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**ASHFAQ TEXTILE MILLS
LIMITED**

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**3rd. Quarter Report
March 31, 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
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 FD REGISTRAR SERVICES (SMC-PVT) LTD.
1705, 17H 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.

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DIRECTOR'S REPORT TO THE SHARE HOLDERS

Dear Share Holders,

The Directors of your Company are pleased to present our 3rd Quarter's un-audited accounts for the period ended 31st March 2017.

Review of the Results.

Sales during the period were recorded at Rs.209.889 Million compared to the same period were recorded Rs.214.752 Million.

During this period the Operating (Distribution, Administrative & Other) expenses were 8.19% to sales, in comparison to Rs.9.35% in the same period last year. Gross profit for this period is 11.56% in comparison to 10.09% during the same period last year. Financial charges to sales were recorded as 0.81% in comparison to 0.27% in the same period in last year. Cost of goods sold are 88.44% in comparison to 89.91% in the same period last year.

In the coming days:

The results above are showing yet another positive quarter which resulted due to the decisions taken by the management to keep on focusing on local market as the international export market is still passing through a very slow period not only qualitatively but also price wise.

Unfortunately our Government is oblivious to the dropping exports and not doing anything to make decisions to reduce the cost of doing business which is hurting the back bone industry of Pakistan.

We would like to thank our customers for their continuous trust in us and also would like to appreciate the hard work of our staff members.



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

ASHFAQ TEXTILE MILLS LIMITED.
CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT MARCH 31, 2017

<u>EQUITY & LIABILITIES:</u>	MARCH 31, 2017 RUPEES	JUNE 30, 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 and Paid up Capital	349,850,000	349,850,000
Unappropriated Profit	218,646,694	204,512,775
	568,496,694	554,362,775
SURPLUS ON REVALUATION OF FIXED ASSETS:	327,644,503	338,573,124
NON CURRENT LIABILITIES:		
Deferred liabilities		
Staff Retirement Gratuity	23,132,456	20,357,596
CURRENT LIABILITIES:		
Trade and Other Payables	18,385,155	13,232,657
Short Term Bank Borrowings	15,211,993	31,000,000
Provision for Taxation - income tax	-	-
	33,597,148	44,232,657
	952,870,801	957,526,152
<u>ASSETS:</u>	MARCH 31, 2017 RUPEES	JUNE 30, 2016 RUPEES
NON CURRENT ASSETS		
Property, Plant and Equipment	719,750,605	735,147,422
Long Term Securities Deposits	4,509,782	4,509,782
	724,260,387	739,657,204
CURRENT ASSETS:		
Store, Spares & loose tools.	20,303,195	21,527,697
Stock-in-trade	23,094,774	14,581,706
Trade Debts	42,357,704	26,811,028
Loans and Advances	48,977,272	59,543,134
Deposits and Prepayments	902,507	4,002,343
Other Receivables	4,246,900	2,634,941
Tax Refunds due from Government	54,679,682	42,985,093
Cash and Bank Balances.	34,048,380	45,783,006
	228,610,414	217,868,948
	952,870,801	957,526,152

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

DATED: APRIL 26, 2017
PLACE: FAISALABAD.


CHIEF EXECUTIVE


DIRECTOR

ASHFAQ TEXTILE MILLS LIMITED.
CONDENSED INTERIM PROFIT & LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2017.

	NOTE	(QUARTER) JANUARY - MARCH		(9 MONTHS) JULY - MARCH	
		2017 RUPEES	2016 RUPEES	2017 RUPEES	2016 RUPEES
SALES		73,494,725	80,218,463	209,888,757	214,751,641
COST OF GOODS SOLD	6	66,956,589	71,291,265	185,631,969	193,075,542
GROSS PROFIT		6,538,136	8,927,198	24,256,788	21,676,099
Distribution cost		305,839	803,867	344,899	2,097,579
Administrative expenses		4,114,006	4,939,055	16,548,449	17,990,790
Other Operating Expenses		98,660	-	296,860	-
Finance cost		619,674	384,965	1,702,616	572,816
		5,138,179	6,127,887	18,892,824	20,661,185
PROFIT BEFORE TAXATION.		1,399,957	2,799,311	5,363,964	1,014,914
Provision for taxation		780,086	-	2,158,666	-
PROFIT FOR THE YEAR		619,871	2,799,311	3,205,298	1,014,914
Earning per share - Basic		0.02	0.08	0.09	0.03

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



CHIEF EXECUTIVE



DIRECTOR

DATED: APRIL 26, 2017
PLACE: FAISALABAD.

