

QUETTA TEXTILE MILLS LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

CHIEF FINANCIAL OFFICER

Mr. Omer Khalid

COMPANY SECRETARY

Mr. Muhammad Sohrab Ghani

AUDITORS

Mushtaq and Company
Chartered Accountants
407 / 4th Floor, Commerce Centre
Hasrat Mohani Road, Karachi

BANKERS

Allied Bank Limited
Al-Baraka Bank (Pakistan) Limited
Bank Alfalah Limited
Burj Bank Limited
Dubai Islamic Bank (Pakistan) Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
KASB 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

QUETTA TEXTILE MILLS LIMITED

CHIEF EXECUTIVE'S REVIEW

Dear Shareholders:

It is my pleasure to present the financial results of the company for the nine months period ended on March 31, 2015.

Your company made a pre-tax loss of Rs. 108.9 (M) as compared to corresponding last year's nine months pre-tax profit of Rs. 177.4 (M). Turnover for the nine months was Rs. 8.1 (B), as compared to corresponding last year's nine months Rs. 9.4 (B). Showing a decrease of 14% which is mainly due to abrupt decrease in prices of yarns and fabrics, which followed the oil and general commodity price fall.

The company faced inventory loss on cotton procured at high prices, which inevitably is the prime reason for the loss during this period. The textile industry continues to face extremely difficult conditions due to lack of gas availability, unrealistic PKR/USD exchange rates, and poor demand for yarns and fabrics in world markets.

The severe conditions in Pakistan's spinning and weaving sectors are expected to continue well into the next financial year as well, unless the governments' steps forward with corrective measures with regards to its policies for the industry. Tax refunds continue to get stuck-up for long durations, adding to liquidity tightness.

We thank our supporting financial institutions, workers, staff and officers for their dedication and support to the company.

On behalf of the Board of Directors



TARIQ IQBAL
Chief Executive

Karachi: April 30, 2015

QUETTA TEXTILE MILLS LIMITED

Condensed Interim Balance Sheet (Un-audited)

As at March 31, 2015

		(Un-audited)	(Audited)
	Note	31-Mar-15 Rupees	30-Jun-14 Rupees
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	5	4,875,905,993	5,008,146,385
Long term deposits		31,380,424	31,205,049
		4,907,286,417	5,039,351,434
CURRENT ASSETS			
Stores, spare parts and loose tools	6	506,309,754	529,949,869
Stock in trade		3,701,141,065	3,769,952,643
Trade debts		326,124,535	410,865,919
Loans and advances		68,043,146	69,758,035
Trade deposits and short term prepayments		8,367,120	8,765,196
Other financial assets		1,181,229	3,227,989
Income tax and Sales tax refundable		241,252,448	289,977,522
Cash and bank balances		74,838,499	46,136,058
		4,927,257,796	5,128,633,231
		9,834,544,213	10,167,984,665
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital			
20,000,000 (June 30, 2014: 20,000,000) ordinary shares of Rs. 10 each		200,000,000	200,000,000
15,000,000 (June 30, 2014: 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		2,170,891,939	2,358,036,006
		2,300,891,939	2,488,036,006
Surplus on revaluation of property, plant & equipment		676,572,115	689,329,460
NON CURRENT LIABILITIES			
Long term finances		100,383,813	108,859,446
Redeemable capital - Sukuk		535,035,285	654,434,534
Long term financing from directors and others-Subordinated		160,726,470	160,726,470
Liabilities against assets subject to finance Lease		10,927,751	17,735,744
Deferred liabilities		495,118,618	516,109,062
		1,302,191,937	1,457,865,256
CURRENT LIABILITIES			
Trade and other payables		816,463,156	902,698,608
Accrued mark up and interest		197,633,720	159,417,657
Short term borrowings - secured		4,226,216,055	4,162,591,963
Current portion of			
Long term financing		70,814,383	78,310,038
Redeemable capital - Sukuk		224,137,932	204,413,793
Liabilities against assets subject to finance Lease		19,622,976	25,321,884
		5,554,888,222	5,532,753,943
CONTINGENCIES AND COMMITMENTS			
	7	9,834,544,213	10,167,984,665

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


TARIQ IQBAL
 Chief Executive


OMER KHALID
 Director

Karachi:

Dated : **April 30, 2015**

QUETTA TEXTILE MILLS LIMITED

Condensed Interim Profit and Loss Account (Un-audited)

For the Nine months and Quater ended March 31, 2015

	For the Nine Months period Ended		Quarter Ended	
	31-Mar-15 Rupees	31-Mar-14 Rupees	31-Mar-15 Rupees	31-Mar-14 Rupees
Sales	8,081,609,188	9,391,489,153	2,655,728,916	3,081,782,775
Cost of sales	(7,465,119,083)	(8,451,322,828)	(2,467,523,552)	(2,843,530,309)
Gross profit	616,490,105	940,166,325	188,205,364	238,252,466
Distribution cost	(226,322,643)	(263,659,220)	(67,846,807)	(86,148,269)
Administrative expenses	(38,916,491)	(37,695,544)	(13,459,450)	(13,877,986)
Other operating expenses	(827,047)	(15,237,255)	39,861	(3,608,581)
Finance cost	(466,256,535)	(450,522,437)	(151,151,043)	(91,877,809)
	(732,322,716)	(767,114,456)	(232,417,439)	(195,512,645)
(Loss)/Profit from opeation	(115,832,611)	173,051,869	(44,212,075)	42,739,821
Other Income	6,853,166	4,392,512	606,405	1,195,372
(Loss)/Profit before Taxation	(108,979,445)	177,444,381	(43,605,670)	43,935,193
Taxation	(90,941,425)	(107,155,308)	(31,130,279)	(41,990,563)
(Loss)/Profit after Taxation	(199,920,870)	70,289,073	(74,735,949)	1,944,630
(Loss)/Earnings per share - basic and diluted	(15.38)	5.41	(5.75)	0.15

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


TARIQ IQBAL
Cheif Executive


OMER KHALID
Director

Karachi:

Dated : April 30, 2015

QUETTA TEXTILE MILLS LIMITED

Condensed Interim Statement of Comprehensive Income (Un-audited)
For the Nine months and Quater ended March 31, 2015

	For the Nine Months Ended		Quarter Ended	
	31-Mar-15 Rupees	31-Mar-14 Rupees	31-Mar-15 Rupees	31-Mar-14 Rupees
		Restated		Restated
(Loss)/Profit after taxation	(199,920,870)	70,289,073	(74,735,949)	1,944,630
Other comprehensive (Loss)/ income for the period :				
Loss on remeasurement of Staff retirement benefits	(7,193,421)	(12,417,204)	(2,397,807)	(4,139,068)
Impact of Deferred tax	929,411	1,603,995	310,000	534,665
	(6,264,010)	(10,813,209)	(2,087,807)	(3,604,403)
Total comprehensive (Loss)/ income for the period	(206,184,880)	59,475,864	(76,823,756)	(1,659,773)

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


TARIQ IQBAL
Cheif Executive


OMER KHALID
Director

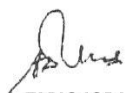
Karachi:

Date: April 30, 2015

QUETTA TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT CASH FLOW (UN-AUDITED)
FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2015

	For the Nine Months period Ended	
	31-Mar-15 Rupees	31-Mar-14 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES:		
(Loss)/ Profit before taxation	(108,979,445)	177,444,381
Adjustments for non cash charges and other items:		
Depreciation	176,933,477	181,026,444
Finance cost - net	466,256,535	450,522,437
Dividend income	(252,901)	(294,000)
(Gain) on Sales of fixed assets	(3,373,242)	-
Provision for gratuity	22,675,716	32,410,479
Provision for (Appreciation)/diminution in the value of investment	827,047	(1,379,799)
Provision for workers profit participation fund	-	9,540,020
	<u>663,066,632</u>	<u>671,825,581</u>
Profit before working capital changes	554,087,187	849,269,962
Effects on cash flow due to working capital changes:		
(Increase)/decrease in current assets:		
Stocks, stores and spares	92,451,693	(600,628,227)
Trade debts	84,741,384	25,940,143
Loans, advances, short term prepayments and other receivables	43,410,310	49,600,687
	<u>220,603,387</u>	<u>(525,087,397)</u>
Increase / (decrease) in current liabilities:		
Trade and other payables	(80,811,616)	101,062,887
Cash generated from operations	<u>693,878,958</u>	<u>425,245,452</u>
Payment for:		
Taxes	(70,439,390)	(92,088,641)
Gratuity	(50,001,008)	(21,659,878)
Workers profit participation fund	(12,057,940)	(14,809,098)
Long term deposit	(175,375)	8,236,097
Finance cost - net	(428,040,472)	(453,168,503)
	<u>(560,714,185)</u>	<u>(573,490,023)</u>
Net Cash Outflow From Operating Activities	133,164,773	(148,244,571)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Dividend received	252,901	294,000
Fixed capital expenditure	(46,669,844)	(156,957,701)
Sale Proceed of Fixed assets	5,350,000	-
Short term investments	1,219,713	2,482,610
Net Cash Outflow/Inflow From Investing Activities	(39,847,230)	(154,181,091)
CASH FLOWS FROM FINANCING ACTIVITIES :		
Long term loans - net	(15,971,288)	(57,618,057)
Short term loan- net	63,624,092	600,904,787
Redeemable capital	(99,675,110)	(177,991,249)
Finance lease	(12,506,901)	(54,645,620)
Long term loans from directors and associates	-	14,522,820
Dividend paid	(85,895)	(19,153,100)
Net Cash Outflow From Financing Activities	(64,615,102)	306,019,581
Net increase in cash and cash equivalents	28,702,441	3,593,919
Cash and cash equivalents at beginning of the period	46,136,058	37,974,217
Cash and bank balances at the end of the period	74,838,499	41,568,136

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


TARIQ IQBAL
 Chief Executive


OMER KHALID
 Director

Karachi
 April 30, 2015

QUETTA TEXTILE MILLS LIMITED

Condensed Interim Statement of Changes in Equity (Un-audited) For the Nine Months period Ended March 31, 2015

Particulars	Share capital	Reserves					Total
		Share premium	Capital reserves	General reserves	Unappropriated profit	Sub total	
Rupees							
Balance as at June 30, 2013	130,000,000	651,750,000	1,200	115,000,000	1,528,181,748	2,294,932,948	2,424,932,948
Final Dividend for the year ended June 30, 2013 PKR 1.5 per share	-	-	-	-	(19,500,000)	(19,500,000)	(19,500,000)
Total comprehensive income for the nine month ended March 31, 2014	-	-	-	-	70,289,073	70,289,073	70,289,073
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation	-	-	-	-	19,675,227	19,675,227	19,675,227
Balance as at March 31, 2014	130,000,000	651,750,000	1,200	115,000,000	1,598,646,048	2,365,397,248	2,495,397,248
Balance as at June 30, 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 nine 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
Balance as at March 31, 2015	130,000,000	651,750,000	1,200	115,000,000	1,404,140,739	2,170,891,939	2,300,891,939

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


TARIQ IQBAL
Chief Executive


OMER KHALID
Director

Karachi:
Date: April 30, 2015

QUETTA TEXTILE MILLS LIMITED
SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2015

1. THE COMPANY AND ITS OPERATIONS

The company was incorporated as a public limited company on January 29, 1970. Its shares are quoted on the Karachi Stock Exchange. The main business of the company is manufacturing and sale of yarn and fabric. The registered address of the company is Nadir House, Ground Floor, I.I. Chundrigar Road, Karachi.

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 Finance Reporting Standard (IFRS) 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, 2014.

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 interim Profit and Loss, condensed interim statement of comprehensive income, condensed interim statement of cash flow and condensed interim statement of changes in equity together with the notes for the Nine months period ended March 31, 2015. These condensed interim financial statements also include the condensed interim income statement for the quarter and nine period months ended March 31, 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 30 June, 2014 except amendments in International Accounting Standard 1 (Revised) 'Presentation of Financial Statements' which became applicable from the financial periods beginning on or after 1 January 2013. The application of this standard has resulted in certain increased disclosures including the statement of other comprehensive income which has been reflected in the Company's condensed interim financial information.

4. ACCOUNTING ESTIMATES, JUDGEMENTS 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 judgements 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.

Judgements 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, 2014.

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 2014.

5 **ACQUISITION AND DISPOSAL OF FIXED ASSETS - (AT COST)**

	MARCH 31, 2015		30-Jun-14	
	ADDITIONS	DISPOSALS	ADDITIONS	DISPOSAL
	RUPEES		RUPEES	
Land	-	1,639,060	-	-
Building lease hold	-	-	60,950,615	-
Plant and machinery	44,142,944	-	183,239,792	-
Electrical fitting	1,010,900	-	2,326,292	-
Factory equipment	-	-	140,000	-
Gridstation	-	-	-	-
Office equipment	1,394,000	-	435,900	-
Furniture and fixture	122,000	-	493,362	-
Vehicles	-	725,000	7,872,925	739,000
	<u>46,669,844</u>	<u>2,364,060</u>	<u>255,458,886</u>	<u>739,000</u>

6 **STOCK IN TRADE**

The carrying value of pledge stock amount to Rs. 1,890,366,233 (June :30, 2014 Rs.1,840,391,856/=)

	(Un-audited)	(Audited)
	Mar-15	Jun-14
	-----Rupees-----	

7 **CONTINGENCIES AND COMMITMENTS**

Contingencies

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.

7.1 **Contingencies**

Bank Guarantee issued by bank on behalf of the company

<u>241,879,032</u>	<u>277,255,245</u>
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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, 2014.

7.2 **Commitments**

Civil works	<u>10,000,000</u>	<u>10,000,000</u>
Confirmed letter of credit in respect of:		
- Raw material	<u>40,337,784</u>	503,653,164
- Stores and spares	<u>28,027,855</u>	18,624,231
	<u>68,365,639</u>	<u>522,277,395</u>

8 **TRANSACTIONS WITH RELATED PARTIES**

	(Un-audited)	(Un-audited)
	Mar-15	Mar-14
	-----Rupees-----	

Transactions with related parties	Relationship		
Loan received/(repaid) - net	Key management personnel	1,117,575	14,522,820
Salaries and other employees benefits	Key management personnel	3,964,930	2,909,682

9 **CYCLICALITY OF OPERATIONS**

The textile business is an all year business, however, major raw material purchases i.e. cotton, takes place during the four months from October to January. This leads to higher figures in respect of stocks and bank borrowings.

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 half year and quarter.

11 **DATE OF AUTHORIZATION FOR ISSUE**

These financial statements have been authorized for issue on April 30, 2015 by Board of Directors of the Company.

12 **GENERAL**

Figures have been rounded off to the nearest rupee.


TARIQ IQBAL
Chief Executive


OMER KHALID
Director

Dated April 30, 2015