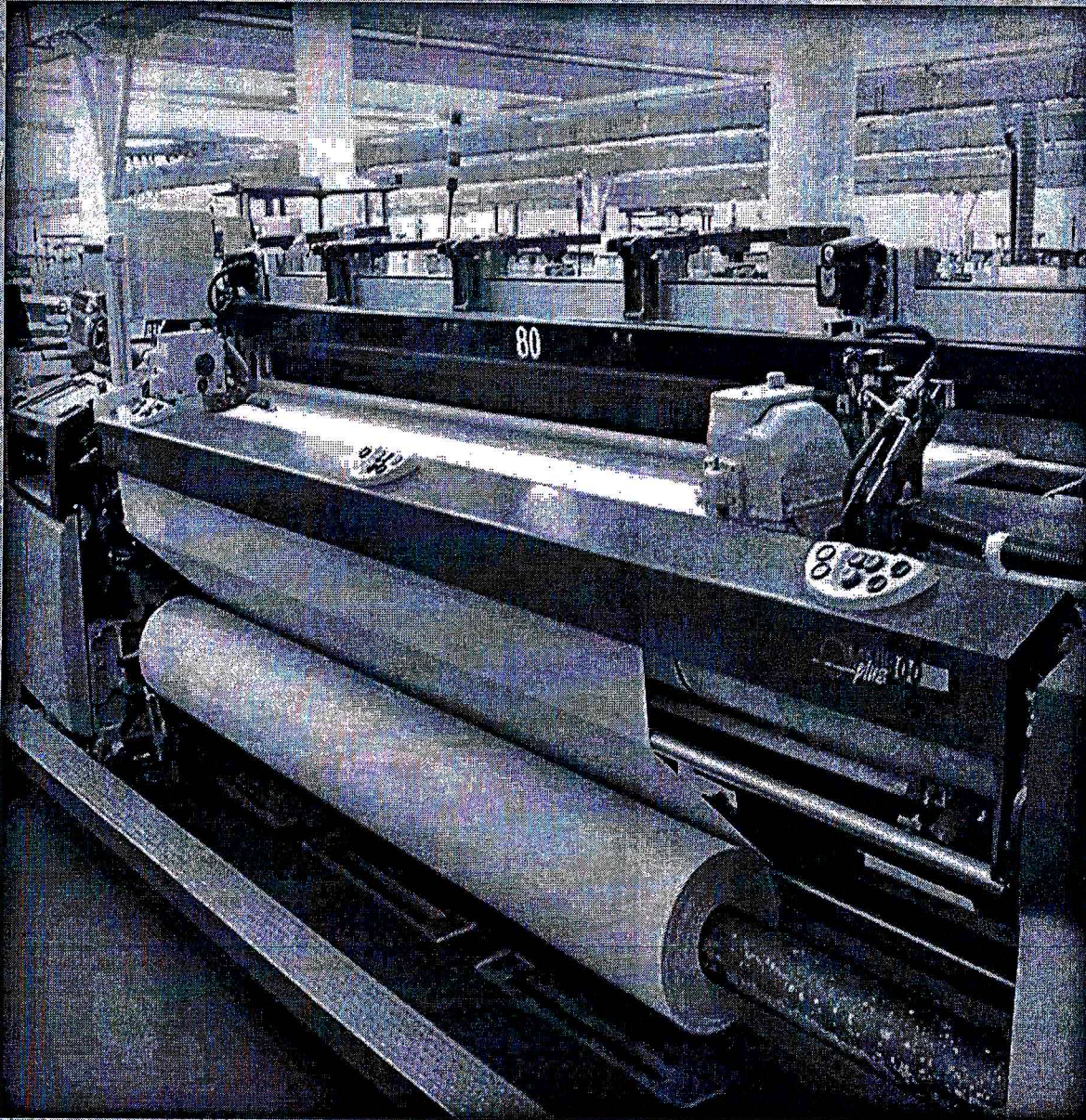


# **Yousaf Weaving Mills Limited**



**Quarterly Report  
Un-Audited  
1st Quarter Ended  
September 30, 2019**



## **YOUSAF WEAVING MILLS LIMITED**

### **COMPANY INFORMATION**

#### **BOARD OF DIRECTORS**

Mst. Alia Khanum	(Chairman)
Khawaja Mohammad Nadeem	(Chief Executive)
Khawaja Shahzad Younus	(Director)
Mst. Nargis Sultana	(Director)
Mr. Khalid Mehmood	(Director)
Mr. Waseem Baig	(Director)
Sheikh Maqbool Ahmed	(Independent Director)
Mr. Mohammad Tariq Sufi	(Independent Director)

#### **AUDIT COMMITTEE**

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

#### **HR & REMUNERATION COMMITTEE**

Mr. Mohammad Tariq Sufi	(Chairman)
Mr. Waseem Baig	(Member)
Mr. Khalid Mehmood	(Member)

#### **COMPANY SECRETARY**

Mr. Nadeem Anwar	(ACA)
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#### **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 un-audited condensed interim financial statements for the 1<sup>st</sup> quarter ended September 30, 2019.

The company has been able to get the momentum toward the operating performance during the first quarter. The company earned a gross profit of Rs 1.187 million in the period as compared to gross loss of Rs. 23.604 million in the corresponding period. Although the company made a net loss of Rs. 11.191 as compared to Rs. 55.103 million in the same period during the last period but the management is confident that with its strenuous efforts the company would get the ultimate goal of consistent overall profitability in the up-coming period. The management efforts to control the cost remain effective which contributed in the achieved performance of the company.

