

1st QUARTER ACCOUNT
FOR THE PERIOD ENDED
SEPTEMBER 30, 2023
(UN-AUDITED)



QUETTA TEXTILE MILLS LIMITED



QUETTA TEXTILE MILLS LIMITED

CONTENTS

Director's Report to the Members (English)	2
Director's Report to the Members (Urdu)	3
Condensed Interim Statement of Financial Position	4
Condensed Interim Statement of Profit or Loss (Un-audited)	5
Condensed Interim Statement of Other Comprehensive Income (Un-audited)	6
Condensed Interim Statement of Cash Flows (Un-audited)	7
Condensed Interim Statement of Changes in Equity (Un-audited)	8
Notes to the Condensed Interim Financial Statements (Un-audited)	9



DIRECTORS' REPORT

Assalam-e-Alaikum

Dear Shareholders:

We present to you the results of the company for the quarter ended September 30, 2023.

OPERATION RESULTS

Your company made a pre-tax loss of Rs. 93.307 (M), as compared to the corresponding last year's Quarter pre-tax loss of Rs. 88.016 (M). Turnover for the Quarter ended was Rs. 106.372 (M), as compared to corresponding last year's Quarter sales of Rs. 888.115 (M). Pre-tax loss as a percentage comes to 87.718 % for the Quarter ended on September 30, 2023, as compared to 9.910 % which was corresponding last Quarter pre-tax loss as a percentage.

The textile industry of Pakistan is facing multiple crises, such as very high electricity and gas prices, shortage of gas supply, high fuel price, fluctuating yarn and fabric prices, exchange rate uncertainties, double-digit inflation and high cost of doing business.

Despite the operational and financial hardships, the directors are committed to running the company. An approximate amount of Rs. 40 million was injected during Financial Year 2022-2023. The Company has already re-structured its outstanding amounts into scattered and settlement arrangements with some banks. Discussions are in process with other 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, 2023



کوئٹہ ٹیکسٹائل ملز لمیٹڈ
ڈائریکٹرز رپورٹ

السلام علیکم!
معزز حصص یافتگان!
ہم کمپنی کے سہ ماہی ختمہ 30 ستمبر 2023 کے نتائج پیش کر رہے ہیں۔

کاروباری نتائج

آپ کی کمپنی کو 93.307 ملین روپے کا قبل از ٹیکس خسارہ ہوا جبکہ گزشتہ سال اسی سہ ماہی میں قبل از ٹیکس خسارہ 88.016 ملین روپے تھا۔
فروخت 106.372 ملین روپے رہی جبکہ گزشتہ سال اسی سہ ماہی میں فروخت 888.115 روپے تھی۔ قبل از ٹیکس خسارہ کی شرح
87.718 فیصد رہی جبکہ گزشتہ سال اسی مدت میں اس کی شرح 9.910 فیصد تھی۔

پاکستان کی ٹیکسٹائل صنعت کو کئی بحرانوں کا سامنا ہے جن میں بجلی اور گیس کے انتہائی بلند نرخ، گیس کی فراہمی میں قلت، زرمبادلہ کی غیر یقینی
صورتحال، دہرے ہند سے کافر اطر اور کاروبار کرنے کی بلند لاگت شامل ہیں۔

کاروباری اور مالیاتی مشکلات کے باوجود ڈائریکٹرز ان کمپنی کو چلانے کے لئے کوشاں ہیں۔ مالیاتی سال 2022-2023 کے دوران تقریباً
40 ملین روپے کاروبار میں لگائے گئے۔ کمپنی نے پہلے ہی کچھ بینکوں کے ساتھ ہی بقایا جات کی رقم کا علیحدہ علیحدہ تصفیہ کے اہتمام کر لئے ہیں۔
دیگر بینکوں کے ساتھ باہمی مفاہمت شدہ واپس ادائیگی کے منصوبہ مرتب کرنے کے لئے گفت و شنید جاری ہے۔

