


TATA
PAKISTAN

ANNUAL
REPORT

2021



TATA TEXTILE
MILLS LIMITED

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COMPANY PROFILE & BUSINESS AT A GLANCE

Tata Textile Mills Limited is one of the three premier textile spinning Companies of Tata Group with 44,400 spindles producing a range of yarn catering to both domestic and international customers. Tata Textile Mills has capability to process around 50 million pounds of cotton to produce 36 million pounds of yarn with revenues of approximately Rs 9 Billion. TTML also has a credible export pedigree with a footprint in 19 countries.

Following the merger of Salfi Textile Mills, Island Textile Mills and Tata Energy into Tata Textile Mills effective July 1, 2021, Tata Textile Mills now has a capacity of 127,092 spindles with the capability to process around 153 million pounds of cotton to produce 126 million pounds of yarn. Following merger the financials of the Company have been significantly strengthened with capital assets of Rs 16 Billion, total assets of PKR 27 Billion, issued capital of PKR 560 million and equity of PKR 14 Billion.

Tata Textile is a proud recipient of numerous accolades including Certificate of Merit in Best Corporate Report 2020 Awards, 4th Position and Certificate of Merit in Best Corporate Report 2019 Awards 5th Employer of the Year Award by Employer's Federation of Pakistan (EFP) and Corporate Philanthropy Award by Pakistan Center for Philanthropy (PCP).

With a keen focus on health, safety & environment, Tata is a reputable corporate socially responsible company. The Company had developed in late 1990's Quality Management System based on ISO-9001 standard and since then maintaining it as base Management System across TATA PAKISTAN and integrating the requirement of other international and national standards on Occupational Health Safety, Environment Management and Energy Management Systems. Maintaining Certification on "OEKO Tex Standard 100"; Global Organic Textile Standard (GOTS) and Organic Content Standard (OCS) to manufacture its products according to the standards our customers expect.

Tata Textiles is self-reliant as far as energy is concerned and utilizes a mix of energy sources to achieve lowest cost.

Tata Textiles ensures reliable and trustworthy partners in its supply chain hence maintaining membership with world renowned names in textile like International Cotton Association (ICA), Cotton USA (CA) and Better Cotton Initiative (BCI).

Tata Textiles has the capability to produce following types of yarn:

- 100% cotton carded knitting & weaving yarns
- 100% cotton combed knitting & weaving yarns
- 100% cotton combed compact knitting & weaving yarns
- 100% cotton carded weaving siro yarns
- 100% cotton combed compact weaving siro yarns
- 100 % cotton carded slub yarns
- Cotton core ring spun yarns
- Cotton/Polyester blend carded and comb for knitting & weaving
- Cotton/Tencel blend carded for weaving yarn
- Cotton/Modal blend carded for weaving yarn
- zero twist pva carded & combed yarns
- 100% cotton plied carded & combed yarns

For further information please visit our website www.tatapakistan.com

GROUP INFORMATION

TATA Group is a large well respected conglomerate in Pakistan with diversified interests in textiles, food and power generation. The group's activities started in 1969 and since then has expanded into textile spinning business and has established itself as a premier brand. In recent years it has expanded into Food business and energy businesses. Tata Group has sizable exports and contributes valuable foreign exchange to the national exchequer. Effective July 1, 2021 Island Textile Mills Ltd. (ITML), Salfi Textile Mills Ltd. (STML) and the Tata Energy Ltd. (TEL) were merged into Tata Textile Mills Ltd. (TTML) and were renamed into units with the location identification.

MULTAN UNIT.

TTML is a public limited company incorporated in 1987 and listed on Pakistan Stock Exchange and is a modern spinning unit consisting of 44,400 Spindles setup for the manufacturing of Cotton Yarn. The TATA Brand quickly became the standard for the yarn market. TTML main office is located in Textile Plaza Karachi and its manufacturing facility is located in Muzaffargarh which is close to Multan. Management is continuously striving to diversify its product line and lately has added dual, slub and Lycra range of yarns. Management is taking further initiative with "Green Compact" to enhance the production. To conserve energy consumption management has introduced high fuel-efficient Gas generators and has installed a 1 MW solar plant to further control the increasing cost of Power.

KOTRI UNIT (PREVIOUSLY ISLAND TEXTILE MILLS LIMITED) (ITML)

ITML was a public limited company incorporated in 1970 and was acquired as a running spinning unit in Kotri, Sindh in 1981 which quickly established a name in spinning of cotton yarns. In 2014, the Company initiated a strategic expansion plan and the facility started commercial production in 2015 with the latest state-of-the-art Reiter spinning machinery which is completely automated from Blow room to winding. Effective July 1, 2021, this Company was merged into TTML and its listed status was cancelled in June 2021. This unit will be managed by TTML from its office located at Textile Plaza, Karachi and its manufacturing facilities are located at Kotri Industrial Estate in the Province of Sindh.

LANDHI UNIT (PREVIOUSLY SALFI TEXTILE MILLS LIMITED) (STML)

STML was a public limited company incorporated in Pakistan in 1968 and was subsequently acquired in 1983 and gained a foothold in the synthetic yarn Market in 4 subsequent decades of successful operation. In 2005 a complete renovation of the Company was carried out and capacity enhanced to 36,708 Spindles with latest machinery thereby increasing the spinning production capacity by 100%. Effective July 1, 2021, this Company was merged into TTML and its listed status was cancelled in June 2021. This unit will be managed by TTML from its office located at Textile Plaza, Karachi and the manufacturing facility is located at Landhi Industrial Estate in the Province of Sindh.

ENERGY UNITS

Tata Energy Ltd. was originally incorporated in 1994 as a Public Unlisted Company. The principal activity of the company is generation and supply of electric power. The corporate office of the Company is situated at Textile Plaza, Karachi. TEL's power generation capacity is installed at Landhi and Kotri Units. The total annual power generation capacity at both locations is more than 10 megawatts. Effective July 1, 2021, this Company was merged into TTML and the company was wound up and its energy assets have been incorporated in the respective Landi and Kotri units.

TATA BEST FOODS LIMITED (TBFL)

After three decades of performing exceptionally well in Textile domain, the company decided to diversify and branch out in Food business. TBFL's principal activity is processing of meat at its internationally approved facility located at Landhi, Karachi to prepare, process, preserve, pack and market meat and related products for export and local sale to restaurants, hotel chains and grocery stores. TBFL is a manufacturer-cum-exporter and playing a vital role in the modernization of the meat industry in Pakistan besides contributing valuable foreign exchange to the economy.

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
Ms. Samar Shahid Tata - 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 Tata - Member
Ms. Samon Babar - Secretary

CHIEF FINANCIAL OFFICER

Mr. Haseeb Hafeezuddeen

COMPANY SECRETARY

Mr. Muhammad Hussain

HEAD OF INTERNAL AUDIT

Mr. Ghazanfer Yaseen

AUDITORS

M/S. Yousuf Adil
Chartered Accountants

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
Pak Oman Investment Company Limited
Summit Bank Limited
HBL (Islamic Banking)

LEGAL ADVISOR

Rajwana & Rajwana Advocates

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

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

SHARE REGISTRAR

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

WEB

www.tatapakistan.com

PROFILE OF DIRECTORS

Mr. Mazhar Valjee

Chairman

Mr. Mazhar Valjee has been associated with the House of Habib (HOH) where he has served as CEO of Indus Motor Company Ltd, Thal Limited, Pakistan Jute & Synthetics limited, Habib Metro Pakistan (Pvt) Limited, Makro Habib Pakistan Limited and continues in the role of a Group Director.

Outside HOH Mazhar has served as CEO and Country Head of Schneider Electric Pakistan and currently sits on the board of Pakistan Cables Ltd and several unlisted companies of House of Habib.

He has been an active member of The Indigenization Committee of the Engineering Development Board, Energy Committee of OICCI, The Pakistan Jute Mills Association, Pakistan German Business Forum, Pakistan France Business Alliance, Young Presidents Organization and Family Educational Services Foundation.

Mr. Mazhar acquired business education from IBA Karachi and executive education from the Stanford-NUS program and from the Yale School of Management.

He has been on the Board of Tata since July 24, 2020



Mr. Shahid Anwar Tata

Chief Executive

Mr. Shahid Anwar Tata holds a Bachelor's degree in Commerce and has been with the family textile spinning business since Graduation. He is serving as Director and CEO for Tata Pakistan Group which comprises of three independent publically listed spinning mills, a power producing company and a food processing business. He is also serving as a Board Member of Textile Institute of Pakistan (TIP) and as a Vice Chairman of National Textile Foundation, Pakistan.

With over 30 years of experience and in-depth knowledge of textile business Mr. Shahid Anwar Tata is constantly striving and inspiring his team of professionals to embrace modern technology for greater efficiency, produce quality products while maintaining a fair and equitable treatment towards staff and workers.

He has a strong desire to contribute back to the society and is actively involved in philanthropy and supports many institutions in health and education sectors such as, Bait-UI-Sukoon Cancer Hospital, Indus Hospital, The Citizen Foundation, Pakistan and as an independent director at Karam Ceramics Ltd.



Mr. Adeel Shahid Tata

Director

Mr. Adeel Shahid Tata is Finance graduate from Bentley College U.S.A. and has spent more than 10 years managing the textile business. He provides a new style of management to the group. He is dynamic and passionate about his work and brings freshness to the style of business. Further he has also done number of professional courses in supply chain, cotton management, risk management, creative thinking and maintains several professional memberships like APTMA, YPO, etc. to stay current with ways of working and technology.



Mr. Bilal Shahid Tata

Director

Mr. Bilal Shahid Tata holds a Master's Degree in Business Administration from Cardiff University, UK. He has more than 10 years of experience in Business Management and is well versed in finance and strategy. He is also serving as a CEO of Tata Best Foods Limited which is a state of the art Meat Processing unit setup in Karachi for the purpose of processing meat for Export and Domestic markets supplying high quality hygienic meat products. He has been instrumental in conceptualizing and setting up of this business and has been leading it from day one.



Mr. Farooq Advani

Director

Mr. Farooq Advani brings with him over 45 years of experience of business and financial management in the Textile manufacturing, Power and Food businesses. He is a Fellow Member of Institute of Chartered Accountant of Pakistan (ICAP).

He worked for thirty years with Tata Pakistan in the areas of Accounts, Corporate Affairs, Sales Tax, Income Tax, HR, IT, Cost & Budget and Insurance. He has also served as the Director on the Board of Listed & unlisted Companies, Company Secretary, Chief Financial Officer, Head of Cost & Budget, Head of Information Technology and Project director of ERP Implementation.

He has Core Competencies in Financial Analysis, Audit Compliance, Internal Control, Operating & Working Capital Management, Cash-flow Management and Modeling, Business Valuation, Cross Functional Team Leadership, Decision Making & Risk Analysis.



Ms. Shahbano Hameed

Director

Ms. Shahbano Hameed holds M.Sc. Degree in Financial Management from UK. She has 14 years of work experience and is experienced in strategy formulation, and in implementation strategy in the form of a well-executed plan to achieve the desired outcome. She has strong conceptual and analytical skills which enable her to look at company as a holistic entity and make making fit for purpose recommendations. She also has vast experience in negotiating and creating corporate solutions while achieving most favorable results in situations that require influencing on external partners. She is known to manage strategic relationships recommending out of box solutions that represent win-win solutions for multiple stakeholders. She has served as Head of Corporate Solution-Easy Paisa, Telenor Pakistan, Vice President, Askari Bank Corporate Banking, Head of Multinational Desk (MNC) Barclays Bank and as Assistant Vice President Allied Bank Corporate Banking



Ms. Samar Shahid Tata

Director

Ms. Samar Shahid Tata is the new face of Tata Group. She holds a Master Degree Developmental Psychology from Columbia University New York. She has considerable experience to the field of education and has worked on several projects and served with the following organizations Haque Academy, Karachi, Pakistan, Social and Emotional Development, Teachers College, Columbia University, Chase Lab, Teachers College, Columbia University, Karachi American School Alumni Production Association, Karachi, Pakistan, Brandeis Child and Adolescent Development Lab, Brandeis University, Waltham, MA, Karwan-e-Hayat: Institute for Mental Health, Karachi, Pakistan, War Against Rape, Karachi, Global Brigades- Public Health, Tegucigalpa, Honduras and Citizens' Archive of Pakistan, Karachi.



Mr. Muhammad Jawaid Iqbal

Director

Mr. Jawaid Iqbal was a senior corporate banker and worked at major banks in Pakistan for about two decades before retiring from banking and starting his own business. Currently he is the Chief Executive Officer of Providus Capital (Pvt.) Ltd., which makes investments in Pakistan's public and private markets.

He has served on boards of many companies including Hub Power, Fatima Fertilizer, Atlas Power, Allied Asset Management and Cyan Limited. He has also served as the President of the CFA Society of Pakistan from 2009 to 2013.

Mr. Jawaid is a CFA charter holder and has a Master's degree in Business Administration. He completed the Associate Management Program of Harvard Business School in 2013.



Mr. Tayyeb Afzal

Director

Mr. Tayyeb Afzal is a seasoned C-level executive with over 45 years of international experience in industrial organizations, banking and professional accounting firms. Experienced in board level participation and leadership of audit committees, financial accounting & systems, management, strategic planning, IPO activity, M&A, and due diligence initiatives.

