



Yousaf Weaving Mills Limited



Quarterly Report
Un-Audited
1st Quarter Ended
September 30, 2016

CONTENTS

Company Information	01
Directors' Report to the Shareholders	02-03
Condensed Interim Balance Sheet	04-05
Condensed Interim Profit & Loss Account	06
Condensed Interim Statement of Comprehensive Income ..	07
Condensed Interim Cash Flow Statement	08
Condensed Interim Statement of Changes in Equity	09
Notes to the Condensed Interim Financial Information ..	09-13

COMPANY INFORMATION

BOARD OF DIRECTORS

Khawaja Mohammad Nadeem	(Chief Executive)
Khawaja Mohammad Jawed	(Director)
Khawaja Mohammad Jahangir	(Director)
Khawaja Mohammad Tanveer	(Director)
Khawaja Mohammad Kaleem	(Director)
Mr. Mohammad Naveed	(Director)
Mr. Danish Tanveer	(Director)
Mr. Mohammad Tariq Sufi	(Independent Director)

AUDIT COMMITTEE

Mr. Mohammad Tariq Sufi	(Chairman)
Khawaja Mohammad Kaleem	(Member)
Mr. Danish Tanveer	(Member)

HR & REMUNERATION COMMITTEE

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

COMPANY SECRETARY

Mr. Nadeem Anwar	(ACA)
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CHIEF FINANCIAL OFFICER

Mr. Nadeem Anwar	(ACA)
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BANKERS

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

AUDITORS

Aslam Malik & Co.
Chartered Accountants
Suite # 18-19, 1st Floor,
Central Plaza, Civic Centre,
New Garden Town, Lahore. Pakistan

CORPORATE & REGISTERED OFFICE

7/1-E-3 Main Boulevard Gulberg III, Lahore
Tel : (042) 35717510
Fax : (042) 35755760

SHARE REGISTRARS

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

Weaving Unit

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

Spinning Unit

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

DIRECTORS' REPORT TO THE SHAREHOLDERS

On behalf of the Board of Directors of the Company, I present before you un-audited condensed interim Financial Statements for the quarter ended September 30, 2016.

The total sales of the company during the quarter ended September 30, 2016 are Rs. 426.230 million as compared to Rs. 400.822 million in the corresponding quarter last year. Despite difficult business conditions prevailing in the textile industry the management of the company made vigorous efforts to improve performance of the company. The company earned gross profit for the quarter amounted to Rs. 1.874 million as compared to gross loss of Rs. 42.633 million in the corresponding quarter last year. The company posted net loss of Rs. 27.753 million as compared to net loss of Rs. 74.981 million in the corresponding quarter last year. The management of the company took effective measures to turnaround the operating performance of the company which is proved that the spinning unit of the company has exhibited positive performance. The weaving unit of the company due to depressed export market is operating in low end local market which affected its overall performance. High cost to do business, mainly fuel price is the determinant factor in poor overall performance of the company. On repeated hue and cry of APTMA the Government has recently announced some incentive in the price of RLNG if materialized will reduce cost and improve profitability of the company. The management has made strenuous efforts to control cost which has reduced significantly.

The management of the company is making all possible measures to smooth the affairs of the company including to gain its export market by taking support from its banks. The company is negotiating with the banks to regularize its banking relations with restructuring its financial facilities. The management is confident that with more effective business strategies will get improved overall performance in the period to come.

The Board of Directors of appreciated continued support of banks, specially creditors and other stake holders in addition to dedicated hard work of all the employees of the company.

For and on behalf of the board

Lahore:
December 30, 2016

Khawaja Mohammad Nadeem
Chief Executive

ڈائریکٹرز رپورٹ

میں بورڈ آف ڈائریکٹرز کی جانب سے 30 ستمبر 2016 کے اختتام شدہ سہ ماہی کی مدت کے لئے تکلیف شدہ، غیر جانچ شدہ حسابات پیش کرتا ہوں۔

30 ستمبر 2016 کو ختم ہونے والی سہ ماہی کے دوران کمپنی کی کل سیلز پچھلے سال کے اسی عرصہ کے دوران 400.822 ملین روپے کے مقابلے میں 426.230 ملین روپے رہی۔ ٹیکسٹائل کی صنعت میں جاری مشکل کاروباری حالات کے باوجود کمپنی کی انتظامیہ نے کمپنی کی کارکردگی کو بہتر کرنے کے لئے سخت کوششیں کیں۔ پچھلے سال کی اسی سہ ماہی کے دوران 42.633 ملین روپے لے مجموعی نقصان کے مقابلے میں کمپنی نے اس سہ ماہی میں 1.874 ملین روپے کا مجموعی منافع کمایا۔ پچھلے سال کی اسی سہ ماہی کے دوران 74.981 ملین روپے کے خالص نقصان کے مقابلے میں کمپنی کا اس سہ ماہی میں 27.753 ملین روپے کا خالص نقصان رہا۔ کمپنی کی انتظامیہ نے کمپنی کی جاری کارکردگی کو بدلنے کے لئے موثر اقدامات اٹھائے جس نے کمپنی کے سپننگ یونٹ کی مثبت نظر آنے والی کارکردگی کو ثابت کیا۔ کمپنی کا ویونگ پونٹ دباؤ کا شکار برآمدی منڈی کی وجہ سے کم تر مقامی منڈی میں کام کر رہا ہے جس نے کمپنی کی مجموعی کارکردگی کو بری طرح متاثر کیا۔ کاروبار کرنے کی زیادہ لاگت کی وجہ، ایندھن کی زیادہ قیمت ہے جو کہ کمپنی کی مجموعی کمزور کارکردگی کا فیصلہ کن عامل ہے۔ اپٹا کی دہائی پر حکومت نے RLNG کی قیمت میں حال ہی میں کچھ مراعات کا اعلان کیا ہے جو کہ بار آور ہونے پر لاگت کم کرے گی اور کمپنی کے منافع کو بہتر کرے گی۔ انتظامیہ نے لاگت کو کنٹرول کرنے کے لئے سخت کوششیں کی ہے جس سے لاگت نمایاں طور پر کم ہوئی۔

کمپنی کی انتظامیہ کمپنی کے معاملات کو بہتر کرنے کے لئے تمام ممکن اقدامات کر رہی ہے جس میں بینکوں کی مدد سے برآمدی منڈی میں واپسی شامل ہے۔ کمپنی مالی سہولیات کی ری سٹرکچرنگ کے لئے بینکوں سے اپنے تعلقات کو باقاعدہ بنانے کے لئے مذاکرات کر رہی ہے۔ انتظامیہ پر اعتماد ہے کہ زیادہ موثر کاروباری لائحہ عمل آنے والے وقت میں مجموعی کارکردگی کو بہتر کرے گا۔

بورڈ آف ڈائریکٹرز، بینکرز، قرض خواہوں، دیگر متعلقین کی مزید برآں اپنے ملازمین کی لگن اور محنت کی قدر کرتا ہے۔

منجانب بورڈ آف ڈائریکٹرز

خواجہ محمد ندیم

چیف ایگزیکٹو

لاہور

دسمبر 30، 2016

CONDENSED INTERIM BALANCE SHEET

		Sep 30, 2016	June 30, 2016
	Note	(Un-audited) Rupees	(Audited) Rupees
CAPITAL AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital			
40,000,000 (June 30, 2016: 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		(1,040,551,801)	(1,012,798,277)
		(640,551,801)	(612,798,277)
NON CURRENT LIABILITIES			
Long term loans	5	519,590,570	532,550,927
Liabilities against assets subject to finance lease		4,323,641	4,637,688
Deferred liabilities		40,367,580	42,387,301
		564,281,791	579,575,916
CURRENT LIABILITIES			
Trade and other payables		458,224,190	449,522,247
Accrued mark up		57,136,434	44,137,155
Short term borrowings		445,359,806	438,615,113
Current maturity of non current liabilities		42,303,528	34,893,171
Provision for taxation		17,366,088	13,102,727
		1,020,390,046	980,270,413
CONTIGENCIES AND COMMITMENTS	6	-	-
		944,120,036	947,048,052

AS AT SEPTEMBER 30, 2016 (UN-AUDITED)

	Note	Sep 30, 2016 (Un-audited) Rupees	June 30, 2016 (Audited) Rupees
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	7	635,430,620	645,144,973
Intangible assets		539,721	568,128
Long term loans		16,416,262	16,444,262
Long term deposits		4,728,224	4,728,224
		657,114,827	666,885,587
CURRENT ASSETS			
Stores and spares		21,051,767	23,690,461
Stock in trade		171,558,187	169,536,796
Trade debts		18,723,043	12,928,452
Loans and advances		33,162,475	32,414,993
Trade deposits, prepayments and other receivables		13,958,532	14,191,913
Sales tax refundable		25,237,397	23,477,045
Cash and bank balances		3,313,808	3,922,805
		287,005,209	280,162,465
		944,120,036	947,048,052

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

(Khawaja Mohammad Jahangir)
Director

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2016**

	Quarter Ended	
	July 01, 2016 to Sep 30, 2016	July 01, 2015 to Sep 30, 2015
	(Un-audited) Rupees	(Un-audited) Rupees
Sales - net	426,230,783	400,822,562
Cost of sales	(424,356,686)	(443,455,831)
Gross Profit / (Loss)	1,874,097	(42,633,269)
Operating expenses:		
- Distribution costs	(908,413)	(1,967,638)
- Administrative expenses	(11,409,321)	(13,377,761)
	(12,317,734)	(15,345,399)
Operating Loss	(10,443,637)	(57,978,668)
Other operating expenses	(55,555)	(1,367,269)
Finance cost	(12,990,972)	(12,048,244)
Other operating income	-	420,695
Loss before Taxation	(23,490,164)	(70,973,486)
Provision for taxation	(4,263,361)	(4,007,541)
Loss after Taxation	(27,753,525)	(74,981,027)
Loss for the Period from Discontinued Operations	-	(5,637,127)
Loss for the Period from Continued Operations	(27,753,525)	(69,343,900)
Loss per Share - Basic:		
- From continuing operations	(0.69)	(1.73)
- From discontinuing operations	-	(0.14)
Loss per share for the period	(0.69)	(1.87)

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

Lahore:
December 30, 2016

(Khawaja Mohammad Nadeem)
Chief Executive

(Khawaja Mohammad Jahangir)
Director

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2016**

	Quarter Ended	
	July 01, 2016 to Sep 30, 2016	July 01, 2015 to Sep 30, 2015
	(Un-audited) Rupees	(Un-audited) Rupees
Loss for the Period	(27,753,525)	(74,981,027)
Other comprehensive income for the period	-	-
Total Comprehensive loss for the Period	(27,753,525)	(74,981,027)

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

Lahore:
December 30, 2016

(Khawaja Mohammad Nadeem)
Chief Executive

(Khawaja Mohammad Jahangir)
Director

**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2016**

	Quarter Ended	
	July 01, 2015 to Sep 30, 2016	July 01, 2015 to Sep 30, 2015
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(23,490,164)	(70,973,487)
Adjustments for:		
- Depreciation	11,430,353	12,564,474
- Amortization of intangible assets	28,406	71,016
- Provision for gratuity	2,497,983	2,991,721
- (Profit) / Loss on sale of property, plant and equipment	-	(267,241)
- Loss on sale of biological assets	-	1,367,269
- Finance cost	12,990,972	12,048,244
Operating profit / (loss) before working capital changes	3,457,550	(42,198,004)
Decrease / (increase) in current assets:		
- Stores and spares	638,694	1,486,750
- Stock in trade	(21,391)	166,579
- Trade debts	(5,794,591)	(27,869,105)
- Loan and advances	(1,114)	(1,591,291)
- Trade deposits, short term prepayments and other receivables	233,381	7,317,382
- Sales tax refundable	(1,760,353)	3,648,041
Decrease / (increase) in current liabilities:		
- Trade and other payables	8,701,943	21,507,446
	1,996,569	4,665,802
Cash used in from operations	5,454,119	(37,532,202)
Gratuity paid	(4,517,704)	(1,252,379)
Finance cost paid	8,307	(6,550,437)
Income tax paid	(746,368)	(1,062,197)
Net cash used in Operating Activities	198,354	(46,397,215)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,716,000)	(5,093,294)
Proceeds from disposal of property, plant and equipment	-	510,000
Proceeds from disposal of biological assets	-	2,394,150
Long term loans to employees	28,000	(1,447,188)
Net Cash used in Investing Activities	(1,688,000)	(3,636,332)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term loans	(5,550,000)	(2,775,000)
Liabilities against assets subject to finance lease	(314,047)	(847,906)
Short term borrowings	6,744,696	34,478,095
Net Cash generated from Financing Activities	880,649	30,855,189
Net increase / (decrease) in Cash and Cash Equivalents	(608,997)	(19,178,358)
Cash and cash equivalents at the beginning of the period	3,922,805	20,513,379
Cash and Cash Equivalents at the End of Period	3,313,808	1,335,021

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

Lahore: (Khawaja Mohammad Nadeem)
December 30, 2016 Chief Executive

(Khawaja Mohammad Jahangir)
Director

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2016**

Particulars	Share Capital (Rupees)	Accumulated Loss (Rupees)	Total (Rupees)
Balance as at July 01, 2015	400,000,000	(602,188,585)	(202,188,585)
Total comprehensive loss for the quarter ended September 30, 2015	-	(74,981,027)	(74,981,027)
Balance as at September 30, 2015	400,000,000	(677,169,612)	(277,169,612)
Balance as at July 01, 2016	400,000,000	(1,012,798,276)	(612,798,276)
Total comprehensive loss for the quarter ended September 30, 2016	-	(27,753,525)	(27,753,525)
Balance as at September 30, 2016	400,000,000	(1,040,551,801)	(640,551,801)

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

Lahore: (Khawaja Mohammad Nadeem) (Khawaja Mohammad Jahangir)
December 30, 2016 Chief Executive Director

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2016**

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, 2016.

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, 2016

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, 2016.

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, 2016.

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, 2016.

Commitments

	Quarter Ended Sep 30, 2016 (Un-Audited) Rs. In Million	Year Ended June 30, 2016 (Audited) Rs. In Million
Commitments for lease rentals	1.200	2.400

Note 7
Property, Plant and Equipment

	Quarter Ended Sep 30, 2016 (Un-audited) Rupees	Year Ended June 30, 2016 (Audited) Rupees
Operating fixed assets	7.1 635,430,620	645,144,973
	635,430,620	645,144,973
7.1 Opening written down value	645,144,973	692,696,235
Addition during the period / year (at cost)	1,716,000	9,328,490
	646,860,973	702,024,725
Disposal during the period / year (written down value)	-	(8,233,700)
	646,860,973	693,791,025
Depreciation charge for the period / year	(11,430,353)	(48,646,052)
Closing written down value	635,430,620	645,144,973

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, 2016 (Unaudited)	Quarter ended Sep 30, 2015 (Unaudited)
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Rupees in millions

8.1 Significant transaction with related parties are as follows:

- Purchase of material goods and services	-	1.328
- Loan received from directors - net	5.438	-
- Rent of building	0.300	0.600

Note 9

Segment Information

9.1 The Company has two 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:	The company has disposed off the dairy segment in the financial year ended June 30, 2016 the prior period figure are given for comparison.

9.2 Segment revenues and results

For the Quarter Ended September 30, 2016 (Un-audited)				
	Weaving Segment	Spinning Segment	Dairy Segment	Total
	Disposed off			
Sales - net	268,276,009	157,954,774	-	426,230,783
Cost of sales	(266,846,856)	(157,509,830)	-	(424,356,686)
Gross Profit	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)

For the Quarter Ended September 30, 2015 (Un-audited)				
	Weaving Segment	Spinning Segment	Dairy Segment	Total
Sales - net	232,631,030	155,051,923	13,139,609	400,822,562
Cost of sales	(257,051,376)	(169,449,320)	(16,955,135)	(443,455,831)
Gross Loss	(24,420,346)	(14,397,397)	(3,815,526)	(42,633,269)
Distribution cost	(1,282,265)	(685,373)	-	(1,967,638)
Administrative expenses	(12,054,887)	(1,037,657)	(285,217)	(13,377,761)
Operating Loss	(37,757,498)	(16,120,427)	(4,100,743)	(57,978,668)
Other operating charges	-	-	(1,367,269)	(1,367,269)
Finance cost	(11,616,811)	(382,314)	(49,119)	(12,048,244)
Other operating income	409,295	-	11,400	420,695
Loss before taxation	(48,965,014)	(16,502,741)	(5,505,731)	(70,973,486)
Taxation	(2,327,797)	(1,548,348)	(131,396)	(4,007,541)
Loss after taxation	(51,292,811)	(18,051,089)	(5,637,127)	(74,981,027)

9.3 Segment Assets

For the Quarter Ended Sep 30, 2016 (Un-audited)				
	Weaving Segment	Spinning Segment	Dairy Segment	Total
Segment assets for reportable segments	755,941,474	145,211,482	-	901,152,956
Unallocated corporate assets				42,967,080
Total assets as per balance sheet				944,120,036

For the Year Ended June 30, 2016				
	Weaving Segment	Spinning Segment	Dairy Segment	Total
Segment assets for reportable segments	768,488,684	138,084,920	-	906,573,604
Unallocated corporate assets				40,474,448
Total assets as per balance sheet				947,048,052

9.4 Segment Liabilities

For the Quarter Ended Sep 30, 2016 (Un-audited)				
	Weaving Segment	Spinning Segment	Dairy Segment	Total
Segment liabilities for reportable segments	1,559,703,386	7,602,364	-	1,567,305,750
Unallocated corporate liabilities				17,366,087
Total liabilities as per balance sheet				1,584,671,837

For the Year Ended June 30, 2016				
	Weaving Segment	Spinning Segment	Dairy Segment	Total
Segment liabilities for reportable segments	1,400,389,383	52,246,343	93,846,745	1,546,482,471
Unallocated corporate liabilities				13,363,858
Total liabilities as per balance sheet				1,559,846,329

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, 2016.

There has been no change in Company's sensitivity to these risks since June 30, 2016 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, 2016.

Note 11

General

- 11.1 This interim financial information is authorized for issue on December 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.

Lahore:
December 30, 2016

(Khawaja Mohammad Nadeem)
Chief Executive

(Khawaja Mohammad Jahangir)
Director

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