ISO-9002 CERTIFIED

established since 1988

Ashfaq Textile Mills Ltd.



36th ANNUAL REPORT 2024



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

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Ashfaq Ahmad
(Chief Executive / Managining Director)

Mr. Nadeem Ashfaq
(Executive Director)

Mr. Waseem Ashfaq
(Executive Director)

Mrs. Shazia Amjad
(Non-Executive Director)

Mrs. Nazia Irfan
(Non-Executive Director)

Mr. Abdul Wahid`
(Independent, Non-Executive Director)

Syed Abuzar Hussain
(Independent, Non-Executive Director)

Mr. Muhammad Aqeel Idrees
(Independent, Non-Executive Director)

COMPANY SECRETARY

Mr. Nisar Ahmad

CHIEF FINANCIAL OFFICER (CFO)

Mr. Mohammad Anwar Javed

AUDITORS

RSM Avais Hyder Liaqat Nauman.
Chartered Accountants

BANKERS

Alflah Bank Limited.

AUDIT COMMITTEE

Syed Abuzar Hussain	(Chairman)
Mr. Nisar Ahmad	(Secretary)
Mrs. Shazia Amjad	(Member)
Mr. Mohammad Aqeel Idrees	(Member)

HUMAN RESOURSE AND REMUNERATION COMMITTEE

Mr.Muhammad Aqeel Idrees	(Chairman)
Mrs. Nazia Irfan	(Member)
Mr. Abdul Wahid	(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

36th 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 Monday 28th October, 2024 at 10:00 a.m. to transect 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 2024 together with the Directors and Auditors reports thereon.
3. To appoint auditors for the year ending June 30, 2025 and to fix their remuneration.
4. To transact any other ordinary business with the permission of the Chair.

By Order of the Board

---SD---
Ashfaq Ahmad
Chief Executive

Faisalabad: September 30, 2024.

NOTES:

1. The share transfer books of the Company shell remain closed from 21st October, 2024 to 27th October, 2024 (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 20th October 2024 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 243 Sulzer Shuttleless Machines in operation.

At present the average production capacity of the plant is 30.711 Million Sq. Meters on 60 picks per annum three shifts per day. The Company has produced 19.007 Million Sq. Meters on 60 picks on the basis of 257 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 35th Annual Report and Audited Accounts for the year ended June 30, 2024.

Highlights	2024	2023	Variance %
Sales	456.651	335.984	35.91
Gross Profit	(36.394)	(85.131)	(57.25)
Profit / (Loss) Before Tax	(69.764)	(113.845)	(38.72)
Profit / (Loss) After Tax	(57.851)	(79.878)	(27.58)
EPS	(1.24)	(1.72)	(27.91)

The company incurred GP loss of Rs. 36.394 Million in comparison to a profit of Rs. 85.131 Million primarily because our sales increased by almost 36% for the reasons mentioned bellow.

The economic situation of Pakistan seems to be showing, signs of recovery, good policies of Government to lower interest rates has given a positive feeling, furthermore, inflation is getting somewhat in control. While we are getting a consistent demand from our customers but the prices of utilities especially electricity is pushing the cost of doing business higher, thus not letting the company come into the profitability.

We are hopeful that this trend would continue and Government would bring the most expensive energy prices down to at least the same level as our competitors, which would guarantee profitability in the coming months.

The management regretfully cannot recomnd any paymnts of dividends or bonus shares for this year.

Marketing strategy and future prospects

As the demand is growing for woven fabrics, both domestically and internationally, we are keeping a close liaison with our customers to keep ourselves ahead of the tide and hoping that government would do its best to make us competitive with the world markets as far as energy prices.

Corporate Social Responsibility

We strongly believe that it is our social responsibility to give back to the community. We are pleased to share that this year we contributed Rs. 700,000 to "Faisalabad Liver Foundation Trust" for free medicines and liver related lab tests totally free to deserving patients.

Principal Risks and Uncertainties

The Company is exposed to certain inherent risks and uncertainties. However, we consider the following as key risks:

- Adverse movement in foreign exchange rates and commodity prices;
- Market disruption due to changes in tax laws and regulations to widen the tax net.

Internal Financial Controls

The directors are aware of their responsibility with respect to internal financial controls. Through discussions with management and auditors (both internal and external), they confirm that adequate controls have been implemented by the Company.

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. But there exists material uncertainities as Company find difficulties in recovering direct cost incurred on production. But we are renegotiating our contacts with customers that will improve our profitablity.

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. Attendence 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	Mrs. Shazia Amjad	03
5	Mrs. Nazia Irfan	04
6	Mr. Muhammad Aqeel Idrees	04
7	Mr. Abdul Wahid	04
8	Syed Abuzar Hussain	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**

Syed Abuzar Hussain (Chairman)
Mr. Nisar Ahmad (Secretary)
Mrs. Shazia Amjad (Member)
Mr. Muhammad Aqeel 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 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. Muhammad Aqeel Idrees (Chairman)
Mrs. Nazia Irfan (Member)
Mr. Abdul Wahid (Member)

The Human Resources and Remuneration Committee met one time during the year. 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. **Composition of Board**

The board consists of 6 male and 2 female directors with following composition:

Independent directors	3
Other non-executive directors	2
Executive directors	3
Total number of directors	8

13 **Remuneration Policy of Non-Executive Directors**

The fee of the Non-Executive and Independent Directors for attending the Board and Committee meetings of the Company is determined by the Board from time to time.

14 **Subsequent Events**

No material changes and commitments affecting the fiancial position of the Company have occurred between the end of the financial year and the date of this report.

15 **Safety and Environments**

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

16 **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	24,000	6,000

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

17 **Auditors**

The present auditors RSM 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.

18 **Pattern of Shareholding**

Pattern of share holding of the Company as on June 30, 2024 is annexed.

19 **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

---SD---
(ASHFAQ AHMAD)
Chief Executive Officer

FAISALABAD
DATE: September 30, 2024.

---SD---
DIRECTOR

FINANCIAL HIGHLIGHTS

		2024	2023	2022	2021	2020	2019
		(Rupees in Thousand)					
SALES	Rs.	456.610	335.984	507.740	453.352	387.086	321.650
GROSS PROFIT / (LOSS)	Rs.	(36.393)	(85.131)	64.208	54.292	52.179	42.223
NET PROFIT / (LOSS) AFTER TAX	Rs.	(57.851)	(79.878)	19.042	11.137	15.095	3.454
FIXED ASSTES	Rs.	1,016.484	899.680	935.154	963.504	968.234	974.361
LONG TERM LIABILITIES (FINANCIAL INSTITUTION)	Rs.	-	-	-	-	-	-
LONG TERM LIABILITIES (DIRECTORS)	Rs.	-	-	-	-	-	-
ACCUMULATED PROFIT / (LOSS)	Rs.	91.606	131.305	238.966	244.649	253.585	221.280
GROSS PROFIT RATIO	%	(7.97)	(25.64)	12.65	11.98	13.48	13.13
NET PROFIT / (LOSS) RATIO	%	(12.67)	(23.77)	3.75	2.46	3.90	1.07
DEBT EQUITY RATIO	%	0:100	0:100	0:100	0:100	0:100	0:100
CURRENT RATIO	%	3.67	4.78	6.69	7.67	6.69	6.40
EARNING / (LOSS) PER SHARE	%	(1.24)	(1.72)	0.41	0.27	0.39	0.10
BONUS SHARES	%	-	-	10%	10%	-	-
DIVIDEND	Rs.	-		-	-	-	-

ڈائریکٹرز رپورٹ

ڈائریکٹرز 30 جون 2024 کو ختم ہونے والے سال کے پینتیسویں سالانہ آڈیٹڈ مالیاتی اسٹیٹمینٹ بمعہ آڈیٹرز رپورٹ بخوشی پیش کرتے ہیں۔

اس سال کے مالیاتی نتائج درج ذیل ہیں۔

تفصیل	سالانہ اختتام 30 جون، 2024 روپے ملین میں	سالانہ اختتام 30 جون، 2023 روپے ملین میں	فرق %
فروخت (Sale)	456.65	335.98	35.91
کل نفع / نقصان	(36.39)	(85.13)	(57.25)
سال کے لیے قبل از ٹیکس نقصان / نفع	(69.76)	(113.85)	(38.72)
سال کے لیے بعد از ٹیکس نقصان / نفع	(57.85)	(79.88)	(27.58)
آمدنی فی شیئر (EPS)	(1.24)	(1.72)	(27.91)

آپ کی کمپنی کو 36.394 ملین روپے پچھلے سال کے منافہ کے مقابلے میں 85.131 ملین روپے کا نقصان ہوا جو کہ فروخت میں 36٪ کمی کی وجہ سے ہے تفصیل درجہ ذیل ہے

پاکستان کی معاشی صورت حال کا رُجحان بحالی کی علامات میں سے ایک ہے شرح سُود کو کم کرنے کے لیے حکومت کی اچھی پالیسیوں نے ایک مثبت احساس دیا ہے۔ مزید یہ کہ مہنگائی کس حد تک قابو میں آرہی ہے۔ جبکہ ہم اپنے صارفین کی طرف سے مسلسل طلب (مانگ) حاصل کر رہے ہیں لیکن یوٹیلیٹیز کی قیمتیں خاص طور پر بجلی کاروبار کرنے کی لاگت کو زیادہ بڑھا رہی ہے۔ اس طرح کمپنی منافہ کی جانب نہیں جا رہی۔

