

**1st QUARTER ACCOUNT
FOR THE PERIOD ENDED
SEPTEMBER 30, 2021
(UN-AUDITED)**



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. Muhammad Sarfraz	Independent Director

AUDIT COMMITTEE

Chairman	Mr. Muhammad Saeed
Member	Mr. Tauqir Tariq
Member	Mr. Muhammad Sarfraz

HUMAN RESOURCE & REMUNERATION COMMITTEE

Chairman	Mr. Muhammad Sarfraz
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



DIRECTORS' REPORT

Assalam-e-Alaikum

Dear Shareholders:

We present to you the results of the company for the quarter ended September 30, 2021.

Your company made a pre-tax loss of Rs. 151.506 (M), as compared to the corresponding last year's Quarter pre-tax loss of Rs. 125.413 (M). Turnover for the Quarter ended was Rs. 1,356.479 (M), as compared to corresponding last year's Quarter sales of Rs. 497.630 (M). Pre-tax loss as a percentage comes to 11.17% for the Quarter ended on September 30, 2021, as compared to 25.20% which was corresponding last Quarter pre-tax loss as a percentage. This reflects a decrease in pre-tax loss by 55.67 % as a percentage.

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: October 29, 2021

کوئٹہ ٹیکسٹائل ملز لمیٹڈ



ڈائریکٹران کی رپورٹ

اسلام علیکم

معرز شیئر ہولڈرز:

ہم آپ کو کمپنی کے سہ ماہی منقسمہ 30 ستمبر 2021 کے نتائج پیش کرتے ہیں۔

آپ کی کمپنی کو 151.506 ملین روپے کا قبل از ٹیکس خسارہ ہوا جبکہ گزشتہ سہ ماہی مدت میں قبل از ٹیکس خسارہ 125.413 ملین روپے تھا اس سہ ماہی مدت میں فروخت 1,356,479 ملین روپے رہی جب کہ گزشتہ سال کے سہ ماہی میں فروخت 497.630 ملین روپے تھی۔ سہ ماہی مدت منقسمہ 30 ستمبر 2021 میں بلحاظ فروخت قبل از ٹیکس خسارہ کی شرح 11.17 فیصد رہی جبکہ گزشتہ سال کی سہ ماہی مدت میں قبل از ٹیکس خسارہ کی شرح 25.20 فیصد تھی۔ خسارے کی شرح میں 55.67 فیصد کمی کی عکاسی کرتا ہے۔

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 29 اکتوبر 2021

کراچی

**QUETTA TEXTILE MILLS LIMITED****STATEMENT OF FINANCIAL POSITION**
AS AT SEPTEMBER 2021

	Note	30 th Sep 2021 Rupees (Un-Audited)	30 th June 2021 Rupees (Audited)
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	2	5,520,266,155	5,565,104,172
Intangible assets		852,188	994,219
Long term deposits		33,661,014	33,661,014
		5,554,779,357	5,599,759,405
CURRENT ASSETS			
Stores and spares		435,405,316	443,466,272
Stock in trade	3	1,907,790,535	2,191,423,370
Trade debts		254,818,191	216,619,952
Other financial assets		111,205	111,401
Advances, deposits, prepayments and other receivable		94,898,738	92,513,560
Tax refund due from governments - Net		308,652,488	342,051,152
Cash and bank balances		65,265,423	78,838,951
		3,066,941,896	3,365,024,658
		8,621,721,253	8,964,784,063
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital			
20,000,000 (June 30, 2021: 20,000,000) ordinary shares of Rs. 10 each		200,000,000	200,000,000
15,000,000 (June 30, 2021: 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		2,157,377,615	2,171,467,821
Accumulated profit / (loss)		(3,706,134,336)	(3,550,930,285)
		(439,277,051)	(269,982,794)
NON CURRENT LIABILITIES			
Long term finances		671,745,584	692,785,655
Redeemable capital - Sukuk		-	-
Liabilities against assets subject to finance lease		-	-
Deferred liabilities		190,870,403	186,768,811
		862,615,987	879,554,466
CURRENT LIABILITIES			
Trade and other payables		3,095,712,465	3,300,284,099
Accrued mark-up		1,105,368,703	1,108,505,884
Short term borrowings		1,938,413,011	1,911,428,391
Loan from directors and others		67,916,357	67,916,357
Current portion of			
Long term finances		1,268,105,967	1,261,405,967
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		93,205,152	76,011,030
		8,198,382,317	8,355,212,390
CONTINGENCIES AND COMMITMENTS			
	4		
		8,621,721,253	8,964,784,063

