

**3<sup>RD</sup> QUARTER ACCOUNTS**  
**FOR THE PERIOD**  
**NINE MONTHS ENDED**  
**MARCH 31, 2016**  
**( UN-AUDITED)**



**QUETTA**

**QUETTA TEXTILE MILLS LIMITED**

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**COMPANY INFORMATION****BOARD OF DIRECTORS**

Mr. Tariq Iqbal (Chief Executive)  
 Mr. Asim Khalid  
 Mr. Omer Khalid  
 Mr. Tauqir Tariq  
 Mrs. Saima Asim  
 Mrs. Tabbasum Tariq  
 Mrs. Sadaf Khalid  
 Mr. Farhan Saleem (Independent)

**AUDIT COMMITTEE**

Chairman	Mrs. Tabbasum Tariq
Member	Mrs. Sadaf Khalid
Member	Mr. Farhan Saleem

**HUMAN RESOURCE & REMUNERATION COMMITTEE**

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

**CHIEF FINANCIAL OFFICER** Mr. Omer Khalid

**COMPANY SECRETARY** Mr. Muhammad Sohrab Ghani

**AUDITORS** Mushtaq and Company  
Chartered Accountants

**BANKERS**

- Allied Bank Limited
- Al-Baraka Bank (Pakistan) Limited
- Bank Alfalah Limited
- Burj Bank Limited
- Bank Islami (Pakistan) Limited
- Dubai Islamic Bank (Pakistan) Limited
- Faysal Bank Limited
- HBL Bank Limited
- Habib Metropolitan 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)  
L. 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)

# QUETTA TEXTILE MILLS LIMITED ATT3UD

Nadir House, I.I. Chundrigar Road, Karachi - 74000, Pakistan  
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## CHAIRMAN'S REVIEW

Assalam-o-Alaikum,

Dear Shareholders:


It is a pleasure to present the results of the company for the nine months & quarter ended March 31, 2016.

Your company made a pre-tax loss of Rs. 1.097 (B), as compared to the corresponding last nine months period ended pre-tax loss of Rs. 109 (M). Turnover for the nine month period ended was Rs. 4.320 (B), as compared to corresponding last nine months period ended sales of Rs. 8.082 (B).

Due to the economic slowdown, the textile markets have been in a slump for al-most three years now, with no off-take of basic commodities in sight. Tax refunds continue to get stuck-up for long durations, adding to liquidity tightness. The textile industry continues to suffer from acute gas & electricity shortages.

I would like to thank all the staff and workers of the company and the supporting financial institutions for their confidence and efforts.

By order of the Board of Directors

  
**TARIQ IQBAL**  
Chief Executive

Karachi:  
Dated: April 30<sup>th</sup> 2016

# QUETTA TEXTILE MILLS LIMITED

Condensed Interim Balance Sheet (Un-audited)

As at March 31, 2016

	Note	Audited	
		31-Mar-16 Rupees	30-Jun-15 Rupees
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	5	5,835,794,604	6,038,998,248
Long term deposits		66,742,271	31,380,424
		5,902,536,875	6,070,378,672
<b>CURRENT ASSETS</b>			
Stores, spare and loose tools		461,014,807	479,376,236
Stock in trade	6	3,031,580,670	3,896,970,646
Trade debts		121,696,199	334,088,657
Other financial assets		1,212,196	1,174,249
Loans and advances		39,981,657	51,634,244
Trade deposits and short term prepayments		17,508,826	9,138,077
Other receivables		-	12,583,754
Income tax and sales tax refundable		157,685,768	202,667,637
Cash and bank balances		101,751,561	81,225,888
		3,932,431,684	5,068,859,388
		<u>9,834,968,559</u>	<u>11,139,238,060</u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised capital			
20,000,000 ordinary shares of Rs. 10 each		200,000,000	200,000,000
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			
		130,000,000	130,000,000
Reserves		997,237,867	2,052,000,851
		1,127,237,867	2,182,000,851
Surplus on revaluation of property, plant and equipment		1,444,454,614	1,499,832,756
<b>NON CURRENT LIABILITIES</b>			
Long term finance		76,592,413	94,443,301
Redeemable capital - Sukuk		380,829,142	495,449,322
Loan from directors and others - subordinated		160,726,470	160,726,470
Liabilities against assets subject to finance lease		17,587,551	23,665,128
Deferred liabilities		829,239,414	829,764,943
		1,464,974,990	1,604,049,164
<b>CURRENT LIABILITIES</b>			
Trade and other payables		1,205,174,530	1,087,875,072
Accrued interest / mark-up		241,069,541	187,970,708
Short term borrowings		3,968,351,204	4,298,729,864
Loan from directors and others		8,793,652	8,488,602
Current portion of			
Long term finances		71,436,601	63,514,339
Redeemable capital - Sukuk		295,189,649	202,068,966
Liabilities against assets subject to finance lease		8,285,871	4,707,738
		5,798,301,088	5,853,355,289
<b>CONTINGENCIES AND COMMITMENTS</b>			
	7	9,834,968,559	11,139,238,060

