ANNUAL REPORT

AUDITED

YEAR ENDED

JUNE 30, 2022

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

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

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 35th 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 Thursday, October 27, 2022 at 11:00 a.m. to transact the following business :-

Ordinary Businesses:

1. To receive and adopt the audited accounts of the Company for the year ended June 30, 2022, together with the reports of Directors and Auditor's report thereon.

2. To appoint auditors for the year ending June 30, 2023 and to fix their remuneration. The retiring auditors Aslam Malik & Company Chartered Accountants have shown their interest in their reappointment.

3. To transact any other business which may be brought forward with the permission of the Chair.

Special Businesses:

1. To withdraw non-executed resolutions previously passed in EOGM held on March 04, 2022.

** The statement of material facts under section 134(3) of the Companies Act, 2017 is annexed.*

Lahore:

October 06, 2022

NADEEM ANWAR
Company Secretary

NOTES:

1. The share transfer books for ordinary shares of the Company will be closed from 20-10-2022 to 27-10-2022 (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, 2022 will be in 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, 2022 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.

7/1 - E-3, Main Boulevard
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STATEMENT OF MATERIAL FACTS UNDER SECTION 134(3) OF THE COMPANIES ACT 2017

This statement set out the material facts concerning the special business to be transacted at the Annual General Meeting to be held on Thursday, October 27, 2022, at 11.00 am.

Yousaf Weaving Mills Limited in order to revamp and revive the Company had to make certain approval from the members of the company in the EOGM held on March 04, 2022. The detail of these approvals were as under:

- Increase in the authorized share capital of the company from Rs. 900 million to 2,000 million
- Revival Business Plan and issue of shares at a discount
- Reduction of Share capital under Revival Business Plan
- To consider multiple steps and measures in respect of spinning unit contribution to the revival scheme of the company but not limited to disposal /transfer of "spinning unit" assets

The Board of Directors considers that with promulgations of certain provisions in the Companies Act 2017, through an amendment by Securities and Exchange Commission of Pakistan vide SRO (1)/2022 dated 16th September 2022 the implementation of the said proposal might be prolonged and protracted and hence withdrawn. Further, the resolutions against the above proposal remained non-executed and members may please ask to withdraw these proposals and accordingly pass a resolution to this effect in the Annual General Meeting to be held on October 27, 2022.

Interest of Directors

The Directors of the company have no direct or indirect interest in above mentioned special business except to the extent that they are members of the company

یوسف ویونگ ملز لمیٹڈ

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

سالانہ اجلاس عام

بذریعہ نوٹس ہذا مطلع کیا جاتا ہے کہ یوسف ویونگ ملز لمیٹڈ کے ارکان کا 35واں سالانہ اجلاس عام کمپنی کے رجسٹرڈ دفتر بواقع E-3،7/1 مین بلیوارڈ، گلبرگ III، لاہور میں بروز جمعرات 27 اکتوبر 2022ء کو صبح 11:00 بجے درج ذیل امور کیلئے منعقد ہوگا۔

عمومی امور:

1- 30 جون 2022ء کو ختم ہونے والے سال کیلئے کمپنی کے نظرثانی شدہ حسابات معہ ان پر ڈائریکٹرز اور آڈیٹرز کی رپورٹ کی وصولی اور منظوری دینا۔

2- 30 جون 2023ء 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۔

3- صاحب صدر کی اجازت سے کوئی دیگر امور جو آگے لائے جاسکتے ہیں۔

خصوصی امور:

1- 4 مارچ 2022ء کو منعقدہ غیر معمولی اجلاس میں پہلے سے منظور شدہ قراردادوں کو واپس لینا۔

ندیم انور

لاہور: 06 اکتوبر 2022ء

کمپنی سیکرٹری

نوٹس:

1- کمپنی کے عام حصص کی منتقلی کتابیں 20 اکتوبر 2022ء تا 27 اکتوبر 2022ء (بشمول ہر دو ایام) بند رہیں گی۔ کارآمد منتقلیاں ہمارے شیئرز رجسٹرار، کارپ لنک (پرائیویٹ) لمیٹڈ، ونگز آرکیڈ، K-1 کمرشل، ماڈل ٹاؤن، لاہور کو 19 اکتوبر 2022ء کو کاروبار کے اختتام تک وصول ہونے والی بروقت تصور ہونگی۔ پتہ یا اس میں کوئی تبدیلی ہو، بمعہ کارآمد CNIC کی کاپی کمپنی کے سالانہ ریٹرن فائلنگ کیلئے ہمارے شیئرز رجسٹرار میسرز کارپ لنک (پرائیویٹ) لمیٹڈ، ونگز آرکیڈ، K-1 کمرشل، ماڈل ٹاؤن، لاہور۔ فون 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 مقرر کرنے کا اہل ہے۔ پراکسیاں، تا آنکہ موثر ہوسکیں، 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 کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) یا پاسپورٹ کی مصدقہ کاپی منسلک کرنی چاہیے۔

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 اکاؤنٹ ہولڈر کو مزید برآں، سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے طرف سے جاری شدہ سرکلر نمبر 1 مورخہ 26 جنوری 2000ء میں دی گئی درج ذیل ہدایات کی پیروی کرنا ہوگی۔

4- کارپوریٹ اینٹٹی کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ کی تصدیق شدہ کاپی معہ نمونہ دستخط کمپنی کے پراکسی فارم کے ہمراہ (اگر پہلے مہیا نہیں کی گئی) جمع کرانا ہوگی۔

5- 30 جون 2022ء کو ختم ہونیوالے 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 کردیئے جائیں گے۔

6- SECP نوٹیفکیشن 2014/(1) SRO 787 مورخہ 8 ستمبر 2014ء کی پیروی میں ارکان کمپنی کی ویب سائٹ پر دستیاب معیاری درخواست فارم جمع کراکے بذریعہ ای میل نظرثانی شدہ مالیاتی گوشوارے اور نوٹسز وصول کرنے کیلئے کمپنی کو مطلع کرسکتے ہیں۔

7- اگر کمپنی شہر میں سکونتی کم از کم 10% شیئر ہولڈنگ کے مالک ارکان سے اجلاس میں وڈیو لنک 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 حوالہ سے اس شہر میں وڈیو لنک 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 گذارش ہے کہ برائے مہربانی حکومت پاکستان کے جاری کردہ COVID-19 کے حفاظتی اقدامات پر عمل کریں۔

کمپنیز ایکٹ 2017 کی دفعہ (3) 134 کے مطابق مادی حقائق کا بیان

یہ بیان مورخہ 27 اکتوبر 2022ء بروز جمعرات صبح 11:00 بجے کو منعقدہ سالانہ اجلاس میں ہونے والے خاص کاروبار سے متعلق ہے۔

کمپنی کی بحالی اور تجدید کے لیے یوسف ویونگ ملز لمیٹڈ نے حصص داران سے کچھ معاملات پر 4 مارچ 2022ء کو ہونے والے غیر معمولی اجلاس عام میں منظوری لی تھی، جن کی تفصیل مندرجہ ذیل ہے۔

- منظور شدہ سرمائے میں 900 ملین روپے سے 2,000 ملین روپے تک کا اضافہ کرنا۔
- منصوبہ برائے بحالی کاروبار اور حصص کی ڈسکاؤنٹ پر فروخت کرنا۔
- منصوبہ برائے بحالی کاروبار کے مطابق سرمائے میں کمی کرنا۔
- کمپنی کی بحالی کی سکیم میں سپننگ یونٹ کی شراکت کے سلسلے میں متعدد اقدامات پر غور کرنا لیکن یہ اقدامات سپننگ یونٹ کے اثاثوں کی فروخت/منتقلی تک محدود نہیں۔

بورڈ آف ڈائریکٹرز سمجھتے ہیں SECP کی طرف سے کمپنیز ایکٹ 2017 کی بعض دفعات میں 2022/(1) SRO مورخہ 16 ستمبر 2022ء کے ذریعہ کی گئی تبدیلی کے بعد مذکورہ تجاویز پر عمل درآمد میں تاخیر ہو سکتی ہے اس لیے مذکورہ تجاویز کو واپس لیا جاتا ہے۔ مزید براں مذکورہ تجاویز پر عمل نہیں ہوا اور حصص داران ان تجاویز کو واپس لینے کا کہہ سکتے ہیں اور اس کے مطابق 27 اکتوبر 2022ء کو ہونے والے اجلاس عام میں اس سلسلے میں قرارداد پاس کر سکتے ہیں

ڈائریکٹرز کی دلچسپی

کمپنی کے ڈائریکٹرز کو مذکورہ خصوصی کاروبار میں براہ راست یا بالواسطہ کوئی دلچسپی نہیں ہے سوائے اس حد تک کہ وہ کمپنی کے ممبر ہیں۔

REVIEW REPORT BY THE CHAIRMAN ON THE OVERALL PERFORMACE OF THE BOARD AND EFFECTIVNESS 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 (previously Companies Ordinance 1984) 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.

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 6, 2022

Mst. Alia Khanum
Chairman

YOUSAF WEAVING MILLS LTD.
CHAKWAL GROUP

بورڈ کی مجموعی کارکردگی اور کمپنی کے مقاصد کے حصول میں بورڈ کے مئوثر کردار پر چیئرمین کی جائزہ رپورٹ

یوسف ویونگ ملز لیمیٹڈ (YWML) کے بورڈ آف ڈائریکٹرز (بورڈ) نے کمپنی کے حصہ داروں کے بہترین مفاد کو برقرار رکھنے میں اپنی ذمہ داریاں تندہی سے انجام دی ہیں اور کمپنی کے امور کو مونٹر اور بروقت انداز سے منظم کیا ہے۔ بورڈ نے کمپنیز ایکٹ 2017 (سابقہ کمپنیز آرڈیننس 1984) 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 نظماء کی رپورٹ کی تیاری اور منظوری دی ہے اور اس بات کو یقینی بنایا ہے کہ مجلس نظماء کی رپورٹ کمپنی کی سہ ماہی اور سالانہ مالیاتی حسابات کے ساتھ شائع ہوئی اور مجلس نظماء کی رپورٹ کا مواد قابل اطلاق قوانین اور قواعد وضوابط 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 وضوابط 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 وضوابط 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 وسباق 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۔

تاریخ: ۱۶ اکتوبر ۲۰۲۲ — عالیہ خانم

لاہور — چیئرمین

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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 2022.

Financial Performance:

The current financial year proved better for the Company since it remained consistent in achieving operating profitability which is evident from the profit after tax. The management focused on increasing turnover to achieve the benefits of economies of scale, as a result of which the sales have been increased by Rs. 521 million i.e; 72% with respect to the previous year. With the grace of Allah Almighty and the vision of the Company's management, the Company could be able to post a gross profit for the year of Rs. 97 million as compared to a gross profit of Rs. 84 million in the corresponding period, whereas it could be able to achieve a net profit of Rs. 22 million as compared to a net profit of Rs. 17 million during the last comparative period. On the other hand, there is no significant change in distribution and administrative expenses, whereas its other operating expenses are increased due to various provisions in respect of exchange loss, wwf and wppf.

During the current reporting year, the Company has made two major additions towards fixed assets; the first is the warping machinery against which an advance was provided to the supplier last year whereas the second is the 1850 kWp solar system for which the Company contracted with a solar energy provider.

The Company has successfully installed and made operational new sizing machinery which not only has much better efficiency than the existing set-up but also enhances sizing capacity. Improvement in efficiency leads to a reduction in production costs whereas surplus production capacity is used to earn additional revenue.

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 certain matters which are explained 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 no 1.3 of the financial statements.

Future Outlook:

For the last few months, our economy is suffering due to political instability, the drastic increase in the US $ exchange rate, a slowdown in local as well as export

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markets, stagflation, and the rapid surge in energy prices. Considering all these factors the management expects that the upcoming fiscal year would be very tough for the economy and especially the textile industry. The government has discontinued subsidized tariffs on energy for the textile industry after which the energy bill has mounted to such a level that at which we are unable to run the operations smoothly. Adverse impacts of negative economic indicators can be seen in the local industry as multiple textile units are shutting down their operation due to the high cost to do business.

To avoid complete economic disaster, the government should take remedial steps to save the economy through; political stability in the country, controlling the US $ exchange rate and inflation along with the provision of energy at the subsidized rate.

The directors of the Company have provided a long-term loan of Rs. 342 million which has been used to meet the working capital requirements, injection of funds by directors in such a significant amount shows their enduring trust in the Company and their commitment to putting the Company on the path of sustainable growth.

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.

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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 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, 2022 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.

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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.

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) Mr. Mohammad Tariq Sufi (independent director) has expired during the year, we really appreciate his services towards the board and prayed that Allah Almighty may rest his soul in eternal peace. Mr. Abbas Ali is appointed as new independent director on the board. The board ensures that all the directors will duly comply with the requirement of directors' training program with in time frame as defined in Code of Corporate Governess Regulations, 2019.

Shareholding Pattern

The share holding pattern as at June 30, 2022 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 2022-2023. 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

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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

The Board has made following sub-committees:

Audit Committee Meetings:

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

HR and Remuneration Committee Meetings:

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

عالیہ خانم

YOUSAF WEAVING MILLS LTD. CHAKWAL GROUP

September 30, 2022
Lahore

Khawaja Mohammad Nadeem
Chief Executive Officer

Mst. Alia Khanum
Chairman

حصص داران کو مجلس نظماء کی رپورٹ

یوسف ویونگ ملز لمیٹڈ کی مجلس نظماء کی جانب سے، ہم 30 جون 2022 کو ختم ہونے والے سال کے لیے کمپنی کی سالانہ رپورٹ معہ جانچ شدہ حسابات اور ان پر آڈیٹرز کی رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

مالی کارکردگی

موجودہ مالی سال کمپنی کے لیے بہتر ثابت ہوا جو کہ بعد از ٹیکس منافع سے ثابت ہوتا ہے۔ انتظامیہ نے اکانومیز آف سکیل کا فائدہ حاصل کرنے کے لیے اپنی فروخت کو بڑھانے پر اپنی توجہ مرکوز رکھی ہے جس کی وجہ سے فروخت 521 ملین روپے سے بڑھی جو کہ پچھلے سال کے مقابلے میں 72% اضافہ ہے۔ اللہ تعالیٰ کے فضل و کرم اور انتظامیہ کے عزم کی بدولت کمپنی 97 ملین روپے کا مجموعی منافع کمایا جو کہ آپ کے پچھلے سال 84 ملین روپے تھا۔ جبکہ اس کا خالص منافع پچھلے سال کے 17 ملین روپے کے مقابلے میں 22 ملین روپے رہا۔ دوسری طرف تقسیمی اور انتظامی اخراجات میں کوئی قابلِ ذکر تبدیلی نہیں آئی، تاہم دیگر انتظامی اخراجات میں اضافہ تبادلہ نقصان، wwf اور wppf کی وجہ سے ہوا۔

اس مالی سال میں کمپنی نے دو بڑے اثاثوں کا اضافہ کیا ہے جس میں سے پہلا اضافہ وارپنگ مشینری کا ہے، جس کی درامد کے لیے پچھلے سال پیشگی رقم سپلائر کو ادا کی گئی تھی جبکہ دوسرا اضافہ 1850 کلو واٹ سولر سسٹم کا ہے جس کے لیے پچھلے سال معاہدہ کیا گیا تھا۔

کمپنی نے اپنی سائزنگ/وارپنگ مشینری کو کامیابی سے آپریشنل بنا لیا ہے جس کی نہ صرف کارکردگی بلکہ پیداواری صلاحیت بھی موجودہ مشینری سے بہت بہتر 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 چند معاملات پر محدود رائے دی ہے جن کی وضاحت ذیل میں کی گئی ہے۔

a) انتظامیہ غیر دعویٰ شدہ ڈیویڈینڈ پر حقیقی معنوں میں کمپنیز ایکٹ 2017 کی شقوں 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:

پچھلے کچھ ماہ سے ہمارے معیشت سیاسی عدمِ استحکام، ڈالر ریٹ میں غیر معمولی اضافے، مقامی اور برآمدی مارکیٹ میں سست روی، مسلسل مہنگائی اور توانائی کی لاگت میں غیر معمولی اضافے کی وجہ سے بُری طرح متاثر ہو رہی ہے۔ ان تمام عوامل کو مدنظر رکھتے ہوئے انتظامیہ یہ توقع کرتی ہے کہ آنے والا مالی سال معیشت اور خاص طور پر ٹیکسٹائل کی صنعت کے لیے خاصہ مشکل ثابت ہوگا۔ حکومت نے ٹیکسٹائل کی صنعت کے لیے ارزاں نرخوں پر توانائی کی فراہمی معطل کر دی ہے جسکی وجہ سے توانائی کی لاگت اتنی بڑھ گئی ہے کہ کاروبار کو آسانی سے جاری رکھنا بہت مشکل ہو گیا ہے۔

کمپنی کے ڈائریکٹرز نے 342 ملین روپے کا طویل المدتی قرضہ فراہم کیا ہے۔ ڈائریکٹرز کی طرف سے سرمائے کی فراہمی اُن کے کمپنی پر اعتماد کے ساتھ ساتھ اُن کی کمپنی کو منافع بخش بنانے کی لگن کو بھی ظاہر کرتا 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 وخدشات سے نمٹنے کے لئے ایک مؤثر حکمت عملی وضع کرنے کی ذمہ دار ہے۔

کمپنی کے بنیادی مالی واجبات، مختصر مدتی قرضہ جات، تجارتی و دیگر واجبات اور مارک اپ پر مشتمل ہیں۔ کمپنی کے بنیادی مالیاتی اثاثوں میں اسٹاک، کاروباری وصولیاں اور دیگر قابل وصولی رقوم، 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 مائعیت 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 مشینری اور پلانٹ میں کام کرنے والے ملازمین سے متعلق ہے۔ آگ بجھانے والے آلات اور آگ سے حفاظت کا دیگر ساز وسامان کمپنی کی ملوں اور کمپنی کے رجسٹرڈ اور مرکزی دفتر میں رکھے گئے ہیں۔ آگ سے حفاظت والے ساز وسامان 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 مؤثر بنانے، قابل اعتماد مالی رپورٹنگ اور قوانین، ضوابط اور پالیسیوں پر عمل درآمد کو یقینی بناتا ہے۔

متعلقہ پارٹی

30 جون 2022 کو ختم ہونے والے مالی سال کے دوران تمام متعلقہ پارٹیوں کے ساتھ لین دین کا آڈٹ کمیٹی 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 ایکوئٹی 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 مؤثر طریقے سے عملدرآمد اور نگرانی کی جاتی ہے۔
- vi۔ گزشتہ پانچ سال کا کلیدی آپریٹنگ 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 ضابطہ اخلاق اور کاروباری حکمت عملی وضع کی ہے اور ڈائریکٹرز اور ملازمین میں تقسیم کیا ہے۔
- ix۔ کمپنی نے 30 جون 2022 کے لئے نہ کسی ڈیویڈینڈ 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۔ محمد طارق صوفی صاحب (آزاد ڈائریکٹر) رواں سال انتقال کر گئے، ہم اُن کی خدمات تہہ دل سے قدر کرتے ہیں اور اللہ تعالیٰ سے دعا کرتے ہیں وہ اُن کو جنت میں اعلیٰ مقام عطاء فرمائے۔ عباس علی صاحب کو بورڈ میں آزاد ڈائریکٹر کے طور پر متعین کیا گیا ہے۔ بورڈ یقینی بناتا ہے کہ تمام ڈائریکٹرز کوڈ آف کارپوریٹ گورننس 2019 کی ڈائریکٹرز ٹریننگ پروگرام کے متعلق دفعات پر عمل کریں گے۔

حصص کنندگان کی تفصیل

عام شیئرز کے لئے 30 جون 2022 کے مطابق حصص کنندگان کی تفصیل منسلک ہے۔

محاسب کی تقرری

اسلم ملک چارٹرڈ اکاؤنٹنٹس لاہور ریٹائر ہوگئے ہیں اور اہل ہونے کی بناء پر انہوں نے مالی سال 23-2022 کے لئے دوبارہ اپنی تقرری 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۔ایگزیکٹوڈائریکٹرز 01

b۔دیگرنان ایگزیکٹوڈائریکٹرز 05

c۔آزادڈائریکٹرز 02

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

بورڈ کی کمیٹیاں

بورڈ نے مندرجہ ذیل ذیلی کمیٹیاں بنائی ہیں:

آڈٹ کمیٹی کے اجلاس

- i شیخ مقبول احمد چیئرمین
- ii محمد امجد رکن
- iii خواجہ شہزاد یونس رکن

انسانی وسائل اور معاوضہ کمیٹی کے اجلاس

- i شیخ مقبول احمد چیئرمین
- ii وسیم بیگ رکن
- iii شقران احمد خان رکن

ڈائریکٹران کی تنخواہ کے اہم پہلو

بورڈ آف ڈائریکٹرز نے ایگزیکٹوڈائریکٹرز کی تنخواہ سے متعلق باقاعدہ پالیسی کی اجازت دی ہے جو ان کی کمپنی کے معاملات میں ان کی ذمہ داریوں پر منحصر ہے۔تنخواہ کی ذمہ داریوں کے مطابق اور ان کی کمپنی کو کامیابی سے چلانے کے لئے ان کی قابلیت کے مطابق تاکہ ان کی جانب سے کمپنی میں مزید بہتری لائی جاسکے۔

اعتراف

کمپنی کے اسٹاف 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

خواجہ محمد ندیم	عالیہ خانم	تاریخ:30 ستمبر 2022
چیف ایگزیکٹو	چیئرمین	لاہور

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, 2022

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.

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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 Governess 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:

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a) Audit Committee: Four Quarterly meetings during the financial year ended June 30, 2022.
b) HR & Remuneration Committee: One meeting during the financial year ended June 30, 2022.

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: September 29, 2022

YOUSAF WEAVING MILLS LTD. CHAKWAL GROUP

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, 2022 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 a 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 Director's 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 ensued 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 that 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, 2022.

Further, we highlight below the 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.

Aslam Malik & Co
Chartered Accountants

Place: Lahore
Date: September 30, 2022
Engagement Partner: Hafiz Muhammad Ahmad Saleem
UDIN: CR202210148ckSZjWFNn

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, 2022**, and the statement of profit or loss account and 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 other explanatory information, and we state that, except for the possible effect of matter described in basis of the qualified opinion section of our report, 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 matters described in paragraph (a) in the Basis for Qualified Opinion section of our report, the statement of financial position, statement of profit or loss and 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 Profit and other comprehensive profit, the changes in equity and its cash flows for the year then ended.

Basis for Qualified 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.

Material Uncertainty relating to Going Concern

We draw attention to **Note 1.3** in the financial statements which indicates that the Company accumulated losses stood at Rs. 1,428 million (2021: 1,440 million). Its current liabilities exceed its current assets by Rs. 644 million (2021: Rs. 1,016 million), 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. In addition to the matter described in the Basis for Qualified Opinion and material uncertainty relating to the going concern section, we have determined the matters described below as the key audit matters to be communicated in our report.

Following are the key audit matters:

S. No.	Key Audit Matters	How the matter was addressed in our audit
1	**Contingencies** 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. 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. The details of contingencies along with management's assessment and the related provisions are disclosed in **note 15** to the financial statements. 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.	Our audit procedures included, but were not limited to: ➢ 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 but does not include the financial statements and our auditor's report thereon.

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 the 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 are 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 scepticism 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 matters 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 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 is 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

Place: Lahore
Date: September 30, 2022
UDIN: AR2022101480jRHdhTrG

YOUSAF WEAVING MILLS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022

	Note	2022 Rupees	2021 Rupees
CAPITAL AND LIABILITIES			
Share Capital and Reserves			
Authorized share capital			
90,000,000 (2021: 90,000,000) ordinary shares of Rs. 10 each		900,000,000	900,000,000
Issued, subscribed and paid up share capital	4	900,000,000	900,000,000
Loan from directors	5	449,106,400	106,600,000
Accumulated loss		(1,428,065,888)	(1,440,716,881)
Surplus on revaluation of land	6	385,563,327	385,563,327
		306,603,839	(48,553,554)
Non Current Liabilities			
Long term loan	7	-	-
Lease liabilities	8	50,251,334	-
Deferred liabilities	9	47,637,641	35,553,393
		97,888,975	35,553,393
Current Liabilities			
Trade and other payables	10	294,889,837	305,174,689
Unclaimed dividend		3,247,016	3,247,016
Accrued mark up	11	132,939,518	133,827,820
Short term borrowings	12	586,589,859	593,508,622
Current portion of long term loan	13	67,258,461	80,977,769
Current portion of lease liabilities	8	8,260,715	-
Provision for taxation	14	54,844,202	50,160,909
		1,148,029,608	1,166,896,825
Contingencies and Commitments	15	-	-
		1,552,522,422	1,153,896,664
ASSETS			
Non Current Assets			
Property, plant and equipment	16	925,961,304	947,395,316
Right-of-use assets	17	60,618,889	-
Intangible assets	18	148,932	186,164
Long term loans	19	10,312,450	10,472,827
Long term deposits	20	51,632,222	45,822,696
		1,048,673,797	1,003,877,003
Current Assets			
Stores and spares	21	13,266,123	9,826,528
Stock in trade	22	233,870,187	17,277,547
Trade debts	23	168,180,759	37,469,134
Loans and advances	24	31,424,099	22,220,053
Trade deposits and other receivables	25	5,608,901	23,312,525
Tax refunds due from government	26	50,485,632	38,586,096
Cash and bank balances	27	1,012,924	1,327,778
		503,848,625	150,019,661
		1,552,522,422	1,153,896,664

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 LTD. CHAKWAL GROUP

YOUSAF WEAVING MILLS LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 Rupees	2021 Rupees
Sales - net	28	1,244,911,124	723,252,679
Cost of sales	29	(1,147,284,120)	(639,114,835)
Gross Profit		97,627,004	84,137,844
Distribution costs	30	(8,327,906)	(9,714,269)
Administrative expenses	31	(44,335,630)	(43,777,948)
		(52,663,536)	(53,492,217)
Operating Profit		44,963,468	30,645,627
Other operating charges	32	(4,975,273)	(2,278,543)
Finance cost	33	(4,659,829)	(2,107,674)
Other operating income	34	2,648,716	1,832,912
Profit before Taxation		37,977,082	28,092,322
Taxation	35	(15,597,808)	(10,912,787)
Profit for the Year		22,379,274	17,179,535
Earning per Share - Basic and Diluted	36	0.25	0.19

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 LTD. CHAKWAL GROUP

YOUSAF WEAVING MILLS LIMITED
STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2022

	2022	2021
	Rupees	Rupees
Profit for the Year	22,379,274	17,179,535
Other Comprehensive Income for the Year		
Items that will be reclassified subsequently to profit or loss	-	-
Items that will not be reclassified subsequently to profit or loss		
- Experience adjustment on remeasurement of staff retirement	(9,728,281)	(2,404,420)
- Revaluation surplus on property, plant and equipment	-	181,730,000
	(9,728,281)	179,325,580
Total Comprehensive Income for the Year	12,650,993	196,505,115

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 LTD. CHAKWAL GROUP

YOUSAF WEAVING MILLS LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 Rupees	2021 Rupees
CASH USED IN OPERATIONS	37	(262,526,069)	(36,263,139)
Finance cost paid		(5,548,131)	(4,139,229)
Gratuity paid	9	(10,980,100)	(10,069,921)
Income tax paid		(18,843,427)	(12,020,605)
Net cash used in operating activities		(297,897,727)	(62,492,894)
CASH FLOWS FROM INVESTING ACTIVITIES			
Property, plant and equipment purchased		(17,690,355)	-
Proceeds from disposal of property, plant and equipment		2,842,000	2,715,000
Long term loans to employees		160,377	449,010
Long term deposits		(5,809,526)	(8,059,887)
Net cash used in investing activities		(20,497,504)	(4,895,877)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term loan from directors		342,506,400	68,959,790
Repayment of long term loan		(13,719,308)	(12,199,184)
Repayment of lease liabilities		(3,787,951)	-
Short term borrowings - net		(6,918,763)	7,893,649
Net cash generated from financing activities		318,080,378	64,654,255
Net decrease in Cash and Cash Equivalents		(314,854)	(2,734,516)
Cash and cash equivalents at the beginning of the year		1,327,778	4,062,294
Cash and Cash Equivalents at the End of the Year		1,012,924	1,327,778

The annexed notes from 1 to 47 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

عالیہ خانم

CHIEF FINANCIAL OFFICER

YOUSAF WEAVING MILLS LTD. CHAKWAL GROUP

YOUSAF WEAVING MILLS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2022

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, 2020	900,000,000	(1,455,491,996)	37,640,210	203,833,327	(314,018,459)
Profit for the year	-	17,179,535	-	-	17,179,535
Other comprehensive (loss) / income	-	(2,404,420)	-	181,730,000	179,325,580
Loan from directors during the year	-	-	68,959,790	-	68,959,790
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

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 LTD. CHAKWAL GROUP

YOUSAF WEAVING MILLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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. 1,428.066 million (2021: 1,440.717 million) and Its current liabilities exceed its current assets by Rs. 644.181 million (2021: Rs. 1,016.877 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 uncertainly 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:-

- The Company is remained consistent towards achieving operating profitability for the current year which is evident from the profit after tax of Rs. 22.379 millions (2021: 17.179 million)

- The management has imported and installed new sizing machinery which will increase production capacity of sizing department, the management considers that it could be able to reduce its sizing costs.

- During the current year the directors of the Company has provided long term loan of Rs. 342.506 million, the directors / sponsors of the Company have shown their commitment to support the Company in every hour of need to stabilize the Company's operations and committed to provide their enduring support to achieve sustainable growth in future.

- To rationalize our energy cost, the Company has entered into a lease arrangement with a solar system provider who has installed a solar system of 1,850 KW at weaving unit, from which electricity will be provided at economical rate for a period of 15 years. All the investment on solar system is made by the said solar system provider who is solely responsible for production and supply of electricity. After completion of lease term the ownership of leased asset will be transferred to the Company.

- The management is making every possible effort to settle the outstanding banking liabilities.

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, 2022 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 are effective for the year ended June 30, 2022. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures;

Standard or Interpretation	Effective Date - Annual Periods Beginning on or After
IFRS 16 Leases - Rent concessions [Amendments]	April 01, 2021
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (Interest Rate Benchmark Reform - Phase 2)	January 01, 2021

2.5.2 Standards, interpretation and amendments to approved accounting standards that are not yet effective

There are certain standards, amendments and interpretations to the accounting and reporting standards which are mandatory for companies having accounting periods beginning on or after July 1, 2022 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these financial statements, except for the following:

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

Standard or Interpretation	Effective Date - Annual Periods Beginning on or After
IAS 1 Presentation of Financial Statements [Amendments]	January 1, 2023
IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors [Amendments]	January 1, 2023
IAS 12 Income Taxes [Amendments]	January 1, 2023
IAS 16 Property, Plant and Equipment [Amendments]	January 1, 2022
IAS 37 Provisions, Contingent Liabilities and Contingent Assets	January 1, 2022
Annual Improvements to IFRS Standards 2018-2020	January 1, 2022

The Company is in process to assess the impact of these amendments.

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, 2022.

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.

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

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.

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:

Note 3 - Significant Accounting Policies ... Contd.

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.

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.

Note 3 - Significant Accounting Policies ... Contd.

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.

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.

Note 3 - Significant Accounting Policies ... Contd.

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.

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.

Note 3 - Significant Accounting Policies ... Contd.

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.

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.

Note 3 - Significant Accounting Policies ... Contd.

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.

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

3.23 Earnings per share

The Company presents basic and diluted earnings per share (EPS). Basis EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any.

Note 4
Issued, Subscribed and Paid Up Capital

2022	2021		2022	2021
No. of Shares			Rupees	Rupees
90,000,000	90,000,000	Ordinary shares of Rs. 10 each fully paid in cash	900,000,000	900,000,000

4.1 The Company has not issued / cancelled any shares during the year.

Note 5
Loan from directors

	2022	2021
	Rupees	Rupees
Opening balance	106,600,000	37,640,210
Add: Loan received during the year	342,506,400	68,959,790
Closing balance	449,106,400	106,600,000

These interest free loans were obtained from the Directors / Sponsors of the Company to meet working capital requirements of the Company. These are not measured at amortized cost, rather these are treated as equity at face value in accordance with the guideline provided through TR 32 - "Accounting Directors' Loan" as issued by the Institute of Chartered Accountants of Pakistan.

Note 6
Surplus on revaluation of property, plant & equipment

Latest revaluation of freehold land has been carried out as at June 30, 2021 by M/s. S.A. Associates on the basis of their professional assessment of present market value, based on enquiries made about the cost of land of similar nature, size and location.

Note 7
Long Term Loan

	Note	2022 Rupees	2021 Rupees
Banking companies - Secured			
Demand Finance	7.1	-	-
Less: Current and overdue portion shown under current liabilities	13	-	-
		-	-

7.1 This represents outstanding term finance of Rs. 67.258 million to meet the working capital requirements of the company obtained from the Bank of Punjab. During the previous year, this loan had been rescheduled/restructured by the Bank of Punjab 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

	2022 Rupees	2021 Rupees
Opening balance	-	-
Add: Additions during the year	62,300,000	-
Add: Interest expense	143,224	-
Less: Payments made	(3,931,175)	-
Gross liability	58,512,049	-
Less: Current portion	(8,260,715)	-
Closing balance	50,251,334	-

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

	Included in	Note	2022 Rupees	2021 Rupees
Carrying amount of ROU assets	Statement of financial position	17	60,618,889	-
Depreciation charge	Cost of sales	29	1,681,111	-
Interest expense	Finance cost	33	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, 2022	9,525,745	40,337,736	112,785,132

Note 8 - Lease Liabilities ... Contd.

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 Remaining lease term of lease contracts is of 14.6 years (2021: Nil) for which lease liability is recorded.

Note 9
Deferred Liabilities

	Note	2022 Rupees	2021 Rupees
Gratuity payable	9.1	47,637,641	35,553,393

9.1 Gratuity payable

9.1.1 Net liability recognized in the statement of financial position

	2022	2021
Present value of defined benefit obligations	47,637,641	35,553,393

9.1.2 Movement in the net liability recognized in the statement of financial position

	2022	2021
Net liability as at 1st July	35,553,393	32,430,735
Expense recognized in the income statement	13,336,067	10,788,159
Benefits paid during the year	(10,980,100)	(10,069,921)
Remeasurement changes chargeable to other comprehensive income	9,728,281	2,404,420
Net liability as at 30th June	47,637,641	35,553,393

9.1.3 Movement in the present value of defined benefit obligation is as follows:

	2022	2021
Present value of defined benefit obligation as at 1st July	35,553,393	32,430,735
Current service cost	10,315,628	8,459,518
Interest cost	3,020,439	2,328,641
Benefit paid	(10,980,100)	(10,069,921)
Remeasurement of obligation	9,728,281	2,404,420
Present value of defined benefit obligation as at 30th June	47,637,641	35,553,393

9.1.4 Amount charge to profit and loss account

	2022	2021
Current service cost	10,315,628	8,459,518
Interest cost	3,020,439	2,328,641
	13,336,067	10,788,159

9.1.5 Allocation of charge for the year

	Note	2022	2021
Cost of sales	29	10,197,616	7,695,100
Administrative expenses	31	3,138,451	3,093,059
		13,336,067	10,788,159

9.1.6 Amount recognized in other comprehensive income are:

	2022	2021
Actuarial loss due to experience adjustments	9,728,281	2,404,420

9.1.7 Estimated charge for the next year - 2022 to 2023

Current service cost	12,850,694
Interest on defined benefit liability	6,311,987
	19,162,681

Note 9 - Deferred Liabilities ... Contd.

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, 2022 using Projected Unit Credit method by an approved actuary.

	2022	2021
Discount rate	13.25%	10.00%
Expected rate of salary increase	12.25%	9.00%
Retirement age	60 Years	60 Years

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	43,992,022	51,584,105
Salary increase	+ - by 100 bps	51,585,373	43,992,562

9.2 Deferred tax liability - Net

9.2.1 Deferred tax asset amounting to Rs. 102.939 million arising due to brought forward losses amounting to Rs. 354.961 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	2022 Rupees	2021 Rupees
Creditors - Unsecured	10.1	94,864,286	127,633,379
Contract liabilities		5,629,663	5,746,379
Accrued liabilities	10.3	181,519,019	159,705,262
Withholding tax payable		2,920,197	3,783,899
Sales tax payable		-	1,299,763
Workers' (profit) participation fund		3,586,161	1,478,543
Workers welfare fund		843,047	-
Other liabilities		5,527,464	5,527,464
		294,889,837	305,174,689

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

	2022 Rupees	2021 Rupees
Chakwal Spinning Mills Limited	6,345,719	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	2022 Rupees	2021 Rupees
Long term loan		17,493,718	18,382,020
Short term borrowings	11.1	115,445,800	115,445,800
		132,939,518	133,827,820

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	2022 Rupees	2021 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	194,385,473	196,319,772
Others			
- Unpresented cheques	12.3	-	4,984,464
		586,589,859	593,508,622

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.

12.3 This represents cheques issued but not presented on the statement of financial position date. These cheques will be honored subsequent to the statement of financial position date.

Note 13
Current and Overdue Portion of Non Current Liabilities

	Note	2022 Rupees	2021 Rupees
Long term loans	7	67,258,461	80,977,769

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

	2022 Rupees	2021 Rupees
Opening balance	50,160,909	45,551,741
Add: Charge for the current year	15,597,808	10,912,787
	65,758,717	56,464,528
Less: Payment / adjustments against advance tax	(10,914,515)	(6,303,619)
	54,844,202	50,160,909

Note 14 - Provision for Taxation ... Contd.

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:

	2019	2020	2021
	Rupees	Rupees	Rupees
Provision for Taxation	16,569,959	6,303,619	10,914,515
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 Revenge - 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.

Commitments

There are no commitments as at reporting date.

Note 16
Property, Plant and Equipment

	Note	2022 Rupees	2021 Rupees
Operating fixed assets	16.1	925,961,304	947,395,316

16.1 Operating fixed assets

Description	Land Freehold	Factory & Colony Building on Freehold Land	Plant & Machinery	Tools & Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
	2022							
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Cost								
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
16.1.2 Depreciation rates	-	5%	7%	10%	20%	10%	20%	

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

16.2 Operating fixed assets

Description	Land Freehold	Factory & Colony Building on Freehold Land	Plant & Machinery	Tools & Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
	2021							
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
16.2.1 Owned assets								
Cost								
Balance as at July 01, 2020	215,570,000	181,663,215	1,413,565,988	5,345,946	17,527,946	6,831,464	10,465,954	1,850,970,513
Additions	-	-	-	-	-	-	-	-
Revaluation adjustment	181,730,000	-	-	-	-	-	-	181,730,000
Deletions	-	-	-	-	-	-	(4,799,780)	(4,799,780)
Balance as at June 30, 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
Accumulated Depreciation								
Balance as at July 01, 2020	-	144,451,589	863,857,978	4,611,508	16,480,241	5,293,117	8,724,238	1,043,418,671
Charge for the year	-	1,860,582	38,473,133	82,627	209,534	153,843	224,719	41,004,438
Deletions	-	-	-	-	-	-	(3,917,692)	(3,917,692)
Balance as at June 30, 2021	-	146,312,171	902,331,111	4,694,135	16,689,775	5,446,960	5,031,265	1,080,505,417
Written Down Value as at June 30, 2021	397,300,000	35,351,044	511,234,877	651,811	838,171	1,384,504	634,909	947,395,316
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	2022 Rupees	2021 Rupees
Cost of sales	29	38,519,456	40,416,342
Administrative expenses	31	411,627	588,096
		38,931,083	41,004,438

16.5 As per the valuation report of independent valuer as of June 30, 2022, the forced sales value of freehold land is Rs. 357.570 million.

16.6 Had there been no revaluation, the cost of revalued asset would has been amounting 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	2022 Rupees	2021 Rupees
Solar System			
Opening balance		-	-
Add: Additions during the year		62,300,000	-
Less: Depreciation charge for the year	29	(1,681,111)	-
Closing balance		60,618,889	-
Lease Term (Years)		15	-

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	2022 Rupees	2021 Rupees
Net carrying value			
Opening balance of net book value		186,164	232,705
Amortization	27	(37,232)	(46,541)
Net book value as at June 30		148,932	186,164
Gross carrying value			
Cost		3,630,520	3,630,520
Accumulated amortization		(3,481,588)	(3,444,356)
Net book value		148,932	186,164
Amortization rate per annum		20%	20%

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	2022 Rupees	2021 Rupees
Loans to employees - (Secured - considered good)			
- Due from executives	19.1	5,857,088	5,857,088
- Due from other employees		4,455,362	4,615,739
		10,312,450	10,472,827
Less: Current portion			
- Due from executives	24	-	-
- Due from other employees		-	-
		-	-
		10,312,450	10,472,827

19.1 Reconciliation of carrying amount of loan to executives:

	2022	2021
Opening balance	5,857,088	5,857,088
Disbursement during the year	-	-
	5,857,088	5,857,088
Recoveries during the year	-	-
Closing Balance	5,857,088	5,857,088

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. 5.857 million (2021: 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

	2022 Rupees	2021 Rupees
Security deposits against utilities	51,632,222	45,822,696

Note 21
Stores and Spares

	2022 Rupees	2021 Rupees
Stores and spares	13,266,123	9,826,528

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

Note 22
Stock in Trade

	2022 Rupees	2021 Rupees
Raw materials	167,507,744	-
Work in process	40,536,150	3,112,307
Finished goods	25,826,293	14,165,240
	233,870,187	17,277,547

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

	2022 Rupees	2021 Rupees
Local - Unsecured		
Trade debts (Considered good)	168,180,759	37,469,134

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

Note 24
Loans and Advances

	Note	2022 Rupees	2021 Rupees
Current portion of loan to employees:			
- Due from executives	19	-	-
- Due from other employees		-	-
		-	-
Advances - Considered good:			
- Suppliers and contractors	24.1	17,063,857	3,882,790
- Employees	24.2	14,360,242	14,363,785
- Letters of credit		-	3,973,478
		31,424,099	22,220,053

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

	2022	2021
	Rupees	Rupees
Security deposits	212,000	212,000
Margin against letter of credit	5,396,901	20,258,719
Margin against letter of guarantee	-	300,000
Export rebate	-	2,541,806
	5,608,901	23,312,525

Note 26
Tax Refunds Due from Government

	2022	2021
	Rupees	Rupees
Tax deducted at source and advance tax	46,515,009	38,586,096
Sales tax refundable	3,970,623	-
	50,485,632	38,586,096

Note 27
Cash and Bank Balances

	2022	2021
	Rupees	Rupees
Imprest with staff	-	32,000
Cash in hand	279,112	531,975
Cash at bank - in current accounts	733,812	763,803
	1,012,924	1,327,778

Note 28
Sales

	2022	2021
	Rupees	Rupees
Local		
- Grey cloth	770,963,130	134,755
- Processing income	691,326,278	851,784,284
	1,462,289,408	851,919,039
Sales tax	(214,464,808)	(124,284,710)
Commission	(2,913,476)	(4,381,650)
Net sales	1,244,911,124	723,252,679

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

Note 29
Cost of Sales

	Note	2022	2021
		Rupees	Rupees
Raw materials consumed	29.1	415,347,390	5,736,852
Salaries, wages and other benefits	29.2	220,992,073	202,072,159
Fuel and power		460,385,233	341,070,526
Stores, spares and chemicals consumed		44,887,901	43,911,887
Packing material		7,865,610	6,304,996
Insurance		4,101,293	1,471,347
Repairs and maintenance		2,280,264	1,083,177
Miscellaneous		271,453	73,498
Amortization	18	37,232	46,541
Depreciation	16.4 , 17	40,200,567	40,416,342
		1,196,369,016	642,187,325

Note 29 - Cost of Sales ... Contd.

Work in process:		
- Opening work in process	3,112,307	1,849,882
- Closing work in process	(40,536,150)	(3,112,307)
	(37,423,843)	(1,262,425)
Cost of goods manufactured	1,158,945,173	640,924,900
Finished goods:		
- Opening finished goods	14,165,240	12,355,175
- Closing finished goods	(25,826,293)	(14,165,240)
	(11,661,053)	(1,810,065)
	1,147,284,120	639,114,835

29.1 Raw materials consumed:

- Opening stock	-	1,146,169
- Purchases	577,377,316	4,360,379
- Purchase expenses	5,477,818	230,304
	582,855,134	5,736,852
- Closing stock	(167,507,744)	-
	415,347,390	5,736,852

29.2 This includes Rs. 10.198 million (2021: Rs. 7.695 million), approximately, in respect of employee benefits - gratuity scheme.

Note 30
Distribution Costs

	2022 Rupees	2021 Rupees
Salaries, wages and other benefits	7,878,000	6,510,096
Commission, claims and promotion	284,056	3,204,173
	8,327,906	9,714,269

Note 31
Administrative Expenses

	Note	2022 Rupees	2021 Rupees
Salaries, wages and other benefits	31.1	32,294,058	27,903,306
Traveling and conveyance		200,833	109,480
Rent, rates and taxes		1,207,620	1,368,533
Printing and stationery		268,700	124,111
Communications		1,480,589	1,232,436
Entertainment		668,905	510,411
Electricity and gas		3,881,142	4,500,022
Vehicles' running and maintenance		2,131,377	1,674,060
Legal and professional charges		205,915	4,236,405
Fees and subscriptions		590,769	522,311
Repairs and maintenance		483,720	331,084
Insurance		208,865	446,470
Advertisement		165,000	40,000
Miscellaneous		136,510	191,223
Depreciation	16.4	411,627	588,096
		44,335,630	43,777,948

31.1 This includes Rs. 3.138 million (2021: Rs. 3.093 million), approximately, in respect of employee benefits - gratuity scheme.

Note 32
Other Operating Charges

	Note	2022 Rupees	2021 Rupees
Auditors' remuneration	32.1	800,000	800,000
Workers' (profit) participation fund		2,107,618	1,478,543
Workers welfare fund		843,047	-
Exchange loss		1,224,608	-
		4,975,273	2,278,543

32.1 Auditors' remuneration

	2022 Rupees	2021 Rupees
Audit fee	550,000	550,000
Certification and reviews	250,000	250,000
	800,000	800,000

Note 33
Finance Cost

	2022 Rupees	2021 Rupees
Mark up on:		
- Long term loan	4,429,634	2,004,772
- Lease liability	143,224	-
Bank charges and commissions	86,971	102,902
	4,659,829	2,107,674

Note 34
Other Operating Income

	2022 Rupees	2021 Rupees
Gain on disposal of property, plant and equipment	2,648,716	1,832,912

Note 35
Taxation

	2022 Rupees	2021 Rupees
For the year		
- Current	15,597,808	10,912,787
- Deferred	-	-
	15,597,808	10,912,787

35.1 The relationship between income tax expense and accounting profit has not been presented in these financial statements as the provision for taxation for the current year is based on minimum tax @ 1.25% under the Income Tax Ordinance, 2001.

Note 36
Earning per Share

	2022 Rupees	2021 Rupees
	Number of shares	
Weighted average number of ordinary shares outstanding during the year	90,000,000	90,000,000
Profit after taxation	22,379,274	17,179,535
Profit per share - basic (Rupees per share)	0.25	0.19

36.1 There is no dilution effect on the basic earnings per share of the Company as the Company has no such commitment that would result in dilution of earnings of the Company.

Note 37
Cash Generated from Operations

	2022 Rupees	2021 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	37,977,082	28,092,322
Adjustments for:		
- Depreciation	40,612,194	41,004,438
- Amortization of intangible asset	37,232	46,541
- Provision for gratuity	13,336,067	10,788,159
- Gain on disposal of property, plant and equipment	(2,648,716)	(1,832,912)
- Workers' (profit) participation fund	2,107,618	1,478,543
- Workers welfare fund	843,047	-
- Exchange loss	2,648,716	-
- Finance cost	4,659,829	2,107,674
	61,595,987	53,592,443
Operating profit before working capital changes	99,573,069	81,684,765
(Increase) / decrease in current assets		
- Stores and spares	(3,439,595)	1,030,291
- Stock in trade	(216,592,640)	(1,926,321)
- Short term investment	-	-
- Trade debts	(130,711,625)	(19,208,136)
- Loans and advances	(9,204,046)	(2,985,397)
- Trade deposits and other receivables	17,703,624	(15,161,818)
- Tax refund due from government	(5,270,386)	21,767,506
(Decrease) / increase in current liabilities		
- Trade and other payables	(14,584,470)	(101,464,029)
	(362,099,138)	(117,947,904)
Cash used in operations	(262,526,069)	(36,263,139)

Note 38
Liabilities Arising from Financing Activities

	As at Jul 01, 2021	Non-Cash Changes	Cash Flows (Net)	As at June 30, 2022
	Rupees			
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

	As at Jul 01, 2020	Non-Cash Changes	Cash Flows (Net)	As at June 30, 2021
	Rupees			
Long term loan	93,176,953	-	(12,199,184)	80,977,769
Short term borrowings	392,204,386	-	-	392,204,386
Total liabilities from financing activities	485,381,339	-	(12,199,184)	473,182,155

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	
	2022	2021	2022	2021
	Rupees	Rupees	Rupees	Rupees
Managerial remuneration	7,087,500	5,000,000	11,781,000	12,619,448
House rent allowance	2,531,250	2,000,000	4,207,500	2,000,000
Utilities	506,250	500,000	841,500	500,000
Car allowance and others	1,327,890	558,880	224,748	168,802
	11,452,890	8,058,880	17,054,748	15,288,250
Number of persons	1	1	7	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:

	2022	2021
	Rs. '000'	Rs. '000'
Associates and related parties		
Long term loan obtained from directors	342,506	68,960
Short term funds (paid)/availed to/from directors - net	(1,934)	2,909
Expenses paid on behalf of Chakwal Spinning Mills Limited	-	(83)
Paid to Kohinoor Spinning Mills Limited	-	(21,816)

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, 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
For the year ended June 30, 2021			
Sales - net	723,252,679	-	723,252,679
Cost of sales	(633,961,351)	(5,153,484)	(639,114,835)
Gross Profit / (Loss)	89,291,328	(5,153,484)	84,137,844
Distribution cost	(9,714,269)	-	(9,714,269)
Administrative expenses	(43,728,492)	(49,456)	(43,777,948)
	(53,442,761)	(49,456)	(53,492,217)
Operating Profit / (Loss)	35,848,567	(5,202,940)	30,645,627
Other operating charges	(2,278,543)	-	(2,278,543)
Finance cost	(2,107,674)	-	(2,107,674)
Other operating income	1,832,912	-	1,832,912
Profit / (Loss) before Taxation	33,295,262	(5,202,940)	28,092,322
Taxation			(10,912,787)
Profit after taxation			17,179,535

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 (2021 : 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 10.22% (2021: 11.76%) of total sales for the year.

One product of the spinning segment comprises 0% (2021: 0%) of total sales for the year.

- ***Information about major customers***

One customer of the weaving segment accounts for 22.19% (2021: 15.96%) of total sales for the year.

One customer of the spinning segment accounts for 0% (2021: 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. (2021: 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, 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			1,552,522,422
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			1,245,918,583
As at June 30, 2021			
Segment assets for reportable segments	982,788,856	124,895,992	1,107,684,848
Unallocated assets			46,211,816
Total assets as per balance sheet			1,153,896,664
Segment liabilities for reportable segments	829,256,150	232,013,624	1,061,269,774
Unallocated liabilities			141,180,444
Total liabilities as per balance sheet			1,202,450,218

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
For the year ended 30 June 2022			
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

	Weaving Segment	Spinning Segment	Total
	Rupees	Rupees	Rupees
For the year ended 30 June 2021			
Capital expenditure	-	-	-
Depreciation and amortization	35,848,039	5,202,940	41,050,979
Non-cash items other than depreciation and amortization - net	12,895,833	-	12,895,833

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:

	2022	2021
	Rupees	Rupees
Floating rate instruments		
Financial liabilities		
Long term loan	67,258,461	80,977,769
Lease liabilities	58,512,049	-
Short term borrowings	586,589,859	593,508,622
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. 7.123 million (2021: Rs. 6.745 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:

	2022	2021
	Rupees	Rupees
Long term loans	10,312,450	10,472,827
Long term deposits	51,632,222	45,822,696
Trade debts	168,180,759	37,469,134
Short term loans to employees	14,360,242	14,363,785
Trade deposits and other receivables	212,000	2,753,806
Bank balances	733,812	763,803

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

	2022	2021
	Rupees	Rupees
1 - 30 days	151,529,157	31,975,034
31 - 60 days	10,082,736	1,543,077
61 - 120 days	186,325	368,819
120 days and above	6,382,541	3,582,204
	168,180,759	37,469,134

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 (2021: Rs. 906.568 million) worth short term borrowing limits available from financial institutions and Rs. 1.012 million (2021: Rs. 1.328 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, 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	-	-	-	-
	1,127,312,855	586,589,859	644,859,560	441,433,692	54,709,736	148,716,132

Contractual maturities of financial liabilities as at June 30, 2021:

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	80,977,769	-	80,977,769	16,302,769	14,372,000	50,303,000
Trade and other payables	293,085,020	-	293,085,020	293,085,020	-	-
Accrued mark up	133,827,820	-	133,827,820	133,827,820	-	-
Short term borrowings	593,508,622	593,508,622	-	-	-	-
	1,101,399,231	593,508,622	507,890,609	443,215,609	14,372,000	50,303,000

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, 2022 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

	2022	2021
	Rupees	Rupees
Long term loans	10,312,450	10,472,827
Long term deposits	51,632,222	45,822,696
Trade debts	168,180,759	37,469,134
Short term loans to employees	14,360,242	14,363,785
Trade deposits and other receivables	212,000	2,753,806
Cash and Bank Balance	1,012,924	1,327,778
	245,710,597	112,210,026

Financial liabilities at amortized cost

	2022	2021
	Rupees	Rupees
Long term loan	67,258,461	80,977,769
Lease liabilities	58,512,049	-
Trade and other payables	282,012,968	293,085,020
Accrued mark up	132,939,518	133,827,820
Short term borrowings	586,589,859	593,508,622
	1,127,312,855	1,101,399,231

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:

	2022 Rupees	2021 Rupees
Total borrowings	653,848,320	674,486,391
Cash and bank balances	(1,012,924)	(1,327,778)
Net Debt	652,835,396	673,158,613
Equity	306,603,839	(48,553,554)
Total capital employed	959,439,235	624,605,059
Gearing Ratio	68%	108%

Note 44
Plant Capacity and Production

	2022	2021
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)	35,958,548	36,416,399
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

	Note	2022	2021
Average number of employees during the year		613	514
Number of Employees as at June 30,	45.1	628	598

45.1 This includes factory employees as at June 30,	618	586

Note 46
Authorization of Financial Statements

These financial statements were authorized for issue on September 30, 2022 by the Board of Directors of the Company.

Note 47
General

Comparative figures are re-arranged / reclassified, wherever necessary, to facilitate comparison. Following re-arrangements / reclassifications have been made in these financial statements for better presentation:

Nature	From	To	Amount (Rupees)
Accrued Mark up	Long term loan (Note 11)	Short term borrowings (Note 11)	583,498

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

YOUSAF WEAVING MILLS LTD. CHAKWAL GROUP

YOUSAF WEAVING MILLS LIMITED

KEY FINANCIAL DATA OF LAST FIVE YEARS

Rupees in '000

	2021	2020	2019	2018	2017
Sales	723,253	415,495	1,325,506	1,947,147	1,482,551
Gross Profit / (Loss)	84,138	(31,506)	8,262	(55,528)	(1,918)
Profit / (Loss) Before Taxation	28,092	(69,177)	(63,939)	(165,449)	(105,990)
Tax	(10,913)	(6,304)	(10,352)	469	(16,555)
Profit / (Loss) After Taxation	17,180	(75,481)	(74,291)	(164,980)	(122,545)
Total Assets	1,153,897	985,723	1,056,393	982,798	836,373
Current Liabilities	(1,166,897)	(1,267,310)	(1,306,686)	(1,078,798)	(927,806)
	(13,000)	(281,588)	(250,293)	(96,000)	(91,433)

	2021	2020	2019	2018	2017
Issued, subscribed and paid up share capital	900,000	900,000	900,000	900,000	900,000
Long term loan from directors	106,600	37,640	-	-	-
Accumulated loss	(1,440,717)	(1,455,492)	(1,375,617)	(1,301,537)	(1,134,022)
Surplus on revaluation of land	385,563	203,833	203,833	203,833	-
Equity	(48,554)	(314,018)	(271,784)	(197,704)	(234,022)
Long term loan	-	-	-	66,695	82,278
Deferred Liability	35,553	32,431	21,491	35,009	60,311
	(13,000)	(281,588)	(250,293)	(96,000)	(91,433)

YOUSAF WEAVING MILLS LIMITED

Categories of Shareholding required under Code of Coprorate Governance (CCG)

As on June 30, 2022

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	11,692,200	12.9913
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
Executives:		-	-
Public Sector Companies & Corporations:		-	-
Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:		278,283	0.3092

Shareholders holding five percent or more voting intrest in the listed company (Name Wise Detail)

S. No.	NAME	Holding	%Age
1	MST. ANDLEEB KAUSAR (CDC)	21,222,500	23.5806
2	KHAWAJA MOHAMMAD NADEEM	11,692,200	12.9913
3	MR. MUHAMMAD NAVEED	8,470,820	9.4120

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	MR. MUHAMAMD AMJAD	-	500
2	MR. SHUQRAN AHMAD KHAN	-	500
3	MR. WASIM BAIG	-	500
4	MR. ABBAS ALI	-	500

YOUSAF WEAVING MILLS LIMITED

Categories of Share Holders

As on 30th June, 2022

S. No.	NAME	HOLDING	% AGE
DIRECTORS, CEO THEIR SPOUSES & MINOR CHILDREN			
1	KHAWAJA MOHAMMAD NADEEM	11,500,000	12.7778
	KHAWAJA MOHAMMAD NADEEM (CDC)	190,000	0.2111
	KHAWAJA MOHAMMAD NADEEM (CDC)	2,200	0.0024
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
		11,695,700	12.9952
ASSOCIATED COMPANIES		-	0.0000
NIT & ICP			
1	INVESTMENT CORP. OF PAKISTAN	1,100	0.0012
		1,100	0.0012
BANKS, DEVELOPMENT FINANCE INSTITUTIONS, NON BANKING FINANCE INSTITUTIONS			
1	NATIONAL BANK OF PAKISTAN	2,100	0.0023
2	PAKISTAN INDUSTIAL 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
MODARABA & MUTUAL FUNDS			
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
LEASING COMPANIES			
1	NATIONAL DEVELOPMENT LEASING CORPORATION LIMITED	6,100	0.0068
INSURANCE COMPANIES			
1	STATE LIFE INSURANCE CORPORATION OF PAKISTAN (CDC)	153,047	0.1701
		153,047	0.1701
PENSION FUNDS			
1	TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEES PENSION FUND (CDC)	108,669	0.1207
		108,669	0.1207
FOREIGN COMPANIES			
1	THE PAKISTAN FUND	6,700	0.0074
		6,700	0.0074
JOINT STOCK COMPANIES			
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)	293,487	0.3261
7	Z. A. GHAFFAR SECURITIES (PRIVATE) LIMITED (CDC)	3,000	0.0033

8	ALTAF ADAM SECURITIES (PVT) LTD. (CDC)	2,000	0.0022
9	ASDA SECURITIES (PVT.) LTD. (CDC)	410,000	0.4556
10	AXIS GLOBAL LIMITED - MF (CDC)	3,500	0.0039
11	BACKERS & PARTNERS (PRIVATE) LIMITED - MF (CDC)	126,000	0.1400
12	BAWA SECURITIES (PVT) LTD. - MF (CDC)	610,000	0.6778
13	GROWTH SECURITIES (PVT) LTD (CDC)	500	0.0006
14	H. M. IDREES H. ADAM (PRIVATE) (PRIVATE) LIMITED (CDC)	500	0.0006
15	INTERACTIVE SECURITIES (PVT) LIMITED (CDC)	500	0.0006
16	INTERMARKET SECURITIES LIMITED - MF (CDC)	100,000	0.1111
17	KTRADE SECURITIES LIMITED (CDC)	1	0.0000
18	MAM SECURITIES (PRIVATE) LIMITED (CDC)	400	0.0004
19	MOHAMMAD MUNIR MOHAMMAD AHMED KHANANI SECURITIES LTD. - MF (CDC)	15,000	0.0167
20	MRA SECURITIES LIMITED (CDC)	118,000	0.1311
21	MRA SECURITIES LIMITED - MF (CDC)	445,000	0.4944
22	MULTILINE SECURITIES (PVT) LIMITED - MF (CDC)	250,000	0.2778
23	N. U. A. SECURITIES (PRIVATE) LIMITED (CDC)	750,000	0.8333
24	N.U.A. SECURITIES (PRIVATE) LIMITED (CDC)	500,000	0.5556
25	NAEEM'S SECURITIES (PVT) LTD. (CDC)	2,000	0.0022
26	NCC - PRE SETTLEMENT DELIVERY ACCOUNT (CDC)	57,500	0.0639
27	NINI SECURITIES (PRIVATE) LIMITED (CDC)	51,000	0.0567
28	ORIENTAL SECURITIES (PRIVATE) LIMITED - MF (CDC)	20,000	0.0222
29	SAAO CAPITAL (PVT) LIMITED (CDC)	20,000	0.0222
30	SAAO CAPITAL (PVT) LIMITED (CDC)	30,000	0.0333
31	SEVEN STAR SECURITIES (PVT.) LTD (CDC)	500	0.0006
32	TPS PAKISTAN (PRIVATE) LIMITED (CDC)	80,000	0.0889
33	ZAFAR MOTI CAPITAL SECURITIES (PVT) LTD. (CDC)	1,500	0.0017
		3,939,788	4.3775

OTHERS

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

SHARES HELD BY THE GENERAL PUBLIC (LOCAL)	74,064,116	82.2935
SHARES HELD BY THE GENERAL PUBLIC (FOREIGN)	-	0.0000
	74,064,116	82.2935
	90,000,000	100.0000

SHAREHOLDERS HOLDING 10% OR MORE OF TOTAL CAPITAL

S. No.	NAME	Holding	%Age
1	MST. ANDLEEB KAUSAR (CDC)	21,222,500	23.5806
2	KHAWAJA MOHAMMAD NADEEM	11,692,200	12.9913
		32,914,700	36.5719

SHAREHOLDERS HOLDING 5% OR MORE OF TOTAL CAPITAL

S. No.	NAME	Holding	%Age
1	MST. ANDLEEB KAUSAR (CDC)	21,222,500	23.5806
2	KHAWAJA MOHAMMAD NADEEM	11,692,200	12.9913
3	MR. MUHAMMAD NAVEED	8,470,820	9.4120
		41,385,520	45.9839

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	MR. MUHAMAMD AMJAD	-	500
2	MR. SHUQRAN AHMAD KHAN	-	500
3	MR. WASIM BAIG	-	500
4	MR. ABBAS ALI	-	500

FORM 34

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: 30-06-2022

2.2 No. of Shareholders	------Shareholdings------ From	To	Total Shares Held
168	1	100	4,766
377	101	500	175,941
370	501	1,000	366,424
892	1,001	5,000	2,722,335
353	5,001	10,000	2,925,023
128	10,001	15,000	1,685,600
129	15,001	20,000	2,433,303
69	20,001	25,000	1,625,984
50	25,001	30,000	1,445,125
32	30,001	35,000	1,054,000
38	35,001	40,000	1,486,375
14	40,001	45,000	602,500
29	45,001	50,000	1,431,000
16	50,001	55,000	848,501
9	55,001	60,000	519,500
6	60,001	65,000	372,500
10	65,001	70,000	682,500
14	70,001	75,000	1,029,000
9	75,001	80,000	703,750
3	80,001	85,000	248,500
4	85,001	90,000	354,500
6	90,001	95,000	551,100
22	95,001	100,000	2,197,500
6	100,001	105,000	609,500
3	105,001	110,000	324,669
3	110,001	115,000	337,000
1	115,001	120,000	118,000
3	120,001	125,000	373,000
3	125,001	130,000	381,500
2	130,001	135,000	267,000
2	135,001	140,000	273,500
7	145,001	150,000	1,050,000
1	150,001	155,000	153,047
1	155,001	160,000	157,000
1	160,001	165,000	161,000
1	170,001	175,000	175,000
1	175,001	180,000	176,500
1	185,001	190,000	190,000
1	190,001	195,000	192,500
6	195,001	200,000	1,196,000
2	205,001	210,000	418,500
1	210,001	215,000	215,000
1	215,001	220,000	218,000
1	235,001	240,000	236,000
2	245,001	250,000	500,000
2	250,001	255,000	502,000
1	265,001	270,000	270,000

1	290,001	295,000	293,487
2	295,001	300,000	600,000
1	300,001	305,000	300,500
1	305,001	310,000	306,000
1	310,001	315,000	313,000
1	330,001	335,000	333,000
1	355,001	360,000	360,000
1	365,001	370,000	370,000
1	405,001	410,000	410,000
1	440,001	445,000	445,000
1	495,001	500,000	500,000
1	515,001	520,000	516,500
1	605,001	610,000	610,000
1	695,001	700,000	700,000
1	745,001	750,000	750,000
1	750,001	755,000	753,375
1	1,155,001	1,160,000	1,156,875
1	2,525,001	2,530,000	2,528,500
1	3,595,001	3,600,000	3,600,000
1	8,470,001	8,475,000	8,470,820
1	11,495,001	11,500,000	11,500,000
1	21,220,001	21,225,000	21,222,500
2,824			90,000,000

2.3 Categories of Shareholders	Shares Held	Percentage
2.3.1 Directors, Chief Executive Officer, and their spouse and minor children	11,695,700	12.9952
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	32,914,700	36.5719
2.3.8 General Public		
a. Local	74,064,116	82.2935
b. Foreign	-	-
2.3.9 Others (to be specified)		
1- Joint Stock Companies	3,939,788	4.3775
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

Form of Proxy - 35th 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 35th Annual General Meeting of the Company to be held on Thursday, 27th October, 2022 at 11:00 a.m at the registered office 7/1 E-III, Main Boulevard, Gulberg III, Lahore.

Signed this____________________day of ____________2022.

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 ________________

AFFIX
REVENUE
STAMP of Five rupees

Signature________________

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