

Quarterly Report
Un-Audited
For The 3rd Quarter Ended
March 31, 2018



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)
Mr. Abdul Hye Khan Ghouri	(Director)
Mr. Mohammad Tariq Sufi	(Independent Director)

AUDIT COMMITTEE

Mr. Mohammad Tariq Sufi	(Chairman)
Mr. Abdul Hye Khan Ghouri	(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. Nadeem Anwar	(ACA)
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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, 1st 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

DIRECTORS' REVIEW

The Directors of the company pleased to present their review report along with the un-audited quarterly accounts for the quarter ended March 31, 2018.

The performance of the company during the period remained sluggish mainly due to high cost to do business for the reason of exorbitant energy prices. The Government which was earlier allowing system gas of 28 % has been blocked since December 2017. During this quarter we have to rely on RLNG which approximately cost Rs 1,300 MMBTU which affected the operating results of the company. The company sale has increased to Rs 1,572 million as compared to Rs 1,189 million in the corresponding period. The increase in sales was the result of leased facilities of Chakwal Spinning Mills Limited. The company incurred a gross loss of Rs 41.531 million as compared to gross profit of Rs 28.911 million in the same period last year. A net loss of Rs 137.236 million was incurred as compared to Rs 61.538 million in the corresponding period. This loss is also attributed to the leased production facilities of Chakwal Spinning Mills Limited, however these leased arrangement has been terminated since March 31, 2018. The operating profit of spinning unit remained satisfactory. The electric connection of weaving unit, which was earlier disconnected has been restored which will benefit to rationalized the energy cost. The Government has allowed to continue incentive of 28% system gas that will benefit to improve the operating performance in the coming period.

The management believe that the benefit of capacity enhancement both in the weaving and spinning segment will groom in the up-coming period in shape of efficiency, economy of scale and ultimately improved operating performance of the company.

The management is making every possible efforts to make the company a consistent profitable enterprise and will succeed in it with the Grace of Almighty Allah.

Your Directors are thankful to their shareholders, customers, suppliers, bankers, worker and employees for the dedicated support, commitment and diligence.

For and on behalf of the Board

Lahore:
April 28, 2018

Khawaja Mohammad Nadeem
Chief Executive

(Khawaja Shahzad Younus)
Director

ڈائریکٹرز کا جائزہ

کمپنی کے ڈائریکٹرز اپنی جائزہ رپورٹ بشمول 31 مارچ 2018 پر اختتام پذیر سہ ماہی کے غیر جانچ شدہ حسابات پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

اس دورانیے میں کمپنی کی کارکردگی اچھی نہیں رہی جس کی بڑی وجہ زیادہ پیداواری لاگت رہی جس کا ہم سبب تو انائی کی گراں قیمت ہے۔ حکومت جو 28% سسٹم گیس دے رہی تھی وہ دسمبر 2018 سے بند کر دی گئی ہے اور اس سہ ماہی میں ہمیں RLNG پر انحصار کرنا پڑا جس کی قیمت تقریباً 1,300MMBTU جس نے کمپنی کے کاروباری نتائج کو متاثر کیا۔ کمپنی کے پچھلے دورانیے کی فروخت 1,189 ملین روپے تھی جو کہ اس دورانیے میں بڑھ کر 1,572 ملین روپے ہو گئی ہے۔ فروخت میں اضافہ لیز پر لی گئی چکوال سپنگ ملز لمیٹیڈ کی سہولیات کی وجہ سے ہے۔ کمپنی کو پچھلے سال کے اس دورانیے کے 28,911 ملین روپے کے مجموعی منافع کے مقابلے میں اس دورانیے میں 41,531 ملین روپے کا مجموعی خسارہ ہوا ہے۔ پچھلے سال کے اس دورانیے کے 61,538 ملین روپے کے خالص خسارے کے مقابلے میں اس دورانیے میں 137,236 ملین روپے کا خالص خسارہ ہوا۔ یہ خسارہ بھی چکوال سپنگ ملز لمیٹیڈ کی لیز شدہ پیداواری سہولیات کی بدولت ہے بہر حال یہ لیز معاہدہ 31 مارچ 2018 سے ختم کر دیا گیا ہے۔

ویونگ یونٹ کا بجلی کا کنکشن جو پہلے معطل تھا اب بحال ہو گیا ہے جو تو انائی کے اخراجات کو کم کرنے میں معاون ثابت ہوگا۔ حکومت نے 28% سسٹم گیس کے استعمال کو جاری رکھنے کی اجازت دے دی ہے جو آنے والے دورانیے میں کاروباری کارکردگی کو بہتر بنانے میں فائدہ دے گا۔

منتظمین یقین رکھتے ہیں کہ ویونگ اور سپنگ دونوں شعبوں میں پیداواری صلاحیت بڑھانے، بہتر کارکردگی، زیادہ پیداواری وجہ سے لاگت میں کمی بالآخر کمپنی کی منافع کمانے کی صلاحیت میں اضافے کا سبب بنے گی۔

منتظمین کمپنی کو مستقل طور پر منافع بخش بنانے کی ہر ممکن کوشش کر رہے ہیں اور اللہ کے فضل و کرم سے کامیاب ہوں گے۔

آپ کے ڈائریکٹرز اپنے حصہ داران، گاہکوں، فراہم کنندگان، بیڈکاروں، مزدوروں اور ملازمین کی مسلسل حمایت، عزم اور ایمانداری کے شکر گزار ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے

تاریخ: 28 اپریل 2018

لاہور

خواجہ شہزاد یونس

خواجہ محمد ندیم

(ڈائریکٹر)

(چیف ایگزیکٹو)

CONDENSED INTERIM BALANCE SHEET

	Note	March 31, 2018 (Un-audited)	June 30, 2017 (Audited)
		----- Rupees -----	
CAPITAL AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital			
90,000,000 (June 30, 2017: 90,000,000) ordinary shares of Rs. 10 each		900,000,000	900,000,000
Issued, subscribed and paid up capital		900,000,000	400,000,000
Long Term Directors Loan Convertible into Ordinary Shares		-	500,000,000
Accumulated loss		(1,271,258,142)	(1,134,022,418)
		(371,258,142)	(234,022,418)
NON CURRENT LIABILITIES			
Long term Financing		68,505,472	80,523,976
Liabilities against assets subject to finance lease		890,913	1,754,014
Deferred liabilities		66,682,552	60,311,359
		136,078,937	142,589,349
CURRENT LIABILITIES			
Trade and other payables		389,794,286	280,392,145
Accrued mark up		115,196,559	83,551,360
Short term borrowings		503,806,178	518,014,235
Current maturity of non current liabilities		30,541,101	30,976,420
Provision for taxation		30,618,315	14,872,704
		1,069,956,439	927,806,864
CONTIGENCIES AND COMMITMENTS	5	-	-
		834,777,234	836,373,795

Lahore:
April 29, 2017

(Khawaja Mohammad Nadeem)
Chief Executive

AS AT MARCH 31, 2018 (UN-AUDITED)

	Note	March 31, 2018 (Un-audited)	June 30, 2017 (Audited)
		----- Rupees -----	
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	6	585,729,997	610,708,817
Intangible assets		386,327	454,503
Long term loans		10,172,311	9,415,673
Long term deposits		7,613,824	4,044,074
		603,902,459	624,623,067
CURRENT ASSETS			
Stores and spares		22,293,552	23,501,989
Stock in trade		60,706,186	77,655,925
Trade debts		22,449,727	14,011,729
Loans and advances		51,403,783	22,348,827
Trade deposits and short term prepayments		3,659,563	3,851,176
Other receivables		9,167,951	12,930,251
Tax refunds due from government		52,331,255	55,925,016
Cash and bank balances		8,862,758	1,525,815
		230,874,775	211,750,728
		834,777,234	836,373,795

The annexed notes form an integral part of this condensed interim financial information.

(Khawaja Shahzad Younus)
Director

(Mr. Nadeem Anwar)
Chief Financial Officer

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2018**

	Nine Months Ended July 01, 2017 to March 31, 2018	Nine Months Ended July 01, 2016 to March 31, 2017	Quarter Ended Jan 01, 2018 to March 31, 2018	Quarter Ended Jan 01, 2017 to March 31, 2017
	----- Rupees -----			
Sales - net	1,571,916,631	1,188,722,191	683,664,751	356,105,264
Cost of sales	(1,613,447,286)	(1,159,810,492)	(716,651,160)	(338,010,702)
Gross (loss) / profit	(41,530,655)	28,911,699	(32,986,409)	18,094,562
Operating expenses:				
- Distribution costs	(8,891,348)	(4,741,861)	(4,721,444)	(2,716,632)
- Administrative expenses	(32,456,384)	(35,329,930)	(11,302,579)	(12,225,404)
	(41,347,732)	(40,071,791)	(16,024,023)	(14,942,036)
Operating (loss) / profit	(82,878,387)	(11,160,092)	(49,010,432)	3,152,526
Other operating expenses	(1,665,559)	(508,610)	1,436,000	231,490
Finance cost	(37,241,954)	(38,170,260)	(12,121,219)	(12,347,477)
Other operating income	295,787	210,840	210,840	210,840
Loss before Taxation	(121,490,113)	(49,628,122)	(59,695,651)	(8,752,621)
Taxation	(15,745,611)	(11,910,204)	(6,839,904)	(3,576,875)
Loss for the period	<u>(137,235,724)</u>	<u>(61,538,326)</u>	<u>(66,535,555)</u>	<u>(12,329,496)</u>
Loss per share - basic & diluted	<u>(1.52)</u>	<u>(1.54)</u>	<u>(0.74)</u>	<u>(0.31)</u>

The annexed notes form an integral part of this condensed interim financial information.

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2018**

	Nine Months Ended July 01, 2016 to March 31, 2018	Nine Months Ended July 01, 2015 to March 31, 2017	Quarter Ended Jan 01, 2017 to March 31, 2018	Quarter Ended Jan 01, 2016 to March 31, 2017
		----- Rupees -----		
Loss for the Period	(137,235,724)	(61,538,326)	(66,535,555)	(12,329,496)
Other comprehensive income for the period	-	-	-	-
Total Comprehensive loss for the Period	(137,235,724)	(61,538,326)	(66,535,555)	(12,329,496)

The annexed notes form an integral part of this condensed interim financial information.

Lahore:
April 28, 2018

(Khawaja Mohammad Nadeem)
Chief Executive Officer

(Khawaja Shahzad Younus)
Director

(Mr. Nadeem Anwar)
Chief Financial Officer

**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2018**

	Nine Months Ended July 01, 2017 to March 31, 2018	Nine Months Ended July 01, 2016 to March 31, 2017
	----- Rupees -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(121,490,113)	(49,628,122)
Adjustments for:		
- Depreciation	31,885,482	34,147,668
- Amortization of intangible assets	68,175	85,219
- Provision for gratuity	10,957,562	7,270,684
- Loss / (Gain) on disposal of property, plant and equipment	1,534,919	(210,840)
- (Gain) / Loss on disposal of raw material and stores and spares	(165,147)	508,610
- Finance cost	37,241,954	38,170,260
Operating (loss) / profit before working capital changes	(39,967,168)	30,343,479
(Increase) / Decrease in current assets:		
- Stores and spares	(834,727)	(6,637,479)
- Stock in trade	16,323,084	88,594,071
- Trade debts	(8,437,998)	(13,127,998)
- Loan and advances	(29,054,956)	(10,549,383)
- Trade deposits, short term prepayments	544,869	(1,533,046)
- Other receivables	3,762,300	-
- Sales tax refundable	6,694,261	(627,595)
Increase / (Decrease) in current liabilities:		
- Trade and other payables	109,402,142	(130,189,094)
	98,398,975	(74,070,524)
Cash generated from / (used in) operations	58,431,807	(43,727,045)
Gratuity paid	(4,586,370)	(7,608,964)
Finance cost paid	(5,596,754)	(7,770,830)
Income tax paid	(3,100,508)	(2,297,667)
Net cash generated from / (used in) Operating Activities	45,148,175	(61,404,506)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(9,554,000)	(3,630,546)
Proceeds from disposal of property, plant and equipment	1,112,418	525,000
Proceeds from disposal of raw material and stores and spares	2,834,966	2,020,858
Long term loans	(756,638)	(290,076)
Long term deposits	(3,923,000)	-
Net cash used in Investing Activities	(10,286,254)	(1,374,764)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term loans	(11,604,709)	10,942,288
Liabilities against assets subject to finance lease	(1,712,215)	(1,627,265)
Short term borrowings	(14,208,054)	51,797,932
Net Cash (used in) / generated from Financing Activities	(27,524,978)	61,112,955
Net increase / (decrease) in Cash and Cash Equivalents	7,336,943	(1,666,315)
Cash and cash equivalents at the beginning of the period	1,525,815	3,922,805
Cash and Cash Equivalents at the End of Period	8,862,758	2,256,490