The annexed notes from 1 to 12 form an integral part of these condensed interim financial information.

  
TARIQ IQBAL  
Chief Executive

  
OMER KHALID  
Director

Karachi:

Dated: 30th April 2016

# QUETTA TEXTILE MILLS LIMITED

Condensed Interim Profit and Loss Account (Un-audited)

For the nine months period ended March 31, 2016

	Nine Months Ended		Quarter Ended	
	31-Mar-16 Rupees	31-Mar-15 Rupees	31-Mar-16 Rupees	31-Mar-15 Rupees
Sales	4,320,312,778	8,081,609,188	1,131,401,247	2,655,728,916
Cost of sales	(4,960,667,429)	(7,465,119,083)	(1,183,933,185)	(2,467,523,552)
Gross (loss) / profit	(640,354,652)	616,490,105	(52,531,939)	188,205,364
Distribution cost	(88,513,658)	(226,322,643)	(19,733,694)	(67,846,807)
Administrative expenses	(42,957,392)	(38,916,491)	(13,605,112)	(13,459,450)
Other operating expenses	-	(827,047)	-	39,861
Finance cost	(325,853,524)	(466,256,535)	(101,335,783)	(151,151,043)
	(457,324,574)	(732,322,716)	(134,674,589)	(232,417,439)
(Loss) from operations	(1,097,679,226)	(115,832,611)	(187,206,528)	(44,212,075)
Other income	280,792	6,853,166	(30,780)	606,405
(Loss) before taxation	(1,097,398,434)	(108,979,445)	(187,237,308)	(43,605,670)
Taxation	(12,731,719)	(90,941,425)	(2,011,208)	(31,130,279)
(Loss) after taxation	(1,110,130,153)	(199,920,870)	(189,248,516)	(74,735,949)
(Loss) per share - basic and diluted	(85.39)	(15.38)	(14.56)	(5.75)

The annexed notes from 1 to 12 form an integral part of these condensed interim financial information.

  
TARIQ IQBAL  
Chief Executive

  
OMER KHALID  
Director

Karachi:

Dated: 30th April 2016

# QUETTA TEXTILE MILLS LIMITED

Condensed Interim Statement of Comprehensive Income (Un-audited)

For the nine months period ended March 31, 2016

	Nine Months Ended		Quarter Ended	
	31-Mar-16 Rupees	31-Mar-15 Rupees	31-Mar-16 Rupees	31-Mar-15 Rupees
(Loss) before taxation	(1,110,130,153)	(199,920,870)	(189,248,516)	(74,735,949)
Other comprehensive income for the period				
Items that may not be re-classified subsequently to Profit and loss :				
Achuarial loss on remeasurement of employees retirement benefits - gratuity	(7,147,432)	(7,193,421)	(2,382,477)	(2,397,807)
Related deferred tax on remeasurement of employees retirement benefits - gratuity	818,810	929,411	1,364,683	310,000
	(6,328,622)	(6,264,010)	(1,017,794)	(2,087,807)
<b>Total comprehensive (Loss) for the period</b>	<b>(1,116,458,775)</b>	<b>(206,184,880)</b>	<b>(190,266,310)</b>	<b>(76,823,756)</b>

The annexed notes from 1 to 12 form an integral part of these condensed interim financial information.