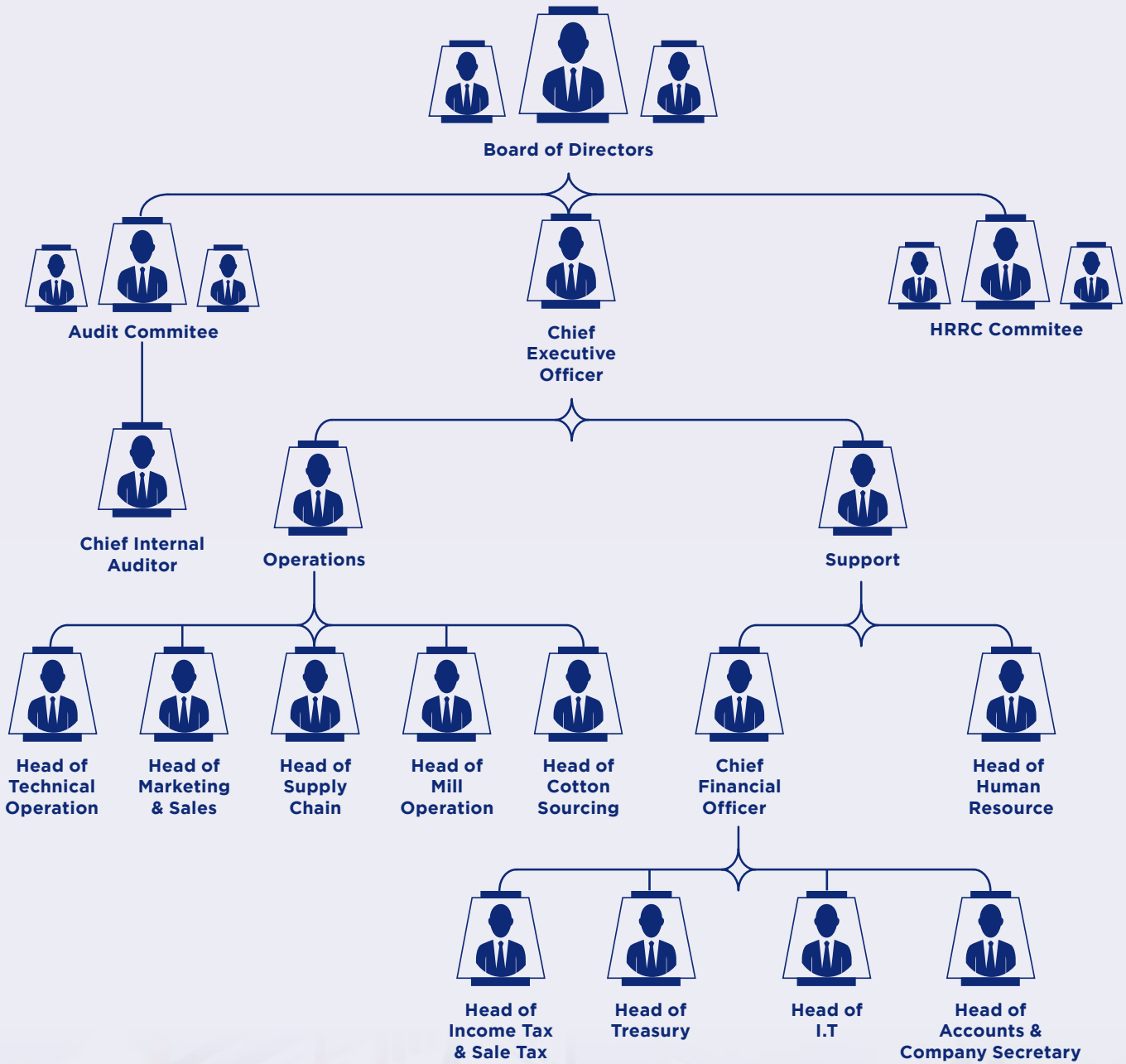
Currently, he is providing consultancy services to AGI Denim on a wide range of issues, including strategy, governance, best practices, recruitment, policies and procedures. The company is amongst the top ten export houses of Pakistan.

Mr. Tayyeb has previously served on the positions of Group Chief Operating Officer at Dolmen Group, Group Finance & Corporate Director and Advisor to the Chairman, in House of Habib, Chief Executive Officer of National Development Leasing Corporation, and Country General Manager at Faysal Islamic Bank of Bahrain EC (now Faysal Bank Limited). Prior to this he served as Vice President for Arab Banking Corporation in Bahrain.

Mr. Tayyeb is a Fellow Member (FCA) of the Institute of Chartered Accountants of England & Wales (ICAEW) and Fellow Member (FCCA) of The Association of Chartered Certified Accountants of the UK having professionally worked in the U.K., Canada, Middle East and Pakistan.



ORGANIZATIONAL CHART





VISION STATEMENT

We envision our credibility as one of the World's leading companies known for its values, principally honest business practices and optimum quality standards in diversified product range with sustained growth.



MISSION STATEMENT

We shall remain committed to exceeding the highest expectations of our customers. We strive for the production of best quality yarns for high value products.



CULTURE

We are one team that is encouraging and supportive which is committed to the success of our clients. We pursue excellence through continuous improvement and effective, efficient execution. We are accountable for decisions we make are responsive and collaborate to achieve the best result. We communicate honestly creating an open, transparent, and trust-based environment. We care and have respect for our people, our clients and our community and we all lead by example, every day.



VALUES

A Commitment to

- Ethical Practices
- Produce with Efficient Technology
- Build Strong Communities
- Innovative and Quality Products
- Help Those Less Fortunate
- Respect People and Laws



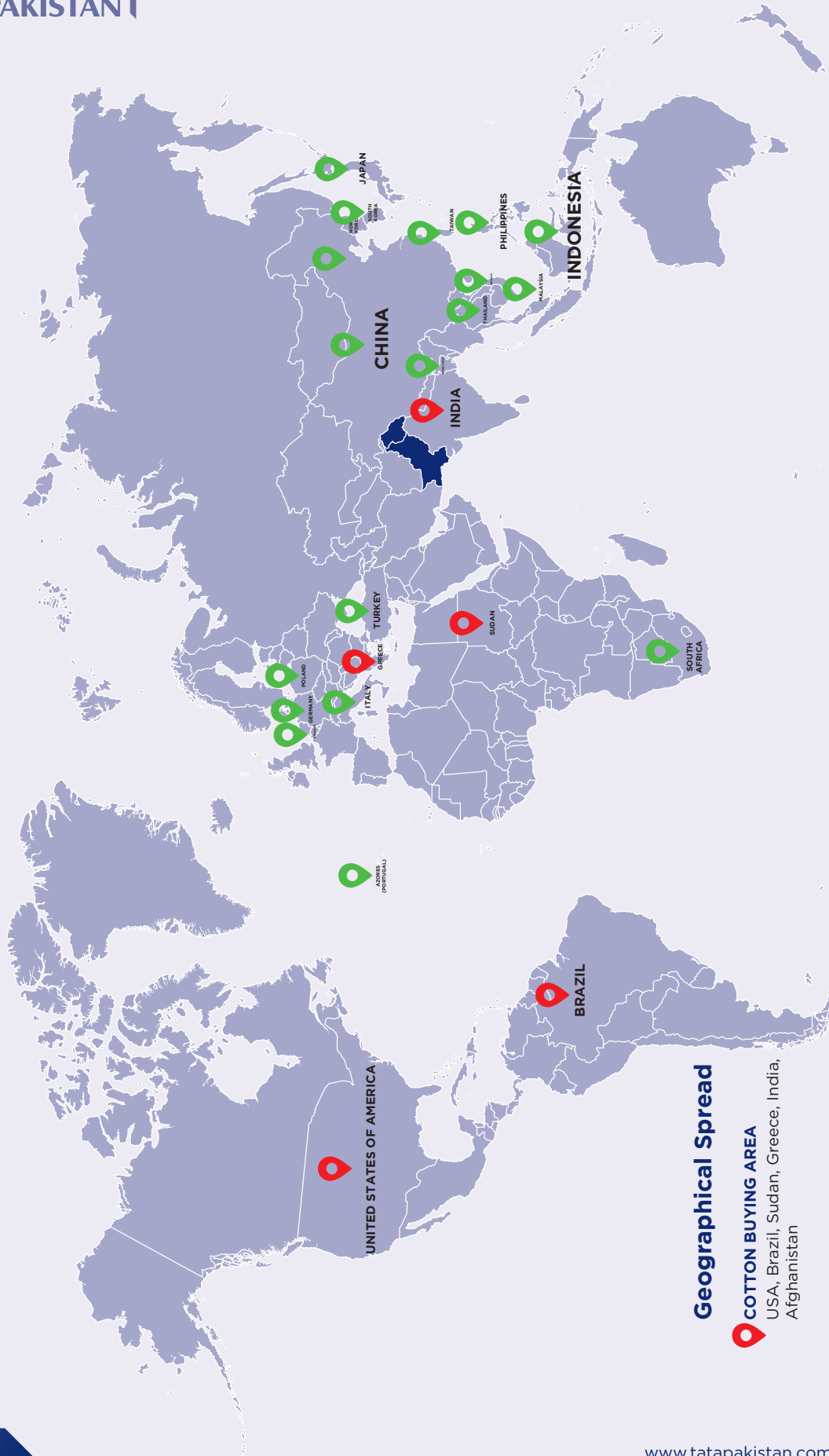
STRATEGIC OBJECTIVES

- To remain an ethical Company.
- Ensure a fair return to shareholders.
- Retain our reputation as the quality leader in our markets.
- To enhance sales with local large groups while capitalizing on export opportunities and leverage them to take advantage of economies of scale.
- To acquire and invest in modern technology to increase productivity and operational excellence while reducing costs to competitive with international markets.
- Maintain focus on CSR, Environmental and Safety to provide a good work place and be a good corporate citizen & employer.
- Provide training and development to staff aligned to the strategic needs of the company.



OUR VALUES

- Tata takes pride in uncompromising integrity through each individual's effort towards quality product for our customers and sizable contributions to the National Exchequer.
- Tata is honest and ethical in its dealings at all times through compliance with the applicable laws & regulations.
- Tata endeavors to exceed the expectation of all stakeholders.
- Tata encourages its employees to be creative and seek innovative solutions.
- Tata values the self-esteem of all stakeholders be it employees, suppliers, customers or shareholders.
- Tata believes in fairness to all stakeholders.
- Tata is committed to promote coherent culture, diversity, effective team work, open communication, feedback and performance evaluation sustain equity and transparency of employees, which supplements mutual trust and respect among employees and with management.
- Tata has established itself as a quality product supplier

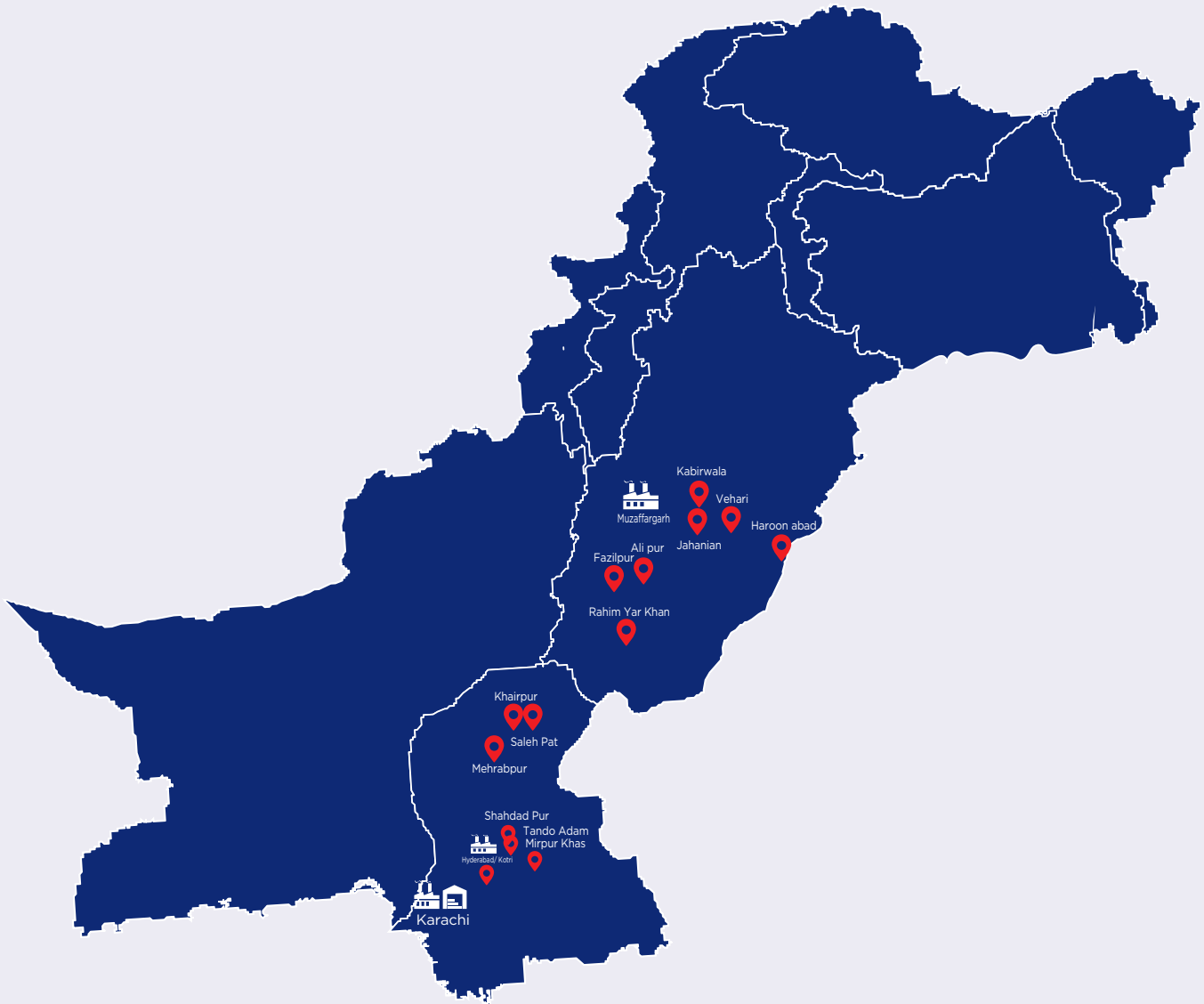


Geographical Spread

COTTON BUYING AREA
 USA, Brazil, Sudan, Greece, India, Afghanistan

YARN SALES


China, Japan, Hong Kong, Korea, Taiwan, Bangladesh, Thailand, Philippines, Vietnam, Portugal, Poland, Belgium, Indonesia, Malaysia, Italy, South Africa, Germany, Amsterdam Turkey.






