

**REVIEWED FINANCIAL  
STATEMENTS  
NINE MONTHS PERIOD ENDED  
MARCH 31, 2018  
(UN-AUDITED)**



**QUETTA**

**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
Mrs. Tabbasum Tariq	Director
Mrs. Sadaf Khalid	Director
Mr. Major Rtd. Muhammad Saeed	Independent Director

### AUDIT COMMITTEE

Chairman	Mr. Major Rtd. Muhammad Saeed
Member	Mrs. Tabbasum Tariq
Member	Mrs. Sadaf Khalid

### HUMAN RESOURCE & REMUNERATION COMMITTEE

Chairman	Mrs. Tabbasum Tariq
Member	Mrs. Saima Asim
Member	Mrs. Sadaf Khalid

**CHIEF FINANCIAL OFFICER** Mr. Omer Khalid

**COMPANY SECRETARY** Mr. Nudrat Mund Khan

**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 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-o-Alaikum,**

Dear Shareholders:

We present to you the results of the company for nine months & quarter ended March 31, 2018.

Your company made a pre-tax loss of Rs. 733.647 million, as compared to last nine months pre-tax loss of Rs. 637.703 million. Turnover for the nine months ended was Rs. 2.594 billion, as compared to corresponding last nine months sales of Rs. 3.529 billion. Pre-tax loss as a percentage comes to 28.27% for the nine months ended on March 31, 2018, as compared to 18.07% which was corresponding nine months pre-tax loss as a percentage. This reflects increase in loss by 10.20% as a percentage. This increase in percentage of loss caused due to decrease in turnover by Rs. 934.460 million as compare to preceding nine months period.

The management's proposed "Repayment Scheme" is still 'work-in-progress'. The proposed plan is to sell existing units at Kotri. Some proceeds are to be used to settle re-structured loans and other short-term and long-term in 3 phases. Balance proceeds are to be injected as working capital for Bhai Pheru units to achieve 90% or above production & efficiency. This "Repayment Scheme" will turn the negative indicators to positive ones in 2-3 years.

Sales Tax refunds continue to get stuck-up for long durations, adding to liquidity tightness. This in turn is hampering the cash flows and causing further losses. If Sales Tax refunds are paid, it will surely improve the working of the company and the industry.

The directors' have already injected an amount of around Rs.55 million in the shape of "directors' loan to the company". The same will reflect in June '2018 financials.

I would like to thank all the staff and workers of the company and the supporting financial institutions for their confidence and efforts during this difficult time.

By order of the Board of Directors



**TARIQ IQBAL**  
Chief Executive Office



**Asim Khalid**  
Director

Dated: April 27, 2018  
Karachi.

## ڈائریکٹرز رپورٹ

السلام علیکم!

معزز شیئر ہولڈرز

ہم آپ کو کمپنی کے نو ماہی اور سہ ماہی مدت پختہ 31 مارچ 2018 کے نتائج پیش کرتے ہیں۔

آپ کی کمپنی کو 733,647 ملین روپے کا قبل از ٹیکس خسارہ ہوا، جبکہ گزشتہ نو ماہی مدت میں قبل از ٹیکس خسارہ 637,703 ملین روپے تھا۔ اس نو ماہی مدت پختہ میں فروخت 2,594 ملین روپے رہی جبکہ گزشتہ سال کے نو ماہ میں فروخت 3,529 ملین روپے تھی۔ نو ماہی مدت پختہ 31 مارچ 2018 میں بلحاظ فروخت قبل از ٹیکس خسارہ کی شرح 28.27 فیصد رہی جبکہ گزشتہ سال کی نو ماہی مدت میں قبل از ٹیکس خسارہ کی شرح 18.07 فیصد تھی۔ جو کہ شرح میں 10.20 فیصد اضافے کی عکاسی کرتا ہے۔ خسارہ کی شرح میں اضافہ کی وجہ گزشتہ نو ماہی مدت کی نسبت فروخت میں 934,460 ملین روپے کی کمی تھی۔

انتظامیہ کی مجوزہ ”واپس ادا ایگلی اسکیم“ کا عمل ابھی تک جاری ہے۔ مجوزہ منصوبے میں کوٹری کے موجودہ یونٹوں کو فروخت کر دیا جائے گا۔ فروخت سے حاصل ہونے والی کچھ رقمات کو تین مراحل میں از سر نو ساخت شدہ قرضوں اور دیگر قلیل مدتی اور طویل مدتی قرضوں کی ادا ایگلی میں استعمال کیا جائے گا۔ باقی رقمات کو بھائی بھیرہ یونٹوں کی 90 فیصد یا اس سے زیادہ پیداوار اور استعمال کے حصول کے لئے روانہ کرمانے کی ضرورت کو پورا کیا جائے گا۔ اس ”واپس ادا ایگلی اسکیم“ سے 2-3 سال میں منفی نشاندہی کا رعبیت ہو جائے گی۔

طویل عرصہ سے رکے ہوئے ٹیکس ریفرنڈ کی وصولی نہ ہونے سے کی وجہ سے روانی شدید متاثر ہو رہی ہے۔ جس سے نقدی کے بھاؤ میں رکاوٹ پیدا ہو رہی ہے اور مزید نقصانات کا باعث بن رہی ہے۔ اگر ٹیکس ریفرنڈ کی ادا ایگلی ہو جائے تو اس سے یقیناً کمپنی اور صنعت کے افعال بہتر ہو جائیں گے۔

ڈائریکٹرانے 55 ملین روپے کی رقم بورڈ ”ڈائریکٹران کا کمپنی کے لئے قرضہ“ کی مد میں دیے ہیں۔ جس کی عکاسی جون 2018 کے مالیاتی گوشواروں میں کی جائے گی۔

میں اس مشکل گھڑی میں کمپنی کے تمام عملے اور ملازمین اور معاندان مایاتی اداروں کے ساتھ داور کوششوں پر ان کا شکور ہوں۔

تکرم بورڈ آف ڈائریکٹرز



ماسعود نادم  
ڈائریکٹر



طارق اقبال  
چیف ایگزیکٹو آفیسر

مورخ: 127 اپریل 2018ء

کراچی

**Condensed Interim Balance Sheet (Un-audited)**
**As at March 31, 2018**

	Note	Audited	
		31-Mar-18 Rupees	30-Jun-17 Rupees
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	5	5,307,451,924	5,503,696,678
Long term deposits		70,332,715	70,467,715
		<b>5,377,784,639</b>	5,574,164,393
<b>CURRENT ASSETS</b>			
Stores, spare and loose tools		378,053,912	387,077,985
Stock in trade	6	876,633,684	1,117,749,453
Trade debts		352,022,256	168,042,069
Other financial assets		112,911	139,553
Loans and advances		54,170,454	74,618,163
Trade deposits and short term prepayments		4,054,595	9,894,734
Income tax and sales tax refundable		155,580,853	169,679,572
Cash and bank balances		42,505,558	59,396,241
		<b>1,863,134,223</b>	1,986,597,770
		<b>7,240,918,862</b>	<b>7,560,762,163</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorised capital</b>			
20,000,000 ordinary shares of Rs. 10 each		200,000,000	200,000,000
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		(1,259,891,813)	(827,214,752)
		(1,129,891,813)	(697,214,752)
Surplus on revaluation of property, plant and equipment		1,368,115,327	1,407,091,643
		<b>238,223,514</b>	<b>709,876,891</b>
<b>NON CURRENT LIABILITIES</b>			
Long term finance		786,377,673	955,810,417
Redeemable capital - Sukuk		76,058,129	190,678,823
Liabilities against assets subject to finance lease		9,328,240	10,731,902
Deferred liabilities		438,504,176	729,300,150
		<b>1,310,268,218</b>	<b>1,886,521,292</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		1,146,927,340	834,869,984
Accrued interest / mark-up		765,986,126	559,232,481
Short term borrowings		2,666,694,018	2,745,183,687
Loan from directors and others		26,553,530	25,816,588
<i>Current portion of</i>			
Long term finances		484,629,873	311,589,581
Redeemable capital - Sukuk		587,279,514	472,658,820
Liabilities against assets subject to finance lease		14,356,728	15,012,839
		<b>5,692,427,129</b>	<b>4,964,363,980</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
		<b>7,240,918,862</b>	<b>7,560,762,163</b>

The annexed notes from 1 to 12 form an integral part of these condensed interim financial information.



Chief Executive



Director



Chief Financial Officer



**Condensed Interim Profit and Loss Account (Un-Audited)**  
**For the nine months period ended March 31, 2018**

	Nine Months Period Ended		Quarter Ended	
	31-Mar-18 Rupees	31-Mar-17 Rupees	31-Mar-18 Rupees	31-Mar-17 Rupees
Sales	2,594,801,713	3,529,261,482	1,082,204,019	1,197,988,122
Cost of sales	(3,021,789,570)	(3,851,649,048)	(1,331,883,680)	(1,277,815,237)
<b>Gross (loss)</b>	<b>(426,987,857)</b>	<b>(322,387,566)</b>	<b>(249,679,661)</b>	<b>(79,827,115)</b>
Distribution cost	(21,545,396)	(26,123,007)	(4,500,129)	(8,757,238)
Administrative expenses	(43,473,196)	(47,034,709)	(13,990,895)	(16,644,181)
Finance cost	(242,887,711)	(242,519,082)	(80,859,330)	(70,932,080)
	<b>(307,906,303)</b>	<b>(315,676,799)</b>	<b>(99,350,354)</b>	<b>(96,333,499)</b>
<b>(Loss) from operations</b>	<b>(734,894,160)</b>	<b>(638,064,365)</b>	<b>(349,030,015)</b>	<b>(176,160,614)</b>
Other income	1,247,108	360,737	90,050	301,909
<b>(Loss) before taxation</b>	<b>(733,647,052)</b>	<b>(637,703,628)</b>	<b>(348,939,965)</b>	<b>(175,858,706)</b>
Taxation	259,064,351	(42,694,395)	(6,032,191)	(15,684,148)
<b>(Loss) after taxation</b>	<b>(474,582,701)</b>	<b>(680,398,023)</b>	<b>(354,972,156)</b>	<b>(191,542,854)</b>
<b>(Loss) / earnings per share - basic and diluted</b>	<b>(36.51)</b>	<b>(52.34)</b>	<b>(27.31)</b>	<b>(14.73)</b>

The annexed notes from 1 to 12 form an integral part of these condensed interim financial information.

  
**Chief Executive**

  
**Director**

  
**Chief Financial Officer**



**Condensed Interim Statement of Comprehensive Income (Un-audited)**  
**For the nine months period ended March 31, 2018**

	Nine Months Period Ended		Quarter Ended	
	31-Mar-18 Rupees	31-Mar-17 Rupees	31-Mar-18 Rupees	31-Mar-17 Rupees
<b>(Loss) after taxation</b>	<b>(474,582,701)</b>	(680,398,023)	<b>(354,972,156)</b>	(191,542,854)
Other comprehensive income for the period				
<b>Items that may not be re-classified subsequently to Profit and loss :</b>				
Actuarial loss on remeasurement of employees retirement benefits - gratuity	3,695,844	(10,721,148)	1,231,948	(5,956,193)
Related deferred tax on remeasurement of employees retirement benefits - gratuity	(766,520)	1,135,584	(259,135)	630,880
	<b>2,929,324</b>	(9,585,564)	<b>972,813</b>	(5,325,313)
<b>Total comprehensive (Loss) / income for the period</b>	<b>(471,653,377)</b>	(689,983,587)	<b>(353,999,343)</b>	(196,968,167)

The annexed notes from 1 to 12 form an integral part of these condensed interim financial information.

Chief Executive

Director

Chief Financial Officer





**Condensed Interim Cash Flow Statement (Un-audited)  
For the nine months period ended March 31, 2018**

	31-Mar-18 Rupees	31-Mar-17 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss) from operation	(733,647,052)	(637,703,628)
<b>Adjustments for:</b>		
Depreciation	193,835,633	204,593,427
Finance cost	242,887,711	242,519,082
Provision for gratuity	16,771,698	42,041,130
Provision for appreciation/diminution in the value of investment	12,882	(44,384)
	<b>453,507,924</b>	<b>489,109,255</b>
Profit before working capital changes	(280,139,128)	(148,594,373)
<b>(Increase) / decrease in current assets</b>		
Stores, spare parts and loose tools	9,024,073	35,632,585
Stock in trade	241,115,769	(256,140,606)
Trade debts	(183,980,187)	(140,682,798)
Loans and advances	20,447,709	(10,364,450)
Trade deposits and short term prepayments other receivable & sales tax	7,489,744	7,406,168
	<b>94,097,108</b>	<b>(364,149,101)</b>
<b>(Decrease) / increase in current liabilities</b>		
Trade and other payables	309,687,168	656,127,865
Cash generated from operations	<b>123,645,148</b>	<b>143,384,392</b>
Finance cost paid	(36,134,065)	(91,696,359)
Taxes paid	(12,449,114)	(21,650,287)
Long term deposits	135,000	(7,885,293)
Staff retirement benefits - gratuity	(15,792,909)	(25,245,024)
	<b>(64,241,088)</b>	<b>(146,476,963)</b>
<b>Net cash (used)/ generated from operating activities</b>	<b>59,404,060</b>	<b>(3,092,571)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of property, plant and equipment	-	-
Fixed capital expenditure	(89,790)	(7,580,991)
<b>Net cash used in investing activities</b>	<b>(89,790)</b>	<b>(7,580,991)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term financing	3,607,548	211,049,330
Loan from Sponsors	736,942	15,963,144
Liabilities against assets subject to finance lease	(2,059,773)	1,787,865
Short term borrowings - net	(78,489,669)	(195,414,281)
<b>Net cash used in financing activities</b>	<b>(76,204,952)</b>	<b>33,386,058</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(16,890,682)</b>	<b>22,712,496</b>
Cash and cash equivalents at the beginning of the period	59,396,241	61,097,161
<b>Cash and cash equivalents at the end of the period</b>	<b>42,505,558</b>	<b>83,809,656</b>

The annexed notes from 1 to 12 form an integral part of these condensed interim financial information.

Chief Executive

Director

Chief Financial Officer



**QUETTA TEXTILE MILLS LIMITED**

**Condensed Interim Statement of Changes in Equity (Un-audited)  
For the nine months period ended March 31, 2018**

Particulars	Share capital	Reserves			Loan from directors and others	Sub total	Unappropriated (loss)	Total equity
		Share premium	Capital reserves	General reserves				
<b>Rupees</b>								
<b>Balance as at July 01, 2016</b>	130,000,000	651,750,000	1,200	115,000,000	-	766,751,200	(375,202,615)	521,548,585
Total comprehensive loss for the nine months period ended March 31, 2017	-	-	-	-	-	-	(689,983,587)	(689,983,587)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation	-	-	-	-	-	-	58,611,002	58,611,002
<b>Balance as at March 31, 2017</b>	130,000,000	651,750,000	1,200	115,000,000	-	766,751,200	(1,006,575,200)	(109,824,000)
Loss for the remaining period	-	-	-	-	-	-	(744,209,820)	(744,209,820)
Transfer (note 17.1)	-	-	-	-	160,726,470	160,726,470	-	160,726,470
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation remaining period	-	-	-	-	-	-	(3,907,401)	(3,907,401)
<b>Balance as at June 30, 2017 - Audited</b>	130,000,000	651,750,000	1,200	115,000,000	160,726,470	927,477,670	(1,754,692,422)	(697,214,752)
Total comprehensive loss for the nine months period ended March 31, 2018	-	-	-	-	-	-	(471,653,377)	(471,653,377)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation	-	-	-	-	-	-	38,976,316	38,976,316
<b>Balance as at March 31, 2018 - Unaudited</b>	130,000,000	651,750,000	1,200	115,000,000	160,726,470	927,477,670	(2,187,369,483)	(1,129,891,813)

The un-audited notes form an integral part of these condensed interim financial information.

Chief Executive

Director

Chief Financial Officer



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

**For the nine months period ended March 31, 2018**

**1 LEGAL STATUS AND NATURE OF BUSINESS**

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 Pakistan Stock Exchange. The main business of the company is manufacturing and sale of yarn and fabric. The registered office of the company is situated at ground floor Nadir House I.I Chundrigar road Karachi and factories are situated at S.I.T.E Kotri at Sindh and Bhai Pheru at Punjab.

**2 BASIS OF PREPARATION**

**Statement of compliance**

Effective 30 May 2017, the companies Act,2017 (The Act) has been promulgated, however, the Securities and Exchange Commission of Pakistan (SECP) vide its circular No.23 of 2017 dated October 04, 2017 decided that the companies whose financial year closes on or before December 31, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. Furthermore, the institute of Chartered Accountants of Pakistan also issued clarification vide its circular dated 06 October 2017 which states that the interim financial information of the companies for the periods ending on or before December 31,2017 shall also be prepared in accordance with the provisions of the repealed Companies Ordinance 1984. Accordingly, these condensed interim financial information have been prepared in accordance with International Accounting Standard-34 'Interim Financial Reporting' and provisions of and directives issued under the repealed Companies Ordinance, 1984. In case where requirements differ the provision of or directive issued under the repealed Companies Ordinance, 1984 have been followed.

Currently, the company is assessing the impact of these requirement on the financial statements. It is expected that it will result in change in accounting treatments and enhanced disclosures in the financial statements which will be incorporated in the subsequent financial statements of the company.

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, 2017.

This condensed interim financial information is being submitted to the shareholders as required by the Listing regulations of Pakistan 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 nine months period ended March 31, 2018 which have been subjected to a review but not audited. These condensed interim financial information also include the condensed interim profit and loss account for the quarter ended March 31, 2018.

**2.1 Going concern assumptions**

During the nine months period, the Company incurred loss amounting to Rs. 474.583 million and has reported accumulated losses amounting to Rs. 2,187.369 million (June 30, 2017: Rs. 1,754.692 million). Accordingly, it resulted into negative equity of Rs. 1,129.892 million (June 30, 2017: Rs. 697.215 million). In addition, the Company's current liabilities exceeded its current assets by Rs. 3,829.293 million (June 30, 2017: Rs. 2,666.176 million). 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 60% of available capacity. The QTML also suffered losses due to slowdown in demand for cotton yarns and fabrics in the international markets.

These interim financial information 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

- 2.2** 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 favorable terms with the banking companies and financial institutions in order release finance for working capital requirements to run operations smoothly.



- 2.3 The management has prepared five years future plan showing positive growth in operation and business of the company. 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;
- 2.4 The directors' have already injected an amount of around Rs.55 million in the shape of "directors' loan to the company". The same will reflect in June '2018 financials; and
- 2.5 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.

**3 SIGNIFICANT ACCOUNTING POLICIES**

- 3.1 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, 2017.

**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 June 30, 2017.

The company's financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended June 30, 2017.

**5 PROPERTY, PLANT AND EQUIPMENT**

	Note	(Un-audited)	(Audited)
		31-Mar-18	30-Jun-17
		Rupees	
Operating assets	5.1	5,304,953,014	5,501,197,768
Capital work in progress-at cost	5.2	2,498,910	2,498,910
		<u>5,307,451,924</u>	<u>5,503,696,678</u>

- 5.1 The cost of acquisition and disposal to operating assets during the nine months period ended March, 31 2018 were as follows:

	(Un-audited)			(Audited)		
	31-Mar-18			30-Jun-17		
	Acquisition	Cost	Disposal	Acquisition	Cost	Disposal
		Rupees		Rupees		
<b>Owned assets</b>						
Plant & machinery	-	-	-	8,971,119	-	-
Office equipment	1,300	-	-	59,500	-	-
Furniture and fixture	88,490	-	-	229,038	-	-
Vehicles	-	-	-	39,000	-	-
<b>Leased assets</b>						
Vehicles	-	-	-	3,720,000	-	-
<b>Total</b>	<u>89,790</u>	-	-	<u>13,018,657</u>	-	-



**5.2 Capital work in progress-at cost**

	(Un-audited)	(Audited)
	31-Mar-18	30-Jun-17
	-----Rupees-----	
Computer software	<u>2,498,910</u>	<u>2,498,910</u>
	<u>2,498,910</u>	<u>2,498,910</u>

**6 STOCK IN TRADE**

The carrying value of pledged stock is Rs. 23,000,000/- (June 30, 2017: Rs. 110,614,224/-).

**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)
	31-Mar-18	30-Jun-17
	-----Rupees-----	

**7.1 Contingencies**

Bank Guarantee issued by bank on behalf of the company

<u>259,690,796</u>	<u>259,690,796</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, 2017.

**7.2 Commitments**

Civil works

-	-
---	---

Confirmed letter of credit in respect of:

Raw material

-	-
---	---

Stores and spares

-	-
---	---

-	-
---	---

**8 TRANSACTIONS WITH RELATED PARTIES**

	(Un-audited)	(Un-audited)
	31-Mar-18	31-Mar-17
	-----Rupees-----	

**Transactions with related parties**

**Relationship**

Loan received/(repaid) - net

Key management personnel

736,942

14,683,377

Salaries and other employees benefits

Key management personnel

7,200,000

2,740,460



**9 SEGMENT REPORTING**

The Company has three reportable segment, which offer different products and are managed separately. The following summary described the operations in each of the company's reportable segments.

Reportable segment	Principal activity
Spinning	Manufactures and sale of yarn
Weaving	Manufactures and sale of fabric
Power	Generation and Self use

Information about operating segments as at March 31, 2018 is as follows:

	Spinning	31-Mar-18		Total
		Weaving	Power	
-----Rupees-----				
Revenue from external customers	1,928,116,632	666,685,081	-	2,594,801,713
Inter-segment revenues	24,521,040	-	366,757,233	391,278,273
Segment assets	3,521,840,664	1,046,678,439	706,988,947	5,275,508,050
Segment assets-Unallocated				1,965,410,812
Segment liabilities	545,972,298	145,401,978	106,405,914	797,780,191
Segment liabilities-Unallocated				6,204,915,157

	Spinning	31-Mar-17		Total
		Weaving	Power	
-----Rupees-----				
Revenue from external customers	2,586,569,736	942,691,746	-	3,529,261,482
Inter-segment revenues	78,400,112	-	666,304,867	744,704,979
Segment assets	5,987,853,557	2,057,154,153	867,241,619	8,912,249,329
Segment assets-Unallocated				528,517,577
Segment liabilities	634,752,952	169,045,820	123,708,599	927,507,371
Segment liabilities-Unallocated				7,213,897,526

**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 nine months period and quarter.

**11 DATE OF AUTHORIZATION FOR ISSUE**

These condensed interim financial information have been authorized for issue on \_\_\_\_\_ 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

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