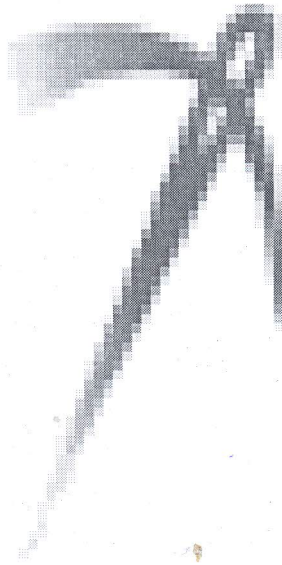


**Half Yearly Report  
Un-Audited  
For The Period Ended  
December 31, 2020**



**YOUSAF WEAVING MILLS LIMITED**

## YOUSAF WEAVING MILLS LIMITED

### COMPANY INFORMATION

#### BOARD OF DIRECTORS

Mst. Alia Khanum	(Chairman)
Khawaja Mohammad Nadeem	(Chief Executive)
Khawaja Shahzad Younus	(Director)
Mr. Shuqran Ahmed Khan	(Director)
Mr. Mohammad Amjad	(Director)
Mr. Waseem Baig	(Director)
Sheikh Maqbool Ahmed	(Independent Director)
Mr. Mohammad Tariq Sufi	(Independent Director)

#### AUDIT COMMITTEE

Mr. Mohammad Tariq Sufi	(Chairman)
Mr. Khawaja Mohammad Jahangir	(Member)
Khawaja Shahzad Younus	(Member)

#### HR & REMUNERATION COMMITTEE

Mr. Mohammad Tariq Sufi	(Chairman)
Mr. Waseem Baig	(Member)
Mr. Khawaja Mohammad Jahangir	(Member)

#### COMPANY SECRETARY

Mr. Nadeem Anwar	(ACA)
------------------	-------

#### CHIEF FINANCIAL OFFICER

Mr. Tauseef Ahmad

#### BANKERS

Habib Metro Bank Limited  
National Bank of Pakistan  
Askari Bank Limited  
The Bank of Punjab

#### AUDITORS

Aslam Malik & Co.  
Chartered Accountants  
Suite # 18-19, 1<sup>st</sup> Floor,  
Central Plaza, Civic Centre,  
New Garden Town, Lahore. Pakistan

#### CORPORATE & REGISTERED OFFICE

7/1-E-3 Main Boulevard Gulberg III, Lahore  
Tel : (042) 35717510  
Fax : (042) 35755760

#### SHARE REGISTRARS

Corp link (Pvt) Limited  
Wings Arcade, 1-K, Commercial,  
Model Town, Lahore  
Tel: (042) 35839182  
Fax: (042) 35869037

#### Weaving unit

49-Kilometer  
Multan Road, Bhai Pheru  
Tel: (04943) 540083-4

#### Spinning unit

7-Kilometer  
Multan Road, Pattoki  
Tel: (04943) 540083-4



# YOUSAF WEAVING MILLS LIMITED

A Project of Chakwal Group

7/1 - E-3, Main Boulevard  
Gulberg III, Lahore, Pakistan  
Tel: +92 42 35757108 & 35717510 - 17  
Fax: +92 42 35764036, 35764043 & 35757105  
E-mail: yousaf@chakwalgroup.com.pk  
Web: www.yousafweaving.com

## DIRECTORS' REPORT TO THE SHAREHOLDERS

The directors of the company are pleased to present their report together with the unaudited condensed interim financial statements for the half year ended December 31, 2020.

For the half year ended on December 31, 2020, the Company earned gross profit of Rs. 35.301 million as compared to gross loss of Rs. 11.944 million in the corresponding period, whereas it could be able to achieve net profit of Rs. 8.002 as compared to net loss of Rs. 40.462 million during the last comparative period.

During the current reporting period, the sales has been increased by 12% while minimizing cost of sales by 5% as compared to previous period due to which the management could be able to post gross profit for the half year ended after a long period of time. After drastic aftershocks of Covid-19, the economy is depicting positive indicators, especially textile sector is enjoying post covid period due to availability of surplus export orders which have directed towards Pakistan's economy. The government role was crucial at this time, since the industry was dwindling due to covid impact, the government has come forward to back industry by announcing PM Relief Package for electricity, according to which electricity will be provided at subsidized rates on incremental consumption from last comparative period up to June 2021.

The management is planning to import new looms and a warping machinery, which will not only enhance the current production capacity but also augment plant's efficiency, resultantly we could be able to reduce energy overhead. The management believes that if current fiscal scenario continue, we could be able improvise further during the second half of the year.

Auditors' have qualified the review report due to non-verification of some portion of short term loans and non-payment of unclaimed dividends of previous periods. The amount claimed by the banks in their legal suits is reconciled with our record and we have appropriately accounted for mark-up payable on these loans. However non-verification of borrowing by bank shows that the bank failed to accomplish its duty towards 'Auditors' accordingly. Further we shall take measures as provided in the law for treatment of unclaimed dividends.

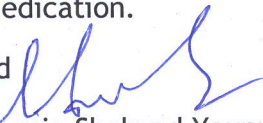
Auditors' observation regarding going concern has been disclosed in note no 1.2 of the interim financial statements for the period ended December 31, 2020.

The Board is thankful to the shareholders of the company for their continued confidence in the company and also wished to express its gratitude to all the employees of the company their hard work, loyalty and dedication.

For and on behalf of the Board

Lahore

February 26, 2021

  
Khawaja Shahzad Younus

Chairman

  
Khawaja Mohammad Nadeem

Chief Executive Officer

## ڈائریکٹرز رپورٹ:-

کمپنی کے ڈائریکٹرز کی جانب سے 31 دسمبر 2020ء کے اختتام شدہ ششماہی کے غیر جانچ شدہ حسابات پیش کرتے ہوئے مسرت کا اظہار کرتے ہیں۔

کمپنی نے اس ششماہی کے دوران پچھلے دورانیہ کے 11.944 ملین روپے کے مجموعی خسارے کے مقابلے میں 35.301 مجموعی منافع کمایا ہے۔ جبکہ اس کا خالص منافع 8.002 ملین روپے رہا جو کہ پچھلے دورانیہ میں 40.462 ملین روپے کے نقصان پر مشتمل تھا۔

موجودہ مدت کے دوران پچھلے دورانیہ کے مقابلے میں کمپنی کی سبزیوں کی پیداواری لاگت %5 کم رہی جس کی وجہ سے انتظامیہ مجموعی منافع کمانے کے قابل ہو سکی۔ کووڈ-19 کے سخت جھٹکے کے بعد معیشت مثبت اشارے ظاہر کر رہی ہے۔ خصوصاً ٹیکسٹائل کی صنعت کوڈ کے بعد ملنے والے اضافی برآمدی آرڈر کی وجہ سے ترقی کی راہ پر گامزن ہے۔ اس دورانیہ میں حکومت کا کردار قلیدی رہا کیونکہ کوڈ کی وجہ سے صنعتیں ڈگمگاہی تھی، حکومت نے آگے بڑھتے ہوئے صنعت کو سہارا فراہم کیا اور پرائم منسٹر ریلیف پیکیج کا اعلان کیا جس کے مطابق جون 2021 تک پچھلے دورانیہ کے مقابلے میں زیادہ بجلی استعمال کرنے پر اضافی یونٹس کا نرخ کم کر دیا گیا ہے۔

انتظامیہ نئی لومز اور وارپنگ مشین کی درآمد کی منصوبہ بندی کر رہی ہے جس سے ناصرف پیداوار صلاحیت بڑھے گی بلکہ پلانٹ کی کارکردگی بھی بہتر ہوگی جس کے نتیجے میں توانائی کے اخراجات کم ہو سکے گے۔ انتظامیہ کو یقین ہے کہ اگر موجودہ معاشی حالات اسی طرح جاری رہے تو ہم اس قابل ہو سکے گے کہ اگلی ششماہی میں مزید بہتر نتائج دے سکیں۔

ایڈیٹرز اپنی جائزہ رپورٹ میں اعتراض اٹھایا ہے کہ ہم قلیل المدتی قرضے کے کچھ حصے کی تصدیق نہیں کر سکے اور اس کے ساتھ ساتھ کمپنی نے پچھلے سالوں کا غیر دعویٰ منافع بھی حصص کنندگان کو نہیں دیا۔ کمپنی کی طرف سے ہم یہ واضح کرنا چاہتے ہیں کہ بینکوں کی جانب سے کیے گئے مقدمات میں رقم واجب الادا ہے وہ ہمارے حسابات کے عین مطابق ہے اور ہم نے اس پر واجب الادا سود بھی اپنے حسابات میں درج کیا ہے۔ تاہم بینک اپنی ذمہ داری کو پورا کرنے میں ناکام رہا ہے کیونکہ بینک نے ایڈیٹرز کو واجب الادا رقم کی پوری طرح سے تصدیق نہیں کی۔ علاوہ ازیں ہم غیر دعویٰ شدہ منافع کے بارے میں قانون کے مطابق اقدامات کریں گے۔

کمپنی کا کاروبار جاری رہنے سے متعلق آڈٹ مشاہدوں کا مالی حسابات کے نوٹ نمبر 1.2 میں انکشاف کیا گیا ہے۔ کمپنی کے ملازمین مسلسل وفاداری، لگن اور ہر سطح پر اچھے تعلقات تعریف کے مستحق ہیں اس کے علاوہ ڈائریکٹرز تمام حصص کنندگان کا مسلسل حمایت کی وجہ سے شکر یہ ادا کرتے ہیں۔

بورڈ آف ڈائریکٹرز کی طرف سے

خواجہ شہزاد یونس  
چیئرمین

خواجہ محمد منجم  
چیف ایگزیکٹو آفیسر

لاہور

تاریخ: 26 فروری 2021

building  
better  
together.



amc

**Aslam Malik & Co.**

Chartered Accountants

Phone : +92-42-35858693-35858694

: +92-42-35856819

Fax : +92-42-35856019

e-mail : info@aslammalik.com

aslammalik@brain.net.pk

web : www.aslammalik.com

Suite # 18-19 First Floor,  
Central Plaza, Civic Centre,  
New Garden Town, Lahore-Pakistan.

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Yousaf Weaving Mills Limited  
Report on Review of Interim Financial Statements

### Introduction

We have reviewed the accompanying condensed interim statement of financial position of **YOUSAF WEAVING MILLS LIMITED**, as at December 31, 2020 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the six-months period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

The figures of the condensed interim statement of profit or loss and other comprehensive income for the quarters ended December, 31 2020 and 2019 have not been reviewed, as we are required to review only the cumulative figures for the six months ended December 31, 2020.

### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Basis for Qualified Conclusion

- a. Company is in litigation with the banking companies. Due to litigation short term borrowings amounting to Rs.18.87 million could not be verified because we had not received the reply of direct confirmation. There are no other satisfactory audit procedures that we could adopt to verify the completeness and accuracy of the balance. Further the company had not worked out and provided the amount of mark-up on the said amount of borrowings in these financial statements. Based on available underlying record, response from the legal and non-confirmations of loan balance, we are unable to determine with reasonable accuracy the impact on these financial statements of any with disagreement with banks.
- b. Unclaimed dividend of Rs. 3,247,016 (overdue) of previous years has not been deposited into government treasury nor has any notification been issued to shareholders.

### Other Offices at:

**Islamabad:** House # 726, Street 34, Margalla Town, off Murree Road, Islamabad.  
Phone : +92-51-2374282-3 Fax: +92-51-2374281

**Karachi:** 1001-1003 10th Floor, Chapal Plaza, Hasrat Mohani Road, Off I.I Chundrigar Road, Karachi  
Tel: + 92-21-32425911-2, Fax: +92-21-32432134

**Quetta** 1st Floor, Haji Fateh Khan Center, Adalat Road, Quetta  
Ph: +92-81-2823837

**Qualified Conclusions**

Based on our review, except for the matters discussed in the as stated in basis for qualified Conclusion section of our report, nothing has come to our attention that causes us to believe that these accompanying interim financial statements as of and for the six months period ended December 31, 2020 are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

**Material Uncertainty relating to Going Concern**

Without further qualifying our opinion, we draw attention to Note 1.2 to the interim financial statement which indicates that as of December 31, 2020 its accumulated losses stood at Rs. 1,447.490 million (June 30, 2020: 1,455.492 million), its current liabilities exceed its current assets by Rs. 801.855 million (at June 30, 2020: Rs. 941.916 million). These conditions along with other matters as set forth in Note 1.2 indicate the existence of material uncertainty that may cause significant doubt about the company's ability to continue as going concern. Our opinion is not modified in respect of this matter.

The engagement partner on the review resulting in this independent auditor's report is **Hafiz Muhammad Ahmad**.

*Aslam Malik*  
Chartered Accountants

Date: February 26, 2021  
Place: Lahore



**YOUSAF WEAVING MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2020**

	December 31, 2020	June 30, 2020
Note	(Un-audited) Rupees	(Audited) Rupees
<b>CAPITAL AND LIABILITIES</b>		
<b>Share Capital and Reserves</b>		
Authorized share capital 90,000,000 (2020: 90,000,000) ordinary shares of Rs. 10 each	900,000,000	900,000,000
Issued, subscribed and paid up share capital	900,000,000	900,000,000
Loan from directors	270,172,689	231,050,797
Accumulated loss	(1,447,490,209)	(1,455,491,996)
Surplus on revaluation of land	203,833,327	203,833,327
	(73,484,193)	(120,607,872)
<b>Non Current Liabilities</b>		
Long term loan	72,591,876	-
Deferred liability	31,753,055	32,430,735
	104,344,931	32,430,735
<b>Current Liabilities</b>		
Trade and other payables	365,015,604	403,860,412
Unclaimed dividend	3,247,016	3,247,016
Accrued mark up	134,450,427	135,859,375
Short term borrowings	392,204,386	392,204,386
Current portion of non current liabilities	14,372,000	93,176,953
Provision for taxation	43,911,940	45,551,741
	953,201,373	1,073,899,883
<b>Contingencies and Commitments</b>	5	-
	984,062,111	985,722,746
<b>ASSETS</b>		
<b>Non Current Assets</b>		
Property, plant and equipment	786,552,090	807,551,842
Intangible assets	209,433	232,705
Long term loans	8,191,377	8,191,377
Long term deposits	37,762,809	37,762,809
	832,715,709	853,738,733
<b>Current Assets</b>		
Stores and spares	9,290,573	10,856,819
Stock in trade	27,370,846	15,351,226
Trade debts	40,897,967	18,260,998
Loans and advances	22,212,386	21,965,116
Trade deposits and other receivables	8,450,707	8,150,707
Tax refunds due from government	39,801,613	53,336,854
Cash and bank balances	3,322,310	4,062,293
	151,346,402	131,984,013
	984,062,111	985,722,746

The annexed notes form an integral part of these condensed interim financial information (Unaudited).

  
**CHIEF EXECUTIVE OFFICER**

  
**DIRECTOR**

  
**CHIEF FINANCIAL OFFICER**

**YOUSAF WEAVING MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS**  
**FOR THE SIX MONTHS ENDED DECEMBER 31, 2020**

	Quarter Ended		Half Year Ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
	Un-audited Rupees	Un-audited Rupees	Un-audited Rupees	Un-audited Rupees
Sales - net	236,591,381	102,063,216	309,672,286	276,133,877
Cost of sales	(213,223,925)	(115,193,716)	(274,371,333)	(288,077,408)
<b>Gross profit / (loss)</b>	<b>23,367,456</b>	<b>(13,130,500)</b>	<b>35,300,953</b>	<b>(11,943,531)</b>
Distribution cost	(1,825,000)	(1,196,960)	(3,690,345)	(2,329,480)
Administrative expenses	(11,353,624)	(13,550,935)	(19,843,046)	(22,120,657)
	(13,178,624)	(14,747,895)	(23,533,391)	(24,450,137)
<b>Operating profit / (loss)</b>	<b>10,188,832</b>	<b>(27,878,395)</b>	<b>11,767,562</b>	<b>(36,393,668)</b>
Finance cost	(46,788)	(48,135)	(66,291)	(80,754)
Other operating income	-	212,463	964,334	212,463
<b>Profit / (loss) before taxation</b>	<b>10,142,044</b>	<b>(27,714,067)</b>	<b>12,665,605</b>	<b>(36,261,959)</b>
Taxation	(3,561,450)	(1,557,212)	(4,663,818)	(4,200,339)
<b>Profit / (loss) for the period</b>	<b>6,580,594</b>	<b>(29,271,279)</b>	<b>8,001,787</b>	<b>(40,462,298)</b>
<b>Earning / (loss) per share - basic &amp; diluted</b>	<b>0.07</b>	<b>(0.33)</b>	<b>0.09</b>	<b>(0.45)</b>

The annexed notes form an integral part of these condensed interim financial information (Unaudited).

  
**CHIEF EXECUTIVE OFFICER**

  
**DIRECTOR**

  
**CHIEF FINANCIAL OFFICER**



**YOUSAF WEAVING MILLS LIMITED**  
**STATEMENT OF OTHER COMPREHENSIVE INCOME**  
**FOR THE SIX MONTHS ENDED DECEMBER 31, 2020**

	Quarter Ended		Half Year Ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
	Un-audited Rupees	Un-audited Rupees	Un-audited Rupees	Un-audited Rupees
Profit / (loss) for the period	6,580,594	(29,271,279)	8,001,787	(40,462,298)
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income / (loss) for the period</b>	<b>6,580,594</b>	<b>(29,271,279)</b>	<b>8,001,787</b>	<b>(40,462,298)</b>

The annexed notes form an integral part of these condensed interim financial information (Unaudited).

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

**YOUSAF WEAVING MILLS LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTHS ENDED DECEMBER 31, 2020**

	Half Year Ended	
	December 31, 2020	December 31, 2019
	Un-audited Rupees	Un-audited Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit / (loss) before taxation	12,665,605	(36,261,959)
Adjustments for:		
- Depreciation	20,514,087	21,279,587
- Amortization of intangible assets	23,271	29,088
- Provision for gratuity	5,000,000	3,046,600
- Gain on disposal of property, plant and equipment	(964,334)	(212,456)
- Finance cost	66,291	80,754
<b>Operating profit / (loss) before working capital changes</b>	<b>37,304,920</b>	<b>(12,038,386)</b>
(Increase) / Decrease in current assets:		
- Stores and spares	1,566,246	5,102,979
- Stock in trade	(12,019,620)	9,573,671
- Trade debts	(22,636,969)	34,591,327
- Loan and advances	(247,270)	287,245
- Trade deposits and other receivables	(300,000)	(7,248,167)
- Sales tax refundable	9,318,563	(1,220,210)
Increase / (Decrease) in current liabilities:		
- Trade and other payables	(38,844,808)	(29,450,397)
	(63,163,858)	11,636,448
<b>CASH USED IN OPERATIONS</b>	<b>(25,858,938)</b>	<b>(401,938)</b>
Finance cost paid	(1,475,239)	(80,754)
Gratuity paid	(5,677,680)	(1,666,490)
Income tax paid	(2,086,940)	(2,487,794)
<b>Net cash used in operating activities</b>	<b>(35,098,797)</b>	<b>(4,636,976)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Property, plant and equipment purchased	-	(1,730,000)
Proceeds from disposal of property, plant and equipment	1,450,000	410,000
Short term investment	-	7,500,000
Long term loans to employees	-	34,000
Long term deposits	-	467,475
<b>Net cash generated from investing activities</b>	<b>1,450,000</b>	<b>6,681,475</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term loan - net	32,908,815	-
Repayment of liabilities against assets subject to finance lease	-	(594,316)
Short term borrowings - net	-	562,563
<b>Net cash generated from / (used in) financing activities</b>	<b>32,908,815</b>	<b>(31,753)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(739,983)</b>	<b>2,012,746</b>
Cash and cash equivalents at the beginning of the period	4,062,293	2,346,784
<b>Cash and cash equivalents at the end of the period</b>	<b>3,322,310</b>	<b>4,359,530</b>