COTTON BUYING AREA

PUNJAB: Ali Pur, Kabirwala, Khanewal, Fazilpur, Haroonabad, Jahania, Lodhran, Vehari, R.Y.Khan
SINDH: Tandoadam, Sanghar, Khairpur, Mehrabpur, Salehpat, Kotri, Mirpurkhas, Shahdadpur

HEAD OFFICE:

 Karachi, Pakistan

MANUFACTURING LOCATIONS

 Landhi Industrial Area, Karachi
 Kotri Industrial Area, Jamshoro
 Khanpur, Muzaffargarh

OUR ROAD TO SUCCESS

The sponsors of the company started off with a humble embroidery unit, called Naveena Industries in late 1960's and now five decades later it has grown into a multi-unit yarn spinning units under the umbrella of **TATA PAKISTAN** which enjoys considerable market position and repute. After steadily growing in the domestic market, we expanded into the international market and quickly became a supplier of choice for leading textile manufacturers. We have climbed the ladder of success by setting higher targets and achieving our goals with patience and consistency.

2021

Tata Textile Mills entered a new phase on its path to growth and strength by merger of all its textile assets approved by Sindh High Court under which, Island Textile Mills Limited, Salfi Textile Mills Limited and Tata Energy Limited stand merged into Tata Textile Mills Ltd. with effect from July 01, 2021. Tata Textile Mills aims to achieve a number of benefits from this integration including a larger and stronger balance sheet which will improve visibility and facilitate growth plans, achieve greater synergies in its business through more efficient utilization of resources while reducing costs, improve marketing of Tata products thereby improving returns, increase ability to absorb risk and improve internal and external reporting with a view to improve returns for the shareholders.

The group has taken the initiative to add green energy by commissioning a Solar project at Kotri. With Merger now completed, a number of other projects are under study for future with expansion, turnover increase and cost reduction in mind.

2020

During the year we have installed a new Caterpillar Gas engine of which is 20% more efficient. We also installed Real ERP system which is monitoring energy management, machine efficiency and air monitoring as well. Additionally Uster Sentinel is installed in 2 units which provide energy and machine efficiency data.

2019

2019 is the year of Artificial Intelligence, Uster Sentinel (End down Monitoring) installed in Tata and Salfi Textile Mills. Pinter Caipo Slub and Slub-Lycra attachments are installed in Tata Textile Mills which is one of the specialized yarn of TATA group. New Savio Auto Winder is inducted in Tata Textile Mills to improve the quality of core yarns. Bobbin sorting machines and new cards are inducted in Island Textile Mills which is one step forward toward automation.

2018

Japanese HFO 6MW power plant installed in Tata Textile Mills as a backup of WAPDA. As we are a big producer of Slub yarn, hence slub modification installed in Salfi Textile Mills. Also installed Bar Code System for Packing in Salfi Textile Mills. Recive 5th employer of the year award from Employer Federation of Pakistan.

2017

Construction of new residential colony for worker at Salfi Textile Mills. Purchase of 15 kanal land for 132KV grid station at Tata Textile Mills. Dual core attachments are installed in Tata Textile Mill which also one of the crtical quality yarn that we are producing. Installation of 4 Italian Roving frames in Tata textile Mills. Latest Uster Tester-6 instrument is installed in Island Textile Mills for quality analysis.

2016

As compact yarn demand is increases day by day, Suessen Compact system is installed on 9072 spindles in Tata Textile Mills. Latest 3 Spanish Roving frames Electro Jet installed in Salfi Textile Mills and replace the old ones.

2015

Inauguration of 2nd unit of Island Textile Mills Limited, Consisting of 26784 Spindles is the only state of the art Reiter Spinning Mill of Pakistan.

2014

The ground breaking of the 2nd unit of Island Textile Mills Ltd. held as a strategic expansion plan. Salfi Textile Mills Ltd. achieved OEKO TEX Standard 100 Certification and Tata Textile Mills Ltd. successfully passed the Corporate Social Responsibility Audit by SGS Pakistan.

2013

Became a Member of "Better Cotton Initiative (BCI)". Tata Best Foods achieved certification on "Global Standard for Food Safety" (BRC) and "Halal Food Management System" by Bureau Veritas Pakistan and SGS Pakistan respectively. All the Legacy System based Operations at Tata Pakistan got completely upgraded to ERP Systems.

2012

Tata Best Food Ltd. started business operations. Machinery Upgradation - Installed latest Uster Quantum 3 clearers and Trutzschler Securomat. Now Tata Textile Mills Ltd. has become the only company in Pakistan with this technology.

2011

The state of the art Tata Pakistan Corporate Office at 6th Floor of Textile Plaza, Karachi became functional after its renovation.

2009

Tata Textile Mills Limited achieved OEKO TEX Standard 100 Certification. Tata Best Food Ltd. Initiated commercial business of Halal Meat Trading with U.A.E.

2008

Ground Breaking of Tata Best Foods Ltd processing facility held in Karachi.

2007

The production capacity of Salfi Textile Mills Limited got enhanced by 100%.

2005

Tata Textile Mills Ltd. became the first Usterized Textile Mills in Pakistan. Achieved Supima Certifications. Completed renovation of Salfi Textile Mills Karachi having 36,324 Spindles with latest machinery.

2004

Tata Textile Mills Limited, Unit 2 with 25,200 Spindles & producing 100% US Cotton yarns started production.

1969 to 2003

In 1969 the Group initiated its activities with acquisition of Naveena Industries an embroidery unit in Pakistan. In 1981, the Group took over the management of a running spinning unit i.e. Island Textile Mills limited, Kotri, and quickly established a name in the spinning of cotton yarns. In 1983, Salfi Textile Mills Limited, Karachi – Sindh, a large spinning unit was acquired thereby gained a foothold in the synthetic yarn market. In 1991, a most modern Spinning Unit, consisting of 19,200 Spindles was setup in Muzaffargarh for the manufacturing of cotton yarn. Its "Tata Brand" quickly became the standard for the yarn in the spinning industry. In 1997, Tata Textile Mills Limited received ISO-9002 Certification being the first Spinning Mill in Pakistan to get this certification and in 1999 all the associated companies of Tata Pakistan Group received Corporate ISO-9002 Certification and is complying and maintaining its Management System based on ISO-9001.



SWOT ANALYSIS

S

STRENGTHS

- Strong controls environment and corporate governance
- Five decades of business and spinning experience with strong market repute for quality products
- Ethical business practices
- Self-power generation capability
- Excellent relationships with banks and business community
- Experienced technical staff
- State-of-the-art production facilities
- Merger will allow economies of scale and synergy

W

WEAKNESSES

- Size of spinning capacity smaller compared to Chinese rivals
- Labor intensive operations
- Access to financing
- Lower level of manufacturing automation
- Commodity which is affected by business cyclicity
- Major portion of cost of sales can be impacted by cotton volatility
- Lack of vertical integration
- Dependence on few particular countries for sales

O

OPPORTUNITIES

- Devaluation of Rupee makes us more competitive in International markets.
- Cheaper financing for new projects and BMR Vertical integration into weaving and garments
- Expand into untapped markets with value added innovative products
- Develop innovative product range utilizing experienced technical staff
- Greater MIS & manufacturing automation for efficiencies and faster decision making.

T

THREATS

- Higher cost of doing business (energy, taxes, inflation)
- Slow and stuck up tax refunds curtails on liquidity.
- Speculative cotton trade
- Cotton crop yield low due to natural disasters
- Supreme Court's decision to make Industry pay for GIDC
- Trade wars leading to uncertainty over export orders
- Curtailed liquidity due to higher local sales.
- Fluctuating exchange rates

STEEPLES ANALYSIS

We believe following Social, Technological, Environmental, Economic, Political, Ethical and Seasonality factors impact Tata's business environment.

SOCIAL

- High population growth rate
- Reducing per capita income
- Growing middle class
- Increasing demand for cotton clothing

TECHNOLOGICAL

- Need to invest in new technology to keep cost of production competitive with industry.
- Seed R&D slow in Pakistan resulting in cotton crop being 30% lower than demand.

ENVIRONMENTAL

- Cotton is totally recyclable
- Adverse climatic conditions affecting cotton crop.
- Scarcity of water

ETHICAL

- Tax evasion & questionable business activities in Pakistan
- Inaccurate declarations of imports & under invoicing in Pakistan
- Bribe and 'connection' culture in Pakistan

POLITICAL

- Uncertainty about government policies
- Lack of implementation and very slow progress of tax reforms in Pakistan
- Govt. announces tax refunds however, FBR very slow to refund.
- Improvement in law and order situation in Pakistan
- Growing Chinese influence
- Harsh economic circumstances due to IMF package have increased cost of living

LEGAL

- Import barriers in international market
- Anti-dumping rules in international market & intensified international trade measures
- Inadequate tariff protection and incentives to promote exports
- Slow court procedures in Pakistan holds up tax refunds
- Constant legal battle to keep Govt. at bay – GIDC ruling does not apply to all industries across the board.

ECONOMIC

- Reduction in interest rates to benefit Corporates.
- Low cost financing for green field projects and BMR
- Sharp and sudden devaluation impacts input cost of raw materials.
- Harsh economic measures have slowed economy and reduced GDP
- Slowdown in China shifting production to Pakistan
- Increasing tariff barriers in export markets
- Regional exchange rate fluctuation
- Increasing minimum wage and labor costs
- Volatile commodity prices

SEASONALITY

- Purchase of cotton crop August to Dec puts high demand on working capital
- Exports slow down during Chinese new year holidays
- Not able to full benefit of devaluation as foreign buyers expects discounts

Calendar Of Corporate Events

Notable Events For The Financial Year	
BOD Meeting for approval of Annual Budget 2020-21	September 2, 2020
Extra Ordinary General Meeting-for Merger Approval	September 24, 2020
BOD Meeting for Annual Accounts - 2020	September 28, 2020
Annual General Meeting - 2020	October 26, 2020
BOD Meeting for first quarter ended September 30, 2020	October 28, 2020
BOD Meeting for half year ended December 31, 2020	February 24, 2021
BOD Meeting for Increase in Authorize Capital	April 01, 2021
BOD Meeting for third quarter ended March 31, 2021	April 28, 2021
Extra Ordinary General Meeting-for Increase in Authorized Capital	April 30, 2021
BOD Meeting for approval of allotment of Shares to the shareholders of dissolving companies	June 30, 2021

Tentative Dates for Next Financial Year	
BOD Meeting for approval of Annual Budget/Business Plan	July 08, 2021
BOD Meeting for Annual Accounts - 2021	August 26, 2021
BOD Meeting for Declaration of Interim Dividend - 2022	September 03, 2021
Annual General Meeting - 2021	October 05, 2021
BOD Meeting for first quarter ended September 30, 2021	October 29, 2021
BOD Meeting for Half year ended December 31, 2021	February 26, 2022
BOD Meeting for third quarter ended March 31, 2021	April 29, 2022

OBJECTIVES AND KEY PERFORMANCE INDICATORS

The Company constantly strives to set and achieve its objectives by implementing strategies which focus on ethics, quality, being fair, being competitive, maintaining good relationships, sustainability, technology improvements, product diversity and seeking growth.

	OBJECTIVES	STRATEGY AND KEY PERFORMANCE INDICATORS
1	Keeping true to providing best corporate governance and ethical way of doing business	<ul style="list-style-type: none"> • Circulation of ethical practice policies among staff and reinforcement of ethical practices across the organization • Abide by the Code of Corporate Governance and new CCG initiatives of SECP. • Ensuring that SOP's, work instructions & job descriptions are aligned with appropriate policies • Zero tolerance towards fraudulent actions
2	Maintaining a focus on existing core businesses	<ul style="list-style-type: none"> • Making right product available • Price competitiveness • Brand equity & strength • High quality, low cost raw material by utilizing diversified supplier base
3	Maintain quality of yarn and ensure best quality for customers	<ul style="list-style-type: none"> • Keep International and national Certifications current. • Quality Control & quality assurance • Manufacture according to customer expectations • Ensure worker training and management seminars for latest quality initiatives. • Maintain effective contact with customers and obtain feedback on quality
4	Maximize sales and identify new markets	<ul style="list-style-type: none"> • Review & monitor relationships with agents/brokers • Constantly reviewing pricing to ensure competitiveness and selling opportunity and shifts in buying patterns • Develop new yarn counts
5	Develop avenues for future growth businesses in line with our philosophy of innovation, continuous improvement and growth objectives	<ul style="list-style-type: none"> • Development of new products • Investment in new technologies where needed • Developing plans for vertical integration • Assuring availability of appropriate resources (HR, CAPEX, management time etc.)
6	Maintain and increase manufacturing effectiveness	<ul style="list-style-type: none"> • Identify opportunities for cost reduction • Invest in new technologies to achieve labor, cost and energy efficiencies.
7	Ensure improvement in all areas of operations be it sales, administration, finance or information technology	<ul style="list-style-type: none"> • Identify automation opportunities • Ensure availability of resources capex, financing, staffing, time etc. to achieve efficiency projects.
8	Maximize returns to shareholders through the efficient and effective use of financial resources	<ul style="list-style-type: none"> • Make timely sales and collections • Procure fit for purpose, lower cost quality raw materials while keeping holding periods to a minimum. • Efficient use of finances to minimize interest cost. • Earnings per Share • Return on Equity
9	Suitable human capital management through proper hiring, training, appraisals and counselling	<ul style="list-style-type: none"> • Timely appraisals and performance feedbacks • Develop appropriate training for all staff levels • Reduce safety incidents • Appropriate succession planning for key positions

Stakeholder Engagement

Good relationships are maintained with all the stakeholders through effective and timely communication besides having a customer-centric approach.

