

55th ANNUAL REPORT 2024



QUETTA TEXTILE MILLS LIMITED



**ANNUAL REPORT
JUNE 30, 2024
Index**

CONTENTS

Page

Company Information	02
Vision & Mission Statements	03
Notice of Annual General Meeting	04
Chief Executive's Review	05-06
Director's Report to the Members (English/Urdu)	07-18
Key Operating & Financial Data	19
Pattern of Shareholding	20-21
Statement of Compliance with the Code of Corporate Governance	22-23
Independent Auditor's Review Report to the Member	24-25
Auditor's Report to the Members	26-31
Statement of Financial Position	32
Statement of Profit or Loss	33
Statement of Other Comprehensive Income	32
Statement of Cash Flows	34
Statement of Changes in Equity	35
Notes to the Financial Statements	36-68
Form of Proxy	69
Form of Proxy (Urdu)	70



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



CORPORATE VISION & MISSION STATEMENTS

VISION

Quetta Textile Mills Limited is one of the leading manufactures & exporters of yarns & fabrics in Pakistan. The Company aims to become a market leader by producing high quality products with the help of latest technologies. The Company strives to explore new markets worldwide and at the same time tries to integrate its supply chain and diversify its customers portfolio. The Company aims to be fittest in a changing market scenario through effective balancing, Modernization & Replacement of existing machinery.

MISSION

Our aim is to make Quetta Textile Mills Limited a secure & rewarding investment for its shareholders & investors, a reliable source of high quality yarns & fabrics at affordable prices to its customers all over the world, a secure place of work to its employees & an ethical partner to its business association.



QUETTA TEXTILE MILLS LIMITED

NOTICE OF MEETING

Notice is hereby given that the **64th Annual General Meeting** of the Shareholders of **Quetta Textile Mills Limited** will be held on **Monday October 28, 2024 at 09.15 A.M.** at the registered office of the Company at **Nadir House (Ground Floor), I.I. Chundrigar Road, Karachi** to transact the following business :-

Ordinary Business:

1. To confirm the minutes of the Annual General Meeting held on October 27, 2023.
2. To receive, consider and adopt Audited Financial Statement of the Company for the year ended June 30, 2024 together with Auditors', Chairman's and Directors' Report thereon.
As required under section 223(7) of the Companies Act, 2017, the Financial Statement of the Company and scam QR code have been uploaded on the following link: <http://www.quettagroup.com/reports>
3. To appoint Auditors for the year 2024-2025 and fix their remuneration. The Board has recommended, as suggested by Audit committee, the appointment of M/s. Mushtaq & Co, Chartered Accountant, the retiring auditors and being eligible to offer themselves for re-appointment.
4. To transact any other ordinary business of the Company with the permission of the Chairperson.

By order of the Board of Directors

Muhammad Ashraf Rathore
Company Secretary

Karachi:

Dated: October 04, 2024

Notes:

1. In pursuance of SMD/SE/2(20)2021/117 to ensure the participation of members in the general meeting. Members are advised to send their Name, Folio/CDC Account Number, CNIC Number, Valid email address and cell number for registration, at the earliest but not later than 48 hours before AGM on E-mail: sale@quettagroup.com along with a valid copy of both sides of CNIC.
2. A member entitled to attend the Annual General Meeting can appoint a proxy to attend and vote instead of him/her. Proxies in order to be valid must be received at the registered office of Company 48 hours before meeting commences. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of meeting An attested CNIC must be attached with Proxy Form. Shareholder holding Physical share are required to bring Original CNIC and/or copy.
3. For the purpose of entitlement of dividend, the Register of the members of the Company will remain closed at registered office from October 22, 2024 to October 28, 2024 (both days inclusive) and if dividend approved will be paid to such members whose name will appear in the Company's register of member at the close of business on October 21, 2024.
4. According to Section 119 of the Company Act, 2017 and Regulation 19 of the Companies Regulation, 2018 all members have physical shares are advised to provide their mandatory information such as CNIC number, address, email address, contact numbers, Bank account detail etc, to our share Registrar.
5. Members are requested to submit a copy of their Computerized National Identity Card/Smart National Identity Card (CNIC/SNIC), if not already provided and notify immediately changes, if any, in their registered address to our Shares Registrar, C&K Management Associate (Pvt) Ltd.
6. According Section 242 of Companies Act 2017 and SECP's circular no 18 dated August 1, 2017. All shareholders are requested to provide IBAN, Bank name and Branch name with address and also requested again to provide Computerized National Identity Card to Shares Registrar, CDC and sub account holder update with their brokers.

7. Conversion Physical share into Book Entry form

With reference of Section 72 of the Companies Act, 2017 and Further letter No. CSD/ED/Misc./2016/-639-640 dated March 26, 2021 from Securities and Exchange Commission of Pakistan (SECP). The Shareholders of Quetta Textile Mills Limited having physical folio/share certificates are requested to convert their shares from physical form into Book Entry Form as soon as possible. In this respect kindly contact following Share Registrar of the Company. A separate notice also sent to shareholders who hold physical shares. **Share Registrar**

C & K Management Associates (Pvt) Limited

404, Trade Tower, Abdullah Haroon Road, Near Metropole Hotel, **Karahci-75530.**

Chairman's Review

I, hereby define review report for the year ended June 30, 2024 on the performance of Board and effectiveness of role played by the Board of the Company

The year ending on June 30, 2024 has been extremely challenging for all businesses and industry due to high interest rates, inflation and world-wide recession. Although inflation as per SPB is tapering off, but businesses and industry continue to suffer due to extremely high electricity and gas rates which have resulted in very high costs of doing business. Residential, commercial and industry are suffering from this.

The Company has shut down some of its spinning operations due to 'back-breaking' electricity and gas rates that resulted have resulted in lower sales than last year. Because of significant decline in both the local and global market, we are currently unable to resume operation at full capacity. The Company has initiated its operation at only 30% of total capacity.

The Board during year ended June 30, 2024 played an effective role in managing the affair of Company and achieving its object in the follow manner.

The Board has applied governance standards in an efficient and transparent manner as per regulations under Code of Corporate Governance Regulations 2019(Code), guidelines and provisions of Companies Act 2017. Securities and Exchange Commission of Pakistan and Pakistan Stock Exchange.

Essential Board agendas and the associated supporting documents were providing in a timely manner before Board and Committee Meeting. Non-executive and independent directors play an equal and integral role in crucial board decisions.

The Board has taken responsibility for the recruitment, assessment, and remuneration of essential executives, including the Chief Executive Officer, Chief Financial Officer, Company Secretary, and Head of internal Audit.

The Board's overall performance and effectiveness has assessed as satisfactory for the year financial year ended June, 30 2024. This is based on an evaluation of integral components, including vision, mission and values, engagement in strategic planning, formulation of policies, monitoring the organization's business activities, monitor financial resource management; effective fiscal oversight, equitable treatment of all employees and efficiency in carrying out the Board's business.



Tauqir Tariq
Chairman

Karachi

Dated: October 04, 2024

کوئٹہ ٹیکسٹائل ملز لمیٹڈ

چیئر مین کا جائزہ

میں کمپنی کے بورڈ کی کارکردگی اور اثر پذیری پر سالانہ مقررہ 30 جون 2024 کی جائزہ رپورٹ پیش کرتے ہوئے اظہار مسرت کرتا ہوں۔

بلند شرح سود، افراط زر اور عالمی سست روی کی وجہ سے مقررہ سال 30 جون 2024 تمام کاروباروں اور صنعتوں کے لئے انتہائی دشوار گزار رہا۔ اگرچہ کہ SBP کے مطابق افراط زر کم ہو رہا ہے لیکن کاروبار اور صنعتیں مسلسل بجلی اور گیس کے بلند نرخوں کی وجہ سے متاثر ہیں جس کے نتیجے میں کاروبار کرنے کی لاگتوں میں بہت زیادہ اضافہ ہو گیا ہے۔ رہائشی، تجارتی اور صنعتی صارفین اس سے متاثر ہو رہے ہیں۔

کمپنی نے اپنے کچھ اسپننگ آپریشنز بجلی اور گیس کے نرخوں میں اضافے کی وجہ سے بند کر دیئے ہیں جس کے نتیجے میں گزشتہ سال کی بہ نسبت فروخت کم رہی۔ مقامی اور عالمی منڈی میں قابل ذکر سست روی کی وجہ سے اس وقت ہم اپنے پیداواری عمل کو مکمل گنجائش پر شروع کرنے سے قاصر ہیں۔ کمپنی نے اپنے پیداواری عمل کا آغاز صرف 30 فیصد گنجائش سے کیا ہے۔

سال مقررہ 30 جون 2024 کے دوران بورڈ نے کمپنی کے معاملات کو چلانے اور اس کے مقاصد کے حصول میں درج ذیل انداز میں اپنا موثر کردار ادا کیا۔

کوڈ آف کارپوریٹ گورننس ریگولیشنز 2019 (کوڈ) کے ضابطوں، کمپنیز ایکٹ 2017 کی شقوں اور سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے رہنما اصولوں کے تقاضوں کے تحت بورڈ نے مستعد اور شفاف نظم و ضبط کے معیارات نافذ کئے ہیں۔

بنیادی ایجنڈے اور ملحقہ معاون دستاویزات بورڈ اور اس کی کمیٹیوں کے اجلاس سے قبل بروقت فراہم کئے گئے۔ نان ایگزیکٹو ڈائریکٹران اور آزاد ڈائریکٹران نے بورڈ کے فیصلوں میں یکساں اور بنیادی کردار ادا کیا۔

بورڈ نے بنیادی اعلیٰ انتظامی عملے، چیف ایگزیکٹو آفیسر، چیف فنانشل آفیسر، کمپنی سیکریٹری اور انٹرنل آڈٹ کے سربراہ کی بھرتی، تشخیص اور معاوضہ کے لئے اپنی ذمہ داری پوری کی۔

سال مقررہ 30 جون 2024 کے دوران بورڈ کی مجموعی کارکردگی اور اثر پذیری کی تشخیص تسلی بخش پائی گئی۔ اس کے بنیادی انفرادی اجزاء میں نصب العین، مشن اور اقدار، کلیدی منصوبہ میں مشغولیت، پالیسیوں کی تشکیل، ادارے کی کاروباری سرگرمیوں کی نگرانی، مالیاتی وسائل کے انتظام کی نگرانی، موثر مالیاتی بصیرت، تمام ملازمین کے ساتھ یکساں سلوک اور بورڈ کی کاروبار کو انجام دینے کی کارکردگی شامل ہیں۔



توقیر طارق
چیئر مین

کراچی

04 اکتوبر 2024



DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors of the Company submit their Report together with the audited financial statements of the Company for the year ended June 30, 2024.

Financial Results

Summary of the company's key financial numbers are presented below:

	June 30, 2024	June 30, 2023	Variation
	(Rupees in '000)		
Sales	888,780	3,392,968	(73.81) %
Cost of sales	(1,534,686)	(4,371,024)	43.84 %
Gross Loss / Profit	(645,906)	(978,056)	-
(Loss)/Profit before taxation	(692,504)	(942,625)	-
Taxation	(11,347)	(42,443)	-
Profit / (Loss) after taxation	(703,851)	(985,068)	-
Other comprehensive Profit	13,488	76,580	-
Accumulated loss brought forward	(4,944,150)	(4,300,820)	-

Review of Operations:

The above are results of the company for the year ended June 30, 2024. Turnover for the year was Rs. 888.780 million. The company made a Loss before Tax of Rs. 692 million as compared to a Profit before Tax of Rs. 942.6 million last year. The positive point is that the company has managed to reduce its loss by Rs. 250 million even with lower turnover than last year.

The company's current liabilities exceed its current assets by Rs. 6,433 million. Current Ratio is 0.41 : 1, as compared to last year's Current Ratio of 0.43 : 1.

Director and sponsors of the Company have committed that they would continue support to the company in the future.

Chairman's Review:

The directors' hereby endorse the Chairman's review report on the performance of the Company.

Earning per Shares:

The Loss share (EPS) of current year is Rs. (54.14), as compared to Earing Rs. (75.77) for the previous year.

Dividend:

The Board of Directors have recommended 'Nil' dividend for the year ended June 30, 2024.

Retire Benefit Funds:

The Company operates un-funded gratuity scheme for its employees as reflected in the financial statements.

Economic Review

Pakistan's economy, industry and almost all businesses are going through severe challenges due to 'back-breaking' electricity and gas rates, inflation and low demand for goods and services in the local and international markets.

The textile industry of Pakistan is facing multiple crisis, such as electricity and gas load-shedding, high cost of doing business, lay-offs to lower their cost of production and cost of doing business. Many spinning and weaving manufacturing concerns have closed down or curtailed their productions. Un-employment and lay-offs are on the rise. In fact, al residential, commercial businesses and manufacturing industry are all suffering due to these reasons.



Presently, the prevailing interest rates are unprecedentedly still high in the history of the country, posing a considerable challenge for businesses to sustain their operations. The industrial sector is also suffering heavy losses due to high key interest rates and electricity and gas rates. Further, this persistent trend of high electricity and gas rates have substantially depleted the financial reserves of businesses, eroding their earnings entirely. Therefore, it is crucial for the Government to take decisive action and make concerted efforts to reduce interest rates and lower electricity and gas rates at a reasonable level in order to ensure the continued viability of the industry.

Electricity and gas tariff has jolted the trade and industries as these exorbitant costs are resulting in closures and lay-offs which are further deteriorating economic activities.

Future Textile Outlook:

Going forward, next year is again expected to be a challenging one for Pakistan as it seeks fiscal stability while complying with the toughest IMF program conditions. The economic outlook depends on factors like political stability, IMF reforms and industry supportive monetary measures, boosting industrial activity and demand.

This year has been by far the toughest year for all businesses whether commercial or industrial due to global and domestic uncertainties and challenges for Pakistan's external economic environment.

Related Party Transactions:

The related parties comprise of directors and key management personnel amounts due to related parties are shown in the relevant notes to the financial statements.

Financial Management:

Cash flow Management:

The Company has an effective Cash Flow Management system in Place whereby cash inflows and out flows is projected on regular basis. Working Capital requirements are planned to be financed through internal cash generation and short-term borrowings from external resources where necessary.

Risk Mitigation:

The Inherent risks and un-certainties in running a business directly affect the success of business. The management of Quetta Textile Mills Limited has identified its exposure to the potential risks. As a part of our policy to produced forward looking statement we are outlining the risks which may affect our business. This exercise also helps the management focus on a strategy to mitigate risk factors.

Credit Risk:

All financial assets of the company except cash in hand are subject to credit risk. The company believes that it is not exposed to major concentration of credit risk. Exposure is managed through application of credit limits to its customers secured by and on the base of past experience, sales volume, consideration of financial position, past track records. and recoveries, economic conditions of particularly the textile sector and generally the industry. The company believes that it is prudent to provide Provision of doubtful debts.

Liquidity Risk:

Prudent liquidity risk management ensures availability of the sufficient funds for meeting contractual commitments. The Company's fund management strategy aims at managing liquidity risk through internal cash generation and committed credit lines with financial institutions.

Interest Rate Risk:

Majority of the interest rate exposure arises from short and long term borrowing from banks. Therefore, a change in interest rates at the reporting date would not affect the profit and loss accounts.



Foreign Exchange Risk:

Foreign currency risk arises mainly where receivables and payables exist due to transaction in foreign currencies. The company is mainly exposed to short term USD/ PKR parity on its imports of raw material and Plant and Machinery.

Production Facilities

Performance of our production facilities was excellent with unprecedented levels of output. Our team continued to improve efficiencies through harmonized efforts, eliminating wastage and avoidance of shutdowns on numerous occasions. The Company is determined to continue its focus on maximum capacity utilization for sustained profitability and to maintain its position as the leading Textile Manufacturer of the Country.

Auditors:

The present auditor's M/s. Mushtaq and Company, Chartered Accountants retired and being eligible offer themselves for re-appointment.

Safety, Health and Environment:

We maintain our commitment to higher standard of Safety, Health and Environment. All our employees undergo continuous training on all aspects of safety especially with regards to the safe production, delivery, storage and handling of the materials. In addition, we have initiated a rotation exercise at the mill whereby our aim is to ensure that all supervisors are also safety managers and are fully cognizant of all aspects of safety training. Due these controls and with the blessing of Al-Mighty Allah no major accidents or incidents took place at the mill.

Environmental Protection Measures:

Your company always ensures environment preservation and adopts all the possible means for environment protection. We have been taking various steps to ensure minimal dust and emission from our plant and our production lines are installed with pollutant trapping and suppression systems to control dust particles and other emissions.

Corporate Social Responsibility

Your Company is fully aware of its corporate social responsibility and has been working positively to raise the educational, health and environmental standards of the Country in general and local communities in particular.

Currently we are supporting following projects:

- Two Madrasa's in Kotri
- Four (04) water filtration plants - Three (03) in Kotri, Jamshoro and one (01) in Hyderabad.

We believe that the industry has the power to transform society and therefore strives to maximize the positive impact of industrialization.

Pattern of Shareholding:

The pattern of shareholding as on June 30, 2024 is annexed to this report. During the year, the Directors, CEO, CFO, Company Secretary, Executives and / or their spouse and minor children carried out gift/trade in shares of the company which is attached, along-with pattern of shareholding.

Summary of Financial Data:

Financial data for last six years in summarized form is annexed.

Composition of Board:

The composition of board is in compliance with the requirements of Code of Corporate Governance regulations 2017 applicable on listed entities which is given below:



Total number of directors:

- | | |
|-----------|---|
| a) Male | 6 |
| b) Female | 1 |

Composition

- | | |
|----------------------------|----|
| a) Independent Directors | 02 |
| b) Executive Directors | 02 |
| c) Non-Executive Directors | 03 |

Remuneration of Directors:

The Company fixed the remuneration of the directors in the General Meeting and in future remuneration of the Directors will be determined by the Company in Board of Directors' Meeting as provided by Section 170 of the Companies Act, 2017. The remuneration of the Board of Directors is determined on the basis of standards in the market and reflects demands to competencies and efforts in light of the scope of their work and increase in responsibilities of the directors.

Board of Directors' Meetings:

A total of 12 meetings of the Board of Directors were held during 12 months' period from July 01, 2023 to June 30, 2024. Attendance at the Board Meetings by each Director is as follows:

Name of Directors	Number of Meetings Attended
Mr. Tariq Iqbal	12
Mr. Asim Khalid	12
Mr. Omer Khalid	12
Mr. Tauqir Tariq	04
Mrs. Saima Asim	11
Mr. Major Rtd. Muhammad Saeed	02
Mr. Muhammad Sarfraz	02
Mr. Abbas Ali	02

Leave of absence was granted to the directors who could not attend some of the meetings.

Board Audit Committee:

The Board of Directors in compliance with the Code of Corporate Governance has established an Audit Committee. The name of its members is given in the company profile.

The Committee meets at least once every quarter and assists the Board in fulfilling its oversight responsibilities. A total of four Board of Audit Committee meetings were held during 12 months' period from July 01, 2023 to June 30, 2024. Attendance at the Board Audit Committee Meeting by each Director / members is as follow:

Name of Members	Number of Meetings Attended
Mr. Major Rtd. Muhammad Saeed	02
Mr. Asim Khalid	04
Mr. Tauqir Tariq	04
Mr. Muhammad Sarfraz	02

The term of reference of the Audit Committee based on the scope as defined by the Securities and Exchange Commission of Pakistan (SECP) and the guidelines given by the board of directors from time to time to improve the system and pressures. Within the frame work of term of reference determined by board of directors, the Audit Committee, among other things, will recommend appointment of external auditors and review of periodical statements



Human Resource and Remuneration Committee:

Human Resource planning and management is one of the essential matters and is at the spotlight at the senior management level. The Company has a Human Resource and Remuneration Committee that guides in the section evaluation, compensation and succession planning of key management personnel. Its responsibility entails recommending improvement in the company's human resource policies and procedures and their periodic review. The Committee keeps abreast with industries "Best Practices" and ensures to discuss and implement this as and when the situation arises.

Corporate Governance:

The Board of Directors hereby declares that for the year ended June 30, 2024:

- a) The Financial statements, prepared by the management of the Company, present its state of affairs fairly, the results of its operations, cash flows and change in equity.
- b) Proper books of accounts of the Company have been maintained.
- c) Appropriate accounting policies as stated in the notes to the financial statements have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- d) The International Financial Reporting Standards (IFRS), as applicable in Pakistan, have been followed in preparation of financial statements and any departure therefrom has been adequately disclosed and explained.
- e) There is no significant doubt upon the Company's ability to continue as a going concern.
- f) The system of internal control is sound in design and has been effectively implemented and monitored.
- g) Key operating and financial data for the last six years in summarized form is annexed.
- h) Outstanding duties, statutory charges and taxes if any, have been adequately disclosed in the annexed audited financial statements.

Reservations in Independent Auditors' Report to the Members:

The auditors have given their remarks over financial stability of the company by showing their concerns towards use of 'going concern' assumption. The management very briefly explains various mitigating factors that are in company's favour to be a going concern for the future in note 3.6 in these financial statements:-

- (a) The main factor in the company's favour is that the company is getting complete co-operation from our bankers who have re-structured our outstanding amounts and entered into scattered and stepped-up settlement arrangements. Along-with this, mark-up rates have also been reduced to cost of fund. Mark-up amounts have been re-structured to be paid at 'tail-end', after re-payments of principal amounts. In some cases, mark-up has been waived entirely. This has been done to enable positive and retained cash flows to maintain its liquidity and will improve its Current Ratio. The company had filed "Leave to Defend" well in time to challenge their claims against those banks who have filed suits in Sindh High Court and Banking Court against the company. Negotiations with the remaining banks is also under process for settlement of claims. Our legal team is confident that they will be able to succeed in settling the due amounts with banks, and also would be able to get reductions in the claim amounts.
- (b) The banks have filed cases for recovery which are exaggerated and with exorbitant mark-up and other charges, whereas, as per records of the company, the amount, if any payable, against the subject facilities, are much less than the alleged claims of the banks. In all these cases, the company has filed "Leave to Defend" applications and denied the alleged claims of the banks, which are pending before the Hon'ble Courts for adjudications. The management contesting the cases vigorously and also making efforts for amicable



settlement of claim of each bank individually as out of court settlement. The company has finalized compromise/settlement agreements in three suits. A fourth compromise/settlement agreement with another bank is presently under discussions in another suit, and will be in the final stages of mutual agreement shortly.

- (c) Some banks that are in litigations have not responded to balance confirmation letter of auditors.
- (d) In a recent development, Honorable Supreme Court of Pakistan has issued an order with regard to long outstanding issue of GIDC by virtue of the order industrial gas users are required to pay arrears of GIDC amount in installments. This will give negative impact of the cash flows of the company. Higher prevailing inflation in the country is causing surge in costs. This will result in reduction in margins.
- (e) The primary reason for failing to verify the existence of plant and machinery worth Rs501.129 was due to logistical issues such as a non-availability of electricity and competent workers.

Conclusion:

In the end, I would like to thank the supporting financial institutions and creditors' for their continued support they have shown towards the company. To the workers, staff and officers, I extend my gratitude for their dedication and honesty.

For and on behalf of the Board

TARIQ IQBAL
Chief Executive

Omer Khalid
Director

Karachi: October 04, 2024

کوئٹہ ٹیکسٹائل ملز لمیٹڈ
حصص یافتگان کے لئے ڈائریکٹرز رپورٹ

کمپنی کے ڈائریکٹران اپنی رپورٹ کے ساتھ کمپنی کے آڈٹ شدہ مالیاتی گوشوارے برائے مختتمہ مدت 30 جون 2024 پیش کرتے ہوئے اظہار مسرت کرتے ہیں۔

مالیاتی نتائج

کمپنی کے مالیاتی نتائج حوصلہ افزا رہے۔ اہم مالیاتی اعداد و شمار کا خلاصہ درج ذیل ہے:

فرق	2023 جون 30	2024 جون 30	
(فیصد)	روپے ('000 میں)	روپے ('000 میں)	
(73.81)%	3,392,968	888,780	فروخت
43.84%	(4,371,024)	(1,534,686)	لاگت فروخت
-	(978,056)	(645,906)	خام (خسارہ)/ منافع
-	(942,625)	(692,504)	(خسارہ)/ منافع قبل از ٹیکس
-	(42,443)	(11,347)	ٹیکس
-	(985,068)	(703,851)	(خسارہ)/ منافع بعد از ٹیکس
-	76,580	13,488	دیگر جامع منافع
-	(4,300,820)	(4,944,149)	مجموعی خسارہ آگے لے جایا گیا

کاروباری جائزہ

مندرجہ بالا اعداد و شمار کمپنی کے سال مختتمہ 30 جون 2024 کے نتائج ہیں۔ فروخت 888.78 ملین روپے رہی۔ کمپنی کا خسارہ قبل از ٹیکس (692) ملین روپے رہا جبکہ گزشتہ سال منافع قبل از ٹیکس (943) ملین روپے تھا۔

کمپنی کے رواں واجبات اس کے رواں اثاثوں سے 6433 ملین روپے بڑھ گئے۔ موجودہ شرح 1:041 رہی جبکہ گزشتہ سال موجودہ شرح 1:043 تھی۔

کمپنی کے ڈائریکٹران اور سرپرستوں نے مستقبل میں تعاون کی یقین دہانی کرائی ہے۔

چیئرمین کا جائزہ

ڈائریکٹران کمپنی کی کارکردگی پر چیئرمین کی جائزہ رپورٹ کی توثیق کرتے ہیں۔

نی حصص آمدن

موجودہ سال خسارہ نی حصص (EPS) (54.14) روپے رہا جبکہ گزشتہ سال آمدن نی حصص (75.77) روپے تھی۔

منافع منقسمہ

بورڈ آف ڈائریکٹرز نے سال 30 جون 2024 کے لئے کسی منافع منقسمہ کی سفارش نہیں کی۔

سبکدوشی کی مراعات

کمپنی اپنے ملازمین کے لئے ایک غیر فنڈ شدہ گریجویٹ اسکیم چلاتی ہے جس کی عکاسی مالیاتی گوشواروں میں کی گئی ہے۔

معاشی جائزہ

پاکستان کی معیشت، صنعت اور تقریباً تمام کاروباری ادارے بجلی اور گیس کے نرخوں، افراط زر میں ہوشربا اضافے اور مقامی اور عالمی منڈیوں میں سامان اور خدمات کی زریں طلب کی وجہ سے شدید متاثر ہیں۔

پاکستان کی ٹیکسٹائل کی صنعت کو بجلی اور گیس کی لوڈ شیڈنگ، کاروبار کرنے کی بلند لاگت، پیداواری لاگت اور کاروباری لاگت میں کمی کے لئے مزدوروں کی برطرفی جیسے کئی ایک بحرانوں کا سامنا ہے۔ اسپننگ اور ویونگ کے کئی پیداواری ادارے یا تو بند ہو چکے ہیں یا انہوں نے اپنی پیداوار کم کر دی ہے۔ بیرونگاری اور برطرفیاں عروج پر ہیں۔ حقیقت یہ ہے کہ رہائشی صارفین، تجارتی ادارے اور پیداواری صنعتیں ان وجوہات کی وجہ سے شدید متاثر ہو رہے ہیں۔

اس وقت بھی شرح سود کے رائج نرخ ملکی تاریخ میں انتہائی بلند سطح پر ہیں جس سے کاروباری اداروں کو اپنے آپریشنز برقرار رکھنے میں قابل ذکر دشواریوں کا سامنا ہے۔ بنیادی شرح سود میں شدید اضافے کی وجہ سے صنعتی شعبہ کو بھی بھاری نقصانات کا سامنا ہے۔ مزید برآں بجلی اور گیس کے نرخوں میں مسلسل اضافے کے رجحان کی وجہ سے کاروباری اداروں کے مالیاتی ذخائر میں قابل ذکر کمی ہوئی ہے جس سے ان کی آمدنی مکمل طور پر متاثر ہوئی۔ لہذا حکومت کے لئے ناگزیر ہے کہ وہ شرح سود اور بجلی اور گیس کی قیمتوں میں کمی کے لئے ٹھوس اقدامات اور کوششیں کر کے موزوں سطح پر لائے تاکہ صنعت کی مسلسل نمو پذیری کو یقینی بنایا جاسکے۔

بجلی اور گیس کے نرخوں نے تجارت اور صنعت کو دھچکا لگایا ہے کیونکہ ان ہوشربا لاگوں کی وجہ سے بندشیں اور برطرفیاں ہو رہی ہیں جس سے معاشی سرگرمیاں مزید تباہ حالی کا شکار ہیں۔

ٹیکسٹائل کی مصنوعات کے مستقبل کا منظر نامہ

مالیاتی استحکام کے لئے IMF پروگرام کی سخت شرائط پر عمل کرنے کے لئے مستقبل میں اندازہ ہے کہ نیا سال پاکستان کے لئے ایک دشوار گزار سال رہے گا۔ سیاسی استحکام، IMF کی اصلاحات اور صنعت کے لئے معاون مالیاتی اقدامات، صنعتی سرگرمی اور طلب میں اضافے جیسے عوامل پر مستقبل کے معاشی منظر نامے کا انحصار ہے۔ پاکستان کے بیرونی معاشی ماحول کے لئے عالمی اور مقامی غیر یقینی صورتحال اور دشواریوں کی وجہ سے یہ سال اس وقت تک تمام کاروباری اداروں کے لئے مشکل ترین سال رہا ہے چاہے وہ تجارتی یا صنعتی ہوں۔

مالحہ فریقین کے ساتھ سودے

مالحہ فریقین میں ڈائریکٹران اور اہم انتظامی عملہ کی رقومات کو مالحہ فریقین کے واجبات کے طور پر مالیاتی گوشواروں کے نوٹ میں ظاہر کیا گیا ہے۔

مالیاتی انتظام

نقدی کے بہاؤ کا انتظام

کمپنی کے پاس نقدی کے بہاؤ کے انتظام کا ایک موثر نظام موجود ہے جس میں نقدی کے اندرونی اور بیرونی بہاؤ کا باقاعدگی سے متوقع امکانات کا جائزہ لیا جاتا ہے۔ رواں سرمائے کی ضروریات کی منصوبہ بندی اندرونی نقدی پیداوار اور جہاں ضروری ہو بیرونی ذرائع سے قلیل مدتی قرضوں سے پوری کی جاتی ہیں۔

خطرات میں کمی

موروثی خطرات اور غیر یقینی صورتحال کاروبار کو کامیابی سے چلانے میں براہ راست اثر انداز ہوتی ہے۔ کونٹریکٹسٹائل ملز لمیٹڈ کی انتظامیہ نے متاثر کرنے والے امکانی خطرات کی شناخت کی ہے۔ ہماری پالیسی کے مطابق مستقبل پر مبنی بیان کے تحت ہم ایسے خطرات کی نشاندہی کر رہے ہیں جو ہمارے کاروبار کو متاثر کر سکتے ہوں۔ اس مشق سے انتظامیہ کو خطرات کو کم کرنے کی حکمت عملی پر مرکوز رہنے میں مدد ملتی ہے۔

قرضہ جاتی خطرہ

کمپنی کے مالیاتی اثاثے سوائے دستی نقد کے قرضہ جاتی خطرے کے ماتحت ہیں۔ کمپنی کو یقین ہے کہ وہ قرضہ جاتی خطرات کے بڑے پیمانے پر جمع ہونے کا شکار نہیں

ہوگی۔ خطرات کا انتظام اپنے گاہکوں کے لئے لاگو قرضہ جاتی حد اور سابقہ تجربات، فروخت کے حجم، مالیاتی پوزیشن کی صورتحال، سابقہ ریکارڈ اور بازاریابیوں، خاص طور پر ٹیکسٹائل کے شعبے اور عمومی طور پر صنعت کو درپیش معاشی حالات کو مد نظر رکھتے ہوئے کیا جاتا ہے۔ کمپنی یقین رکھتی ہے کہ مشکوک قرضوں کے لئے محتاط انداز میں اختصاص فراہم کیا جائے۔

روانیت کا خطرہ

روانیت کے محتاط انتظام سے معاہدہ جاتی وعدوں کو پورا کرنے کے لئے کافی فنڈز کی دستیابی کو یقینی بنایا جاتا ہے۔ کمپنی کے فنڈز کی انتظامی حکمت عملی کا مقصد روانیت کے خطرے کو نقدی کی اندرونی پیداوار اور مالیاتی اداروں سے جامع قرضوں کے حصول سے پورا کرنا ہے۔

شرح سود کا خطرہ

شرح سود کا بڑا خطرہ بینکوں سے لئے گئے قلیل اور طویل مدتی قرضوں کی وجہ سے پیدا ہوتا ہے۔ لہذا رپورٹنگ کی تاریخ پر شرح سود میں کسی تبدیلی سے منافع اور خسارہ کے کھاتے پر اثر نہیں پڑے گا۔

زرمبادلہ کے خطرات

زرمبادلہ کا خطرہ وہاں ہوتا ہے جہاں واجب الادا اور واجب الوصول کے لین دین بیرونی کرنسیوں میں ہوں۔ کمپنی کو اپنے پلانٹ و مشینری اور خام مال کی درآمدات پر قلیل مدتی USD/PKR کی مساواتی قدر کا خطرہ لاحق رہتا ہے۔

پیداواری سہولیات

ہماری پیداواری سہولیات بہترین پیداواری صلاحیت کی حامل ہیں۔ ہماری ٹیم باہمی ہم آہنگی، کم سے کم ضیاع اور روزمرہ کی بندش سے بچ کر اپنی صلاحیتوں میں اضافہ کر رہی ہے۔ کمپنی اس بات کے لئے کوشاں ہے کہ زیادہ سے زیادہ پیداواری گنجائش کو قابل عمل بنایا جائے تاکہ بہترین منافع حاصل ہو سکے اور آپ کی کمپنی ملک کی ٹیکسٹائل کی صنعت میں اپنا اہم مقام برقرار رکھ سکے۔

آڈیٹرز

موجودہ آڈیٹرز میسرز مشتاق اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس سبکدوش ہو چکے ہیں اور اہلیت کے باعث انہوں نے اپنی دوبارہ تقرری کی پیشکش کی ہے۔

تحفظ، صحت اور ماحول

ہم تحفظ، صحت اور ماحول کے اعلیٰ معیارات کو برقرار رکھنے کے لئے کوشاں ہیں۔ تمام ملازمین کو ہر پہلو سے تربیت فراہم کی جاتی ہے کہ کس طرح پیداوار، ترسیل، ذخیرہ اور اشیاء کے استعمال کو بحفاظت بنایا جائے۔ اس کے علاوہ گروشی مشینیں نافذ العمل ہیں جن کا مقصد یہ ہے کہ تمام سپروائزر اور سیٹھی مینیجرز حفاظتی تربیت سے مکمل طور پر واقف ہو جائیں۔ ہمارے اس طریقہ کار سے اور اللہ رب العزت کی رحمت سے آج تک کوئی بڑا حادثہ رونما نہیں ہوا۔

ماحولیاتی تحفظ کے اقدامات

آپ کی کمپنی نے ماحولیاتی تحفظ کو یقینی بنایا ہے اور تمام ممکنہ اقدامات کئے ہیں تاکہ ماحول محفوظ رہے۔ ہم نے ایسے اقدامات کئے ہیں جن سے ہمارے پلانٹ اور ہماری پیداواری مشینری سے کم سے کم گرد و غبار اور دھواں خارج ہو اور پیداواری سہولیات میں گرد و غبار اور دھواں کو پکڑنے اور دبانے کے نظام نصب کئے گئے ہیں۔

ادارتی سماجی ذمہ داری

آپ کی کمپنی ادارتی سماجی ذمہ داریوں سے مکمل طور پر آگاہ ہے اور ملک میں رائج تعلیم، صحت اور ماحولیاتی معیارات کو مثبت انداز میں عمومی طور پر نافذ کے لئے کام کر رہی ہے اور خاص طور مقامی آبادی کے لئے۔

اس وقت ہم مندرجہ ذیل پروجیکٹس کی مدد کر رہے ہیں:

- ☆ کوٹری میں دو مدرسے
- ☆ چار (04) واٹر فلٹریشن پلانٹ - تین (03) کوٹری، جامشورو میں اور ایک (01) حیدرآباد میں

ہمیں یقین ہے کہ صنعت میں معاشرے کو تبدیل کرنے کی قوت ہے اور لہذا ہم صنعتکاری کے مثبت اثرات کو بڑھانے کی جدوجہد کر رہے ہیں۔

حصص داری کی ساخت

حصص داری کی ساخت برائے نختہ سال 30 جون 2024 رپورٹ کے ساتھ منسلک کر دی گئی ہے۔ سال کے دوران ڈائریکٹران، CEO، CFO، کمپنی سیکریٹری، اعلیٰ انتظامی عملے اور/یا ان کے شریک حیات اور چھوٹے بچوں کی کمپنی کے حصص میں ہبہ/خرید و فروخت نہیں ہوئی۔

مالیاتی اعداد و شمار کا خلاصہ

گزشتہ چھ سالوں کے مالیاتی اعداد و شمار مختصر شکل میں منسلک ہیں۔

بورڈ کی تشکیل بندی

لسٹڈ اداروں پر لاگو گوڈ آف کارپوریٹ گورننس ریگولیشنز 2017 کے تقاضوں کے تحت بورڈ کی تشکیل بندی کی گئی ہے جو کہ درج ذیل ہے:

ڈائریکٹران کی کل تعداد

- (a) مرد 6
- (b) خواتین 1

تشکیل بندی

- (a) آزاد ڈائریکٹران 02
- (b) ایگزیکٹو ڈائریکٹران 02
- (c) نان ایگزیکٹو ڈائریکٹران 03

ڈائریکٹران کا معاوضہ

کمپنی کے ڈائریکٹران کے معاوضہ کا تعین سالانہ اجلاس میں کیا گیا تھا اور مستقبل میں بھی کمپنیز ایکٹ 2017 کی دفعہ 170 کے تحت ڈائریکٹران کے معاوضہ کا تعین بورڈ آف ڈائریکٹرز کے اجلاس میں کیا جائے گا۔ بورڈ آف ڈائریکٹرز کے معاوضہ کا تعین مارکیٹ کے معیارات کی بنیاد پر کیا جاتا ہے اور اس میں قابلیتوں کی طلب اور اپنے کام کے دائرہ کار میں کاوشوں اور ڈائریکٹران پر بڑھتی ہوئی ذمہ داریوں کی عکاسی ہوتی ہے۔

بورڈ آف ڈائریکٹرز کے اجلاس

یکم جولائی 2022 سے 30 جون 2023 تک 'بارہ ماہ' میں بورڈ آف ڈائریکٹرز کے 11 اجلاس ہوئے۔ جن میں ہر ڈائریکٹر کی حاضری درج ذیل رہی:

ڈائریکٹر کا نام	اجلاس (حاضری کی تعداد)
جناب طارق اقبال	12
جناب عاصم خالد	12
جناب عمر خالد	12

04	جناب توقیر طارق
11	محترمہ صاحبہ عام
02	جناب میجر (ریٹائرڈ) محمد سعید
02	جناب محمد سرفراز
02	جناب عباس علی

جو ڈائریکٹر ان اجلاس میں حاضر نہ ہو سکے ان کی رخصت کو منظور کر لیا گیا۔

بورڈ کی آڈٹ کمیٹی

ادارتی نظم و ضبط کے ضابطہ کی پاسداری کرتے ہوئے بورڈ آف ڈائریکٹرز نے ایک آڈٹ کمیٹی کی تشکیل دی ہے۔ کمپنی پروفائل میں اس کمیٹی کے ممبران کے نام بتائے گئے ہیں۔

ہر سہ ماہی میں کمپنی کا کم از کم ایک اجلاس منعقد ہوتا ہے جو کہ بورڈ کی فریگزیشن ذمہ داریوں کو پورا کرنے میں مددگار ہے۔ یکم جولائی 2022 سے 30 جون 2023 تک ”بارہ ماہ“ میں بورڈ آڈٹ کمیٹی کے کل چار اجلاس ہوئے۔ جن میں ہر ڈائریکٹر کی حاضری درج ذیل رہی:

ممبر کا نام	اجلاس (حاضری کی تعداد)
جناب میجر (ریٹائرڈ) محمد سعید	02
جناب عام خالد	04
جناب توقیر طارق	04
جناب محمد سرفراز	02

آڈٹ کمیٹی کی ذمہ داریاں کا دائرہ کارہ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) اور بورڈ آف ڈائریکٹرز کی جانب سے وقتاً فوقتاً دی گئی ہدایات کے مطابق ہوتا ہے تاکہ نظام میں بہتری اور باؤڈ میں کمی لائی جاسکے۔ بورڈ کی جانب سے طے کردہ دائرہ کار میں رہتے ہوئے، آڈٹ کمیٹی، دیگر معاملات کے علاوہ، بیرونی آڈیٹرز کی تقرری کے لئے سفارش کرتی ہے اور میعاد کی گوشواروں کا جائزہ لیتی ہے۔

انسانی وسائل اور معاوضہ کمیٹی

انسانی وسائل کی منصوبہ بندی اور انتظام ایک بے حد اہم معاملہ ہے اور اعلیٰ انتظامیہ کی خصوصی توجہ کا مرکز ہے۔ کمپنی میں انسانی وسائل اور معاوضہ کمیٹی ہے جو کہ اہم انتظامی عملہ کو ہر سیکشن کی آزمائش، عملانی اور چائنہ کی منصوبہ بندی میں رہنمائی فراہم کرتی ہے۔ اس کی ذمہ داری کمپنی کے انسانی وسائل کی پالیسیوں اور طریقہ کار کے لئے سفارشات فراہم کرنا اور وقتاً فوقتاً جائزہ لینا ہے۔ یہ کمیٹی صنعت کے ”بہترین طور پر یقون“ سے ہم آہنگ رہتی ہے اور جب اور جیسے کوئی صورتحال پیدا ہوتی ہے تو ان کے نفاذ کو یقینی بناتی ہے۔

ادارتی نظم و نسق

بورڈ آف ڈائریکٹرز اس بات کا اقرار کرتے ہوں گے کہ نختہ سال 30 جون 2024 میں:

- کمپنی کی انتظامیہ کے تیار کئے گئے مالیاتی گوشوارے متعلقہ معاملات، کاروباری نتائج، کیش کی آمد و رفت اور ایکویٹی میں تبدیلی کو واضح طور پر ظاہر کرتے ہیں۔
- حسابات کی کتابیں درست انداز میں رکھی گئی ہیں۔
- درست حساباتی پالیسیاں جن کا تذکرہ مالیاتی گوشواروں کے نوٹس میں دیا گیا ہے کو تسلسل کے ساتھ مالیاتی گوشواروں کی تیاری کے دوران کو ملحوظ خاطر رکھا گیا ہے اور مالیاتی گوشواروں اور حساباتی تخمینوں کی بنیاد معقول اور مضبوط فیصلوں پر ہے۔

- (d) مالیاتی گوشواری کی تیاری کے دوران عالمی مالیاتی رپورٹنگ معیارات، جو پاکستان میں لاگو ہیں کو ملحوظ خاطر رکھا گیا ہے اور کسی بھی قسم کے انحراف کو مناسب انداز میں منکشف کیا گیا ہے اور وضاحت کی گئی ہے۔
- (e) کمپنی کی چلتے ہوئے ادارے کی صلاحیت میں کوئی قابل ذکر ٹریک و شپ نہیں ہے۔
- (f) اندرونی گرفت کے نظام کی شکل مضبوط ہے اور موثر انداز میں نافذ العمل ہے اور اس کی نگرانی کی جاتی ہے۔
- (g) گزشتہ چھ سالوں کا اہم مالیاتی اور کاروباری ڈیٹا اختصاری شکل میں منسلک کر دیا گیا ہے۔
- (h) واجب الادا ڈیوٹیوں، آئینی محصولات اور ٹیکسز کو مالیاتی گوشواروں میں مناسب انداز میں منکشف کیا گیا ہے۔

آزاد ڈیٹریزی رپورٹ برائے ممبران میں تحفظات

آڈیٹرز نے کمپنی کے مالیاتی استحکام پر کچھ آراء دی ہیں جس میں اس کے چلتے ہوئے ادارہ کے مفروضہ پر خدشات ظاہر کئے گئے ہیں۔ انتظامیہ نے انتہائی مختصر انداز میں مختلف تحفظی عوامل کی وضاحت کی ہے جو کہ کمپنی کے چلتے ہوئے ادارے کے حق میں ہیں جنہیں مالیاتی گوشواروں کے نوٹ نمبر 3.6 میں منکشف کیا گیا ہے۔


- (a) بنیادی عنصر جو کمپنی کے حق میں ہے وہ یہ ہے کہ کمپنی کو اپنے تمام اہم بینکاروں سے مکمل تعاون حاصل ہے جنہوں نے قرضوں کے واجبات کی ازسرنو ساخت بندی کی ہے اور جدا جدا اور مزید اہتمامات کئے۔ اس کے ساتھ ساتھ مارک اپ کی شرح میں بھی فنڈ کی لاگت کی حد تک کمی کی گئی ہے۔ مارک اپ کی رقومات کی بنیادی رقومات کی مکمل ادائیگی کے بعد "بالکل آخز" میں ادائیگی کے لئے ازسرنو ساخت بندی کر دی ہے۔ کچھ کیسوں میں مارک اپ مکمل طور ختم کر دیا گیا ہے۔ اس کی وجہ سے کمپنی کے پاس نقدی کا بہاؤ مثبت رہتا ہے اور روانیت برقرار رہتی ہے اور روانیت کی شرح میں بہتری آتی ہے۔ کمپنی نے "اجازت دفاع مقدمہ" ان بینکوں کے دعووں کے خلاف دائر کر دی ہے جنہوں نے کمپنی کے خلاف سندھ ہائی کورٹ اور بینکنگ کورٹ کراچی میں مقدمے دائر کئے ہوئے ہیں۔ بقایا بینکوں کے ساتھ دعووں کے تصفیہ کے لئے گفت و شنید کا عمل جاری ہے۔ ہماری قانونی ٹیم پُر اعتماد ہے کہ وہ واجب رقومات کا بینکوں کے ساتھ تصفیہ کرنے میں کامیاب ہو جائے گی اور ان دعویٰ شدہ رقومات میں کمی کروانے کے قابل ہو جائے گی۔
- (b) بینکوں نے بازیابی کے لئے کیس دائر کئے ہیں جن میں انتہائی زیادہ اور ہوشیار مارک اپ اور دیگر چارجز ہیں، جبکہ کمپنی کے ریکارڈز کے مطابق مذکورہ سہولتوں پر واجب الادا ہو رقم بینکوں کے سپینڈ دعووں سے بہت کم ہے۔ ان تمام کیسوں میں کمپنی نے "اجازت دفاع مقدمہ" کی درخواستیں دائر کر دی ہیں اور بینکوں کے سپینڈ دعووں کو مسترد کر دیا ہے جو کہ معزز عدالت کے روبرو فیصلے کے لئے زیر التواء ہیں۔ انتظامیہ ان کیسوں کو انتھک محنت سے لڑ رہی ہے اور کوششیں کر رہی ہے کہ ہر بینک کے ساتھ انفرادی طور پر ان کے دعویٰ کے عوض باہمی طور پر عدالت سے باہر تصفیہ ہو جائے۔ کمپنی نے تین مقدمات میں تصفیہ/تصفیہ جاتی معاہدوں کو حتمی شکل دے دی ہے۔ ایک اور مقدمہ میں ایک چوتھا تصفیہ/تصفیہ جاتی معاہدہ پر ایک اور بینک کے ساتھ گفت و شنید جاری ہے اور جلد ہی یہ باہمی معاہدہ آخری مراحل میں ہوگا۔
- (c) کچھ بینکوں کے ساتھ مقدمہ بازیابی میں جنہوں نے آڈیٹرز کے بیلیٹس کنفرمیشن لیٹر کا جواب نہیں دیا۔
- (d) حالیہ پیشقدمی میں معزز سپریم کورٹ آف پاکستان نے GIDC کے طویل مدتی واجبات کے مسئلے سے متعلق ایک حکم کے ذریعے صنعتی صارفین کے لئے GIDC کے بقایا جات کو قسطوں میں ادا کرنا ضروری قرار دے دیا ہے۔ اس سے کمپنی کے نقدی کے بہاؤ پر ناموافق اثرات مرتب ہو گئے۔ ملک میں جاری بلند افراط زر لاگتوں میں اضافہ کا سبب بن رہا ہے۔ اس کے نتیجے میں منافع کی شرح میں کمی ہوگی۔
- (e) بنیادی لاجسٹک مسائل جیسے کہ اس وقت بجلی اور عملے کی عدم دستیابی کی وجہ سے آڈیٹرز پلانٹ اینڈ مشینری کی مالیت 501,129 روپے کی تصدیق نہ کر سکے۔

اختتامیہ

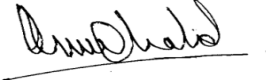
آخر میں، میں تمام مالیاتی اداروں کا شکر گزار ہوں جنہوں نے ہم سے مسلسل تعاون کیا اور کمپنی پر اپنے بھرپور اعتماد کا اظہار کیا۔ میں تمام عملے، ملازمین اور افسران کی انتھک محنت اور ایما و مدداری کی قدردانی کرتا ہوں۔

برائے دستخط

طارق اقبال



عمر خالد



کراچی: 04 اکتوبر 2024



		2024	2023	2022	2021	2020	2019
OPERATING DATA							
Sales	Rs. '000'	888,780	3,392,968	5,027,979	4,982,224	3,616,535	4,248,480
Cost of Goods Sold	Rs. '000'	(1,534,687)	(4,371,024)	(4,849,928)	5,151,705	4,198,855	4,514,120
Gross Profit	Rs. '000'	(645,906)	(978,056)	178,051	(169,481)	(582,320)	(265,640)
Profit / (Loss) Before Taxation	Rs. '000'	(692,504)	(942,626)	76,978	(300,026)	(737,351)	(520,922)
Profit / (Loss) After Taxation	Rs. '000'	(703,851)	(985,068)	33,443	(368,304)	(714,070)	(368,904)
FINANCIAL DATA							
Equity Balance	Rs. '000'	(3,834,670)	(3,191,341)	(2,358,760)	(2,441,451)	(2,127,839)	(1,460,151)
Property, Plant & Equipment	Rs. '000'	10,317,030	10,492,542	10,644,951	5,599,759	5,756,072	5,948,633
Current Assets	Rs. '000'	4,531,678	4,518,236	5,442,374	3,365,025	2,406,240	1,549,575
Current Liabilities	Rs. '000'	10,964,374	10,417,079	10,453,054	8,355,212	7,568,695	6,203,621
PROFITABILITY RATIOS							
Gross Profit Margin	%	(72.67)	(28.83)	3.54	(3.40)	(16.10)	(6.25)
Operating Profit Margin	%	(81.41)	(32.90)	2.96	(6.43)	(20.16)	(12.26)
Net Profit Margin	%	(79.19)	(29.03)	0.67	(7.39)	(19.74)	(8.86)
LIQUIDITY RATIOS							
Current Ratio	Times	0.41 :1	0.43 :1	0.52 :1	0.40 : 1	0.32 : 1	0.25 :1
Quick Ratio	Times	0.08	0.08	0.09	0.09	0.09	0.11
ACTIVITY / TURNOVER RATIOS							
Days in Receivables	Days	57.03	20.36	13.74	13.49	25.22	28.11
Accounts Receivables Turnover	Times	6.40	17.92	26.56	27.05	14.47	12.99
Inventory Turnover	Times	0.52	1.28	1.60	2.91	4.55	8.64
Total Assets Turnover	Times	0.06	0.23	0.31	0.56	0.44	0.56
Return on Total Assets	%	(0.05)	(0.07)	0.002	(0.04)	(0.09)	(0.05)
Return on Equity	%	(0.22)	(0.25)	0.01	1.36	(7.09)	0.45
LEVERAGE RATIOS							
Long Term Debts to Equity	Times	(0.16)	(0.19)	(0.31)	(0.36)	(0.23)	(0.34)
Total Debts to Equity	Times	(3.02)	(3.45)	(4.74)	(3.78)	(3.79)	(4.59)
Long Term Debts to Total Assets	Times	0.04	0.04	0.05	0.10	0.06	0.03
Total Debts to Total Assets	Times	0.78	0.73	0.70	1.03	0.99	0.89
Equity to Total Assets	Times	0.22	0.27	0.30	(0.03)	0.01	(0.19)
Interest Coverage Ratio	Times	(97.09)	(32.02)	2.17	(8.82)	(14.51)	(2.82)
OTHERS							
Earning / (Loss) Per Share	Rs	(54.14)	(75.77)	2.57	(28.33)	(54.93)	(28.38)
Breakup Value of Share w/o Revaluation Surplus	Rs	(294.97)	(245.49)	(181.44)	(187.80)	(163.68)	(112.32)
Breakup Value of Share with Revaluation Surplus	Rs	251.55	306.73	376.61	(20.77)	7.75	63.68
Cash Dividend	%	NIL	NIL	NIL	NIL	NIL	NIL

QUETTA TEXTILE MILLS LIMITED

PATTERN OF SHAREHOLDING (FORM - A)

Pattern of holding of the shares held by the shareholders as at 30-06-2024 is given below

No of Shareholders	Shareholding					Total Share Held
139	From	1	To	100	Shares	2,617
75	From	101	To	500	Shares	22,805
35	From	501	To	1,000	Shares	34,764
69	From	1,001	To	5,000	Shares	175,282
26	From	5,001	To	10,000	Shares	169,949
11	From	10,001	To	15,000	Shares	147,756
4	From	15,001	To	20,000	Shares	74,000
3	From	20,001	To	25,000	Shares	85,884
2	From	25,001	To	30,000	Shares	67,826
1	From	55,001	To	60,000	Shares	58,250
1	From	65,001	To	70,000	Shares	66,000
1	From	75,001	To	80,000	Shares	79,000
1	From	90,001	To	95,000	Shares	95,000
1	From	100,001	To	105,000	Shares	101,500
1	From	145,001	To	150,000	Shares	147,000
1	From	150,001	To	155,000	Shares	151,000
1	From	160,001	To	165,000	Shares	163,124
1	From	210,001	To	215,000	Shares	214,663
1	From	300,001	To	305,000	Shares	304,850
1	From	340,001	To	345,000	Shares	342,460
1	From	470,001	To	475,000	Shares	471,897
1	From	485,001	To	490,000	Shares	485,205
1	From	530,001	To	535,000	Shares	532,723
1	From	580,001	To	585,000	Shares	584,569
1	From	650,001	To	655,000	Shares	653,728
1	From	690,001	To	695,000	Shares	694,353
1	From	795,001	To	800,000	Shares	797,726
1	From	880,001	To	885,000	Shares	884,272
1	From	900,001	To	905,000	Shares	903,649
1	From	925,001	To	930,000	Shares	928,397
1	From	1,130,001	To	1,135,000	Shares	1,130,889
1	From	1,185,001	To	1,190,000	Shares	1,189,308
1	From	1,235,001	To	1,240,000	Shares	1,239,554
388	Total					13,000,000

Categories of Shareholders	No of Shareholders	Share Held	Percentage %
Directors, Chief Executive Office, their Spous and Minor	10	4,991,441	38.40
Individuals	363	7,869,606	60.54
Investment Corporation of Pakistan	1	250	0.00
Insurance Companies	1	364	0.00
Joint Stock Companies	9	126,843	0.98
Financial Institutions	2	9,697	0.07
Others	2	1,799	0.01
Total	388	13,000,000	100.00

**DETAIL OF PATTERN OF SHAREHOLDING AS PER
REQUIREMENT OF CODE OF CORPORATE GOVERNANCE
AS AT 30TH JUNE 2024**

Name of shareholders	No of Shareholders	Share held	Percentage
1 Directors, CEO their Spouse and Minor Childern	10		
Mr. Tariq Iqbal (Director & CEO)		563,139	4.33
Mr. Asim Khalid (Director)		1,238,297	9.53
Mr. Omer Khalid (Director)		1,189,308	9.15
Mrs. Saima Asim (Director)		8,700	0.07
Mr. Tauqir Tariq (Director)		797,726	6.14
Mr. Muhammad Saeed (Director)		521	0.00
Mr. Abbas Ali (Director)		500	0.00
Mrs. Tabbasum Tariq (W/o Director)		694,353	5.34
Mrs. Sadaf Khalid (W/o Director)		13,692	0.11
Mrs. Tahmina Tauqir (W/o Director)		485,205	3.73
2 Associates Companies, undertakings and Related Parties		-	-
3 NIT and ICP	1	250	0.00
4 Executive		Nil	
5 Public Sector Companies & Corporations		Nil	
6 Bank Development Finance Institution, Non-Banking Finance Institution, Insurance Companies, Modarabas & Mutual Fund	3		
National Industries Co-operate Finance Corpration Ltd		364	0.00
National Bank Of Pakistan		9,697	0.07
7 Others	11	128,642	0.99
8 General Public	363	7,869,606	60.54
Total	388	13,000,000	100.00

Shareholders Hoding 05% or More

1 - Mr. Asim Khalid	1,238,297	9.53
2 - Mr. Omer Khalid	1,189,308	9.15
3 - Mrs. TabbasumTariq	694,353	5.34
4 - Mr. Tauqir Tariq	797,726	6.14
5 - Mr. Muhammad Khalid	903,649	6.95
6 - Mrs. Amna Javed	1,239,554	9.54
7 - Mrs. Saadia Tanvir	884,272	6.80
8 - Mr. Javed Iqbal	928,397	7.14



Quetta Textile Mills L I M I T E D

Registered Office : Nadir House, G/FI, I. I. Chundrigar Road, Karachi – 74000, Pakistan
Phones: +92 (21) 32414334~6 Email: sales@QuettaGroup.com W: www.QuettaGroup.com

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (THE CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

Name of Company: Quetta Textile Mills Limited

Year ended June 30, 2024.

The company has complied with the requirements of Regulations in the following manner:

1. The total numbers of directors are (07) as per the following
 - a) Male 6
 - b) Female 1
2. The Composition of board is as follows:
 - a) Independent Director Mr. Muhammad Saeed.
Mr. Abbas Ali
 - b) Non-executive Mr. Tauqir Tariq
Mr. Asim Khalid
 - c) Executive Mr. Tariq Iqbal
Mr. Omer Khalid
 - d) Female Director/ Non-Executive Mrs. Saima Asim
3. The directors have confirmed that none of them is serving as a director on more than seven listed companies including this company;
4. The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;
5. The Board has developed a vision /mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of significant policies along with the dates of approval or amended has been maintained;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board/shareholders as empowered by the relevant provisions of the Act and these Regulations;
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the board;
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
9. All the directors, except one director meet the requirements of Director training program under code of Corporate Governance Regulation 2019.
(Explanation given below for not meet by one director)
10. The Board has approved appointment of Chief Financial Officer. Company Secretary and Head of Internal Audit. Including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the board;
12. The board has formed committees comprising of members given below:

Audit Committee

Mr. Muhammad Saeed	Chairman / Independent Director
Mr. Tauqir Tariq	Member / Non-Executive Director
Mr. Asim Khalid	Member / Non-Executive Director

a) HR and Remuneration Committee

Mr. Abbas Ali	Chairman / Independent Director
Mr. Asim Khalid	Member / Non-Executive Director
Mrs. Saima Asim	Member / Non-Executive Director

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings (quarterly/half yearly / yearly) of the committee were as per following:
- | | |
|----------------------------------|------------------------|
| a) Audit Committee | Four quarterly meeting |
| b) HR and Remuneration Committee | Once a year |
15. The Board has set up an effective internal audit function, which has suitable, qualified and experienced staff.
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountant of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, head of Internal Auditor, Company Secretary or Director of the Company.
17. The statutory auditors or other persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirements and the auditors have confirmed that they have observed IFAC guidelines in this regards.
18. We confirm that all other requirements of Regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with; and
19. Explanation for non-compliance with requirements, other than 3, 6, 7, 8, 27, 32, 33 and 36 are below.
- 1) The calculation of minimum number of Independent Directors as per regulation no 6(1), is calculated on basis of general rule only number exceeding 0.5 shall be rounded to next number,

Role of board to address sustainability risk and opportunities.	10A	Newly introduced regulation by SECP during June, 2024. Being reviewed by the board for compliance in future.
Requirement to attain DTP Certification.	19	Except three directors, all directors are exempt from training program. The remaining directors plan to acquire required director training certification as early as possible during the next year.
Nomination Committee	29 (1)	Currently, the board has not constituted a separate NC. The function is being performed by the board.
Risk Management Committee.	30 (1)	The board intends to constitute RMC. Currently the board is performing these duties.

Karachi:
Dated: October 4, 2024


TAUQIR TARIQ
Chairman

**INDEPENDENT AUDITORS' REVIEW REPORT
TO THE MEMBERS OF QUETTA TEXTILE MILLS LIMITED**

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulation, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **Quetta Textile Mills Limited** ("the Company") for the year ended 30 June 2024 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, except for the below mentioned instances of non-compliance, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2024.

Following instances of non-compliance with the requirements of the Code were observed which are stated as under:

Requirement	Regulation	Non-Compliances
Role of board to address sustainability risk and opportunities.	10A	Newly introduced regulation by SECP during June, 2024. Being reviewed by the board for compliance in future.
Requirement to attain Director's Training Program Certification.	19	Except one directors, all other are exempt from Director's Training Program.

MUSHTAQ & CO.

CHARTERED ACCOUNTANTS



Nomination Committee	29(1)	Currently, the board has not constituted a separate Nomination Committee. The function is being performed by the board.
Risk Management Committee.	30(1)	The board intends to constitute Risk Management Committee. Currently the board is performing these duties.

Lahore:
Date: 05-OCT-2024
UDIN: CR202410724zjx4KdI7N

Mushtaq & Co.
MUSHTAQ & CO.
Chartered Accountants
Engagement Partner:
Nouman Arshad, ACA



Independent Auditors' Report
To the Members of Quetta Textile Mills Limited
Report on the Audit of the Financial Statements

Adverse Opinion

We have audited the annexed financial statements of Quetta Textile Mills Limited, which comprise the statement of financial position as at June 30, 2024, and the statement of profit or loss and statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, because of significance of inappropriateness of going concern assumption & other factors as described in basis for adverse opinion paragraph below, the statement of financial position, statement of profit or loss, statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof do not conform with the accounting and reporting standards as applicable in Pakistan and do not give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively do not give a true and fair view of the state of the Company's affairs as at June 30, 2024 and of the loss and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Adverse Opinion

- a) As described in Note 3.6 to the financial statement the company has incurred net loss of Rupees 703.850 million during the year ended June 30, 2024 and as of that date, reported accumulated losses of Rupees 4,944.149 million. The company's current liabilities exceed its current assets by Rs. 6,432.696 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.
- b) The company has not accounted for markup for the year ended June 30, 2024 on outstanding balances in respect of short-term borrowings, long term financing from banks. Therefore, we are unable to ascertain the financial impact of the same on the financial statements.

- c) As disclosed in notes to the financial statements, balance payable to various banks in respect of short-term financing amounting to Rs. 1,743.205 million, in respect of long-term financing amounting to Rs.1,981.189 million, in respect of sukuk amounting to Rs.611.335 million, margin with bank guarantee amounting to Rs. 5.1 million and in respect of balance payable to Orix leasing amounting to Rs.12.51 million, remains unconfirmed. All the balances payable are in litigation. We were also unable to satisfy ourselves as to the correctness and terms and conditions of the reported balances by performing other alternate auditing procedures.
- d) As fully explained in note 26.3, the company has not accounted for the amount of Rs.333.52 million payable in respect of Gas infra-structure development cess (GIDC) in the financial statements. Had the above amount been recorded in the accounts, the profit would have been decreased by Rs.333.52 and consequently the liability would have been increased by the same amount.
- e) As disclosed in note 5 to the financial statements, we are unable to verify the existence of plant & machinery amounting to Rs. 3.136 billion as no physical count of plant & machinery was carried out by the company. In the absence of physical count, we are unable to verify the existence of the same.
- f) As disclosed in note 13, the cash and bank balance amounting to Rs.2.692 million unconfirmed as we have not received confirmation as required by ISA 505, therefore, we were unable to satisfy ourselves as to the correctness of the reported balance.

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion and after due verification we report as above.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Following are the Key audit matters:



S. No.	Key audit matter	How the matter was addressed in our audit
1.	<p>Defined Benefit Obligations (Gratuity)</p> <p>Refer to note no. 4.2 and 21.4 to the audited financial statements.</p> <p>The Company operates an unfunded gratuity plan, giving rise to net liability of Rs.32.048 million, which is significant in the context of the overall balance sheet of the Company.</p> <p>The valuation of liability requires judgment and technical expertise in choosing appropriate assumptions. Changes in a number of the key assumptions, including:</p> <ul style="list-style-type: none"> - salary increase and inflation; - discount rate; and - Mortality. <p>All can have a material impact on the calculation of the liability. The Company uses external actuaries to assist in assessing these assumptions and calculations of these liabilities.</p> <p>The use of these actuaries increases the risk of error as data is passed to third parties for analysis and calculation purposes.</p>	<p>We evaluated the relevant competence and qualification of actuary and assessed, whether the assumptions used in valuation report for calculating the gratuity plan liabilities, including salary increases, inflation, mortality rate and discount rate assumptions, were reasonable and consistent with based on national and industry data. We were satisfied that the rates used fell within acceptable ranges.</p> <p>We understood and tested key controls over the completeness and accuracy of data extracted and supplied to the Company's actuary.</p> <p>We also performed sample testing to agree underlying employee data, supporting human resources documentation and assessed the appropriateness of the closing liability based on known movements and assumptions. No issues were identified to raise concerns over the valuation of the gratuity liability.</p> <p>We also read and assessed the disclosures made in the financial statements, including disclosures of the assumptions, and found them to be appropriate.</p>
2.	<p>Stock in Trade</p> <p>Refer notes 4.12 and 8 to the financial statements, the Company has stock-in-trade aggregating Rs.3,909.41 million comprising raw materials, finished goods, work in process and waste. We identified this area as a key audit matter because as at June 30, 2024, stock-in-trade constitutes 19.53% of the total assets of the Company and determining an appropriate valuation as a result of net realizable value (NRV) involves management judgment and estimation.</p>	<p>We performed following audit procedures in respect of this area:</p> <ul style="list-style-type: none"> · Observed / attended physical inventory count procedures and compared physical count results with valuations sheets on a sample basis; · Compared, on a sample basis, specific purchases and directly attributable cost with underlying supporting documents; · Compared the NRV, on a sample basis, to the cost of finished goods to assess whether any adjustments are required to value stocks in accordance with applicable accounting and reporting standards; and · We also considered the adequacy of the related disclosures and assessed these are in accordance with the applicable financial reporting standards and the Companies Act, 2017 (XIX of 2017).

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Company's Annual Report for 2024, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard, except mentioned in basis for adverse opinion paragraph.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:



- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provided the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion Except for the effects of the matters discussed in the basis for adverse opinion section of our report:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss and statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is **Nouman Arshad, ACA.**


MUSHTAQ & CO.
Chartered Accountants



Lahore.

Dated: 05-OCT-2024

UDIN: AR202410724eLK3UZuJz

**QUETTA TEXTILE MILLS LIMITED****STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024**

	Note	30 th June, 2024 Rupees	30 th June, 2023 Rupees
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	5	10,256,360,220	10,440,680,485
Long term deposits	6	60,669,433	51,861,020
		10,317,029,653	10,492,541,505
CURRENT ASSETS			
Stores and Spares & Loose Tools	7	593,969,373	593,315,735
Stock in trade	8	2,909,414,624	2,947,751,349
Trade debts	9	147,901,796	129,818,043
Other financial assets	10	118,007,492	124,153,680
Advances, deposits, prepayments and other receivable	11	64,669,931	72,512,536
Income Tax And Sales Tax Refundable	12	691,935,076	637,449,082
Cash and bank balances	13	5,779,998	13,235,499
		4,531,678,290	4,518,235,924
		14,848,707,943	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	14	130,000,000.00	130,000,000
Reserves	15	(4,177,398,396)	(3,534,069,054)
Loan from directors and others	16	212,728,470	212,728,470
Revaluation surplus on property, plant and equipment	17	7,104,771,535	7,178,781,469
		3,270,101,609	3,987,440,885
NON CURRENT LIABILITIES			
Long term finances	18	582,183,564	517,683,564
Redeemable capital - Sukuk	19	-	-
Liabilities against assets subject to finance lease	20	-	-
Deferred liabilities	21	32,048,417	88,573,620
		614,231,981	606,257,184
CURRENT LIABILITIES			
Trade and other payables	22	6,016,193,661	5,330,839,250
Accrued mark-up	23	1,036,252,984	1,036,252,984
Short term borrowings	24	1,743,205,264	1,954,496,425
Loan from directors and others	25	109,066,357	109,066,357
Current portion of:			
Long term finances	18	1,399,006,210	1,314,704,383
Redeemable capital - Sukuk	19	611,335,643	611,335,643
Liabilities against assets subject to finance lease	20	12,516,552	18,288,552
Unclaimed dividend		36,467	36,467
Provision for taxation		36,761,215	42,059,299
		10,964,374,353	10,417,079,360
CONTINGENCIES AND COMMITMENTS			
	26	-	-
		14,848,707,943	15,010,777,429

The annexed notes form an integral part of these financial statements.


Chief Executive


Director


Chief Financial Officer



QUETTA TEXTILE MILLS LIMITED

STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED JUNE 30, 2024

	Note	30 th June, 2024 Rupees	30 th June, 2023 Rupees
Sales	27	888,780,269	3,392,968,326
Cost of sales	28	(1,534,686,686)	(4,371,024,010)
Gross (Loss)		(645,906,417)	(978,055,684)
Other income	29	31,036,056	173,599,160
		(614,870,361)	(804,456,524)
Distribution cost	30	(4,496,983)	(10,761,650)
Administrative expenses	31	(47,495,113)	(91,278,291)
Other operating expenses	32	(17,832,266)	(3,810,397)
Finance cost	33	(7,809,182)	(32,318,741)
		(77,633,544)	(138,169,079)
(Loss) before Levies and Taxation		(692,503,905)	(942,625,603)
Levies	34	(11,095,142)	(42,062,996)
(Loss) before Taxation		(703,599,047)	(984,688,599)
Taxation		(251,919)	(379,642)
(Loss) for the year		(703,850,966)	(985,068,241)
(Loss) per share - basic and diluted	35	(54.14)	(75.77)

The annexed notes form an integral part of these financial statements.

Chief Executive

Director

Chief Financial Officer



JUETTA TEXTILE MILLS LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2024

	Note	30 th June, 2024 Rupees	30 th June, 2023 Rupees
(Loss) for the year		(703,850,966)	(985,068,241)
Other comprehensive income			
Items that may not be reclassified subsequently to profit and loss account:			
(loss)/Gain on remeasurement of staff retirement benefits		(13,488,310)	76,579,850
Revaluation surplus on property, plant and equipment		-	-
Other comprehensive (loss)/Gain		(13,488,310)	76,579,850
Total comprehensive (Loss) for the year		(717,339,276)	(908,488,391)

The annexed notes form an integral part of these financial statements.

Chief Executive

Director

Chief Financial Officer



QUETTA TEXTILE MILLS LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2024

	Note	30 th June, 2024 Rupees	30 th June, 2023 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	36	226,242,376	116,682,411
Long term loans and deposits		(8,808,413)	(12,000,000)
Interest paid		(7,809,182)	(5,460,332)
Gratuity paid		(85,887,932)	(43,803,277)
Taxes paid		(71,131,141)	(23,647,455)
		(173,636,668)	(84,911,064)
Cash generated from operating activities		52,605,708	31,771,348
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		-	(25,350,830)
Other financial assets		6,200,125	(8,788,309)
Proceeds from disposal of property, plant and equipment		2,000,000	1,425,000
Cash generated from / (used in) investing activities		8,200,125	(32,714,139)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term finances		148,801,827	(6,955,519)
Short term borrowings		(211,291,161)	(57,889,039)
Loans from directors & others		-	41,150,000
Cash (used in) financing activities		(68,261,334)	(23,694,558)
Net (decrease) in cash and cash equivalents		(7,455,501)	(24,637,351)
Cash and cash equivalent at the beginning of the year		13,235,499	37,872,850
Cash and cash equivalent at the end of the year	13	5,779,998	13,235,499

The annexed notes form an integral part of these financial statements.

Chief Executive

Director

Chief Financial Officer



QUETTA TEXTILE MILLS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2024**

	Capital Reserves			Revenue Reserves		Sub total	Loan from directors and others	Total equity	
	Share Capital	Share premium	Capital reserve	Revaluation surplus on property, plant	Accumulated (loss)				General reserve
R u p e e s									
Balance as at June 30, 2022	130,000,000	651,750,000	1,200	7,254,689,092	(3,468,239,488)	115,000,000	4,683,200,804	212,728,470	4,895,929,274
(Loss) for the year	-	-	-	-	(985,068,241)	-	-	-	(985,068,241)
Other comprehensive Income	-	-	-	-	76,579,850	-	-	-	76,579,850
Total comprehensive (loss) for the year	-	-	-	-	(908,488,391)	-	-	-	(908,488,391)
Revaluation surplus on property, plant and equipment (incremental depreciation)	-	-	-	(75,907,624)	75,907,624	-	-	-	-
Balance as at June 30, 2023	130,000,000	651,750,000	1,200	7,178,781,469	(4,300,820,254)	115,000,000	4,683,200,804	212,728,470	3,987,440,885
(Loss) for the year	-	-	-	-	(703,850,966)	-	-	-	(703,850,966)
Other comprehensive loss	-	-	-	-	(13,488,310)	-	-	-	(13,488,310)
Total comprehensive (loss) for the year	-	-	-	-	(717,339,276)	-	-	-	(717,339,276)
Revaluation surplus on property, plant and equipment (incremental depreciation)	-	-	-	(74,009,934)	74,009,934	-	-	-	-
Balance as at June 30, 2024	130,000,000	651,750,000	1,200	7,104,771,535	(4,944,149,596)	115,000,000	4,683,200,804	212,728,470	3,270,101,609

The annexed notes form an integral part of these financial statements.

Chief Executive

Director

Chief Financial Officer

**NOTES TO AND FORMING PART OF THE THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024****1 THE COMPANY AND ITS OPERATIONS**

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.
Mills	B/4, S.I.T.E., Kotri.
Mills	49 K.M., Lahore, Multan Road, Bhai Pheru.

2 SUMMARY OF SIGNIFICANT TRANSACTIONS AND EVENTS OCCURRED DURING THE YEAR

* For a detailed discussion about the Company's performance, refer to the Directors' Report.

3 BASIS OF PREPARATION**3.1 Statement of compliance**

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provision of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3.2 Basis of measurement

These financial statements have been prepared on the historical cost convention except for certain financial instruments at fair value and employees retirement benefits at present value. In these financial statements, except for cash flow statements, all transactions have been accounted for on accrual basis.

3.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is also the Company's functional currency. All financial information presented in Pakistan Rupees has been rounded off to the nearest rupee.

3.4 Accounting Estimates, judgements and financial risk management.

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historic experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by the management in the application of approved accounting standards, as applicable in Pakistan, that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year.

3.5 STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS**3.5.1 Standards, amendments to approved accounting standards and interpretations that are not yet effective and have not been early adopted by the company:**

	Effective date (annual reporting periods beginning on or
IAS 1 Presentation of Financial Statements (Amendments)	01-Jan-24
IAS 7 Statement of Cash Flows (Amendments)	01-Jan-24
IAS 21 The Effects of changes in Foreign Exchange Rates (Amendments)	01-Jan-25
IFRS 7 Financial Instruments: Disclosures (Amendments)	01-Jan-26
IFRS 17 Insurance Contracts	01-Jan-26
IFRS 9 Financial Instruments – Classification and Measurement of Financial Instruments (Amendments)	01-Jan-26

The management anticipates that adoption of above standards, amendments and interpretations in future periods, will have no material impact on the financial statements other than in presentation / disclosures.

**NOTES TO AND FORMING PART OF THE THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

Further, the following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP), for the purpose of their applicability in Pakistan:

IFRS 1 First-time Adoption of International Financial Reporting Standards

IFRS 17 Insurance contracts

The following interpretation issued by the IASB has been waived off by SECP:

IFRIC 12 Service concession arrangements

3.6 Going concern assumptions

During the year, the Company incurred net loss amounting to Rs. 703.850 million (June 30, 2023: loss of Rs. 985.068 million) and has reported accumulated losses amounting to Rs.4,944.149 million (June 30, 2023: Rs. 4,300.820 million) at the year end. Accordingly, it resulted into equity of Rs.3,270.101 million (June 30, 2023: Rs. 3,987.440 million). In addition, the Company's current liabilities exceeded its current assets by Rs. 6,432.696 million (June 30, 2023: Rs. 5,898,843 million) at the year end. The main reason of low profits was due to significant decline in both the local and global market, The Company is currently unable to resume operation at full capacity. The Company has initiated its operation at only 30% of total capacity.

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:

- 3.6.1** 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;
- 3.6.2** 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. 25.350 million on BMR, which has resulted in efficiency and production subsequent to the year end the company has replaced some looms for better efficiency.
- 3.6.3** During the last year. the directors and sponsors of the company had injected amounting to Rs. 41.150 m for financial support. They have committed that they would also continue such support in future.
- 3.6.4** 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.

3.7 Significant accounting judgments and estimates

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires the management to make judgment, estimates and assumptions that affect the application of policies and the reported amounts of revenues, expenses, assets and liabilities.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources.

Estimates, assumptions and judgments are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In the process of applying the accounting policies, management has made the following estimates and judgments which are significant to the financial statements:

3.7.1 Property, plant and equipment

The Company reviews appropriateness of the rate of depreciation, useful life and residual value used in the calculation of depreciation. Further, where applicable, an estimate of the recoverable amount of assets is made for possible impairment on an annual basis. In making these estimates, the Company uses the technical resources available to the Company. Any change in the estimates in the future might affect the carrying amount of respective item of operating property, plant and equipment, with corresponding effects on the depreciation charge and impairment.

3.7.2 Stock in trade and stores, spares and loose tools

The Company reviews the net realizable value (NRV) of stock-in-trade and stores and spares to assess any diminution in the respective carrying values. NRV is estimated with reference to the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.

3.7.3 Taxation

In applying the estimate for income tax payable, the Company takes into account the applicable tax laws and the decision by appellate authorities on certain issues in the past. Instance where the Company's view differs from the view taken by the income tax department at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingency.

**NOTES TO AND FORMING PART OF THE THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024****4 MATERIAL ACCOUNTING POLICY INFORMATION**

The material accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

4.1 Borrowings

Mark-up bearing borrowings are recognized initially at cost, less attributable transaction cost. Subsequent to initial recognition, mark-up bearing borrowings are stated at amortized cost with any difference between cost and redemption value being recognized in the income statement over the period of the borrowings on an effective interest basis.

4.2 Employee benefits**4.2.1 Defined benefit plans**

The Company operates an unfunded gratuity scheme (defined benefit plan) for all its permanent employees who have completed minimum qualifying period of service as defined under the respective scheme. Liability is adjusted annually to cover the obligation and the adjustment is charged to profit or loss. The determination of the Company's obligation under the scheme requires assumptions to be made of future outcomes, the principal ones being in respect of increases in remuneration, expected average remaining working lives of employees and discount rate used to derive present value of defined benefit obligation.

There is risk that the final salary at the time of cessation of service is greater than what the entity has assumed. Since the benefit is calculated on the final salary, the benefit amount would also increase proportionately.

Amounts recognized in the balance sheet represent the present value of the defined benefit obligation as adjusted for unrecognized actuarial gains and losses and unrecognized past service cost.

Actuarial gains and losses are recognized in comprehensive income for the period in which these arise.

4.3 Taxation

Income tax expense comprises current tax and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

4.3.1 Current

Current tax is the amount of tax payable on taxable income for the year, using tax rates enacted or substantively enacted by the reporting date, and any adjustment to the tax payable in respect of previous years. Provision for current tax is based on higher of the taxable income at current rates of taxation in Pakistan after taking into account tax credits, rebates and exemptions available, if any, or minimum of turnover. However, for income covered under final tax regime, taxation is based on applicable tax rates under such regime. The amount of unpaid income tax in respect of the current or prior periods is recognized as a liability. Any excess paid over what is due in respect of the current or prior periods is recognized as an asset.

4.3.2 Levy

The tax charged under Income Tax Ordinance, 2001 which is not based on taxable income or any amount paid /payable in excess of the calculation based on taxable income or any minimum tax, which is not adjustable against the future tax liability, is classified as levy in the statement of profit or loss and other comprehensive income as these levies fall under the scope of IFRIC 12/IAS 37.

4.3.3 Deferred

Deferred tax is accounted for using the balance sheet liability method providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. In this regard, the effects on deferred taxation of the portion of income that is subject to final tax regime is also considered in accordance with the requirement of "Technical Release - 27" of the Institute of Chartered Accountants of Pakistan. Deferred tax is measured at rates that are expected to be applied to the temporary differences when they reverse, based on laws that have been enacted or substantively enacted by the reporting date. A deferred tax liability is recognized for all taxable temporary differences. A deferred tax asset is recognized for deductible temporary differences to the extent that future taxable profits will be available against which temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax is not recognized for timing differences that are not expected to reverse and for the temporary differences arising from the initial recognition of goodwill and initial recognition of assets and liabilities in a transaction that is not a business combination and that at the time of transaction affects neither the accounting nor the taxable profit.

4.4 Provisions

A provision is recognized in the balance sheet when the company has a legal or constructive obligation as a result of past events, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

4.5 Trade and other payables

Liabilities for trade and other amounts payable are recognized and carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the company.

4.6 Dividend

Dividend is recognized as a liability in the period in which it is approved by shareholders.

4.7 Property, plant and equipment and depreciation

**NOTES TO AND FORMING PART OF THE THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024****Owned assets**

Property, Plant and Equipment are stated at cost less accumulated depreciation and impairment loss (if any). Cost comprises of acquisition cost and other directly attributable cost. Except land, building and plant and machinery which are stated at revalued amount being the fair value at the date of revaluation, less any subsequent accumulated depreciation and impairment losses (if any).

Revaluation is performed with sufficient regularity so that the fair value and carrying value don't differ materially at the end of reporting period.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

Depreciation is charged to income on reducing balance method over its estimated useful life at the rates specified in property, plant and equipment note. Depreciation on additions to and disposal of property, plant and equipment is charged on pro rata basis.

The assets' residual values and useful lives are reviewed at each financial year end and adjusted if impact on depreciation is significant.

The gain or loss on disposal of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense.

During the previous period, the management of the company has changed its estimate with regards to depreciation of Building. Plant and Machinery, after detailed review by technical team of the company the average life of the building, Plant and Machinery has been re-estimated more as against past level of estimates. Such an estimate is in compliance with IAS-16 'Property, Plant and Machinery'. Had there been no change in such an estimate the depreciation expense would have been higher by Rs.22.738 million and Property, Plant and Machinery would have been lower by the same amount.

4.8 Capital work in process

Capital work in progress and stores held for capital expenditure are stated at cost and represents expenditure incurred on property, plant and equipment during construction and installation. Cost includes borrowing cost as referred in accounting policy of borrowing cost. Transfers are made to relevant property, plant and equipment category as and when assets are available for intended use.

4.9 Investments**4.9.1 Investments in associate - Equity Method**

Investment in associates is accounted for using the equity method. These are entities in which the company has significant influence which is neither a subsidiary nor a joint venture of the company.

4.9.2 Derivative financial instruments

The Company uses derivative financial instruments such as forward exchange contracts and interest rate swaps to hedge its risks associated with foreign currency borrowings and effects on cash flow of any fluctuations in interest rates. Such derivative financial instruments are stated at fair value.

4.9.3 Financial assets at fair value through profit or loss

Financial assets classified as held for trading and those designed as such are included in the category 'financial assets at fair value through profit or loss'. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near item. Gains or losses on such investments are recognized in profit and loss account.

4.9.4 Available for sale

Other investments not covered in any of the above categories including investments in associates in which the Company has no significant influence are classified as being available for sale are stated at fair value, with any resultant gain or loss being recognized directly in equity. Gains or losses on available for sale investments are recognized directly in equity until the investments are sold or disposed off, or until the investments are determined to be impaired, at that time cumulative gain or loss previously reported in the equity is included in current year's profit and loss account.

4.10 Financial instruments

All the financial assets and financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Any gain or loss on derecognition of the financial assets and financial liabilities is taken to profit and loss account currently.

Financial assets are stated at their nominal value as reduced by the appropriate allowances for estimating irrecoverable amount. Mark up bearing financial liabilities are recorded at the gross proceeds received. Other financial liabilities are stated at their nominal value.

4.11 Stores and spares

Stores and spares are valued at lower of cost and net realizable value. Cost is determined on a weighted average basis. Items in transit are valued at cost comprising invoice value plus other charges incurred thereon.

4.12 Stock-in-trade

Stock-in-trade is stated at the lower of cost and net realizable value except waste which is valued at net realizable value. Cost is determined as follows;

Raw material	At weighted average cost
Work in progress	At average manufacturing cost
Finished goods	At average manufacturing cost or net realizable value which ever is lower
Waste	Net realizable value

**NOTES TO AND FORMING PART OF THE THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

Raw material in transit is stated at invoice price plus other charges paid thereon upto the balance sheet date.

Average manufacturing cost in relation to work in process and finished goods, consist of direct material and proportion of manufacturing overheads based on normal capacity.

Net realizable value is the estimated selling price in the ordinary course of business less costs of completion and selling expenses.

4.13 Trade debts

Trade debts originated by the Company are recognized and carried at original invoice amount less an allowance for any uncollectible amounts. An estimated provision for doubtful debt is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

4.14 Cash and cash equivalents

Cash and cash equivalents comprise cash balances, cash in transit and balances with bank for the purpose of cash flow statement.

4.15 Revenue recognition

According to the core principles of IFRS-15, the company recognizes the revenue from sale when the company satisfies a performance obligation (at a point of time) by transferring promised goods to customers being when the goods are dispatched to customers. Revenue is measured at fair value of the consideration received or receivable and is reduced for allowances such as taxes, duties, commission, sales returns and discounts.

- Interest income is recognized on the basis of constant periodic rate of return.–
- Unrealised gains / (losses) arising on revaluation of securities classified as 'fair value through other comprehensive income' are included in other comprehensive income in the period in which they arise.
- Unrealised gains / (losses) arising on revaluation of securities classified as 'fair value through profit or loss' are included in profit or loss in the period in which they arise.

4.16 Borrowing costs

Borrowing costs incurred on long term finances directly attributable for the construction / acquisition of qualifying assets are capitalized up to the date, the respective assets are available for the intended use. All other mark-up, interest and other related charges are taken to the profit and loss account currently.

4.17 Impairment

All company's assets are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment. If any such indication exists, the assets' recoverable amount is estimated. Impairment losses are recognized in the profit and loss account currently.

4.18 Foreign currency translation

Foreign currency transactions are translated into Pak Rupees at exchange rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are retranslated into Pak Rupees at the rates of exchange prevailing at the balance sheet date.

Exchange differences, if any, are taken to profit and loss account.

4.19 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are set off and only the net amount is reported in the balance sheet when there is a legally enforceable right to set off the recognized amount and the company intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously.

4.20 Segment reporting

Segment reporting is based on the operating (business) segments of the company. An operating segment is a component of the company that engages in a business activities from which it may earn revenues and incur expenses, including revenues and expenses that relates to transactions with any of the company's other components. An operating segment's operating results are reviewed by the CEO to make decision about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

4.21 Financial instruments**4.21.1 Financial assets****Classification**

The Company classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, held to maturity and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorized as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

**NOTES TO AND FORMING PART OF THE THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024****4.21.2 Recognition**

Regular purchases and sales of financial assets are recognized on the trade-date – the date on which the Company commits to purchase or sell the asset. All financial assets are initially recognized at fair value plus transaction costs except for those financial assets which are designated as 'financial assets at fair value through profit or loss'. 'Financial assets carried at fair value through profit or loss' are initially recognized at fair value and transaction costs are charged to the profit and loss account. Financial assets are derecognized when the right to receive cash flows from such assets has expired or have been transferred and the Company has transferred substantially all risks and rewards, incidental to the ownership of such financial assets.

Dividend income from 'financial assets at fair value through profit or loss' and 'available-for-sale financial assets' is recognized in the profit and loss account when the Company's right to receive payments is established.

Equity instruments that do not have a quoted market price in an active market and whose fair values cannot be reliably measured or determined are stated at cost.

4.21.3 Measurement

'Available-for-sale financial assets' and 'financial assets at fair value through profit or loss' are subsequently measured at fair value whereas 'held to maturity financial assets' and 'loans and receivables' are subsequently measured at amortized cost using the effective interest

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' are recognized in the profit and loss account in the period in which they arise.

Changes in the fair value of 'available-for-sale financial assets' are recognized in other comprehensive income. When financial assets classified as available-for-sale are sold or impaired, the accumulative fair value adjustments recognized in other comprehensive income till the time of disposal or impairment are charged to the profit and loss account.

4.21.4 Impairment

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. If such evidence is identified to exist, the said financial asset or group of financial assets are impaired and an impairment loss is recognized in the profit and loss account for the amount by which the assets' carrying amount exceed their recoverable amount. Impairment losses of equity instruments, once recognized, are not reversed through the profit and loss account.

4.21.5 Off-setting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle either on a net basis, or to realize the asset and settle the liability simultaneously.

4.21.6 Financial liabilities

These are initially recognized at cost, which is the fair value of the consideration expected to be paid. All financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the obliging instrument/ contract.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognizing of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognized in the profit and loss account.

4.22 Earnings per share - basic and diluted

The Company presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

4.23 Related party transactions

All transactions with related parties are carried out by the Company at arms' length price using the method.

Nature of the related party relationship as well as information about the transactions and outstanding balances are disclosed in the relevant notes to the financial statements.

4.24 Capital Management

The company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The board of directors monitors the return on capital and level of dividends to ordinary shareholders. The company seeks to keep a balance between the higher return that might be possible with higher level of borrowings and the advantages and security afforded by a sound capital position. There were no changes in the company's approach to capital management during the year. Further, the company is not subject to externally imposed capital requirements.

5 PROPERTY, PLANT AND EQUIPMENT

	Note	30 th June, 2024 Rupees	30 th June, 2023 Rupees
Operating fixed assets	5.1	10,256,360,220	10,440,680,485
		<u>10,256,360,220</u>	<u>10,440,680,485</u>



5.1 Operating fixed assets

	2024									
	Cost as at July 01, 2023	Additions	Deletions	Cost as at June 30, 2024	Accumulated depreciation as at July 01, 2023	Depreciation charge for the year	Deletions	Accumulated depreciation as at June 30, 2024	Book value as at June 30, 2024	Annual depreciation rate %
	Rupees									
Owned Assets										
Spinning Units :										
Freehold land	1,353,535,000	-	-	1,353,535,000	-	-	-	-	1,353,535,000	-
Leasehold land	2,014,891,750	-	-	2,014,891,750	15,797,911	906,147	-	16,704,058	1,998,187,692	99 years
Building on freehold land	1,160,712,854	-	-	1,160,712,854	362,451,831	19,956,526	-	382,408,357	778,304,497	2.5%
Building on leasehold land	1,037,047,416	-	-	1,037,047,416	278,312,017	18,968,385	-	297,280,402	739,767,014	2.5%
Labour colony on freehold land	397,756,476	-	-	397,756,476	69,720,329	8,200,904	-	77,921,233	319,835,243	2.5%
Labour colony on leasehold land	267,859,344	-	-	267,859,344	55,383,594	5,311,894	-	60,695,488	207,163,856	2.5%
Plant and machinery	4,709,286,322	-	-	4,709,286,322	2,719,125,664	49,754,016	-	2,768,879,680	1,940,406,642	2.5%
Electrical fitting	61,822,173	-	-	61,822,173	57,642,192	626,997	-	58,269,189	3,552,984	15%
Factory equipment	23,164,560	-	-	23,164,560	21,902,016	189,382	-	22,091,398	1,073,162	15%
Office premises	27,739,936	-	-	27,739,936	18,976,263	1,314,551	-	20,290,814	7,449,122	15%
Office equipment	22,637,784	-	-	22,637,784	20,704,861	289,938	-	20,994,799	1,642,985	15%
Furniture and fixture	14,561,086	-	-	14,561,086	13,144,400	212,503	-	13,356,903	1,204,183	15%
Vehicles	61,395,563	-	1,766,700	59,628,863	49,845,702	1,732,479	1,022,001	50,556,180	9,072,683	15%
	11,152,410,264	-	1,766,700	11,150,643,564	3,683,006,780	107,463,722	1,022,001	3,789,448,501	7,361,195,063	
Weaving Unit :										
Building on freehold land	722,089,335	-	-	722,089,335	215,338,348	12,668,775	-	228,007,123	494,082,212	2.5%
Building on freehold land [Grid]	13,325,252	-	-	13,325,252	4,200,568	228,117	-	4,428,685	8,896,567	2.5%
Labour colony on freehold land	230,865,855	-	-	230,865,855	44,065,769	4,670,002	-	48,735,771	182,130,084	2.5%
Plant and machinery	2,057,813,772	-	-	2,057,813,772	843,306,067	30,296,081	-	873,602,148	1,184,211,624	2.5%
Plant and machinery [Grid]	255,595,439	-	-	255,595,439	59,016,642	4,914,470	-	63,931,112	191,664,327	2.5%
Electrical fitting	33,203,858	-	-	33,203,858	31,002,634	330,184	-	31,332,818	1,871,040	15%
Factory equipment	12,474,088	-	-	12,474,088	11,620,840	127,987	-	11,748,827	725,261	15%
Office equipment	4,438,193	-	-	4,438,193	3,749,904	103,243	-	3,853,147	585,046	15%
Furniture and fixture	2,694,943	-	-	2,694,943	2,352,651	51,344	-	2,403,995	290,948	15%
Vehicles	15,737,805	-	-	15,737,805	8,214,690	1,128,467	-	9,343,157	6,394,648	15%
	3,348,238,540	-	-	3,348,238,540	1,222,868,113	54,518,670	-	1,277,386,783	2,070,851,757	
Power Plant :										
Building on freehold land	85,396,216	-	-	85,396,216	48,655,015	918,530	-	49,573,545	35,822,671	2.5%
Building on leasehold land	53,694,026	-	-	53,694,026	32,542,345	528,792	-	33,071,137	20,622,889	2.5%
Plant and machinery	1,423,499,068	-	-	1,423,499,068	653,476,574	19,250,562	-	672,727,136	750,771,932	2.5%
Electrical fitting	44,949,933	-	-	44,949,933	41,912,800	455,570	-	42,368,370	2,581,563	15%
Factory equipment	7,168,576	-	-	7,168,576	6,692,347	71,434	-	6,763,781	404,795	15%
Office equipment	66,800	-	-	66,800	60,609	929	-	61,538	5,262	15%
Furniture and fixture	476,750	-	-	476,750	445,447	4,695	-	450,142	26,608	15%
Vehicles	940,725	-	-	940,725	927,495	1,985	-	929,480	11,245	15%
	1,616,192,093	-	-	1,616,192,094	784,712,632	21,232,497	-	805,945,129	810,246,965	
Leased Assets										
Plant and Machinery	20,645,650	-	-	20,645,650	6,218,537	360,678	-	6,579,215	14,066,435	2.5%
	20,645,650	-	-	20,645,650	6,218,537	360,678	-	6,579,215	14,066,435	
Total - 30.06.2024	16,137,486,547	-	1,766,700	16,135,719,848	5,696,806,062	183,575,567	1,022,001	5,879,359,628	10,256,360,220	

	2023									
	Cost as at July 01, 2022	Additions	Deletions	Cost as at June 30, 2023	Accumulated depreciation as at July 01, 2022	Depreciation charge / (deletion) for the year	Adjustments	Accumulated depreciation as at June 30, 2023	Book value as at June 30, 2023	Annual depreciation rate %
Rupees										
Spinning Units :										
Freehold land	1,353,535,000	-	-	1,353,535,000	-	-	-	-	1,353,535,000	-
Leasehold land	2,014,891,750	-	-	2,014,891,750	14,891,764	906,147	-	15,797,911	1,999,093,839	99 years
Building on freehold land	1,160,712,854	-	-	1,160,712,854	341,983,600	20,468,231	-	362,451,831	798,261,023	2.5%
Building on leasehold land	1,037,047,416	-	-	1,037,047,416	258,857,264	19,454,754	-	278,312,017	758,735,399	2.5%
Labour colony on freehold land	397,756,476	-	-	397,756,476	61,309,146	8,411,183	-	69,720,329	328,036,147	2.5%
Labour colony on leasehold land	267,859,344	-	-	267,859,344	49,935,497	5,448,096	-	55,383,594	212,475,750	2.5%
Plant and machinery	4,709,286,322	-	-	4,709,286,322	2,668,095,904	51,029,760	-	2,719,125,664	1,990,160,658	2.5%
Electrical fitting	61,822,173	-	-	61,822,173	56,904,548	737,644	-	57,642,192	4,179,981	15%
Factory equipment	23,069,560	95,000	-	23,164,560	21,679,261	222,756	-	21,902,016	1,262,544	15%
Office premises	27,739,936	-	-	27,739,936	17,415,522	1,560,741	-	18,976,263	8,763,673	15%
Office equipment	22,637,784	-	-	22,637,784	20,363,757	341,104	-	20,704,861	1,932,923	15%
Furniture and fixture	14,561,086	-	-	14,561,086	12,894,397	250,003	-	13,144,400	1,416,686	15%
Vehicles	60,006,313	2,517,250	1,128,000	61,395,563	48,838,041	2,017,819	1,010,158	49,845,702	11,549,861	15%
	11,150,926,014	2,612,250	1,128,000	11,152,410,264	3,573,168,700	110,848,239	1,010,158	3,683,006,780	7,469,403,484	
Weaving Unit :										
Building on freehold land	722,089,335	-	-	722,089,335	202,344,733	12,993,615	-	215,338,348	506,750,987	2.5%
Building on freehold land [Grid]	13,325,252	-	-	13,325,252	3,966,602	233,966	-	4,200,568	9,124,684	2.5%
Labour colony on freehold land	230,865,855	-	-	230,865,855	39,276,023	4,789,746	-	44,065,769	186,800,086	2.5%
Plant and machinery	2,035,075,192	22,738,580	-	2,057,813,772	812,271,868	31,034,199	-	843,306,067	1,214,507,705	2.5%
	-	-	-	-	-	-	-	-	-	-
Plant and machinery [Grid]	255,595,439	-	-	255,595,439	53,976,160	5,040,482	-	59,016,642	196,578,797	2.5%
Electrical fitting	33,203,858	-	-	33,203,858	30,614,183	388,451	-	31,002,634	2,201,224	15%
Factory equipment	12,474,088	-	-	12,474,088	11,470,267	150,573	-	11,620,840	853,248	15%
Office equipment	4,438,193	-	-	4,438,193	3,628,441	121,463	-	3,749,904	688,289	15%
Furniture and fixture	2,694,943	-	-	2,694,943	2,292,246	60,405	-	2,352,651	342,292	15%
Vehicles	15,737,805	-	-	15,737,805	6,887,081	1,327,609	-	8,214,690	7,523,115	15%
	-	-	-	-	-	-	-	-	-	-
	3,325,499,960	22,738,580	-	3,348,238,540	1,166,727,604	56,140,509	-	1,222,868,113	2,125,370,427	
Power Plant :										
Building on freehold land	85,396,216	-	-	85,396,216	47,712,933	942,082	-	48,655,015	36,741,201	2.5%
Building on leasehold land	53,694,026	-	-	53,694,026	31,999,994	542,351	-	32,542,345	21,151,681	2.5%
Plant and machinery	1,423,499,068	-	-	1,423,499,068	633,732,407	19,744,167	-	653,476,574	770,022,494	2.5%
Electrical fitting	44,949,933	-	-	44,949,933	41,376,835	535,965	-	41,912,800	3,037,133	15%
Factory equipment	7,168,575	-	-	7,168,575	6,608,307	84,040	-	6,692,347	476,228	15%
Office equipment	66,800	-	-	66,800	59,517	1,092	-	60,609	6,191	15%
Furniture and fixture	476,750	-	-	476,750	439,923	5,524	-	445,447	31,303	15%
Vehicles	940,725	-	-	940,725	925,160	2,335	-	927,495	13,230	15%
	1,616,192,093	-	-	1,616,192,093	762,855,076	21,857,555	-	784,712,632	831,479,461	
Leased Assets										
Plant and machinery	20,645,650	-	-	20,645,650	5,848,611	369,926	-	6,218,537	14,427,113	2.5%
	20,645,650	-	-	20,645,650	5,848,611	369,926	-	6,218,537	14,427,113	
Total - 30.06.2023	16,113,263,717	25,350,830	1,128,000	16,137,486,548	5,508,599,991	189,216,229	1,010,158	5,696,806,061	10,440,680,485	



5.1.1 Depreciation for the year has been allocated as under:

	Note	30 th June, 2024 Rupees	30 th June, 2023 Rupees
Cost of sales - spinning	28	106,730,895	109,644,228
Cost of sales - weaving	28	49,221,496	50,684,193
		<u>155,952,391</u>	<u>160,328,421</u>
Cost of sales - power plant	28.3.1	25,091,345	25,815,360
Administrative expenses	31	2,531,831	3,072,448
		<u>183,575,567</u>	<u>189,216,229</u>

5.1.2 Disposal of property, plant and equipment:

Particulars	Cost	Accumulated depreciation	Written down value	Sale proceeds	Gain / (loss)	Mode of disposal	Particulars of buyer
Honda City	1,766,700	1,022,001	744,699	2,000,000	1,255,301	Negotiation	Mr. Naveed Naseer, Karachi.
30-Jun-24	<u>1,766,700</u>	<u>1,022,001</u>	<u>744,699</u>	<u>2,000,000</u>	<u>1,255,301</u>		
30-Jun-23	<u>1,128,000</u>	<u>1,010,158</u>	<u>117,842</u>	<u>1,425,000</u>	<u>1,307,158</u>		

5.1.3 Particular of Immovable Asset in the name of the Company are as follows:

Location	Addresses	Total Area (In Acres)
Kotri	P/3, S.I.T.E., Kotri.	20
Kotri	B/4, S.I.T.E., Kotri.	10
Bhai Pheru	49 K.M., Lahore, Multan Road, Bhai Pheru.	41.18
Lahore	7-8/A, Justice Sardar Iqbal Road, Gulberg V, Lahore.	0.375

5.1.4 Had there been no revaluation the related figures of land, building and plant and machinery as at June 30, 2024 would have been as follows:

Note	30 th June, 2024 Rupees	30 th June, 2023 Rupees
Freehold Land	75,752,071	75,752,071
Leasehold land	4,152,099	4,152,099
Building on freehold land	240,894,796	247,071,585
Building on leasehold land	70,662,276	72,474,129
Building on freehold land [Grid]	27,427,861	28,131,140
Labour colony on freehold land	20,341,376	20,862,950
Labour colony on leasehold land	18,120,577	18,585,207
Plant and machinery	2,355,387,501	2,415,782,052
Plant and machinery [Grid]	80,269,012	82,327,191
	<u>2,893,007,568</u>	<u>2,965,138,425</u>



	Note	30 th June, 2024 Rupees	30 th June, 2023 Rupees
6 LONG TERM DEPOSITS			
Security deposits:			
WAPDA		7,893,190	7,893,190
Gas companies		51,439,075	36,858,662
Leasing companies	20	-	5,772,000
Others		1,337,168	1,337,168
		<u>60,669,433</u>	<u>51,861,020</u>
7 STORES, SPARES AND LOOSE TOOLS			
Spinning :			
Stores		105,416,394	107,298,864
Spares and accessories		195,773,304	199,269,318
Loose tools		16,487,444	16,781,868
		317,677,142	323,350,049
Weaving :			
Stores		166,637,177	160,099,633
Power plant :			
Oil and stores		112,251,246	109,866,053
		<u>596,565,565</u>	<u>593,315,735</u>
Less: Provision for slow moving stores, spares and loose tools		(2,596,192)	-
		<u>593,969,373</u>	<u>593,315,735</u>
7.1 No item of stores, spares and loose tools is pledged as security as at reporting date.			
8 STOCK IN TRADE			
Spinning :			
Raw material - in hand		129,914,623	86,579,767
Work-in-process		70,874,300	93,286,287
Finished goods		2,507,280,921	2,550,910,962
Waste		2,860,010	18,039,563
		2,710,929,854	2,748,816,579
Weaving :			
Finished goods		198,484,770	198,934,770
		<u>198,484,770</u>	<u>198,934,770</u>
		<u>2,909,414,624</u>	<u>2,947,751,349</u>
8.1 Raw material stock cost PKR: NIL (2023: Nil) have been valued at PKR: Nil (2023: Nil) being the replacement cost of raw material. The amount charge to profit and loss in respect of raw material written down to net realizable value is PKR: NIL (2023: Nil).			
8.2 Finished Goods stock cost PKR: 785,397,161 (2023: 2,550,910,962) have been valued at PKR:624,940,521/- (2023: 2,490,709,463) being the net realizable value of finished goods. The amount charge to profit and loss in respect of Finished Goods written down to net realizable value is PKR:160,456,640/- (2023: 60,201,499).			
8.3 No item of stock in trade is pledged as security as at reporting date.			
8.4 The stated waste stock is valued at NRV.			
9 TRADE DEBTS			
Considered good			
Local debts - unsecured	9.1	167,192,298	135,140,713
Allowance for ECL on trade debts	9.2	(19,290,502)	(5,322,670)
		<u>147,901,796</u>	<u>129,818,043</u>
9.1 At the year end, there is no receivable from export customer.			
9.2 Particulars of allowance for ECL on trade debts			
Balance at beginning of the year		5,322,670	4,525,122
Charge during the year	32	13,967,832	797,548
Allowance no longer required / (recovered)		-	-
Balance at the end of the year		<u>19,290,502</u>	<u>5,322,670</u>



	Note	30 th June, 2024 Rupees	30 th June, 2023 Rupees	
10 OTHER FINANCIAL ASSETS				
Term deposits "TDR"	10.1	117,880,512	124,080,637	
Fair Value through profit or loss	10.2	126,980	73,043	
		118,007,492	124,153,680	
10.1 These TDRs were deposited as margin against bank guarantees issued by different banks as disclosed in note No 26.1. During the year ranging from 9.00% to 19.50% (June 30, 2023: 9.25% to 19.60%) per annum. The maturity period of the TDRs in one year from the date of original issue.				
10.2 Fair Value through profit or loss				
In listed companies	10.3	65,285	65,285	
Fair value Adjustment		61,695	7,758	
		126,980	73,043	
10.3 Details are as under:				
Name of securities	No. of shares	Cost	Fair value adjustments	Fair value
Askari Bank Limited	4,901	65,285	61,695	126,980
Total - 30.06.2024		65,285	61,695	126,980
Total - 30.06.2023		65,285	7,758	73,043
11 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLE - Considered good				
Loans to Employees- Secured	11.1	13,474,537	19,584,969	
Advance to Suppliers		467,000	467,000	
Collector of Customs for Import and Export		4,936,902	4,936,902	
Margin with Banks against Guarantees		5,195,614	5,200,209	
Advance for Reservation Contract	26.1.1	39,222,641	39,222,641	
Prepaid expenses		256,570	873,151	
Letter of credit		1,508,556	1,508,556	
Others		719,108	719,108	
		65,780,928	72,512,536	
Less: Expected credit loss	11.2	(1,110,997)	-	
		64,669,931	72,512,536	
11.1 These represent short-term interest free loans to employees as per Company's policy. These are adjustable against salaries and recoverable within a period of one year.				
11.2 Movement of expected credit loss				
Opening balance		-	-	
Expected credit loss		1,110,997	-	
Closing Balance		1,110,997	-	
12 INCOME TAX AND SALES TAX REFUNDABLE				
Income tax refundable	12.1	21,457,470	27,683,282	
Sales tax refundable		670,477,606	609,765,800	
		691,935,076	637,449,082	
12.1 Income tax refundable				
Opening		27,683,282	62,085,782	
Advance income tax		10,798,975	27,395,996	
		38,482,257	89,481,778	
Prior year adjustment		(251,919)	379,642	
Paid / deducted during the year		(16,393,226)	(62,178,138)	
		21,457,470	27,683,282	



	Note	30 th June, 2024 Rupees	30 th June, 2023 Rupees
13 CASH AND BANK BALANCES			
With banks on:			
- current accounts		5,577,775	10,957,991
- saving accounts	13.1	66,315	1,717,408
		5,644,090	12,675,399
Cash in hand		135,908	560,100
		<u>5,779,998</u>	<u>13,235,499</u>
13.1 Effective rates of profit on deposit accounts, during the year, ranging from 9.00% to 19.5% (June 30, 2023: 9.25% to 19.6%) p.a.			
14 ISSUED, SUBSCRIBED AND PAID UP CAPITAL			
		30th June, 2024	30th June, 2023
		Number of shares	
1,200,000	1,200,000	Ordinary shares of Rs. 10 each allotted for consideration paid in cash	12,000,000
9,875,000	9,875,000	Ordinary shares of Rs. 10 each allotted as right shares	98,750,000
1,925,000	1,925,000	Ordinary shares of Rs. 10 each issued as bonus shares	19,250,000
<u>13,000,000</u>	<u>13,000,000</u>		<u>130,000,000</u>
14.1 The Company has only one class of shares which carry no right to fixed income.			
14.2 The company had issued 9,875,000 Ordinary Shares in the ratio of 316 shares for every 100 ordinary Shares at exercise price of Rs. 76/= per share having premium of Rs. 66/= per share.			
15 RESERVES			
Capital reserve	15.1	651,751,200	651,751,200
Revenue Reserve	15.2	(4,829,149,596)	(4,185,820,254)
		(4,177,398,396)	(3,534,069,054)
15.1 Capital reserve			
Share premium		651,750,000	651,750,000
Premium on issue of shares		1,200	1,200
		<u>651,751,200</u>	<u>651,751,200</u>
15.1.1 This reserve can be utilised by the company only for the purpose specified in section 81 of the companies Act,2017			
15.2 Revenue Reserve			
General reserves		115,000,000	115,000,000
Unappropriated loss		(4,944,149,596)	(4,300,820,254)
		(4,829,149,596)	(4,185,820,254)
15.2.1 A revenue reserve being maintained to have adequate resources for future requirements and business operations.			
16 LOAN FROM DIRECTORS AND OTHERS - SUBORDINATED			
Loan from directors and others		<u>212,728,470</u>	<u>212,728,470</u>
16.1 These are unsecured and interest free loans repayable on the discretion of the company. In compliance with TR-32 issued by Institute Of Chartered Accountants Of Pakistan ,these loans have been treated as part of equity.			
17 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT			
Balance as at July 01,		7,565,814,161	7,672,726,307
Add: Surplus on revaluation of land, building and plant & machinery		-	-
Less: Transferred from surplus on revaluation of Property Plant Equipment on account of incremental depreciation		(74,009,934)	(75,907,623)
Less: Deferred Tax		(30,229,409)	(31,004,523)
		<u>7,461,574,818</u>	<u>7,565,814,161</u>



	Note	30 th June, 2024 Rupees	30 th June, 2023 Rupees
Less: Related to deferred tax effect:			
Balance as at July 01,		387,032,692	418,037,215
Recognition of deferred tax liability due to the transfer of incremental depreciation to equity from surplus on revaluation		(30,229,409)	(31,004,523)
		356,803,283	387,032,692
Closing balance		7,104,771,535	7,178,781,469
17.1 On 27 July 2017, 28 to 29 June 2018 and 16 to 24 June 2022, further revaluation was made of the Land, Building, Labour Colony, Grid station and plant & machinery by M/s. SIPRA & Company (Private) Limited, registered Valuers and Surveyors, on the basis of market value which resulted in revaluation surplus of Rs. 5,112,720,140/-.			
18 LONG TERM FINANCES			
Loans from banking companies - secured			
Al-Barka Bank (Pakistan) Limited	18.1	474,377,177	394,927,177
Bank Al Falah Limited	18.2	18,881,716	19,281,716
First Al Noor Modaraba	18.3	20,620,000	22,000,000
Faysal Bank Limited	18.4	178,715,000	178,715,000
Habib Bank Limited	18.4	235,665,204	235,665,204
Habib Bank Limited	18.4	8,129,727	8,129,727
Meezan Bank Limited - [Bai Muajjal]	18.4	12,759,074	58,605,663
National Bank of Pakistan-[LTF-II Frozen Markup]	18.4	61,850,000	61,850,000
National Bank of Pakistan - [LTF]	18.4	50,746,000	50,746,000
National Bank of Pakistan - [LTF-I]	18.4	139,907,100	139,907,100
Soneri Bank Limited	18.4	481,567,000	481,567,000
Standard Chartered Bank	18.4	116,978,416	-
Allied Bank Limited [LTF]	18.4	180,993,360	180,993,360
		1,981,189,774	1,832,387,947
Less: Current maturity shown under current liabilities	18.5	(1,399,006,210)	(1,314,704,383)
		582,183,564	517,683,564

18.1 Previously, the bank AL Baraka had restructured its existing outstanding balances in istisna amounting to Rs. 300 million, local modaraba amounting to Rs.197 million and diminishing musharakah of Rs.0.890 million. Total amount merged into Istisna Facility is Rs. 497.890 million.

Securities/ Margins

1st pari passu Equitable mortgage and hypothecation (each) charge dated March 17, 2006 registered vide supplemental letter of hypothecation of Plant, Machinery and equipment dated march 08, 2006 for PKR 420 million on present and future fixed assets of the company inclusive of 25% margin.

18.2 Previously, Bank Alfalah had approved a settlement of entire principal of CF Hypo facility of Rs. 28.49 million along with overdue markup and future markup @7.00% or cost of funds (whichever is higher). The bank had approved stepped-up repayment plan for 6 years. 1st Pari Passu charge on stocks & book debts for Rs. 40 million to cover CF - Hypo facility of Rs. 30 million with 25% margin. Ranking charge of Rs. 120 million [is ranked 2nd on receivables and 7th on stocks up to Rs. 32 million and 2nd on receivables and 9th over stocks for the rest of Rs. 88 million] over stocks including furnace oil and book debts.

18.3 The Company had been availing finance facility from First Al-Noor Modaraba for many years however, dispute arose between the parties which led them to file cases against each other.

The modaraba filed Suit No. 2/2016 for recovery of Rs.25,678,083 and a Criminal Complaint No. 31/2016 for dishonored cheques. The company also filed Suit No. 146/2017 for recovery of Rs. 76,898,349. Both the parties were pleading their respective cases for recovery of amounts.

During the financial period under audit, both the parties arrive at conclusion to settle their dispute out of the court. The agreed amount of full and final settlement is Rs. 25 million which will be fully repaid in seven years.

18.4 The banks have filed cases for recovery which are exaggerated and exorbitant upon unauthorized and unlawful mark-up and other charges, whereas as per records of the company, the amount, if any payable, against the subject facilities, are much lesser than the alleged claims of the banks. In all these cases, the company has filed leave to defend applications and denied the alleged claims of the banks, which are pending before the Hon'ble Courts for adjudications. The management contesting the cases vigorously and also making efforts for amicable settlement of claim of each bank individually as out of court settlement and has succeeded to compromise two suits in previous period.



**NOTES TO AND FORMING PART OF THE THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

	Note	30 th June, 2024 Rupees	30 th June, 2023 Rupees
18.5	Current maturity includes Rs. 1,399.006 million in respect of overdue.		
19	REDEEMABLE CAPITAL - SUKUK		
	Diminishing musharaka Sukuk certificate	611,335,643	611,335,643
	Less: Current portion shown under current liabilities	19.4 (611,335,643)	(611,335,643)
		<u>-</u>	<u>-</u>
19.1	The company had issued privately placed Sukuk Certificates of Rs. 1,385,000,000 divided into 277,000 certificates of Rs. 5,000 each. The significant terms and conditions and security of the Sukuk / certificates are as follows:		
	Tenure	7 years	7 years
	Date of first installment	March 31, 2010	March 31, 2010
	Date of last installment	March 20, 2020	March 20, 2020
	Rate of return per annum	6 M KIBOR + 1.75%	6 M KIBOR + 1.75%
	Convertible/non convertible	Non Convertible	Non Convertible
	Redeemable/perpetual	Redeemable	Redeemable
19.2	Security:		
	First Pari Passu charge of Rs. 1.846 billion (June 30, 2023 Rs. 1.846 billion) on all fixed assets of the company.		
19.3	The banks have filed cases for recovery which are exaggerated and exorbitant upon unauthorized and unlawful mark-up and other charges, whereas as per records of the company, the amount, if any payable, against the subject sukkuks, are much lesser than the alleged claims of the banks. In all these cases, the company has filed leave to defend applications and denied the alleged claims of the banks, which are pending before the Hon'ble Courts for adjudications. The management contesting the cases virogoously and also making efforts for amicable settlement of claim of each bank individually as out of court settlement and has succeeded to compromise two suits in previous period.		
19.4	Current maturity includes Rs. 611.336 million in respect of overdue.		
20	LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE		
	Payable within one year	21,304,702	21,304,702
	Payable after one year but not more than five years	-	-
		21,304,702	21,304,702
	Less: deferred finance cost	(3,016,150)	(3,016,150)
		<u>18,288,552</u>	<u>18,288,552</u>
	Add: security deposit	6 (5,772,000)	-
	Less: Current portion shown under current liabilities	20.5 (12,516,552)	(18,288,552)
	Present value of minimum lease payments	<u>-</u>	<u>-</u>
20.1	The Company has entered into lease agreement for Plant & Machinery and Vehicles with various leasing companies and financial institutions on monthly, quarterly and half yearly payment basis. The lease contains bargain purchase option.		
20.2	The lease is secured by personal guarantees of two directors and security deposit equivalent to 0.1% to 10% of the facility amount.		
20.3	Implicit rate of return on lease varies ranging from NIL (June 30, 2023: NIL).		
20.4	Taxes, repairs and maintenance, insurance and other cost relating to the lease assets are borne by the Company.		
20.5	Current maturity includes Rs. 12.516 million in respect of overdue.		
21	DEFERRED LIABILITIES		
	Deferred taxation	21.1 -	-
	Staff retirement benefits - gratuity	21.4 32,048,417	88,573,620
		<u>32,048,417</u>	<u>88,573,620</u>



	Note	30 th June, 2024 Rupees	30 th June, 2023 Rupees
21.1 Deferred taxation			
21.2	No Deferred Tax has been recognized as the effective rate is zero percent as per the approach (a) of ICAP Guidance IAS 12 "Application Guidance on accounting for minimum taxes and final taxes" and IFRIC 21 "Levies".		
21.3	For Previous year, deferred tax asset arose amounting to Rs 337.722 million. This has not been recognised as it is not probable to earn taxable profits for the company in the foreseeable future.		
21.4 Staff retirement benefits - gratuity			
Movement in the net liability recognized in the Balance sheet			
Opening net liability		88,573,620	185,352,605
Expense for the year in profit and loss account		15,874,419	23,604,142
Remeasurement recognized in other comprehensive income		13,488,310	(76,579,850)
		<u>117,936,349</u>	<u>132,376,897</u>
Transferred to Current Liability		(20,757,085)	-
Benefits paid during the year		(65,130,847)	(43,803,277)
Closing Balance of Defined Benefit Obligation		<u>32,048,417</u>	<u>88,573,620</u>
21.5 Expense for the year in profit and loss account			
Current service cost		13,610,059	13,046,602
Interest cost		2,264,360	10,557,540
		<u>15,874,419</u>	<u>23,604,142</u>
21.6 Historical information			
	2023	2022	2021
Present value of defined benefit obligation	<u>88,573,620</u>	<u>185,352,605</u>	<u>186,768,811</u>
			2020
			<u>160,317,910</u>
21.7 General description			
The scheme provides for terminal benefits for all of its permanent employees who attain the minimum qualifying period. Annual charges is made using the actuarial technique of Projected Unit Credit Method.			
21.8 Principal actuarial assumption			
Following are a few important actuarial assumption used in the valuation.			
		%	%
Discount rate		14.75	16.25
Expected rate of increase in salary		10	10
21.9	Expected gratuity expenses for the year ending June 30, 2025 works out Rs. 18,158,857/-		
21.10	Expected year of services (years)	8	8
21.11 Sensitivity analysis for actuarial assumption			
The below information summarizes how the defined benefit obligation at the end of the reporting period would have increased / decreased as a result of change in respective assumption by 100.			
		Increase in assumptions	Decrease in assumptions
Discount rate		<u>(1,429,716)</u>	<u>1,515,633</u>
Increase in future salaries		<u>1,557,845</u>	<u>(149,332)</u>



	Note	30 th June, 2024 Rupees	30 th June, 2023 Rupees
22 TRADE AND OTHER PAYABLES			
Trade Creditors		5,603,492,899	4,790,148,690
Accrued liabilities		373,105,093	525,290,379
Payable against letter of credit		8,525,249	8,525,249
Unearned rental income		1,712,119	1,025,122
Sales tax payable		5,020,012	1,876,321
Gratuity Payable		20,757,085	-
Withholding income tax payable		1,330,563	556,494
Others		-	1,685,734
Sindh Worker's Welfare Fund	22.1	2,250,641	1,731,262
		<u>6,016,193,661</u>	<u>5,330,839,250</u>
22.1 Sindh Worker's Welfare Fund			
Balance at the beginning of the Year		1,731,262	1,731,262
Interest on fund utilized in company's business		519,379	-
		<u>2,250,641</u>	<u>1,731,262</u>
Paid during the year		-	-
		<u>2,250,641</u>	<u>1,731,262</u>
Allocation for the year		-	-
Balance at the end of the Year		<u>2,250,641</u>	<u>1,731,262</u>
23 ACCRUED INTEREST / MARK-UP			
Accrued interest / mark-up on secured:			
- long term finances		64,696,192	64,696,192
- redeemable capital - Sukuk		233,045,065	233,045,065
- short term borrowings		738,511,727	738,511,727
		<u>1,036,252,984</u>	<u>1,036,252,984</u>
24 SHORT TERM BORROWINGS			
Secured - Banking companies			
Finances under mark-up arrangement	24.1	1,742,461,411	1,954,496,425
Unsecured			
Book overdraft	24.3	743,853	-
		<u>1,743,205,264</u>	<u>1,954,496,425</u>

24.1 Aggregate facilities amounting to Rs. 1,744 billion (June 30, 2023: Rs. 1,846 billion) were available to the Company from banking companies.

These were secured against hypothecation charge of stock in trade, book debts, plant & machinery, export bills under collection.

24.2 The banks have filed cases for recovery which are exaggerated and exorbitant upon unauthorized and unlawful mark-up and other charges, whereas as per records of the company, the amount, if any payable, against the subject facilities, are much lesser than the alleged claims of the banks. In all these cases, the company has filed leave to defend applications and denied the alleged claims of the banks, which are pending before the Hon'ble Courts for adjudications. The management contesting the cases virogously and also making efforts for amicable settlement of claim of each bank individually as out of court settlement and has succeeded to compromise two suits.



	Note	30 th June, 2024	30 th June, 2023
		Rupees	Rupees
24.3	This represents Cheques issued in excess of bank balance. Since there was no banking facility, this has been grouped under Book overdraft.		
25	LOAN FROM DIRECTORS AND OTHERS		
	Unsecured		
	Loan from Directors	103,212,298	103,212,298
	Loan from Others	5,854,059	5,854,059
		109,066,357	109,066,357
25.1	These are interest free, unsecured and repayable on demand.		
25.2	The loan has been taken for the fulfillment of working capital requirement.		
26	CONTINGENCIES AND COMMITMENTS		
26.1	Contingencies		
	Guarantees issued by banks on behalf of the Company	260,177,270	260,177,270
26.1.1	Company has filed a suit No. 202 of 2011 against Enshaa NLC Development (Pvt) Limited before the Honorable Sindh High Court, Sindh seeking declarations, possession, permanent injunction and/or recession and damage in respect of the reservation contract followed by an agreement executed between parties whereby the defendants are liable to construct the project. The matter is at the stage of hearing and opinion of the legal advisor of the company is favorable and there is no likelihood of unfavorable outcome or any potential loss.		
26.2	The Government levied Gas Infrastructure Development Cess (GIDC) amounting to Rs 333.515 million. Subsequent to the reporting date, the Honorable Supreme Court of Pakistan issued a judgment on August 13, 2020 declaring the levy as valid. The decision made by the Supreme Court of Pakistan (SCP) impact all pending appeals in various High Courts, therefore, it invited intervener applications to join the proceedings. The company again challenged the demand for recovery in the High Court of Sind via Suit No.1622-2020 and in the Lahore High Court via W.P No.37524. The company has not recorded the provision for the above amount.		
26.3	Summit Bank Limited, National Bank of Pakistan, Allied Bank Limited, HBL Bank Limited, Meezan Bank Limited, United Bank Limited, Faysal Bank Limited, Soneri Bank Limited, Dubai Islamic Bank, Silk Bank and Standard Chartered Bank (Pakistan) Limited have filed recovery suits in the High Court of Sindh and in banking court for Rs 3,456,287,848/- for the loans. The company is defending the cases in the High Court and Banking Court. The Company has not recognized the disputed estimated markup in the account. Till the finalization of accounts, the management is actively pursuing settlement of dispute through rescheduling of its liabilities (Refer to Note.25.2).		
26.4	Suit No. 505/2019 filed by Golden Sindh Cotton Mill in the High Court of Sindh against the company for the recovery of amount Rs. 25.978 million. The company is defending the case in the High Court.		
26.5	The company has filed a W.P No. 60663/2021 in which company has challenged the show cause notice issued by SECP for appointment of inspector U/Sec 256 of the Companies Act, 2017. This W.P is still pending for adjudicaion before Honorable High Court Lahore.		
26.6	The last year, a Judicial Companies Misc. Application J.C.M 17/2023 was filed by United Bank Limited in the High Court of Sindh against the company for winding up of the company. This matter is prejudice in the Court. The company is defending the case.		
26.7	Commitments		
	Civil work	-	-
	Confirmed letter of credit in respect of:		
	- Raw material & spare parts	-	-
	- Stores and spares	-	-
		-	-



QUETTA TEXTILE MILLS LIMITED

NOTES TO AND FORMING PART OF THE THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

			Note	30 th June, 2024	30 th June, 2023	
				Rupees	Rupees	
27 SALES						
	Export Sales		Local Sales		Total	
	2024	2023	2024	2023	2024	2023
	Rupees					
Yarn	5,844,370	139,643,123	448,733,839	2,942,967,013	454,578,209	3,082,610,136
Fabric	-	-	-	-	-	-
Waste	-	-	734,150	35,195,642	734,150	35,195,642
Processing	-	-	433,467,910	275,162,548	433,467,910	275,162,548
	<u>5,844,370</u>	<u>139,643,123</u>	<u>882,935,899</u>	<u>3,253,325,203</u>	<u>888,780,269</u>	<u>3,392,968,326</u>

27.1 Sales are shown net of sales & further tax, amounting Rs. 158,928,461/- (2023: Rs. 566,111,766/-).

28 COST OF SALES

Raw material consumed	28.1	273,867,179	2,760,368,218
Salaries, wages and benefits	28.2	321,575,824	544,132,842
Stores and spares consumed		20,151,366	95,919,033
Fuel, power and water	28.3	676,061,770	1,252,156,448
Rent, rates and taxes		1,031,300	2,112,878
Insurance expenses		1,083,419	14,374,268
Repairs and maintenance		1,724,744	3,148,700
Vehicle running and maintenance		10,581,776	17,047,157
Entertainment expenses		2,236,337	2,833,372
Communication expenses		1,018,897	1,044,828
Printing and stationery		669,810	1,076,341
Subscription		124,100	148,750
Legal and professional		-	35,000
Travelling		740,840	956,432
Other expenses		1,374,926	511,573
Depreciation expenses	5.1.1	155,952,391	160,328,421
		<u>1,468,194,679</u>	<u>4,856,194,261</u>
Work in process			
Opening stock		93,286,287	136,830,642
Closing stock		(70,874,321)	(93,286,287)
		<u>22,411,966</u>	<u>43,544,355</u>
Cost of goods manufactured		<u>1,490,606,645</u>	<u>4,899,738,616</u>
Finished goods			
Opening balance		2,749,845,732	2,174,768,976
Goods purchase:			
Yarn Purchase		-	46,362,150
		-	46,362,150
Closing stock		(2,705,765,691)	(2,749,845,732)
		<u>1,534,686,686</u>	<u>4,371,024,010</u>
28.1 Raw material consumed			
Opening balance		104,619,330	1,553,363,407
Purchases		302,022,499	1,311,624,141
		<u>406,641,829</u>	<u>2,864,987,548</u>
Closing stock		(132,774,650)	(104,619,330)
		<u>273,867,179</u>	<u>2,760,368,218</u>



**NOTES TO AND FORMING PART OF THE THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

	Note	30 th June, 2024	30 th June, 2023
		Rupees	Rupees
28.2		Salaries, wages and benefits include Rs. 14,408,821/- (June 30, 2023 Rs. 23,421,797/-) in respect of staff retirement benefits.	
28.3 Fuel, power and water			
Electricity purchase from out-side		14,580,170	813,115,082
Electricity produced by self	28.3.1	649,502,814	357,407,820
Water charges		1,656,639	2,214,689
Gas charges		10,322,147	79,418,857
		676,061,770	1,252,156,448
28.3.1 Electricity produced by self			
Salaries and wages	28.3.2	8,687,998	9,231,277
Gas consumed		607,746,395	289,361,972
Stores and spares consumed		7,032,531	6,007,900
Repair and maintenance		115,050	38,030
Generator rents		-	24,004,252
Insurance expenses		18,948	1,860,613
Vehicle running and maintenance		235,702	218,726
Subscription		428,870	175,000
Communication expenses		9,560	8,870
Printing and stationery		10,300	5,300
Entertainment expenses		89,615	680,520
Other expenses		36,500	-
Depreciation	5.1.1	25,091,345	25,815,360
		649,502,814	357,407,820
28.3.2		Salaries, wages and benefits include Rs. 389,892/- (June 30, 2023: Rs. 433,707/-) in respect of staff retirement benefits.	
29 OTHER INCOME			
Income from financial assets			
Reversal of markup provisions		-	155,251,691
Interest Income on saving accounts/ term deposit receipt		21,683,701	13,339,470
Income from assets other than financial assets			
Profit on sale of property, plant and equipment	5.1.2	1,255,301	1,307,158
Export rebate income		-	23,080
Rental income		1,380,333	3,365,142
Gain on currency exchange		-	222,849
Scrap sales	29.1	-	89,770
Appreciation in the Fair Value of Investment		53,936	-
Dividend Income		14,090	-
Liability written back		6,648,695	-
		31,036,056	173,599,161
29.1		Sales are shown net of sales & further tax, amounting Rs. NIL (2023: Rs. 17,953/-).	
30 DISTRIBUTION COST			
On export sales			
Export development surcharges		-	299,615
Freight		76,500	2,692,929
Clearing and forwarding		92,510	557,390
		169,010	3,549,934
On local sales			
Freight		27,370	742,910
Commission		-	652,308
		27,370	1,395,218
Salaries and wages		4,300,603	5,816,498
		4,496,983	10,761,650



**NOTES TO AND FORMING PART OF THE THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

	Note	30 th June, 2024	30 th June, 2023
		Rupees	Rupees
31 ADMINISTRATIVE EXPENSES			
Director's remuneration	31.1	713,550	17,160,828
Salaries and benefits	31.2	24,021,182	36,694,976
Meeting fee		200,000	500,000
Printing and stationery		339,977	638,906
Communication		1,464,766	2,048,798
Travelling		460,738	1,544,575
Vehicle running and maintenance		5,806,282	9,512,159
Legal and professional charges		500,000	3,444,444
Auditors' remuneration	31.3	1,777,430	1,827,430
Rent, rates and taxes		3,830,741	1,845,357
Entertainment		673,328	992,964
Electricity, gas and water charges		2,305,283	2,665,070
Fees and subscription		1,288,103	6,329,344
Repairs and maintenance		349,525	598,473
Insurance		46,228	447,900
Amortization		-	426,093
Security, gardening and sanitation		302,188	524,836
Advertisement		24,420	39,220
Miscellaneous		859,541	964,470
Depreciation	5.1.1	2,531,831	3,072,448
		<u>47,495,113</u>	<u>91,278,291</u>
31.1	The Chief Executive and Directors of the company have waived off their remuneration and meeting fee.		
31.2	Salaries, wages and benefits include Rs. 1,076,315/- (June 30, 2023: Rs. 250,362/-) in respect of staff retirement benefits.		
31.3 Auditors' remuneration			
Audit fee		1,537,300	1,537,300
Half yearly review fee		185,130	185,130
Code of corporate governance review fee		30,000	30,000
Out of pocket expenses		25,000	25,000
Certifications		-	50,000
		<u>1,777,430</u>	<u>1,827,430</u>
32 OTHER OPERATING EXPENSES			
Diminution in the fair value of investment	10.3	-	12,381
Provision for slow moving stores, spares and loose tools		2,596,192	-
Loss on currency exchange		26,745	-
Donations	32.1	130,500	3,000,468
Allowance for ECL	9.2	13,967,832	797,548
Impairment of advances	11.2	1,110,997	-
		<u>17,832,266</u>	<u>3,810,397</u>
32.1	No director or his spouse had any interest in the donee.		
33 FINANCE COST			
Interest / mark-up on			
- short term finances		7,132,853	25,207,045
- long term loans		-	4,232,366
- sindh Worker's Welfare Fund		519,379	-
Bank charges, commission and others charges		156,950	2,879,330
		<u>7,809,182</u>	<u>32,318,741</u>



QUETTA TEXTILE MILLS LIMITED

NOTES TO AND FORMING PART OF THE THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

	Note	30 th June, 2024 Rupees	30 th June, 2023 Rupees
34 LEVIES			
Final Tax		-	-
Minimum Tax		(11,095,142)	(42,062,996)
		(11,095,142)	(42,062,996)
35 (LOSS) PER SHARE - BASIC AND DILUTED			
(loss) after taxation		(703,850,966)	(985,068,241)
		Number of shares	
Weighted average number of ordinary shares		13,000,000	13,000,000
		(Rupees)	
(loss) per share - basic and diluted		(54.14)	(75.77)
There is no dilutive effect on basic earnings per share.			
36 CASH GENERATED FROM OPERATIONS			
(Loss) before Levies and Taxation		(692,503,905.00)	(942,625,603)
Adjustment for items involving non movement of fund			
Depreciation		183,575,567	189,216,229
Amortization		-	426,093
Financial charges		7,809,182	32,318,741
Profit / loss on sale of property, plant and equipment-net		(1,255,301)	(1,307,158)
Provision for gratuity		15,874,419	23,604,142
Reversal of markup provisions		-	(155,251,691)
Provision for diminution/ (appreciation) in the value of investment		(53,936)	12,381
		205,949,931	89,018,737
(loss) before working capital changes		(486,553,974)	(853,606,866)
(Increase)/decrease in current assets			
Stocks, stores and spares		37,683,087	848,750,176
Trade debts		(18,083,753)	32,170,075
Advances, deposits, prepayments and other receivable		7,842,605	1,550,958
		(459,112,035)	28,864,343
Increase in current liabilities			
Creditors, accrued and other liabilities		685,354,411	87,818,068
		226,242,376	116,682,411



**NOTES TO AND FORMING PART OF THE THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

	Note	30 th June, 2024	30 th June, 2023
		Rupees	Rupees

37 REMUNERATION OF CHIEF EXECUTIVE, DIRECTOR AND EXECUTIVES

The aggregate amount charged in the financial statements for remuneration including all benefits to Chief Executive, Directors and Executives of the Company is as follows:

	Chief Executive		Directors		Executives	
	2024	2023	2024	2023	2024	2023
Remuneration	-	11,549,820	713,550	5,611,008	51,605,913	68,811,875
	-	11,549,820	713,550	5,611,008	51,605,913	68,811,875
Number of persons	1	1	1	1	43	58

37.1 In addition, some of the above persons have been provided with the company maintained cars.

38 TRANSACTIONS WITH RELATED PARTIES

The related parties comprises directors and key management personnel. Amounts due to related parties are shown in the relevant notes to the financial statements. Transactions with related parties are disclosed below:

Nature of transaction	Relationship		
Loan received	Directors	-	41,150,000
Salaries and other benefits	Directors	713,550	17,160,828

The company continues to have a policy whereby all transactions with related parties are entered at arm's length price using admissible valuation method and expenses are charged on actual basis.

38.1 Detail of compensation to key management personnel comprising of chief executive officer, director and executives is disclosed in note 37.

38.2 No Associated Companies Incorporated outside Pakistan.

38.3 No Foreign Shareholders.



QUETTA TEXTILE MILLS LIMITED

NOTES TO AND FORMING PART OF THE THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

39 SEGMENT ANALYSIS

The segment information for the reportable segments for the year ended June 30, 2024 is as follows:

39.1 Operating results

Note	Spinning		Weaving		Power Generation		Company	
	30 th June, 2024 Rupees	30 th June, 2023 Rupees	30 th June, 2024 Rupees	30 th June, 2023 Rupees	30 th June, 2024 Rupees	30 th June, 2023 Rupees	30 th June, 2024 Rupees	30 th June, 2023 Rupees
SALES								
Export	5,844,370	139,643,123	-	-	-	-	5,844,370	139,643,123
Local	448,733,839	2,942,967,013	-	-	-	-	448,733,839	2,942,967,013
Waste	734,150	35,195,642	-	-	-	-	734,150	35,195,642
Processing	25,963,744	20,556,838	407,504,166	254,605,710	-	-	433,467,910	275,162,548
Steam income	-	-	-	-	-	-	-	-
	481,276,103	3,138,362,616	407,504,166	254,605,710	-	-	888,780,269	3,392,968,326
Inter - segment sales	-	-	-	-	649,502,814	357,407,820	649,502,814	357,407,820
Total sales	481,276,103	3,138,362,616	407,504,166	254,605,710	649,502,814	357,407,820	1,538,283,083	3,750,376,145
Cost of sales	40 (965,848,614)	(3,957,397,792)	(568,838,070)	(413,626,718)	(649,502,814)	(357,407,820)	(2,184,189,498)	(4,728,432,330)
59 Gross loss	(484,572,511)	(819,035,176)	(161,333,904)	(159,021,008)	-	-	(645,906,415)	(978,056,184)
Distribution cost	41 (2,680,110)	(8,312,654)	(1,816,873)	(2,448,996)	-	-	(4,496,983)	(10,761,650)
Administrative expenses	42 (25,718,689)	(84,428,339)	(21,776,424)	(6,849,452)	-	-	(47,495,113)	(91,277,791)
	(28,398,799)	(92,740,993)	(23,593,297)	(9,298,448)	-	-	(51,992,096)	(102,039,441)
Operating Results	(512,971,309)	(911,776,169)	(184,927,202)	(168,319,457)	-	-	(697,898,511)	(1,080,095,625)
39.2 Segment assets	10,551,770,290	10,685,815,268	2,435,973,704	2,484,404,830	922,498,211	941,345,514	13,910,242,205	14,111,565,612
39.3 Unallocated assets							941,061,930	899,211,817
							14,851,304,135	15,010,777,429
39.4 Segment liabilities	5,264,169,453	4,664,484,344	556,497,914	493,102,631	195,526,294	173,252,276	6,016,193,661	5,330,839,250
39.5 Unallocated liabilities							5,562,412,673	5,692,497,294
							11,578,606,334	11,023,336,545
39.6 Depreciation	106,730,895	109,644,228	49,221,496	50,684,193	25,091,345	25,815,360	181,043,736	186,143,781
39.7 Inter-segment pricing								

Transactions among the business segments are recorded at arm's length prices using admissible valuation methods.

39.8 There were no major customer of company which formed 10 percent or more of the company's revenue.



QUETTA TEXTILE MILLS LIMITED

NOTES TO AND FORMING PART OF THE THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

Note	Spinning		Weaving		Power Generation		Company	
	30 th June, 2024	30 th June, 2023	30 th June, 2024	30 th June, 2023	30 th June, 2024	30 th June, 2023	30 th June, 2024	30 th June, 2023
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
40 COST OF SALES								
Raw material consumed	273,867,196	2,760,368,218	-	-	-	-	273,867,196	2,760,368,218
Stores and spares consumed	9,334,840	80,337,587	10,816,526	15,581,446	7,032,531	6,007,900	27,183,897	101,926,933
Salaries, wages and benefits	180,860,499	477,525,345	140,715,325	66,607,497	8,687,998	9,231,277	330,263,822	553,364,119
Fuel, power and water:								
Inter-segment	288,821,965	289,500,334	360,680,849	67,907,486	-	-	649,502,814	357,407,820
Others	26,558,956	694,456,429	-	200,292,199	607,746,395	289,361,972	634,305,351	1,184,110,600
Repairs and maintenance	1,149,694	2,674,658	575,050	474,042	115,050	38,030	1,839,794	3,186,730
Generator rents	-	-	-	-	-	24,004,252	-	24,004,252
Insurance expenses	586,558	10,822,718	496,861	3,551,550	18,948	1,860,613	1,102,367	16,234,881
Rent, rates and taxes	1,031,300	1,396,943	-	715,935	-	-	1,031,300	2,112,878
Vehicle running and maintenance	8,179,162	11,733,163	2,402,614	5,313,994	235,702	218,726	10,817,478	17,265,883
Entertainment expenses	1,001,288	1,670,953	1,235,049	1,162,419	89,615	680,520	2,325,952	3,513,892
Communication expenses	124,914	862,756	893,983	182,072	9,560	8,870	1,028,457	1,053,698
Printing and stationery	71,173	398,656	598,637	677,685	10,300	5,300	680,110	1,081,641
Subscription	(308,480)	148,750	432,580	-	428,870	175,000	552,970	323,750
Legal and professional	-	-	-	35,000	-	-	-	35,000
Travelling	716,740	515,732	24,100	441,200	-	-	740,840	956,932
Other expenses	1,079,886	511,572	295,000	-	36,500	-	1,411,386	511,572
Depreciation expenses	106,730,895	109,644,228	49,221,496	50,684,193	25,091,345	25,815,360	181,043,736	186,143,781
	899,806,586	4,442,568,042	568,388,070	413,626,718	649,502,814	357,407,820	2,117,697,470	5,213,602,580
Work in process								
Opening stock	93,286,287	136,830,642	-	-	-	-	93,286,287	136,830,642
Closing stock	(70,874,300)	(93,286,287)	-	-	-	-	(70,874,300)	(93,286,287)
	22,411,987	43,544,355	-	-	-	-	22,411,987	43,544,355
Cost of goods manufactured	922,218,573	4,486,112,397	568,388,070	413,626,718	649,502,814	357,407,820	2,140,109,457	5,257,146,935
Finished goods								
Opening balance	2,550,910,962	1,975,834,206	198,934,770	198,934,770	-	-	2,749,845,732	2,174,768,976
Finished goods purchase:								
Purchase	-	-	-	-	-	-	-	-
Yarn purchase	-	46,362,150	-	-	-	-	-	46,362,150
	-	46,362,150	-	-	-	-	-	46,362,150
Closing stock	(2,507,280,921)	(2,550,910,962)	(198,484,770)	(198,934,770)	-	-	(2,705,765,691)	(2,749,845,732)
	965,848,614	3,957,397,791	568,838,070	413,626,718	649,502,814	357,407,820	2,184,189,498	4,728,432,329

**QUETTA TEXTILE MILLS LIMITED****NOTES TO AND FORMING PART OF THE THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

Note	Spinning		Weaving		Power Generation		Company	
	30 th June, 2024 Rupees	30 th June, 2023 Rupees	30 th June, 2024 Rupees	30 th June, 2023 Rupees	30 th June, 2024 Rupees	30 th June, 2023 Rupees	30 th June, 2024 Rupees	30 th June, 2023 Rupees
40.1 Raw material consumed								
Opening balance	104,619,330	1,553,363,407	-	-	-	-	104,619,330	1,553,363,407
Purchases:								
Inter-segment	-	-	-	-	-	-	-	-
Other	302,022,499	1,311,624,141	-	-	-	-	302,022,499	1,311,624,141
	302,022,499	1,311,624,141	-	-	-	-	302,022,499	1,311,624,141
Closing stock	(132,774,633)	(104,619,330)	-	-	-	-	(132,774,633)	(104,619,330)
	<u>273,867,196</u>	<u>2,760,368,218</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>273,867,196</u>	<u>2,760,368,218</u>
41 DISTRIBUTION COST								
On export sales								
61 Export development surcharge	-	299,615	-	-	-	-	-	299,615
Freight	76,500	2,692,929	-	-	-	-	76,500	2,692,929
Clearing and forwarding	92,510	557,390	-	-	-	-	92,510	557,390
	169,010	3,549,934	-	-	-	-	169,010	3,549,934
On local sales								
Freight	27,370	742,910	-	-	-	-	27,370	742,910
Commission	-	652,308	-	-	-	-	-	652,308
	27,370	1,395,218	-	-	-	-	27,370	1,395,218
Salaries and wages	2,483,730	3,367,502	1,816,873	2,448,996	-	-	4,300,603	5,816,498
	<u>2,680,110</u>	<u>8,312,654</u>	<u>1,816,873</u>	<u>2,448,996</u>	<u>-</u>	<u>-</u>	<u>4,496,983</u>	<u>10,761,650</u>

**QUETTA TEXTILE MILLS LIMITED****NOTES TO AND FORMING PART OF THE THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

Note	Spinning		Weaving		Power Generation		Company	
	30 th June, 2024	30 th June, 2023	30 th June, 2024	30 th June, 2023	30 th June, 2024	30 th June, 2023	30 th June, 2024	30 th June, 2023
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
42 ADMINISTRATIVE EXPENSES								
Director's remuneration	386,389	15,873,093	327,161	1,287,735	-	-	713,550	17,160,828
Salaries and benefits	13,007,513	33,941,413	11,013,669	2,753,563	-	-	24,021,182	36,694,976
Meeting fee	108,300	462,480	91,700	37,520	-	-	200,000	500,000
Printing and stationery	184,098	590,963	155,879	47,943	-	-	339,977	638,906
Communication	793,173	1,895,058	671,593	153,740	-	-	1,464,766	2,048,798
Travelling	249,490	1,428,671	211,248	115,904	-	-	460,738	1,544,575
Vehicle running and maintenance	3,144,112	8,798,374	2,662,170	713,785	-	-	5,806,282	9,512,159
Legal and professional charges	270,751	3,185,976	229,249	258,468	-	-	500,000	3,444,444
62 Auditors' remuneration	962,482	1,690,301	814,948	137,129	-	-	1,777,430	1,827,430
Rent, rates and taxes	2,074,353	1,706,883	1,756,388	138,474	-	-	3,830,741	1,845,357
Entertainment	364,608	918,453	308,720	74,511	-	-	673,328	992,964
Electricity, gas and water charges	1,248,315	2,465,085	1,056,968	199,985	-	-	2,305,283	2,665,070
Fees and subscription	697,510	5,854,395	590,593	474,949	-	-	1,288,103	6,329,344
Repairs and maintenance	189,268	553,564	160,257	44,909	-	-	349,525	598,473
Insurance	25,033	414,290	21,195	33,610	-	-	46,228	447,900
Amortization	-	394,119	-	31,974	-	-	-	426,093
Security, gardening and sanitation	163,635	485,453	138,553	39,383	-	-	302,188	524,836
Advertisement	13,223	36,277	11,197	2,943	-	-	24,420	39,220
Miscellaneous	465,443	892,097	394,098	72,373	-	-	859,541	964,470
Depreciation	1,370,991	2,841,894	1,160,840	230,554	-	-	2,531,831	3,072,448
	<u>25,718,689</u>	<u>84,428,839</u>	<u>21,776,424</u>	<u>6,849,452</u>	<u>-</u>	<u>-</u>	<u>47,495,113</u>	<u>91,278,291</u>



	Note	30 th June, 2024 Rupees	30 th June, 2023 Rupees
43 RECONCILIATIONS OF REPORTABLE SEGMENTS SALES, COST OF SALES, ASSETS AND LIABILITIES			
43.1 Sales			
Total sales for reportable segment	39.1	1,538,283,083	3,750,376,145
Elimination of inter-segment	39.1	(649,502,814)	(357,407,820)
Total sales		888,780,269	3,392,968,326
43.2 Cost of sales			
Total cost of sales for reportable segment	40	2,184,189,498	4,728,431,829
Elimination of inter-segment	40.1	(649,502,814)	(357,407,820)
Total cost of sales		1,534,686,684	4,371,024,010
43.3 Profit or loss			
Total profit for reportable segments		(697,898,511)	(1,080,095,625)
Other operating Income		31,036,056	173,599,160
Other operating expenses		(17,832,266)	(3,810,397)
Interest expense		(7,809,182)	(32,318,741)
Total profit/(loss) before tax		(692,503,903)	(942,625,603)
43.4 Assets			
Total assets for reportable segments	39.2	13,910,242,205	14,111,565,612
Long term deposits	6	60,669,433	51,861,020
Other financial assets	10	118,007,492	124,153,680
Advances, deposits, prepayments and other receivable	11	64,669,931	72,512,536
Income Tax And Sales Tax Refundable	12	691,935,076	637,449,082
Cash and bank balances	13	5,779,998	13,235,499
Unallocated assets	39.3	941,061,930	899,211,817
		14,851,304,135	15,010,777,429
43.5 Liabilities			
Total liabilities for reportable segments	39.4	6,016,193,661	5,330,839,250
Long term finances	18	1,981,189,774	1,832,387,947
Redeemable capital - Sukuk	19	611,335,643	611,335,643
Liabilities against assets subject to finance lease	20	12,516,552	18,288,552
Deferred liabilities	21	32,048,417	88,573,620
Accrued interest / mark-up	23	1,036,252,984	1,036,252,984
Short term borrowings	23.9	1,743,205,264	1,954,496,425
Unclaimed dividend		36,467	36,467
Provision for taxation		36,761,215	42,059,299
Loan from directors and others	24.9	109,066,357	109,066,357
Unallocated liabilities	39.5	5,562,412,673	5,692,497,294
		11,578,606,334	11,023,336,545



**NOTES TO AND FORMING PART OF THE THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

44 FINANCIAL INSTRUMENTS

The Company has exposures to the following risks from its use of financial instruments:

- 44.1 - Credit risk
- 44.2 - Liquidity risk
- 44.3 - Market risk

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

44.1 Credit risk

44.1.1 Exposure to credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the long term investments, long term deposits, trade debts, loans and advances, trade deposits and prepayments, other receivables, other financial assets and cash and bank balances. Out of total financial assets of Rs. 397.028 million (June 30, 2023: Rs. 391.580 million), financial assets which are subject to credit risk aggregate to Rs. 391.248 million (June 30, 2023: Rs. 378.345 million). The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

	Note	30 th June, 2024 Rupees	30 th June, 2023 Rupees
Long term deposits		60,669,433	51,861,020
Trade debts		147,901,796	129,818,043
Other financial assets		118,007,492	124,153,680
Advances, deposits, prepayments and other receivable		64,669,931	72,512,536
Cash and bank balances		5,779,998	13,235,499
		397,028,650	391,580,778

44.1.2 The maximum exposure to credit risk for trade debts at the reporting date by geographical region is as follows:

Domestic	167,192,298	135,140,713
	167,192,298	135,140,713

44.1.3 The maximum exposure to credit risk for debts at the reporting date by type of product is as follows:

Yarn	134,111,630	108,401,772
Fabric	33,080,668	26,738,941
	167,192,298	135,140,713

44.1.4 The aging of trade debts at the reporting date as follows:

Not past due	72,572,246	58,659,790
Past due less than one year	66,732,036	53,939,177
Past due more than year	27,888,016	22,541,746
	167,192,298	135,140,712

44.2 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulties in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credits facilities. The Company's treasury department maintains flexibility in funding by maintaining availability under committed credits lines.

**NOTES TO AND FORMING PART OF THE THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

44.2.1 Financial liabilities in accordance with their contractual maturities are presented below:

2024					
Carrying amount	Contractual cash flow	Up to 1 year	Between 1 to 5 years	5 years and above	
Rupees					
Long term finances	1,981,189,774	1,981,189,774	-	-	-
Redeemable capital - Sukuk	611,335,643	611,335,643	-	-	-
Finance lease	12,516,552	-	-	-	-
Trade and other payables	6,007,592,445	6,007,592,445	6,007,592,445	-	-
Accrued mark-up	1,036,252,984	1,036,252,984	-	-	-
Short term borrowings	1,743,205,264	1,743,205,264	-	-	-
	<u>11,392,092,662</u>	<u>11,379,576,110</u>	<u>6,007,592,445</u>	<u>-</u>	<u>-</u>
2023					
Carrying amount	Contractual cash flow	Up to 1 year	Between 1 to 5 years	5 years and above	
Rupees					
Long term finances	1,832,387,947	1,839,343,466	-	-	-
Redeemable capital - Sukuk	611,335,643	611,335,643	-	-	-
Finance lease	18,288,552	-	-	-	-
Trade and other payables	5,330,839,250	5,240,837,170	5,240,837,170	-	-
Accrued mark-up	1,036,252,984	1,153,725,602	-	-	-
Short term borrowings	1,954,496,425	2,012,385,464	-	-	-
	<u>10,783,600,802</u>	<u>10,857,627,345</u>	<u>5,240,837,170</u>	<u>-</u>	<u>-</u>

44.2.2 The contractual cash flow relating to the above financial liabilities have been determined on the basis of mark-up / interest rates effective at the respective year-end. The rates of mark-up / interest have been disclosed in the respective notes to these financial statements.

44.3 Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holding of financial instruments.

44.3.1 Currency risk

The company is exposed to currency risk on trade debts, borrowing and import of raw material and stores that are denominated in a currency other than the respective functional currency of the company, primarily in US Dollar and Euro. The currencies in which these transactions primarily are denominated is US Dollar and Euro. The company's exposure to foreign currency risk is as follows:

	US Dollar	Euro	Others	Rupees
Trade debts 2024	-	-	-	-
Trade debts 2023	-	-	-	-

The following significant exchange rates applied during the year:

	Average rates		Reporting date rates	
	2024	2023	2024	2023
US Dollar to Rupee	246.89	246.89	287.50	287.50

**NOTES TO AND FORMING PART OF THE THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**
44.3.2 Sensitivity analysis

5% strengthening of Pak Rupee against the following currencies at June 30, would have increased / (decreased) equity and profit and loss by the amount shown below. The analysis assumes that all other variables, in particular interest rates, remain constant. 5% weakening of Pak Rupee against the above currencies at periods ends would have had the equal but opposites effect on the above currencies to the amount shown below, on the basis that all other variables remain constant.

	Note	30 th June, 2024 Rupees	30 th June, 2023 Rupees
US Dollar		-	-

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and liabilities of the company.

44.3.3 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposures arises from short and long term borrowings from bank and term deposits and deposits in PLS saving accounts with banks. At reporting date the interest rate profile of the company's interest bearing financial instrument is as follows:

	Carrying Amount	
	30 th June, 2024 Rupees	30 th June, 2023 Rupees
Fixed rate instruments		
Financial assets	-	-
Financial liabilities	2,592,525,417	2,443,723,590
Variable rate instruments		
Financial assets	-	-
Financial liabilities	1,755,721,816	1,972,784,977

44.3.4 Other Price Risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The company is not exposed to commodity price risk as it does not hold financial instruments based commodity prices.

44.4 Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit & loss. Therefore, a change in mark-up / interest rates at the reporting date would not affect profit & loss account.

44.5 Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at reporting date would have increased / (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for June 30, 2024.

	Profit and loss		Equity	
	100 bps increase	100 bps decrease	100 bps increase	100 bps decrease
	Rupees			
Cash flow sensitivity - variable rate instruments 2024	17,557,218	(17,557,218)	-	-
Cash flow sensitivity - variable rate instruments 2023	19,727,850	(19,727,850)	-	-



**NOTES TO AND FORMING PART OF THE THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

45 Fair value of financial assets and liabilities

The carrying value of all financial instruments reflected in the financial statements approximate to their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

Fair Value Hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into level 1 to 3 based on the degree to which the fair value is observed.

Level 1 fair value measurement are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurement are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 fair value measurement are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at June 30, 2024 other financial assets was categorized in level 1.

There were no transfers between Level 1 and 2 in the year.

	level 1	level 2	level 3	Total
30-Jun-24				
at fair value through profit or loss	-	-	-	-
30-Jun-23				
at fair value through profit or loss	-	-	-	-

46 Off balance sheet items

Bank guarantees issued in ordinary course of business

Note	30 th June, 2024 Rupees	30 th June, 2023 Rupees
	260,177,270	260,177,270

47 Capital risk management

The company's prime object when managing capital is to safeguard its ability to continue as a going concern in order to provide adequate returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the company monitors capital on the basis of the gearing ratio. The ratio is calculated as total borrowings divided by total capital employed. Borrowings represent long term financing, long term financing from directors and others and short term borrowings. Total capital employed includes total equity as shown in the balance sheet plus borrowings.

		30 th June, 2024 Rupees	30 th June, 2023 Rupees
Borrowings	Rupees	4,348,247,233	4,416,508,567
Less: Cash and bank balances		(5,779,998)	(13,235,499)
Net Debts		4,342,467,235	4,403,273,068
Total equity	Rupees	3,270,101,609	3,987,440,885
Total capital employed	Rupees	7,612,568,844	8,390,713,953
Gearing ratio	Percentage	0.57	0.52



QUETTA TEXTILE MILLS LIMITED

NOTES TO AND FORMING PART OF THE THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

30th June, 2024
Rupees

30th June, 2023
Rupees

48 PLANT CAPACITY AND PRODUCTION

Spinning

Total no of spindles installed	73,488	73,488
Total no of rotors installed	1,104	1,104
Average no of spindles worked	13,458	45,419
Average no of rotors worked	-	0
Numbers of shift worked per day	3	3
Capacity of industrial unit after conversion into 20/s count - KGS	29,438,125	29,438,125
Actual production after conversion into 20/s count - KGS	4,459,024	12,273,309

48.1 It is difficult to describe the production capacity in textile industry since it fluctuates widely depending upon various factors such as count of the yarn spun spindles speed twist per inch and raw material used etc.

Weaving

Rated capacity converted into 60 picks - Square meters	82,734,576	82,734,576
Actual production converted to 60 picks - Square meters	5,823,300	17,759,611
Total numbers of looms worked	274	274
Number of shifts worked per day	3	3

It is difficult to describe the production capacity in textile industry since it fluctuates widely depending upon various factors such as production of fabric speed of looms picks per inch and raw material used etc.

49 SUBSEQUENT EVENTS

There is no subsequent event after the balance sheet date.

50 NUMBER OF EMPLOYEES

	30 th June, 2024		30 th June, 2023	
	Total	Factory	Total	Factory
Total number of employees as at	576	556	614	568
Average number of employees worked during the year	487	439	553	483

51 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation and comparison, the effects of which are not material.

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-TDR	Other financial assets	Better presentation	66,315
Taxation	Levies	Better presentation	42,062,996

52 GENERAL

The figures have been rounded off to the nearest Rupee.

53 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors of the Company on 04-10-2024

Chief Executive

Director

Chief Financial Officer

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