

**REVIEWED FINANCIAL STATEMENT**

**FOR THE HALF YEAR ENDED**

**DECEMBER 31, 2024**

**(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. Muhammad Saeed	Independent Director
Mr. Abbas Ali	Independent Director

### **AUDIT COMMITTEE**

Chairman	Mr. Muhammad Saeed
Member	Mr. Tauqir Tariq
Member	Mr. Asim Khalid

### **HUMAN RESOURCE & REMUNERATION COMMITTEE**

Chairman	Mr. Abbas Ali
Member	Mr. Tariq Iqbal
Member	Mrs. Saima Asim

### **CHIEF FINANCIAL OFFICER**

Mr. Omer Khalid

### **COMPANY SECRETARY**

Mr. Muhammad Ashraf Rathore

### **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](http://www.quettagroup.com)



## DIRECTORS' REPORT

**Assalam-e-Alaikum**

Dear Shareholders:

We present to you the results of the company for the half year & quarter ended December 31, 2024.

Your company made a pre-tax loss of Rs. 577.389 million, as compared to the corresponding last half-year pre-tax loss of Rs. 259.119 million and Turnover recorded for the half year ended was Rs. 506.482 million, as compared to corresponding last half year's sales of Rs. 430.126 million.

Gas and Electricity prices have been increased substantially to unsustainable levels, and these prices have not been translated to yarn & fabric prices.

I would like to thank all the staff and workers of the company for their efforts and dedication shown towards the company at this difficult time.

On behalf of the Board of Directors,

**Tariq Iqbal**  
Chief Executive Officer

**Omer Khalid**  
Director

Karachi:  
Dated: February 27, 2025

## ڈائریکٹرز کی رپورٹ

السلام علیکم

معزز شیئر ہولڈرز:

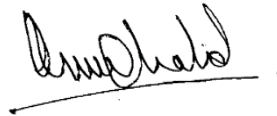
ہم آپ کو 31 دسمبر 2024 کو ختم ہونے والی نصف سال اور سہ ماہی کے لیے کمپنی کے نتائج پیش کرتے ہیں۔

آپ کی کمپنی کو قبل از ٹیکس خسارہ Rs. 577.389 ملین کا خسارہ ہوا ہے جیسا کہ گزشتہ نصف سال میں Rs. 259.119 ملین پری ٹیکس نقصان کے مقابلے میں۔ ٹرن اوور Rs. 506.482 ملین ختم ہونے والی نصف سال کی مدت کے لیے ہے، اس کے مقابلے میں گزشتہ نصف سال کی فروخت Rs. 430.126 ملین تھی۔


گیس اور بجلی کی قیمتوں میں کافی حد تک اضافہ کر دیا گیا ہے اور ان کے مقابلے میں دھاگے اور کپڑے کی قیمتوں کو تبدیل نہیں کیا گیا ہے۔

میں کمپنی کے تمام عملے اور کارکنان اور کا شکریہ ادا کرنا چاہوں گا کہ انہوں نے مشکل وقت میں کمپنی پر لگن اور کوششیں دکھائیں۔

بورڈ آف ڈائریکٹرز کی جانب سے،



عمر خالد  
ڈائریکٹر



طارق اقبال  
چیف ایگزیکٹو آفیسر

کراچی:

بتاریخ: 27 فروری 2025

**INDEPENDENT AUDITORS' REVIEW REPORT TO THE MEMBERS OF QUETTA  
TEXTILE MILLS LIMITED**

**REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS**

**Introduction**

We have reviewed the accompanying condensed interim statement of financial position of **Quetta Textile Mills Limited** (the Company) as at 31<sup>st</sup> December, 2024 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, together with the notes to the financial statements for the half year then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for preparation and presentation of this interim financial reporting in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

The figures of the condensed interim statement of profit or loss, condensed interim statement of comprehensive income for the quarters ended December 31, 2024 and December 31, 2023, and the notes forming part thereof have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2024.

**Scope of Review**

We conducted our review in accordance with the International Standards on Review Engagements 2410, "Review of interim financial information performed by the independent Auditors of the Entity". A review of interim financial information consists of making inquiries, primarily of the persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Basis of Adverse Conclusion**

The following observations come to our knowledge during our review of interim financial statements:

- a) As described in Note 1.3 to the financial statement the company has incurred net loss of Rupees 577.389 million during the half year ended December 31, 2024 and as of that date, reported accumulated losses of Rupees 5,484.534 million. The company's current liabilities exceed its current assets by Rs. 6,924.695 million. These conditions along with adverse key financial ratios and litigation with banks indicate the existence of a material uncertainty which cast significant doubt about the company's ability to continue as a going concern. These circumstances give rise to significant uncertainty as to the ability of the company to continue operations as going concern in the foreseeable future and therefore, the company may be unable to realize its assets and discharge its liabilities in the normal course of business. The management has prepared financial statements on going concern basis, but in our judgment, management's use of going concern assumption in these financial statements is inappropriate.
- b) The company has not accounted for markup for the half year ended December 31, 2024 on outstanding balances in respect of short-term borrowings, long term financing from banks. Therefore, we are unable to ascertain the financial impact of the same on the financial statements

- c) As disclosed in the financial statements, balance payable to various banks in respect of short-term financing amounting to Rs. 1,741.386 million, in respect of long-term financing amounting to Rs.1,979.52 million, in respect of sukuk amounting to Rs.611.335 million, margin with bank guarantee amounting to Rs. 157.640 million and in respect of balance payable to Orix leasing amounting to Rs.7.51 million, remains unconfirmed. All the balances payable are in litigation. We were also unable to satisfy ourselves as to the correctness and terms and conditions of the reported balances by performing other alternate auditing procedures.
- d) The company has not accounted for the amount of Rs.333.52 million payable in respect of Gas infrastructure development cess (GIDC) in the financial statements. Had the above amount been recorded in the accounts, the loss would have been increased by Rs.333.52 and consequently the liability would have been increased by the same amount.
- e) As disclosed in note 5 to the financial statements, out of total plant & machinery amounting to Rs. 4.016 billion we were unable to verify the existence of plant & machinery amounting to Rs. 501.129 million. In the absence of verification, we are unable to ascertain the financial impact.
- f) Cash and bank balance amounting to Rs.9.283 million remains unconfirmed as we have not received confirmation as required by ISA 505, therefore, we were unable to satisfy ourselves as to the correctness of the reported balance.
- g) We were unable to send direct confirmations sent to Legal and Tax Advisors. Therefore, we were unable to determine the impact of expected outcome of outstanding litigations and any tax assessments as on the reporting date. Furthermore, we cannot ascertain the effect and outcome of any undisclosed litigation as on reporting date.
- h) As fully disclosed in note 6.1.2 to the financial statement, the company has not accounted for markup amounting to Rs. 39.271 million.

### Adverse Conclusion

Based on our review, because of the significance of the matters discussed in paragraphs (a) to (h), the accompanying interim financial information for the half year ended December 31, 2024 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditor's REVIEW report is **Nouman Arshad, ACA**.

MUSHTAQ & CO.  
Chartered Accountants



Lahore.  
Dated: 28-Feb-2025  
UDIN: RR202410724D28vZxyJI

**QUETTA TEXTILE MILLS LIMITED****CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)****AS AT DECEMBER 31, 2024**

		[Un-Audited]	[Audited]
	Note	31-Dec-24 Rupees	30-Jun-24 Rupees
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	5	10,167,293,456	10,256,360,220
Long term deposits		63,913,433	60,669,433
		<b>10,231,206,889</b>	<b>10,317,029,653</b>
<b>CURRENT ASSETS</b>			
Stores and spares		533,969,373	593,969,373
Stock in trade		3,049,435,270	2,909,414,624
Trade debts		44,771,920	147,901,796
Other financial assets		69,507,492	118,007,492
Advances, deposits, prepayments and others receivable		64,203,142	64,669,931
Tax refund due from government		766,726,082	691,935,076
Cash and bank balances		9,401,805	5,779,998
		<b>4,538,015,084</b>	<b>4,531,678,290</b>
		<b>14,769,221,973</b>	<b>14,848,707,943</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorized capital</b>			
20,000,000 (June 30, 2024: 20,000,000) ordinary shares of Rs. 10 each		200,000,000	200,000,000
15,000,000 (June 30, 2024: 15,000,000) preference shares of Rs. 10 each		150,000,000	150,000,000
		<b>350,000,000</b>	<b>350,000,000</b>
Issued, subscribed and paid-up capital		130,000,000	130,000,000
Reserves		(4,717,782,947)	(4,177,398,396)
Loan from directors and others		212,728,470	212,728,470
Revaluation surplus on property, plant and equipment		7,067,766,568	7,104,771,535
		<b>2,692,712,091</b>	<b>3,270,101,609</b>
<b>NON CURRENT LIABILITIES</b>			
Long term finances		581,013,564	582,183,564
Redeemable capital - Sukuk		-	-
Liabilities against assets subject to finance lease		-	-
Deferred liabilities		32,785,773	32,048,417
		<b>613,799,337</b>	<b>614,231,981</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		6,515,507,248	6,016,193,661
Accrued mark-up		1,036,252,984	1,036,252,984
Short term borrowings		1,741,386,842	1,743,205,264
Loan from directors and others		109,066,357	109,066,357
Current portion of:			
Long term finances		1,398,516,210	1,399,006,210
Redeemable capital - Sukuk		611,335,643	611,335,643
Liabilities against assets subject to finance lease		7,516,552	12,516,552
Unclaimed dividend		36,467	36,467
Provision for taxation		43,092,242	36,761,215
		<b>11,462,710,545</b>	<b>10,964,374,353</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	6	<b>14,769,221,973</b>	<b>14,848,707,943</b>

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

  
**Chief Executive**
  
**Director**
  
**Chief Financial Officer**



**QUETTA TEXTILE MILLS LIMITED****CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2024**

	Note	Half Year Ended		Quarter Ended	
		31-Dec-24 Rupees	31-Dec-23 Rupees	31-Dec-24 Rupees	31-Dec-23 Rupees
Sales		506,482,195	430,126,537	326,098,564	323,754,264
Cost of sales	7	(1,060,994,833)	(644,337,755)	(735,359,029)	(461,943,016)
<b>Gross (loss)</b>		<b>(554,512,638)</b>	<b>(214,211,218)</b>	<b>(409,260,465)</b>	<b>(138,188,752)</b>
Other income		8,721,450	7,699,825	4,534,626	2,685,252
		<b>(545,791,188)</b>	<b>(206,511,393)</b>	<b>(404,725,839)</b>	<b>(135,503,500)</b>
Distribution cost		(1,084,624)	(2,446,269)	(414,522)	(1,554,281)
Administrative expenses		(21,302,639)	(23,660,818)	(12,701,051)	(12,218,015)
Finance cost		(2,804,870)	(21,138,066)	(2,769,861)	(9,850,960)
		<b>(25,192,133)</b>	<b>(47,245,153)</b>	<b>(15,885,434)</b>	<b>(23,623,256)</b>
<b>(Loss) before levies and Income Tax</b>		<b>(570,983,321)</b>	<b>(253,756,546)</b>	<b>(420,611,273)</b>	<b>(159,126,756)</b>
Levies		(6,406,196)	(5,361,971)	(4,076,232)	(4,046,929)
<b>(Loss) before Income Tax</b>		<b>(577,389,518)</b>	<b>(259,118,517)</b>	<b>(424,687,506)</b>	<b>(163,173,685)</b>
Income Tax Expenses		-	(251,919)	-	(251,919)
<b>(Loss) for the half year</b>		<b>(577,389,518)</b>	<b>(259,370,436)</b>	<b>(424,687,506)</b>	<b>(163,425,604)</b>
<b>(Loss) per share - basic and diluted</b>		<b>(44.41)</b>	<b>(19.95)</b>	<b>(32.67)</b>	<b>(12.57)</b>

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

Chief Executive

Director

Chief Financial Officer



# QUETTA TEXTILE MILLS LIMITED

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2024

	Capital Reserves				Revenue Reserves			Loan from directors and others	Total equity	
	Share Capital	Share premium	Capital reserve	Revaluation surplus on property, plant and equipment	Sub total	Accumulated (loss)	General reserve			Sub total
<b>Rupees</b>										
<b>Balance as at July 01, 2023 - Audited</b>	130,000,000	651,750,000	1,200	7,178,781,168	7,830,532,368	(4,300,819,956)	115,000,000	(4,185,819,956)	212,728,470	3,987,440,885
(loss) for the half year	-	-	-	-	-	(259,370,436)	-	(259,370,436)	-	(259,370,436)
Total comprehensive (loss) for the half year	-	-	-	-	-	-	-	-	-	-
Revaluation surplus on property, plant and equipment	-	-	-	-	-	(259,370,436)	-	(259,370,436)	-	(259,370,436)
(incremental depreciation) - net of deferred tax	-	-	-	(37,953,812)	(37,953,812)	37,953,812	-	37,953,812	-	-
<b>Balance as at December 31, 2023</b>	<u>130,000,000</u>	<u>651,750,000</u>	<u>1,200</u>	<u>7,140,827,356</u>	<u>7,792,578,556</u>	<u>(4,522,236,580)</u>	<u>115,000,000</u>	<u>(4,407,236,580)</u>	<u>212,728,470</u>	<u>3,728,070,449</u>
<b>Balance as at July 01, 2024 - Audited</b>	<u>130,000,000</u>	<u>651,750,000</u>	<u>1,200</u>	<u>7,104,771,535</u>	<u>7,756,522,735</u>	<u>(4,944,149,596)</u>	<u>115,000,000</u>	<u>(4,829,149,596)</u>	<u>212,728,470</u>	<u>3,270,101,609</u>
(loss) for the half year	-	-	-	-	-	(577,389,518)	-	(577,389,518)	-	(577,389,518)
Total comprehensive (loss) for the half year	-	-	-	-	-	-	-	-	-	-
Revaluation surplus on property, plant and equipment	-	-	-	-	-	(577,389,518)	-	(577,389,518)	-	(577,389,518)
(incremental depreciation) - net of deferred tax	-	-	-	(37,004,967)	(37,004,967)	37,004,967	-	37,004,967	-	-
<b>Balance as at December 31, 2024</b>	<u>130,000,000</u>	<u>651,750,000</u>	<u>1,200</u>	<u>7,067,766,568</u>	<u>7,719,517,768</u>	<u>(5,484,534,147)</u>	<u>115,000,000</u>	<u>(5,369,534,147)</u>	<u>212,728,470</u>	<u>2,692,712,091</u>

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

Chief Executive

Director

Chief Financial Officer

**QUETTA TEXTILE MILLS LIMITED****CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2024**

	Half Year Ended		Quarter Ended	
	31-Dec-24 Rupees	31-Dec-23 Rupees	31-Dec-24 Rupees	31-Dec-23 Rupees
<b>(Loss) for the half year</b>	<b>(577,389,518)</b>	<b>(259,370,436)</b>	<b>(424,687,506)</b>	<b>(163,425,604)</b>
Other comprehensive income				
<b>Items that may not be re-classified subsequently to Profit or loss :</b>				
Actuarial (gain/loss) on premeasurement of employees retirement benefits - gratuity	-	-	-	-
Related deferred tax on premeasurement of employees retirement benefits - gratuity	-	-	-	-
<b>Other comprehensive income/(loss) for the half year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive (loss) for the half year</b>	<b><u>(577,389,518)</u></b>	<b><u>(259,370,436)</u></b>	<b><u>(424,687,506)</u></b>	<b><u>(163,425,604)</u></b>

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

**Chief Executive**

**Director**

**Chief Financial Officer**

**QUETTA TEXTILE MILLS LIMITED****CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2024**

	Half Year Ended	
	31-Dec-24 Rupees	31-Dec-23 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss) before levies and Income Tax	(570,983,321)	(253,756,546)
<b>Adjustments for:</b>		
Depreciation	89,066,764	91,807,381
Finance cost	2,804,870	21,138,066
Profit on sale of property, plant and equipment	-	(1,255,301)
Provision for gratuity	7,937,212	8,851,554
	<b>99,808,846</b>	<b>120,541,700</b>
(Loss) before working capital changes	(471,174,475)	(133,214,847)
<b>(Increase) / decrease in current assets</b>		
Stores, spare parts and loose tools	60,000,000	9,300,655
Stock in trade	(140,020,646)	44,657,256
Trade debts	103,129,876	95,778,184
Advances, deposits, prepayments and other receivable	466,789	22,519,557
Other financial assets	48,500,000	6,200,750
	<b>72,076,019</b>	<b>178,456,401</b>
<b>(Decrease) / increase in current liabilities</b>		
Trade and other payables	499,313,587	152,526,160
Cash generated from operations	<b>100,215,131</b>	<b>197,767,714</b>
Long term deposits	(3,244,000)	(5,463,551)
Interest paid	(2,804,870)	(2,373,493)
Gratuity paid	(7,199,856)	(55,473,643)
Taxes paid	(74,866,175)	(83,557,860)
	<b>(88,114,901)</b>	<b>(146,868,547)</b>
<b>Cash flows from operating activities</b>	<b>12,100,230</b>	<b>50,899,169</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	-	-
Proceeds from sale of property, plant and equipment	-	2,000,000
<b>Cash generated from investing activities</b>	<b>-</b>	<b>2,000,000</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term finances	(1,660,000)	(42,884,137)
Liabilities against assets subject to finance lease	(5,000,000)	-
Short term borrowings	(1,818,422)	(8,099,039)
<b>Cash (used in) financing activities</b>	<b>(8,478,422)</b>	<b>(50,983,176)</b>
<b>Net increase in cash and cash equivalents</b>	<b>3,621,807</b>	<b>1,915,992</b>
Cash and cash equivalent at the beginning of the half year	5,779,998	13,235,499
<b>Cash and cash equivalent at the end of the half year</b>	<b>9,401,805</b>	<b>15,151,491</b>

The annexed notes form an integral part of these condensed interim 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. 577.389 million (June 30, 2024: Rs. 703.850 million) and has reported accumulated losses amounting to Rs. 5,484.534 million (June 30, 2024 : Rs. 4,944.149 million) at the period end. Accordingly, it resulted equity of Rs. 2,692.712 million in current period (June 30, 2024: equity Rs. 3,270.101 million). In addition, the Company's current liabilities exceeded its current assets by Rs. 6,924.695 million (June 30, 2024: Rs. 6,432.696 million) at the period 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 available capacity. The QTM 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 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. The management anticipates better operational efficiencies and plant utilization.
- 1.3.3 Directors and sponsors of the company, they 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 half year financial statements are the same as those of the published annual financial statements for the period ended June 30, 2024.

**2 BASIS OF PREPARATION****2.1 Statement of compliance**

- (a) These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2024**

(i) International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act,2017 and

(ii) Provisions of and directives issued under the Companies Act,2017.

Where the provisions of and directives issued under the Companies Act,2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

(b) 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 2024.

**3 MATERIAL ACCOUNTING POLICY INFORMATION**

3.1 The accounting policies and methods of computation adopted for the preparation of the financial statements for the half year ended December 31, 2024 on the same as those applied in the preparation for the annual audited statement for the year ended June 30, 2024.

**4 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT**

4.1 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.

4.2 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 30 June, 2024.

4.3 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 2024.

**5 PROPERTY, PLANT AND EQUIPMENTS**

	Note	(Un-audited)	(Audited)
		31-Dec-24	30-Jun-24
		----- Rupees -----	
Operating assets	5.1	10,167,293,456	10,256,360,220
		<u>10,167,293,456</u>	<u>10,256,360,220</u>

5.1 The cost of acquisition and disposal to operating assets during the half year ended December 31, 2024 were as follows:

	(Un-audited)		(Audited)	
	31-Dec-24		30-Jun-24	
	Acquisition	Disposal	Acquisition	Disposal
	Cost		Cost	
	----- Rupees -----		----- Rupees -----	
<b>Owned assets</b>				
Plant & machinery	-	-	-	-
Factory Equipment	-	-	-	-
Vehicles	-	-	-	1,766,700
<b>Total</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,766,700</u>

5.2 During the period ended, total depreciation expense amounts to Rs. 89,066,764.

**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 6.1 and 6.2 respectively.

	(Un-audited)	(Audited)
	31-Dec-24	30-Jun-24
		-----Rupees -----
<b>6.1 Contingencies</b>		
Bank Guarantees issued by bank on behalf of the company	<u>157,640,132</u>	<u>260,177,270</u>



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2024**

- 6.1.1 Except for the mentioned below, there is no changes in the legal cases other than those enclosed in the annual financial statement as on June 30, 2024.
- 6.1.2 As fully disclosed in note no. 26.3 to the audited financial statements for the year ended June 30, 2024, various suits were filed against the company by various banks for recovery of outstanding loan/dues. Out of these, Suit no. B-10 of 2019 titled "Soneri Bank Limited vs. Quetta Textile Mills Limited" has been decided against the company by Honorable Sindh High Court and the court ordered that an amount of Rs. 576.204 million is payable by the company to the bank. As at June 30, 2024 company has already accounted for Rs. 481.567 million & Rs. 54.966 million in respect of loan payable and markup payable respectively. Further more the company has not accounted remaining markup amounting to Rs. 39.271 million.

**6.2 Commitments**

Confirmed letter of credit in respect of:

Stores and spares

-	-
-	-

**7 COST OF SALES**

	(Un-audited) 31-Dec-24	(Un-audited) 31-Dec-23
	-----Rupees -----	
Raw material consumed	286,808,029	161,697,031
Salaries, wages and benefits	241,288,455	144,164,763
Stores and spares consumed	66,817,156	22,191,183
Fuel, power and water	450,844,266	200,571,048
Rent, rates and taxes	533,250	696,991
Insurance expenses	249,027	892,452
Repairs and maintenance	1,117,110	1,153,410
Vehicle running and maintenance	4,698,534	8,377,588
Entertainment expenses	1,999,005	1,156,033
Communication expenses	388,017	598,753
Printing and stationery	123,420	238,160
Subscription	505,700	72,140
Travelling	412,692	415,301
Other expenses	306,800	571,128
Depreciation expenses	76,748,130	78,705,596
	<b>1,132,839,591</b>	<b>621,501,577</b>
<b>Work in process</b>		
Opening stock	70,874,321	93,286,287
Closing stock	-	(63,534,125)
	<b>70,874,321</b>	<b>29,752,162</b>
<b>Cost of goods manufactured</b>	<b>1,203,713,912</b>	<b>651,253,739</b>
<b>Finished goods</b>		
Opening balance	2,705,765,691	2,749,845,732
Closing stock	(2,848,484,770)	(2,756,761,716)
	<b>(142,719,079)</b>	<b>(6,915,984)</b>
	<b>1,060,994,833</b>	<b>644,337,755</b>

**8 TRANSACTIONS WITH RELATED PARTIES**

	(Un-audited) 31-Dec-24	(Un-audited) 31-Dec-23
	-----Rupees -----	
<b>Transactions with related parties</b>		
Salaries and other employees benefits	3,440,000	-
Relationship		
Key management personnel		

**9 DATE OF AUTHORIZATION FOR ISSUE**

These condensed interim financial statements have been authorized for issue on 27-02-2025 by the board of directors of the company.

**10 GENERAL**

Figures have been rounded off to the nearest rupees.



Chief Executive



Director



Chief Financial Officer