

51th ANNUAL REPORT 2020



QUETTA

QUETTA TEXTILE MILLS LIMITED



**ANNUAL REPORT
JUNE 30, 2020**

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COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Tauqir Tariq	Chairman
Mr. Tariq Iqbal	Chief Executive
Mr. Asim Khalid	Director
Mr. Omer Khalid	Director
Mrs. Saima Asim	Director
Major Rtd. Muhammad Saeed	Independent Director
Mr. Shaukat Hussain	Independent Director

AUDIT COMMITTEE

Chairman	Major Rtd. Muhammad Saeed
Member	Mr. Tauqir Tariq
Member	Mr. Shaukat Hussain

**HUMAN RESOURCE & REMUNERATION
COMMITTEE**

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

CHIEF FINANCIAL OFFICER

Mr. Omer Khalid

COMPANY SECRETARY

Mr. Nudrat Mund Khan

AUDITORS

Mushtaq and Company
Chartered Accountants

BANKERS

Allied Bank Limited
Al-Baraka Bank (Pakistan) Limited
Bank Alfalah Limited
Bank Islami (Pakistan) Limited
Dubai Islamic Bank (Pakistan) Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metro Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Soneri Bank Limited
Silk Bank Limited
Standard Chartered Bank (Pakistan) Limited
Summit Bank Limited
United Bank Limited

REGISTERED OFFICE

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

MILLS

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

WEB SITE ADDRESS

www.quettagroup.com



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 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 **59th Annual General Meeting** of the Shareholders of **Quetta Textile Mills Limited** will be held on **Saturday October 24, 2020 at 09.00 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 58th EOGM held on January 25, 2020.
2. To receive, consider and approve the report of the Chairman Directors, Auditors and Audited Accounts of the Company for the year ended June 30, 2020.
3. To appoint Auditors for the year 2020-2021 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 or business with the permission of the Chairman.

By order of the Board of Directors

NUDRAT MUND KHAN

Company Secretary

Karachi:

Dated: October 03, 2020

Notes:

1. In pursuance of Circular No. 05 dated March 17, 2020, and Circular No. 25 dated August 31, 2020 of "SECP" to avoid COVID 19 situation the proceedings of the meeting will be carried out also through video-link facility. In order to attend the Meeting through such facility, the Members are requested to get themselves registered not later than 72 hours before meeting by providing the following information on contact detail as given below.

Full Name	CNIC No.	Folio No.	Email Address	Cell No.

The video-link for the meeting will be sent to the Members on their provided email address. The Login facility will remain open from 9.00 am till the end of meeting. In case of any suggestions or comments for the agenda items, the Members may send the same at the email address and WhatsApp no as mentioned below:

Contact Telephone No. +92 21 32414872 (direct), +92 21 32414334-6 (Ext: 216)

Detail: WhatsApp No. +92 3212382322 - Email : sales@quettagroup.com

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.
3. For the purpose of entitlement of dividend, the Register of the members of the Company will remain closed at registered office from October 17, 2020 to October 24, 2020 (both days inclusive) and if dividend approved will be paid to such members whose name appear in the Company's register of member at the close of business on October 16, 2020.
4. **Guidelines for CDC Account Holders for personal attendance:**
 - i) In case of individuals, the account holders or sub-account holders and / or the person whose securities are in group account and their registration details are uploaded as per Regulations, shall authenticate his / her identity by showing his/her original CNIC at the time of attending the meeting.
 - ii) 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.
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 Company 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 shareholders are also requested again to provide Computerized National Identity Card also to Shares Registrar, CDC and sub account holder update with their brokers.



Chairman's Review

The Board of Directors is performing its duties in accordance with law and in the best interest of company and its shareholders.

The Company has set its corporate governance standards that involves balancing the interest of company's various stake holders like shareholders, management, customers, suppliers, financiers, government and the community. These standards also provide the framework for attaining a company's objectives which encompasses every practical sphere of management from action plans and internal controls to performance measurement and corporate disclosure.

As required under the Code of Corporate Governance, an annual evaluation of the Board of Directors of Quetta Textile Mills Limited is carried out. The purpose of this evaluation is to ensure that the Board's overall performance and effectiveness are measured and benchmarked against expectations in the context of objectives set for the Company.

Financial Reporting:

With strong oversight on the reporting front, the Board has a responsibility to provide clear visibility of financial reports to stakeholders in accordance with the Financial Reporting framework applicable in Pakistan. During the year, we incorporate with the new IFRS requirements and ensured compliance with the disclosure requirement of the Company Act.

Board Member Appointment:

On January 27, 2020 Mr. Shaukat Hussain was appointed as Independent Director of the Company in place of outgoing directors.

Acknowledgment:

Finally, I would like to thank all our Board members for their commitment and contribution. I would like to thank our employees, Customers and suppliers for their support and hard work in past and I look forward to continue working with them to attain success in future.

Tauqir Tariq
Chairman

Karachi

Dated: September 30, 2020

DIRECTORS' REPORT TO THE MEMBERS

Dear Shareholders,

The Directors of Quetta Textile Mills Limited present audited accounts and annual report of the Company for the year ended June 30, 2020, along-with Auditor's Report thereon:

Financial Results

	June 30, 2020	June 30, 2019	Variation
	(Rupees in '000)		
Sales	3,616.535	4,248.480	(14.87)%
Cost of sales	(4,198.855)	(4,514.120)	(06.98)%
Gross profit / (loss)	(582,320)	(265.640)	-
Profit / (Loss) before taxation	(737,351)	(520.922)	-
Taxation	23,281	152.018	-
Profit /(Loss) after taxation	(714,070)	(368.904)	-
Other Comprehensive income / (Loss)	(13,070)	(2.770)	-
Accumulated Profit Brought Forward	(2,569,630)	(2,260.537)	-
Less: Dividend Paid	-	-	-
	(3,296,770)	(2,632.211)	-
Transfer from Surplus on Revaluation of Property Plant & Equipment	59,451	62.581	-
Accumulated (loss)/profit Carried Forward	(3,237,319)	(2,569.630)	-

Review of Operation:

The above are results of the company for the year ended June 30, 2020. Turnover for the year was Rs. 3,616.535 million. With the said turnover, your company made a loss before tax of Rs. 737.351 million as compared to Rs. 520.922 million last year. Pre-tax loss has increased by Rs. 216.429 million, a reduction of 41.54 %.

We draw attention to the financial statements which indicates that the company incurred a net loss before tax of Rupees 737.351 million during the year ended June 30, 2020 and, as of that date, the company's current liabilities exceeds its current assets by Rupees 5,162.455 million. We would like to add that the company is actively pursuing its long-term strategy of its operations by revamping and utilizing its facilities optimally. We are confident in improving the financial position of the Company in the near future.

Director and sponsors of the Company, they committed they would also continue such support in future.

Chairman's Review:

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

Earning per Shares:

The earning share (EPS) of current year is Rs. (54.93), as compared to Rs. (28.38) for the last year.

Dividend:

The Board of Directors have recommended 'Nil' dividend for the year ended June 30, 2020, due to losses.



Retire Benefit Funds:

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

Future Textile Outlook:

Pakistan's textile industry is still going through one of the toughest periods. Initially during first six months, there was mis-match of cost and revenue. From March to June 2020, the financials reflect the impact of pandemic of COVID – 19 which was spread throughout the world and in Pakistan. During lock-down, all our manufacturing units in Kotri and Bhai Pheru were closed down for around four months. However, businesses started to re-open slowly and gradually.

State Bank of Pakistan announced reliefs in shape of fresh financing for reimbursement of salaries and wages and in addition deferment of due loans and markups etc. The company was unable to obtain any relief announced by Government of Pakistan on account of non-performing of debt servicing with banks. However, subsequent to close of financial year June 30, 2020, we anticipate that the business environment for manufacturing textile industry has been comparatively good.

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 Auditors 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:

- The Police hospital - Hyderabad
- Two Madrasa's in Kotri
- Dost Mohammad High School - 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. The aim is to become a Company that is accepted by the society.

-Pattern of Share Holding

The pattern of shareholding as on June 30, 2020 is annexed to this report. During the year, the Directors, CEO, CFO, Company Secretary, Executives and / or their spouse and minor children did not carry out any trade in shares of Company

Summary of Financial Data

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



QUETTA TEXTILE MILLS LIMITED

Composition of Board:

The composition of board is in compliance with the requirements of Code of Corporate Governance regulations 2019 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 17 meetings of the Board of Directors were held during 12 months' period from July 01, 2019 to June 30, 2020. Attendance at the Board Meetings by each Director is as follows:

Name of Directors	Number of Meetings Attended
Mr. Tariq Iqbal	17
Mr. Asim Khalid	17
Mr. Omer Khalid	17
Mr. Tauqir Tariq	05
Mrs. Saima Asim	06
Major Rtd. Muhammad Saeed	05
Mr. Shaukat Hussain	02

Leave of absence was granted to the directors who could not attend some of the meetings. During the period under review there was no trading of the Company's share by the Chief Executive, Chief Financial Officer, and Company Secretary, their spouses and minor children.

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 Audit Committee has been reformed after election of directors in January 2020. Two new members has been included in place of two outgoing members and The Committee meets at least once every quarter and assists the Board if fulfilling its oversight responsibilities. A total of four Board Audit Committee meetings were held during 12 months' period from July 01, 2019 to June 30, 2020. Attendance at the Board Audit Committee Meetings by each Director / members is as follow:



Name of Members	Number of Meetings Attended
Mrs. Tabbasum Tariq	02
Mrs. Sadaf Khalid	02
Major Rtd. Muhammad Saeed	04
Mr. Shaukat Hussain	02
Mr. Tauqir Tariq	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 and Remuneration Committee has been reformed after election of Directors in January 2020 and two new members has been included in replace of two outgoing members.

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, 2020:

- 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 from 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 some remarks over financial stability of the company by pointing towards use of going concern assumption. The management very briefly explains in note 3.6 various mitigating factors that are in company's favor to be in going concern for feasible future.

The main factor in the company's favor is that the company is getting complete co-operation from our main bankers who have not only re-structured our Cash Finance loans, but have also given the company substantial grace period of around 18 months for principal re-payments. Along-with this, rate of mark-ups has been reduced to the extent cost of fund and mark-up amounts have been re-scheduled to be paid at 'tail-end', after all re-payments of entire principal amounts. This has been done to enable the company start positive cash flow generation and to maintain the liquidity. All banks renewed the bank guarantees on maturities. Management is in negotiation with bank for reduction of markup, some banks have consented to freeze, reduce, revise markup rates hence charge of reduce markup rate @ 1% for the period ended June 30, 2020, will automatically adjust the interest impact already recorded in previous years.

Further some banks are offering for restructuring and debt servicing of the principal amounts for 15 years and freezing markups as well.

Management negotiations are in progress but banks those are in litigation not responded to balance confirmation letter of auditors.

In addition, the Company filed leave to defend well in time and challenge their claims against all banks those filed the suits against the Company in Sindh High Court, Karachi and Banking Courts. The negotiations with all banks are also under progress for settlement of claims and our legal team is confident that they will safely be able to succeed in settling with the banks and also be able in availing the reductions in the claim amounts as well. 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.

Conclusion

In the end, I would like to thank all the financial institutions for their continued support and confidence 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

Karachi: September 30, 2020



ممبران کے لئے ڈائریکٹرز رپورٹ

محترم حصص یافتگان:

کوئٹہ ٹیکسٹائل ملز لمیٹڈ کے ڈائریکٹرز 30 جون 2020 کو ختم ہونے والے سال کے آڈٹ شدہ اکاؤنٹس اور کمپنی کی سالانہ رپورٹ پیش کرتے ہیں، اس کے ساتھ اس میں آڈیٹرز کی رپورٹ بھی موجود ہے۔

فرق	2020 جون 30	2019 جون 30	
	روپے ہزاروں میں (000)		
			فروخت
(14.87)%	3,616,535	4,248.480	
(06.98)%	(4,198,855)	(4,514.120)	لاگت فروخت
--	(582,320)	(265.640)	مجموعی منافع / (خسارہ)
--	(737,351)	(520.922)	قبل از ٹیکس منافع / (خسارہ)
--	23,281	(152.018)	ٹیکس
--	(714,070)	(368.904)	بعد از ٹیکس منافع / (خسارہ)
--	(13,070)	(2.770)	دیگر جامع آمدنی / (خسارہ)
--	(2,569,630)	(2,260.537)	جمع شدہ منافع پیچھے سے لایا گیا
--	--	--	کٹوتی: اضافی ادائیگی
--	(3,296,770)	(2,632.211)	
--	59,451	62.581	پراپرٹی، پلانٹ، اور ایکویپمنٹ کی از سر نو تشخیصی مالیت پر منافع کی منتقلی
--	3,237,319	(2,569.630)	جمع شدہ (خسارہ) / منافع آگے لے جایا گیا

آپریٹیشن کا جائزہ:

مذکورہ کمپنی 30 جون 2020 کو ختم ہونے والے سال کے نتائج ہیں۔ سال کا ٹرن اوور۔ 3,616.535 ملین روپے تھا۔ اس ٹرن اوور کے ساتھ آپ کی کمپنی نے 216.429 ملین روپے کے ٹیکس سے پہلے خسارہ اٹھایا ہے اگر مقابلہ کیا جائے گذشتہ سال 520.922 ملین روپے سے۔ ٹیکس سے قبل ہونے والے خسارہ میں 737.351 ملین روپے کا اضافہ ہوا ہے۔ جو کہ 41.54% کمی ہے۔

ہم ان مالی بیانات کی طرف توجہ مبذول کراتے ہیں جس سے یہ ظاہر ہوتا ہے کہ کمپنی نے 30 جون 2020 کو ختم ہونے والے سال کے دوران 737.351 ملین روپے کے ٹیکس سے قبل خالص خسارہ اٹھایا ہے، اور اس تاریخ تک کمپنی کی موجودہ ذمہ داری 5,162.455 ملین روپے سے اپنے موجودہ اثاثوں سے زیادہ ہے۔ ہم یہ بات بھی شامل کرنا چاہیں گے کہ کمپنی اپنی سہولیات کو بہتر بنا کر اور بہتر استعمال کر کے اپنے کاموں کی طویل مدتی حکمت عملی پر سرگرم عمل ہے۔ ہمیں مستقبل قریب میں کمپنی کی مالی حالت میں بہتری لانے پر اعتماد ہے۔

کمپنی کے ڈائریکٹرز اور ذمے دار افراد پر عزم ہیں اور وہ آئندہ بھی اس طرح کی مدد جاری رکھیں گے۔

چیئر مین کا جائزہ:

اس کے تحت ڈائریکٹران کمپنی کی کارکردگی سے متعلق چیئر مین کی نظر ثانی رپورٹ کی توثیق کرتے ہیں

شرح سود کا خطرہ:

شرح سود کی اکثریت بینکوں سے مختصر اور طویل مدتی قرض لینے سے پیدا ہوتی ہے۔ لہذا، رپورٹنگ کی تاریخ میں سود کی شرحوں میں تبدیلی سے منافع اور خسارہ کے اکاؤنٹس پر کوئی اثر نہیں پڑے گا۔

زر مبادلہ کا خطرہ:

غیر ملکی کرنسی میں خطرہ بنیادی طور پر جب پیدا ہوتا ہے جہاں غیر ملکی کرنسیوں میں لین دین کی وجہ سے قابل وصول اور قابل ادائیگی موجود ہوتی ہے۔ کمپنی کو خام مال اور پلانٹ اور مشینری کی درآمد پر بنیادی طور پر مختصر مدت کے منصوبوں پر امریکی ڈالر اور پاکستانی روپے کی برابری کا سامنا کرنا پڑتا ہے۔

