

**1<sup>ST</sup> QUARTER ACCOUNTS**  
**FOR THE PERIOD ENDED**  
**SEPTEMBER 30, 2015**  
**(UN-AUDITED)**



**QUETTA**

**QUETTA TEXTILE MILLS LIMITED**

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# COMPANY INFORMATION

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## **BOARD OF DIRECTORS**

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

## **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)  
I. I. Chundrigar Road, Karachi

## **MILLS**

P/3 & B/4, S.I.T.E., Kotri.  
49 K.M., Lahore, Multan Road, Bhal Pheru

## **WEB SITE ADDRESS**

[www.quetta-group.com](http://www.quetta-group.com)

# QUETTA TEXTILE MILLS LIMITED

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 quarter ended September 30, 2015.

Your company made a pre-tax loss of Rs. 231.734 (M), as compared to the corresponding last year's quarterly pre-tax profit of Rs. 0.892 (M). Turnover for the quarter ended was Rs. 1.74 (B), as compared to corresponding last year's quarterly sales of Rs. 2.60 (B).

Bottom line of the company has primarily suffered due to cotton inventory procured at high rates. Textile markets have been in a slump since more than one and a half years now. Due to the global economic slowdown, it is expected that global demand for finished products will remain sluggish during the coming months.

The government has intervened by enforcing a 10% duty on imported yarns and fabrics. Unfortunately, this intervention has come too late when the damage has already been done. 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: October 31, 2015


# QUETTA TEXTILE MILLS LIMITED

Condensed Interim Balance Sheet (Un-audited)

As at September 30, 2015

		Audited	
	Note	30-Sep-15 Rupees	30-Jun-15 Rupees
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	5	5,967,160,086	6,038,998,248
Long term deposits		30,914,179	31,380,424
		<u>5,998,074,265</u>	<u>6,070,378,672</u>
<b>CURRENT ASSETS</b>			
Stores, spare and loose tools		474,503,133	479,376,236
Stock in trade	6	3,428,195,316	3,896,970,646
Trade debts		310,237,174	334,088,657
Other financial assets		1,407,590	1,174,249
Loans and advances		53,509,369	51,634,244
Trade deposits and short term prepayments		1,849,220	9,138,077
Other receivables		164,350	12,583,754
Income tax and sales tax refundable		185,505,266	202,667,637
Cash and bank balances		89,861,421	81,225,888
		<u>4,545,232,839</u>	<u>5,068,859,388</u>
		<u>10,543,307,104</u>	<u>11,139,238,060</u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorised capital</b>			
20,000,000 (June 30, 2015: 20,000,000) ordinary shares of Rs. 10 each		200,000,000	200,000,000
15,000,000 (June 30, 2015: 15,000,000) preference shares of Rs. 10 each		150,000,000	150,000,000
		<u>350,000,000</u>	<u>350,000,000</u>
Issued, subscribed and paid-up capital		130,000,000	130,000,000
Reserves		1,838,554,134	2,052,000,851
		<u>1,968,554,134</u>	<u>2,182,000,851</u>
Surplus on revaluation of property, plant and equipment		1,481,373,376	1,499,832,756
<b>NON CURRENT LIABILITIES</b>			
Long term finance		88,514,794	94,443,301
Redeemable capital - Sukuk		457,242,909	495,449,322
Loan from directors and others - subordinated		160,726,470	160,726,470
Liabilities against assets subject to finance lease		19,526,132	23,665,128
Deferred liabilities		833,029,518	829,764,943
		<u>1,559,039,823</u>	<u>1,604,049,164</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		1,161,462,678	1,087,875,072
Accrued interest / mark-up		183,142,851	187,970,708
Short term borrowings		3,889,276,156	4,298,729,864
Loan from directors and others		8,517,602	8,488,602
Current portion of			
Long term finances		59,515,955	63,514,339
Redeemable capital - Sukuk		226,482,758	202,068,966
Liabilities against assets subject to finance lease		5,941,771	4,707,738
		<u>5,534,339,771</u>	<u>5,853,355,289</u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	7	<u>10,543,307,104</u>	<u>11,139,238,060</u>

The annexed notes from 1 to 11 form an integral part of these condensed interim financial information.

  
TARIQ IQBAL  
Chief Executive

  
OMER KHALID  
Director

Karachi:

Dated: October 31, 2015

# QUETTA TEXTILE MILLS LIMITED

Condensed Interim Profit and Loss Account (Un-audited)  
For the Quarter ended September 30, 2015

Note	30-Sep-15 Rupees	30-Sep-14 Rupees
Sales	1,736,121,973	2,593,550,338
Cost of sales	<u>(1,791,846,339)</u>	<u>(2,308,970,060)</u>
Gross (loss)/profit	(55,724,366)	284,580,278
Distribution cost	(38,199,865)	(77,786,953)
Administrative expenses	(15,687,567)	(14,200,410)
Other operating expenses	-	(2,453,011)
Finance cost	<u>(115,565,571)</u>	<u>(159,561,876)</u>
	(169,453,002)	(254,002,250)
(Loss)/profit from operations	<u>(225,177,368)</u>	30,578,028
Other income	362,222	1,164,554
(Loss)/profit before taxation	<u>(224,815,146)</u>	31,742,582
Taxation	(6,918,532)	(30,850,645)
(Loss)/profit after taxation	<u>(231,733,678)</u>	<u>891,937</u>
(Loss)/earnings per share - basic and diluted	<u>(17.83)</u>	0.07

The annexed notes from 1 to 11 form an integral part of these condensed interim financial information.

  
TARIQ IQBAL  
Chief Executive

  
OMER KHALID  
Director

Karachi:

Dated: October 31, 2015

# QUETTA TEXTILE MILLS LIMITED

Condensed Interim Statement of Comprehensive Income (Un-audited)  
For the Quarter ended September 30, 2015

Note	30-Sep-15 Rupees	30-Sep-14 Rupees
(Loss)/profit after taxation	(231,733,678)	891,937
Other comprehensive income for the quarter		
Items that may not be re-classified subsequently to Profit and loss :		
Actuarial loss on remeasurement of employees retirement benefits - gratuity	(2,573,075)	(2,528,168)
Related deferred tax on remeasurement of employees retirement benefits - gratuity	294,772	300,364
	(2,278,303)	(2,227,804)
Total comprehensive (loss)/income for the quarter	(234,011,981)	(1,335,867)

The annexed notes from 1 to 11 form an integral part of these condensed interim financial information.

  
TARIQ IQBAL  
Chief Executive

  
OMER KHALID  
Director

Karachi:

Dated: October 31, 2015

# QUETTA TEXTILE MILLS LIMITED

Condensed Interim Cash Flow Statement (Un-audited)  
For the Quarter ended September 30, 2015

	30-Sep-15 Rupees	30-Sep-14 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss)/profit before taxation	(224,815,146)	31,742,582
Adjustments for:		
Depreciation	71,626,748	58,490,489
Finance cost	115,565,571	159,561,876
Provision for gratuity	11,412,198	6,653,075
Provision for (appreciation) in the value of investment	(233,341)	(417,069)
Provision for workers profit participation fund	-	1,704,757
Provision for workers welfare fund	-	647,808
Gain on disposal of property, plant and equipment	(38,586)	-
	<u>198,332,590</u>	<u>226,640,936</u>
Profit before working capital changes	(26,482,556)	258,383,518
(Increase) / decrease in current assets		
Stores, spare parts and loose tools	4,873,103	2,212,607
Stock in trade	468,775,330	(232,211,077)
Trade debts	23,851,483	84,255,357
Loans and advances	(1,875,125)	60,534,820
Trade deposits and short term prepayments	7,288,857	(11,461,359)
Other receivables	12,419,404	-
	<u>515,333,052</u>	<u>(96,669,652)</u>
(Decrease) / increase in current liabilities		
Trade and other payables	73,587,606	(93,668,079)
Cash generated from operations	<u>562,438,102</u>	<u>68,045,787</u>
Finance cost paid	(120,393,428)	(132,647,536)
Taxes paid	9,614,993	(25,101,442)
Long term deposits	466,245	-
Staff retirement benefits - gratuity	(7,692,196)	(16,297,747)
	<u>(118,003,386)</u>	<u>(174,046,725)</u>
Net cash (used)/ generated from operating activities	<u>444,434,716</u>	<u>(106,000,938)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of property, plant and equipment	250,000	-
Dividend received	-	-
Fixed capital expenditure	-	(10,561,731)
Net cash used in investing activities	250,000	(10,561,731)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term financing	(9,926,891)	(2,149,331)
Loan from directors and others	29,000	-
Liabilities against assets subject to finance lease	(2,904,963)	(4,782,961)
Redeemable Capital	(13,792,621)	-
Short term borrowings - net	(409,453,708)	117,789,621
Net cash used in financing activities	<u>(436,049,183)</u>	<u>110,857,329</u>
Net increase / (decrease) in cash and cash equivalents	8,635,533	(5,705,340)
Cash and cash equivalents at the beginning of the period	81,225,888	46,136,058
Cash and cash equivalents at the end of the period	<u>89,861,421</u>	<u>40,430,718</u>

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

  
TARIQ IQBAL  
Chief Executive

  
OMER KHALID  
Director

Karachi:  
Dated: October 31, 2015



# QUETTA TEXTILE MILLS LIMITED

Condensed Interim Statement of Changes in Equity (Un-audited)  
For the Quarter ended September 30, 2015

Particulars	Share capital	Reserves				Sub total	Total
		Share premium	Capital reserves	General reserves	Unappropriated profit		
Rupees							
Balance as at July 01, 2014 - Audited	130,000,000	651,750,000	1,200	115,000,000	1,591,284,806	2,358,036,006	2,488,036,006
Transfer from surplus on revaluation of property, plant and equipment (incremental depreciation) - net of deferred tax	-	-	-	-	6,454,512	6,454,512	6,454,512
<b>Total comprehensive (loss)/income for the quarter ended September 30, 2014</b>							
Profit after taxation for the quarter	-	-	-	-	891,937	891,937	891,937
Total comprehensive loss for the quarter	-	-	-	-	(2,227,804)	(2,227,804)	(2,227,804)
	-	-	-	-	(1,335,867)	(1,335,867)	(1,335,867)
<b>Balance as at September 30, 2014</b>	<b>130,000,000</b>	<b>651,750,000</b>	<b>1,200</b>	<b>115,000,000</b>	<b>1,596,403,451</b>	<b>2,363,154,651</b>	<b>2,493,154,651</b>
Balance as at July 01, 2015 - Audited	130,000,000	651,750,000	1,200	115,000,000	1,285,249,651	2,052,000,851	2,182,000,851
Transfer from surplus on revaluation of property, plant and equipment (incremental depreciation) - net of deferred tax	-	-	-	-	-	20,565,264	20,565,264
<b>Total comprehensive (loss)/income for the quarter ended September 30, 2015</b>							
Profit after taxation for the quarter	-	-	-	-	(231,733,678)	(231,733,678)	(231,733,678)
Total comprehensive loss for the quarter	-	-	-	-	(2,278,303)	(2,278,303)	(2,278,303)
	-	-	-	-	(234,011,981)	(234,011,981)	(234,011,981)
<b>Balance as at September 30, 2015</b>	<b>130,000,000</b>	<b>651,750,000</b>	<b>1,200</b>	<b>115,000,000</b>	<b>1,051,237,670</b>	<b>1,838,554,134</b>	<b>1,968,554,134</b>

The annexed notes from 1 to 11 form an integral part of these condensed interim financial information.

  
TARIQ IQBAL  
Chief Executive

  
OMER KHALID  
Director

# QUETTA TEXTILE MILLS LIMITED

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

For the Quarter ended September 30, 2015

### 1 THE COMPANY AND ITS OPERATIONS

- 1.1 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 Karachi Stock Exchange. The registered office of the company is situated at ground floor Nadir House Li Chundrigar road Karachi.
- 1.2 The company is principally engaged in manufacturing and sales of yarn and fabric. The production facilities are located at Kotri in the province of Sindh and 49 K.M, Multan Road Bhal, District Kasur in the province of Punjab.

### 2 BASIS OF PREPARATION

#### 2.1 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 quarter ended September 30, 2015.

### 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 30th 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 30th June, 2015.

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

# QUETTA TEXTILE MILLS LIMITED

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

For the Quarter ended September 30, 2015

### 5 PROPERTY, PLANT AND EQUIPMENT

	Note	(Un-audited)	(Audited)
		30-Sep-15	30-Jun-15
		Rupees	
Operating assets	5.1	5,964,661,176	6,036,499,338
Capital work in progress-at cost	5.2	2,498,910	2,498,910
		<u>5,967,160,086</u>	<u>6,038,998,248</u>

5.1 The cost of acquisition and disposal to operating assets during the quarter ended September 30, 2015 were as follows:

	(Un-audited)		(Audited)		
	30-Sep-15		30-Jun-15		
	Acquisition	Disposal	Acquisition	Cost	Disposal
		Cost		Rupees	
		Rupees		Rupees	
<b>Owned assets</b>					
Lease hold land	-	-	-	-	1,639,060
Building on freehold land	-	-	12,337,643	-	-
Plant & machinery	-	-	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	-	649,000	-	-	725,000
<b>Leased assets</b>					
Vehicles	-	-	2,291,220	-	-
<b>Total</b>			<u>66,397,239</u>	<u>-</u>	<u>7,199,060</u>

5.2 Capital work in progress-at cost

	(Un-audited)	(Audited)
	30-Sep-15	30-Jun-15
		Rupees
Computer software	2,498,910	2,498,910
	<u>2,498,910</u>	<u>2,498,910</u>

### 6 STOCK IN TRADE

The carrying value of pledged stock is Rs. 1,377,619,994/- (June 30, 2015: Rs. 2,103,890,279/-).

# QUETTA TEXTILE MILLS LIMITED

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

For the Quarter ended September 30, 2015

### 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)
	30-Sep-15	30-Jun-15
	Rupees	
<b>7.1 Contingencies</b>		
Bank Guarantee issued by bank on behalf of the company	281,755,246	281,755,246
There is no changes in the legal cases other than those enclosed in the annual financial statement as on June 30, 2015.		
<b>7.2 Commitments</b>		
Civil works	-	-
Confirmed letter of credit in respect of:		
Raw material	-	32,530,787
Stores and spares	2,715,422	4,451,544
	2,715,422	36,982,331

### 8 TRANSACTIONS WITH RELATED PARTIES

	(Un-audited)	(Un-audited)
	30-Sep-15	30-Jun-15
	Rupees	
Transactions with related parties		
Relationship		
Loan received/(repaid) - net	29,000	1,019,672
Salaries and other employees benefits	1,409,955	5,297,584

### 9 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 quarter.

### 10 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial information have been authorized for issue on **October 31, 2015** by the board of directors of the company.

### 11 GENERAL

Figures have been rounded off to the nearest rupees.

  
TARIQ IQBAL  
Chief Executive

  
OMER KHALID  
Director

Karachi:  
Dated: October 31, 2015

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Web: [www.quettagroup.com](http://www.quettagroup.com)