Although the Government has allowed incentive to the textile sector by providing subsidized gas and power, but uncertainties remains folded toward these benefit as every month the door of courts are knocked to get these benefits matured. The Government should be consistent toward its promises made with the helm of the industry to provide the subsidized energy at fixed rates for a period of four years. After the announcement of fiscal budget 2019-20 the environment of trade and business is not comfortable with amendment in sales tax. The government is addressing the grieves of traders on adhoc basis without making any ultimate solution which is affecting the performance of the textile sector.

The management has made significant success and believes that with more dedicated efforts in the coming period it will put the company on sustainable path of operating performance.

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

November 29, 2019

Alia Khanum

Chairman

Khawaja Mohammad Nadeem

Chief Executive Officer



# YOUSAF WEAVING MILLS LIMITED

A Project of Chakwal Group

7/1 - E-3, Main Boulevard  
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## ڈائریکٹرز رپورٹ

کمپنی کے ڈائریکٹرز کی جانب سے 30 ستمبر 2019 پر اختتام شدہ سہ ماہی کے لیے غیر جانچ اور کثیف شدہ حسابات بشمول اپنی رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

پہلی سہ ماہی کے دوران کمپنی اپنی کارکردگی کی رفتار بڑھانے میں کامیاب رہی۔ کمپنی نے پچھلے دورانیہ کے 23.604 ملین مجموعی خسارے کے مقابلے میں اس سہ ماہی میں 1.191 ملین مجموعی منافع کمایا ہے۔ اگرچہ کمپنی کا خالص خسارہ پچھلے دورانیہ کے خالص خسارہ 35.103 ملین روپے کے مقابلے میں 11.191 ملین رہا، لیکن مینجمنٹ پر اعتماد ہے کہ اس کی سخت کوششیں رنگ لائیں گی اور کمپنی اپنے منافع کمانے کے حتمی مقصد کو حاصل کرنے میں کامیاب رہے گی۔ مینجمنٹ کی لاگت کو کنٹرول کرنے کی کوشش نے کمپنی کی مجموعی کارکردگی میں اپنا حصہ ڈالا ہے۔

اگرچہ حکومت نے کپڑے کی صنعت کو ارزوں نرغوں پر گیس اور بجلی مہیا کرنے کا اعلان کیا ہے لیکن ان فوائد پر بے یقینی کا پردہ بڑا رہا کیونکہ ان فوائد کو حاصل کرنے کیلئے ہمیں ہر ماہ عدالت کا دروازہ کھٹکانا پڑا ہے۔ حکومت کو فکسڈ نرغوں پر چار سال تک توانائی کی فراہمی کے وعدے پر قائم رہنا چاہئے مالی بجٹ 2019-20 میں سیلز ٹیکس لگنے کی وجہ سے معاشی صورتحال تسلی بخش نہیں رہی حکومت عارضی طور پر تاجروں کی شکایات کے اندراک کی کوشش کر رہی ہے بجائے یہ کہ اس مسئلے کا مستقل حل تلاش کیا جائے جو کہ کپڑے کی صنعت کو متاثر کر رہا ہے۔

کمپنی نے نمایاں کامیابی حاصل کی ہے اور یقین رکھتی ہے کہ مزید محنت و استقامت سے یہ منافع کی راہ پر چلنے کے قابل ہو سکے گی

بورڈ حصہ دران کے کمپنی پر مسلسل اعتماد کا شکر گزار ہے اور ساتھ ہی ساتھ ملازمین کا ان کی محنت، وفاداری اور جذبے کی وجہ ممنون ہے

منجانب بورڈ آف ڈائریکٹرز  
خواجہ محمد اندیکلام  
چیف ایگزیکٹو

عالیہ خانم  
چیرمین

لاہور

29 نومبر 2019



**YOUSAF WEAVING MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT SEPTEMBER 30, 2019**

	September 30, 2019	June 30, 2019
Note	(Un-audited) Rupees	(Audited) Rupees
<b>CAPITAL AND LIABILITIES</b>		
<b>Share Capital and Reserves</b>		
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	(1,386,808,160)	(1,375,617,141)
Surplus on revaluation of property, plant and equipment	203,833,327	203,833,327
	(282,974,833)	(271,783,814)
<b>Non Current Liabilities</b>		
Deferred liability	22,121,501	21,491,451
<b>Current Liabilities</b>		
Trade and other payables	413,626,787	433,842,930
Unclaimed dividend	3,247,016	3,247,016
Accrued mark up	135,933,540	135,933,540
Short term borrowings	609,154,970	584,072,509
Current portion of non current liabilities	93,676,269	93,771,269
Provision for taxation	58,461,208	55,818,081
	1,314,099,790	1,306,685,345
<b>Contingencies and Commitments</b>	5	-
	1,053,246,458	1,056,392,982



**YOUSAF WEAVING MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT SEPTEMBER 30, 2019**

	Note	September 30, 2019 (Un-audited) Rupees	June 30, 2019 (Audited) Rupees
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Property, plant and equipment	6	816,443,900	825,389,867
Intangible assets		276,335	290,881
Long term loans		8,212,377	8,212,377
Long term deposits		37,762,809	37,762,809
		862,695,421	871,655,934
<b>Current Assets</b>			
Stores and spares		10,920,592	15,292,701
Stock in trade		36,468,240	35,996,754
Short term investment		7,300,000	7,500,000
Trade debts		83,305,343	52,697,603
Loans and advances		10,116,476	10,811,885
Trade deposits and other receivables		1,370,015	8,618,182
Tax refunds due from government		37,604,064	51,473,139
Cash and bank balances		3,466,307	2,346,784
		190,551,037	184,737,048
		<u>1,053,246,458</u>	<u>1,056,392,982</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**  
**STATEMENT OF PROFIT OR LOSS**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2019**

	Quarter Ended	
	September 30, 2019	September 30, 2018
	Un-audited Rupees	Un-audited Rupees
Sales - net	174,070,661	334,494,516
Cost of sales	(172,883,692)	(358,098,903)
<b>Gross / profit / (loss)</b>	<b>1,186,969</b>	<b>(23,604,387)</b>
Distribution cost	(1,132,520)	(824,533)
Administrative expenses	(8,569,722)	(11,009,307)
	(9,702,242)	(11,833,840)
<b>Operating loss</b>	<b>(8,515,273)</b>	<b>(35,438,227)</b>
Finance cost	(32,619)	(15,757,835)
<b>Loss before taxation</b>	<b>(8,547,892)</b>	<b>(51,196,062)</b>
Taxation	(2,643,127)	(3,907,554)
<b>Loss for the year</b>	<b>(11,191,019)</b>	<b>(55,103,616)</b>
<b>Loss per share - basic &amp; diluted</b>	<b>(0.12)</b>	<b>(0.61)</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 QUARTER ENDED SEPTEMBER 30, 2019**

	Quarter Ended	
	September 30, 2019	September 30, 2018
	Un-audited Rupees	Un-audited Rupees
Loss for the period	(11,191,019)	(55,103,616)
Other comprehensive income for the period	-	-
Total comprehensive loss for the period	<u>(11,191,019)</u>	<u>(55,103,616)</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**  
**STATEMENT OF CASH FLOWS**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2019**

	Quarter Ended	
	September 30, 2019	September 30, 2018
	Un-audited Rupees	Un-audited Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(8,547,892)	(51,196,062)
Adjustments for:		
- Depreciation	10,675,967	10,249,980
- Amortization of intangible assets	14,545	18,180
- Provision for gratuity	2,000,000	3,210,000
- Finance cost	32,619	15,757,835
<b>Operating/profit/(loss) before working capital changes</b>	<b>4,175,239</b>	<b>(21,960,067)</b>
(Increase) / Decrease in current assets:		
- Stores and spares	4,372,109	843,652
- Stock in trade	(471,486)	(7,172,073)
- Short term investment	200,000	-
- Trade debts	(30,607,740)	710,250
- Loan and advances	695,409	11,831,461
- Trade deposits and other receivables	-	(5,729,516)
- Sales tax refundable	15,245,898	2,085,032
Increase / (Decrease) in current liabilities:		
- Trade and other payables	(12,967,976)	28,565,771
	(23,533,786)	31,134,577
<b>CASH (USED IN) / GENERATED FROM OPERATIONS</b>	<b>(19,358,547)</b>	<b>9,174,510</b>
Finance cost paid	(32,619)	(120,805)
Gratuity paid	(1,369,950)	(184,230)
Income tax paid	(1,376,821)	(500,599)
<b>Net cash (used in) / generated from operating activities</b>	<b>(22,137,937)</b>	<b>8,368,876</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Property, plant and equipment purchased	(1,730,000)	(17,310,200)
Long term loans to employees	-	(375,668)
Long term deposits	-	(30,042,460)
<b>Net cash used in investing activities</b>	<b>(1,730,000)</b>	<b>(47,728,328)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of liabilities against assets subject to finance lease	(95,000)	(225,000)
Short term borrowings - net	25,082,461	42,402,011
<b>Net cash generated from financing activities</b>	<b>24,987,461</b>	<b>42,177,011</b>
<b>Net / increase in cash and cash equivalents</b>	<b>1,119,523</b>	<b>2,817,559</b>
Cash and cash equivalents at the beginning of the period	2,346,784	2,461,509
<b>Cash and cash equivalents at the end of the period</b>	<b>3,466,307</b>	<b>5,279,068</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 QUARTER ENDED SEPTEMBER 30, 2019**

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	-	(75,192,370)	-	(75,192,370)
<b>Balance as at September 30, 2018</b>	<b>900,000,000</b>	<b>(1,376,729,356)</b>	<b>203,833,327</b>	<b>(272,896,029)</b>
Balance as at July 1, 2019	900,000,000	(1,375,617,141)	203,833,327	(271,783,814)
Net loss for the period	-	(11,191,019)	-	(11,191,019)
<b>Balance as at September 30, 2019</b>	<b>900,000,000</b>	<b>(1,386,808,160)</b>	<b>203,833,327</b>	<b>(282,974,833)</b>

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

  
 CHIEF EXECUTIVE OFFICER

  
 DIRECTOR

  
 CHIEF FINANCIAL OFFICER

**YUSAF WEAVING MILLS LIMITED**  
**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2019**

**Note 1****The Company and its Operations**

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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.

