

**3rd QUARTER ACCOUNT
FOR THE PERIOD ENDED
MARCH 31, 2021
(UN-AUDITED)**



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. Muhammad Saeed
Member	Mr. Tauqir Tariq
Member	Mr. Shaukat Hussain

HUMAN RESOURCE & REMUNERATION COMMITTEE

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

CHIEF FINANCIAL OFFICER

Mr. Omer Khalid

COMPANY SECRETARY

Mr. Nudrat Mund Khan

AUDITORS

Mushtaq and Company Chartered Accountants

SHARE REGISTRAR

C & K Management Associates (Pvt) Ltd
404, Trade Tower, Abdullah Haroon Road, Near
Metropole Hotel, Karachi-75530.

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



QUETTA TEXTILE MILLS LIMITED

DIRECTORS' REPORT

Assalam-e-Alaikum

Dear Shareholders:

We present to you the results of the company for the nine-month & quarter ended March 31, 2021.

Your company made a pre-tax loss of Rs. 330.597 million, as compared to the corresponding last nine-month pre-tax loss of Rs. 562.969 million. Turnover for the nine-month period ended was Rs. 2,754.871 million, as compared to corresponding last nine month sales of Rs. 3,318.696 million. Pre-tax loss as a percentage comes to 12% for the nine-month period ended on March 31, 2021, as compared to 16.96% which was corresponding last nine-month pre-tax loss as a percentage.

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: April 28, 2021

کوئٹہ ٹیکسٹائل ملز لمیٹڈ



ڈائریکٹران کی رپورٹ

اسلام علیکم

معرز شیئر ہولڈرز:

ہم آپ کو کمپنی کے سہ ماہی منقسمہ اچھارچ 2021 کے نتائج پیش کرتے ہیں۔

آپ کی کمپنی کو 330.597 ملین روپے کا قبل از ٹیکس خسارہ ہوا جبکہ گزشتہ نو ماہی مدت میں قبل از ٹیکس خسارہ 562.969 ملین روپے تھا اس نو ماہی مدت میں فروخت 2.754.871 بلین روپے رہی جب کہ گزشتہ سال کے نو ماہ میں فروخت 3318.696 ملین روپے تھی۔ 31 مارچ 2021 کو ختم ہونے والی نو ماہی مدت میں بلحاظ فروخت قبل از ٹیکس خسارہ کی شرح %12.00 فیصد رہی جبکہ گزشتہ سال کی نو ماہی مدت میں قبل از ٹیکس خسارہ کی شرح %16.96 فیصد تھی۔

میں اس مشکل وقت میں کمپنی کے تمام عملے اور مزدوروں اور مددگار مالیاتی اداروں کے اعتماد اور کوششوں پر ان کا مشکور ہوں۔

عمر خالد

ڈائریکٹر

طارق اقبال

چیف ایگزیکٹو آفیسر

مورخہ 28 اپریل 2021

کراچی

**QUETTA TEXTILE MILLS LIMITED****STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2021**

		[Un-Audited]	[Audited]
	Note	31-Mar-21 Rupees	30-Jun-20 Rupees
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	4	5,573,801,513	5,720,860,458
Intangible assets		1,136,250	1,562,343
Long term deposits		33,649,014	33,649,014
		5,608,586,777	5,756,071,815
CURRENT ASSETS			
Stores and spares		403,315,500	409,450,434
Stock in trade	5	2,901,426,223	1,352,090,247
Trade debts		237,757,632	151,733,768
Other financial assets		95,767	67,194
Advances, deposits, prepayments and other receivable		88,095,923	97,339,367
Taxation		594,769,846	313,748,159
Cash and bank balances		86,708,479	81,810,653
		4,312,169,368	2,406,239,822
		9,920,756,145	8,162,311,637
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital			
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
		350,000,000	350,000,000
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		2,168,877,002	2,228,537,931
Accumulated (loss)		(3,551,157,226)	(3,237,318,480)
		(272,800,554)	100,699,121
NON CURRENT LIABILITIES			
Long term finances		244,351,621	332,600,041
Redeemable capital - Sukuk		-	-
Liabilities against assets subject to finance lease		-	-
Deferred liabilities		178,665,542	160,317,910
		423,017,163	492,917,951
CURRENT LIABILITIES			
Trade and other payables		4,312,513,538	2,220,717,094
Accrued mark-up		1,083,733,077	1,051,197,043
Short term borrowings		2,412,892,135	2,413,564,208
Loan from directors and others		43,916,357	28,016,357
Current portion of		-	-
Long term finances		1,246,995,807	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		36,467	36,467
Provision for taxation		40,827,961	52,291,814
		9,770,539,536	7,568,694,565
CONTINGENCIES AND COMMITMENTS			
	6	-	-
		9,920,756,145	8,162,311,637