The annexed notes form an integral part of this condensed interim financial information.

Lahore:
April 28, 2018

(Khawaja Mohammad Nadeem)
Chief Executive Officer

(Khawaja Shahzad Younus)
Director

(Mr. Nadeem Anwar)
Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2018**

Particulars	Share Capital	Accumulated Loss	Sponsor's Loan	Total Equity
	----- Rupees -----			
Balance as at July 01, 2016	400,000,000	(1,012,798,276)	-	(612,798,276)
Total comprehensive loss for the nine months period ended March 31, 2017	-	(61,538,326)	-	(61,538,326)
Sponsors' Loan	-	-	500,000,000	500,000,000
Balance as at March 31, 2017	400,000,000	(1,074,336,602)	500,000,000	(174,336,602)
Balance as at July 01, 2017	900,000,000	(1,134,022,418)	-	(234,022,418)
Total comprehensive loss for the nine months period ended March 31, 2018	-	(137,235,724)	-	(137,235,724)
Balance as at March 31, 2018	900,000,000	(1,271,258,142)	-	(371,258,142)

The annexed notes form an integral part of this condensed interim financial information.

Lahore:
April 28, 2018

(Khawaja Mohammad Nadeem)
Chief Executive Officer

(Khawaja Shahzad Younus)
Director

(Mr. Nadeem Anwar)
Chief Financial Officer

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2018**

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 (Now Companies Act, 2017) 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. The registered office of the Company is situated at 7/1- E-3, Main Boulevard Gulberg III, Lahore.
- 1.2 The company has acquired on lease the production facilities including land, building, plant & machinery, equipments, parts and accessories of Chakwal Spinning Mills Limited under a lease agreement. These arrangements have been terminated as on March 31, 2018. The operating results of the rental facility up to March 31, 2018 are included in these condensed interim financial information.

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. The accounting and reporting standards as applicable in Pakistan for interim financial reporting 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; and provisions of and directive issued under the Companies Act 2017. Where the provisions and directives issued under the Companies Act 2017 differ with the requirements of IAS 34, 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 as required in the annual financial statements and should be read in conjunction with the financial statements of the Company for the year ended June 30, 2017.
- 2.3 This condensed interim financial information is presented in Pak rupees, which is the Company's functional and presentation currency. Figures have been rounded off to nearest thousand rupees, unless stated otherwise.

Note 3

Significant Accounting Policies

The accounting policies and methods of computation of this condensed interim financial information are the same as those followed in the preparation of annual financial statements for the preceding financial year ended June 30, 2017.

Note 4

Accounting Estimates and Judgments

The accounting estimates and associated assumptions used in the preparation of this interim financial statement are consistent with those applied in the preparation of annual financial statements of the Company for the year ended June 30, 2017.

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 of the company for the year ended June 30, 2017.