پیداوار کی سہولیات

پیداوار کی بے مثال سطح کے ساتھ ہماری پیداواری سہولیات کی کارکردگی بہترین تھی۔ ہماری ٹیم متعدد مواقع پر ضائع ہونے اور شٹ ڈاؤن سے بچنے کے لئے ہم آہنگی کی کوششوں کے ذریعے استعداد کار کو بہتر بناتی رہی۔ کمپنی مستحکم منافع کے لئے زیادہ سے زیادہ صلاحیت کے استعمال پر اپنی توجہ جاری رکھنے اور ملک کے معروف ٹیکسٹائل مینوفیکچرر کی حیثیت سے اپنی پوزیشن برقرار رکھنے کے لئے پرعزم ہے۔

آڈیٹ:

موجودہ آڈیٹرز میسرز مشتاق اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹ ریٹائر ہو گئے اور اہل ہونے کے بعد خود کو دوبارہ تقرری کے لئے پیش کرتے ہیں۔

حفاظت، صحت اور ماحولیات:

ہم حفاظت، صحت اور ماحولیات کے اعلیٰ معیار کے لئے اپنی وابستگی کو برقرار رکھتے ہیں۔ ہمارے تمام ملازمین حفاظت کے تمام پہلوؤں کے بارے میں مستقل تربیت حاصل کر رہے ہیں خاص کر مواد کی محفوظ پیداوار، ترسیل، اسٹوریج اور سامان کی ہینڈلنگ کے حوالے سے۔ اس کے علاوہ، ہم نے مل میں باری باری مشق شروع کی ہے جس کے تحت ہمارا مقصد یہ یقینی بنانا ہے کہ تمام سپروائزر حفاظتی انتظامات کرنے والے بھی ہوں اور حفاظت کی تربیت کے تمام پہلوؤں سے پوری طرح واقف ہوں۔ ان کنٹرولوں کی وجہ سے اور اللہ سبحانہ و تعالیٰ کی برکت سے ٹیکسٹائل مل میں کوئی بڑا حادثہ یا واقعہ رونما نہیں ہوا ہے۔

ماحولیاتی تحفظ کے اقدامات:

آپ کی کمپنی ہمیشہ ماحولیات کے تحفظ کو یقینی بناتی ہے اور ماحول کے تحفظ کے لئے ہر ممکن وسائل کو اپناتی ہے۔ ہم اپنے پلانٹ سے کم سے کم دھول اور اخراج کو یقینی بنانے کے لئے مختلف اقدامات کر رہے ہیں اور دھول کے ذرات اور دیگر اخراج کو کنٹرول کرنے کے لئے ہماری پروڈکشن لائنیں آلودگی پھیلانے اور دبانے والے نظام کے ساتھ لگائی گئی ہیں۔

کارپوریٹ سماجی ذمہ داری

آپ کی کمپنی اپنی کارپوریٹ معاشرتی ذمہ داری سے پوری طرح واقف ہے اور اس کے لئے کام کر رہی ہے اور اس معاملے میں تعلیمی، صحت اور ماحولیاتی معیار کو بلند کرنے کے لئے عمومی طور پر ملک میں اور خصوصی طور پر مقامی آبادیوں میں مثبت کام سرانجام دے رہی ہے۔

فی الحال ہم مندرجہ ذیل منصوبوں کی حمایت کر رہے ہیں:

پولیس ہسپتال۔ حیدرآباد

دو مدرسے کوٹری میں

• دوست محمد ہائی اسکول۔ کوٹری

• چار (04) واٹر فلٹریشن پلانٹ۔ کوٹری، جامشورو میں تین (03) اور حیدرآباد میں ایک (01)۔



ہم سمجھتے ہیں کہ صنعت معاشرے میں تبدیلی لانے کی طاقت رکھتی ہے اور اسی وجہ سے صنعتی کاری کے مثبت اثرات کو زیادہ سے زیادہ حد تک پہنچانے کی کوشش کرتی ہے۔ مقصد ایک ایسی کمپنی بنانا ہے جسے معاشرے نے قبول کیا ہو۔

شیئر ہولڈنگ کے پیرن

30 جون 2020 تک حصص یا فٹنگی کا انداز اس رپورٹ سے منسلک ہے۔ ایک سال کے دوران، ڈائریکٹرز، سی ای او، سی ایف او، کمپنی سیکریٹری، ایگزیکٹوز اور یا ان کے شریک حیات اور نابالغ بچوں نے کمپنی کے حصص میں کوئی تجارت نہیں کی۔

مالیاتی شمار کا خلاصہ

مختص شکل میں پچھلے چھ سالوں کے مالی اعداد و شمار کو الحاق کیا گیا ہے۔

بورڈ کی تشکیل:

بورڈ کی تشکیل درج اداروں میں کوڈ آف کارپوریشن گورننس ریگولیشنز 2017 کے تقاضوں کے مطابق ہے جو ذیل میں دی گئی ہے۔

ہدایت کاروں کی کل تعداد:

6	(الف) مرد
1	(ب) عورت

1

مرکب

02	(الف) آزاد ڈائریکٹرز
02	(ب) ایگزیکٹو ڈائریکٹرز
03	(ج) غیر ایگزیکٹو ڈائریکٹرز

ڈائریکٹرز کا معاوضہ:

کمپنی نے جنرل مینٹنگ میں ڈائریکٹرز کا معاوضہ طے کیا اور آئندہ ڈائریکٹرز کے معاوضے کا تعین کمپنی آف ایکٹ، 2017 کے سیکشن 170 کے تحت فراہم کردہ بورڈ آف ڈائریکٹرز کی مینٹنگ میں کمپنی کرے گی۔ بورڈ آف ڈائریکٹرز کا معاوضہ وہ مارکیٹ میں معیارات کی بنیاد پر طے ہوتا ہے اور اپنے کام کے دائرہ کار اور ڈائریکٹرز کی ذمہ داریوں میں اضافے کی روشنی میں قابلیت اور کوششوں کے تقاضوں کی عکاسی کرتا ہے۔

بورڈ آف ڈائریکٹرز اجلاس

بورڈ آف ڈائریکٹرز کی کل 17 میٹنگیں 01 جولائی، 2019 سے 30 جون، 2020ء تک کے عرصے میں منعقد کی گئیں۔ بورڈ میٹنگوں میں ہر ڈائریکٹر کی حاضری اس طرح ہے:

اجلاسوں کی تعداد میں شرکت کی

17
17
17
05
06
05
02

ڈائریکٹرز کا نام

جناب طارق اقبال
جناب عاصم خالد
جناب عمر خالد
جناب توقیر طارق
مسز صائمہ عاصم
میجر ریٹائرڈ محمد سعید
جناب شوکت حسین



غیر حاضری کی چھٹی ان ڈائریکٹرز کی منظور ہوئی جو کچھ اجلاسوں میں شرکت نہیں کر سکے۔ زیر جائزہ مدت کے دوران چیف ایگزیکٹو، چیف فنانسٹل آفیسر، اور کمپنی سکریٹری، ان کے شریک حیات اور نابالغ بچوں کی طرف سے کمپنی کے حصص کی کوئی تجارت نہیں ہوئی۔

بورڈ آڈٹ کمیٹی

کوڈ آف کارپوریٹ گورننس کی تعمیل میں بورڈ آف ڈائریکٹرز نے ایک آڈٹ کمیٹی قائم کی ہے۔ اس کے ممبروں کا نام کمپنی پروفائل میں دیا گیا ہے۔ جنوری 2020 میں ڈائریکٹرز کے انتخاب کے بعد آڈٹ کمیٹی میں بہتری لائی گئی ہے۔ دو سبکدوش ہونے والے ممبروں کی جگہ دو نئے ممبروں کو شامل کیا گیا ہے اور کمیٹی ہر سہ ماہی میں کم از کم ایک بار ملاقات کرتی ہے اور اس کی نگرانی کی ذمہ داریاں پوری کرتی ہے تو بورڈ کی مدد کرتی ہے۔ 01 جولائی، 2019 سے 30 جون، 2020ء تک 12 ماہ کی مدت کے دوران بورڈ کی آڈٹ کمیٹی کے کل چار اجلاس ہوئے۔ ہر ڈائریکٹر / ممبروں کی بورڈ آڈٹ کمیٹی کے اجلاسوں میں شرکت اس طرح ہے:

ممبر کا نام	میٹنگ میں شرکت کی تعداد
بیگم تبسم طارق	02
بیگم صدف خالد	02
میجر (ریٹائرڈ) محمد سعید	04
جناب شوکت حسین	02
جناب توقیر طارق	02

سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) کی طرف سے بیان کردہ اس گنجائش اور نظام اور دباؤ کو بہتر بنانے کے لئے بورڈ آف ڈائریکٹرز کے ذریعہ وقتاً فوقتاً دی جانے والی ہدایات پر مبنی آڈٹ کمیٹی کے حوالہ کی مدت۔ بورڈ آف ڈائریکٹرز کے ذریعہ مقررہ مدت کے حوالہ کے فریم ورک کے اندر، آڈٹ کمیٹی، دیگر چیزوں کے علاوہ، بیرونی آڈیٹرز کی تقرری اور وقتاً فوقتاً بیانات پر نظر ثانی کی سفارش کرے گی۔

انسانی وسائل اور معاوضہ کمیٹی

ڈائریکٹرز کے انتخاب جنوری 2020 میں منعقد ہوئے جن کی روشنی میں دیو من ریسورس اینڈ ریونیویشن کمیٹی کی اصلاح کی گئی ہے اور دو سبکدوش ہونے والے ممبروں کی جگہ دو نئے ممبران کو شامل کیا گیا ہے۔

دیو من ریسورس کی منصوبہ بندی اور انتظامی ضروری امور میں سے ایک ہے اور سینئر مینجمنٹ کی سطح پر اس کی روشنی میں ہے۔ کمپنی کے پاس انسانی وسائل اور معاوضہ کمیٹی ہے جو اہم انتظامیہ اہلکاروں کی سیکشن کی تفتیش، معاوضہ اور جائزینی منصوبہ بندی میں رہنمائی کرتی ہے۔ اس کی ذمہ داری کمپنی کی انسانی وسائل کی پالیسیوں اور طریقہ کار اور ان کے وقتاً فوقتاً جائزے میں بہتری کی سفارش کرتی ہے۔ کمیٹی صنعتوں کو "بہترین طرز عمل" کے ساتھ متمول رکھتی ہے اور جب بھی صورت حال پیدا ہوتی ہے اس پر بحث اور عمل درآمد یقینی بناتی ہے۔

کارپوریٹ گورننس

بورڈ آف ڈائریکٹرز 30 جون 2020 کو ختم ہونے والے سال کے موقع پر اعلان کرتے ہیں کہ:

(الف) مالی بیانات جو کہ انتظامیہ کے ذریعہ تیار کردہ تھے، اس کی صورت حال کو واضح طور پر پیش کرتے ہیں، اس کے آپریشن، نقد بہاؤ اور ایکویٹی میں تبدیلی کے نتائج۔

(ب) کمپنی کے اکاؤنٹس کی مناسب کتابیں برقرار رکھی گئی ہیں۔

(ج) مالی بیانات کو نوٹ میں بیان کردہ مناسب اکاؤنٹنگ پالیسیاں مالی بیانات کی تیاری میں مستقل طور پر اثر انداز ہوتی ہیں اور محاسبہ کا تخمینہ معقول اور محتاط فیصلے پر مبنی ہوتا ہے۔

(د) بین الاقوامی مالیاتی رپورٹنگ کے معیارات (IFRS)، جیسا کہ پاکستان میں قابل اطلاق ہیں، مالی بیانات کی تیاری میں عمل کیا گیا ہے اور اس میں سے کسی بھی طرح کی رواں گئی کا مناسب طور پر انکشاف اور وضاحت کی گئی ہے۔

(ذ) کمپنی کی جاری توثیق کی حیثیت سے اس کی صلاحیت پر کوئی خاص شک نہیں ہے۔



ر) اندرونی کنٹرول کا نظام ڈیزائن میں مستحکم ہے اور اس کا موثر انداز میں نگرانی اور نفاذ کیا گیا ہے۔
 ز) گذشتہ چھ سالوں سے جاری آپریٹنگ اور مالی اعداد و شمار کا خلاصہ بھی کیا گیا ہے۔
 س) بقایا فرائض، قانونی چارجز اور ٹیکسز اگر کوئی ہیں تو، منسلک آڈٹ شدہ مالی بیانات میں مناسب طور پر بتائے گئے ہیں۔

آزادانہ آڈیٹرز کی رپورٹ میں ممبران کو تحفظات

تفتیشی مفروضے کے استعمال کی طرف اشارہ کرتے ہوئے آڈیٹرز نے کمپنی کے مالی استحکام پر کچھ ریمارکس دیئے ہیں۔ انتظامیہ نے بہت کم مختصر نوٹ 3.6 میں مختلف تشخیصی عوامل کی وضاحت کی ہے جو کمپنی کے حق میں ہیں کہ وہ ممکنہ مستقبل کی فکر میں رہیں۔

کمپنی کے حق میں بنیادی عنصر یہ ہے کہ کمپنی اپنے مرکزی بینکاروں سے مکمل تعاون حاصل کر رہی ہے جنہوں نے نہ صرف ہمارے کیش فنانس قرضوں کی تکمیل نوکی ہے، بلکہ کمپنی کو پرنسپل کے لئے تقریباً 18 ماہ کی مدت میں اضافی مدت بھی دی ہے۔ اس کے ساتھ ہی، مارک اپ کی شرح کو فنڈ کی حد تک کم کر دیا گیا ہے اور مارک اپ کی رقم کو پوری پرنسپل رقم کی تمام ادائیگیوں کے بعد، ”ٹیل اینڈ“ پر ادا کرنے کا دوبارہ پروگرام طے کیا گیا ہے۔ یہ کمپنی کیش فلو کی مثبت پیداوار شروع کرنے اور لیکویڈیٹی کو برقرار رکھنے کے لئے کیا گیا ہے۔ تمام بینکوں نے واجب الادا سے متعلق بینک گارنٹیوں کی تجدید کی ہے۔ مارک اپ میں کمی کے لئے انتظامیہ بینک کے ساتھ بات چیت کر رہی ہے، کچھ بینکوں نے مارک اپ کی شرح کو منجمد کرنے، کم کرنے اور اس پر نظر ثانی کرنے پر رضامندی ظاہر کی ہے لہذا 30 جون، 2020 کو ختم ہونے والی مدت میں مارک اپ شرح 1 فیصد کم کرنے کا چارج، خود بخود پچھلے سال میں پہلے ہی درج سود کے اثرات کو ایڈجسٹ کرے گا۔

مزید کچھ بینک 15 سالوں سے بنیادی رقم کی تنظیم نو اور قرض کی خدمت کے لئے پیش کر رہے ہیں اور ساتھ ہی نشان زد کو بھی منجمد کر رہے ہیں۔

انتظامیہ سے بات چیت جاری ہے لیکن بینکوں کے خلاف قانونی چارہ جوئی کی گئی ہے اور انہوں نے آڈیٹرز کے تصدیق نامہ کے توازن کا جواب نہیں دیا ہے۔

