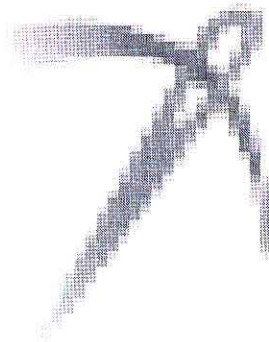


ANNUAL REPORT

AUDITED

YEAR ENDED

JUNE 30, 2023



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. Abbas Ali	(Independent Director)

AUDIT COMMITTEE

Mr. Sheikh Maqbool Ahmed	(Chairman)
Mr. Muhammad Amjad	(Member)
Khawaja Shahzad Younus	(Member)

HR & REMUNERATION COMMITTEE

Mr. Sheikh Maqbool Ahmed	(Chairman)
Mr. Waseem Baig	(Member)
Mr. Shuqran Ahmed Khan	(Member)

COMPANY SECRETARY

Mr. Nadeem Anwar	(ACA)
------------------	-------

CHIEF FINANCIAL OFFICER

Mr. Tahir Tajamal

BANKERS

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

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



YOUSAF WEAVING MILLS LIMITED

7/1 E-3, Main Boulevard, Gulberg III, Lahore

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 36th 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 Friday, October 27, 2023 at 11:00 a.m. to transact the following business:-

ORDINARY BUSINESS:

1. To confirm the minutes of last EOGM held on January 21, 2023
2. To receive and adopt the audited accounts of the Company for the year ended June 30, 2023 together with the reports of Directors and Auditor's report thereon.
3. To appoint auditors for the year ending June 30, 2024 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 06, 2023

NADEEM ANWAR
Company Secretary

NOTES:

1. The share transfer books for ordinary shares of the Company will be closed from 20-10-2023 to 27-10-2023 (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, 2023 will be 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, 2023 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.
10. The shareholders having physical shares are encouraged to place their physical shares into electronic form as Section 72(2) of the Companies Act, 2017 states that "Every existing company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by SECP, within a period not exceeding four years from the commencement of the Act".

Conversion of physical shares into Book-Entry Form would facilitate the shareholders in many ways i.e. safe custody of shares, readily available market for instant sale and purchase of shares, eliminate risk of loss & damage, easy and safe transfer with lesser formalities as compared to physical shares. The shareholders of the Company may contact Share Registrar of the Company for assistance in conversion of physical shares into Book-Entry Form.

یوسف و یونگ ملز لمیٹڈ

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



سالانہ اجلاس عام

بذریعہ نوٹس ہذا مطلع کیا جاتا ہے کہ یوسف و یونگ ملز لمیٹڈ کے ارکان کا 368 واں سالانہ اجلاس عام کمپنی کے رجسٹرڈ دفتر بواقع E-3، 7/1 مین بلیوارڈ گلبرگ III، لاہور میں بروز جمعہ 127 اکتوبر 2023ء کو صبح 11:00 بجے درج ذیل امور کیلئے منعقد ہوگا۔

عمومی امور:

- 1- 21 جنوری 2023ء کو منعقدہ گزشتہ غیر معمولی اجلاس عام کی کارروائی کی توثیق کرنا۔
- 2- 30 جون 2023ء کو ختم ہونے والے سال کیلئے کمپنی کے نظر ثانی شدہ حسابات معائنہ پرنٹرز ایکٹرز اور آڈیٹرز کی رپورٹ کی وصولی اور منظوری لینا۔
- 3- 30 جون 2024ء 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:

06 اکتوبر 2023ء

نوٹس:

- 1- کمپنی کے عام حصص کی منتقلی کن بین 120 اکتوبر 2023ء تا 27 اکتوبر 2023ء (شامل ہر دو ایام) بند رہیں گی۔ کارآمد مشغلیاں ہمارے شیئر رجسٹرار، کارپ لنک (پرائیویٹ) لمیٹڈ، انگریز آرکیڈ، K-1 کمرشل، ماڈل ٹاؤن، لاہور کو 19 اکتوبر 2023ء مارچ 2022ء کو کاروبار کے اختتام تک وصول ہونے والی بروقت تصور ہوگی۔ پیسے یا اس میں کوئی تبدیلی ہو، بعد کارآمد CNIC کی کاپی کمپنی کے سالانہ ریٹرن فائلنگ کیلئے ہمارے شیئر رجسٹرار سیمرز کارپ لنک (پرائیویٹ) لمیٹڈ، انگریز آرکیڈ، K-1 کمرشل، ماڈل ٹاؤن، لاہور نوٹن 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 کمپیوٹر آئڈنٹیٹی 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 کا ڈونٹ ہولڈر کو مزید برآں، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے طرف سے جاری شدہ ممبر نمبر 1 مورخہ 26 جنوری 2000ء میں دی گئی درج ذیل ہدایات کی پیروی کرنا ہوگی۔
 - 4- کارپوریشن آف پاکستان کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد اختیار 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 2023ء 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 دیے جائیں گے۔
 - 6- SECP نوٹیفیکیشن 2014 (I) / 787 SRO مورخہ 8 ستمبر 2014ء کی پیروی میں ارکان کمپنی کی ویب سائٹ پر دستیاب معیاری درخواست فارم جمع کرانے 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 سکونتی کم از کم 10% شیئر ہولڈنگ کے مالک ارکان سے اجلاس میں ووٹوں 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 حوالے سے اس شہر میں ڈیولپمنٹ 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 التماس ہے کہ وہ حکومت پاکستان کی طرف سے جاری کردہ کوڈ سے متعلقہ حفاظتی اقدامات کی پیروی کریں۔
 - 10- کانغذی حصص کنندگان کی حوصلہ افزائی کی جاتی ہے کہ وہ اپنے کانغذی حصص کو الیکٹرونک شکل میں رکھیں کیونکہ کمپنی ایکٹ 2017ء کے سیکشن 72(2) کے مطابق ہر موجودہ کمپنی کو اپنے کانغذی حصص کو SECP کی طرف مطلع کردہ 4 طریقہ کار کے مطابق، اس ایکٹ سے آغاز سے (4) سال کے اندر اپنے کانغذی حصص کو بک انٹری فارم کے ساتھ تبدیل کرنا ہوگا۔
- کانغذی حصص کو بک انٹری فارم میں تبدیل کرنے سے حصص کنندگان کو کئی طریقوں سے سہولت ملے گی جیسا کہ حصص کی محفوظ نمونہ، حصص کی فوری فروخت اور خریداری کیلئے آسانی سے دستیاب مارکیٹ، نقصان کے خطرے میں کمی، محدود رگی کاروائیوں کے ساتھ آسان اور محفوظ منتقلی وغیرہ۔ حصص کنندگان کانغذی حصص کو بک انٹری فارم میں تبدیل کرنے کے لئے حصص رجسٹرار سے رابطہ کر سکتے ہیں۔



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

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 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.



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

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 5, 2023

Mst. Alia Khanum
Chairman

بورڈ کی مجموعی کارکردگی اور کمپنی کے مقاصد کے حصول میں بورڈ کے مؤثر کردار پر چیئرمین 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 تازہ سے انجام دی ہیں اور کمپنی کے امور کو مؤثر اور بروقت انداز سے منظم کیا ہے۔ بورڈ نے کمپنی ایکٹ 2017 اور لسٹڈ 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 مجلس نظام کی رپورٹ کی تیاری اور منظوری دی ہے اور اس بات کو یقینی بنایا ہے کہ مجلس نظام کی رپورٹ کمپنی کی سہ ماہی اور سالانہ مالیاتی حسابات کے ساتھ شائع ہوئی اور مجلس نظام 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

چیئرمین

تاریخ: ۱۵ اکتوبر ۲۰۲۳

لاہور



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

On behalf of the Board of Directors of Yousaf Weaving Mills Limited, we are pleased to submit the annual report of your Company together with audited financial statements and auditors' report thereon for the year ended 30th June 2023.

Financial Performance:

The current financial year proved a tough one not for our Company but for the industry as a whole. Due to uncertain economic and political scenario, the industry is facing the worst ever crisis of its history. Hundreds of production units have been shut down due to lack of demand in consumer market and due to un-precedent inflation which caused a drastic hike in production costs.

During the current financial year, although the Company earned a gross profit of Rs. 11.065 million as compared to a gross profit of Rs. 97.627 million during the last year, however it incurred a net loss of Rs. 66.467 million as compared to a net profit of Rs. 22.379 million during the previous year. Reduction in gross profit is due to rapid surge in production cost, on the other hand there is no significant change in distribution and administration costs.

Subsequent to year end, SECP has accord its approval to issue shares other than right issue to Mr. Khawaja Mohammad Nadeem (Executive Director) against his long term loan of Rs. 460 million. Accordingly shares have been issued to him while complying with all the legal and regulatory requirements.

Financial Statements Audit

The 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 a qualified opinion on unclaimed dividend of previous years which has not been deposited into government treasury; which is addressed below:

- a) The management shall do all requirements to comply with the provisions of the Companies Act 2017 on unclaimed dividends in true vigilance.
- b) The audit observation regarding going concern has been disclosed in Note # 1.3 of the financial statements.