ASHFAQ TEXTILE MILLS LIMITED.
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2017

	(QUARTER)		(9 MONTHS)	
	JANUARY - MARCH		JULY - MARCH	
	2017	2016	2017	2016
	<u>RUPEES</u>	<u>RUPEES</u>	<u>RUPEES</u>	<u>RUPEES</u>
Profit for the period	790,961	2,799,311	3,205,298	1,014,914
Other comprehensive income for the period				
Incremental depreciation on revalued assets	3,642,872	3,833,071	10,928,621	11,499,210
Total comprehensive income for the period	<u>4,433,833</u>	<u>6,632,382</u>	<u>14,133,919</u>	<u>12,514,124</u>

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

DATED: APRIL 26, 2017
PLACE: FAISALABAD.


CHIEF EXECUTIVE


DIRECTOR

ASHFAQ TEXTILE MILLS LIMITED.
CONDENSED INERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2017

	MAR. 31, 2017 <u>RUPEES</u>	MAR. 31, 2016 <u>RUPEES</u>
CASH FLOW FROM OPERATING ACTIVITIES:		
Profit / (Loss) before taxation.	3,205,298	1,014,914
Adjustments for:		
Depreciation	24,489,031	24,227,241
Provision for staff retirement gratuity	4,500,000	4,500,000
Loss on disposal of property, plant and equipments	-	-
Finance Cost	1,702,616	572,816
Operating cash flows before working capital changes	<u>33,896,945</u>	<u>30,314,971</u>
Changes in working capital		
(Increase) / decrease in current Assets:		
Store, spare & loose tools.	1,224,502	(6,715,400)
Stock in trade	(8,513,068)	(8,109,886)
Trade debts	(15,546,676)	12,848,896
Loans, advances,	10,565,862	2,192,323
Deposits and prepayments	3,099,836	(842,196)
Other receivables	(1,611,959)	631,614
Tax refunds due from Government.	(11,694,589)	(10,804,711)
Increase / (decrease) in current liabilities.		
Trade and other payables	6,031,296	(3,055,345)
Net cash flow from changes in working capital	<u>(16,444,796)</u>	<u>(13,854,705)</u>
Cash generated from / (used in) operations.		
Finance cost paid	(1,864,870)	(286,508)
Taxes paid	(2,648,663)	(2,758,004)
Staff retirement gratuity paid	(1,725,140)	(3,703,117)
Net cash generated from operating activities	<u>(6,238,673)</u>	<u>(6,747,629)</u>
Cash flows from investing activities		
Additions property, plant and equipment	(9,469,119)	(16,398,141)
Proceeds from disposal of operating asstes	2,309,024	-
Long term deposits	-	-
Net cash (used in) investing activities	<u>(7,160,095)</u>	<u>(16,398,141)</u>
Cash flows from financing activities		
Net (decrease) increase in short term bank borrowings	(15,788,007)	45,000,000
Net cash (used in) financing activities	<u>(15,788,007)</u>	<u>45,000,000</u>
Net (decrease) increase in cash and cash equivalents	(11,734,626)	38,314,496
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	<u>34,048,380</u>	<u>74,019,536</u>

DATED: APRIL 26, 2017
PLACE: FAISALABAD:


CHIEF EXECUTIVE


DIRECTOR

ASHFAQ TEXTILE MILLS LIMITED.
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2017

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 year	-	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 for the period	-	3,205,298	3,205,298
Incremental depreciation on revalued assets for the period	-	10,928,621	10,928,621
	-	14,133,919	14,133,919
Balance as at March 31, 2017	349,850,000	218,646,694	568,496,694

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

DATED: APRIL 26, 2017
PLACE: FAISALABAD.