میں کمپنی کے تمام عملہ اور ملازمین کو کمپنی کے لئے ان کے اعتماد اور کوششوں پر مشکور ہوں۔

عمر خالد
ڈائریکٹر

منجانب بورڈ
طارق اقبال
چیف ایگزیکٹو آفیسر

کراچی

مورخہ: 30 اکتوبر 2023



QUETTA TEXTILE MILLS LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 2023

	Note	30 th Sep 2023 Rupees (Un-Audited)	30 th June 2023 Rupees (Audited)
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	2	10,394,766,996	10,440,680,485
Long term deposits		56,324,571	51,861,020
		10,451,091,567	10,492,541,505
CURRENT ASSETS			
Stores and spares		589,812,428	593,315,735
Stock in trade	3	2,959,246,273	2,947,751,349
Trade debts		108,164,951	129,818,043
Advances, deposits, prepayments and other receivable		56,869,945	72,512,536
Tax refund due from governments		658,739,427	637,449,082
Other financial assets		117,952,582	124,153,680
Cash and bank balances		19,812,892	13,235,499
		4,510,598,497	4,518,235,924
		14,961,690,064	15,010,777,429
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital			
20,000,000 (June 30, 2023: 20,000,000) ordinary shares of Rs. 10 each		200,000,000	200,000,000
15,000,000 (June 30, 2023: 15,000,000) preference shares of Rs. 10 each		150,000,000	150,000,000
		350,000,000	350,000,000
Issued, subscribed and paid-up capital		130,000,000	130,000,000
Reserves		766,751,200	766,751,200
Equity portion of Loan from directors and others		212,728,470	212,728,470
Revaluation surplus on property, plant and equipment		7,152,721,633	7,178,781,469
Accumulated profit / (loss)		(4,370,705,249)	(4,300,820,254)
		3,891,496,054	3,987,440,885
NON CURRENT LIABILITIES			
Long term finances		506,683,564	517,683,564
Redeemable capital - Sukuk		-	-
Liabilities against assets subject to finance lease		-	-
Deferred liabilities		47,681,383	88,573,620
		554,364,947	606,257,184
CURRENT LIABILITIES			
Trade and other payables		5,455,224,826	5,330,839,250
Accrued mark-up		1,045,684,075	1,036,252,984
Short term borrowings		1,947,529,727	1,954,496,425
Loan from directors and others		109,066,357	109,066,357
Current portion of			
Long term finances		1,285,289,075	1,314,704,383
Redeemable capital - Sukuk		611,335,643	611,335,643
Liabilities against assets subject to finance lease		18,288,552	18,288,552
Unclaimed dividend		36,467	36,467
Provision for taxation		43,374,342	42,059,299
		10,515,829,064	10,417,079,360
CONTINGENCIES AND COMMITMENTS			
	4	14,961,690,064	15,010,777,429

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, 2023

	Note	30 th Sep 2023 Rupees	30 th Sep 2022 Rupees
Sales		106,372,273	888,114,849
Cost of sales	5	(182,394,739)	(1,112,383,807)
Gross (loss)		(76,022,465)	(224,268,958)
Other income		5,014,573	171,434,114
		(71,007,892)	(52,834,844)
Distribution cost		(891,988)	(2,820,843)
Administrative expenses		(11,442,803)	(24,381,168)
Finance cost		(11,287,106)	(7,979,279)
		(23,621,897)	(35,181,290)
(Loss) before taxation		(94,629,789)	(88,016,135)
Provision for taxation			
Current tax - current period		(1,315,042)	(11,013,704)
Deferred		-	-
		(1,315,042)	(11,013,704)
Net (loss) for the quarter		(95,944,831)	(99,029,839)
(Loss) per share - basic and diluted		(7.38)	(7.62)

