

**REVIEWED FINANCIAL  
STATEMENTS  
FOR THE HALF YEAR ENDED  
December 31, 2020  
(UN-AUDITED)**



**QUETTA**

**QUETTA TEXTILE MILLS LIMITED**



## QUETTA TEXTILE MILLS LIMITED

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## **COMPANY INFORMATION**

### **BOARD OF DIRECTORS**

Mr. Tauqir Tariq	Chairman
Mr. Tariq Iqbal	Chief Executive
Mr. Asim Khalid	Director
Mr. Omer Khalid	Director
Mrs. Saima Asim	Director
Mr. Major Rtd. Muhammad Saeed	Independent Director
Mr. Shaukat Hussain	Independent Director

### **AUDIT COMMITTEE**

Chairman	Mr. Major Rtd. Muhammad Saeed
Member	Mr. Tauqir Tariq
Member	Mr. Shukat Hussain

### **HUMAN RESOURCE & REMUNERATION COMMITTEE**

Chairman	Mr. Shaukat Hussain
Member	Mr. Tariq Iqbal
Member	Mrs. Saima Saleem

### **CHIEF FINANCIAL OFFICER**

Mr. Omer Khalid

### **COMPANY SECRETARY**

Mr. Nudrat Mund Khan

### **AUDITORS**

Mushtaq and Company  
Chartered Accountants

### **LEGAL ADVISOR**

Muhammad Wasif Riaz

### **BANKERS**

Allied Bank Limited  
Al-Baraka Bank (Pakistan) Limited  
Bank Alfalah Limited  
Bank Islami (Pakistan) Limited  
Dubai Islamic Bank (Pakistan) Limited  
Faysal Bank Limited  
Habib Bank Limited  
Habib Metro Bank Limited  
Meezan Bank Limited  
National Bank of Pakistan  
Soneri Bank Limited  
Silk Bank Limited  
Standard Chartered Bank (Pakistan) Limited  
Summit Bank Limited  
United Bank Limited

### **REGISTERED OFFICE**

Nadir House (Ground Floor)  
I. I. Chundrigar Road, Karachi

### **MILLS**

P/3 & B/4, S.I.T.E., Kotri.  
49 K.M., Lahore, Multan Road, Bhai Pheru

### **WEB SITE ADDRESS**

[www.quettagroup.com](http://www.quettagroup.com)



## **DIRECTORS' REPORT**

**Assalam-e-Alaikum**

Dear Shareholders:

We present to you the results of the company for the half year & quarter ended December 31, 2020.

Your company made a pre-tax loss of Rs. 327.229 million, as compared to the corresponding last half-year pre-tax loss of Rs. 375.991 million. Turnover for the half year ended was Rs. 1,359.950 million, as compared to corresponding last half year's sales of Rs. 2,474.723 (M).

All of sudden, Ministry of Energy has announced termination of gas connections for industry. Ministry of Energy is insisting on buying electricity from grid. This will have a tremendous negative impact on industry.

In the end, I would like to thank all the staff and workers of the company and the supporting financial institutions for their confidence and efforts shown towards the company in its difficult time.

On behalf of the Board of Directors,

**Tariq Iqbal**  
**Chief Executive**

**Omer Khalid**  
**Director**

Karachi:

Dated: February 24, 2021



ڈائریکٹران کی رپورٹ  
اسلام علیکم

معزز شیئر ہولڈرز:

ہم آپ کو کمپنی کے سماہی معتبہ 31 دسمبر 2020 کے نتائج پیش کرتے ہیں۔

موجودہ سال کی پہلی ششماہی میں آپ کی کمپنی کو قبل از ٹیکس خسارہ 327.229 ملین روپے ہوا جب کہ گزشتہ سال کی پہلی ششماہی میں قبل از ٹیکس خسارہ 375.991 ملین روپے تھا ششماہی کے اختتام پر فروخت 1,359.950 ملین روپے رہی جو کہ گزشتہ سال اسی مدت میں فروخت 2,474.723 ملین روپے تھی۔

وزارت انرجی حکومت پاکستان نے اچانک صنعت کے لیے گیس کنکشن ختم کرنے کا اعلان کیا ہے وزارت انرجی حکومت پاکستان نے گرڈ سے بجلی خریدنے پر اصرار کیا، اس کا صنعت پر زبردست منفی اثر پڑے گا۔

