YOUSAF WEAVING MILLS LIMITED

Half Yearly Report
Un-Audited
For The Period Ended
December 31, 2019

YOUSAF WEAVING MILLS LIMITED

COMPANY INFORMATION

BOARD OF DIRECTORS

Mst. Alia Khanum	(Chairman)
Khawaja Mohammad Nadeem	(Chief Executive)
Khawaja Shahzad Younus	(Director)
Mst. Nargis Sultana	(Director)
Mr. Khalid Mehmood	(Director)
Mr. Waseem Baig	(Director)
Sheikh Maqbool Ahmed	(Independent Director)
Mr. Mohammad Tariq Sufi	(Independent Director)

AUDIT COMMITTEE

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

HR & REMUNERATION COMMITTEE

Mr. Mohammad Tariq Sufi	(Chairman)
Mr. Waseem Baig	(Member)
Mr. Khalid Mehmood	(Member)

COMPANY SECRETARY

Mr. Nadeem Anwar (ACA)

CHIEF FINANCIAL OFFICER

Mr. Tauseef Ahmad

BANKERS

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

AUDITORS

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

CORPORATE & REGISTERED OFFICE

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

SHARE REGISTRARS

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

Weaving unit

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

Spinning unit

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

building
better
together.

Aslam Malik & Co.
Chartered Accountants

Phone : +92-42-35858693-35858694
: +92-42-35856819
Fax : +92-42-35856019
e-mail : info@aslammalik.com
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Suite # 18-19 First Floor,
Central Plaza, Civic Centre,
New Garden Town, Lahore-Pakistan.

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Yousaf Weaving Mills Limited
Report on Review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Yousaf Weaving Mills Limited** as at December 31, 2019 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figures of the condensed interim statement of profit or loss and other comprehensive income for the three months period ended December 31, 2019 and 2018 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2019.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

a. Company is in litigation with the banking companies. Due to litigation short term borrowings amounting to Rs.35.75 million could not be verified because we had not received the reply of direct confirmation from the Banking Companies and the Bank facility letters provided to us were also expired. Further, the company had not worked out and provided the amount of mark-up on the said amount of borrowings

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in these financial statements. Based on available underlying records, response from the legal counsel and non-confirmation of loan balances from banking companies, we were unable to determine with reasonable accuracy the impact on these financial statements of any disagreement with Banks.

b. 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.

Qualified Conclusion

Based on our review, except as stated in basis for qualified opinion section of our report, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Material Uncertainty relating to Going Concern

Without qualifying our opinion, we draw attention to Note 1.2 in the interim financial statement which indicates that the company incurred net loss after tax of Rs. 40.46 million (December 31, 2018 Rs. 88.86 million) and at half year end and as of the year end, its equity is negative by Rs. 312.25 million (June 30, 2019: Rs. 271.78 million), its accumulated loss amounting to Rs. 1,416.08 million (June 30, 2019: 1,375.62 million) and its current liabilities exceeds its current assets by Rs. 1,141.23 (June 30, 2019: Rs. 1,121.95 million). These conditions along with other matters as set forth in Note 1.2 indicate the existence of a material uncertainty that may cause significant doubt about the Company's ability to continue as a going concern.

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

Aslam Malik & Co.

Date : 28 FEB 2020
Place: Lahore

Aslam Malik & Co.
Chartered Accountants

ASLAM MALIK & CO. Chartered Accountants LAHORE

YOUSAF WEAVING MILLS LIMITED
A Project of Chakwal Group

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Gulberg III, Lahore, Pakistan
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Web: www.yousafweaving.com

DIRECTORS' REPORT TO THE SHAREHOLDERS

The directors of the company are pleased to present their report together with the un-audited condensed interim financial statements for the half year ended December 31, 2019.

Due to grueling economic environment based on rapid devaluation of Pak Rupee, high inflation rate and drastic change in energy cost; the last period is proved to be tough one. Zero Rated status of textile sector has been revoked since from new financial year and standard sales tax @ 17% has been levied on textile sector along with further tax @ 3% on un-registered person, which resulted in radical curtailment of our revenue from un-registered sales. During the half year the Company incurred gross loss of Rs. 11.943 million as gross loss of Rs. 25.099 million in the comparative period; whereas net loss is amounting to Rs. 40.462 million as compared to Rs. 88.860 million in the same period.

The management continually striving to cut its production cost along with exploring new ways of generating cash flows. In this connection the management has decided to enhance the production capacity of sizing department by purchasing another sizing machine. After procurement of sizing machine, we could be able to reduce our sizing cost which is currently being paid to external parties further surplus sizing capacity could be used for commercial sizing.

On the other hand, the Company is focusing on fulfilling its energy requirement from in-house production of electricity from gas generators which is relatively cheaper than the electricity provided by the electric supply companies. Recently the government has made policy to provide energy to textile sector at subsidized rate on long term & consistent basis so that our textile products could compete in the international market. The management is hopeful that if this policy is implemented in its true sense, we would be in a position to resuscitate our exports.

Auditors' have qualified the review report due to non-verification of some portion of short term loans and non-payment of unclaimed dividends of previous periods. The amount claimed by the banks in their legal suits is reconciled with our record and we have appropriately accounted for mark-up payable on these loans. However non-verification of borrowing by bank shows that the bank failed to accomplish its duty towards 'Auditors' accordingly. Further we shall take measures as provided in the law for treatment of unclaimed dividends.

Auditors' observation regarding going concern has been disclosed in note no 1.2 of the interim financial statements for the period ended December 31, 2019.

The Board is thankful to the shareholders of the company for their continued confidence in the company and also wished to express its gratitude to all the employees of the company their hard work, loyalty and dedication.

For and on behalf of the Board

Lahore	Alia Khanum	Khawaja Mohammad Nadeem
February 28, 2020	Chairman	Chief Executive Officer

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Gulberg III, Lahore, Pakistan
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ڈائریکٹرز رپورٹ

کمپنی کے ڈائریکٹرز کی جانب سے 31 دسمبر 2019 کے اختتام شدہ ششماہی کے غیر جانچ شدہ حسابات پیش کرتے ہوئے مسرت کا اظہار کرتے ہیں۔

پاکستانی روپے کی قدر میں غیر معمولی کمی، بڑھتی ہوئی مہنگائی اور توانائی کی قیمتوں میں اضافے کی وجہ سے معاشی حالات پچھلے چھ ماہ کے دوران کافی سخت رہے جس کی وجہ سے یہ دورانیہ ہماری کمپنی کیلئے بہت مشکل ثابت ہوا، نئے مالی سال سے کپڑے کی صعنت پر بھی 17% سیلز ٹیکس عائد کر دیا گیا ہے جب کہ غیر رجسٹرڈ ڈیلرز پر 3% کا اضافی سیلز ٹیکس بھی لگا یا گیا ہے جس کی وجہ سے ہماری غیر رجسٹرڈ ڈیلرز بری طرح متاثر ہوئی ہیں۔6 ماہ کے دوران کمپنی کا مجموعی خسارہ پچھلے سال کے 25.099 ملین روپے کے مقابلے میں 11.943 ملین روپے رہا، جب کہ خالص خسارہ 40.462 ملین روپے رہا جو کہ پچھلے سال 88.860 ملین روپے تھا۔

انتظامیہ نا صرف اپنے پیداواری اخراجات کو کم کر رہی ہے بلکہ روپے کے نقد بہاو کی فراہمی کیلئے نئے راستے بھی تلاش کر رہی ہے اس لیے انتظامیہ نے ایک اور سائزنگ مشین خرید نے کا فیصلہ کیا ہے جس کے بعد

ہم نا صرف اپنے موجودہ سائزنگ کے اخراجات کو کم کر سکیں گے بلکہ اضافی صلاحیت کمرشل سائزنگ کیلئے بھی استعمال کر سکیں گے دوسری طرف کمپنی اپنی توانائی کی ضروریات کو پورا کرنے کیلئے بجلی فراہم کنندگان پر انحصار کرنے کی بجائے خود بجلی پیدا کرنے پر اپنی توجہ مرکوز کر رہی ہے کیونکہ یہ نسبتاً ارضاں ہے۔ حال ہی میں حکومت نے ٹیکسٹائل کی صعنت کو سستے نرخوں پر بجلی فراہم کرنے کی پالیسی واضع کی ہے

تاکہ ہماری مصنوعات عالمی منڈی میں اپنی جگہ بنا سکیں۔

انتظامیہ پر امید ہے کہ اگر اس پالیسی کو اس کی اصل روح کے مطابق نافذ کیا گیا تو ہم اس قابل ہو سکیں گے کہ اپنی برآمدات کو بحال کر لیں۔

ایڈیٹرز نے اپنی جائزہ رپورٹ میں اعتراض اٹھایا ہے کہ ہم قلیل المدتی قرضے کے کچھ حصہ کی تصدیق نہیں کر سکے اور اس کے ساتھ ساتھ کمپنی نے پچھلے سالوں کا غیر دعوایدار منافع بھی حصص کنندگان کو نہیں دیا

کمپنی کی طرف سے ہم یہ واضع کرنا چاہتے ہیں کہ بینکوں کی جانب سے کیے گے مقدمات میں جو کہ رقم واجب الادا ہے وہ ہمارے حسابات کے عین مطابق ہے اور ہم نے اس پر واجب الادا سود بھی اپنے حسابات میں درج کیا ہے، تاہم بینک اپنی ذمہ داری کو پورا کرنے میں ناکام رہا ہے کیونکہ بینک نے ایڈیٹرز کو واجب الادا رقم کی پوری طرح سے تصدیق نہیں کی۔ علاوہ ازیں ہم غیر دعوہ شدہ منافع کے بارے میں قانون کے مطابق اقدامات کریں گے۔

کمپنی کا کاروبار جاری رہنے سے متعلق آڈٹ مشاہدوں کا مالی حسابات کے نوٹ نمبر 1.2 میں انکشاف کیا گیا ہے

کمپنی کے ملازمین مسلسل وفاداری، لگن اور ہر سطح پر اچھے تعلقات تعریف کے مستحق ہیں۔ اس کے علاوہ ڈائریکٹرز تمام حصص کنندگان کا مسلسل حمایت کی وجہ سے شکریہ ادا کرتے ہیں

بورڈ آف ڈائریکٹرز کی طرف سے

عالیہ خانم	خواجہ محمد ندیم	لاہور
چیئرمین	چیف ایگزیکٹیو آفیسر	تاریخ: 28 فروری 2020

YOUSAF WEAVING MILLS LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2019

	Note	December 31, 2019 (Un-audited) Rupees	June 30, 2019 (Audited) Rupees
CAPITAL AND LIABILITIES			
Share Capital and Reserves			
Authorized share capital			
90,000,000 (2019: 90,000,000) ordinary shares of Rs. 10 each		900,000,000	900,000,000
Issued, subscribed and paid up share capital		900,000,000	900,000,000
Accumulated loss		(1,416,079,439)	(1,375,617,141)
Surplus on revaluation of property, plant and equipment		203,833,327	203,833,327
		(312,246,112)	(271,783,814)
Non Current Liabilities			
Deferred liability		22,871,561	21,491,451
Current Liabilities			
Trade and other payables		397,144,366	433,842,930
Unclaimed dividend		3,247,016	3,247,016
Accrued mark up		135,933,540	135,933,540
Short term borrowings		584,635,072	584,072,509
Current portion of non current liabilities		93,176,953	93,771,269
Provision for taxation		43,448,461	55,818,081
		1,257,585,408	1,306,685,345
Contingencies and Commitments	5	-	-
		968,210,857	1,056,392,982

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

YOUSAF WEAVING MILLS LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2019

	Note	December 31, 2019 (Un-audited) Rupees	June 30, 2019 (Audited) Rupees
ASSETS			
Non Current Assets			
Property, plant and equipment	6	805,642,735	825,389,867
Intangible assets		261,792	290,881
Long term loans		8,186,877	8,212,377
Long term deposits		37,762,809	37,762,809
		851,854,213	871,655,934
Current Assets			
Stores and spares		10,189,722	15,292,701
Stock in trade		26,423,083	35,996,754
Short term investment		-	7,500,000
Trade debts		18,106,276	52,697,603
Loans and advances		10,516,140	10,811,885
Trade deposits and other receivables		8,150,707	8,618,182
Tax refunds due from government		38,611,186	51,473,139
Cash and bank balances		4,359,530	2,346,784
		116,356,644	184,737,048
		968,210,857	1,056,392,982

The annexed notes form an integral part of these condensed interim financial information (Unaudited).

CHIEF EXECUTIVE OFFICER   DIRECTOR   CHIEF FINANCIAL OFFICER

YOUSAF WEAVING MILLS LIMITED

STATEMENT OF PROFIT OR LOSS

FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2019

	Half Year Ended		Quarter Ended	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
	Un-audited Rupees	Un-audited Rupees	Un-audited Rupees	Un-audited Rupees
Sales - net	276,133,877	764,246,211	102,063,216	429,751,695
Cost of sales	(288,077,408)	(789,345,055)	(115,193,716)	(431,246,152)
Gross loss	(11,943,531)	(25,098,844)	(13,130,500)	(1,494,457)
Distribution cost	(2,329,480)	(3,611,796)	(1,196,960)	(2,787,263)
Administrative expenses	(22,120,657)	(22,259,719)	(13,550,935)	(11,250,412)
	(24,450,137)	(25,871,515)	(14,747,895)	(14,037,675)
Operating loss	(36,393,668)	(50,970,359)	(27,878,395)	(15,532,132)
Finance cost	(80,754)	(27,513,215)	(48,135)	(11,755,380)
Other operating income	212,463	-	212,463	-
Loss before taxation	(36,261,959)	(78,483,574)	(27,714,067)	(27,287,512)
Taxation	(4,200,339)	(10,376,478)	(1,557,212)	(6,468,924)
Loss for the period	(40,462,298)	(88,860,052)	(29,271,279)	(33,756,436)
Loss per share - basic & diluted	(0.45)	(0.99)	(0.33)	(0.38)

The annexed notes form an integral part of these condensed interim financial information (Unaudited).

CHIEF EXECUTIVE OFFICER   DIRECTOR   CHIEF FINANCIAL OFFICER

YOUSAF WEAVING MILLS LIMITED

STATEMENT OF OTHER COMPREHENSIVE INCOME

FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2019

	Half Year Ended		Quarter Ended	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
	Un-audited Rupees	Un-audited Rupees	Un-audited Rupees	Un-audited Rupees
Loss for the period	(40,462,298)	(88,860,052)	(29,271,279)	(33,756,436)
Other comprehensive income for the period	-	-	-	-
Total comprehensive loss for the period	(40,462,298)	(88,860,052)	(29,271,279)	(33,756,436)

The annexed notes form an integral part of these condensed interim financial information (Unaudited).

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

YOUSAF WEAVING MILLS LIMITED

STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED DECEMBER 31, 2019

	Half Year Ended	
	December 31, 2019	December 31, 2018
	Un-audited	Un-audited
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(36,261,959)	(78,483,574)
Adjustments for:		
· Depreciation	21,279,587	20,555,982
· Amortization of intangible assets	29,088	36,360
· Provision for gratuity	3,046,600	5,423,307
· Gain on sale of property, plant and equipment	(212,456)	-
· Finance cost	80,754	27,513,215
Operating loss before working capital changes	(12,038,386)	(24,954,710)
(Increase) / Decrease in current assets:		
· Stores and spares	5,102,979	(180,546)
· Stock in trade	9,573,671	(12,209,618)
· Trade debts	34,591,327	17,618,240
· Loan and advances	287,245	(9,354,273)
· Trade deposits and other receivables	(7,248,167)	(6,258,763)
· Sales tax refundable	(1,220,210)	7,180,249
Increase / (Decrease) in current liabilities:		
· Trade and other payables	(29,450,397)	91,268,601
	11,636,448	88,063,890
CASH (USED IN) / GENERATED FROM OPERATIONS	(401,938)	63,109,180
Finance cost paid	(80,754)	(608,275)
Gratuity paid	(1,666,490)	(6,110,990)
Income tax paid	(2,487,793)	(1,206,962)
Net cash (used in) / generated from operating activities	(4,636,975)	55,182,953
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment purchased	(1,730,000)	(24,744,199)
Proceeds from disposal of property, plant and equipment	410,000	-
Short term investment	7,500,000	-
Long term loans to employees	34,000	(537,668)
Long term deposits	467,475	(30,616,460)
Net cash generated / (used in) investing activities	6,681,475	(55,898,327)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term loan repaid	-	(4,275,000)
Repayment of liabilities against assets subject to finance lease	(594,316)	(643,800)
Short term borrowings - net	562,563	7,315,617
Net cash (used in) / generated from financing activities	(31,753)	2,396,817
Net increase in cash and cash equivalents	2,012,746	1,681,443
Cash and cash equivalents at the beginning of the period	2,346,784	2,461,509
Cash and cash equivalents at the end of the period	4,359,530	4,142,952

The annexed notes form an integral part of these condensed interim financial information (Unaudited).

CHIEF EXECUTIVE OFFICER DIRECTOR CHIEF FINANCIAL OFFICER

YOUSAF WEAVING MILLS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED DECEMBER 31, 2019

Particulars	Issued, Subscribed and Paid up Share Capital	Accumulated Loss	Revaluation Surplus	Total
	Rupees	Rupees	Rupees	Rupees
Balance as at July 1, 2018	900,000,000	(1,301,536,986)	203,833,327	(197,703,659)
Net loss for the period	-	(88,860,052)	-	(88,860,052)
Balance as at December 31, 2018	900,000,000	(1,390,397,038)	203,833,327	(286,563,711)
Balance as at July 1, 2019	900,000,000	(1,375,617,141)	203,833,327	(271,783,814)
Net loss for the period	-	(40,462,298)	-	(40,462,298)
Balance as at December 31, 2019	900,000,000	(1,416,079,439)	203,833,327	(312,246,112)

The annexed notes form an integral part of these condensed interim financial information (Unaudited).

CHIEF EXECUTIVE OFFICER DIRECTOR CHIEF FINANCIAL OFFICER

YOUSAF WEAVING MILLS LIMITED

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE HALF YEAR ENDED DECEMBER 31, 2019

Note 1
The Company and its Operations

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

1.2 During the half year ended December 31, 2019; Company has incurred loss after tax of Rs. 40.462 million (December 31, 2018: Rs. 88.860 million) and at half year end and as of the year end, its accumulated losses stood at Rs. 1,416.079 million (June 30, 2019: 1,375.617 million), its current liabilities exceed its current assets by Rs. 1,141.229 million (at June 30, 2019: Rs. 1,121.948 million). The Company in order to carry on its business and to meet its current obligation requires generating sufficient cash flows. 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. For this purpose the management of the Company has drawn up plans which include:-

- The management is going to purchase sizing machine to enhance the current production capacity of the sizing department, after installation of sizing plant the company could' not only be able to save excessive sizing costs which are currently being paid to external vendors but also earn sufficient cash flows from commercial sizing services which will offered to market participants.

- The management is shifting its energy load from electricity supplied by government to in-house production of electricity from gas generators which is relatively cheaper source. For this purpose the company has made investment during last period and constantly focusing on to enhance generators production capacity of generators. The management is hopeful that during upcoming periods we could be able to generate enough power to fulfill our requirements.

- The Government has planned to provide energy at subsidized rates to textile industry; if the government takes immediate steps in this regard, it is expected the our energy cost will reduced with respect to prior periods.

- Recently the export market is showing positive signs which is evident from upward trend of textile exports mainly in the European Region. The management is making arrangements with prospective clients for export of its products and negotiating the best possible margins, the management is confident that it's efforts will be paid off.

- The Company is negotiating with its bankers for re-structuring of its financial facilities to meet its working capital requirements.

Note 2
Basis of Preparation

2.1 These condensed interim financial information have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

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.

2.2 The condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Company for the year ended 30 June, 2019.

2.3 This condensed interim financial information is presented in Pak rupees, which is the Company's functional and presentational currency. The financial statements have been prepared under the historical cost convention. Figures have been rounded off to the nearest thousand rupee, unless stated otherwise.

Note 3
Significant Accounting Policies

The accounting policies adopted and methods of computation followed in the preparation of this condensed interim financial information are same as those for the preceding annual financial statements for the year ended June 30, 2019 to this condensed interim financial information.

The Company has adopted all the new standards and amendments to standards, including any consequential amendments to other standards which are applicable for the financial year beginning on July 1, 2019. The adoption of these new and amended standards did not have material impact on the Company's condensed interim financial information.

Note 4
Accounting Estimates and Judgments

The accounting estimates and associated assumptions used in preparation of this condensed interim financial information are consistent with those applied in the preparation of annual financial statement of the Company Limited for the year ended June 30, 2019.

Note 5
Contingencies and Commitments

Bank of Punjab filed a suit against the Company and Others before the Lahore High Court vide COS No. 60966/2019, wherein the Bank demanded recovery of Rs. 113.590 million along-with mark up and other costs. This suit is still pending adjudication. This case is being vigorously and diligently contested by the Company and there are good chances of a favorable result in this case. Except the suit filed by BOP there is no other significant change in the contingencies and commitments as reported in the last published audited financial statements for the year ended June 30, 2019.

Note 6
Property, Plant and Equipment

	Half Year Ended Dec 31, 2019 (Un-audited) Rupees	Year Ended June 30, 2019 (Audited) Rupees
Operating fixed assets	805,642,735	825,389,867
Opening written down value	825,389,867	783,754,312
Addition during the period / year (at cost)	1,730,000	84,536,519
Disposal during the period / year (written down value)	(197,545)	(14,810)
	826,922,322	868,276,021
Depreciation charge for the period / year	(21,279,587)	(42,886,154)
Closing written down value	805,642,735	825,389,867

Note 7
Transactions with Related Parties

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

	Half Year Ended	
	Dec 31, 2019 (Un-audited) Rs. "000"	Dec 31, 2018 (Un-audited) Rs. "000"
Significant transaction with related parties are as follows:		
- Loan received / (paid) from/to directors - net	800	(3,614)

Note 8
Segment Information

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

Weaving:	Production of grey and processed cloth.
Spinning:	Production of different qualities of yarn using natural and artificial fibers.

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

Information regarding the Company's reportable segment for the half year ended December 31, 2019 are as follows:

8.2 Segment revenues and results

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

	For the Half Year Ended December 31, 2019 (Un-audited)		
	Weaving Segment	Spinning Segment	Total
	Rupees	Rupees	Rupees
Sales - net	276,133,877	-	276,133,877
Cost of sales	(286,780,992)	(1,296,416)	(288,077,408)
Gross loss	(10,647,115)	(1,296,416)	(11,943,531)
Distribution cost	(2,329,480)	-	(2,329,480)
Administrative expenses	(22,079,756)	(40,901)	(22,120,657)
	(24,409,236)	(40,901)	(24,450,137)
Operating loss	(35,056,351)	(1,337,317)	(36,393,668)
Finance cost	(80,754)	-	(80,754)
Other operating income	212,463	-	212,463
Loss before taxation	(34,924,642)	(1,337,317)	(36,261,959)
Taxation	(4,200,339)	-	(4,200,339)
Loss after taxation	(39,124,981)	(1,337,317)	(40,462,298)

	For the Half Year Ended December 31, 2018 (Un-audited)		
	Weaving Segment	Spinning Segment	Total
	Rupees	Rupees	Rupees
Sales - net	284,640,434	479,605,777	764,246,211
Cost of sales	(277,634,413)	(511,710,642)	(789,345,055)
Gross Profit / (loss)	7,006,021	(32,104,865)	(25,098,844)
Distribution cost	(813,730)	(2,798,066)	(3,611,796)
Administrative expenses	(15,836,963)	(6,422,756)	(22,259,719)
	(16,650,693)	(9,220,822)	(25,871,515)
Operating loss	(9,644,672)	(41,325,687)	(50,970,359)
Finance cost	(25,787,097)	(1,726,118)	(27,513,215)
Loss before taxation	(35,431,769)	(43,051,805)	(78,483,574)
Taxation	(4,381,406)	(5,995,072)	(10,376,478)
Loss after taxation	(39,813,175)	(49,046,877)	(88,860,052)

Note 8 - Segment Information - Continued...

8.3 Segment assets and liabilities

	As at December 31, 2019 (Un-audited)		
	Weaving Segment	Spinning Segment	Total
	Rupees	Rupees	Rupees
Segment assets for reportable segments	717,348,538	212,251,133	929,599,671
Unallocated assets			38,611,186
Total assets as per balance sheet			968,210,857
Segment liabilities for reportable segments	971,025,989	73,551,833	1,044,577,822
Unallocated liabilities			235,879,147
Total liabilities as per balance sheet			1,280,456,969

	As at June 30, 2019 (Audited)		
	Weaving Segment	Spinning Segment	Total
	Rupees	Rupees	Rupees
Segment assets for reportable segments	788,911,337	216,008,505	1,004,919,842
Unallocated assets			51,473,140
Total assets as per balance sheet			1,056,392,982
Segment liabilities for reportable segments	984,775,628	89,001,668	1,073,777,296
Unallocated liabilities			254,399,500
Total liabilities as per balance sheet			1,328,176,796

Note 9
Financial Risk Management

The Company's financial risk management objectives and policies are consistent with those disclosed in the audited annual 'published financial statements of the Company for the year ended June 30, 2019.

Note 10
General

10.1 This interim financial information is authorized for issue on February 28, 2020 by the Board of Directors of the Company.

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

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