Quarterly Report (Un-Audited)
First Quarter Ended
September 30, 2017

Yousaf Weaving Mills Limited

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COMPANY INFORMATION

BOARD OF DIRECTORS

Khawaja Mohammad Jawed	(Chairman)
Khawaja Mohammad Nadeem	(Chief Executive)
Khawaja Shahzad Younus	(Director)
Mst. Nargis Sultana	(Director)
Khawaja Mohammad Kaleem	(Director)
Mr. Mohammad Naveed	(Director)
Mst. Alia Khanum	(Director)
Mr. Mohammad Tariq Sufi	(Independent Director)

AUDIT COMMITTEE

Mr. Mohammad Tariq Sufi	(Chairman)
Khawaja Mohammad Kaleem	(Member)
Khawaja Shahzad Younus	(Member)

HR & REMUNERATION COMMITTEE

Khawaja Mohammad Kaleem	(Chairman)
Khawaja Mohammad Nadeem	(Member)
Mr. Mohammad Naveed	(Member)

COMPANY SECRETARY

Mr. Nadeem Anwar (ACA)

CHIEF FINANCIAL OFFICER

Mr. Nadeem Anwar (ACA)

BANKERS

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

AUDITORS

Aslam Malik & Co.
Chartered Accountants
Suite # 18-19,Ist Floor,
Central Plaza, Civic Centre,
New Garden Town, Lahore. Pakistan
7/1-E-3 Main Boulevard Gulberg III, Lahore
Tel : (042) 35717510 Fax : (042) 35755760

Corp link (Pvt) Limited
Wings Arcade, 1-K, Commercial,
Model Town, Lahore
Tel : (042) 35839182 Fax : (042) 35869037

Weaving unit
49-Kilometer
Multan Road, Bhai Phero
Tel : (04943) 540083-4

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

Director's Report

The Directors are pleased to present their report together with the un-audited condensed interim financial statements for the 1st quarter ended September 30, 2017.

The operating performance of the company during the period clearly depicts that efforts of the management toward ultimate goal of profitability are proving successful. Although the sales during the period under review has slashed to Rs 361.705 million as compared to Rs 426.230 million in the corresponding period, the decrease in sales is mainly contributed to shift on conversion of fabric as the fabric market don't give competitive margins. But with effective marketing strategy and cost control we have been able to achieve Gross profit of Rs 18.353 million as compared to Rs 1.8 million in the same quarter last year. The company posted after tax net loss of Rs 11.601 as compared to Rs 27.753 million in the same quarter last year. The spinning segment has contributed mainly in the overall performance of the company whereas the margin in the weaving segment are very thin as the fabric market is continuously in distress. Operating expenses increased marginally due to increase in distribution cost. The financial cost remains in control during the period.

The management is envisaging a plan to enhance production capacities and is also simultaneously improving product qualities. This capacity enhancement is gradually in piecemeal from the company's own sources which will give benefit of economy of scales and will improve profitability of the company. We are also focusing to reduce our production cost with upgrading of auxiliaries facilities. Textile is back bone of our economy and needs very focused and serious attention by the Government to make it again viable with concrete plan. Timely disbursement of export refunds and provision of energy at affordable price plus low rate financing facilities for modernizing production facilities to face the technological improved competitive environment is the burning demand of this ailing industry.

We are thankful and oblige to all including our shareholders, customers, suppliers, bankers and more important our valued workers and employees for their continued commitment and diligence.

For and on behalf of the Board

Lahore: November 29, 2017

Khawaja Mohammad Nadeem
Chief Executive Officer

ڈائریکٹرز رپورٹ

کمپنی کے ڈائریکٹرز کی جانب سے 30 ستمبر 2017 کے اختتام شدہ سہ ماہی کے لئے غیر نظر ثانی شدہ حسابات بشمول اپنی رپورٹ پیش کرتے ہوئے مسرت کا اظہار کرتے ہیں۔

