



TATA TEXTILE MILLS LIMITED

**Condensed Interim Financial Information
For The Half Year Ended December 31, 2017**

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COMPANY INFORMATION**BOARD OF DIRECTORS**

CHAIRMAN:	Mr. Anwar Ahmed Tata
CHIEF EXECUTIVE:	Mr. Shahid Anwar Tata
DIRECTORS:	Mr. Adeel Shahid Tata Mr. Bilal Shahid Tata Mr. Asif Saleem Ms. Shahbanoo Hameed (NIT) Mr. Muhammad Naseem

AUDIT COMMITTEE

CHAIRMAN: Mr. Muhammad Naseem

MEMBERS: Mr. Asif Saleem
Mr. Bilal Shahid Tata

SECRETARY: Mr. Owais Ahmed Abbasi

HUMAN RESOURCE & REMUNERATION

COMMITTEE

CHAIRMAN: Mr. Muhammad Naseem

MEMBERS: Mr. Shahid Anwar Tata
Mr. Bilal Shahid Tata

SECRETARY: Mr. Aadil Riaz

**COMPANY SECRETARY &
CHIEF FINANCIAL OFFICER:** Mr. Farooq Advani

BANKERS: Faysal Bank Limited
Dubai Islamic Bank (Pakistan) Limited
Bank Alfalah Limited
Meezan 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
Samba Bank Limited

AUDITORS: M/s. Deloitte Yousuf Adil
Chartered Accountants

LEGAL ADVISOR: Rajwana & Rajwana 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.tatapakistan.com

E- MAIL ADDRESS: ttn.corporate@tatapakistan.com

MILLS: 10th K.M. M.M. Road
Khanpur-Baggasher,
District Muzaffargarh

Directors' Report

Assalam-o-Alaikum

The Financial Statements (Un-audited) of the Company for the Half Year ended, December 31, 2017 is being presented to you.

Alhamdulillah, the financial statement of the Company for the 2nd quarter ended December 31, 2017 is encouraging and has shown a good improvement. During the period under review, the Company incurred a pre-tax profit of Rs.66.819 million as compared to a pre-tax loss of Rs.10.527 million during the corresponding period of last year.

Textile Industry

Alhamdulillah, there has been some positive developments in the Textile Industry. The activities and exports of downstream Industries have picked up which have resulted in the increased demand of yarn as well. Another encouraging aspect is the Government's continuation of Export Rebate, though only 50%. The escalation in Cotton Prices and the devaluation of Rupee has also played a positive role in the Textile sector and improvement have been witnessed in the six segments of the Textile Industries, major being Yarn and Grey Fabric, Finished Fabric, Home Textile, Denim, Towel and Knitted Garments. Moreover, to a great extent the rise in Cotton Prices has been absorbed mainly due to two factors, depreciation of rupee and growth in the demand of Yarn.

Cotton Crop

This has been the third consecutive year of Cotton Crop failure particularly in Punjab, whereas, the Crop in Sindh has improved resulting in high yield of cotton this year. The crop in Punjab has performed poorly both quality wise and quantity wise and I have never seen such inferior quality of Cotton in my 35 years in textile business. The Punjab Government seems clueless about its remedial measures or research for development. Agriculture being a subject of the Provisional Government, we feel Punjab Government needs to work on both quality and quantity as Cotton is our most important Cash Crop and the production of Cotton is integral to the economic development of the Country. At present, your Company has enough Cotton Stock to last till June 2018; though, critical would be the next Cotton year, whereby, we will have to wait and watch for the outcome of the future Cotton yield.

Future Outlook

Going forward, the Management is taking initiatives in every area to optimize and reduce Cost without compromising on the Mill performance and have made reduction in the areas of Stores and Spares, Repair and Maintenance and Other Overheads. The Mills team also managed to reduce the cost of Power even though the RLNG price had increased in December 2017.

The Management has also taken decision to cater to the Market Trend and demand for Slub, Lycra and Dual Core and have taken steps to increase the production of these products.

ACKNOWLEDGEMENT

It is most important to mention the untiring efforts of all our team members who are engaged in up-holding their commitment to the Company's success and growth. We also thanks to our Bankers, Vendors and Customers for their consistent trust and support.

On behalf of the Board of Directors



SHAHID ANWAR TATA
CHIEF EXECUTIVE

Karachi
Dated: February 26, 2018

Deloitte.

Deloitte Yousuf Adil
Chartered Accountants
Cavish Court, A-35, Block 7 & 8
KCHSU, Sharea Faisal,
Karachi-75350
Pakistan
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AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of **TATA TEXTILE MILLS LIMITED (the Company)** as at December 31, 2017, the related condensed interim profit and loss account, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the half year then ended (here-in-after referred to as the condensed 'interim financial information'). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim profit and loss account for the quarters ended December 31, 2017 and December 31, 2016 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2017.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as of and for the half year ended December 31, 2017 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.



Chartered Accountants

Engagement partner
Hena Sadiq

Dated: February 26, 2018
Karachi

Member of


Deloitte Touche Tohmatsu Limited


CONDENSED INTERIM BALANCE SHEET
AS AT DECEMBER 31, 2017

		December 31, 2017 (Unaudited)	June 30, 2017 (Audited)
	Note	----- Rupees in '000' -----	
ASSETS			
Non-current assets			
Property, plant and equipment	5	3,215,364	2,945,461
Intangible assets		407	472
Long-term deposits		2,095	2,227
		3,217,866	2,948,160
Current assets			
Stores, spares and loose tools		56,360	50,823
Stock-in-trade		2,284,121	1,114,902
Trade debts		359,784	408,950
Loans and advances		240,418	221,309
Trade deposits and short-term prepayments		1,701	1,710
Other receivables		63,496	21,771
Other financial assets		19,670	269,361
Sales tax refundable		96,546	61,727
Cash and bank balances		54,311	88,322
		3,176,406	2,238,875
TOTAL ASSETS		6,394,272	5,187,035
EQUITY AND LIABILITIES			
EQUITY			
Share capital and reserves	6	1,653,372	1,573,493
Surplus on revaluation of property, plant and equipment		1,189,077	1,236,796
LIABILITIES			
Non-current liabilities			
Long-term finances	7	552,780	234,984
Deferred liabilities		246,503	235,080
		799,283	470,064
Current liabilities			
Trade and other payables		517,633	231,719
Accrued interest / mark-up on borrowings		26,461	16,373
Short-term borrowings		2,089,791	1,563,772
Current portion of long-term finances	7	59,374	61,874
Provision for income tax		59,282	32,944
		2,752,541	1,906,682
Contingencies and commitments	8		
TOTAL EQUITY AND LIABILITIES		6,394,272	5,187,035

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.


SHAHID ANWAR TATA
CHIEF EXECUTIVE


FAROOQ ADVANI
CHIEF FINANCIAL OFFICER


ANWAR AHMED TATA
CHAIRMAN / DIRECTOR


CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2017

	Half year ended		Quarter ended	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
	Rupees in '000'			
Note				
Sales - net	2,871,694	2,632,436	1,613,478	1,446,095
Cost of goods sold	9 (2,647,225)	(2,480,331)	(1,467,408)	(1,387,017)
Gross profit	224,469	152,105	146,070	59,078
Distribution cost	(49,669)	(49,916)	(27,857)	(24,091)
Administrative expenses	(61,915)	(70,317)	(31,633)	(29,956)
Other operating expenses	(23,321)	(1,468)	(8,244)	-
Finance cost	(63,316)	(43,127)	(36,997)	(28,134)
	(198,221)	(164,828)	(104,731)	(82,181)
Other income	40,571	2,196	23,785	558
Profit/ (loss) before taxation	66,819	(10,527)	65,123	(22,545)
Provision for taxation	10 (34,659)	(27,520)	(24,378)	(11,980)
Profit/ (loss) for the period	32,160	(38,047)	40,745	(34,525)
Other comprehensive income	-	-	-	-
Total comprehensive income/(loss) for the period	32,160	(38,047)	40,745	(34,525)
Earnings per share - basic and diluted (Rupees)	1.86	(2.20)	2.35	(1.99)

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.


SHAHID ANWAR TATA
 CHIEF EXECUTIVE


FAROOQ ADVANI
 CHIEF FINANCIAL OFFICER

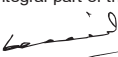

ANWAR AHMED TATA
 CHAIRMAN / DIRECTOR

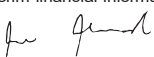
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2017

	Half year ended	
	December 31, 2017	December 31, 2016
	----- Rupees in '000' -----	
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before taxation	66,819	(10,527)
Adjustments for		
Depreciation	73,136	73,216
Amortization	63	880
Provision for gratuity	15,168	17,078
Provision for compensated absences	5,095	3,190
Reversal of provision of doubtful debt	(429)	593
Finance cost	63,316	43,127
Loss/(gain) on disposal of property, plant and equipment	18,032	(380)
Operating cash flows before working capital changes	241,200	127,177
Decrease / (increase) in current assets		
Stores, spares and loose tools	(5,537)	299
Stock-in-trade	(1,169,219)	(711,122)
Trade debts	49,595	27,946
Loans and advances	908	6,854
Trade deposits and short-term prepayments	9	10,514
Other receivables	(41,725)	310
Other financial assets	249,691	(8,736)
Sales tax refundable	(34,819)	(18,230)
Increase in current liabilities		
Trade and other payables	285,932	21,700
Cash used in operations	(423,964)	(543,288)
Finance cost paid	(53,228)	(35,642)
Income tax paid	(20,017)	(13,767)
Staff gratuity paid	(17,160)	(6,500)
Staff compensated absences paid	-	(3,695)
Net cash used in operating activities	(514,369)	(602,892)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Addition to property, plant and equipment	(373,714)	(119,281)
Proceeds from disposal of property, plant and equipment	12,643	1,625
Additions to intangible assets	-	(169)
Long-term deposits	132	-
Net cash used in investing activities	(360,939)	(117,825)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of long-term finance	(32,187)	(32,207)
Long-term finance obtained	347,483	138,125
Short-term borrowings paid off - net	(374,662)	(402,984)
Dividend paid	(18)	(2)
Net cash used in financing activities	(59,384)	(297,068)
Net decrease in cash and cash equivalents (A+B+C)	(934,692)	(1,017,785)
Cash and cash equivalents at July 01	(1,053,071)	(385,911)
Cash and cash equivalents at December 31	(1,987,763)	(1,403,696)
CASH AND CASH EQUIVALENTS		
Cash and bank balances	54,311	53,979
Short-term running finances	(2,042,074)	(1,457,675)
	(1,987,763)	(1,403,696)

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.


SHAHID ANWAR TATA
 CHIEF EXECUTIVE


FAROOQ ADVANI
 CHIEF FINANCIAL OFFICER


ANWAR AHMED TATA
 CHAIRMAN / DIRECTOR


**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED DECEMBER 31, 2017**

	Issued, subscribed and paid up capital	Revenue reserve		Total
		General reserve	Unappropriated profits	
----- Rupees in '000' -----				
Balance at June 30, 2016 (Audited)	173,247	1,000,000	287,263	1,460,510
Total comprehensive income for the half year ended December 31, 2016				
Loss for the period	-	-	(38,047)	(38,047)
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	(38,047)	(38,047)
Transferred from surplus on revaluation of property, plant and equipment on account of				
- incremental depreciation - net of deferred tax	-	-	31,314	31,314
- disposal of property, plant and equipment	-	-	446	446
	-	-	31,760	31,760
Balance at December 31, 2016 (Unaudited)	173,247	1,000,000	280,976	1,454,223
Total comprehensive income for the half year ended June 30, 2017				
Profit for the period	-	-	80,416	80,416
Other comprehensive income				
Gain on remeasurement of defined benefit plan - net of deferred tax	-	-	805	805
Total comprehensive income for the period	-	-	81,221	81,221
Transferred from surplus on revaluation of property, plant and equipment on account of:				
- incremental depreciation - net of deferred tax	-	-	31,569	31,569
- disposal of property, plant and equipment	-	-	6,480	6,480
	-	-	38,049	38,049
Balance at June 30, 2017 (Audited)	173,247	1,000,000	400,246	1,573,493
Total comprehensive income for the half year ended December 31, 2017				
Profit for the period	-	-	32,160	32,160
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	32,160	32,160
Transferred from surplus on revaluation of property, plant and equipment on account of:				
- incremental depreciation - net of deferred tax	-	-	36,029	36,029
- disposal of property, plant and equipment	-	-	11,690	11,690
	-	-	47,719	47,719
Balance at December 31, 2017 (Unaudited)	173,247	1,000,000	480,125	1,653,372

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.


SHAHID ANWAR TATA
CHIEF EXECUTIVE


FAROOQ ADVANI
CHIEF FINANCIAL OFFICER


ANWAR AHMED TATA
CHAIRMAN / DIRECTOR

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE HALF YEAR ENDED DECEMBER 31, 2017

1 LEGAL STATUS AND NATURE OF BUSINESS

Tata Textile Mills Limited (the Company) is a public limited company incorporated in Pakistan on April 15, 1987 under the Companies Ordinance, 1984 and listed on Pakistan Stock Exchange Limited. The registered office of the Company is situated at 6th floor, Textile Plaza, M.A. Jinnah Road, Karachi, in the province of Sindh. The principal activity of the Company is manufacturing and sale of yarn. The Company's manufacturing facilities are located at District Muzaffargarh in the province of Punjab.

2 BASIS OF PREPARATION

- 2.1 This condensed interim financial information of the Company for the half year ended December 31, 2017 has been prepared in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 shall prevail. This condensed interim financial information does not include all the information required for the full financial statements and these should be read in conjunction with the annual financial statements of the Company for the year ended June 30, 2017.

The Companies Act, 2017 has been promulgated in Pakistan on May, 30 2017 but this condensed interim financial information has been prepared in accordance with the provisions of repealed Companies Ordinance, 1984 as instructed by Securities and Exchange Commission of Pakistan under Circular no. 23 of 2017, dated October 04, 2017.

- 2.2 This condensed interim financial information has been prepared under historical cost convention modified by:

- revaluation of certain property, plant and equipment and
- recognition of certain staff retirement benefits at present value.

- 2.3 This condensed interim financial information is presented in Pak Rupees which is also the Company's functional and presentation currency and figures presented in this condensed interim financial information has been rounded off to the nearest thousand rupee unless otherwise stated.

- 2.4 This condensed interim financial information is unaudited. However, a limited scope review of this condensed interim financial information has been performed by the external auditors of the Company in accordance with the requirements of clause (26) of Listed Companies (Code of Corporate Governance) Regulations, 2017. This condensed interim financial information is being submitted to the shareholders as required by section 237 of the Companies Act 2017.

- 2.5 The comparative balance sheet presented has been extracted from annual financial statements for the year ended June 30, 2017 whereas comparative condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity are taken from the unaudited condensed interim financial information for the half year ended December 31, 2016.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information and the significant judgements 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 as at and for the year ended June 30, 2017

Certain amendments to existing International Financial Reporting Standards are effective for periods beginning on or after July 1, 2017, which do not have any impact on this condensed interim financial information and are therefore not enumerated here.

4 FINANCIAL RISK MANAGEMENT

The Company's financial risk objectives and policies are consistent with those disclosed in the annual financial statements as at and for the year ended June 30, 2017.

December 31, 2017 (Unaudited)	June 30, 2017 (Audited)
----- Rupees in '000' -----	

5 PROPERTY, PLANT AND EQUIPMENT

Operating assets	2,828,938	2,895,595
Capital work-in-progress	386,426	49,866
	3,215,364	2,945,461

- 5.1 Following additions, transfers and disposals in operating assets were made:

	Additions/ transfers from CWIP	Disposals (written down value)	Sale proceeds
	----- Rupees in '000' -----		
During the period ended December 31, 2017 (Unaudited)			
Building on freehold land	30,968	11,678	7,578
Plant and machinery	2,883	18,875	5,000
Furniture and fixtures	2,957	-	-
Office equipment	347	-	-
Vehicles	-	122	65
	37,155	30,675	12,643

	Additions/ transfers from CWIP	Disposals (written down value)	Sale proceeds
	Rupees in '000'		
During the year ended June 30, 2017 (Audited)			
Freehold land	1,991	-	-
Building on freehold land	25,280	-	-
Plant and machinery	171,012	10,667	4,663
Factory and workshop equipment	2,743	-	-
Electric installations	1,336	-	-
Furniture and fixtures	939	-	-
Office equipment	15,737	-	-
Vehicles	9,458	931	2,097
	228,496	11,598	6,760

	December 31, 2017 (Unaudited)	June 30, 2017 (Audited)
	Rupees in '000'	
6 SHARE CAPITAL AND RESERVES		
<i>Authorized share capital</i>		
20,000,000 ordinary shares of Rs.10 each	200,000	200,000
<i>Issued, subscribed and paid-up capital</i>		
17,324,750 ordinary shares of Rs.10 each fully paid in cash	173,248	173,247
General reserve	1,000,000	1,000,000
Unappropriated profits	480,124	400,246
	1,653,372	1,573,493

7 LONG-TERM FINANCES		
Banking companies - secured		
Demand finances	49,601	66,135
Term finances	386,144	40,844
SBP-LTF	138,125	138,125
Export oriented projects (EOP)	24,051	34,359
Diminishing Musharka	14,233	17,395
	612,154	296,858
Less: current portion shown under current liabilities		
Demand finances	33,067	33,067
Term finances	13,109	15,610
Export oriented projects (EOP)	6,872	6,871
Diminishing Musharka	6,326	6,326
	59,374	61,874
	552,780	234,984

- 7.1 These finances are secured against first pari passu charge on all present and future fixed assets including land, building, property, plant and equipment of the Company, vehicles acquired from such finance, specific charge over new machinery and personal guarantee of directors. These finances are subject to mark-up at the rates ranging from 3.5 % to 7.91 % per annum (June 30, 2017: 3.5 % to 7.57% per annum).

	December 31, 2017 (Unaudited)	June 30, 2017 (Audited)
	Rupees in '000'	
7.2 Long term financing		
Balance as on July	296,858	223,127
Additions	347,483	138,125
Repayment	(32,187)	(64,394)
Balance as on	612,154	296,858
Less: current portion of long term financing	(59,374)	(61,874)
	552,780	234,984

8 CONTINGENCIES AND COMMITMENTS

8.1 Contingencies

Sui Northern Gas Pipeline Limited (SNGPL) applied tariff for Captive Consumers in their billing to the Company, while the Company claims to be an Industrial Consumer. The Company challenged the applicability of tariff on the Company before the Lahore High Court, Multan Bench. The amount of claim is Rs. 7.89 million (June 30, 2017: Rs. 7.89 million). Management is confident of favourable outcome and, therefore no provision has been made.

8.2	Commitments	Note	December 31,	June 30,
			2017 (Unaudited)	2017 (Audited)
			----- Rupees in '000' -----	
	(i) Letters of credit			
	- plant and machinery		-	718,478
	- stores and spares		16,886	18,769
	- raw material		311,761	273,426
	(ii) Bank guarantees issued on behalf of the Company	8.2.1	176,328	171,018
	(iii) Bills discounted with recourse			
	- Export		550,752	312,165
	- Local		71,296	34,007
			622,048	346,172
	(iv) Rentals under ijarah finance agreements	8.2.2		
	- Not later than one year		55,423	57,126
	- Later than one year but not later than five years		125,190	152,087
			180,613	209,213

8.2.1 This includes bank guarantee for Sindh Development Infrastructure Cess amounting to Rs. 56.40 million (June 30, 2017: Rs. 51.40 million) for which provision amounting to Rs. 73.61 million (June 30, 2017 : Rs. 69.72 million) has been made.

8.2.2 The commitment represents ijarah agreements entered into with an Islamic Bank in respect of machinery. Total future ijarah payments under agreements are Rs. 180.61 million (June 30, 2017: Rs. 209.21 million) and are payable in quarterly installments latest by June 2022. These commitments are secured against the exclusive ownership of machinery and third ranking charge against property, plant and equipment with 25% margin.

Note	Half year ended		Quarter ended	
	December 31,	December 31,	December 31,	December 31,
	2017	2016	2017	2016
----- (Unaudited) -----				
----- Rupees in '000' -----				

9 COST OF GOODS SOLD

Opening finished goods		271,813	301,423	322,801	397,462
Cost of goods manufactured	9.1	2,554,394	2,350,120	1,323,590	1,193,180
		2,826,207	2,651,543	1,646,391	1,590,642
Closing finished goods	9.2	(200,250)	(203,625)	(200,250)	(203,625)
Cost of manufactured goods sold		2,625,957	2,447,918	1,446,141	1,387,017
Cost of raw material sold		21,267	32,413	21,267	-
		2,647,225	2,480,331	1,467,408	1,387,017

9.1 Cost of goods manufactured

Raw material	9.1.1	1,953,772	1,741,704	1,021,634	882,057
Stores and spares		44,509	40,550	22,189	27,392
Packing material		37,854	43,843	20,197	14,065
Power and fuel		229,638	251,857	119,763	124,958
Salaries, wages and benefits		173,175	161,913	81,248	80,421
Depreciation		69,847	53,119	34,349	35,433
Insurance		4,490	8,981	2,443	4,463
Repairs and maintenance		2,219	5,929	1,175	2,011
Ijarah rentals		30,442	28,771	15,278	15,358
Other overheads		3,834	5,997	2,195	3,147
		2,549,780	2,342,664	1,320,471	1,189,305
Work-in-process					
Opening stock		51,824	41,589	50,329	45,462
Closing stock		(47,210)	(41,587)	(47,210)	(41,587)
		4,614	2	3,119	3,875
		2,554,394	2,342,666	1,323,590	1,193,180
9.1.1 Raw material consumed					
Opening stock		791,265	514,637	670,574	296,319
Purchases - net		3,199,167	2,550,626	2,387,720	1,909,297
		3,990,432	3,065,263	3,058,294	2,205,616
Closing stock		(2,036,661)	(1,323,559)	(2,036,661)	(1,323,559)
		1,953,772	1,741,704	1,021,634	882,057

9.2 Net realizable value of finished goods was lower than its cost, resulting in a write-down of Rs. 3.02 million (December 31, 2016: Rs. 8.41 million) charged to cost of goods sold.

10 TAXATION

The charge for current taxation is based on taxable income at the current rate of taxation after taking into account applicable tax credit, rebates and exemptions available, if any. However, for income covered under final tax regime, taxation is based on applicable tax rates under such regime.

Deferred tax is provided using the balance sheet liability method for all temporary differences at the reporting date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes after considering, the effects on deferred taxation on the portion of income subject to final tax regime.

11 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated undertakings and key management personnel. The transactions between the Company and the related parties are carried out as per agreed terms. Significant transactions with related parties are as follows:

Relationship with the party	Nature of transactions	Half year ended	
		December 31, 2017	December 31, 2016
		(Unaudited)	
		Rupees in '000'	
Associated undertakings	Share of expenses received	1,108	1,103
	Share of expenses paid	1,792	1,611
	Purchase of cotton	270	37,725
	Sale of yarn	-	375
	Sales of Assets	5,000	-
	Sale of cotton	20,000	-
Key management personnel	Remuneration	24,992	44,529
Directors	Remuneration	5,865	7,490
	Meetings fee	160	120
	Rent expense	-	-
	-godown	120	120
	-office premises	2,045	1,432

12 FAIR VALUE HIERARCHY

The Company's free hold land, building and plant and machinery are stated at revalued amounts, being the fair value at the date of revaluation, less any subsequent depreciation and subsequent impairment losses, if any. The fair value measurements of the Company's free hold land, building and plant and machinery were carried out as at December 31, 2015, all by Iqbal A.Nanjee & Company (Private) Limited (valuer) on the basis of market value or depreciated replacement values as applicable. The valuer is listed on panel of Pakistan Banks Association and they have appropriate qualification and experience in the fair value measurement of properties, plant and machinery.

Levels of fair value are defined as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities ;

Level 2 - 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 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Details of Company's free hold land, building, plant and machinery and electric installations information about the fair value hierarchy are as follows:

	Level 1	Level 2	Level 3	Total
	Rupees in '000'			
As at December 31, 2017 (Unaudited)				
Free hold land	-	181,724	-	181,724
Building on free hold land	-	567,140	-	567,140
Plant and machinery	-	1,956,848	-	1,956,848
Electric installations	-	51,726	-	51,726
	-	2,757,438	-	2,757,438
As at June 30, 2017 (Audited)				
Free hold land	-	181,724	-	181,724
Building on free hold land	-	561,979	-	561,979
Plant and machinery	-	2,023,016	-	2,023,016
Electric installations	-	54,448	-	54,448
	-	2,821,167	-	2,821,167


There were no transfers between levels of fair value hierarchy during the period.

13 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on February 26, 2018 by the Board of Directors of the Company.


SHAHID ANWAR TATA
 CHIEF EXECUTIVE


FAROOQ ADVANI
 CHIEF FINANCIAL OFFICER


ANWAR AHMED TATA
 CHAIRMAN / DIRECTOR

ڈائریکٹرز رپورٹ السلام علیکم!

31 دسمبر 2017ء کو ختم ہونے والی ششماہی کیلئے کھپنی کے مالیاتی حسابات (غیر آڈٹ شدہ) آپ کیلئے پیش کئے جا رہے ہیں۔

الحمد للہ، 31 دسمبر 2017ء کو ختم ہونے والی دوسری سہ ماہی میں کھپنی کے مالیاتی حسابات میں واضح بہتری آئی ہے۔ زیر جائزہ مدت کے دوران کھپنی نے قبل ازنگس منافع مبلغ 66.819 ملین روپے حاصل کیا جس کا موازنہ گزشتہ سال اسی مدت کے قبل ازنگس خسارہ 10.527 ملین روپے سے کیا جاسکتا ہے۔

ٹیکسٹائل صنعت:

الحمد للہ، ٹیکسٹائل کی صنعت میں مثبت نتائج حاصل ہوئے ہیں۔ برآمدات کی سرگرمیوں میں اضافہ ہوا جس کے نتیجے میں یارن کی طلب میں اضافہ ہوا ہے۔ ایک اور حوصلہ افزا امور جو کہ حکومت کی جانب سے برآمدات پر چھوٹ سے متعلق ہے باوجود اس کے کہ وہ 50 فیصد تک محدود ہے۔ کپاس کی قیمتوں میں اضافہ اور روپے کی قیمت میں کمی نے بھی ٹیکسٹائل سیکٹر میں مثبت کردار ادا کیا ہے اور ٹیکسٹائل صنعت کے چھ ماہم شعبوں میں بہتری حاصل کی ہے جس میں اہم یارن اور گرے فہر کس، فہش فہر کس، ہوم ٹیکسٹائل، ڈینیم، تولیہ اور جینز کا منٹس شامل ہیں۔ مزید برآں کپاس کی قیمتوں میں اضافہ کو دو عوامل نے بڑی حد تک جذب کر لیا ہے جو کہ روپے کی قدر میں کمی اور یارن کی طلب میں اضافہ ہے۔

کپاس کی فصل:

مسلسل تین سال سے بالخصوص پنجاب میں کپاس کی فصل کو نا کامی کا سامنا ہے جبکہ اس سال سندھ میں اس کے بہتر نتائج حاصل ہوئے ہیں۔ فصل کے حوالے سے پنجاب میں بے حد خراب معیار کی کپاس اور کم مقدار میں حاصل ہوئی ہے۔ میں نے اپنے 35 سالہ تجربہ میں ٹیکسٹائل کے کاروبار میں کپاس کا ایسا معیار نہیں دیکھا۔ حکومت پنجاب اس کی بہتری کیلئے اقدامات یا تحقیق کے حوالے سے کوئی دلچسپی نہیں لے رہی۔ زراعت صوبائی حکومت کا شعبہ ہے۔ ہم محسوس کرتے ہیں کہ حکومت پنجاب کو کپاس کے معیار اور تعداد دونوں پر کام کرنے کی ضرورت ہے کیونکہ یہ فصل بے حد اہم ہے اور نقد معاشی و اقتصادی ترقی میں اس کا اہم کردار ہے، اس وقت آپ کی کھپنی کے پاس جون 2018ء تک کی کپاس کا ذخیرہ ہے جبکہ اگلے سال کپاس کے سلسلے میں ہمیں نئی فصل کا انتظار کرنا ہوگا جو کہ کپاس کی پیداوار کا تعین کرے گی۔

مستقبل پر نظر:

اس سلسلے میں انتظامیہ ہر شعبے میں مثبت اقدامات اٹھاری ہے تاکہ مل کی کارکردگی بھیرے کی سمجھوتے کے اخراجات میں کمی کر کے بہتر بنائی جاسکے۔ ہم نے اسٹورز اور اسپینرز، مرمت اور مٹنی منس اور دیگر امور میں کمی کی ہے۔ ملز کی ٹیم نے بھی بجلی کے اخراجات میں کچھ کمی کی ہے جبکہ دسمبر 2017ء میں RLNG کی قیمت میں اضافہ ہوا تھا۔

انتظامیہ نے یہ بھی فیصلہ کیا ہے کہ مارکیٹ کے ٹریڈ اور طلب میں اضافہ کو مد نظر رکھتے ہوئے سلب، لائیکر اور ڈوڈل کو روکی پیداوار میں اضافہ کیلئے اقدامات اٹھائے جائیں۔

اعتراف:

ہم اپنی ٹیم کی منت اور کاوشوں کا اعتراف کرتے ہیں جنہوں نے کھپنی کی کامیابی اور ترقی میں مسلسل اپنا کردار ادا کیا۔ ہم اپنے ٹیکرز، خریدار اور صارفین کا بھی مکمل تعاون پر شکر یاد کرتے ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے



شاہد انوار ناٹا

چیف ایگزیکٹو

کراچی:

تاریخ: فروری 26، 2018ء

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