

QUARTERLY REPORT

UN-AUDITED

For The 3rd Quarter Ended

March 31, 2020



YOUSAF WEAVING MILLS LIMITED



YOUSAF WEAVING MILLS LIMITED

A Project of Chakwal Group

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DIRECTORS' REPORT TO THE SHAREHOLDERS

The directors of the company are pleased to present their report together with the un-audited condensed interim financial statements for the nine months ended March 31, 2020.

During the nine months ended the Company incurred gross loss of Rs. 64.475 million as compared to gross loss of Rs. 14.379 million in the comparative period; whereas net loss is amounting to Rs. 111.775 million as compared to Rs. 116.237 million in the same period.

During the last quarter the Company's revenue dropped down due to COVID-19 pandemic, the Government has announced lock down in the month of March after which all the business operations ceased which badly affected our revenue figure. Further due rapid devaluation of Pak Rupee, high inflation rate and drastic change in energy cost our production cost has been increased significantly. Zero Rated status of textile sector has been revoked since from new financial year and standard sales tax @ 17% has been levied on textile sector along with further tax @ 3% on un-registered person, which resulted in radical curtailment of our revenue from un-registered sales.

During the lockdown period the Government has announced incentives for industry including provision of finance to business concerns to at low rate to meet their payroll expense for the last quarter of current financial year. Further the Government is also planning to provide energy to textile sector at subsidized rate on long term & consistent basis so that our textile products could compete in international market. The management is hopeful that this will has a positive impact on our business operations.

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


Khawaja Shahzad Younus

Director


Khawaja Mohammad Nadeem
Chief Executive Officer

May 19, 2020

ڈائریکٹرز رپورٹ


کمپنی کے ڈائریکٹرز کی جانب سے ہم 31 مارچ 2020 کے اختتام شدہ نو ماہ کے غیر شدہ حسابات پیش کرتے ہوئے مسرت کا اظہار کرتے ہیں۔


نو ماہ کے دوران کمپنی کا مجموعی خسارہ پچھلے دورانیہ کے 14.379 ملین روپے کے مقابلے میں 64.475 ملین رہا، جبکہ خالص خسارہ 111.775 ملین رہا جو کہ پچھلے دورانیہ 116.237 ملین تھا۔

کورونا وائرس کی وجہ سے کمپنی کی سیلز آخری ششماہی میں گر گئی۔ حکومت نے مارچ میں لاک ڈاؤن کا اعلان کیا جس کی وجہ سے تمام کاروباری سرگرمیاں معطل ہو گئی۔ مزید برآں روپے کی قدر میں کمی، برہتی ہوئی مہنگائی اور توانائی کی قیمتوں میں اضافے کی وجہ سے ہمارے پیداوار لاگت بہت زیادہ بڑھ گئی ہے۔ نئے مالی سال سے کپڑے کی صنعت پر 17% سیلز ٹیکس عائد کر دیا گیا ہے اور غیر رجسٹرڈ سیلز کی صورت میں 3% اضافی سیلز ٹیکس بھی عائد کیا گیا ہے جس کی وجہ سے ہماری غیر رجسٹرڈ افراد کو سیلز بری طرح متاثر ہوئی ہے۔

حکومت نے لاک ڈاؤن کے دورانیہ کے دوران کاروباری طبقے کی حوصلہ افزائی کے لیے کم شرح پر قرضے فراہم کرنے کا اعلان کیا ہے تاکہ وہ اپنے ملازمین کو آخری ششماہی کی تنخواہیں ادا کر سکیں۔ مزید برآں حکومت ٹیکسٹائل کی صنعت کو سٹے نرخوں پر بجلی کی فراہمی کے لیے منصوبہ بندی کر رہی ہے جس کی وجہ سے ہمارے کاروبار پر اچھا اثر پڑے گا۔

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 شکریہ ادا کرتے ہیں۔


(چیف ایگزیکٹو آفیسر)


خواجہ محمد شہزاد
(ڈائریکٹر)

