

ANNUAL REPORT 2021



YOUSAF WEAVING MILLS LIMITED

VISION

To achieve for excellence in textile through commitment, integrity, team work and professionalism.

MISSION

The mission of the company is to achieve customer's satisfaction with provision of quality products, attain sustainable profitability and ensure ample return to share holders. The company believes to achieve growth by employing technological improvements with effective utilization of human resources.

YOUSAF WEAVING MILLS LIMITED

COMPANY INFORMATION

BOARD OF DIRECTORS

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

AUDIT COMMITTEE

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

HR & REMUNERATION COMMITTEE

Mr. Mohammad Tariq Sufi	(Chairman)
Mr. Waseem Baig	(Member)
Mr. Shuqran Ahmed Khan	(Member)

COMPANY SECRETARY

Mr. Nadeem Anwar	(ACA)
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CHIEF FINANCIAL OFFICER

Mr. Tahir Tajamal

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

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 34th Annual General Meeting of members of **YOUSAF WEAVING MILLS LIMITED** (the "Company") will be held at the Registered Office of the Company situated at 7/1 E-3, Main Boulevard, Gulberg III, Lahore on Thursday, October 28, 2021 at 10:00 a.m. to transact the following business :-

1. To confirm the minutes of last AGM held on November 25, 2020.
2. To receive and adopt the audited accounts of the Company for the year ended June 30, 2021, together with the reports of Directors and Auditor's report thereon.
3. To appoint auditors for the year ending June 30, 2022 and to fix their remuneration. The retiring auditors Aslam Malik & Company Chartered Accountants have shown their interest in their reappointment.
4. To transact any other business which may be brought forward with the permission of the Chair

Lahore:

October 07, 2021


NADEEM ANWAR

Company Secretary

NOTES:

1. The share transfer books for ordinary shares of the Company will be closed from 21-10-2021 to 28-10-2021 (both days inclusive). Valid transfer(s) received in order by our Share Registrar, Corplink (Pvt.) Limited, Wings Arcade, 1-K Commercial, Model Town, Lahore by the closure of business on October 19, 2021 will be in treated in time. The same or any change in address, if any, alongside valid copy of CNIC for filing annual return of Company be sent to our share registrar M/s. Corplink (Pvt.) Limited, Wings Arcade, 1-K, Commercial, Model Town, Lahore. Tel: 042-35839182.
2. A member entitled to attend and vote at the General Meeting is entitled to appoint another member as proxy. Proxies, in order to be effective, must be received at the Company's registered office not less than forty eight (48) hours before the time of meeting. Members through CDC appointing proxies must attach attested copy of their Computerized National Identity Card (CNIC) or Passport with the proxy form.
3. The shareholders through CDC, who wish to attend the Annual General Meeting, are requested to please bring, original CNIC. CDC account holder will further have to

follow the guidelines as laid down in Circular No. 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.

4. In case of corporate entity, certified copy of the board of directors' resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form of the Company.
5. The financial statements for the year ended June 30, 2021 shall be uploaded on the Company's website www.yousafweavingmills.com twenty one days prior to the date of holding of annual general meeting.
6. Pursuant to SECP Notification S.R.O. 787(I)/ 2014 dated September 8, 2014, members may inform the Company to receive the Audited Financial Statements and notices through e-mail by submitting Standard Request Form available on Company's website.
7. If the Company receives consent from the members holding at least 10% shareholding residing in a city, to participate in the meeting through video-link at least 07 days prior to date of the meeting, the Company will arrange facility of video-link in that city subject to availability of such facility in that city.
8. Members are requested to promptly notify the Company of any change in their registered address.
9. Members are requested to please observe covid safety measures as issued by the Government of Pakistan.

یوسف ویونگ ملز لمیٹڈ

E-3/7/1، مین بلیوارڈ، گلبرگ III، لاہور



سالانہ اجلاس عام

بذریعہ نوٹس ہذا مطلع کیا جاتا ہے کہ یوسف ویونگ ملز لمیٹڈ کے ارکان کا 34 واں سالانہ اجلاس عام کمپنی کے رجسٹرڈ دفتر بواقع E-3/7/1 مین بلیوارڈ، گلبرگ III، لاہور میں بروز جمعرات 28 اکتوبر 2021ء کو صبح 10:00 بجے درج ذیل امور کیلئے منعقد ہوگا۔

عمومی امور:

- 1- 25 نومبر 2020ء کو منعقدہ گزشتہ سالانہ اجلاس عام کی کارروائی کی توثیق کرنا۔
- 2- 30 جون 2021ء کو ختم ہونے والے سال کیلئے کمپنی کے نظر ثانی شدہ حسابات معائنہ پر ڈائریکٹرز اور آڈیٹرز کی رپورٹ کی وصولی اور منظوری دینا۔
- 3- 30 جون 2022ء کو ختم ہونے والے سال کیلئے آڈیٹرز کا تقرر اور ان کے مشاہرہ کا تعین کرنا۔ ریٹائر ہونے والے آڈیٹرز اسلم ملک اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس نے اپنی دوبارہ تقرری میں دلچسپی ظاہر کی ہے۔
- 4- صاحب صدر کی اجازت سے کوئی دیگر امور جو آگے لائے جاسکتے ہیں۔

ندیم انور

کمپنی سیکرٹری

لاہور: 07 اکتوبر 2021ء

نوٹس:

- 1- کمپنی کے عام حصص کی منتقلی کتابیں 21 اکتوبر 2021ء تا 28 اکتوبر 2021ء (بشمول ہر دو ایام) بند رہیں گی۔ کارآمد مثقلیاں ہمارے شیئر رجسٹرار، کارپ لنک (پرائیویٹ) لمیٹڈ، ونگز آرکیڈ، 1-K کمرشل، ماڈل ٹاؤن، لاہور کو 19 اکتوبر 2021ء کو کاروبار کے اختتام تک وصول ہونے والی بروقت تصور ہوگی۔ پتہ یا اس میں کوئی تبدیلی ہو، بمعہ کارآمد CNIC کی کاپی کمپنی کے سالانہ ریٹرن فائلنگ کیلئے ہمارے شیئر رجسٹرار میسرز کارپ لنک (پرائیویٹ) لمیٹڈ، ونگز آرکیڈ، 1-K کمرشل، ماڈل ٹاؤن، لاہور۔ فون نمبر: 042-35839182 کو ارسال کی جانی چاہئیں۔
- 2- اجلاس عام میں شرکت اور ووٹ دینے کا اہل رکن کسی دیگر رکن کو بطور پراکسی مقررہ کرنے کا اہل ہے۔ پراکسیاں، تا آنکہ موثر ہو سکیں، کمپنی کے رجسٹرڈ دفتر میں اجلاس کے وقت سے کم از کم اڑتالیس (48) گھنٹے قبل لازماً وصول ہو جانی چاہئیں۔ سی ڈی سی کے ذریعے ارکان کو پراکسیز تقرری کیلئے پراکسی فارم کے ہمراہ اپنے کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) یا پاسپورٹ کی مصدقہ کاپی منسلک کرنی چاہئے۔
- 3- سی ڈی سی کے ذریعے حصص داران، جو سالانہ عام، میں شرکت کے خواہشمند ہوں، سے التماس ہے کہ اصل CNIC ہمراہ لائیں۔ سی ڈی سی اکاؤنٹ ہولڈر کو مزید برآں، سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے طرف سے جاری شدہ سرکلر نمبر 1 مورخہ 26 جنوری 2000ء میں دی گئی درج ذیل ہدایات کی پیروی کرنا ہوگی۔
- 4- کارپوریٹ ایسٹنٹی کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ کی تصدیق شدہ کاپی مع نمونہ دستخط کمپنی کے پراکسی فارم کے ہمراہ (اگر پہلے مہیا نہیں کی گئی) جمع کرانا ہوگی۔
- 5- 30 جون 2021ء کو ختم ہونے والے سال کیلئے مالیاتی گوشوارے کمپنی کی ویب سائٹ www.yousafweavingmills.com پر سالانہ اجلاس عام کے انعقاد کی تاریخ سے 21 یوم قبل اپ لوڈ کر دیئے جائیں گے۔
- 6- SECP نوٹیفکیشن 787 (1)/2014 مورخہ 8 ستمبر 2014ء کی پیروی میں ارکان کمپنی کی ویب سائٹ پر دستیاب معیاری درخواست فارم جمع کر کے بذریعہ ای میل نظر ثانی شدہ مالیاتی گوشوارے اور نوٹس وصول کرنے کیلئے کمپنی کو مطلع کر سکتے ہیں۔
- 7- اگر کمپنی شہر میں سکونت کم از کم 10% شیئر ہولڈنگ کے مالک ارکان سے اجلاس میں وڈیولنک کے ذریعے اجلاس میں شرکت کیلئے رضامندی اجلاس کی تاریخ سے کم از کم 07 یوم قبل وصول کرتی ہے، تو کمپنی اس شہر میں ایسی سہولت کی دستیابی کے حوالہ سے اس شہر میں وڈیولنک کی سہولت کا بندوبست کرے گی۔
- 8- ارکان سے التماس ہے کہ اپنے رجسٹرڈ پتہ میں کسی تبدیلی بارے کمپنی کو فی الفور مطلع فرمائیں۔
- 9- ممبران سے گزارش ہے کہ برائے مہربانی حکومت پاکستان کے جاری کردہ COVID-19 کے حفاظتی اقدامات پر عمل کریں۔

REVIEW REPORT BY THE CHAIRMAN ON THE OVERALL PERFORMANCE OF THE BOARD AND EFFECTIVENESS OF THE ROLE PLAYED BY THE BOARD IN ACHIEVING THE COMPANY'S OBJECTIVES

The Board of Directors (the Board) of Yousaf Weaving Mills Limited (YWML) has performed their duties diligently in upholding the best interest of shareholders' of the Company and has managed the affairs of the Company in an effective and efficient manner. The Board has exercised its powers and has performed its duties as stated in the Companies Act 2017 (previously Companies Ordinance 1984) and the listed Companies (Code of Corporate Governance) regulations, 2019.

- The Board has actively participated in strategic planning processes, enterprise risk management system, policy development and financial structure, monitoring and approval;
- All the significant issues throughout the year were presented before the Board or its committees to strengthen and formalize the corporate decision making process and particularly all the related party transactions executed by the Company were approved by the Board on the recommendation of the Audit Committee;
- The Board has ensured that the adequate system of internal control is in place and its regular assessment through self-assessment mechanism and/or internal audit activities;
- The Board has prepared and approved the director's report and has ensured that the director's report is published with the quarterly and annual financial statement of the Company and the content of the director's report are in accordance with the requirement of applicable laws and regulations;
- The Board has ensured the hiring, evaluation and compensation of the Chief Executive Officer and other key executives including Chief financial Officer, Company Secretary and Head of internal Audit;
- The Board has ensured that adequate information is shared among its members in a timely manner and the Board members are kept abreast of developments between meetings; and
- The Board has exercised its power in light of power assigned to the Board in accordance with the relevant laws and regulations applicable on the Company and the Board has always prioritized the Compliance with all the applicable laws and regulation in term of their conduct as directors and exercising their powers and decision making.

The annual evaluation of the Board's performance is assessed based on the key areas where the Board requires clarity in order to provide high level oversight, including the strategic process; key business drivers and performing milestones, the global economic environment and competitive context in which the Company operates; the risks faced by the Company's business; Board dynamics; capability and information flows. Based on the aforementioned, it can reasonably be stated that the Board of YWML has played a key role in ensuring that the Company objectives are not only achieved, but also exceeded expectations through a joint effort with the management team and guidance and oversight by the Board and its members.

Lahore
October 7, 2021

عالیہ خانم
Mst. Alia Khanum
Chairman



بورڈ کی مجموعی کارکردگی اور کمپنی کے مقاصد کے حصول میں بورڈ کے مؤثر کردار پر چیئر مین کی جائزہ رپورٹ

یوسف ویونگ ملز لمیٹڈ (YWML) کے بورڈ آف ڈائریکٹرز (بورڈ) نے کمپنی کے حصہ داروں کے بہترین مفاد کو برقرار رکھنے میں اپنی ذمہ داریاں تندہی سے انجام دی ہیں اور کمپنی کے امور کو مؤثر اور بروقت انداز سے منظم کیا ہے۔ بورڈ نے کمپنیز ایکٹ 2017 (سابقہ کمپنیز آرڈیننس 1984) اور سٹاک کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 میں دیئے گئے اپنے اختیارات اور ذمہ داری کو بخوبی سرانجام دیا ہے۔

بورڈ نے اسٹریٹجک منصوبہ بندی کے عمل، ادارے کو لاحق خطرات کا انتظامی نظام، پالیسی ڈویلپمنٹ اور مالیات ساخت کی نگرانی اور منظوری میں فعال طور پر حصہ لیا ہے۔ سال بھر میں تمام اہم مسائل بورڈ یا اس کی کمیٹیوں کے روبرو کاروباری فیصلہ سازی کے عمل کو مضبوط بنانے کے لئے پیش کئے گئے اور خاص طور پر کمپنی کی طرف سے کئے گئے تمام متعلقہ پارٹی کے ساتھ لین دین کو آڈٹ کمیٹی کی سفارشات پر بورڈ نے منظوری دی۔

بورڈ نے اس بات کو یقینی بنایا ہے کہ اندرونی کنٹرول کا مناسب نظام موجود ہے اور خود تشخیصی طریقہ کار اور/یا انٹرنل آڈٹ سرگرمیوں کے ذریعے اس کی باقاعدگی سے جانچ پڑتال کی جاتی ہے۔

بورڈ نے مجلسِ نظاماء کی رپورٹ کی تیاری اور منظوری دی ہے اور اس بات کو یقینی بنایا ہے کہ مجلسِ نظاماء کی رپورٹ کمپنی کی سہ ماہی اور سالانہ مالیاتی حسابات کے ساتھ شائع ہوئی اور مجلسِ نظاماء کی رپورٹ کا مواد قابل اطلاق قوانین اور قواعد و ضوابط کے مطابق ہے۔

بورڈ نے چیف ایگزیکٹو سمیت دیگر اہم ایگزیکٹوز بشمول چیف فنانس آفیسر، کمپنی سیکرٹری اور انٹرنل آڈٹ کے سربراہ کی ملازمت اور معاوضہ سازی کو یقینی بنایا ہے۔ بورڈ نے اس کے اراکین کے درمیان بروقت طریقے سے تسلی بخش معلومات کے تبادلے کو یقینی بنایا اور بورڈ کے ممبران کو اجلاس کے درمیان ڈویلپمنٹ کے بارے میں لمحہ بہ لمحہ باخبر رکھا گیا ہے اور

بورڈ نے کمپنی پر قابل اطلاق متعلقہ قوانین اور قواعد و ضوابط کی روشنی میں دیئے گئے اختیارات کے مطابق اپنے اختیارات کا استعمال کیا ہے اور بورڈ نے ہمیشہ بحیثیت ڈائریکٹرز اپنے اختیارات کے استعمال اور فیصلہ سازی کرنے کے برتاؤ میں تمام قابل اطلاق قوانین اور قواعد و ضوابط کی تعمیل کو ترجیح دی ہے۔

بورڈ کی سالانہ کارکردگی اہم شعبوں پر مبنی ہے جہاں بورڈ کو اعلیٰ درجے کی نگرانی مہیا کرنے بشمول اسٹریٹجک عمل: کلیدی کاروباری امور، سنگ میل کی تکمیل، عالمی معاشی ماحول اور مسابقتی سیاق و سباق جس میں کمپنی کام کرتی ہے، کمپنی کے کاروبار کو درپیش خطرات، بورڈ کے محرکات، صلاحیت اور معلومات مہیا کرنے کے لئے وضاحت دینے کی ضرورت ہوتی ہے۔ مذکورہ بالا کی بنیاد پر، یہ مناسب طور پر کہا جاسکتا ہے کہ YWML کے بورڈ نے اس بات کو یقینی بنانے میں اہم کردار ادا کیا ہے کہ کمپنی کے مقاصد کو نہ صرف حاصل کیا جاسکتا ہے، بلکہ بورڈ اور اس کے ارکان کی راہنمائی اور نگرانی کے ذریعہ انتظامیہ ٹیم کی مشترکہ کوششوں کے ساتھ توقعات سے بھی آگے بڑھا جاسکتا ہے۔

عالیہ خانم

تاریخ: 17 اکتوبر 2021



چیئر مین

لاہور



YOUSAF WEAVING MILLS LIMITED

A Project of Chakwal Group

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Web: www.yousafweaving.com

DIRECTORS' REPORT TO THE SHAREHOLDERS

On behalf of the Board of Directors of Yousaf Weaving Mills Limited, we are pleased to submit annual report of your Company together with audited financial statements and auditors' report thereon for the year ended 30th June 2021.