مزید برآں، کمپنی نے بروقت دفاع کرنے اور ان تمام بینکوں کے خلاف اپنے دعووں کو چیلنج کرنے کے لئے اپیل دائر کر دی ہے جنہوں نے سندھ ہائیکورٹ، کراچی اور بینکنگ کورٹ میں کمپنی کے خلاف مقدمہ دائر کیا تھا۔ دعووں کے تصفیے کے لئے بھی تمام بینکوں کے ساتھ بات چیت جاری ہے اور ہماری قانونی ٹیم کو یقین ہے کہ وہ بینکوں کے ساتھ معاملات طے کرنے میں کامیاب ہو جائیگی اور دعوے کی رقم میں کمی کو بھی حاصل کرنے میں کامیاب ہو جائے گی۔ ایک حالیہ پیٹرنٹ میں، سپریم کورٹ آف پاکستان نے جی آئی ڈی سی کے طویل عرصے سے بقایا مسئلے کے سلسلے میں ایک حکم جاری کیا ہے۔ حکم کی بنا پر صنعتی گیس صارفین کو جی آئی ڈی سی کی رقم کا بقایا اقساط میں ادا کرنے کی ضرورت ہے۔ اس سے کمپنی کے نقد بہاؤ پر منفی اثر پڑے گا۔ ملک میں افراط زر کی مروجہ قیمتوں میں اضافے کے سبب سے مارجن میں کمی ہوگی۔

اعتراف

آخر میں، میں ان تمام مالیاتی اداروں کی حمایت اور اعتماد جاری رکھنے کے اظہار پر ان کا شکریہ ادا کرتا ہوں۔ کارکنوں، عملے اور افسران کے ساتھ میں ان کی لگن اور دیانتداری کا شکریہ ادا کرتا ہوں۔
 بورڈ کے لئے اور اس کی طرف سے

طارق اقبال

چیف ایگزیکٹو

کراچی، 30 ستمبر 2020

KEY OPERATING AND FINANCIAL DATA

		2,020	2,019	2,018	2,017	2,016	2,015
OPERATING DATA							
Sales	Rs. '000'	3,616,535	4,248,480	3,795,456	5,280,635	5,280,152	10,175,476
Cost of Goods Sold	Rs. '000'	4,198,855	4,514,120	4,279,300	6,292,163	6,439,717	9,562,202
Gross Profit	Rs. '000'	(582,320)	(265,640)	(483,844)	(1,011,527)	(1,159,565)	613,574
Profit / (Loss) Before Taxation	Rs. '000'	(737,351)	(520,922)	(881,673)	(1,433,350)	(1,724,815)	(323,527)
Profit / (Loss) After Taxation	Rs. '000'	(714,070)	(368,904)	(569,034)	(1,430,150)	(1,715,435)	(392,014)
FINANCIAL DATA							
Equity Balance	Rs. '000'	(2,127,839)	(1,460,151)	(1,151,056)	(697,215)	521,548	2,182,001
Property, Plant & Equipment	Rs. '000'	5,756,072	5,948,633	6,192,780	5,503,697	5,763,224	6,038,998
Current Assets	Rs. '000'	2,406,240	1,549,575	1,532,217	1,986,598	3,425,592	5,068,859
Current Liabilities	Rs. '000'	7,568,695	6,203,621	5,389,141	4,652,774	5,058,190	5,853,355
PROFITABILITY RATIOS							
Gross Profit Margin	%	(6.25)	(6.25)	(12.75)	(19.16)	(21.96)	6.03
Operating Profit Margin	%	(12.26)	(12.26)	(23.23)	(27.15)	(32.73)	(3.42)
Net Profit Margin	%	(8.68)	(8.68)	(14.99)	(27.08)	(32.67)	(3.18)
LIQUIDITY RATIOS							
Current Ratio	Times	0.32 : 1	0.25 : 1	0.28 : 1	0.4 : 1	0.68 : 1	0.87 : 1
Quick Ratio	Times	0.09	0.11	0.11	0.08	0.09	0.11
ACTIVITY / TURNOVER RATIOS							
Accounts Receivables Turnover	Times	14.47	12.99	16.00	36.64	23.25	27.31
Inventory Turnover	Times	4.55	8.64	5.13	3.43	(1.64)	(2.65)
Total Assets Turnover	Times	0.44	0.56	0.49	0.70	0.52	0.96
Return on Total Assets	%	(0.09)	(0.05)	0.07	0.19	(0.19)	(0.03)
Return on Equity	%	(7.09)	(0.45)	(0.47)	(2.00)	(0.87)	(0.15)
LEVERAGE RATIOS							
Long Term Debts to Equity	Times	(0.23)	(0.34)	(1.02)	(2.71)	4.25	0.78
Total Debts to Equity	Times	(3.79)	(4.59)	(5.70)	(9.83)	13.94	3.04
Long Term Debts to Total Assets	Times	0.06	0.07	0.15	0.25	0.24	0.15
Total Debts to Total Assets	Times	0.99	0.89	0.85	0.91	0.65	0.59
Equity to Total Assets	Times	0.01	(0.19)	(0.15)	(0.09)	0.06	0.20
Interest Coverage Ratio	Times	(14.51)	(2.82)	(2.65)	(4.45)	(4.19)	(0.52)
OTHERS							
Earning / (Loss) Per Share	Rs	(55)	(28)	(44)	(110)	(132)	(30)
Breakup Value of Share w/o Revaluation Surplus	Rs	(164)	(112)	(89)	(54)	45	168
Breakup Value of Share with Revaluation Surplus	Rs	7.75	64	92	55	157	283
Cash Dividend	%	NIL	NIL	NIL	NIL	NIL	NIL



PATTERN OF SHAREHOLDING (FORM - A)

Pattern of holding of the shares held by the shareholders as at 30-06-2020 is given below

No of Shareholders	Shareholding					Total Share Held
105	From	1	To	100	Shares	2,149
86	From	101	To	500	Shares	28,545
31	From	501	To	1,000	Shares	27,737
59	From	1,001	To	5,000	Shares	161,019
19	From	5,001	To	10,000	Shares	150,470
3	From	10,001	To	15,000	Shares	36,279
6	From	15,001	To	20,000	Shares	113,500
1	From	20,001	To	25,000	Shares	24,272
3	From	25,001	To	30,000	Shares	85,884
1	From	30,001	To	35,000	Shares	33,826
1	From	35,001	To	40,000	Shares	39,000
1	From	40,001	To	45,000	Shares	40,900
1	From	51,001	To	55,000	Shares	52,000
1	From	55,001	To	60,000	Shares	58,250
1	From	75,001	To	80,000	Shares	79,000
1	From	90,001	To	95,000	Shares	95,000
1	From	135,001	To	140,000	Shares	138,000
1	From	145,001	To	150,000	Shares	147,000
1	From	170,001	To	175,000	Shares	171,641
1	From	190,001	To	195,000	Shares	190,358
1	From	210,001	To	215,000	Shares	214,663
1	From	300,001	To	305,000	Shares	304,850
1	From	330,001	To	335,000	Shares	334,272
1	From	340,001	To	345,000	Shares	342,460
1	From	395,001	To	400,000	Shares	397,158
1	From	415,001	To	420,000	Shares	419,000
1	From	435,001	To	440,000	Shares	437,393
1	From	455,001	To	460,000	Shares	456,000
1	From	530,001	To	535,000	Shares	532,723
1	From	635,001	To	640,000	Shares	639,554
1	From	645,001	To	650,000	Shares	649,759
1	From	685,001	To	690,000	Shares	685,205
1	From	690,001	To	695,000	Shares	694,353
1	From	795,001	To	800,000	Shares	797,726
2	From	925,001	To	930,000	Shares	1,856,456
1	From	1,275,001	To	1,280,000	Shares	1,279,303
1	From	1,280,001	To	1,285,000	Shares	1,284,295
342			Total			13,000,000

Categories of Shareholders	No of Shareholders	Share Held	Percentage
Directors, Chief Executive Officer, their Spous and Minor children	10	6,077,280	46.75
Individuals	319	6,737,267	51.83
Investment Corporation of Pakistan	1	250	0.00
Insurance Companies	1	364	0.00
Joint Stock Companies	7	173,343	1.33
Financial Institutions	2	9,697	0.07
Others	2	1,799	0.01
Total	342	13,000,000	100.00



**DETAIL OF PATTERN OF SHAREHOLDING AS PER
REQUIREMENT OF CODE OF CORPORATE GOVERNANCE
AS AT 30TH JUNE 2020**

Name of shareholders	No of Sharehold	Share held	Percentag
1 Directors, CEO their Spouse and Minor Childern	10		
Mr. Tariq Iqbal (Director & CEO)		929,519	7.15
Mr. Asim Khalid (Director)		1,284,295	9.88
Mr. Omer Khalid (Director)		1,279,303	9.84
Mrs. Saima Asim (Director)		8,700	0.07
Mr. Tauqeer Tariq (Director)		797,726	6.14
Mr. Muhammad Saeed (Director)		521	0.00
Mr. Shuakat Hussain (Director)		500	0.00
Mrs. Tabbasum Tariq (W/o Director)		694,353	5.34
Mrs. Sadaf Khalid (W/o Director)		397,158	3.06
Mrs. Tahmina Tauqeer (W/o Director)		685,205	5.27
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	9	175,142	1.35
8 General Public	319	6,737,267	51.83
Total	342	13,000,000	100.00

Shareholders Hoding 05% or More

Mrs. Rukhsana Kahlid	926,937	7.13
Mr. Tariq Iqbal	929,519	7.15
Mr. Asim Khalid	1,284,295	9.88
Mr. Omer Khalid	1,279,303	9.84
Mrs. Tabbasum Tariq	694,353	5.34
Mr. Tauqeer Tariq	797,726	6.14
Mrs. Tahmina Tauqeer	685,205	5.27



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

Name of Company: Quetta Textile Mills Limited
Year ended June 30, 2020.

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 Major Rtd. Muhammad Seed.
Mr. Shaukat Hussain
 - 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 board;
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
9. Seven directors were elected on January 27, 2020, out of which five (5) meets the requirements and have already attained certificate under directors training program while two (2) directors meets the requirements of the exemption criteria under regulation;
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:

a) Audit Committee

Major Rtd. Muhammad Saeed	Chairman
Mr. Tauqir Tariq	Member
Mrs. Shaukat Hussain	Member

b) HR and Remuneration Committee

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

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 who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.

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. Regulation 6(1) the Listed Companies (Code of Corporate Governance) Regulations, 19, require that "each listed company shall have at least two or one third members of the Board, which is higher, as independent directors". At the time recent election of Directors, the Company assessed its compliance with the Regulation, One third of the Company's total number of Directors result in a fractional number (2.33). The fraction has not been rounded up to one and therefore, the Board of Directors currently has 2 Independent Directors. The Company considers that the existing composition of the Board of Directors bring in the relevant experience and valuable contributions to the Board.

Karachi:

Dated: September 30, 2020


Chief Executive



INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS

To the member 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 June 30, 2020 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. We have not carried out procedures to assess and determine Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, 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, 2020.

Karachi:

Date: 30th September, 2020

MUSHTAQ & CO.

Chartered Accountants

Engagement Partner:

Zahid Hussain Zahid

ACA



Independent Auditors' Report

To the Members of Quetta Textile Mills Limited

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the annexed financial statements of **Quetta Textile Mills Limited**, which comprise the statement of financial position as at June 30, 2020, and the statement of profit or loss and other 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 a summary of significant accounting policies 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, except for the effects of the matters described in the paragraphs (a) to (c), the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2020 and of the loss and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Qualified Opinion

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 that;

- a) The company has accounted for markup on outstanding balances in respect of short term borrowings, long term financing from banks at the rate of one percent per year instead of applicable rates. Had the company accounted for finance cost, the loss for the year would have been higher by Rs. 564.99 million approximately. Consequently the aggregate amount of accrued markup would have been increased by Rs. 829.33 million approximately and aggregate accumulated loss would have been higher by the same amount.



- b) Balance payable to various banks in respect of short term financing amounting to Rs.1,407.65 million, and in respect of long term financing amounting to Rs.918.59 million remains unconfirmed. Also balance payable to Orix Leasing amounting Rs.18.29 million remains unconfirmed. We were also unable to satisfy ourselves as to the correctness of the reported balances by performing other alternate auditing procedures.
- c) As fully explained in note 27.3, the company has not accounted for the amount approximately Rs.392.73 million payable in respect of gas infrastructure development cess (GIDC) in the financial statements.

Material uncertainty relating to Going Concern

We draw attention to note 3.6 in the financial statements which indicate that the company has incurred a net loss of Rupees 714.07 million during the year ended June 30, 2020 and as of that date, reported accumulated losses of Rupees 3,237.32 million. The company's current liabilities exceed its current assets by Rs. 5,162.45 million. In addition to this, the company's financing arrangements with financial institutions amounting Rs.2.408 billion have been expired as on 30.06.2020 as disclosed in note 25.1. The company is under litigation with these financial institutions with respect to its financing arrangements as fully explained in note 27.5.

The Company has disclosed significant legal cases and other contingencies in Note 27.1 to 27.6.

These conditions along with other matters as explained in note 3.6 indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern. These financial statements, however, have been prepared on the going concern basis on the assumptions as detailed in aforesaid note. Our opinion is not modified in respect of this matter.

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.

In addition to matter described in *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report:



Following is the Key audit matter:

S. No.	Key audit matter	How the matter was addressed in our audit
<p>1.</p>	<p>Defined Benefit Obligations (Gratuity)</p> <p>Refer to note no. 22.4 to the audited financial statements.</p> <p>The Company operates an unfunded gratuity plan, giving rise to net liability of Rs.160.32 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 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>



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

Management is responsible for the other information. The other information comprises information obtained prior to the date of auditor's report, and information expected to be made available to us after the date of auditor's report; but does not include the financial statements and our auditor's 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.

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 provide 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:



QUETTA TEXTILE MILLS LIMITED

- 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 other 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 **Zahid Hussain Zahid, ACA**.

Karachi.

Dated: 30th September, 2020

MUSHTAQ & CO.

