

REVIEWED FIANCIAL STATEMENT

FOR THE HALF YEAR ENDED

**DECEMBER 31, 2025
(UN-AUDITED)**



QUETTA

QUETTA TEXTILE MILLS LIMITED



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COMPANY INFORMATION

BOARD OF DIRECTORS

Mrs. Saima Asim
Mr. Asim Khalid
Mr. Omer Khalid
Mr. Tariq Iqbal
Mr. Tauqir Tariq
Mr. Muhammad Ubaid Zameer
Mr. Abbas Ali

Chairperson
Chief Executive
Director
Director
Director
Independent Director
Independent Director

AUDIT COMMITTEE

Chairman
Member
Member

Mr. Abbas Ali
Mrs. Saima Asim
Mr. Muhammad Ubaid Zameer

HUMAN RESOURCE & REMUNERATION COMMITTEE

Chairman
Member
Member

Mr. Abbas Ali
Mr. Omer Khalid
Mrs. Saima Asim

CHIEF FINANCIAL OFFICER

Mr. Omer Khalid

COMPANY SECRETARY

Nudrat Mund Khan

AUDITORS

J.A.S.B & Associates Chartered Accountants

SHARE REGISTRAR

C & K Management Associates (Pvt) Ltd
M-13, Progressive Plaza, Beaumont Road,
civil Lines quarters, Near PIDC, Karachi

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
Standard Chartered Bank (Pakistan) Limited
Bank Makramah Limited
United Bank Limited

REGISTERED OFFICE

Nadir House (Ground Floor)
I. I. Chundrigar Road, Karachi

MILLS

P/3 & B/4, S.I.T.E., Kotri.
49 K.M., Lahore, Multan Road, Bhai Pheru

WEB SITE ADDRESS

www.quettagroup.com



DIRECTORS' REPORT

Assalam-o-Alaikum

Dear Shareholders:

We present to you the results of the company for the half year & quarter ended December 31, 2025.

Your company made a pre-tax loss of Rs. 413.620 million, as compared to the corresponding last half-year pre-tax loss of Rs. 570.983 million. Turnover recorded for the half-year ended was Rs. 566.404 million, as compared to corresponding last half-year's turnover of Rs. 506.482 million.

Gas and electricity/power levies prices have been increased substantially to unsustainable levels, and these prices have not been translated to yarn & fabrics prices. At the same time, global demand for yarns and fabrics has still not improved. There is a significant slowdown in global economy.

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

On behalf of the Board of Directors.

ASIM KHALID
Chief Executive

Omer Khalid
Director

Karachi

Dated : February 27, 2026

کوئٹہ ٹیکسٹائل ملز لمیٹڈ



ڈائریکٹر رپورٹ

السلام علیکم
عزیز جنص یا فتگان

ہم 31 دسمبر 2025 کو ختم ہونے والی ششماہی اور سہ ماہی کیلئے کمپنی کے مالی نتائج پیش کرتے ہیں۔

کمپنی کا قبل ازیں ٹیکس نقصان گزشتہ ششماہی کے 570.983 ملین روپے کے مقابلے میں 413.620 ملین روپے رہا۔ ششماہی کیلئے فروخت سے حاصل آمدن گزشتہ ششماہی کے 506.482 ملین روپے کے مقابلے میں 566.404 ملین روپے ریکارڈ کی گئی۔

گیس اور بجلی / توانائی کے محصولات کی قیمتیں غیر مستحکم حد تک نمایاں طور پر بڑھادی گئی ہیں جبکہ ان قیمتوں کا اثر ابھی تک دھاگے اور کپڑوں کی قیمتوں میں شامل نہیں ہوا ہے۔ اس کے ساتھ ہی عالمی سطح پر دھاگوں اور کپڑوں کی طلب میں اب بھی بہتری نہیں آئی ہے۔ عالمی معیشت میں نمایاں سست روی جاری ہے۔

میں کمپنی کے ملازمین اور ورکروں کا شکر گزار ہوں جنہوں نے اس مشکل وقت میں کمپنی کے لیے اپنی محنت اور لگن کا مظاہرہ کیا۔