Future Outlook:

Your Company's management put their best efforts to avoid losses by minimizing its cost to do business while retaining its workforce. The management expects that the upcoming period would not be an easy one for the industry, recently the government has withdrawn its subsidized energy package for export oriented industry



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

consequently the energy cost has been surged up. The need is that the government should take measures to reduce inflation, provide energy at subsidized rates, control US \$ exchange rate fluctuation, bring down the interest rate, develop political consensus and make sure the availability of inputs at affordable cost, so that vehicle of our economy come back on the track of economic growth and stability otherwise it would be a complete disaster for the country.

Principal Activity

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

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



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

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.

Related Parties

All related party transactions during the financial year ended June 30, 2023 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.



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

- 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 are given in the notes to the financial statements.
- xi) The board ensures that all the directors will duly comply with the requirement of Directors' Training Program within time frame as defined in the Code of Corporate Governness regulations, 2019.

Shareholding Pattern

The share holding pattern as at June 30, 2023 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 2023-2024. 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. Abbas Ali (Independent Director)

Committees of the Board



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

The Board has made following sub-committees:

Audit Committee:

- | | | |
|------|----------------------------|----------|
| i. | Mr. Sheikh Maqbool Ahmed | Chairman |
| ii. | Mr. Muhammad Amjad | Member |
| iii. | Mr. Khawaja Shahzad Younus | Member |

HR and Remuneration Committee:

- | | | |
|------|--------------------------|----------|
| i. | Mr. Sheikh Maqbool Ahmed | 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 05, 2023
Lahore

Khawaja Mohammad Nadeem
Chief Executive Officer

Mst. Alia Khanum
Chairman

حصص کنندگان کو مجلس نفعی کی رپورٹ

یوسف یونگ ملز لمیٹڈ کی مجلس نفعی کی جانب سے، ہم 30 جون 2023 کو ختم ہونے والے سال کے لیے کمپنی کی سالانہ رپورٹ معہ جانچ شدہ حسابات اور ان پراڈیٹرز کی رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

مالی کارکردگی

روان مالی سال ناصر فہماری کمپنی کے لئے بلکہ تمام صنعتوں کے لئے مشکل ثابت ہوا ہے۔ معاشی اور سیاسی منظر نامے میں بے یقینی کی وجہ سے، صنعت اپنی تاریخ کے بدترین بحران کا سامنا کر رہی ہے۔ مقامی مارکیٹ میں ڈیپریکیشن میں کمی اور روز بروز بڑھتی ہوئی مہنگائی کی وجہ سے سیکٹروں کی صنعتی یونٹس بند ہو چکے ہیں۔ اس مالی سال کے دوران کمپنی کے پچھلے سال کے 97.627 ملین روپے کے مجموعی منافع کے مقابلے میں 11.065 ملین روپے کا مجموعی منافع کمایا۔ تاہم پچھلے سال کے 22.379 ملین روپے کے منافع کے مقابلے میں اس سال خالص خسارہ 66.379 ملین روپے رہا۔ مجموعی منافع میں کمی کی بڑی وجہ پیداواری لاگت میں تیزی سے ہونے والا اضافہ ہے۔ دوسری طرف تقسیمی اور انتظامی لاگت میں کوئی نمایاں تبدیلی نہیں آئی۔ سال کے اختتام کے بعد SECP نے خواجہ محمد ندیم صاحب (ایگزیکٹو ڈائریکٹر) کے 460 ملین روپے کے طویل المدتی قرضے کے عوض حصص کے اجراء کی اجازت دے دی ہے۔ جس پر کمپنی نے تمام قانونی تقاضے پورے کرتے ہوئے حصص کا اجراء کر دیا ہے۔

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 پچھلے سال کے غیر دعویٰ شدہ ڈیویڈنڈ پر محدود دائرے دی ہے جن کی وضاحت ذیل میں کی گئی ہے۔

- (a) انتظامیہ غیر دعویٰ شدہ ڈیویڈنڈ پر حقیقی معنوں میں کمپنیز ایکٹ 2017 کی سیکشن 197 پر عمل کرے گی قانون کی دفعات پر اس کی اصل روح کے مطابق عمل کرے گی۔
(b) کمپنی کا کاروبار جاری رہنے سے متعلق آڈٹ مشاہدے کا مالی حسابات کے نوٹ نمبر 1.3 میں انکشاف کیا گیا ہے۔

مستقبل کا نقطہ نظر:

آپ کی کمپنی نے اپنی پوری کوشش کی ہے کہ کسی طرح اپنے ورگ فورس کو برقرار رکھتے ہوئے اپنے نقصانات کو کم کر سکے۔ انتظامیہ سمجھتی ہے کہ آنے والا وقت صنعتوں کے لئے آسان نہیں ہوگا۔ حال ہی میں حکومت نے برآمدی صنعتوں کے لئے رعایتی توانائی کی پیکج کو واپس لے لیا ہے جس کی وجہ سے توانائی کی لاگت ایک دم بڑھ گئی ہے ضرورت اس بات کی ہے کہ حکومت مہنگائی میں کمی، رعایتی نرخوں پر توانائی کی فراہمی، ڈالر کے اتار چڑھاؤ کو کنٹرول، سود کی شرح میں کمی، سیاسی اتفاق رائے اور سستی قیمت پر ایشیا کی فراہمی کو ممکن بنائے تاکہ ہماری معیشت اقتصادی ترقی اور استحکام کی راہ پر گامزن ہو سکے، ورنہ ملک کو ناقابل تلافی نقصان پہنچ سکتا ہے۔

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 مٹریکس کو عملی وضع کرنے کی ذمہ دار ہے۔

کمپنی کے بنیادی مالی واجبات مختصر مدتی قرضہ جات، تجارتی دیگر واجبات اور مارک اپ پر مشتمل ہیں۔ کمپنی کے بنیادی مالیاتی اثاثوں میں اسٹاک، کاروباری وصولیاں اور دیگر قابل وصولی قوم، 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 مابینیت 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 شیشیزنی 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 ملوں 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 موثر بنانے، قابل اعتماد مالی رپورٹنگ اور قوانین، ضوابط اور پالیسیوں پر عمل درآمد کو یقینی بناتا ہے۔

متعلقہ پارٹی

30 جون 2023 کو ختم ہونے والے مالی سال کے دوران تمام متعلقہ پارٹیوں کے ساتھ لین دین کا آڈٹ کمپنی 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 موثر 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 ضابطہء اخلاق اور کاروباری حکمت عملی وضع کی ہے اور ڈائریکٹرز اور ملازمین میں تقسیم کیا ہے۔
- ix- کمپنی نے 30 جون 2023 کے لئے نہ کسی ڈیویڈنڈ کا اعلان کیا ہے اور نہ ہی بونس شیئرز جاری کئے ہیں کیونکہ کمپنی کو خسارہ برداشت کرنا پڑا۔
- x- واجب الادا ٹیکسوں کی تفصیل مالیاتی حسابات کے نوٹ میں دی گئی ہے۔
- xi- بورڈ یقینی بناتا ہے کہ تمام ڈائریکٹرز کوڈ آف کارپوریٹ گورننس 2019 کی ڈائریکٹرز ٹریٹنگ پروگرام کے متعلق دفعات پر عمل کریں گے۔

حصص کنندگان کی تفصیل

عام شیئرز کے لئے 30 جون 2023 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 2023-24 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 تشکیل

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 نام ایگزیکٹو ڈائریکٹرز 05

c۔ آزاد ڈائریکٹرز 02

نمبر شمار	نام ڈائریکٹرز	عہدہ
۱	خواجہ محمد ندیم	ایگزیکٹو ڈائریکٹرز
۲	عالیہ خانم	چیرمین
۳	شقران احمد خان	
۴	خواجہ شہزاد یونس	
۵	محمد امجد	
۶	وسیم بیگ	
۷	شیخ مقبول احمد	آزاد ڈائریکٹرز
۸	عباس علی	آزاد ڈائریکٹرز

بورڈ کی کمیٹیاں

بورڈ نے مندرجہ ذیل ذیلی کمیٹیاں بنائی ہیں:

آڈٹ کمیٹی کے اجلاس

i۔ شیخ مقبول احمد چیرمین

ii۔ محمد امجد رکن

iii۔ خواجہ شہزاد یونس رکن

انسانی وسائل اور معاوضہ کمیٹی کے اجلاس

i۔ شیخ مقبول احمد چیرمین

ii۔ وسیم بیگ رکن

iii۔ 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 کمیٹی کے معاملات میں ان کی ذمہ داریوں پر منحصر ہے۔ تنخواہ کی ذمہ داریوں کے مطابق اور ان کی کمیٹی کو کامیابی سے چلانے کے لئے ان کی قابلیت کے مطابق تاکہ ان کی جانب سے کمیٹی میں مزید بہتری لائی جاسکے۔

اعتراف

کمیٹی کے اطراف 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: 05 اکتوبر 2023

لاہور

عالیہ خانم

چیرمین

خواجہ محمد ندیم

چیف ایگزیکٹو



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

Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019

Name of Company : Yousaf Weaving Mills Limited

Year ending : June 30, 2023

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 : 05
- 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. Abbas Ali	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.