Chartered Accountants



QUETTA TEXTILE MILLS LIMITED

STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2020

	Note	30 th June, 2020 Rupees	30 th June, 2019 Rupees
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	5	5,720,860,458	5,948,633,149
Intangible assets	6	1,562,343	2,130,467
Long term deposits	7	33,649,014	34,334,528
		5,756,071,815	5,985,098,144
CURRENT ASSETS			
Stores and Spares & Loose Tools	8	409,450,434	376,075,530
Stock in trade	9	1,352,090,247	494,495,833
Trade debts	10	151,733,768	348,069,761
Other financial assets	11	67,194	92,679
Advances, deposits, prepayments and other receivable	12	97,339,367	85,301,120
Tax refund due from governments	13	313,748,159	184,207,760
Cash and bank balances	14	81,810,653	61,332,016
		2,406,239,822	1,549,574,699
		8,162,311,637	7,534,672,843
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital			
20,000,000 (June 30, 2019: 20,000,000) ordinary shares of Rs. 10 each		200,000,000	200,000,000
15,000,000 (June 30, 2019: 15,000,000) preference shares of Rs. 10 each		150,000,000	150,000,000
		350,000,000	350,000,000
Issued, subscribed and paid-up capital	15	130,000,000	130,000,000
Reserves	16	766,751,200	766,751,200
Equity portion of Loan from directors and others	17	212,728,470	212,728,470
Revaluation surplus on property, plant and equipment	18	2,228,537,931	2,287,989,493
Accumulated (loss)		(3,237,318,480)	(2,569,630,354)
		100,699,121	827,838,809
NON CURRENT LIABILITIES			
Long term finances	19	332,600,041	323,801,185
Redeemable capital - Sukuk	20	-	-
Liabilities against assets subject to finance lease	21	-	3,745,427
Deferred liabilities	22	160,317,910	175,666,687
		492,917,951	503,213,299
CURRENT LIABILITIES			
Trade and other payables	23	2,220,717,094	856,749,342
Accrued mark-up	24	1,051,197,043	1,008,139,868
Short term borrowings	25	2,413,564,208	2,660,067,734
Loan from directors and others	26	28,016,357	25,716,357
Current portion of Long term finances	19	1,173,247,387	973,460,636
Redeemable capital - Sukuk	20	611,335,643	611,335,643
Liabilities against assets subject to finance lease	21	18,288,552	17,332,945
Unclaimed dividend		36,467	36,467
Provision for taxation		52,291,814	50,781,743
		7,568,694,565	6,203,620,735
CONTINGENCIES AND COMMITMENTS			
	27		
		8,162,311,637	7,534,672,843

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


Chief Executive


Director


Chief Financial Officer



STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2020

	Note	30th June, 2020 Rupees	30th June, 2019 Rupees
Sales	28	3,616,534,871	4,248,480,336
Cost of sales	29	(4,198,854,696)	(4,514,119,935)
Gross (loss)		<u>(582,319,825)</u>	<u>(265,639,599)</u>
Other income	30	8,216,272	9,098,913
		<u>(574,103,553)</u>	<u>(256,540,686)</u>
Distribution cost	31	(23,794,336)	(14,480,158)
Administrative expenses	32	(83,366,871)	(63,196,817)
Other operating expenses	33	(3,349,879)	(1,794,227)
Finance cost	34	(52,736,189)	(184,909,933)
		<u>(163,247,275)</u>	<u>(264,381,135)</u>
(Loss) before taxation		<u>(737,350,828)</u>	<u>(520,921,821)</u>
Provision for taxation			
Current tax - current year		(52,291,814)	(50,781,743)
Current tax - prior year		21,641,747	(8,858,045)
Deferred		53,931,229	211,657,764
		<u>23,281,162</u>	<u>152,017,976</u>
Net (loss) for the year		<u>(714,069,666)</u>	<u>(368,903,845)</u>
(Loss) per share - basic and diluted	35	<u>(54.93)</u>	<u>(28.38)</u>

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

Chief Executive

Director

Chief Financial Officer



STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2020

	Note	30 th June, 2020 Rupees	30 th June, 2019 Rupees
Net (loss) for the year		(714,069,666)	(368,903,845)
Other comprehensive (loss)			
<i>Items that may not be reclassified subsequently to profit and loss account:</i>			
(loss) on remeasurement of staff retirement benefits		(18,110,375)	(3,385,190)
Impact of deferred tax		5,040,353	614,940
Revaluation surplus on property, plant and equipment		-	-
Other comprehensive (loss) for the year		(13,070,022)	(2,770,250)
Total comprehensive (loss) for the year		(727,139,688)	(371,674,095)

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

Chief Executive

Director

Chief Financial Officer

STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2020

	Note	30 th June, 2020 Rupees	30 th June, 2019 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	36	267,196,144	73,254,514
Long term loans and deposits		685,514	(1,460,425)
Interest paid		(9,679,014)	(10,089,354)
Gratuity paid		(18,778,145)	(18,732,975)
Taxes paid		(158,680,395)	(29,139,994)
		(186,452,039)	(59,422,748)
Cash flows from operating activities		80,744,104	13,831,766
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(23,742,728)	(21,351,557)
Proceeds from disposal of property, plant and equipment		1,885,000	1,750,000
Cash (used in) investing activities		(21,857,728)	(19,601,557)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term finances		208,585,607	-
Redeemable capital - Sukuk		-	-
Loan from directors and others - subordinated		-	-
Liabilities against assets subject to finance lease		(2,789,820)	(2,657,221)
Short term borrowings		(246,503,526)	8,984,459
Loans from directors & others		2,300,000	(30,875)
		(38,407,739)	6,296,363
Net increase/(decrease) in cash and cash equivalents		20,478,637	526,572
Cash and cash equivalent at the beginning of the year		61,332,016	60,805,444
Cash and cash equivalent at the end of the year	14	81,810,653	61,332,016

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


Chief Executive

Director

Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2020

	Reserves					Loan from directors and others	Revaluation surplus on property, plant and equipment	Accumulated profit / (loss)	Total equity
	Share Capital	Share premium	Capital reserve	General reserve	Sub total				
	Rupees								
Balance as at June 30, 2018	130,000,000	651,750,000	1,200	115,000,000	766,751,200	212,728,470	2,350,570,116	(2,260,536,882)	1,199,512,904
Net (loss) for the year	-	-	-	-	-	-	-	(368,903,845)	(368,903,845)
Other comprehensive (loss)	-	-	-	-	-	-	-	(2,770,250)	(2,770,250)
Total comprehensive loss for the year	-	-	-	-	-	-	-	(371,674,095)	(371,674,095)
Revaluation surplus on property, plant and equipment (incremental depreciation) - net of deferred tax	-	-	-	-	-	-	(62,580,623)	62,580,623	-
Balance as at June 30, 2019	130,000,000	651,750,000	1,200	115,000,000	766,751,200	212,728,470	2,287,989,493	(2,569,630,354)	827,838,809
Net (loss) for the year	-	-	-	-	-	-	-	(714,069,666)	(714,069,666)
Other comprehensive (loss)	-	-	-	-	-	-	-	(13,070,022)	(13,070,022)
Total comprehensive (loss) for the year	-	-	-	-	-	-	-	(727,139,688)	(727,139,688)
Revaluation surplus on property, plant and equipment (incremental depreciation) - net of deferred tax	-	-	-	-	-	-	(59,451,562)	59,451,562	-
Balance as at June 30, 2020	130,000,000	651,750,000	1,200	115,000,000	766,751,200	212,728,470	2,228,537,931	(3,237,318,480)	100,699,121

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, 2020

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 Chundrigar road Karachi. The company is principally engaged in manufacturing and sale of Yam 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.

2 SUMMARY OF SIGNIFICANT TRANSACTIONS AND EVENTS OCCURRED DURING THE YEAR

- * During the year, the Company has acquired property, plant and equipment amounting to Rs. 23.743 million. This include Rs. 23.225 million plant and machinery. These acquisitions are expected to increase the Company's production capacity.
- * 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 and provisions 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 under the historical cost convention except as otherwise disclosed in the respective accounting policy notes.

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.

3.5 STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

3.5.1 Standards, amendments or interpretations which became effective during the year.

IFRS 16 'Leases' became effective from 01 July 2019. IFRS 16 "Leases" has replaced IAS 17 "Leases", the former lease accounting standard, and has become effective from annual accounting periods beginning on or after January 1, 2019. IFRS 16 has introduced a single, on-balance sheet accounting model for lessees. As a result, the entity, as a lessee has recognized right-of-use asset representing its rights to use the underlined assets and lease liabilities representing its obligation to make lease payments. The company adopted IFRS-16 using modified approach with the date of initial application of July-19. Under this method, the Standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. Accordingly the information presented for prior year has not been restated.

3.5.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company:

	Effective date (annual reporting periods beginning on or after)
IAS 1 Presentation of financial statements (Amendments)	01 Jan, 2020
IAS 8 Accounting policies, changes in accounting estimates and errors (Amendments)	01 Jan, 2020
IAS 16 Property, Plant and Equipment (Amendments)	01 Jan, 2022
IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Amendments)	01 Jan, 2022
IAS 39 Financial Instruments: Recognition and Measurement (Amendments)	01 Jan, 2020
IFRS 9 Financial instruments (Amendments)	01 Jan, 2020

3.5.3 There are a number of other minor amendments and interpretations to other approved accounting standards that are not yet effective and are also not relevant to the Company and therefore have not been presented here.



3.6 Going concern assumptions

During the year, the Company incurred loss amounting to Rs. 714.070 million (June 30, 2019: Rs. 368.904 million) and has reported accumulated losses amounting to Rs. 3,237.318 million (June 30, 2019 : Rs. 2,569.630 million) at the year end. Accordingly, it resulted into equity of Rs. 100.700 million in current year (June 30, 2019: equity Rs. 827.839 million). In addition, the Company's current liabilities exceeded its current assets by Rs. 5,162.455 million (June 30, 2019: Rs. 4,654.046 million) at the year 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 73% of available capacity. The QTML also suffered losses due to slowdown in demand for cotton yarns and fabrics in the International Markets.

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

To substantiate its going concern assumption:

- 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, management anticipates better operational efficiencies and plant utilization.
- 3.6.3** During the year and subsequent to the year end, the Directors and sponsors of the company have injected financial support. They have committed that they would also continue such support in future; and
- 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.



4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant 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 for its permanent employees as per terms of employment who have completed minimum qualifying period of service as defined under the scheme.

The Company's obligation is determined through actuarial valuations carried out under the 'Projected Unit Credit Method'. Remeasurements which comprise actuarial gains and losses and the return on plan assets (excluding interest) are recognized immediately in other comprehensive income. Any change in past service cost is immediately recognized in profit or loss account.

The Company determines the net interest expense (income) on the net defined benefit liability(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments. Net interest expense and current service costs are recognized in profit and loss account. The latest actuarial valuation was conducted at the balance sheet date by a qualified professional firm of actuaries.

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 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

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

The cost of replacing part of an item of property, plant and equipment is recognised 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.

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 recognised 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 normal 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 realisable value which ever is lower
Waste	Net realizable value

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

Revenue from sale of goods is recognized when control of goods is transferred to customers.

Interest income is recognized on the basis of constant periodic rate of return.

Dividend income is recognised when the right to receive dividend is established i.e. the book closure date of the investee company declaring the dividend.

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

4.22.1 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.

c) Held to maturity financial assets

These are securities with fixed or determinable payments and fixed maturity in respect of which the Company has the positive intent and ability to hold to maturity. There were no held to maturity investments as at balance sheet date.

d) Available-for-sale financial assets

Available for sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose off within 12 months of the end of the reporting date.

4.22.2 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.

4.22.3 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 method. 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.

4.22.4 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.

4.22.5 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.

4.22.6 Derivative financial instruments

The Company designates derivative financial instruments as either fair value hedge or cash flow hedge.

a) Cash flow Hedges

Cash flow hedge represents hedges of a highly probable forecast transaction. The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in the profit and loss account. Amounts accumulated in equity are reclassified to the profit and loss account in the periods in which the hedged item will affect the profit and loss account.

b) Fair value hedge and other non-trading derivatives

Fair value hedge represents hedges of the fair value of recognized assets or liabilities or a firm commitment. Changes in the fair value of derivative that are designated and qualify as fair value hedges are recorded in the profit and loss account, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The carrying value of the hedged item is adjusted accordingly. When a derivative financial instrument is not designated in a qualifying hedge relationship, it is accounted for as held for trading and accordingly is categorized as 'financial asset at fair value through profit or loss'.



4.22.7 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.

4.22.8 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.

4.22.9 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.

	Note	30th June, 2020 Rupees	30th June, 2019 Rupees
5 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	5,720,860,458	5,948,633,149
		<u>5,720,860,458</u>	<u>5,948,633,149</u>



QUETTA TEXTILE MILLS LIMITED

5.1 Operating fixed assets

	2020							Annual depreciation rate %		
	Cost as at July 01, 2019	Additions / (deletions)	Transferred from right of use asset	Cost as at June 30, 2020	Accumulated depreciation as at July 01, 2020	Depreciation charge / (deletion) for the year	Adjustments		Accumulated depreciation as at June 30, 2020	Book value as at June 30, 2020
Owned Assets										
Spinning Units :										
Freehold land	645,150,455	-	-	645,150,455	-	-	-	-	645,150,455	-
Leasehold land	423,490,109	-	-	423,490,109	12,173,323	906,147	-	13,079,470	410,410,639	99 years
Building on freehold land	682,790,317	-	-	682,790,317	294,694,550	19,404,788	-	314,099,338	368,690,979	5%
Building on leasehold land	598,871,772	-	-	598,871,772	211,787,317	19,354,223	-	231,141,540	367,730,232	5%
Labour colony on freehold land	192,677,888	-	-	192,677,888	43,384,623	7,464,663	-	50,849,286	141,828,602	5%
Labour colony on leasehold land	125,865,280	-	-	125,865,280	39,575,307	4,314,499	-	43,889,806	81,975,474	5%
Plant and machinery	4,412,421,666	11,463,333	76,754,992	4,500,639,991	2,383,678,265	104,452,488	31,060,512	2,519,191,265	1,981,448,726	5%
Electrical fitting	61,822,173	-	-	61,822,173	53,814,642	1,201,130	-	55,015,772	6,806,401	15%
Factory equipment	22,874,560	-	-	22,874,560	20,868,203	300,953	-	21,169,156	1,705,404	15%
Office premises	17,285,321	-	-	17,285,321	15,573,630	708,229	-	16,281,859	1,003,462	15%
Office equipment	24,457,625	518,005	-	24,975,630	19,248,331	369,117	-	19,617,448	5,358,182	15%
Furniture and fixture	13,348,937	-	-	13,348,937	12,274,526	161,240	-	12,435,766	913,171	15%
Vehicles	53,627,523	(2,930,220)	3,720,000	54,417,303	43,498,399	1,751,537	2,040,548	45,559,525	8,857,778	15%
	7,274,683,626	11,981,338	80,474,992	7,364,209,736	3,150,571,116	160,389,014	33,101,060	3,342,330,231	4,021,879,505	
		(2,930,220)			(1,730,959)					
Weaving Unit :										
Building on freehold land	401,853,032	-	-	401,853,032	174,594,759	11,362,914	-	185,957,673	215,895,359	5%
Building on leasehold land [Grid]	5,596,887	-	-	5,596,887	3,790,476	90,321	-	3,880,797	1,716,090	5%
Labour colony on freehold land	117,638,449	-	-	117,638,449	28,583,912	4,452,727	-	33,036,639	84,601,810	5%
Plant and machinery	1,541,841,239	10,974,295	1,099,754	1,553,915,288	786,826,495	37,542,914	373,459	824,742,868	729,172,420	5%
Plant and machinery [Grid]	197,232,703	-	-	197,232,703	38,499,691	7,936,651	-	46,436,342	150,796,361	5%
Electrical fitting	33,203,858	-	-	33,203,858	28,987,004	632,528	-	29,619,532	3,584,326	15%
Factory equipment	12,474,088	-	-	12,474,088	10,839,533	245,183	-	11,084,716	1,389,372	15%
Office equipment	4,322,393	-	-	4,322,393	3,189,164	169,985	-	3,359,149	963,244	15%
Furniture and fixture	2,694,943	-	-	2,694,943	2,039,218	98,359	-	2,137,577	557,366	15%
Vehicles	8,289,337	-	2,032,920	10,322,257	5,046,341	486,449	1,222,532	6,755,322	3,566,935	15%
	2,325,146,929	10,974,295	3,132,674	2,339,253,898	1,082,396,593	63,018,031	1,595,991	1,147,010,615	1,192,243,283	
Power Plant :										
Building on freehold land	69,288,587	-	-	69,288,587	44,722,739	1,228,292	-	45,951,031	23,337,556	5%
Building on leasehold land	45,753,677	-	-	45,753,677	30,123,381	781,515	-	30,904,896	14,848,781	5%
Plant and machinery	1,042,529,514	787,095	-	1,043,316,609	573,509,647	23,034,355	-	596,544,002	446,772,607	5%
Electrical fitting	44,949,933	-	-	44,949,933	39,131,739	872,729	-	40,004,468	4,945,465	15%
Factory equipment	7,168,574	-	-	7,168,574	6,256,276	136,844	-	6,393,120	775,454	15%
Office equipment	66,800	-	-	66,800	54,938	1,780	-	56,718	10,082	15%
Furniture and fixture	476,750	-	-	476,750	416,782	8,996	-	425,778	50,972	15%
Vehicles	940,725	-	-	940,725	915,382	3,801	-	919,183	21,542	15%
	1,211,174,560	787,095	-	1,211,961,655	695,130,884	26,068,312	-	721,199,196	490,762,459	
Right of use asset										
Plant and Machinery	98,500,396	-	(77,854,746)	20,645,650	35,263,610	840,801	(31,433,972)	4,670,439	15,975,211	5%
Vehicles	5,752,920	-	(5,752,920)	-	3,263,079	-	(3,263,079)	-	-	15%
	104,253,316	-	(83,607,666)	20,645,650	38,526,689	840,801	(34,697,051)	4,670,439	15,975,211	
Total - 30.06.2020	10,915,258,431	23,742,728	(83,607,666)	10,936,070,939	4,966,625,282	250,316,158	34,697,051	5,215,210,481	5,720,860,458	
		(2,930,220)	(83,607,666)		(1,730,959)		(34,697,051)			