Financial Performance:

With the grace of Allah Almighty and the vision of the Company's management, the Company could be able to achieve profits; which is evident by gross profit for the year of Rs. 84.138 million as compared to gross loss of Rs. 31.506 million in the corresponding period, whereas it could be able to achieve net profit of Rs. 17.179 as compared to net loss of Rs. 75.481 million during the last comparative period.

During the current reporting period, the sales has been increased by Rs. 308 million i.e. 74% whereas cost of sales have been increased by Rs. 192 million only i.e. 43% as compared to previous period as a result the Company earned gross profit of 11.6%. However distribution cost and administrative expense have been increased by Rs. 5.8 million and Rs. 7.5 million respectively during the reporting year. Although covid-19 pandemic jolted down local textile market but due to better supply chain management and government support in the shape of 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 company could be able to achieve profitability.

Financial Statements Audit

Financial statements of the Company have been audited by M/s. Aslam Malik & Co. Chartered Accountants, the statutory external auditors of the Company. The auditors have given qualified opinion on certain matters which are explained below:

- a) The amount in question relates to National Bank of Pakistan, the bank has filed suit for recovery of Rs. 112.65 million and the court in the subject suit has allowed partial decree for Rs. 77.46 million against which company has filed the appeal in court of law. The amount in question relates to letter of credit facility which is included in the claim amount of the bank against which the leave to defend has been granted by the court. This amount can be easily verified from the suit filed by the bank. The company adequately provided the amount of mark-up against the outstanding financing facilities.



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E-mail: yousaf@chakwalgroup.com.pk
Web: www.yousafweaving.com

- b) The management shall do all requirements to comply with the provisions of Companies Act 2017 on unclaimed dividend in true vigilance.
- c) The audit observation on going concern has been disclosed in Note no 1.4 of the financial statements.

Future Outlook:

At the start of current financial year the Company has successfully restructured/rescheduled its long term loan availed from Bank of Punjab at significantly favorable terms. i.e. outstanding long term loan is repayable in 26 quarterly installments, whereas fixed mark-up rate of 6% will be charged throughout along-with an opportunity that mark-up of Rs. 12.155 million will be waived off at the end of principal repayment. The Company is regularly making payments in respect of quarterly installments of BOP's loan along with interest thereon which shows management dedication towards payment of outstanding banking liabilities. The management has the intention to settle its outstanding liabilities towards other banks.

The management is adamant to modernize its equipments with state of the art technology. Considering the great potential in local & exports markets and persistent demand of textile product the management has made investment to strengthen its back process by adding sizing machinery during last year and imported warping machinery subsequent to year end which has been fully operational as at the report date.

The Company has contracted for installation of solar system which will provide 1,850 KW electricity for a period of 15 years at our weaving unit at economical rate of Rs. 9/unit. The cutting edge in this contract is that all the investment shall be made by the Solar Company and Yousaf Weaving Mills Limited only has to provide its premises for installation of solar system, whereas electricity production and supply will be managed by the counter party. After installation of solar system we could be able to reduce our energy cost up to some extent.

The directors of the Company always proved to be the backbone of the organization and provide monetary support of Rs. 69 millions to streamline cash flows. The directors are committed to inject further funds during next year.

Principal Activity

The principal activity of the Company is manufacturing and sale of yarn and fabric.



YOUSAF WEAVING MILLS LIMITED

A Project of Chakwal Group

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Fax: +92 42 35764036, 35764043 & 35757105
E-mail: yousaf@chakwalgroup.com.pk
Web: www.yousafweaving.com

Principal Risks and Uncertainties

The Board of Directors is responsible to oversee the Company's operations and to devise an effective strategy to mitigate any potential any potential adverse impact of risks.

The Company's principal financial liabilities comprise short term finances, trade and other payables and accrued mark-up. The Company's principal financial assets comprise stocks, trade debts, loans and advances, trade deposits and other receivables, cash and bank balances that arise directly from its operations.

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance. The Company has adequately disclosed all the litigation and their expected outcomes in the financial statements.

Corporate Social Responsibility

The Company strongly believes in the integration of Corporate Social Responsibility into its business, and consistency endeavors to uplift communities that are influenced directly or indirectly by our business.

Environment, Health and Safety

The Company maintains safe working conditions avoiding the risk to the health of employees and public at large. The management has maintained safe environment in all its operations throughout the year and its constantly upgrading their safety and living facilities.

Safety is a matter of concern for machinery as well as the employees working at plant. Fire extinguishers and other fire safety equipments have been placed at sites as well as registered and head office of the Company. Regular drills are performed to ensure efficiency of fire safety equipments.

Internal Financial Controls

A system of sound internal control is established and implemented at all levels of the Company by the Board of Directors. The system of internal control is sound in design for ensuring achievement of Company's objectives and operational effectiveness and efficiency, reliable financial reporting and compliance with laws, regulations and policies.



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Related Parties

All related party transactions during the financial year ended June 30, 2021 were reviewed by the Audit Committee and approved by the Board of Directors.

Compliance with the Code of Corporate Governance:

The requirements of the Code of Corporate Governance set out by the Pakistan Stock Exchange in its Listing Regulations have been adopted by the Company and have been duly complied with. A statement to this effect is annexed to the Report.

Corporate Governance & Financial Reporting Framework:

As required by the Code of Corporate Governance, Directors are pleased to report that:

- i) The financial statements prepared by the management of the Company present fair state of Company's operations, cash flows and changes in equity.
- ii) Proper books of account of the Company have been maintained.
- iii) Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based upon reasonable and prudent judgment.
- iv) International Financial Reporting Standards (IFRS), as applicable in Pakistan, have been followed in the preparation of financial statements, and any departures there from has been adequately disclosed and explained.
- v) The system of internal control is sound in design and has been effectively implemented and monitored.
- vi) Key operating and financial data for the last five years is annexed.
- vii) There has been no departure from the best practices of corporate Governance, as detailed in the listing regulations.
- viii) We have been prepared and circulated a statement of ethics and business strategy among directors and employees.
- ix) The Company has neither declared dividend nor issued bonus shares.
- x) Outstanding taxes and levies are given in the notes to the financial statements.



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Shareholding Pattern

The share holding pattern as at June 30, 2021 for ordinary shares is annexed.

Appointment of Auditors

M/s. Aslam Malik & Co. Chartered Accountants, Lahore are due to retire and being eligible, offer themselves for re-appointment as Auditors for the financial year 2021-2022. The Audit Committee has recommended for re-appointment of present auditors.

Composition of Board

1. The total number of directors are 08 as per the following:

- a. Male : 07
- b. Female : 01

2. The composition of the board is as follows:

- a. Executive Directors : 01
- b. Other Non-Executive Directors : 05
- c. Independent Directors : 02

Name of Directors

- i) Mr. Khawaja Mohammad Nadeem (Executive Director)
- ii) Mst. Alia Khanum (Chairman)
- iii) Mr. Shuqran Ahmed Khan
- iv) Mr. Khawaja Shahzad Younus
- v) Mr. Muhammad Amjad
- vi) Mr. Waseem Baig
- vii) Mr. Sheikh Maqbool Ahmed (Independent Director)
- viii) Mr. Mohammad Tariq Sufi (Independent Director)

The auditors in its review report highlighted that “the company has not arranged director training program or obtained exemption from director training program from the SECP”. Recently new directors are appointed on the board which shall duly comply with the requirement of directors’ training program within the time frame as defined in Code of Corporate Governness Regulations, 2019.



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Committees of the Board

The Board has made following sub-committees:

Audit Committee Meetings:

i.	Mr. Mohammad Tariq Sufi	Chairman
ii.	Mr. Muhammad Amjad	Member
iii.	Mr. Khawaja Shahzad Younus	Member

HR and Remuneration Committee Meetings:

i.	Mr. Mohammad Tariq Sufi	Chairman
ii.	Mr. Wasim Baig	Member
iii.	Mr. Shuqran Ahmed Khan	Member

Significant Features of Directors' Remuneration

The Board of Directors has approved a formal policy for remuneration of executive directors depending upon their responsibility in affairs of the Company. The remuneration is commensurate with their level of responsibility and expertise needed to govern the Company successfully and to encourage value addition from them.

Acknowledge

Continued diligence and devotion of the staff and workers of the Company and good human relations at all levels deserve acknowledgment. The Directors also wish to place on record their thanks to all stakeholders for their continued support to the Company.

On behalf of the Board

October 7, 2021
Lahore

Khawaja Mohammad Nadeem
Chief Executive Officer



عالیہ خانم
Mst. Alia Khanum
Chairman

حصص داران کو مجلس نظام کی رپورٹ

یوسف ویونگ ملز لمیٹڈ کی مجلس نظام کی جانب سے، ہم 30 جون 2021 کو ختم ہونے والے سال کے لیے کمپنی کی سالانہ رپورٹ مع جانچ شدہ حسابات اور ان پر آڈیٹرز کی رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

مالی کارکردگی

اللہ تعالیٰ کے فضل و کرم اور کمپنی کی انتظامیہ کی کوششوں سے کمپنی اس سال منافع کمانے میں کامیاب ہو سکی۔ جو کہ کمپنی کو حاصل ہونے والے 84 ملین روپے کے مجموعی منافع سے صاف ظاہر ہے جبکہ پچھلے سال کے دوران کمپنی کو 32 ملین روپے کا مجموعی نقصان ہوا تھا۔ کمپنی نے اس سال 17 ملین روپے کا خالص منافع کمایا جبکہ پچھلے سال کمپنی کو 75 ملین روپے کا خالص خسارہ ہوا تھا۔ اس مالی سال کے دوران کمپنی کی سیلز 308 ملین روپے (74%) سے بڑھی جبکہ پیداواری لاگت میں صرف 192 ملین روپے (43%) کا اضافہ ہوا۔ جس کی وجہ سے کمپنی کا مجموعی منافع 12% رہا تاہم تقسیمی اور انتظامی اخراجات میں بالترتیب 5.8 ملین روپے اور 7.5 ملین روپے کا اضافہ ہوا۔ اگرچہ کوڈ-19 کی وبا کی وجہ سے ٹیکسٹائل کی صنعت پر بُرا اثر پڑا ہے لیکن بہتر سپلائی چین مینجمنٹ اور حکومت کے تعاون سے کمپنی منافع کمانے میں کامیاب رہی۔ حکومت کا تعاون ”پرائم منسٹر ریلیف پیکیج برائے بچکی“ کی صورت میں تھا۔ جس کے تحت پچھلے سال کے مقابلے میں زیادہ بچکی استعمال کرنے پر بچکی کے اضافی پوائنٹس، ارز اسٹاکس پر فراہم کئے گئے۔

مالی حسابات کی جانچ پڑتال

میسرز اسلم ملک اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس، کمپنی کے قانونی بیرونی آڈیٹرز نے کمپنی کے مالی حسابات کی جانچ پڑتال کی ہے۔ محاسب نے چند معاملات پر محدود رائے دی ہے جن کی وضاحت ذیل میں کی گئی ہے۔

- آڈیٹرز کی طرف سے اٹھایا گیا نکتہ نیشنل بینک آف پاکستان سے تعلق رکھتا ہے۔ بینک نے 112.65 ملین روپے کی وصولی کے لیے مقدمہ دائر کیا تھا جس پر عدالت نے 77.46 ملین روپے کا جزوی فرمان جاری کیا جس کے خلاف اپیل دائر کی گئی ہے۔ آڈیٹرز کی جانب سے پوچھی گئی رقم کا تعلق LC کی مد سے ہے جو کہ بینک کی طرف سے دائر کئے گئے مقدمہ میں شامل ہے جس پر عدالت نے مدعا علیہ کو رعایت دینے کی اجازت دی ہے۔ اس رقم کی تصدیق بینک کی طرف سے دائر کئے گئے مقدمہ سے کی جاسکتی ہے۔ کمپنی نے بینک کو واجب الادا رقم سود سمیت اپنے حسابات میں درج کیا ہوا ہے۔
- انتظامیہ غیر دعویٰ شدہ ڈیویڈنڈ برحق معنوں میں کمپنیز ایکٹ 2017 کی شقوں پر عمل کرے گی قانون کی دفعات پر اس کی اصل روح کے مطابق عمل کرے گی۔
- کمپنی کا کاروبار جاری رہنے سے متعلق آڈٹ مشاہدے کا مالی حسابات کے نوٹ نمبر 1.4 میں انکشاف کیا گیا ہے۔

مستقبل کا نقطہ نظر:

اس مالی سال کے آغاز میں کمپنی اپنا طویل المدتی قرضے کی تنظیم نو سازگار شرائط پر طے کرانے میں کامیاب رہی۔ جس کے مطابق اس قرضے کو 26 سہ ماہی اقساط میں واپس کیا جائے گا۔ جبکہ اس پر 6% کے حساب سے فکسڈ مارک اپ لیا جائے گا۔ اس کے ساتھ ساتھ کمپنی کا 12 ملین روپے کا واجب الادا مارک اپ بھی معاف کر دیا جائے گا اگر کمپنی بینک کی شرائط کے مطابق اقساط ادا کرتی رہی۔ کمپنی کی انتظامیہ مستقل مزاجی سے بینک آف پنجاب کو سہ ماہی اقساط میں اپنا قرضہ مارک اپ سمیت ادا کر رہی ہے جو انتظامیہ کی لگن کو ظاہر کرتا ہے کہ انتظامیہ اپنے واجب الادا قرضہ جات کو ادا کرنے میں سنجیدہ ہے۔ انتظامیہ چاہتی ہے کہ وہ بقایا قلیل المدتی قرضہ جات کو بھی واپس کرے۔

انتظامیہ پُر عزم ہے کہ یہ اپنی مشینری کو جدید خطوط پر استوار کرے گی۔ مقامی اور ایکسپورٹ مارکیٹس میں ٹیکسٹائل کی مصنوعات کی مستقل طلب کو دیکھتے ہوئے انتظامیہ نے اپنی پیداواری صلاحیتوں کو بہتر بنایا ہے اس سلسلے میں پچھلے سال سازگم مشین لگائی گئی جبکہ اس سال کے آخر میں وارپنگ مشین درآمد کی گئی جو کہ آج کی تاریخ میں اپنی پیداواری سرگرمیوں کا آغاز کر چکی ہے۔

