



TATA TEXTILE MILLS LIMITED

**Condensed Interim Financial Statements
(UNAUDITED)
for the 1st Quarter ended September 30, 2022**

CONTENTS

1. COMPANY INFORMATION	03
2. DIRECTORS' REPORT	04
3. CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION	05
4. CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)	06
5. CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)	07
6. CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)	09
7. NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)	11
8. DIRECTORS' REPORT (URDU)	19

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Mazhar Valjee - Chairman
Mr. Shahid Anwar Tata - Chief Executive
Mr. Adeel Shahid Tata - Executive Director
Mr. Bilal Shahid Tata - Non Executive Director
Mr. Farooq Advani - Independent Director
Mr. Tayyeb Afzal - Independent Director
Mr. Muhammad Jawaid Iqbal - Independent Director
Ms. Shahbano Hameed - Non Executive Director
(NIT Nominee)
Ms. Samar Shahid - Non Executive Director

AUDIT COMMITTEE

Mr. Farooq Advani - Chairman
Mr. Bilal Shahid Tata - Member
Mr. Tayyeb Afzal - Member
Mr. Ghazanfer Yaseen - Secretary

HR & REMUNERATION COMMITTEE

Mr. Mazhar Valjee - Chairman
Mr. Farooq Advani - Member
Mr. Adeel Shahid Tata - Member
Mr. Bilal Shahid Tata - Member
Ms. Samar Shahid - Member
Ms. Samon Babar - Secretary

CHIEF FINANCIAL OFFICER

Mr. Muhammad Zaid Kaliya

COMPANY SECRETARY

Mr. Muhammad Hussain

HEAD OF INTERNAL AUDIT

Mr. Ghazanfer Yaseen

AUDITORS

M/S. Yousuf Adil
Chartered Accountants

BANKERS

1-Allied Bank Limited
2-Askari Bank Limited
3-Bank Alfalah Limited
4-Bank Islami Pakistan Limited
5-Dubai Islamic Bank (Pakistan) Limited
6-Faysal Bank Limited
7-HBL (Islamic Banking)
8-JS Bank Limited
9-MCB Bank Limited
10-Meezan Bank Limited
11-National Bank of Pakistan
12-National Bank of Pakistan – AIBG
13-Pak Oman Investment Company Limited
14-Samba Bank Limited
15-Soneri Bank Limited
16-Summit Bank Limited
17-The Bank of Khyber
18-The Bank of Punjab

LEGAL ADVISOR

Ameen Bandukda & Co.

REGISTERED OFFICE

6th Floor Textile Plaza,
M.A Jinnah Road Karachi.
Tel# 32412955-3 Lines 32426761-2-4
Fax# 32417710
Email: ttm.corporate@tatapakistan.com

FACTORY LOCATION

Khanpur, Baggasher, Muzaffargarh, Punjab
S.I.T.E. Kotri, District Jamshoro, Sindh and
Landhi Industrial Area, Karachi, Sindh.

SHARE REGISTRAR

CDC Share Registrar Services Limited
CDC House, 99-B, Block 'B', S.M.C.H.S.,
Main Shahra-e-Faisal Karachi.
Tel# (Toll Free) 0800-CDCPL (23275)
Fax: (92-21) 34326053

WEB

www.tatapakistan.com

DIRECTORS' REPORT

The financial statements (un-audited) of the Company for three months ended September 30, 2022 is being presented to you.

Alhamdulillah, the results for the current quarter has been comparatively good in the challenging times in form of global recession and deteriorating country's economic conditions. The company topline has increased by 7%. Profit before Tax for the year is Rs. 712 million as compared to Profit before Tax of Rs. 1.332 billion, during the corresponding period of last year.

Overview

The devastating floods in the country have created havoc on country's economy. Over 33 million people displaced and unrepairable damage to crops, animals and infrastructure. It has massively restricted the quantity and quality of cotton output with hike in prices as well. Though, the local cotton crop was forecasted at about 11 Mn bales, but unfortunately it has turned out to be approximately 6 Mn bales. Therefore, we foresee that the spinning industry will go through unprecedented challenging times due to massive surge in raw material and overhead cost which could not be fully translated into selling prices due to global suppression of demand. Moreover; to this company has been forced to import cotton from other countries in USD with uncertainty on USD/PKR exchange rate parity.

Energy rates were fixed at USD 9/MMBTU for Gas and cent 9 per unit for Q1 of 2022-23. The rates are denominated in USD, the energy cost has gone up due to deteriorating USD/PKR exchange rate parity. A predictable, stable and compatible energy policy is required for improving business confidence levels and increase in investments in Industry. The government also needs to address gas shortage issue, especially in winters, to prevent possible downfall of textile industry.