تاریخ: 19 مئی 2020

لاہور

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

	Note	March 31, 2020 (Un-audited) Rupees	June 30, 2019 (Audited) Rupees
CAPITAL AND LIABILITIES			
Share Capital and Reserves			
Authorized share capital 90,000,000 (2019: 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
Accumulated loss		(1,487,392,012)	(1,375,617,141)
Surplus on revaluation of property, plant and equipment		203,833,327	203,833,327
		(383,558,685)	(271,783,814)
Non Current Liabilities			
Deferred liability		24,870,961	21,491,451
Current Liabilities			
Trade and other payables		498,671,465	433,842,930
Unclaimed dividend		3,247,016	3,247,016
Accrued mark up		135,933,540	135,933,540
Short term borrowings		581,781,559	584,072,509
Current portion of non current liabilities		93,176,953	93,771,269
Provision for taxation		50,666,922	55,818,081
		1,363,477,455	1,306,685,345
Contingencies and Commitments	5	-	-
		1,004,789,731	1,056,392,982


 CHIEF EXECUTIVE OFFICER



 DIRECTOR


 CHIEF FINANCIAL OFFICER

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

	Note	March 31, 2020	June 30, 2019
		(Un-audited) Rupees	(Audited) Rupees
ASSETS			
Non Current Assets			
Property, plant and equipment	6	806,071,678	825,389,867
Intangible assets		247,247	290,881
Long term loans		8,186,877	8,212,377
Long term deposits		37,762,809	37,762,809
		852,268,611	871,655,934
Current Assets			
Stores and spares		10,771,688	15,292,701
Stock in trade		29,142,755	35,996,754
Short term investment		-	7,500,000
Trade debts		19,476,430	52,697,603
Loans and advances		34,163,244	10,811,885
Trade deposits and other receivables		8,320,655	8,618,182
Tax refunds due from government		49,009,250	51,473,139
Cash and bank balances		1,637,098	2,346,784
		152,521,120	184,737,048
		1,004,789,731	1,056,392,982

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 PROFIT OR LOSS

FOR THE NINE MONTHS ENDED MARCH 31, 2020

	Nine Months Ended		Quarter Ended	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	Un-audited Rupees	Un-audited Rupees	Un-audited Rupees	Un-audited Rupees
Sales - net	342,296,923	1,072,704,421	66,163,046	308,458,210
Cost of sales	(406,771,883)	(1,087,083,144)	(118,694,475)	(297,738,089)
Gross (loss) / Profit	(64,474,960)	(14,378,723)	(52,531,429)	10,720,121
Distribution cost	(3,397,560)	(5,003,689)	(1,068,080)	(1,391,893)
Administrative expenses	(32,589,414)	(35,692,912)	(10,468,757)	(13,433,193)
	(35,986,974)	(40,696,601)	(11,536,837)	(14,825,086)
Operating loss	(100,461,934)	(55,075,324)	(64,068,266)	(4,104,965)
Finance cost	(106,600)	(43,973,036)	(25,846)	(16,459,821)
Other operating income	212,463	-	-	-
Loss before taxation	(100,356,071)	(99,048,360)	(64,094,112)	(20,564,786)
Taxation	(11,418,800)	(17,188,352)	(7,218,461)	(6,811,874)
Loss for the period	(111,774,871)	(116,236,712)	(71,312,573)	(27,376,660)
Loss per share - basic & diluted	(1.24)	(1.29)	(0.79)	(0.30)

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 NINE MONTHS ENDED MARCH 31, 2020

	Nine Months Ended		Quarter Ended	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	Un-audited Rupees	Un-audited Rupees	Un-audited Rupees	Un-audited Rupees
Loss for the period	(111,774,871)	(116,236,712)	(71,312,573)	(27,376,660)
Other comprehensive income for the period	-	-	-	-
Total comprehensive loss for the period	(111,774,871)	(116,236,712)	(71,312,573)	(27,376,660)

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 NINE MONTHS ENDED MARCH 31, 2020