The annexed notes from 1 to 8 form an integral part of these financial statements.


Chief Executive


Director


Chief Financial Officer



QUETTA TEXTILE MILLS LIMITED

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2021

	Note	30 th Sep 2021 Rupees	30 th Sep 2020 Rupees
Sales		1,356,478,516	497,630,327
Cost of sales	5	(1,470,606,727)	(591,507,865)
Gross (loss)		(114,128,211)	(93,877,538)
Other income		3,721,703	3,648,002
		(110,406,508)	(90,229,536)
Distribution cost		(3,654,078)	(2,862,498)
Administrative expenses		(29,723,467)	(21,099,310)
Finance cost		(7,721,663)	(11,221,853)
		(41,099,208)	(35,183,661)
(Loss) before taxation		(151,505,716)	(125,413,197)
Provision for taxation			
Current tax - current period		(17,194,122)	(7,464,455)
Deferred		-	-
		(17,194,122)	(7,464,455)
Net (loss) for the quarter		(168,699,838)	(132,877,652)
(Loss) per share - basic and diluted		(12.98)	(10.22)

The annexed notes from 1 to 8 form an integral part of these financial statements.

Chief Executive

Director

Chief Financial Officer



QUETTA TEXTILE MILLS LIMITED

CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2021

	Note	30 th Sep 2021 Rupees	30 th Sep 2020 Rupees
Net (loss) for the quarter		(168,699,838)	(132,877,652)
Other comprehensive income			
Items that may not be reclassified subsequently to profit and loss account:			
(Income)/loss on remeasurement of staff retirement benefits		(594,419)	4,527,594
Impact of deferred tax		-	(1,271,379)
Other comprehensive income/(loss) for the quarter		(594,419)	3,256,215
Total comprehensive (loss) for the quarter		<u>(169,294,257)</u>	<u>(129,621,437)</u>

The annexed notes from 1 to 8 form an integral part of these financial statements.

Chief Executive

Director

Chief Financial Officer



QUETTA TEXTILE MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2021

	Note	30 th Sep 2021 Rupees	30 th Sep 2020 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) before taxation		(151,505,716)	(125,413,197)
Adjustments for:			
Depreciation		59,448,512	59,448,512
Amortization		142,031	142,031
Finance cost		7,721,663	11,221,853
Profit on sale of property, plant and equipment		(940,976)	-
Provision for appreciation in the value of investment		196	(23,574)
Provision for gratuity		11,706,528	11,072,640
		78,077,954	81,861,462
Profit/(loss) before working capital changes		73,427,762	(43,551,735)
(Increase) / decrease in current assets			
Stores, spare parts and loose tools		8,060,956	553,215
Stock in trade		283,632,835	(691,069,379)
Trade debts		(38,198,239)	(5,574,271)
Advances, deposits, prepayments and other receivable		(2,385,178)	(9,134,774)
		251,110,374	(705,225,209)
(Decrease) / increase in current liabilities			
Trade and other payables		(205,388,744)	876,179,814
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations		(27,706,132)	127,402,870
Interest paid		(10,858,844)	(362,801)
Gratuity paid		(8,199,354)	(4,790,123)
Taxes paid		33,398,664	(94,649,739)
		14,340,466	(99,802,663)
Cash flows from operating activities		13,365,666	27,600,207
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(12,852,411)	(9,683,406)
Proceeds from disposal of property, plant and equipment		-	-
Cash (used in) investing activities		(12,852,411)	(9,683,406)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term finances		(14,340,071)	(4,800,000)
Liabilities against assets subject to finance lease		-	-
Short term borrowings		26,984,620	(1,035,948)
Loans from directors & others		-	-
		12,644,549	(5,835,948)
Net increase/(decrease) in cash and cash equivalents		(13,573,528)	12,080,853
Cash and cash equivalent at the beginning of the quarter		78,838,951	81,810,653
Cash and cash equivalent at the end of the quarter		65,265,423	93,891,506