Stakeholders	Why they are Important	Nature of Engagement	Frequency
Shareholders	<ol style="list-style-type: none"> 1. They Own the Company 2. They expect a return on their investment 3. Decisions are made that increase shareholder value 	<ol style="list-style-type: none"> 1. AGM 2. EOGM's 3. Interim Reports 4. Annual Reports 5. Website 	<ol style="list-style-type: none"> 1. Annually 2. If/when needed 3. Quarterly 4. Annually 5. Continuously available
Customers	<ol style="list-style-type: none"> 1. They buy our products which drives our revenues 2. They expect quality and drive demand for our products 3. They are our business partners 	<ol style="list-style-type: none"> 1. Direct relationships 2. Customer gatherings 3. Satisfaction surveys 4. Website 	<ol style="list-style-type: none"> 1. Continuous 2. Regularly 3. Annually 4. Continuously available
Employees	They deliver Tata's success and Company can not function without them	<ol style="list-style-type: none"> 1. Interaction with management 2. Goal setting 3. Appraisals 4. Employees events 5. Website 	<ol style="list-style-type: none"> 1. Daily 2. Annual/semi-annual 3. Regularly 4. Continuously available
Suppliers	Reliable and reasonable provision of raw materials determines our ability to supply finished goods	<ol style="list-style-type: none"> 1. Direct relationships 2. Meetings 3. Trade shows 4. Website 	<ol style="list-style-type: none"> 1. Daily 2. Regularly 3. Regularly 4. Continuously available
Government Bodies	Determine trade policies that could positively or negatively impact Tata	<ol style="list-style-type: none"> 1. Issue specific meetings /discussion / correspondence 2. Submission of statutory returns and reports 3. Website 	<ol style="list-style-type: none"> 1. As required 2. As required 3. Continuously available
Conditions affects our operations	<ol style="list-style-type: none"> 1. Provide manpower for our operations 2. Their living 3. Our CSR initiatives are also aimed towards them 	<ol style="list-style-type: none"> 1. Tata TCF school 2. Tata health facility 3. Mosque 4. Website 	<ol style="list-style-type: none"> 1. Continuous 2. Continuous 3. Continuous 4. Continuously available
Banks	Provision of finance and trade facilities	<ol style="list-style-type: none"> 1. Direct relationships 2. Meetings 3. Financial reporting 4. Websites 	<ol style="list-style-type: none"> 1. Regular 2. As needed 3. Periodic 4. Continuously available

Risk & Opportunity Report

Risk / Opportunity Category	Major Business Risk/ Opportunity	Sensitivity	Source of Risk/ Opportunity	Mitigating Factors / Steps to create value
Financial Risk	Devaluation of PKR against foreign currencies may negatively impact Company's financial performance	High	External	<ul style="list-style-type: none"> Ensuring a balanced ratio between export & domestic sales as needed Appropriate hedging instruments such as forward cover & currency options if/when needed Sourcing a greater share of raw cotton locally within the country The Company mainly meets its working capital requirements through short-term financing facilities. In order to mitigate the risk of rising interest rates, management minimizes working capital requirements, negotiates prevailing market rates and maintains an efficient portfolio of sources of funds
	Payment defaults by customers	Low	External	Credit worthiness is assessed for each customer and credit limits are assigned according to our credit policy
Financial Opportunity	Devaluation of PKR could make exports more competitive in international markets & provide opportunities for inventory gain	High	External	Maintaining an opportunistic position and supply flexibility to take advantage of devaluing PKR to increase exports to certain export markets

Risk / Opportunity Category	Major Business Risk/ Opportunity	Sensitivity	Source of Risk/ Opportunity	Mitigating Factors / Steps to create value
Operational Risk	Employee turnover amongst senior management positions	Medium - Low	Internal	Strong succession planning & HR policies, employee engagement initiatives, workplace satisfaction surveys, training/development, rotational policies and compensation audits are in place.
	Volatility in the international/Local price of Cotton	High	External	Well versed and dedicated procurement department, buying experience along with a diversified supplier base and large volumes keep the company relatively insulated from volatility in cotton prices.
	Energy s hortage in Pakistan	High	External	Tata has its own power generation capability. Management utilizes all energy sources to keep the energy mix cost at lowest level.
	Work place incidents injuries & safety	Medium	Internal	The Company has formulated and implemented a 'safety and security policy' throughout its manufacturing and administrative facilities. Moreover, all assets are insured through reputable institutions in order to safeguard assets against any unforeseen event of damage, fire, the , act of terrorism etc.

Risk / Opportunity Category	Major Business Risk/ Opportunity	Sensitivity	Source of Risk/ Opportunity	Mitigating Factors / Steps to create value
Commercial Risk	Increased competition between local and international suppliers of the product.	Medium	External	The Company believes that its years of experience, quality, research and development, brand image and customer loyalty are success factors to sustain it even in this fast shifting global economic scenario.
Strategic Risk	Economic and Political stability of the country	High	External	The Company believes in an open and transparent relationship with the Government, regulator and other political stakeholders. As part of the larger industry, Company through its representatives, provide valuable suggestions to the regulator, particularly during the budgetary process through APTMA. We regularly monitor economic and legal impacts of Government policies and political actions on the Company as well as the textile industry.
	Shift in production technologies may make Tata's processes obsolete and its product and prices non-competitive in local and/or international markets	Medium	External	Tata strongly believes in introducing new technologies to achieve production efficiencies and reduce cost and stay aligned to the international market.

Risk Management

The management of the company follow the rigorous approach to risk management which is essential to running a successful and sustainable business. The Board of directors of the company are closely connected to effective risk management. Risk assessment, reporting and control help to enhance governance and control policies, to keep company aligned with its objectives. Our board member has diversified skills, knowledge and experience which enable them to identify and manage the key risks that are likely to arise. They also steer the culture of an organization which promotes an appropriate balance between risk and opportunities.

Potential Opportunities

Pakistan is one of those countries where upper middle class and middle class population forms majority. This factor opens up the opportunity to sell knitted wear and garments to the local mainstream population of the country. The ever so competitive local and international market has made it difficult for companies to sustain. This provides our Company the opportunity to acquire smaller players of the market and increase its market share and economic efficiencies.

Key sources of uncertainty

- Adverse impact of policies formed by the regulators
- Natural catastrophes such as heavy rains and floods that could destroy local cotton crop
- Adverse interest rate and exchange rate movements

Political Instability

The political conditions in this year were not stable on account of new government, as there was uncertainty about the future government and its policies.

Stable political situation in the country improves the overall business performance, investor confidence and also encourages foreigners to deal with some of the prestigious companies in the country, which may have impact on Company's share price.

Exchange Rate

Tata has to import the cotton from various countries and its direct export has constrained to 15% from 23%, through which the entity is exposed to exchange rate risk. Any favorable or unfavorable movement in exchange rates might affect the company's profitability and hence, affect the share price. The company has also adopted effective strategies to minimize the risk of exchange rates.

Interest Rate

The Company's Finance Cost is 2.8% percent of the turnover. Any adverse interest rate movement might affect the company's profitability and hence, affect the share price.

Availability of Raw Material

The Company's performance is largely dependent upon the availability of raw material, which is highly sensitive to seasonal fluctuations. Thus, any negative or positive change in the crop yield will dampen the Company's performance and influence the share price.

CODE OF CONDUCT

The Code of Conduct is equally applicable on employees as well as the Board of Directors of the Company. The Company constantly endeavors to do the following.

1. HONEST AND ETHICAL CONDUCT

- a. The company expect all the employees, Officers and Directors to act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct, while working at the Company's premises, at offsite locations, at Company's sponsored business and social events, and/or at any other place where the Directors/Officers represent the Company. We consider honest conduct to be which is free from fraud and/or deception. We consider ethical conduct to be that which conforms with the accepted professional standards of conduct. Ethical conduct includes ethical handling of actual or apparent conflicts of interest as specified below between personal and professional relationships.

2. CONFLICTS OF INTEREST

- a. Every employee should conduct his/her personal and business affairs in a manner such that neither a conflict, nor the appearance of a conflict, arises between those interests and the interests of the company.
- b. An employee should avoid any situation in which he or she, or a family member, might profit personally either (directly or indirectly), from the company's facilities, its products, or company's relationships with its vendors or customers.
- c. An employee should not permit himself/ herself (or members of his / her family) to be obligated (other than in the course of normal business relationships) to any organization or individual with whom the company has a business relationship.
- d. In case an employee is offered or receives something of value which he/she believes may be impermissible under this Code, he / she should disclose the matter.
- e. All employees shall avoid any kind of bribery, extortion and all other forms of corruption.
- f. Conflict of interest shall be avoided and promptly disclosed where they exist and guidance should be sought from superiors.

3. COMPLIANCE WITH APPLICABLE LAWS, RULES AND REGULATIONS

- a. All employees, officers and Directors must comply with all applicable governmental laws, rules and regulations. Directors/Officers must acquire appropriate knowledge of the legal requirements relating to their duties sufficient to enable them to recognize potential dangers, and to know when to seek advice from the Finance and/or Legal Advisor /Legal Counsel. Violations of applicable governmental laws, rules and regulations may subject Directors/Officers to individual criminal and/or civil liability. Such individual violations may also subject the Company to civil and/or criminal liability and/ or the loss of business.

4. MISCELLANEOUS

- a. All employee shall maintain the confidentiality of confidential information of the Company or that of any customer, supplier or business associate of the Company to which Company has a duty to maintain confidentiality, except when disclosure is authorized or legally mandated.
- b. All employee shall deal fairly with customers, suppliers and competitors. They should not take unfair advantage of anyone through manipulation, concealment, abuse of confidential, proprietary or trade secret information, misrepresentation of material facts, or any other unfair dealing-practices.
- c. All employee should protect Company's assets and property and ensure its efficient use. Theft, carelessness, and waste of the Company's assets and property have a direct impact on the Company's profitability. Company's assets should be used only for legitimate business purposes.
- d. Any question or interpretation under this Code of Ethics and Business Conduct will be handled by the Board or any person /committee authorized by the Board of the Company. The Board of Directors or any designated person/committee has the authority to waive compliance with this Code of business conduct. The person-seeking waiver of this Code shall make full disclosure of the particular circumstances to the Board or the designated person/ committee.
- e. This Code of conduct is not intended to and does not create any rights for any employee, customer, client, supplier, competitor, shareholder or any other person or entity.
- f. If any employee or Directors who knows of or suspects of a violation of applicable laws, rules or regulations or Code of conduct, he/she must immediately report the same to the Board of Directors or any designated person/committee thereof. Such person should as far as possible provide the details of suspected violations with all known particulars relating to the issue.
- g. Violations of Code of Ethics will result in disciplinary action, which may even include termination of services of the officer and disqualification from being a Board Member. The Company's Board or any Committee/person designated by the Board for this purpose shall determine appropriate action in response to violations.



CHAIRMAN'S REVIEW

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the annual results of the Company for the year ended June 30, 2021.

By the Grace of the almighty, the Company has made respectable progress during the year under review. Firstly, the Sindh High Court was pleased to sanction the proposed Scheme of Arrangements vide Sindh High Court vide Order No. JCM No.13 of 2020 dated March 02, 2021 and an addendum order dated March 17, 2021 for merger of Group Companies Salfi Textile Mills Limited, Island Textile Mills Limited and Tata Energy Limited into Tata Textile Mills Limited, effective from 1st July 2021.

Secondly the company overcame the challenges posed by the COVID-19 Pandemic and took full advantage of the enhanced demand for Yarn mostly from the domestic down-stream textile Industry and maximized the output of the mills while improving overall productivity. Efficiencies in selling and marketing were also achieved by making direct sales to customers and building a Customer Bank. The financial results of the company for the period are a pretax profit of Rs. 908.198 million as compared to a loss of Rs.280.293 million in the same period last year.

Though the COVID-19 pandemic has led to a global crisis of unprecedented proportions. Pakistan's economy however has remained insulated to a great extent and has gained momentum towards recovery. The timely announced measures to counter the COVID-19 impact namely the conducive monetary policy, introduction of refinancing facilities, targeted fiscal support and other financial initiatives has given it the much needed impetus to the economy. As a result the post-lockdown contraction phase was short-lived. While the growth is modest at around 3% the FY21 is projected to be higher due to improved prospects

The pragmatic policies of the Federal and Provincial Governments in this regard are much appreciated.

Priorities of the newly merged company are to club all the old and newly acquired assets and to clear debt to the best of the ability of the company. To consolidate and build upon the established Tata Pakistan brand and to leverage a stronger balance sheet towards growing the company through expansion and diversification.

Future Outlook

Profitability of the company is expected to improve due to expected reduction in borrowing costs as the company shifts its focus towards local procurement of cotton, reduced holding periods of raw material, lower interest rates and relatively stable exchange rates.

Additionally the company has initiated several projects to improve energy efficiencies and treasury management.

Board Performance and effectiveness.

An annual evaluation of the Board performance was conducted in compliance with the requirement of Code of Corporate Governance and the Companies Act, 2017. The Board during the year played a pivotal role in steering the Company forward in a progressively challenging landscape. Through the commitment and effective oversight of the Directors, your Company ensured transparency of Corporate Governance and compliance.

I wish to acknowledge the contribution of all our employees in the success of the Company. I also wish to thank our shareholders, customers, suppliers, bankers and other stakeholders for their continued confidence and support.

A handwritten signature in black ink, appearing to read "Mazhar Valjee".

MAZHAR VALJEE
CHAIRMAN

Karachi

Date: August 26, 2021

DIRECTORS' REPORT TO THE MEMBERS

The Directors of the Company are pleased to present their report along with the 35th Annual report of the Company and the audited Financial Statements of the Company for the year ended June 30, 2021.

BUSINESS ENVIRONMENT

The business environment for textile spinning improved considerably in the second half of the year due to resurgence in demand following easing of Covid-19 related lockdowns globally. Cotton prices, along with many other commodities, increased from the low levels seen last year, which in turn increased yarn prices. Since Pakistan was able to contain Covid-19 spread better than other regional players, our Textile industry benefitted as global buyers started turning towards Pakistan for sourcing. This resulted in a significant increase in capacity utilization in Pakistan Textile sector. With higher international demand for Pakistani Textiles along with favorable government policies, we are expecting large capacity enhancement projects in the downstream Textile industry, which will further strengthen demand for Yarn.

PAKISTAN'S ECONOMY

Pakistan's economy has been growing slowly over the past two decades, averaging 2%, half that of South Asia average, due to inconsistent policies and under-reliance on investment and exports to drive economic growth. Short periods of consumption-fueled growth led to current account and fiscal deficits, that required policy tightening, resulting in recurrent boom-bust cycles.

In FY20, the country entered an IMF Program with monetary and fiscal measures which contributed to a reduction of the imbalances and improved macroeconomic stability. However, the COVID-19 containment measures adopted led to a severe contraction in economic activity and the workforce saw either job or income losses resulting in poverty and food insecurity. The Government, therefore, introduced a stimulus package of approx. 2.9% of GDP and a deferment of some of the fiscal adjustment measures to mitigate impact of the pandemic. Over the first half of FY21 (Jul to Dec 2020), there were signs of a fragile recovery, increased community mobility, greater private consumption, record official remittance inflows and improved investments with machinery imports and cement sales both recording double-digit growth rates.