ہمیں اُمید ہے کہ یہ رُجحان جاری رہے گا۔ اور حکومت آنے والے مہینوں میں توانائی کی مہنگی قیمتوں کو کم از کم اس سطح پر لے آئے گی جسے کہ ہمارے حریف منافع کی ضمانت دیں گے جو آنے والے مہینوں میں منافہ کی ضمانت ہے۔

انتظامیہ اس سال افسوس کے ساتھ منافع یا بونس حصص کی کسی بھی ادائیگی کی سفارش نہیں کر سکتی۔

مارکیٹ کے حالات اور مستقبل کے خدوخال

جیسے جیسے بُنے ہوئے کپڑے کی مانگ بڑھ رہی ہے مقامی اور بین الاقوامی طور پر ہم اپنے آپ کو برقرار رکھنے کے لیے باہر کے صارفین کے ساتھ قریبی رابطہ قائم کر رہے ہیں اور اُمید ہے کہ حکومت توانائی کی قیمتوں کے حوالے سے ہمیں عالمی منڈیوں کے ساتھ مقابلا کرنے کے لئے اپنی پوری کوشش کرے گی۔

کمپنی کی سماجی ذمے داری

ہماری سماجی اور معاشرتی ذمہ داری ہے کہ ہم معاشرے کی فلاح میں حصہ ڈالیں۔ لہٰذا ہم نے ہیپاٹائٹس کے مستحق مریضوں کے (مفت علاج) مکمل ادویات اور جگر سے متعلق لیب ٹیسٹ کے لئے فیصل آباد لیور فاؤنڈیشن ٹرسٹ کو 600,000 روپے کا عطیہ دیا۔

بنیادی خطرات اور بے اعتدالی

کمپنی کو شدید مورثی خطرات اور بے اعتدالی کی وجہ سے درجہ ذیل بنیادی خطرات متوقع ہیں۔

- ملکی منفی تحریک کی وجہ سے غیر ملکی تجارتی قیمتوں اور فارن ایکسچینج ریٹ میں اتار چڑھاو۔
- ٹیکس نیٹ کو وسیع کرنے کے لئے ٹیکس قوانین اور ضابطوں میں تبدیلی کاروباری رکاوٹ کا باعث ہے۔

اندرونی فنانشل کنٹرول

اڈیٹرز اور مینجمنٹ کے مشترکہ فیصلوں سے کافی حد تک کمپنی نے کنٹرولز یقینی بنائے ہیں

کارپوریٹ گورننس

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

کارپوریٹ اور فائنینشل رپورٹنگ کا فریم ورک

کوڈ آف کارپوریٹ گورننس پر عمل کرتے ہوئے اہم کارپوریٹ اور فائنینشل رپورٹنگ کا فریم ورک درج کر رہے ہیں

1- کمپنی کی مینجمنٹ فائنینشل اسٹیٹمنٹس اور کمپنی کے جملا معاملات کاروبار کے نتائج، نقدی بہاو 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 اکاونٹنگ پالیسیوں کو تسلسل سے لاگو کیا گیا ہے۔اکاونٹنگ یا اندازے معقول اور دانشمندانہ فیصلے پر مبنی ہے۔

4- مالی گوشواروں کو بین الاقوامی اکاونٹنگ سٹینڈرڈز کے مطابق رکھا گیا ہے۔

5- اندرونی کنٹرول کا نظام مظبوط ہے اور اس کی مئوثر طریقے سے نگرانی اور عملدرآمد کیا گیا ہے۔

6- کاروبار جاری رکھنے کے لیے کمپنی کی صلاحیت پر کوئی قابل ذکر شکوک وشبہات 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۔

نمبر شمار	ڈائریکٹران کے نام	حاضری کی تفصیل
1-	اشفاق احمد صاحب	04
2-	ندیم اشفاق صاحب	04
3-	وسیم اشفاق صاحب	04
5-	مسز شازیہ امجد صاحبہ	03
6-	مسز نازیہ عرفان صاحبہ	04
4-	محمد عقیل ادریس صاحب	04
7-	عبدلواحد صاحب	04
8-	سعید ابوزر حُسین صاحب	04

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

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

10- 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۔

مسٹر سید ابوذر حُسین	چیئرمین
مسٹر نثار احمد	سکریٹری
مسز شازیہ امجد	ممبر
مسٹر محمد عقیل ادریس	ممبر

آڈٹ کمیٹی کی میٹنگ ہر کوارٹر سے پہلے ہوتی ہے۔اور حساب کتاب کی چھان بین کر کے عبوری اور سالانہ حساب کتاب کی منظوری دیتی ہے۔میٹنگ میں انٹرنل آڈیٹرز کے سنئیر 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 وضوابط کے مطابق چلتی ہے۔مندرجہ ذیل اس کے ممبران ہیں۔

مسٹر محمد عقیل ادریس	چیئرمین
مسز نازیہ عرفان صاحبہ	ممبر
مسٹر عبدالواحد	ممبر

انسانی وسائل اور معاوضہ کمیٹی کی اس سال ایک میٹنگ ہوئی اور کمیٹی نے بورڈ کو اپنی سفارشات پیش کیں کہ کس طرح کمپنی کو ایک مضبوط ادارے کے طور پر چلایا جائے۔ملازموں کی فلاح و بہبود کے متعلق بھی بہت سے پلان اور پالیسیوں پر عملدر آمد کے لیے سفارشات کیں تاکہ ادارہ اپنے اہداف حاصل کر سکے۔

12- مجموعی بورڈ

کمپنی کا بورڈ مندرجہ ذیل 6 مردوں اور 2 عورتوں پر مشتمل ہے

خُود کار ڈائریکٹر۔	3
غیر عملی ڈائریکٹرز۔	2
عملی ڈائریکٹرز۔	3
ڈائریکٹران کی کل تعداد۔	8

13- خُود کار ڈائریکٹر اور غیر عملی ڈائریکٹرز کی معاوذہ کی پالیسی۔

خُود کار ڈائریکٹر اور غیر عملی اور ڈائریکٹران کا بورڈ میٹنگز اور کمیٹی کے اجلاس میں شرکت کا معاوظہ کمپنی بورڈ کے ذریعہ وقت کے ساتھ تعین کرتی ہے۔

14- ضمنی واقعات۔

اس مالی سال کے اختتام اور اس رپورٹ کے دورنیہ میں کوئی بڑی تبدیلی اور واعدے کمپنی کی مالی حالت کو متاثر نہیں کرتے

15- حفاظتی اقدام اور ماحولیاتی آلودگی سے بچاو

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 رہے اور ماحولیاتی ادارے اُس کی تعریف کر چکے ہیں۔

16- کمیٹی کے حصص کی تجارت

کمپنی کے جملہ ڈائریکڑان بشمول چیف ایگزیکٹو آفیسر، چیف فنانشل آفیسر، کمپنی سیکرٹری نے کمپنی کے شیئروں کی درج ذیل تجارت ہوئی۔

		خرید	فروخت
1-	مسز مُسرت اشفاق	24000	6,000

چیف ایگزیکٹو آفیسر، ڈائریکٹرز، چیف فنانشل آفیسر اور ایگزیکٹوز کو ماسوائے اُن شیئروں کے جن کو بتادیا گیا ہے اور کسی چیز میں دلچسپی نہ ہے۔

17- آڈیٹرز

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

18- حصص کی تفصیل

حصص کی تفصیل جو کہ 30 جون، 2024 کو کمپنی کے حصے دار ہیں اُن کی تفصیل منسلک ہے۔

19- اعتراف

ہم یہ بات ریکارڈ پر لانا چاہتے ہیں اور ہم شُکریہ کے ساتھ تعریف کرتے ہیں۔اپنی مینجمنٹ کی، اپنے بینکرز میسرز زیونا بینک پبلک لمٹیڈ کی جنھوں نے ہر موقع پر ہمارے ساتھ تعاون کیا۔ڈائریکٹر صاحبان خوشی سے اپنے کاریگروں کی محنت اور دل لگی سے کام کرنے کی تعریف کرتے ہیں۔

--- SD ---

بورڈ آف ڈائریکٹران کی طرف سے

اشفاق احمد

چیف ایگزیکٹو آفیسر

فیصل آباد

30 ستمبر، 2024

فنانشل جھلکیاں

روپے ہزاروں میں

	2024	2023	2022	2021	2020	2019	
فروخت	456.610	335.984	507.740	453.352	387.086	321.650	روپے
مجموعی نفع	(36.393)	(85.131)	64.208	54.292	52.179	42.223	روپے
خالص نفع بعد از ٹیکس	(57.851)	(79.878)	19.042	11.137	15.095	3.454	روپے
اثاثہ جات	1,016.484	899.680	935.154	963.504	968.234	974.361	روپے
طویل مدتی ذمے داری (مالیاتی ادارہ)	-	-	-	-	-	-	روپے
طویل مدتی ذمے داری (ڈائیکٹرز)	-	-	-	-	-	-	روپے
مجموعی نفع (نقصان)	91.606	131.305	238.966	244.649	253.585	221.280	روپے
نفع کا شرح کا تناسب	(7.97)	(25.64)	12.65	11.98	13.48	13.13	٪
خالص نفع (نقصان) کا تناسب	(12.67)	(23.77)	3.75	2.46	3.90	1.07	٪
لین دین کا تناسب	0:100	0:100	0:100	0:100	0:100	0:100	٪
موجودہ تناسب	3.67	4.78	6.69	7.67	6.69	6.40	٪
آمدنی (نقصان) فی شیئر	(1.24)	(1.72)	0.45	0.27	0.39	0.10	٪
بونس شیئر	-	-	10٪	10٪	-	-	٪
ڈیوڈنڈ	-	-	-	-	-	-	روپے

Review Report by the Chairman

As required under the Listed Companies (Code of Corporate Governance) Regulations, 2019 an annual evaluation of the Board of Directors of Ashfaq Textile Mills Limited is carried out. The purpose of this evaluation is to ensure that the Board's overall performance and effectiveness is measured and benchmarked against expectations in the context of objectives set for the Company.