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, 2023

	Note	30 th Sep 2023 Rupees	30th Sep 2022 Rupees
Net (loss) for the quarter		(95,944,831)	(99,029,839)
Other comprehensive income			
Items that may not be reclassified subsequently to profit and loss account:			
(Income)/loss on premeasurement of staff retirement benefits		-	4,937,115
Impact of deferred tax		-	-
Other comprehensive income/(loss) for the quarter		-	4,937,115
Total comprehensive (loss) for the quarter		<u>(95,944,831)</u>	<u>(94,092,725)</u>

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 CASH FLOWS (UN-AUDITED)**
FOR THE QUARTER ENDED SEPTEMBER 30, 2023

	Note	30 th Sep 2023 Rupees	30 th Sep 2022 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) before taxation		(94,629,789)	(88,016,135)
Adjustments for:			
Depreciation		45,913,489	47,203,471
Amortization		-	142,031
Finance cost		11,287,106	7,979,279
Profit on sale of property, plant and equipment		-	(1,307,158)
Provision for appreciation in the value of investment		-	(3,137)
Reversal of markup provisions		-	(167,820,331)
Provision for gratuity		5,901,036	12,015,846
		63,101,631	(101,789,999)
Profit/(loss) before working capital changes		(31,528,158)	(189,806,134)
(Increase) / decrease in current assets			
Stores, spare parts and loose tools		3,503,307	2,687,723
Stock in trade		(11,494,924)	(244,970,717)
Trade debts		21,653,092	(246,159,799)
Advances, deposits, prepayments and other receivable		15,642,591	(12,226,744)
Other financial assets		6,201,098	(4,222,346)
		35,505,164	(504,891,883)
(Decrease) / increase in current liabilities			
Trade and other payables		124,385,575	834,295,247
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations		128,362,582	139,597,230
Long term deposits		(4,463,551)	(3,000,000)
Interest paid		(1,856,015)	1,459,313
Gratuity paid		(46,793,273)	(5,834,377)
Taxes paid		(21,290,344)	(109,812,566)
		(74,403,183)	(117,187,630)
Cash flows from operating activities		53,959,399	22,409,600
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		-	(25,272,830)
Proceeds from disposal of property, plant and equipment		-	1,425,000
Cash (used in) investing activities		-	(23,847,830)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term finances		(40,415,308)	14,654,411
Short term borrowings		(6,966,698)	(20,103,348)
		(47,382,006)	(5,448,937)
Net increase/(decrease) in cash and cash equivalents		6,577,393	(6,887,167)
Cash and cash equivalent at the beginning of the quarter		13,235,499	37,872,850
Cash and cash equivalent at the end of the quarter		19,812,892	30,985,684

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 CHANGES IN EQUITY
 FOR THE QUARTER ENDED SEPTEMBER 30, 2023

	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
Rupees									
Balance as at June 30, 2022 as previously reported (Audited)	130,000,000	651,750,000	1,200	115,000,000	766,751,200	212,728,470	7,254,689,092	(3,468,239,488)	4,895,929,274
Net (loss) for the quarter	-	-	-	-	-	-	-	(99,029,839)	(99,029,839)
Other comprehensive (loss) for the quarter	-	-	-	-	-	-	-	4,937,115	4,937,115
Revaluation surplus on property, plant and equipment (incremental depreciation) - net of deferred tax	-	-	-	-	-	-	-	(94,092,725)	(94,092,725)
	-	-	-	-	-	-	(18,976,906)	18,976,906	-
Balance as at September 30, 2022 (Un-Audited)	<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>7,235,712,186</u>	<u>(3,543,355,307)</u>	<u>4,801,836,549</u>
Balance as at June 30, 2023 - as previously reported (Audited)	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
	-	-	-	-	-	-	(26,059,836)	26,059,836	-
Balance as at September 30, 2023 (Un-Audited)	<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>

