

REVIEWED FINANCIAL STATEMENTS

**FOR THE HALF YEAR ENDED
DECEMBER 31,2021
(UN-AUDITED)**



QUETTA TEXTILE MILLS LIMITED

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QUETTA TEXTILE MILLS LIMITED

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



QUETTA TEXTILE MILLS LIMITED

DIRECTORS' REPORT

Assalam-e-Alaikum

Dear Shareholders:

We present to you the results of the company for the half year & quarter ended December 31, 2021.

Your company made a pre-tax loss of Rs. 37.501 million, as compared to the corresponding last half-year pre-tax loss of Rs. 327.228 million. Turnover for the half year ended was Rs. 2,579.713 million, as compared to corresponding last half year's sales of Rs. 1,359.950 million.

This is the first time in the last 6 years that the Company has incurred a Gross Profit of Rs. 91 million and Net Profit of Rs. 119 million for the quarter October, 2021 to December, 2021. Positive Cash flows have been achieved in the quarter as the Company fetched better yarn and fabric prices.

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: February 28, 2022



QUETTA TEXTILE MILLS LIMITED

ڈائریکٹر ان کی رپورٹ
اسلام علیکم

معزز شیئر ہولڈرز:

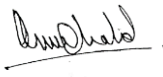
ہم آپ کو کمپنی کے سہ ماہی منقسمہ 31 دسمبر 2021 کے نتائج پیش کرتے ہیں۔


موجودہ سال کی دوسری ششماہی مدت میں آپ کی کمپنی کو قبل از ٹیکس خسارہ 37.501 ملین روپے ہوا جب کہ گزشتہ سال کی دوسری ششماہی مدت میں قبل از ٹیکس خسارہ 327.228 ملین روپے تھا ششماہی کے اختتام پر فروخت 2,579.712 ملین روپے رہی جو کہ گزشتہ سال اسی مدت میں فروخت 1,359.950 ملین روپے تھی۔

چھ (6) سال میں پہلی بار ہے کہ کمپنی کا 31 دسمبر 2021 کو ختم ہونے والے ششماہی میں کل منافع 91 ملین روپے ہوا ہے اور خالص منافع 119 ملین روپے ہوا ہے۔ نقد بہاؤ بھی مثبت رہا ہے اس ششماہی میں کیونکہ کمپنی نے سوت اور کپڑے کے بہتر قیمتیں حاصل کی ہیں۔

میں اس مشکل وقت میں کمپنی کے تمام عملے اور مزدوروں اور مدگار مالیاتی اداروں کے اعتماد اور کوششوں کا شکر گزار ہوں۔

برائے و منجانب:


عمر خالد
ڈائریکٹر


طارق اقبال
چیف ایگزیکٹو آفیسر

مورخہ 28 فروری 2022

کراچی

INDEPENDENT AUDITORS' REVIEW REPORT ON CONDENSED INTERIM FINANCIAL INFORMATION

TO THE MEMBERS OF QUETTA TEXTILE MILLS LIMITED

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Quetta Textile Mills Limited** as at **December 31, 2021**, and the related condensed interim statement profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity together with the notes forming part thereof (here-in-after referred to as the "interim financial information") for the half year then ended. Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting 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 profit and loss account and condensed interim statement of comprehensive income for the quarter ended December 31, 2021 and December 31, 2020 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2021.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor 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 for Qualified Conclusion

The following observation came to our knowledge during our review of interim financial information:

- a) The company has accounted for markup on outstanding balances in respect of short term borrowings, long term financing from banks at the rate of one percent per year instead of applicable rates. Had the company accounted for finance cost, the loss for the period would have been higher by Rs. 207.5 million approximately. Consequently the aggregate amount of accrued markup would have been increased by Rs. 382.19 million approximately and aggregate accumulated loss would have been higher by the same amount.

- b) The company has not accounted for the amount approximately 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 million and consequently the liability would have been increased by the same amount.

Material uncertainty relating to Going Concern

We draw attention to note 1.3 in the financial statements which indicate that the company has incurred a net loss of Rupees 49.378 million during the half year ended Dec 31, 2021 and as of that date, reported accumulated losses of Rupees 3,573.316 million. The company's current liabilities exceed its current assets by Rs. 5,007.507 million.

These conditions along with other matters as explained in note 1.3 indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern. These financial statements, however, have been prepared on the going concern basis on the assumptions as detailed in aforesaid note. Our opinion is not modified in respect of this matter.

Qualified Conclusion

Based on our review, except for the effects of the matters described in basis for qualified conclusion paragraph, nothing has come to our attention that causes us to believe that the accompanying interim financial information for the half year ended 31st December, 2021, 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 review resulting in this independent auditor's review report is **Mr. Zahid Hussain Zahid, FCA.**

Karachi:

Date: 28th February, 2022

UDIN:RR202110043UiIKoNb3k



MUSHTAQ & CO.

Chartered Accountants

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

		[Un-Audited]	[Audited]
	Note	31-Dec-21 Rupees	30-Jun-21 Rupees
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	5	5,487,273,888	5,565,104,172
Intangible assets		710,157	994,219
Long term deposits		33,661,014	33,661,014
		5,521,645,059	5,599,759,405
CURRENT ASSETS			
Stores and spares		442,407,144	443,466,272
Stock in trade	6	2,706,137,994	2,191,423,370
Trade debts		554,566,553	216,619,952
Advances, deposits, prepayments and other receivable		100,352,653	92,513,560
Taxation		402,503,653	342,051,152
Other financial assets	7	102,885,041	55,321,753
Cash and bank balances		35,494,610	23,628,599
		4,344,347,648	3,365,024,658
		9,865,992,707	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		2,143,287,409	2,171,467,821
Accumulated profit / (loss)		(3,573,316,286)	(3,550,930,285)
		(320,549,207)	(269,982,794)
NON CURRENT LIABILITIES			
Long term finances		641,058,941	692,785,655
Redeemable capital - Sukuk		-	-
Liabilities against assets subject to finance lease		-	-
Deferred liabilities		193,628,482	186,768,811
		834,687,423	879,554,466
CURRENT LIABILITIES			
Trade and other payables		4,268,952,356	3,300,284,099
Accrued mark-up		1,115,987,619	1,108,505,884
Short term borrowings		1,956,467,283	1,911,428,391
Loan from directors and others		67,916,357	67,916,357
Current portion of			
Long term finances		1,265,155,967	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		47,714,246	76,011,030
		9,351,854,490	8,355,212,390
CONTINGENCIES AND COMMITMENTS			
	8	-	-
		9,865,992,707	8,964,784,063

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 PROFIT OR LOSS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	Note	Half Year Ended		Quarter Ended	
		31-Dec-21 Rupees	31-Dec-20 Rupees	31-Dec-21 Rupees	31-Dec-20 Rupees
Sales		2,579,712,506	1,359,950,266	1,223,233,990	865,319,939
Cost of sales	9	(2,602,856,292)	(1,622,744,500)	(1,132,249,565)	(1,031,236,635)
Gross Profit/(loss)		(23,143,786)	(262,794,234)	90,984,425	(165,916,696)
Other income		64,952,187	7,658,583	61,230,484	4,010,581
		41,808,400	(255,135,651)	152,214,908	(161,906,115)
Distribution cost		(9,099,924)	(6,535,013)	(5,445,846)	(3,672,515)
Administrative expenses		(50,742,680)	(42,621,118)	(21,019,213)	(21,521,808)
Finance cost		(19,467,272)	(22,937,002)	(11,745,609)	(11,715,149)
		(79,309,877)	(72,093,133)	(38,210,669)	(36,909,472)
Profit/(Loss) before taxation		(37,501,476)	(327,228,784)	114,004,240	(198,815,587)
Provision for taxation					
Current tax - current period		(30,515,655)	(20,039,463)	(13,321,533)	(12,575,008)
Deferred / Prior		18,639,556	7,732,658	18,639,556	7,732,658
		(11,876,099)	(12,306,805)	5,318,023	(4,842,350)
Profit/(Loss) for the half year		(49,377,575)	(339,535,588)	119,322,263	(203,657,936)
(Loss)/earnings per share - basic and diluted		(3.80)	(26.12)	9.18	(15.67)

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 HALF YEAR ENDED DECEMBER 31, 2021

	Half Year Ended		Quarter Ended	
	31-Dec-21 Rupees	31-Dec-20 Rupees	31-Dec-21 Rupees	31-Dec-20 Rupees
Profit/(Loss) for the half year	(49,377,575)	(339,535,588)	119,322,263	(203,657,936)
Other comprehensive income				
Items that may not be re-classified subsequently to Profit or loss :				
Actuarial (gain/loss) on remeasurement of employees retirement benefits - gratuity	(1,188,838)	-	(594,419)	(4,527,594)
Related deferred tax on remeasurement of employees retirement benefits - gratuity	-	-	-	1,271,379
Other comprehensive income/(loss) for the half year	(1,188,838)	-	(594,419)	(3,256,215)
Total comprehensive (loss) / income for the half year	(50,566,413)	(339,535,588)	118,727,844	(206,914,151)

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

Chief Executive

Director

Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2021**

	Share Capital	Reserves				Loan from directors and others	Revaluation surplus on property, plant and equipment	Accumulated profit / (loss)	Total equity
		Share premium	Capital reserve	General reserve	Sub total				
Rupees									
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 half year	-	-	-	-	-	-	-	(339,535,588)	(339,535,588)
Total comprehensive (loss) for the half year	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	(339,535,588)	(339,535,588)
Revaluation surplus on property, plant and equipment (incremental depreciation) - net of deferred tax	-	-	-	-	-	-	(39,773,952)	39,773,952	-
Balance as at December 31, 2020	130,000,000	651,750,000	1,200	115,000,000	766,751,200	212,728,470	2,188,763,979	(3,537,080,116)	(238,836,467)
(Loss) for the remaining period	-	-	-	-	-	-	-	(28,768,652)	(28,768,652)
Comprehensive (loss) for the remaining period	-	-	-	-	-	-	-	(2,377,675)	(2,377,675)
	-	-	-	-	-	-	-	(31,146,327)	(31,146,327)
Revaluation surplus on property, plant and equipment (incremental depreciation) - net of deferred tax	-	-	-	-	-	-	(17,296,158)	17,296,158	-
Balance as at July 01, 2021 - 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 half year	-	-	-	-	-	-	-	(49,377,575)	(49,377,575)
Total comprehensive (loss) for the half year	-	-	-	-	-	-	-	(1,188,838)	(1,188,838)
	-	-	-	-	-	-	-	(50,566,413)	(50,566,413)
Revaluation surplus on property, plant and equipment (incremental depreciation) - net of deferred tax	-	-	-	-	-	-	(28,180,412)	28,180,412	-
Balance as at December 31, 2021	130,000,000	651,750,000	1,200	115,000,000	766,751,200	212,728,470	2,143,287,409	(3,573,316,286)	(320,549,207)

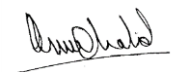
The annexed notes form an integral part of these condensed interim financial information.



Chief Executive



Director



Chief Financial Officer


**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2021**

		Half Year Ended	
	Note	31-Dec-21 Rupees	30-Dec-20 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(Loss) before taxation		(37,501,476)	(327,228,784)
Adjustments for:			
Depreciation		115,761,242	119,081,488
Amortization		284,062	284,062
Finance cost		19,467,272	22,937,002
Provision for appreciation in the value of investment		(2,842)	(49,941)
Profit on sale of property, plant and equipment		(56,644,847)	-
Provision for gratuity		23,413,098	22,145,287
		102,277,985	164,397,898
(Loss) before working capital changes		64,776,509	(162,830,885)
(Increase) / decrease in current assets			
Stores, spare parts and loose tools		1,059,128	(14,463,302)
Stock in trade		(514,714,624)	(1,225,262,839)
Trade debts		(337,946,601)	51,208,590
Advances, deposits, prepayments and other receivable		(7,839,093)	15,195,057
Other financial assets		(47,560,446)	-
		(907,001,636)	(1,173,322,495)
(Decrease) / increase in current liabilities			
Trade and other payables		968,668,257	1,536,302,534
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations		126,443,130	200,149,154
Interest paid		(11,985,537)	(1,234,146)
Gratuity paid		(17,742,221)	(9,961,043)
Taxes paid		(100,625,384)	(170,465,620)
		(130,353,142)	(181,660,809)
Cash flows from operating activities		(3,910,012)	18,488,344
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(42,311,155)	(24,886,807)
Proceeds from sale of property, plant and equipment		61,025,000	-
Cash (used in) investing activities		18,713,845	(24,886,807)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term finances		(47,976,714)	(10,900,000)
Liabilities against assets subject to finance lease		-	-
Short term borrowings		45,038,892	(4,382,799)
Loans from directors & others		-	15,900,000
		(2,937,822)	617,201
Net increase/(decrease) in cash and cash equivalents		11,866,011	(5,781,262)
Cash and cash equivalent at the beginning of the half year		23,628,599	81,810,653
Cash and cash equivalent at the end of the half year		35,494,610	76,029,391

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 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, Bhair Pheru.

1.3 Going concern assumptions

During the period, the Company incurred loss amounting to Rs. 49.378 million (June 30, 2021: Rs. 368.304 million) and has reported accumulated losses amounting to Rs. 3,573.316 million (June 30, 2021 : Rs. 3,550.640 million) at the period end. Accordingly, it resulted negative equity of Rs. 320.549 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. 5,007.507 million (June 30, 2021: Rs. 4,990.187 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 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 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;
- 1.3.3** 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, during the period the company has incurred Rs. 21.92 million on BMR in weaving section, which has resulted in efficiency and production subsequent to the period end the company has replaced some looms for better efficiency.
- 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.

1.4 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

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:
 - (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



**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2021**

- (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 interim financial statement is unaudited and is being submitted to the shareholders as required under Section 237 of the Companies Act, 2017. This condensed interim 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 2021.

3 SIGNIFICANT ACCOUNTING POLICIES

- 3.1 The accounting policies and methods of computation adopted for the preparation of the financial statements for the half yearly ended December 31, 2021 on the same as those applied in the preparation for the annual audited statement for the year ended June 30, 2021.

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, 2021.
- 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 2021.

5 PROPERTY, PLANT AND EQUIPMENT

	Note	(Un-audited) 31-Dec-21	(Audited) 30-Jun-21
		----- Rupees -----	-----
Operating assets	5.1	5,487,273,888	5,565,104,172
		<u>5,487,273,888</u>	<u>5,565,104,172</u>

- 5.1 The cost of acquisition and disposal to operating assets during the half year ended December 31, 2021 were as follows:

	(Un-audited) 31-Dec-21		(Audited) 30-Jun-21	
	Acquisition	Disposal	Acquisition	Disposal
	Cost		Cost	
	----- Rupees -----	-----	----- Rupees -----	-----
Owned assets				
Plant & machinery	31,658,185	-	95,577,492	55,179,585
Furniture and fixtures	63,000	-	1,009,249	-
Office equipment's	93,500	-	442,290	-
Factory equipment's	-	-	195,000	-
Land	-	4,296,129	-	-
Vehicles	10,496,470	1,155,050	2,252,138	589,000
Total	<u>42,311,155</u>	<u>5,451,179</u>	<u>99,476,169</u>	<u>55,768,585</u>

6 STOCK IN TRADE

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

7 RECLASSIFICATION

Corresponding figures have been rearranged and reclassified to reflect more appropriate presentation of events and transactions of the purposes of comparison. Significant reclassifications made the as following:

From	To	Reason	Rupees
Cash and bank balances	Other financial assets	Better presentation	55,210,352


**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2021**
8 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-Dec-21	30-Jun-21
	-----Rupees-----	

8.1 Contingencies

Bank Guarantee issued by bank on behalf of the company

230,759,721	230,759,721
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There is no changes in the legal cases other than those enclosed in the annual financial statement as on June 30, 2021.

8.2 Commitments

Confirmed letter of credit in respect of:

Stores and spares

54,944,843	41,128,226
54,944,843	41,128,226

9 COST OF SALES

	(Un-audited)	(Un-audited)
	31-Dec-21	31-Dec-20
	-----Rupees-----	

Raw material consumed	1,666,758,973	1,025,884,068
Salaries, wages and benefits	395,547,073	356,879,307
Stores and spares consumed	123,175,936	94,903,619
Fuel, power and water	586,196,440	651,313,622
Rent, rates and taxes	1,003,847	841,071
Insurance expenses	1,462,330	5,499,364
Repairs and maintenance	2,440,324	3,395,148
Vehicle running and maintenance	6,565,944	5,839,899
Entertainment expenses	1,522,266	1,427,392
Communication expenses	717,683	496,329
Legal & professional charges	200,000	10,000
Printing and stationery	722,310	466,586
Subscription	68,830	390,730
Travelling	592,295	386,011
Other expenses	472,603	3,675,551
Depreciation expenses	98,186,229	101,521,469
	2,885,633,083	2,252,930,166

Work in process

Opening stock

Closing stock

130,945,036	60,240,277
(89,445,417)	(68,599,972)
41,499,619	(8,359,695)

Cost of goods manufactured

2,927,132,702	2,244,570,471
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Finished goods

Opening balance

Goods purchase:

Yarn Purchase

Closing stock

1,218,047,156	769,926,443
36,341,900	-
(1,578,665,466)	(1,391,752,414)
(324,276,410)	(621,825,971)

2,602,856,292	1,622,744,500
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**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2021**
10 TRANSACTIONS WITH RELATED PARTIES

		(Un-audited)	(Un-audited)
		31-Dec-21	31-Dec-20
		-----Rupees-----	
Transactions with related parties	Relationship		
Loan received/(repaid) - net	Key management personnel	-	15,900,000
Salaries and other employees benefits	Key management personnel	8,186,520	8,186,520

11 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial information have been authorized for issue on **February 28th, 2022** by the board of directors of the company.

12 GENERAL

Figures have been rounded off to the nearest rupees.

Chief Executive

Director

Chief Financial Officer

Quetta Textile Mills Limited

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