For the financial year ended Jun 30, 2024, the Board's overall performance and effectiveness has been assessed as Satisfactory. Improvements are an ongoing process leading to action plans. The above overall assessment is based on an evaluation of integral components, including vision, mission and values; engagement in strategic planning; formulation of policies; monitoring the organization's business activities; monitor financial resource management; effective fiscal oversight; equitable treatment of all employees and efficiency in carrying out the Board's responsibility.

The Board of Directors of your Company received agendas and supporting written material including follow up materials in sufficient time prior to the board and its committee meetings. The board meets frequently enough to adequately discharge its responsibilities. The non-executive and independent directors are equally involved in important decisions.

---Sd---
Waseem Ashfaq
Chairman

Dated : September 30, 2024.

چیئرمین کی جائزہ رپورٹ

اشفاق ٹیکسٹائل ملز لمٹیڈ کے بورڈ آف ڈائریکٹرز کا سالانہ جائزہ لیسٹڈ کمپنیز (کوڈ آف کارپوریٹ) گورننس ریگولیشنز کے تحت کیا جاتا ہے۔ اس جائزے کا مقصد اس امر کو یقینی بنانا ہے کہ بورڈ کی مجموعی کارکردگی اور افادیت کو 2019 کمپنی کے مختص کردہ مقاصد کے تناظر میں پرکھا جا سکے۔

مالی سال برائے 30 جون، 2024 کے لیے بورڈ کی مجموعی کارکردگی اور افادیت اطمینان بخش قرار پائی ہے۔ بہتری ایک مستقل جاری رہنے والا عمل ہے جس کی مدد سے عملی منصوبہ بندیوں کو ممکن بنایا جاتا ہے۔ مجموعی جائزہ ضروری اجزاء کے انفرادی جائزے پر منحصر ہے جن میں دور اندیشی، نصب العین اور اقدار، حکمت عملی کے بنانے میں کردار، پالیسیز کی تشکیل، کمپنی میں جاری کاروباری سرگرمیوں کی نگرانی، مالیاتی وسائل کے انتظام کی نگرانی، موثر مالی نگرانی، بورڈ کے کاروبار کو پورا کرنے میں ملازمین کے ساتھ منصفانہ سلوک اور بورڈ کی ذمہ داری کو موثر انداز سے پورا کرنا شامل ہیں۔

آپ کی کمپنی کے بورڈ آف ڈائریکٹرز کو اور اس کی کمیٹی کی ملاقاتوں میں ایجنڈا معہ دیگر ضروری دستاویزات قبل از وقت موصول ہوئے۔ بورڈ ضروری سرگرمیوں اور ذمہ داریوں کو موثر طریقے سے انجام دینے کے لیے باقاعدگی سے ملاقات کرتا ہے۔ نان ایگزیکٹو اور آزاد ڈائریکٹرز بھی اہم فیصلوں میں برابری کی بنیاد پر شامل ہوتے ہیں۔

دستخط

وسیم اشفاق

مورخہ 30 ستمبر، 2024 چیئرمین

ASHFAQ TEXTILE MILLS LIMITED

PATERN OF SHAREHOLDING
FORM "34"
SHAREHOLDERS STATISTICS
AS AT JUNE 30, 2024

NUMBER OF SHAREHOLDERS	SHARE HOLDING FROM		TO	TOTAL SHARES HELD
54	1	-	100	1,227
151	101	-	500	47,676
76	501	-	1000	54,498
195	1001	-	5000	276,822
11	5001	-	10000	79,662
10	10001	-	15000	125,115
1	20001	-	25000	22,181
1	85001	-	90000	85,573
1	90001	-	95000	91,839
1	115001	-	120000	119,507
1	130001	-	135000	131,000
1	160001	-	165000	162,932
1	315001	-	320000	316,500
1	2590001	-	2595000	2,590,791
1	2680001	-	2685000	2,681,965
2	4615001	-	4620000	9,231,816
1	6680001	-	6685000	6,684,417
1	6690001	-	6695000	6,690,577
1	7620001	-	7625000	7,622,513
1	9545001	-	9550000	9,548,424
512				46,565,035

S.NO.	CATAGORIES OF SHAREHOLDERS	NUMBER OF SHARE HOLDERS	TOTAL SHARES HELD	PERCENTAGE
1	INDIVIDUAL	511	46,554,167	99.98
2	COMPANIES	-	-	-
3	FINANCIAL INSTITUTIONS	1	10,868	0.02
		512	46,565,035	100.00

CATEGORIES OF SHARE HOLDING

AS AT JUNE 30, 2024

DIRECTORS AND THEIR SPOUSE:	SHARES HELD	%
Mr. Ashfaq Ahmad	9,548,424	20.5056
Mr. Nadeem Ashfaq	6,684,417	14.3550
Mr. Waseem Ashfaq	6,690,577	14.3682
Mrs. Shazia Amjad	2,682,630	5.7610
Mrs. Nazia Irfan	2,681,965	5.7596
Abdul Wahid	1,302	0.0028
Syed Abuzar Hussain	605	0.0013
Mr. Muhammad Aqeel Idrees	1,331	0.0029
Mrs. Musarat Ashfaq	7,939,013	17.0493
Mrs. Uzma Nadeem	4,615,908	9.9128
Mrs. Memona Waseem	4,615,908	9.9128
SHAREHOLDERS HOLDING 10% OR MORE:		
Mr. Ashfaq Ahmad	9,548,424	20.5056
Mrs. Musarat Ashfaq	7,939,013	17.0493
Mr. Nadeem Ashfaq	6,684,417	14.3550
Mr. Waseem Ashfaq	6,690,577	14.3682
FINANCIAL INSTITUTIONS:		
IDBL (ICP UNIT)	10,868	0.0233
JOINT STOCK COMPANIES		
NCC - PRE SETTLEENT DELIVERY ACCOUNT	-	-
GENERAL PUBLIC:	1,092,087	2.3453
TOTAL	**46,565,035**	**100**

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019.

Ashfaq Textile Mills Limited
For the year ended June 30, 2024.

The company has complied with the requirements of Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) in the following manner:

1. The total number of directors are eight as per the following:

Gender	Number
Male	6
Female	2

2. The composition of Board is as follows:

Category	Names
Independent Directors	Mr. Muhammad AqeelIdrees Mr. Abdul Wahid Syed AbuzarHussain
Other Non-Executive Directors	Mrs. ShaziaAmjad Mrs. Nazia Irfan
Executive Directors	Mr. Ashfaq Ahmad Mr. NadeemAshfaq Mr. WaseemAshfaq
Female Directors	Mrs. ShaziaAmjad Mrs. NaziaIrfan

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company

4. 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.

5. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of significant policies along with their date of approval or updating is maintained by the Company.

6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by board/ shareholders as empowered by the relevant provisions of the Act and these Regulations.

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Companies Act,2017 and the Regulations with respect to frequency, recording and circulating minutes of meetings of the Board.

8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

9. The Board has approved appointment of Chief Financial Officer and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.Mr.Nisar Ahmad was assigned the responsibilities of Company Secretary of the Company in addition to his other responsibilities of the Company.

10. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.

11. The Board has formed committees comprising of members given below:

a) Audit Committee

1) Syed AbuzarHussain	Chairman
2) Mr. Nisar Ahmad	Secretary
3) Mrs. ShaziaAmjad	Member
4) Mr. Muhammad AqeelIdrees	Member

b) HR and Remuneration Committee

1) Mr. Muhammad AqeelIdrees	Chairman
2) Mrs. NaziaIrfan	Member
3) Mr. Abdul Wahid	Member

12. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.

13. The frequency of meetings of the committee were as per following:

a.Audit Committee:	4(four) quarterly meetings
b.HR and Remuneration Committee:	1(one) annual meeting

14. The board has set up an effective internal audit function which is considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.

15. 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 and registered with Audit Oversight Board of Pakistan, that they and all their 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 and they and the partners of the firm, involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, chief Financial Officer, head of internal audit, Company Secretary or Director of the company.

16. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

17. We confirm that all other requirements of Regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

18. One of the additional directors apart from the existing executive directors namely "Mr. Waseem Ashfaq" holds ample experience in running the operational functions of the textile sectors earlier. And inclusion of the same a s director (Executive Director) helped us in coping with the operational issues. He is given the role of the management of the operational activities of the company on the basis of the relevant experience he carried and in return he is awarded with the benefits in form of remuneration, thereby meeting the definition of the executive director.

19. Explanation for non-compliance with requirement, other than regulations 3,6,7,8,27,32,33 and 36 are below:

Sr.No	Non-MandatoryRequirement	Explanation	Reg No.
1	Role of the Board and its members to address sustainability risk and opportunities. The Board is responsible for setting the Company's sustainability strategies, priorities, and targets to create long term corporate value. The Board may establish a dedicated sustainability committee.	At present the Board provides governance and oversight in relation to Company's initiatives on Environmental, Social and Governance (ESG) matters. Nevertheless, the requirements introduced recently by SECP through notification dated June 12, 2024, will be complied with in due course.	10(A)
2	**Certification under Directors TrainingProgram** It is encouraged that by June 30, 2022 all the directors on their Boards haveacquired the prescribed certificationunder any director training programoffered by institutions, local or foreign,thatmeetthecriteria specifiedbythe Commissionandapprovedbyit.	Presently, Seven out of Eight directors on Board have got exemption under director's training program. The remaining One (01) director shall obtain certification under the DTP in due course of time.	19(1)
3	**NominationCommittee** The Board may constitute a separatecommittee, designated as the nominationcommittee, of such number and class ofdirectorsasitmaydeem appropriateinits circumstances.	Currently, the Board has notconstituted a separate NominationCommittee and the functions arebeing performed by the managementitself.	29(1)
4	**RiskManagementCommittee** The Board may constitute the RiskManagement committee of such numberand class of directors as it may deemappropriate in its circumstances to carryout a review of effectiveness of riskmanagement procedures and present areporttotheBoard.	Currently, the Board has notconstituted a risk managementcommittee and the company'sInternal Auditor, performs therequisite functions and apprises the Board accordingly.	30(1)
5	The Company may post on its website key elements of its significant policies including DE&I and protection against harassment at workplace as advised by SECP vide its SRO 920 (1)/2024 dated 12 June 2024.	As per the regulations, the Company has disclosed key elements of its significant policies and intends to add the gist of its policy on diversity, equity and inclusion and protection against harassment at the workplace.	35(1)

For and on behalf of the Board of Directors

---sd--

WaseemAshfaq
Chairman

---sd---

Ashfaq Ahmad
Chief Executive Officer

Independent Auditor's Review Report
to the members of Ashfaq Textile Mills Limited

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Ashfaq Textils Mills Limited (the Company) for the year ended June 30, 2024 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the 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 of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

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 requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2024.

Further, we highlight below instance of non-compliance with the requirement of Regulations, as reflected in the paragraph referred below, it is stated in the statement of compliance:

Reference :	**Description**
19	Section 19 of Regulations state that it is encouraged that by June 30, 2022 all the directors on the Board have acquired the prescribed certification under any director training program offered by institutions, local or foreign, that meet the criteria specified by the commission and approved it. However, during the course of review it was observed that no director has attended the training program.

---SD---

Place: Faisalabad
Date: 02-10-2024

RSM AVAIS HYDER LIAQUAT NAUMAN
CHARTERED ACCOUNTANTS

UDIN: AR202410194tGpPwACij

INDEPENDENT AUDITOR'S REPORT

To the members of Ashfaq Textile Mills Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Ashfaq Textile Mills Limited (the Company), which comprise the statement of financial position as at June 30, 2024, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, 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 the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), 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, 2024 and of the loss and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan, The ICAP Code of Ethics for Chartered Accountants (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty relating to Going Concern

The Company is facing operational difficulties. The condition as set forth in Note 1.3, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to matter described in the "*Material uncertainty relating to Going Concern*" section of our report, we have determined the matter described below as the Key audit matter:

Key Audit Matter	**How our audit addressed the key audit matter**
Revaluation of property, plant and equipment	
Refer to note 5 to the financial statements. During the year, the Company has recognized revaluation surplus amounting to Rs. 152,015,153/- on property, plant and equipment. Fair values of freehold land, building on freehold land and plant and machinery were determined based on independent external valuations. We considered this as key audit matter due to significant amount involved and significant judgments made by the management.	In this respect, we performed following audit procedures: • We have assessed the methodologies (basis) used by the external valuer to estimate values; • We have evaluated the independent external valuer's competence, capabilities and objectivity; • We have checked the reasonableness, accuracy and relevance of the input data provided by management to the external valuer; • We have obtained relevant underlying supportings for the disclosures and assessed their appropriateness for the sufficient audit evidence; and • We have verified the supporting evidence for the additional disclosure and ensured appropriateness of the disclosures made.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement in this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a

material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

(a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

(b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

(c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

(d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Hamid Masood.

---SD---

RSM AVAIS HYDER LIAQUAT NAUMAN
CHARTERED ACCOUNTANTS

Place: Faisalabad
Date: 02-10-2024

UDIN: AR202410194tGpPwACij

ASHFAQ TEXTILE MILLS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVE			
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	4	465,650,350	465,650,350
Capital reserve			
Revaluation surplus on property, plant and equipment	5	430,407,738	331,558,667
Revenue reserve			
Unappropriated profit		91,606,117	131,305,076
		987,664,205	928,514,093
NON CURRENT LIABILITIES			
Deferred liability			
Staff retirement gratuity	6	109,084,575	95,560,353
Deferred taxation	7	101,226,504	76,988,888
		210,311,079	172,549,241
CURRENT LIABILITIES			
Trade and other payables	8	60,297,736	46,169,608
Provision for taxation - income tax	26	5,955,767	5,927,238
		66,253,503	52,096,846
CONTINGENCIES AND COMMITMENTS	9	-	-
		1,264,228,787	1,153,160,180

	Note	2024 Rupees	2023 Rupees
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	10	1,016,484,388	899,680,090
Long term security deposits	11	4,509,782	4,509,782
		1,020,994,170	904,189,872
CURRENT ASSETS			
Stores, spares and loose tools	12	38,608,254	32,062,988
Contract costs	20.1.1	5,318,913	4,658,401
Trade debts	13	98,116,586	49,554,138
Loans and advances	14	37,146,437	30,444,824
Prepayments		742,039	652,742
Other receivables	15	47,383	43,360
Tax refunds due from Government	16	45,266,971	35,095,724
Short term investments	17	-	60,719,566
Cash and bank balances	18	17,988,034	35,738,565
		243,234,617	248,970,308
		1,264,228,787	1,153,160,180

The annexed notes 1 to 34 form an integral part of these financial statements.

---SD---
CHIEF EXECUTIVE OFFICER

---SD---
DIRECTOR

---SD---
CHIEF FINANCIAL OFFICER

ASHFAQ TEXTILE MILLS LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees (Restated)
Sales	19	456,650,695	335,983,552
Cost of sales	20	493,044,410	421,114,578
Gross (loss)		(36,393,715)	(85,131,026)
Other income	21	5,810,674	17,485,858
		(30,583,041)	(67,645,168)
Selling cost	22	2,726,225	2,194,490
Administrative expenses	23	36,450,680	43,856,598
Other operating expenses	24	-	10,941
Finance cost	25	3,673	137,823
		39,180,578	46,199,852
(Loss) for the year before income tax and minimum tax differential / Final tax		(69,763,619)	(113,845,020)
Levies	26	5,955,767	5,927,238
(Loss) for the year before taxation		(75,719,386)	(119,772,258)
Provision for taxation	27	(17,867,952)	(39,894,185)
(Loss) for the year		(57,851,434)	(79,878,073)
Earnings per share - Basic and diluted	28	(1.24)	(1.72)

The annexed notes 1 to 34 form an integral part of these financial statements.

---SD---
CHIEF EXECUTIVE OFFICER

---SD---
DIRECTOR

---SD---
CHIEF FINANCIAL OFFICER

ASHFAQ TEXTILE MILLS LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2024

	2024 Rupees	2023 Rupees
(Loss) for the year	(57,851,434)	(79,878,073)
Other comprehensive income		
Items that will not be subsequently reclassified to profit or loss		
Surplus on revaluation of property, plant and equipment arisen during the year	152,015,153	-
Related deferred tax	(40,050,494)	-
	111,964,659	-
Remeasurement of staff retirement gratuity	7,094,207	1,051,734
Related deferred tax	(2,057,320)	(305,003)
	5,036,887	746,731
Total comprehensive income / (loss) for the year	59,150,112	(79,131,342)

The annexed notes 1 to 34 form an integral part of these financial statements.

---SD---
CHIEF EXECUTIVE OFFICER

---SD---
DIRECTOR

'---SD--
CHIEF FINANCIAL OFFICER

ASHFAQ TEXTILE MILLS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2024

	Issued, subscribed and paid up capital	Capital Reserve	Revenue Reserve	Total
		Revaluation surplus on property , plant and equipment	Unappropriated profit	
	---Rupees---			
Balance as at June 30, 2022	423,318,500	345,360,789	238,966,146	1,007,645,435
Total comprehensive (loss) for the year				
(Loss) for the year	-	-	(79,878,073)	(79,878,073)
Other comprehensive income				
Items that will not be subsequently reclassified to profit or loss				
Remeasurement of staff retirement gratuity			1,051,734	1,051,734
Deferred tax relating to remeasurement of staff retirement gratuity			(305,003)	(305,003)
			746,731	746,731
	-	-	(79,131,342)	(79,131,342)
Incremental depreciation on revalued assets for the year - net of deferred tax	-	(13,802,122)	13,802,122	-
Transaction with owners				
Issue of bonus shares	42,331,850	-	(42,331,850)	-
Balance as at June 30, 2023	465,650,350	331,558,667	131,305,076	928,514,093
Total comprehensive income for the year				
(Loss) for the year	-	-	(57,851,434)	(57,851,434)
Other comprehensive income				
Items that will not be subsequently reclassified to profit or loss				
Surplus on revaluation of property, plant and equipment arisen during the year	-	152,015,153	-	152,015,153
Related deferred tax	-	(40,050,494)	-	(40,050,494)
		111,964,659		111,964,659
Remeasurement of staff retirement gratuity	-	-	7,094,207	7,094,207
Deferred tax relating to remeasurement of staff retirement gratuity	-	-	(2,057,320)	(2,057,320)
			5,036,887	5,036,887
	-	111,964,659	(52,814,547)	59,150,112
Incremental depreciation on revalued assets for the year - net of deferred tax	-	(13,115,588)	13,115,588	-
Balance as at June 30, 2024	465,650,350	430,407,738	91,606,117	987,664,205

The annexed notes 1 to 34 form an integral part of these financial statements.

