



Ashfaq Textile Mills Ltd.

ISO-9002 CERTIFIED

established since 1988



**37<sup>th</sup> ANNUAL REPORT 2025**

بِسْمِ اللّٰهِ الرَّحْمٰنِ الرَّحِیْمِ

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

## COMPANY INFORMATION

### BOARD OF DIRECTORS

Mr. Ashfaq Ahmad  
(Chief Executive / Managing Director)

Mr. Nadeem Ashfaq  
(Executive Director)

Mr. Waseem Ashfaq  
(Executive Director)

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 RESOURCE 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](mailto:info@ashfaqtextile.com)

### Web-Site

[www.ashfaqtextile.com](http://www.ashfaqtextile.com)

## ASHFAQ TEXTILE MILLS LIMITED.

### NOTICE OF MEETING

37<sup>th</sup> Annual General Meeting of ASHFAQ TEXTILE MILLS LIMITED, will be held at the Registered Office of the Company, 17 K.M. Jaranwala Road, Faisalabad on Tuesday 28<sup>th</sup> October, 2025 at 10:00 a.m. to transact the following business:-

#### Ordinary Business:

1. To confirm minutes of the last Meeting.
2. To receive, consider and adopt audited financial statements of the company for the year ended on 30<sup>th</sup> June 2025 together with the Directors and Auditors reports thereon.
3. To appoint auditors for the year ending June 30, 2026 and to fix their remuneration.
4. To transact any other ordinary business with the permission of the Chair.

By Order of the Board

---SD---

Faisalabad: September 30, 2025.

**Ashfaq Ahmad**  
Chief Executive

#### NOTES:

1. The share transfer books of the Company shall remain closed from 21<sup>st</sup> October, 2025 to 27<sup>th</sup> October, 2025 (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 20<sup>th</sup> October 2025 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 12.275 Million Sq. Meters on 60 picks on the basis of 225 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 37th Annual Report and Audited Accounts for the year ended June 30, 2025.

Highlights	2025 Rupees in Millions	2024 Rupees in Millions	Variance %
Sales	454.188	456.651	(0.54)
Gross Profit	42.636	(36.394)	(217.15)
Profit / (Loss) Before Tax	10.106	(69.764)	(114.49)
Profit / (Loss) After Tax	5.994	(57.851)	(110.36)
EPS	0.13	(1.24)	(110.48)

The company earned Gross Profit of Rs. 42.635 million in comparison to last year Gross Loss of Rs. (36.394) million which is a remarkable turnaround and the main contributor in this is your company's efforts to reduce the cost of energy by installing solar panels.

The overall economic condition of Pakistan is stable. Most important factors like the exchange rate, interest rate and most importantly the political environment of the country are consistent, which has created an overall feeling of positivity. We must appreciate Government and State Bank of Pakistan's efforts to keep inflation rate under control which is allowing businesses to make medium term decisions easily.

We strongly feel that this would be the time for Government to reduce the energy prices for business in Pakistan and bring them to the par levels of our competing countries, we are very hopeful this would trigger the most desired positive cycle which our country needs.

The management regretfully cannot recommend any payments of dividends or bonus shares for this year.

### Marketing strategy and future prospects

Last year recorded a consistent demand of woven fabrics both from Domestic and International markets, however, we are a little skeptical on the next year because of two crucial factors, however, the impact of these is yet to be seen. The first most crucial factor is the floods in our country which has not only damaged the crops but also the livelihood of millions of people across Pakistan. This could result in increase in raw material prices and fall in the purchasing power of the people. Second factor which can affect the market positively or negatively is the imposition of tariffs by the US Government. As decisions by US Government seem so fluid and abrupt, a sudden increase or decrease in the tariffs on Pakistan and on our competing countries, can either be beneficial for us or could prove to be really bad.

### Corporate Social Responsibility

As per our strong belief that it is our social responsibility to give back to the community. We have proudly contributed Rs. 1,200,000 to "Faisalabad Liver Foundation Trust" to be used to provide free medicines and liver related lab tests 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 uncertainties as Company find difficulties in recovering direct cost incurred on production. But we are renegotiating our contacts with customers that will improve our profitability.
7. There has been no material departure from the best practices of Corporate Governance, as detailed in the Listing Regulations of the Pakistan Stock Exchange.
8. The Board held four meetings during the year. Attendance by each director was as follows;

Sr.No.	Name of Director	No. of Meetings Attended
1	Mr. Ashfaq Ahmad	04
2	Mr. Nadeem Ashfaq	04
3	Mr. Waseem Ashfaq	04
4	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
<b>Total number of directors</b>	<b>8</b>

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 financial 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 policies.

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.

	<b>Purchase</b>	<b>SALE</b>
Mrs. Mussarat Ashfaq	7,500	-

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, 2025 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, 2025.**

---SD---  
**DIRECTOR**

# FINANCIAL HIGHLIGHTS

		2025	2024	2023	2022	2021	2020
		(Rupees in Million)					
SALES	Rs.	454.188	456.610	335.984	507.740	453.352	387.086
GROSS PROFIT / (LOSS)	Rs.	42.636	(36.393)	(85.131)	64.208	54.292	52.179
NET PROFIT / (LOSS) AFTER TAX	Rs.	5.994	(57.851)	(79.878)	19.042	11.137	15.095
FIXED ASSTES	Rs.	999.451	1,016.484	899.680	935.154	963.504	968.234
LONG TERM LIABILITIES (FINANCIAL INSTITUTION)	Rs.	-	-	-	-	-	-
LONG TERM LIABILITIES (DIRECTORS)	Rs.	-	-	-	-	-	-
ACCUMULATED PROFIT / (LOSS)	Rs.	125.935	91.606	131.305	238.966	244.649	253.585
GROSS PROFIT RATIO	%	9.39	(7.97)	(25.64)	12.65	11.98	13.48
NET PROFIT / (LOSS) RATIO	%	1.32	(12.67)	(23.77)	3.75	2.46	3.90
DEBT EQUITY RATIO	%	0:100	0:100	0:100	0:100	0:100	0:100
CURRENT RATIO	%	4.99	3.67	4.78	6.69	7.67	6.69
EARNING / (LOSS) PER SHARE	%	0.13	(1.24)	(1.72)	0.41	0.27	0.39
BONUS SHARES	%	-	-	-	10%	10%	-
DIVIDEND	Rs.	-	-	-	-	-	-

# ڈائریکٹر ز رپورٹ

ڈائریکٹر 30 جون 2025 کو ختم ہونے والے سال کے پینتیسویں سالانہ آڈیٹ مالیاتی اسٹیٹمنٹ بمعہ آڈیٹر ز رپورٹ بخوشی پیش کرتے ہیں۔ اس سال کے مالیاتی نتائج درج ذیل ہیں۔

تفصیل	روپے ملین میں	روپے ملین میں	فرق %
فروخت (Sale)	454.188	456.651	(0.54)
کل نفع / نقصان	45.524	(36.394)	(225.09)
سال کے لیے قبل از ٹیکس نقصان / نفع	11.403	(69.764)	(116.35)
سال کے لیے بعد از ٹیکس نقصان / نفع	7.900	(57.851)	(113.66)
آمدنی فی شیئر (EPS)	0.170	(1.240)	(113.71)

آپ کی کمپنی کو 36,394 ملین روپے پچھلے سال کے نقصان کے مقابلے میں 45,524 ملین روپے کا مجموعی منافع ہوا جو ایک بہت بڑی تبدیلی ہے۔ اور اس میں قابل ذکر وہ کوششیں ہیں جو توانائی کی لاگت کو سولر پینل لگانے سے کم کرنے کے لیے کی گئیں۔

