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ASHFAQ TEXTILE MILLS LIMITED

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1st. Quarter Report September 30, 2017 (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
MUHAMMAD IDREES

COMPANY SECRETARY
MR.WASEEM ASHFAQ

CHIEF FINANCIAL OFFICER (CFO)
MR. MUHAMMAD ANWAR JAWED

AUDITORS
M/S AVAIS HYDER LIAQAT NAUMAN,
CHARTERED ACCOUNTANTS

SHARE REGISTRAR
M/S FD REGISTRAR SERVICES (SMC-PVT) LTD.
1705, 17TH FLOOR, SAIMA TRADE TOWER A,
I.I. CHUNDRIGAR ROAD, KARACHI.

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:
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DIRECTOR'S REPORT TO THE SHARE HOLDERS

Dear Share Holders,

The Direcors of your Company are pleased to present 1st Quarter's report for the period ended 30th September, 2017.

Review of the Results.

Sales during the period were recorded Rs.74.147 Million in comparison to last years same period Rs.66.346 Million.

During this period the Operating (Distribution, Administrative & Other) expenses were 10.40% to sales, in comparison to Rs.10.57% in the same period last year. Gross profit for this period is 7.59% in comperison to 13.32% during the same period last year. Financial charges to sales were recorded as 0.18% in comparison to 0.85% in the same period in last year. Cost of goods sold are 92.41% in comparison to 86.68% in the same period last year.

In the coming days:

Due to complete lack of interest by the Government of Pakistan towards textile industry, hundreds of spinning mills have closed down, thus making the yarn supply short and resulting in abnormal increase in the prices. This has made a very negative impact on the revenues of textile industry across the board. While cost of doing business has increased due to increase in salaries and other utility prices while the prices of the textile products is on the decline, thus resulting in loss.

We are trying our best to find more and more value added articles in order to generate more revenue for the Company.

We are grateful to our customers, venders and bankers for their support and thank our hard working staff members.

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

ڈائریکٹرز رپورٹ برائے حصہ داران اشفاق ٹیکسٹائل ملز لمٹیڈ

محترم حصہ داران، ممبران

کمپنی کے ڈائریکٹران کو پہلی سہ ماہی رپورٹ یکم جولائی، 2017 سے 30 ستمبر، 2017 حاظر خدمت ہے:

تین ماہ کے مالیاتی نتائج مندرجہ ذیل ہیں۔

ان تین ماہ میں 74.147 ملین کی فروخت ہوئی۔ پچھلے سال انہی تین مہینوں میں 66.346 ملین کی فروخت ہوئی تھی۔

اس دوران آپریٹنگ (ڈسٹری بیوشن، ایڈمنسٹریشن و دیگر اخراجات) فروخت کا ٪10.40 فیصدی خرچ آیا۔ پچھلے سال اسی دوران ٪10.57 فیصدی خرچ آیا تھا۔ مجموعی نفع (بغیر منہائی اخراجات) ٪7.59 فیصدی ہوا ہے۔ پچھلے سال کا اسی دوران میں ٪13.32 فیصدی منافع ہوا تھا۔ فنانشل اخراجات، سیل پر ٪0.18 فیصدی آے۔ جبکہ سابقہ سال کے اسی دوران میں ٪0.85 فیصدی اخراجات آے تھے۔ اس دوران فروخت شُدہ اشیاء پر لاگت فروخت کا ٪92.41 فیصد آیا۔ جبکہ پچھلے سال اسی دوران ٪86.68 فیصد تھا۔

آنیوالے وقت کے متعلق:۔

پاکستانی گورنمنٹ کی ٹیکسٹائل صنعت کی طرف عدم توجہ کی وجہ سے سینکڑوں دھاگا بنانے والے کارخانے بند ہوگئے ہیں جس کی وجہ سے دھاگے کی رسد کم ہوئی اوراس کی قیمتوں میں اضافے کا سبب بنی، جس کی وجہ سے ٹیکسٹائل صنعت کی امدنی پر منفی اثرات مرتب ہوئے کاروبار کی لاگت بڑھنے کی وجہ خام مال، تنخواہوں اور دوسرے اخراجات میں اضافہ ہے اور ٹیکسٹائل کی مصنوعات کی قیمتوں میں کمی نقصان کا سبب بنی۔

