

Yousaf Weaving Mills Limited

Review of Interim Financial Statements
For the period ended December 31, 2023



YOUSAF WEAVING MILLS LIMITED

A Project of Chakwal Group

7/1 - E-3, Main Boulevard
Gulberg III, Lahore, Pakistan
Tel: +92 42 35757108 & 35717510 - 17
Fax: +92 42 35764036, 35764043 & 35757105
Web: www.yousafweaving.com

DIRECTORS' REPORT TO THE SHAREHOLDERS

We are pleased to present the unaudited condensed interim financial statements for the half-year ended December 31, 2023. Despite our efforts to navigate challenges, the company faced a difficult period marked by significant shifts in the market landscape.

The company encountered notable challenges during the reporting period. Our gross profit decreased significantly from Rs. 44.672 million to Rs. 4.964 million, leading to a net loss after tax of Rs. 29.585 million, compared to a net profit of Rs. 2.876 million in the corresponding period.

The decline in sales by 29% primarily reflects subdued demand in the local market. This decline adversely affected our ability to generate sufficient turnover to cover fixed costs, resulting in a gross profit margin contraction to 11% of the previous periods gross profit. Despite maintaining stable operating and financial structures, diminishing sales necessitated the incurred loss.

Our management team diligently implemented cost-saving measures to mitigate losses. However, the company faced external challenges beyond our control, including exorbitant input prices, escalating energy charges, currency exchange rate fluctuations, and uncertain political and economic conditions, all of which significantly impacted our performance.

The directors provided a long-term loan of Rs. 25.176 million to address the company's working capital requirements. This underscores their unwavering commitment to supporting the company's operations and achieving sustainable growth in the future.

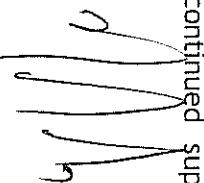
Despite prevailing challenges, the management remains optimistic about the economic outlook. We believe that improvements in the current political scenario will contribute to economic stability, benefiting the local industry and alleviating the ongoing financial crisis.

In conclusion, while the company faced significant challenges during the reporting period, we remain steadfast in our commitment to navigating these obstacles and achieving sustainable growth. We extend our gratitude to our shareholders for their continued support and confidence in our vision.

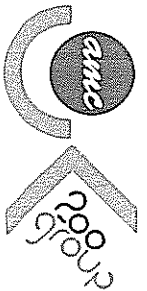
For and on behalf of the Board

Lahore
February 29, 2024


Aliq Khanum
Director

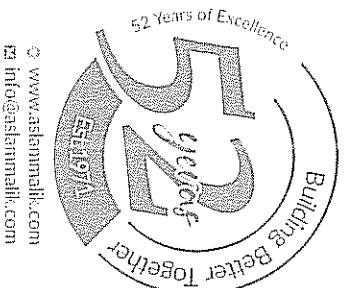

Khawaja Mohammad Nadeem
Chief Executive Officer





Aslam Malik & Co.

Chartered Accountants



www.aslammalik.com
info@aslammalik.com

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Yousaf Weaving Mills Limited

Report on Review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Yousaf Weaving Mills Limited ("the company") as at December 31, 2023 and the related condensed interim statement of profit or loss, the condensed interim statement of other comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows, and notes to the condensed interim financial statements for the six-month period then ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these Condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for Interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

The figures of the condensed interim statement of profit or loss, and the condensed interim statement of other comprehensive income for the quarters ended December, 31 2023 and December 31, 2022 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2023.

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 condensed interim financial statements 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.

Basis for Qualified Conclusion

Based on Information provided to us by management, 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.

Qualified Conclusion

Based on our review, with the exception of the matter described in preceding paragraph, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Lahore Head Office

Suite # 18-19, FF Floor, Central Plaza
Civic Centre, New Garden Town,
Lahore ✉ aslammalik@brain.net.pk
042-35858693-4, 042-35856819

Islamabad

House # 726, Street # 34,
Margalla Town, Off Murree
Road, Islamabad.
051-2374282, 051-2374283

Karachi

1001-1003 10th Floor, Chapel
Plaza, Hasrat Mohani Road, Off
I.I Chundrigar Road, Karachi
021-32425911, 021-32425912

Quetta

1st Floor, Haji Fateh
Khan Center, Adalat
Road, Quetta
081-2823837

Aslam Malik & Co.