Compared to a deficit of US\$2.0 billion last year, the current account recorded a surplus of US\$1.1 billion for Jun-Dec 2020 due to strong remittance inflows. The Rupee appreciated by 5.4% against the USD at end-Dec 2020 and FX reserves increased to US\$14.9 billion.

Exports are projected to grow from FY22 onwards, as external conditions become more conducive and tariff reforms gain traction, but imports are also expected to increase in line with stronger domestic activity and higher oil prices.

Major risks to the outlook include the possibility of new waves of infections, the emergence of new vaccine-resistant strains, and setbacks in mass vaccinations. In addition, more delays in the

implementation of critical structural reforms could lead to further fiscal and macroeconomic imbalances.

TEXTILE INDUSTRY CHALLENGES

Last year the Government of Pakistan and State Bank of Pakistan acted swiftly to the plight of businesses faced with the downturn caused by the Covid Pandemic. Incentives including loan payment deferrals, reduction in policy rate, low interest salary loans and low-cost financing for capital expansion all facilitated in a quick V-shaped recovery of Pakistan's Textile Industry.

Going forward, the Government needs to implement a simple and regionally competitive energy policy, focus on improving cotton production by improving seed quality and ensure timely refund of taxes to facilitate the growth of Textile output of the Country.

Raw Material:

Sourcing Cotton has become a significant challenge facing Textile spinning industry in Pakistan. World Cotton production 2020/21 was down 6.5% to 114 million bales while Pakistan's production took a nosedive by 27% to 4.5 million bales. On the other hand, global consumption in 2020/21 grew 14% to 114 million bales. Per USDA's projections, world cotton consumption 2021/22 is expected to rise 4% to 122 million bales and outstrip production by 3.2 million bales. The short supply of Cotton will support higher price levels in 2021/22 in international markets and may remain around levels of 90 US cents/pound.

Pakistan's forecasted consumption is expected to increase to 16 million bales on back of higher orders. Pakistan's cotton crop is expected to rebound significantly in 2021/22, but there is still great uncertainty due to risk factors from unfavorable weather, pest damage and seed quality. If per acre yields improve, cotton production is expected to rise by 1.3 million bales to 5.8 million bales. Pakistan will still need to import cotton to bridge the gap between anticipated production of 5.8 and demand of 16 million bales.

The Company will do its utmost to place reliance on local cotton, remain cautious and operate efficiently with minimum raw material and finished goods inventory to reduce risk of inventory losses.

Taxes

Tax Refund processing since January 2021 has slowed down substantially and this is negatively affecting the liquidity of businesses. Also, in order to achieve revenue targets, Tax authorities initiate tax audits & withholding tax proceedings simultaneously, which creates huge erroneous tax demands thus compelling companies to go into appeals.

Despite demand by the exporting industry, government has not reinstated the Zero rate regime and

has instead increased the sales tax rate from 10% to 17% on purchase of ginned cotton, which will result in additional tightening of liquidity.

Cost of Energy

PTI government's policy of Regionally Competitive Energy Tariff (RCET) has boosted textile exports and brought economic stability. GOP introduced the RCET policy in 2018 under which re-gasified liquefied natural gas (RLNG) is provided at \$6.5/MMBTU and electricity tariffs at 7.5 cents/kWh, which has been raised to 9 cents/kWh in September 2020. Since then, the Government has given some relief via incremental tariff that marginally reduces cost until June 2021. On the other hand, introduction of other measures e.g., separately charging quarter tariff of 2.89/KWH and reduced certain Incremental Tariff benefits in addition to the Fuel Adjustment Charge and exchange impact on USD based tariff have increased the overall cost of electricity.

A predictable and stable energy policy is required for improving business confidence levels and increase in investments in industry. The industrial electricity tariff of other textile exporting countries is lower than Pakistan making us uncompetitive in the international market. The objective of the Pakistani textile industry to become an export "powerhouse" cannot be achieved until power tariffs are revised to a competitive and stable level.

Additionally, government's decision to make industry pay for GIDC is mired in conflict and stuck up in a legal battle between Government and Industry. After Supreme Court's decision the matter has become complex. Now, the industry is again moving against GIDC Cess Act and Law since the government has not initiated any project within the time limit of six months given by Supreme court which in their judgement makes the whole GIDC Cess Act null and void.

COMPANY RESULTS

The Company posted net sales of Rs. 8,962 million, an increase of 33% over last year on the back of higher demand and improved yarn pricing. Gross Profit increased by 202% to Rs. 1,506 million and Profit After Tax increased to Rs. 824 million. Financial charges reduced by 36% to Rs. 253 million (2020 Rs. 396 million). Higher Raw Material margins, lower interest expense, stable exchange rates all facilitated in achieving a positive turnaround for the Company.

Cost of goods sold for the year was Rs. 7,456, constituting 83% of sales compared to 89% last year. Selling, Distribution and Administration expenses were Rs 272 million, up by 24% over last year (FY 2020, Rs 220 million) mainly due to higher selling expenses on account of higher volumes, higher freight costs, annual staff increments, and merger related legal/statutory costs.

Other Operating charges were Rs 82 million compared to Rs 173 million last year.

	Jun-21	Jun-20	Variance
	----- Rupees in Million -----		%
Sales	8,962	6,730	33
Cost of Sales	(7,456)	(6,232)	20
Gross Profit	1,506	498	202
Distribution, Admin & Other	(354)	(393)	-10
Finance Cost	(253)	(396)	-36
Profit before taxation	908	(280)	424
Profit after taxation	824	(329)	350
Earnings per Share (Rupees)	47.54	(18.98)	350

Capital Structure

Debt to equity ratio on June 30, 2021, improved to 45:55 compared to 52:48 as on June 30, 2020. This was due to improved profitability as well as early retirement of some loans during the year.

Dividends

The Board of Directors in its meeting held on August 26, 2021, has not recommended a dividend for the year ended June 30, 2021.

Tata Textile Merger

By the Grace of God, the Scheme of Arrangement filed by the Company for merger was sanctioned by the High Court of Sindh at Karachi vide Order JCM No.13 of 2020 dated March 02, 2021 and an addendum order dated March 17, 2021, in term of which, Island Textile Mills Limited (ITML, PSX-ILTM), Salfi Textile Mills Limited (STML, PSX-SALT) and Tata Energy Limited (TEL) stood merged with and into Tata Textile Mills with effect from July 01, 2021.

The merger will further solidify the Company's position as one of the largest spinning mills in Pakistan with plant capacity increasing from 45,984 spindles to 127,092 spindles. This will result in a much larger and stronger combined Balance Sheet position. Some estimated figures of the merged Balance Sheet as at June 30, 2021 are provided in the table below.

	Post-Merger (Million)
Property, Plant and Equipment (at Net Book Value)	Rs. 15,500
Total Assets	Rs. 27,100
Share Capital	Rs. 560
Total Equity	Rs. 14,000
Long Term Debt	Rs. 2,500

We are also pleased to provide key statistical data for the year ended June 30, 2021 as if the entities were merged from July 1, 2020 in the table below.

	Million
Combined Revenue	Rs 27,000
Gross Profit	Rs 4,300
Profit Before Tax	Rs 2,500
Profit After Tax	Rs 2,000

The merger will significantly enhance the focus, financial strength and visibility of the Company and its ability to grow the business sustainably in the future. Improved operational synergies will be achieved through more efficient utilization of resources while reducing costs, more effective branding and marketing of Tata Textile products and better tax management. These efforts will help to increase the Company's ability to absorb risk and improve returns for the shareholders.

AUDITORS

The present Auditors M/s Yousuf Adil, Chartered Accountants retired and offered themselves for re-appointment. They have confirmed achieving satisfactory QCR rating from Institute of Chartered Accountants of Pakistan (ICAP) and compliance with the Guidelines on the Code of Ethics of International Federation of Accountants (IFAC) as adopted by ICAP. The Board of Directors has recommended their re-appointment as auditors of the company for the year ending June 30, 2022, at a fee to be mutually agreed.

PATTERN OF SHAREHOLDING

Information on the pattern of holding is annexed.

HUMAN RESOURCES

We have always believed in the integral role our team plays in achieving exceptional results. It is the hard work and support of our people that has enabled Tata Textile Mills to achieve its goals during these challenging times. Our team strives to create value not only for our shareholders but also for the economy and society at large.

The biggest challenge for any business is to attract, develop and retain remarkable talent. Our policies, systems and team ensure that we can do so. We have a team of highly qualified and competent professionals to look after the Talent Management Programs, Organizational Development, Total Rewards and Shared Services.

Our People Philosophy

We understand that investment in human resources will help in enhancing overall productivity, which will ultimately help us produce sustainable business results. That is why the Company never hesitates

to invest in people. We always strive to make Tata Textile Mills an 'Employer of Choice' by creating a strong culture based on respect, integrity, and teamwork. Apart from this, we strive to provide our employees with many opportunities to learn and grow and we ensure that our employees are provided market competitive remuneration. This enables us to attract and retain the right talent but also ensure that employees at Tata Textile Mills are able to exceed their potential.

Talent Acquisition

We have a dedicated team of Talent Management professionals who work to build a strong talent pipeline of competent people to take on leadership roles in the future. In FY 2020-21, Tata Textile Mills carried on with its past practice of Management Trainee Program at our mills which is geared towards nurturing passionate fresh graduates from renowned textile universities to take on critical roles afterwards. The differentiating factor of this program is that it targets female graduates in order to improve gender diversity at the mills. The Talent Acquisition team visited leading textile institutes across the country during the year and collected profiles of recent female graduates during January 2021. The carefully selected candidates will be rotated through different departments through the mills. Our Talent Acquisition Team also took part in job fairs at different renowned universities to further strengthen our talent database and recruit potential candidates for current and future positions.

Learning and Development

We at Tata Textile Mills believe that learning never stops. Training is essential for improving the competencies of employees so that they are not only able to help the company achieve its objectives but are equipped for the future. Keeping this in view, Tata Textile Mills is committed to inculcating skills in its employees and developing their capabilities. Various customized technical and soft-skills training programs were conducted during FY 2020-21 based on training needs of employees. All programs were attended by employees from the Corporate Office and Mills. Different learning initiatives including online learning was initiated to provide employees the opportunity to continue learning during the pandemic when classroom sessions could not be conducted. These included delivery of both live and recorded sessions by trainers. Apart from this, monthly guest speaker sessions were arranged for employees at the Corporate Office and Mills. Experienced professionals from different industries were invited to share their experiences and insights on specific topics.

Employee Engagement

At Tata Textile Mills, we work towards a common Vision. We do so by keeping the employees and management connected, engaged and motivated. We organize different activities to promote team building and interdepartmental interaction. During FY 2020-21, we launched different employee engagement activities and initiatives such as Eid Milan, Women's Day, International Day of Happiness among others. Although interaction among team members remained limited during the year but these activities helped create a team bond.

Reward, Recognition & Performance Management

To ensure internal equity and external competitiveness in rewards, we have in place, policies, procedures, and systems based on best practices. We regularly review and revise our policies to incorporate market changes. During the year, several policies were reviewed and revised. As per our philosophy of rewarding high performance, we have in place a structured mechanism for objective setting and regular performance review.

Industrial Relations

We recognize our employees as our most valuable Asset. The management therefore ensures a harmonious working relationship with employees and strives to provide a congenial working environment both at the Corporate office and in the factories. Importance is placed on maintaining a good work-life balance. The management also ensures compliance with all employment laws and labor legislations. In turn, employees work hard to achieve their targets.

Long Service Awards

Long service awards are provided to recognize and reward devotion and loyalty of employees who have a long tenure with the company. During FY 2020-21, 29 employees were honored with these awards.

Health Safety & Environment

The Company endeavors to keep its work force, infrastructure & operations safe and secure. During the year, awareness sessions & drills are carried out consistently to remain abreast with latest developments in HSE, ensure compliance with legal requirements and manage HSE challenges. In addition to this, regular HSE performance reviews are convened at appropriate levels.

Corporate Social Responsibility

The Company realizes its responsibility towards the society and strives to contribute to various areas by improving the economic conditions of the people, protecting the environment, and contributing to the well-being of the humanity in general. In this regard, the Company has consistently shown commitment to make education accessible. We at Tata Textile Mills believe in equity therefore strive to make health care available to all without any discrimination. In addition to the above endeavors, the Company has been and is constantly engaged in number of philanthropic activities in areas of Education and Sports, Health Care Services and General Financial Aid.

As COVID-19 has been a big health and safety issue during the year, the management took various measures to mitigate the risk. These included regular awareness sessions, provision of hand sanitizers, temperature monitoring, regular disinfection of the premises and requirement of masks and social distancing.

Financial Data and Graphs

Highlights of the operating/financial data and graphs are presented in the financial highlight section.

Corporate Governance Matters

All matters pertaining to the Policy, Board and Governance are addressed in the Corporate Governance Section and considered to be part of the Directors' Report.

Chairman's Review

The Directors of the Company endorse the contents of the Chairman's review, which is deemed to be a part of the Directors' report.

Acknowledgement

We would like to extend our sincere gratitude to healthcare workers, essential service providers and the entire Tata Textile team for managing and controlling the spread of COVID-19 during the year. In terms of profitability, FY 2020-21 has turned out to be one of the best years for the Company. Finally, we thank all the stakeholders including our esteemed customers, suppliers, and bankers for their commitment to the Company and look forward to sharing more successes with them in the coming years.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS



SHAHID ANWAR TATA
CHIEF EXECUTIVE



ADEEL SHAHID TATA
DIRECTOR

Karachi:

Date: August 26, 2021



CORPORATE GOVERNANCE

Governance Framework

The main philosophy of business followed by the sponsors of Tata Pakistan for more than 30 years has been to create value for all stakeholders through fair and sound business practices, which translates into policies approved by the Board and implemented throughout the company to enhance the economic and social values of all stakeholders of the company. Our Governance strategy is to ensure that the Company follows the direction defined by its Core Values, current regulatory framework and industry best practices. The Board, discharges its responsibilities as defined by the “Code of Corporate Governance” (CCC), listing requirements of Pakistan Stock Exchange Limited (PSX) and the Corporate Financial Reporting Framework of Securities & Exchange Commission of Pakistan (CFRF of SECP). Our approach towards corporate governance ensures ethical behavior, transparency, accountability in all that we do and to attaining a fair value for the shareholders.