ہم اپنی پوری کوشش کر رہے ہیں کہ زیادہ سے زیادہ اضافی قدر کا کپڑا بنوانے والے خریدار ڈھونڈیں۔ جس سے کمپنی کی آمدنی میں اضافہ ہو۔

ہم اپنے معزز خریداروں، مالیاتی اداروں کے بھرپور تعاون اور اپنے سٹاف کی انتھک محنت کے شکر گزار ہیں

بورڈ اف ڈائریکٹران کی طرف سے

اشفاق احمد

چیف ایگزیکٹو آفیسر

ASHFAQ TEXTILE MILLS LIMITED.
BALANCE SHEET (UN-AUDITED)
AS AT SEPTEMBER 30, 2017

CAPITAL & LIABILITIES:	SEPTEMBER 2017 RUPEES	JUNE 2017 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 2017 : 34,985,000) Ordinary Shares of of Rs.10/= each fully paid in cash.	349,850,000	349,850,000
Reserves	208,055,890	207,446,251
	557,905,890	557,296,251
SURPLUS ON REVALUATION OF FIXED ASSETS:	320,539,391	324,001,510
NON CURRENT LIABILITIES:		
Deferred liabilities		
Staff retirement gratuity	42,904,566	41,333,036
CURRENT LIABILITIES:		
Trade and Other Payables	24,730,116	21,409,603
Short term bank borrowings	4,678,137	20,952,247
Provision for Taxation - income tax	2,878,467	2,878,467
	32,286,720	45,240,317
	953,636,567	967,871,114

PROPERTIES & ASSETS:	SEPTEMBER 2017 RUPEES	JUNE 2017 RUPEES
FIXED CAPITAL EXPENDITURE:		
Property, plant and equipment	720,782,357	720,905,425
Long Term Deposits	4,509,782	4,509,782
	725,292,139	725,415,207
CURRENT ASSETS:		
Store, Spares & loose tools.	35,528,011	35,909,147
Stock-in-trade	16,137,988	16,715,034
Trade Debts	39,154,217	35,059,303
Loans, advances	51,874,150	52,308,471
Deposits and Prepayments	2,988,334	538,549
Other receivables.	946,500	1,238,579
Tax refunds due from Government	58,407,684	57,649,049
Cash and bank balances.	23,307,544	43,037,775
	228,344,428	242,455,907
	953,636,567	967,871,114

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

DATED: OCTOBER 30, 2017
PLACE: FAISALABAD.

CHIEF EXECUTIVE

DIRECTOR

ASHFAQ TEXTILE MILLS LIMITED.
PROFIT & LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2017

	NOTE	SEPTEMBER 2017 *RUPEES*	SEPTEMBER 2016 *RUPEES*
SALES		74,147,283	66,346,283
COST OF GOODS SOLD	6	68,518,063	57,510,050
GROSS PROFIT		5,629,220	8,836,233
Distribution cost		662,071	-
Administrative espenses		7,051,587	7,011,632
Finance cost		131,112	565,921
		7,844,770	7,577,553
PROFIT / (LOSS) BEFORE TAXATION.		(2,215,550)	1,258,680
Provision for taxation		637,019	-
PROFIT / (LOSS) FOR THE PERIOD		(2,852,569)	1,258,680
Earning per share - Basic		-0.08	0.04

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

DATED: OCTOBER 30, 2017
PLACE: FAISALABAD.

CHIEF EXECUTIVE

DIRECTOR

ASHFAQ TEXTILE MILLS LIMITED.
STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2017

	SEPTEMBER 2016 *RUPEES*	SEPTEMBER 2016 *RUPEES*
Profit / (Loss) for the period	(2,852,569)	1,258,680
Other comprehensive income for the period		
Incremental depreciation on revalued assets	3,462,208	3,642,904
Total comprehensive income for the period	609,639	4,901,584

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

DATED: OCTOBER 30, 2017
PLACE: FAISALABAD.