Continuation Sheet

Material Uncertainty relating to Going Concern

We draw attention of the members towards note 1.1 of the condensed interim financial statements, which indicates that the Company has accumulated losses of Rs. 1,523,012 million. Its current liabilities exceed its current assets by Rs. 677,691 million. Further, the banking companies also filed suit against the Company for recovery of outstanding balances and related interest accrued thereon. These conditions, along with other matters as set forth in note 1.1 indicate the existence of material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

The engagement partner on the review resulting in this independent auditor's report is Hafiz Muhammad Ahmad Saleem.


Chartered Accountants



Place: Lahore

Date: February 29, 2024

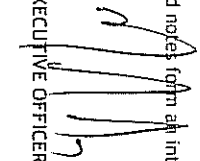
UDIN: RR202310148qI7Ro1evh

YOUSAF WEAVING MILLS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023


	December 31, 2023 <small>(Un-audited)</small> Rupees	June 30, 2023 <small>(Audited)</small> Rupees
CAPITAL AND LIABILITIES		
Share Capital and Reserves		
Authorized share capital	1,400,000,000	1,400,000,000
140,000,000 (2023: 140,000,000) ordinary shares of Rs. 10 each		
Issued, subscribed and paid up share capital	1,360,000,000	1,360,000,000
Loan from directors	39,652,264	14,476,264
Accumulated loss	(1,523,012,148)	(1,493,426,979)
Surplus on revaluation of land	385,563,327	385,563,327
	262,203,443	266,612,612
Non Current Liabilities		
Long term loan		
Lease liabilities	28,412,462	32,910,196
Deferred liabilities	19,628,562	18,157,529
	48,041,024	51,067,725
Current Liabilities		
Trade and other payables	341,385,351	344,084,482
Unclaimed dividend	3,247,016	3,247,016
Accrued mark up	132,308,267	131,864,126
Short term borrowings	608,923,859	609,647,574
Current portion of long term loan	46,709,999	53,896,153
Current portion of lease liabilities	7,287,235	7,282,810
Provision for taxation	41,507,977	50,009,317
	1,181,369,704	1,200,031,478
Contingencies and Commitments	-	-
	<u>1,491,614,171</u>	<u>1,517,711,815</u>
ASSETS		
Non Current Assets		
Property, plant and equipment	879,396,045	896,649,227
Right-of-use assets	46,141,127	47,599,355
Intangible assets	107,230	119,146
Long term loans	10,658,450	10,485,450
Long term deposits	51,632,222	51,632,222
	987,935,074	1,006,485,400
Current Assets		
Stores and spares	11,259,370	12,240,228
Stock in trade	406,075,816	422,399,654
Trade debts	24,931,982	2,793,074
Loans and advances	21,063,428	19,482,645
Trade deposits and other receivables	5,608,901	5,608,901
Tax refunds due from government	33,231,880	43,989,730
Cash and bank balances	1,507,720	4,712,183
	503,679,097	511,226,415
	<u>1,491,614,171</u>	<u>1,517,711,815</u>

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

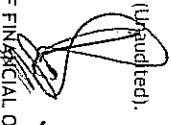
CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER




YOUSAF WEAVING MILLS LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE QUARTER ENDED DECEMBER 31, 2023

	Half Year Ended		Quarter Ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	Un-audited	Un-audited	Un-audited	Un-audited
	Rupees	Rupees	Rupees	Rupees
Sales - net	180,926,634	625,846,655	97,875,824	294,510,056
Cost of sales	(175,962,698)	(581,174,992)	(94,577,241)	(268,388,192)
Gross profit	4,963,936	44,671,663	3,298,583	26,121,864
Distribution cost	(3,250,925)	(5,880,615)	(1,756,385)	(3,889,867)
Administrative expenses	(27,130,663)	(25,556,983)	(17,773,181)	(16,252,403)
Operating (loss) / profit	(30,381,568)	(31,437,598)	(19,529,566)	(20,142,270)
Finance cost	(25,417,652)	13,234,065	(16,230,983)	5,979,594
Other operating income	(1,944,292)	(2,540,901)	(1,024,969)	(1,300,133)
	38,358	7,354	38,358	7,354
(Loss) / Profit before taxation	(27,323,566)	10,700,518	(17,217,594)	4,686,815
Taxation	(2,261,583)	(7,824,451)	(1,223,448)	(3,680,959)
(Loss) / Profit for the period	(29,585,169)	2,876,067	(18,441,042)	1,005,856
(Loss) / Earning per share - basic & diluted	(0.22)	0.03	(0.14)	0.01

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER



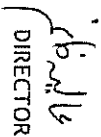
YOUSAF WEAVING MILLS LIMITED
STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE QUARTER ENDED DECEMBER 31, 2023