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. 95.94 million (June 30, 2023: loss of Rs. 985.068 million) and has reported accumulated losses amounting to Rs. 4,370.705 million (June 30, 2023: Rs. 4,300.820 million) at the period end. Accordingly, it resulted into equity of Rs. 3,891.496 million in current period (June 30, 2023: Rs. 3,987.440 million). In addition, the Company's current liabilities exceeded its current assets by Rs. 6,005.231 million (June 30, 2023: Rs. 5,898.843 million) at the period end. The main reason of loss was due to operational break down because of dropped the production operational efficiency and restricted to the extend Spinning (22%) and Weaving (27%) of available capacity. The QTML also incurred loss 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 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;
- 1.3.2 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. 22.738 million on BMR, which has resulted in efficiency and production subsequent to the year end the company has replaced some looms for better efficiency.
- 1.3.3 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.
- 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, 2023



2 PROPERTY, PLANT AND EQUIPMENT

	Note	(Un-audited)	(Audited)
		30 th Sep 2023	30 th June 2023
		----- Rupees -----	
Operating assets	2.1	10,394,766,996	10,440,680,485
		10,394,766,996	10,440,680,485

2.1 The cost of acquisition and disposal to operating assets during the quarter ended September 30, 2023 were as follows:

	(Un-audited) 30th Sep 2023		(Audited) 30th June 2023	
	Acquisition Cost ----- Rupees -----	Disposal	Acquisition Cost ----- Rupees -----	Disposal
Owned assets				
Plant & machinery	-	-	22,738,580	-
Office equipment & Furniture & fixture	-	-	95,000	-
Vehicles	-	-	2,517,250	1,128,000
Total	-	-	25,350,830	1,128,000

3 STOCK IN TRADE

The carrying value of pledged stock is Rs. NIL (June 30, 2023: 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 th Sep 2023	30 th June 2023
		-----Rupees -----

4.1 Contingencies

Bank Guarantee issued by bank on behalf of the company

198,173,270 260,177,270

There is no changes in the legal cases other than those enclosed in the annual financial statement as on June 30, 2023.

4.2 Commitments

Confirmed letter of credit in respect of:

	(Un-audited)	(Audited)
	30 th Sep 2023	30 th June 2023
		-----Rupees -----

Raw material & spare parts

- -



5 COST OF SALES

	(Un-audited) 30 th Sep 2023	(Un-audited) 30 th Sep 2022
	-----Rupees -----	
Raw material consumed	47,811,588	709,745,057
Salaries, wages and benefits	45,121,038	144,143,857
Stores and spares consumed	10,557,780	46,288,518
Fuel, power and water	54,696,405	296,552,024
Rent, rates and taxes	696,991	174,240
Insurance expenses	472,475	4,433,520
Repairs and maintenance	541,470	843,707
Vehicle running and maintenance	4,308,424	4,486,891
Entertainment expenses	701,939	847,827
Communication expenses	361,998	280,503
Printing and stationery	110,020	353,829
Subscription	59,600	1,299,928
Travelling	176,858	402,427
Legal and professional charges	-	100,000
Other expenses	471,450	187,410
Depreciation expenses	39,362,596	40,005,013
	205,450,632	1,250,144,750
Work in process		
Opening stock	93,286,287	136,830,642
Closing stock	(77,503,271)	(107,053,198)
	15,783,016	29,777,444
Cost of goods manufactured	221,233,648	1,279,922,194
Finished goods		
Opening balance	2,749,845,732	2,174,768,976
Closing stock	(2,788,684,641)	(2,342,307,363)
	(38,838,909)	(167,538,387)
	182,394,739	1,112,383,806

6 TRANSACTIONS WITH RELATED PARTIES

	(Un-audited) 30 th Sep 2023	(Un-audited) 30 th Sep 2022
	-----Rupees -----	

Transactions with related parties	Relationship		
Salaries and other employees benefits	Key management personnel	-	4,290,207

The Directors have decided to waive off their salary during the period.

7 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial information have been authorized for issue on **October 30, 2023** 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