

QUETTA TEXTILE MILLS LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS	Mr. Tariq Iqbal Mr. Tauqir Tariq Mr. Asim Khalid Mr. Omer Khalid Mrs. Saima Asim Mrs. Tabbasum Tariq Mrs. Sadaf Khalid Mr. Farhan Saleem	(Chief Executive / Executive Director) (Executive Director) (Executive Director) (Executive Director) (Executive Director) (Non Executive Director) (Non Executive Director) (Non Executive Independent Director)
AUDIT COMMITTEE	Mrs. Tabbasum Tariq Mrs. Sadaf Khalid Mr. Farhan Saleem	(Chairman) (Member) (Member)
CHIEF FINANCIAL OFFICER	Mr. Omer Khalid	
COMPANY SECRETARY	Mr. Muhammed Sohrab Ghani	
AUDITORS	Mushtaq and Company Chartered Accountants 407 / 4 th Floor, Commerce Centre Hasrat Mohani Road, Karachi	
BANKERS	Allied Bank Limited Al-Baraka Bank (Pakistan) Limited Bank Alfalah Limited Burj Bank Limited Dubai Islamic Bank (Pakistan) Limited Faysal Bank Limited Habib Bank Limited Habib Metropolitan Bank Limited KASB 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	

QUETTA TEXTILE MILLS LIMITED

CHIEF EXECUTIVE'S REVIEW

Dear Shareholders:

It is my pleasure to present the financial results of the company for the nine months ended on March 31, 2014.

Your company earned profit before tax of Rs. 177.4 (M), as compared to Rs. 232.8 (M) in the corresponding period last year. Turnover for the nine months was Rs. 9.4 (B), as compared to corresponding year's Rs. 9.5 (B) in March 2013.

Results for the last quarter have been subdued by the abrupt and steep slowdown in international textile markets, particularly China. Although costs have been kept under tight control, the selling price of yarn & fabric kept decreasing throughout the last 3 months. The sudden and sharp appreciation in Rupee parity against US\$ has hit exporters hard. As your company exports 50-60% of its products, we too have been hit by this exchange rate appreciation of Rupee.

Shortage of gas supply in Punjab continues to hamper the working of the company. However, by the end of March, our grid station came on line and will greatly help us reduce our heavy dependency on furnace oil. The company has by now invested about Rs 160 (M) on this grid station. The effects of this investment on your company's working will hopefully be felt starting from the next quarter.

We thank our supporting financial institutions, workers, staff and officers for their dedication and support to the company.

On behalf of the Board of Directors



TARIQ IQBAL
CHIEF EXECUTIVE

Karachi: April 29, 2014

QUETTA TEXTILE MILLS LIMITED

Condensed Interim Balance Sheet (Un-audited)

As at March 31, 2014

	Note	(Un-audited)	(Audited)
		31-Mar-14 Rupees	30-Jun-13 Rupees
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	5	5,030,836,813	5,056,794,377
Long term deposits		32,244,843	40,480,940
		5,063,081,656	5,097,275,317
CURRENT ASSETS			
Stores, spare parts and loose tools		498,913,795	439,274,908
Stock in trade	6	3,680,012,491	3,139,023,151
Trade debts		389,111,469	415,051,612
Loans and advances		96,826,708	99,672,881
Trade deposits and short term prepayments		8,351,451	15,319,625
Other financial assets		3,407,413	4,510,225
Income tax and Sales tax refundable		209,514,152	251,361,945
Cash and bank balances		41,568,118	37,974,217
		4,927,705,597	4,402,188,564
		9,990,787,253	9,499,463,880
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital			
20,000,000 (June 30, 2013: 20,000,000) ordinary shares of Rs. 10 each		200,000,000	200,000,000
15,000,000 (June 30, 2013: 15,000,000) preference shares of Rs. 10 each		150,000,000	150,000,000
		350,000,000	350,000,000
Issued, subscribed and paid up capital			
13,000,000 (June 30, 2013: 13,000,000) ordinary shares of Rs. 10 each		130,000,000	130,000,000
Reserves		2,365,397,248	2,294,932,948
		2,495,397,248	2,424,932,948
Surplus on revaluation of property, plant & equipment		693,649,944	706,438,811
NON CURRENT LIABILITIES			
Long term finances		123,654,061	99,470,332
Redeemable capital - Sukuk		698,396,682	879,146,550
Long term financing from directors and other-Subordinated		162,979,820	148,457,000
Liabilities against assets subject to finance Lease		21,303,381	36,699,118
Deferred liabilities		519,060,819	502,191,333
		1,525,394,763	1,665,964,333
CURRENT LIABILITIES			
Trade and other payables		788,473,523	694,221,666
Accrued mark up and interest		154,075,563	156,721,629
Short term borrowings - secured		4,022,327,458	3,421,422,671
Current portion of			
Long term financing from banking companies - secured		94,267,682	176,069,486
Redeemable capital - Sukuk		193,793,104	191,034,485
Liabilities against assets subject to finance Lease		23,407,968	62,657,851
		5,276,345,298	4,702,127,788
CONTINGENCIES AND COMMITMENTS			
	7		
		9,990,787,253	9,499,463,880

The annexed notes form an integral part of these financial statements.

Karachi:

Dated: April 29, 2014


TARIQ IQBAL
Chief Executive


OMER KHALID
Director

QUETTA TEXTILE MILLS LIMITED

Condensed Interim Profit and Loss Account (Un-audited)
For the quarter and Nine months March 31, 2014

	For the Nine Months Ended		Quarter Ended	
	31-Mar-14 Rupees	31-Mar-13 Rupees	31-Mar-14 Rupees	31-Mar-13 Rupees
Sales	9,391,489,153	9,480,075,535	3,081,782,775	3,417,328,166
Cost of sales	(8,451,322,828)	(8,253,745,032)	(2,843,530,309)	(2,884,246,089)
Gross profit	940,166,325	1,226,330,503	238,252,466	533,082,077
Distribution cost	(263,659,220)	(333,834,516)	(86,148,269)	(163,173,449)
Administrative expenses	(37,695,544)	(30,876,333)	(13,877,986)	(11,230,718)
Other operating expenses	(15,237,255)	(19,333,284)	(3,608,581)	(12,258,880)
Finance cost	(450,522,437)	(613,778,404)	(91,877,809)	(213,394,083)
	(767,114,456)	(997,822,537)	(195,512,645)	(400,057,130)
Profit from operation	173,051,869	228,507,966	42,739,821	133,024,947
Other Income	4,392,512	4,329,719	1,195,372	686,361
Profit before Taxation	177,444,381	232,837,685	43,935,193	133,711,308
Taxation	(107,155,308)	(110,779,523)	(41,990,563)	(54,535,496)
Profit after Taxation	70,289,073	122,058,162	1,944,630	79,175,812
Earning per share - basic and diluted	5.41	9.39	0.15	6.09

The annexed notes form an integral part of these financial statements.

Karachi:

Dated : April 29, 2014


TARIQ IQBAL
Chief Executive


OMER KHALID
Director

QUETTA TEXTILE MILLS LIMITED

Condensed Interim Statement of Comprehensive Income (Un-audited)
For the quarter and Nine months March 31, 2014

	For the Nine Ended		Quarter Ended	
	31-Mar-14 Rupees	31-Mar-13 Rupees	31-Mar-14 Rupees	31-Mar-13 Rupees
Profit for the period	70,289,073	122,058,162	1,944,630	79,175,812
Other comprehensive income for the period:				
Unrealized gain on measurement of available for sale investments	-	-	-	-
Total comprehensive income for the period	70,289,073	122,058,162	1,944,630	79,175,812

The annexed notes form an integral part of these financial statements.

Karachi:

Date: April 29, 2014



TARIQ IQBAL
Chief Executive



OMER KHALID
Director

QUETTA TEXTILE MILLS LIMITED

Condensed Interim Cash Flow Statement (Un-audited)

For the Nine months Ended March 31, 2014

	Ended March - 31, 2014 RUPEES	Ended March - 31, 2013 RUPEES
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit before taxation	177,444,381	232,837,685
Adjustments for non cash charges and other items:		
Depreciation	181,026,444	183,854,051
Finance cost - net	450,522,437	613,778,404
Dividend income	(294,000)	(228,000)
Gain on Sales of fixed assets	-	(55,081)
Provision for gratuity	32,410,479	33,187,810
Provision for Appreciation/diminution in the value of investment	(1,379,799)	(2,620,262)
Provision for workers profit participation fund	9,540,020	12,504,709
	671,825,581	840,421,631
Profit before working capital changes	849,269,962	1,073,259,316
Effects on cash flow due to working capital changes:		
(Increase)/decrease in current assets:		
Stocks, stores and spares	(600,628,227)	(665,617,919)
Trade debts	25,940,143	(32,501,448)
Loans, advances, short term prepayments and other receivables	49,600,687	91,515,330
	(525,087,397)	(606,604,037)
Increase / (decrease) in current liabilities:		
Trade and other payables	101,062,887	84,680,722
Cash generated from operations	425,245,452	551,336,001
Payment for:		
Taxes	(92,088,641)	(72,097,465)
Gratuity	(21,659,878)	(11,626,793)
Workers profit participation fund	(14,809,098)	(8,433,347)
Long term deposit	8,236,097	(557,001)
Finance cost - net	(453,168,503)	(588,997,841)
	(573,490,023)	(681,712,447)
Net Cash Outflow From Operating Activities	(148,244,571)	(130,376,446)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Dividend received	294,000	228,000
Fixed capital expenditure	(156,957,701)	(189,503,611)
Sale Proceed of Fixed assets	-	890,000
Long term investment	-	557,001
Short term investments	2,482,610	5,653,907
Net Cash Outflow From Investing Activities	(154,181,091)	(182,174,703)
CASH FLOWS FROM FINANCING ACTIVITIES :		
Long term loans - net	(57,618,075)	(44,694,224)
Short term loan-net	600,904,787	480,370,407
Redeemable capital	(177,991,249)	(69,250,000)
Finance lease	(54,645,620)	(71,798,512)
Long term loans from directors and associates	14,522,820	35,644,000
Dividend paid	(19,153,100)	-
Net Cash Inflow From Financing Activities	306,019,563	330,271,671
Net (decrease) / increase in cash and cash equivalents	3,593,901	17,720,522
Cash and cash equivalents at beginning of the period	37,974,217	8,408,728
Cash and bank balances at the end of the period	41,568,118	26,129,250

The annexed notes form an integral part of these financial statements.

Karachi

Dated : April 29, 2014


TARIQ IQBAL
Chief Executive


OMER KHALID
Director

QUETTA TEXTILE MILLS LIMITED

Condensed Interim Statement of Changes in Equity (Un-audited)
For the Nine Months Ended March 31, 2014

Particulars	Share capital	Reserves				Sub total	Total
		Share premium	Capital reserves	General reserves	Unappropriated profit		
Rupees							
Balance as at June 30, 2012	130,000,000	651,750,000	1,200	115,000,000	1,341,938,731	2,108,689,931	2,238,689,931
Total comprehensive income for the half year ended March 31, 2013	-	-	-	-	122,058,162	122,058,162	122,058,162
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation	-	-	-	-	20,418,935	20,418,935	20,418,935
Balance as at March 31, 2013	130,000,000	651,750,000	1,200	115,000,000	1,484,415,828	2,251,167,028	2,381,167,028
Balance as at June 30, 2013	130,000,000	651,750,000	1,200	115,000,000	1,528,181,748	2,294,932,948	2,424,932,948
Final Dividend for the ended June 30, 2013 PKR 1.5 per share	-	-	-	-	(19,500,000)	(19,500,000)	(19,500,000)
Total comprehensive income for the half year ended March 31, 2014.	-	-	-	-	70,289,073	70,289,073	70,289,073
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation	-	-	-	-	19,675,227	19,675,227	19,675,227
Balance as at March 31, 2014	130,000,000	651,750,000	1,200	115,000,000	1,598,646,048	2,365,397,248	2,495,397,248

The annexed notes form an integral part of these financial statements.

Karachi:
Date: April 29, 2014


TARIQ IQBAL
Chief Executive


OMER KHALID
Director

QUETTA TEXTILE MILLS LIMITED

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTH ENDED MARCH 31, 2014

1. THE COMPANY AND ITS OPERATIONS

The company was incorporated as a public limited company on January 29, 1970. Its shares are quoted on the Karachi Stock Exchange. The main business of the company is manufacturing and sale of yarn and fabric. The registered address of the company is Nadir House, Ground Floor, I.I. Chundrigar Road, Karachi.

2. BASIS OF PREPARATION

Statement of Compliance

This condensed interim financial information is un-audited and has been prepared in accordance with the requirements of the International Finance Reporting Standard (IFRS) IAS 34 Interim Financial Reporting as applicable in Pakistan. This condensed interim financial information does not include all of the information and disclosures required for annual financial statements, and should be read in conjunction with the financial statements of the Company as at and for the year ended 30th June, 2013.

This condensed interim financial information is being submitted to the shareholders as required by the Listing regulations of Karachi, Lahore and Islamabad Stock Exchanges and section 245 of the Companies Ordinance, 1984.

These condensed interim financial statements comprise of condensed interim statement of financial position, condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flow and condensed interim statement of changes in equity together with the notes for the Nine months ended March 31, 2014. These condensed interim financial statements also include the condensed interim income statement for the quarter and nine months ended March 31, 2014.

3. SIGNIFICANT ACCOUNTING POLICIES

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 30 June, 2013 except amendments in International Accounting Standard 1 (Revised) 'Presentation of Financial Statements' which became applicable from the financial periods beginning on or after 1 January 2013. The application of this standard has resulted in certain increased disclosures including the statement of other comprehensive income which has been reflected in the Company's condensed interim financial information.

4. ACCOUNTING ESTIMATES, JUDGEMENTS 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 judgements 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.

Judgements 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 30 June, 2014.

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 30 June 2013.

ACQUISITION AND DISPOSAL OF FIXED ASSETS - (AT COST)

	MARCH 31, 2014		MARCH 31, 2013	
	ADDITIONS	DISPOSALS	ADDITIONS	DISPOSAL
	RUPEES		RUPEES	
Land			1,379,742	-
Building lease hold	881,945	-	11,218,004	-
Plant and machinery	56,238,986		126,315,400	-
Electrical fitting	2,188,476		2,129,725	-
Factory equipment	140,000		641,950	-
Gridstation	160,256,073		-	-
Office equipment	435,900		579,453	-
Furniture and fixture	416,962		185,054	-
Vehicles	3,440,126		1,640,505	(2,225,500)
	<u>223,998,468</u>	<u>-</u>	<u>144,089,833</u>	<u>(2,225,500)</u>

6 STOCK IN TRADE

The carrying value of pledge stock amount to Rs. 1,732,444,429 (June :30, 2013 Rs. 1,128,675,520)

7 CONTINGENCIES AND COMMITMENTS

Contingencies

There has been no significant changes in contingencies as disclosed in the audited financial statement for the year ended June 30, 2013.

Commitments	31-Mar 2014	31-Mar 2013
Civil works	21,000,000	101,000,000
	<u>21,000,000</u>	<u>101,000,000</u>
Raw material, Stores, spares and packing material under letter of credit	192,627,474	98,750,701
	<u>213,627,474</u>	<u>103,755,922</u>

8 TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties	Relationship	(Un-audited)	(Un-audited)
Loan received/(repaid) - net	Key management personnel	14,522,820	35,644,000
Salaries and other employees benefits	Key management personnel	2,909,682	2,845,423

9 CYCLICALITY OF OPERATIONS

The textile business is an all year business, however, major raw material purchases i.e. cotton, takes place during the four months from October to January. This leads to higher figures in respect of stocks and bank borrowings.

10 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue on April 29, 2014 by Board of Directors of the Company.

11 GENERAL

Figures have been rounded off to the nearest rupee.

Dated April 29, 2014


TARIQ IQBAL
Chief Executive


OMER KHALID
Director