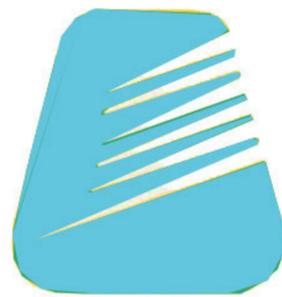


**REVIEWED FINANCIAL  
STATEMENTS  
FOR THE HALF YEAR ENDED  
DECEMBER 31, 2018  
(UN-AUDITED)**



**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
Mrs. Tabbasum Tariq	Director
Mrs. Sadaf Khalid	Director
Mr. Major Rtd. Muhammad Saeed	Independent Director

## **AUDIT COMMITTEE**

Chairman	Mr. Major Rtd. Muhammad Saeed
Member	Mrs. Tabbasum Tariq
Member	Mrs. Sadaf Khalid

## **HUMAN RESOURCE & REMUNERATION COMMITTEE**

Chairman	Mrs. Tabbasum Tariq
Member	Mrs. Saima Asim
Member	Mrs. Sadaf Khalid

## **CHIEF FINANCIAL OFFICER**

Mr. Omer Khalid

## **COMPANY SECRETARY**

Mr. Nudrat Mund Khan

## **AUDITORS**

Mushtaq and Company  
Chartered Accountants

## **BANKERS**

Allied Bank Limited  
Al-Baraka Bank (Pakistan) Limited  
Bank Alfalah Limited  
Bank Islami (Pakistan) Limited  
Dubai Islamic Bank (Pakistan) Limited  
Faysal Bank Limited  
HBL  
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, 2018.

Your company made a pre-tax loss of Rs. 215.600 (M), as compared to the corresponding last half-year pre-tax loss of Rs. 384.707 (M). Turnover for the half year ended was Rs. 1,872.548 (M), as compared to corresponding last half year's sales of Rs. 1,512.597 (M). Pre-tax loss as a percentage comes to 11.51 % for the half-year ended on December 31, 2018, as compared to 25.43% which was corresponding last half-yearly pre-tax loss as a percentage. This reflects a decrease in pre-tax loss by 13.92 % as a percentage. This decrease in percentage of loss 13.92% caused due to increase in turnover by Rs. 359.951 million from the corresponding last year's half year's turnover.

The present government has shown interest in revising and reducing the electricity and gas tariffs in line with the neighboring countries. This is a big hurdle being removed. This is a long-outstanding demand of the textile industry which is now being fulfilled. We hope this will prove positive for the textile industry.

The present government has also approached the industry for a resolution on the GIDC matter that has been in court for quite some time now. The matter is still under discussion at both ends

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 Officer

**Omer Khalid**  
Director

Karachi:

Dated: February 26, 2019

ڈائریکٹران کی رپورٹ

اسلام علیکم!

معزز شیئر ہولڈرز:

ہم کمپنی کے ششماہی اور سہ ماہی مختتمہ 3 دسمبر 2008 کے نتائج پیش کر رہے ہیں۔

موجودہ سال کی پہلی ششماہی میں آپ کی کمپنی کو از ٹیکس خسارہ 2006 ملین روپے ہوا جبکہ گزشتہ سال کی پہلی ششماہی میں قبل از ٹیکس خسارہ 38477 ملین روپے تھا۔ ششماہی کے اختتام پر فروخت 87248 بلین روپے رہی جو کہ گزشتہ سال اسی مدت میں فروخت 2007 بلین روپے تھی۔ ششماہی مختتمہ 3 دسمبر 2008 کا قبل از ٹیکس خسارہ کل فروخت کا فیصد رہا، جبکہ گزشتہ سال اسی ششماہی میں 2043 فیصد تھا۔ اس طرح خسارہ 302 فیصد اضافے کی عکاسی کرتا ہے۔ اس خسارہ کے فیصد میں کمی کی وجہ فروخت میں 30000 ملین روپے گزشتہ سال کے مقابلے میں اضافہ ہے۔

موجودہ حکومت نے بجلی اور گیس کے نرخ کو کم کر کے پڑوسی ممالک کی سطح پر لانے میں دلچسپی ظاہر کی ہے۔ یہ ایک بڑی روکاؤ کو ہٹا دیا جا رہا ہے۔ ہمیں امید ہے کہ یہ ٹیکسٹائل کی صنعت کے لئے مثبت ثابت ہوگا۔

موجودہ حکومت نے صنعتکاروں سے 000 کے معاملہ کے حل کے لئے جو ابھی عدالت میں ہے رابطہ کیا ہے۔ معاملہ اب بھی دونوں پارٹیوں کے درمیان زیر بحث ہے۔

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

برائے و منجانب

طارق اقبال

چیف ایگزیکٹو آفیسر

مورخہ 26 فروری 2008

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, 2018**, 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.