پاکستان کی مجموعی اقتصادی حالات مستحکم ہے۔ سب سے اہم عوامل جیسے زر مبادلہ کی شرح، اور شرح سود، اور سب سے بڑھ کر ملک کی سیاسی صورت حال جو کہ اس وقت مستحکم ہے۔ جس کی وجہ سے مجموعی طور پر اعتماد کا احساس پیدا ہو گیا ہے۔ مہنگائی کی شرح کو کنٹرول میں رکھنے حکومت پاکستان، اسٹیٹ بینک آف پاکستان کی کوششوں کو ہم سراہنا چاہتے ہیں۔ جو کاروباری افراد کو درمیانی مدت کے فیصلے آسانی سے کرنے کی اجازت دے رہی ہے۔

ہم بہت شدت سے محسوس کرتے ہیں کہ یہ وقت ہو گا کہ حکومت پاکستان ملک میں کاروبار کے لیے توانائی کی قیمتوں کو کم کرے اور انہیں اپنے مقابلے میں آنے ممالک کی اشیاء کی قیمتوں کی سطح پر لے آئے۔

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

## مارکیٹ کے حالات اور مستقبل کے خدوخال

پچھلے سال ملکی اور بین الاقوامی منڈیوں سے بننے ہوئے کپڑے کی مسلسل مانگ ریکارڈ کی گئی، تاہم، ہمیں دو اہم عوامل کی وجہ سے اگلے سال کے بارے میں تھوڑا سا شک ہے۔ تاہم ان کا اثر دیکھنا ابھی باقی ہے۔ پہلا سب سے اہم عنصر ہمارے ملک میں سیلابی پانی ہے جس نے نہ صرف فصلوں کو نقصان پہنچایا ہے بلکہ پاکستان بھر میں لاکھوں لوگوں کی روزی روٹی کو بھی نقصان پہنچایا ہے۔ اس کے نتیجے میں خام مال کی قیمتوں میں اضافہ اور لوگوں کی قوت خرید میں کمی ہو سکتی ہے۔ دوسرا عنصر جو مارکیٹ کو مثبت یا منفی طور پر متاثر کر سکتا ہے، وہ ہے امریکی حکومت کی طرف سے محصولات کا نفاذ۔ جیسا کہ امریکی حکومت کے فیصلے بہت تیز اور اچانک لگتے ہیں۔ پاکستان اور ہمارے مسابقتی ممالک پر ٹیرف میں اچانک اضافہ یا کمی، یا تو ہمارے لیے فائدہ مند ہو سکتا ہے۔ یا واقعی برائیت ہو سکتا ہے۔

## کمپنی کی سماجی ذمہ داری

ہماری سماجی اور معاشرتی ذمہ داری ہے کہ ہم معاشرے کی فلاح میں حصہ ڈالیں۔ لہذا ہم نے سپلائرس کے مستحق مربیضوں کے (مفت علاج) مکمل ادویات اور جگر سے متعلق ایب ٹیسٹ کے لئے فیصل آباد لیور فاؤنڈیشن فرسٹ کو -/200,000 روپے کا عطیہ دیا۔

## بنیادی خطرات اور بے اعتمادی

کمپنی کو شدید موروثی خطرات اور بے اعتمادی کی وجہ سے درج ذیل بنیادی خطرات متوقع ہیں۔  
ملکی منفی تحریک کی وجہ سے غیر ملکی تجارتی قیمتوں اور فارن ایکسچینج ریٹ میں اتار چڑھاؤ۔  
ٹیکس نیٹ کو وسیع کرنے کے لئے ٹیکس قوانین اور ضابطوں میں تبدیلی کاروباری رکاوٹ کا باعث ہے۔

## اندرونی فنانس کنٹرول

آڈیٹر ز اور مینجمنٹ کے مشترکہ فیصلوں سے کافی حد تک کمپنی نے کنٹرولز تقبلی بنائے ہیں۔

## کارپوریٹ گورننس

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

## کارپوریٹ اور فائینشیل رپورٹنگ کا فریم ورک

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

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

نمبر شمار	ڈائریکٹر ان 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 ادیس صاحب	04
7-	عبدالواحد صاحب	04
8-	سعید ابوزر حسین صاحب	04

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

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

## 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 ابوزر حسین	چئیرمین
مسٹر ثار احمد	سکریٹری
مسز شازیہ امجد	ممبر
مسٹر محمد عقیل ادیس	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 آڈیٹر کے سنیئر اور ایکسٹرنل آڈیٹر بھی شریک ہوتے ہیں۔

## 11- انسانی وسائل اور معاوضہ کمیٹی

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

مسٹر محمد عقیل ادیس	چئیرمین
مسز نازیہ عرفان صاحبہ	ممبر
مسٹر عبدالواحد	ممبر



انسانی وسائل اور معاوضہ کمپنی کی اس سال ایک میٹنگ ہوئی اور کمپنی 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 عملدرآمد 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

خود کار ڈائریکٹر۔	3
غیر عملی ڈائریکٹر۔	2
عملی ڈائریکٹر۔	3
ڈائریکٹر ان کی کل تعداد۔	8

## 13- خود کار ڈائریکٹر اور غیر عملی ڈائریکٹر کی معاوضہ کی پالیسی۔

خود کار ڈائریکٹر اور غیر عملی ڈائریکٹر ان کا بورڈ میٹنگز اور کمپنی کے اجلاس میں شرکت کا معاوضہ کمپنی بورڈ کے ذریعہ وقت کے ساتھ تعین کرتی ہے۔

## 14- ضمنی واقعات۔

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

## 15- حفاظتی اقدام اور ماحولیاتی آلودگی سے بچاؤ

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

## 16- کمپنی کے حصص کی تجارت

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

خرید	فروخت
1-	مسز مسرت اشفاق
7,500	0

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

## 17- آڈیٹرز

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

## 18- حصص کی تفصیل

حصص کی تفصیل جو کہ 30 جون، 2025 کو کمپنی کے حصے دار ہیں اُن کی تفصیل منسلک ہے۔

## 19- اعتراف

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

--- SD ---

فیصل آباد

30 ستمبر، 2025

بورڈ آف ڈائریکٹر ان کی طرف سے

اشفاق احمد

چیف ایگزیکٹو آفیسر

# فنانشل جھلکیاں

روپے ملین میں

	2020	2021	2022	2023	2024	2025	
فروخت	387.086	453.352	507.740	335.984	456.610	454.188	روپے
مجموعی نفع	52.179	54.292	64.208	(85.131)	(36.393)	45.524	روپے
خالص نفع بعد از ٹیکس	15.095	11.137	19.042	(79.878)	(57.851)	7.901	روپے
اثاثہ جات	968.234	963.504	935.154	899.680	1,016.484	1,002.339	روپے
طویل مدتی ذمے داری (مالیاتی ادارہ)	-	-	-	-	-	-	روپے
طویل مدتی ذمے داری (ڈائیکٹرز)	-	-	-	-	-	-	روپے
مجموعی نفع (نقصان)	253.585	244.649	238.966	131.305	91.606	121.271	روپے
نفع کا شرح کا تناسب	13.48	11.98	12.65	(25.64)	(7.97)	10.02	%
خالص نفع (نقصان) کا تناسب	3.90	2.46	3.75	(23.77)	(12.67)	1.74	%
لیین دین کا تناسب	0:100	0:100	0:100	0:100	0:100	0:100	%
موجودہ تناسب	6.69	7.67	6.69	4.78	3.67	4.94	%
آمدنی (نقصان) فی شیئر	0.39	0.27	0.45	(1.72)	(1.24)	0.17	%
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, 2025, 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.

Dated : September 30, 2025.

---Sd---

Muhammad Aqeel Idrees  
Chairman

## چیرمین کی جائزہ رپورٹ

اشفاق ٹیکسٹائل ملز لمیٹڈ 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 جاسکے۔

مالی سال برائے 30 جون، 2025 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 دوراندیشی، 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 معی 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

محمد عقیل ادریس

چیرمین

مورخہ 30 ستمبر، 2025



## ASHFAQ TEXTILE MILLS LIMITED.

Gender Pay Gap Statement under SECP's Circular 10 of 2024.

For the year ended June 30, 2025.

