Condensed Interim Financial Information
(UNAUDITED)
for the 1st Quarter ended September 30, 2016
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COMPANY INFORMATION

BOARD OF DIRECTORS
CHAIRMAN: Mr. Anwar Ahmed Tata
CHIEF EXECUTIVE: Mr. Adeel Shahid Anwar Tata
DIRECTORS: Mr. Shahid Anwar Tata
Mr. Aijaz Ahmed Tariq
Mr. Bilal Shahid Anwar
Mr. Muhammad Naseem
Sheikh Kausar Ejaz

AUDIT COMMITTEE
CHAIRMAN: Mr. Muhammad Naseem
MEMBERS: Mr. Bilal Shahid Anwar
Sheikh Kausar Ejaz
SECRETARY: Mr. Owais Ahmed Abbasi

HUMAN RESOURCE & REMUNERATION COMMITTEE
CHAIRMAN: Mr. Muhammad Naseem
MEMBERS: Mr. Adeel Shahid Anwar Tata
Mr. Bilal Shahid Anwar
SECRETARY: Mr. Umar Khawajah

COMPANY SECRETARY & CHIEF FINANCIAL OFFICER:
Mr. Farooq Advani

BANKERS:
Dubai Islamic Bank (Pakistan) Limited
Bank Alfalah Limited
Meezan Bank Limited
Habib Metropolitan Bank Limited
The Bank of Punjab
MCB Bank Limited
National Bank of Pakistan
Soneri Bank Limited
Allied Bank Limited
Bank Islami Pakistan Limited
JS Bank Limited
Askari Bank Limited
Industrial Commercial Bank of China (ICBC) Limited

AUDITORS:
M/s. Deloitte Yousuf Adil
Chartered Accountants

LEGAL ADVISOR:
Ameen Bandukda & Co. Advocates

SHARE REGISTRAR:
Central Depository Company of Pakistan Limited
CDC House, 99 – B, Block ‘B’,
S.M.C.H.S., Main Shahra-e-Faisal
Tel#: (Toll Free) 0800-CDCPL (23275)
Fax: (92-21) 34326053

REGISTERED OFFICE:
6th Floor Textile Plaza,
M.A Jinnah Road Karachi.
Tel# 32412955-3 Lines 32426761-2-4
Fax# 32417710

WEB SITE ADDRESS:
www.tatatex.com

E-MAIL ADDRESS:
stm.corporate@tatatex.com

MILLS:
HX-1, Landhi Industrial Area, Landhi, Karachi
Directors’ Report

Assalam-o-Alaikum

The Financial Statements of the Company for the first quarter, ended September 30th 2016, is being presented to you.

The Financial Results of your Company, for the 1st quarter continues to be remain discouraging. During the quarter under review, the Company incurred an after tax loss of Rs.34.853 million as compared to an after tax loss of Rs.44.256 million during the corresponding period of last year.

Textile Industry

It is very unfortunate that since the last couple of years, the distressing scenario of Textile Industry remains unchanged and it is primarily due to the apathy of the Government towards the Manufacturing Sector, especially the Textile Export Sector and we the Spinning Sector are the most affected, mainly because of the following reasons:

1. **Cost of Raw Material**
   Our Country, Pakistan is a Raw Material starved Country and for over a decade we have been a net importer of Cotton, however, the last two years have been exceptionally poor with regard to Cotton production in Pakistan. This year, the Cotton crop is estimated about 11 Million bales against our minimum requirement of 15 Million bales. This alone was a reason enough to escalate the cost of Cotton in the local market and now compounded with the fact that the Government has imposed an Import Duty of 4% on Cotton, the cost has further gone up, thus, Pakistani Cotton becoming the most expensive Cotton for its value. The levy of 4% Custom Duty on import of Cotton is very unreasonable especially in a Country where basic Raw Material is about 40% short of our requirement.

2. **Fibre**
   Similarly is the case with Fiber. The exorbitant rate of Duty imposed by the Government on the import of Fiber is only to protect the local Fiber Industry which has been protected since last 35 to 40 years and continues to be protected and the cost of this liability is being borne by the Textile Sector.

3. **Cost of Labor & Power**
   Our cost of production remains highest in the region, that is, Labor & Power, vis-à-vis Bangladesh, India, Sri Lanka, Vietnam and Indonesia.

4. **Foreign Exchange**
   The Exchange Control policy adopted by the Government has seriously affected the Country’s exports. It is estimated that since the year 2015, the Pakistani Rupee is over-valued by more than 20%.

5. **Exorbitant Taxes**
   The revenue increase which the Government has been able to achieve is on the account of punitive measures and addition of Further Taxes. The Government has failed to add new Tax Payers to the System but instead it has heavily taxed the existing Tax Payers, in shape of Minimum Tax increase and Withholding Tax Rates, hence, an honest Tax Payer is further penalized.

Future Outlook

Besides endeavoring on cost cutting, we are also striving on developing our Product Line and on improving the Cotton Procurement Mechanism.

For a very long time we have been hearing of a Textile Package, for which we are anxiously and eagerly awaiting but it is yet to be announced by the Federal Government. During the Meeting in Islamabad, between the Prime Minister (PM) and the delegation of All Pakistan Textile Mills Association, the PM made numerous promises and even agreed to withdraw the Import Duty on Cotton but sadly none of the promises have been fulfilled. However, we are looking forward to the Federal Government’s announcement of the Textile Package and to see how it will change the fortune of the Textile Industry.

Acknowledgement

It is most important to mention the untiring endeavors of all our team members who are engaged in up-holding their commitment for the company’s success and growth. We also thank our Bankers, Vendors and Clients for their consistent trust and support.

On behalf of the Board of Directors

Shahid Anwar Tata
DIRECTOR

Karachi:
Dated: October 29, 2016
### CONDENSED INTERIM BALANCE SHEET AS AT SEPTEMBER 30, 2016

<table>
<thead>
<tr>
<th>Note</th>
<th>September 30, 2016</th>
<th>June 30, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Audited</td>
<td>Unaudited</td>
</tr>
<tr>
<td>ASSETS</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>NON-CURRENT ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>3,446,790</td>
<td>3,454,698</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>1,264</td>
<td>1,608</td>
</tr>
<tr>
<td>Long term investment</td>
<td>735</td>
<td>699</td>
</tr>
<tr>
<td>Long term deposits</td>
<td>1,037</td>
<td>1,037</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>3,449,826</td>
<td>3,458,042</td>
</tr>
<tr>
<td><strong>CURRENT ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stores, spares and loose tools</td>
<td>75,921</td>
<td>56,041</td>
</tr>
<tr>
<td>Stock-in-trade</td>
<td>748,947</td>
<td>730,729</td>
</tr>
<tr>
<td>Trade debts</td>
<td>241,878</td>
<td>299,140</td>
</tr>
<tr>
<td>Loans and advances</td>
<td>349,922</td>
<td>308,383</td>
</tr>
<tr>
<td>Trade deposits and short-term prepayments</td>
<td>10,805</td>
<td>13,770</td>
</tr>
<tr>
<td>Other receivables</td>
<td>209</td>
<td>404</td>
</tr>
<tr>
<td>Other financial assets</td>
<td>28,136</td>
<td>27,537</td>
</tr>
<tr>
<td>Sales tax refundable</td>
<td>40,859</td>
<td>34,349</td>
</tr>
<tr>
<td>Cash and bank balances</td>
<td>11,121</td>
<td>45,963</td>
</tr>
<tr>
<td><strong>TOTAL CURRENT ASSETS</strong></td>
<td>1,507,798</td>
<td>1,516,316</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>4,957,624</td>
<td>4,974,358</td>
</tr>
<tr>
<td><strong>EQUITY AND LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>EQUITY</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share capital</td>
<td>33,426</td>
<td>33,426</td>
</tr>
<tr>
<td>Reserves</td>
<td>505,925</td>
<td>505,889</td>
</tr>
<tr>
<td>Unappropriated profit</td>
<td>46,856</td>
<td>70,821</td>
</tr>
<tr>
<td>Surplus on revaluation of property, plant and equipment</td>
<td>586,207</td>
<td>610,136</td>
</tr>
<tr>
<td><strong>TOTAL EQUITY</strong></td>
<td>1,526,510</td>
<td>1,537,397</td>
</tr>
<tr>
<td><strong>NON-CURRENT LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-term finance</td>
<td>734,738</td>
<td>800,261</td>
</tr>
<tr>
<td>Deferred liabilities</td>
<td>77,648</td>
<td>71,353</td>
</tr>
<tr>
<td><strong>TOTAL NON-CURRENT LIABILITIES</strong></td>
<td>812,386</td>
<td>871,614</td>
</tr>
<tr>
<td><strong>CURRENT LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>535,044</td>
<td>639,632</td>
</tr>
<tr>
<td>Interest / mark-up accrued on borrowings</td>
<td>30,992</td>
<td>27,711</td>
</tr>
<tr>
<td>Short-term borrowings</td>
<td>1,246,301</td>
<td>1,080,060</td>
</tr>
<tr>
<td>Current portion of long-term finance</td>
<td>167,054</td>
<td>167,081</td>
</tr>
<tr>
<td>Provision for income tax</td>
<td>53,130</td>
<td>40,727</td>
</tr>
<tr>
<td><strong>TOTAL CURRENT LIABILITIES</strong></td>
<td>2,032,521</td>
<td>1,955,211</td>
</tr>
<tr>
<td><strong>TOTAL EQUITY AND LIABILITIES</strong></td>
<td>4,957,624</td>
<td>4,974,358</td>
</tr>
</tbody>
</table>

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

Pursuant to Section 241(2) of the Companies Ordinance, 1984, these financial statements have been signed by two Directors in the absence of the Chief Executive who for the time being is not in the country.

SHAHID ANWAR TATA  
DIRECTOR

ANWAR AHMED TATA  
CHIRMAN / DIRECTOR
### CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

**FOR THE QUARTER ENDED SEPTEMBER 30, 2016**

<table>
<thead>
<tr>
<th>Note</th>
<th>September 30, 2016</th>
<th>September 30, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales-net</td>
<td>1,208,521</td>
<td>1,124,097</td>
</tr>
<tr>
<td>Cost of goods sold</td>
<td>(1,146,255)</td>
<td>(1,095,886)</td>
</tr>
<tr>
<td>Gross profit</td>
<td>62,266</td>
<td>28,211</td>
</tr>
<tr>
<td>Distribution cost</td>
<td>(28,193)</td>
<td>(34,274)</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>(26,578)</td>
<td>(25,060)</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>(686)</td>
<td>(4,777)</td>
</tr>
<tr>
<td>Finance cost</td>
<td>(31,456)</td>
<td>(38,855)</td>
</tr>
<tr>
<td></td>
<td>(86,913)</td>
<td>(102,966)</td>
</tr>
<tr>
<td>(24,647)</td>
<td>(74,755)</td>
<td></td>
</tr>
<tr>
<td>Other income</td>
<td>2,197</td>
<td>1,263</td>
</tr>
<tr>
<td>Loss before taxation</td>
<td>(22,450)</td>
<td>(73,492)</td>
</tr>
<tr>
<td>Taxation</td>
<td>(12,403)</td>
<td>29,236</td>
</tr>
<tr>
<td>Loss after taxation</td>
<td>(34,853)</td>
<td>(44,256)</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrealised gain on remeasurement of investment available-for-sale</td>
<td>36</td>
<td>105</td>
</tr>
<tr>
<td>Total comprehensive income for the period</td>
<td>(34,817)</td>
<td>(44,151)</td>
</tr>
<tr>
<td>Earnings per share - Basic and diluted (Rupees)</td>
<td>(10.43)</td>
<td>(13.24)</td>
</tr>
</tbody>
</table>

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

Pursuant to Section 241(2) of the Companies Ordinance, 1984, these financial statements have been signed by two Directors in the absence of the Chief Executive who for the time being is not in the country.

**SHAHID ANWAR TATA**  
DIRECTOR  

**ANWAR AHMED TATA**  
CHARIMAN / DIRECTOR
CONSENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2016

<table>
<thead>
<tr>
<th></th>
<th>September 30, 2016</th>
<th>September 30, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. CASH FLOWS FROM OPERATING ACTIVITIES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loss before taxation</td>
<td>(22,450)</td>
<td>(73,492)</td>
</tr>
<tr>
<td>Adjustments for:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>35,537</td>
<td>36,364</td>
</tr>
<tr>
<td>Amortization</td>
<td>344</td>
<td>344</td>
</tr>
<tr>
<td>Provision for staff gratuity</td>
<td>7,263</td>
<td>6,069</td>
</tr>
<tr>
<td>Provision for compensated absences</td>
<td>3,241</td>
<td>(143)</td>
</tr>
<tr>
<td>Finance cost</td>
<td>31,456</td>
<td>38,855</td>
</tr>
<tr>
<td>Operating cash flows before movements in working capital</td>
<td>55,391</td>
<td>7,997</td>
</tr>
<tr>
<td>(Increase) / decrease in current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stores, spares and loose tools</td>
<td>(19,880)</td>
<td>(3,424)</td>
</tr>
<tr>
<td>Stock-in-trade</td>
<td>(18,218)</td>
<td>216,564</td>
</tr>
<tr>
<td>Trade debts - considered good</td>
<td>57,262</td>
<td>(154,255)</td>
</tr>
<tr>
<td>Loans and advances</td>
<td>(29,483)</td>
<td>55,031</td>
</tr>
<tr>
<td>Trade deposits &amp; short term prepayments</td>
<td>2,965</td>
<td>(4,730)</td>
</tr>
<tr>
<td>Other receivables</td>
<td>195</td>
<td>(701)</td>
</tr>
<tr>
<td>Other financial assets</td>
<td>(599)</td>
<td>(749)</td>
</tr>
<tr>
<td>Sales tax refundable</td>
<td>(6,510)</td>
<td>9,439</td>
</tr>
<tr>
<td>Increase in current liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash generated from operations</td>
<td>(63,465)</td>
<td>180,132</td>
</tr>
<tr>
<td>Finance cost paid</td>
<td>(28,175)</td>
<td>(53,119)</td>
</tr>
<tr>
<td>Income taxes paid</td>
<td>(12,056)</td>
<td>(55,509)</td>
</tr>
<tr>
<td>Staff gratuity and compensated expenses paid</td>
<td>(4,208)</td>
<td>(2,800)</td>
</tr>
<tr>
<td>Net cash (used in)/generated from operating activities</td>
<td>(107,904)</td>
<td>68,704</td>
</tr>
</tbody>
</table>

B. CASH FLOWS FROM INVESTING ACTIVITIES
Purchase of property, plant and equipment | (27,630) | (96,664) |
Long-term deposit | - | (25) |
Net cash used in investing activities | (27,630) | (96,689) |

C. CASH FLOWS FROM FINANCING ACTIVITIES
Long-term finances repayment-net | (65,549) | (51,338) |
Short -term borrowings repayments-net | (138,365) | (195,234) |
Net cash used in financing activities | (203,914) | (246,572) |

Net decreased in cash and cash equivalents (A+B+C) | (339,448) | (274,557) |
Cash and cash equivalents at July 1 | (318,107) | (457,064) |
Cash and cash equivalents at September 30, | (657,555) | (731,621) |

CASH AND CASH EQUIVALENTS
Cash and bank balances | 11,121 | 38,469 |
Short - term running finance | (668,676) | (770,090) |

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

Pursuant to Section 241(2) of the Companies Ordinance, 1984, these financial statements have been signed by two Directors in the absence of the Chief Executive who for the time being is not in the country.

SHAHID ANWAR TATA, DIRECTOR
ANWAR AHMED TATA, CHARIMAN / DIRECTOR
### CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

#### FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2016

<table>
<thead>
<tr>
<th>Share capital</th>
<th>Revenue Reserve</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Issued, subscribed and paid-up capital</strong></td>
<td><strong>General Reserve</strong></td>
<td><strong>Other reserve</strong></td>
</tr>
<tr>
<td>Balance at July 01, 2015</td>
<td>33,426</td>
<td>750,000</td>
</tr>
<tr>
<td><strong>Comprehensive income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loss after taxation for the quarter</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transfer from surplus on revaluation of property, plant and equipment on account of:</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>- incremental depreciation</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Balance as at September 30, 2015</td>
<td>33,426</td>
<td>750,000</td>
</tr>
<tr>
<td>Balance as at July 01, 2016</td>
<td>33,426</td>
<td>500,000</td>
</tr>
<tr>
<td><strong>Comprehensive Income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loss after taxation for the quarter</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transfer from surplus on revaluation of property, plant and equipment on account of:</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>- incremental depreciation</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Balance as at September 30, 2016</td>
<td>33,426</td>
<td>500,000</td>
</tr>
</tbody>
</table>

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

Pursuant to Section 241(2) of the Companies Ordinance, 1984, these financial statements have been signed by two Directors in the absence of the Chief Executive who for the time being is not in the country.

SHAHID ANWAR TATA  
DIRECTOR

ANWAR AHMED TATA  
CHARIMAN / DIRECTOR
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2016

1. SELECTED EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

1.1 Salfi Textile Mills Limited (the company) was incorporated in Pakistan on January 05, 1968 as a public limited company under the Companies Ordinance, 1984 and is listed on Pakistan Stock Exchange. The registered office of the company is situated at 6th floor Textile Plaza M.A Jinnah Road, Karachi. The principal activity of the company is manufacturing and sale of yarn. The company’s manufacturing facilities are located at Landhi Industrial Estate, Karachi in the Province of Sindh.

1.2 These condensed interim financial statements have been prepared under ‘historical cost convention’ modified by:
   - revaluation of certain property, plant and equipment
   - recognition of certain employee retirement benefits at present value
   - investment available for sale at fair value

1.3 These condensed interim financial statements have been prepared in accordance with the International Financial Reporting Standards, International Accounting Standard (IAS) 34: Interim Financial Reporting and in compliance with the requirement of section 245 of the Companies Ordinance, 1984 and the Listing Regulations of Pakistan Stock Exchange.

1.4 The accounting policies and methods of computation followed in the preparation of these 1st Quarterly financial statements are the same as those of the published annual financial statements for the period ended June 30, 2016

2. CONTINGENCIES & COMMITMENTS

2.1 Contingencies

There is no contingency outstanding against the company at the period end

2.2 Commitments

<table>
<thead>
<tr>
<th>Description</th>
<th>September 30, 2016</th>
<th>June 30, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Civil works</td>
<td>31,921</td>
<td>60,170</td>
</tr>
<tr>
<td>Letters of credit for stores</td>
<td>6,375</td>
<td>3,011</td>
</tr>
<tr>
<td>Letters of credit for Raw Materials</td>
<td>72,889</td>
<td>74,688</td>
</tr>
<tr>
<td>Bank guarantees</td>
<td>109,366</td>
<td>108,166</td>
</tr>
<tr>
<td>Bills discounted-Local</td>
<td>-</td>
<td>18,541</td>
</tr>
<tr>
<td>Bills discounted-Export</td>
<td>702,872</td>
<td>614,062</td>
</tr>
<tr>
<td>Outstanding sales contract</td>
<td>367,742</td>
<td>165,711</td>
</tr>
</tbody>
</table>

3. ACQUISITIONS AND DISPOSALS OF PROPERTY, PLANT AND EQUIPMENT

For the Quarter Ended September 30, 2016

<table>
<thead>
<tr>
<th>Description</th>
<th>Acquisitions / transfers from CWIP</th>
<th>Disposal (W.D.V)</th>
<th>Sale Proceeds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office Equipment</td>
<td>170</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Factory Equipment</td>
<td>316</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>September 30, 2016</td>
<td>486</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4. COST OF GOODS SOLD

<table>
<thead>
<tr>
<th>Description</th>
<th>September 30, 2016</th>
<th>June 30, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of goods manufactured (4.2)</td>
<td>1,258,735</td>
<td>1,027,069</td>
</tr>
<tr>
<td>Finished goods</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening stock (4.1)</td>
<td>144,637</td>
<td>247,210</td>
</tr>
<tr>
<td>Yarn Purchased</td>
<td>376</td>
<td>-</td>
</tr>
<tr>
<td>Closing stock (4.1)</td>
<td>(257,493)</td>
<td>(178,393)</td>
</tr>
<tr>
<td>(112,480)</td>
<td>68,817</td>
<td></td>
</tr>
<tr>
<td>Cost of goods sold</td>
<td>1,146,255</td>
<td>1,095,886</td>
</tr>
</tbody>
</table>

4.1 Finished goods stock also includes waste stock carried at net realizable value.
4.2 **Cost of goods manufactured**

<table>
<thead>
<tr>
<th>Item</th>
<th>September 30, 2016</th>
<th>September 30, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raw material consumed (4.2.1)</td>
<td>979,681</td>
<td>753,150</td>
</tr>
<tr>
<td>Packing material consumed</td>
<td>19,960</td>
<td>22,061</td>
</tr>
<tr>
<td>Stores and spares consumed</td>
<td>19,774</td>
<td>15,268</td>
</tr>
<tr>
<td>Salaries, wages and benefits</td>
<td>93,064</td>
<td>74,117</td>
</tr>
<tr>
<td>Fuel and power</td>
<td>103,314</td>
<td>115,777</td>
</tr>
<tr>
<td>Insurance</td>
<td>2,912</td>
<td>3,435</td>
</tr>
<tr>
<td>Repairs and maintenance</td>
<td>914</td>
<td>2,274</td>
</tr>
<tr>
<td>Depreciation</td>
<td>33,496</td>
<td>33,996</td>
</tr>
<tr>
<td>Other overheads</td>
<td>5,598</td>
<td>4,374</td>
</tr>
<tr>
<td><strong>Total Cost of Goods Manufactured</strong></td>
<td><strong>1,258,713</strong></td>
<td><strong>1,024,452</strong></td>
</tr>
</tbody>
</table>

**Work-in-process**

<table>
<thead>
<tr>
<th>Item</th>
<th>September 30, 2016</th>
<th>September 30, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening stock</td>
<td>29,730</td>
<td>(27,163)</td>
</tr>
<tr>
<td>Closing stock</td>
<td>(29,708)</td>
<td>(24,546)</td>
</tr>
<tr>
<td><strong>Total Work-in-process</strong></td>
<td><strong>22</strong></td>
<td><strong>2,617</strong></td>
</tr>
</tbody>
</table>

**4.2.1 Raw material consumed**

<table>
<thead>
<tr>
<th>Item</th>
<th>September 30, 2016</th>
<th>September 30, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening stock</td>
<td>556,362</td>
<td>682,397</td>
</tr>
<tr>
<td>Purchases - net</td>
<td>885,065</td>
<td>608,022</td>
</tr>
<tr>
<td><strong>Total Raw material consumed</strong></td>
<td><strong>1,441,427</strong></td>
<td><strong>1,290,419</strong></td>
</tr>
<tr>
<td>Closing stock</td>
<td>(461,746)</td>
<td>(537,269)</td>
</tr>
<tr>
<td><strong>Total Raw material consumed</strong></td>
<td><strong>979,681</strong></td>
<td><strong>753,150</strong></td>
</tr>
</tbody>
</table>

5. **TRANSACTIONS WITH RELATED PARTIES**

5.1 **Associates**

<table>
<thead>
<tr>
<th>Item</th>
<th>September 30, 2016</th>
<th>September 30, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase of electricity</td>
<td>99,092</td>
<td>109,396</td>
</tr>
<tr>
<td>Purchase of Goods</td>
<td>376</td>
<td>-</td>
</tr>
<tr>
<td>Share of expense received</td>
<td>530</td>
<td>718</td>
</tr>
<tr>
<td>Share of expense paid</td>
<td>-</td>
<td>272</td>
</tr>
<tr>
<td>License income</td>
<td>1,062</td>
<td>1,062</td>
</tr>
<tr>
<td>Rent income</td>
<td>-</td>
<td>150</td>
</tr>
</tbody>
</table>

5.2 **Transactions with key management personnel**

<table>
<thead>
<tr>
<th>Item</th>
<th>September 30, 2016</th>
<th>September 30, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-term benefits</td>
<td>20,748</td>
<td>14,481</td>
</tr>
<tr>
<td>Rent</td>
<td>907</td>
<td>907</td>
</tr>
</tbody>
</table>

6. **APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were authorized for issue on October 29, 2016 by the Board of Directors of the Company.

7. Figures have been rounded off to nearest thousand rupee.

Pursuant to Section 241(2) of the Companies Ordinance, 1984, these financial statements have been signed by two Directors in the absence of the Chief Executive who for the time being is not in the country.

SHAHID ANWAR TATA
DIRECTOR

ANWAR AHMED TATA
CHARIMAN / DIRECTOR
تأميم: أ.د. ي.. 2016
بالمجرية:
30
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