##### 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.

##### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

##### Emphasis of Matter

Without qualifying our opinion, we draw attention to note 1.3 in the interim financial information which indicates that the company incurred a net loss of Rupees 183.082 million (June 30, 2018: Rupees 569.034 million) during the half year ended December 31, 2018 and, as of that date, the company's current liabilities exceeds its current assets by Rupees 4,143.667 million (June 30, 2018: Rs.3,856.925). 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 interim financial information, however, have been prepared on the going concern basis on the assumptions as detailed in aforesaid note.

The engagement partner on the audit resulting in this independent auditor's report is **Mr. Mushtaq Ahmed Vohra**.

**QUETTA TEXTILE MILLS LIMITED****STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2018**

		[Un-Audited]	[Audited]
		Half Year Ended	
	Note	31-Dec-18 Rupees	30-Jun-18 Rupees
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	2	6,061,265,751	6,192,779,941
Intangible assets		2,414,529	2,698,591
Long term deposits		32,964,103	32,874,103
		<b>6,096,644,383</b>	<b>6,228,352,635</b>
<b>CURRENT ASSETS</b>			
Stores and spares		369,212,146	376,607,264
Stock in trade	3	474,015,696	550,912,704
Trade debts		317,713,465	306,292,418
Other financial assets		117,232	107,185
Advances, deposits, prepayments and other receivable		82,025,476	89,309,974
Taxation - net		145,869,060	148,181,700
Cash and bank balances		67,237,010	60,805,444
		<b>1,456,190,085</b>	<b>1,532,216,688</b>
		<b>7,552,834,468</b>	<b>7,760,569,323</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorized capital</b>			
20,000,000 (June 30, 2018: 20,000,000) ordinary shares of Rs. 10 each		200,000,000	200,000,000
15,000,000 (June 30, 2018: 15,000,000) preference shares of Rs. 10 each		150,000,000	150,000,000
		<b>350,000,000</b>	<b>350,000,000</b>
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		2,306,499,255	2,350,570,116
Accumulated profit / (loss)		(2,394,326,314)	(2,260,536,882)
		<b>1,021,652,611</b>	<b>1,199,512,904</b>
<b>NON CURRENT LIABILITIES</b>			
Long term finances		604,591,657	755,785,184
Redeemable capital - Sukuk		-	37,851,234
Liabilities against assets subject to finance lease		8,292,081	9,570,322
Deferred liabilities		318,440,617	368,708,107
		<b>931,324,355</b>	<b>1,171,914,847</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		735,095,440	752,841,165
Accrued mark-up		885,888,094	830,307,117
Short term borrowings		2,475,095,061	2,651,083,275
Loan from directors and others		25,716,357	25,747,232
Current portion of			
Long term finances		852,670,165	541,476,637
Redeemable capital - Sukuk		611,335,643	573,484,409
Liabilities against assets subject to finance lease		14,020,275	14,165,271
Unclaimed dividend		36,467	36,467
		<b>5,599,857,502</b>	<b>5,389,141,572</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	4	-	-
		<b>7,552,834,468</b>	<b>7,760,569,323</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 PROFIT OR LOSS (UN-AUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2018

Note	Half Year Ended		Quarter Ended	
	31-Dec-18 Rupees	31-Dec-17 Rupees	31-Dec-18 Rupees	31-Dec-17 Rupees
Sales	1,872,548,998	1,512,597,694	888,621,233	882,278,160
Cost of sales	5 (1,994,197,045)	(1,689,905,890)	(977,930,971)	(967,592,368)
<b>Gross (loss)</b>	<b>(121,648,047)</b>	<b>(177,308,196)</b>	<b>(89,309,738)</b>	<b>(85,314,208)</b>
Distribution cost	(5,918,025)	(17,045,267)	(2,573,745)	(9,201,736)
Administrative expenses	(31,346,895)	(29,482,301)	(16,491,441)	(15,648,861)
Finance cost	(57,760,323)	(162,028,381)	(11,817,236)	(79,013,254)
	(95,025,243)	(208,555,949)	(30,882,422)	(103,863,851)
<b>(Loss) from operations</b>	<b>(216,673,290)</b>	<b>(385,864,145)</b>	<b>(120,192,160)</b>	<b>(189,178,059)</b>
Other income	1,073,139	1,157,058	759,342	(539,071)
<b>(Loss) before taxation</b>	<b>(215,600,151)</b>	<b>(384,707,087)</b>	<b>(119,432,818)</b>	<b>(189,717,130)</b>
Taxation	32,518,367	265,096,542	2,531,177	265,313,489
<b>(Loss)/Profit for the half year</b>	<b>(183,081,785)</b>	<b>(119,610,545)</b>	<b>(116,901,642)</b>	<b>75,596,359</b>
<b>(Loss)/earnings per share - basic and diluted</b>	<b>(14.08)</b>	<b>(9.20)</b>	<b>(8.99)</b>	<b>5.82</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, 2018

	Half Year Ended		Quarter Ended	
	31-Dec-18 Rupees	31-Dec-17 Rupees	31-Dec-18 Rupees	31-Dec-17 Rupees
<b>(Loss)/Profit for the half year</b>	<b>(183,081,785)</b>	(119,610,545)	<b>(116,901,642)</b>	75,596,359
Other comprehensive income				
<b>Items that may not be re-classified subsequently to Profit or loss :</b>				
Actuarial loss on remeasurement of employees retirement benefits - gratuity	6,402,340	2,463,896	6,402,340	1,231,948
Related deferred tax on remeasurement of employees retirement benefits - gratuity	(1,180,848)	(507,385)	(1,180,848)	(253,776)
<b>Other comprehensive income for the half year</b>	<b>5,221,492</b>	1,956,511	<b>5,221,492</b>	978,172
<b>Total comprehensive (Loss) / income for the half year</b>	<b>(177,860,293)</b>	(117,654,034)	<b>(111,680,150)</b>	76,574,531

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, 2018**

	Half Year Ended	
	31-Dec-18 Rupees	30-Jun-18 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss) before taxation	(215,600,151)	(384,707,087)
<b>Adjustments for:</b>		
Depreciation	131,480,892	129,223,755
Amortization	284,062	-
Finance cost	57,760,323	162,028,381
Provision for appreciation in the value of investment	(10,047)	30,515
Provision for gratuity	13,569,400	16,771,698
	<b>203,084,630</b>	<b>308,054,349</b>
(Loss) before working capital changes	(12,515,521)	(76,652,738)
<b>(Increase) / decrease in current assets</b>		
Stores, spare parts and loose tools	7,395,118	(73,396,933)
Stock in trade	76,897,008	53,110,633
Trade debts	(11,421,047)	(162,737,191)
Advances, deposits, prepayments and other receivable	7,284,498	27,606,047
	<b>80,155,577</b>	<b>(155,417,444)</b>
<b>(Decrease) / increase in current liabilities</b>		
Trade and other payables	(11,452,658)	337,767,435
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash generated from operations	56,187,398	105,697,253
Long term deposits	(90,000)	-
Interest paid	(3,394,796)	(29,168,245)
Gratuity paid	(9,260,502)	(9,364,498)
Taxes paid	(19,551,509)	(9,052,272)
	<b>(32,296,807)</b>	<b>(47,585,015)</b>
<b>Cash flows from operating activities</b>	<b>23,890,591</b>	<b>58,112,238</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(1,766,700)	(89,790)
Proceeds from sale of property, plant and equipment	1,750,000	-
<b>Cash (used in) investing activities</b>	<b>(16,700)</b>	<b>(89,790)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term finances	160,000,001	3,607,548
Redeemable capital - Sukuk	-	-
Liabilities against assets subject to finance lease	(1,423,237)	(1,117,601)
Short term borrowings	(175,988,214)	(61,543,320)
Loans from directors & others	(30,875)	33,190
	<b>(17,442,325)</b>	<b>(59,020,183)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>6,431,566</b>	<b>(997,735)</b>
Cash and cash equivalent at the beginning of the half year	60,805,444	59,396,240
<b>Cash and cash equivalent at the end of the half year</b>	<b>67,237,010</b>	<b>58,398,505</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 CHANGES IN EQUITY (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2018**

	Share Capital	Reserves			Sub total	Loan from directors and others	Revaluation surplus on property, plant and equipment	Accumulated profit / (loss)	Total equity
		Share premium	Capital reserve	General reserve					
R u p e e s									
<b>Balance as at July 01, 2017 - Audited</b>	130,000,000	651,750,000	1,200	115,000,000	766,751,200	160,726,470	1,407,091,643	(1,754,692,422)	709,876,891
Net (loss) for the half year	-	-	-	-	-	-	-	(119,610,545)	(119,610,545)
Total comprehensive (loss) for the half year	-	-	-	-	-	-	-	1,956,511	1,956,511
	-	-	-	-	-	-	-	(117,654,034)	(117,654,034)
Revaluation surplus on property, plant and equipment (incremental depreciation) - net of deferred tax	-	-	-	-	-	-	(25,984,211)	25,984,211	-
<b>Balance as at December 31, 2017</b>	130,000,000	651,750,000	1,200	115,000,000	766,751,200	160,726,470	1,381,107,432	(1,846,362,246)	592,222,856
(Loss) for the remaining period	-	-	-	-	-	-	-	(449,423,375)	(449,423,375)
Comprehensive (loss) for the remaining period	-	-	-	-	-	-	996,189,300	8,522,122	1,004,711,422
	-	-	-	-	-	-	996,189,300	(440,901,253)	555,288,047
Revaluation surplus on property, plant and equipment (incremental depreciation) - net of deferred tax	-	-	-	-	-	-	(26,726,616)	26,726,616	-
Loan received from directors and others	-	-	-	-	-	52,002,000	-	-	52,002,000
<b>Balance as at July 01, 2018 - Audited</b>	<b>130,000,000</b>	<b>651,750,000</b>	<b>1,200</b>	<b>115,000,000</b>	<b>766,751,200</b>	<b>212,728,470</b>	<b>2,350,570,116</b>	<b>(2,260,536,882)</b>	<b>1,199,512,904</b>
Net (loss) for the half year	-	-	-	-	-	-	-	(183,081,785)	(183,081,785)
Total comprehensive (loss) for the half year	-	-	-	-	-	-	-	5,221,492	5,221,492
	-	-	-	-	-	-	-	(177,860,293)	(177,860,293)
Revaluation surplus on property, plant and equipment (incremental depreciation) - net of deferred tax	-	-	-	-	-	-	(44,070,861)	44,070,861	-
<b>Balance as at December 31, 2018</b>	<b>130,000,000</b>	<b>651,750,000</b>	<b>1,200</b>	<b>115,000,000</b>	<b>766,751,200</b>	<b>212,728,470</b>	<b>2,306,499,255</b>	<b>(2,394,326,314)</b>	<b>1,021,652,611</b>

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

Chief Executive

Director

Chief Financial Officer

**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 Ordinance, 1984 (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 Chundrigar 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. 183.082 million (June 30, 2018: Rs. 569.034 million) and has reported accumulated losses amounting to Rs. 2,394.326 million (June 30, 2018 : Rs. 2,260.537 million) at the period end. Accordingly, it resulted into equity of Rs. 1021.562 million in current period (June 30, 2018: equity Rs. 1,199.513 million). In addition, the Company's current liabilities exceeded its current assets by Rs. 4,143.667 million (June 30, 2018: Rs. 3,856.925 million) at the period 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 65% 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. 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** Directors and sponsors of the company, have invested to Rs. 52.002 million during the previous year and they committed that they would also continue such support in future;

**1.3.4** 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.

**1.4** These condensed interim financial information have been prepared in accordance with the International Financial Reporting Standards, International Accounting Standards (IAS) 34: Interim Financial Reporting as notified under the Companies Act, 2017 and the directives issued under the Act and in compliance with the requirement of section 237 of the Companies Act, 2017 and Rule Book of the Pakistan Stock Exchange Limited.

**1.5** This condensed interim financial information has been prepared under 'historical cost convention' modified by:

- \* certain items of property, plant and equipment which have been included at revalued amount;
- \* financial instruments at fair value; and
- \* recognition of certain staff retirement benefits at present value

**1.6** 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, 2018.

# QUETTA TEXTILE MILLS LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2018

### 2 PROPERTY, PLANT AND EQUIPMENT

		(Un-audited)	(Audited)
		31-Dec-18	30-Jun-18
	Note	----- Rupees -----	-----
Operating assets	2.1	6,061,265,751	6,192,779,941
Capital work in progress-at cost		-	-
		<u>6,061,265,751</u>	<u>6,192,779,941</u>

2.1 The cost of acquisition and disposal to operating assets during the half year ended December 31, 2018 were as follows:

	(Un-audited)		(Audited)	
	31-Dec-18		30-Jun-18	
	Acquisition	Disposal	Acquisition	Disposal
	Cost		Cost	
	----- Rupees -----	-----	----- Rupees -----	-----
<b>Owned assets</b>				
Freehold land		-	-	45,390,816
Plant & machinery	-	-	12,772,881	-
Furniture and fixture	-	-	39,900	-
Vehicles	1,766,700	1,800,000	1,800,000	3,918,810
<b>Total</b>	<u>1,766,700</u>	<u>1,800,000</u>	<u>14,612,781</u>	<u>49,309,626</u>

### 3 STOCK IN TRADE

The carrying value of pledged stock is Rs. 17,797,538 /- (June 30, 2018: Rs. 43,584,687/-).

### 4 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-18	30-Jun-18
	-----Rupees -----	-----

#### 4.1 Contingencies

Bank Guarantee issued by bank on behalf of the company

	<u>259,990,796</u>	<u>259,990,796</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, 2018.

#### 4.2 Commitments

Confirmed letter of credit in respect of:

Stores and spares

	<u>3,038,834</u>	<u>722,850</u>
	<u>3,038,834</u>	<u>722,850</u>

# QUETTA TEXTILE MILLS LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2018

### 5 COST OF SALES

	(Un-audited) 31-Dec-18	(Un-audited) 31-Dec-17
	-----Rupees -----	
Raw material consumed	1,233,486,503	908,539,540
Salaries, wages and benefits	287,135,702	218,285,928
Stores and spares consumed	79,273,053	78,279,995
Fuel, power and water	280,449,882	271,836,453
Rent, rates and taxes	1,060,597	1,570,648
Insurance expenses	7,623,214	6,020,691
Repairs and maintenance	1,479,687	1,473,626
Vehicle running and maintenance	5,794,447	3,507,933
Entertainment expenses	893,048	716,576
Communication expenses	379,957	364,129
Legal & professional charges	-	313,888
Printing and stationery	114,614	147,089
Subscription	86,588	534,755
Travelling	315,120	497,528
Other expenses	2,686,783	164,660
Depreciation expenses	111,433,861	126,849,170
	<b>2,012,213,056</b>	<b>1,619,102,609</b>
<b>Work in process</b>		
Opening stock	33,483,618	67,251,972
Closing stock	(46,142,648)	(63,151,997)
	<b>(12,659,030)</b>	<b>4,099,975</b>
<b>Cost of goods manufactured</b>	<b>1,999,554,026</b>	<b>1,623,202,584</b>
<b>Finished goods</b>		
Opening balance	363,750,270	504,360,849
Goods purchase:		
Yarn Purchase	-	31,041,990
Closing stock	(369,107,251)	(468,699,533)
	<b>(5,356,981)</b>	<b>66,703,306</b>
	<b>1,994,197,045</b>	<b>1,689,905,890</b>

### 6 TRANSACTIONS WITH RELATED PARTIES

		(Un-audited) 31-Dec-18	(Un-audited) 31-Dec-17
		-----Rupees -----	
<b>Transactions with related parties</b>	<b>Relationship</b>		
Loan received/(repaid) - net	Key management personnel	(30,875)	33,190
Salaries and other employees benefits	Key management personnel	5,100,000	4,800,000

### 7 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial information have been authorized for issue on **February 26th, 2019** by the board of directors of the company.

### 8 GENERAL

Figures have been rounded off to the nearest rupees.



Chief Executive



Director



Chief Financial Officer

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