

YOUSAF WEAVING MILLS LIMITED

**HALF YEARLY REPORT
UN-AUDITED
HALF YEAR ENDED
DECEMBER 31, 2013**

AUDITOR'S REPORT TO THE MEMBERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of **Yousaf Weaving Mills Limited** ("The Company") as at December 31, 2013 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity and notes to the condensed interim financial information (here-in-after referred to as "condensed interim financial information") for the half year then ended. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended December 31, 2013 and December 31, 2012 have not been reviewed as we are required to review only the cumulative figures for the half year ended December 31, 2013.

Scope of Review

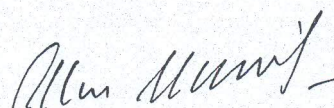
We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of the interim financial information consists of making inquiries, primarily of persons responsible for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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as of and for the half year ended December 31, 2013 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Place: Lahore.

Dated: 23 2014


(Aslam Malik & Co.)
Chartered Accountants
Audit Engagement Partner:
Mohammad Aslam Malik

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DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors of the Company are pleased to present before you the un-audited Financial Statements for the half year ended December 31, 2013. This condensed interim financial statement is un-audited. However, this condensed interim financial information has been reviewed by Aslam Malik & Co., Chartered Accountants, who are independent auditors of the Company and their report is attached to the financial statement.

Total sales during the half year ended December 31, 2013 amounted of Rs. 1.476 billion as compared to Rs. 1.494 billion during the corresponding period. Gross profit for the period amounted to Rs. 112.611 million as compared to Rs. 141.514 million in corresponding period. Net loss for the period was Rs. 12.362 million as compared to net profit Rs. 29.248 millions for the corresponding period.


Gross profit decreased to 7.63% as compared to 9.47% in the same period last year. This decline was mainly caused by higher material cost, high inflation coupled with increased energy and fuel costs raised by 68% severely affecting the cost of production and gross profit. Fuel and power cost for the current period is amounted of Rs. 189.417 million as compared to Rs. 134.712 million in corresponding period. Selling and distribution cost for period increase due to an increase in export sale as compared corresponding period. Administrative expenses grew mainly on account of fuel and employee related cost. During the period under review, finance costs decreased mainly due to reduction short term borrowing as compared to corresponding period. Other operating expenses related to loss on disposal of biological assets.

Dairy segment incurred loss after tax of Rs. 10.510 million compared to loss after tax of Rs. 2.093 million of corresponding period. Primarily loss incurred due to increase in feed cost and other operating expenses amounting of Rs. 7.784 million is related to death and sale of uneconomical animals.

The outlook for the next quarter is encouraging on account of strong demand from the international market and firming gray cloth prices. The EU has granted the generalised system of preference (GSP Plus) status to Pakistan which will increase exports of Pakistan to European Nations. Now Pakistan can export most of its textile products to 27 EU nations at concessionary duty rates or absolutely duty free, making Pakistani products cheaper for European importers. The textile industry is the backbone of Pakistan's exports, making up more than 50 percent of the country's total overseas shipments. However, the industry watchers fear a grinding energy crisis in the country hamper their efforts to exploit the full potential of GSP Plus status. We anticipate in coming months will be marked with strong growth in export sales and testing the potential of the local market, resulting in sustainable profit margin. We have taken adequate measures of mobilizing the marketing strategy to avail additional export order and build up our inventory in order to cater this expected increase in demand. The Management of your company is making candid efforts to improve the performance of the operations.

The directors of your Company like to put on record their appreciation and gratitude to the executives, officers, staff members and workers of the Company in performance of their duties. We would further put on record our profound and sincere gratitude to valued customers, regulators, external auditors, bankers and shareholders.

For and on behalf of the board



Khawaja Mohammad Nadeem
Chief Executive

February 28, 2014

YOUSAF WEAVING MILLS LIMITED
CONDENSED INTERIM BALANCE SHEET
AS AT DECEMBER 31, 2013 - (UN-AUDITED)

		December 31, 2013	June 30, 2013
	Note	(Un-audited) Rupees	(Audited) Rupees
CAPITAL AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital			
40,000,000 (June 30, 2013: 40,000,000) ordinary shares of Rs. 10 each		400,000,000	400,000,000
Issued, subscribed and paid up capital		400,000,000	400,000,000
Accumulated loss		(272,097,914)	(259,735,509)
		127,902,086	140,264,491
NON CURRENT LIABILITIES			
Long term loans	5	521,807,712	550,357,712
Liabilities against assets subject to finance lease		14,045,941	13,202,307
Deferred liabilities		56,013,802	55,975,862
		591,867,455	619,535,881
CURRENT LIABILITIES			
Trade and other payables		569,775,005	553,668,710
Accrued mark up		10,509,607	9,415,559
Short term borrowings		429,918,763	402,425,529
Current maturity of non current liabilities		13,911,564	19,845,333
Provision for taxation		15,005,035	18,242,264
		1,039,119,974	1,003,597,395
CONTINGENCIES AND COMMITMENTS			
	6	-	-
		1,758,889,515	1,763,397,767

YOUSAF WEAVING MILLS LIMITED
CONDENSED INTERIM BALANCE SHEET
AS AT DECEMBER 31, 2013 - (UN-AUDITED)

		December 31, 2013	June 30, 2013
		(Un-audited)	(Audited)
		Rupees	Rupees
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	7	777,925,163	800,430,577
Intangible assets		998,662	1,109,625
Long term loans		19,851,675	16,965,195
Long term deposits		5,611,703	7,298,453
		804,387,203	825,803,850
CURRENT ASSETS			
Stores and spares		69,752,440	56,461,388
Stock in trade		410,832,212	400,468,908
Trade debts		116,361,931	90,999,885
Loans and advances		96,176,928	106,432,862
Trade deposits, prepayments and other receivables		36,883,618	31,944,263
Sales tax refundable		32,035,061	25,629,001
Assets held for disposal		183,691,359	192,172,744
Cash and bank balances		8,768,763	33,484,866
		954,502,312	937,593,917
		1,758,889,515	1,763,397,767

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


CHIEF EXECUTIVE


DIRECTOR

February 28, 2014

YOUSAF WEAVING MILLS LIMITED

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT - (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2013

	Note	Half Year Ended December 31,		Quarter Ended December 31,	
		2013	2012	2013	2012
		(Un-audited) Rupees	(Un-audited) Rupees	(Un-audited) Rupees	(Un-audited) Rupees
Sales - net		1,475,797,956	1,493,910,051	771,956,315	715,869,022
Cost of sales		(1,363,187,112)	(1,352,396,071)	(722,104,749)	(654,325,911)
Gross Profit		112,610,844	141,513,980	49,851,566	61,543,111
Operating expenses:					
- Distribution costs		(26,896,801)	(24,312,160)	(14,122,735)	(11,184,264)
- Administrative expenses		(39,077,336)	(32,004,557)	(19,910,967)	(16,023,392)
		(65,974,137)	(56,316,717)	(34,033,702)	(27,207,656)
Operating Profit / (Loss)		46,636,707	85,197,263	15,817,864	34,335,455
Other operating expenses		(7,784,125)	(6,650,970)	(5,047,725)	(4,524,961)
Finance cost		(36,155,011)	(46,511,879)	(17,306,972)	(20,023,041)
Other operating income		309,416	6,674,302	114,221	3,592,835
Profit / (Loss) before Taxation		3,006,987	38,708,716	(6,422,612)	13,380,288
Provision for taxation		(15,369,392)	(9,460,730)	(8,254,633)	(4,365,450)
(Loss) / Profit after Taxation		(12,362,405)	29,247,986	(14,677,245)	9,014,838
Loss for the Period from Discontinued Operations		(10,510,070)	(2,093,420)	(5,318,664)	(487,686)
(Loss) / Profit for the Period from Continued Operations		(1,852,335)	31,341,406	(9,358,581)	9,502,524
(Loss) / Earning per share	8	(0.31)	0.73	(0.37)	0.23

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


CHIEF EXECUTIVE


DIRECTOR

February 28, 2014

YOUSAF WEAVING MILLS LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED DECEMBER 31, 2013

	Half Year Ended December 31,		Quarter Ended December 31,	
	2013	2012	2013	2012
	(Un-audited) Rupees	(Un-audited) Rupees	(Un-audited) Rupees	(Un-audited) Rupees
(Loss) / Profit for the Period	(12,362,405)	29,247,986	(14,677,245)	9,014,838
Other comprehensive income	-	-	-	-
Total Comprehensive (Loss) / profit for the Period	(12,362,405)	29,247,986	(14,677,245)	9,014,838

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


CHIEF EXECUTIVE

February 28, 2014


DIRECTOR

YOUSAF WEAVING MILLS LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2013

	Half Year Ended December 31,	
	2013	2012
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	3,006,987	38,708,716
Adjustments for:		
- Depreciation	29,246,296	28,026,187
- Amortization of intangible assets	110,962	135,872
- Provision for gratuity	2,834,880	2,325,000
- Gain on sale of property, plant and equipment	-	(724,164)
- Loss / (Gain) on sale of raw material and stores and spares	(64,101)	148,437
- Gain on remeasurement of biological assets	-	(2,434,154)
- Loss on sale of biological assets	7,784,125	4,920,652
- Finance cost	36,155,011	46,511,879
Operating profit before working capital changes	79,074,160	117,618,425
Decrease / (increase) in current assets:		
- Stores and spares	(13,291,052)	(6,694,334)
- Stock in trade	(12,599,698)	17,732,791
- Trade debts	(25,362,046)	21,726,517
- Loan and advances	149,978	(13,378,602)
- Trade deposits, short term prepayments and other receivables	(4,939,357)	(4,604,590)
- Sales tax refundable	(6,406,060)	(2,234,027)
(Decrease) / increase in current liabilities:		
- Trade and other payables	16,106,296	46,102,937
	(46,341,939)	58,650,692
Cash used in from operations	32,732,221	176,269,117
Gratuity paid	(2,796,940)	(2,499,548)
Finance cost paid	(35,060,963)	(52,411,009)
Income tax paid	(8,500,664)	(7,711,565)
Net Cash used in from Operating Activities	(13,626,346)	113,646,996
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(6,035,758)	(9,048,793)
Purchase of assets held for disposal	(1,523,240)	(1,649,960)
Capital work in progress	(705,124)	(5,146,664)
Proceeds from disposal of property, plant and equipment		870,000
Proceeds from disposal of raw material and stores and spares	2,300,496	1,646,223
Proceeds from disposal of biological assets	2,220,500	1,642,025
Long term loans	(2,886,480)	851,026
Long term deposits	1,686,750	576,300
Net Cash Used in Investing Activities	(4,942,856)	(10,259,843)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term loans	(32,550,000)	(90,532,316)
Liabilities against assets subject to finance lease	(1,090,135)	(4,932,509)
Short term borrowings	27,493,234	(8,488,564)
Net Cash Generated from Financing Activities	(6,146,901)	(103,953,389)
Net decrease in Cash and Cash Equivalents	(24,716,103)	(566,236)
Cash and cash equivalents at the beginning of the period	33,484,866	5,498,944
Cash and Cash Equivalents at the End of Period	8,768,763	4,932,708

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


CHIEF EXECUTIVE

February 28, 2014


DIRECTOR