The annexed notes from 1 to 8 form an integral part of these financial statements.

Chief Executive

Director

Chief Financial Officer



QUETTA TEXTILE MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE QUARTER ENDED SEPTEMBER 30, 2021

	Share Capital	Reserves			Sub total	Equity portion of Loan from directors and others	Revaluation surplus on property, plant and equipment	Accumulated profit / (loss)	Total equity
		Share premium	Capital reserve	General reserve					
Rupees									
Balance as at June 30, 2020 - as previously reported (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 quarter	-	-	-	-	-	-	-	(132,877,652)	(132,877,652)
Other comprehensive (loss) for the quarter	-	-	-	-	-	-	-	3,256,215	3,256,215
Revaluation surplus on property, plant and equipment (incremental depreciation) - net of deferred tax	-	-	-	-	-	-	-	(129,621,437)	(129,621,437)
	-	-	-	-	-	-	(19,886,976)	19,886,976	-
Balance as at September 30, 2020 (Un-Audited)	<u>130,000,000</u>	<u>651,750,000</u>	<u>1,200</u>	<u>115,000,000</u>	<u>766,751,200</u>	<u>212,728,470</u>	<u>2,208,650,955</u>	<u>(3,347,052,941)</u>	<u>(28,922,316)</u>
Balance as at June 30, 2021 - as previously reported (Audited)	130,000,000	651,750,000	1,200	115,000,000	766,751,200	212,728,470	2,171,467,821	(3,550,930,285)	(269,982,794)
Net (loss) for the quarter	-	-	-	-	-	-	-	(168,699,838)	(168,699,838)
Other comprehensive (loss) for the quarter	-	-	-	-	-	-	-	(594,419)	(594,419)
Revaluation surplus on property, plant and equipment (incremental depreciation) - net of deferred tax	-	-	-	-	-	-	-	(169,294,257)	(169,294,257)
	-	-	-	-	-	-	(14,090,206)	14,090,206	-
Balance as at September 30, 2021 (Un-Audited)	<u>130,000,000</u>	<u>651,750,000</u>	<u>1,200</u>	<u>115,000,000</u>	<u>766,751,200</u>	<u>212,728,470</u>	<u>2,157,377,615</u>	<u>(3,706,134,336)</u>	<u>(439,277,051)</u>

The annexed notes from 1 to 8 form an integral part of these financial statements.

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 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. 168.700 million (June 30, 2021: Rs. 368.304 million) and has reported accumulated losses amounting to Rs. 3,706.134 million (June 30, 2021 : Rs. 3,550.930 million) at the period end. Accordingly, it resulted into negative equity of Rs. 439.277 million in current period (June 30, 2021: equity Rs. 269.983 million). In addition, the Company's current liabilities exceeded its current assets by Rs. 5,131.440 million (June 30, 2021: Rs. 4,990.188 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 78% of available capacity.

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 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;
- 1.3.2** The company's weaving mills sales suffered due to adverse market conditions. However, the management continue operations to conversion by doing job work. Now we have orders and are continuing operations on mostly conversion basis. Based on the availability of conversion market and orders, management anticipates better operational efficiencies and plant utilization, during the period the company has incurred Rs. 10.543 million on BMR in both segments.
- 1.3.3** During the period and subsequent to the year end, the Directors and sponsors of the company have injected financial support. They have committed that they would also continue such support in future; and
- 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 1st Quarterly financial statements are the same as those of the published annual financial statements for the year ended June 30, 2021

**QUETTA TEXTILE MILLS LIMITED****NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2021****2 PROPERTY, PLANT AND EQUIPMENT**

	Note	(Un-audited)	(Audited)
		30 th Sep 2021	30 th June 2021
		----- Rupees -----	
Operating assets	2.1	5,520,266,155	5,565,104,172
		<u>5,520,266,155</u>	<u>5,565,104,172</u>

2.1 The cost of acquisition and disposal to operating assets during the quarter ended September 30, 2021 were as follows:

	(Un-audited)		(Audited)		
	30th Sep 2021		30th June 2021		
	Acquisition	Disposal	Acquisition	Disposal	
		Cost		Cost	
		----- Rupees -----		----- Rupees -----	
Owned assets					
Plant & machinery	10,543,386	-	95,577,492	-	
Office equipment	156,500	-	1,646,539	-	
Vehicles	2,152,525	1,155,050	2,252,138	55,768,585	
Total	<u>12,852,411</u>	<u>1,155,050</u>	<u>99,476,169</u>	<u>55,768,585</u>	

3 STOCK IN TRADE

The carrying value of pledged stock is Rs. NIL (June 30, 2021: Rs. NIL).

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)
	30 th Sep 2021	30 th June 2021
-----Rupees -----		

4.1 Contingencies

Bank Guarantee issued by bank on behalf of the company

230,759,721 230,759,721

There is no changes in the legal cases other than those enclosed in the annual financial statement as on June 30, 2021.

4.2 Commitments

Confirmed letter of credit in respect of:

	(Un-audited)	(Audited)
	30 th Sep 2021	30 th June 2021
-----Rupees -----		

Raw material & spare parts

96,802,218 41,128,226

**QUETTA TEXTILE MILLS LIMITED**

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2021

5 COST OF SALES

	(Un-audited) 30 th Sep 2021	(Un-audited) 30 th Sep 2020
	-----Rupees -----	
Raw material consumed	743,456,405	333,302,155
Salaries, wages and benefits	193,527,005	176,373,133
Stores and spares consumed	51,671,862	59,533,811
Fuel, power and water	259,219,343	236,162,171
Rent, rates and taxes	690,497	692,571
Insurance expenses	4,054,462	3,297,671
Repairs and maintenance	999,033	1,845,085
Vehicle running and maintenance	3,092,038	2,859,345
Entertainment expenses	762,927	939,787
Communication expenses	468,242	230,152
Printing and stationery	202,132	239,711
Subscription	16,900	196,582
Travelling	200,760	233,040
Legal and professional charges	250,000	-
Other expenses	240,832	333,005
Depreciation expenses	48,887,030	58,748,170
	1,307,739,468	874,986,389
Work in process		
Opening stock	130,945,036	60,240,277
Closing stock	(74,630,416)	(62,147,768)
	56,314,620	(1,907,491)
Cost of goods manufactured	1,364,054,088	873,078,898
Finished goods		
Opening balance	1,218,047,156	968,486,743
Closing stock	(1,111,494,517)	(1,250,057,775)
	106,552,639	(281,571,032)
	1,470,606,727	591,507,865

6 TRANSACTIONS WITH RELATED PARTIES

	(Un-audited) 30 th Sep 2021	(Un-audited) 30 th Sep 2020
	-----Rupees -----	
Transactions with related parties		
Loan received/(repaid) - net	-	-
Salaries and other employees benefits	4,093,260	4,093,260
Relationship		
Key management personnel	-	-
Key management personnel	4,093,260	4,093,260

7 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial information have been authorized for issue on **October 29, 2021** 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

BOOK POST

UNDER POSTAL CERTIFICATE

If undeliver please return to:

Quetta Textile Mills Limited

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I.I Chundrigar Road, Karachi-74000

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Email: sale@quettagroup.com

Web : www.quettagroup.com