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

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. Sheikh Maqbool Ahmed – Chairman
 - ii. Mr. Muhammad Amjad
 - iii. Mr. Khawaja Shahzad Younus
 - II. HR and Remuneration Committee:
 - i. Mr. Sheikh Maqbool Ahmed – 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:



YOUSAF WEAVING MILLS LIMITED

A Project of Chakwal Group

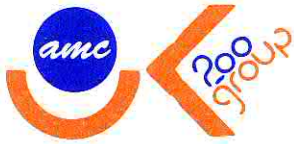
7/1 - E-3, Main Boulevard
Gulberg III, Lahore, Pakistan
Tel: +92 42 35757108 & 35717510 - 17
Fax: +92 42 35764036, 35764043 & 35757105
Web: www.yousafweaving.com

- a) Audit Committee: Four Quarterly meetings during the financial year ended June 30, 2023.
 - b) HR & Remuneration Committee: One meeting during the financial year ended June 30, 2023.
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 03, 2023



Aslam Malik & Co. Chartered Accountants



www.aslammalik.com
info@aslammalik.com

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 June 30, 2023 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 ensured 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 June 30, 2023.

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.

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


Chartered Accountants
Lahore

Date: October 5, 2023

UDIN: CR202310148n3lzPM8VI

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, Chapal
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. Chartered Accountants



www.aslammalik.com
info@aslammalik.com

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, 2023**, and the statement of profit or loss, the statement of 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 and other explanatory information, and we state that 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 matter described in the Basis for Qualified Opinion section of our report, the statement of financial position, the statement of profit or loss, the statement of 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, 2022 and of the loss and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

- a) 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.

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, Chapal
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

Material Uncertainty relating to Going Concern

We draw attention to Note 1.3 in the financial statements which indicates that as at June 30, 2023, the Company's accumulated losses stood at Rs. 1,493 million, its current liabilities exceeded its current assets by Rs. 689 million and the company has negative operating cash flows. 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 1.3 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.

Following is the key audit matter:

S. No.	Key Audit Matter	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 assessments and judgments with respect to the 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 judgments 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 15 to the financial statements.</p> <p>There is an 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 viewpoint and obtaining and reviewing the litigation documents in order to assess the facts and circumstances; ➤ Obtaining independent opinion of a 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 of the Company for the year ended June 30, 2023, but does not include the financial statements, our auditor's report thereon, and the review report issued on statement of compliance with Code of Corporate Governance.

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.

The board of directors is 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 matter 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 other 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 was 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 Saleem**.



Chartered Accountants



October 05, 2023

Lahore

UDIN: AR202310148bcpMtQsjZ

YOUSAF WEAVING MILLS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
CAPITAL AND LIABILITIES			
Share Capital and Reserves			
Authorized share capital 140,000,000 (2022: 90,000,000) ordinary shares of Rs. 10 each		1,400,000,000	900,000,000
Issued, subscribed and paid up share capital	4	1,360,000,000	900,000,000
Loan from directors	5	14,476,264	449,106,400
Accumulated loss		(1,493,426,979)	(1,428,065,888)
Surplus on revaluation of land	6	385,563,327	385,563,327
		266,612,612	306,603,839
Non Current Liabilities			
Long term loan	7	-	-
Lease liabilities	8	32,910,196	50,251,334
Deferred liabilities	9	18,157,529	47,637,641
		51,067,725	97,888,975
Current Liabilities			
Trade and other payables	10	344,084,482	294,889,837
Unclaimed dividend		3,247,016	3,247,016
Accrued mark up	11	131,864,126	132,939,518
Short term borrowings	12	609,647,574	586,589,859
Current portion of long term loan	13	53,896,153	67,258,461
Current portion of lease liabilities	8	7,282,810	8,260,715
Provision for taxation	14	50,009,317	54,844,202
		1,200,031,478	1,148,029,608
Contingencies and Commitments			
	15	-	-
		1,517,711,815	1,552,522,422
ASSETS			
Non Current Assets			
Property, plant and equipment	16	896,649,227	925,961,304
Right-of-use assets	17	47,599,355	60,618,889
Intangible assets	18	119,146	148,932
Long term loans	19	10,485,450	10,312,450
Long term deposits	20	51,632,222	51,632,222
		1,006,485,400	1,048,673,797
Current Assets			
Stores and spares	21	12,240,228	13,266,123
Stock in trade	22	422,399,654	233,870,187
Trade debts	23	2,793,074	168,180,759
Loans and advances	24	19,482,645	31,424,099
Trade deposits and other receivables	25	5,608,901	5,608,901
Tax refunds due from government	26	43,989,730	50,485,632
Cash and bank balances	27	4,712,183	1,012,924
		511,226,415	503,848,625
		1,517,711,815	1,552,522,422

The annexed notes from 1 to 47 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, 2023

	Note	2023 Rupees	2022 Rupees
Sales - net	28	860,825,402	1,244,911,124
Cost of sales	29	(849,759,910)	(1,147,284,120)
Gross Profit		11,065,492	97,627,004
Distribution costs	30	(8,585,833)	(8,327,906)
Administrative expenses	31	(49,384,221)	(44,335,630)
		(57,970,054)	(52,663,536)
(Loss) / Operating Profit		(46,904,562)	44,963,468
Other operating charges	32	(2,167,760)	(4,975,273)
Finance cost	33	(5,131,430)	(4,659,829)
Other operating income	34	7,354	2,648,716
(Loss) / Profit before Taxation		(54,196,398)	37,977,082
Taxation	35	(12,270,513)	(15,597,808)
(Loss) / Profit for the Year		(66,466,911)	22,379,274
(Loss) / Earning per Share - Basic and Diluted	36	(0.74)	0.25

The annexed notes from 1 to 47 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, 2023

	2023	2022
	Rupees	Rupees
(Loss) / Profit for the Year	(66,466,911)	22,379,274
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	1,105,820	(9,728,281)
Total Comprehensive (Loss) / Income for the Year	(65,361,091)	12,650,993

The annexed notes from 1 to 47 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, 2023

	Note	2023 Rupees	2022 Rupees
CASH GENERATED FROM / (USED IN) OPERATIONS	37	38,978,629	(262,526,069)
Finance cost paid		(6,206,822)	(5,548,131)
Gratuity paid	9	(33,514,801)	(10,980,100)
Income tax paid		(14,580,120)	(18,843,427)
Net cash used in operating activities		(15,323,114)	(297,897,727)
CASH FLOWS FROM INVESTING ACTIVITIES			
Property, plant and equipment purchased		(7,793,930)	(17,690,355)
Proceeds from disposal of property, plant and equipment		140,000	2,842,000
Long term loans to employees		(173,000)	160,377
Long term deposits		-	(5,809,526)
Net cash used in investing activities		(7,826,930)	(20,497,504)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term loan from directors		25,369,864	342,506,400
Repayment of long term loan		(13,362,308)	(13,719,308)
Repayment of lease liabilities		(8,215,969)	(3,787,951)
Short term borrowings - net		23,057,715	(6,918,763)
Net cash generated from financing activities		26,849,302	318,080,378
Net increase / (decrease) in Cash and Cash Equivalents		3,699,258	(314,853)
Cash and cash equivalents at the beginning of the year		1,012,925	1,327,778
Cash and Cash Equivalents at the End of the Year		4,712,183	1,012,925

The annexed notes from 1 to 47 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, 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 June 30, 2021	900,000,000	(1,440,716,881)	106,600,000	385,563,327	(48,553,554)
Profit for the year	-	22,379,274	-	-	22,379,274
Other comprehensive loss	-	(9,728,281)	-	-	(9,728,281)
Loan from directors during the year	-	-	342,506,400	-	342,506,400
Balance as at June 30, 2022	900,000,000	(1,428,065,888)	449,106,400	385,563,327	306,603,839
Loss for the year	-	(66,466,911)	-	-	(66,466,911)
Other comprehensive income	-	1,105,820	-	-	1,105,820
Loan from directors during the year	-	-	25,369,864	-	25,369,864
Issuance of shares	460,000,000	-	(460,000,000)	-	-
Balance as at June 30, 2023	1,360,000,000	(1,493,426,979)	14,476,264	385,563,327	266,612,612

The annexed notes from 1 to 47 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, 2023

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 The Company has accumulated losses of Rs. 1,493.427 million (2022: 1,428.066 million) and Its current liabilities exceed its current assets by Rs. 688.805 million (2022: Rs. 644.181 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. The management has carefully assessed the going concern issue and is of the view that:-
- During the current year long term loan of directors of the Company has been converted into paid-up share capital amounting to Rs. 460 million which shall strengthen Company's capital base and shareholders' confidence over the entity.
 - The directors / sponsors of the Company have shown their commitment to provide further support during current and upcoming financial years to stabilize the Company's operations and 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 next 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 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.