بورڈ آف ڈائریکٹرز کی جانب سے،

Amir Khalid

عمر خالد

ڈائریکٹر

Amir Khalid

عاصم خالد

چیف ایگزیکٹو

کراچی

تاریخ: 27 فروری، 2026



Chartered Accountants

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

REPORT OF REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying condensed interim Statement of financial position of **Quetta Textile Mills Limited** (the company) as at 31st December, 2025 and the related condensed interim statement of profit or loss, condensed statement of comprehensive Income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, together with the notes to the financial statements for the half year then ended (here-in-after referred to as the "interim financial statement"). Management is responsible for preparation and presentation of this interim financial reporting in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express conclusion on this Interim financial information based on our review.

The figures of the condensed interim statement of profit or loss, condensed interim statement of comprehensive Income for the quarters ended December 31, 2025 and December 31, 2024, and the notes forming part thereof have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2025.

Scope of Review

We conducted our review in accordance with the international Standards on Review Engagement 2410, "Review of interim financial information performed by the Independent Auditors of the Entity". A review of interim financial information consists of making inquiries, primarily of the person responsible for financial and accounting matters, and applying analytical and other review procedure. A review is substantially less in scope than in audit conducted in accordance with International Standards on auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis of Adverse Conclusion

The following observations come to our knowledge during our review of interim financial statement:

- a) As described in Note 1.3 to the financial statement the company incurred loss amounting to Rs. 420.7 million during the half year ended December 31, 2025 and as of that date, reported accumulated losses of Rs. 6,951.20 million. The Company's current liabilities exceeded its current assets by Rs. 8,097.01 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.

J.A.S.B. & Associates, Chartered Accountants



Business Redefined

- b) The company has not accounted for markup for the half year ended December 31, 2025 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 the financial statements, balance payable to various banks in respect of short-term financing amounting to Rs. 1,743.52 million, in respect of long-term financing amounting to Rs. 1,504.67 million, in respect of sukuk amounting to Rs. 611.34 million and margin with bank guarantee amounting to Rs. 5.1 million. 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. The balance payable to Orix Leasing amounting to Rs. 8.67 million against which out of court settlement is executed during the period.
- d) The cash and bank balance amounting to Rs. 5,673 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.
- e) The company does not comply with the requirements of IAS-12 with respect to deferred taxation and IFRS 16. Further, the Deferred Tax on Surplus on Revaluation of Fixed Assets has not been recognized in the financial statement amounting to Rs. 329.14 million as on reporting date and accordingly impact of deferred tax on incremental depreciation (current year & prior years) and on disposed items of Property, Plant & Equipment has not been properly recognized in the income statement.
- f) This is first year of review by J.A.S.B. & Associates and accordingly as required under ISA-510, we requested the outgoing auditor to allow access to review working papers to verify opening balances of the financial statements for the half year ended December 31, 2025, however, we have not received any response from the predecessor auditor.

Adverse Conclusion:

Based on our review, because of the significance of the matters discussed in paragraphs (a) to (g), the accompanying interim financial information for the half year ended December 31, 2025 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

The financial statements of the company for the half year ended December 31, 2024 were reviewed by another auditor who had expressed adverse opinion vide their report dated February 28, 2025.

The engagement partner on the review resulting in this independent auditor's review report is Basharat Rasool, FCA.


Chartered Accountants
Karachi

27 FEB 2026



QUETTA TEXTILE MILLS LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT DECEMBER 31, 2025