QUETTA TEXTILE MILLS LIMITED

	2019							Annual depreciation rate %	
	Cost as at July 01, 2018	Additions / (deletions)	Transfer in/(out)	Cost as at June 30, 2019	Accumulated depreciation as at July 01, 2019	Depreciation charge / (deletion) for the year	Transfers in/(out)		Accumulated depreciation as at June 30, 2019
	Rupees								
Spinning Units :									
Freehold land	645,150,455	-	-	645,150,455	-	-	-	-	645,150,455
Leasehold land	423,490,109	-	-	423,490,109	11,267,176	906,147	-	12,173,323	411,316,786
Building on freehold land	682,790,317	-	-	682,790,317	274,268,457	20,426,093	-	294,694,550	388,095,767
Building on leasehold land	598,871,772	-	-	598,871,772	191,414,451	20,372,866	-	211,787,317	387,084,455
Labour colony on freehold land	192,677,888	-	-	192,677,888	35,527,083	7,857,540	-	43,384,623	149,293,265
Labour colony on leasehold land	125,865,280	-	-	125,865,280	35,033,730	4,541,577	-	39,575,307	86,289,973
Plant and machinery	4,397,348,730	15,072,936	-	4,412,421,666	2,276,714,419	106,963,846	-	2,383,678,265	2,028,743,401
Electrical fitting	61,822,173	-	-	61,822,173	52,401,549	1,413,093	-	53,814,642	8,007,531
Factory equipment	22,874,560	-	-	22,874,560	20,514,140	354,063	-	20,868,203	2,006,357
Office premises	17,285,321	-	-	17,285,321	14,740,419	833,211	-	15,573,630	1,711,691
Office equipment	24,457,625	-	-	24,457,625	18,866,793	381,538	-	19,248,331	5,209,294
Furniture and fixture	13,348,937	-	-	13,348,937	12,084,832	189,694	-	12,274,526	1,074,411
Vehicles	49,649,023	-	5,778,500	53,627,523	40,562,636	1,219,880	1,912,758	43,498,399	10,129,124
		(1,800,000)				(196,875)			
	7,255,632,190	15,072,936	5,778,500	7,274,683,626	2,983,395,685	165,459,548	1,912,758	3,150,571,116	4,124,112,510
		(1,800,000)				(196,875)			
Weaving Unit :									
Building on freehold land	401,853,032	-	-	401,853,032	162,633,797	11,960,962	-	174,594,759	227,258,273
Building on leasehold land [Grid]	5,596,887	-	-	5,596,887	3,695,402	95,074	-	3,790,476	1,806,411
Labour colony on freehold land	117,638,449	-	-	117,638,449	23,896,831	4,687,081	-	28,583,912	89,054,537
Plant and machinery	1,540,839,145	1,002,094	-	1,541,841,239	747,319,487	39,507,008	-	786,826,495	755,014,744
Electrical fitting	33,203,858	-	-	33,203,858	197,232,703	8,354,369	-	38,499,691	158,733,012
Factory equipment	12,474,088	-	-	12,474,088	28,242,853	744,151	-	28,987,004	4,216,854
Office equipment	4,322,393	-	-	4,322,393	10,551,082	288,451	-	10,839,533	1,634,555
Furniture and fixture	2,694,943	-	-	2,694,943	2,989,182	199,982	-	3,189,164	1,133,229
Vehicles	6,522,637	1,766,700	-	8,289,337	4,479,173	115,716	-	2,039,218	655,725
						567,168		5,046,341	3,242,996
	2,322,378,135	2,768,794	-	2,325,146,929	1,015,876,631	66,519,962	-	1,082,396,593	1,242,750,336
Power Plant :									
Building on freehold land	69,288,587	-	-	69,288,587	43,429,800	1,292,939	-	44,722,739	24,565,848
Building on leasehold land	45,753,677	-	-	45,753,677	29,300,734	822,647	-	30,123,381	15,630,296
Plant and machinery	1,039,019,687	3,509,827	-	1,042,529,514	549,364,226	24,145,421	-	573,509,647	469,019,867
Electrical fitting	44,949,933	-	-	44,949,933	38,104,999	1,026,740	-	39,131,739	5,818,194
Factory equipment	7,168,574	-	-	7,168,574	6,095,283	160,993	-	6,256,276	912,298
Office equipment	66,800	-	-	66,800	52,844	2,094	-	54,938	11,862
Furniture and fixture	476,750	-	-	476,750	406,199	10,583	-	416,782	59,968
Vehicles	940,725	-	-	940,725	910,910	4,472	-	915,382	25,343
	1,207,664,733	3,509,827	-	1,211,174,560	667,664,995	27,465,889	-	695,130,884	516,043,676
Leased Assets									
Plant and machinery	98,500,396	-	-	98,500,396	31,935,358	3,328,252	-	35,263,610	63,236,786
Vehicles	11,531,420	-	(5,778,500)	5,752,920	4,054,264	1,121,573	(1,912,758)	3,263,079	2,489,841
	110,031,816	-	(5,778,500)	104,253,316	35,989,622	4,449,825	(1,912,758)	38,526,889	65,726,627
Total - 30.06.2019	10,895,706,874	21,351,557	(1,800,000)	10,915,258,431	4,702,926,933	263,895,224	1,912,758	4,966,625,282	5,948,633,149
						(196,875)			

5.1.1 Depreciation for the year has been allocated as under:

	Note	30 th June, 2020 Rupees	30 th June, 2019 Rupees
Cost of sales - spinning	29	158,344,805	166,295,821
Cost of sales - weaving	29	54,991,059	57,793,046
		213,335,864	224,088,867
Cost of sales - power plant	29.3.1	34,095,284	35,915,332
Administrative expenses	32	2,885,010	3,891,025
		250,316,158	263,895,224

5.1.2 Disposal of property, plant and equipment:

Particulars	Cost	Accumulated depreciation	Written down value	Sale proceeds	Profit / (loss)	Mode of disposal	Particulars of buyer
Vehicles							
Toyota Corolla Altis	2,291,220	1,154,430	1,136,790	1,610,000	473,210	Negotiation	M/s. Eastern Spinning Mills (Pvt.) Ltd, Lahore.
Hyundai Santro	639,000	576,529	62,471	275,000	212,529	Negotiation	Mr. Sami Malik S/o. Malik Munir Ahmad, Lahore.
30-Jun-20	2,930,220	1,730,959	1,199,261	1,885,000	685,739		
30-Jun-19	1,800,000	196,875	1,603,125	1,750,000	146,875		

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
Bhal Pheru	49 K.M., Lahore, Multan Road, Bhal Pheru.	41.18
Karachi	F-53 (Industrial Area) Eastern Industrial Zone PQA, Karachi.	2
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, 2020 would have been as follows:

Note	30 th June, 2020 Rupees	30 th June, 2019 Rupees
Freehold Land	75,752,071	75,752,071
Leasehold land	4,152,099	4,152,099
Building on freehold land	266,743,952	280,783,107
Building on leasehold land	78,244,674	82,362,815
Building on freehold land [Grid]	30,371,001	31,969,475
Labour colony on freehold land	22,524,102	23,709,581
Labour colony on leasehold land	20,065,001	21,121,054
Plant and machinery	2,504,100,191	2,612,670,215
Plant and machinery [Grid]	88,882,257	93,560,271
	3,080,835,349	3,226,080,688



QUETTA TEXTILE MILLS LIMITED

NOTES TO AND FORMING PART OF THE THE FINANCIAL STATEMENTS

For the year ended June 30, 2020

	Note	30 th June, 2020 Rupees	30 th June, 2019 Rupees
6 INTANGIBLE ASSETS			
Computer software			
Net carrying value basis as at June 30			
Opening net book value		2,130,467	2,698,591
Additions (as cost)		-	-
Transfer from capital work in process		-	-
Amortisation charge		(568,124)	(568,124)
Closing net book value		<u>1,562,343</u>	<u>2,130,467</u>
Gross carrying value basis as at June 30			
Cost		2,840,622	2,840,622
Accumulated amortisation		(1,278,279)	(710,155)
Net book value		<u>1,562,343</u>	<u>2,130,467</u>
The cost is being amortised over a period of five years and the amortisation charge has been allocated as follows:			
Administrative expenses	32	<u>568,124</u>	<u>568,124</u>
7 LONG TERM DEPOSITS			
Security deposits:			
WAPDA		7,893,190	7,893,190
SSGCL		18,658,656	18,658,656
Leasing companies	21	5,772,000	6,331,250
Others		1,325,168	1,451,432
		<u>33,649,014</u>	<u>34,334,528</u>
8 STORES, SPARES AND LOOSE TOOLS			
Spinning :			
Stores		70,165,358	53,683,302
Spares and accessories		155,248,503	159,259,461
Loose tools		9,882,445	6,382,641
		235,296,306	219,325,404
Weaving :			
Stores		62,841,710	44,258,473
Power plant :			
Oil and stores		111,312,418	112,491,653
		<u>409,450,434</u>	<u>376,075,530</u>
8.1 No item of stores, spares and loose tools is pledged as security as at reporting date.			
9 STOCK IN TRADE			
Spinning :			
Raw material - in hand		310,971,885	89,489,468
Work-in-process		60,240,277	66,179,789
Finished goods		769,926,443	43,677,495
Waste		12,391,342	6,021,093
		1,153,529,947	205,367,845
Weaving :			
Raw material		-	10,182,157
Work-in-process		-	6,290,993
Finished goods		198,560,300	272,654,838
		198,560,300	289,127,988
		<u>1,352,090,247</u>	<u>494,495,833</u>
9.1 The carrying value of Pledged stock is Rs. NIL (June 30, 2019: Rs. 17,797,538/-).			
9.2 The stock has been recorded at lower of cost or NRV as required by IAS 2.			



14.1 Effective rates of profit on TDA, during the year, ranging from 6.25% to 8.5% (June 30, 2019: 9.50% to 10.50%) per annum. The maturity period of the TDA in one year from the date of original issue. This deposit is under bank's lien as security of bank guarantee issued on behalf of the Company.

14.2 Effective rates of profit on deposit accounts, during the year, ranging from 6.50% to 11.25% (June 30, 2019: 9.50% to 10.50%) per annum

15 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

30 th June, 2020	30 th June, 2019		30 th June, 2020	30 th June, 2019
Number of shares			Rupees	Rupees
1,200,000	1,200,000	Ordinary shares of Rs. 10 each allotted for consideration paid in cash	12,000,000	12,000,000
9,875,000	9,875,000	Ordinary shares of Rs. 10 each allotted as right shares	98,750,000	98,750,000
1,925,000	1,925,000	Ordinary shares of Rs. 10 each issued as bonus	19,250,000	19,250,000
<u>13,000,000</u>	<u>13,000,000</u>		<u>130,000,000</u>	<u>130,000,000</u>

15.1 The Company has only one class of shares which carry no right to fixed income.

15.2 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.

	Note	30 th June, 2020	30 th June, 2019
		Rupees	Rupees
16 RESERVES			
Reserves :			
Share premium		651,750,000	651,750,000
Capital reserve		1,200	1,200
General reserves		115,000,000	115,000,000
		<u>766,751,200</u>	<u>766,751,200</u>
17 LOAN FROM DIRECTORS AND OTHERS - SUBORDINATED			
Loan from directors and others		<u>212,728,470</u>	<u>212,728,470</u>

17.1 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.

18 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

Balance as at July 01,	2,765,335,906	2,853,477,629
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	(59,451,562)	(62,580,623)
Less: Deferred Tax	(24,283,045)	(25,561,100)
	2,681,601,299	2,765,335,906
Less: Related to deferred tax effect:		
Balance as at July 01,	477,346,413	502,907,513
Recognition of deferred tax liability due to the transfer of incremental depreciation to equity from surplus on revaluation	(24,283,045)	(25,561,100)
	453,063,368	477,346,413
Closing balance	<u>2,228,537,931</u>	<u>2,287,989,493</u>

18.1 On 27 July 2017 and 28 to 29 June 2018, further revaluation was made of the Land, Building, Labour Colony, Grid station and Plant & machinery by M/s. K. G. Traders and Harvester Services (Pvt.) Limited registered Valuers and Surveyors, on the basis of market value which resulted in net revaluation surplus of Rs. 996,189,300/-.

18.2 On July 10, 2014 and August 04, 2014, further revaluation was made of the Land, Building, Labour Colony, Grid station and Plant & machinery , by M/s. Joseph Lobo (Pvt.) Ltd., registered Valuers and Surveyors, on the basis of market value which resulted in net revaluation surplus of Rs. 1,273,133,577/-.



- 18.3** On March 31, 2009, further revaluation was made of the Land, Building and Labour Colony, by Asif Associates (Pvt.) Ltd, registered surveyors and valuation consultants, on the basis of market value which resulted in net revaluation surplus of Rs. 622,057,842/-.
- 18.4** On November 13, 2006 and December 28, 2006, further revaluation was made of the Land, Building and Plant and Machinery, by Asif Associates (Pvt.) Ltd, registered surveyors and valuation consultants, on the basis of market value and realizable values which resulted in net revaluation surplus of Rs. 154,291,391/-.
- 18.5** On May 27, 2005 and Jun 24, 2005, Land was revalued by MYK Associate (Pvt) Ltd, registered surveyors and valuation consultants, on the basis of market value and realizable values which resulted in net revaluation surplus amounting to Rs. 119,794,763/-.
- 18.6** On July 16, 2003, revaluation was made of the land, building and machinery, by MYK Associates (Pvt.) Ltd, registered surveyors and valuation consultants, on the basis of market value which resulted in net revaluation surplus of Rs. 20,750,716/-.