Hike in interest rates have made difficult to sustain business operations on bank finances. Overall cost of doing business has been increased specially labour, energy and finance costs which have made adverse impact on the company's profit.

Future Outlook

We expect that the current recessionary phase is temporary. With the passage of time there will be improvement in geo-political environment. Sales at global level will going to pick up. Improvement has been witnessed in global supply chain which will rectify the international buying cycle of textile products. The key to survival is to focus on cost transformation to remain competitive on which the Company is doing a lot of focus. There is a need rationalized policy from government for taxes, and making cost effective borrowing facilities available to textile sector.

Rest assured your management is working tirelessly to increase the productivity and to bring in operational efficiencies to ensure sustainability.

Acknowledgment

We acknowledge the contribution of each and every employee of the company. We also like to express our thanks to our customers for the trust shown in our products and the bankers for their continued support to the Company. We are also grateful to our shareholders for their confidence in the Management team.

On behalf of the Board of Directors



SHAHID ANWAR TATA
CHIEF EXECUTIVE



ADEEL SHAHID TATA
DIRECTOR

Karachi

Dated: October 28, 2022

Tata Textile Mills Ltd.

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2022

		September 30, 2022 (Un-Audited)	June 30, 2022 (Audited)
	Note	(Rupees in '000')	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	20,113,575	20,231,032
Intangible assets		6,110	6,853
Long term deposits		221,142	4,596
		20,340,827	20,242,481
CURRENT ASSETS			
Stores, spares and loose tools		182,166	142,961
Stock in trade	7	12,150,987	10,128,138
Trade debts		5,364,597	4,239,865
Loans and advances		974,344	803,589
Short term prepayments		51,233	20,875
Other receivables		56,070	71,910
Other financial assets		1,872,724	1,911,901
Sales tax refundable		627,094	247,275
Cash and bank balances		248,683	274,927
		21,527,898	17,841,441
TOTAL ASSETS		41,868,725	38,083,922
EQUITY AND LIABILITIES			
EQUITY			
Share capital	8	559,936	559,936
General reserve		2,805,996	2,805,996
Unappropriated profit		8,041,014	7,348,006
Surplus on revaluation of property, plant and equipment		10,956,793	10,852,582
		22,363,739	21,566,520
NON-CURRENT LIABILITIES			
Long term finance	9	2,412,374	2,565,383
Deferred liabilities		1,215,701	1,388,690
Deferred government grant	10	-	-
		3,628,075	3,954,073
CURRENT LIABILITIES			
Trade and other payables		3,798,934	3,688,416
Interest / mark up accrued on borrowings		354,426	233,974
Short term borrowings	11	10,255,282	6,572,283
Current portion of long term finances	9	854,407	1,554,501
Current portion of deferred government grant	10	1,516	3,742
Unclaimed dividend		14,392	14,404
Provision for income tax		597,954	496,009
		15,876,911	12,563,329
TOTAL EQUITY AND LIABILITIES		41,868,725	38,083,922
CONTINGENCIES AND COMMITMENTS			
	12		

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

SHAHID ANWAR TATA
CHIEF EXECUTIVE

MUHAMMAD ZAID KALIYA
CHIEF FINANCIAL OFFICER

ADEEL SHAHID TATA
DIRECTOR

Tata Textile Mills Ltd.

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2022

	Note	September 30, 2022 ----- (Rupees in '000') -----	September 30, 2021 -----
Revenue from contract with customers - net	13	8,993,360	8,351,627
Cost of goods sold		(7,382,241)	(6,404,521)
Gross profit		<u>1,611,119</u>	<u>1,947,106</u>
Distribution cost		(103,915)	(117,804)
Administrative expenses		(165,122)	(127,388)
Other operating expenses		(316,959)	(180,268)
Finance cost		(414,907)	(199,887)
		<u>(1,000,903)</u>	<u>(625,347)</u>
		610,216	1,321,758
Other income		102,277	10,510
Profit before taxation for the period		712,493	1,332,268
Taxation	14	(110,614)	(250,256)
Profit after taxation for the period		<u>601,879</u>	<u>1,082,012</u>
Other comprehensive income		-	-
Total comprehensive income for the period		<u>601,879</u>	<u>1,082,012</u>
Earnings per share - basic and diluted (Rs.)	15	<u>10.75</u>	<u>19.32</u>

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



SHAHID ANWAR TATA
CHIEF EXECUTIVE



MUHAMMAD ZAID KALIYA
CHIEF FINANCIAL OFFICER



ADEEL SHAHID TATA
DIRECTOR

Tata Textile Mills Ltd.