CHIEF EXECUTIVE

DIRECTOR

ASHFAQ TEXTILE MILLS LIMITED.
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2017

Description	Paid-up Capital Rupees	Accumulated Profits Rupees	Total Rupees
Balance as at July 01, 2016	349,850,000	204,512,775	554,362,775
Total comprehensive income for the period			
Profit for the period	-	3,627,742	3,627,742
Incremental depreciation on revalued assets for the period		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
Total comprehensive income for the period			
Profit / (Loss) for the period	-	(2,852,569)	(2,852,569)
Incremental depreciation on revalued assets for the period	-	3,462,208	- 3,462,208
	-	609,639	- 609,639
Balance as at September 30, 2017	349,850,000	208,055,890	557,905,890

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

DATED: OCTOBER 30, 2017
PLACE: FAISALABAD.

CHIEF EXECUTIVE

DIRECTOR

ASHFAQ TEXTILE MILLS LIMITED.
CASH FLOW STATEMENT
FOR THE QUARTER ENDED SEPTEMBER 30, 2017

	SEPTEMBER 2017 RUPEES	SEPTEMBER 2016 RUPEES
CASH FLOW FROM OPERATING ACTIVITIES:		
Profit / (Loss) before taxation.	(2,215,550)	1,258,680
Adjustments for:		
Depreciation	7,960,390	8,128,244
Provision for staff retirement gratuity	2,100,000	1,500,000
Loss on disposal of property, plant and eauipments	-	-
Finance Cost	131,112	565,921
Operating cash flows before working capital changes	7,975,952	11,452,845
Changes in working capital		
(Increase) / decrease in current Assets:		
Store, spare & loose tools.	381,136	381,607
Stock in trade	577,046	(1,689,163)
Trade debts	(4,094,914)	(34,612,239)
Loans,advances,	434,321	28,356,648
Deposits and prepayments	(2,449,785)	1,008,768
Other receivables	292,079	270,956
Tax refunds due from Government.	(758,635)	(2,544,123)
Increase / (decrease) in current liabilities.		
Trade and other payables	3,320,927	3,151,395
Net cash flow from changes in working capital	(2,297,825)	(5,676,151)
Cash generated from / (used in) operations.		
Finance cost paid	(131,439)	(581,211)
Taxes paid	(637,019)	-
Staff retirement gratuity paid	(528,470)	(407,320)
Net cash generated from operating activities	(1,296,928)	(988,531)
Cash flows from investing activities		
Additions property, plant and equipment	(7,837,320)	(3,389,921)
Long term deposits	-	-
Net cash (used in) investing activities	(7,837,320)	(3,389,921)
Cash flows from financing activities		
Net (decrease) increase in short term bank borrowings	(16,274,110)	4,000,000
Net cash (used in) financing activities	(16,274,110)	4,000,000
Net (decrease) increase in cash and cash equivalents	(19,730,231)	5,398,242
Cash and cash equivalent at the beginning of the year	43,037,775	45,783,006
Cash and cash equivallents at the end of the year	23,307,544	51,181,248

DATED: OCTOBER 30, 2017
PLACE:FAISALABAD:

CHIEF EXECUTIVE

DIRECTOR

ASHFAQ TEXTILE MILLS LIMITED.
NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2017

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 submited 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 determind on the basis of annual results.

	SEPTEMBER 2017 *RUPEES*	SEPTEMBER 2016 *RUPEES*
6 COST OF SALES:		
Raw material consumed	7,055,597	192,104
Stores & spares consumed	4,648,653	4,839,378
wages salaries and amenities	22,369,976	20,269,241
Sizing expenses	11,403,264	11,548,529
Freigth, Loading, Unloading	347,094	402,904
Repair & Maintenance	369,476	97,150
Fuel & Power	14,219,740	14,083,592
Depreciation	7,093,679	7,285,695
Insurance	679,321	672,724
	68,186,800	59,391,317
Work in process:		
Opening stock	11,612,343	7,027,339
Closing stock	(11,520,458)	(5,666,818)
	91,885	1,360,521
	68,278,685	60,751,838
Finished Goods		
Opening stock	1,510,217	4,529,090
Closing stock	(1,270,839)	(7,770,878)
	239,378	(3,241,788)
	68,518,063	57,510,050

7 Transections with Associated Undertakings.

8 **Figuers have been rounded off to the nearest rupee.**

DATED: OCTOBER 30, 2017
PLACE: FAISALABAD.

CHIEF EXECUTIVE

DIRECTOR