	Note	30 th June, 2020 Rupees	30 th June, 2019 Rupees
19 LONG TERM FINANCES			
Loans from banking companies - secured			
Al-Barka Bank (Pakistan) Limited	19.1	889,840	889,840
Faysal Bank Limited	19.2	178,715,000	178,715,000
Habib Bank Limited	19.3	235,665,204	235,665,204
Accrued Interest [HBL]	19.3	28,886,174	28,886,174
Habib Bank Limited	19.4	8,129,727	8,129,727
Meezan Bank Limited - [Bai Muajjal]	19.5	58,605,663	58,605,663
National Bank of Pakistan-[LTF-II Frozen Markup]	19.6	61,850,000	61,850,000
National Bank of Pakistan - [LTF]	19.7	50,746,000	50,746,000
National Bank of Pakistan - [LTF-I]	19.8	162,907,100	164,907,100
Accrued Interest [NBP-LTF-I]	19.8	26,900,113	26,900,113
Soneri Bank Limited	19.9	481,767,000	481,967,000
Bank Al Falah Limited	19.10	26,290,663	-
Allied Bank Limited [LTF]	19.11	184,494,944	-
		<hr/>	<hr/>
		1,505,847,428	1,297,261,821
Less: Current maturity shown under current liabilities	19.12	(1,173,247,387)	(973,460,636)
		<hr/>	<hr/>
		332,600,041	323,801,185
19.1			
Equitable Mortgage of Rs. 94.4 (M) over property at Plot No. 7-8/A, Justice Sardar Iqbal Road, Off Zafar Ali Road, Gulberg V, Lahore. Facility amount was Rs. 5 (M) at a profit rate of 6MK + 1.5%. Loan is repayable in 6 quarterly instalments commencing from 30/9/14.			
19.2			
First pari passu hypothecation charge over stock and receivables for PKR 130 Million, first pari passu charge over plant and machinery of the company for PKR 311.330 Million mortgage charge over land and building for PKR 75 Million facility amount was 162.643 Million at a markup rate of 3 months Kibor plus 0.50% per annum loan is payable within 5 years including 1 year grace period. Quarterly installments commencing from June 01, 2017.			
19.3			
The company had a restructuring agreement with bank to restructure outstanding principal of Rs. 287.809 million of different facilities upto date of Apr 10, 2016. The facility is payable in 29 installments. starting from Apr 22, 2016. The facility is secured against First pari passu Equitable Mortgage and hypothecation (each) charge for PKR 420 Million, on present and future fixed assets, post dated Cheques and personal guarantees of directors of the company. The markup rate of 3 months Kibor per annum. Accrued interest will be payable in 4 equal quarterly installments starting from Sep 1, 2021.			
19.4			
Frozen markup for CF and FIM Facility Accrued from Jan 16 to 22 April 2016 to be clubbed in frozen markup payable in 4 equal quarterly installments commencing from 01-sept-2021.			
19.5			
Ranking Charge of Rs. 96 (M) on plant & machinery of the company. Facility amount was Rs. 72 (M) at a profit rate of 1-year GoP Ijarah Sukuk rate. Loan is repayable in 60 monthly installments commencing from 31/1/14.			
19.6			
The company has entered into restructuring agreement with bank for conversion of frozen markup of RF, LTFF, cash finance and FIM facilities up to June 30, 2016 into Term Loan Facility-II. The facility is payable in 8 equal quarterly installments of Rs. 7.731 million each starting from Sep 30, 2022 to Jun 30, 2024. The facility is secured as mentioned in note 18.7.			
19.7			
Total facility amount under LTFF facility was Rs. 63.436 million payable in 20 quarterly installment from Sep 20, 2015 to Jun 20, 2020. During the period, company entered into restructuring agreement with bank along with mention in note 19.8, and restructured overdue amount Rs 12.688 million with security mentioned in 18.8. Markup rate is SBP+3%.			
19.8			
The Company has entered into restructuring agreement with bank for conversion of CF(Pledge), FIM and Overdue upto June 30, 2016 into Term Loan Facility-I. The facility is payable in 24 quarterly installments starting from Sep 30, 2016. The markup rate is 3 months kibor 1% and will be payable in 8 quarterly installments starting from Sep 30, 2022. The facility is secured against First Pari Passu charge on Land, Plant and Machinery of Rs. 310 million part of Rs. 428 million charge already held by bank.			



- 19.9** First pari passu hypothecation charge over current assets for PKR 33.334 Million, ranking charge over Fixed Assets of the company for PKR 645 Million. Facility amount was 481.967 Million at a markup rate of 3 months Kibor per annum. loan is payable within 6 years including 1 year grace period. Quarterly installments commencing from April 01, 2017.
- 19.10** Bank Alfalah has approved a settlement of entire principal of CF Hypo facility of Rs. 28.49 million alongwith overdue markup and future markup @7.00% or cost of funds (whichever is higher). The bank has 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.
- 19.11** Facility was restructured by Allied Bank Limited. ABL-Special Asset Management Group agreed to restructure the released entire pledge and converted in term loan. Later on bank released whole stock and issued the D.O of stocks. The balance as on closing date stand Rs.160 million term loan and short term balance still exist of Rs. 24.494 million which is payable on demand. The bank has approved repayment plan for 6 years. Ranking charge of Rs.400 million in favor of ABL over entire fixed assets of the company including land, building and machinery.
- 19.12** Current maturity includes Rs. 957.66 million in respect of overdue.

	Note	30 th June, 2020 Rupees	30 th June, 2019 Rupees
20 REDEEMABLE CAPITAL - SUKUK			
Diminishing musharaka Sukuk certificate		611,335,643	611,335,643
Less: Current portion shown under current liabilities	20.3	(611,335,643)	(611,335,643)
		-	-
20.1	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

20.2 Security

First Pari Passu charge of Rs. 1.846 billion (June 30, 2019 Rs. 1.846 billion) on all fixed assets of the company.

- 20.3** Current maturity includes Rs. 611.336 million in respect of overdue.

	Note	30 th June, 2020 Rupees	30 th June, 2019 Rupees
21 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE			
Payable within one year		21,304,702	19,035,476
Payable after one year but not more than five years		-	5,121,133
		21,304,702	24,156,609
Less: deferred finance cost		(3,016,150)	(3,078,237)
		18,288,552	21,078,372
Less: Current portion shown under current liabilities	21.5	(18,288,552)	(17,332,945)
Present value of minimum lease payments		-	3,745,427

- 21.1** 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.
- 21.2** The lease is secured by personal guarantees of two directors and security deposit equivalent to 0.1% to 10% of the facility amount.
- 21.3** Implicit rate of return on lease varies ranging from 8.80% to 11.35% (June 30, 2019: 8.75% to 10.30%) p.a.
- 21.4** Taxes, repairs and maintenance, insurance and other cost relating to the lease assets are borne by the Company.
- 21.5** Current maturity includes Rs. 18.289 million in respect of overdue.
- 21.6** Refer to note no.27.5 in Contingencies.

	Note	30 th June, 2020 Rupees	30 th June, 2019 Rupees			
22 DEFERRED LIABILITIES						
Deferred taxation	22.1	-	58,971,582			
Staff retirement benefits - gratuity	22.4	160,317,910	116,695,105			
		<u>160,317,910</u>	<u>175,666,687</u>			
	Note	30th June, 2020 Rupees	30th June, 2019 Rupees			
22.1 Deferred taxation						
Deferred tax credits / (debits) arising in respect of:						
Taxable/(Deductible) temporary differences (deferred tax liabilities)						
Deferred Tax Liability		253,578,672	355,204,560			
Revaluation surplus		453,063,368	477,346,413			
Deferred debit arising in respect of provisions, tax losses and refunds		(983,579,712)	(773,579,391)			
	22.2	<u>(276,937,672)</u>	<u>58,971,582</u>			
22.2 Deferred debit arising in respect of provisions, tax losses and refunds						
Opening balance		58,971,582	271,244,286			
Closing balance of deferred tax liability reversal of differed tax liability		-	(58,971,582)			
		<u>58,971,582</u>	<u>212,272,704</u>			
22.3						
During the year deferred tax asset arose amounting to Rs.276.938 million. This has not been recognised as the company does not seem to earn taxable profits in the foreseeable future.						
22.4 Staff retirement benefits - gratuity						
Movement in the net liability recognized in the Balance sheet						
Opening net liability		116,695,105	97,463,821			
Expense for the year in profit and loss account		44,290,575	34,579,069			
Remeasurement recognized in other comprehensive income		18,110,375	3,385,190			
		<u>179,096,055</u>	<u>135,428,080</u>			
Benefits paid during the year		(18,778,145)	(18,732,975)			
Closing net liability		<u>160,317,910</u>	<u>116,695,105</u>			
22.5 Expense for the year in profit and loss account						
Current service cost		34,430,132	22,877,534			
Interest cost		9,860,443	11,701,535			
		<u>44,290,575</u>	<u>34,579,069</u>			
22.6 Historical information						
		2020	2019	2018	2017	2016
Present value of defined benefit obligation		<u>160,317,910</u>	<u>116,695,105</u>	<u>97,463,821</u>	<u>107,462,067</u>	<u>105,040,220</u>
22.7 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.						



	Note	30 th June, 2020 Rupees	30 th June, 2019 Rupees
22.8 Principal actuarial assumption			
Following are a few important actuarial assumption used in the valuation.			
		%	%
Discount rate		8.50	14.25
Expected rate of increase in salary		10.00	12.00
22.9 Expected gratuity expenses for the year ending June 30, 2021 works out Rs. 48,719,633 /-.			
22.10 Expected year of services (years)		8	12
22.11 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		11,884,224	3,434,453
Increase in future salaries		(13,595,828)	(3,632,547)
	Note	30 th June, 2020 Rupees	30 th June, 2019 Rupees
23 TRADE AND OTHER PAYABLES			
Trade Creditors		1,802,612,017	533,934,046
Accrued liabilities		384,446,303	319,841,716
Advance from customers		25,295,298	-
Security deposit against rentals		1,875,400	-
Unearned rental income		1,877,415	-
Withholding income tax payable		1,585,080	726,789
Others		3,025,581	2,246,791
		<u>2,220,717,094</u>	<u>856,749,342</u>
24 ACCRUED INTEREST / MARK-UP			
Accrued interest / mark-up on secured:			
- long term finances		156,794,038	142,993,127
- redeemable capital - Sukuk		195,360,853	189,247,497
- short term borrowings		699,042,152	675,899,243
		<u>1,051,197,043</u>	<u>1,008,139,868</u>
25 SHORT TERM BORROWINGS			
Secured - Banking companies			
Finances under mark-up arrangement	25.1	2,410,717,365	2,625,103,805
Unsecured			
Book overdraft	25.2	2,846,843	34,963,929
		<u>2,413,564,208</u>	<u>2,660,067,734</u>
25.1 Aggregate facilities amounting to Rs. 2.408 billion (June 30, 2019: Rs. 2.657 billion) were available to the Company from banking companies. These are secured against hypothecation charge and pledge of stock in trade, book debts, plant & machinery, export bills under collection. These loans carry mark up at the rate ranging from 11.25 % to 14.75% (June 30, 2019: 10.30% to 13.50%) per annum payable quarterly and on the maturity dates. The above facilities have been expired.			
25.2 This represents Cheques issued in excess of bank balance. Since there was no banking facility, this has been grouped under Book overdraft.			
26 LOAN FROM DIRECTORS AND OTHERS			
Unsecured			
Due to directors		22,140,964	20,015,615
Due to others		5,875,393	5,700,742
		<u>28,016,357</u>	<u>25,716,357</u>
26.1 These are non mark up bearing and unsecured ,and repayable on demand.			



	Note	30 th June, 2020 Rupees	30 th June, 2019 Rupees
27 CONTINGENCIES AND COMMITMENTS			
Contingencies			
Guarantees issued by banks on behalf of the Company		230,759,721	219,558,594
27.1	Company has filed a suit No. 202 of 2011 against Enshaa NLC Development (Pvt) Limited before the Honourable 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.		
27.2	The Company has filed C.P No. 1814 of 2011 against Infrastructure Fee/ Cess. The case is pending before Hon' able High Court of Sindh at Karachi at hearing stage.		
27.3	The Government levied Gas Infrastructure Development Cess (GIDC) amounting to Rs-392.73 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.1226 and in the Lahore High Court via W.P No.37524. The company has not recorded the provision for the above amount.		
27.4	The Company has filed Suit No. 287 of 2015 against Sui Gas Bill tariff rate is charged under the heading of Captive Power while the Company does not fall under the said heading/tariff. Case was decreed in favor of the company. Appeal in the High Court has been filed against the order.		
27.5	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, Orix Leasing Company, Dubai Islamic Bank, Bank Al Barka, Bank Al Falah Limited and Standard Chartered Bank (Pakistan) Limited have filed recovery suits in the High Court of Sindh and in banking court for Rs. 4,048,649,213 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.		
27.6	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.		
	Note	Rupees	Rupees
27.7 Commitments			
Confirmed letter of credit in respect of:			
- Raw material & spare parts		46,485,584	8,006,410
		<u>46,485,584</u>	<u>8,006,410</u>



QUETTA TEXTILE MILLS LIMITED

NOTES TO AND FORMING PART OF THE THE FINANCIAL STATEMENTS

For the year ended June 30, 2020

28 SALES

	Export Sales		Local Sales		Total	
	2020	2019	2020	2019	2020	2019
	Rupees					
Yarn	93,040,843	146,310,153	3,476,866,124	3,213,092,184	3,569,906,967	3,359,402,337
Fabric	-	-	62,746,379	83,991,783	62,746,379	83,991,783
Waste	-	-	103,586,814	108,775,729	103,586,814	108,775,729
Processing	-	-	479,288,695	696,310,487	479,288,695	696,310,487
	<u>93,040,843</u>	<u>146,310,153</u>	<u>4,122,488,013</u>	<u>4,102,170,183</u>	<u>4,215,528,856</u>	<u>4,248,480,336</u>
Sales tax	-	-	(598,993,985)	-	(598,993,985)	-
	<u>93,040,843</u>	<u>146,310,153</u>	<u>3,523,494,028</u>	<u>4,102,170,183</u>	<u>3,616,534,871</u>	<u>4,248,480,336</u>

29 COST OF SALES

	Note	30 th June, 2020 Rupees	30 th June, 2019 Rupees
Raw material consumed	29.1	2,924,650,187	2,776,500,374
Salaries, wages and benefits	29.2	610,181,689	586,512,602
Stores and spares consumed		199,582,945	151,691,065
Fuel, power and water	29.3	855,281,730	719,162,236
Rent, rates and taxes		1,284,318	1,392,066
Insurance expenses		13,163,501	13,853,408
Repairs and maintenance		3,359,539	2,890,572
Vehicle running and maintenance		11,183,640	10,186,740
Entertainment expenses		2,738,355	1,939,893
Communication expenses		893,245	784,004
Printing and stationery		886,055	359,709
Subscription		242,900	394,408
Legal and professional		20,000	50,000
Travelling		806,880	658,245
Other expenses		1,167,754	353,955
Processing charges		-	1,506,537
Depreciation expenses	5.1.1	213,335,864	224,088,867
		<u>4,838,778,601</u>	<u>4,492,324,681</u>
Work in process			
Opening stock		72,470,782	33,483,618
Closing stock		(60,240,277)	(72,470,782)
		<u>12,230,505</u>	<u>(38,987,164)</u>
Cost of goods manufactured		<u>4,851,009,106</u>	<u>4,453,337,517</u>
Finished goods			
Opening balance		316,332,333	363,750,270
Goods purchase:			
Yarn Purchase		-	13,364,481
		-	13,364,481
Closing stock		(968,486,743)	(316,332,333)
		<u>4,198,854,696</u>	<u>4,514,119,935</u>
29.1 Raw material consumed			
Opening balance		105,692,718	153,678,816
Purchases		3,142,320,696	2,728,514,276
		<u>3,248,013,414</u>	<u>2,882,193,092</u>
Closing stock		(323,363,227)	(105,692,718)
		<u>2,924,650,187</u>	<u>2,776,500,374</u>

29.2 Salaries, wages and benefits include Rs. 40,797,917/- (June 30, 2019 Rs. 31,110,629/-) in respect of staff retirement benefits.