---SD---
CHIEF EXECUTIVE OFFICER

---SD---
DIRECTOR

---SD---
CHIEF FINANCIAL OFFICER

ASHFAQ TEXTILE MILLS LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

	2024 Rupees	2023 Rupees
(a) CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) for the year before levies and income tax	(69,763,619)	(113,845,020)
Adjustments for:		
Depreciation of property, plant and equipment	39,060,810	41,029,041
Provision for staff retirement gratuity	28,414,844	23,405,524
Fair value adjustment	-	(197,234)
Dividend income	(1,264,775)	(11,307,289)
Profit on deposits	(4,159,790)	(5,843,053)
Gain on redemption on short term Investments	(386,109)	
Finance cost	3,673	137,823
Operating cash flows before working capital changes	(8,094,966)	(66,620,208)
Changes in working capital		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(6,545,266)	10,159,223
Contract costs	(660,512)	(2,394,426)
Trade debts	(48,562,448)	44,355,041
Loans and advances	(4,779,225)	1,738,224
Prepayments	(89,297)	(75,177)
Other receivables	(4,023)	130,252
Tax refunds due from Government	(8,811,102)	(182,550)
Increase in current liabilities		
Trade and other payables	14,128,128	3,355,499
Cash (used in)/generated from operating activities	(63,418,711)	(9,534,123)
Finance cost paid	(3,673)	(137,823)
Income tax paid	(9,212,018)	(7,289,630)
Staff retirement gratuity paid	(7,796,415)	(22,075,835)
Net cash (used in) operating activities	(80,430,817)	(39,037,411)
(b) CASH FLOWS FROM INVESTING ACTIVITIES		
Additions in property, plant and equipment	(3,849,955)	(5,555,375)
Addition in short term investments	-	(12,663,319)
Dividend received	1,264,775	11,307,289
Profit on deposits	4,159,790	5,843,053
Redemption of short term investments	61,105,676	12,913,972
Net cash generated from / (used in) investing activities	62,680,286	11,845,620

	2024 Rupees	2023 Rupees
(c) CASH FLOWS FROM FINANCING ACTIVITIES		
(Decrease) in gas infrastructure development cess payable	-	(95,127)
Net cash (used in) financing activities	-	(95,127)
Net (decrease) in cash and cash equivalents (a+b+c)	(17,750,531)	(27,286,917)
Cash and cash equivalents at the beginning of the year	35,738,565	63,025,482
Cash and cash equivalents at the end of the year	17,988,034	35,738,565

The annexed notes 1 to 34 form an integral part of these financial statements.

---SD---
CHIEF EXECUTIVE OFFICER

---SD---
DIRECTOR

---SD---
CHIEF FINANCIAL OFFICER

ASHFAQ TEXTILE MILLS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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 repealed Companies Ordinance, 1984 (Repealed with the enactment of the Companies Act 2017 on May 30, 2017) 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 Rupees, which is the Company's functional and presentation currency.

1.3 The Company has incurred net loss of Rs. 57.85 million (2023: Rs. 79.88 million) during the year. The company could not recover the direct cost incurred on its productions. This factor indicate material uncertainty related to events and conditions which may cast significant doubt about the Company's ability to continue as a going concern and, therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business.

The management is taking measures to renegotiate its sales contract with customers and reduce operational cost through production efficiency in order to improve profitability of the company. The management is confident that it will be successful in its efforts. In view of the above, The company will be able to continue as a going concern.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as applicable in Pakistan comprise of International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 and provisions of and directives issued under the Companies Act, 2017. Where the provisions of and directives issued under the Companies Act, 2017 differ from IFRSs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

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, 2023 and therefore, have been applied in preparing these financial statements.

- **Amendments to IAS1 - Disclosure of Accounting Policies**

  IAS 1 is amended to change the requirements with regard to disclosure of accounting policies. The amendments replace the term'significant' accounting policies with 'material' accounting policies.

  Accounting information is material, if when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

  The IAASB has also developed guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

  The amendments may require to disclose policy information relating to material transactions.

- **Amendments to IAS 8 - Definition of Accounting Estimates**

  The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The definition of a change in accounting estimates was deleted.

  The amendments have no material impact on the company's financial statements.

- **Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction**

  The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting profit nor taxable profit.

  Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to their cover ability criteria in IAS 12.

  The amendments have no material impact on the company's financial statements.

- **IAS 12 Application Guidance on Accounting for Minimum taxes and final tax**

  The Institute of Chartered Accountants of Pakistan has developed application guidance on accounting for Minimum taxes and final taxes. The guidance is made in the context of provisions of Income Tax Ordinance, 2001 to be applied by entities obligated to use accounting and reporting standards as applicable in Pakistan other than those entities which apply AFRS for SSEs.

  The purpose of the guidance is to provide guidelines on accounting of minimum tax and final taxes under the requirements of relevant IFRS Accounting Standards and provide appropriate approaches to account for minimum taxes and final taxes in compliance with the requirements of IFRS Accounting Standards.

  The subject matter of TR-27 is adequately covered in the guidance, the Council of the Institute, accordingly has withdrawn TR-27.

  The impact on accounting of minimum taxes, final tax and normal tax under the tax laws in the financial statements is disclosed in Note 3.21

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

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, 2023 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

There are certain standards, amendments to the IFRS and interpretations that are mandatory for companies having accounting periods beginning on or after July 1, 2024 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these financial statements, except for the following:

- **Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

  The amendments deal with situation where there is a sale or contribution of assets between investor and its associate or joint venture.

  The amendments states that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in IFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

  The effective date of the amendments have yet to be set by the Board, however earlier application of the amendments is permitted. The amendments are not expected to have any material impact on the company's financial statements.

- **Amendments to IAS 1 - Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants**

  Amendments to IAS 1 are made to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

  - What is meant by a right to defer settlement
  - That a right to defer settlement must exist at the end of the reporting period
  - That classification is unaffected by the likelihood that an entity will exercise its deferral right

  The amendments are effective for the annual periods beginning on or after January 01, 2024.

  The amendments are not expected to have any material impact on the company's financial statements.

- **Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback**

  The amendment to IFRS 16 Leases specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

  The amendments are effective for the annual periods beginning on or after January 01, 2024.

  The amendments are not expected to have any material impact on the company's financial statements.

- **Amendments to IAS 7 and IFRS 7 - Disclosures: Supplier Finance Arrangements**

  The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

  The amendments clarify the characteristics of supplier finance arrangements. In these arrangements, one or more finance providers pay amounts an entity owes to its suppliers. The entity agrees to settle those amounts with the finance providers according to the terms and conditions of the arrangements, either at the same date or at a later date than that on which the finance providers pay the entity's suppliers.

  The amendments are effective for the annual periods beginning on or after January 01, 2024.

  The amendments are not expected to have any material impact on the company's financial statements.

- **Accounting Standard – Non-Going Concern Basis of Accounting**

  The Institute of Chartered Accountants of Pakistan (ICAP) has issued accounting standards to specify the basis of accounting for a non-going concern entity.

  The basis of accounting establishes principles and requirements for how the non-going concern entity shall account for and present effects of transactions, other events and conditions in its financial statements. This will enable users of the financial statements in evaluating the nature and financial effects of non-going concern position, financial performance and cash flows.

  The standard establishes principles and requirements that how a reporting entity when preparing financial statements on an assumption other than going concern basis should:

  a) Recognize and measure in its financial statements, the assets, liabilities, income and expense; and

  b) Discloses information

  The amendments are effective for the annual periods beginning on or after January 01, 2024.

  The amendments are not expected to have any material impact on the company's financial statements.

- **Amendments to IAS 21 - Lack of exchangeability**

  The amendment to IAS 21 specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

  A currency is considered to be exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

  If a currency is not exchangeable into another currency, an entity is required to estimate the spot exchange rate at the measurement date.

  The amendments are effective for the annual periods beginning on or after January 01, 2025.

  The amendments are not expected to have any material impact on the company's financial statements.

- **Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments**

  The amendments clarifies that a financial liability is derecognised on the 'settlement date', i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. It also introduces an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met.

  The amendments clarifies how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features.

  The amendments clarifies the treatment of non-recourse assets and contractually linked instruments.

  The amendments requires additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income.

  The amendments are effective for the annual periods beginning on or after January 01, 2026.

  The amendments are not expected to have any material impact on the company's financial statements.

- **IFRS 18 – Presentation and Disclosure in Financial Statements**

  IFRS 18 Presentation and Disclosure in Financial Statements replaces IAS 1 Presentation in Financial Statements. IFRS 18 introduces new categories and subtotals in the statement of profit or loss. It also requires disclosure of management-defined performance measures (as defined) and includes new requirements for the location, aggregation and disaggregation of financial information.

  An entity will be required to classify all income and expenses within its statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations

  IFRS 18 introduces the concept of a management-defined performance measure (MPM) which it defines as a subtotal of income and expenses that an entity uses in public communications outside financial statements, to communicate management's view of an aspect of the financial performance of the entity as a whole to users. IFRS 18 requires disclosure of information about all of an entity's MPMs within a single note to the financial statements and requires several disclosures to be made about each MPM.

  IFRS 18 differentiates between 'presenting' information in the primary financial statements and 'disclosing' it in the notes.

  IFRS 18 requires aggregation and disaggregation of information to be performed with reference to similar and dissimilar characteristics.