Note 2 - Summary of Significant Accounting Policies ... Contd.

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 16	(stated at Revalued / Fair value)
Employee retirement benefits (Gratuity)	Note 9	(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, 2023 are consistent with previous year's unless otherwise stated.

2.5 Changes in accounting standards, interpretations and pronouncements

2.5.1 Standards, interpretations and amendments to approved accounting standards which became effective during the year

Certain standards, amendments and interpretations to IFRS were effective for accounting periods beginning on July 1, 2022 but were considered to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these financial statements.

2.5.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted

Following are the standards and amendments to the IFRS that are mandatory for companies having accounting periods beginning on or after July 1, 2023 and have not been early adopted by the Company. These are considered either not to be relevant or to have any significant effect on the Company's operations upon their initial application and are, therefore, not detailed in these financial statements:

Amendments to existing Standards:	Effective Date - Annual Periods
	Beginning on or After
IFRS 16 Leases [Amendments]	January 1, 2024
IAS - 1	January 1, 2024
IAS 7 Statement of Cash flows [Amendments]	January 1, 2024
IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors [Amendments]	January 1, 2023
IAS 12 Income Taxes [Amendments]	January 1, 2023

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, 2023.

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.

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.

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

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 16. 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.

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.

Note 3 - Significant Accounting Policies ... Contd.

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.

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.

Note 3 - Significant Accounting Policies ... Contd.

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

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

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.

Classification

Financial assets are classified in either of the three categories: at amortized cost, at fair value through other comprehensive income and at fair value through profit or loss. Currently, the Company classifies its financial assets at amortized cost. This 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.

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, if these do not contain significant financing component as per IFRS - 15.

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.

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.

Impairment of financial assets

The Company recognizes an allowance for expected credit losses (ECLs) for all financial assets which are measured at amortized 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

a) 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.

b) 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.

3.14.3 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.

3.15 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.

3.16 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.

3.17 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.

3.18 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.

3.19 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.

3.20 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).

3.21 Dividend

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

3.22 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 7
Long Term Loan

	Note	2023 Rupees	2022 Rupees
Banking companies - Secured			
Demand Finance	7.1	-	-
Less: Current and overdue portion shown under current liabilities	13	-	-
		<u>-</u>	<u>-</u>

- 7.1 This represents outstanding term finance obtained from the Bank of Punjab to meet the working capital requirements of the company. This loan had been rescheduled/restructured by the Bank of Punjab in 2020-21 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
Lease liabilities

	2023 Rupees	2022 Rupees
Opening balance	58,512,049	-
Add: Additions during the year	-	62,300,000
Add: Interest expense	1,255,213	143,224
Less: Impact of remeasurement	(10,103,074)	-
Less: Payments made	(9,471,182)	(3,931,175)
Gross liability	40,193,006	58,512,049
Less: Current portion	(7,282,810)	(8,260,715)
Closing balance	<u>32,910,196</u>	<u>50,251,334</u>

- 8.1 Summary of amounts relating to leases charged in different line items of the financial statements is as follows:

	Included in	Note	2023 Rupees	2022 Rupees
Carrying amount of ROU assets	Statement of financial position	17	47,599,355	60,618,889
Depreciation charge	Cost of sales	29	2,916,460	1,681,111
Interest expense	Finance cost	33	1,255,213	143,224

8.2 Maturity analysis of contractually undiscounted cash flows

	Within One Year	Between Two to Five Years	Later than Five Years
	----- (Rupees) -----		
As at June 30, 2023	9,690,560	41,022,640	101,587,380

8.3 Nature of leasing activities

- 8.3.1 The Company acquired 1850 kWp solar system under finance lease arrangement, for a period of 15 years. Present value of minimum lease payments has been discounted using interest rate ranging from 3 months KIBOR with a spread of up to 2% (to be revised annually). Rentals are paid in monthly instalments whereas repair & maintenance costs are borne by the Company. In case of earlier termination, the Company will be required to pay entire rentals for remaining period of lease agreement.
- 8.3.2 There are no variable lease payments in the lease contracts. There are no leases with residual value guarantees or leases not yet commenced to which the Company is committed.
- 8.3.3 The remaining lease term of the lease contract is 13.6 years (2022: 14.6) for which lease liability is recorded.

Note 9

Deferred Liabilities

	Note	2023 Rupees	2022 Rupees
Gratuity payable	9.1	18,157,529	47,637,641
9.1 Gratuity payable			
9.1.1 Net liability recognized in the statement of financial position			
Present value of defined benefit obligations		<u>14,069,822</u>	<u>47,637,641</u>
9.1.2 Movement in the net liability recognized in the statement of financial position			
Net liability as at 1st July		47,637,641	35,553,393
Expense recognized in the income statement		5,140,509	13,336,067
Benefits paid during the year		(33,514,801)	(10,980,100)
Benefits payable		(4,087,707)	-
Actuarial (Gains) /Losses		(1,105,820)	9,728,281
Net liability as at 30th June		<u>14,069,822</u>	<u>47,637,641</u>
9.1.3 Movement in the present value of defined benefit obligation is as follows:			
Present value of defined benefit obligation as at 1st July		47,637,641	35,553,393
Current service cost		1,319,688	10,315,628
Interest cost		3,820,821	3,020,439
Benefit paid		(33,514,801)	(10,980,100)
Benefits payable		(4,087,707)	-
Remeasurement of obligation		(1,105,820)	9,728,281
Present value of defined benefit obligation as at 30th June		<u>14,069,822</u>	<u>47,637,641</u>
9.1.4 Amount charge to profit and loss account			
Current service cost		1,319,688	10,315,628
Interest cost		3,820,821	3,020,439
		<u>5,140,509</u>	<u>13,336,067</u>
9.1.5 Allocation of charge for the year			
Cost of sales	29	1,741,971	10,197,616
Administrative expenses	31	3,398,538	3,138,451
		<u>5,140,509</u>	<u>13,336,067</u>
9.1.6 Amount recognized in other comprehensive income are:			
Actuarial loss due to experience adjustments		<u>(1,105,820)</u>	<u>9,728,281</u>
9.1.7 Estimated charge for the next year - 2023 to 2024			
Current service cost			1,571,300
Interest on defined benefit liability			2,286,346
			<u>3,857,646</u>
9.1.8 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, 2023 using Projected Unit Credit method by an approved actuary.			
		2023	2022
Discount rate		16.25%	13.25%
Expected rate of salary increase		15.25%	12.25%
Retirement age		60 Years	60 Years

Note 9 - Deferred Liabilities ... Contd.

9.1.9 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	13,123,338	15,084,902
Salary increase	+ - by 100 bps	15,084,568	13,123,177

9.2 Deferred tax liability - Net

- 9.2.1 Deferred tax asset amounting to Rs. 96.767 million arising due to brought forward losses amounting to Rs. 333.679 million has not been recognized in the current year, as the attributable temporary differences are not expected to reverse in the foreseeable future.

Note 10

Trade and Other Payables

	Note	2023 Rupees	2022 Rupees
Creditors - Unsecured	10.1	87,641,541	94,864,286
Contract liabilities		3,940,519	5,629,663
Accrued liabilities	10.3	235,053,533	181,519,019
Withholding tax payable		3,445,155	2,920,197
Sales tax payable		4,047,062	-
Workers' (profit) participation fund		3,586,161	3,586,161
Workers welfare fund		843,047	843,047
Other liabilities		5,527,464	5,527,464
		<u>344,084,482</u>	<u>294,889,837</u>

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

	2023 Rupees	2022 Rupees
Chakwal Spinning Mills Limited	-	6,345,719

- 10.2 The maximum aggregate amount due to these related parties at the end of any month during the year was Rs. 6.346 million.

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

Note 11

Accrued Mark up

	Note	2023 Rupees	2022 Rupees
Long term loan		16,418,326	17,493,718
Short term borrowings	11.1	115,445,800	115,445,800
		<u>131,864,126</u>	<u>132,939,518</u>

- 11.1 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 12

Short Term Borrowings

	Note	2023 Rupees	2022 Rupees
Banking companies - Secured			
- Running finance / packing credit / cash finance	12.1	392,204,386	392,204,386
Related parties - Unsecured			
- Loan from directors	12.2	217,443,188	194,385,473
		<u>609,647,574</u>	<u>586,589,859</u>

12.1 Terms and conditions of borrowings

- **Purpose**

These facilities were obtained to meet working capital requirements of the Company.

- **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.

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

Note 13

Current and Overdue Portion of Non Current Liabilities

	Note	2023 Rupees	2022 Rupees
Long term loans	7	<u>53,896,153</u>	<u>67,258,461</u>

13.1 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 reporting date.

Note 14

Provision for Taxation

	2023 Rupees	2022 Rupees
Opening balance	54,844,202	50,160,909
Add: Charge for the current year	10,762,923	15,597,808
Add: Charge for the previous year	1,507,590	-
	<u>67,114,715</u>	<u>65,758,717</u>
Less: Payment / adjustments against advance tax	<u>(17,105,398)</u>	<u>(10,914,515)</u>
	<u>50,009,317</u>	<u>54,844,202</u>

14.1 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:

	2020 Rupees	2021 Rupees	2022 Rupees
Provision for Taxation	6,303,619	10,912,787	15,597,808
Tax assessed	-	-	-

Note 15

Contingencies and Commitments

Contingencies

- 15.1 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.
- 15.2 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.
- 15.3 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.
- 15.4 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.
- 15.5 The Company has filed appeal before the Commissioner Inland Revenue - Appeals-V, Lahore, with reference to proceedings under section 161(1A) of the Income Tax Ordinance, 2001 for the tax year 2016. The appeal is a pending adjudication and decision is likely to be in favor of the Company.
- 15.6 The Company has filed appeal before the Appellate Tribunal Inland Revenue, Lahore, with reference to proceedings under section 122(5A) of the Income Tax Ordinance, 2001 for the tax year 2021. The appeal is a pending adjudication and decision is likely to be in favor of the Company.

Commitments

There are no commitments as at reporting date.

Note 16
Property, Plant and Equipment

Operating fixed assets	Note	2023	2022
		Rupees	Rupees
16.1		896,649,227	925,961,304

16.1 Operating fixed assets

Description	2023							Total
	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

Cost

Balance as at July 01, 2022	397,300,000	181,663,215	1,431,111,813	5,345,946	17,527,946	6,831,464	2,733,627	2,042,514,011
Additions	-	-	7,634,000	-	-	-	159,930	7,793,930
Deletions	-	-	-	-	-	-	(144,530)	(144,530)
Balance as at June 30, 2023	397,300,000	181,663,215	1,438,745,813	5,345,946	17,527,946	6,831,464	2,749,027	2,050,163,411

Accumulated Depreciation

Balance as at July 01, 2022	-	148,079,725	939,008,653	4,768,495	16,857,412	5,585,413	2,253,009	1,116,552,707
Charge for the year	-	1,679,175	34,886,259	66,710	134,107	124,605	82,505	36,973,361
Deletions	-	-	-	-	-	-	(11,884)	(11,884)
Balance as at June 30, 2023	-	149,758,900	973,894,912	4,835,205	16,991,519	5,710,018	2,323,630	1,153,514,184

Written Down Value as at June 30, 2023

	397,300,000	31,904,315	464,850,901	510,741	536,427	1,121,446	425,397	896,649,227
--	-------------	------------	-------------	---------	---------	-----------	---------	-------------

16.1.2 Depreciation rates

	5%	7%	10%	20%	10%	20%
--	----	----	-----	-----	-----	-----

Note 16 - Property, Plant and Equipment ... Contd.

16.2 Operating fixed assets

Description	2022							Total
	Land Freehold	Factory & Colony Building on Freehold Land	Plant & Machinery	Tools & Equipment	Office Equipment	Furniture and Fixtures	Vehicles	

16.2.1 Owned assets

	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at July 01, 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
Additions	-	-	17,545,825	-	-	-	144,530	17,690,355
Deletions	-	-	-	-	-	-	(3,077,077)	(3,077,077)
Balance as at June 30, 2022	397,300,000	181,663,215	1,431,111,813	5,345,946	17,527,946	6,831,464	2,733,627	2,042,514,011

Accumulated Depreciation

Balance as at July 01, 2021	-	146,312,171	902,331,111	4,694,135	16,689,775	5,446,960	5,031,265	1,080,505,417
Charge for the year	-	1,767,554	36,677,542	74,360	167,637	138,453	105,537	38,931,083
Deletions	-	-	-	-	-	-	(2,883,793)	(2,883,793)
Balance as at June 30, 2022	-	148,079,725	939,008,653	4,768,495	16,857,412	5,585,413	2,253,009	1,116,552,707

Written Down Value as at June 30, 2022

	397,300,000	33,583,490	492,103,160	577,451	670,534	1,246,051	480,618	925,961,304
16.2.2 Depreciation rates	-	5%	7%	10%	20%	10%	20%	-

Note 16 - Property, Plant and Equipment ... Contd.

16.3 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	163,893

16.4 Allocation of depreciation charge

Depreciation charge for the year has been apportioned as follows:

	Note	2023 Rupees	2022 Rupees
Cost of sales	29	36,632,144	38,519,456
Administrative expenses	31	341,217	411,627
		<u>36,973,361</u>	<u>38,931,083</u>

16.5 As per the valuation report of independent valuer as of June 30, 2023, the forced sales value of freehold land is Rs. 478.592 million.

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

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

- 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	-	397,300,000

16.8 Disposal of Property, plant and equipment

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

Note 17

Right-of-Use Assets

	Note	2023 Rupees	2022 Rupees
Solar System			
Opening balance		60,618,889	-
Add: Additions during the year		-	62,300,000
Less: Impact of remeasurement		(10,103,074)	-
Less: Depreciation charge for the year	29	(2,916,460)	(1,681,111)
Closing balance		<u>47,599,355</u>	<u>60,618,889</u>

17.1 The Company has lease contract for purchase of solar system having lease term of 15 years. The Company's obligations under its leases are secured by the lessor's title to the solar system.

Note 18

Intangible Assets

	Note	2023 Rupees	2022 Rupees
Net carrying value			
Opening balance of net book value		148,932	186,164
Amortization	27	(29,786)	(37,232)
Net book value as at June 30		<u>119,146</u>	<u>148,932</u>
Gross carrying value			
Cost		3,630,520	3,630,520
Accumulated amortization		(3,511,374)	(3,481,588)
Net book value		<u>119,146</u>	<u>148,932</u>
Amortization rate per annum		<u>20%</u>	<u>20%</u>

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

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

Note 19

Long Term Loans

	Note	2023 Rupees	2022 Rupees
Loans to employees - (Secured - considered good)			
- Due from executives	19.1	6,030,088	5,857,088
- Due from other employees		4,455,362	4,455,362
		10,485,450	10,312,450
Less: Current portion			
- Due from executives	24	-	-
- Due from other employees		-	-
		-	-
		<u>10,485,450</u>	<u>10,312,450</u>
19.1 Reconciliation of carrying amount of loan to executives:			
Opening balance		5,857,088	5,857,088
Disbursement during the year		-	-
		5,857,088	5,857,088
Disbursement during the year		173,000	-
Closing Balance		<u>6,030,088</u>	<u>5,857,088</u>

19.2 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.

19.3 The maximum aggregate amount of loans due from executives at the end of any month during the year was Rs. 6.030 million (2022: Rs. 5.857 million)

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

Note 20
Long Term Deposits

	2023	2022
	Rupees	Rupees
Security deposits against utilities	<u>51,632,222</u>	<u>51,632,222</u>

Note 21
Stores and Spares

	2023	2022
	Rupees	Rupees
Stores and spares	<u>12,240,228</u>	<u>13,266,123</u>

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

Note 22
Stock in Trade

	2023	2022
	Rupees	Rupees
Raw materials	-	167,507,744
Work in process	20,252,882	40,536,150
Finished goods	<u>402,146,772</u>	<u>25,826,293</u>
	<u>422,399,654</u>	<u>233,870,187</u>

22.1 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 12 to these financial statements.

Note 23
Trade Debts

	2023	2022
	Rupees	Rupees
Local - Unsecured		
Trade debts (Considered good)	<u>2,793,074</u>	<u>168,180,759</u>

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

Note 24
Loans and Advances

		2023	2022
		Rupees	Rupees
Current portion of loan to employees:	Note		
- Due from executives	19	-	-
- Due from other employees		-	-
Advances - Considered good:			
- Suppliers and contractors	24.1	3,452,188	17,063,857
- Employees	24.2	<u>16,030,457</u>	<u>14,360,242</u>
		<u>19,482,645</u>	<u>31,424,099</u>

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

24.2 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 25

Trade Deposits and Other Receivables

	2023	2022
	Rupees	Rupees
Security deposits	212,000	212,000
Margin against letter of credit	5,396,901	5,396,901
	<u>5,608,901</u>	<u>5,608,901</u>

Note 26

Tax Refunds Due from Government

	2023	2022
	Rupees	Rupees
Tax deducted at source and advance tax	43,989,730	46,515,009
Sales tax refundable	-	3,970,623
	<u>43,989,730</u>	<u>50,485,632</u>

Note 27

Cash and Bank Balances

	2023	2022
	Rupees	Rupees
Cash in hand	413,038	279,112
Cash at bank - in current accounts	4,299,145	733,812
	<u>4,712,183</u>	<u>1,012,924</u>

Note 28

Sales

	2023	2022
	Rupees	Rupees
Local		
- Grey cloth	579,153,284	770,963,130
- Processing income	439,127,101	691,326,278
Sales tax	1,018,280,385	1,462,289,408
Commission	(157,246,533)	(214,464,808)
Net sales	<u>(208,450)</u>	<u>(2,913,476)</u>
	<u>860,825,402</u>	<u>1,244,911,124</u>

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

Note 29

Cost of Sales

		2023	2022
	Note	Rupees	Rupees
Raw materials consumed	29.1	407,768,634	415,347,390
Salaries, wages and other benefits	29.2	199,818,815	220,992,073
Fuel and power		495,292,513	460,385,233
Stores, spares and chemicals consumed		43,836,337	44,887,901
Packing material		5,169,291	7,865,610
Insurance		2,763,574	4,101,293
Repairs and maintenance		11,070,369	2,280,264
Miscellaneous		499,198	271,453
Amortization	18	29,786	37,232
Depreciation	16.4 , 17	39,548,604	40,200,567
		<u>1,205,797,121</u>	<u>1,196,369,016</u>

Note 29 - Cost of Sales ... Contd.

Work in process:		
- Opening work in process	40,536,150	3,112,307
- Closing work in process	(20,252,882)	(40,536,150)
	20,283,268	(37,423,843)
Cost of goods manufactured	1,226,080,389	1,158,945,173
Finished goods:		
- Opening finished goods	25,826,293	14,165,240
- Closing finished goods	(402,146,772)	(25,826,293)
	(376,320,479)	(11,661,053)
	849,759,910	1,147,284,120
29.1 Raw materials consumed:		
- Opening stock	167,507,744	-
- Purchases	239,239,062	577,377,316
- Purchase expenses	1,021,828	5,477,818
	407,768,634	582,855,134
- Closing stock	-	(167,507,744)
	407,768,634	415,347,390

29.2 This includes Rs. 1.742 million (2022: Rs. 10.198 million), approximately, in respect of employee benefits - gratuity scheme.

Note 30

Distribution Costs

	2023	2022
	Rupees	Rupees
Salaries, wages and other benefits	6,188,500	7,878,000
Commission, claims and promotion	2,397,333	284,056
	8,585,833	8,327,906

Note 31

Administrative Expenses

		2023	2022
	Note	Rupees	Rupees
Salaries, wages and other benefits	31.1	32,706,263	32,294,058
Traveling and conveyance		197,795	200,833
Rent, rates and taxes		100,000	1,207,620
Printing and stationery		216,810	268,700
Communications		1,326,056	1,480,589
Entertainment		581,454	668,905
Electricity and gas		4,054,519	3,881,142
Vehicles' running and maintenance		3,649,497	2,131,377
Legal and professional charges		2,481,660	205,915
Fees and subscriptions		2,952,430	590,769
Repairs and maintenance		359,915	483,720
Insurance		190,745	208,865
Advertisement		119,000	165,000
Miscellaneous		106,860	136,510
Depreciation	16.4	341,217	411,627
		49,384,221	44,335,630

31.1 This includes Rs. 3.398 million (2022: Rs. 3.138 million), approximately, in respect of employee benefits - gratuity scheme.

Note 37

Cash Generated from Operations

	2023	2022
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / Profit before taxation	(54,196,398)	37,977,082
Adjustments for:		
- Depreciation	39,889,821	40,612,194
- Amortization of intangible asset	29,786	37,232
- Provision for gratuity	5,140,509	13,336,067
- Gain on disposal of property, plant and equipment	(7,354)	(2,648,716)
- Workers' (profit) participation fund	-	2,107,618
- Workers welfare fund	-	843,047
- Exchange loss	1,367,760	2,648,716
- Finance cost	5,131,430	4,659,829
	<u>51,551,952</u>	<u>61,595,987</u>
Operating (loss) / profit before working capital changes	(2,644,446)	99,573,069
(Increase) / decrease in current assets		
- Stores and spares	1,025,895	(3,439,595)
- Stock in trade	(188,529,467)	(216,592,640)
- Trade debts	165,387,685	(130,711,625)
- Loans and advances	11,941,454	(9,204,046)
- Trade deposits and other receivables	-	17,703,624
- Tax refund due from government	8,017,685	(5,270,386)
(Decrease) / increase in current liabilities		
- Trade and other payables	43,779,823	(14,584,470)
	<u>41,623,075</u>	<u>(362,099,138)</u>
Cash generated from / (used in) operations	<u>38,978,629</u>	<u>(262,526,069)</u>

Note 38

Liabilities Arising from Financing Activities

	As at Jul 01, 2022	Non-Cash Changes	Cash Flows (Net)	As at June 30, 2023
	----- Rupees -----			
Long term loan	67,258,461	-	(13,362,308)	53,896,153
Lease liabilities	58,512,049	-	(18,319,043)	40,193,006
Short term borrowings	392,204,386	-	-	392,204,386
Total liabilities from financing activities	517,974,896	-	(31,681,351)	486,293,545
	----- Rupees -----			
	As at Jul 01, 2021	Non-Cash Changes	Cash Flows (Net)	As at June 30, 2022
Long term loan	80,977,769	-	(13,719,308)	67,258,461
Lease liabilities	-	-	-	58,512,049
Short term borrowings	392,204,386	-	-	392,204,386
Total liabilities from financing activities	473,182,155	-	(13,719,308)	517,974,896

Note 39

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	
	2023	2022	2023	2022
	Rupees	Rupees	Rupees	Rupees
Managerial remuneration	12,600,000	7,087,500	11,298,000	11,781,000
House rent allowance	4,500,000	2,531,250	4,035,000	4,207,500
Utilities	900,000	506,250	807,000	841,500
Car allowance and others	2,165,070	1,327,890	435,858	224,748
	<u>20,165,070</u>	<u>11,452,890</u>	<u>16,575,858</u>	<u>17,054,748</u>
Number of persons	1	1	6	7

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

39.2 Chief executive and certain executives are provided with free use of Company maintained vehicles.

39.3 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 40

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:

	2023	2022
	Rs. '000'	Rs. '000'
Associates and related parties		
Long term loan obtained from director	25,370	342,506
Short term funds (paid)/availed to/from directors - net	23,058	(1,934)
Expenses paid on behalf of Chakwal Spinning Mills Limited	(6,346)	-
Long term loan of director converted in issued, subscribed and paid up capital	460,000	-

There were no transactions with key management personnel other than undertaken as per terms of their employment as disclosed in Note 39.

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

Note 41
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:

41.1 Segment revenues and results

	Weaving Segment	Spinning Segment	Total
	Rupees	Rupees	Rupees
For the year ended June 30, 2023			
Sales - net	860,825,402	-	860,825,402
Cost of sales	(845,284,776)	(4,475,134)	(849,759,910)
Gross Profit / (Loss)	15,540,626	(4,475,134)	11,065,492
Distribution cost	(8,585,833)	-	(8,585,833)
Administrative expenses	(49,351,405)	(32,816)	(49,384,221)
	(57,937,238)	(32,816)	(57,970,054)
Operating Loss	(42,396,612)	(4,507,950)	(46,904,562)
Other operating charges	(2,167,760)	-	(2,167,760)
Finance cost	(5,131,430)	-	(5,131,430)
Other operating income	7,354	-	7,354
Loss before Taxation	(49,688,448)	(4,507,950)	(54,196,398)
Taxation			(12,270,513)
Loss after taxation			(66,466,911)
For the year ended June 30, 2022			
Sales - net	1,244,911,124	-	1,244,911,124
Cost of sales	(1,142,481,835)	(4,802,285)	(1,147,284,120)
Gross Profit / (Loss)	102,429,289	(4,802,285)	97,627,004
Distribution cost	(8,327,906)	-	(8,327,906)
Administrative expenses	(44,295,381)	(40,249)	(44,335,630)
	(52,623,287)	(40,249)	(52,663,536)
Operating Profit / (Loss)	49,806,002	(4,842,534)	44,963,468
Other operating charges	(4,975,273)	-	(4,975,273)
Finance cost	(4,659,829)	-	(4,659,829)
Other operating income	2,648,716	-	2,648,716
Profit / (Loss) before Taxation	42,819,616	(4,842,534)	37,977,082
Taxation			(15,597,808)
Profit after taxation			22,379,274

Note 41 - Segment Reporting ... Contd.

41.1.1 Revenue reported above represents revenue generated from external customers. Inter-segment sales during the year is Rs. Nil (2023: Nil)

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

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

- **Information about products**

One product of the weaving segment comprises 63.15% (2022: 10.22%) of total sales for the year.

One product of the spinning segment comprises 0% (2022: 0%) of total sales for the year.

- **Information about major customers**

One customer of the weaving segment accounts for 84.87% (2022: 22.19%) of total sales for the year.

One customer of the spinning segment accounts for 0% (2022: 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. (2022: Nil).

41.3 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, 2023			
Segment assets for reportable segments	1,368,515,171	105,206,914	1,473,722,085
Unallocated assets			43,989,730
Total assets as per balance sheet			<u>1,517,711,815</u>
Segment liabilities for reportable segments	764,660,454	229,415,446	994,075,900
Unallocated liabilities			257,023,303
Total liabilities as per balance sheet			<u>1,251,099,203</u>
As at June 30, 2022			
Segment assets for reportable segments	1,385,976,208	109,239,408	1,495,215,616
Unallocated assets			57,306,806
Total assets as per balance sheet			<u>1,552,522,422</u>
Segment liabilities for reportable segments	1,215,904,406	229,890,902	1,445,795,308
Unallocated liabilities			(199,876,725)
Total liabilities as per balance sheet			<u>1,245,918,583</u>

Note 41 - 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.

41.4 Other Segment Information

	Weaving Segment	Spinning Segment	Total
	Rupees	Rupees	Rupees
<i>For the year ended 30 June 2023</i>			
Capital expenditure	7,793,930	-	7,793,930
Depreciation and amortization	35,411,657	4,507,950	39,919,607
Non-cash items other than depreciation and amortization - net	10,271,939	-	10,271,939
	Rupees	Rupees	Rupees
<i>For the year ended 30 June 2022</i>			
Capital expenditure	17,690,355	-	17,690,355
Depreciation and amortization	35,806,892	4,842,534	40,649,426
Non-cash items other than depreciation and amortization - net	17,995,896	-	17,995,896

Note 42
Financial Risk Management

42.1 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:

	2023	2022
	Rupees	Rupees
Floating rate instruments		
Financial liabilities		
Long term loan	53,896,153	67,258,461
Lease liabilities	40,193,006	58,512,049
Short term borrowings	609,647,574	586,589,859
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. 7.037 million (2022: Rs. 7.123 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 42 - 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:

	2023	2022
	Rupees	Rupees
Long term loans	10,485,450	10,312,450
Long term deposits	51,632,222	51,632,222
Trade debts	2,793,074	168,180,759
Short term loans to employees	16,030,457	14,360,242
Trade deposits and other receivables	212,000	212,000
Bank balances	4,299,145	733,812

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

	2023	2022
	Rupees	Rupees
1 - 30 days	199,704	151,529,157
31 - 60 days	142,557	10,082,736
61 - 120 days	307,872	186,325
120 days and above	2,142,941	6,382,541
	<u>2,793,074</u>	<u>168,180,759</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 (2022: Rs. 906.568 million) worth short term borrowing limits available from financial institutions and Rs. 4.712 million (2022: Rs. 1.012 million) cash and bank balances. Following are the contractual maturities of financial liabilities, including interest payments.

Note 42 - Financial Risk Management ... Contd.

Contractual maturities of financial liabilities as at June 30, 2023:

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	53,896,153	-	53,896,153	14,372,000	14,372,000	25,152,153
Lease liabilities	40,193,006	-	152,300,580	9,690,560	41,022,640	101,587,380
Trade and other payables	326,635,593	-	326,635,593	326,635,593	-	-
Accrued mark up	131,864,126	-	131,864,126	131,864,126	-	-
Short term borrowings	609,647,574	609,647,574	-	-	-	-
	<u>1,162,236,452</u>	<u>609,647,574</u>	<u>664,696,452</u>	<u>482,562,279</u>	<u>55,394,640</u>	<u>126,739,533</u>

Contractual maturities of financial liabilities as at June 30, 2022:

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	67,258,461	-	67,258,461	16,955,461	14,372,000	35,931,000
Lease liabilities	58,512,049	-	162,648,613	9,525,745	40,337,736	112,785,132
Trade and other payables	282,012,968	-	282,012,968	282,012,968	-	-
Accrued mark up	132,939,518	-	132,939,518	132,939,518	-	-
Short term borrowings	586,589,859	586,589,859	-	-	-	-
	<u>1,127,312,855</u>	<u>586,589,859</u>	<u>644,859,560</u>	<u>441,433,692</u>	<u>54,709,736</u>	<u>148,716,132</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, 8 and 12 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, 2023 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)

42.2 Financial instruments by categories

Financial asset as at amortized cost	2023	2022
	Rupees	Rupees
Long term loans	10,485,450	10,312,450
Long term deposits	51,632,222	51,632,222
Trade debts	2,793,074	168,180,759
Short term loans to employees	16,030,457	14,360,242
Trade deposits and other receivables	212,000	212,000
Cash and Bank Balance	4,712,183	1,012,924
	<u>85,865,386</u>	<u>245,710,597</u>
Financial liabilities at amortized cost	2023	2022
	Rupees	Rupees
Long term loan	53,896,153	67,258,461
Lease liabilities	40,193,006	58,512,049
Trade and other payables	326,635,593	282,012,968
Accrued mark up	131,864,126	132,939,518
Short term borrowings	609,647,574	586,589,859
	<u>1,162,236,452</u>	<u>1,127,312,855</u>

42.3 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 43
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:

	2023	2022
	Rupees	Rupees
Total borrowings	663,543,727	653,848,320
Cash and bank balances	(4,712,183)	(1,012,924)
Net Debt	658,831,544	652,835,396
Equity	266,612,612	306,603,839
Total capital employed	925,444,156	959,439,235
Gearing Ratio	71%	68%

Note 44
Plant Capacity and Production

	2023	2022
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)	32,390,261	35,958,548
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)	-	-

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

Note 45
Number of Employees

		2023	2022
Average number of employees during the year	Note	491	613
Number of Employees as at June 30,	45.1	354	628
45.1 This includes factory employees as at June 30,		344	618

Note 46
Authorization of Financial Statements

These financial statements were authorized for issue on October 05, 2023 by the Board of Directors of the Company.

Note 47
General

Figures in the financial statements have been rounded-off to the nearest rupees except stated otherwise.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER



YOUSAF WEAVING MILLS LIMITED

KEY FINANCIAL DATA OF LAST FIVE YEARS

	Rupees in '000				
	2022	2021	2020	2019	2018
Sales	1,244,911	723,253	415,495	1,325,506	1,947,147
Gross Profit / (Loss)	97,627	84,138	(31,506)	8,262	(55,528)
Profit / (Loss) Before Taxation	37,977	28,092	(69,177)	(63,939)	(165,449)
Tax	(15,598)	(10,913)	(6,304)	(10,352)	469
Profit / (Loss) After Taxation	22,379	17,180	(75,481)	(74,291)	(164,980)
Total Assets	1,517,712	1,153,897	985,723	1,056,393	982,798
Current Liabilities	(1,200,032)	(1,166,897)	(1,267,310)	(1,306,686)	(1,078,798)
	317,680	(13,000)	(281,588)	(250,293)	(96,000)

Issued, subscribed and paid up share capital	1,360,000	900,000	900,000	900,000	900,000
Long term loan from directors	14,476	106,600	37,640	-	-
Accumulated loss	(1,493,427)	(1,440,717)	(1,455,492)	(1,375,617)	(1,301,537)
Surplus on revaluation of land	385,563	385,563	203,833	203,833	203,833
Equity	266,612	(48,554)	(314,018)	(271,784)	(197,704)
Long term loan	-	-	-	-	66,695
Lease liabilities	32,910	-	-	-	-
Deferred Liability	18,158	35,553	32,431	21,491	35,009
	317,680	(13,000)	(281,588)	(250,293)	(96,000)

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

30-06-2023

2.2 No. of Shareholder:	-----Shareholdings-----		Total Shares Held
	From	To	
193	1	100	5,301
374	101	500	174,786
350	501	1,000	344,315
811	1,001	5,000	2,504,924
355	5,001	10,000	2,912,201
128	10,001	15,000	1,676,436
124	15,001	20,000	2,337,311
77	20,001	25,000	1,794,984
51	25,001	30,000	1,470,125
35	30,001	35,000	1,166,000
38	35,001	40,000	1,477,875
17	40,001	45,000	728,500
51	45,001	50,000	2,515,000
12	50,001	55,000	646,500
14	55,001	60,000	810,500
5	60,001	65,000	317,000
11	65,001	70,000	755,000
13	70,001	75,000	954,000
15	75,001	80,000	1,182,250
7	80,001	85,000	583,500
8	85,001	90,000	704,500
6	90,001	95,000	555,100
28	95,001	100,000	2,797,500
4	100,001	105,000	418,000
7	105,001	110,000	748,669
1	110,001	115,000	111,000
2	115,001	120,000	236,000
3	120,001	125,000	375,000
1	125,001	130,000	130,000
4	130,001	135,000	537,000
3	135,001	140,000	416,000
7	145,001	150,000	1,050,000
3	150,001	155,000	459,047
2	160,001	165,000	326,000
2	185,001	190,000	379,000
7	195,001	200,000	1,396,000
1	200,001	205,000	205,000
1	205,001	210,000	210,000
1	210,001	215,000	212,500
1	215,001	220,000	218,000
2	220,001	225,000	450,000
3	235,001	240,000	713,000
2	245,001	250,000	500,000
2	250,001	255,000	502,000
1	275,001	280,000	278,500
1	290,001	295,000	294,000
3	295,001	300,000	900,000

