

3rd QUARTER ACCOUNT

FOR THE PERIOD ENDED

**March 31, 2020
(UN-AUDITED)**



QUETTA TEXTILE MILLS LIMITED



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. Major Rtd. Muhammad Saeed	Independent Director
Mr. Shaukat Hussain	Independent Director

AUDIT COMMITTEE

Chairman	Mr. Shaukat Hussain
Member	Mr. Tauqir Tariq
Member	Mrs. Saima Asim

HUMAN RESOURCE & REMUNERATION COMMITTEE

Chairman	Mr. Muhammad Saeed
Member	Mrs. Saima Asim
Member	Mr. Asim 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
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 March 31, 2020.

Your company made a pre-tax loss of Rs. 562.969 million, as compared to the corresponding last nine months pre-tax loss of Rs. 354.481 million. Turnover for the nine month period ended was Rs. 3,318.696 million, as compared to corresponding last nine month sales of Rs. 2,850.748 (M). Pre-tax loss as a percentage comes to 16.96 % for the nine month period ended on March 31, 2020, as compared to 12.43% which was corresponding last nine month pre-tax loss as a percentage. The Increase in percentage of pre-tax profit due to increase in cost of sale.

You are well aware of the pandemic of COVID-19 spread throughout the world and in Pakistan. The world economies are on shut-down with cities under lock-down. Businesses have been closed, all manufacturing units have had to close down. Life as we know it has come to a halt. Having said this, we are hopeful that the lock-down and shut-downs will start to open gradually and business will start slowly. QTML also had to halt its production facilities in Kotri and Bhai Pheru. All offices are closed since the lock-down was announced. We plan to open as and when the government announces the same to open.

The world economies will be at a re-set mode once the business activities resume. Countries have pledged to pump trillions of US\$ in their economies for the economic activities to re-start. The Government of Pakistan has also pledged billions of PKR to be pumped into the economy for businesses and economic activities to re-start. SBP has announced fresh financing, regulatory reliefs and deferment of loans – on principal and mark-up amounts. Under the circumstances Government of Pakistan has also taken a stand to support the manufacturing industry and for continuity of employment in Pakistan. Hence SBP has issued the Circular No. ERD/M&PRD/PR/01/2020-38 dated April 10, 2020 in respect of Refinance Scheme for payment of wages and salaries to the workers. In view of the potential economic impact of the COVID – 19 pandemics, QTML will do its best, to re-start its business cycle to come back on track. With limited funds, it will be very difficult to bounce back without the financial support from banks. In order to continue to pay salaries and wages to our employees, financing will be required to fill the gap of liquidity and to keep working capital intact.

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: April 29, 2020

کوئٹہ ٹیکسٹائل ملز لمیٹڈ

ڈائریکٹر ان رپورٹ



اسلام علیکم!

معزز شیئر ہولڈرز:

ہم آپنی کے نوامی اور سہ ماہی منقسمہ 31 مارچ 2020 نتائج پیش کر رہے ہیں۔

آپ کی کمپنی کو 562.969 ملین روپے کا قبل از ٹیکس خسارہ ہوا ہے۔ جبکہ گزشتہ نوامی مدت میں قبل از ٹیکس خسارہ 354.481 ملین روپے تھا۔ اس نوامی مدت میں فروخت 3,318.696 ملین روپے رہی جبکہ گزشتہ سال کے نوامہ میں فروخت 2850.748 ملین روپے تھی۔ 31 مارچ 2020 کو ختم ہونے والی نوامی مدت میں بلحاظ فروخت قبل از ٹیکس خسارہ کی شرح 16.96% فیصد رہی جبکہ گزشتہ سال کی نوامی مدت میں قبل از ٹیکس خسارہ کی شرح 12.43% فیصد تھی قبل از ٹیکس خسارے کی شرح میں اضافہ، فروخت کی لاگت میں اضافہ کی وجہ سے ہے۔