QUETTA TEXTILE MILLS LIMITED

NOTES TO AND FORMING PART OF THE THE FINANCIAL STATEMENTS

For the year ended June 30, 2020

	Note	30 th June, 2020 Rupees	30 th June, 2019 Rupees
29.3 Fuel, power and water			
Electricity purchase from out-side		486,990,431	330,350,501
Electricity produced by self	29.3.1	342,468,017	362,132,587
Water charges		2,242,035	1,654,010
Gas charges		23,581,247	25,025,138
		<u>855,281,730</u>	<u>719,162,236</u>
29.3.1 Salaries, wages and benefits include Rs. 1,415,806/- (June 30, 2019: Rs. 1,305,098/-) in respect of staff retirement benefits.			
30 OTHER INCOME			
From other than financial assets			
Profit on sale of property, plant and equipment		685,739	146,875
Export rebate income		-	6,030,914
Rental income		5,530,862	2,912,403
Dividend income		12,253	-
Scrap sales		1,987,418	-
Exchange gain		-	8,721
		<u>8,216,272</u>	<u>9,098,913</u>
31 DISTRIBUTION COST			
On export sales			
Export development surcharges		228,951	353,081
Freight		1,340,830	1,600,491
Clearing and forwarding		594,271	690,485
		2,164,052	2,644,057
On local sales			
Freight		13,289,873	5,268,581
Commission		3,875,791	1,693,254
		17,165,664	6,961,835
Salaries and wages		4,464,620	4,874,266
		<u>23,794,336</u>	<u>14,480,158</u>
32 ADMINISTRATIVE EXPENSES			
Directors' remuneration		13,052,900	9,600,000
Salaries and benefits	32.1	38,112,049	28,926,731
Meeting fee		350,000	300,000
Printing and stationery		1,281,644	714,988
Communication		2,404,992	2,062,275
Travelling		900,143	1,599,611
Vehicle running and maintenance		5,527,039	6,182,845
Legal and professional charges		2,905,469	1,563,333
Auditors' remuneration	32.2	2,461,084	1,777,430
Rent, rates and taxes		427,679	357,586
Entertainment		597,261	674,190
Electricity, gas and water charges		1,206,523	1,423,192
Fees and subscription		4,613,236	2,250,911
Repairs and maintenance		432,290	7,350
Insurance		235,767	-
Amortization		568,124	568,124
Security, gardening and sanitation		57,610	-
Advertisement		48,970	-
Miscellaneous		5,299,082	1,297,226
Depreciation	5.1.1	2,885,010	3,891,025
		<u>83,366,871</u>	<u>63,196,817</u>
32.1 Salaries, wages and benefits include Rs. 2,076,852/- (June 30, 2019: Rs. 2,113,343/-) in respect of staff retirement benefits.			

NOTES TO AND FORMING PART OF THE THE FINANCIAL STATEMENTS
 For the year ended June 30, 2020

	Note	30 th June, 2020 Rupees	30 th June, 2019 Rupees
32.2 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		683,654	-
		<u>2,461,084</u>	<u>1,777,430</u>
33 OTHER OPERATING EXPENSES			
Diminution in the fair value of investment		25,485	14,507
Donations	33.1	<u>3,324,394</u>	<u>1,779,720</u>
		<u>3,349,879</u>	<u>1,794,227</u>
33.1 No director or his spouse had any interest in the donee.			
34 FINANCE COST			
Interest / mark-up on			
- short term finances		30,673,680	109,927,193
- long term loans		19,914,267	71,254,184
- lease		231,895	147,956
Bank charges, commission and others charges		7,406,519	6,592,771
		58,226,362	187,922,104
Less: Finance income			
- on saving accounts & TDA		(5,490,173)	(3,012,171)
		<u>52,736,189</u>	<u>184,909,933</u>
35 (LOSS) PER SHARE			
(Loss) after taxation		<u>(714,069,666)</u>	<u>(368,903,843)</u>
		Number of shares	
Weighted average number of ordinary shares		<u>13,000,000</u>	<u>13,000,000</u>
		(Rupees)	
(Loss) per share - basic and diluted		<u>(54.93)</u>	<u>(28.38)</u>
35.1 There is no dilutive effect on basic earnings per share.			
36 CASH GENERATED FROM OPERATIONS			
(Loss) before taxation		(737,350,828)	(520,921,821)
Adjustment for items involving non movement of fund			
Depreciation		250,316,158	263,895,224
Amortization		568,124	568,124
Financial charges		52,736,189	184,909,933
Profit on sale of property, plant and equipment		(685,739)	(146,875)
Provision for gratuity		44,290,575	34,579,069
Provision for diminution/ (appreciation) in the value of investment		25,485	14,507
		347,250,792	485,599,702
Profit before working capital changes		(390,100,036)	(35,322,119)
(Increase)/decrease in current assets			
Stocks, stores and spares		(890,969,318)	56,948,605
Trade debts		196,335,993	(41,777,343)
Advances, deposits, prepayments and other receivable		(12,038,247)	4,008,854
		(1,096,771,608)	(16,142,003)
Increase in current liabilities			
Creditors, accrued and other liabilities		1,363,967,752	89,396,517
		<u>267,196,144</u>	<u>73,254,514</u>



NOTES TO AND FORMING PART OF THE THE FINANCIAL STATEMENTS

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37 FINANCIAL INSTRUMENTS

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

- 37.1 - Credit risk
- 37.2 - Liquidity risk
- 37.3 - 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.

37.1 Credit risk

37.1.1 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. 364.600 million (June 30, 2019: Rs. 529.130 million), financial assets which are subject to credit risk aggregate to Rs. 354.343 million (June 30, 2019: Rs. 528.649 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, 2020 Rupees	30 th June, 2019 Rupees
Long term deposits	7	33,649,014	34,334,528
Trade debts	10	151,733,768	348,069,761
Other financial assets	11	67,194	92,679
Advances, deposits, prepayments	12	97,339,367	85,301,120
Cash and bank balances	14	81,810,653	61,332,016
		364,599,996	529,130,104

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

Domestic	151,733,768	348,069,761
	151,733,768	348,069,761

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

Yarn	109,755,717	241,352,017
Fabric	41,978,051	106,717,744
	151,733,768	348,069,761

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

Not past due	63,728,183	230,372,350
Past due 0 - 30 days	64,486,851	28,561,143
Past due 31 - 90 days	23,518,734	75,033,497
Past due 91 - 1 year	-	13,359,919
More than one year	-	742,853
	151,733,768	348,069,761

37.2 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.



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For the year ended June 30, 2020

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

2020					
Carrying amount	Contractual cash flow	Up to 1 year	Between 1 to 5 years	5 years and above	
Rupees					
Long term finances	1,505,847,428	1,505,847,428	-	-	-
Redeemable capital - Sukuk	611,335,643	611,335,643	-	-	-
Finance lease	18,288,552	-	-	-	-
Trade and other payables	2,220,717,094	2,220,717,094	2,220,717,094	-	-
Accrued mark-up	1,051,197,043	1,051,197,043	-	-	-
Short term borrowings	2,413,564,208	2,413,564,208	-	-	-
	<u>7,820,949,968</u>	<u>7,802,661,416</u>	<u>2,220,717,094</u>	<u>-</u>	<u>-</u>
2019					
Carrying amount	Contractual cash flow	Up to 1 year	Between 1 to 5 years	5 years and above	
Rupees					
Long term finances	1,297,261,821	1,562,107,802	784,324,050	777,783,752	-
Redeemable capital - Sukuk	611,335,643	776,509,419	635,483,401	141,026,018	-
Finance lease	21,078,372	24,156,609	12,704,226	11,452,383	-
Trade and other payables	856,749,342	856,749,343	856,749,343	-	-
Accrued mark-up	1,008,139,868	1,008,139,867	1,008,139,867	-	-
Short term borrowings	2,660,067,734	2,979,275,862	2,979,275,862	-	-
	<u>6,454,632,780</u>	<u>7,206,938,901</u>	<u>6,276,676,748</u>	<u>930,262,153</u>	<u>-</u>

37.2.2 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.

37.3 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.

37.3.1 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 2020	-	-	-	-
Trade debts 2019	-	-	-	-

The following significant exchange rates applied during the year:

	Average rates		Reporting date rates	
	2020	2019	2020	2019
US Dollar to Rupee	144.83	142.70	168.25	164.00

37.3.2 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.



QUETTA TEXTILE MILLS LIMITED

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	Note	30 th June, 2020 Rupees	30 th June, 2019 Rupees
US Dollar		-	-

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

37.3.3 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, 2020 Rupees	30 th June, 2019 Rupees
Fixed rate instruments		
Financial assets	54,159,282	50,517,282
Financial liabilities	2,117,183,071	1,908,597,464
Variable rate instruments		
Financial assets	-	-
Financial liabilities	2,431,852,760	2,681,146,106

37.4 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.

37.5 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.

	Profit and loss		Equity	
	100 bps increase	100 bps decrease	100 bps increase	100 bps decrease
	Rupees			
Cash flow sensitivity - variable rate instruments 2020	24,318,528	(24,318,528)	-	-
Cash flow sensitivity - variable rate instruments 2019	26,811,461	(26,811,461)	-	-

37.6 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, 2020 other financial assets were categorized in level 1.

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



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	Note	30 th June, 2020 Rupees	30 th June, 2019 Rupees
37.7 Off balance sheet items			
Bank guarantees issued in ordinary course of business		230,759,721	219,558,594
Civil work		-	-
Letters of credit for raw material		46,485,584	8,006,410
Letters of credit for stores and spares		-	-

The effective rate of interest / mark up for the monetary financial assets and liabilities are mentioned in respective notes to the financial statements.

37.8 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, 2020 Rupees	30 th June, 2019 Rupees
Borrowings	Rupees	4,549,035,831	4,589,743,570
Less: Cash and bank balances		(81,810,653)	(61,332,016)
Net Debts		4,467,225,178	4,528,411,554
Total equity	Rupees	100,699,121	827,838,809
Total capital employed	Rupees	4,567,924,299	5,356,250,363
Gearing ratio	Percentage	0.98	0.85

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2020

38 SEGMENT ANALYSIS

The segment information for the reportable segments for the year ended June 30, 2020 is as follows:

38.1 Operating results

	Note	Spinning		Weaving		Power Generation		Company	
		30 th June, 2020 Rupees	30 th June, 2019 Rupees	30 th June, 2020 Rupees	30 th June, 2019 Rupees	30 th June, 2020 Rupees	30 th June, 2019 Rupees	30 th June, 2020 Rupees	30 th June, 2019 Rupees
SALES									
Export		93,040,843	146,310,153	-	-	-	-	93,040,843	146,310,153
Local		2,971,680,448	3,213,092,184	62,746,379	83,991,783	-	-	3,034,426,827	3,297,083,967
Waste		88,945,846	92,646,328	5,523,973	16,129,400	-	-	94,469,819	108,775,728
Processing		86,731,670	180,259,806	307,865,712	516,050,682	-	-	394,597,382	696,310,488
		3,240,398,807	3,632,308,471	376,136,064	616,171,865	-	-	3,616,534,871	4,248,480,336
Inter - segment sales		-	31,642,500	-	-	342,468,017	362,132,587	342,468,017	393,775,087
Total sales		3,240,398,807	3,663,950,971	376,136,064	616,171,865	342,468,017	362,132,587	3,959,002,888	4,642,255,423
Cost of sales	40	(3,500,353,361)	(3,882,315,835)	(698,501,335)	(663,446,600)	(342,468,017)	(362,132,587)	(4,541,322,713)	(4,907,895,022)
Gross loss		(259,954,554)	(218,364,864)	(322,365,271)	(47,274,735)	-	-	(582,319,825)	(265,639,599)
Distribution cost	41	(22,454,950)	(12,530,452)	(1,339,386)	(1,949,706)	-	-	(23,794,336)	(14,480,158)
Administrative expenses	42	(74,696,338)	(54,031,164)	(8,670,534)	(9,165,652)	-	-	(83,366,871)	(63,196,817)
		(97,151,288)	(66,561,616)	(10,009,920)	(11,115,358)	-	-	(107,161,207)	(77,676,974)
Operating Results		(357,105,842)	(284,926,480)	(332,375,190)	(58,390,094)	-	-	(689,481,032)	(343,316,574)
38.2 Segment assets		5,536,436,686	4,855,884,403	1,495,623,344	1,682,854,541	602,074,877	628,535,329	7,634,134,907	7,167,274,273
38.3 Unallocated assets								528,176,730	367,398,570
								8,162,311,637	7,534,672,843
38.4 Segment liabilities		2,042,882,069	628,107,135	138,794,818	183,887,375	39,040,207	44,754,833	2,220,717,094	856,749,343
38.5 Unallocated liabilities								5,840,895,422	5,850,084,692
								8,061,612,516	6,706,834,035
38.6 Depreciation		158,344,805	166,295,821	54,991,059	57,793,046	34,095,284	35,915,332	247,431,148	260,004,199
38.7 Inter-segment pricing									

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

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

NOTES TO AND FORMING PART OF THE THE FINANCIAL STATEMENTS

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	Note	30 th June, 2020 Rupees	30 th June, 2019 Rupees
39 RECONCILIATIONS OF REPORTABLE SEGMENTS SALES, COST OF SALES, ASSETS AND LIABILITIES			
39.1 Sales			
Total sales for reportable segment	38.1	3,959,002,888	4,642,255,423
Elimination of inter-segment	38.1	(342,468,017)	(393,775,087)
Total sales		<u>3,616,534,871</u>	<u>4,248,480,336</u>
39.2 Cost of sales			
Total cost of sales for reportable segment	40	4,541,322,713	4,907,895,022
Elimination of inter-segment	40.1	(342,468,017)	(393,775,087)
Total cost of sales		<u>4,198,854,696</u>	<u>4,514,119,935</u>
39.3 Assets			
Total assets for reportable segments	38.2	7,634,134,907	7,167,274,273
Long term deposits	7	33,649,014	34,334,528
Intangible assets	6	1,562,343	2,130,467
Other financial assets	11	67,194	92,679
Advances, deposits, prepayments	12	97,339,367	85,301,120
Tax refund due from governments	13	313,748,159	184,207,760
Cash and bank balances	14	81,810,653	61,332,016
Unallocated assets	38.3	528,176,730	367,398,570
		<u>8,162,311,637</u>	<u>7,534,672,843</u>
39.4 Liabilities			
Total liabilities for reportable segments	38.4	2,220,717,094	856,749,343
Long term finances	19	1,505,847,428	1,297,261,821
Redeemable capital - Sukuk	20	611,335,643	611,335,643
Liabilities against assets subject to finance lease	21	18,288,552	21,078,372
Deferred liabilities	22	160,317,910	175,666,687
Accrued interest / mark-up	24	1,051,197,043	1,008,139,868
Short term borrowings	25.1	2,413,564,208	2,660,067,734
Unclaimed dividend		36,467	36,467
Provision for taxation		52,291,814	50,781,743
Loan from directors and others	26	28,016,357	25,716,357
Unallocated liabilities	38.5	5,840,895,422	5,850,084,692
		<u>8,061,612,516</u>	<u>6,706,834,034</u>