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2022

	September 30, 2022	September 30, 2021
	----- (Rupees in '000') -----	
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	712,493	1,332,268
Adjustments for :		
Depreciation	199,647	178,046
Amortisation	743	747
Amortisation of deferred government grant	(2,226)	(6,405)
Provision for defined benefit obligations	25,919	27,610
Provision for compensated absences	7,038	4,879
Finance cost	414,907	199,887
Unrealised loss on revaluation of other financial assets	65,779	4,084
Gain on disposal of property, plant and equipment	(912)	(1,959)
Operating cash flows before changes in working capital	1,423,388	1,739,157
Decrease / (increase) in current assets		
Stores, spares and loose tools	(39,205)	(5,029)
Stock in trade	(2,022,850)	(3,061,049)
Trade debts	(1,124,731)	(1,133,294)
Loans and advances	(170,753)	(478,286)
Short term prepayments	(30,358)	(12,484)
Other receivables	15,840	(26,563)
Other financial assets	(26,602)	-
Sales tax refundable	(379,820)	(704,803)
Increase in current liabilities		
Trade and other payables	110,517	656,009
Net cash used in operations	(2,244,574)	(3,026,341)
Finance cost paid	(294,454)	(186,787)
Income taxes paid	(1,503)	(119,333)
Defined benefit obligations paid	(11,674)	(14,918)
Staff compensated absences paid	(6,098)	(6,193)
Net cash used in operating activities	(2,558,303)	(3,353,572)

Tata Textile Mills Ltd.

	September 30, 2022	September 30, 2021
	----- (Rupees in '000') -----	
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(82,301)	(94,908)
Proceeds from disposal of property, plant and equipment	1,022	8,680
Purchase of investments	-	(115,430)
Long term deposits	(216,546)	-
Net cash used in investing activities	(297,825)	(201,658)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Long term finance obtained	-	13,386
Repayments of long term finance	(853,104)	(75,870)
Short term borrowings (repaid)/obtain - net of (repaid)/obtain	(608,484)	211,179
Dividend paid	(12)	(8)
Net cash (used in) / generated from financing activities	(1,461,600)	148,687
Net decrease in cash and cash equivalents (A+B+C)	(4,317,728)	(3,406,543)
Cash and cash equivalents at beginning of the period	(3,150,972)	(2,758,822)
Cash and cash equivalents at end of the period	(7,468,700)	(6,165,365)
CASH AND CASH EQUIVALENTS		
Cash and bank balances	248,683	1,307,023
Running / cash finance	(7,717,383)	(7,472,388)
	(7,468,700)	(6,165,365)

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



SHAHID ANWAR TATA
CHIEF EXECUTIVE



MUHAMMAD ZAID KALIYA
CHIEF FINANCIAL OFFICER



ADEEL SHAHID TATA
DIRECTOR

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2022**

	Issued, subscribed and paid up capital	Capital reserves	Revenue reserves		Total
		Revaluation surplus	General reserve	Unappropriated profit	
	(Rupees in '000')				
Balance at July 01, 2021	173,248	2,277,797	1,000,000	1,527,934	4,978,979
Impact of amalgamation	-	5,267,937	1,805,996	1,857,865	8,931,798
Reserves arising on amalgamation	-	-	-	(337,950)	(337,950)
Capital issued pursuant to amalgamation	386,688	-	-	-	386,688
Total comprehensive Income for the period:	386,688	5,267,937	1,805,996	1,519,915	8,980,536
Profit for the quarter	-	-	-	1,082,012	1,082,012
Other comprehensive income - net of tax	-	-	-	-	-
Total comprehensive income for the period	-	-	-	1,082,012	1,082,012
Transferred from surplus on revaluation of property, plant and equipment on account of:					
- incremental depreciation	-	(70,215)	-	70,215	-
Balance as at September 30, 2021	559,936	7,475,519	2,805,996	4,200,076	15,041,527

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2022**

	Issued, subscribed and paid up capital	Capital reserves	Revenue reserves		Total
		Revaluation surplus	General reserve	Unappropriated profit	
			(Rupees in '000')		
Balance at July 01, 2022	559,936	10,852,582	2,805,996	7,348,006	21,566,520
Total comprehensive Income for the period:					
Profit for the quarter	-	-	-	601,879	601,879
Other comprehensive income - net of tax	-	-	-	-	-
Total comprehensive income for the period	-	-	-	601,879	601,879
Transferred from surplus on revaluation of property, plant and equipment on account of:					
- incremental depreciation	-	(91,129)	-	91,129	-
- reversal of deferred tax on land	-	195,340	-	-	195,340
	-	104,211	-	91,129	195,340
Balance as at September 30, 2022	559,936	10,956,793	2,805,996	8,041,014	22,363,739

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



SHAHID ANWAR TATA
CHIEF EXECUTIVE



MUHAMMAD ZAID KALIYA
CHIEF FINANCIAL OFFICER



ADEEL SHAHID TATA
DIRECTOR

Tata Textile Mills Ltd.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2022

1 Legal status and nature of Business

1.1 The Company and its operations

Tata Textile Mills Limited (the Company) is a public limited company incorporated in Pakistan on April 15, 1987 under the Companies Ordinance, 1984 (repealed by The Companies' Act 2017) and listed on Pakistan Stock Exchange Limited. The principal activity of the company is manufacturing and sale of yarn.