Compliance Statement

Living up to its standards, the Board of Directors has, throughout the year 2020-21, complied with the Code of Corporate Governance, the listing requirements of the PSX and the Financial Reporting framework of SECP. The Directors confirm that that the following has been complied with:

- a) The financial statements for the year ended June 30, 2021 present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- b) Proper books of accounts of the company have been maintained.
- c) Appropriate accounting policies have been consistently applied in preparation of financial statements for the year ended June 30, 2021 and accounting estimates are based on reasonable and prudent judgment.
- d) International Financial Reporting Standards (IFRS), as applicable in Pakistan, have been followed in preparation of financial statements and any departures therefrom have been disclosed and explained.
- e) The systems of internal control are sound in design and has been effectively implemented and monitored. The Internal Audit function is based on a combined system led by the Chief Internal Auditor supported by in-house staff.
- f) There are no doubts about the Company’s ability to continue as a going concern.
- g) There has been no material departure from the best practices of corporate governance as per regulations.

The Board of Directors

The Board of Directors consists of qualified individuals possessing knowledge, experience and skills in various professions, with the leadership and vision to provide oversight to the company. The Board is headed by Chairman Mr. Mazhar Valjee, an Independent Director and out of nine (9) Directors, four (4) are independent Directors. The current Board composition reflects a good mix of experience, backgrounds, skills and qualifications. All Directors have many years of experience, and are fully aware of their duties and responsibilities under the Code of Corporate Governance. At present, seven (7)

Directors have acquired the formal Directors Training Certificates, while one (1) Director got exemptions from SECP on meeting criteria. In view of Covid-19 pandemic, one Director could not get registered for training program however, she will complete her training in the year 2021-22. All the Directors possess sufficient skills and experience at the Board level as described in the Code of Corporate Governance. To further its role of providing oversight and strategic guidelines to the company, the Board has formulated role and responsibilities of Chairman and Chief Executive Officer. The Board has constituted two Sub Committees, namely Board Audit Committee (BAC) and Human Resources & Remuneration Committee (HR&RC). The composition, role and responsibilities of the Committees are clearly defined in their respective Terms of References.

All the Board members are given appropriate documents in advance of each meeting which normally includes a detailed analysis of business and matters, where the Board will be required to make a decision or give its approval. During the year 2020-21, the Board had seven (7) meetings during this year. The average attendance of the Directors in Board meetings during the year was 93%.

The Board of Directors have complied with the Code of Corporate Governance, the listing requirements of PSX and the Financial Reporting framework of SECP.

Board Evaluation

As required by the Listed Companies Code of Corporate Governance Regulations 2019 the Board has developed a mechanism for evaluation of its performance. During the year a comprehensive questioner was circulated among all members of the Board for evaluation of performance of the Board of Directors.

The Board Performance Evaluation will be consider the following process:

- Each Board Member will be asked to complete the Evaluation Questioners Form by selecting the appropriate rating that most closely reflects his or her performance and the Board's as a whole related to each practice
- Chairman will review the performance of each Director and the Board as a whole.
- In addition to Board Members completing the form as a self-evaluation, Chairman may ask individuals who interact with the Board Members to provide feedback.
- The result of all Board Members will be consolidated into a summarized document for discussion and review by the Board of Directors.
- The Performance of Board will be reviewed twice in a year and the result will be compiled for year as whole.

Changes in the Board

During the year, elections of directors were carried out and composition of board increase from seven to nine, majority of directors remain same except two new directors, Mr. Tayyeb Afzal and Ms. Samar Shahid were appointed.

Composition of Board

The Board of Directors consists of qualified individuals possessing knowledge, experience and skills in various professions, with the leadership and vision to provide oversight to the company. The current Board composition reflects a good mix of experience, diversity in backgrounds, skills and qualifications. All directors have many years of experience, and are fully aware of their duties and responsibilities under the Code of Corporate Governance. The composition of the Board is in compliance with the requirements of the Code of Corporate Governance regulations, 2019 applicable on listed entities which is given below:

Total number of Directors

a)	Male	7
b)	Female	2

Composition:

i.	Independent Directors	4
ii.	Executive Directors	2
iii.	Non-Executive Director	3

The names of the directors as at June 30, 2021 are as follows

1)	Mr. Mazhar Valjee	Chairman
2)	Mr. Shahid Anwar Tata	Director / Chief Executive Officer
3)	Mr. Adeel Shahid Tata	Director
4)	Mr. Bilal Shahid Tata	Director
5)	Mr. Farooq Advani	Director
6)	Mr. Tayyeb Afzal	Director
7)	Mr. Muhammad Jawaid Iqbal	Director
8)	Ms. Shahbano Hameed (NIT)	Director
9)	Ms. Samar Shahid	Director

Committees of the Board

The Board has constituted two sub committees namely Audit Committee and Human Resource & Remuneration Committee. The role and responsibilities of the Committees are clearly defined in their respective Terms of Reference. The composition of both these committees is disclosed as follows:

Audit Committee

Mr. Farooq Advani	Chairman (Independent)
Mr. Bilal Shahid Tata	Member
Mr. Tayyeb Afzal	Member

Human Recourse and Remuneration Committee

Mr. Mazhar Valjee	Chairman (Independent)
Mr. Adeel Shahid Tata	Member
Mr. Bilal Shahid Tata	Member
Mr. Farooq Advani	Member
Ms. Samar Shahid	Member

Detail of Board and its Committee Meetings

During the year under review, seven Board of Directors Meetings, six Audit Committee Meetings and two Human Resource & Remuneration committee meeting were held. The attendance of the directors is as follow:

Name of Director	Number of Meeting Attended		
	Board Meeting	Audit Committee	Human Resource & Remuneration Committee
Mr. Mazhar Valjee	7	N/A	1
Mr. Shahid Anwar Tata	7	N/A	2
Mr. Adeel Shahid Tata	7	N/A	-
Mr. Bilal Shahid Tata	7	6	2
Mr. Muhammad Jawaid Iqbal	3	N/A	N/A
Mr. Farooq Advani	7	5	1
Mr. Tayyeb Afzal	5	4	N/A
Ms. Shahbano Hamid (NIT)	7	N/A	N/A
Miss Samar Shahid	5	N/A	2

(Leave of absence was granted to the Directors who could not attend the Meetings due to their pre-occupations)

Directors' Remuneration

Through the Articles of the Company, the Board of Directors is authorized to fix remuneration of the Directors. In this regard, the Board of Directors have developed a comprehensive Remuneration policy for Non-executive and Independent Directors of the Company in accordance with the Companies Act 2017 and the Listed Companies (Code of Corporate Governance) Regulations 2019. Non-executive directors including the independent director are entitled only for fee for attending the meetings.

Directors' Training

The Directors of the Company are adequately trained to perform their duties and are aware of their powers and responsibilities under the Companies Act, 2017 and the Regulations of PSX Rule book.

Detail of Share Trading

Apart from the following transactions, the Chief Executive, Directors, Chief Financial Officer, Company Secretary, Head of Internal Audit, other Executives and their spouse(s) and minor children did not carry out any transaction in the shares of the company during the year.

SN	Name of Director	Opening 01-Jul-20	Purchase	Sale	Balance on 30-Jun-21
1	Mr. Mazhar Valjee	-	500	-	500
2	Mr. Shahid Anwar Tata	10,474,277	202,673	-	10,676,950
3	Ms. Samar Shahid	86	500	-	586
4	Mr. Jawaid Iqbal	-	500	-	500

Role and Responsibilities of the Chairman and CEO

The Board of Directors provides the overall direction for the Company operations and provides oversight for various policies and monitors the management in the light of operational and financial plans. The roles of Board and the Chief Executive Officer have been clearly defined where the Board is responsible for strategic guidance and providing directions for sustainable business. The Chairman and the Chief Executive have separate and distinct roles. The Chairman has all the powers vested in him under the Code of Corporate Governance and presides over all Board meetings. The Chief Executive performs his duties under the powers vested by the law and the Board and recommends and implements the business plans and is responsible for overall control and operation of the Company.

Chief Financial Officer (CFO), Company Secretary and the Head of Internal Audit

The Chief Financial Officer (CFO) and the Head of Internal Audit possess the requisite qualification and experience as prescribed in the Code of Corporate Governance. The Company Secretary possesses the requisite qualification and experience as prescribed in the Companies Act, 2017. The appointment, remuneration and terms and conditions of employment of CFO, the Company Secretary and the Head of Internal Audit were determined by the Board of Directors. The removal of CFO and Company Secretary whenever applicable is made with the approval of Board of Directors.

Business Philosophy & Best Corporate Practice

We believe in ethical practices, sustainable manufacturing processes, transparent reporting to the shareholders and in the best practices of Corporate Governance to ensure success and better results for all stakeholders. The Board members actively participate in the meetings to provide guidance concerning the company's business activities, operational plans, review corporate operations and formulate and review all significant policies. The Board firmly adheres to the best ethical practices and fully recognizes its responsibilities for protection and efficient utilization of company assets for legitimate business objectives and compliance with laws and regulations. The Chairman ensures that the discussions held during the Board meetings and the consequent decisions arising are duly recorded and circulated to all the directors within 14 days. The CFO and the Company Secretary attended all the meetings of the Board as required by the Code of Corporate Governance. All periodic financial statements and other working papers for the consideration of the Board/ Committees are circulated to the directors well before the meetings so as to give sufficient time to the directors to make decisions on an informed basis. This year the Board has held seven meetings, agendas of which were duly circulated at least a week before the meetings.

Timely Communication of Financial results

The quarterly un-audited financial statements and the half-yearly financial statements (reviewed by the Auditors) were duly circulated within thirty (30) days and sixty (60) days respectively along with the Directors' Report. Annual financial statements, Board of Directors' Report, Auditors' Report and other statutory statements and information are being circulated for consideration and approval by the shareholders within the time limit as defined in Companies Act 2017. Periodic financial statements of the Company are circulated to Directors duly endorsed by the CEO and the CFO. Half-yearly and annual accounts are initialed by the external auditors before presenting it to the Audit Committee and the Board of Directors for approval.

Risk & Opportunity Management

Risk management is crucial to any business, which includes identification and assessment of various risks followed by coordinated application of resources, to economically minimize, monitor and control the impact of such risks and maximize the realization of opportunities. Management periodically reviews major financial and operating risks faced by the business. The Audit Committee is responsible for the Risk Management. The Company's financial performance during the year was significantly improved during the year as compared to last year on account of improved local demand and higher commodity prices however, going forward into the new year the Company needs to remain vigilant for uncertainties created from risk factors resulting from local and international cotton production and supply availability, local and international cotton pricing, international logistics and shipping, international yarn pricing, additional covid pandemic waves, exchange rate fluctuations and US/China trading relations that could have an impact on the future financial results of the Company. For more details on risk & opportunity management.

Internal Control Framework

The Company maintains an established control framework comprising clear structures, authority limits, and accountabilities, well understood policies and procedures and budgeting for review processes. All policies and control procedures are documented in manuals.

The Board Audit Committee has been entrusted with the main responsibility of Internal Controls. The Audit Committee receives the Audit reports by the Internal and External auditors, and after detailed deliberations, and suggesting improvements, periodic reports are submitted to the Board of Directors. The Company places a high value on transparency, both internally and externally, in its corporate management. It focuses consistently on the implementation of efficient management practices for the purpose of achieving clear and quantifiable commitments. The Company has posted a qualified employee as Head of Internal Audit, who is being assisted by in-house executives to carry out the Internal Control functions.

The management has placed an explicit internal control framework with clear structures, authority limits, and accountabilities, well defined policies and detailed procedures, enabling the Audit Committee and the Board to have clear understanding of risk areas and to place effective controls to mitigate these risks.

Whistleblowing & Speak-up Policy

The Company is committed to do business in ethical and compliance manner. For the purpose, Company has implemented whistle blower policy to encourage the employees and other parties (customers and vendors etc.) to report without any fear of retaliation, an unethical behavior, malpractices, wrongful conduct, fraud, violation of the company's policies & values, violation of law by any employee.

Corporate Social Responsibility

The Company is committed to achieving tangible, sustainable fulfillment of its corporate social responsibility. During the year under review the Company contributed Rs.15.85 million in Education Sector by collaborating with The Citizen Foundation and Textile Institute of Pakistan with an aim to provide quality education to a deprived and neglected area of Khanpur-Baggasher, thus lifting them from poverty.

Our role as a corporate citizen is as important to us as satisfaction of our customers and earning a fair return for our shareholders. We are committed to work for the betterment and prosperity of our stakeholders. Management has endeavored to provide a safe and healthy work atmosphere by adopting practices and creating working conditions which are safe and healthy for our employees, vendors, contractors, suppliers and customers.

Sustainability Measures

All aspects of sustainability including efficient operational procedures, effective internal controls, ethical behavior, and energy conservation are an integral part of our business model. We also believe that employees are most critical in the progress, growth and sustainability of any organization.

Engaging Stakeholders & Transparency

Development of stakeholders' relationship is of significant importance for the company. Building "stakeholder's engagement", compliance with regulatory requirements and terms and conditions are one of the main business principles by which we abide. To bring an accurate understanding of the company's management policies and business activities to all its stakeholders, it strives to make full disclosure of all material information to all stakeholders by various announcements on its website, to the Stock Exchange and other sources available to help investors to make informed decisions. It encourages full participation of the members in the Annual General Meetings by sending corporate results and sufficient information following the prescribed timeline so as to enable the shareholders to participate on an informed basis. While increasing management transparency, it aims to strengthen its relationships and trust with shareholders and investors. Our stakeholders include but are not limited to customers, employees, government, shareholders, suppliers, local communities and bankers.

Policy for Investor Grievances

The Company has an "Investor Relation Policy" that sets out principles for providing shareholders and prospective investors with necessary information to allow them to make well informed investment decisions and ensure a level playing field.

Investor grievances and complaints are very important and are properly reviewed to minimize the recurrence of similar issues in future. The following principles are adhered to with regards to investor grievances:

- a) Investors are treated fairly at all times.
- b) Complaints raised are dealt with in a courteous and timely manner.
- c) Various modes of communication like email, telephone, meetings and raising matters at the Annual General Meeting are available to investors to raise grievances.
- d) Queries and complaints are treated fairly and efficiently.
- e) Employees work in good faith and without prejudice towards the interest of the creditors.
- f) Detailed company information regarding financial highlights, investor information, and other requisite information specified under the relevant regulations has been placed on the corporate website of the company which is updated on regular basis.