	Nine Months Ended	
	March 31, 2020	March 31, 2019
	Un-audited Rupees	Un-audited Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(100,356,071)	(99,048,360)
Adjustments for:		
- Depreciation	32,250,644	29,841,150
- Amortization of intangible assets	43,633	54,540
- Provision for gratuity	5,046,000	12,018,577
- Gain on sale of property, plant and equipment	(212,456)	-
- Finance cost	106,600	43,973,036
Operating loss before working capital changes	(63,121,650)	(13,161,057)
(Increase) / Decrease in current assets:		
- Stores and spares	4,521,013	1,402,579
- Stock in trade	6,853,999	(11,428,414)
- Trade debts	33,221,173	(1,133,033)
- Loan and advances	(23,359,859)	13,828,899
- Trade deposits and other receivables	(7,418,115)	3,788,573
- Sales tax refundable	(11,384,330)	6,551,522
Increase / (Decrease) in current liabilities:		
- Trade and other payables	72,076,702	147,927,045
	74,510,583	160,937,171
CASH GENERATED FROM OPERATIONS	11,388,933	147,776,114
Finance cost paid	(106,600)	(3,604,265)
Gratuity paid	(1,666,490)	(9,739,490)
Income tax paid	(2,721,737)	(2,139,710)
Net cash generated from operating activities	6,894,106	132,292,649
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment purchased	(13,130,000)	(77,783,099)
Proceeds from disposal of property, plant and equipment	410,000	-
Short term investment	7,500,000	-
Long term loans to employees	34,000	(380,557)
Long term deposits	467,475	(30,263,210)
Net cash used in investing activities	(4,718,525)	(108,426,866)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term loan repaid	-	(4,842,379)
Repayment of liabilities against assets subject to finance lease	(594,316)	(995,369)
Short term borrowings - net	(2,290,950)	(1,777,081)
Net cash used in financing activities	(2,885,266)	(7,614,829)
Net (decrease) / increase in cash and cash equivalents	(709,686)	16,250,954
Cash and cash equivalents at the beginning of the period	2,346,784	2,461,509
Cash and cash equivalents at the end of the period	1,637,098	18,712,463

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

YOUSAF WEAVING MILLS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED MARCH 31, 2020

Particulars	Issued, Subscribed and Paid up Share Capital	Accumulated Loss	Revaluation Surplus	Total
	Rupees	Rupees	Rupees	Rupees
Balance as at July 1, 2018	900,000,000	(1,301,536,986)	203,833,327	(197,703,659)
Net loss for the period	-	(116,236,712)	-	(116,236,712)
Balance as at March 31, 2019	900,000,000	(1,417,773,698)	203,833,327	(313,940,371)
Balance as at July 1, 2019	900,000,000	(1,375,617,141)	203,833,327	(271,783,814)
Net loss for the period	-	(111,774,871)	-	(111,774,871)
Balance as at March 31, 2020	900,000,000	(1,487,392,012)	203,833,327	(383,558,685)

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 NINE MONTHS ENDED MARCH 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 nine months ended March 31, 2020; Company has incurred loss after tax of Rs. 111.775 million (March 31, 2019: Rs. 116.237 million) and at nine months end, its accumulated losses stood at Rs. 1,487.392 million (June 30, 2019: 1,375.617 million), its current liabilities exceed its current assets by Rs. 1,210.956 million (at June 30, 2019: Rs. 1,121.948 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 has made advances to purchase sizing machine to enhance the current production capacity of the sizing department, after installation of sizing plant the company could' not only be able to save excessive sizing costs which are currently being paid to external vendors but also earn sufficient cash flows from commercial sizing services which will offered to market participants.
 - The management is shifting its energy load from electricity supplied by government to in-house production of electricity from gas generators which is relatively cheaper source. For this purpose the company has made investment during last period and constantly focusing on to enhance generators production capacity of generators. The management is hopeful that during upcoming periods we could be able to generate enough power to fulfill our requirements.
 - The Government has planned to provide energy at subsidized rates to textile industry; if the government takes immediate steps in this regard, it is expected the our energy cost will reduced with respect to prior periods.
 - The Company is negotiating with its bankers for re-structuring of its financial facilities to meet its working capital requirements.

Note 2

Basis of Preparation

- 2.1 These condensed interim financial information have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

International Financial Reporting Standard (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 provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

- 2.2 The condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Company for the year ended 30 June, 2019.
- 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 adopted and methods of computation followed in the preparation of this condensed interim financial information are same as those for the preceding annual financial statements for the year ended June 30, 2019 to this condensed interim financial information.

The Company has adopted all the new standards and amendments to standards, including any consequential amendments to other standards which are applicable for the financial year beginning on July 1, 2019. The adoption of these new and amended standards did not have material impact on the Company's condensed interim financial information.

Note 4
Accounting Estimates and Judgments

The accounting estimates and associated assumptions used in preparation of this condensed interim financial information are consistent with those applied in the preparation of annual financial statement of the Company for the year ended June 30, 2019.

Note 5
Contingencies and Commitments

Bank of Punjab filed a suit against the Company and Others before the Lahore High Court vide COS No. 60966/2019, wherein the Bank demanded recovery of Rs. 113.590 million along-with mark up and other costs. This suit is still pending adjudication. This case is being vigorously and diligently contested by the Company and there are good chances of a favorable result in this case. Except the suit filed by BOP 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, 2019.

Note 6
Property, Plant and Equipment

	Nine Months Ended March 31, 2020	Year Ended June 30, 2019
	(Un-audited) Rupees	(Audited) Rupees
Operating fixed assets	806,071,678	825,389,867
Opening written down value	825,389,867	783,754,312
Addition during the period / year (at cost)	13,130,000	84,536,519
Disposal during the period / year (written down value)	(197,545)	(14,810)
	838,322,322	868,276,021
Depreciation charge for the period / year	(32,250,644)	(42,886,154)
Closing written down value	806,071,678	825,389,867

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:

Nine Months Ended	
March 31, 2020	March 31, 2019
(Un-audited)	(Un-audited)
Rs. "000"	Rs. "000"

Significant transaction with related parties are as follows:

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 nine months ended March 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 Nine Months Ended March 31, 2020 (Un-audited)			
	Weaving Segment	Spinning Segment	Total
	Rupees	Rupees	Rupees
Sales - net	342,296,923	-	342,296,923
Cost of sales	(404,092,838)	(2,679,045)	(406,771,883)
Gross loss	(61,795,915)	(2,679,045)	(64,474,960)
Distribution cost	(3,397,560)	-	(3,397,560)
Administrative expenses	(32,528,063)	(61,351)	(32,589,414)
	(35,925,623)	(61,351)	(35,986,974)
Operating loss	(97,721,538)	(2,740,396)	(100,461,934)
Finance cost	(106,600)	-	(106,600)
Other operating income	212,463	-	212,463
Loss before taxation	(97,615,675)	(2,740,396)	(100,356,071)
Taxation	(11,418,800)	-	(11,418,800)
Loss after taxation	(109,034,475)	(2,740,396)	(111,774,871)

For the Nine Months Ended March 31, 2019 (Un-audited)			
	Weaving Segment	Spinning Segment	Total
	Rupees	Rupees	Rupees
Sales - net	468,831,603	603,872,818	1,072,704,421
Cost of sales	(432,577,717)	(654,505,427)	(1,087,083,144)
Gross Profit / (loss)	36,253,886	(50,632,609)	(14,378,723)
Distribution cost	(1,173,733)	(3,829,956)	(5,003,689)
Administrative expenses	(24,797,429)	(10,895,483)	(35,692,912)
	(25,971,162)	(14,725,439)	(40,696,601)
Operating Profit / (loss)	10,282,724	(65,358,048)	(55,075,324)
Finance cost	(41,421,169)	(2,551,867)	(43,973,036)
Loss before taxation	(31,138,445)	(67,909,915)	(99,048,360)
Taxation	(9,639,942)	(7,548,410)	(17,188,352)
Loss after taxation	(40,778,387)	(75,458,325)	(116,236,712)

Note 8 - Segment Information - Continued...

8.3 Segment assets and liabilities

As at March 31, 2020 (Un-audited)			
	Weaving Segment	Spinning Segment	Total
	Rupees	Rupees	Rupees
Segment assets for reportable segments	744,562,277	210,998,256	955,560,533
Unallocated assets			49,229,198
Total assets as per balance sheet			<u>1,004,789,731</u>
Segment liabilities for reportable segments	1,077,229,364	71,321,444	1,148,550,808
Unallocated liabilities			239,797,608
Total liabilities as per balance sheet			<u>1,388,348,416</u>
As at June 30, 2019 (Audited)			
	Weaving Segment	Spinning Segment	Total
	Rupees	Rupees	Rupees
Segment assets for reportable segments	788,911,337	216,008,505	1,004,919,842
Unallocated assets			51,473,140
Total assets as per balance sheet			<u>1,056,392,982</u>
Segment liabilities for reportable segments	984,775,628	89,001,668	1,073,777,296
Unallocated liabilities			254,399,500
Total liabilities as per balance sheet			<u>1,328,176,796</u>

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, 2019.

Note 10

General

10.1 This interim financial information is authorized for issue on May 19, 2020 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