  The amendments are effective for the annual periods beginning on or after January 01, 2027.

  The amendments may have a material impact on the company's financial statements in future periods.

- **IFRS 19 - Subsidiaries without Public Accountability: Disclosures**

  IFRS 19, allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. Unless otherwise specified, eligible entities that elect to apply IFRS 19 will not need to apply the disclosure requirements in other IFRS accounting standards.

  The amendments are effective for the annual periods beginning on or after January 01, 2027.

  The amendments are 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 measurement

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.
- short term Investments at fair value through statement of profit or loss.

3. MATERIAL ACCOUNTING POLICY INFORMATION

3.1 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.

3.2 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.

3.3 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 date of statement of financial position and adjusted to reflect the current best estimate.

3.4 Taxation

Tax Liability is based on taxable income at the current rates of taxation after taking into account available tax credits and rebates and charge / credit for prior years or minimum tax payable under the Income Tax Ordinance, 2001, whichever is higher.

Current tax

The charge for current taxation is calcualted on taxable income using the notified rate of taxation after taking into account tax credits and rebates available, if any is recognized as "current income tax expense".

Levies

Tax charged under Income Tax Ordinance, 2001 which is not based on taxable income and based on revenue or other basis other than taxable income is classified as levy. Minimum taxes in excess over the amount designated as income tax is recognized as levy falling under the scope of IFRIC 12/IAS 37.

Deferred

Deferred tax is provided, for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of recognised or settlement of the carrying amount of assets and liabilities, using tax rates enacted at the date of statement of financial position.

3.5 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.

3.6 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.

Any revaluation increase arising on the revaluation of land, buildings and plant and machinery is recognised in other comprehensive income and presented as a separate component of equity as "Revaluation surplus on property, plant and equipment", except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. Any decrease in carrying amount arising on the revaluation of land, buildings and plant and machinery is charged to profit or loss to the extent that it exceeds the balance, if any, held in the revaluation surplus on property, plant and machinery relating to a previous revaluation of that asset. The revaluation reserve is not available for distribution to the Company's shareholders. The surplus on revaluation on buildings and plant and machinery to the extent of incremental depreciation charged is transferred to unappropriated profit.

3.7 Impairment

The company assesses at each date of statement of financial position 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 statement of profit or loss, 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 statement of profit or loss.

3.8 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.

3.9 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.

3.10 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.

3.11 Contract costs

Contract costs are recognised at average manufacturing costs incurred that will be used in satisfying performance obligation in the future less amotisation and impairment loss, if any.

3.12 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.

3.13 Short term investments

Short term investments are carried at fair value through profit or loss. Fair value gain or loss on short term investment are recognised in profit or loss in the period in which it arises. Any gain or loss on disposal is recognised in profit or loss in the period in which it arises.

3.14 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of statement of cash flows, 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.

3.15 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 date of statement of financial position, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the date of statement of financial position 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.

3.16 Financial instruments

3.16.1 Financial assets

The Company classifies its financial assets at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

- Financial assets at amortised cost

  Financial assets at amortised cost are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the 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. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognised directly in profit or loss.

- Financial assets at fair value through other comprehensive income

  Financial assets at fair value through other comprehensive income are held within a business model whose objective is both collecting contractual cash flows and selling financial assets and the 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.

- Financial assets at fair value through profit or loss

  Financial assets at fair value through profit or loss are those financial assets which are either designated in this category or not classified in any of the other categories. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss in the period in which it arises.

Financial assets and financial liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently remeasured to fair value, amortized cost or cost as the case may be. Any gain or loss on the recognition and de-recognition of the financial assets and liabilities is included in the profit or loss for the period in which it arises.

Equity instrument financial assets are measured at fair value at initial recognition and subsequent to initial recognition. Changes in fair value of these financial assets are normally recognised in profit or loss. Dividends from such investments continue to be recognised in profit or loss when the Company's right to receive payment is established. Where an election is made to present fair value gains and losses on equity instruments in other comprehensive income there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Assets or liabilities that are not contractual in nature and that are created as a result of statutory requirements imposed by the Government are not the financial instruments of the Company.

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost and fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company recognises in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

3.16.2 Financial liabilities

All financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortised costs are initially measured at fair value minus transaction costs. Financial liabilities at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortised cost using the effective yield method.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the profit or loss.

3.17 Offsetting of financial asset and financial liability

A financial asset and financial liability is offset and the net amount reported in the statement of financial position, 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.

3.18 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.

3.19 Revenue recognition

Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control of a product or service to a customer.

3.20 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, revaluation of land, buildings and plant and machinery, provision for doubtful receivables and slow moving inventory, staff retirement gratuity, fair value of short term investments, taxation and contingencies. 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.

3.21 Change in accounting policy of Taxation

During the year the Institute of Chartered Accountant of Pakistan (ICAP) has withdrawn the Technical Release 27 regarding treatment of final taxes and issued guidance - "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes". The said guidance requires certain amounts of minimum tax and final tax to be classified separately as a levy instead of current tax expense.

Accordingly, the impact has been incorporated in these financial statements retrospectively in accordance with the requirement of International Accounting Standard (IAS 8) — 'Accounting Policies, Change in Accounting Estimates and Errors'. There has been no effect on the statement of financial position, the statement of changes in equity, the statement of cash flows and earning per share as a result of this change.

The effect of the change in accounting policy is summarised below:

	For the year ended June 30, 2024			For the year ended June 30, 2023		
	As previously reported	Impact of change in accounting policy	Re-statement	As previously reported	Impact of change in accounting policy	Re-statement
Effect on statement of profit or loss						
Profit before income tax	(69,763,619)	(5,955,767)	(75,719,386)	(113,845,020)	(5,927,238)	(119,772,258)
Levies	-	5,955,767	5,955,767	-	5,927,238	5,927,238
Income tax expense	5,955,767	(5,955,767)	-	5,927,238	(5,927,238)	-

4. Issued, subscribed and paid up capital

2023	2024		2024	2023
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
25,574,035	25,574,035	Ordinary shares of Rs. 10/- each fully paid bonus	255,740,350	255,740,350
46,565,035	46,565,035		465,650,350	465,650,350

5. Revaluation surplus on property, plant and equipment

Opening balance	331,558,667	345,360,789
Surplus arisen on revaluation carried out during the year:		
Freehold land	13,910,000	-
Building on freehold land	25,079,220	-
Plant and machinery	113,025,933	-
	152,015,153	-
Incremental depreciation for the year	(18,472,659)	(19,439,608)
Deferred tax related to:		
Surplus arisen during the year	(40,050,494)	-
Incremental depreciation on revalued assets	5,357,071	5,637,486
	430,407,738	331,558,667

5.1 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 (Private) Limited" as at June 30, 2024. The valuation is based on un-observable inputs which is Level 3 of fair value hierarchy.

6. Staff retirement gratuity

6.1 General description

The scheme provides terminal benefits for all the permanent employees of the company who attain the minimum qualifying period. Annual charge is based on actuarial valuation carried out as at June 30, 2024 using Projected Unit Credit Method.

	Note	2024 Rupees	2023 Rupees
6.2 The amount recognised in the statement of financial position is as follows :			
Present value of defined benefit obligation	6.3	109,084,575	95,560,353
6.3 Movement in net liability recognised			
Opening balance		95,560,353	95,282,398
Expenses recognised in statement of profit or loss	6.4	28,414,844	23,405,524
Paid / adjusted during the year		(7,796,415)	(22,075,835)
Remeasurement (Gain) on obligation		(7,094,207)	(1,051,734)
Balance at June 30,		109,084,575	95,560,353
6.4 Expenses recognised in statement of profit or loss			
Current service cost		13,690,370	12,243,130
Interest cost		14,724,474	11,162,394
		28,414,844	23,405,524

	2024	2023
6.5 Principal actuarial assumptions		
Discount factor used	16.25% Per annum	16.25% Per annum
Expected rate of increase in salaries	13.75% Per annum	15.25% Per annum
Expected average remaining working lives of participating employees	6 years	7 years

6.6 The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is :

	Change in assumptions	Reworked defined benefit obligation: Increase in assumptions	Reworked defined benefit obligation: Decrease in assumptions
		----------Rupees----------	
Discount rate	100 bps	100,586,926	114,223,750
Salary increase rate	100 bps	114,428,654	100,290,928

6.7 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	2024 Rupees	2023 Rupees
7. Deferred taxation	7.1	101,226,504	76,988,888
Opening balance		76,988,888	116,963,022
Deferred tax on surplus arisen during the year		40,050,494	-
Incremental depreciation on revalued assets		(5,357,071)	(5,637,486)
Remeasurement of staff retirement gratuity		2,057,320	305,003
(Reversal) during the year		(12,513,127)	(34,641,651)
		101,226,504	76,988,888

7.1 It represents the following:

Deferred tax liability:		
Difference between accounting and tax bases of assets	192,593,561	146,876,010
Deferred tax asset		
Staff retirement gratuity	(31,634,527)	(27,712,502)
Tax credit and unuesd tax losses	(59,732,530)	(42,174,620)
	101,226,504	76,988,888

8. Trade and other payables

Creditors	22,709,634	14,632,395
Accrued liabilities	32,896,666	29,333,562
Sales tax payable	3,364,725	283,933
Other	1,326,711	1,919,718
	60,297,736	46,169,608

9. CONTINGENCIES AND COMMITMENTS

Contingencies

There are no material contingencies as at reporting date (2023:Nil).