Issues Raised at Last AGM

While general clarifications were sought by shareholders on company published financial statements during the 34th Annual General Meeting of the Company held on October 26, 2020, no significant issues were raised.

Pattern of Shareholding

A statement on the pattern of shareholding along with categories of shareholders, where disclosure is required under the reporting framework and the statement of shares held by the directors and executives as on June 30, 2021 is annexed.

Mechanism for Providing Information and Recommendation to the Board

Formal Reporting Line

The current organization/structure of the Company consists of various departments/divisions, each of which is led by a divisional head. These divisional heads are responsible for their respective divisions and the Board can then have access to them.

Employees

Employees are encouraged to express their views and forward their suggestions. We follow an open-door policy and employees are free to send emails, phone or even talk directly to the CEO. The employees can give suggestions, grievances and concerns or raise any matter related to the Company. In case the matter is of significant nature, the same is addressed in the meetings of the Managing Committee, the Board of Directors or the relevant Board Committees. The Company also has a speak-up policy to enable employees to raise serious concerns to the management regarding the business or Company without fear and repercussions. The CEO also meets the all departmental and divisional heads on frequent basis through which they are provided an opportunity to express their concerns and suggestions directly to the CEO. These meeting are aimed at capturing free and first-hand suggestions.

Shareholders

Every year the Annual General Meeting of shareholders is held in accordance with the requirements of the Companies' Act 2017 which is attended by the Board, CEO, Company Secretary, CFO and the senior management of the Company. The interactive session with the shareholders allows the shareholders to ask questions on financial, economic, social and other issues and also give suggestions and recommendations. The CEO responds to all questions. The Company has also provided contact details of all relevant personals for general and specific queries on its website.

Managing Conflict of Interest

As per the Code of Corporate Governance, the Company circulates the Code of Conduct to all employees and Directors. Further, the Directors and key employees are reminded of insider trading and to avoid dealing in shares during closed period. Every Director is required to bring to the attention of the Board complete details regarding any material transaction which has a conflict of interest for prior approval of the Board. The interested Directors neither participate in discussions nor vote on such

matters. The complete details of all transactions with related parties are provided to the Board for approval. These transactions are also fully disclosed in the annual financial statement of the Company.

Safety of company records

Tata Pakistan has a proper “Document & Record Control Policy” for retaining, maintaining and retrieving administrative control of all documents and data that relate to the Company and has taken the following concrete measures to ensure safety/security of the records. All important documents such as, minutes and proceedings of the Board & its sub-committees, annual general meetings, statutory certificates, title documents of the company’s property and all other important communications and records are kept in a fire proof secure safe. All other important accounting records are outsourced with a record management company.

Human Resources (HR) Management

A comprehensive set of policies has been implemented to cover all aspects related to HR. The main focus of the policies is to train, motivate and retain valuable human assets for the future growth of the Company. In order to maintain continuity of the business operations, particularly at senior management and key managerial levels, a Well-defined Succession Policy is in practice.

Information Technology (I.T) Policy

A well-defined Information Technology Policy is in place to help achieve efficient and effective use of I.T resources for the company so as to establish priorities, strategy delivery, increase productivity and deliver right services to users. The I.T Steering Committee comprising of CEO, COO, CFO and Head of Departments who are responsible for taking major I.T decisions. The I.T Head is responsible for ensuring communication of I.T security policies to all users of Group Companies. Further, Internal Audit is responsible for monitoring compliance of I.T policies. The policies on Information Technology are focused on information security, human resource security, access control, information system acquisition development and maintenance, business continuity management, incident management, website and ERP.



Report of the Audit Committee on adherence to the Code of Corporate Governance

The Board Audit Committee has concluded its annual review of the conduct and operations of the company for the year ended 30 June 2021 and reports that:

The company has adhered in full, without any material departure, with both the mandatory and voluntary provisions of the listing regulations of the Pakistan Stock Exchange, Code of Corporate Governance, Company's Code of Conduct and Values and the international best practices of governance throughout the year.

The company has issued a "Statement of Compliance with the Code of Corporate Governance" which has also been reviewed and certified by the auditors of the company.

Appropriate accounting policies have been consistently applied except those disclosed in financial statements. Applicable accounting standards were followed in preparation of the financial statements of the company on a going concern basis for the financial year ended 30 June 2021, which present fairly the state of affairs, results of operations, profits, cash flows and changes in equity of the company for the year under review.

The Chief Executive Officer and the Chief Financial Officer have reviewed the financial statements of the company and the Chairman and Board of Directors Report. They acknowledge their responsibility for true and fair presentation of the financial statements, accuracy of reporting, compliance with regulations and applicable accounting standards and establishment and maintenance of internal controls and systems of the company.

Accounting estimates are based on reasonable and prudent judgment. Proper, accurate and adequate accounting records have been maintained by the company in accordance with the Companies Act 2017.

The financial statements comply with the requirements of the Fourth Schedule to the Companies Act 2017 and applicable International Accounting Standards and International Financial Reporting Standards notified by the SECP.

All direct and indirect trading in and holdings of the company's shares by Directors and executives or their spouses were notified in writing to the Company Secretary along with the price, number of shares, form of share certificates and nature of transaction. All such transactions have been disclosed.

INTERNAL AUDIT FUNCTION

The internal control framework was effectively implemented by appointing Head of Internal Audit in compliance of the Code of Corporate Governance. The Head of internal audit functionally reports to the Chairman of the Board Audit Committee and administratively to the Chief Executive Officer.

The Company's system of internal control is sound in design and has been continually evaluated for effectiveness and control.

The Board Audit Committee has ensured the achievement of operational, compliance and financial reporting objectives, safeguarding of the assets of the company and the shareholders wealth through

effective financial, operational and compliance controls and risk management at all levels within the company.

Coordination between the external and internal auditors was facilitated to ensure efficiency and contribution to the company's objectives, including a reliable financial reporting system and compliance with laws and regulations.

EXTERNAL AUDITORS

The statutory auditors of the company, Yousuf Adil, Chartered Accountants, have completed their audit of the company's financial statements and the Statement of Compliance with the Code of Corporate Governance for the financial year ended 30 June 2021 and shall retire on the conclusion of the 35th Annual General Meeting for the year 2021.

The final Management Letter is required to be submitted within 45 days of the date of the Auditors' Report on the financial statements under the listing regulations and shall therefore accordingly be discussed in the next Board Audit Committee meeting.

The Audit firm has been given a satisfactory rating under the Quality Control Review Program of the Institute of Chartered Accountants of Pakistan (ICAP) and the firm is fully compliant with the International Federation of Accountants (IFAC) Guidelines on Code of Ethics, as adopted by ICAP. The auditors have indicated their willingness to continue as auditors.

Being eligible for re-appointment under the listing regulations, the Board Audit Committee recommends their reappointment for the financial year ending 30 June 2022 on terms & remuneration negotiated by the Chief Executive Officer.



Farooq Advani
Chairman
Board Audit Committee

Karachi
Dated: August 23, 2021

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

Name of Company: Tata Textile Mills Limited
Year ended: June 30, 2021

The Company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are Nine as per the following

- a. Male: Seven
- b. Female: Two

2. The composition of board is as follow:

	Category	Names
i.	Independent Directors	Mr. Mazhar Valjee
		Mr. Farooq Advani
		Mr. Muhammad Jawaid Iqbal
		Mr. Tayyeb Afzal
ii.	Non-Executive Directors	Mr. Bilal Shahid Tata
		Ms. Shahbano Hameed (Female)
		Ms. Samar Shahid Tata (Female)
iii.	Executive Directors	Mr. Shahid Anwar Tata(CEO)
		Mr. Adeel Shahid Tata

The Board of Directors of the Company fixed the number of directors at nine. The Chief Executive is a deemed Director and such total number of Directors is nine including two female Directors. The number of independent Directors are four that meets the requirement of Regulation 6 i.e., at least two or one third members of the Board whichever is higher.

- 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 their dates of approval or updating is maintained by the company.
- 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 of Directors have a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations.
9. The Board remained fully compliant with the provision with regard to their Directors' training program. Out of total of nine Directors, seven Directors have already completed this training earlier. One director is exempt from training program as mentioned in regulation no. 19 of the Regulations. In view of Covid-19 pandemic, one Director could not get registered for training program, however, she will complete his training in the year 2021-22.
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 endorse the financial statements before approval of the Board.
12. The Board has formed committees comprising of members given below:
 - a. Audit Committee
 - i. Mr. Farooq Advani -Chairman
 - ii. Mr. Tayyeb Afzal -Member
 - iii. Mr. Bilal Shahid Tata -Member
 - b. Human Resource and Remuneration Committee
 - i. Mr. Mazhar Valjee -Chairman
 - ii. Mr. Farooq Advani -Member
 - iii. Mr. Adeel Shahid Tata -Member
 - iv. Mr. Bilal Shahid Tata -Member
 - v. Ms. Samar Shahid -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 of the committee were as following:
 - a. Audit Committee - Quarterly
 - b. Human Resource and Remuneration Committee - Bi-Annual
15. The Board has set up an effective internal audit function supervised by a qualified Head of Internal Audit who is suitably experienced for the purpose and is 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 Accountants of Pakistan (ICAP) 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 ICAP 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 Audit, Company Secretary or director of the Company.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all other requirements of the Regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the regulations have been complied with.
19. The explanation regarding non-compliance of non-mandatory requirements is as follows:

S. No.	Non-Mandatory Requirement	Reg. No.	Explanation
1.	Nomination Committee; The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	29 (1)	Currently, the board has not constituted a separate NC and the functions are being performed by the HR&RC.
2.	Risk Management Committee; The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	30 (1)	Currently, the board has not constituted a RMC and the Company's Risk CEO/CFO performs the requisite functions and apprises the board accordingly.
3.	Companies are also encouraged to arrange training for: (i) at least one female executive every year under the Directors' Training program from year July 2020; and (ii) at least one head of department every year under the Directors' Training program from July 2022.	19 (3)	Currently, the Company has not arranged training for any female executive under the Directors' Training program.

ON BEHALF OF THE BOARD OF DIRECTORS



**MAZHAR VALJEE
CHAIRMAN**



**SHAHID ANWAR TATA
CHIEF EXECUTIVE**

Karachi

Dated: August 26, 2021

KEY OPERATING AND FINANCIAL DATA

RATIOS		2021	2020	2019	2018	2017	2016
PROFITABILITY RATIOS							
Gross Profit Ratio	%	16.80	7.39	9.30	10.50	6.79	4.65
Net Profit / (Loss) to sales	%	9.21	(4.89)	0.49	4.07	0.84	(3.96)
EBITDA Margin to sales	%	15.59	5.21	8.70	10.32	6.32	1.50
Operating leverage ratio	%	27.35	(2,120.78)	1.55	7.56	(205.38)	44.08
Return on Equity	%	16.57	(7.90)	0.73	6.58	1.51	(6.90)
Return on capital employed	%	19.45	2.18	7.20	10.33	5.64	(1.68)
LIQUIDITY RATIOS							
Current Ratio	Times	1.46	1.17	1.26	1.32	1.17	1.19
Quick/Acid test Ratio	Times	0.84	0.53	0.48	0.72	0.56	0.49
Cash on current liabilities	Times	0.40	0.11	0.06	0.06	0.05	0.05
Cash flow from operations to sales	Times	0.16	0.06	0.09	0.11	0.08	0.02
INVESTMENT / MARKET RATIOS							
Earning per Shares	Rs	47.62	(18.98)	1.89	14.21	2.45	(11.22)
Price/Earning ratio	Times	1.79	(1.63)	13.99	2.60	15.54	(2.32)
Price to Book ratio	%	29.64	12.90	10.27	17.15	23.43	15.98
Dividend Yield ratio	%	-	-	1.89	2.70	-	-
Dividend Payout ratio	%	-	-	26.40	7.04	-	-
Dividend Cover ratio	Times	-	-	3.79	14.21	-	-
Cash Dividend per Share	Rs	-	-	0.50	1.00	-	-
Book Value per Share as at June 30th		287.39	240.26	258.02	215.73	162.21	162.66
Market Value per Share as at June 30th	Rs	85.18	31.00	26.50	37.00	38.00	26.00
CAPITAL STRUCTURE RATIOS							
Financial Leverage ratio	Times	0.60	0.81	0.60	0.52	0.66	0.38
Weighted average cost of debt	%	7.39%	12.63%	11.32%	7.20%	6.16%	7.62%
Debt to equity ratio	%	45:55	52:48	45:55	43:57	46:54	37:63
Interest Cover / Time Interest earned ratio	Times	4.59	0.29	1.39	3.14	1.83	(0.49)
ACTIVITY / TURNOVER RATIOS							
Total Assets Turnover ratio	Times	0.98	0.78	0.83	0.93	0.97	1.10
Fixed Assets Turnover ratio	Times	1.97	1.42	1.43	1.53	1.70	1.69
No. of days in Inventory	Days	92	123	122	74	87	67
No. of days in Receivables	Days	35	54	33	46	29	23
No. of days in Payables	Days	20	27	16	24	17	23
Operating cycle	Days	107	151	139	97	100	64
Inventory Turnover Ratio	Times	3.95	2.96	2.99	4.96	4.19	5.46
Debtors Turnover Ratio	Times	10.39	6.67	10.94	7.77	12.26	15.70
Return on assets	%	9.05	(3.81)	0.40	3.81	0.83	(4.31)

COMMENTS ON SIX YEARS ANALYSIS ON THE PERFORMANCE OF THE COMPANY

ECONOMIC SLOW DOWN AND COVID 19

The business environment for textile spinning improved considerably with return of demand following covid slowdown and buoyant commodity prices which increased yarn prices and margins. Covid-19 has turned out to be a blessing in disguise for the Pakistan Textile industry as global buyers increasingly turned towards Pakistan by cutting orders to other regional players which resulted in substantial increase in capacity utilization of available production capacity in Pakistan specially for home textiles, knit garments and towels. Textile orders have shifted to Pakistan because of the more severe impact of the Covid-19 pandemic on regional countries as well as the trade disputes between China and the US. This has given Pakistani exporters, particularly the key market players, an opportunity to quote competitive prices and offer better quality products to make the new buyers become permanent customers.