CHIEF EXECUTIVE



DIRECTOR

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

	QUARTER JANUARY - MARCH		(9 MONTHS) JULY - MARCH	
	2017 RUPEES	2016 RUPEES	2017 RUPEES	2016 RUPEES
6 COST OF SALES:				
Raw material consumed	9,168,518	10,556,342	9,360,622	19,967,848
Stores & spares consumed	5,430,389	4,918,589	15,134,814	14,571,259
wages salaries and amenities	22,154,696	19,734,878	64,806,765	60,750,194
Sizing expenses	11,177,711	13,438,320	35,712,428	36,112,629
Repair & Maintenance	428,720	(95,820)	1,602,228	316,678
Fuel & Power	13,101,560	12,822,698	40,261,905	39,290,003
Depreciation	7,356,139	7,185,967	21,963,229	21,464,325
Insurance	665,541	887,109	1,950,816	2,616,475
	<u>69,483,274</u>	<u>69,448,083</u>	<u>190,792,807</u>	<u>195,089,411</u>
Work in process:				
Opening stock	5,580,139	12,326,258	7,027,339	2,665,132
Closing stock	(8,010,552)	(8,952,842)	(8,010,552)	(8,952,842)
	<u>(2,430,413)</u>	<u>3,373,416</u>	<u>(983,213)</u>	<u>(6,287,710)</u>
	67,052,861	72,821,499	189,809,594	188,801,701
Finished Goods				
Opening stock	8,610,443	1,181,457	4,529,090	6,985,532
Closing stock	(8,706,715)	(2,711,691)	(8,706,715)	(2,711,691)
	<u>(96,272)</u>	<u>(1,530,234)</u>	<u>(4,177,625)</u>	<u>4,273,841</u>
	<u>66,956,589</u>	<u>71,291,265</u>	<u>185,631,969</u>	<u>193,075,542</u>

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

DATED: APRIL 26, 2017
PLACE: FAISALABAD.



CHIEF EXECUTIVE



DIRECTOR

ڈائریکٹر رپورٹ برائے حصہ داران اشفاق ٹیکسٹائل ملز لمیٹڈ

محترم حصہ داران / ممبران

کمپنی کے ڈائریکٹران کی طرف سے تیسری سہ ماہی رپورٹ 31 مارچ، 2017 حاضر خدمت ہے:

مالیاتی نتائج مندرجہ ذیل ہیں۔

اس دورانیہ میں 209.889 ملین کی فروخت ہوئی۔ پچھلے سال اسی دورانیہ میں 214.752 ملین کی فروخت ہوئی تھی۔

اس دوران آپریٹنگ (ڈسٹری بیوشن، ایڈمنسٹریشن و دیگر اخراجات) فروخت کا 8.19% فیصدی خرچ آیا۔ پچھلے سال اسی دوران 9.35% فیصدی خرچ آیا تھا۔ مجموعی نفع (بغیر منہائی اخراجات) 11.56% فیصدی ہوا ہے۔ پچھلے سال کا اسی دوران میں 10.09% فیصدی منافع ہوا تھا۔ فنانشل اخراجات، سیل پر 0.81% فیصدی آئے۔ جبکہ سابقہ سال کے اسی دوران میں 0.27% فیصدی اخراجات آئے تھے۔ اس دوران فروخت شدہ اشیاء پر لاگت فروخت کا 88.44% فیصدی آیا۔ جبکہ پچھلے سال اسی دوران 89.91% فیصدی تھا۔

آنیوالے وقت کے متعلق:-

جیسا کہ مندرجہ بالا نتائج سے ظاہر ہے کہ یہ کوارٹر بھی ہمارا ٹھیک رہا ہے۔ اگرچہ لوکل اور ایکسپورٹ مارکیٹ بہت ہی مندی میں جا رہی ہے۔ کیونکہ ہم دیگر ممالک کے ساتھ مقابلہ نہیں کر سکتے، اُن سے ہم مہنگے ہیں۔ ہماری بد قسمتی ہے کہ دن بدن ایکسپورٹ کم ہو رہی ہے۔ مگر اہل اقتدار اُس پر جتنی توجہ دینی چاہیے، نہیں دے رہے۔ اگرچہ وزیراعظم پاکستان نے بہت سے وعدے فرمائے ہیں۔

ہم اپنے معزز خریداروں 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 آنیوالا وقت اچھا ہو۔ آمین۔



بورڈ آف ڈائریکٹران کی طرف سے

اشفاق احمد

چیف ایگزیکٹو آفیسر