	Half Year Ended		Quarter Ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	Rupees	Rupees	Rupees	Rupees
(Loss) / Profit for the period	(29,585,169)	2,876,067	(18,441,042)	1,005,856
Other comprehensive income for the period	-	-	-	-
Total comprehensive (loss) / income for the period	<u>(29,585,169)</u>	<u>2,876,067</u>	<u>(18,441,042)</u>	<u>1,005,856</u>

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER



YOUSAF WEAVING MILLS LIMITED
STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED DECEMBER 31, 2023

	Half Year Ended	
	December 31, 2023	December 31, 2022
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / Profit before taxation	(27,323,586)	10,700,518
Adjustments for:		
- Depreciation	18,694,768	20,643,887
- Amortization of intangible assets	11,915	14,893
- Provision for gratuity	6,788,054	6,668,034
- Gain on disposal of property, plant and equipment	(38,358)	(7,354)
- Finance cost	1,944,292	2,540,901
Operating profit before working capital changes	77,085	40,560,879
(Increase) / Decrease in current assets:		
- Stores and spares	980,858	918,019
- Stock in trade	16,323,838	165,064,843
- Trade debts	(22,138,908)	(250,812,968)
- Loan and advances	(1,580,783)	6,430,285
- Tax refundable due from government	-	4,000,371
Increase / (Decrease) in current liabilities:		
- Trade and other payables	(2,699,131)	45,087,033
	(9,114,126)	(29,312,417)
CASH (USED IN) / GENERATED FROM OPERATIONS	(9,037,041)	11,248,462
Finance cost paid		
Gratuity paid	(1,166,940)	(1,374,437)
Income tax paid	(5,317,021)	(3,468,500)
Net cash used in operating activities	(5,072)	(9,859,204)
	(15,526,074)	(3,453,679)
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment purchased		(7,634,000)
Proceeds from disposal of property, plant and equipment	55,000	140,000
Long term loans to employees	(173,000)	-
Net cash used in investing activities	(118,000)	(7,494,000)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term loans		
Short term borrowings - net	17,989,846	7,094,846
Liabilities against assets subject to finance lease	(723,715)	10,669,915
Net cash generated from financing activities	(4,826,520)	(4,717,410)
	12,439,611	13,047,351
Net (decrease) / Increase in cash and cash equivalents	(3,204,463)	2,099,672
Cash and cash equivalents at the beginning of the period	4,712,183	1,012,924
Cash and cash equivalents at the end of the period	1,507,720	3,112,596

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

CHIEF EXECUTIVE OFFICER



دائرا
DIRECTOR




CHIEF FINANCIAL OFFICER



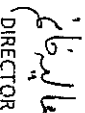

YOUSAF WEAVING MILLS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED DECEMBER 31, 2023

Particulars	Issued, Subscribed and Paid up Share Capital	Accumulated Loss	Loan from Directors	Revaluation Surplus	Total
	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at July 1, 2022	900,000,000	(1,428,065,888)	449,106,400	385,563,327	306,603,839
Net profit for the period	-	2,876,067	13,271,000	-	16,147,067
Balance as at December 31, 2022	<u>900,000,000</u>	<u>(1,425,189,821)</u>	<u>462,377,400</u>	<u>385,563,327</u>	<u>322,750,906</u>
Balance as at July 1, 2023	1,360,000,000	(1,493,426,979)	14,476,264	385,563,327	266,612,612
Net profit for the period	-	(29,585,169)	25,176,000	-	(4,409,169)
Balance as at December 31, 2023	<u>1,360,000,000</u>	<u>(1,523,012,148)</u>	<u>39,652,264</u>	<u>385,563,327</u>	<u>267,203,443</u>

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER



YOUSAF WEAVING MILLS LIMITED
SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE QUARTER ENDED DECEMBER 31, 2023

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.

- 1.1 During the period the Company has incurred loss after tax of Rs. 29,585 million (2022: Rs. 2,876 million) and at period end, its accumulated losses stood at Rs. 1,523,012 million (2023: Rs. 1,493,427 million). Its current liabilities exceed its current assets by Rs. 677,691 million (2023: Rs. 688,805 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:-

- During the current period the directors of the Company has provide long term loan of Rs. 25,176 million, which have been used to meet working capital requirements 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.
 - The management is adamant to settle the issues with the banks and is intended to regularize the affairs. The management is quite hopeful that it shall be able to resolve it amicably during the current financial year.
 - The management believes that with the improvement in current political scenario, our economy will also ameliorate, which will ultimately assist the local industry to cope with on-going financial crisis and to achieve economic stability in long run.
 - The management is making all possible efforts, to control production costs and planning for BMR in near future to enhance production capacity and efficiency; along with focusing on new clientage in local and export markets.
- In view of the above, these financial statements have been prepared on going concern assumption.