| | | [Un-Audited] | [Audited] |
|-------------------------------------------------------------------------|------|-----------------------|-----------------------|
| | Note | 31-Dec-25 Rupees | 30-Jun-25 Rupees |
| ASSETS | | | |
| NON CURRENT ASSETS | | | |
| Property, plant and equipment | 5 | 9,774,183,738 | 9,848,683,087 |
| Long term deposits | | 45,463,427 | 63,463,433 |
| | | <u>9,819,647,165</u> | <u>9,912,146,520</u> |
| CURRENT ASSETS | | | |
| Stores and spares | | 577,162,069 | 577,383,240 |
| Stock in trade | | 2,065,026,502 | 2,563,064,391 |
| Trade debts | | 205,361,668 | 271,413,807 |
| Advances, deposits, prepayments and other receivable | | 71,988,158 | 68,215,289 |
| Tax refund due from governments | | 651,855,582 | 710,237,493 |
| Other financial assets | | 54,926,078 | 66,659,336 |
| Cash and bank balances | | 5,195,190 | 8,354,836 |
| | | <u>3,631,515,247</u> | <u>4,265,328,392</u> |
| | | <u>13,451,162,412</u> | <u>14,177,474,912</u> |
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Authorized capital | | | |
| 20,000,000 (June 30, 2025: 20,000,000) ordinary shares of Rs. 10 each | | 200,000,000 | 200,000,000 |
| 15,000,000 (June 30, 2025: 15,000,000) preference shares of Rs. 10 each | | 150,000,000 | 150,000,000 |
| | | <u>350,000,000</u> | <u>350,000,000</u> |
| 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 | | 7,047,164,553 | 7,047,164,553 |
| Accumulated (loss) | | (6,951,202,163) | (6,530,501,789) |
| | | <u>1,205,442,060</u> | <u>1,626,142,434</u> |
| NON CURRENT LIABILITIES | | | |
| Long term finances | | 466,169,337 | 468,343,338 |
| Redeemable capital - Sukuk | | - | - |
| Liabilities against assets subject to finance lease | | - | 3,249,994 |
| Deferred liabilities | | 51,023,570 | 49,875,715 |
| | | <u>517,192,907</u> | <u>521,469,047</u> |
| CURRENT LIABILITIES | | | |
| Trade and other payables | | 6,363,392,573 | 6,667,875,023 |
| Accrued mark-up | | 1,033,771,531 | 1,033,771,528 |
| Short term borrowings | | 1,743,525,639 | 1,743,068,909 |
| Loan from directors and others | | 109,316,357 | 109,316,357 |
| Current portion of | | | |
| Long term finances | | 1,504,674,439 | 1,509,606,437 |
| Redeemable capital - Sukuk | | 611,335,643 | 611,335,643 |
| Liabilities against assets subject to finance lease | | 8,666,346 | 8,124,676 |
| Unclaimed dividend | | 36,467 | 36,468 |
| Provision for GIDC | | 333,515,000 | 333,515,000 |
| Provision for taxation | | 20,293,450 | 13,213,389 |
| | | <u>11,728,527,445</u> | <u>12,029,863,431</u> |
| CONTINGENCIES AND COMMITMENTS | | | |
| | 6 | - | - |
| | | <u>13,451,162,412</u> | <u>14,177,474,912</u> |

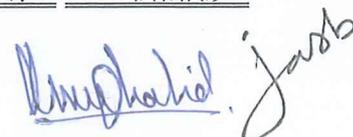
The annexed notes form an integral part of these condensed interim financial information.



Chief Executive



Director



Chief Financial Officer

QUETTA TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2025

| | Note | Half Year Ended | | Quarter Ended | |
|---------------------------------------------|------|----------------------|----------------------|----------------------|----------------------|
| | | 31-Dec-25 Rupees | 31-Dec-24 Rupees | 31-Dec-25 Rupees | 31-Dec-24 Rupees |
| Sales | | 566,404,861 | 506,482,195 | 310,545,752 | 326,098,564 |
| Cost of sales | 7 | (975,008,260) | (1,060,994,833) | (675,619,737) | (735,359,029) |
| Gross (loss) | | (408,603,399) | (554,512,638) | (365,073,985) | (409,260,465) |
| Other income | | 17,859,039 | 8,721,450 | 1,916,443 | 4,534,626 |
| | | <u>(390,744,360)</u> | <u>(545,791,188)</u> | <u>(363,157,542)</u> | <u>(404,725,839)</u> |
| Distribution cost | | (1,090,831) | (1,084,624) | (912,520) | (414,522) |
| Administrative expenses | | (19,482,858) | (21,302,639) | (13,956,712) | (12,701,051) |
| Finance cost | | (2,302,264) | (2,804,870) | (2,302,264) | (2,769,861) |
| | | <u>(22,875,953)</u> | <u>(25,192,133)</u> | <u>(17,171,496)</u> | <u>(15,885,434)</u> |
| (Loss) before levies and Income Tax | | (413,620,313) | (570,983,321) | (380,329,038) | (420,611,273) |
| Levies | | - | - | - | - |
| (Loss) before Income Tax | | (413,620,313) | (570,983,321) | (380,329,038) | (420,611,273) |
| Income Tax Expenses | | (7,080,061) | (6,406,196) | (3,881,821) | (4,076,232) |
| (Loss) for the half year | | (420,700,374) | (577,389,517) | (384,210,859) | (424,687,505) |
| (Loss) per share - basic and diluted | | (32.36) | (44.41) | (29.55) | (32.67) |