اس مالی سال میں کمپنی نے سولر سسٹم کی انسٹالیشن کے لیے معاہدہ کیا ہے جس کے مطابق 1,850 کلو واٹ بجلی 15 سال کے لیے 9 روپے، فی یونٹ کے حساب سے مہیا کی جائے گی جس کے لیے سولر سسٹم ویونگ یونٹ میں لگایا جائے گا۔ اس معاہدے کا مثبت پہلو یہ ہے کہ یوسف ویونگ ملز لمیٹڈ نے سولر سسٹم کی انسٹالیشن کے لیے صرف اپنا احاطہ فراہم کرنا ہے جبکہ بجلی کی پیداوار اور ترسیل کا انتظام سولر سسٹم کمپنی کے پاس ہوگا۔ سولر سسٹم لگنے کے بعد ہماری توانائی کی لاگت میں کمی آئے گی۔

کمپنی کے ڈرائیکٹرز نے ہمیشہ کمپنی کے لیے ریڑھ کی ہڈی کا کردار ادا کیا ہے۔ انہوں نے اس مالی سال میں 69 ملین روپے کا سرمایہ فراہم کیا تا کہ کمپنی کے نقد بہاؤ کو سپورٹ کیا جاسکے۔ ڈرائیکٹرز پُر عزم ہیں کہ وہ مزید سرمایہ اگلے مالی سال میں کمپنی کو فراہم کریں گے۔

اولین سرگرمی

کمپنی کی اولین سرگرمی دھاگے اور کپڑے کی تیاری اور فروخت ہے۔

اولین خطرات اور غیر یقینی صورتحال

بورڈ آف ڈائریکٹرز کمپنی کی کارکردگی کی نگرانی اور ممکنہ اثرات و خدشات سے نمٹنے کے لئے ایک مؤثر حکمت عملی وضع کرنے کی ذمہ دار ہے۔

کمپنی کے بنیادی مالی واجبات، مختصر مدتی قرضہ جات، تجارتی و دیگر واجبات اور مارک اپ پر مشتمل ہیں۔ کمپنی کے بنیادی مالیاتی اثاثوں میں اسٹاک، کاروباری وصولیاں اور دیگر قابل وصولی رقم، نقدی اور بینک بیلنس شامل ہیں جو کاروباری سرگرمیوں سے براہ راست حاصل ہوتے ہیں۔

کمپنی کی سرگرمیاں اسے متعدد مالی خطرات سے دوچار کرتی ہیں: منڈی کا خطرہ (بشمول کرنسی کا خطرہ، شرح سود کا خطرہ اور قیمت کا خطرہ)، ادھار کا خطرہ اور مالی مابیت کا خطرہ۔ کمپنی کا مجموعی طور پر خطرات کو کم کرنے کا پروگرام مالی منڈی کی غیر یقینی صورت حال پر مرکوز ہے اور کمپنی کی مالی کارکردگی پر اثر انداز ہونے والے ممکنہ منفی اثرات کو کم کرنے کی کوشش کرتا ہے۔ کمپنی نے مقدمات اور ان کے ممکنہ اثرات کو مالی حسابات میں مناسب طور پر ظاہر کر دیا ہے۔

کارپوریٹ سماجی ذمہ داری

کمپنی اپنے کاروبار میں کارپوریٹ سماجی ذمہ داری کی شمولیت پر پختہ یقین رکھتی ہے، اور استقامت کے ساتھ ان گروہوں کی ترقی کے لئے کوشش کرتی ہے جو ہمارے کاروبار سے براہ راست یا بلا واسطہ متاثر ہوتے ہیں۔

ماحول صحت اور حفاظت

کمپنی بڑے پیمانے پر ملازمین اور عوام کی صحت کو لاحق خطرات سے بچانے کے لئے محفوظ کام کے حالات برقرار رکھتی ہے۔ انتظامیہ نے سال بھر اپنی تمام تر سرگرمیوں میں محفوظ ماحول برقرار رکھا ہے اور ان کی حفاظت اور روزمرہ کی سہولیات کو تسلسل کے ساتھ بہتر بنایا ہے۔

حفاظت کا معاملہ مشینری اور پلانٹ میں کام کرنے والے ملازمین سے متعلق ہے۔ آگ بجھانے والے آلات اور آگ سے حفاظت کا دیگر ساز و سامان کمپنی کی ملکوں اور کمپنی کے رجسٹرڈ اور مرکزی دفتر میں رکھے گئے ہیں۔ آگ سے حفاظت والے ساز و سامان کی کارکردگی کو یقینی بنانے کے لئے باقاعدگی سے مشقیں کی جاتی ہیں۔

داخلی مالیاتی کنٹرول

بورڈ آف ڈائریکٹرز کی جانب سے کمپنی کی تمام سطحوں پر منظم اندرونی کنٹرول کا نظام وضع اور نافذ کیا گیا ہے۔ اندرونی کنٹرول کا نظام کمپنی کے مقاصد کو حاصل کرنے اور کارکردگی کو مؤثر بنانے، قابل اعتماد مالی رپورٹنگ اور قوانین، ضوابط اور پالیسیوں پر عمل درآمد کو یقینی بناتا ہے۔

متعلقہ پارٹی

30 جون 2021 کو ختم ہونے والے مالی سال کے دوران تمام متعلقہ پارٹیوں کے ساتھ لین دین کا آڈٹ کمیٹی نے جائزہ لیا اور بورڈ آف ڈائریکٹرز نے اس کی منظوری دی۔

کوڈ آف کارپوریٹ گورننس پر عملدرآمد

کمپنی نے پاکستان اسٹاک ایکسچینج کی طرف سے طے کردہ کوڈ آف کارپوریٹ گورننس کے تقاضوں کو اپنایا ہے اور باقاعدہ اس پر عمل کیا ہے۔ اس کی تعمیل کا بیان رپورٹ سے منسلک ہے۔

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک

کوڈ آف کارپوریٹ گورننس کے مطابق ڈائریکٹرز یہ بتاتے ہوئے خوشی محسوس کرتے ہیں کہ:

- i- کمپنی کی انتظامیہ کی طرف سے تیار کردہ، مالیاتی حسابات، اس کے امور، آپریشنز کے نتائج، نقدی بہاؤ اور ایکویٹی میں تبدیلیوں کو منصفانہ طور پر ظاہر کرتے ہیں۔
- ii- کمپنی کے کھاتہ جات بالکل صحیح طور سے بنائے گئے ہیں۔
- iii- مالی حسابات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو تسلسل کے ساتھ لاگو کیا گیا ہے اور اکاؤنٹنگ کے تخمینہ جات مناسب اور دانشمندانہ فیصلوں پر مبنی ہیں۔
- iv- مالی حسابات کی تیاری میں پاکستان میں لاگو بین الاقوامی مالیاتی رپورٹنگ کے معیارات کی پیروی کی گئی ہے، اور کسی بھی انحراف کا موزوں انکشاف اور وضاحت کی گئی ہے۔
- v- اندرونی کنٹرول کے نظام کا ڈیزائن مستحکم ہے اور اسکی مؤثر طریقے سے عملدرآمد اور نگرانی کی جاتی ہے۔
- vi- گزشتہ پانچ سال کا کلیدی آپریشننگ اور مالیاتی ڈیٹا منسلک ہے۔
- vii- لسٹ ریگولیشن میں دیئے گئے کارپوریٹ گورننس کے بہترین طریقوں سے کوئی انحراف نہیں کیا گیا۔
- viii- ہم نے ایک ضابطہ اخلاق اور کاروباری حکمت عملی وضع کی ہے اور ڈائریکٹرز اور ملازمین میں تقسیم کیا ہے۔
- ix- کمپنی نے 30 جون 2021 کے لئے نہ کسی ڈیویڈنڈ کا اعلان کیا ہے اور نہ ہی بونس شیئرز جاری کئے ہیں۔
- x- واجب الادا ٹیکسوں اور لیویز کی تفصیل مالیاتی حسابات کے نوٹ میں دی گئی ہے۔

حصص کنندگان کی تفصیل

عام شیئرز کے لئے 30 جون 2021 کے مطابق حصص کنندگان کی تفصیل منسلک ہے۔

محاسب کی تقرری

اسلم ملک چارٹرڈ اکاؤنٹنٹس لاہور ریٹائر ہو گئے ہیں اور اہل ہونے کی بناء پر انہوں نے مالی سال 2021-22 کے لئے دوبارہ اپنی تقرری کی کی خواہش ظاہر کی ہے۔ آڈٹ کمیٹی نے ان کو دوبارہ نامزد کرنے کی سفارش کی ہے۔

بورڈ کی تھکیل

1۔ حسب ذیل کے مطابق ڈائریکٹرز کی کل تعداد 08 ہے۔

a۔ مرد: 07

b۔ خواتین: 01

2۔ بورڈ مندرجہ ذیل پر مشتمل ہے:

a۔ ایگزیکٹو ڈائریکٹرز 01

b۔ دیگر نائ ایگزیکٹو ڈائریکٹرز 05

c۔ آزاد ڈائریکٹرز 02

نمبر شمار	نام ڈائریکٹرز	عہدہ
	خواجہ محمد ندیم	ایگزیکٹو ڈائریکٹر
ii	عالیہ خانم	چیئر مین
iii	شقران احمد خان	
iv	خواجہ شہزاد یونس	
	محمد امجد	
vi	وسیم بیگ	
vii	شیخ مقبول احمد	آزاد ڈائریکٹر
viii	محمد طارق صوفی	آزاد ڈائریکٹر

آڈیٹرز نے اپنے جائزہ رپورٹ میں نمایاں بیان کیا ہے کہ: کمپنی نے ڈائریکٹرز ٹریننگ پروگرام کا انتظام یا SECPI سے ڈائریکٹرز ٹریننگ پروگرام سے استسنا حاصل نہیں کیا ہے۔
پچھلے کچھ عرصہ میں نئے ڈائریکٹر بورڈ کا حصہ بنے ہیں جو کہ کوڈ آف کارپوریٹ گورننس 2019 کی شرائط پر دی گئی مدت میں عمل کریں گے۔

بورڈ کی کمیٹیاں

بورڈ نے مندرجہ ذیل ذیلی کمیٹیاں بنائی ہیں:

آڈٹ کمیٹی کے اجلاس

i۔ محمد طارق صوفی چیئر مین

ii۔ محمد امجد رکن

iii۔ خواجہ شہزاد یونس رکن

انسانی وسائل اور معاوضہ کمیٹی کے اجلاس

i۔ محمد طارق صوفی چیئر مین

ii۔ شقران احمد خان رکن

ڈائریکٹران کی تنخواہ کے اہم پہلو

بورڈ آف ڈائریکٹرز نے ایگزیکٹو ڈائریکٹرز کی تنخواہ سے متعلق باقاعدہ پالیسی کی اجازت دی ہے جو ان کی کمپنی کے معاملات میں ان کی ذمہ داریوں پر منحصر ہے۔ تنخواہ کی ذمہ داریوں کے مطابق اور ان کی کمپنی کو کامیابی سے چلانے کے لئے ان کی قابلیت کے مطابق تاکہ ان کی جانب سے کمپنی میں مزید بہتری لائی جاسکے۔

اعتراف

کمپنی کے اسٹاف اور ملازمین کی مسلسل وفاداری اور لگن اور ہر سطح پر اچھے تعلقات تعریف کے مستحق ہیں۔ اس کے علاوہ ڈائریکٹرز، تمام متعلقین کا مسلسل حمایت کی وجہ سے شکریہ ادا کرنے کی خواہش رکھتے ہیں۔

بذریعہ بورڈ آف ڈائریکٹرز

تاریخ: 17 اکتوبر 2021

لاہور

عالیہ خانم

چیئر مین

خواجہ محمد ندیم

چیف ایگزیکٹو



YOUSAF WEAVING MILLS LIMITED

A Project of Chakwal Group

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Gulberg III, Lahore, Pakistan
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Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019

Name of Company : Yousaf Weaving Mills Limited

Year ending : June 30, 2021

Yousaf Weaving Mills Limited (the "Company") has complied with the requirement of the Regulations in the following manner:

1. The total number of directors are 08 as per the following:

- a. Male : 07
- b. Female : 01

2. The composition of the board is as follows:

- a. Executive Directors : 01
- b. Other Non-Executive Directors : 06
- c. Independent Directors : 02

Name	Category
Mr. Khawaja Mohammad Nadeem	Executive Director
Mst. Alia Khanum	Non-Executive Director
Mr. Shuqran Ahmed Khan	Non-Executive Director
Mr. Khawaja Shahzad Younus	Non-Executive Director
Mr. Muhammad Amjad	Non-Executive Director
Mr. Waseem Baig	Non-Executive Director
Mr. Sheikh Maqbool Ahmed	Independent Director
Mr. Mohammad Tariq Sufi	Independent Director

*Best practices of corporate governance entail having an optimal number and mix of board members with adequate skills and experience. The current Board of Directors of the Company adequately meets this requirement. Further, existing independent directors play an effective part within the Board and make valuable contributions. Therefore, the fraction (2.3) has not been rounded up.

- 3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.
- 4. The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.



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5. The board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. The board has ensured that complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by the board/shareholders as empowered by the relevant provisions of the Act and these regulations.
7. The meetings of the board were presided over by the Chairman and, in her absence, by a director elected by the board for this purpose. The board complied with requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of the meeting of board.
8. The board of directors has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. The Executive Director is exempt from Director's Training Program, whereas remaining directors will duly comply with the requirement of Code of Corporate Governness with respect of Directors' Training Program.
10. No appointment of Chief Executive Officer, Chief Financial Officer or Company Secretary is made during the current year.
11. CFO and CEO duly endorsed the financial statements before approval of the board.
12. The Board has formed committees comprising members given below:
 - I. Audit Committee:
 - i. Mr. Mohammad Tariq Sufi – Chairman
 - ii. Mr. Muhammad Amjad
 - iii. Mr. Khawaja Shahzad Younus
 - II. HR and Remuneration Committee:
 - i. Mr. Mohammad Tariq Sufi – Chairman
 - ii. Mr. Waseem Baig
 - iii. Mr. Shuqran Ahmed Khan
13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings of the aforesaid committees were as per following:



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- a) Audit Committee: Four Quarterly meetings during the financial year ended June 30, 2021.
 - b) HR & Remuneration Committee: One meeting during the financial year ended June 30, 2021.
15. The board has set up an effective internal audit function, which is considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

For Yousaf Weaving Mills Limited

Mst. Alia Khanum
Chairman

Lahore: October 05, 2021



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Aslam Malik & Co.
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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Yousaf Weaving Mills Limited

Review report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **Yousaf Weaving Mills Limited** for the year ended 30 June 2021 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensued compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2021.

Further, we highlight below instance of non-compliance with the requirement of the Regulations as reflected in the paragraph reference where it is stated in the statement of Compliance.

Paragraph Reference	Description
9	The company has not arranged the directors training program or obtained the exemption from directors training program from the commission as required under clause 19 of the Regulations.



(Aslam Malik & Co.)
Chartered Accountants

Lahore

Date: October 07, 2021

Other Offices at:
Engagement Partner: Hafiz Muhammad Ahmad

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INDEPENDENT AUDITOR'S REPORT

To the members of Yousaf Weaving Mills Limited

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the annexed financial statements of **Yousaf Weaving Mills Limited** (the Company), which comprise the statement of financial position as at **June 30, 2021**, and the statement of profit or loss account and the statement other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies other explanatory information, and we state that, except for the possible effect of matter described in basis of qualified opinion section of our report, we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in paragraph (a) & (b) in the Basis for Qualified Opinion section of our report, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2021 and of the Profit and other comprehensive profit, the changes in equity and its cash flows for the year then ended.

Basis for Qualified Opinion

- 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

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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 borrowing in these financial statements. Based on available underlying records, response from the legal counsel and non-confirmation of loan balance, we are unable to determine with reasonable accuracy the impact on these financial statements of any disagreement with Bank.

- 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.