اس دورانیے کے دوران کمپنی کی کارکردگی منافع کے حدف کو حاصل کرنے کی منتظمین کی کوششوں کا واضع اظہار ہے۔ اگر چہ فروخت پچھلے سال اسی دورانیے کے 426.230 ملین روپے کے مقابلے میں کم ہو کر اس دورانیے میں 361.705 ملین پر آچکی ہے۔ فروخت میں کمی کی بڑی وجہ کپڑے کی منڈی میں عدم منافع کی وجہ سے ٹھیکے پر کپڑا بنانے پر منتقل ہونا ہے۔ لیکن مونٹر مارکیٹنگ حکمت عملی اور لاگت کو کنٹرول کرنے کی وجہ سے ہم پچھلے سال کے اس دورانیے کے 1.8 ملین روپے کے مجموعی منافع کے مقابلے میں اس سال اس دورانیے میں 18.353 ملین روپے مجموعی منافع کمانے کے قابل ہوئے ہیں۔ کمپنی نے اس سال پچھلے سال کی اسی سہ ماہی کے 27.753 ملین روپے کے بعد از ٹیکس خالص خسارے کے مقابلے میں اس سہ ماہی میں 11.601 ملین روپے کا بعد از ٹیکس خسارہ کمایا ہے۔ کمپنی کی مجموعی کارکردگی میں سپننگ کے شعبے کا اہم کردار ہے تاہم ویونگ کے شعبے میں منافع بہت کم ہے جس کی وجہ سے کپڑے کی منڈی مسلسل دباو کا شکار ہے۔ آپریٹنگ اخراجات میں معمولی اضافہ تقسیمی اخراجات بڑھنے کی وجہ سے ہوا۔ مالیاتی لاگت اس دوران کنٹرول میں رہی۔

منتظمین پیداواری صلاحیت کو بڑھانے اور ساتھ ہی ساتھ مصنوعات کی کوالٹی کو بہتر بنانے کے پلان پر غور کر رہے ہیں۔ کمپنی اپنے ذرائع سے پیداواری صلاحیت میں مسلسل اضافہ کر رہی ہے جو کہ پیداواری لاگت کو کم کرنے اور منافع میں بہتری لانے میں فائدہ دے گا۔ ہم اپنی پیداواری لاگت کو آگزیلری سہولیات کو بہتر بنا کر کم کرنے پر توجہ دے رہے ہیں۔ ٹیکسٹائل معیشت کی ریڑھ کی ہڈی ہے اور اس کو حکومت کی بہت مرکوز اور سنجیدہ توجہ درکار ہے تا کہ اس کو مضبوط پلان کے ساتھ دوبارہ منافع بخش بنایا جا سکے۔ برآمدی رفنڈز کا بروقت اجراء اور توانائی کی سستے داموں فراہمی بمع کم شرح سود والے قرضوں کی سہولیات فراہم کر کے پیداواری سہولیات کو جدید بنایا جا سکے تا کہ بہتر ٹیکنالوجی والے تقابلی ماحول کا سامنا کیا جا سکے جو کہ اس بیمار صنعت کی بحالی کے لیے ناگزیر ہے۔

ہم اپنے تمام حصہ داران، گاہکوں، فراہم کنندگان، بینکاروں اور سب سے اہم ہمارے ملازمین کے عزم مسلسل اور جانفشانی کی وجہ سے شکر گزار ہیں۔

منجانب بورڈ آف ڈائریکٹرز

خواجہ محمد ندیم
چیف ایگزیکٹو آفیسر

لاہور
29 نومبر 2017

CONDENSED INTERIM BALANCE SHEET (UN-AUDIETD)
AS AT SEPTEMBER 30, 2017

	Note	September 30, 2017 (Un-audited) Rupees	June 30, 2017 (audited) Rupees
CAPITAL AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital			
90,000,000 (June 30, 2017: 90,000,000) ordinary shares of Rs. 10 each		900,000,000	900,000,000
Issued, subscribed and paid up capital		400,000,000	400,000,000
Long Term Directors Loan Convertalbe into Ordinary Shares	5	500,000,000	500,000,000
Accumulated loss		(1,145,623,644)	(1,134,022,418)
		(245,623,644)	(234,022,418)
NON CURRENT LIABILITIES			
Long term Financing		75,716,574	80,523,976
Liabilities against assets subject to finance lease		1,416,487	1,754,014
Deferred liabilities		60,398,470	60,311,359
		137,531,531	142,589,349
CURRENT LIABILITIE			
Trade and other payables		250,592,463	280,392,145
Accrued mark up		92,856,350	83,551,360
Short term borrowings		520,741,451	518,014,235
Current maturity of non current liabilities		30,591,219	30,976,420
Provision for taxation		18,496,582	14,872,704
		913,278,065	927,806,864
CONTIGENCIES AND COMMITMENTS	6	-	-
		805,185,952	836,373,795
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment		600,126,760	610,708,817
Intangible assets		431,777	454,503
Long term loans		10,603,669	9,415,673
Long term deposits		7,967,074	4,044,074
		619,129,280	624,623,067
CURRENT ASSETS			
Stores and spares		23,246,526	23,501,989
Stock in trade		44,531,845	77,655,925
Trade debts		16,409,711	14,011,729
Loans and advances		24,394,896	22,348,827
Trade deposits and short term prepayments		2,494,576	3,851,176
Other receivables		15,459,376	12,930,251
Tax refunds due from government		55,201,651	55,925,016
Cash and bank balances		4,318,091	1,525,815
		186,056,672	211,750,728
		805,185,952	836,373,795

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

Lahore	(Khawaja Mohammad Nadeem)	(Khawaja Shahzad Younus)
November 29,2017	Chief Executive Officer	Director

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT - (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2017

	Note	Quarter Ended	
		September 30, 2017	September 30, 2016
		Rupees	Rupees
Sales - net		361,705,912	426,230,783
Cost of sales		(343,352,380)	(424,356,686)
Gross Profit		18,353,532	1,874,097
Operating expenses:			
- Distribution costs		(2,435,664)	(908,413)
- Administrative expenses		(10,072,829)	(11,409,321)
		(12,508,493)	(12,317,734)
Operating Profit / (Loss)		5,845,039	(10,443,637)
Other operating expenses		(1,416,640)	(55,555)
Finance cost		(12,405,746)	(12,990,972)
Other operating income		-	-
Loss before Taxation		(7,977,347)	(23,490,164)
Provision for taxation		(3,623,879)	(4,263,361)
Loss after Taxation		(11,601,226)	(27,753,525)
Loss per share - basic & diluted		(0.13)	(0.69)

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

Lahore
November 29,2017

(Khawaja Mohammad Nadeem)
Chief Executive Officer

(Khawaja Shahzad Younus)
Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME - (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2017

	Note	Quarter Ended	
		September 30, 2017	September 30, 2016
		Rupees	Rupees
Loss for the Period		(11,601,226)	(27,753,525)
Other comprehensive income for the period		-	-
Total Comprehensive loss for the period		(11,601,226)	(27,753,525)

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

Lahore
November 29,2017

(Khawaja Mohammad Nadeem)
Chief Executive Officer

(Khawaja Shahzad Younus)
Director

CONDENSED INTERIM CASH FLOW STATEMENT - (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2017

	Note	Quarter Ended September 30, 2017	Quarter Ended September 30, 2016
		Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		(7,977,346)	(23,490,164)
Adjustments for:			
- Depreciation		10,592,057	11,430,353
- Amortization of intangible assets		22,725	28,406
- Provision for gratuity		1,334,250	2,497,983
- Loss on sale of stock in trade and stores and spares		1,416,640	-
- Finance cost		12,405,746	12,990,972
Operating profit before working capital changes		17,794,072	3,457,550
Decrease / (increase) in current assets:			
- Stores and spares		(1,787,701)	638,694
- Stock in trade		33,124,080	(21,391)
- Trade debts		(2,397,982)	(5,794,591)
- Loan and advances		(2,046,069)	(1,114)
- Trade deposits, short term prepayments		1,356,600	233,381
- Other receivable		(2,529,125)	-
- Tax refund due from government		1,384,156	(1,760,353)
Decrease / (increase) in current liabilities:			
- Trade and other payables		(29,799,681)	8,701,943
		(2,695,722)	1,996,569
Cash (used in) / generated from operations		15,098,350	5,454,119
Gratuity paid		(1,247,140)	(4,517,704)
Finance cost paid		(3,100,755)	8,307
Income tax paid		(660,796)	(746,368)
Net cash (used in) / generated from Operating Activities		10,089,659	198,354
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(10,000)	(1,716,000)
Long term loans to employees		(1,187,996)	28,000
Net Cash used in Investing Activities		(4,494,472)	(1,688,000)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term loans		(4,827,611)	(5,550,000)
Liabilities against assets subject to finance lease		(702,519)	(314,047)
Short term borrowings		2,727,219	6,744,696
Net Cash generted from Financing Activities		(2,802,911)	880,649
Net increase / (decrease) in Cash and Cash Equivalents		2,792,276	(608,997)
Cash and cash equivalents at the beginning of the period		1,525,815	3,922,805
Cash and Cash Equivalents at the End of Period		4,318,091	3,313,808

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

Lahore	(Khawaja Mohammad Nadeem)	(Khawaja Shahzad Younus)
November 29,2017	Chief Executive Officer	Director

CONDENSED INTERIM STATEMENT OF CHANGE IN EQUITY - (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2017

PARTICULARS	Share Capital	Accumulated Loss	Sponsor Loan	Total Equity
	(Rupees)	(Rupees)	(Rupees)	(Rupees)
Balance as at July 01, 2016 (Audited)	400,000,000	(1,012,798,276)	-	(612,798,276)
Total comprehensive loss for the three month ended September 30, 2016	-	(27,753,525)	-	(27,753,525)
Balance as at September 30, 2016 (Un-audited)	400,000,000	(1,040,551,801)	-	(640,551,801)
Balance as at July 01, 2017 (Audited)	400,000,000	(1,134,022,418)	500,000,000	(234,022,418)
Total comprehensive loss for the three month ended September 30, 2017	-	(11,601,226)	-	(11,601,226)
Balance as at September 30, 2017 (Un-audited)	400,000,000	(1,145,623,644)	500,000,000	(245,623,644)

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

Lahore
November 29,2017

(Khawaja Mohammad Nadeem)
Chief Executive Officer

(Khawaja Shahzad Younus)
Director

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (Un-audited) FOR THE QUARTER ENDED SEPTEMBER 30, 2017

Note 1
The Company and its Operations

Yousaf Weaving Mills Limited was incorporated on January 17, 1988 as a public limited company in Pakistan under the Companies Ordinance, 1984 and is quoted on Pakistan Stock Exchange. The Company is engaged in the business of textile weaving, spinning, sale of processed fabric and home textile. 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, 2017.

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, 2017.

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, 2017.

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, 2017.

Note 5
Long Term Directors Loan Converted into Ordinary Shares

The Securities and Exchange Comission of Pakistan (SECP) has allowed approval of issuance of further shares other than right issuance U/S 83 of the Companies ordinance on the basis of Extra Ordinary General Meeting held on March 31, 2017. In compliancewith the said approval, we have issued shares at face value to the following Directors as on October 17, 2017:

		No. of Shares
i)	Mr.Khawaja Mohammad Jawed	14,000,000
ii)	Mr.Khawaja Mohammad Kaleem	15,000,000
iii)	Mr.Khawaja Mohammad Nadeem	11,500,000
iv)	Mr.Khawaja Mohammad Naveed	9,500,000
	Total	50,000,000

The Shares have been issued at Rs. 10/- per share. As the above activities were conducted prior to authorized of the Condensed Financial Statement. Directors loan is disclosed under the Equity.

Note 6
Contingencies and Commitments

Contingencies

There is no other significant change in the contingencies as reported in the last published audited financial statements for the year ended June 30, 2017.

Commitments

There is no other significant change in the commitments as reported in the last published audited financial statements for the year ended June 30, 2017.

Note 7
Property, Plant and Equipment

	Quarter Ended Sep 30, 2017	Year Ended June 30, 2017
	(Un-audited) Rupees	(Audited) Rupees
Opening written down value	610,708,817	645,144,973
Addition during the period / year (at cost)	10,000	17,840,446
	610,718,817	662,985,419
Disposal during the period / year (written down value)	-	(6,552,866)
	610,718,817	656,432,553
Depreciation charge for the period / year	(10,592,057)	(45,723,736)
Closing written down value	600,126,760	610,708,817

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:

	Quarter Ended	
	Sep 30, 2017 (Un-audited) Rs. In Million	Sep 30, 2016 (Un-audited) Rs. In Million
Significant transaction with related parties are as follows:		
- Loan (repaid) / received from directors - net	(9.394)	5.438
- Rent of expenses	0.300	0.300

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

Note 9
Segment Information

9.1 For management purposes,the activities of the Company are organized into two operating segment:

Weaving: Production of grey and processed cloth.

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

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

Information regarding the Company's reportable segment for the Quarter ended September 30, 2017 are as follows:

9.2 Segment revenues and results

	For the Quarter Ended September 30, 2017 (Un-audited)		
	Weaving Segment	Spinning Segment	Total
Sales - net	150,627,675	211,078,237	361,705,912
Cost of sales	(140,889,637)	(202,462,743)	(343,352,380)
Gross Profit	9,738,038	8,615,494	18,353,532
Distribution cost	(217,630)	(2,218,034)	(2,435,664)
Administrative expenses	(7,304,197)	(2,768,632)	(10,072,829)
	(7,521,827)	(4,986,666)	(12,508,493)
Operating Profit	2,216,211	3,628,828	5,845,039
Other operating charges	(1,416,640)	-	(1,416,640)
Finance cost	(11,516,137)	(889,609)	(12,405,746)
Other operating income	-	-	-
(Loss) / profit before Taxation	(10,716,566)	2,739,219	(7,977,347)
Taxation	(1,513,096)	(2,110,781)	(3,623,879)
(Loss) / profit after taxation	(12,229,662)	628,438	(11,601,226)

	For the Quarter Ended September 30, 2016 (Un-audited)		
	Weaving Segment	Spinning Segment	Total
Sales - net	268,276,009	157,954,774	426,230,783
Cost of sales	(266,846,856)	(157,509,830)	(424,356,686)
Gross Loss	1,429,153	444,944	1,874,097
Distribution cost	(45,748)	(862,665)	(908,413)
Administrative expenses	(8,936,295)	(2,473,026)	(11,409,321)
	(8,982,043)	(3,335,691)	(12,317,734)
Operating Loss	(7,552,890)	(2,890,747)	(10,443,637)
Other operating charges	(55,555)	-	(55,555)
Finance cost	(12,086,565)	(904,407)	(12,990,972)
Other operating income	-	-	-
Loss before taxation	(19,695,010)	(3,795,154)	(23,490,164)
Taxation	(2,683,165)	(1,580,196)	(4,263,361)
Loss after taxation	(22,378,175)	(5,375,350)	(27,753,525)

9.3 Segment Assets

	For the Quarter Ended September 30, 2017 (Un-audited)		
	Weaving Segment	Spinning Segment	Total
Segment assets for reportable segments	618,655,048	132,685,853	751,340,901
Unallocated corporate assets			53,845,051
Total assets as per balance sheet			805,185,952

	For the Year Ended June 30, 2017 (Audited)		
	Weaving Segment	Spinning Segment	Total
Segment assets for reportable segments	650,121,107	130,327,673	780,448,780
Unallocated corporate assets			55,925,015
Total assets as per balance sheet			836,373,795

9.4 Segment Liabilities

	For the Quarter Ended September 30, 2017 (Un-audited)		
	Weaving Segment	Spinning Segment	Total
Segment liabilities for reportable segments	983,772,309	48,540,707	1,032,313,016
Unallocated corporate liabilities			18,496,580
Total liabilities as per balance sheet			1,050,809,596

	For the Year Ended June 30, 2017 (Audited)		
	Weaving Segment	Spinning Segment	Total
Segment liabilities for reportable segments	1,004,061,881	51,461,627	1,055,523,508
Unallocated corporate liabilities			14,872,705
Total liabilities as per balance sheet			1,070,396,213

Note 10
Financial Risk Management

The Company's financial risk management objectives and policies are consistent with those disclosed in the audited annual published financial statements of the Company for the year ended June 30, 2017.

Note 11
General

11.1 This interim financial information is authorized for issue on November 29,2017 by the Board of Directors of the Company.

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

Lahore
November 29,2017

(Khawaja Mohammad Nadeem)
Chief Executive Officer

(Khawaja Shahzad Younus)
Director

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

Sahartech
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