Following are the geographical location and address of all business units of the Company:

Head Office:

The registered office of the Company is situated at 6th floor, Textile Plaza, M.A. Jinnah Road, Karachi, in the province of Sindh.

The company has following manufacturing units:

- a) 10th K.M. M.M Road Khanpur - Baggasher, District, Muzaffargarh;
- b) HX-1, Landhi Industrial Area, Landhi, Karachi; and
- c) A/12, S.I.T.E, Kotri, District Jamshoro (Sindh).

2 BASIS OF PREPARATION

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, 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 the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 These condensed interim financial statements are presented in Pakistani Rupees which is also the Company's functional currency and figures presented in these condensed interim financial statements have been rounded off to the nearest thousand rupees.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements and the significant judgments made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of the financial statements of the Company as at and for the year ended June 30, 2022. Certain new IFRSs and amendments to existing IFRSs are effective for periods beginning on or after July 1, 2022, which do not have any impact on the Company's financial reporting and therefore have not been detailed in these condensed interim financial statements.

4 FINANCIAL RISK MANAGEMENT

The Company's financial risk objectives and policies are consistent with those disclosed in the annual audited financial statements as at and for the year ended June 30, 2022.

5 ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these condensed interim financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgements that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

Estimates and judgements made by the management in the preparation of these condensed interim financial statements are the same as those that were applied to the annual financial statements of the Company for the year ended June 30, 2022, except as disclosed otherwise.

Tata Textile Mills Ltd.

	September 30, 2022 (Un-Audited)	June 30, 2022 (Audited)
	----- (Rupees in '000') -----	
6 PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets	19,224,433	19,312,762
Capital work-in-progress	889,142	918,270
	<u>20,113,575</u>	<u>20,231,032</u>

6.1 Following addition, transfers and disposals in operating assets were made:

	Addition / transfers from CWIP	Disposals/ write off at book value	Sale Proceed
	----- (Rupees in '000') -----		
During the quarter ended September 30, 2022 (Un-Audited)			
Building on freehold land	40,203	-	-
Building on leasehold land			
- Mills	941	-	-
- Godown	16,514	-	-
Plant machinery and electric installations	21,373	-	-
Factory and workshop equipment	4,004	-	-
Furniture and fixtures	4,140	-	-
Office equipment	3,543	25	27
Vehicle	20,710	86	995
	<u>111,428</u>	<u>111</u>	<u>1,022</u>
During the year ended June 30, 2022 (Audited)			
Freehold land	47,882	-	-
Building on freehold land	7,118	-	-
Building on leasehold land - Mills	1,487	-	-
Plant machinery and electric installations	296,019	45,146	35,792
Factory and workshop equipment	3,398	36	110
Lease hold improvements	277,783	-	-
Furniture and fixtures	3,927	1,854	-
Office equipment	19,541	231	185
Vehicle	27,668	2,578	8,458
	<u>684,823</u>	<u>49,845</u>	<u>44,545</u>

		September 30, 2022 (Un-Audited)	June 30, 2022 (Audited)
		----- (Rupees in '000') -----	
7 STOCK IN TRADE			
Raw material	7.1	9,275,808	7,740,802
Work in process		306,887	268,560
Finished goods		2,420,992	1,839,353
Waste stock		147,300	279,423
		<u>12,150,987</u>	<u>10,128,138</u>

7.1 Raw material includes stock in transit amounting to Rs. Nil (June 30, 2022: Rs. 1,224.82 million).

Tata Textile Mills Ltd.