Note 6

Property, Plant and Equipment

	Nine Months Ended Mar 31, 2018	Year Ended June 30, 2017
	(Un-audited)	(Audited)
	----- Rupees -----	-----
Opening written down value	610,708,817	645,144,973
Addition at cost	9,554,000	17,840,446
	<u>620,262,817</u>	<u>662,985,419</u>
Disposal at written down value	(2,647,338)	(6,552,866)
	617,615,479	656,432,553
Depreciation charged	(31,885,482)	(45,723,736)
Closing written down value	<u>585,729,997</u>	<u>610,708,817</u>

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:

Relationship	Nine Month Ended	
	March 31, 2018	March 31, 2017
	(Un-audited) Rupees	(Un-audited) Rupees

Significant transaction with related parties are as follows:

- Sales of goods	Associate	1,233,635	61,000
- Purchase of goods	Associate	2,711,856	-
- Loan repaid to directors - net	Directors	40,757,287	-
- Rent of building	Associate	900,000	900,000
- Rent expense	Associate	7,500,000	-

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

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. It included the information of leased facilities up to March 31, 2018.

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, 2018 are as follows:

8.2 Segment revenues and results

For the Nine Month Ended March 31, 2018 (Un-audited)			
	Weaving Segment	Spinning Segment	Total
Sales - net	411,006,673	1,160,909,958	1,571,916,631
Cost of sales	(387,215,631)	(1,226,231,655)	(1,613,447,286)
Gross Loss	23,791,042	(65,321,697)	(41,530,655)
Distribution cost	(926,080)	(7,965,268)	(8,891,348)
Administrative expenses	(24,128,137)	(8,328,247)	(32,456,384)
	(25,054,217)	(16,293,515)	(41,347,732)
Operating Loss	(1,263,175)	(81,615,212)	(82,878,387)
Other operating charges	(1,665,559)	-	(1,665,559)
Finance cost	(34,605,646)	(2,636,308)	(37,241,954)
Other operating income	-	295,787	295,787
Loss before Taxation	(37,534,380)	(83,955,733)	(121,490,113)
Taxation	(8,978,042)	(6,767,569)	(15,745,611)
Loss for the period	(46,512,422)	(90,723,302)	(137,235,724)

For the Nine Month Ended March 31, 2017 (Un-audited)			
	Weaving Segment	Spinning Segment	Total
Sales - net	672,765,006	515,957,185	1,188,722,191
Cost of sales	(657,394,931)	(502,415,561)	(1,159,810,492)
Gross Profit	15,370,075	13,541,624	28,911,699
Distribution cost	(187,520)	(4,554,341)	(4,741,861)
Administrative expenses	(27,709,345)	(7,620,585)	(35,329,930)
	(27,896,865)	(12,174,926)	(40,071,791)
Operating Loss	(12,526,790)	1,366,698	(11,160,092)
Other operating charges	(508,610)	-	(508,610)
Finance cost	(35,502,375)	(2,667,885)	(38,170,260)
Other operating income	210,840	-	210,840
Loss before taxation	(48,326,935)	(1,301,187)	(49,628,122)
Taxation	(6,748,281)	(5,161,923)	(11,910,204)
Loss after taxation	(55,075,216)	(6,463,110)	(61,538,326)

8.3 Segment Assets

For the Nine Month Ended March 31, 2018 (Un-audited)			
	Weaving Segment	Spinning Segment	Total
Segment assets for reportable segments	632,210,092	150,500,612	782,710,704
Unallocated corporate assets			52,066,530
Total assets as per balance sheet			834,777,234

Note 8 - Segment Information ... Continued

For the Year Ended June 30, 2017 (Audited)			
	Weaving Segment	Spinning Segment	Total
Segment assets for reportable segments	650,121,107	130,327,673	780,448,780
Unallocated corporate assets			55,925,015
Total assets as per balance sheet			836,373,795

8.4 Segment Liabilities

For the Nine Month Ended March 31, 2018 (Un-audited)			
	Weaving Segment	Spinning Segment	Total
Segment liabilities for reportable segments	1,032,892,109	142,524,952	1,175,417,061
Unallocated corporate liabilities			30,618,315
Total liabilities as per balance sheet			1,206,035,376

For the Year Ended June 30, 2017 (Audited)			
	Weaving Segment	Spinning Segment	Total
Segment liabilities for reportable segments	1,004,061,881	51,461,627	1,055,523,508
Unallocated corporate liabilities			14,872,705
Total liabilities as per balance sheet			1,070,396,213

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, 2017.

Note 10

General

- 10.1 This condensed interim financial information is authorized for issue on April 28, 2018 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.