  
TARIQ IQBAL  
Chief Executive

  
OMER KHALID  
Director

Karachi:

Dated: 30th April 2016

# QUETTA TEXTILE MILLS LIMITED

Condensed Interim Cash Flow Statement (Un-audited)

For the nine months period ended March 31, 2016

	31-Mar-16 Rupees	31-Mar-15 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss) from operation	(1,097,398,434)	(108,979,445)
<b>Adjustments for:</b>		
Depreciation	215,219,313	176,933,477
Finance cost	325,853,524	466,256,535
Dividend income	(4,901)	(252,901)
Provision for gratuity	33,314,516	22,675,716
Provision for appreciation/diminution in the value of investment	(37,946)	827,047
Gain on disposal of property, plant and equipment	(38,586)	(3,373,242)
	<u>574,305,920</u>	<u>663,066,632</u>
Profit before working capital changes	(523,092,514)	554,087,187
<b>(Increase) / decrease in current assets</b>		
Stores, spare parts and loose tools	18,361,429	23,640,115
Stock in trade	865,389,976	68,811,578
Trade debts	212,392,458	84,741,384
Loans and advances	11,652,587	1,710,889
Trade deposits and short term prepayments other receivable & sales tax	63,161,161	41,699,421
	<u>1,170,957,611</u>	<u>220,603,387</u>
<b>(Decrease) / increase in current liabilities</b>		
Trade and other payables	113,279,222	(80,811,616)
Cash generated from operations	761,144,319	693,878,958
Finance cost paid	(272,754,651)	(428,040,472)
Workers Profit Participation Fund Paid	-	(12,057,940)
Taxes paid	(31,059,773)	(70,439,390)
Long term deposits	(25,469,019)	(175,375)
Staff retirement benefits - gratuity	(25,469,019)	(50,001,008)
	<u>(364,645,290)</u>	<u>(560,714,185)</u>
<b>Net cash (used)/ generated from operating activities</b>	<b>396,499,029</b>	<b>133,164,773</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of property, plant and equipment	250,000	5,350,000
Dividend received	4,901	252,901
Fixed capital expenditure	(12,227,080)	(46,669,844)
Short Term Investment	-	1,219,713
<b>Net cash used in investing activities</b>	<b>(11,972,179)</b>	<b>(39,847,230)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term financing	(9,928,626)	(15,971,288)
Loan from Sponsors	305,050	-
Liabilities against assets subject to finance lease	(2,499,444)	(12,506,901)
Redeemable Capital	(21,499,497)	(99,675,110)
Short term borrowings - net	(330,378,660)	63,624,092
Dividend paid	-	(85,895)
<b>Net cash used in financing activities</b>	<b>(364,001,177)</b>	<b>(64,615,102)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>20,525,673</b>	<b>28,702,441</b>
Cash and cash equivalents at the beginning of the period	81,225,888	46,136,058
<b>Cash and cash equivalents at the end of the period</b>	<b>101,751,561</b>	<b>74,838,499</b>

The annexed notes from 1 to 12 form an integral part of these condensed interim financial information.

  
TARIQ IQBAL  
Chief Executive

  
OMER KHALID  
Director

Karachi:

Dated: 30th April 2016



# QUETTA TEXTILE MILLS LIMITED

Condensed Interim Statement of Changes in Equity (Un-audited)  
For the nine months period ended March 31, 2016

Particulars	Share capital	Reserves				Sub total	Total
		Share premium	Capital reserves	General reserves	Unappropriated profit/(loss)		
Rupees							
Balance as at July 01, 2014	130,000,000	651,750,000	1,200	115,000,000	1,591,284,806	2,358,036,006	2,488,036,006
Total comprehensive loss for the half year ended March 31, 2015	-	-	-	-	(206,184,880)	(206,184,880)	(206,184,880)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation	-	-	-	-	19,040,813	19,040,813	19,040,813
<b>Balance as at March 31, 2015</b>	<b>130,000,000</b>	<b>651,750,000</b>	<b>1,200</b>	<b>115,000,000</b>	<b>1,404,140,739</b>	<b>2,170,891,939</b>	<b>2,300,891,939</b>
Loss for the remaining period	-	-	-	-	(194,267,450)	(194,267,450)	(194,267,450)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation remaining period	-	-	-	-	75,376,362	75,376,362	75,376,362
<b>Balance as at June 30, 2015</b>	<b>130,000,000</b>	<b>651,750,000</b>	<b>1,200</b>	<b>115,000,000</b>	<b>1,285,249,651</b>	<b>2,052,000,851</b>	<b>2,182,000,851</b>
Total comprehensive loss for the half year ended March 31, 2016	-	-	-	-	(1,116,458,775)	(1,116,458,775)	(1,116,458,775)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation	-	-	-	-	61,695,791	61,695,791	61,695,791
<b>Balance as at March 31, 2016</b>	<b>130,000,000</b>	<b>651,750,000</b>	<b>1,200</b>	<b>115,000,000</b>	<b>230,486,667</b>	<b>997,237,867</b>	<b>1,127,237,867</b>

The annexed notes from 1 to 12 form an integral part of these condensed interim financial information.

  
TARIQ IQBAL  
Chief Executive

  
OMER KHALID  
Director

Karachi:  
Date: 30th April 2016

# QUETTA TEXTILE MILLS LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

For the nine months period ended March 31, 2016

### 1 LEGAL STATUS AND NATURE OF BUSINESS

The Company was incorporated in Pakistan as a public limited Company in January 29, 1970 under the Companies Act, 1913 (Now the Companies Ordinance, 1984). The shares of the Company are listed on Pakistan Stock Exchange. The main business of the company is manufacturing and sale of yarn and fabric. The registered office and factories of the company is situated at ground floor Nadir House I-I Chundrigar road Karachi and S.I.T.E Kotri at Sindh & Bhal Pheru at Punjab respectively.

### 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 Accounting Standards (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, 2015.

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

These condensed interim financial information comprise of condensed interim balance sheet, condensed profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes for the nine months period ended March 31, 2016 which have been subjected to a review but not audited. These condensed interim financial information also include the condensed interim profit and loss account for the quarter and nine months period ended March 31, 2016.

### 3 SIGNIFICANT ACCOUNTING POLICIES

- 3.1 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, 2015.

### 4 ACCOUNTING ESTIMATES, JUDGMENTS AND ASSUMPTIONS

The preparation of these 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 these condensed interim financial information are the same as those that were applied to the financial statements for the year ended June 30, 2015.

The company's financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended June 30, 2015.

# QUETTA TEXTILE MILLS LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

For the nine months period ended March 31, 2016

### 5 PROPERTY, PLANT AND EQUIPMENT

	Note	(Un-audited)	(Audited)
		31-Mar-16	30-Jun-15
		Rupees	
Operating assets	5.1	5,831,423,194	6,036,499,338
Capital work in progress-at cost	5.2	4,371,410	2,498,910
		<u>5,835,794,604</u>	<u>6,038,998,248</u>

5.1 The cost of acquisition and disposal to operating assets during the period ended March 31, 2016 were as follows:

	(Un-audited)		(Audited)		
	31-Mar-16	Disposal	30-Jun-15	Disposal	
	Acquisition	Cost	Acquisition	Cost	
		Rupees		Rupees	
<b>Owned assets</b>					
Lease hold land	-	-	-	-	1,639,060
Plant & machinery	10,354,580	-	50,257,976	-	-
Plant & machinery [Grid]	-	-	-	180,000	-
Electrical fittings	-	-	1,010,900	-	-
Office premises	-	-	-	-	4,835,000
Office equipment	-	-	175,000	-	-
Furniture and fixture	-	-	144,500	-	-
Vehicles	-	-	-	-	725,000
<b>Leased assets</b>					
Vehicles	-	649,000	2,291,220	-	-
<b>Total</b>	<u>10,354,580</u>	<u>649,000</u>	<u>66,397,239</u>	<u>7,199,060</u>	

5.2 Capital work in progress-at cost

	(Un-audited)	(Audited)
	31-Mar-16	30-Jun-15
		Rupees
Computer software	2,498,910	2,498,910
Vehicle	1,872,500	-
	<u>4,371,410</u>	<u>2,498,910</u>

### 6 STOCK IN TRADE

The carrying value of pledged stock is Rs. 1,260,322,820 (June 30, 2015: Rs. 2,103,890,279).

# QUETTA TEXTILE MILLS LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

For the nine months period ended March 31, 2016

### 7 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 7.1 and 7.2 respectively.

	(Un-audited)	(Audited)
	31-Mar-16	30-Jun-15
	-----Rupees-----	

#### 7.1 Contingencies

Bank Guarantee issued by bank on behalf of the company

281,755,246	281,755,246
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#### Legal Cases

There is no changes in the legal cases other than those enclosed in the annual financial statement as on June 30, 2015.

#### 7.2 Commitments

Civil works

Confirmed letter of credit in respect of:

Raw material	-	32,530,787
Stores and spares	2,395,349	4,451,544
	<u>2,395,349</u>	<u>36,982,331</u>

### 8 TRANSACTIONS WITH RELATED PARTIES

		(Un-audited)	(Un-audited)
		31-Mar-16	31-Mar-15
		-----Rupees-----	
<b>Transactions with related parties</b>	<b>Relationship</b>		
Loan received/(repaid) - net	Key management personnel	305,050	1,117,575
Salaries and other employees benefits	Key management personnel	4,070,127	3,964,930

# QUETTA TEXTILE MILLS LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

For the nine months period ended March 31, 2016

### 9 SEGMENT REPORTING

The Company has three reportable segment, which offer different products and are managed separately. The following summary described the operations in each of the company's reportable segments.

Reportable segment	Principal activity
Spinning	Manufactures and sale of yarn
Weaving	Manufactures and sale of fabric
Power	Generation and self use

Information about operating segments as at March 31, 2016 is as follows:

	31-Mar-16			Total
	Spinning	Weaving	Power	
	-----Rupees-----			
Revenue from external customers	2,504,799,256	1,815,513,522	-	4,320,312,778
Inter-segment revenues	215,389,733	-	446,542,532	661,932,265
Segment assets	6,543,409,185	1,988,338,635	918,338,460	9,450,086,280
Segment assets-Unallocated	-	-	-	384,882,279
Segment liabilities	845,582,108	270,483,383	89,109,039	1,205,174,530
Segment liabilities-Unallocated	-	-	-	7,502,556,162

	31-Mar-15			Total
	Spinning	Weaving	Power	
	-----Rupees-----			
Revenue from external customers	5,319,362,501	2,762,246,687	-	8,081,609,188
Inter-segment revenues	760,813,780	-	493,765,268	1,254,579,048
Segment assets	6,095,312,231	2,275,055,895	1,026,775,579	9,397,143,705
Segment assets-Unallocated	-	-	-	437,400,508
Segment liabilities	572,851,997	183,242,934	60,368,225	816,463,156
Segment liabilities-Unallocated	-	-	-	6,717,189,118

### 10 COMPARATIVE FIGURES

In order to comply with the requirements of International Accounting Standard 34 "Interim Financial Reporting", balance sheet has been compared with the balances of annual financial statements while profit & loss accounts has been compared with corresponding figures of last nine months period ended and quarter.

### 11 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial information have been authorized for issue on April 30, 2016 by the board of directors of the company.

### 12 GENERAL

Figures have been rounded off to the nearest rupees.

  
TARIQ IQBAL  
Chief Executive

  
OMER KHALID  
Director

Karachi:

Dated: 30th April 2016

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