8 SHARE CAPITAL

September, 30 2022 (Un-Audited)	June, 30 2022 (Audited)		September 30, 2022 (Un-Audited)	June 30, 2022 (Audited)
---- (Number of shares in '000')----			----- (Rupees in '000') -----	
Authorised capital:				
<u>100,000</u>	<u>100,000</u>	Ordinary shares of Rs. 10 each	<u>1,000,000</u>	<u>1,000,000</u>
Issued, subscribed and paid-up capital:				
Ordinary shares of Rs. 10 each:				
13,100	13,100	- issued for cash	131,000	131,000
4,225	4,225	- issued as bonus shares	42,247	42,247
<u>38,669</u>	<u>38,669</u>	- issued in pursuant to amalgamation	<u>386,689</u>	<u>386,689</u>
<u>55,994</u>	<u>55,994</u>		<u>559,936</u>	<u>559,936</u>

9 LONG TERM FINANCE

From banking companies (Secured) - At amortised cost

	Note	September 30, 2022 (Un-Audited)	June 30, 2022 (Audited)
Term finances	9.1	1,848,503	1,920,378
Syndicate financing	9.2	167,877	869,970
SBP - LTFF	9.3	1,091,761	1,110,130
SBP - REEF for Solar Project	9.4	68,501	70,176
SBP - Refinance scheme for salary payments	9.5	90,138	149,230
		<u>3,266,780</u>	<u>4,119,884</u>

Current portion shown under current liabilities

Term finances	9.1	(467,041)	(429,167)
Syndicate financing	9.2	(145,280)	(827,360)
SBP - LTFF	9.3	(144,488)	(141,537)
SBP - REEF for Solar Project	9.4	(7,461)	(7,207)
SBP - Refinance scheme for salary payments	9.5	(90,137)	(149,230)
		<u>(854,407)</u>	<u>(1,554,501)</u>
		<u>2,412,374</u>	<u>2,565,383</u>

9.1 The finances are secured against first pari passu charge on all present and future fixed assets including land, building, plant and machinery and charge on specific machinery. These facilities are subject to markup at the rate 3 months' average KIBOR plus 1.5% per annum (June 30, 2022: 3 months' average KIBOR plus 1% to 1.5% per annum). These loans are repayable in equal quarterly installments upto February 2026.

9.2 This represents the outstanding against loan of Rs. 3 billion obtained from a syndicate of 8 commercial banks secured against, pari passu charge on entire operating fixed asset of the Company. The Company has received SBP-LTFF grant for Rs. 760 million out of total loan of Rs. 3 billion. Detail of the syndicate term finance facility and SBP-LTFF grant are as below.

Syndicate term finance facility is subject to markup rate of 6 months' KIBOR + 1.4% p.a (June 30, 2022 6 months' KIBOR + 1.4% p.a) for term financing and SBP-LTFF is subject to markup rate of 3% + 1.4% per annum payable semi-annually in arrears.

Tata Textile Mills Ltd.

9.3 These finances are secured against first pari passu charge on all present and future plant & machineries, land and building as well as charge on specific machineries. These facilities are subject to markup at SBP rate plus bank spread ranging between 2% + 1.5% to 2.5% p.a (June 30, 2022: 2% + 1.5% to 2% p.a). These loans are repayable in 32 equal quarterly installments and have various maturity dates from September 2026 upto March 2031.

9.4 These facilities are obtained from a banking company which are used to finance solar project under SBP financing scheme for Renewable Energy. These facility are secured against first pari passu charge on fixed assets and is subject to SBP markup rate of 1.5% to 2% plus bank spread of 2% i.e. 3.5% to 4% per annum.(June 30, 2022 1.5% to 2% plus bank spread of 2% i.e. 3.5% to 4% per annum). This facility is payable in 10 years with principal & markup payable in half yearly installments.

9.5 These facilities are obtained from a banking company which are secured against first pari passu charge on fixed assets and are subject to mark-up rate ranging from 1.5% to 2%. (June 30, 2022:1.5% to 2%) per annum. These loans are repayable in equal quarterly installments up to January 2023.

9.6 Reconciliation of liabilities arising from long term financing activities

The table below details changes in the Company's liabilities arising from the financing activities, including both cash and non-cash changes, if any. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Company's statement of cash flows as cash flows from financing activities.

	July 01, 2022	Obtained during the period	Repaid during the period	September 30, 2022
	----- (Rupees in '000') -----			
Term finances	1,920,378	-	(71,875)	1,848,503
Syndicate financing	869,970	-	(702,093)	167,877
SBP - LTFF	1,110,130	-	(18,369)	1,091,761
SBP - REEF for Solar Project	70,176	-	(1,675)	68,501
SBP - Refinance scheme for salary payments	149,230	-	(59,092)	90,138
	<u>4,119,884</u>	<u>-</u>	<u>(853,104)</u>	<u>3,266,780</u>

		September 30, 2022 (Un-Audited)	June 30, 2022 (Audited)
	Note	----- (Rupees in '000') -----	

10 DEFERRED GOVERNMENT GRANT

Deferred government grant against salary loans	10.1	1,516	3,742
Current portion of deferred government grant		<u>(1,516)</u>	<u>(3,742)</u>
		<u>-</u>	<u>-</u>