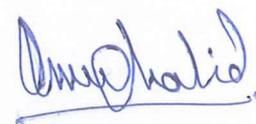
The annexed notes form an integral part of these condensed interim financial statements.



Chief Executive



Director



Chief Financial Officer

QUETTA TEXTILE MILLS LIMITED

CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2025

| | Half Year Ended | | Quarter Ended | |
|----------------------------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|
| | 31-Dec-25 Rupees | 31-Dec-24 Rupees | 31-Dec-25 Rupees | 31-Dec-24 Rupees |
| (Loss) for the half year | (420,700,374) | (577,389,518) | (384,210,859) | (424,687,506) |
| Other comprehensive income | | | | |
| Items that may not be re-classified subsequently to Profit or loss : | | | | |
| Actuarial (gain/loss) on premeasurement of employees retirement benefits - gratuity | - | - | - | - |
| Related deferred tax on premeasurement of employees retirement benefits - gratuity | - | - | - | - |
| Other comprehensive income/(loss) for the half year | - | - | - | - |
| Total comprehensive (loss) / income for the half year | (420,700,374) | (577,389,518) | (384,210,859) | (424,687,506) |

The annexed notes form an integral part of these condensed interim financial information.


Chief Executive


Saima Asim
Director


Chief Financial Officer

QUETTA TEXTILE MILLS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2025

| | Capital Reserves | | Revenue Reserves | | Sub total | Loan from directors and others | Total equity |
|--------------------------------------------------------------------------------------------------------------------|--------------------|--------------------|------------------------------------------------------|------------------------|--------------------|--------------------------------|----------------------|
| | Share Capital | Share premium | Revaluation surplus on property, plant and equipment | Accumulated (loss) | | | |
| Balance as at July 01, 2024 - Audited | 130,000,000 | 651,751,200 | 7,104,771,535 | (4,944,149,596) | 115,000,000 | 212,728,470 | 3,270,101,609 |
| (Loss) for the half year | - | - | - | (577,389,518) | - | - | (577,389,518) |
| Other comprehensive loss | - | - | - | - | - | - | - |
| Re-measurement of defined benefits liability | - | - | - | - | - | - | - |
| Revaluation loss on property, plant and equipment | - | - | - | - | - | - | - |
| Revaluation surplus on property, plant and equipment | - | - | - | - | - | - | - |
| Total comprehensive Income/(loss) for the | - | - | - | (577,389,518) | - | - | (577,389,518) |
| Surplus transferred to accumulated loss on account of incremental depreciation charged during the year- net of tax | - | - | (37,004,967) | 37,004,967 | - | - | - |
| Deferred tax liability on revaluation surplus loan received from director and others | - | - | - | - | - | - | - |
| Balance as at December 31, 2024 | 130,000,000 | 651,751,200 | 7,067,766,568 | (5,484,534,147) | 115,000,000 | 212,728,470 | 2,692,712,091 |
| Balance as at July 01, 2025 - Audited | 130,000,000 | 651,751,200 | 7,047,164,553 | (6,530,501,789) | 115,000,000 | 212,728,470 | 1,626,142,434 |
| (Loss) for the year | - | - | - | (420,700,374) | - | - | (420,700,374) |
| Other comprehensive loss | - | - | - | - | - | - | - |
| Revaluation loss on property, plant and equipment | - | - | - | - | - | - | - |
| Total comprehensive Income/(loss) for the half year | - | - | - | (420,700,374) | - | - | (420,700,374) |
| Surplus transferred to accumulated loss on account of incremental depreciation charged during the year- net of tax | - | - | - | - | - | - | - |
| Deferred tax liability on revaluation surplus loan received from director and others | - | - | - | - | - | - | - |
| Balance as at December 31, 2025 | 130,000,000 | 651,751,200 | 7,047,164,553 | (6,951,202,163) | 115,000,000 | 212,728,470 | 1,205,442,060 |