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	Note	Spinning		Weaving		Power Generation		Company	
		30 th June, 2020 Rupees	30 th June, 2019 Rupees	30 th June, 2020 Rupees	30 th June, 2019 Rupees	30 th June, 2020 Rupees	30 th June, 2019 Rupees		
40 COST OF SALES	40.1								
Raw material consumed		2,897,219,630	2,725,874,999	27,430,557	82,267,875	-	-	2,924,650,187	2,808,142,874
Stores and spares consumed		104,921,321	59,983,462	94,661,624	91,707,603	267,090,262	308,282,216	466,673,207	459,973,281
Processing Charges		-	1,506,537	-	-	-	-	-	1,506,537
Salaries, wages and benefits		457,985,213	424,831,848	152,196,476	161,680,754	12,417,984	14,344,401	622,599,673	600,857,003
Fuel, power and water:									
Inter-segment									
Others		267,554,300	254,412,596	63,400,863	98,889,470	-	-	330,955,163	353,302,066
Repairs and maintenance		307,353,385	207,683,153	216,973,182	158,177,017	-	-	524,326,567	365,860,170
Generator rents		3,072,932	2,053,875	286,607	836,697	712,882	1,410,620	4,072,421	4,301,192
Insurance expenses		9,758,812	10,320,030	3,404,689	3,533,378	25,676,750	-	25,676,750	-
Rent, rates and taxes		699,138	870,386	585,180	521,680	-	-	13,163,501	13,853,408
Vehicle running and maintenance		8,472,179	7,514,034	2,711,461	2,672,706	-	-	1,284,318	1,392,066
Entertainment expenses		1,730,839	1,055,892	1,007,516	884,001	-	-	11,183,640	10,186,740
Communication expenses		761,364	598,800	131,881	185,205	-	-	2,738,355	1,939,893
Printing and stationery		623,276	212,089	262,779	147,620	-	-	893,245	784,005
Subscription		203,900	283,996	39,000	110,412	-	-	886,055	359,709
Legal and professional		-	50,000	20,000	-	-	-	242,900	394,408
Travelling		796,570	633,535	10,310	24,710	-	-	20,000	50,000
Other expenses		1,165,134	317,166	2,620	36,789	2,474,855	2,180,018	3,642,609	2,533,973
Depreciation expenses		158,344,805	166,295,821	54,991,059	57,793,046	34,095,284	35,915,332	247,431,148	260,004,199
		4,220,662,797	3,864,498,219	618,115,804	659,468,963	342,468,017	362,132,587	5,181,246,618	4,886,099,769
Work in process									
Opening stock		66,179,789	29,590,038	6,290,993	3,893,579	-	-	72,470,782	33,483,617
Closing stock		(60,240,277)	(66,179,789)	-	(6,290,993)	-	-	(60,240,277)	(72,470,782)
Cost of goods manufactured		5,939,512	(36,589,751)	6,290,993	(2,397,414)	-	-	12,230,505	(38,987,165)
Cost of other material		4,226,602,309	3,827,908,468	624,406,797	657,071,549	342,468,017	362,132,587	5,193,477,123	4,847,112,604
Finished goods									
Opening balance		4,226,602,309	3,827,908,468	624,406,797	657,071,549	342,468,017	362,132,587	5,193,477,123	4,847,112,604
Finished goods purchase:									
Purchase		43,677,495	84,720,381	272,654,838	279,029,889	-	-	316,332,333	363,750,270
Yarn purchase		-	-	-	-	-	-	-	-
Closing stock		(769,926,443)	(43,677,495)	(198,560,300)	(272,654,838)	-	-	(968,486,743)	(316,332,333)
		3,500,353,361	3,882,315,835	698,501,335	663,446,500	342,468,017	362,132,587	4,541,322,713	4,907,895,022

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Note	Spinning		Weaving		Power Generation		Company	
	30 th June, 2020 Rupees	30 th June, 2019 Rupees	30 th June, 2020 Rupees	30 th June, 2019 Rupees	30 th June, 2020 Rupees	30 th June, 2019 Rupees	30 th June, 2020 Rupees	30 th June, 2019 Rupees
40.1 Raw material consumed								
Opening balance	95,510,561	148,018,090	10,182,157	5,660,726	-	-	105,692,718	153,678,816
Purchases:								
Inter-segment	-	-	-	31,642,500	-	-	-	31,642,500
Other	3,125,072,296	2,673,367,470	17,248,400	55,146,806	-	-	3,142,320,696	2,728,514,276
	3,125,072,296	2,673,367,470	17,248,400	86,789,306	-	-	3,142,320,696	2,760,156,776
Cost of other material	-	-	-	-	-	-	-	-
Closing stock	(323,363,227)	(95,510,561)	-	(10,182,157)	-	-	(323,363,227)	(105,692,718)
	<u>2,897,219,630</u>	<u>2,725,874,999</u>	<u>27,430,557</u>	<u>82,267,875</u>	<u>-</u>	<u>-</u>	<u>2,924,650,187</u>	<u>2,808,142,875</u>
41 DISTRIBUTION COST								
On export sales								
Export development surcharge	228,951	353,081	-	-	-	-	228,951	353,081
Freight	1,340,830	1,600,491	-	-	-	-	1,340,830	1,600,491
Clearing and forwarding	594,271	690,485	-	-	-	-	594,271	690,485
	2,164,052	2,644,057	-	-	-	-	2,164,052	2,644,057
On local sales								
Freight	13,289,873	5,268,581	-	-	-	-	13,289,873	5,268,581
Commission	3,875,791	1,693,254	-	-	-	-	3,875,791	1,693,254
	17,165,664	6,961,835	-	-	-	-	17,165,664	6,961,835
Salaries and wages	3,125,234	2,924,560	1,339,386	1,949,706	-	-	4,464,620	4,874,266
	<u>22,454,950</u>	<u>12,530,452</u>	<u>1,339,386</u>	<u>1,949,706</u>	<u>-</u>	<u>-</u>	<u>23,794,336</u>	<u>14,480,158</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2020

	Note	Spinning		Weaving		Power Generation		Company	
		30 th June, 2020	30 th June, 2019	30 th June, 2020	30 th June, 2019	30 th June, 2020	30 th June, 2019	30 th June, 2020	30 th June, 2019
		Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
42 ADMINISTRATIVE EXPENSES									
Directors' remuneration		11,695,339	8,207,679	1,357,561	1,392,321	-	-	13,052,900	9,600,000
Salaries and benefits		34,148,223	24,731,387	3,963,826	4,195,344	-	-	38,112,049	28,926,731
Meeting fee		313,598	256,490	36,402	43,510	-	-	350,000	300,000
Printing and stationery		1,148,347	611,291	133,297	103,697	-	-	1,281,644	714,988
Communication		2,154,862	1,763,176	250,130	299,099	-	-	2,404,992	2,062,275
Segment liabilities		806,524	1,367,614	93,619	231,997	-	-	900,143	1,599,611
Segment assets		4,952,202	5,286,126	574,837	896,719	-	-	5,527,039	6,182,845
Legal and professional charges		2,603,287	1,336,597	302,182	226,736	-	-	2,905,469	1,563,333
Auditors' remuneration		2,205,120	1,519,643	255,964	257,787	-	-	2,461,084	1,777,430
Rent, rates and taxes		383,198	305,724	44,481	51,862	-	-	427,679	357,586
Entertainment		535,143	576,410	62,118	97,780	-	-	597,261	674,190
Electricity, gas and water charges		1,081,039	1,216,782	125,484	206,410	-	-	1,206,523	1,423,192
Fees and subscription		4,133,438	1,924,454	479,798	326,457	-	-	4,613,236	2,250,911
Repairs and maintenance		387,330	6,284	44,960	1,066	-	-	432,290	7,350
Insurance		211,246	-	24,521	-	-	-	235,767	-
Amortization		509,037	485,727	59,087	82,397	-	-	568,124	568,124
Security, gardening and sanitation		51,618	-	5,992	-	-	-	57,610	-
Advertisement		43,877	-	5,093	-	-	-	48,970	-
Miscellaneous		4,747,953	1,109,084	551,129	188,141	-	-	5,299,082	1,297,225
Depreciation		2,584,956	3,326,696	300,054	564,329	-	-	2,885,010	3,891,025
		74,696,338	54,031,164	8,670,534	9,165,652	-	-	83,366,871	63,196,817



NOTES TO AND FORMING PART OF THE THE FINANCIAL STATEMENTS

For the year ended June 30, 2020

43 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	
	2020	2019	2020	2019	2020	2019
Remuneration	8,393,239	3,600,000	4,659,661	6,000,000	49,171,704	48,714,186
	<u>8,393,239</u>	<u>3,600,000</u>	<u>4,659,661</u>	<u>6,000,000</u>	<u>49,171,704</u>	<u>48,714,186</u>
Number of persons	<u>1</u>	<u>1</u>	<u>1</u>	<u>2</u>	<u>45</u>	<u>54</u>

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

Note	30 th June, 2020 Rupees	30 th June, 2019 Rupees
------	---------------------------------------	---------------------------------------

44 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/(paid) - net	Key management personnel	2,300,000	(30,875)
Salaries and other benefits	Key management personnel	13,052,900	9,600,000

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.

44.1 No Associated Companies Incorporated outside Pakistan.

44.2 No Foreign Shareholders.

45 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	60,739	62,672
Average no of rotors worked	-	905
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	14,800,099	14,081,938

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	70,763,414	70,763,414
Actual production converted to 60 picks - Square meters	12,098,945	26,762,433
Total numbers of looms worked	234	234
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.

Power Plant

Installed capacity	MW	30.30	30.30
Installed capacity per day	MWH	727.20	727.20
Prime capacity	MW	20.00	20.00
Stand by	MW	10.30	10.30
Installed prime capacity per day	MWH	480	480
Actual generated per day	MWH	110.692	110.552

Reason for Short Fall if Any

The installed capacity includes the stand by generation which is only used case of emergency shutdown of the prime engines, due to Unavailability of Gas.



NOTES TO AND FORMING PART OF THE THE FINANCIAL STATEMENTS

For the year ended June 30, 2020

46 SUBSEQUENT EVENTS

The Honorable Supreme Court of Pakistan has decided the matter of Gas Infrastructure Development Cess in favor of the Government on August 13, 2020. The effect of this decision has been appropriately disclosed in these financial statements. Except for the decision of GIDC, no material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year and the date of this report.

47 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.

48 NUMBER OF EMPLOYEES

	30 th June, 2020 Total	30 th June, 2020 Factory	30 th June, 2019 Total	30 th June, 2019 Factory
Total number of employees as at	2,119	2,063	1,882	1,834
Average number of employees worked during the year	1,798	1,742	1,424	1,376

49 IMPACT OF COVID-19 ON THE FINANCIAL STATEMENTS

During the year, the World Health Organization declared the Novel strain of Corona virus (Covid-19) a global pandemic and recommended containment and mitigation measures worldwide. The Federal and Provincial governments of Pakistan also took various measures, including imposition of lockdown, from the end of March 2020 to contain the spread of Covid-19. This caused an overall economic slowdown and varying degree of disruption to various businesses including textile sector, resulting in temporary decline in sale. Company's management has assessed the possible accounting implications arising from Covid-19 for these financial statements.

50 GENERAL

The figures have been rounded off to the nearest Rupee.

51 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors of the Company on **September 30, 2020**.


Chief Executive


Director


Chief Financial Officer

Proxy Form of Quetta Textile Mills Limited

I/We _____

Folio No. _____ of _____

Being shareholder(s) of **Quetta Textile Mills Limited** and a holder of _____

Ordinary share do hereby appoint _____

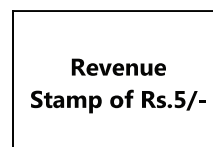
of _____

or failing him/her _____

of _____

a member of Quetta Textile Mills Limited Registered Folio no. _____ as my/our proxy to act on my/our behalf at the 59th Annual General Meeting of the Company to be held on Saturday, October 24, 2020 at 9.00 p.m. at the Ground Floor, Nadir House, I. I. Chundrigar Road, Karachi and/or at any adjournment thereof.

Signed this _____ day of _____ 2020.



Signature _____

(Signature should agree with the specimen signature registered with the Company)

NOTICE:

- a) No proxy shall be valid unless it is duly stamped with a revenue stamp of Rs. 5/-
- b) In the case of Bank or Company, the proxy form must be executed under its common seal and signed by its authorized persons.
- c) Power of Attorney or other authority (if any) under which this proxy form is signed, a certified copy of that Power of Attorney must be deposited along with this form
- d) This proxy form duly completed must be deposited at the Registered Office of the Company at least 48 hours before the time of holding the meeting.
- e) In case of CDC account holder
 - 1) The proxy form shall be witnessed by two persons whose names, addresses CNIC numbers shall be mentioned on the form
 - 2) Attested copies of CNIC or passport of the beneficial owners and the proxy shall be furnished with the proxy form.
 - 3) The proxy shall produce his original, CNIC or passport at the time of meeting.
 - 4) In case of corporate entity, the Board of Directors' resolution/Power of Attorney with specimen signature of the proxy holder shall be submitted (unless it has been provided earlier with proxy form to the Company)

Witness 1

Witness - 2

Name : _____ Name : _____

CNIC No : _____ CNIC No : _____

Address : _____ Address : _____



فارم برائے قائم مقام / متبادل کوئٹہ ٹیکسٹائل ملز لمیٹڈ

میں / ہم: _____

پتہ: _____

کوئٹہ ٹیکسٹائل ملز لمیٹڈ کے نمبر ہونے کے ناطے اپنا اپنے مندرجہ ذیل قائم مقام / متبادل مقرر کرتا ہوں / کرتے ہیں۔

نام جناب / محترمہ: _____

پتہ: _____

اور ان کی غیر موجودگی میں جناب / محترمہ: _____

پتہ: _____

میری / ہماری غیر موجودگی میں قائم مقام / متبادل کمپنی کی سالانہ جنرل میٹنگ میں شرکت کریں گے جو بروز ہفتہ 24 اکتوبر 2020 کو بوقت 09:00 بجے صبح نادر ہاؤس آئی آئی چنڈر ریگر روڈ، کراچی میں منعقد ہوگی۔

رہنویں گٹ
پانچ روپے

اس دستاویز پر مورخہ _____ 2020ء کو دستخط ہوئے۔

شیئر ہولڈر کے دستخط

شیئر ہولڈر کا فوٹیو نمبر

شریک ہونے والے ID نمبر

اور سب اکاؤنٹ نمبر

اور ایبیا CDC

نوٹس:

۱۔ کوئی بھی پراکسی اس وقت تک درست نہیں سمجھی جائے گی جب تک اس پر پانچ (05) روپے کا محصول ناکٹ نالگا یا جائے۔

۲۔ بینک یا کمپنی کی صورت میں پراکسی فارم پر authorized person کے دستخط کے ساتھ کمپنی کی مشترکہ مہر لازم ہوگی۔

۳۔ یا و آف انارنی یا دیگر authority کی صورت میں پراکسی فارم کے ساتھ اس کی تصدیق شدہ کاپی جمع کرنی ہوگی۔

۴۔ دستخط شدہ پراکسی فارم کم از کم 48 گھنٹے پہلے کمپنی کے رجسٹرڈ آفس میں جمع کرانا ہوگا۔

سی ڈی سی اکاؤنٹ ہولڈر کی صورت میں:

(i) پراکسی فارم پر وادعا تصدیق کریں گے اور ان کے نام، پتے اور CNIC نمبر فارم پر موجود ہونا چاہیے۔

(ii) Beneficial owners کی CNIC یا سپورٹ کی تصدیق شدہ کاپی اور پراکسی پیش کیا جائے فارم کے ساتھ۔

(iii) پراکسی میٹنگ کے وقت اپنا اصل CNIC یا سپورٹ پیش کرے۔

(iv) کارپوریٹ اتھنٹیشن کی صورت میں، پراکسی فارم کے ساتھ بورڈ آف ڈائریکٹرز Resolution / power of attorney بمعہ پراکسی ہولڈر کے دستخط بھی جمع کروائے جائیں گے۔ (جب تک یہ پہلے فراہم نہیں کیا گیا ہو)۔

گواہان

..... (2) دستخط:

..... نام:

..... پتہ:

..... CNIC یا سپورٹ نمبر:

..... (1) دستخط:

..... نام:

..... پتہ:

..... CNIC یا سپورٹ نمبر: