

**1st QUARTER ACCOUNT  
FOR THE PERIOD ENDED  
SEPTEMBER 30, 2024  
(UN-AUDITED)**



**QUETTA TEXTILE MILLS LIMITED**



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**DIRECTORS' REPORT**

**Assalam-e-Alaikum**

Dear Shareholders:

We present to you the results of the company for the quarter ended September 30, 2024.

**OPERATION RESULTS**

Your company made a pre-tax loss of Rs. 150.372 (M), as compared to the corresponding last year's Quarter pre-tax loss of Rs. 94.630 (M). Turnover for the Quarter ended was Rs.180.383 (M), as compared to corresponding last year's Quarter sales of Rs. 106.372 (M). Pre-tax loss as a percentage comes to 83.36% for the Quarter ended on September 30, 2024, as compared to 88.96% which was corresponding last Quarter pre-tax loss as a percentage.

The textile industry of Pakistan is still facing multiple crises, such as very high electricity and gas prices, shortage of gas supply, fluctuating yarn and fabric prices, double-digit inflation and high cost of doing business. Therefore, it is crucial for the Government to take action and make concerted efforts to reduce interest rates and lower electricity and gas rates at reasonable level in order to ensure the continued viability of the industry.

Despite the operational and financial hardships, the directors are committed to running the company. Discussions are in process with banks to find a mutually agreed repayment plan.

I would like to thank all the staff and workers of the company for their confidence and efforts shown towards the company.

On behalf of the Board of Directors.

**Tariq Iqbal**

**Chief Executive Officer**

**Omer Khalid**

**Director**

Karachi:

Dated: October 30, 2024

# کوئٹہ ٹیکسٹائل ملز لمیٹڈ



## ڈائریکٹر رپورٹ

السلام وعلیکم

عزیز حصص یافتگان

ہم 30 ستمبر، 2024 کو ختم ہونے والی سہ ماہی کیلئے کمپنی کے مالی نتائج پیش کرتے ہیں۔

آپریشن کے نتائج

کمپنی نے گزشتہ سال کی سہ ماہی میں 94.630 ملین روپے کے قبل از ٹیکس خسارے کے مقابلے میں 150.372 ملین روپے کا قبل از ٹیکس خسارہ ہوا ہے۔ کمپنی کی سہ ماہی کے دوران آمدن 180.383 ملین روپے رہی جبکہ گزشتہ سال کی اسی مدت میں یہ آمدن 106.372 ملین روپے تھی۔ 30 ستمبر 2024 کو ختم ہونے والی سہ ماہی کیلئے قبل از ٹیکس نقصان بطور تناسب 83.36 فیصد رہا جبکہ گزشتہ سال یہ تناسب 88.96 فیصد تھا۔

پاکستان کی ٹیکسٹائل انڈسٹری کو بجلی اور گیس کی بہت زیادہ قیمتیں، گیس کی فراہمی میں کمی، دھاگے اور کپڑے کی قیمتوں میں اتار چڑھاؤ، ڈبل ڈبل سبجٹ افراط زر اور کاروباری لاگت میں اضافہ کی صورت میں اب بھی کئی بحرانوں کا سامنا ہے۔ اس لیے ضروری ہے کہ حکومت فوری طور پر اقدامات اٹھاتے ہوئے انڈسٹری کی بقا کو یقینی بنانے کے لیے شرح سود، بجلی اور گیس کی قیمتوں کو مناسب سطح پر لانے کے لیے ٹھوس کوششیں کرے۔

آپریشنل اور مالی مشکلات کے باوجود ڈائریکٹر کمپنی کو چلانے کیلئے پرعزم ہیں۔ ادائیگی کے پلان پر باہمی اتفاق کیلئے بینکوں کے ساتھ بات چیت جاری ہے۔

میں کمپنی کے ملازمین اور ورکرز کی طرف سے کمپنی پر اعتماد اور ترقی کیلئے انتھک محنت پر ان کا مشکور ہوں

عمر خالد  
ڈائریکٹر

منجانب بورڈ آف ڈائریکٹرز

طارق اقبال

چیف ایگزیکٹو آفیسر

کراچی:

تاریخ 30 اکتوبر، 2024



# QUETTA TEXTILE MILLS LIMITED

## STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 2024

	Note	30 <sup>th</sup> Sep 2024 Rupees (Un-Audited)	30 <sup>th</sup> June 2024 Rupees (Audited)
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	2	10,211,821,885	10,256,360,220
Long term deposits		60,669,433	60,669,433
		<b>10,272,491,318</b>	<b>10,317,029,653</b>
<b>CURRENT ASSETS</b>			
Stores and spares		592,243,952	593,969,373
Stock in trade	3	3,119,883,411	2,909,414,624
Trade debts		63,026,128	147,901,796
Advances, deposits, prepayments and other receivable		64,790,207	64,669,931
Tax refund due from governments		758,311,619	691,935,076
Other financial assets		118,007,423	118,007,492
Cash and bank balances		7,070,077	5,779,998
		<b>4,723,332,817</b>	<b>4,531,678,290</b>
		<b>14,995,824,135</b>	<b>14,848,707,943</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorized capital</b>			
20,000,000 (June 30, 2024: 20,000,000) ordinary shares of Rs. 10 each		200,000,000	200,000,000
15,000,000 (June 30, 2024: 15,000,000) preference shares of Rs. 10 each		150,000,000	150,000,000
		<b>350,000,000</b>	<b>350,000,000</b>
Issued, subscribed and paid-up capital		130,000,000	130,000,000
Reserves		766,751,200	766,751,200
Equity portion of Loan from directors and others		212,728,470	212,728,470
Revaluation surplus on property, plant and equipment		7,086,269,051	7,104,771,535
Accumulated profit / (loss)		(5,078,273,955)	(4,944,149,596)
		<b>3,117,474,766</b>	<b>3,270,101,609</b>
<b>NON CURRENT LIABILITIES</b>			
Long term finances		584,503,564	582,183,564
Redeemable capital - Sukuk		-	-
Liabilities against assets subject to finance lease		-	-
Deferred liabilities		29,788,966	32,048,417
		<b>614,292,530</b>	<b>614,231,981</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		6,317,239,019	6,016,193,661
Accrued mark-up		1,036,252,984	1,036,252,984
Short term borrowings		1,742,837,597	1,743,205,264
Loan from directors and others		109,066,357	109,066,357
Current portion of			
Long term finances		1,395,756,210	1,399,006,210
Redeemable capital - Sukuk		611,335,643	611,335,643
Liabilities against assets subject to finance lease		12,516,552	12,516,552
Unclaimed dividend		36,467	36,467
Provision for taxation		39,016,010	36,761,215
		<b>11,264,056,839</b>	<b>10,964,374,353</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	4		
		<b>14,995,824,135</b>	<b>14,848,707,943</b>

The annexed notes from 1 to 8 form an integral part of these financial statements.

Chief Executive

Director

Chief Financial Officer



# QUETTA TEXTILE MILLS LIMITED

## CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2024

	Note	30 <sup>th</sup> Sep 2024 Rupees	30 <sup>th</sup> Sep 2023 Rupees
Sales		180,383,631	106,372,273
Cost of sales	5	(325,635,804)	(182,394,739)
<b>Gross (loss)</b>		<b>(145,252,173)</b>	<b>(76,022,465)</b>
Other income		4,186,824	5,014,573
		<b>(141,065,349)</b>	<b>(71,007,892)</b>
Distribution cost		(670,102)	(891,988)
Administrative expenses		(8,601,588)	(11,442,803)
Finance cost		(35,009)	(11,287,106)
		<b>(9,306,699)</b>	<b>(23,621,897)</b>
<b>(Loss) before taxation</b>		<b>(150,372,048)</b>	<b>(94,629,789)</b>
Provision for taxation			
Current tax - current period		(2,254,795)	(1,315,042)
Deferred		-	-
		<b>(2,254,795)</b>	<b>(1,315,042)</b>
<b>Net (loss) for the quarter</b>		<b>(152,626,843)</b>	<b>(95,944,831)</b>
<b>(Loss) per share - basic and diluted</b>		<b>(11.74)</b>	<b>(7.38)</b>

The annexed notes from 1 to 8 form an integral part of these financial statements.

Chief Executive

Director

Chief Financial Officer



# QUETTA TEXTILE MILLS LIMITED

## CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2024

	Note	30 <sup>th</sup> Sep 2024 Rupees	30 <sup>th</sup> Sep 2023 Rupees
<b>Net (loss) for the quarter</b>		(152,626,843)	(95,944,831)
Other comprehensive income			
<b>Items that may not be reclassified subsequently to profit and loss account:</b>			
(Income)/loss on remeasurement of staff retirement benefits		-	-
Impact of deferred tax		-	-
<b>Other comprehensive income/(loss) for the quarter</b>		-	-
<b>Total comprehensive (loss) for the quarter</b>		<u>(152,626,843)</u>	<u>(95,944,831)</u>

The annexed notes from 1 to 8 form an integral part of these financial statements.

Chief Executive

Director

Chief Financial Officer



**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**

FOR THE QUARTER ENDED SEPTEMBER 30, 2024

Note	30 <sup>th</sup> Sep 2024 Rupees	30 <sup>th</sup> Sep 2023 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss) before taxation	(150,372,048)	(94,629,789)
<b>Adjustments for:</b>		
Depreciation	44,538,335	45,913,489
Finance cost	35,009	11,287,106
Provision for gratuity	3,968,606	5,901,036
	<b>48,541,949</b>	<b>63,101,631</b>
Profit/(loss) before working capital changes	(101,830,098)	(31,528,158)
<b>(Increase) / decrease in current assets</b>		
Stores, spare parts and loose tools	1,725,421	3,503,307
Stock in trade	(210,468,787)	(11,494,924)
Trade debts	84,875,668	21,653,092
Advances, deposits, prepayments and other receivable	(120,276)	15,642,591
Other financial assets	69	-
	<b>(123,987,905)</b>	<b>35,505,164</b>
<b>(Decrease) / increase in current liabilities</b>		
Trade and other payables	301,045,357	124,385,575
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash generated from operations	<b>75,227,354</b>	<b>128,362,582</b>
Long term deposits	-	(4,463,551)
Interest paid	(35,009)	(1,856,015)
Gratuity paid	(6,228,056)	(46,793,273)
Taxes paid	(66,376,543)	(21,290,344)
	<b>(72,639,608)</b>	<b>(74,403,183)</b>
<b>Cash flows from operating activities</b>	<b>2,587,746</b>	<b>53,959,399</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	-	-
Proceeds from disposal of property, plant and equipment	-	-
<b>Cash (used in) investing activities</b>	<b>-</b>	<b>-</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term finances	(930,000)	(40,415,308)
Short term borrowings	(367,667)	(6,966,698)
	<b>(1,297,667)</b>	<b>(47,382,006)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1,290,079</b>	<b>6,577,393</b>
Cash and cash equivalent at the beginning of the quarter	<b>5,779,998</b>	<b>13,235,499</b>
<b>Cash and cash equivalent at the end of the quarter</b>	<b>7,070,077</b>	<b>19,812,892</b>

The annexed notes from 1 to 8 form an integral part of these financial statements.

Chief Executive

Director

Chief Financial Officer





# QUETTA TEXTILE MILLS LIMITED

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED SEPTEMBER 30, 2024

	Share Capital	Reserves			Equity portion of Loan from directors and others	Revaluation surplus on property, plant and equipment	Accumulated profit / (loss)	Total equity	
		Share premium	Capital reserve	General reserve					Sub total
<b>R u p e e s</b>									
<b>Balance as at June 30, 2023 as previously reported (Audited)</b>	130,000,000	651,750,000	1,200	115,000,000	766,751,200	212,728,470	7,178,781,469	(4,300,820,254)	3,987,440,885
Net (loss) for the quarter	-	-	-	-	-	-	-	(95,944,831)	(95,944,831)
Other comprehensive (loss) for the quarter	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	(95,944,831)	(95,944,831)
Revaluation surplus on property, plant and equipment (incremental depreciation) - net of deferred tax	-	-	-	-	-	-	(26,059,836)	26,059,836	-
<b>Balance as at September 30, 2023 (Un-Audited)</b>	<u>130,000,000</u>	<u>651,750,000</u>	<u>1,200</u>	<u>115,000,000</u>	<u>766,751,200</u>	<u>212,728,470</u>	<u>7,152,721,633</u>	<u>(4,370,705,249)</u>	<u>3,891,496,054</u>
<b>Balance as at June 30, 2024 as previously reported (Audited)</b>	130,000,000	651,750,000	1,200	115,000,000	766,751,200	212,728,470	7,104,771,535	(4,944,149,596)	3,270,101,609
Net (loss) for the quarter	-	-	-	-	-	-	-	(152,626,843)	(152,626,843)
Other comprehensive (loss) for the quarter	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	(152,626,843)	(152,626,843)
Revaluation surplus on property, plant and equipment (incremental depreciation) - net of deferred tax	-	-	-	-	-	-	(18,502,484)	18,502,484	-
<b>Balance as at September 30, 2024 (Un-Audited)</b>	<u>130,000,000</u>	<u>651,750,000</u>	<u>1,200</u>	<u>115,000,000</u>	<u>766,751,200</u>	<u>212,728,470</u>	<u>7,086,269,051</u>	<u>(5,078,273,955)</u>	<u>3,117,474,766</u>

The annexed notes from 1 to 8 form an integral part of these financial statements.

Chief Executive

Director

Chief Financial Officer

**1 SELECTED EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS**

**1.1** The Company was incorporated in Pakistan as a public limited Company in January 29, 1970 under the Companies Act, 1913 (repealed) (now The Companies' Act 2017) as a public limited company. The shares of the Company are listed on Pakistan Stock Exchange. The registered office of the company is situated at ground floor Nadir House I.I Chundrigarh road Karachi. The company is principally engaged in manufacturing and sale of Yarn and Fabric.

**1.2 Geographical location and address of business units**

Registered Office	Nadir House, Ground Floor, I.I. Chundrigar Road, Karachi.
Sub Office	7-8/A, Justice Sardar Iqbal Road, Gulberg V, Lahore.
Mills	P/3, S.I.T.E., Kotri. B/4, S.I.T.E., Kotri. 49 K.M., Lahore, Multan Road, Bhai Pheru.

**1.3 Going concern assumptions**

During the period, the Company incurred loss amounting to Rs. 152.627 million (June 30, 2024: loss of Rs. 703.850 million) and has reported accumulated losses amounting to Rs. 5,078.274 million (June 30, 2024: Rs. 4,944.149 million) at the period end. Accordingly, it resulted into equity of Rs. 3,117.475 million in current period (June 30, 2024: Rs. 3,270.101 million). In addition, the Company's current liabilities exceeded its current assets by Rs. 6,540.724 million (June 30, 2024: Rs. 6,432.696 million) at the period end. The main reason of low profits was due to significant decline in both local and global market, the Company is currently unable to resume operation at full capacity. The Company has initiated its operations 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:**

- 1.3.1** 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 period. Management believes that, company will be able to achieve satisfactory levels of profitability in the future based on the plans drawn up by the management for this purpose;
- 1.3.2** 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.
- 1.3.3** During the year 2023, 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.
- 1.3.4** 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.

- 1.4** These condensed interim financial information have been prepared in accordance with the International Financial Reporting Standards, International Accounting Standards (IAS) 34: Interim Financial Reporting as notified under the Companies Act, 2017 and the directives issued under the Act and in compliance with the requirement of section 237 of the Companies Act, 2017 and Rule Book of the Pakistan Stock Exchange
- 1.5** This condensed interim financial information has been prepared under 'historical cost convention' modified by:
- \* certain items of property, plant and equipment which have been included at revalued amount;
  - \* financial instruments at fair value; and
  - \* recognition of certain staff retirement benefits at present value
- 1.6** The accounting policies and methods of computation followed in the preparation of the 1st Quarterly financial statements are the same as those of the published annual financial statements for the year ended June 30, 2024

**QUETTA TEXTILE MILLS LIMITED****NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2024****2 PROPERTY, PLANT AND EQUIPMENT**

	Note	(Un-audited)	(Audited)
		30 <sup>th</sup> Sep 2024	30 <sup>th</sup> June 2024
		----- Rupees -----	
Operating assets	2.1	10,211,821,885	10,256,360,220
		<u>10,211,821,885</u>	<u>10,256,360,220</u>

2.1 The cost of acquisition and disposal to operating assets during the quarter ended September 30, 2024 were as follows:

	(Un-audited)		(Audited)	
	30th Sep 2024		30th June 2024	
	Acquisition	Disposal	Acquisition	Disposal
	Cost		Cost	
----- Rupees -----		----- Rupees -----		
<b>Owned assets</b>				
Plant & machinery	-	-	-	-
Office equipment & Furniture & fixture	-	-	-	-
Vehicles	-	-	-	1,766,700
<b>Total</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,766,700</u>

**3 STOCK IN TRADE**

The carrying value of pledged stock is Rs. NIL (June 30, 2024: Rs. NIL).

**4 CONTINGENCIES AND COMMITMENTS**

There has been no significant change in the contingencies and commitments since the last audited financial statements except as disclosed in note 4.1 and 4.2 respectively.

	(Un-audited)	(Audited)
	30 <sup>th</sup> Sep 2024	30 <sup>th</sup> June 2024
	-----Rupees -----	

**4.1 Contingencies**

Bank Guarantee issued by bank on behalf of the company

260,177,270	260,177,270
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There is no changes in the legal cases other than those enclosed in the annual financial statement as on June 30, 2024.

**4.2 Commitments**

Confirmed letter of credit in respect of:

	(Un-audited)	(Audited)
	30 <sup>th</sup> Sep 2024	30 <sup>th</sup> June 2024
	-----Rupees -----	

Raw material & spare parts

-	-
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# QUETTA TEXTILE MILLS LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2024

### 5 COST OF SALES

	(Un-audited)	(Un-audited)
	30 <sup>th</sup> Sep 2024	30 <sup>th</sup> Sep 2023
	-----Rupees -----	
Raw material consumed	37,892,513	47,811,588
Salaries, wages and benefits	114,115,246	45,121,038
Stores and spares consumed	2,995,198	10,557,780
Fuel, power and water	285,437,280	54,696,405
Rent, rates and taxes	315,831	696,991
Insurance expenses	245,911	472,475
Repairs and maintenance	713,413	541,470
Vehicle running and maintenance	1,913,228	4,308,424
Entertainment expenses	502,592	701,939
Communication expenses	175,406	361,998
Printing and stationery	73,420	110,020
Subscription	364,000	59,600
Travelling	184,008	176,858
Other expenses	12,750	471,450
Depreciation expenses	37,649,364	39,362,596
	<b>482,590,160</b>	<b>205,450,632</b>
<b>Work in process</b>		
Opening stock	70,874,321	93,286,287
Closing stock	(53,111,229)	(77,503,271)
	<b>17,763,092</b>	<b>15,783,016</b>
<b>Cost of goods manufactured</b>	<b>500,353,252</b>	<b>221,233,648</b>
<b>Finished goods</b>		
Opening balance	2,705,765,691	2,749,845,732
Closing stock	(2,880,483,139)	(2,788,684,641)
	<b>(174,717,448)</b>	<b>(38,838,909)</b>
	<b>325,635,804</b>	<b>182,394,739</b>

### 6 TRANSACTIONS WITH RELATED PARTIES

	(Un-audited)	(Un-audited)
	30th Sep 2024	30th Sep 2023
	-----Rupees -----	

Transactions with related parties	Relationship	30th Sep 2024	30th Sep 2023
Salaries and other employees benefits	Key management personnel	795,000	-

The CEO has decided to waive off his salary during the period.

### 7 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial information have been authorized for issue on **October 30, 2024** by the board of directors of the company.

### 8 GENERAL

Figures have been rounded off to the nearest rupees.

Chief Executive

Director

Chief Financial Officer