The Company fully supports the principles of equal opportunity and fair remuneration regardless of gender. However, during the year ended June 30, 2025, the Company did not employ any female staff. Accordingly, the calculation of the gender pay gap is not applicable:

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

The Company remains committed to promoting gender diversity and inclusion in its workforce and continue to explore initiatives aimed at encouraging female participation in its operations going forward.

---Sd---

Chief Executive / Director

# ASHFAQ TEXTILE MILLS LIMITED

## PATERN OF SHAREHOLDING FORM "34" SHAREHOLDERS STATISTICS AS AT JUNE 30, 2025

NUMBER OF SHAREHOLDERS	SHARE HOLDING			TOTAL SHARES HELD
	FROM		TO	
97	1	-	100	2,510
157	101	-	500	50,835
83	501	-	1000	60,907
200	1001	-	5000	292,731
10	5001	-	10000	79,016
11	10001	-	15000	141,496
2	15001	-	20000	33,520
3	20001	-	25000	70,739
1	80001	-	85000	85,000
1	90001	-	95000	91,839
1	115001	-	120000	119,007
1	160001	-	165000	162,932
1	3580001	-	3585000	3,583,793
1	3670001	-	3675000	3,674,967
2	4615001	-	4620000	9,231,816
1	8670001	-	8675000	8,670,420
1	8675001	-	8680000	8,676,580
1	11537001	-	11540000	11,536,927
574				46,565,035

S.NO.	CATAGORIES OF SHAREHOLDERS	NUMBER OF SHARE HOLDERS	TOTAL SHARES HELD	PERCENTAGE
1	INDIVIDUAL	570	46,522,493	99.91
2	COMPANIES	3	36,020	0.08
3	FINANCIAL INSTITUTIONS	1	6,522	0.01
		574	46,565,035	100.00

## CATEGORIES OF SHARE HOLDING

**AS AT JUNE 30, 2025**

<b>DIRECTORS AND THEIR SPOUSE:</b>	<b>SHARES HELD</b>	<b>%</b>
Mr. Ashfaq Ahmad	11,536,927	24.7759
Mr. Nadeem Ashfaq	8,670,420	18.6200
Mr. Waseem Ashfaq	8,676,580	18.6333
Mrs. Shazia Amjad	3,675,632	7.8935
Mrs. Nazia Irfan	3,674,967	7.8921
Abdul Wahid	1,302	0.0028
Syed Abuzar Hussain	605	0.0013
Mr. Muhammad Aqeel Idrees	1,331	0.0029
Mrs. Uzma Nadeem	4,615,908	9.9128
Mrs. Memonna Waseem	4,615,908	9.9128
<b>SHAREHOLDERS HOLDING 10% OR MORE:</b>		
Mr. Ashfaq Ahmad	11,536,927	24.7759
Mr. Nadeem Ashfaq	8,670,420	18.6200
Mr. Waseem Ashfaq	8,676,580	18.6333
<b>FINANCIAL INSTITUTIONS:</b>		
IDBL (ICP UNIT)	6,522	0.0140
<b>JOINT STOCK COMPANIES</b>		
NCC - PRE SETTLEMENT DELIVERY ACCOUNT	16,181	0.0382
MRA SECURITIES LIMITED - MF	2,500	0.0059
RAFI SECURITIES (PVT) LTD. - MF	17,339	0.0410
<b>GENERAL PUBLIC:</b>	1,052,913	2.2612
<b>TOTAL</b>	<b>46,565,035</b>	<b>100</b>

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

**Ashfaq Textile Mills Limited**  
**For the year ended June 30, 2025.**

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 Aqeel Idrees Mr. Abdul Wahid Syed Abuzar Hussain
Non-Executive Directors	Mrs. Shazia Amjad Mrs. Nazia Irfan
Executive Directors*	Mr. Ashfaq Ahmad Mr. Nadeem Ashfaq Mr. Waseem Ashfaq
Female Directors	Mrs. Shazia Amjad Mrs. Nazia Irfan

\*The fraction of one third is rounded up as the total number of directors are limited, hence three directors are required to take care of day to day operations of the company.

- The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company;
- 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;
- 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;
- 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;
- The meetings of the Board were presided over by the Chairman. 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;
- The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;



9. The following directors are exempt from the requirement of completing a Director's Training Program;

- Mr. Ashfaq Ahmad
- Mr. Nadeem Ashfaq
- Mr. Waseem Ashfaq
- Mrs. Shazia Amjad

10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;

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

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

**a) Audit Committee**

- |    |                           |           |
|----|---------------------------|-----------|
| a. | Syed Abuzar Hussain       | Chairman  |
| b. | Mr. Nisar Ahmad           | Secretary |
| c. | Mrs. Shazia Amjad         | Member    |
| d. | Mr. Muhammad Aqeel Idrees | Member    |

**b) HR and Remuneration Committee**

- |    |                           |          |
|----|---------------------------|----------|
| a. | Mr. Muhammad Aqeel Idrees | Chairman |
| b. | Mrs. Nazia Irfan          | Member   |
| c. | Mr. Abdul Wahid           | Member   |

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

14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following:

- a) Audit Committee, quarterly
- b) HR and Remuneration Committee, yearly

15. 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.

16. 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.

17. 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.
18. We confirm that all other requirements of Regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.
19. Explanation for non-compliance with certain requirements, other than regulations 3,6,7,8,27,32,33 and 36 are below:

<b>Regulation No,</b>	<b>Explanation</b>
10(A)	At present, the Board oversees Environmental, Social and Governance (ESG) matters and will comply with the requirements in due course.
19(1)	Remaining directors are well aware of their role and responsibilities as a member of the Board, however, they will complete their training in due course.
29(1) & 30 (1)	At present, formation of nomination committee and risk management committee are under consideration of the Board.

**For and on behalf of the Board of Directors**

---sd--

**Muhammad Aqeel Idrees**  
**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, 2025 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, 2025.

---SD---

**Place:** Lahore  
**Date:** 30-09-2025

**RSM AVAIS HYDER LIAQUAT NAUMAN  
CHARTERED ACCOUNTANTS**

**UDIN:** CR202510226APovOGYRX

**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, 2025, the statement of profit or loss, the statement of other 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 other 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, 2025 and of the profit, 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.

**Emphasis of matter**

We draw attention to Note 1.3 of the financial statements, which describes the positive impact of the Company's actions undertaken to improve its operational conditions. Our opinion is not modified in respect of this matter.

**Key Audit Matters**

We have determined that there are no key audit matters to communicate in our report.

**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 Inam-ul-Haque.

---SD---

**RSM AVAIS HYDER LIAQUAT NAUMAN**  
**CHARTERED ACCOUNTANTS**

**Place:** Lahore

**Date:** 30-09-2025

**UDIN:**AR202510226h248oxKCd

**ASHFAQ TEXTILE MILLS LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2025**

	Note	2025 Rupees	2024 Rupees		Note	2025 Rupees	2024 Rupees
<b>EQUITY AND LIABILITIES</b>				<b>ASSETS</b>			
<b>SHARE CAPITAL AND RESERVES</b>				<b>NON CURRENT ASSETS</b>			
Authorised capital				Property, plant and equipment	9	999,451,152	1,016,484,388
100,000,000 ordinary shares				Long term security deposits	10	4,509,782	4,509,782
of Rs.10/- each		<u>1,000,000,000</u>	<u>1,000,000,000</u>			<u>1,003,960,934</u>	<u>1,020,994,170</u>
Issued, subscribed and paid up capital	4	465,650,350	465,650,350				
Capital reserve							
Surplus on revaluation of							
property, plant and equipment	5	406,916,694	423,837,562				
Revenue reserve							
Unappropriated profit		125,934,870	98,176,293				
		<u>998,501,914</u>	<u>987,664,205</u>				
<b>NON CURRENT LIABILITIES</b>							
Deferred liabilities							
Staff retirement gratuity	6	121,324,308	109,084,575				
Deferred taxation	7	101,638,408	101,226,504				
		<u>222,962,716</u>	<u>210,311,079</u>				
<b>CURRENT LIABILITIES</b>				<b>CURRENT ASSETS</b>			
Trade and other payables	8	54,513,720	66,253,503	Stores, spares and loose tools	11	31,827,426	38,608,254
Provision for taxation - income tax	24	-	-	Contract costs	19.1.1	8,698,157	5,318,913
		<u>54,513,720</u>	<u>66,253,503</u>	Trade debts	12	124,711,116	98,116,586
				Loans and advances	13	30,940,593	32,006,723
				Prepayments	14	6,279,529	5,881,753
				Other receivables		517,912	47,383
				Tax refunds due from Government	15	47,316,533	45,266,971
				Short term Investment	16	6,960	-
				Cash and bank balances	17	21,719,190	17,988,034
						<u>272,017,416</u>	<u>243,234,617</u>
		<u>1,275,978,350</u>	<u>1,264,228,787</u>			<u>1,275,978,350</u>	<u>1,264,228,787</u>