**Note 2****Basis of Preparation**

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- 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**

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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, 2019.

**Note 4****Accounting Estimates and Judgments**

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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 Limited for the year ended June 30, 2019.

**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, 2019.



Note 6

Property, Plant and Equipment

	Quarter Ended Sep 30, 2019	Year Ended June 30, 2019
	(Un-audited) Rupees	(Audited) Rupees
Operating fixed assets	816,443,900	825,389,867
Opening written down value	825,389,867	783,754,312
Addition during the period / year (at cost)	1,730,000	84,536,519
Disposal during the period / year (written down value)	-	(14,810)
	827,119,867	868,276,021
Depreciation charge for the period / year	(10,675,967)	(42,886,154)
Closing written down value	816,443,900	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:

	Quarter Ended	
	Sep 30, 2019	Sep 30, 2018
	(Un-audited) Rs. "000"	(Un-audited) Rs. "000"
Significant transaction with related parties are as follows:		
- Loan (paid)/received to/from directors - net	(6,687)	10,111

Note 8

Segment Information

7.1 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 Quarter ended September 30, 2019 are as follows:

7.2 Segment revenues and results

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

	For the Quarter Ended September 30, 2019 (Un-audited)		
	Weaving Segment Rupees	Spinning Segment Rupees	Total Rupees
Sales - net	174,070,661	-	174,070,661
Cost of sales	(173,068,924)	185,232	(172,883,692)
Gross/profit/(loss)	1,001,737	185,232	1,186,969
Distribution cost	(1,132,520)	-	(1,132,520)
Administrative expenses	(8,549,272)	(20,450)	(8,569,722)
	(9,681,792)	(20,450)	(9,702,242)
Operating loss	(8,680,055)	164,782	(8,515,273)

Note 7 - Segment Information - Continued...

For the Quarter Ended September 30, 2019 (Un-audited)			
	Weaving Segment	Spinning Segment	Total
	Rupees	Rupees	Rupees
Finance cost	(32,619)	-	(32,619)
Loss before taxation	(8,712,674)	164,782	(8,547,892)
Taxation	(2,643,127)	-	(2,643,127)
Loss after taxation	(11,355,801)	164,782	(11,191,019)

For the Quarter Ended September 30, 2018 (Un-audited)			
	Weaving Segment	Spinning Segment	Total
	Rupees	Rupees	Rupees
Sales - net	104,246,202	230,248,314	334,494,516
Cost of sales	(110,580,767)	(247,518,136)	(358,098,903)
Gross loss	(6,334,565)	(17,269,822)	(23,604,387)
Distribution cost	(682,153)	(142,380)	(824,533)
Administrative expenses	(7,798,850)	(3,210,457)	(11,009,307)
	(8,481,003)	(3,352,837)	(11,833,840)
Operating loss	(14,815,568)	(20,622,659)	(35,438,227)
Finance cost	(14,871,259)	(886,576)	(15,757,835)
Loss before taxation	(29,686,827)	(21,509,235)	(51,196,062)
Taxation	(1,029,450)	(2,878,104)	(3,907,554)
Loss after taxation	(30,716,277)	(24,387,339)	(55,103,616)

11.3 Segment assets and liabilities

As at September 30, 2019 (Un-audited)			
	Weaving Segment	Spinning Segment	Total
	Rupees	Rupees	Rupees
Segment assets for reportable segments	809,236,349	213,654,212	1,022,890,561
Unallocated assets			30,355,897
Total assets as per balance sheet			1,053,246,458
Segment liabilities for reportable segments	1,016,959,635	75,856,455	1,092,816,090
Unallocated liabilities			243,405,201
Total liabilities as per balance sheet			1,336,221,291

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			1,056,392,982
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			1,328,176,796



Note 8  
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 9  
General

---

- 9.1 This interim financial information is authorized for issue on November 29, 2019 by the Board of Directors of the Company.
- 9.2 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