آپ کو یڈ 19 کی وجہ سے پوری طرح واقف ہیں جو پوری دنیا اور پاکستان میں پھیل چکا ہے۔ عالمی معیشت لاک ڈاؤن ہو چکی ہے سارے شہروں میں کاروبار بند کر دیے گئے ہیں، تمام مینوفیکچرنگ یونٹوں کو بند ہونا پڑا۔ زندگی جیسا کہ ہم جانتے ہیں رک گئی ہے۔ ہمیں امید ہے کہ لاک ڈاؤن اور شٹ ڈاؤن آہستہ آہستہ کھولنا شروع ہو جائیں گے۔ اور کاروبار بھی آہستہ آہستہ شروع ہوگا۔ کوئٹہ ٹیکسٹائل کو کوئٹہ اور بھائی پیرو پونٹ کی مینوفیکچرنگ کو بھی روکنا پڑا۔ تمام دفاتر بند ہیں جیسے ہی لاک ڈاؤن ہوا ہم کھولنے کا ارادہ رکھتے ہیں جیسا ہی حکومت انکھولے۔ لاک ڈاؤن کرتی ہے۔

عالمی معیشت ایک بار پھر سے مرتب ہوگی جیسے ہی کاروباری سرگرمیاں شروع ہوں گی ممالک نے معاشی سرگرمیاں دوبارہ سے شروع کرنے کے لیے اپنی معیشت میں کھربوں ڈالر شامل کرنے کا وعدہ کیا ہے اسی طرح پاکستان حکومت نے بھی اربوں روپے کو کاروبار اور معاشی سرگرمیاں کو دوبارہ شروع کرنے کے لیے معیشت میں شامل کرنے کا وعدہ کیا ہے۔

اسٹیٹ بینک نے نئی مالی اعانت، انتہائی ریلیف اور قرضوں کو موخر کرنے کا اعلان کیا ہے، ان حالات میں حکومت پاکستان نے مینوفیکچرنگ انڈسٹری کی حمایت کرنے اور پاکستان میں روزگار کے تسلسل کے لیے بھی ایک موقف اپنایا ہے۔ لہذا اسٹیٹ بینک نے مزدوروں کو اجرت اور تنخواہوں کی ادائیگی کے لیے ری فنانس اسکیم کے سلسلے میں ایک سرکلر نمبر ERD/MPRD/PR/01/2020-38 بتاریخ 10 اپریل 2020 جاری کیا ہے۔ کوئٹہ 19 وبائی امراض کے تھامہ معاشی اثرات کے پیش نظر کوئٹہ ٹیکسٹائل اپنے کاروبار کو دوبارہ شروع کرنے کے لیے اپنی پوری کوشش کرے گی۔

بینکوں کی مدد کے بغیر محدود سرمائے سے کاروباری سرگرمیاں شروع کرنا مشکل ہوگا اپنے ملازمین کی تنخواہوں اور اجرتوں کی ادائیگی جاری رکھنے کے لیے لیکویڈیٹی کے خلع کو پُر کرنے اور سرمائے کو برقرار رکھنے کے لیے مالی اعانت کی ضرورت ہوگی۔

میں اس مشکل وقت میں کمپنی کے تمام عملے اور مزدوروں اور مددگار مالیا کی اداروں کے اعتماد اور کوششوں کا شکریہ ادا کرتا ہوں

برائے و مخائب

عمر خالد

ڈائریکٹر

طارق اقبال

چیف ایگزیکٹو آفیسر

مورخہ 29 اپریل 2020

کراچی

**QUETTA TEXTILE MILLS LIMITED****STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2020**

		[Un-Audited]	[Audited]
	Note	31-Mar-20 Rupees	30-Jun-19 Rupees
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	2	5,762,228,129	5,948,633,149
Intangible assets		1,704,374	2,130,467
Long term deposits		34,334,528	34,334,528
		5,798,267,031	5,985,098,144
CURRENT ASSETS			
Stores and spares	3	378,906,894	376,075,530
Stock in trade		1,156,764,363	494,495,833
Trade debts		347,145,511	348,069,761
Other financial assets		68,663	92,679
Advances, deposits, prepayments and other receivable		87,207,937	85,301,120
Taxation		211,017,791	184,207,760
Cash and bank balances		87,907,608	61,332,016
		2,269,018,767	1,549,574,699
		8,067,285,798	7,534,672,843
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital			
20,000,000 (June 30, 2019: 20,000,000) ordinary shares of Rs. 10 each		200,000,000	200,000,000
15,000,000 (June 30, 2019: 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		2,225,188,516	2,287,989,493
Accumulated (loss)		(2,981,454,137)	(2,569,630,354)
		353,214,049	827,838,809
NON CURRENT LIABILITIES			
Long term finances		349,006,334	323,801,185
Redeemable capital - Sukuk		-	-
Liabilities against assets subject to finance lease		2,624,204	3,745,427
Deferred liabilities		47,431,698	175,666,687
		399,062,236	503,213,299
CURRENT LIABILITIES			
Trade and other payables		1,837,475,296	856,749,343
Accrued mark-up		1,136,536,543	1,008,139,867
Short term borrowings		2,476,984,154	2,660,067,734
Loan from directors and others		27,016,357	25,716,357
Current portion of			
Long term finances		1,158,641,094	973,460,636
Redeemable capital - Sukuk		611,335,643	611,335,643
Liabilities against assets subject to finance lease		17,559,373	17,332,945
Unclaimed dividend		36,467	36,467
Provision for taxation		49,424,587	50,781,743
		7,315,009,513	6,203,620,735
CONTINGENCIES AND COMMITMENTS			
	4	-	-
		8,067,285,798	7,534,672,843

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 NINE MONTHS PERIOD ENDED 31ST MARCH 2020

	Note	Nine Months Period Ended		Quarter Ended	
		31-Mar-20 Rupees	31-Mar-19 Rupees	31-Mar-20 Rupees	31-Mar-19 Rupees
Sales		3,318,696,623	2,850,748,511	843,973,597	978,199,512
Cost of sales	5	(3,672,565,600)	(3,032,433,459)	(958,789,648)	(1,038,236,414)
Gross (loss)		(353,868,977)	(181,684,948)	(114,816,051)	(60,036,902)
Other income		5,535,368	4,680,980	1,552,235	3,607,841
		(348,333,609)	(177,003,968)	(113,263,816)	(56,429,061)
Distribution cost		(17,250,427)	(8,210,156)	(7,027,786)	(2,292,131)
Administrative expenses		(59,729,014)	(48,085,067)	(22,526,169)	(16,738,172)
Finance cost		(137,656,853)	(121,182,084)	(44,160,201)	(63,421,761)
		(214,636,293)	(177,477,307)	(73,714,156)	(82,452,064)
(Loss) before taxation		(562,969,902)	(354,481,275)	(186,977,972)	(138,881,125)
Provision for taxation					
Current tax		(49,424,587)	(35,380,872)	(12,591,785)	(12,227,494)
Deferred		139,601,375	63,832,677	2,109,853	8,160,933
		90,176,789	28,451,805	(10,481,931)	(4,066,561)
(Loss) for the period		(472,793,113)	(326,029,470)	(197,459,903)	(142,947,686)
(Loss) per share - basic and diluted		(36.37)	(25.08)	(15.19)	(11.00)

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 NINE MONTHS PERIOD ENDED 31ST MARCH 2020

	Nine Months Period Ended		Quarter Ended	
	31-Mar-20 Rupees	31-Mar-19 Rupees	31-Mar-20 Rupees	31-Mar-19 Rupees
(Loss) for the period	(472,793,113)	(326,029,470)	(197,459,903)	(142,947,686)
Other comprehensive income				
Items that may not be re-classified subsequently to Profit or loss :				
Actuarial loss on remeasurement of employees retirement benefits - gratuity	(2,538,893)	9,603,510	(846,298)	3,201,170
Related deferred tax on remeasurement of employees retirement benefits - gratuity	707,246	(1,771,271)	236,668	(590,423)
Other comprehensive income for the period	(1,831,647)	7,832,239	(609,630)	2,610,747
Total comprehensive (Loss) for the period	(474,624,760)	(318,197,230)	(198,069,533)	(140,336,939)

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 CASH FLOWS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 31ST MARCH 2020

		Nine Months Period Ended	
	Note	31-Mar-20 Rupees	31-Mar-19 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) before taxation		(562,969,902)	(354,481,275)
Adjustments for:			
Depreciation		187,692,759	197,322,794
Amortization		426,093	426,093
Finance cost		137,656,853	121,182,084
Provision for appreciation in the value of investment		24,015	(10,047)
Provision for gratuity		25,934,304	20,354,100
		351,734,024	339,275,024
(Loss) before working capital changes		(211,235,878)	(15,206,251)
(Increase) / decrease in current assets			
Stores, spare parts and loose tools		(2,831,364)	11,672,975
Stock in trade		(662,268,530)	(26,383,151)
Trade debts		924,250	(52,962,320)
Advances, deposits, prepayments and other receivable		(1,906,817)	16,818,074
		(666,082,461)	(50,854,422)
(Decrease) / increase in current liabilities			
Trade and other payables		975,981,564	114,697,724
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations		98,663,225	48,637,051
Long term deposits		-	(1,926,900)
Interest paid		(11,935,893)	(6,707,834)
Gratuity paid		(13,860,672)	(13,241,186)
Taxes paid		(73,396,299)	(35,739,439)
		(99,192,864)	(57,615,359)
Cash flows from operating activities		(529,639)	(8,978,308)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(2,487,000)	(1,766,700)
Proceeds from sale of property, plant and equipment		1,885,000	1,750,000
Cash (used in) investing activities		(602,000)	(16,700)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term finances		210,385,607	160,000,000
Liabilities against assets subject to finance lease		(894,795)	(1,840,994)
Short term borrowings		(183,083,580)	(182,112,399)
Loans from directors & others		1,300,000	(30,875)
		27,707,232	(23,984,268)
Net increase/(decrease) in cash and cash equivalents		26,575,593	(32,979,276)
Cash and cash equivalent at the beginning of the period		61,332,016	60,805,444
Cash and cash equivalent at the end of the period		87,907,609	27,826,168

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 NINE MONTHS PERIOD ENDED 31ST MARCH 2020

	Share Capital	Reserves				Loan from directors and others	Revaluation surplus on property, plant and equipment	Accumulated (loss)	Total equity
		Share premium	Capital reserve	General reserve	Sub total				
Rupees									
Balance as at July 01, 2018 - Audited	130,000,000	651,750,000	1,200	115,000,000	766,751,200	212,728,470	2,350,570,116	(2,260,536,882)	1,199,512,904
Net (loss) for the period	-	-	-	-	-	-	-	(326,029,470)	(326,029,470)
Total comprehensive income for the period	-	-	-	-	-	-	-	7,832,239	7,832,239
	-	-	-	-	-	-	-	(318,197,231)	(318,197,231)
Revaluation surplus on property, plant and equipment (incremental depreciation) - net of deferred tax	-	-	-	-	-	-	(66,106,292)	66,106,292	-
Balance as at March 31, 2019	130,000,000	651,750,000	1,200	115,000,000	766,751,200	212,728,470	2,284,463,824	(2,512,627,821)	881,315,673
(Loss) for the remaining period	-	-	-	-	-	-	-	(42,874,375)	(42,874,375)
Comprehensive (loss) for the remaining period	-	-	-	-	-	-	-	(10,602,489)	(10,602,489)
	-	-	-	-	-	-	-	(53,476,864)	(53,476,864)
Revaluation surplus on property, plant and equipment (incremental depreciation) - net of deferred tax	-	-	-	-	-	-	3,525,669	(3,525,669)	-
Balance as at July 01, 2019 - Audited	130,000,000	651,750,000	1,200	115,000,000	766,751,200	212,728,470	2,287,989,493	(2,569,630,354)	827,838,809
Net (loss) for the period	-	-	-	-	-	-	-	(472,793,113)	(472,793,113)
Total comprehensive income for the period	-	-	-	-	-	-	-	(1,831,647)	(1,831,647)
	-	-	-	-	-	-	-	(474,624,760)	(474,624,760)
Revaluation surplus on property, plant and equipment (incremental depreciation) - net of deferred tax	-	-	-	-	-	-	(62,800,977)	62,800,977	-
Balance as at March 31, 2020	130,000,000	651,750,000	1,200	115,000,000	766,751,200	212,728,470	2,225,188,516	(2,981,454,137)	353,214,049

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 Ordinance, 1984 (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 Chundrigar 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. 472.793 million (June 30, 2019: Rs. 368.904 million) and has reported accumulated losses amounting to Rs. 2,918.454 million (June 30, 2019 : Rs. 2,569.630 million) at the period end. Accordingly, it resulted into equity of Rs. 353.214 million in current period (June 30, 2019: equity Rs. 827.839 million). In addition, the Company's current liabilities exceeded its current assets by Rs. 5,045.991 million (June 30, 2019: Rs. 4,654.046 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 60% 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 period. 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** During the financial year on June 2019, the company's weaving mills sales suffered due to adverse market conditions. However the management decided to convert operations to conversion by doing job work. Now we have orders and are continuing operations on mostly
- 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, 2019.

2 PROPERTY, PLANT AND EQUIPMENT

		(Un-audited)	(Audited)
		31-Mar-20	30-Jun-19
	Note	----- Rupees -----	----- Rupees -----
Operating assets	2.1	5,762,228,129	5,948,633,149
Capital work in progress-at cost		-	-
		<u>5,762,228,129</u>	<u>5,948,633,149</u>

2.1 The cost of acquisition and disposal to operating assets during the period ended March 31, 2019 were as follows:

	(Un-audited)		(Audited)	
	31-Mar-20		30-Jun-19	
	Acquisition	Disposal	Acquisition	Disposal
	Cost		Cost	
	----- Rupees -----	----- Rupees -----	----- Rupees -----	----- Rupees -----
Owned assets				
Freehold land	-	-	-	-
Plant & machinery	2,000,000	-	19,584,857	-
Furniture and fixture	487,000	-	-	-
Vehicles	-	2,930,220	1,766,700	1,800,000
Total	<u>2,487,000</u>	<u>2,930,220</u>	<u>21,351,557</u>	<u>1,800,000</u>

3 STOCK IN TRADE

The carrying value of pledged stock is Rs. NIL (June 30, 2019: Rs. 17,797,538/-).

4 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-Mar-20	30-Jun-19
	-----Rupees -----	----- Rupees -----

4.1 Contingencies

Bank Guarantee issued by bank on behalf of the company

219,558,594 219,558,594

There is no changes in the legal cases other than those enclosed in the annual financial statement as on June 30, 2019.

4.2 Commitments

Confirmed letter of credit in respect of:

Raw material	14,420,700	-
Stores and spares	12,295,429	8,006,410
	<u>26,716,129</u>	<u>8,006,410</u>

**QUETTA TEXTILE MILLS LIMITED**

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COST OF SALES

	(Un-audited)	(Un-audited)
	31-Mar-20	31-Mar-19
	-----Rupees -----	
Raw material consumed	2,275,011,777	1,884,698,217
Salaries, wages and benefits	570,918,399	430,691,922
Stores and spares consumed	171,196,320	121,039,668
Fuel, power and water	858,948,289	474,016,544
Rent, rates and taxes	1,017,597	(8,365)
Insurance expenses	9,702,703	11,284,014
Repairs and maintenance	2,364,713	2,043,936
Vehicle running and maintenance	8,898,934	7,769,602
Entertainment expenses	2,285,761	1,339,217
Communication expenses	715,168	562,143
Legal & professional charges	20,000	50,000
Printing and stationery	433,643	199,414
Subscription	292,080	302,638
Travelling	702,430	491,150
Other expenses	830,688	3,760,190
Depreciation expenses	159,683,260	167,529,910
	4,063,021,762	3,105,770,199
Work in process		
Opening stock	72,470,782	33,483,618
Closing stock	(71,207,402)	(68,370,747)
	1,263,380	(34,887,129)
Cost of goods manufactured	4,064,285,142	3,070,883,070
Finished goods		
Opening balance	316,332,333	363,750,270
Goods purchase:		
Yarn Purchase	-	3,000,000
Closing stock	(708,051,875)	(405,199,881)
	(391,719,542)	(38,449,611)
	3,672,565,600	3,032,433,459

6 **TRANSACTIONS WITH RELATED PARTIES**

		(Un-audited)	(Un-audited)
		31-Mar-20	31-Mar-19
		-----Rupees -----	
Transactions with related parties	Relationship		
Loan received/(repaid) - net	Key management personnel	1,300,000	(30,875)
Salaries and other employees benefits	Key management personnel	12,307,000	7,200,000

7 **DATE OF AUTHORIZATION FOR ISSUE**

These condensed interim financial information have been authorized for issue on **April 29th, 2020** by the board of directors of the company.

8 **GENERAL**

Figures have been rounded off to the nearest rupee.

Chief Executive

Director

Chief Financial Officer