب ہوئے ہیں اور ان غیر یقینی حالات کی وجہ سے نئی خریداری کرنے سے جھجھک محسوس کر رہے ہیں۔

ہم اپنے معزز خریداروں اور بینکرز کے بھرپور تعاون اور اپنے سٹاف کی انتھک محنت کی قدر کرتے ہیں۔ اور اللہ تعالیٰ سے دعا گو ہیں کہ وہ ہمیشہ اپنی رحمت کا سایہ ہم پر رکھے اور آئیوالا وقت اچھا ہو۔ آمین۔



بورڈ آف ڈائریکٹران کی طرف سے

اشفاق احمد

چیف ایگزیکٹو آفیسر

ASHFAQ TEXTILE MILLS LIMITED.
BALANCE SHEET (UN-AUDITED)
AS AT SEPTEMBER 30, 2016

<u>CAPITAL & LIABILITIES:</u>	SEPTEMBER 2016 RUPEES	JUNE 2016 RUPEES
SHARE CAPITAL AND RESERVES:		
AUTHORISED CAPITAL:		
100,000,000 Ordinary Shares of Rs.10/= each	1,000,000,000	1,000,000,000
ISSUED, SUBSCRIBED & PAID UP:		
34,985,000 (June 2015 : 34,985,000) Ordinary Shares of of Rs.10/= each fully paid in cash.	349,850,000	349,850,000
Reserves	209,414,359	204,512,775
	559,264,359	554,362,775
SURPLUS ON REVALUATION OF FIXED ASSETS:	334,930,220	338,573,124
NON CURRENT LIABILITIES:		
Deferred liabilities		
Staff retirement gratuity	21,450,276	20,357,596
CURRENT LIABILITIES:		
Trade and Other Payables	16,368,762	13,232,657
Short term bank borrowings	35,000,000	31,000,000
Provision for Taxation - income tax	-	-
	51,368,762	44,232,657
	967,013,617	957,526,152
<u>PROPERTIES & ASSETS:</u>	SEPTEMBER 2016 RUPEES	JUNE 2016 RUPEES
FIXED CAPITAL EXPENDITURE:		
Property, plant and equipment	730,409,099	735,147,422
Long Term Deposits	4,509,782	4,509,782
	734,918,881	739,657,204
CURRENT ASSETS:		
Store, Spares & loose tools.	21,146,090	21,527,697
Stock-in-trade	16,270,869	14,581,706
Trade Debts	61,423,267	26,811,028
Loans, advances	31,186,486	59,543,134
Deposits and Prepayments	2,993,575	4,002,343
Other receivables.	2,363,985	2,634,941
Tax refunds due from Government	45,529,216	42,985,093
Cash and bank balances.	51,181,248	45,783,006
	232,094,736	217,868,948
	967,013,617	957,526,152

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

DATED: OCTOBER 28, 2016
PLACE: FAISALABAD.

CHIEF EXECUTIVE

DIRECTOR

ASHFAQ TEXTILE MILLS LIMITED.
PROFIT & LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2016

	NOTE	SEPTEMBER 2016 RUPEES	SEPTEMBER 2015 RUPEES
SALES		66,346,283	65,593,347
COST OF GOODS SOLD	6	57,510,050	60,168,204
GROSS PROFIT		8,836,233	5,425,143
Distribution cost		-	1,018,416
Administrative expenses		7,011,632	6,691,509
Finance cost		565,921	73,127
		7,577,553	7,783,052
PROFIT / (LOSS) BEFORE TAXATION.		1,258,680	(2,357,909)
Provision for taxation		-	-
PROFIT / (LOSS) FOR THE PERIOD		1,258,680	(2,357,909)
Earning per share - Basic		0.04	-0.07

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

DATED: OCTOBER 28, 2016
PLACE: FAISALABAD.



CHIEF EXECUTIVE



DIRECTOR

ASHFAQ TEXTILE MILLS LIMITED.
STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2016

	SEPTEMBER 2016 <u>RUPEES</u>	SEPTEMBER 2015 <u>RUPEES</u>
Profit / (Loss) for the period	1,258,680	(2,357,909)
Other comprehensive income for the period		
Incremental depreciation on revalued assets	3,642,904	3,833,069
Total comprehensive income for the period	<u>4,901,584</u>	<u>1,475,160</u>

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

DATED: OCTOBER 28, 2016
PLACE: FAISALABAD.


CHIEF EXECUTIVE



DIRECTOR


ASHFAQ TEXTILE MILLS LIMITED.
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2016

Description	Paid-up Capital Rupees	Accumulated Profits Rupees	Total Rupees
Balance as at July 01, 2015	349,850,000	184,444,068	534,294,068
Total comprehensive income for the period			
Profit for the period	-	3,120,057	3,120,057
Incremental depreciation on revalued assets for the period	-	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 period			
Profit / (Loss) for the period	-	1,258,680	1,258,680
Incremental depreciation on revalued assets for the period	-	3,642,904	3,642,904
	-	4,901,584	4,901,584
Balance as at September 30, 2016	349,850,000	209,414,359	559,264,359

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

DATED: OCTOBER 28, 2016
PLACE: FAISALABAD.


CHIEF EXECUTIVE

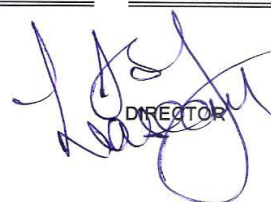

DIRECTOR

ASHFAQ TEXTILE MILLS LIMITED.
CASH FLOW STATEMENT
FOR THE QUARTER ENDED SEPTEMBER 30, 2016

	SEPTEMBER 2016 <u>RUPEES</u>	SEPTEMBER 2015 <u>RUPEES</u>
CASH FLOW FROM OPERATING ACTIVITIES:		
Profit / (Loss) before taxation.	1,258,680	(2,357,909)
Adjustments for:		
Depreciation	8,128,244	8,038,877
Provision for staff retirement gratuity	1,500,000	1,500,000
Loss on disposal of property, plant and equipments	-	-
Finance Cost	565,921	73,127
Operating cash flows before working capital changes	11,452,845	7,254,095
Changes in working capital		
(Increase) / decrease in current Assets:		
Store, spare & loose tools.	381,607	(827,108)
Stock in trade	(1,689,163)	(2,540,031)
Trade debts	(34,612,239)	6,337,739
Loans, advances,	28,356,648	(1,747,417)
Deposits and prepayments	1,008,768	(3,184,084)
Other receivables	270,956	(1,023,286)
Tax refunds due from Government.	(2,544,123)	(1,767,448)
Increase / (decrease) in current liabilities.		
Trade and other payables	3,151,395	(5,563,379)
Net cash flow from changes in working capital	(5,676,151)	(10,315,014)
Cash generated from / (used in) operations.		
Finance cost paid	(581,211)	(75,455)
Taxes paid	-	(776,390)
Staff retirement gratuity paid	(407,320)	(2,266,007)
Net cash generated from operating activities	(988,531)	(3,117,852)
Cash flows from investing activities		
Additions property, plant and equipment	(3,389,921)	(545,767)
Long term deposits	-	-
Net cash (used in) investing activities	(3,389,921)	(545,767)
Cash flows from financing activities		
Net (decrease) increase in short term bank borrowings	4,000,000	(5,000,000)
Net cash (used in) financing activities	4,000,000	(5,000,000)
Net (decrease) increase in cash and cash equivalents	5,398,242	(11,724,538)
Cash and cash equivalent at the beginning of the year	45,783,006	35,705,040
Cash and cash equivalents at the end of the year	51,181,248	23,980,502

DATED: OCTOBER 28, 2016
PLACE: FAISALABAD:


CHIEF EXECUTIVE


DIRECTOR

ASHFAQ TEXTILE MILLS LIMITED.
NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2016

- 1 The Principal activity of the Company is manufacturing and sale of textile goods.
- 2 These accounts have been prepared in accordance with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting".
- 3 The accounting policies adopted for preparation of these quarterly accounts is the same as adopted in the preceding annual published accounts of the company.
- 4 The quarterly accounts are unaudited and being submitted to the shareholders as required u/s 245 of the Companies Ordinance 1984.
- 5 Amount set aside for workers profit participation fund is provisional, final liability will be determined on the basis of annual results.

	SEPTEMBER 2016 RUPEES	SEPTEMBER 2015 RUPEES
6 COST OF SALES:		
Raw material consumed	192,104	1,970,415
Stores & spares consumed	4,839,378	5,544,847
wages salaries and amenities	20,269,241	22,533,604
Sizing expenses	11,548,529	11,364,054
Freight, Loading, Unloading	402,904	302,948
Repair & Maintenance	97,150	186,380
Fuel & Power	14,083,592	15,229,834
Depreciation	7,285,695	6,681,868
Insurance	672,724	864,680
Other overheads	-	-
	59,391,317	64,678,630
Work in process:		
Opening stock	7,027,339	2,665,132
Closing stock	(5,666,818)	-
	1,360,521	2,665,132
	60,751,838	67,343,762
Finished Goods		
Opening stock	4,529,090	6,985,532
Closing stock	(7,770,878)	(14,161,090)
	(3,241,788)	(7,175,558)
	57,510,050	60,168,204

- 7 Transactions with Associated Undertakings.
- 8 Figures have been rounded off to the nearest rupee.

DATED: OCTOBER 28, 2016
PLACE: FAISALABAD.


CHIEF EXECUTIVE


DIRECTOR