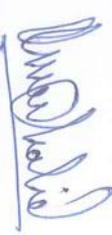
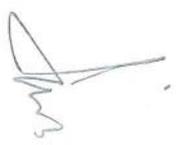
The annexed notes form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER



QUETTA TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2025

| | Half Year Ended | |
|-------------------------------------------------------------|---------------------|---------------------|
| | 31-Dec-25 Rupees | 31-Dec-24 Rupees |
| Note | | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| (Loss) before taxation | (420,700,374) | (570,983,321) |
| Adjustments for: | | |
| Depreciation | 74,499,351 | 89,066,764 |
| Amortization | - | - |
| Finance cost | 2,302,264 | 2,804,870 |
| Provision for appreciation in the value of investment | - | - |
| Profit on sale of property, plant and equipment | - | - |
| Provision for gratuity | 5,673,935 | 7,937,212 |
| | 82,475,550 | 99,808,846 |
| (Loss) before working capital changes | (338,224,824) | (471,174,475) |
| (Increase) / decrease in current assets | | |
| Stores, spare parts and loose tools | 221,171 | 60,000,000 |
| Stock in trade | 498,037,889 | (140,020,646) |
| Trade debts | 66,052,139 | 103,129,876 |
| Advances, deposits, prepayments and other receivable | (3,772,869) | 466,789 |
| Other financial assets | 11,733,258 | 48,500,000 |
| | 572,271,588 | 72,076,019 |
| (Decrease) / increase in current liabilities | | |
| Trade and other payables | (304,482,450) | 499,313,587 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Cash generated from operations | (70,435,686) | 100,215,131 |
| Long term deposits | 18,000,006 | (3,244,000) |
| Interest paid | (2,302,264) | (2,804,870) |
| Gratuity paid | - | (7,199,856) |
| Taxes paid | 56,545,563 | (74,866,175) |
| | 72,243,305 | (88,114,901) |
| Cash flows from operating activities | 1,807,619 | 12,100,230 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | - | - |
| Proceeds from sale of property, plant and equipment | - | - |
| Cash (used in) investing activities | - | - |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Long term finances | (2,174,001) | (1,660,000) |
| Liabilities against assets subject to finance lease | (3,249,994) | (5,000,000) |
| Short term borrowings | 456,730 | (1,818,422) |
| | (4,967,265) | (8,478,422) |
| Net increase/(decrease) in cash and cash equivalents | (3,159,646) | 3,621,808 |
| Cash and cash equivalent at the beginning of the half year | 8,354,836 | 5,779,998 |
| Cash and cash equivalent at the end of the half year | 5,195,190 | 9,401,806 |

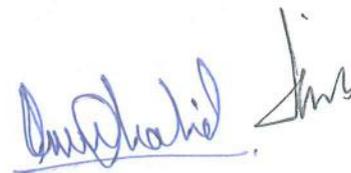
The annexed notes form an integral part of these condensed interim financial information.



Chief Executive



Director



Chief Financial Officer

1 SELECTED EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

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

1.2 Geographical location and address of business units

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

1.3 Going concern assumptions

During the period, the Company incurred loss amounting to Rs. 420.7 million (June 30, 2025: Rs. 1,636.75 million) and has reported accumulated losses amounting to Rs. 6,951.20 million (June 30, 2025 : Rs. 6,530.50 million) at the period end. Accordingly, it resulted equity of Rs. 1,205.44 million in current period (June 30, 2025: equity Rs. 1,626.14 million). In addition, the Company's current liabilities exceeded its current assets by Rs. 8,097.01 million (June 30, 2025: Rs. 7,764.53 million) at the period end. The main reason of loss was due to operational break down because of short of working capital which dropped the production operational efficiency and restricted to the extend 65% of available capacity. The QTM also suffered losses due to slowdown in demand for cotton yarns and fabrics in the international markets.

