

## **DIRECTORS' REPORT TO THE SHAREHOLDERS**

The Directors of the Company are pleased to present before you the un-audited Financial Statements for the nine month period ended March 31, 2016 in compliance with section 245 of the Companies Ordinance, 1984.

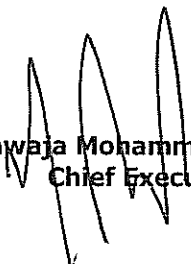
Total sales during the nine month ended March 31, 2016 amounted to Rs. 1,026.135 million as compared to Rs. 1,267.364 million during the corresponding period. Gross loss for the period amounted to Rs. 56.461 million as compared to gross profit of Rs. 16.665 million in corresponding period. Net loss for the period was Rs. 163.254 million as compared to net loss Rs. 145.757 millions for the corresponding period.

Going forward, we remain optimistic about the growth in demand in local and international market. It is hoped that as a supply chain partner of the value added textile, our company will benefit in the coming period. Our competing countries are better equipped, courtesy their governmental supports, to supply goods to customer at lower prices. On vigorous representation, government has announced some positive decisions through provision of RLNG at affordable rate and reduction of electricity industrial tariff of Rs. 3.00/- per unit. However, inspite of these announcements, we are not foreseeing any significant improvement in the market conditions. Additional long term measures are required from the government to enable the weaving industry to become internationally competitive.

The Management of your company is making candid efforts to improve the performance of the operations. The management of the company focusing on cost reductions in all possible areas. The Government should also take immediate steps to help out major industry of the country.

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

For and on behalf of the board

  
**Khawaja Mohammad Nadeem**  
**Chief Executive**

April 30, 2016

**YOUSAF WEAVING MILLS LIMITED**  
**CONDENSED INTERIM BALANCE SHEET**  
**AS AT MARCH 31, 2016 - (UN-AUDITED)**

	Note	Mar 31, 2016 (Un-audited) Rupees	June 30, 2015 (Audited) Rupees
<b>CAPITAL AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised capital			
40,000,000 (June 30, 2015: 40,000,000) ordinary shares of Rs. 10 each		400,000,000	400,000,000
Issued, subscribed and paid up capital		400,000,000	400,000,000
Accumulated loss		(765,442,080)	(602,188,585)
		(365,442,080)	(202,188,585)
<b>NON CURRENT LIABILITIES</b>			
Long term loans	5	540,961,284	558,872,236
Liabilities against assets subject to finance lease		8,299,595	11,483,775
Deferred liabilities		51,188,315	52,160,721
		600,449,194	622,516,732
<b>CURRENT LIABILITIES</b>			
Trade and other payables		438,373,512	478,237,055
Accrued mark up		30,042,350	15,041,434
Short term borrowings		409,493,388	390,962,583
Current maturity of non current liabilities		33,908,076	21,547,124
Provision for taxation		27,596,878	17,337,676
		939,414,204	923,125,872
<b>CONTIGENCIES AND COMMITMENTS</b>			
	6	-	-
		1,174,421,318	1,343,454,019




**YOUSAF WEAVING MILLS LIMITED**  
**INTERIM CONDENSED BALANCE SHEET**  
**AS AT MARCH 31, 2016 - (UN-AUDITED)**

		<b>Mar 31, 2015</b>	<b>June 30, 2015</b>
		<b>(Un-audited)</b>	<b>(Audited)</b>
		Rupees	Rupees
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	7	664,059,058	692,696,235
Intangible assets		639,143	710,160
Long term loans		17,147,272	13,813,565
Long term deposits		7,301,018	7,566,618
		689,146,491	714,786,578
<b>CURRENT ASSETS</b>			
Stores and spares		32,381,243	41,201,916
Stock in trade		156,309,610	228,371,720
Trade debts		17,788,801	30,281,900
Loans and advances		59,472,047	45,656,300
Trade deposits, prepayments and other receivables		14,521,184	24,369,701
Sales tax refundable		17,947,131	18,074,983
Assets held for disposal		183,651,028	220,197,542
Cash and bank balances		3,203,783	20,513,379
		485,274,827	628,667,441
		1,174,421,318	1,343,454,019

