

REVIEWED FIANCIAL STATEMENT

FOR THE HALF YEAR ENDED

**DECEMBER 31, 2023
(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 |
| 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



DIRECTORS' REPORT

Assalam-e-Alaikum

Dear Shareholders:

We present to you the results of the company for the half year & quarter ended December 31, 2023.

Your company made a pre-tax loss of Rs. 253.756 million, as compared to the corresponding last half-year pre-tax loss of Rs. 308.471 million and Turnover recorded for the half year ended was Rs. 430.126 million, as compared to corresponding last half year's sales of Rs. 1,731.432 million.

Due to world recession, demand for textile products has been on a decline. This has resulted in a fall in demand and prices in the local market also.

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

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

On behalf of the Board of Directors,

Tariq Iqbal
Chief Executive Officer

Omer Khalid
Director

ڈائریکٹرز رپورٹ

السلام علیکم!

محترم حصص یافتگان

ہم کمپنی کے نتائج برائے ششماہی اور سہ ماہی مدت مختتمہ 31 دسمبر 2023 پیش کر رہے ہیں۔

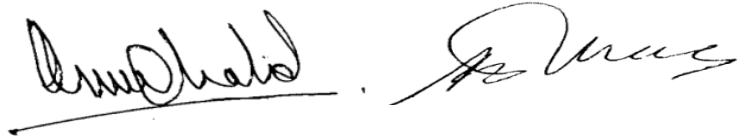
آپ کی کمپنی کا قبل از ٹیکس خسارہ 253.756 ملین روپے رہا جبکہ گزشتہ ششماہی میں قبل از ٹیکس خسارہ 308.471 ملین روپے تھا اور ششماہی میں فروخت 430.126 ملین روپے رہی جبکہ گزشتہ ششماہی میں فروخت 1,731.432 ملین روپے تھی۔

عالمی کساد بازاری کی وجہ سے ٹیکسٹائل کی مصنوعات کی طلب تنزلی کا شکار رہی۔ جس کے نتیجے میں مقامی مارکیٹ میں بھی طلب اور قیمتوں میں کمی ہوئی۔

گیس اور بجلی کی قیمتیں بڑھ کر متزلزل سطح پر رہیں اور ان قیمتوں کو یارن اور کپڑے کی کم قیمت کی وجہ سے مطابقت نہیں ہے۔

آخر میں میں ان مشکلات اوقات میں کمپنی کے تمام ملازمین اور مزدوروں کی کمپنی کے لئے کوششوں پر ان کا مشکور ہوں۔

منجانب بورڈ آف ڈائریکٹرز



عمر خالد
ڈائریکٹر

طارق اقبال
چیف ایگزیکٹو ڈائریکٹر

کراچی
مورخہ: 29 فروری 2024

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, 2023**, and the related condensed interim statement profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flow 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, 2023 and December 31, 2022 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2023.

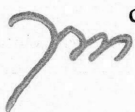
Scope of Review

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 Adverse Conclusion

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

- a) As described in Note 1.3 to the financial statement the company has incurred net loss of Rupees 259.370 million during the period ended December 31, 2023 and as of that date, reported accumulated losses of Rupees 4,522.236 million. The company's current liabilities exceed its current assets by Rs. 6,132.027 million. These conditions along with adverse key financial ratios and litigation with banks indicate the existence of a material uncertainty which may 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.



MUSHTAQ & CO.

CHARTERED ACCOUNTANTS

Head Office: 407, Commerce Centre, Hasrat Mohani Road, Karachi. Tel: 021-32638521-3
Email: info@mushtaqandco.com, audit.khi@mushtaqandco.com



- b) Balance payable to various banks in respect of short term financing amounting to Rs. 1,887.380 million, long term financing amounting to Rs.1,813.106 million, Sukuk amounting to Rs. 544,348 million and balance payable to Orix leasing amounting to Rs.18.29 million remains unconfirmed as at June 30, 2023. All the balances payable are in litigation. As at December 31, 2023, We are unable to satisfy ourselves as to the correctness and terms and conditions of the reported balances.
- c) 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. 342.980 million approximately. Consequently the aggregate amount of accrued markup would have been increased to Rs. 2,685.64 million approximately and aggregate accumulated loss would have been higher by the same amounts.
- d) 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.