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


Chief Executive


Director


Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 31ST MARCH 2021**

	Note	Nine Months Period Ended		Quarter Ended	
		31-Mar-21 Rupees	31-Mar-20 Rupees	31-Mar-21 Rupees	31-Mar-20 Rupees
Sales		2,754,871,051	3,318,696,623	1,394,920,785	843,973,597
Cost of sales	5	(2,989,215,566)	(3,672,565,600)	(1,366,471,066)	(958,789,648)
Gross profit /(loss)		(234,344,515)	(353,868,977)	28,449,719	(114,816,051)
Other income		11,948,663	5,535,368	4,290,080	1,552,235
		(222,395,852)	(348,333,609)	32,739,799	(113,263,816)
Distribution cost		(10,642,947)	(17,250,427)	(4,107,934)	(7,027,786)
Administrative expenses		(63,343,854)	(59,729,014)	(20,722,736)	(22,526,169)
Finance cost		(34,215,237)	(137,656,853)	(11,278,235)	(44,160,201)
		(108,202,038)	(214,636,293)	(36,108,905)	(73,714,156)
(Loss) before taxation		(330,597,890)	(562,969,902)	(3,369,106)	(186,977,972)
Provision for taxation					
Current tax		(40,827,961)	(49,424,587)	(20,788,498)	(12,591,785)
Deferred/prior		7,732,658	139,601,375	-	2,109,853
		(33,095,303)	90,176,789	(20,788,498)	(10,481,931)
(Loss) for the period		(363,693,193)	(472,793,113)	(24,157,604)	(197,459,903)
(Loss) per share - basic and diluted		(27.98)	(36.37)	(1.86)	(15.19)

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 NINE MONTHS PERIOD ENDED 31ST MARCH 2021**

	Nine Months Period Ended		Quarter Ended	
	31-Mar-21 Rupees	31-Mar-20 Rupees	31-Mar-21 Rupees	31-Mar-20 Rupees
(Loss) for the period	(363,693,193)	(472,793,113)	(24,157,604)	(197,459,903)
Other comprehensive income				
Items that may not be re-classified subsequently to Profit or loss :				
Actuarial loss on remeasurement of employees retirement benefits - gratuity	(13,582,781)	(2,538,893)	(11,890,186)	(846,298)
Related deferred tax on remeasurement of employees retirement benefits - gratuity	3,776,299	707,246	3,305,721	236,668
Other comprehensive (loss) for the period	(9,806,482)	(1,831,647)	(8,584,465)	(609,630)
Total comprehensive (loss) for the period	(373,499,675)	(474,624,759)	(32,742,069)	(198,069,533)

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 NINE MONTHS PERIOD ENDED 31ST MARCH 2021

	Share Capital	Reserves			Loan from directors and others	Revaluation surplus on property, plant and equipment	Accumulated (loss)	Total equity	
		Share premium	Capital reserve	General reserve					Sub total
R u p e e s									
Balance as at July 01, 2019 - Audited	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 period	-	-	-	-	-	-	-	(472,793,113)	(472,793,113)
Total comprehensive income for the period	-	-	-	-	-	-	-	(1,831,647)	(1,831,647)
	-	-	-	-	-	-	-	(474,624,760)	(474,624,760)
Revaluation surplus on property, plant and equipment (incremental depreciation) - net of deferred tax	-	-	-	-	-	-	(62,800,977)	62,800,977	-
Balance as at March 31, 2020	130,000,000	651,750,000	1,200	115,000,000	766,751,200	212,728,470	2,225,188,516	(2,981,454,137)	353,214,049
(Loss) for the remaining period	-	-	-	-	-	-	-	(241,276,553)	(241,276,553)
Comprehensive (loss) for the remaining period	-	-	-	-	-	-	-	(11,238,375)	(11,238,375)
	-	-	-	-	-	-	-	(252,514,928)	(252,514,928)
Revaluation surplus on property, plant and equipment (incremental depreciation) - net of deferred tax	-	-	-	-	-	-	3,349,415	(3,349,415)	-
Balance as at July 01, 2020 - Audited	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 period	-	-	-	-	-	-	-	(363,693,193)	(363,693,193)
Total comprehensive income for the period	-	-	-	-	-	-	-	(9,806,482)	(9,806,482)
	-	-	-	-	-	-	-	(373,499,675)	(373,499,675)
Revaluation surplus on property, plant and equipment (incremental depreciation) - net of deferred tax	-	-	-	-	-	-	(59,660,929)	59,660,929	-
Balance as at March 31, 2021	130,000,000	651,750,000	1,200	115,000,000	766,751,200	212,728,470	2,168,877,002	(3,551,157,226)	(272,800,554)

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


Chief Executive


Director


Chief Financial Officer



**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 31ST MARCH 2021**

	Nine Months Period Ended	
	31-Mar-21 Rupees	31-Mar-20 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) before taxation	(330,597,890)	(562,969,902)
Adjustments for:		
Depreciation	178,846,800	187,692,759
Amortization	426,093	426,093
Finance cost	34,215,237	137,656,853
Provision for appreciation in the value of investment	(28,573)	24,015
Provision for gratuity	33,217,920	25,934,304
	246,677,477	351,734,024
(Loss) before working capital changes	(83,920,413)	(211,235,878)
(Increase) / decrease in current assets		
Stores, spare parts and loose tools	6,134,934	(2,831,364)
Stock in trade	(1,549,335,976)	(662,268,530)
Trade debts	(86,023,864)	924,250
Advances, deposits, prepayments and other receivable	9,243,444	(1,906,817)
	(1,619,981,461)	(666,082,461)
(Decrease) / increase in current liabilities		
Trade and other payables	2,085,715,679	975,981,564
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations	381,813,805	98,663,225
Interest paid	(5,404,905)	(11,935,893)
Gratuity paid	(14,870,286)	(13,860,672)
Taxes paid	(325,580,843)	(73,396,299)
	(345,856,034)	(99,192,864)
Cash flows from operating activities	35,957,771	(529,639)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(31,787,872)	(2,487,000)
Proceeds from sale of property, plant and equipment	-	1,885,000
Cash (used in) investing activities	(31,787,872)	(602,000)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term finances	(14,500,000)	210,385,607
Liabilities against assets subject to finance lease	-	(894,795)
Short term borrowings	(672,073)	(183,083,580)
Loans from directors & others	15,900,000	1,300,000
	727,927	27,707,232
Net increase/(decrease) in cash and cash equivalents	4,897,826	26,575,593
Cash and cash equivalent at the beginning of the period	81,810,653	61,332,016
Cash and cash equivalent at the end of the period	86,708,479	87,907,609

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. 363.693 million (June 30, 2020: Rs. 714.070 million) and has reported accumulated losses amounting to Rs. 3,551.157 million (June 30, 2020 : Rs. 3,237.318 million) at the period ended. Accordingly, it resulted into negative equity of Rs. 272.800 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. 5,458.370 million (June 30, 2020: Rs. 5,162.455 million) at the period ended. 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 period. 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 interm financial statement is unaudited and is being submitted to the shareholders as required under Section 237 of the Companies Act,2017.This condensed interm 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.