These financial statements have been prepared by the management on going concern basis on the grounds that the Company will be able to achieve satisfactory levels of growth in the future based on the plans drawn up by the management for this purpose.

To substantiate its going concern assumption:

1.3.1 The management of the company is negotiating an amicable settlement of further financing for working capital with the banking companies and financial institutions. Series of meetings in this regards have also been held and the matter is being persuaded aggressively with the banks and financial institutions. Management is confident to get positive response and will be able to negotiate on favorable terms with the banking companies and financial institutions in order release finance for working capital requirements to run operations smoothly.

1.3.2 The management has prepared five years future plan showing positive growth in operation and business of the company which is supported by increase in production of yarn during the year. Management believes that, company will be able to achieve satisfactory levels of profitability in the future based on the plans drawn up by the management for this purpose;

1.3.3 The company's weaving mills sales suffered due to adverse market conditions. However, the management continue operations to conversion by doing job work. Now we have orders and are continuing operations on mostly conversion basis. Based on the availability of conversion market and orders. The management anticipates better operational efficiencies and plant utilization, during the last year the company has incurred Rs. 6.018 million on BMR in weaving section, which has resulted in efficiency and production subsequent to the period end the company has replaced some looms for better efficiency.

1.3.4 Directors and sponsors of the company, they committed that they would also continue such support in future; and

1.3.5 The management has also undertaken adequate steps towards the reduction of fixed cost and expenses which are at various stages of implementation. Such steps include, but not limited to, rightsizing of the men power, resource conservation, close monitoring of other fixed cost etc. The management is certain to generate sufficient savings as consequences of adapting all such measures.

The management anticipates that above steps will not only bring the Company out of the existing financial crisis but also contribute significantly towards the improvement of the company financial position in the foreseeable future.

1.4 These condensed interim financial information have been prepared in accordance with the International Financial Reporting Standards, International Accounting Standards (IAS) 34: Interim Financial Reporting as notified under the Companies Act, 2017 and the directives issued under the Act and in compliance with the requirement of section 237 of the Companies Act, 2017 and Rule Book of the Pakistan Stock Exchange Limited.

1.5 This condensed interim financial information has been prepared under 'historical cost convention' modified by:

- * certain items of property, plant and equipment which have been included at revalued amount;
- * financial instruments at fair value; and
- * recognition of certain staff retirement benefits at present value

1.6 The accounting policies and methods of computation followed in the preparation of the half yearly financial statements are the same as those of the published annual financial statements for the period ended June 30, 2025.



QUETTA TEXTILE MILLS LIMITED
 NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
 FOR THE HALF YEAR ENDED DECEMBER 31, 2025

2 BASIS OF PREPARATION

2.1 Statement of compliance

(a) These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- (i) International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 and
- (ii) Provisions of and directives issued under the Companies Act, 2017.
 Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.
- (b) This condensed interim financial statement is unaudited and is being submitted to the shareholders as required under Section 237 of the Companies Act, 2017. This condensed interim financial statement does not contain all the information required for a complete set of financial statements, and should be read in conjunction with the published audited financial statements of the company for year ended 30 June 2025.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies and methods of computation adopted for the preparation of the financial statements for the half yearly ended December 31, 2025 on the same as those applied in the preparation for the annual audited statement for the year ended June 30, 2025.

4 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

- 4.1 The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.
- 4.2 Judgments and estimates made by management in the preparation of this condensed interim financial information are the same as those that were applied to the financial statements as at and for the year ended 30 June, 2025.
- 4.3 The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 30 June 2025.