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, 2023.
- 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, 2023.



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, 2023.

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, 2023.

Note 6
Property, Plant and Equipment

	Half Year Ended Dec 31, 2023 (Un-audited)	Year Ended June 30, 2023 (Audited)
	Rupees	Rupees

Operating fixed assets	879,396,045	896,649,227
Opening written down value	896,649,227	925,961,304
Addition during the period / year (at cost)	-	7,793,930
Disposal during the period / year (written down value)	(16,642)	(132,646)
Depreciation charge for the period / year	896,632,585	933,622,588
Closing written down value	(17,236,540)	(36,973,361)
	879,396,045	896,649,227

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:

	Half Year Ended Dec 31, 2023 (Un-audited)	Dec 31, 2022 (Un-audited)
	Rs. '000'	Rs. '000'

Significant transaction with related parties are as follows:		
- Loan term loan received from directors	25,176	13,271
- Short term loan (paid)/received to/from directors - net	(724)	5,688

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 half year ended December 31, 2023 are as follows:



Note 8 - Segment Information ... Contd.

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 Half Year Ended December 31, 2023 (Un-audited)		
	Weaving Segment Rupees	Spinning Segment Rupees	Total Rupees
Sales - net	180,926,634	-	180,926,634
Cost of sales	(173,877,447)	(2,085,231)	(175,962,698)
Gross profit / (loss)	7,049,187	(2,085,231)	4,963,936
Distribution cost	(3,250,925)	-	(3,250,925)
Administrative expenses	(27,117,259)	(13,404)	(27,130,663)
Operating loss	(30,368,184)	(13,404)	(30,381,588)
Finance cost	(23,318,997)	(2,098,655)	(25,417,652)
Other operating income	(1,944,292)	-	(1,944,292)
Loss before taxation	(25,224,931)	(2,098,655)	(27,323,586)
Taxation	(2,261,583)	-	(2,261,583)
Loss after taxation	(27,486,514)	(2,098,655)	(29,585,169)

	For the Half Year Ended December 31, 2022 (Un-audited)		
	Weaving Segment Rupees	Spinning Segment Rupees	Total Rupees
Sales - net	625,846,655	-	625,846,655
Cost of sales	(578,937,425)	(2,237,567)	(581,174,992)
Gross profit / (loss)	46,909,230	(2,237,567)	44,671,663
Distribution cost	(5,880,615)	-	(5,880,615)
Administrative expenses	(25,540,575)	(16,408)	(25,556,983)
Operating profit / (loss)	(31,421,190)	(16,408)	(31,437,598)
Finance cost	(2,540,901)	-	(2,540,901)
Other operating income	7,354	-	7,354
Profit before taxation / (loss)	12,954,493	(2,253,975)	10,700,518
Taxation	(7,824,451)	-	(7,824,451)
Profit after taxation / (loss)	5,130,042	(2,253,975)	2,876,067

8.3 Segment assets and liabilities

	As at December 31, 2023 (Un-audited)		
	Weaving Segment Rupees	Spinning Segment Rupees	Total Rupees
Segment assets for reportable segments	1,355,274,033	103,108,259	1,458,382,292
Unallocated assets	46,909,230	-	33,231,879
Total assets as per balance sheet	1,402,183,263	103,108,259	1,491,614,171
Segment liabilities for reportable segments	781,260,829	229,574,713	1,010,835,542
Unallocated liabilities	218,575,186	-	218,575,186
Total liabilities as per balance sheet	999,836,015	229,574,713	1,229,410,728
	As at June 30, 2023 (Audited)		
	Weaving Segment Rupees	Spinning Segment Rupees	Total Rupees
Segment assets for reportable segments	1,368,515,171	105,206,914	1,473,722,085
Unallocated assets	43,989,730	-	43,989,730
Total assets as per balance sheet	1,412,504,901	105,206,914	1,517,711,815
Segment liabilities for reportable segments	764,660,454	229,415,446	994,075,900
Unallocated liabilities	257,023,303	-	257,023,303
Total liabilities as per balance sheet	1,021,683,757	229,415,446	1,251,099,203

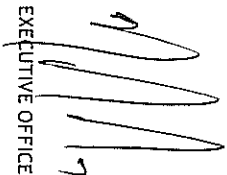


Note 9
Financial Risk Management

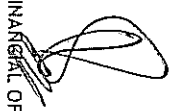
The Company's financial risk management objectives and policies are consistent with those disclosed in the audited annual published financial statements of the Company for the year ended June 30, 2023.

Note 10
General

- 10.1 This interim financial information is authorized for issue on February 29, 2024 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.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