The annexed notes 1 to 33 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, 2025**

	Note	2025 Rupees	2024 Rupees
Sales	18	454,188,824	456,650,695
Cost of sales	19	<u>411,553,145</u>	<u>493,044,410</u>
Gross profit / (loss)		42,635,679	(36,393,715)
Other income	20	<u>5,418,065</u>	<u>5,810,674</u>
		48,053,744	(30,583,041)
Selling cost - loading / unloading charges		1,823,858	2,726,225
Administrative expenses	21	35,364,962	36,450,680
Other operating expenses	22	744,675	-
Finance cost - bank charges and commission		13,943	3,673
		37,947,438	39,180,578
Profit / (loss) for the year before levies and income tax		<u>10,106,306</u>	<u>(69,763,619)</u>
Levies	23	<u>5,678,749</u>	<u>5,955,767</u>
Profit / (loss) for the year before taxation		4,427,557	(75,719,386)
Provision for taxation	24	1,566,492	(17,867,952)
Profit / (loss) for the year		<u><u>5,994,049</u></u>	<u><u>(57,851,434)</u></u>
Earnings per share - Basic and diluted	25	<u><u>0.13</u></u>	<u><u>(1.24)</u></u>

The annexed notes 1 to 33 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, 2025**

	2025 Rupees	2024 Rupees
Profit / (loss) for the year	5,994,049	(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
Related deferred tax	-	(40,050,494)
	-	111,964,659
Remeasurement of staff retirement gratuity	6,822,056	7,094,207
Related deferred tax	(1,978,396)	(2,057,320)
	4,843,660	5,036,887
Total comprehensive income for the year	<u>10,837,709</u>	<u>59,150,112</u>

The annexed notes 1 to 33 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, 2025**

	Issued, subscribed and paid up capital	Capital Reserve  Surplus on revaluation of property , plant and equipment	Revenue Reserve  Unappropriated profit	Total
	-----Rupees-----			
Balance as at July 01, 2023 as previously reported	465,650,350	331,558,667	131,305,076	928,514,093
Effect of correction of error (Refer Note 5.1)	-	(6,570,176)	6,570,176	-
	465,650,350	324,988,491	137,875,252	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 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
Related deferred tax			(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	-	(18,472,659)	18,472,659	-
Related deferred tax	-	5,357,071	(5,357,071)	-
	-	(13,115,588)	13,115,588	-
Balance as at June 30, 2024	465,650,350	423,837,562	98,176,293	987,664,205
Total comprehensive income for the year				
Profit for the year	-	-	5,994,049	5,994,049
Other comprehensive income				
Remeasurement of staff retirement gratuity	-	-	6,822,056	6,822,056
Related deferred tax	-	-	(1,978,396)	(1,978,396)
	-	-	4,843,660	4,843,660
	-	-	10,837,709	10,837,709
Incremental depreciation on revalued assets for the year	-	(23,832,209)	23,832,209	-
Related deferred tax	-	6,911,341	(6,911,341)	-
	-	(16,920,868)	16,920,868	-
Balance as at June 30, 2025	465,650,350	406,916,694	125,934,870	998,501,914

The annexed notes 1 to 33 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, 2025**

	2025 Rupees	2024 Rupees
<b>(a) CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit / (loss) for the year before levies and income tax	10,106,306	(69,763,619)
Adjustments for:		
Depreciation of property, plant and equipment	43,486,635	39,060,810
Provision for staff retirement gratuity	29,761,844	28,414,844
Gain on disposal of operating assets	(2,338,706)	-
Dividend income	(9,261)	(1,264,775)
Profit on deposits	(3,070,098)	(4,159,790)
Gain on disposal of short term Investments	-	(386,109)
Finance cost	13,943	3,673
Operating cash flows before working capital changes	77,950,663	(8,094,966)
Changes in working capital		
Decrease / (increase) in current assets		
Stores, spares and loose tools	6,780,828	(6,545,266)
Contract costs	(3,379,244)	(660,512)
Trade debts	(26,594,530)	(48,562,448)
Loans and advances	(1,723,503)	(4,779,225)
Prepayments	(71,266)	(89,297)
Other receivables	(470,529)	(4,023)
Tax refunds due from government	1,206,670	(8,811,102)
(Decrease) / increase in current liabilities		
Trade and other payables	(11,462,765)	14,128,128
	(35,714,339)	(55,323,745)
Cash generated from / (used in) operating activities	42,236,324	(63,418,711)
Finance cost paid	(13,943)	(3,673)
Income tax and levies paid	(6,748,876)	(9,212,018)
Staff retirement gratuity paid	(10,700,055)	(7,796,415)
Net cash generated from / (used in) operating activities	24,773,450	(80,430,817)
<b>(b) CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions in property, plant and equipment	(27,614,693)	(3,849,955)
Proceeds from disposal of operating assets	3,500,000	-
Short term investment made	(6,960)	-
Dividend received	9,261	1,264,775
Profit on deposits	3,070,098	4,159,790
Disposal of short term investments	-	61,105,676
Net cash (used in) / generated from investing activities	(21,042,294)	62,680,286

	2025 Rupees	2024 Rupees
Net increase / (decrease) in cash and cash equivalents (a+b)	3,731,156	(17,750,531)
Cash and cash equivalents at the beginning of the year	17,988,034	35,738,565
Cash and cash equivalents at the end of the year	<u>21,719,190</u>	<u>17,988,034</u>

The annexed notes 1 to 33 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, 2025**

**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** During the year the Company has earned a profit of Rs. 5.99 million as against the loss of Rs. 57.85 million in previous year. The management has implemented and undertaken its multi-facet action plan which resulted in improvement in the operational condition of the Company. The actions / efforts and their impact on the operational conditions of the Company are discussed below:

**(a) Reduction in direct cost**

The management of the Company has made efforts to keep the direct cost to minimum possible level during the year, without affecting the operational efficiency of the Company.

**(b) Installation of solar power plant**

The Company has installed solar power plant of 518 KW which reduced the electricity cost used in production consequently resulted in improvement in operating results.

**(c) Re-negotiation of sales contracts**

The Company has re-negotiated certain sales contracts with customers and negotiated better prices for conversion services which have also contributed towards improved operating results.

The implementation of above action plan removed the operational difficulties and mitigated the events and conditions that were casting doubt on the Company's ability 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 published and are mandatory for financial statements of the Company for the periods beginning on or after July 01, 2024 and therefore, have been applied in preparing these financial statements.

**i. IAS 1 – Presentation of Financial Statements**

The IASB has issued 'Classification of Liabilities as Current or Non-current (Amendments to IAS 1)' providing a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments in Classification of Liabilities as Current or Non-current (Amendments to IAS 1) affect only the presentation of liabilities in the statement of financial position — not the amount or timing of recognition of any asset, liability income or expenses, or the information that entities disclose about those items. They:

- clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability;
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and
- make clear that the settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The IASB has further modified the requirements introduced by 'Classification of Liabilities as Current or Non-current' on how an entity classifies debt and other financial liabilities as current or non-current in particular circumstances. Only covenants with which an entity is required to comply on or before the reporting date affect the classification of a liability as current or non-current. In addition, an entity has to disclose information in the notes that enables users of financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months.