4 PROPERTY, PLANT AND EQUIPMENT

	Note	(Un-audited)	(Audited)
		31-Mar-21	30-Jun-20
		----- Rupees -----	
Operating assets	4.1	5,573,801,513	5,720,860,458
		<u>5,573,801,513</u>	<u>5,720,860,458</u>

4.1 The cost of acquisition and disposal to operating assets during the period ended March 31, 2021 were as follows:

	(Un-audited)		(Audited)		
	31-Mar-21		30-Jun-20		
	Acquisition	Disposal	Acquisition	Disposal	
		Cost		Cost	
		----- Rupees -----		----- Rupees -----	
Owned assets					
Plant & machinery	30,628,763	-	23,224,723	-	
Office Equipment	430,490	-	518,005	-	
Factory Equipment	195,000	-	-	-	
Furniture & Fixture	425,499	-	-	-	
Vehicles	108,120	-	-	2,930,220	
Total	<u>31,787,872</u>	<u>-</u>	<u>23,742,728</u>	<u>2,930,220</u>	

5 STOCK IN TRADE

The carrying value of pledged stock is Rs. NIL (June 30, 2020: Rs. NIL).

6 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-Mar-21	30-Jun-20
		-----Rupees -----
6.1 Contingencies		
Bank Guarantee issued by bank on behalf of the company	<u>230,759,721</u>	<u>230,759,721</u>

There is no changes in the legal cases other than those enclosed in the annual financial statement as on June 30, 2020.

6.2 Commitments

Confirmed letter of credit in respect of:

Raw material & spar parts	<u>105,905,575</u>	<u>46,485,584</u>
	<u>105,905,575</u>	<u>46,485,584</u>

**QUETTA TEXTILE MILLS LIMITED**

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 31ST MARCH 2021

7 COST OF SALES

	(Un-audited)	(Un-audited)
	31-Mar-21	31-Mar-20
	-----Rupees -----	
Raw material consumed	2,080,684,636	2,275,011,777
Salaries, wages and benefits	536,217,657	570,918,399
Stores and spares consumed	169,086,674	171,196,320
Fuel, power and water	945,943,540	858,948,289
Rent, rates and taxes	1,047,091	1,017,597
Insurance expenses	9,104,210	9,702,703
Repairs and maintenance	5,128,456	2,364,713
Vehicle running and maintenance	8,561,822	8,898,934
Entertainment expenses	2,048,912	2,285,761
Communication expenses	749,811	715,168
Legal & professional charges	510,000	20,000
Printing and stationery	733,187	433,643
Subscription	414,366	292,080
Travelling	474,730	702,430
Other expenses	767,396	830,688
Depreciation expenses	152,491,167	159,683,260
	3,913,963,655	4,063,021,762
Work in process		
Opening stock	60,240,277	72,470,782
Closing stock	(81,899,780)	(71,207,402)
	(21,659,503)	1,263,380
Cost of goods manufactured	3,892,304,152	4,064,285,142
Finished goods		
Opening balance	769,926,443	316,332,333
Goods purchase:		
Closing stock	(1,673,015,029)	(708,051,875)
	(903,088,586)	(391,719,542)
	2,989,215,566	3,672,565,600

8 TRANSACTIONS WITH RELATED PARTIES

	(Un-audited)	(Un-audited)
	31-Mar-21	31-Mar-20
	-----Rupees -----	
Transactions with related parties		
Loan received/(repaid) - net	15,900,000	1,300,000
Salaries and other employees benefits	12,279,780	12,307,000

9 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial information have been authorized for issue on **April 28th, 2021** by the board of directors of the company.

10 GENERAL

Figures have been rounded off to the nearest rupee.

Chief Executive

Director

Chief Financial Officer

BOOK POST

UNDER POSTAL CERTIFICATE

If undeliver please return to:

Quetta Textile Mills Limited

Head Office : Nadir House, Ground Floor

I.I Chundrigar Road, Karachi-74000

Phone ; (021)32414334-36

Email: sale@quettagroup.com

Web : www.quettagroup.com