10.1 Movement during the period / year

As at the beginning of the period / year		1,272	7,755
Effect of amalgamation in the period / year		2,470	15,334
Add: Deferred grant recognised during the period / year		<u>-</u>	<u>-</u>
		<u>3,742</u>	<u>23,089</u>
Less: Amortisation for the period / year		<u>(2,226)</u>	<u>(19,347)</u>
As at the end of the period / year	10.2	<u>1,516</u>	<u>3,742</u>

10.2 Deferred grant relates to the difference between the fair value and actual proceed of salary loan obtained under SBP's refinance scheme for payment of salaries during the current year. It will be amortised over the period of one and a half year after disbursement with an amount equal to the difference between the finance cost charged to statement of profit or loss and other comprehensive income and the interest paid at SBP's defined rate as per the scheme. In subsequent periods, the grant will be amortised over the period of loan and amortisation will be recognised and presented as reduction of related interest expense.

Tata Textile Mills Ltd.

		September 30, 2022 (Un-Audited)	June 30, 2022 (Audited)
	Note	----- (Rupees in '000') -----	
11	SHORT TERM BORROWINGS		
	From banking companies - secured		
Running / cash finances	11.1	7,717,383	3,425,901
Finance against import	11.2	2,353,938	2,981,582
Finance against export	11.3	183,960	164,800
	11.4	10,255,282	6,572,283

11.1 These are subject to mark-up at the rate of 1 - 3 months KIBOR plus spread ranging between 0.75% to 1.25% (June 30, 2022: 1 - 3 months KIBOR plus spread ranging between 0.75% to 1.5%) per annum. These facilities are secured against pledge of stock and joint pari passu charge over current assets.

11.2 These facilities are secured against pledge of imported cotton, stock and trust receipts. These facilities are subject to markup at the rate of 1 - 6 KIBOR plus spread ranging between 0.75% to 1.25% (June 30, 2022: mark-up at the rate of 1 - 6 month's KIBOR plus spread ranging between 0.75 to 1.5%) per annum.

11.3 These are subject to mark-up at the rate of 1-3 months 2% to 2.5% inclusive of LIBOR mark-up rate (June 30, 2022: 1-3 month 2% 2.5%). These facilities were secured against joint pari passu hypothecation charge over current assets of the Company including 25% margin.

11.4 Total facilities available from various commercial banks amounts to Rs. 21.23 billion (June 30, 2022: Rs. 20.59 billion) out of which the aggregate unavailed short term facilities amounted to Rs. 10.97 billion (June 30, 2022: Rs. 14.42 billion).

11.5 Reconciliation of liabilities arising from short term financing activities

The table below details changes in the Company's liabilities arising from the financing activities, including both cash and non-cash changes, if any. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Company's statement of cash flows as cash flows from financing activities.

	July 01, 2022	Obtained during the period	Repaid during the period	September 30, 2022
	----- (Rupees in '000') -----			
Running / cash finances	3,425,901	4,983,246	691,763	7,717,383
Finance against import	2,981,582	848,950	1,476,594	2,353,938
Finance against export	164,800	27,520	8,360	183,960
	6,572,283	5,859,716	2,176,717	10,255,282

12 CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

There are no contingencies to report as at Sept 30, 2022 and June 30, 2022

Tata Textile Mills Ltd.

		September 30, 2022 (Un-Audited)	June 30, 2022 (Audited)
	Note	(Rupees in '000')	(Rupees in '000')
12.2 Commitments			
(i) Civil works		<u>65,839</u>	<u>69,715</u>
(ii) Letters of credits against:			
Plant and machinery		676,206	884,816
Stores and spares		159,267	166,537
Raw material		<u>3,202,128</u>	<u>916,846</u>
		<u>4,037,601</u>	<u>1,968,199</u>
(iii) Bank guarantees issued on behalf of the Company	12.2.1	<u>835,927</u>	<u>827,503</u>
(iv) Bills discounted:			
Export		230,520	215,775
Local		<u>523,110</u>	<u>558,182</u>
		<u>753,630</u>	<u>773,957</u>
(v) Outstanding sales contract		<u>1,506,336</u>	<u>1,986,871</u>

12.2.1 This includes bank guarantee related to Sindh development infrastructure cess amounting to Rs. 548.10 million (June 30, 2022: Rs. 548.10 million).

13 REVENUE FROM CONTRACT WITH CUSTOMERS - NET

Sales include sales made to local customers (including indirect exports) and direct exports amounting to Rs. 8,542 million (Sept 30, 2021: Rs. 7,492 million) and Rs. 451 million (Sept 30, 2021: Rs. 860 million) respectively. The export are made to Asia & Europe region.