5 PROPERTY, PLANT AND EQUIPMENT

| | Note | (Un-audited) | (Audited) |
|------------------|------|----------------------|----------------------|
| | | 31-Dec-25 | 30-Jun-25 |
| | | ----- Rupees ----- | |
| Operating assets | 5.1 | 9,774,183,738 | 9,848,683,087 |
| | | <u>9,774,183,738</u> | <u>9,848,683,087</u> |

6 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 6.1 and 6.2 respectively.

| | (Un-audited) | (Audited) |
|--------------------------------------------------------|--------------------|--------------------|
| | 31-Dec-25 | 30-Jun-25 |
| | | ----- Rupees ----- |
| 6.1 Contingencies | | |
| Bank Guarantee issued by bank on behalf of the company | <u>104,073,007</u> | <u>104,073,007</u> |

There is no changes in the legal cases other than those enclosed in the annual financial statement as on 30 June, 2025.

6.2 Commitments

Confirmed letter of credit in respect of:
 Stores and spares



QUETTA TEXTILE MILLS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2025

7 COST OF SALES

| | (Un-audited) | (Un-audited) |
|-----------------------------------|------------------------------|------------------------------|
| | Half Year Ended 31-Dec-25 | Half Year Ended 31-Dec-24 |
| | -----Rupees ----- | |
| Raw material consumed | 200,950,500 | 286,808,029 |
| Salaries, wages and benefits | 187,173,935 | 241,288,455 |
| Stores and spares consumed | 2,871,750 | 66,817,156 |
| Fuel, power and water | 202,283,177 | 450,844,266 |
| Rent, rates and taxes | 440,935 | 533,250 |
| Insurance expenses | - | 249,027 |
| Repairs and maintenance | 1,015,563 | 1,117,110 |
| Vehicle running and maintenance | 5,528,299 | 4,698,534 |
| Entertainment expenses | 1,354,318 | 1,999,005 |
| Communication expenses | 181,142 | 388,017 |
| Legal & professional charges | 700,000 | - |
| Printing and stationery | 29,520 | 123,420 |
| Subscription | 393,935 | 505,700 |
| Travelling | 173,706 | 412,692 |
| Other expenses | 324,740 | 306,800 |
| Depreciation expenses | 74,499,351 | 76,748,130 |
| | 677,920,871 | 1,132,839,591 |
| Work in process | | |
| Opening stock | - | 70,874,321 |
| Closing stock | - | - |
| | - | 70,874,321 |
| Cost of goods manufactured | 677,920,871 | 1,203,713,912 |
| Finished goods | | |
| Opening balance | 2,362,113,891 | 2,705,765,691 |
| Goods purchase: | | |
| Yarn Purchase | - | - |
| Closing stock | (2,065,026,502) | (2,848,484,770) |
| | 297,087,389 | (142,719,079) |
| | 975,008,260 | 1,060,994,833 |

8 DISCLOSURE REQUIREMENT FOR SHARIAH COMPLIANT COMPANIES

| | (Un-audited) | (Un-audited) |
|-----------------------------------------------------------|------------------------------|------------------------------|
| | Half Year Ended 31-Dec-25 | Half Year Ended 31-Dec-24 |
| | -----Rupees ----- | |
| Loans / advances obtained under islamic mode of financing | 1,535,470,111 | 1,539,656,111 |

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QUETTA TEXTILE MILLS LIMITED
 NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
 FOR THE HALF YEAR ENDED DECEMBER 31, 2025

9 TRANSACTIONS WITH RELATED PARTIES

| | | (Un-audited) 31-Dec-25 | (Un-audited) 31-Dec-24 |
|---------------------------------------|--------------------------|---------------------------|---------------------------|
| | | -----Rupees----- | |
| Transactions with related parties | Relationship | | |
| Loan received/(repaid) - net | Key management personnel | - | - |
| Salaries and other employees benefits | Key management personnel | 3,390,000 | 3,440,000 |

10 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial information have been authorized for issue on the company.

27 FEB 2026

by the Board of Directors of

11 GENERAL

Figures have been rounded off to the nearest rupees.


 Chief Executive


 Director


 Chief Financial Officer

AC

M.A.S

OK

If undeliver please return to:

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