میں اس مشکل وقت میں کمپنی کے تمام عملے اور مزدوروں اور مدگار مالیاتی اداروں کے اعتماد اور کوششوں کا شکر گزار ہوں۔

برائے و مخانب:





طارق اقبال

چیف ایگزیکٹو آفیسر

مورخہ 24 فروری 2021

کراچی

### INDEPENDENT AUDITORS' REVIEW REPORT ON CONDENSED INTERIM FINANCIAL INFORMATION

### TO THE MEMBERS OF QUETTA TEXTILE MILLS LIMITED

#### Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Quetta Textile Mills Limited** as at **December 31, 2020**, and the related condensed interim statement profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity together with the notes forming part thereof (here-in-after referred to as the "interim financial information") for the half year then ended. Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarter ended December 31, 2020 and December 31, 2019 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2020.

#### 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 information consists of making inquiries, primarily of the 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) The company has accounted for markup on outstanding balances in respect of short term borrowings, long term financing from banks at the rate of one percent per year instead of applicable rates. Had the company accounted for finance cost, the loss for the period would have been higher by Rs. 174.593 million approximately. Consequently the aggregate amount of accrued markup would have been increased by Rs. 174.593 million approximately and aggregate accumulated loss would have been higher by the same amount.

b) The company has not accounted for the amount approximately Rs. 420.130 million payable in respect of Gas Infrastructure Development Cess (GIDC) in the financial statements. Had the above amount been recorded in the accounts, the loss would have been increased by Rs.420.130 and consequently the liability would have been increased by the same amount.

### *Material uncertainty relating to Going Concern*

We draw attention to note 1.3 in the financial statements which indicate that the company has incurred a net loss of Rupees 339.53 million during the half year ended Dec 31, 2020 and as of that date, reported accumulated losses of Rupees 3,537.06 million. The company's current liabilities exceed its current assets by Rs. 5,470.03 million. In addition to this, the company's financing arrangements with financial institutions amounting Rs.2.408 billion had been expired on 30.06.2020. The company is under litigation with these financial institutions with respect to its financing arrangements.

These conditions along with other matters as explained in note 1.3 indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern. These financial statements, however, have been prepared on the going concern basis on the assumptions as detailed in aforesaid note. Our opinion is not modified in respect of this matter.

### **Qualified Conclusion**

Based on our review, except for the effects of the matters described in basis for qualified conclusion paragraph, nothing has come to our attention that causes us to believe that the accompanying interim financial information for the half year ended 31<sup>st</sup> December, 2020, is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's review report is **Mr. Zahid Hussain Zahid ACA.**

**Karachi:**

Date :

**MUSHTAQ & CO.**

Chartered Accountants

**QUETTA TEXTILE MILLS LIMITED****CONDENSED INTERIM STATEMENT OF FINANCIAL STATEMENT (UN-AUDITED)  
AS AT DECEMBER 31, 2020**

	[Un-Audited]	[Audited]
	31-Dec-20 Rupees	30-Jun-20 Rupees
<b>ASSETS</b>		
<b>NON CURRENT ASSETS</b>		
Property, plant and equipment	5,626,665,757	5,720,860,458
Intangible assets	1,278,281	1,562,343
Long term deposits	33,649,014	33,649,014
	5,661,593,052	5,756,071,815
<b>CURRENT ASSETS</b>		
Stores and spares	423,913,736	409,450,434
Stock in trade	2,577,353,086	1,352,090,247
Trade debts	100,525,178	151,733,768
Other financial assets	117,135	67,194
Advances, deposits, prepayments and other receivable	82,144,310	97,339,367
Tax Refund due from Government	439,654,623	313,748,159
Cash and bank balances	76,029,391	81,810,653
	3,699,737,460	2,406,239,822
	<u>9,361,330,512</u>	<u>8,162,311,637</u>
<b>EQUITY AND LIABILITIES</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
<b>Authorized capital</b>		
20,000,000 (June 30, 2020: 20,000,000) ordinary shares of Rs. 10 each	200,000,000	200,000,000
15,000,000 (June 30, 2020: 15,000,000) preference shares of Rs. 10 each	150,000,000	150,000,000
	<u>350,000,000</u>	<u>350,000,000</u>
Issued, subscribed and paid-up capital	130,000,000	130,000,000
Reserves	766,751,200	766,751,200
Equity portion of Loan from directors and others	212,728,470	212,728,470
Revaluation surplus on property, plant and equipment	2,188,763,979	2,228,537,931
Accumulated profit / (loss)	(3,537,080,116)	(3,237,318,480)
	(238,836,467)	100,699,121
<b>NON CURRENT LIABILITIES</b>		
Long term finances	257,892,331	332,600,041
Redeemable capital - Sukuk	-	-
Liabilities against assets subject to finance lease	-	-
Deferred liabilities	172,502,146	160,317,910
	430,394,477	492,917,951
<b>CURRENT LIABILITIES</b>		
Trade and other payables	3,757,019,615	2,220,717,094
Accrued mark-up	1,072,899,899	1,051,197,043
Short term borrowings	2,409,181,409	2,413,564,208
Loan from directors and others	43,916,357	28,016,357
Current portion of		
Long term finances	1,237,055,097	1,173,247,387
Redeemable capital - Sukuk	611,335,643	611,335,643
Liabilities against assets subject to finance lease	18,288,552	18,288,552
Unclaimed dividend	36,468	36,467
Provision for taxation	20,039,463	52,291,814
	9,169,772,502	7,568,694,565
<b>CONTINGENCIES AND COMMITMENTS</b>	5	-
	<u>9,361,330,512</u>	<u>8,162,311,637</u>

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

  
**Chief Executive**
  
**Director**
  
**Chief Financial Officer**

**QUETTA TEXTILE MILLS LIMITED****CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2020**

	Note	Half Year Ended		Quarter Ended	
		31-Dec-20 Rupees	31-Dec-19 Rupees	31-Dec-20 Rupees	31-Dec-19 Rupees
Sales		1,359,950,266	2,474,723,026	865,319,939	1,230,345,229
Cost of sales	6	(1,622,744,500)	(2,713,775,952)	(1,031,236,635)	(1,383,006,400)
<b>Gross (loss)</b>		<b>(262,794,234)</b>	<b>(239,052,926)</b>	<b>(165,916,696)</b>	<b>(152,661,171)</b>
Other income		7,658,583	3,983,133	4,010,581	1,822,995
		<b>(255,135,651)</b>	<b>(235,069,793)</b>	<b>(161,906,115)</b>	<b>(150,838,176)</b>
Distribution cost		(6,535,013)	(10,222,641)	(3,672,515)	(5,377,182)
Administrative expenses		(42,621,118)	(37,202,845)	(21,521,808)	(21,361,064)
Finance cost		(22,937,002)	(93,496,652)	(11,715,149)	(48,543,807)
		<b>(72,093,133)</b>	<b>(140,922,138)</b>	<b>(36,909,472)</b>	<b>(75,282,053)</b>
<b>(Loss) before taxation</b>		<b>(327,228,784)</b>	<b>(375,991,931)</b>	<b>(198,815,587)</b>	<b>(226,120,229)</b>
Provision for taxation					
Current tax - current period		(20,039,463)	(36,832,802)	(12,575,008)	(21,342,133)
Deferred / Prior		7,732,658	137,491,522	7,732,658	141,573,191
		<b>(12,306,805)</b>	<b>100,658,720</b>	<b>(4,842,350)</b>	<b>120,231,058</b>
<b>(Loss) for the half year</b>		<b>(339,535,588)</b>	<b>(275,333,211)</b>	<b>(203,657,936)</b>	<b>(105,889,171)</b>
<b>(Loss) per share - basic and diluted</b>		<b>(26.12)</b>	<b>(21.18)</b>	<b>(15.67)</b>	<b>(8.15)</b>

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

Chief Executive

Director

Chief Financial Officer



# QUETTA TEXTILE MILLS LIMITED

## CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2020

	Half Year Ended		Quarter Ended	
	31-Dec-20 Rupees	31-Dec-19 Rupees	31-Dec-20 Rupees	31-Dec-19 Rupees
<b>(Loss) for the half year</b>	<b>(339,535,588)</b>	<b>(275,333,211)</b>	<b>(203,657,936)</b>	<b>(105,889,171)</b>
Other comprehensive income				
<b>Items that may not be re-classified subsequently to Profit or loss :</b>				
Actuarial (gain/loss) on remeasurement of employees retirement benefits - gratuity	-	(1,692,595)	(4,527,594)	(2,538,893)
Related deferred tax on remeasurement of employees retirement benefits - gratuity	-	470,577	1,271,379	705,368
<b>Other comprehensive (loss) for the half year</b>	<b>-</b>	<b>(1,222,018)</b>	<b>(3,256,215)</b>	<b>(1,833,525)</b>
<b>Total comprehensive (loss) for the half year</b>	<b>(339,535,588)</b>	<b>(276,555,228)</b>	<b>(206,914,151)</b>	<b>(107,722,696)</b>

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

Chief Executive

Director

Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2020**

	Share Capital	Reserves			Loan from directors and others	Revaluation surplus on property, plant and equipment	Accumulated profit / (loss)	Total equity	
		Share premium	Capital reserve	General reserve					Sub total
Rupees									
<b>Balance as at July 01, 2019 - Audited</b>	130,000,000	651,750,000	1,200	115,000,000	766,751,200	212,728,470	2,287,989,493	(2,569,630,354)	827,838,809
Net (loss) for the half year	-	-	-	-	-	-	-	(275,333,211)	(275,333,211)
Total comprehensive (loss) for the half year	-	-	-	-	-	-	-	(1,222,018)	(1,222,018)
	-	-	-	-	-	-	-	(276,555,229)	(276,555,229)
Revaluation surplus on property, plant and equipment (incremental depreciation) - net of	-	-	-	-	-	-	(41,867,318)	41,867,318	-
<b>Balance as at December 31, 2019</b>	130,000,000	651,750,000	1,200	115,000,000	766,751,200	212,728,470	2,246,122,175	(2,804,318,265)	551,283,580
(Loss) for the remaining period	-	-	-	-	-	-	-	(438,736,455)	(438,736,455)
Comprehensive (loss) for the remaining period	-	-	-	-	-	-	-	(11,848,004)	(11,848,004)
	-	-	-	-	-	-	-	(450,584,459)	(450,584,459)
Revaluation surplus on property, plant and equipment (incremental depreciation) - net of	-	-	-	-	-	-	(17,584,244)	17,584,244	-
<b>Balance as at July 01, 2020 - Audited</b>	130,000,000	651,750,000	1,200	115,000,000	766,751,200	212,728,470	2,228,537,931	(3,237,318,480)	100,699,121
Net (loss) for the half year	-	-	-	-	-	-	-	(339,535,588)	(339,535,588)
Total comprehensive (loss) for the half year	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	(339,535,588)	(339,535,588)
Revaluation surplus on property, plant and equipment (incremental depreciation) - net of	-	-	-	-	-	-	(39,773,952)	39,773,952	-
<b>Balance as at December 31, 2020</b>	130,000,000	651,750,000	1,200	115,000,000	766,751,200	212,728,470	2,188,763,979	(3,537,080,116)	(238,836,467)

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



Chief Executive



Director



Chief Financial Officer

**QUETTA TEXTILE MILLS LIMITED****CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2020**

	Half Year Ended	
	31-Dec-20 Rupees	30-Dec-19 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss) before taxation	(327,228,784)	(375,991,931)
<b>Adjustments for:</b>		
Depreciation	119,081,488	125,115,009
Amortization	284,062	284,062
Finance cost	22,937,002	93,496,652
Provision for appreciation in the value of investment	(49,941)	1,813
Profit on sale of property, plant and equipment	-	(685,738)
Provision for gratuity	22,145,287	17,289,536
	<b>164,397,898</b>	<b>235,501,334</b>
(Loss) before working capital changes	(162,830,885)	(140,490,597)
<b>(Increase) / decrease in current assets</b>		
Stores, spare parts and loose tools	(14,463,302)	(772,039)
Stock in trade	(1,225,262,839)	(343,976,276)
Trade debts	51,208,590	(69,606,377)
Advances, deposits, prepayments and other receivable	15,195,057	13,806,403
	<b>(1,173,322,495)</b>	<b>(400,548,289)</b>
<b>(Decrease) / increase in current liabilities</b>		
Trade and other payables	1,536,302,534	645,105,836
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash generated from operations	200,149,154	104,066,950
Interest paid	(1,234,146)	(9,009,887)
Gratuity paid	(9,961,043)	(10,017,964)
Taxes paid	(170,465,620)	(53,377,090)
	<b>(181,660,809)</b>	<b>(72,404,941)</b>
<b>Cash flows from operating activities</b>	<b>18,488,344</b>	<b>31,662,009</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(24,886,807)	(487,000)
Proceeds from sale of property, plant and equipment	-	1,885,000
<b>Cash (used in) investing activities</b>	<b>(24,886,807)</b>	<b>1,398,000</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term finances	(10,900,000)	187,490,663
Liabilities against assets subject to finance lease	-	(643,129)
Short term borrowings	(4,382,799)	(224,218,999)
Loans from directors & others	15,900,000	300,000
	<b>617,201</b>	<b>(37,071,465)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(5,781,262)</b>	<b>(4,011,456)</b>
Cash and cash equivalent at the beginning of the half year	81,810,653	61,332,016
<b>Cash and cash equivalent at the end of the half year</b>	<b>76,029,391</b>	<b>57,320,560</b>

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

Chief Executive

Director

Chief Financial Officer

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2020****1 SELECTED EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS**

1.1 The Company was incorporated in Pakistan as a public limited Company in January 29, 1970 under the Companies Act, 1913 (repealed) (now The Companies' Act 2017) as a public limited company. The shares of the Company are listed on Pakistan Stock Exchange. The registered office of the company is situated at ground floor Nadir House I.I Chundrigarh road Karachi. The company is principally engaged in manufacturing and sale of Yarn and Fabric.

**1.2 Geographical location and address of business units**

Registered Office	Nadir House, Ground Floor, I.I. Chundrigar Road, Karachi.
Sub Office	7-8/A, Justice Sardar Iqbal Road, Gulberg V, Lahore.
Mills	P/3, S.I.T.E., Kotri. B/4, S.I.T.E., Kotri. 49 K.M., Lahore, Multan Road, Bhai Pheru.

**1.3 Going concern assumptions**

During the period, the Company incurred loss amounting to Rs. 339.536 million (June 30, 2020: Rs. 714.070 million) and has reported accumulated losses amounting to Rs. 3,537.080 million (June 30, 2020 : Rs. 3,237.318 million) at the period ended. Accordingly, it resulted into negative equity of Rs. 238.836 million in current period (June 30, 2020: equity Rs. 100.699 million). In addition, the Company's current liabilities exceeded its current assets by Rs. 5,470.035 million (June 30, 2020: Rs. 5,162.455 million) at the year end. The main reason of loss was due to operational break down because of short of working capital which dropped the production operational efficiency and restricted to the extend 70% of available capacity. The QTML also suffered losses due to slowdown in demand for cotton yarns and fabrics in the international markets.

These financial statements have been prepared by the management on going concern basis on the grounds that the Company will be able to achieve satisfactory levels of growth in the future based on the plans drawn up by the management for this purpose.

**To substantiate its going concern assumption:**

- 1.3.1 The management of the company is negotiating an amicable settlement of further financing for working capital with the banking companies and financial institutions. Series of meetings in this regards have also been held and the matter is being persuaded aggressively with the banks and financial institutions. Management is confident to get positive response and will be able to negotiate on favourable terms with the banking companies and financial institutions in order release finance for working capital requirements to run operations smoothly.
- 1.3.2 The management has prepared five years future plan showing positive growth in operation and business of the company which is supported by increase in production of yarn during the year. Management believes that, company will be able to achieve satisfactory levels of profitability in the future based on the plans drawn up by the management for this purpose;
- 1.3.3 The company's weaving mills sales suffered due to adverse market conditions. However the management decided to convert operations to conversion by doing job work. Now we have orders and are continuing operations on mostly conversion basis.
- 1.3.4 Directors and sponsors of the company, they committed that they would also continue such support in future; and
- 1.3.5 The management has also undertaken adequate steps towards the reduction of fixed cost and expenses which are at various stages of implementation. Such steps include, but not limited to, rightsizing of the men power, resource conservation, close monitoring of other fixed cost etc. The management is certain to generate sufficient savings as consequences of adapting all such measures.

The management anticipates that above steps will not only bring the Company out of the existing financial crisis but also contribute significantly towards the improvement of the company financial position in the foreseeable future.

**2 SIGNIFICANT ACCOUNTING POLICIES**

- 2.1 This condensed interim financial statement is unaudited and is being submitted to the shareholders as required under Section 237 of the Companies Act, 2017. This condensed interim financial statement does not contain all the information required for a complete set of financial statements, and should be read in conjunction with the published audited financial statements of the company for year ended 30 June 2020.
- 2.2 The accounting policies and methods of computation which have been used in the preparation of this condensed interim financial information are the same as those applied in preparation of the financial statements for the preceding year ended June 30, 2020.

Amendments to certain existing standards and new interpretations on approved accounting standards effective during the period either were not relevant to the company's operations or did not have any impact on the accounting policies of the company.

**3 ACCOUNTING ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT**

The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision. Judgments and estimates made by management in the preparation of this condensed interim financial information are the same as those that were applied to the financial statements as at and for the year ended June 30, 2020.

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2020.

- 3.1 The accounting policies and methods of computation followed in the preparation of the half yearly financial statements are the same as those of the published annual financial statements for the period ended June 30, 2020.



**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2020**

**4 PROPERTY, PLANT AND EQUIPMENT**

	Note	(Un-audited)	(Audited)
		31-Dec-20 ----- Rupees -----	30-Jun-20 -----
Operating assets	4.1	<b>5,626,665,757</b>	5,720,860,458
		<u><b>5,626,665,757</b></u>	<u>5,720,860,458</u>

4.1 The cost of acquisition and disposal to operating assets during the half year ended December 31, 2020 were as follows:

	(Un-audited) 31-Dec-20		(Audited) 30-Jun-20	
	Acquisition Cost ----- Rupees -----	Disposal	Acquisition Cost ----- Rupees -----	Disposal
<b>Owned assets</b>				
Plant & machinery	24,158,187	-	23,742,728	-
Furniture and fixtures	405,000	-	23,742,728	-
Office equipment's	215,500	-	-	-
Vehicles	108,120	-	-	2,930,220
<b>Total</b>	<u><b>24,886,807</b></u>	<u>-</u>	<u>47,485,456</u>	<u>2,930,220</u>

**5 CONTINGENCIES AND COMMITMENTS**

There has been no significant change in the contingencies and commitments since the last audited financial statements except as disclosed in note 4.1 and 4.2 respectively.

	(Un-audited)	(Audited)
	31-Dec-20 -----Rupees -----	30-Jun-20 -----

**5.1 Contingencies**

Bank Guarantee issued by bank on behalf of the company	<u>230,759,721</u>	<u>230,759,721</u>
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There is no changes in the legal cases other than those enclosed in the annual financial statement as on June 30, 2020.

**5.2 Commitments**

Confirmed letter of credit in respect of:

Stores and spares	<u>92,286,498</u>	<u>46,485,584</u>
	<u><b>92,286,498</b></u>	<u>46,485,584</u>



**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2020**

**6 COST OF SALES**

	(Un-audited) 31-Dec-20	(Un-audited) 31-Dec-19
	-----Rupees -----	
Raw material consumed	1,025,884,068	1,686,943,727
Salaries, wages and benefits	356,879,307	370,049,536
Stores and spares consumed	94,903,619	109,324,463
Fuel, power and water	651,313,622	607,247,079
Rent, rates and taxes	841,071	6,072,347
Insurance expenses	5,499,364	5,932,874
Repairs and maintenance	3,395,148	1,815,110
Vehicle running and maintenance	5,839,899	6,214,801
Entertainment expenses	1,427,392	1,629,559
Communication expenses	496,329	470,268
Legal & professional charges	10,000	20,000
Printing and stationery	466,586	274,462
Subscription	390,730	179,680
Travelling	386,011	485,690
Other expenses	3,675,551	357,669
Depreciation expenses	101,521,469	106,445,488
	<b>2,252,930,166</b>	<b>2,903,462,753</b>
<b>Work in process</b>		
Opening stock	60,240,277	72,470,782
Closing stock	(68,599,972)	(78,370,917)
	<b>(8,359,695)</b>	<b>(5,900,135)</b>
<b>Cost of goods manufactured</b>	<b>2,244,570,471</b>	<b>2,897,562,618</b>
<b>Finished goods</b>		
Opening balance	769,926,443	316,332,333
Goods purchase:		
Yarn Purchase	-	-
Closing stock	(1,391,752,414)	(500,118,999)
	<b>(621,825,971)</b>	<b>(183,786,666)</b>
	<b>1,622,744,500</b>	<b>2,713,775,952</b>

**7 TRANSACTIONS WITH RELATED PARTIES**

	(Un-audited) 31-Dec-20	(Un-audited) 31-Dec-19
	-----Rupees -----	
<b>Transactions with related parties</b>		
	<b>Relationship</b>	
Loan received/(repaid) - net	Key management personnel	15,900,000
Salaries and other employees benefits	Key management personnel	4,093,260

**8 DATE OF AUTHORIZATION FOR ISSUE**

These condensed interim financial information have been authorized for issue on **February 24th, 2021** by the board of directors of the company.

**9 GENERAL**

Figures have been rounded off to the nearest rupees.



Chief Executive



Director



Chief Financial Officer

# **Quetta Textile Mills Limited**

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