The annexed notes form an integral part of these condensed interim financial information (Unaudited).

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

**YOUSAF WEAVING MILLS LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE SIX MONTHS ENDED DECEMBER 31, 2020**

Particulars	Issued, Subscribed and Paid up Share Capital	Accumulated Loss	Loan from Directors	Revaluation Surplus	Total
	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at July 1, 2019	900,000,000	(1,375,617,141)	191,630,686	203,833,327	(80,153,128)
Net loss for the period	-	(40,462,298)	-	-	(40,462,298)
Loan from directors during the period	-	-	800,000	-	800,000
<b>Balance as at December 31, 2019</b>	<u>900,000,000</u>	<u>(1,416,079,439)</u>	<u>192,430,686</u>	<u>203,833,327</u>	<u>(119,815,426)</u>
Balance as at July 1, 2020	900,000,000	(1,455,491,996)	231,050,797	203,833,327	(120,607,872)
Net profit for the period	-	8,001,787	-	-	8,001,787
Loan from directors during the period	-	-	39,121,892	-	39,121,892
<b>Balance as at December 31, 2020</b>	<u>900,000,000</u>	<u>(1,447,490,209)</u>	<u>270,172,689</u>	<u>203,833,327</u>	<u>(73,484,193)</u>

The annexed notes form an integral part of these condensed interim financial information (Unaudited).

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

**YOUSAF WEAVING MILLS LIMITED**  
**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE SIX MONTHS ENDED DECEMBER 31, 2020**

**Note 1**

**The Company and its Operations**

---

- 1.1 Yousaf Weaving Mills Limited was incorporated on January 17, 1988 as a public limited company in Pakistan under the Companies Ordinance, 1984 and is quoted on Pakistan Stock Exchange. The Company is engaged in the business of textile weaving, spinning, sale of processed fabric and home textile products. The registered office of the Company is situated at 7/1- E-3, Main Boulevard Gulberg III, Lahore.
- 1.2 During the half year ended December 31, 2020; Company has incurred profit after tax of Rs. 8.002 million [December 31, 2019: Rs. (40.462) million] and at half year end and as of the year end, its accumulated losses stood at Rs. 1,447.490 million [June 30, 2020: 1,455.492 million], its current liabilities exceed its current assets by Rs. 801.855 million [at June 30, 2020: Rs. 941.916 million]. The Company in order to carry on its business and to meet its current obligation requires generating sufficient cash flows. Accordingly there is a material uncertainty relating to the Company's operation that may cast sufficient doubt on the discharge of its liabilities in the normal course of business. Continuation of the Company as a going concern is dependent on improved cash flows. For this purpose the management of the Company has drawn up plans which include:-

The management is going to import state of the art 20 new looms and a new warping machinery, which will not only enhance the current production capacity but also augment plant's efficiency, resultantly we could be able to reduce energy overhead.

Recently the government has announced PM Relief Package for provision of electricity at reduced rates of Rs. 8/unit, which will be charged on incremental consumption of electricity with respect to corresponding period, due to which our energy cost will reduced with respect to prior periods. Further the management has contracted with a solar energy company to provide energy at reduced rates for a period of 15 years, this will also impact positively towards our production cost.

The directors / sponsors of the Company have provided their assistance in every hour of need to stabilize the Company's operations and committed to provide their enduring support to achieve sustainable growth in future and to cope-with liquidity crisis which is currently faced by the management for which they shall provide funds so that working capital requirements of the Company can be fulfilled.

In view of the above, these financial statements have been prepared on going concern

**Note 2**

**Basis of Preparation**

---

- 2.1 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting which comprise of International Accounting Standard (IAS) 34 'Interim Financial Reporting' issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act) and provisions of and directives issued under the Act.
- Where the provisions of and directives issued under the Act differ with the requirements of IAS 34, the provisions of and directives issued under the Act have been followed.
- 2.2 These condensed interim financial statements do not include all the information and disclosures required in an annual audited financial statements, and should be read in conjunction with the Company's annual audited financial statements for the year ended June 30, 2020.
- 2.3 This condensed interim financial information is presented in Pak rupees, which is the Company's functional and presentational currency. The financial statements have been prepared under the historical cost convention. Figures have been rounded off to the nearest thousand rupee, unless stated otherwise.

Note 3  
Significant Accounting Policies

The accounting policies and methods of computation of the interim financial information are the same as those followed in the preparation of annual financial information for the preceding year ended June 30, 2020.

3.1 New standards, amendments to approved accounting standards and new interpretations

3.1.1 Amendments to approved accounting standards which are effective during the year ending June 30, 2021

There are certain amendments to approved accounting standards which are mandatory for accounting periods beginning on or after July 1, 2020 but are considered not to be relevant or have any significant effect on the Company's financial reporting.

3.1.2 New standards and amendments to approved accounting standards that are effective for the Company's accounting periods beginning on or after July 1, 2021

There is a new standard and certain amendments to approved accounting standards that will be mandatory for accounting periods beginning on or after July 1, 2021 but are considered not to be relevant or expected to have any significant effect on the Company's financial reporting.

Note 4  
Significant Accounting Estimates, Judgments and Financial Risk Management

The preparation of these condensed interim financial statements in conformity with the approved accounting and reporting standards as applicable in Pakistan for interim reporting requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on the historical experience and other factors, including reasonable expectations of future events. Revision to accounting estimates are recognized prospectively commencing from the period of revision.

Judgments and estimates made by the management in the preparation of these condensed interim financial statements are same as those applied to financial statements as at and for the year ended June 30, 2020.

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2020.

Note 5  
Contingencies and Commitments

There is no other significant change in the contingencies and commitments as reported in the last published audited financial statements for the year ended June 30, 2020.

Note 6  
Property, Plant and Equipment

	Half Year Ended Dec 31, 2020 (Un-audited) Rupees	Year Ended June 30, 2020 (Audited) Rupees
Operating fixed assets	786,552,090	807,551,842
Opening written down value	807,551,842	825,389,867
Addition during the period / year (at cost)	-	26,130,000
Disposal during the period / year (written down value)	(485,666)	(981,676)
	807,066,176	850,538,191
Depreciation charge for the period / year	(20,514,086)	(42,986,349)
Closing written down value	786,552,090	807,551,842

Note 7  
Transactions with Related Parties

The related parties and associated undertakings comprise related group companies, associated companies, directors and key management personnel. Transactions with related parties and associated undertakings, other than remuneration and benefits to key management personnel under the term of their employment are as follows:

	Half Year Ended	
	Dec 31, 2020	Dec 31, 2019
	(Un-audited)	(Un-audited)
	Rs. '000'	Rs. '000'

Significant transaction with related parties are as follows:

- Loan received from directors - net	39,122	800
--------------------------------------	--------	-----

Note 8  
Segment Information

8.1 For management purposes, the activities of the Company are organized into two operating segment:

Weaving:	Production of grey and processed cloth.
Spinning:	Production of different qualities of yarn using natural and artificial fibers.

The Company operates in the said reportable operating segments bases on the nature of products, risks and returns, organizational and management structure and internal financial reporting systems. Accordingly, the figures reported in these condensed financial statements related to the Company's reportable segment.

Information regarding the Company's reportable segment for the half year ended December 31, 2020 are as follows:

8.2 Segment revenues and results

There were no transactions with key management personnel other than undertaken as per terms of their employment.

For the Half Year Ended December 31, 2020 (Un-audited)			
	Weaving Segment	Spinning Segment	Total
	Rupees	Rupees	Rupees
Sales - net	309,672,286	-	309,672,286
Cost of sales	(271,794,622)	(2,576,711)	(274,371,333)
Gross profit / (loss)	37,877,664	(2,576,711)	35,300,953
Distribution cost	(3,690,345)	-	(3,690,345)
Administrative expenses	(19,818,318)	(24,728)	(19,843,046)
	(23,508,663)	(24,728)	(23,533,391)
Operating profit / (loss)	14,369,001	(2,601,439)	11,767,562
Finance cost	(66,291)	-	(66,291)
Other operating income	964,334	-	964,334
Profit / (loss) before taxation	15,267,044	(2,601,439)	12,665,605
Taxation	(4,663,818)	-	(4,663,818)
Profit / (loss) after taxation	10,603,226	(2,601,439)	8,001,787

Note 8 - Segment Information - Continued...

For the Half Year Ended December 31, 2019 (Un-audited)			
	Weaving Segment	Spinning Segment	Total
	Rupees	Rupees	Rupees
Sales - net	276,133,877	-	276,133,877
Cost of sales	(286,780,992)	(1,296,416)	(288,077,408)
Gross profit	(10,647,115)	(1,296,416)	(11,943,531)
Distribution cost	(2,329,480)	-	(2,329,480)
Administrative expenses	(22,079,756)	(40,901)	(22,120,657)
	(24,409,236)	(40,901)	(24,450,137)
Operating (Loss) / profit	(35,056,351)	(1,337,317)	(36,393,668)
Finance cost	(80,754)	-	(80,754)
Other operating income	212,463	-	212,463
(Loss) / profit before taxation	(34,924,642)	(1,337,317)	(36,261,959)
Taxation	(4,200,339)	-	(4,200,339)
(Loss) / profit after taxation	(39,124,981)	(1,337,317)	(40,462,298)

8.3 Segment assets and liabilities

As at December 31, 2020 (Un-audited)			
	Weaving Segment	Spinning Segment	Total
	Rupees	Rupees	Rupees
Segment assets for reportable segments	862,128,499	74,503,780	936,632,279
Unallocated assets			47,429,832
Total assets as per balance sheet			984,062,111
Segment liabilities for reportable segments	813,564,383	200,069,981	1,013,634,364
Unallocated liabilities			43,911,940
Total liabilities as per balance sheet			1,057,546,304

As at June 30, 2020 (Audited)			
	Weaving Segment	Spinning Segment	Total
	Rupees	Rupees	Rupees
Segment assets for reportable segments	845,388,148	79,289,524	924,677,672
Unallocated assets			61,045,074
Total assets as per balance sheet			985,722,746
Segment liabilities for reportable segments	860,708,896	200,069,981	1,060,778,877
Unallocated liabilities			45,551,741
Total liabilities as per balance sheet			1,106,330,618

Note 9  
Financial Risk Management

The Company's financial risk management objectives and policies are consistent with those disclosed in the audited annual published financial statements of the Company for the year ended June 30, 2020.

Note 10  
General

10.1 This interim financial information is authorized for issue on February 26, 2021 by the Board of Directors of the Company.

10.2 Corresponding figures have been re-arranged wherever necessary to facilitate comparison. No material rearrangement has been made during the period.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER