



Yousaf Weaving Mills Limited



**Quarterly Report
Un-Audited
1st Quarter Ended
September 30, 2018**

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COMPANY INFORMATION

BOARD OF DIRECTORS

Mst. Alia Khanum	(Chairman)
Khawaja Mohammad Nadeem	(Chief Executive)
Khawaja Shahzad Younus	(Director)
Mst. Nargis Sultana	(Director)
Mr. Khalid Mehmood	(Director)
Mr. Waseem Baig	(Director)
Mr. Abdul Hye Khan Ghouri	(Director)
Mr. Mohammad Tariq Sufi	(Independent Director)

AUDIT COMMITTEE

Mr. Mohammad Tariq Sufi	(Chairman)
Mr. Abdul Hye Khan Ghouri	(Member)
Khawaja Shahzad Younus	(Member)

HR & REMUNERATION COMMITTEE

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

COMPANY SECRETARY

Mr. Nadeem Anwar	(ACA)
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CHIEF FINANCIAL OFFICER

Mr. Tauseef Ahmad

BANKERS

Habib Metro Bank Limited
National Bank of Pakistan
Askari Bank Limited
The Bank of Punjab

AUDITORS

Aslam Malik & Co.
Chartered Accountants
Suite # 18-19, 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 Phero
Tel : (04943) 540083-4

Spinning Unit

7-Kilometer
Multan Road, Pattoki
Tel : (04943) 540083-4

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors of the company are pleased to present their report together with the un-audited condensed interim financial statements for the 1st quarter ended September 30, 2018.

The management's efforts to put the company on sustainable operating profitability marred by High energy cost, sharp devaluation of Pak Rupee against US \$, increase in the cost of input and suppressive response both in the fabric and yarn market. The company registered a turnover of Rs. 334.494 million during the period as compared to Rs. 361.705 in the corresponding period. The marginal fall in sale volume is due to lower response from the market. The company incurred a gross loss of Rs. 23.604 million as compared to gross profit of Rs. 18.353 million in the same period last year. The company incurred a net loss of Rs. 55.104 million as compared to Rs. 11.601 in the same period last year. The distribution and admin cost remains in norms but the finance cost is relevant to KIBOR.

The textile industry is the key and major source for export and foreign exchange. Its nourishment is determinant for the strengthen of our economy as it not only provide back end support to our agriculture but also provide employment and business opportunities to a no of peoples. The industry for the last few years is facing crisis like situation and a no of units has been closed due to unfavorable business condition. A level playing field is essential for the industry to meet the challenges in the global competitive market. The sole factor of energy cost is major cost element which is not yet addressed by the Government. Although the Government has announced relief for the provision of cheap energy to make it competitive but is not yet implemented. The people in the Government should realize that the demand of the industry are genuine and with its concrete support the shape of the economy will be improved.

The management of the company is making all possible efforts to control the cost and survived hard to remain operative and profitable. The management believes that with the outcome of recently announce energy package the operating results of the company shall be improved.

The Board is thankful to the shareholders of the company for their continued confidence in the company and also wishes to express its gratitude to all the employees of the company for their hard work, loyalty and dedication.

For and on behalf of the board

Lahore:
November 29, 2018

Mst. Alia Khanum
Chairman

(Khawaja Mohammad Nadeem)
Chief Executive Officer

ڈائریکٹر رپورٹ

کمپنی کے ڈائریکٹر کی جانب سے 30 ستمبر 2018 پر اختتام شدہ سہ ماہی کے لئے غیر جانچ اور کثیف شدہ حسابات بشمول اپنی رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

منتظمین کی کمپنی کو منافع بخش بنانے کی کوششوں کو توانائی کی زیادہ لاگت، یو ایس ڈالر کے مقابلے میں روپے کی قدر میں شدید کمی، خام مال کی قیمت میں اضافہ اور دھاگے اور کپڑے دونوں کی منڈی کے منفی رجحانات کی وجہ سے نقصان پہنچا۔ کمپنی کی فروخت پچھلے دورانیے کی 361.705 ملین روپے کی فروخت کے مقابلے میں اس دورانیے میں 334.494 ملین روپے رہی۔ فروخت کے حجم میں یہ تھوڑی کمی منڈی کے منفی رجحان کی وجہ سے ہوئی۔ کمپنی کو پچھلے سال کے 18.353 ملین روپے کے مجموعی منافع کے مقابلے میں اس سال 23.604 ملین روپے مجموعی خسارہ ہوا ہے۔ کمپنی کو پچھلے سال کے 11.601 ملین روپے کے خالص کے مقابلے میں اس سال 55.104 ملین روپے خالص خسارہ ہوا ہے۔ تریلی اور انتظامی لاگت معمول کے مطابق رہی لیکن مالیاتی لاگت KIBOR کے زیر اثر ہے۔

نیکسٹ سال کا شعبہ برآمدات اور زرمبادلہ کا کلیدی اور اہم ذریعہ ہے۔ اس کی نشوونما ہماری معیشت کو مضبوط بنانے کے لئے بہت اہم ہے جو کہ یہ نا صرف ہماری زراعت کو سہارا دیتا ہے بلکہ بہت سے لوگوں کو روزگار اور کاروباری مواقع بھی فراہم کرتا ہے۔ اس صنعت کو پچھلے چند سالوں سے بحرائی کیفیت کا سامنا ہے اور بہت سے پونٹ غیر موضوع کاروباری حالات کی وجہ سے بند ہو چکے ہیں۔ صنعت کو بین الاقوامی مسابقتی منڈی کے مقابلوں کو پورا کرنے کے لئے برابری کا میدان درکار ہے۔ توانائی کی لاگت، پیداواری لاگت کا ایک اہم عنصر ہے جس کی طرف ابھی تک گورنمنٹ نے توجہ نہیں دی۔ تاہم گورنمنٹ نے اس کو مقابلے کے قابل بنانے کے لئے سستی توانائی فراہم کرنے کا اعلان کیا ہے مگر اس پر ابھی تک عمل نہیں ہوا۔ گورنمنٹ میں موجود لوگوں کو احساس ہونا چاہئے کہ صنعت کے مطالبات جائز ہیں اور اس کی ٹھوس مدد کے ساتھ معیشت کی شکل تبدیل ہو سکتی ہے۔

کمپنی کے منتظمین لاگت کو کم کرنے اور منافع بخش رہنے کی تمام ممکنہ کوششیں کر رہے ہیں۔ منتظمین یقین رکھتے ہیں کہ حال میں جس توانائی کی کٹنگ کا اعلان کیا گیا ہے اس کی وجہ سے کمپنی کے عملی نتائج بہتر ہوں گے۔

بورڈ حصہ داران کے کمپنی پر مسلسل اعتماد کا شکریہ ادا کرتے ہیں اور ساتھ ہی ساتھ ملازمین کا ان کی محنت، وفاداری اور جذبے کی وجہ سے بھی ممنون ہے۔

بورڈ آف ڈائریکٹر کی طرف سے

خواجہ محمد ندیم

چیف ایگزیکٹو آفیسر

عالیہ خانم

چیرمین

لاہور

تاریخ: 29 نومبر 2018

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

	Sep 30, 2018	June 30, 2018
Note	(Un-audited)	(Audited)
	Rupees	Rupees
CAPITAL AND LIABILITIES		
Share Capital and Reserves		
Authorized share capital		
90,000,000 (2018: 90,000,000) ordinary shares of Rs. 10 each	900,000,000	900,000,000
Issued, subscribed and paid up share capital	900,000,000	900,000,000
Accumulated loss	(1,356,640,602)	(1,301,536,986)
Surplus on revaluation of property, plant and equipment	203,833,327	203,833,327
	(252,807,275)	(197,703,659)
Non Current Liabilities		
Long term loan	62,496,220	66,101,771
Liabilities against assets subject to finance lease	477,224	592,961
Deferred liability	37,757,474	35,008,636
	100,730,918	101,703,368
Current Liabilities		
Trade and other payables	350,537,706	331,415,443
Unclaimed dividend	3,247,016	3,247,016
Accrued mark up	141,566,199	125,929,168
Short term borrowings	589,455,861	547,053,850
Current portion of non current liabilities	35,400,891	31,904,603
Provision for taxation	43,432,608	39,248,122
	1,163,640,281	1,078,798,202
Contingencies and Commitments		
5	-	-
	1,011,563,924	982,797,911

Lahore:
November 29, 2018

Chief Executive Officer

Director

Chief Financial Officer

AS AT SEPTEMBER 30, 2018 (UN-AUDITED)

		Sep 30, 2018	June 30, 2018
	Note	(Un-audited)	(Audited)
		Rupees	Rupees
ASSETS			
Non Current Assets			
Property, plant and equipment	6	790,814,532	783,754,312
Intangible assets		345,421	363,602
Long term loans		8,755,514	8,473,763
Long term deposits		37,656,284	7,613,824
		837,571,751	800,205,501
Current Assets			
Stores and spares		20,948,720	21,792,372
Stock in trade		38,303,922	31,131,849
Trade debts		23,107,041	23,817,291
Loans and advances		29,398,405	41,135,949
Trade deposits, short term prepayments		3,256,629	3,240,131
Other receivables		5,437,461	9,167,951
Tax refunds due from government		48,260,927	49,845,358
Cash and bank balances		5,279,068	2,461,509
		173,992,173	182,592,410
		<u>1,011,563,924</u>	<u>982,797,911</u>

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

Lahore:
November 29, 2018

Chief Executive Officer

Director

Chief Financial Officer

**STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2018**

	Quarter Ended	
	Sep 30, 2018	Sep 30, 2017
	(Un-audited) Rupees	(Un-audited) Rupees
Sales - net	334,494,516	361,705,912
Cost of sales	(358,098,903)	(343,352,380)
Gross (loss) / profit	(23,604,387)	18,353,532
Distribution cost	(824,533)	(2,435,664)
Administrative expenses	(11,009,307)	(10,072,829)
	(11,833,840)	(12,508,493)
Operating (loss) / profit	(35,438,227)	5,845,039
Other operating charges	-	(1,416,640)
Finance cost	(15,757,835)	(12,405,746)
Loss before taxation	(51,196,062)	(7,977,347)
Taxation	(3,907,554)	(3,623,879)
Loss after taxation	(55,103,616)	(11,601,226)
Loss per share - basic & diluted	(0.61)	(0.13)

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

**STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2018**

	Quarter Ended	
	Sep 30, 2018	Sep 30, 2017
	(Un-audited)	(Un-audited)
	Rupees	Rupees
Loss for the period	(55,103,616)	(11,601,226)
Other comprehensive income for the period	-	-
Total comprehensive income for the period	<u>(55,103,616)</u>	<u>(11,601,226)</u>

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

**STATEMENT CASH FLOWS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2018**

	Quarter Ended	
	Sep 30, 2018	Sep 30, 2017
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(51,196,062)	(7,977,347)
Adjustments for:		
- Depreciation	10,249,980	10,592,057
- Amortization of intangible assets	18,180	22,725
- Provision for gratuity	3,210,000	1,334,250
- Loss on disposal of property, plant and equipment	-	1,416,640
- (Gain) / Loss on disposal of raw material and stores and spares	-	-
- Finance cost	15,757,835	12,405,746
Operating (loss) / profit before working capital changes	(21,960,067)	17,794,071
(Increase) / Decrease in current assets:		
- Stores and spares	843,652	(1,787,701)
- Stock in trade	(7,172,073)	33,124,080
- Trade debts	710,250	(2,397,982)
- Loan and advances	11,831,461	(2,046,069)
- Trade deposits, short term prepayments	(9,460,006)	1,356,600
- Other receivables	3,730,490	(2,529,125)
- Sales tax refundable	2,085,032	1,384,156
Increase / (Decrease) in current liabilities:		
- Trade and other payables	28,565,771	(29,799,681)
	31,134,577	(2,695,722)
CASH GENERATED FROM OPERATIONS	9,174,510	15,098,349
Finance cost paid	(120,804)	(1,247,140)
Gratuity paid	(184,230)	(3,100,755)
Income tax paid	(500,599)	(660,795)
Net cash generated from operating activities	8,368,877	10,089,659
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment purchased	(17,310,200)	(10,000)
Proceeds from disposal of property, plant and equipment	-	-
Proceeds from sale of stores and raw material	-	626,524
Long term loans to employees	(375,668)	(1,187,996)
Long term deposits	(30,042,460)	(3,923,000)
Net cash used in investing activities	(47,728,328)	(4,494,472)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term loan repaid	-	(4,827,611)
Repayment of liabilities against assets subject to finance lease	(225,000)	(702,519)
Short term borrowings - net	42,402,011	2,727,219
Net cash generated from / (used in) financing activities	42,177,011	(2,802,911)
Net increase in cash and cash equivalents	2,817,559	2,792,276
Cash and cash equivalents at the beginning of the period	2,461,509	1,525,815
Cash and cash equivalents at the end of the period	<u>5,279,068</u>	<u>4,318,091</u>

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

Lahore:
November 29, 2018

Chief Executive Officer

Director

Chief Financial Officer

**STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2018**

Particulars	Issued, Subscribed and Paid up Share Capital	Accumulated Loss	Convertible Directors Loan	Revaluation Surplus	Total
	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at July 1, 2017	400,000,000	(1,134,022,418)	500,000,000	-	(234,022,418)
Net loss for the period	-	(11,601,226)	-	-	(11,601,226)
Balance as at September 30, 2017	400,000,000	(1,145,623,644)	500,000,000	-	(245,623,644)
Balance as at July 1, 2018	900,000,000	(1,301,536,986)	-	203,833,327	(197,703,659)
Net loss for the period	-	(55,103,616)	-	-	(55,103,616)
Balance as at September 30, 2018	900,000,000	(1,356,640,602)	-	203,833,327	(252,807,275)

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

Lahore:

November 29, 2018

Chief Executive Officer

Director

Chief Financial Officer

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2018**

Note 1

The Company and its Operations

Yousaf Weaving Mills Limited was incorporated on January 17, 1988 as a public limited company in Pakistan under the Companies Ordinance, 1984 and is quoted on Pakistan Stock Exchange. The Company is engaged in the business of textile weaving, spinning, sale of processed fabric and home textile products. The registered office of the Company is situated at 7/1- E-3, Main Boulevard Gulberg III, Lahore.

Note 2

Basis of Preparation

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

International Financial Reporting Standard (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and provisions of and directives issued under the Companies Act, 2017. Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

- 2.2** The condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Company for the year ended 30 June, 2018.

- 2.3** This condensed interim financial information is presented in Pak rupees, which is the Company's functional and presentational currency. The financial statements have been prepared under the historical cost convention. Figures have been rounded off to the nearest thousand rupee, unless stated otherwise.

Note 3

Significant Accounting Policies

The accounting policies and methods of computation of the interim financial information are the same as those followed in the preparation of annual financial information for the preceding year ended June 30, 2018.

Note 4

Accounting Estimates and Judgments

The accounting estimates and associated assumptions used in preparation of this condensed interim financial information are consistent with those applied in the preparation of annual financial statement of the Company Limited for the year ended June 30, 2018.

Note 5

Contingencies and Commitments

There is no other significant change in the contingencies and commitments as reported in the last published audited financial statements for the year ended June 30, 2018.

Note 6

Property, Plant and Equipment

	Quarter Ended Sep 30, 2018 (Un-audited) Rupees	Year Ended June 30, 2018 (Audited) Rupees
Operating fixed assets	790,814,532	783,754,312
Opening written down value	783,754,312	610,708,817
Addition during the period / year (at cost)	17,310,200	16,406,640
Revaluation adjustment	-	203,833,327
Disposal during the period / year (written down value)	-	(4,468,254)
	801,064,512	826,480,530
Depreciation charge for the period / year	(10,249,980)	(42,726,218)
Closing written down value	790,814,532	783,754,312

Note 7

Transactions with Related Parties

The related parties and associated undertakings comprise related group companies, associated companies, directors and key management personnel. Transactions with related parties and associated undertakings, other than remuneration and benefits to key management personnel under the term of their employment are as follows:

	Quarter Ended	
	Sep 30, 2018	Sep 30, 2017
	(Un-audited)	(Un-audited)
	Rs. In Million	Rs. In Million
Significant transaction with related parties are as follows:		
- Loan received/(paid) from/to directors - net	10.111	(9.394)
- Rent of expenses	-	0.300

Note 8

Segment Information

- 8.1** For management purposes, the activities of the Company are organized into two operating segment:

Weaving: Production of grey and processed cloth.

Spinning: Production of different qualities of yarn using natural and artificial fibers.

The Company operates in the said reportable operating segments bases on the nature of products, risks and returns, organizational and management structure and internal financial reporting systems. Accordingly, the figures reported in these condensed financial statements related to the Company's reportable segment.

Information regarding the Company's reportable segment for the Quarter ended September 30, 2018 are as follows:

8.2 Segment revenues and results

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

For the Quarter Ended September 30, 2018 (Un-audited)			
	Weaving Segment	Spinning Segment	Total
	Rupees	Rupees	Rupees
Sales - net	104,246,202	230,248,314	334,494,516
Cost of sales	(110,580,767)	(247,518,136)	(358,098,903)
Gross loss	(6,334,565)	(17,269,822)	(23,604,387)
Distribution cost	(682,153)	(142,380)	(824,533)
Administrative expenses	(7,798,850)	(3,210,457)	(11,009,307)
	(8,481,003)	(3,352,837)	(11,833,840)
Operating loss	(14,815,568)	(20,622,659)	(35,438,227)

For the Quarter Ended September 30, 2018 (Un-audited)			
	Weaving Segment	Spinning Segment	Total
	Rupees	Rupees	Rupees
Finance cost	(14,871,259)	(886,576)	(15,757,835)
Loss before taxation	(29,686,827)	(21,509,235)	(51,196,062)
Taxation	(1,029,450)	(2,878,104)	(3,907,554)
Loss after taxation	(30,716,277)	(24,387,339)	(55,103,616)

Note 8 - Segment Information - Continued...

For the Quarter Ended September 30, 2017 (Un-audited)			
	Weaving Segment	Spinning Segment	Total
	Rupees	Rupees	Rupees
Sales - net	150,627,675	211,078,237	361,705,912
Cost of sales	(140,889,637)	(202,462,743)	(343,352,380)
Gross profit	9,738,038	8,615,494	18,353,532
Distribution cost	(217,630)	(2,218,034)	(2,435,664)
Administrative expenses	(7,304,197)	(2,768,632)	(10,072,829)
	(7,521,827)	(4,986,666)	(12,508,493)
Operating profit	2,216,211	3,628,828	5,845,039
Other operating charges	(1,416,640)	-	(1,416,640)
Finance cost	(11,516,137)	(889,609)	(12,405,746)
(Loss) / profit before taxation	(10,716,566)	2,739,219	(7,977,347)
Taxation	(1,513,098)	(2,110,781)	(3,623,879)
(Loss) / profit after taxation	(12,229,662)	628,438	(11,601,226)

8.3 Segment assets and liabilities

As at September 30, 2018 (Un-audited)			
	Weaving Segment	Spinning Segment	Total
	Rupees	Rupees	Rupees
Segment assets for reportable segments	716,470,430	246,816,069	963,286,499
Unallocated assets			48,277,425
Total assets as per balance sheet			<u>1,011,563,924</u>
Segment liabilities for reportable segments	876,797,818	164,371,145	1,041,168,963
Unallocated liabilities			223,202,236
Total liabilities as per balance sheet			<u>1,264,371,199</u>

As at June 30, 2018 (Audited)			
	Weaving Segment	Spinning Segment	Total
	Rupees	Rupees	Rupees
Segment assets for reportable segments	603,710,529	125,408,695	729,119,224
Unallocated assets			253,678,687
Total assets as per balance sheet			<u>982,797,911</u>
Segment liabilities for reportable segments	884,708,822	153,889,166.00	1,038,597,988
Unallocated liabilities			141,903,582
Total liabilities as per balance sheet			<u>1,180,501,570</u>

Note 9

Financial Risk Management

The Company's financial risk management objectives and policies are consistent with those disclosed in the audited annual published financial statements of the Company for the year ended June 30, 2018.

Note 10

General

- 10.1** This interim financial information is authorized for issue on November 29, 2018 by the Board of Directors of the Company.
- 10.2** Corresponding figures have been re-arranged wherever necessary to facilitate comparison. No material rearrangement has been made during the period.

Lahore:
November 29, 2018

Chief Executive Officer

Director

Chief Financial Officer

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