Adverse Conclusion

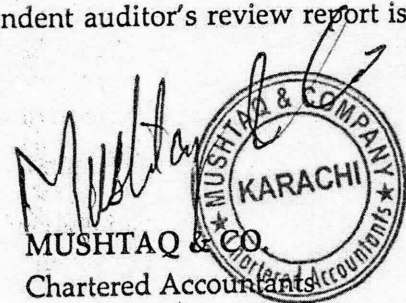
Based on our review, because of the significance of the matters discussed in paragraphs (a) to (d) paragraph, the accompanying interim financial information for the half year ended 31st December, 2023, is not prepared, in all material respects, in accordance with approved accounting standards as applicable 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: 29 Feb., 2024

UDIN: RR2023100432tQsAR45w





**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT DECEMBER 31, 2023**

| | | [Un-Audited] | [Audited] |
|---|------|-----------------------|-----------------------|
| | Note | 31-Dec-23 Rupees | 30-Jun-23 Rupees |
| ASSETS | | | |
| NON CURRENT ASSETS | | | |
| Property, plant and equipment | 5 | 10,348,128,405 | 10,440,680,485 |
| Long term deposits | | 57,324,571 | 51,861,020 |
| | | 10,405,452,976 | 10,492,541,505 |
| CURRENT ASSETS | | | |
| Stores and spares | | 584,015,080 | 593,315,735 |
| Stock in trade | 6 | 2,903,094,093 | 2,947,751,349 |
| Trade debts | | 34,039,859 | 129,818,043 |
| Advances, deposits, prepayments and other receivable | | 49,992,979 | 72,512,536 |
| Tax refund due from governments | | 710,382,382 | 637,449,082 |
| Other financial assets | | 117,952,930 | 124,153,680 |
| Cash and bank balances | | 15,151,491 | 13,235,499 |
| | | 4,414,628,815 | 4,518,235,924 |
| | | 14,820,081,791 | 15,010,777,429 |
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Authorized capital | | | |
| 20,000,000 (June 30, 2023: 20,000,000) ordinary shares of Rs. 10 each | | 200,000,000 | 200,000,000 |
| 15,000,000 (June 30, 2023: 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 | | 7,140,827,356 | 7,178,781,469 |
| Accumulated (loss) | | (4,522,236,580) | (4,300,820,254) |
| | | 3,728,070,446 | 3,987,440,885 |
| NON CURRENT LIABILITIES | | | |
| Long term finances | | 503,403,564 | 517,683,564 |
| Redeemable capital - Sukuk | | - | - |
| Liabilities against assets subject to finance lease | | - | - |
| Deferred liabilities | | 41,951,531 | 88,573,620 |
| | | 545,355,095 | 606,257,184 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | | 5,483,365,413 | 5,330,839,250 |
| Accrued mark-up | | 1,055,017,557 | 1,036,252,984 |
| Short term borrowings | | 1,946,397,386 | 1,954,496,425 |
| Loan from directors and others | | 109,066,357 | 109,066,357 |
| Current portion of | | | |
| Long term finances | | 1,286,100,246 | 1,314,704,383 |
| 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 | | 37,048,629 | 42,059,299 |
| | | 10,546,656,250 | 10,417,079,360 |
| CONTINGENCIES AND COMMITMENTS | | | |
| | 7 | - | - |
| | | 14,820,081,791 | 15,010,777,429 |

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, 2023**

| | Note | Half Year Ended | | Quarter Ended | |
|---|------|----------------------|----------------------|----------------------|----------------------|
| | | 31-Dec-23 Rupees | 31-Dec-22 Rupees | 31-Dec-23 Rupees | 31-Dec-22 Rupees |
| Sales | | 430,126,537 | 1,731,432,144 | 323,754,264 | 843,317,295 |
| Cost of sales | 8 | (644,337,755) | (2,143,666,524) | (461,943,016) | (1,031,282,717) |
| Gross Profit/(loss) | | (214,211,218) | (412,234,380) | (138,188,752) | (187,965,422) |
| Other income | | 7,699,825 | 173,578,940 | 2,685,252 | 2,144,826 |
| | | (206,511,393) | (238,655,440) | (135,503,500) | (185,820,596) |
| Distribution cost | | (2,446,269) | (5,796,829) | (1,554,281) | (2,975,986) |
| Administrative expenses | | (23,660,818) | (47,871,459) | (12,218,015) | (23,490,291) |
| Finance cost | | (21,138,066) | (16,147,218) | (9,850,960) | (8,167,939) |
| | | (47,245,153) | (69,815,506) | (23,623,256) | (34,634,216) |
| (Loss) before taxation | | (253,756,546) | (308,470,946) | (159,126,756) | (220,454,812) |
| Provision for taxation | | | | | |
| Current tax - current period | | (5,361,971) | (21,423,580) | (4,046,929) | (10,409,876) |
| Deferred / Prior | | (251,919) | - | (251,919) | - |
| | | (5,613,890) | (21,423,580) | (4,298,848) | (10,409,876) |
| (Loss) for the half year | | (259,370,436) | (329,894,526) | (163,425,604) | (230,864,688) |
| (Loss) per share - basic and diluted | | (19.95) | (25.38) | (12.57) | (17.76) |

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, 2023**

| | Half Year Ended | | Quarter Ended | |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | 31-Dec-23 Rupees | 31-Dec-22 Rupees | 31-Dec-23 Rupees | 31-Dec-22 Rupees |
| (Loss) for the half year | (259,370,436) | (329,894,526) | (163,425,604) | (230,864,688) |
| Other comprehensive income | | | | |
| Items that may not be re-classified subsequently to Profit or loss : | | | | |
| Actuarial (gain)/loss on premeasurement of employees retirement benefits - gratuity | - | - | - | - |
| Related deferred tax on premeasurement of employees retirement benefits - gratuity | - | - | - | - |
| Other comprehensive income/(loss) for the half year | - | - | - | - |
| Total comprehensive (loss) / income for the half year | <u>(259,370,436)</u> | <u>(329,894,526)</u> | <u>(163,425,604)</u> | <u>(230,864,688)</u> |

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 CHANGES IN EQUITY (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2023

| | 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, 2022 - Audited | 130,000,000 | 651,750,000 | 1,200 | 115,000,000 | 766,751,200 | 212,728,470 | 7,254,689,092 | (3,468,239,489) | 4,895,929,273 |
| Net (loss) for the half year | - | - | - | - | - | - | - | (329,894,526) | (329,894,526) |
| Total comprehensive (loss) for the half year | - | - | - | - | - | - | - | - | - |
| Revaluation surplus on property, plant and equipment (incremental depreciation) - net of deferred tax | - | - | - | - | - | - | - | (329,894,526) | (329,894,526) |
| Balance as at December 31, 2022 | 130,000,000 | 651,750,000 | 1,200 | 115,000,000 | 766,751,200 | 212,728,470 | 7,254,689,092 | (3,798,134,015) | 4,566,034,747 |
| Balance as at July 01, 2023 - Audited | 130,000,000 | 651,750,000 | 1,200 | 115,000,000 | 766,751,200 | 212,728,470 | 7,178,781,168 | (4,300,819,956) | 3,987,440,885 |
| Net (loss) for the half year | - | - | - | - | - | - | - | (259,370,436) | (259,370,436) |
| Total comprehensive (loss) for the half year | - | - | - | - | - | - | - | - | - |
| Revaluation surplus on property, plant and equipment (incremental depreciation) - net of deferred tax | - | - | - | - | - | - | (37,953,812) | 37,953,812 | - |
| Balance as at December 31, 2023 | 130,000,000 | 651,750,000 | 1,200 | 115,000,000 | 766,751,200 | 212,728,470 | 7,140,827,356 | (4,522,236,580) | 3,728,070,449 |

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, 2023**

| | Half Year Ended | |
|---|----------------------|----------------------|
| | 31-Dec-23 Rupees | 31-Dec-22 Rupees |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| (Loss) before taxation | (253,756,546) | (308,470,946) |
| Adjustments for: | | |
| Depreciation | 91,807,381 | 94,542,363 |
| Amortization | - | 284,062 |
| Finance cost | 21,138,066 | 16,147,218 |
| Provision for appreciation in the value of investment | - | (3,137) |
| Profit on sale of property, plant and equipment | (1,255,301) | (1,307,158) |
| Provision for gratuity | 8,851,554 | 23,948,846 |
| | 120,541,700 | 133,612,194 |
| (Loss) before working capital changes | (133,214,847) | (174,858,752) |
| (Increase) / decrease in current assets | | |
| Stores, spare parts and loose tools | 9,300,655 | 7,415,740 |
| Stock in trade | 44,657,256 | (330,427,674) |
| Trade debts | 95,778,184 | 18,367,432 |
| Advances, deposits, prepayments and other receivable | 22,519,557 | 1,385,653 |
| Other financial assets | 6,200,750 | (8,089,130) |
| | 178,456,401 | (311,347,979) |
| (Decrease) / increase in current liabilities | | |
| Trade and other payables | 152,526,160 | 820,333,395 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Cash generated from operations | 197,767,715 | 334,126,664 |
| Long term deposits | (5,463,551) | (6,000,000) |
| Interest paid | (2,373,493) | (165,102,865) |
| Gratuity paid | (55,473,643) | (13,792,880) |
| Taxes paid | (83,557,860) | (109,171,178) |
| | (146,868,547) | (294,066,923) |
| Cash flows from operating activities | 50,899,168 | 40,059,741 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | - | (25,350,830) |
| Proceeds from sale of property, plant and equipment | 2,000,000 | 1,425,000 |
| Cash (used in) investing activities | 2,000,000 | (23,925,830) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Long term finances | (42,884,137) | 5,167,768 |
| Short term borrowings | (8,099,039) | (50,330,892) |
| | (50,983,176) | (45,163,124) |
| Net increase/(decrease) in cash and cash equivalents | 1,915,992 | (29,029,214) |
| Cash and cash equivalent at the beginning of the half year | 13,235,499 | 37,872,850 |
| Cash and cash equivalent at the end of the half year | 15,151,491 | 8,843,636 |

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, Bhai Pheru. |

1.3 Going concern assumptions

During the period, the Company incurred loss amounting to Rs. 259.370 million (June 30, 2023: Rs. 714.069 million) and has reported accumulated losses amounting to Rs. 4,522.236 million (June 30, 2023 : Rs. 4,300.820 million) at the period end. Accordingly, it resulted equity of Rs. 3,728.070 million in current period (June 30, 2023: equity Rs. 3,987.440 million). In addition, the Company's current liabilities exceeded its current assets by Rs. 6,132.027 million (June 30, 2023: Rs. 5,898.843 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 65% of 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 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.
- 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 last year 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 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 yearly financial statements are the same as those of the published annual financial statements for the period ended June 30, 2023.



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

(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 2023.

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, 2023 on the same as those applied in the preparation for the annual audited statement for the year ended June 30, 2023.

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, 2023.

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 2023.

5 PROPERTY, PLANT AND EQUIPMENT

| | Note | (Un-audited) | (Audited) |
|------------------|------|------------------------------|-----------------------|
| | | 31-Dec-23 | 30-Jun-23 |
| | | ----- Rupees ----- | ----- |
| Operating assets | 5.1 | 10,348,128,405 | 10,440,680,485 |
| | | <u>10,348,128,405</u> | <u>10,440,680,485</u> |

5.1 The cost of acquisition and disposal to operating assets during the half year ended December 31, 2023 were as follows:

| | (Un-audited) | | (Audited) | |
|---------------------|------------------|--------------------|--------------------|------------------|
| | 31-Dec-23 | | 30-Jun-23 | |
| | Acquisition Cost | Disposal | Acquisition Cost | Disposal |
| | | ----- Rupees ----- | ----- Rupees ----- | ----- |
| Owned assets | | | | |
| Plant & machinery | - | - | 22,738,580 | - |
| Factory Equipment | - | - | 95,000 | - |
| Vehicles | - | 1,766,700 | 2,517,250 | 1,128,000 |
| Total | <u>-</u> | <u>1,766,700</u> | <u>25,350,830</u> | <u>1,128,000</u> |

6 STOCK IN TRADE

The carrying value of pledged stock is Rs. NIL (June 30, 2023: Rs. NIL).

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.

**QUETTA TEXTILE MILLS LIMITED****NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2023**

| | (Un-audited) | (Audited) |
|---|--------------------|----------------------|
| | 31-Dec-23 | 30-Jun-23 |
| | -----Rupees ----- | |
| 7.1 Contingencies | | |
| Bank Guarantee issued by bank on behalf of the company | <u>260,177,270</u> | <u>260,177,270</u> |
| There is no changes in the legal cases other than those enclosed in the annual financial statement as on June 30, 20223 | | |
| 7.2 Commitments | | |
| Confirmed letter of credit in respect of: | | |
| Stores and spares | - | - |
| 8 COST OF SALES | (Un-audited) | (Un-audited) |
| | 31-Dec-23 | 31-Dec-22 |
| | -----Rupees ----- | |
| Raw material consumed | 161,697,031 | 1,349,114,277 |
| Salaries, wages and benefits | 144,164,763 | 440,038,977 |
| Stores and spares consumed | 22,191,183 | 88,328,980 |
| Fuel, power and water | 200,571,048 | 678,582,128 |
| Rent, rates and taxes | 696,991 | 914,027 |
| Insurance expenses | 892,452 | 8,083,337 |
| Repairs and maintenance | 1,153,410 | 1,775,627 |
| Vehicle running and maintenance | 8,377,588 | 8,996,776 |
| Entertainment expenses | 1,156,033 | 1,411,138 |
| Communication expenses | 598,753 | 565,585 |
| Legal & professional charges | - | 1,425,178 |
| Printing and stationery | 238,160 | 629,841 |
| Subscription | 72,140 | - |
| Travelling | 415,301 | 616,104 |
| Other expenses | 571,128 | 460,778 |
| Depreciation expenses | 78,705,596 | 80,114,374 |
| | <u>621,501,577</u> | <u>2,661,057,127</u> |
| Work in process | | |
| Opening stock | 93,286,287 | 136,830,642 |
| Closing stock | (63,534,125) | (120,810,087) |
| | <u>29,752,162</u> | <u>16,020,555</u> |
| Cost of goods manufactured | <u>651,253,739</u> | <u>2,677,077,682</u> |
| Finished goods | | |
| Opening balance | 2,749,845,732 | 2,174,768,976 |
| Goods purchase: | | |
| Yarn Purchase | - | 32,794,150 |
| Closing stock | (2,756,761,716) | (2,740,974,284) |
| | <u>(6,915,984)</u> | <u>(533,411,158)</u> |
| | <u>644,337,755</u> | <u>2,143,666,524</u> |

9 TRANSACTIONS WITH RELATED PARTIES

| | (Un-audited) | (Un-audited) |
|--|-------------------|--------------|
| | 31-Dec-23 | 31-Dec-22 |
| | -----Rupees ----- | |
| Transactions with related parties | | |
| Loan received/(repaid) - net | - | - |
| Salaries and other employees benefits | - | 8,580,414 |
| Relationship | | |
| Key management personnel | - | - |
| Key management personnel | - | 8,580,414 |

10 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial information have been authorized for issue on February 29, 2024 by the board of directors of the company.

11 GENERAL

Figures have been rounded off to the nearest rupees.

Chief Executive

Director

Chief Financial Officer

BOOK POST

UNDER POSTAL CERTIFICATE

If undeliver please return to:

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