Commitments

Under letter of credit for stores	-	11,327,580
Under Processing contracts	51,639,379	59,867,959
	51,639,379	71,195,539

	Note	2024 Rupees	2023 Rupees
10. Property, plant and equipment			
Operating assets	10.1	1,016,484,388	899,680,090
		1,016,484,388	899,680,090

10.1 Operating assets

	Freehold land (note 10.2)	Building on freehold land	Plant and machinery	Factory equipment	Office equipment	Furniture and fixture	Vehicles	Arms and ammunitions	Total
	Rupees								
At July 01, 2022									
Cost / valuation	69,550,000	219,182,228	841,273,312	7,367,377	15,690,553	2,990,295	70,689,343	34,100	1,226,777,208
Accumulated depreciation	-	(28,888,915)	(227,538,030)	(2,522,034)	(6,657,422)	(1,920,119)	(24,071,535)	(25,397)	(291,623,452)
Net book value	69,550,000	190,293,313	613,735,282	4,845,343	9,033,131	1,070,176	46,617,808	8,703	935,153,756
Year ended June 30, 2023									
Opening net book value	69,550,000	190,293,313	613,735,282	4,845,343	9,033,131	1,070,176	46,617,808	8,703	935,153,756
Additions	-	-	4,868,819	100,373	586,183	-	-	-	5,555,375
Depreciation charge	-	(4,757,333)	(30,844,700)	(246,129)	(465,154)	(53,509)	(4,661,781)	(435)	(41,029,041)
Closing net book value	69,550,000	185,535,980	587,759,401	4,699,587	9,154,160	1,016,667	41,956,027	8,268	899,680,090
At July 01, 2023									
Cost / valuation	69,550,000	219,182,228	846,142,131	7,467,750	16,276,736	2,990,295	70,689,343	34,100	1,232,332,583
Accumulated depreciation	-	(33,646,248)	(258,382,730)	(2,768,163)	(7,122,576)	(1,973,628)	(28,733,316)	(25,832)	(332,652,493)
Net book value	69,550,000	185,535,980	587,759,401	4,699,587	9,154,160	1,016,667	41,956,027	8,268	899,680,090
Year ended June 30, 2024									
Opening net book value	69,550,000	185,535,980	587,759,401	4,699,587	9,154,160	1,016,667	41,956,027	8,268	899,680,090
Additions	-	-	3,692,508	35,280	122,167	-	-	-	3,849,955
Revaluation Surplus	13,910,000	25,079,220	113,025,933	-	-	-	-	-	152,015,153
Depreciation charge	-	(4,638,400)	(29,477,842)	(236,449)	(461,271)	(50,833)	(4,195,662)	(413)	(39,060,810)
Closing net book value	83,460,000	205,976,800	675,000,000	4,498,418	8,815,056	965,834	37,760,425	7,855	1,016,484,388
At June 30, 2024									
Cost / valuation	83,460,000	244,261,448	962,860,572	7,503,030	16,398,903	2,990,295	70,689,343	34,100	1,388,197,691
Accumulated depreciation	-	(38,284,648)	(287,860,572)	(3,004,612)	(7,583,847)	(2,024,461)	(32,928,918)	(26,245)	(371,713,303)
Net book value	83,460,000	205,976,800	675,000,000	4,498,418	8,815,056	965,834	37,760,425	7,855	1,016,484,388
Annual rate of depreciation (%)	-	2.5	5	5	5	5	10	5	

10.1.1 Depreciation for the year has been allocated as under:

	2024 Rupees	2023 Rupees
Cost of goods sold	34,352,691	35,848,162
Administrative expenses	4,708,119	5,180,879
	39,060,810	41,029,041

10.2 The total area of land of the company is 378700.5-Sft. which is used for head office and production unit.

10.3 No assets were disposed during the year ended June, 2024 and June, 2023.

10.4 Fair value measurement of the Company's property, plant and equipment

The fair value of the freehold land was determined based on the market comparable approach that reflects recent transaction prices for similar properties.

The fair value of the building on freehold land and plant and machinery were determined using the market comparable approach that reflects the recent transaction prices for assets of comparable utility and age, adjusted for depreciation /obsolescence.

The fair value measurement of revalued assets is based upon unobservable inputs (level 3).

10.5 Had there been no revaluation, the related figures of freehold land, building on freehold land and plant and machinery at June 30, 2024 and 2023 would have been as follows:

	2024		
	Cost	Accumulated depreciation	Written down value
	----------Rupees----------		
Freehold land	9,659,905	-	9,659,905
Building on freehold land	233,976,265	60,732,142	173,244,123
Plant and machinery	514,561,476	299,839,315	214,722,161
	758,197,646	360,571,457	397,626,189

	2023		
	Cost	Accumulated depreciation	Written down value
	----------Rupees----------		
Freehold land	9,659,905	-	9,659,905
Building on freehold land	233,976,265	56,289,985	177,686,280
Plant and machinery	510,868,968	288,637,889	222,231,079
	754,505,138	344,927,874	409,577,264

10.6 Forced sale value of revalued assets on the date of revaluation was Rs. 819,771,280/-

	2024 Rupees	2023 Rupees
11. Long term security deposits		
Against utilities	4,467,696	4,467,696
Others	42,086	42,086
	4,509,782	4,509,782
12. Stores, spares and loose tools		
Stores	22,747,308	15,828,200
Spares	15,741,507	16,136,953
Loose tools	119,439	97,835
	38,608,254	32,062,988

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

	2024 Rupees	2023 Rupees
13. Trade debts		
Considered good		
Unsecured		
Local	98,116,586	49,554,138

	Note	2024 Rupees	2023 Rupees
14. Loans and advances			
Considered good			
Loans			
Employees	14.1	27,654,333	22,894,963
Advances			
Suppliers		100,087	65,257
For purchases / expenses		180,000	178,500
Income tax		9,212,017	7,289,629
Letters of credit fee margin and expenses		-	16,475
		37,146,437	30,444,824

14.1 The loan is provided to employees under their terms of employment on interest free basis.

	2024 Rupees	2023 Rupees
15. Other receivables		
Considered good		
Other	47,383	43,360
16. Tax refunds due from Government		
Sales tax	23,372,142	14,561,040
Income tax	21,894,829	20,534,684
	45,266,971	35,095,724
17. Short term Investments		
Investments - at fair value through profit or loss		
UBL Liquidity Plus Fund		
2024: Nil	-	37,978,710
(2023: 375,333.39 units of Rs. 101.1866/- each)		
NBP Financial Sector Income Fund		
2024: Nil	-	22,740,856
(2023: 2,139,892.93 units of Rs. 10.6271/- each)		
	-	60,719,566

17.1 Effective rate of profit during the year ranges from 15.18% to 22.83% (2023: 21.65%) per annum.

17.2 The fair value of the quoted securities is determined based on the quoted prices (unadjusted) in active market for identical assets. It represents Level 1 hierarchy.

	Note	2024 Rupees	2023 Rupees
18. Cash and bank balances			
Cash in hand		2,626,210	2,442,227
Cash at banks			
In current accounts		9,503,134	14,291,676
In deposit accounts	18.1	5,858,690	19,004,662
		17,988,034	35,738,565

18.1 Effective rate of profit during the year ranges from 20.16% to 20.48% (2023: 21%) per annum.

	Note	2024 Rupees	2023 Rupees
19. Sales			
Sizing and conversion income		512,494,240	385,394,317
Sales tax		(55,843,545)	(49,410,765)
		456,650,695	335,983,552
20. Cost of sales			
Cost of goods manufactured	20.1	493,044,410	421,114,578
20.1 Cost of goods manufactured			
Sizing cost		75,134,816	80,859,709
Salaries, wages and benefits		126,912,776	161,725,440
Staff retirement benefits		24,436,766	20,128,751
Fuel and power		185,029,334	83,875,104
Stores, spares and loose tools		38,142,571	29,437,392
Packing material		8,044,407	5,816,000
Repairs and maintenance		2,021,682	4,368,036
Insurance		4,288,280	3,714,385
Depreciation	10.1.1	34,352,691	35,848,162
		498,363,323	425,772,979
Less: Contract costs	20.1.1	(5,318,913)	(4,658,401)
		493,044,410	421,114,578

20.1.1 It represents costs accumulated on conversion of cloth in process for outside parties.

	2024 Rupees	2023 Rupees
21. Other income		
Income from financial assets:		
Dividend	1,264,775	11,307,289
Profit on deposits	4,159,790	5,843,053
Income from other than financial assets:		
Fair value adjustment	-	197,234
Gain on redemption on short term Investments	386,109	138,282
	5,810,674	17,485,858
22. Selling cost		
Loading, unloading	2,726,225	2,194,490

	Note	2024 Rupees	2023 Rupees
23. Administrative expenses			
Directors' remuneration	29	10,560,000	10,560,000
Salaries and benefits		6,284,760	6,497,069
Staff retirement benefits		3,978,078	3,276,773
Electricity and gas		1,868,983	847,223
Insurance		1,903,750	1,903,750
Rent, rates and taxes		100,000	100,000
Vehicles running and maintenance		2,094,411	8,208,658
Travelling and conveyance		364,454	1,106,911
Postage, telephone and telex		495,574	884,004
Printing and stationery		413,473	641,274
Auditors' remuneration	23.1	537,500	537,500
Legal and professional		70,680	100,640
Fees and subscriptions		1,633,013	1,507,621
Entertainment		194,179	1,362,330
Charity and donations	23.2	700,000	650,000
Depreciation	10.1.1	4,708,119	5,180,879
Other		543,706	491,966
		36,450,680	43,856,598

23.1 Auditors' remuneration

	2024 Rupees	2023 Rupees
Assurance services		
Annual audit	450,000	450,000
Half yearly review	40,000	40,000
Non-assurance services	47,500	47,500
	537,500	537,500

23.2 Ashfaq Ahmad - Chief Executive Officer of the Company is Trustee of the Liver Foundation Trust, Faisalabad. The Company has made payment of donations amounting to Rs. 700,000/- (2023: Rs.650,000/-) to Liver Foundation Trust during the year.