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent

of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Material Uncertainty relating to Going Concern

We draw attention to Note 1.4 in the financial statements which indicates that the company's equity is negative by Rs. 48.55 million (2020: negative by Rs. 314.02 million), its accumulated loss amounting to Rs. 1,440.72 million (2020: 1,455.49 million) and its current liabilities exceeds its current assets by Rs. 1,016.88 million (2020: Rs. 1,138.06 million). These conditions along with other matters as set forth in Note 1.4 indicate the existence of a material uncertainty that may cause significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion and material uncertainty relating to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Following are the key audit matters:

S. No.	Key Audit Matters	How the matter was addressed in our audit
1	<p>Contingencies</p> <p>The Company is subject to material litigations involving in various courts pertaining to Income Tax and recovery of Loans by Financial Institutions, which requires management to make assessment and judgements with respect to likelihood and impact of such litigations.</p> <p>The accounting for, and disclosure of, contingencies is complex and is a matter of most significance in our audit because of the judgements required to determine the level of certainty on these matters.</p> <p>The details of contingencies along with management's assessment and the related provisions are disclosed in note 14 to the financial statements.</p> <p>There is inherent risk that legal exposures are not identified and considered for financial reporting purposes on a timely basis, therefore, considered it to be a key audit matter.</p>	<p>Our audit procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • Discussing legal cases with the legal department to understand the management's view point and obtaining and reviewing the litigation documents in order to assess the facts and circumstances; • Obtaining independent opinion of legal advisor and tax advisor dealing with such cases in the form of direct confirmations; • We also evaluated the legal cases in line with the requirements of IAS 37: Provisions, contingent liabilities and contingent assets; and • The disclosures of legal exposures and provisions were assessed for completeness and accuracy.

Information Other Than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, except for the possible effects of the matters described in the basis for qualified opinion section of our report, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) No zakat is deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditors' report is **Hafiz Muhammad Ahmad**.



(Aslam Malik & Co.)
Chartered Accountants

Place: Lahore

Date: October 07, 2021

YOUSAF WEAVING MILLS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2021

	Note	2021 Rupees	2020 Rupees
CAPITAL AND LIABILITIES			
Share Capital and Reserves			
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	4	900,000,000	900,000,000
Loan from directors	5	106,600,000	37,640,210
Accumulated loss		(1,440,716,881)	(1,455,491,996)
Surplus on revaluation of land	6	385,563,327	203,833,327
		(48,553,554)	(314,018,459)
Non Current Liabilities			
Long term loan	7	-	-
Deferred liability	8	35,553,393	32,430,735
		35,553,393	32,430,735
Current Liabilities			
Trade and other payables	9	305,174,689	403,860,412
Unclaimed dividend		3,247,016	3,247,016
Accrued mark up	10	133,827,820	135,859,375
Short term borrowings	11	593,508,622	585,614,973
Current portion of non current liabilities	12	80,977,769	93,176,953
Provision for taxation	13	50,160,909	45,551,741
		1,166,896,825	1,267,310,470
Contingencies and Commitments			
	14	-	-
		1,153,896,664	985,722,746
ASSETS			
Non Current Assets			
Property, plant and equipment	15	947,395,316	807,551,842
Intangible assets	16	186,164	232,705
Long term loans	17	10,472,827	10,921,837
Long term deposits	18	45,822,696	37,762,809
		1,003,877,003	856,469,193
Current Assets			
Stores and spares	19	9,826,528	10,856,819
Stock in trade	20	17,277,547	15,351,226
Trade debts	21	37,469,134	18,260,998
Loans and advances	22	22,220,053	19,234,656
Trade deposits and other receivables	23	23,312,525	8,150,707
Tax refunds due from government	24	38,586,096	53,336,854
Cash and bank balances	25	1,327,778	4,062,293
		150,019,661	129,253,553
		1,153,896,664	985,722,746

The annexed notes from 1 to 45 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

YOUSAF WEAVING MILLS LIMITED

STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED JUNE 30, 2021

		2021	2020
	Note	Rupees	Rupees
Sales - net	26	723,252,679	415,494,589
Cost of sales	27	(639,114,835)	(447,000,416)
Gross Profit / (Loss)		84,137,844	(31,505,827)
Distribution costs	28	(9,714,269)	(3,915,104)
Administrative expenses	29	(43,777,948)	(36,255,836)
		(53,492,217)	(40,170,940)
Operating Profit / (Loss)		30,645,627	(71,676,767)
Other operating charges	30	(2,278,543)	(1,100,000)
Finance cost	31	(2,107,674)	(177,623)
Other operating income	32	1,832,912	3,777,499
Profit / (Loss) before Taxation		28,092,322	(69,176,891)
Taxation	33	(10,912,787)	(6,303,619)
Profit / (Loss) for the Year		17,179,535	(75,480,510)
Earning / (Loss) per Share - Basic and Diluted	34	0.19	(0.84)

The annexed notes from 1 to 45 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

YOUSAF WEAVING MILLS LIMITED
STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2021

	2021 Rupees	2020 Rupees
Profit / (Loss) for the Year	17,179,535	(75,480,510)
Other Comprehensive Income for the Year		
<i>Items that will be reclassified subsequently to profit or loss</i>	-	-
<i>Items that will not be reclassified subsequently to profit or loss</i>		
- Experience adjustment on remeasurement of staff retirement	(2,404,420)	(4,394,345)
- Revaluation surplus on property, plant and equipment	181,730,000	-
	179,325,580	(4,394,345)
Total Comprehensive Income / (Loss) for the Year	196,505,115	(79,874,855)

The annexed notes from 1 to 45 form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

YOUSAF WEAVING MILLS LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021

		2021	2020
	Note	Rupees	Rupees
CASH USED IN OPERATIONS	35	(36,263,139)	(6,895,975)
Finance cost paid		(4,139,229)	(251,788)
Gratuity paid	8	(10,069,921)	(4,626,000)
Income tax paid		(12,020,604)	(4,510,065)
Net cash used inoperating activities		(62,492,893)	(16,283,828)
CASH FLOWS FROM INVESTING ACTIVITIES			
Property, plant and equipment purchased		-	(26,130,000)
Proceeds from disposal of property, plant and equipment		2,715,000	3,240,000
Proceeds from sale of stores and raw material		-	1,805,504
Long term loans to employees		449,010	28,000
Long term deposits		(8,059,887)	467,475
Net cash used in investing activities		(4,895,877)	(20,589,021)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term loan from directors		68,959,790	39,420,111
Repayment of long term loan		(12,199,184)	-
Repayment of lease liabilities		-	(594,316)
Short term borrowings - net		7,893,649	(237,437)
Net cash generated from financing activities		64,654,255	38,588,358
Net (decrease) / increase in Cash and Cash Equivalents		(2,734,516)	1,715,509
Cash and cash equivalents at the beginning of the year		4,062,294	2,346,785
Cash and Cash Equivalents at the End of the Year		<u>1,327,778</u>	<u>4,062,294</u>

The annexed notes from 1 to 45 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

YOUSAF WEAVING MILLS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2021

Particulars	Issued, Subscribed and Paid up Share Capital	Accumulated Loss	Loan from Directors	Revaluation Surplus	Total
	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at June 30, 2019	900,000,000	(1,375,617,141)	34,901,000	203,833,327	(236,882,814)
Loss for the year	-	(75,480,510)	-	-	(75,480,510)
Other comprehensive loss	-	(4,394,345)	-	-	(4,394,345)
Loan from directors during the year	-	-	2,739,210	-	2,739,210
Balance as at June 30, 2020	900,000,000	(1,455,491,996)	37,640,210	203,833,327	(314,018,459)
Profit for the year	-	17,179,535	-	-	17,179,535
Other comprehensive income	-	(2,404,420)	-	181,730,000	179,325,580
Loan from directors during the year	-	-	68,959,790	-	68,959,790
Balance as at June 30, 2021	900,000,000	(1,440,716,881)	106,600,000	385,563,327	(48,553,554)

The annexed notes from 1 to 45 form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

YOUSAF WEAVING MILLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

Note 1
The Company and its operations

- 1.1 The Company was incorporated on January 17, 1988 as a public limited company in Pakistan under the Companies Ordinance, 1984 (now the Companies Act, 2017) and is quoted on Pakistan Stock Exchanges. The Company is engaged in the business of textile weaving, spinning and sale of processed fabric.
- 1.2 Corporate office of the Company is located at 7/1, E-3, Main Boulevard Gulberg III, Lahore. While the production plants of the Company are located at 49-Km, Multan Road, Bhai Phero and 7-Km, Multan Road, Pattoki.
- 1.3 In March 2020, the Government of Pakistan implemented a country-wide lockdown in order to contain the spread of COVID-19 in the country. Despite a temporary slowdown in sales in 2020, the Company returned to normal levels after the lockdown was lifted. In addition to this there was another lockdown in May 2021 for a week, however, this has not impacted the activity of the Company. Based on the above, the Company does not have any material effect on these financial statements due to COVID-19.
- 1.4 During the year Company has earned profit after tax of Rs. 17.179 million (2020: Rs. 75.481 million) and at year end, its accumulated losses stood at Rs. 1,440.717 million (2020: 1,455.492 million). Its current liabilities exceed its current assets by Rs. 1,016.877 million (2020: Rs. 1,138.057 million). The Company in order to carry on its business and to meet its current obligation requires generating sufficient cash flows. Further, the banking companies also filed suit against the Company for recovery of outstanding balances and related interest accrued thereon. 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 continuously striving to enhance its production capacity, in connection of which the Company has imported a warping machinery subsequent to the year end which will benefit to improve the production capacity & efficiency of weaving unit. Further the management is planning to purchase 20 new looms during next financial year for which initial evaluation has been started.

During the current reporting period the Company has negotiated with its bankers for re-structuring of its financial facilities to meet its working capital requirements and successfully restructured its long term loan obtained from Bank of Punjab on favorable terms; i.e. outstanding long term loan is repayable in 26 quarterly installments, whereas fixed mark-up rate of 6% will be charged through out along-with an opportunity that mark-up of Rs. 12.155 million will be waived off at the end of principal repayment.

During the current year the directors of the Company has provided long term loan of Rs. 69 million which has been used to pay off outstanding liabilities of the Company. The directors / sponsors of the Company have shown their commitment to support the Company in every hour of need to stabilize the Company's operations and committed to provide their enduring support to achieve sustainable growth in future.

To rationalize our energy cost, we have contracted with an organization (solar system provider) to provide 1,850 KW electricity for a period of 15 years through installation of solar system at our weaving unit at economical rate of Rs. 9/unit. The cutting edge in this contract is that all the investment shall be made by the Solar Company and Yousaf Weaving Mills only has to provide its premises for installation of solar system, whereas electricity production and supply will be managed by the counter party. After installation of solar system we could be able to reduce our energy cost up to some extent.

The Company has some premier exporters on its clientele, due to our best quality products and expertise in conversion model business, we could be able to attain their confidence and develop a feeling of a mutual corporation and long-lasting relationship which will prove to be fruitful in upcoming periods

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

Note 2
Basis of Preparation

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise:

- 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 Basis of measurement

These financial statements have been prepared under the historical cost convention except to the extent of following:

Certain property, plant and equipment	Note 15	(stated at Revalued / Fair value)
Employee retirement benefits (Gratuity)	Note 8	(stated at Present value)

2.3 Functional and presentation currency

These financial statements are prepared and presented in Pak Rupees which is the Company's functional and presentation currency. All the figures have been rounded off to the nearest Rupee, unless otherwise stated.

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on the historical experience, including expectations of future events that are believed to be reasonable under the circumstances. These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

These estimates and related assumptions are reviewed on an on going basis. Accounting estimates are revised in the period in which such revisions are made. Significant management estimates in these financial statements relate to the useful life and residual values of property, plant and equipment; revalued amounts of property, plant and equipment; amortization of intangible assets; impairment of assets; provisions for defined benefit obligations; taxation; and contingent liabilities. The basis and associated assumptions underlying the accounting estimates used in the preparation of annual financial statements of the Company for the year ended June 30, 2021 are consistent with previous year's unless otherwise stated.

2.5 Initial application of a standard, amendment or an interpretation to an existing standard

2.5.1 Amendments to published accounting and reporting standards which are effective for the year ended June 30, 2021

There were certain amendments to accounting and reporting standards which became effective for the Company for the current year. However, these are considered not to be relevant or to have any significant impact on the Company's financial reporting and, therefore, have not been disclosed in these financial statements.

Note 2 - Basis of Preparation ... Contd.

2.5.2 Standard, amendments to published accounting and reporting standards and interpretations that are not yet effective and have not been early adopted by the Company

There is a standard and certain other amendments to accounting and reporting standards that are not yet effective and are considered either not to be relevant or to have any significant impact on the Company's financial statements and operations and, therefore, have not been disclosed in these financial statements.

**Note 3
Summary of Significant Accounting Policies**

The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented.

3.1 Employee retirement benefits

The Company operates an unfunded gratuity scheme (defined benefit plan) for all its permanent employees who have completed minimum qualifying period of service as defined under the respective scheme. Provisions are made annually to cover the obligation under the schemes on the basis of actuarial valuation and are charged to profit and loss account for the year. The assumptions are determined by independent actuary.

The amount recognized in the statement of financial position represents the present value of defined benefit obligations using the projected unit credit actuarial valuation method. Actuarial gains/ losses arising from the actuarial valuation are recognized immediately and are presented in other comprehensive income. The latest actuarial valuation was carried as at June 30, 2021.

3.2 Compensated absences

The Company provides for compensated absences of its employees on un-availed balance of leaves in the period in which the leaves are earned.

3.3 Provisions

A provision is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

3.4 Trade and other payables

Liabilities for trade and other payables are carried at their fair value of the consideration to be paid in the future for goods and services received whether billed to the Company or not.

3.5 Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Note 3 - Summary of Significant Accounting Policies ... Contd.

Deferred

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for deductible temporary differences and unused tax losses and credits only if it is probable that future taxable amounts will be available to utilize those temporary differences and unused tax losses and credits.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

3.6 Property, plant and equipment

Property, plant and equipment except freehold land is stated at cost less accumulated depreciation and identified impairment losses. Freehold land is stated at revalued amount. Cost of property, plant and equipment consists of historical cost, borrowing cost pertaining to the construction and erection period and directly attributable cost of bringing the assets into working condition.

Depreciation is charged to income on reducing balance method at the rates specified in note 15. Full month's depreciation is charged on additions during the month, whereas no depreciation is charged on the assets disposed off during the month. Where an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated useful life.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and replacements are capitalized. Gains or losses on disposal of property, plant and equipment are included in the current year income.

3.7 Intangible asset

An intangible asset is recognized as an asset if it is probable that future economic benefits attributable to the asset will flow to the entity and the cost of such asset can be measured reliably. Cost of intangible assets i.e. ERP and other software include purchase cost and directly attributable expenses incidental to bring the software for its intended use.

Cost that are directly associated with identifiable software and have probable economic benefits beyond one year, are recognized as an intangible assets. However, costs associated with the maintenance of software are recognized as an expense.

Intangibles are measured initially at cost and subsequently stated at cost less accumulated amortization and identified impairment losses, if any. Amortization is charged to income using reducing balance as specified in note 16. The amortization period and the amortization method for an intangible asset are reviewed, at each financial year end, and adjusted if impact on amortization is significant.

3.8 Stores & spares

These are valued at cost, determined on moving weighted average basis less allowance for obsolete and slow moving items. Items in transit are valued at invoice plus other incidental charges incurred thereon.

Note 3 - Significant Accounting Policies ... Contd.

3.9 Stock in trade

These have been valued at the lower of cost and net realizable value. Cost has been determined as follows:

Raw and packing materials	- Moving average cost
Materials in transit	- Cost and incidental charges paid thereon
Work in process	- Average manufacturing cost
Finished goods	- Average manufacturing cost
Waste	- Net realizable value

Manufacturing cost in relation to work in process and finished goods comprises cost of material, labor and appropriate manufacturing overheads. Net realizable value signifies the estimated selling price in the ordinary course of business less necessary cost to make the sale.

3.10 Trade debts and other receivables

Trade debts and other receivables are carried at original invoice amount less an estimate made for doubtful debts and receivables based on review of outstanding amounts at the period end. Balances considered bad and irrecoverable are written off when identified.

3.11 Cash and cash equivalents

Cash and cash equivalents are carried at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand and cash at banks in current and saving accounts.

3.12 Revenue recognition

The Company is in the business of sale of textile products. Revenue from contracts with customers is recognized at the point of time when control of the goods is transferred to the customer (generally on delivery of the goods) at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods before transferring them to the customer.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g. warranties). In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

3.13 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Note 3 - Significant Accounting Policies ... Contd.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

ii) Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is premeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Company's lease liabilities are included in Interest-bearing loans.

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognized as expense on a straight-line basis over the lease term.

Company as a lessor

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the term of the lease transfers substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating lease.

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

3.14 Financial instruments

3.14.1 Financial assets

All financial assets are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of financial assets are recognized and derecognized, as applicable, using trade-date accounting or settlement date accounting.

3.14.1.1 Classification

The Company classifies its financial assets in the following categories: at amortized cost, at fair value through other comprehensive income and at fair value through profit or loss. The classification is based on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. The management determines the classification of its financial assets at the time of initial recognition.

Note 3 - Significant Accounting Policies ... Contd.

a) Financial assets at amortized cost

A financial asset is measured at amortized cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial assets at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial assets at fair value through profit or loss

A financial asset is measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income. However, the Company can make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income unless these are held for trading in which case these have to be measured at fair value through profit or loss. The equity investments of the Company held in short term investments are classified at fair value through profit or loss because they are frequently traded.

3.14.1.2 Initial recognition and measurement

All financial assets are initially measured at cost plus transaction costs that are directly attributable to its acquisition except for trade receivables. Trade receivables are initially measured at the transaction price.

3.14.1.3 Subsequent measurement

Financial assets measured at amortized cost are subsequently measured using the effective interest rate method. The amortized cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are recognized in the statement of profit or loss account.

Financial assets measured at fair value through profit or loss are subsequently measured at fair value prevailing at the reporting date. The difference arising is charged to the profit or loss account.

Financial assets measured at fair value through other comprehensive income are subsequently measured at fair value prevailing at the reporting date. The difference arising is charged to the other comprehensive income.

3.14.1.4 Derecognition

Financial assets are derecognized when the contractual rights to receive cash flows from the assets have expired. The difference between the carrying amount and the consideration received is recognized in profit or loss account.

3.14.1.5 Impairment of financial assets

The Company recognizes an allowance for expected credit losses (ECLs) for all financial assets which are measured at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

Note 3 - Significant Accounting Policies ... Contd.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

3.14.2 Financial liabilities

3.14.2.1 Initial recognition and measurement

Financial liabilities are initially classified at amortized cost. Such liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument and include trade and other payables, loans or borrowings and accrued mark up etc.

3.14.2.2 Subsequent measurement

The Company measures its financial liabilities subsequently at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss account. Difference between carrying amount and consideration paid is recognized in the statement of profit or loss account when the liabilities are derecognized.

3.15 Off-setting of financial assets and financial liabilities

A financial asset and financial liability is offset and the net amount is reported in the statement of financial position if the Company has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

3.16 Balances from contract with customers

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. The Company recognizes a contract asset for the earned consideration that is conditional if the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional. Trade receivables are carried at original invoice amount less expected credit loss based on a review of all outstanding amounts at the year end. Bad debts are written off when identified.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration from the customer. A contract liability is recognized at earlier of when the payment is made or the payment is due if a customer pays consideration before the Company transfers goods or services to the customer.

Right of return assets

Right of return asset represents the Company's right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. The Company updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

Refund

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

Note 3 - Significant Accounting Policies ... Contd.

3.17 Impairment

Carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. In the absence of any information about the fair value, the recoverable amount is determined to be the value in use. Impairment losses are recognized as expense in the statement of profit or loss.

3.18 Borrowing cost

Borrowing cost are charged to income as and when incurred except costs that are directly attributable to acquisition, construction or production of qualifying assets that are capitalized as part of the cost of assets.

3.19 Foreign currency transactions

Transactions denominated in foreign currencies are initially recorded at Pak Rupees by applying the foreign exchange rate ruling on the date of transaction. All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at exchange rate prevailing at the statement of financial position date except for balances covered under forward exchange contracts, which are converted at the contracted rates. Exchange differences are included in profit and loss account.

3.20 Related party transactions

Related parties from the Company's perspective comprise, associated undertakings, key management personnel (including chief executive and directors) and post employment benefit plan. The Company in the normal course of business carries out transactions with various related parties and continues to have a policy whereby all such transactions are carried out on permissible basis and agreed terms.

3.21 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (the Chief Executive Officer of the Company).

3.22 Dividend

Dividends are recognized as a liability in the period in which these are approved.

3.23 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal, or in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk. When applicable, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

When there is no quoted price in an active market, the Company uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all the factors that market participants would take into account in pricing a transaction. The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price i.e. the fair value of the consideration given or received. If the Company determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, the instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is credited or charged to the statement of profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is supported wholly by observable market data or the transaction is closed out.

Note 3 - Significant Accounting Policies ... Contd.

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

3.24 Earnings per share

The Company presents basic and diluted earnings per share (EPS). Basis EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any.

**Note 4
Issued, Subscribed and Paid Up Capital**

2021	2020	2021	2020
No. of Shares		Rupees	Rupees
	Ordinary shares of Rs. 10 each fully paid in cash		
90,000,000	90,000,000	900,000,000	900,000,000

4.1 The Company has not issued / cancelled any shares during the year.

**Note 5
Loan from directors**

	2021	2020
	Rupees	Rupees
Opening balance	37,640,210	34,901,000
Add: Loan received during the year	68,959,790	2,739,210
Closing balance	106,600,000	37,640,210

These interest free loans were obtained from the Directors / Sponsors of the Company to meet working capital requirements of the Company. These loans are subordinated to finances from the directors and these are repayable at the discretion of the Company after the short term finances availed from the banks. These are not measured at amortized cost, rather these are treated as equity at face value in accordance with the guideline provided through TR 32 - "Accounting Directors' Loan" as issued by the Institute of Chartered Accountants of Pakistan.

**Note 6
Surplus on revaluation of property, plant & equipment**

Latest revaluation of freehold land has been carried out as at June 30, 2021 by M/s. S.A. Associates on the basis of their professional assessment of present market value, based on enquiries made about the cost of land of similar nature, size and location.

**Note 7
Long Term Loan**

	Note	2021	2020
		Rupees	Rupees
Banking companies - Secured			
Demand Finance	7.1	-	93,176,953
Less: Current and overdue portion shown under current liabilities	12	-	(93,176,953)
		-	-

Note 7 - Long Term Loan ... Contd.

- 7.1** This represents outstanding term finance of Rs. 93.177 million to meet the working capital requirements of the company obtained from the Bank of Punjab. During the current year, this loan has been rescheduled/restructured by the Bank of Punjab as total demand finance facility is repayable in 26 quarterly installments carries markup at 6%. The facility is secured against exclusive charge over sponsor's residential and agricultural property, ranking charge over fixed and current assets of the Company and personal guarantees of directors of the Company. Last quarter installment has been paid subsequent to year end due to which long term loan has been classified as current liability.

**Note 8
Deferred Liability**

	Note	2021 Rupees	2020 Rupees
Gratuity payable	8.1	35,553,393	32,430,735
8.1 Gratuity payable			
8.1.1 Net liability recognized in the statement of financial position			
Present value of defined benefit obligations		<u>35,553,393</u>	<u>32,430,735</u>
8.1.2 Movement in the net liability recognized in the statement of financial position			
Net liability as at 1st July		32,430,735	21,491,451
Expense recognized in the income statement		10,788,159	11,170,939
Benefits paid during the year		(10,069,921)	(4,626,000)
Remeasurement changes chargeable to other comprehensive income		<u>2,404,420</u>	<u>4,394,345</u>
Net liability as at 30th June		<u>35,553,393</u>	<u>32,430,735</u>
8.1.3 Movement in the present value of defined benefit obligation is as follows:			
Present value of defined benefit obligation as at 1st July		32,430,735	21,491,451
Current service cost		8,459,518	8,773,633
Interest cost		2,328,641	2,397,306
Benefit paid		(10,069,921)	(4,626,000)
Remeasurement of obligation		<u>2,404,420</u>	<u>4,394,345</u>
Present value of defined benefit obligation as at 30th June		<u>35,553,393</u>	<u>32,430,735</u>
8.1.4 Amount charge to profit and loss account			
Current service cost		8,459,518	8,773,633
Interest cost		<u>2,328,641</u>	<u>2,397,306</u>
		<u>10,788,159</u>	<u>11,170,939</u>
8.1.5 Allocation of charge for the year			
Cost of sales	27	3,093,059	3,326,469
Administrative expenses	29	<u>7,695,100</u>	<u>7,844,470</u>
		<u>10,788,159</u>	<u>11,170,939</u>
8.1.6 Amount recognized in other comprehensive income are:			
Actuarial loss due to experience adjustments		<u>2,404,420</u>	<u>4,394,345</u>
8.1.7 Key actuarial assumptions used:			

The company operates a defined benefit plan which comprises an unfunded gratuity scheme for its permanent employees. The scheme defined the amounts of the benefit that an employee will receive on or after retirement subject to minimum qualifying period of service under the scheme. Actuarial valuation of the scheme is carried out every year and the latest actuarial valuation was carried out on June 30, 2021 using Projected Unit Credit method by an approved actuary.

Note 8 - Deferred Liabilities ... Contd.

	2021	2020
Discount rate	10.00%	8.50%
Expected rate of salary increase	9.00%	7.50%
Retirement age	60 Years	60 Years

8.1.8 Sensitivity analysis for actuarial assumptions:

The sensitivity of the defined benefit obligation to changes in the weighted principle assumption is:

	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	+ - by 100 bps	33,198,605	38,076,049
Salary increase	+ - by 100 bps	38,075,207	33,198,197

8.2 Deferred tax liability - Net

- 8.2.1** Deferred tax asset amounting to Rs. 102.298 million arising due to brought forward losses amounting to Rs. 352.753 million has not been recognized in the current year, as the attributable temporary differences are not expected to reverse in the foreseeable future.

Note 9

Trade and Other Payables

	Note	2021 Rupees	2020 Rupees
Creditors - Unsecured	9.1	127,633,379	241,538,580
Contract liabilities		5,746,379	4,746,187
Accrued liabilities	9.3	159,705,262	147,790,398
Withholding tax payable		3,783,899	4,257,783
Sales tax payable		1,299,763	-
Workers' (profit) participation fund		1,478,543	-
Other liabilities		5,527,464	5,527,464
		<u>305,174,689</u>	<u>403,860,412</u>

- 9.1** This includes amount due to following related parties as follows:

	2021 Rupees	2020 Rupees
Chakwal Spinning Mills Limited	6,345,719	6,428,219
Kohinoor Spinning Mills Limited	-	21,815,980
	<u>6,345,719</u>	<u>28,244,199</u>

- 9.2** The maximum aggregate amount due to these related parties at the end of any month during the year was Rs. 28.209 million.

- 9.3** This mainly includes salaries & wages payable and utility bills payable as at reporting date.

Note 10

Accrued Mark up

	Note	2021 Rupees	2020 Rupees
Long term loan		18,965,518	20,997,073
Short term borrowings	10.1	114,862,302	114,862,302
		<u>133,827,820</u>	<u>135,859,375</u>

- 10.1** The principal amount of the short term borrowings is Rs. 392.204 million which is under litigation, the cost of funds is to be determined by Banking Court, at the current reporting date therefore no mark-up is charged for the year on the said borrowings.

Note 11
Short Term Borrowings

	Note	2021 Rupees	2020 Rupees
Banking companies - Secured			
- Running finance / packing credit / cash finance	11.1	392,204,386	392,204,386
Related parties - Unsecured			
- Loan from directors	11.2	196,319,772	193,410,587
Others			
- Unpresented cheques	11.3	4,984,464	-
		<u>593,508,622</u>	<u>585,614,973</u>

11.1 Terms and conditions of borrowings

- **Purpose**

These facilities have been obtained with sanctioned limit of Rs. 906.568 million (2020: 906.568 million) for working capital requirements, procure stock of cotton, retirement of import bills, local and foreign LCs, discounting local bills / receivables and loan against trust receipts etc.

- **Mark up**

The mark up rate on various limits is 3-month Kibor plus a spread of 2% to 3.5% (2020: 3-month Kibor plus 2% to 3.5%) per annum, payable quarterly. Further, some limits carry commission against local LCs at 0.20% to 0.25% (2020: 0.20% to 0.25%) per quarter.

- **Securities**

These facilities are secured against pledge of raw material stocks, registered hypothecation charge over fabrics and yarn stocks, imports documents, irrevocable L/Cs and export bills, charges over fixed and current assets of the Company and personal guarantees of sponsoring directors of the Company.

11.2 This represents interest free funds obtained from directors to meet working capital requirements of the Company.

11.3 This represents cheques issued but not presented on the statement of financial position date. These cheques will be honored subsequent to the statement of financial position date.

Note 12
Current and Overdue Portion of Non Current Liabilities

	Note	2021 Rupees	2020 Rupees
Long term loans	7	<u>80,977,769</u>	<u>93,176,953</u>

12.1 Long term loan has been classified as current liability due to Company's inability to pay loan's last installment on due date as per agreed schedule of the bank, however it has been paid subsequent to year and before issuance of financial statements.

Note 13
Provision for Taxation

	2021 Rupees	2020 Rupees
Opening balance	45,551,741	55,818,081
Add: Charge for the current year	<u>10,912,787</u>	<u>6,303,619</u>
	56,464,528	62,121,700
Less: Payment / adjustments against advance tax	<u>(6,303,619)</u>	<u>(16,569,959)</u>
	<u>50,160,909</u>	<u>45,551,741</u>

Note 13 - Provision for taxation ... Contd.

- 13.1 The Company computes tax based on the generally accepted interpretations of the tax laws to ensure that the sufficient provision for the purpose of taxation is available. The comparison of estimated provision for taxation and actual tax assessed as per income tax return filed for previous years can be analyzed as follows:

	2018	2019	2020
	Rupees	Rupees	Rupees
Provision for Taxation	24,375,418	16,569,959	6,303,619
Tax assessed	24,375,418	-	-

Note 14
Contingencies and Commitments

Contingencies

- 14.1 National Bank of Pakistan Limited filed a suit against the Company and Others before the Lahore High Court vide COS No.96/2016, wherein the bank demanded repayment of Rs. 112.654 million inclusive of principal and mark up. In this suit an interim decree for an amount of Rs. 77.467 million against cash finance facilities and mark-up accrued thereon up to December 31, 2014, was passed on January 21, 2019, execution whereof is also pending vide Ex.App. No.9787/2019. The Court has ordered that mark-up beyond December 31, 2014 is declined and un-claimable. The Company has also filed an appeal vide RFA No.19723/2019 against said interim decree, which is also pending. For remaining claim of the bank in respect of outstanding inland LC facility amounting to Rs. 18.868 million, leave to defend has been granted. The amount involved in this case is the same as claimed by the bank. The case is being vigorously contested by the Company and there are good chances of a favorable outcome in this case.
- 14.2 The Company filed a suit against National Bank of Pakistan Limited, before the Lahore High Court vide COS No.14450/2018, wherein along with other prayers recovery of Rs. 409.662 million has also been claimed. This suit is still pending adjudication. There is no scope of any loss to the Company in the instant matter.
- 14.3 Habib Metropolitan Bank Limited filed a suit against the Company and Others before the Lahore High Court vide COS No.173949/2018, wherein the Bank demanded recovery of Rs. 313.500 million inclusive of principal and mark up. This suit is still pending adjudication. The amount involved in this case is the same as claimed by the Bank. This case is being vigorously and diligently contested by the Company and there are good chances of a favorable result in this case.
- 14.4 The Company filed a suit against Habib Metropolitan Bank Limited, before the Lahore High Court vide COS No.219124/2018, wherein along with other prayers recovery of Rs. 578.318 million has been claimed. This suit is still pending adjudication. There is no scope of any loss to the Company in the instant matter.
- 14.5 The Company has filed cross appeal before the Hon'ble Appellate Tribunal Inland Revenue, Lahore Bench, Lahore against the order of the CIR(Appeals-I), Lahore dated 06th February, 2013 passed in appeal No. 02 for the tax year 2006. Both the appeals are pending adjudication before the Hon'ble Appellate Tribunal Inland Revenue, Lahore Bench, Lahore.
- 14.6 The Commissioner inland revenue has filed various appeals against the Company before the Hon'ble Appellate Tribunal Inland Revenue, Lahore Bench, Lahore, for the tax year 2006. All these appeals are pending adjudication before the Hon'ble Appellate Tribunal Inland Revenue, Lahore Bench, Lahore.

Commitments

There are no commitments as at reporting date.

Note 15
Property, Plant and Equipment

	Note	2021 Rupees	2020 Rupees
Operating fixed assets	15.1	<u>947,395,316</u>	<u>807,551,842</u>

15.1 Operating fixed assets

Description	2021						
	Land	Freehold	Factory & Colony Building on Freehold Land	Plant & Machinery	Tools & Equipment	Office Equipment	Furniture and Fixtures

Rupees

Rupees

Rupees

Rupees

Rupees

Rupees

Rupees

Rupees

Cost

Balance as at July 01, 2020	215,570,000	181,663,215	1,413,565,988	5,345,946	17,527,946	6,831,464	10,465,954	1,850,970,513
Additions	-	-	-	-	-	-	-	-
Revaluation adjustment	181,730,000	-	-	-	-	-	-	181,730,000
Deletions	-	-	-	-	-	-	-	(4,799,780)
Balance as at June 30, 2021	397,300,000	181,663,215	1,413,565,988	5,345,946	17,527,946	6,831,464	5,666,174	2,027,900,733

Accumulated Depreciation

Balance as at July 01, 2020	-	144,451,589	863,857,978	4,611,508	16,480,241	5,293,117	8,724,238	1,043,418,671
Charge for the year	-	1,860,582	38,473,133	82,627	209,534	153,843	224,719	41,004,438
Deletions	-	-	-	-	-	-	-	(3,917,692)
Balance as at June 30, 2021	-	146,312,171	902,331,111	4,694,135	16,689,775	5,446,960	5,031,265	1,080,505,417

Written Down Value as at June 30, 2021

397,300,000	35,351,044	511,234,877	651,811	838,171	1,384,504	634,909	947,395,316
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15.1.2 Depreciation rates

-	5%	7%	10%	20%	10%	20%
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Note 15 - Property, Plant and Equipment ... Contd.

15.2 Operating fixed assets

Description	2020						
	Land Freehold	Factory & Colony Building on Freehold Land	Plant & Machinery	Tools & Equipment	Office Equipment	Furniture and Fixtures	Vehicles

Rupees

Rupees

Rupees

Rupees

Rupees

Rupees

Rupees

Rupees

15.2.1 Owned assets

Cost

Balance as at July 01, 2019	215,570,000	181,663,215	1,387,435,988	5,345,946	17,527,946	6,831,464	11,383,556	1,825,758,115
Additions	-	-	26,130,000	-	-	-	-	26,130,000
Deletions	-	-	-	-	-	-	(4,231,446)	(4,231,446)
Transfers	-	-	-	-	-	-	3,313,844	3,313,844
Balance as at June 30, 2020	215,570,000	181,663,215	1,413,565,988	5,345,946	17,527,946	6,831,464	10,465,954	1,850,970,513

Accumulated Depreciation

Balance as at July 01, 2019	-	142,493,081	823,958,012	4,519,701	16,218,309	5,122,184	9,162,395	1,001,473,682
Charge for the year	-	1,958,508	39,899,966	91,807	261,932	170,933	603,203	42,986,349
Deletions	-	-	-	-	-	-	(3,249,770)	(3,249,770)
Transfers	-	-	-	-	-	-	2,208,410	2,208,410
Balance as at June 30, 2020	-	144,451,589	863,857,978	4,611,508	16,480,241	5,293,117	8,724,238	1,043,418,671

Written Down Value as at
June 30, 2020

	215,570,000	37,211,626	549,708,010	734,438	1,047,705	1,538,347	1,741,716	807,551,842
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Note 15 - Property, Plant and Equipment ... Contd.

15.2.2. Right to use assets

Cost

Balance as at July 01, 2019
Additions
Transfers
Balance as at June 30, 2020

-	-	-	-	-	-	3,313,844	3,313,844
-	-	-	-	-	-	-	-
-	-	-	-	-	-	(3,313,844)	(3,313,844)
-	-	-	-	-	-	-	-

Accumulated Depreciation

Balance as at July 01, 2019
Charge for the year
Transfers
Balance as at June 30, 2020

-	-	-	-	-	-	2,208,410	2,208,410
-	-	-	-	-	-	-	-
-	-	-	-	-	-	(2,208,410)	(2,208,410)
-	-	-	-	-	-	-	-

Written Down Value as at
June 30, 2020

-	-	-	-	-	-	-	-
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Total Written Down Value
June 30, 2020

215,570,000	37,211,626	549,708,010	734,438	1,047,705	1,538,347	1,741,716	807,551,842
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15.2.3 Depreciation rates

-	5%	7%	10%	20%	10%	20%
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Note 15 - Property, Plant and Equipment ... Contd.

15.3 Particulars of immovable property (i.e. land and building) in the name of Company are as follows:

Location / Address	Usage of immovable property	Total Area (In Kanal)	Covered Area (In sq. ft.)
49-Km, Multan Road, Bhai Phero	Production unit	106.8	194,000
7-Km, Multan Road, Pattoki	Production unit	118.3	139,313

15.4 Allocation of depreciation charge

Depreciation charge for the year has been apportioned as follows:

	Note	2021 Rupees	2020 Rupees
Cost of sales	27	40,416,342	41,950,281
Administrative expenses	29	588,096	1,036,068
		<u>41,004,438</u>	<u>42,986,349</u>

15.5 As per the valuation report of independent valuer as of June 30, 2021, the forced sales value of freehold land is Rs. 357.570 million.

15.6 Had there been no revaluation, the cost of revalued asset would have been amounting to Rs. 11.737 million as at reporting date.

15.7 The table below analyses the assets carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1** quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2** inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3	Total
	-----Rupees-----			
Land Freehold	-	397,300,000	-	<u>397,300,000</u>

15.8 Disposal of Property, plant and equipment

17.8.1 There is no disposal during the current year whose net book value exceeds Rs. 500,000 or more.

17.8.2 The detail of property, plant and equipment disposed off during the last year having individual book value exceeding Rs. 500,000 or more as follows:

2020							
Particulars	Cost	Accumulated Depreciation	Written Down Value	Sale Proceed	Gain on Disposal	Buyer Name	Mode of Disposal
Vehicle							
Honda Civic	2,572,270	1,880,352	691,918	2,000,000	1,308,082	Mr. Muhammad Irfan	Negotiation

Note 16
Intangible Assets

	Note	2021 Rupees	2020 Rupees
Net carrying value			
Opening balance of net book value		232,705	290,881
Amortization	27	(46,541)	(58,176)
Net book value as at June 30		<u>186,164</u>	<u>232,705</u>
Gross carrying value			
Cost		3,630,520	3,630,520
Accumulated amortization		(3,444,356)	(3,397,815)
Net book value		<u>186,164</u>	<u>232,705</u>
Amortization rate per annum		<u>20%</u>	<u>20%</u>

16.1 Amortization charge for the year has been allocated to cost of sales.

16.2 Intangible assets include ERP system and other software implemented and used by the Company.

Note 17
Long Term Loans

	Note	2021 Rupees	2020 Rupees
Loans to employees - (Secured - considered good)			
- Due from executives	17.1	5,857,088	5,857,088
- Due from other employees		4,615,739	5,064,749
		10,472,827	10,921,837
Less: Current portion			
- Due from executives	22	-	-
- Due from other employees		-	-
		-	-
		<u>10,472,827</u>	<u>10,921,837</u>

17.1 Reconciliation of carrying amount of loan to executives:

Opening balance	5,857,088	5,857,088
Disbursement during the year	-	-
	<u>5,857,088</u>	<u>5,857,088</u>
Recoveries during the year	-	-
Closing Balance	<u>5,857,088</u>	<u>5,857,088</u>

17.2 This represents interest free loans given to executives and other employees for construction of houses and other purposes as per the Company's policy. These loans are secured against gratuity balances.

17.3 The maximum aggregate amount of loans due from executives at the end of any month during the year was Rs. 5.857 million (2020: Rs. 5.857 million)

17.4 Long term loans have been carried at cost as the effect of carrying these balances at amortized cost would not be material.

Note 18
Long Term Deposits

	2021	2020
	Rupees	Rupees
Security deposits against utilities	<u>45,822,696</u>	<u>37,762,809</u>

Note 19
Stores and Spares

	2021	2020
	Rupees	Rupees
Stores and spares	<u>9,826,528</u>	<u>10,856,819</u>

19.1 No identifiable stores and spares were held for specific capitalization.

Note 20
Stock in Trade

	2021	2020
	Rupees	Rupees
Raw and packing materials	-	1,146,169
Work in process	3,112,307	1,849,882
Finished goods	<u>14,165,240</u>	<u>12,355,175</u>
	<u>17,277,547</u>	<u>15,351,226</u>

20.1 Short term borrowings availed by the Company are secured by way of hypothecation charge on present and future current assets of the Company (including stock in trade) as per detail given in note 11 to these financial statements.

Note 21
Trade Debts

	2021	2020
	Rupees	Rupees
Local - Unsecured		
Trade debts (Considered good)	<u>37,469,134</u>	<u>18,260,998</u>

21.1 Trade debts do not include any amount due from related parties.

Note 22
Loans and Advances

		2021	2020
	Note	Rupees	Rupees
Current portion of loan to employees:			
- Due from executives	17	-	-
- Due from other employees		-	-
		<u>-</u>	<u>-</u>
Advances - Considered good:			
- Suppliers and contractors	22.1	3,882,790	1,656,276
- Employees	22.2	14,363,785	8,462,004
- Letters of credit		<u>3,973,478</u>	<u>9,116,376</u>
		<u>22,220,053</u>	<u>19,234,656</u>

22.1 Advances to suppliers and contractors do not include any amount given to related parties.

22.2 This represents interest-free loans given to employees as per the Company's policy. These loans are recoverable from salary in installments and are secured against their gratuity balances of employees. Advances to employees do not include any amount given to directors of the Company.

Note 23

Trade Deposits and Other Receivables

	2021	2020
	Rupees	Rupees
Security deposits	212,000	212,000
Margin against letter of credit	20,258,719	5,396,901
Margin against letter of guarantee	300,000	-
Export rebate	2,541,806	2,541,806
	<u>23,312,525</u>	<u>8,150,707</u>

Note 24

Tax Refunds Due from Government

	2021	2020
	Rupees	Rupees
Tax deducted at source and advance tax	38,586,096	32,869,111
Sales tax refundable	-	20,467,743
	<u>38,586,096</u>	<u>53,336,854</u>

Note 25

Cash and Bank Balance

	2021	2020
	Rupees	Rupees
Imprest with staff	32,000	30,000
Cash in hand	531,975	1,238,728
Cash at bank - in current accounts	763,803	2,793,565
	<u>1,327,778</u>	<u>4,062,293</u>

Note 26

Sales

	2021	2020
	Rupees	Rupees
Local		
- Grey cloth	134,755	145,838,447
- Processing income	851,784,284	346,280,749
	<u>851,919,039</u>	<u>492,119,196</u>
Sales tax	(124,284,710)	(71,877,947)
Commission	(4,381,650)	(4,746,660)
Net sales	<u>723,252,679</u>	<u>415,494,589</u>

26.1 Revenue has been recognized at a point in time for local sales made during the year.

Note 27

Cost of Sales

		2021	2020
	Note	Rupees	Rupees
Raw materials consumed	27.1	5,736,852	65,652,464
Salaries, wages and other benefits	27.2	202,072,159	106,606,039
Fuel and power		341,070,526	172,952,551
Stores, spares and chemicals consumed		43,911,887	36,857,304
Packing material		6,304,996	5,393,892
Insurance		1,471,347	-
Repairs and maintenance		1,083,177	1,613,710
Miscellaneous		73,498	48,839
Amortization	16	46,541	58,176
Depreciation	15.4	40,416,342	41,950,281
		<u>642,187,325</u>	<u>431,133,256</u>

Note 27 - Cost of Sales ... Contd.

Work in process:

- Opening work in process	1,849,882	3,477,154
- Closing work in process	(3,112,307)	(1,849,882)
	(1,262,425)	1,627,272

Cost of goods manufactured

640,924,900	432,760,528
-------------	-------------

Finished goods:

- Opening finished goods	12,355,175	26,595,063
- Closing finished goods	(14,165,240)	(12,355,175)
	(1,810,065)	14,239,888

639,114,835	447,000,416
-------------	-------------

27.1 Raw materials consumed:

- Opening stock	1,146,169	5,924,537
- Purchases	4,360,379	59,470,321
- Purchase expenses	230,304	1,403,775
	5,736,852	66,798,633
- Closing stock	-	(1,146,169)
	5,736,852	65,652,464

27.2 This includes Rs. 7.695 million (2020: Rs. 7.844 million), approximately, in respect of employee benefits - gratuity scheme.

Note 28

Distribution Costs

	2021 Rupees	2020 Rupees
Salaries, wages and other benefits	6,510,096	3,915,104
Commission, claims and promotion	3,204,173	-
	9,714,269	3,915,104

Note 29

Administrative Expenses

		2021 Rupees	2020 Rupees
Salaries, wages and other benefits	29.1	27,903,306	26,112,341
Traveling and conveyance		109,480	206,251
Rent, rates and taxes		1,368,533	1,337,400
Printing and stationery		124,111	249,954
Communications		1,232,436	1,048,631
Entertainment		510,411	391,969
Electricity and gas		4,500,022	3,634,001
Vehicles' running and maintenance		1,674,060	1,185,488
Legal and professional charges		4,236,405	255,048
Fees and subscriptions		522,311	589,331
Repairs and maintenance		331,084	140,154
Insurance		446,470	-
Advertisement		40,000	69,200
Miscellaneous		191,223	-
Depreciation	15.4	588,096	1,036,068
		43,777,948	36,255,836

29.1 This includes Rs. 3.093 million (2020: Rs. 3.326 million), approximately, in respect of employee benefits - gratuity scheme.

Note 30
Other Operating Charges

		2021 Rupees	2020 Rupees
	Note		
Auditors' remuneration	30.1	800,000	1,100,000
Workers' (profit) participation fund		1,478,543	-
		<u>2,278,543</u>	<u>1,100,000</u>
30.1 Auditors' remuneration			
Audit fee		550,000	850,000
Certification and reviews		250,000	250,000
		<u>800,000</u>	<u>1,100,000</u>

Note 31
Finance Cost

	2021 Rupees	2020 Rupees
Mark up on:		
- Long term loan	2,004,772	-
- Lease liability	-	102,249
Bank charges and commissions	102,902	75,374
	<u>2,107,674</u>	<u>177,623</u>

Note 32
Other Operating Income

	2021 Rupees	2020 Rupees
Gain on sale of raw material and store & spare	-	1,519,175
Gain on disposal of property, plant and equipment	1,832,912	2,258,324
	<u>1,832,912</u>	<u>3,777,499</u>

Note 33
Taxation

	2021 Rupees	2020 Rupees
For the year		
- Current	10,912,787	6,303,619
- Deferred	-	-
	<u>10,912,787</u>	<u>6,303,619</u>

33.1 The relationship between income tax expense and accounting profit has not been presented in these financial statements as the provision for taxation for the current year is based on minimum tax @ 1.5% under the Income Tax Ordinance, 2001.

Note 34
Earning / (Loss) per Share

	2021 Rupees	2020 Rupees
	Number of shares	
Weighted average number of ordinary shares outstanding during the year	90,000,000	90,000,000
Profit / (Loss) after taxation	17,179,535	(75,480,510)
Profit / (Loss) per share - basic (Rupees per share)	<u>0.19</u>	<u>(0.84)</u>

Diluted loss per share

34.1 There is no dilution effect on the basic earnings per share of the Company as the Company has no such commitment that would result in dilution of earnings of the Company.

Note 35

Cash Generated from Operations

	2021 Rupees	2020 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	28,092,322	(69,176,891)
Adjustments for:		
- Depreciation	41,004,438	42,986,349
- Amortization of intangible asset	46,541	58,176
- Provision for gratuity	10,788,159	11,170,939
- Gain on disposal of property, plant and equipment	(1,832,912)	(2,258,324)
- Gain on sale of raw material	-	(1,519,175)
- Finance cost	2,107,674	177,623
	<u>52,113,900</u>	<u>50,615,588</u>
Operating profit / (loss) before working capital changes	80,206,222	(18,561,303)
(Increase) / decrease in current assets		
- Stores and spares	1,030,291	4,435,882
- Stock in trade	(1,926,321)	20,359,199
- Short term investment	-	7,500,000
- Trade debts	(19,208,136)	34,436,605
- Loans and advances	(2,985,397)	(11,160,231)
- Trade deposits and short term prepayments	-	-
- Other receivables	(15,161,818)	-
- Tax refund due from government	21,767,506	(13,923,609)
(Decrease) / increase in current liabilities		
- Trade and other payables	(99,985,486)	(29,982,518)
	<u>(116,469,361)</u>	<u>11,665,328</u>
Cash used in operations	<u>(36,263,139)</u>	<u>(6,895,975)</u>

Note 36

Liabilities Arising from Financing Activities

	As at Jul 01, 2020	Non-Cash Changes	Cash Flows (Net)	As at June 30, 2021
			Rupees	
Long term loan	93,176,953	-	(12,199,184)	80,977,769
Short term borrowings	392,204,386	-	-	392,204,386
Total liabilities from financing activities	<u>485,381,339</u>	<u>-</u>	<u>(12,199,184)</u>	<u>473,182,155</u>

	As at Jul 01, 2019	Non-Cash Changes	Cash Flows (Net)	As at June 30, 2020
			Rupees	
Long term loan	93,176,953	-	-	93,176,953
Lease liability	594,316	-	(594,316)	-
Short term borrowings	392,441,823	-	(237,437)	392,204,386
Total liabilities from financing activities	<u>486,213,092</u>	<u>-</u>	<u>(831,753)</u>	<u>485,381,339</u>

Note 37

Remuneration of Chief Executive and Executives

The aggregate amounts charged in the accounts for the year as remuneration and benefits to the chief executive, executive director and executives of the Company are as follows:

	Chief Executive		Executives	
	2021	2020	2021	2020
	Rupees	Rupees	Rupees	Rupees
Managerial remuneration	5,000,000	5,000,000	12,619,448	6,627,057
House rent allowance	2,000,000	2,000,000	2,000,000	666,903
Utilities	500,000	500,000	500,000	166,476
Car allowance and others	558,880	534,255	168,802	192,896
	8,058,880	8,034,255	15,288,250	7,653,332
Number of persons	1	1	7	4

37.1 No meeting fee has been paid to any director of the Company.

37.2 Chief executive, executive director and certain executives are provided with free use of Company maintained vehicles.

37.3 An executive is defined as an employee, other than the chief executive and directors, whose basic salary exceeds Rs. 1.2 million in a financial year.

Note 38

Transaction with Related Parties

Related parties and associated undertaking comprise related group companies, associated companies, staff retirement funds, directors and key management personnel. Transactions with related parties and associated companies, other than remuneration and benefits to key management personnel under the terms of their employment, are as follows:

	2021	2020
	Rs. '000'	Rs. '000'
Associates and related parties		
Long term loan obtained from directors	68,960	2,739
Short term funds availed from directors	2,909	36,681
Expenses paid on behalf of Chakwal Spinning Mills Limited	(83)	(820)
Paid to Kohinoor Spinning Mills Limited	(21,816)	-

There were no transactions with key management personnel other than undertaken as per terms of their employment as disclosed in Note 37.

Sale and purchase transactions have been carried out on commercial terms and conditions as per Company's policy.

38.1 Following are the related parties with whom the Company had entered into transactions or have arrangement / agreement in place.

Sr. No.	Company Name	Relationship	Aggregate % of Shareholding
1	Kohinoor Spinning Mills Limited	Associate - Common Directorship	Nil
2	Chakwal Spinning Mills Limited	Associate - Common Directorship	Nil

Note 39

Segment Reporting

For management purposes, the activities of the Company are organized into two operating segment i.e., weaving and spinning. The Company operates in the said reportable operating segments based on the nature of products, risks and returns, organizational and management structure and internal financial reporting systems. Accordingly, the figures reported in these financial statements related to the Company's reportable segment.

Information regarding the Company's reportable segment is presented below:

39.1 Segment revenues and results

	Weaving Segment	Spinning Segment	Total
	Rupees	Rupees	Rupees
<i>For the year ended June 30, 2021</i>			
Sales - net	723,252,679	-	723,252,679
Cost of sales	(633,961,351)	(5,153,484)	(639,114,835)
Gross Profit / (Loss)	89,291,328	(5,153,484)	84,137,844
Distribution cost	(9,714,269)	-	(9,714,269)
Administrative expenses	(43,728,492)	(49,456)	(43,777,948)
Operating Profit / (Loss)	35,848,567	(5,202,940)	30,645,627
Other operating charges	(2,278,543)	-	(2,278,543)
Finance cost	(2,107,674)	-	(2,107,674)
Other operating income	1,832,912	-	1,832,912
Profit / (Loss) before Taxation	33,295,262	(5,202,940)	28,092,322
Taxation			(10,912,787)
Profit after taxation			17,179,535
<i>For the year ended June 30, 2020</i>			
Sales - net	415,494,589	-	415,494,589
Cost of sales	(441,184,766)	(5,815,650)	(447,000,416)
Gross Loss	(25,690,177)	(5,815,650)	(31,505,827)
Distribution cost	(3,915,104)	-	(3,915,104)
Administrative expenses	(36,182,519)	(73,317)	(36,255,836)
Operating Loss	(65,787,800)	(5,888,967)	(71,676,767)
Other operating charges	(1,100,000)	-	(1,100,000)
Finance cost	(177,623)	-	(177,623)
Other operating income	3,777,499	-	3,777,499
Loss before Taxation	(63,287,924)	(5,888,967)	(69,176,891)
Taxation			(6,303,619)
Loss after taxation			(75,480,510)

Note 39 - Segment Reporting ... Contd.

39.1.1 Revenue reported above represents revenue generated from external customers. Inter-segment sales during the year is Rs. Nil (2020 : Nil)

39.1.2 The accounting policies of the reportable segments are the same as the Company's accounting policies described in note 3 to the financial statements.

39.2 Entity-wide disclosures regarding single reportable segment are as follows:

- **Information about products**

One product of the weaving segment comprises 11.76% (2020: 11.20%) of total sales for the year.

One product of the spinning segment comprises 0% (2020: 0%) of total sales for the year.

- **Information about major customers**

One customer of the weaving segment accounts for 15.96% (2020: 26.32%) of total sales for the year.

One customer of the spinning segment accounts for 0% (2020: 0%) of total sales for the year.

- **Information about geographical area**

All non-current assets of the Company are located in Pakistan as at the reporting date. Revenue from export sale is Nil. (2020: Nil).

39.3 Segment assets and liabilities

Reportable segments' assets and liabilities are reconciled to total assets and liabilities as follows:

	Weaving Segment	Spinning Segment	Total
	Rupees	Rupees	Rupees
As at June 30, 2021			
Segment assets for reportable segments	982,788,856	124,895,992	1,107,684,848
Unallocated assets			46,211,816
Total assets as per balance sheet			<u>1,153,896,664</u>
Segment liabilities for reportable segments	829,256,150	232,013,624	1,061,269,774
Unallocated liabilities			141,180,444
Total liabilities as per balance sheet			<u>1,202,450,218</u>
As at June 30, 2020			
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			<u>985,722,746</u>
Segment liabilities for reportable segments	1,054,119,483	200,069,981	1,254,189,464
Unallocated liabilities			45,551,741
Total liabilities as per balance sheet			<u>1,299,741,205</u>

Note 39 - Segment Reporting ... Contd.

For the purposes of monitoring segment performance and allocating resources between segments

- all assets are allocated to reportable segments other than those directly relating to corporate and tax assets; and
- all liabilities are allocated to reportable segments other than current and deferred tax liabilities.

39.3 Other Segment Information

	Weaving Segment	Spinning Segment	Total
	Rupees	Rupees	Rupees
<i>For the year ended 30 June 2021</i>			
Capital expenditure	-	-	-
Depreciation and amortization	35,848,039	5,202,940	41,050,979
Non-cash items other than depreciation and amortization - net	12,895,833	-	12,895,833
	Weaving Segment	Spinning Segment	Total
	Rupees	Rupees	Rupees
<i>For the year ended 30 June 2020</i>			
Capital expenditure	26,130,000	-	26,130,000
Depreciation and amortization	37,440,626	5,603,899	43,044,525
Non-cash items other than depreciation and amortization - net	7,478,849	92,214	7,571,063

Note 40
Financial Risk Management

40.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management policies focus on the unpredictability of financial markets and seek to minimize potential adverse effects on the financial performance.

Risk management is carried out by the Board of Directors (the Board). The Board provides principles for overall risk management as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk and liquidity risk.

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign currency, interest rate, commodity price and equity price that will affect the Company's income or the value of its holdings of financial instruments.

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

Since there have been no foreign currency receivables and payables as at reporting date therefore the Company is not exposed to currency risk with respect to foreign receivables and payables.

(ii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instrument traded in the market. The Company is not exposed to equity and commodity price risk.

(iii) Interest rate risk

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

The Company has no significant long-term interest-bearing assets. The Company's interest rate risk arises from long term financing and short term borrowings. As the borrowings are obtained at variable rates, these expose the Company to cash flow interest rate risk.

At the balance sheet date the interest rate profile of the Company's interest bearing financial instruments was as follows:

	2021	2020
	Rupees	Rupees
Floating rate instruments		
Financial liabilities		
Long term loan	80,977,769	93,176,953
Short term borrowings	593,508,622	585,614,973
Financial assets		
Bank balances - saving accounts	-	-

Cash flow sensitivity analysis for variable rate instruments

If interest rates at the balance sheet date, fluctuate by 1% higher / lower with all other variables held constant, profit/(loss) before taxation for the year would have been Rs. 6.745 million (2020: Rs. 6.788 million) lower / higher, mainly as a result of higher / lower interest expense on floating rate borrowings. This analysis is prepared assuming the amounts of liabilities outstanding at balance sheet dates were outstanding for the whole year.

Note 40 - Financial Risk Management ... Contd.

(b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Carrying amounts of financial assets represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2021	2020
	Rupees	Rupees
Long term loans	10,472,827	10,921,837
Long term deposits	45,822,696	37,762,809
Trade debts	37,469,134	18,260,998
Short term loans to employees	14,363,785	8,462,004
Trade deposits and other receivables	2,753,806	2,753,806
Bank balances	763,803	2,793,565

The aging of trade debts at balance sheet date is as follows:

	2021	2020
	Rupees	Rupees
1 - 30 days	31,975,034	4,106,860
31 - 60 days	1,543,077	2,760,658
61 - 120 days	368,819	2,365,020
120 days and above	3,582,204	9,028,460
	<u>37,469,134</u>	<u>18,260,998</u>

The Company believes that it is not exposed to major concentration of credit risk as its exposure is spread over a large number of parties and trade debts are subject to specific credit ceilings based on customer credit history.

The credit quality of bank balances that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counter party default rate:

	Agency	Rating	
		Short Term	Long Term
Allied Bank Limited	PACRA	A1+	AAA
Bank Alfalah Limited	PACRA	A1+	AA+
Faysal Bank Limited	PACRA	A1+	AA
Habib Metropolitan Bank Limited	PACRA	A1+	AA+
Meezan Bank Limited	JCR - VIS	A-1+	AAA
MCB Bank Limited	PACRA	A1+	AAA
United Bank Limited	JCR - VIS	A1+	AA+
Bank Of Punjab	PACRA	A1+	AA+
Bank Al Habib Limited	PACRA	A1+	AAA
Habib Bank Limited	JCR - VIS	A-1+	AAA

Due to company's long standing business relationship with these counter parties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligation to the company. Accordingly, the credit risk is minimal.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. As at the balance sheet date, the Company had Rs. 906.568 million (2020: Rs. 906.568 million) worth short term borrowing limits available from financial institutions and Rs. 1.328 million (2020: Rs. 4.063 million) cash and bank balances. Following are the contractual maturities of financial liabilities, including interest payments.

Note 40 - Financial Risk Management ... Contd.

Contractual maturities of financial liabilities as at June 30, 2021:

Description	Carrying Amount	On Demand	Contractual cash flows	Within 1 Year	1-2 Years	2-5 Years
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Long term loan	80,977,769	-	80,977,769	16,302,769	14,372,000	50,303,000
Trade and other payables	293,085,020	-	293,085,020	293,085,020	-	-
Accrued mark up	133,827,820	-	133,827,820	133,827,820	-	-
Short term borrowings	593,508,622	593,508,622	-	-	-	-
	<u>1,101,399,231</u>	<u>593,508,622</u>	<u>507,890,609</u>	<u>443,215,609</u>	<u>14,372,000</u>	<u>50,303,000</u>

Contractual maturities of financial liabilities as at June 30, 2020:

Description	Carrying Amount	On Demand	Contractual cash flows	Within 1 Year	1-2 Years	2-5 Years
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Long term loan	93,176,953	-	93,176,953	93,176,953	-	-
Trade and other payables	394,075,165	-	394,075,165	394,075,165	-	-
Accrued mark up	135,933,540	-	135,933,540	135,933,540	-	-
Short term borrowings	585,614,973	585,614,973	-	-	-	-
	<u>1,208,800,631</u>	<u>585,614,973</u>	<u>623,185,658</u>	<u>623,185,658</u>	<u>-</u>	<u>-</u>

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates / mark up rates effective as at 30th June. The rates of interest / mark up have been disclosed in Note 7 and Note 11 to these financial statements.