These amendments are to be applied retrospectively in accordance with IAS 8. Application of these amendments have no significant impact on the Company's financial statements.

**ii. IAS 7 – Statement of Cash Flows and IFRS 7 – Financial Instruments: Disclosures**

The IASB has published 'Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)' to add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements. The amendments in Supplier Finance Arrangements;

- do not define supplier finance arrangements. Instead, the amendments describe the characteristics of an arrangement for which an entity is required to provide the information. The amendments note that arrangements that are solely credit enhancements for the entity or instruments used by the entity to settle directly with a supplier the amounts owed are not supplier finance arrangements;
- add two disclosure objectives. Entities are required to disclose in the notes information that enables users of financial statements;
  - to assess how supplier finance arrangements affect an entity's liabilities and cash flows; and
  - to understand the effect of supplier finance arrangements on an entity's exposure to liquidity risk and how the entity might be affected if the arrangements were no longer available to it.
- complement current requirements in IFRSs by adding to IAS 7 additional disclosure requirements about;
  - the terms and conditions of the supplier finance arrangements;



- ▶ for the arrangements, as at the beginning and end of the reporting period;
  - a) the carrying amounts of financial liabilities that are part of the arrangement and the associated line item presented;
  - b) the carrying amount of financial liabilities for which suppliers have already received payment from the finance providers;
  - c) the range of payment due dates (for example, 30 to 40 days after the invoice date);
  - d) comparable trade payables that are not part of a supplier finance arrangement; and
- ▶ the type and effect of non-cash changes in the carrying amounts of the financial liabilities that are part of the arrangement.

The IASB decided that, in most cases, aggregated information about an entity's supplier finance arrangements will satisfy the information needs of users of financial statements.

- add supplier finance arrangements as an example within the liquidity risk disclosure requirements in IFRS 7.

Application of these amendments have no significant impact on the Company's financial statements.

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

There are certain new standards, amendments to standards and interpretations that became effective during the year and are mandatory for accounting periods of the Company beginning on or after July 01, 2024 but are considered not to be relevant to the Company's operations and are, therefore, not disclosed in these financial statements.

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

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

##### **i. IAS 21 — The Effects Of Changes In Foreign Exchange Rates**

- Specify when a currency is exchangeable into another currency and when it is not — a currency is exchangeable when an entity is able to exchange that currency for the other currency through markets or exchange mechanisms that create enforceable rights and obligations without undue delay at the measurement date and for a specified purpose; a currency is not exchangeable into the other currency if an entity can only obtain an insignificant amount of the other currency;
- Specify how an entity determines the exchange rate to apply when a currency is not exchangeable — when a currency is not exchangeable at the measurement date, an entity estimates the spot exchange rate as the rate that would have applied to an orderly transaction between market participants at the measurement date and that would faithfully reflect the economic conditions prevailing;
- Require the disclosure of additional information when a currency is not exchangeable — when a currency is not exchangeable an entity discloses information that would enable users of its financial statements to evaluate how a currency's lack of exchangeability affects, or is expected to affect, its financial performance, financial position and cash flows.



The pronouncement also includes a new appendix with application guidance on exchangeability and a new illustrative example.

The amendments also extend to conforming amendments to IFRS 1 which previously referred to, but did not define, exchangeability. Application of these amendments are not expected to have any significant impact on the Company's financial statements.

It will be not applicable where foreign currency transactions are not involved.

**ii. IFRS 7 — Financial Instruments: Disclosures and IFRS 9 — Financial Instruments**

- A** The IASB has issued 'Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)' to address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9 'Financial Instruments'. The amendments are as under:

**Derecognition of a financial liability settled through electronic transfer**

- The amendments to the application guidance of IFRS 9 permit an entity to deem a financial liability (or part of it) that will be settled in cash using an electronic payment system to be discharged before the settlement date if specified criteria are met. An entity that elects to apply the derecognition option would be required to apply it to all settlements made through the same electronic payment system.
- Classification of financial assets:

**Contractual terms that are consistent with a basic lending arrangement**

- ▶ The amendments to the application guidance of IFRS 9 provide guidance on how an entity can assess whether contractual cash flows of a financial asset are consistent with a basic lending arrangement. To illustrate the changes to the application guidance, the amendments add examples of financial assets that have, or do not have, contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Assets with non-recourse features**

- ▶ The amendments enhance the description of the term 'non-recourse'. Under the amendments, a financial asset has non-recourse features if an entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets.

**Contractually linked instruments**

- ▶ The amendments clarify the characteristics of contractually linked instruments that distinguish them from other transactions. The amendments also note that not all transactions with multiple debt instruments meet the criteria of transactions with multiple contractually linked instruments and provide an example. In addition, the amendments clarify that the reference to instruments in the underlying pool can include financial instruments that are not within the scope of the classification requirements.

- **Disclosures:**

**Investments in equity instruments designated at fair value through other comprehensive income**

- ▶ The requirements in IFRS 7 are amended for disclosures that an entity provides in respect of these investments. In particular, an entity would be required to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss that relates to investments derecognised in the period and the fair value gain or loss that relates to investments held at the end of the period.

**Contractual terms that could change the timing or amount of contractual cash flows**

- ▶ The amendments require the disclosure of contractual terms that could change the timing or amount of contractual cash flows on the occurrence (or non-occurrence) of a contingent event that does not relate directly to changes in a basic lending risks and costs. The requirements apply to each class of financial asset measured at amortised cost or fair value through other comprehensive income and each class of financial liability measured at amortised cost.

**B** The International Accounting Standards Board (IASB) has issued 'Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)'. The amendments are:

- the own-use requirements in IFRS 9 are amended to include the factors an entity is required to consider when applying IFRS 9 to contracts to buy and take delivery of renewable electricity for which the source of production of the electricity is nature-dependent; and
- the hedge accounting requirements in IFRS 9 are amended to permit an entity using a contract for nature-dependent renewable electricity with specified characteristics as a hedging instrument:
  - ▶ to designate a variable volume of forecast electricity transactions as the hedged item if specified criteria are met; and
  - ▶ to measure the hedged item using the same volume assumptions as those used for the hedging instrument.
- The IASB amends IFRS 7 and IFRS 19 to introduce disclosure requirements about contracts for nature-dependent electricity with specified characteristics.

Application of these amendments are not expected to have any significant impact on the Company's financial statements.

**iii. IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information**

The ISSB has published IFRS S1 'General Requirements for Disclosure of Sustainability-related Financial Information'. IFRS S1 sets out overall requirements with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to the primary users of general purpose financial reports in making decisions relating to providing resources to the entity. The application of this standard is deferred by SECP and will become effective for different categories of companies in three phases starting from July 01, 2025.

The application of this standard will result in additional disclosures in the Company's financial statements in respect of sustainability related information.

#### **iv. IFRS S2 Climate-related Disclosures**

The International Sustainability Standards Board (ISSB) has published IFRS S2 'Climate-related Disclosures'. IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity. The application of this standard is deferred by SECP and will be effective to companies in three phases starting from July 01, 2025.

The application of this standard will result in additional disclosures in the Company's financial statements in respect of climate related information.

#### **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 as specified therein, but are considered not to be relevant to the Company's operations, therefore, not disclosed in these financial statements.

#### **2.2.5 Standards issued by IASB but not applicable in Pakistan**

Following new standards have been issued by IASB which are not yet notified by the SECP for the purpose of applicability in Pakistan:

IFRS 1 - First-time adoption of International Financial Reporting Standards  
IFRS 18 - Presentation and Disclosures in Financial Statements  
IFRS 19 - Subsidiaries without Public Accountability: Disclosures

#### **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 calculated 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 recognized using the liability method, on all temporary differences arising at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, carry forwarded unused tax losses and tax credits, if any, to the extent that it is probable that the future taxable profits will be available against which the asset may be utilized.