	September 30, 2022 (Un-Audited)	September 30, 2021 (Un-Audited)
	(Rupees in '000')	(Rupees in '000')
14 TAXATION		
Current		
for the year	<u>101,948</u>	<u>166,708</u>
prior year	<u>1,500</u>	<u>1,234</u>
	<u>103,448</u>	<u>167,941</u>
Deferred	<u>7,166</u>	<u>82,315</u>
	<u>110,614</u>	<u>250,256</u>

14.1 The management has a practice of recording tax expense based on the generally accepted interpretation of tax laws and accordingly sufficient provision in respect of taxation for last three years has been provided in these financial statements.

Tata Textile Mills Ltd.

15 EARNINGS PER SHARE - BASIC AND DILUTED

September 30,
2022
(Un-Audited)

September 30,
2021
(Un-Audited)

There is no dilutive effect on the basic earning per share of the Company which is based on:

Profit for the quarter	Rupees in '000'	<u>601,879</u>	<u>1,082,012</u>
Weighted average number of ordinary shares outstanding during the year	Shares in '000'	<u>55,994</u>	<u>55,994</u>
Earnings per share	Rupees	<u>10.75</u>	<u>19.32</u>

15.1 There is no dilutive effect on the basic earnings per share of the Company.

16 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated undertakings, directors, key management personnel and their relatives. The Company carries out transactions with various related parties at agreed rates. Details of related parties (with whom the Company has transacted along with relationship and transactions with related parties, other than those which have been disclosed elsewhere in these financial statements, are as follows:

16.1 Name and nature of relationship

Associated Companies due to common directorship:

- Tata Best Foods Ltd.
- Textile Institute of Pakistan

Relationship with the party	Nature of transactions	September 30, 2022 (Un-Audited) ----- (Rupees in '000') -----	September 30, 2021 (Un-Audited)
Associated undertaking	License income from associated company	356	356
Directors	Remuneration & other benefits	8,422	9,552
	Meeting fee	1,600	3,600
	Rent expense:		
	- godown	600	600
	- office premises	-	3,750
Key Management Personnel	Remuneration & other benefits	32,524	26,953
Staff retirement funds	Expense charged to Provident Fund	7,143	-

16.2 Outstanding/Receivable Balances

Staff retirement funds payable	September 30, 2022 (Un-Audited) ----- (Rupees in '000') -----	June 30, 2022 (Audited)
	4,611	4,478

17 FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES

There have been no significant change in the risk management policies since the year ended June 30, 2022

18 FAIR VALUE OF ASSETS AND LIABILITIES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The carrying values of all financial assets and liabilities reflected in these condensed interim financial statements approximate their fair values.

Fair value hierarchy

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

The Company holds investment in listed securities classified as fair value through profit or loss and the fair value of such investments is based on quoted market prices as at September 30, 2022.

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

Level 2 : fair value measurements 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 in indirectly (i.e. derived from prices).

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

Other financial assets includes investments in equity securities measured at fair value through profit or loss and classified under level 1 fair value hierarchy, as at September 30, 2022, these securities are valued at Rs. 1,558.68 million (June 30, 2022 Rs. 1,624.45 million) and there were no transfers between various levels of fair value hierarchy during the period.

As at September 30, 2022, the Company holds investment in listed securities classified as fair value through profit or loss and the fair value of such investments is based on quoted market prices.

19 DATE OF AUTHORISATION FOR ISSUE

These financial statements have been approved by the board of directors of the Company and authorised for issue on October 28, 2022.



SHAHID ANWAR TATA
CHIEF EXECUTIVE



MUHAMMAD ZAID KALIYA
CHIEF FINANCIAL OFFICER



ADEEL SHAHID TATA
DIRECTOR

ڈائریکٹر رپورٹ
السلام علیکم

30 ستمبر 2022ء کو ختم ہونے والی پہلی سہ ماہی کیلئے کمپنی کے (غیر آڈٹ شدہ) مالیاتی حسابات آپ کو پیش کئے جا رہے ہیں۔ الحمد للہ، موجودہ سہ ماہی کے نتائج عالمی کساد بازاری اور ملک کی متزلزل معاشی صورتحال میں نسبتاً بہتر رہے ہیں۔ کمپنی کی ٹاپ لائن میں 7 فیصد اضافہ ہوا۔ قبل از ٹیکس منافع مبلغ 712 ملین روپے رہا جس کا موازنہ گذشتہ سال کے قبل از ٹیکس منافع مبلغ 1.332 بلین روپے سے کیا جاسکتا ہے۔

جائزہ:

ملک میں حالیہ سیلاب کے باعث ملکی معیشت تباہ ہو گئی۔ 33 ملین سے زیادہ افراد بے گھر ہو گئے اور فصلوں، جانوروں اور بنیادی اسٹرکچر کو ناقابل تلافی نقصان پہنچا۔ جس کے باعث قیمتوں میں اضافہ کے ساتھ کپاس کی پیداوار کی مقدار اور معیار بھی بڑے پیمانے پر محدود ہو گئیں۔ اگرچہ مقامی کپاس کی فصل کی تقریباً 11 ملین گانٹھوں کی پیش گوئی کی گئی تھی لیکن بد قسمتی سے تقریباً 6 ملین گانٹھیں نکلی ہیں۔ لہذا، ہم پیش گوئی کرتے ہیں کہ خام مال اور اور ہیلڈ لاگت میں بڑے پیمانے پر اضافے کی وجہ سے اسپننگ انڈسٹری کو کافی مشکلات کا سامنا کرنا پڑے گا جو عالمی سطح پر طلب کے دباؤ کی وجہ سے فروخت کی قیمتوں میں مکمل طور پر تبدیل نہیں کیا جاسکتا ہے۔ مزید یہ کہ کمپنی PKR/USD کی پیچھے ریٹ پر غیر یقینی صورتحال کے ساتھ دیگر ممالک سے امریکی ڈالر میں کپاس درآمد کرنے پر مجبور ہے۔

2022-23 کی پہلی سہ ماہی کے لیے گیس کے لیے توانائی کے نرخ USD 9/MMBTU اور 9 سینٹ فی پونٹ مقرر کیے گئے تھے۔ نرخوں کا تعین امریکی ڈالر میں کیا جاتا ہے، PKR/USD کی شرح مبادلہ کی برابری بگڑنے کے باعث توانائی کی قیمت میں اضافہ ہوا ہے۔ کاروباری اعتماد کی سطح کو بہتر بنانے اور صنعت میں سرمایہ کاری میں اضافے کے لیے ایک متوقع، مستحکم اور ہم آہنگ توانائی کی پالیسی کی ضرورت ہے۔ حکومت کو گیس کی قلت کے مسئلے کو بھی حل کرنے کی ضرورت ہے، خاص طور پر سردیوں میں، ٹیکسٹائل کی صنعت کے ممکنہ زوال کو روکنے کے لیے۔

شرح سود میں اضافے نے سودی قرضوں پر کاروباری امور کو برقرار رکھنا مشکل بنا دیا ہے۔ مجموعی کاروباری لاگت میں خاص طور پر مزدوری، توانائی اور مالیاتی اخراجات میں اضافہ ہوا ہے جس نے کمپنی کے منافع پر منفی اثر ڈالا ہے۔ مستقبل کی حکمت عملی:

ہم توقع کرتے ہیں کہ موجودہ کساد بازاری کا مرحلہ عارضی ہے۔ وقت گزرنے کے ساتھ ساتھ جیو پالیٹیکل ماحول میں بہتری آئے گی۔ عالمی سطح پر فروخت میں تیزی آئے گی۔ عالمی سپلائی چین میں بہتری دیکھی گئی ہے جس سے ٹیکسٹائل مصنوعات کی بین الاقوامی خریداری کے امور میں بہتری آئے گی۔ اپنی بقاء کیلئے ہمارا اہم مقصد لاگت کی تبدیلی پر توجہ مرکوز کرنا ہے جس پر کمپنی بہت زیادہ توجہ دے رہی ہے۔ حکومت کی جانب سے ٹیکسز کے لیے معقول پالیسی اور ٹیکسٹائل سیکٹر کے لیے سستے قرضے مہیا کرنے کی ضرورت ہے۔

یقین رکھیں آپ کی انتظامیہ پیداواری صلاحیت میں اضافہ کرنے اور پائیداری کو یقینی بنانے کے لیے آپریشنل افادیت لانے کے لیے انتھک محنت کر رہی ہے۔ اظہار تشکر:

ہم کمپنی کے ملازمین کا شکریہ ادا کرتے ہیں اس کے علاوہ ہمارے کسٹمرز جو کہ ہماری پروڈکٹس پر اعتماد کرتے ہیں اور ہمارے ٹیکنیٹس جو کہ مستقل طور پر کمپنی کو سپورٹ کر رہے ہیں ان کے بھی مشکور ہیں اس کے علاوہ ہماری انتظامیہ شیئر ہولڈرز کے مکمل اعتماد پر بھی مشکور ہیں۔


عدیل شاہد ٹاٹا
ڈائریکٹر


شاہد انوار ٹاٹا
چیف ایگزیکٹو

کراچی مورخہ: 28 اکتوبر 2022ء

BOOK POST

Printed Matter



If Undelivered please return to :

TATA TEXTILE MILLS LIMITED

6th Floor, Textile Plaza, M. A. Jinnah Road,
Karachi-74000