1	300,001	305,000	300,906
1	365,001	370,000	370,000
1	370,001	375,000	375,000
1	430,001	435,000	435,000
1	435,001	440,000	438,000
1	475,001	480,000	480,000
1	495,001	500,000	500,000
1	500,001	505,000	502,200
1	515,001	520,000	516,500
1	595,001	600,000	600,000
1	750,001	755,000	753,375
1	1,155,001	1,160,000	1,156,875
1	1,860,001	1,865,000	1,863,000
1	2,400,001	2,405,000	2,404,500
1	5,370,001	5,375,000	5,370,820
1	11,495,001	11,500,000	11,500,000
1	22,955,001	22,960,000	22,955,500

2,804

90,000,000

2.3 Categories of Shareholders	Shares Held	Percentage
2.3.1 Directors, Chief Executive Officer, and their spouse and minor children	35,154,200	39.0602
2.3.2 Associated Companies, undertakings and related parties. (Parent Company)	-	-
2.3.3 NIT and ICP	1,100	0.0012
2.3.4 Banks Development Financial Institutions, Non Banking Financial Institutions.	6,267	0.0070
2.3.5 Insurance Companies	153,047	0.1701
2.3.6 Modarabas and Mutual Funds	14,700	0.0163
2.3.7 Shareholders holding 10% or more	35,150,700	39.0563
2.3.8 General Public		
a. Local	52,093,197	57.8813
b. Foreign	0	-
2.3.9 Others (to be specified)		
1- Joint Stock Companies	2,452,207	2.7247
2- Foreign Companies	6,700	0.0074
3- Leasing Companies	6,100	0.0068
4- Pension Funds	108,669	0.1207
5- Others	3,813	0.0042

YOUSAF WEAVING MILLS LIMITED

Categories of Share Holders

As on 30th June, 2023

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)	502,200	0.5580
2	KH. SHAHZAD YOUNUS	500	0.0006
3	MRS. ALIA KHANUM	500	0.0006
4	MR. MUHAMAMD AMJAD	500	0.0006
5	SHEIKH MAQBOOL AHMED	500	0.0006
6	MR. SHUQRAN AHMAD KHAN	500	0.0006
7	MR. WASIM BAIG	500	0.0006
8	MR. ABBAS ALI	500	0.0006
9	MRS. ANDLEEB KAUSAR W/O KHAWAJA M. NADEEM (CDC)	22,955,500	25.5061
	MRS. ANDLEEB KAUSAR W/O KHAWAJA M. NADEEM (CDC)	3,000	0.0033
		35,154,200	39.0602
<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)	9,500	0.0106
		14,700	0.0163
<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
<u>FOREIGN COMPANIES</u>			
1	THE PAKISTAN FUND	6,700	0.0074
		6,700	0.0074
<u>JOINT STOCK COMPANIES</u>			
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	SALIM SOZER SECURITIES (PRIVATE) LIMITED (CDC)	300,906	0.3343
7	Z. A. GHAFAR SECURITIES (PRIVATE) LIMITED (CDC)	80,000	0.0889
8	ASDA SECURITIES (PVT.) LTD. (CDC)	600,000	0.6667
9	BACKERS & PARTNERS (PRIVATE) LIMITED - MF (CDC)	210,000	0.2333
10	H. M. IDREES H. ADAM (PRIVATE) (PRIVATE) LIMITED (CDC)	500	0.0006
11	KTRADE SECURITIES LIMITED (CDC)	1	0.0000
12	MAM SECURITIES (PRIVATE) LIMITED (CDC)	400	0.0004
13	MRA SECURITIES LIMITED (CDC)	278,500	0.3094
14	MRA SECURITIES LIMITED - MF (CDC)	480,000	0.5333
15	MULTILINE SECURITIES (PVT) LIMITED - MF (CDC)	250,000	0.2778
16	NAEEM'S SECURITIES (PVT) LTD. (CDC)	2,000	0.0022
17	NCC - PRE SETTLEMENT DELIVERY ACCOUNT (CDC)	17,500	0.0194
18	NINI SECURITIES (PRIVATE) LIMITED (CDC)	51,000	0.0567
19	SAAO CAPITAL (PVT) LIMITED (CDC)	30,000	0.0333
20	SAAO CAPITAL (PVT) LIMITED (CDC)	20,000	0.0222
21	SHAFFI SECURITIES (PVT) LIMITED (CDC)	500	0.0006
22	TPS PAKISTAN (PRIVATE) LIMITED (CDC)	80,000	0.0889
23	ZAFAR MOTI CAPITAL SECURITIES (PVT) LTD. (CDC)	1,500	0.0017
		<u>2,452,207</u>	<u>2.7247</u>

OTHERS

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

SHARES HELD BY THE GENERAL PUBLIC (LOCAL)	52,093,197	57.8813
SHARES HELD BY THE GENERAL PUBLIC (FOREIGN)	0	0.0000
	<u>52,093,197</u>	<u>57.8813</u>
	<u>90,000,000</u>	<u>100.0000</u>

SHAREHOLDERS HOLDING 10% OR MORE OF TOTAL CAPITAL

S. No.	NAME	Holding	%Age
1	MST. ANDLEEB KAUSAR (CDC)	22,958,500	25.5094
2	KHAWAJA MOHAMMAD NADEEM	12,192,200	13.5469
		<u>35,150,700</u>	<u>39.0563</u>

SHAREHOLDERS HOLDING 5% OR MORE OF TOTAL CAPITAL

S. No.	NAME	Holding	%Age
1	MST. ANDLEEB KAUSAR (CDC)	22,958,500	25.5094
2	KHAWAJA MOHAMMAD NADEEM	12,192,200	13.5469
3	MR. MUHAMMAD NAVEED	7,233,820	8.0376
		<u>42,384,520</u>	<u>47.0939</u>

During the financial year the trading in shares of the company by the Directors, CEO, CFO, Company Secretary and their spouses and minor children is as follows

Sr. No.	Name	Sale	Purchase
1	KHAWAJA MOHAMMAD NADEEM (CDC)	-	500,000
2	MRS. ANDLEEB KAUSAR W/O KHAWAJA M. NADEEM (CDC)	1,736,000	-

YOUSAF WEAVING MILLS LIMITED
Categories of Shareholding required under Code of Corporate Governance (CCG)
As on June 30, 2023

Sr. No.	Name	No. of Shares Held	Percentage
---------	------	-----------------------	------------

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)	9,500	0.0106

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

1	KHAWAJA MOHAMMAD NADEEM	12,192,200	13.5469
2	KH. SHAHZAD YOUNUS	500	0.0006
3	MRS. ALIA KHANUM	500	0.0006
4	MR. MUHAMAMD AMJAD	500	0.0006
5	SHEIKH MAQBOOL AHMED	500	0.0006
6	MR. SHUQRAN AHMAD KHAN	500	0.0006
7	MR. WASIM BAIG	500	0.0006
8	MR. ABBAS ALI	500	0.0006
9	MRS. ANDLEEB KAUSAR W/O KHAWAJA M. NADEEM (CDC)	22,958,500	25.5094

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)	22,958,500	25.5094
2	KHAWAJA MOHAMMAD NADEEM	12,192,200	13.5469
3	MR. MUHAMMAD NAVEED	7,233,820	8.0376

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:

Sr. No.	Name	Sale	Purchase
1	KHAWAJA MOHAMMAD NADEEM (CDC)	-	500,000
2	MRS. ANDLEEB KAUSAR W/O KHAWAJA M. NADEEM (CDC)	1,736,000	-

Form of Proxy - 36th Annual General Meeting

The Corporate Secretary
 Yousaf Weaving Mills Limited
 7/1, E-3 Main Boulevard Gulberg III, Lahore

Folio # / CDC A/C #.	
Participant I.D	
Account #	
Shares held	

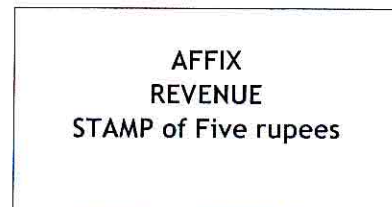
I/We _____ of _____
 _____ being a member (s) of YOUSAF WEAVING MILLS
 LIMITED hold _____ ordinary shares hereby appoint Mr./Mrs./Miss
 _____ of _____
 _____ or failing him/her _____ of _____
 as my /our Proxy to attend and vote for me/us and on my/our behalf at the
 36th Annual General Meeting of the Company to be held on Friday, 27th
 October, 2023 at 11:00 a.m at the registered office 7/1 E-III, Main Boulevard,
 Gulberg III, Lahore.

Signed this _____ day of _____ 2023.

NOTE

1. This Form of proxy, duly completed and signed, must be received at the registered office of the company, at 7/1, E-3 Main Boulevard Gulberg III, Lahore Pakistan, not less than 48 hours before the time of holding the meeting.
2. If a member appoints more than one proxy and more than one instruments of proxy are deposited by a member with the company, all such instruments of proxy shall be rendered invalid.

1. Witness:
 Signature _____
 Name _____
 Address _____
 CNIC _____



2. Witness:
 Signature _____
 Name _____
 Address _____
 CNIC _____

Signature _____

(Signature appended above should agree with the specimen signatures registered with the Company.)