The carrying amount of deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be realized. Unrecognized deferred tax asset are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow deferred tax asset to be realized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the periods when the asset is expected to be utilized or the liability is expected to be settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax is charged or credited to profit or loss, except in case of items credited or charged to equity in which case it is included in equity.

### **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 till date in respect of work in process satisfy performance obligation of the relevant sales contracts.

### 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 Investments

Investments are initially recognised / derecognised on trade date at cost being the fair value of consideration given including cash transaction. Trade date is the date that the Company commits to purchase or sell the investment. After initial recognition these are recognised and accounted for as follows:

#### Investments at fair value through profit or loss

These are the investments which are classified as held for trading and are acquired principally for the purpose of generating profit from short term fluctuation in price. Investments designated at fair value through profit or loss upon initial recognition also include those group of investments which are managed and their performance evaluated on fair value basis in accordance with the Company's documented investment strategy.

After initial recognition, such investments are remeasured at fair value determined with reference to the year end quoted rates (equity shares and investments in units of closed end funds at respective stock exchange rates, while the units of open end funds at their declared net asset value per unit). Gains or losses on remeasurments of these investments are recognised in the statement of profit or loss.

#### Derecognition

All investments are de-recognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Gain / loss on sale of investments is taken to income 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 assets.

- 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 carried at arm's length on price determined using the comparable uncontrolled price method except for those transactions which, in exceptional circumstances, are specifically approved by the Board.

### **3.19 Revenue recognition**

Revenue is recognized at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring goods or services to a customer. For this purpose, the Company:

- identifies the contract with a customer;
- identifies the performance obligations in the contract;
- determines the transaction price which takes into account estimates of variable consideration, if any, and the time value of money;
- allocates the transaction price to the separate performance obligations, if applicable, on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and
- recognizes revenue when or as each performance obligation is satisfied in a manner that depicts the transfer of control of the goods or services promised to the customer.
- Determining the timing of the transfer of control – at a point in time or over time – requires judgment. Revenue is recognized by the Company on the following basis:



Revenue from sale of goods is recognized at the point in time when control of goods is transferred to customers at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. The control is transferred to the customer, generally, on delivery of goods which coincides with issuance of invoice to the customer

Interest income recognized on a time proportion basis on the principal amount outstanding and at the applicable rate.

Divided income is recognized when the right to receive dividend is established.

### 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.

### 4. Issued, subscribed and paid up capital

2024	2025		2025	2024
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 shares	255,740,350	255,740,350
<u>46,565,035</u>	<u>46,565,035</u>		<u>465,650,350</u>	<u>465,650,350</u>

### 5. Revaluation surplus on property, plant and equipment

Opening balance	5.1	423,837,562	324,988,491
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
Transferred to unappropriated profit in respect of :			
Incremental depreciation		(23,832,209)	(18,472,659)
Related deferred tax liability on:			
Surplus arisen during the year		-	(40,050,494)
Incremental depreciation on revalued assets		6,911,341	5,357,071
		6,911,341	(34,693,423)
		<u>406,916,694</u>	<u>423,837,562</u>

5.1 The effect of deferred tax on reversal of incremental depreciation was taken in the equity twice, in the year when deferred tax was initially provided due to change of taxation of the Company. The correction of error has been made retrospectively in accordance with IAS 8 "Accounting Policies, changes in Accounting estimates and errors". As a result, surplus on revaluation has been decreased by Rs. 6.57 million and unappropriated profits have been increased by Rs. 6.57 million, in the prior periods presented.

5.2 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, 2025 using Projected Unit Credit Method.

	Note	2025 Rupees	2024 Rupees
<b>6.2 The amount recognised in the statement of financial position is as follows :</b>			
Present value of defined benefit obligation	6.3	<u>121,324,308</u>	<u>109,084,575</u>

### 6.3 Movement in net liability recognised

Opening balance		109,084,575	95,560,353
Expenses recognised in statement of profit or loss	6.4	29,761,844	28,414,844
Paid / adjusted during the year		(10,700,055)	(7,796,415)
Remeasurement (Gain) on obligation		(6,822,056)	(7,094,207)
Balance at June 30,		<u>121,324,308</u>	<u>109,084,575</u>

### 6.4 Expenses recognised in statement of profit or loss

Current service cost	12,699,725	13,690,370
Past service cost	2,071,023	-
Interest cost	14,991,096	14,724,474
	<u>29,761,844</u>	<u>28,414,844</u>

2025 2024

### 6.5 Principal actuarial assumptions

Discount factor used	14.75% Per annum	6.25% Per annum
Expected rate of increase in salaries	10.75% Per annum	3.75% Per annum
Expected average remaining working lives of participating employees	7 years	6 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	Decrease in assumptions
		-----Rupees-----	
Discount rate	100 bps	111,877,935	127,561,612
Salary increase rate	100 bps	127,785,716	111,545,956

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	2025 Rupees	2024 Rupees
<b>7. Deferred taxation</b>	<b>7.1</b>	<b><u>101,638,408</u></b>	<b><u>101,226,504</u></b>
Opening balance		101,226,504	76,988,888
Deferred tax on surplus arisen during the year		-	40,050,494
Related to incremental depreciation on revalued assets		(6,911,341)	(5,357,071)
Related to remeasurement of staff retirement gratuity		1,978,396	2,057,320
Provided / (reversal) during the year		5,344,849	(12,513,127)
		<u>101,638,408</u>	<u>101,226,504</u>

**7.1 It represents the following:**

Deferred tax liability:		
Difference between accounting and tax bases of assets	193,133,800	192,593,561
Deferred tax asset		
Staff retirement gratuity	(35,184,049)	(31,634,527)
Tax credit and unused tax losses	(56,095,387)	(59,732,530)
Workers' profit participation and welfare fund	(215,956)	-
	<u>101,638,408</u>	<u>101,226,504</u>

**8. Trade and other payables**

Creditors		21,500,451	22,709,634
Accrued liabilities		20,706,967	32,624,641
Workers' profit participation fund- allocation for the year		542,549	-
Workers' welfare fund		202,126	-
Sales tax payable		4,612,121	3,364,725
Withholding taxes payable		222,483	272,025
Levies	23	5,678,749	5,955,767
Other		1,048,274	1,326,711
		<u>54,513,720</u>	<u>66,253,503</u>

9. Property, plant and equipment - Operating assets

	Freehold land (note 9.2)	Building on freehold land	Plant and machinery	Factory equipment	Office equipment	Furniture and fixture	Vehicles	Arms and ammunitions	Total
Rupees									
<b>At July 01, 2023</b>									
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
<b>Year ended June 30, 2024</b>									
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)	(4,195,602)	(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
<b>At July 01, 2024</b>									
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
<b>Year ended June 30, 2025</b>									
Opening 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
Additions	-	-	27,594,743	-	19,950	-	-	-	27,614,693
Disposal:									
Cost	-	-	-	-	-	-	(4,791,643)	-	(4,791,643)
Accumulated depreciation	-	-	-	-	-	-	3,630,349	-	3,630,349
	-	-	-	-	-	-	(1,161,294)	-	(1,161,294)
Depreciation charge	-	(5,149,420)	(33,887,659)	(224,921)	(441,584)	(48,292)	(3,734,366)	(393)	(43,486,635)
Closing net book value	83,460,000	200,827,380	668,707,084	4,273,497	8,393,422	917,542	32,864,765	7,462	999,451,152
<b>At June 30, 2025</b>									
Cost / valuation	83,460,000	244,261,448	990,455,315	7,503,030	16,418,853	2,990,295	65,897,700	34,100	1,411,020,741
Accumulated depreciation	-	(43,434,068)	(321,748,231)	(3,229,533)	(8,025,431)	(2,072,753)	(33,032,935)	(26,638)	(411,569,589)
Net book value	83,460,000	200,827,380	668,707,084	4,273,497	8,393,422	917,542	32,864,765	7,462	999,451,152
Annual rate of depreciation (%)	-	2.5	5	5	5	5	10	5	

9.1 Depreciation for the year has been allocated as under:

	2025 Rupees	2024 Rupees
Cost of goods sold	39,262,000	34,352,691
Administrative expenses	4,224,635	4,708,119
	<u>43,486,635</u>	<u>39,060,810</u>

9.2 The total area of land of the Company is 378,700.5 square feet which is used for head office and production unit.

9.3 Detail of disposal of assets through negotiation

2025						
Asset	Cost	Accumulated depreciation	Written down value	Sale Proceeds	Gain on disposal	Particulars of the purchaser
Vehicles	2,041,643	1,327,789	713,854	1,500,000	786,146	Mrs. Shumailah Junaid W/O Junaid Ahmed Banth, Railway Road, GTS Chowk, House # 8, Faisalabad
	2,750,000	2,302,560	447,440	2,000,000	1,552,560	Mr. Riaz Masih S/O Bachan Maish, Millat Road, House No. P-59, Street # 2, Faisalabad
	<u>4,791,643</u>	<u>3,630,349</u>	<u>1,161,294</u>	<u>3,500,000</u>	<u>2,338,706</u>	
<b>2024</b>	-	-	-	-	-	

9.3.1 The Company does not have any relationship with the buyers.

9.4 Forced sale value of revalued assets on the date of revaluation was Rs. 819.77 million (2024: Rs. 819.77 million).

### 9.5 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 was determined using the market comparable approach that reflects the transaction prices for assets of comparable utility and age at the date of revaluation adjusted for obsolescence.

The fair value of the plant and machinery was determined based on the market comparable approach that reflects transaction prices for similar assets at the date of revaluation adjusted for depreciation.

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

- 9.6 Had there been no revaluation, the related figures of freehold land, building on freehold land and plant and machinery at June 30, 2025 and 2024 would have been as follows:

2025			
	Cost	Accumulated depreciation	Written down value
	-----Rupees-----		
Freehold land	9,659,905	-	9,659,905
Building on freehold land	233,976,265	65,063,245	168,913,020
Plant and machinery	542,156,219	310,713,082	231,443,137
	<u>785,792,389</u>	<u>375,776,327</u>	<u>410,016,062</u>

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
	<u>758,197,646</u>	<u>360,571,457</u>	<u>397,626,189</u>

	2025 Rupees	2024 Rupees
<b>10. Long term security deposits</b>		
Against utilities	4,467,696	4,467,696
Others	42,086	42,086
	<u>4,509,782</u>	<u>4,509,782</u>
<b>11. Stores, spares and loose tools</b>		
Stores	13,808,502	22,747,308
Spares	17,840,031	15,741,507
Loose tools	178,893	119,439
	<u>31,827,426</u>	<u>38,608,254</u>

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

	Note	2025 Rupees	2024 Rupees
<b>12. Trade debts</b>			
Considered good			
Unsecured			
Local		<u>124,711,116</u>	<u>98,116,586</u>

**13. Loans and advances**

Considered good			
Loans			
Employees	13.1	29,393,088	27,654,333
Advances			
Suppliers		148,135	100,087
For purchases / expenses		116,700	180,000
Income tax		<u>1,282,670</u>	<u>4,072,303</u>
		<u>30,940,593</u>	<u>32,006,723</u>

13.1 The loans are provided to employees under the terms of their employment as interest free loans.

	2025 Rupees	2024 Rupees
<b>14. Prepayments</b>		
Insurance	813,305	742,039
Levies	<u>5,466,224</u>	<u>5,139,714</u>
	<u>6,279,529</u>	<u>5,881,753</u>

**15. Tax refunds due from Government**

Sales tax	22,165,472	23,372,142
Income tax	<u>25,151,061</u>	<u>21,894,829</u>
	<u>47,316,533</u>	<u>45,266,971</u>

**16. Short term Investments**

Investments - at fair value through profit or loss		
NBP Financial Sector Income Fund		
651.77 units of Rs. 10.68/- each (2024: Nil)	<u>6,960</u>	<u>-</u>

16.1 Effective rate of profit during the year ranges from 8.7% to 10.13% per annum (2024: 15.18% to 22.83% per annum) .

16.2 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	2025 Rupees	2024 Rupees
<b>17. Cash and bank balances</b>			
Cash in hand		3,120,401	2,626,210
Cash at banks			
In current accounts		17,951,696	9,503,134
In deposit accounts	17.1	<u>647,093</u>	<u>5,858,690</u>
		<u>21,719,190</u>	<u>17,988,034</u>

17.1 Effective rate of profit during the year ranges from 7.09 % to 17.60% (2024: 20.16% to 20.48%) per annum.



	Note	2025 Rupees	2024 Rupees
<b>18. Sales</b>			
Sizing and conversion income		535,942,815	512,494,240
Sales tax		(81,753,991)	(55,843,545)
		<u>454,188,824</u>	<u>456,650,695</u>
<b>19. Cost of sales</b>			
Cost of goods manufactured	19.1	411,553,145	493,044,410
<b>19.1 Cost of goods manufactured</b>			
Sizing cost		71,144,977	75,134,816
Salaries, wages and benefits		104,758,658	126,912,776
Staff retirement benefits		25,595,186	24,436,766
Fuel and power		139,979,297	185,029,334
Stores, spares and loose tools		30,461,513	38,142,571
Packing material		1,512,308	8,044,407
Repairs and maintenance		3,209,811	2,021,682
Insurance		4,327,552	4,288,280
Depreciation	9.1	39,262,000	34,352,691
		<u>420,251,302</u>	<u>498,363,323</u>
Less: Contract costs	19.1.1	(8,698,157)	(5,318,913)
		<u>411,553,145</u>	<u>493,044,410</u>
19.1.1 It represents costs accumulated on conversion of cloth in process for outside parties.			
<b>20. Other income</b>			
Income from financial assets:			
Dividend		9,261	1,264,775
Profit on deposits		3,070,098	4,159,790
Income from other than financial assets:			
Gain on disposal of short term Investments		-	386,109
Gain on disposal of operating assets		2,338,706	-
		<u>5,418,065</u>	<u>5,810,674</u>
<b>21. Administrative expenses</b>			
Directors' remuneration	26	10,560,000	10,560,000
Salaries and benefits		6,141,733	6,284,760
Staff retirement benefits		4,166,658	3,978,078
Utilities		1,954,633	1,868,983
Insurance		1,631,746	1,903,750
Rent, rates and taxes		595,443	100,000
Vehicles running and maintenance		900,446	2,094,411
Travelling and conveyance		283,456	364,454
Postage, telephone and telex		310,820	495,574
Printing and stationery		115,803	413,473
Auditors' remuneration	21.1	595,000	537,500
Legal and professional		133,000	70,680
Fees and subscriptions		1,307,006	1,633,013
Entertainment		36,159	194,179
Charity and donations	21.2	1,200,000	700,000
Depreciation	9.1	4,224,635	4,708,119
Others		1,208,424	543,706
		<u>35,364,962</u>	<u>36,450,680</u>

	2025 Rupees	2024 Rupees
<b>21.1 Auditors' remuneration</b>		
<b>Assurance services</b>		
Annual audit	500,000	450,000
Half yearly review	45,000	40,000
<b>Non-assurance services</b>	50,000	47,500
	<u>595,000</u>	<u>537,500</u>

**21.2** These have been paid to Liver Foundation Trust in which Ashfaq Ahmad - Chief Executive Officer of the Company is a Trustee.

	Note	2025 Rupees	2024 Rupees
<b>22. Other operating expenses</b>			
Loss on disposal of vehicle		-	-
Workers' profit participation fund		542,549	-
Workers' welfare fund		202,126	-
		<u>744,675</u>	<u>-</u>

#### 23. Levies

Minimum tax differential	23.1	5,677,360	5,708,134
Final taxes	23.2	1,389	247,633
		<u>5,678,749</u>	<u>5,955,767</u>

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

**23.2** The final tax paid under section 150 (2024; final taxes under section 150 and 37) of the Income Tax Ordinance 2001 also represent levy in terms of requirements of IFRIC 21/IAS 37.

	2025 Rupees	2024 Rupees
<b>24. Provision for taxation</b>		
Current		
For the year	-	-
For prior year	-	2,246
Deferred	(1,566,492)	(17,870,198)
	<u>(1,566,492)</u>	<u>(17,867,952)</u>

**24.1** 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:

Current tax liability for the year as per applicable tax laws	5,678,749	5,955,767
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	(5,678,749)	(5,955,767)
Difference	<u>-</u>	<u>-</u>

**24.2 Relationship between levies plus tax expense and accounting profit for the year is as under;**

	Note	2025 Rupees
Profit for the year before levies and income tax		10,106,306
Tax on accounting profit at the applicable tax rate of 29%		2,930,829
Tax on inadmissible expenses		22,328,549
Tax on admissible expenses		(16,560,305)
Adjustment of brought forward business loss		(8,528,450)
Tax under final tax regime		1,389
Tax effect of worker welfare fund		(170,623)
Minimum tax differential		5,677,360
Deferred tax		(1,566,492)
Levies plus tax expense - net	24.2.1	<u>4,112,257</u>
<b>24.2.1 Levies plus tax expense - net</b>		
Levies		5,678,749
Deferred tax		(1,566,492)
		<u>4,112,257</u>

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

		2025 Rupees	2024 Rupees
<b>25. Earnings per share - Basic and diluted</b>			
Profit/ (Loss) for the year	(Rupees)	<u>5,994,049</u>	<u>(57,851,434)</u>
Weighted average number of ordinary shares outstanding during the year	(Number)	<u>46,565,035</u>	<u>46,565,035</u>
Earnings per share - Basic and diluted	(Rupees)	<u>0.13</u>	<u>(1.24)</u>

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

**26. REMUNERATION TO CHIEF EXECUTIVE OFFICER , DIRECTORS AND EXECUTIVES**

	2025			2024		
	Chief Executive Officer	Directors	Executives	Chief Executive Officer	Directors	Executives
	Rupees					
Remuneration	2,653,200	4,422,000	6,602,609	2,653,200	4,422,000	4,638,196
House rent allowance	1,188,000	1,980,000	2,956,392	1,188,000	1,980,000	2,076,804
Conveyance allowance	118,800	198,000	295,639	118,800	198,000	207,680
	<u>3,960,000</u>	<u>6,600,000</u>	<u>9,854,640</u>	<u>3,960,000</u>	<u>6,600,000</u>	<u>6,922,680</u>
Number of persons	1	2	6	1	2	4

**26.1** The Chief Executive Officer and Directors are entitled to reimbursement of telephone bills. The monetary value of these benefits is Rs.188,944/- (2024: Rs. 100,875/-). The directors have waived off their meeting fee.

## 27. TRANSACTIONS WITH RELATED PARTIES

The Company in the normal course of business carries out transactions with various related parties which comprise of associated undertakings, directors and key management personnel. Amounts due to / from related parties are shown under relevant notes to the financial statements and remuneration to chief executive officer, directors and executives are disclosed in Note 26. Significant transactions with related parties other than those disclosed elsewhere in the financial statements are as follows:

Name of related party	Relationship and percentage shareholding	Transaction during the year	2025	2024
Mrs. Uzma Nadeem	Spouse of director	Rent paid	150,000	-

## 28. PLANT CAPACITY AND ACTUAL PRODUCTION

	2025	2024
<b>Weaving</b>		
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)	12,275,653	19,007,734
<b>Sizing</b>		
Warping machines	3	3
Sizing machines	1	1
Standard production (Kgs.)	4,150,000	4,150,000
Actual production (Kgs.)	1,005,681	1,393,356

### 28.1 Reasons for short fall:

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

<b>29. NUMBER OF EMPLOYEES</b>	<b>2025</b>	<b>2024</b>
Total number of employees as at the year end,	306	354
Average number of employees during the year	310	355

## 30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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



2025	2024
Rupees	Rupees

### 30.1 FINANCIAL INSTRUMENTS BY CATEGORIES

#### Financial assets at amortized cost:

Deposits	4,509,782	4,509,782
Trade debts	124,711,116	98,116,586
Loans	29,393,088	27,654,333
Other receivables	517,912	47,383
Cash and bank balances	21,719,190	17,988,034
	<u>180,851,088</u>	<u>148,316,118</u>

#### Financial assets at fair value through profit and loss:

Short term Investment	<u>6,960</u>	<u>-</u>
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#### Financial liabilities at amortized cost:

Trade and other payables	<u>43,255,692</u>	<u>56,933,011</u>
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### 30.2 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

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

#### 30.2.1 Credit risk and concentration of credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counter parties failed completely to perform as contracted. The company is exposed to concentration of credit risk towards a customer which represent 95.05% (2024: 87.26%) of total trade debts. The maximum exposure to credit risk at the reporting date is as follows:

	2025	2024
	Rupees	Rupees
Deposits	4,509,782	4,509,782
Trade debts	124,711,116	98,116,586
Loans	29,393,088	27,654,333
Other receivables	517,912	47,383
Short term Investments at fair value	6,960	-
Bank balances	<u>18,598,789</u>	<u>15,361,824</u>
	<u>177,737,647</u>	<u>145,689,908</u>

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

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

The bank balances alongwith credit rating is as follows.

Bank Name	Credit Rating	2025 Rupees	2024 Rupees
Bank Al-Falah Limited	AAA	8,238,276	5,082,928
Muslim Commercial Bank Limited		214,196	537,880
United Bank Limited		72,410	60,481
Meezan Bank Limited		66,977	-
Habib Bank Limited		-	310,430
Habib Metropolitan Bank Limited	AA+	33,053	27,053
Faysal Bank Limited	AA	9,973,877	9,343,052
		<u>18,598,789</u>	<u>15,361,824</u>

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

		2025 Rupees	2024 Rupees
National Bank Pakistan	AAA	<u>6,960</u>	<u>-</u>

### 30.2.2 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to manage liquidity is to maintain sufficient level of liquidity of the Company on the basis of expected cash flows, requirements of holding highly liquid assets and maintaining adequate reserve borrowing facilities to cover liquidity risk. This includes maintenance of liquidity ratios through working capital management. The contractual maturities of financial liabilities of the company are within six months and comprise of Rs. 43.26 million (2024: 56.93 million).

The Company is not exposed to any liquidity risk in view of availability of adequate liquid assets.

### 30.2.3 Market risk

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

#### i) Interest rate risk

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

##### 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

The company is not exposed to any significant interest rate risk.

#### ii) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency risk arises mainly where receivables and payables exist due to transactions with foreign undertakings. The Company is 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.

The Company is not exposed to any significant equity price risk.

### 30.3 Fair values of financial instruments

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

#### 30.4 Capital risk management

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

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

#### 31. RE-ARRANGEMENTS / RE- CLASSIFICATION

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation and comparison. The significant reclassification / restatement made are as under;

- Advance income tax amounting to Rs. 5,139,714/- falling under the definition of levy was grouped under the head of "Loans and advances". This is reclassified and grouped as prepaid levies under the head of "Prepayments".
- Withholding taxes payable amounting to Rs.272,025/- was clubbed in "Accrued liabilities" under the head of "Trade and other payables". It has now been re-arranged and presented separately as withholding tax payable under the same head.

#### 32. DATE OF AUTHORISATION FOR ISSUE

The financial statements were authorised for issue on **30-09-2025** by the Board of Directors of the Company.

#### 33. General

**33.1** The figures have been rounded off to the nearest Rupees.

**33.2** Nomenclature of Electricity and gas has been changed to "Utilities" in administrative expenses.

**33.3** Nomenclature of Selling cost has been changed to "Selling cost - loading / unloading charges".

**33.4** Nomenclature of Finance cost has been changed to "Finance cost - bank charges and commission".

---SD---  
**CHIEF EXECUTIVE OFFICER**

---SD---  
**DIRECTOR**

---SD---  
**CHIEF FINANCIAL OFFICER**



# 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 Tuesday, October 28, 2025 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 attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form of the Company.