	2024 Rupees	2023 Rupees
24. Other operating expenses		
Worker's welfare fund	-	10,941
25. Finance cost		
Interest / mark up on:		
Workers' profit participation fund	-	82,707
Bank charges and commission	3,673	55,116
	3,673	137,823

	Note	2024 Rupees	2023 Rupees
26. Levies			
Minimum tax differential	26.1	5,708,134	4,199,794
Final Taxes	26.2	247,633	1,727,444
		5,955,767	5,927,238

26.1 This represents portion of minimum tax paid under section 113 of Income Tax Ordinance, 2001, representing levy in terms of requirements of IFRIC 21/IAS 37.

26.2 This represents final taxes paid under section 150 and 37 of Income Tax Ordinance, 2001, representing levy in terms of requirements of IFRIC 21/IAS 37.

	2024 Rupees	2023 Rupees
27. Provision for taxation		
Current		
For the year	-	-
For prior year	2,246	384,953
Deferred	(17,870,198)	(40,279,138)
	(17,867,952)	(39,894,185)

27.1 Reconciliation of current tax charged as per tax laws for the year, with current tax recognised in the profit and loss account, is as follows:

	2024 Rupees	2023 Rupees (Restated)
Current tax liability for the year as per applicable tax laws	5,955,767	5,927,238
Portion of current tax liability as per tax laws:		
representing income tax under IAS 12	-	-
representing levy in terms of requirements of IFRIC 21/IAS 37	(5,955,767)	(5,927,238)
Difference	-	-

27.1.1 The aggregate of minimum and final tax amounting to Rs 5,955,767/- (2023:Rs. 5,927,238/-) represents tax liability of the company calculated under the relevant provisions of the Income Tax Ordinance, 2001.

27.2 Relationship between tax expenses and accounting loss

The relationship between tax expenses and accounting loss has not been presented in these financial statements as the income of the company is subject to minimum and final tax under section 113, 37, 150 and 169 of the Income Tax Ordinance, 2001.

		2024	2023
28. Earnings per share - Basic and diluted			
(Loss) for the year	(Rupees)	(57,851,434)	(79,878,073)
Weighted average number of ordinary shares outstanding during the year	(Number)	46,565,035	46,565,035
Earnings per share - Basic and diluted	(Rupees)	(1.24)	(1.72)

28.1 There is no dilutive effect on the earnings per share of the company.

29. REMUNERATION TO CHIEF EXECUTIVE OFFICER , DIRECTORS AND EXECUTIVES

	2024			2023		
	Chief Executive Officer	Directors	Executives	Chief Executive Officer	Directors	Executives
	Rupees					
Remuneration	2,653,200	4,422,000	4,638,196	2,653,200	4,422,000	4,360,816
House rent allowance	1,188,000	1,980,000	2,076,804	1,188,000	1,980,000	1,952,604
Conveyance allowance	118,800	198,000	207,680	118,800	198,000	195,260
	3,960,000	6,600,000	6,922,680	3,960,000	6,600,000	6,508,680
Number of persons	1	2	4	1	2	4

29.1 The Chief Executive Officer and Directors are entitled to reimbursement of telephone bills. The monetary value of these benefits is Rs.100,875/- (2023: Rs. 141,689/-). The directors have waived off their meeting fee.

30. 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 are disclosed in Note 29. The Company has not carried out any other significant transactions with the related parties.

31. PLANT CAPACITY AND ACTUAL PRODUCTION

	2024	2023
Weaving		
Number of looms installed	243	243
Number of looms worked	243	243
Standard cloth production (Sq. meters)	30,711,000	30,711,000
Actual production (Sq. meters)	19,007,734	23,871,431
Sizing		
Warping machines	3	3
Sizing machines	1	1
Standard production (Kgs.)	4,150,000	4,150,000
Actual production (Kgs.)	1,393,356	1,819,423

31.1 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.

32. NUMBER OF EMPLOYEES

	2024	2023
Total number of employees as at June 30,	354	482
Average number of employees during the year	355	480

33. 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.

	2024 Rupees	2023 Rupees
33.1 FINANCIAL INSTRUMENTS BY CATEGORY		
Financial assets at amortized cost:		
Deposits	4,509,782	4,509,782
Trade debts	98,116,586	49,554,138
Loans	27,654,333	22,894,963
Other receivables	47,383	43,360
Cash and bank balances	17,988,034	35,738,565
	148,316,118	112,740,808
Financial assets at fair value through profit and loss:		
Short term Investments	-	60,719,566
Financial liabilities at amortized cost:		
Trade and other payables	56,933,011	46,169,608

33.2 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:

33.2.1 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 87.26% (2023: 81.83%) of total trade debts. The maximum exposure to credit risk at the reporting date is as follows:

	2024 Rupees	2023 Rupees
Deposits	4,509,782	4,509,782
Trade debts	98,116,586	49,554,138
Loans	27,654,333	22,894,963
Other receivables	47,383	43,360
Bank balances	15,361,824	33,296,338
Short term Investments at fair value	-	60,719,566
	145,689,908	171,018,147

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 in Pakistan. The trade debts as at reporting date were not past due.

Credit risk of bank balances and investment are limited as these are placed with banks having good credit rating.

The bank balances alongwith credit rating is as follows.

	2024 Rupees	2023 Rupees
Credit Rating		
AAA	908,791	1,644,193
AA+	5,109,981	29,178,052
AA	9,343,052	2,474,094
	15,361,824	33,296,338

The analysis of credit rating of investees' in relation to short term investment are as follows:

	2024 Rupees	2023 Rupees
AA+	-	37,978,710
A+	-	22,740,856
	-	60,719,566

33.2.2 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 statement of financial position liquidity ratios through working capital management. Following are the contractual maturities of financial liabilities as at June 30, 2024 and 2023;

	2024		
	Carrying amount	**Contractual cash flows**	**Six months or less**
	----------Rupees----------		
Financial liabilities:			
Trade and other payables	56,933,011	56,933,011	56,933,011
	56,933,011	**56,933,011**	**56,933,011**

	2023		
	Carrying amount	**Contractual cash flows**	**Six months or less**
	----------Rupees----------		
Financial liabilities:			
Trade and other payables	46,169,608	46,169,608	46,169,608
	46,169,608	**46,169,608**	**46,169,608**

The Company will manage the liquidity risk from its own source through equity and working capital management. As at the date of statement of financial position, the Company has liquid assets of Rs. 189.07 million (2023: Rs. 212.21 million).

33.2.3 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.

Interest rate risk may arise from deposit accounts. An estimated change of 100 basis points in interest rates at the reporting date would have resulted in the increase / decrease of profit for the year and increase / decrease in equity by the amount of Rs. 58,587 (2023: Rs.190,045).

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 has no fixed rate financial assets and liabilities at fair value through profit or loss, therefore a change in interest rates at the reporting date would not effect statement of profit or loss.

Cash flow sensitivity analysis for variable rate instruments

There is no exposure of variable rate instruments at the year end requiring sensitivity analysis.

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. At the reporting date, the Company is not exposed to any currency risk.

iii) Equity price risk

Equity price risk is the risk of unfavorable changes in the fair value of the equity securities as a result of changes in the levels of Stock Exchange indexes and the value of individual shares (including the units of mutual funds). The equity price risk exposure arises from the Company's short term investments for which prices in the future are uncertain. The company's policies to manage price risk through diversification and selection of securities within specified limits set by the internal risk management guidelines.

As at June 30, 2024, the company is not exposed to any equity price risk (2023:Rs. 60.72

An increase or decrease of 10% in the fair values of the company's equity securities, with all other variables held constant, would result in increase / decrease of profit for the year by Rs. Nil (2023: 6.07). This level of change is considered to be reasonably possible based on observation of current market conditions.

33.3 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, regardless of whether that price is directly observable or estimated using another valuation technique.

33.4 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. The capital structure of the Company consists of equity of the Company. Total capital comprises of shareholders' equity as shown in the statement of financial position under 'share capital and reserves' and net debt (debt less cash and cash equivalents). At the reporting date, the Company is not exposed to capital risk.

34. DATE OF AUTHORISATION FOR ISSUE

The financial statements were authorised for issue on **02-10-2024** by the Board of Directors of the Company.

---SD---	---SD---	---SD---
CHIEF EXECUTIVE OFFICER	**DIRECTOR**	**CHIEF FINANCIAL OFFICER**

GENDER PAY GAP STATEMENT

UNDER CIRCULATE NO. 10 DATED APRIL 17, 2024.

Following is gender pay gap calculated for the year ended June 30, 2024.

1. Mean Gender Pay Gap NIL
2. Median Gender Pay Gap NIL

---Sd---

Chief Executive / Director

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 # _____ (In case of Central Depository System Account

Holder A/C # _____ Participant I.D. # _____) or failing

him/her _____ of _____

who is member of the company as Register Folio # _____ (In case of Central Depository System

Account Holder A/C # _____ Participant I.D. # _____)

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 Monday, October 28, 2024 at 10.00 a.m. at any adjournment thereof.

Signd this _____ day of _____ 2024.

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 attorny with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form of the Company.