(d) Fair value of financial instruments

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

As at June 30, 2021 the net fair value of all financial assets and financial liabilities are estimated to approximate their carrying values.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the reporting date. The fair values of all other financial assets and liabilities are not considered to be significantly different from their carrying values.

The Company classifies the financial instruments measured in the statement of financial position at fair value in accordance with the following fair value measurement hierarchy:

Level 1	Quoted market prices
Level 2	Valuation techniques (market observable)
Level 3	Valuation techniques (non market observable)

40.2 Financial instruments by categories

Financial asset as at amortized cost

	2021	2020
	Rupees	Rupees
Long term loans	10,472,827	10,921,837
Long term deposits	45,822,696	37,762,809
Trade debts	37,469,134	18,260,998
Short term loans to employees	14,363,785	8,462,004
Trade deposits and other receivables	2,753,806	2,753,806
Cash and Bank Balance	1,327,778	4,062,293
	<u>112,210,026</u>	<u>82,223,747</u>

Financial liabilities at amortized cost

	2021	2020
	Rupees	Rupees
Long term loan	80,977,769	93,176,953
Trade and other payables	293,085,020	394,075,165
Accrued mark up	133,827,820	135,933,540
Short term borrowings	593,508,622	585,614,973
	<u>1,101,399,231</u>	<u>1,208,800,631</u>

40.3 Fair values of financial assets and liabilities

Carrying values of all financial assets and liabilities reflected in these financial statements approximate to their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

Note 41
Capital Risk Management

While managing capital, the objectives of the Company are to ensure that it continues to meet the going concern assumption, enhance shareholders' wealth and meets stakeholders' expectations. The Company ensures its sustainable growth viz. maintaining optimal capital structure, keeping its finance cost low, exercising the option of issuing right shares or repurchase shares, if possible, selling surplus property, plant and equipment without affecting the optimal operating level, and regulate its dividend payout thus maintaining smooth capital management.

In line with others in the industry, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non current) less cash and cash equivalents. Total capital is calculated as equity as shown in the balance sheet plus net debt.

As on the balance sheet date, the gearing ratio of the Company was as under:

	2021 Rupees	2020 Rupees
Total borrowings	674,486,391	678,791,926
Cash and bank balances	(1,327,778)	(4,062,293)
Net Debt	673,158,613	674,729,633
Equity	(48,553,554)	(314,018,459)
Total capital employed	624,605,059	360,711,174
Gearing Ratio	108%	187%

Note 42
Plant Capacity and Production

	2021	2020
Air Jet Looms installed	264	264
Installed capacity converted into 50 picks based on 364 days (Sq. Meters approximately)	60,694,000	60,694,000
Actual production converted into 50 picks - (Sq. Meters)	36,416,399	29,328,048
Number of spindles installed	17,976	17,976
Installed capacity in 20's count (Kgs) - approximately	8,853,756	8,853,756
Actual production after conversion into 20's count (Kgs)	-	-

42.1 Under utilization of installed capacities is mainly due to non availability of sufficient liquid funds.

Note 43
Number of Employees

	Note	2021	2020
Average number of employees during the year		514	506
Number of Employees as at June 30,	43.1	598	429
43.1 This includes factory employees as at June 30,		586	392

Note 44
Authorization of Financial Statements

These financial statements were authorized for issue on October 07, 2021 by the Board of Directors of the Company.

Note 45
General

Comparative figures are re-arranged / reclassified, wherever necessary, to facilitate comparison. Following re-arrangements / reclassifications have been made in these financial statements for better presentation:

Nature	From	To	Amount (Rupees)
Loan from directors	Share Capital and Reserves	Current Liabilities	193,410,587
Long term loans	Current Assets	Non Current Assets	2,730,460

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

YOUSAF WEAVING MILLS LIMITED

KEY FINANCIAL DATA OF LAST FIVE YEARS

	Rupees in '000				
	2020	2019	2018	2017	2016
Sales	415,495	1,325,506	1,947,147	1,482,551	1,309,076
Gross (Loss) / Profit	(31,506)	8,262	(55,528)	(1,918)	(127,162)
Loss Before Taxation	(69,177)	(63,939)	(165,449)	(105,990)	(407,148)
Tax	(6,304)	(10,352)	469	(16,555)	(2,717)
Loss After Taxation	(75,481)	(74,291)	(164,980)	(122,545)	(409,865)
	-				
Total Assets	985,723	1,056,393	982,798	836,373	947,048
Current Liabilities	(1,267,310)	(1,306,686)	(1,078,798)	(927,806)	(980,271)
	(281,588)	(250,293)	(96,000)	(91,433)	(33,223)
Issued, subscribed and paid up share capital	900,000	900,000	900,000	900,000	400,000
Accumulated loss	(1,455,492)	(1,375,617)	(1,301,537)	(1,134,022)	(1,012,798)
Long term loan from directors	37,640				
Surplus on revaluation of land	203,833	203,833	203,833	-	-
Equity	(314,018)	(271,784)	(197,704)	(234,022)	(612,798)
Long term loan	-	-	66,695	82,278	537,188
Deferred Liability	32,431	21,491	35,009	60,311	42,387
	(281,588)	(250,293)	(96,000)	(91,433)	(33,223)

YOUSAF WEAVING MILLS LIMITED
Categories of Shareholding required under Code of Corporate Governance (CCG)
As on June 30, 2021

Sr. No.	Name	No. of Shares Held	Percentage
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Associated Companies, Undertakings and Related Parties (Name Wise Detail):

- -

Mutual Funds (Name Wise Detail)

1	GOLDEN ARROW SELECTED STOCKS	1,000	0.0011
2	CDC - TRUSTEE AKD INDEX TRACKER FUND (CDC)	15,500	0.0172
3	CDC - TRUSTEE FIRST CAPITAL MUTUAL FUND (CDC)	50,000	0.0556

Directors and their Spouse and Minor Children (Name Wise Detail):

1	KHAWAJA MOHAMMAD NADEEM	11,692,200	12.9913
2	KH. SHAHZAD YOUNUS	500	0.0006
3	MRS. ALIA KHANUM	500	0.0006
4	MR. MUHAMMAD TARIQ SUFI	500	0.0006
5	SHEIKH MAQBOOL AHMED	500	0.0006
6	MR. MUHAMMAD AMJAD	500	0.0006
7	MR. SHUQRAN AHMED	500	0.0006
8	MR. WASIM BAIG	500	0.0006

Executives:

- -

Public Sector Companies & Corporations:

- -

Banks, Development Finance Institutions, Non Banking Finance

278,283 0.3092

Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:

Shareholders holding five percent or more voting interest in the listed company (Name Wise Detail)

S. No.	NAME	Holding	%Age
1	MST. ANDLEEB KAUSAR (CDC)	29,000,000	32.2222
2	KHAWAJA MOHAMMAD NADEEM	11,692,200	12.9913
3	MR. MUHAMMAD NAVEED	10,271,320	11.4126

All trades in the shares of the listed company, carried out by its Directors, Executives and their spouses and minor children shall also be disclosed if any.

YOUSAF WEAVING MILLS LIMITED

Categories of Share Holders

As on 30th June, 2021

S. No.	NAME	HOLDING	% AGE
<u>DIRECTORS, CEO THEIR SPOUSES & MINOR CHILDREN</u>			
1	KHAWAJA MOHAMMAD NADEEM	11,500,000	12.7778
	KHAWAJA MOHAMMAD NADEEM (CDC)	190,000	0.2111
	KHAWAJA MOHAMMAD NADEEM (CDC)	2,200	0.0024
2	KH. SHAHZAD YOUNUS	500	0.0006
3	MST. ALIA KHANUM	500	0.0006
4	MR. MUHAMMAD TARIQ SUFI	500	0.0006
5	SHEIKH MAQBOOL AHMED	500	0.0006
6	MR. MUHAMMAD AMJAD	500	0.0006
7	MR. SHUQRAN AHMED	500	0.0006
8	MR. WASIM BAIG	500	0.0006
		11,695,700	12.9952
<u>ASSOCIATED COMPANIES</u>			
		0	0.0000
<u>NIT & ICP</u>			
1	INVESTMENT CORP. OF PAKISTAN	1,100	0.0012
		1,100	0.0012
<u>BANKS, DEVELOPMENT FINANCE INSTITUTIONS, NON BANKING FINANCE INSTITUTIONS</u>			
1	NATIONAL BANK OF PAKISTAN	2,100	0.0023
2	PAKISTAN INDUSTRIAL CREDIT & INVESTMENT	1,000	0.0011
3	THE BANK OF PUNJAB	900	0.0010
4	NATIONAL DEVELOPMENT FINANCE CORP.	100	0.0001
5	AL-FAYSAL INVESTMENT BANK LTD	500	0.0006
6	NATIONAL DEVELOPMENT FINANCE CORP.	1,000	0.0011
7	NATIONAL BANK OF PAKISTAN (CDC)	667	0.0007
		6,267	0.0070
<u>MODARABA & MUTUAL FUNDS</u>			
1	TRUST MODARABA	2,100	0.0023
2	FIRST MEHRAN MODARABA	100	0.0001
3	GOLDEN ARROW SELECTED STOCKS	1,000	0.0011
4	FIRST INTER FUND MODARABA	400	0.0004
5	INDUSTRIAL CAPITAL MODARABA	1,600	0.0018
6	CDC - TRUSTEE AKD INDEX TRACKER FUND (CDC)	15,500	0.0172
7	CDC - TRUSTEE FIRST CAPITAL MUTUAL FUND (CDC)	50,000	0.0556
		70,700	0.0786
<u>LEASING COMPANIES</u>			
1	NATIONAL DEVELOPMENT LEASING CORPORATION LIMITED	6,100	0.0068
<u>INSURANCE COMPANIES</u>			
1	STATE LIFE INSURANCE CORPORATION OF PAKISTAN (CDC)	153,047	0.1701
		153,047	0.1701
<u>PENSION FUNDS</u>			
1	TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEES PENSION FUND (CDC)	108,669	0.1207

108,669	0.1207
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FOREIGN COMPANIES

1	THE PAKISTAN FUND	6,700	0.0074
		6,700	0.0074

JOINT STOCK COMPANIES

1	N. H. HOLDINGS (PVT) LIMITED	500	0.0006
2	SAPPHIRE FIBRES LIMITED	20,000	0.0222
3	AL-HAJWERI TRADERS REGD.	9,600	0.0107
4	ATIF MUSHTAQ & CO. (REGD)	18,800	0.0209
5	BEAR STEARNS SECURITES CORP.	500	0.0006
6	NAEEM'S SECURITIES (PVT) LTD.	2,000	0.0022
7	CHENAB STOCK SERVICES (PVT) LIMITED (CDC)	2,000	0.0022
8	ASDA SECURITIES (PVT.) LTD. (CDC)	100,000	0.1111
9	BACKERS & PARTNERS (PRIVATE) LIMITED - MF (CDC)	13,600	0.0151
10	CREATIVE CAPITAL SECURITIES (PRIVATE) LIMITED - MF (CDC)	110,000	0.1222
11	HORIZON SECURITIES LIMITED - MF (CDC)	40,000	0.0444
12	KHADIM ALI SHAH BUKHARI SECURITIES (PRIVATE) LIMITED (CDC)	1	0.0000
13	MAM SECURITIES (PRIVATE) LIMITED (CDC)	400	0.0004
14	MOHAMMAD MUNIR MOHAMMAD AHMED KHANANI SECURITIES LTD. - MF (CDC)	200,000	0.2222
15	MULTILINE SECURITIES (PVT) LIMITED - MF (CDC)	47,500	0.0528
16	N. U. A. SECURITIES (PRIVATE) LIMITED - MF (CDC)	200,000	0.2222
17	NCC - PRE SETTLEMENT DELIVERY ACCOUNT (CDC)	106,500	0.1183
18	RAH SECURITIES (PRIVATE) LIMITED - MF (CDC)	25,000	0.0278
19	SAAO CAPITAL (PVT) LIMITED (CDC)	19,000	0.0211
20	SAAO CAPITAL (PVT) LIMITED (CDC)	35,000	0.0389
21	SALIM SOZER SECURITIES (PVT.) LTD. (CDC)	251,719	0.2797
22	SHAFFI SECURITIES 9PVT) LIMITED (CDC)	20,000	0.0222
23	TPS PAKISTAN (PRIVATE) LIMITED (CDC)	60,000	0.0667
24	ZAFAR MOTI CAPITAL SECURITIES (PVT) LTD. (CDC)	101,500	0.1128
25	ZAFAR SECURITIES (PVT) LTD. (CDC)	10,000	0.0111
		1,393,620	1.5485

OTHERS

1	TRUSTEE NATIONAL BANK OF PAKISTAN EMP BENEVOLENT FUND TRUST (CDC)	3,813	0.0042
		3,813	0.0042

SHARES HELD BY THE GENERAL PUBLIC (LOCAL)	76,514,784	85.0164
SHARES HELD BY THE GENERAL PUBLIC (FOREIGN)	40,500	0.0450
	76,555,284	85.0614
	90,000,000	100.0000

SHAREHOLDERS HOLDING 10% OR MORE OF TOTAL CAPITAL

S. No.	NAME	Holding	%Age
1	MST. ANDLEEB KAUSAR (CDC)	29,000,000	32.2222

SHAREHOLDERS HOLDING 5% OR MORE OF TOTAL CAPITAL

S. No.	NAME	Holding	%Age
1	MST. ANDLEEB KAUSAR (CDC)	29,000,000	32.2222
2	KHAWAJA MOHAMMAD NADEEM	11,692,200	12.9913
3	MR. MUHAMMAD NAVEED	10,271,320	11.4126
		<u>50,963,520</u>	<u>56.6261</u>

During the financial year there no trading in shares of the company by the Directors, CEO, CFO, Company Secretary and their spouses and minor children.

THE COMPANIES ACT, 2017
(Section 227(2)(f))
PATTERN OF SHAREHOLDING

1.1 Name of the Company

YOUSAF WEAVING MILLS LIMITED

2.1. Pattern of holding of the shares held by the shareholders as at

30-06-2021

-----Shareholdings-----			
2.2 No. of Shareholder:	From	To	Total Shares Held
150	1	100	4,411
243	101	500	111,173
212	501	1,000	208,391
551	1,001	5,000	1,724,120
247	5,001	10,000	2,060,006
76	10,001	15,000	1,014,306
66	15,001	20,000	1,250,301
49	20,001	25,000	1,178,486
27	25,001	30,000	787,625
22	30,001	35,000	735,951
26	35,001	40,000	1,008,875
11	40,001	45,000	463,500
49	45,001	50,000	2,436,500
6	50,001	55,000	326,000
9	55,001	60,000	534,500
7	60,001	65,000	447,000
12	65,001	70,000	830,000
7	70,001	75,000	520,500
6	75,001	80,000	468,750
1	80,001	85,000	85,000
3	85,001	90,000	270,000
3	90,001	95,000	277,100
33	95,001	100,000	3,296,000
3	100,001	105,000	306,500
5	105,001	110,000	544,169
1	110,001	115,000	113,500
2	115,001	120,000	236,000
2	120,001	125,000	246,000
1	125,001	130,000	130,000
3	130,001	135,000	403,000
2	135,001	140,000	274,500
6	145,001	150,000	900,000
1	150,001	155,000	153,047
5	175,001	180,000	900,000
1	185,001	190,000	190,000
1	190,001	195,000	193,000
9	195,001	200,000	1,800,000
1	200,001	205,000	202,000
2	215,001	220,000	439,500
2	245,001	250,000	500,000
1	250,001	255,000	251,719
1	270,001	275,000	272,000