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

  
**CHIEF EXECUTIVE**

  
**DIRECTOR**

April 30, 2016

## YOUSAF WEAVING MILLS LIMITED

### CONDENSED INTERIM PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED MARCH 31, 2016 - (UN-AUDITED)

	Period Ended		Quarter Ended	
	July 01, 2015 to Mar 31, 2016	July 01, 2014 to Mar 31, 2015	Jan 01, 2016 to Mar 31, 2016	Jan 01, 2015 to Mar 31, 2015
	(Un-audited) Rupees	(Un-audited) Rupees	(Un-audited) Rupees	(Un-audited) Rupees
Sales - net	1,026,135,488	1,267,364,636	261,191,554	430,779,119
Cost of sales	(1,082,596,559)	(1,250,699,185)	(278,093,417)	(452,672,331)
<b>Gross (Loss) / Profit</b>	(56,461,071)	16,665,451	(16,901,863)	(21,893,212)
Operating expenses:				
- Distribution costs	(3,547,256)	(34,418,576)	(757,174)	(9,621,952)
- Administrative expenses	(30,681,454)	(48,692,782)	(7,621,409)	(15,282,401)
	(34,228,710)	(83,111,358)	(8,378,583)	(24,904,353)
<b>Operating (Loss) / Profit</b>	(90,689,781)	(66,445,907)	(25,280,446)	(46,797,565)
Other operating expenses	(28,452,516)	(10,077,469)	(3,830,850)	(4,593,059)
Finance cost	(34,294,691)	(56,599,307)	(9,321,908)	(16,415,062)
Other operating income	442,695	177,510	22,000	57,150
<b>Loss before Taxation</b>	(152,994,293)	(132,945,173)	(38,411,204)	(67,748,536)
Provision for taxation	(10,259,202)	(12,812,496)	(2,610,441)	(4,331,538)
<b>Loss after Taxation</b>	(163,253,495)	(145,757,669)	(41,021,645)	(72,080,074)
(Loss) / Profit for the Period from Discontinued Operations	(35,617,681)	(13,758,759)	(4,102,629)	(3,834,431)
<b>Loss for the Period from Continued Operations</b>	(127,635,814)	(131,998,910)	(36,919,016)	(68,245,643)
<b>Loss per Share - Basic:</b>				
- From continuing operations	(3.19)	(3.30)	(0.92)	(1.71)
- From discontinuing operations	(0.89)	(0.34)	(0.10)	(0.10)
<b>Loss per share for the period</b>	(4.08)	(3.64)	(1.03)	(1.80)

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

CHIEF EXECUTIVE

DIRECTOR

April 30, 2016

## YOUSAF WEAVING MILLS LIMITED

### CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE PERIOD ENDED MARCH 31, 2016 - (UN-AUDITED)

	Half Year Ended		Quarter Ended	
	July 01, 2015 to Mar 31, 2016	July 01, 2014 to Mar 31, 2015	Jan 01, 2016 to Mar 31, 2016	Jan 01, 2015 to Mar 31, 2015
	(Un-audited) Rupees	(Un-audited) Rupees	(Un-audited) Rupees	(Un-audited) Rupees
<b>Loss for the Period</b>	(163,253,495)	(145,757,669)	(41,021,645)	(72,080,074)
Other comprehensive income for the period	-	-	-	-
<b>Total Comprehensive loss for the Period</b>	(163,253,495)	(145,757,669)	(41,021,645)	(72,080,074)

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

**CHIEF EXECUTIVE**

April 30, 2016

**DIRECTOR**

**YOUSAF WEAVING MILLS LIMITED**  
**CONDENSED INTERIM CASH FLOW STATEMENT**  
**FOR THE PERIOD ENDED MARCH 31, 2016 - (UN-AUDITED)**

	Period Ended	
	July 01, 2015 to Mar 31, 2016	July 01, 2014 to Mar 31, 2015
	Rupees	Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(152,994,293)	(132,945,172)
Adjustments for:		
- Depreciation	37,100,698	36,419,784
- Amortization of intangible assets	71,016	88,770
- Provision for gratuity	2,991,721	6,974,250
- (Profit) / Loss on sale of property, plant and equipment	(267,241)	(71,967)
- Loss on sale of biological assets	28,452,516	9,533,018
- Gain on sale of raw material and stores and spares	-	441
- Finance cost	34,294,691	56,599,307
<b>Operating (loss) / profit before working capital changes</b>	<b>(50,350,892)</b>	<b>(23,401,569)</b>
Decrease / (increase) in current assets:		
- Stores and spares	8,820,673	10,501,515
- Stock in trade	72,062,110	26,561,429
- Trade debts	12,493,099	(21,443,896)
- Loan and advances	(10,316,474)	(15,184,875)
- Trade deposits, short term prepayments and other receivables	9,848,518	(1,460,044)
- Sales tax refundable	127,852	8,508,903
Decrease / (increase) in current liabilities:		
- Trade and other payables	(39,863,543)	98,397,369
	53,172,235	105,880,401
<b>Cash (used in) / generated from operations</b>	<b>2,821,343</b>	<b>82,478,832</b>
Gratuity paid	(3,964,130)	(7,285,568)
Finance cost paid	(19,293,775)	(47,865,180)
Income tax paid	(3,499,273)	(7,215,202)
<b>Net cash (used in) / generated from Operating Activities</b>	<b>(23,935,835)</b>	<b>20,112,882</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(8,716,780)	(3,570,053)
Capital work in progress	-	(126,789)
Proceeds from disposal of property, plant and equipment	990,002	2,000,081
Proceeds from disposal of raw material and stores and spares	-	240,000
Proceeds from disposal of biological assets	7,624,499	909,130
Long term loans to employees	(3,333,707)	965,288
Long term deposits	265,600	(156,915)
<b>Net Cash (used in) / generated from Investing Activities</b>	<b>(3,170,386)</b>	<b>260,742</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term loans	59,345,000	(17,325,000)
Liabilities against assets subject to finance lease	(3,184,180)	(577,269)
Short term borrowings	(46,364,195)	10,034,479
Dividend paid	-	(1,394,190)
<b>Net Cash (used in) / generated from Financing Activities</b>	<b>9,796,625</b>	<b>(9,261,980)</b>
<b>Net increase / (decrease) in Cash and Cash Equivalents</b>	<b>(17,309,596)</b>	<b>11,111,644</b>
Cash and cash equivalents at the beginning of the period	20,513,379	1,243,765
<b>Cash and Cash Equivalents at the End of Period</b>	<b>3,203,783</b>	<b>12,355,409</b>

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

CHIEF EXECUTIVE  
April 30, 2016

DIRECTOR

## YOUSAF WEAVING MILLS LIMITED

### CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED MARCH 31, 2016 - (UN-AUDITED)

	Share Capital	Accumulated Loss	Total
-----Rupees-----			
<b>Balance as at July 01, 2014</b>	400,000,000	(253,539,034)	146,460,966
Total comprehensive loss for six months ended March 31, 2015	-	(145,757,669)	(145,757,669)
Final dividend for the year ended June 30, 2014 @ Rs. 0.25 per share	-	(1,575,854)	(1,575,854)
<b>Balance as at March 31, 2015</b>	400,000,000	(400,872,557)	(872,557)
<b>Balance as at July 01, 2015</b>	400,000,000	(602,188,585)	(202,188,585)
Total comprehensive loss for the six months ended December 31, 2015	-	(163,253,495)	(163,253,495)
<b>Balance as at March 31, 2016</b>	400,000,000	(765,442,080)	(365,442,080)

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

  
CHIEF EXECUTIVE

April 30, 2016

  
DIRECTOR

## YOUSAF WEAVING MILLS LIMITED

### SELECTED NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION FOR THE PERIOD ENDED MARCH 31, 2015 - (UN-AUDITED)

Note 1

#### The Company and its Operations

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

Note 2

#### Basis of Preparation

- 2.1** This financial information has been prepared in accordance with the requirements of the Companies Ordinance, 1984 and International Financial Reporting Standard, IAS 34 "Interim Financial Reporting".
- 2.2** This financial information is unaudited and is being submitted to the shareholders as required by Section 245 of the Companies Ordinance, 1984. This interim financial information does not include all the information required for full annual financial information and should be read in conjunction with the annual financial information of the Company for the year ended June 30, 2015.

Note 3

#### Significant Accounting Policies

The accounting policies and methods of computation of the interim financial information are the same as those followed in the preparation of annual financial information for the preceding year ended June 30, 2015.

Judgments and estimates made by the management in the preparation of this condensed interim financial information are the same as those that were applied to the financial statements as at and for the year ended June 30, 2015.

Note 4

#### Accounting Estimates and Judgements

The preparation of this condensed interim financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. However, actual results may differ from these estimates.

During the preparation of this condensed interim financial information, the significant judgements made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that were applied to the audited annual financial statements for the year ended June 30, 2015.

Note 5

#### Long Term Loans

This includes unsecured, interest free loan from directors amounting of Rs. 480.732 million and are under subordination agreement with banks.

Note 6

#### Contingencies and Commitments

##### Contingencies

There is no significant change in the contingencies as reported in the last published audited financial statements for the year ended June 30, 2015.

##### Commitments

	Period Ended Mar 31, 2016 (Un-Audited) Rs. In Million	Year Ended June 30, 2015 (Audited) Rs. In Million
Commitments for purchase of raw materials and stores	-	-
Commitments for lease rentals	2.400	2.400



Note 7

**Property, Plant and Equipment**

		<b>Period Ended</b>	<b>Year Ended</b>
		<b>Mar 31, 2016</b>	<b>June 30, 2015</b>
		<b>(Un-audited)</b>	<b>(Audited)</b>
		<b>Rupees</b>	<b>Rupees</b>
Operating fixed assets	7.1	664,059,058	692,696,235
Capital work in progress		-	-
		<b>664,059,058</b>	<b>692,696,235</b>
<b>7.1</b> Opening written down value		692,696,235	737,441,265
Addition during the period / year (at cost)		8,706,280	11,344,570
		701,402,515	748,785,835
Disposal during the period / year (written down value)		(246,874)	(2,145,681)
		701,155,641	746,640,154
Depreciation charge for the period / year		(37,096,583)	(53,943,919)
Closing written down value		664,059,058	692,696,235

Note 8

**Transactions with Related Parties**

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

	<b>Period Ended</b>	
	<b>Mar 31, 2016</b>	<b>Mar 31, 2015</b>
	<b>(Un-audited)</b>	<b>(Un-audited)</b>
	<b>Rs. In Million</b>	<b>Rs. In Million</b>
<b>8.1</b> Significant transaction with related parties are as follows:		
- Sale of material, goods and services	-	0.026
- Purchase of material goods and services	1.328	5.062
- Loan received from/ (repaid to) directors - net	2.970	(0.900)
- Rent of building	0.600	0.600

Note 9

**Segment Information**

**9.1** The Company has three operating segments. The following summary describes the operation in each of the Company's reportable segments:

Weaving:	Production of grey and processed cloth.
Spinning:	Production of different qualities of yarn using natural and artificial fibers.
Dairy:	Sales of dairy products and allied business.

9.2 Segment revenues and results

For the Period Ended March 31, 2016 (Un-audited)				
	Weaving	Spinning	Dairy Segment	Total
Sales - net	567,164,719	411,312,695	47,658,074	1,026,135,488
Cost of sales	(586,461,590)	(442,133,649)	(54,001,320)	(1,082,596,559)
Gross Loss	(19,296,871)	(30,820,954)	(6,343,246)	(56,461,071)
Distribution cost	(1,591,137)	(1,956,119)	-	(3,547,256)
Administrative expenses	(28,360,455)	(2,030,782)	(290,217)	(30,681,454)
	(29,951,592)	(3,986,901)	(290,217)	(34,228,710)
Operating Loss	(49,248,463)	(34,807,855)	(6,633,463)	(90,689,781)
Other operating charges	-	-	(28,452,516)	(28,452,516)
Finance cost	(33,483,460)	(722,710)	(88,521)	(34,294,691)
Other operating income	409,295	-	33,400	442,695
Loss before Taxation	(82,322,628)	(35,530,565)	(35,141,100)	(152,994,293)
Taxation	(5,674,319)	(4,108,302)	(476,581)	(10,259,202)
<b>Loss after taxation</b>	<b>(87,996,947)</b>	<b>(39,638,867)</b>	<b>(35,617,681)</b>	<b>(163,253,495)</b>

For the Period Ended March 31, 2015 (Un-audited)				
	Weaving	Spinning	Dairy Segment	Total
Sales - net	955,829,655	251,837,891	59,697,090	1,267,364,636
Cost of sales	(931,145,516)	(256,836,701)	(62,716,968)	(1,250,699,185)
Gross Profit / (Loss)	24,684,139	(4,998,810)	(3,019,878)	16,665,451
Distribution cost	(33,662,255)	(756,321)	-	(34,418,576)
Administrative expenses	(41,248,596)	(7,014,337)	(429,849)	(48,692,782)
	(74,910,851)	(7,770,658)	(429,849)	(83,111,358)
Operating Profit / (Loss)	(50,226,712)	(12,769,468)	(3,449,727)	(66,445,907)
Other operating charges	(544,451)	-	(9,533,018)	(10,077,469)
Finance cost	(55,100,516)	(1,218,565)	(280,226)	(56,599,307)
Other operating income	76,327	-	101,183	177,510
Profit / (Loss) before taxation	(105,795,352)	(13,988,033)	(13,161,788)	(132,945,173)
Taxation	(9,697,146)	(2,518,379)	(596,971)	(12,812,496)
<b>Profit / (Loss) after taxation</b>	<b>(115,492,498)</b>	<b>(16,506,412)</b>	<b>(13,758,759)</b>	<b>(145,757,669)</b>

9.3 Segment Assets

For the Period Ended March 31, 2016 (Un-audited)				
	Weaving	Spinning	Dairy Segment	Total
Segment assets for reportable segments	785,386,971	146,450,329	192,528,244	1,124,365,544
Unallocated corporate assets				50,055,774
<b>Total assets as per balance sheet</b>				<b>1,174,421,318</b>

For the Half Year ended June 30, 2015				
	Weaving	Spinning	Dairy Segment	Total
Segment assets for reportable segments	889,826,353	174,455,467	232,487,839	1,296,769,659
Unallocated corporate assets				46,684,360
<b>Total assets as per balance sheet</b>				<b>1,343,454,019</b>

9.4 Segment Liabilities

For the Period Ended March 31, 2016 (Un-audited)				
	Weaving	Spinning	Dairy Segment	Total
Segment liabilities for reportable segments	1,307,759,670	111,278,354	93,228,497.00	1,512,266,521
Unallocated corporate liabilities				27,596,877
<b>Total liabilities as per balance sheet</b>				<b>1,539,863,398</b>

For the Half Year ended June 30, 2015				
	Weaving	Spinning	Dairy Segment	Total
Segment liabilities for reportable segments	1,330,756,460	98,713,199	98,835,269	1,528,304,928
Unallocated corporate liabilities				17,337,676
<b>Total liabilities as per balance sheet</b>				<b>1,545,642,604</b>

Note 10

**Financial Risk Management**

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

The condensed interim financial information does not include all financial risk management information and disclosures required in the audited annual financial statements and should be read in conjunction with the audited annual financial statement for the year ended June 30, 2015.

There has been no change in Company's sensitivity to these risks since June 30, 2015 except for general exposure to fluctuations in foreign currency and interest rates. There have been no change in the risk management policies during the period.

There have been no significant changes in the business or economic circumstances during the period that would have affected the fair values of the financial assets of the Company. Further, no re-classifications in the categories of financial assets have been made since June 30, 2015.

Note 11

**General**

**11.1** This interim financial information is authorized for issue on April 30, 2016 by the Board of Directors of the Company.

**11.2** Figures have been rounded off to the nearest Rupee; and

**11.3** Corresponding figures have been re-arranged wherever necessary to facilitate comparison. No material rearrangement has been made during the period.

CHIEF EXECUTIVE

April 30, 2016

DIRECTOR