STATEMENT OF FINANCIAL POSITION

Over six years, the asset base of the Company elevated mainly due to BMR investment in property, plant and equipment and increase in current assets mainly consisting of stock-in-trade and trade debtors which is aligned with upward movement of exchange rates to put up with growing demand and pattern of the business i.e., more local sales vs exports.

The shareholder's equity consists of share capital, reserves and revaluation surplus increased 77% over the past 5 years and increased by Rs 817 million in the current year due to improved conditions in the textile industry on back of high demand for yarn, higher commodity prices, reduced policy rate and overall improvement demand and supply patterns.

The non-current liabilities of the Company have geared-up in the past six years, principally due to the long-term loans obtained for BMR, fresh low-priced loans and repayment deferrals obtained last year as part of Covid related incentives offered by the Government. The current liabilities reduced in the current year due to improved liquidity on account of higher profitability but represents increased fund working capital requirements on account of higher level of local receivables and stocks which have increased on the back of higher priced cotton and consequently higher priced yarn.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

The turnover of the company has grown 82% over the past six years with major increase coming in the current year with a 33% increase in revenues pursuant to an increase in selling prices on the back of higher cotton commodity prices reflecting increased demand and supply/availability issues. Cost of Sales as averaged 92% of sales in last five years and was only 83% in current year due to timely purchase of cotton, relatively stable exchange rates during the year which helped to keep cost of raw materials at a lower level. Higher yarn prices therefore contributed to significantly to improved gross margin which was up 200% over last year.

Administrative, selling and distribution expenses as a % of sales have reduced by 1% to 3% when compared to average of last five years mainly due to conversion from export to local sales and more direct sales. During current year expenses were higher than last year due to significantly higher sales, higher export logistics cost and sale of carryover stocks from last year which remained unsold due to covid pandemic.

Other operating expenses reduced from last year due to elimination of unallocated expenses resulting from forced plant shut down during the pandemic and devaluation related exchange losses on import of raw materials to be partially replaced by WPPF/WWF charges on account of improved profitability.

Finance cost reduced by 36% mainly on account of reduction in Policy rate to 7% by SBP in June 2020 which has been held constant during the year by the Government to incentivize businesses, lower short-term borrowing due to improved liquidity partially offset by a small increase in long term borrowing.

Taxation during the current year was impacted by Deferred tax reversals on account of using the deferred tax rate applicable for the merged entity as the Company will operate as a merged entity in future and deferred tax will reverse in future.

The impact of the afore-stated, together with taxes resulted into a significant profit for the current year of Rs. 824 million which was higher than prior years.

CASHFLOW ANALYSIS

The Company's BMR is financed mainly from long-term borrowing and the working capital requirement is fulfilled through short-term running finance from reputable banks. The funds generated from Company operating activities improved significantly due significantly improved profitability and positive working capital variations from Stocks and Receivables. Investing activities comprises of investment in capital expenditure, subsidiaries and dividend income. The cash used in investing activities comprises of short-term investment and capital expenditure for BMR purposes. The financing activities of the Company comprises mainly of short-term financing obtained during the current year. Long term financing obtained during the year were low cost covid incentive loans which was matched with repayment of higher cost loans.

RATIO ANALYSIS

PROFITABILTY RATIOS

The Company achieved its highest ever gross profit of 1,506 million higher than last year by 200% and 223% higher than the average of last five years on account of higher yarn demand and improved yarn pricing on back of high commodity prices. EBITDA margin to sales is 15.6% higher than average of last five years of 6.4% driven by higher demand and pricing.

INVESTMENT / MARKET RATIOS

The earnings per share is Rs. 47.62 which is the highest in the last five years as top line improved

significantly and cost of raw materials, administrative, distribution, other expenses and finance costs were controlled due to internal and favorable external factors.

LIQUIDITY RATIOS

Helped by a very positive business environment, the Company significantly improved its overall positive cash flow in FY2021. Throughout the last six years, the Company's current ratio has remained well above 1 and was improved further to 1.46 during current year. In addition to early retirement of some long-term debt, all short term and long-term debt commitments were discharged on timely basis.

CAPITAL STRUCTURE RATIOS

The gearing level of the Company reduced during the current year due to improved profitability.

ACTIVITY/ TURNOVER RATIOS

The operating cycle reduced to 107 days during the current year mainly due to lower stock and receivable days on hand due to improved economic conditions prevailing in textile industry with timely customer payments, high demand for finished stocks and companies desire to maintain lower level of stocks.

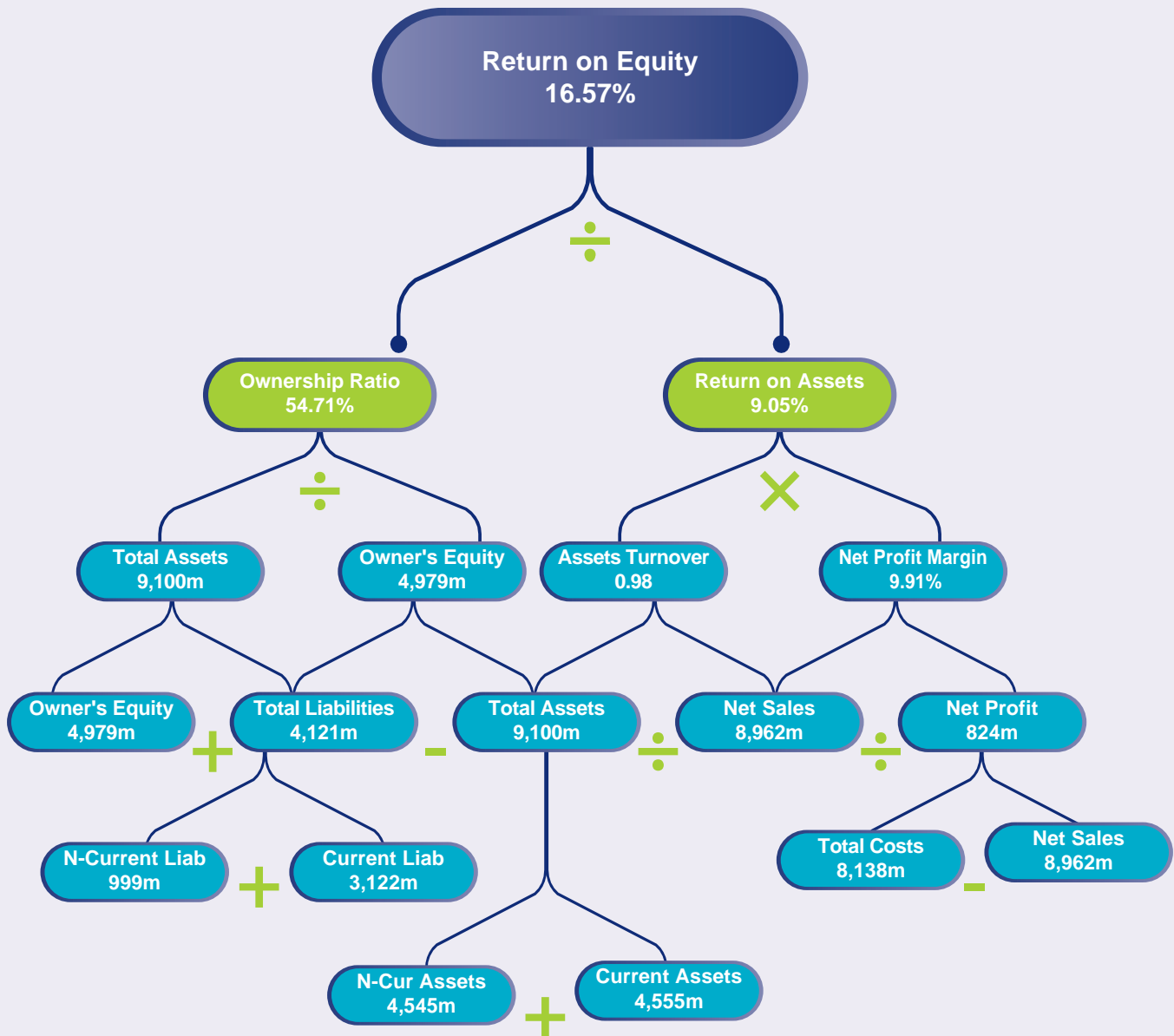
Analysis of the Financial Position

	2021	2020	2019	2018	2017	2016
----- Rupees in million -----						
Property, plant and equipment	4,536	4,725	4,682	3,935	2,945	2,891
Other non current assets	8	10	31	4	3	4
Current assets	4,556	3,908	3,376	2,564	2,239	1,580
Total assets	9,100	8,643	8,089	6,503	5,187	4,475
Shareholders' equity	4,979	4,162	4,472	3,737	2,810	2,819
Non current liabilities	999	1,135	933	830	470	324
Current portion of long term financing	139	19	96	118	62	64
Current portion of deferred government grant	6	3	-	-	-	-
Short term borrowings	2,329	2,668	2,154	1,362	1,564	855
Other current liabilities	648	656	434	456	281	413
Total equity & liabilities	9,100	8,643	8,089	6,503	5,187	4,475
Vertical Analysis						
		Percentage				
Property, Plant and Equipment	49.9	54.7	57.9	60.5	56.8	64.6
Other non current assets	0.1	0.1	0.4	0.1	0.1	0.1
Current assets	50.1	45.2	41.7	39.4	43.2	35.3
Total assets	100.0	100.0	100.0	100.0	100.0	100.0
Shareholders' equity	54.7	48.2	55.3	57.5	54.2	63.0
Non current liabilities	11.0	13.1	11.5	12.8	9.1	7.2
Current portion of long term financing	1.5	0.2	1.2	1.8	1.2	1.4
Short term borrowings	25.6	30.9	26.6	20.9	30.2	19.1
Other current liabilities	7.2	7.6	5.4	7.0	5.4	9.2
Total equity & liabilities	100.0	100.0	100.0	100.0	100.0	100.0
Horizontal Analysis						
		Percentage				
Property, Plant and Equipment	(4.0)	0.9	19.0	33.6	1.9	26.4
Other non current assets	(20.0)	(67.7)	675.0	33.3	(25.0)	(33.3)
Current assets	16.6	15.8	31.7	14.5	41.7	(23.6)
Total assets	5.3	6.9	24.4	25.4	15.9	2.6
Shareholders' equity	19.6	(6.9)	19.7	33.0	(0.3)	15.3
Non current liabilities	(12.0)	21.7	12.4	76.6	45.1	10.6
Current portion of long term financing	631.6	(80.2)	(18.6)	90.3	(3.1)	18.5
Short term borrowings	(12.7)	23.9	58.2	(12.9)	82.9	(30.4)
Other current liabilities	(1.2)	51.2	(4.8)	62.3	(32.0)	21.5
Total equity & liabilities	5.3	6.9	24.4	25.4	15.9	2.6

Analysis of the Cash Flows

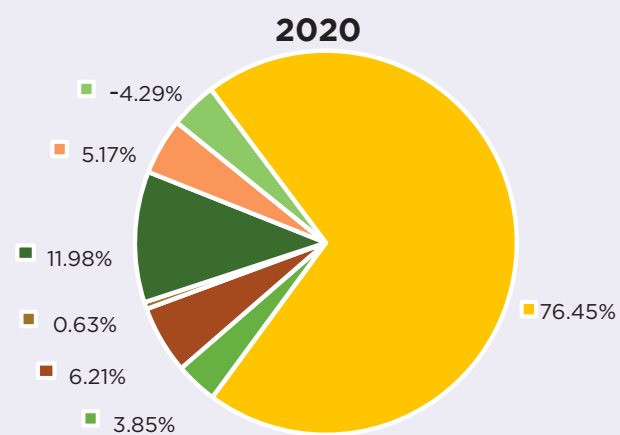
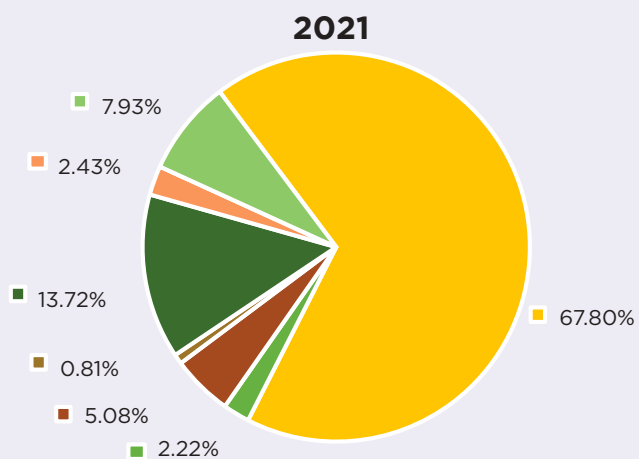
	2021	2020	2019	2018	2017	2016
	----- Rupees in million -----					
Net cash (used in)/generated from operating activities	1,527	(184)	(534)	345	(545)	497
Net cash (outflows)/inflows from investing activities	(304)	(256)	(154)	(404)	(209)	(89)
Net cash (outflows)/inflows from financing activities	471	(507)	817	53	87	(460)
Net (decrease)/increase in cash and cash equivalents	1,694	(947)	129	(6)	(667)	(52)
Vertical Analysis						
					Percentage	
Net cash generated/(used in) from operating activities	90.1	19.4	(414.0)	(5,750.0)	81.7	(955.8)
Net cash inflows/(outflows) from investing activities	(17.9)	27.0	(119.4)	6,733.3	31.3	171.2
Net cash inflows/(outflows) from financing activities	27.8	53.5	633.3	(883.3)	(13.0)	884.6
Cash and cash equivalents	100.0	100.0	100.0	100.0	100.0	100.0
Horizontal Analysis						
					Percentage	
Net cash (used in)/generated from operating activities	(929.8)	(65.5)	(254.8)	(163.3)	(209.7)	(376.1)
Net cash inflows/(outflows) from investing activities	18.7	66.2	(61.9)	93.3	134.8	(165.4)
Net cash (outflows)/inflows from financing activities	(192.9)	(162.1)	1,441.5	(39.1)	(118.9)	40.2
Net (decrease)/increase in cash and cash equivalents	(278.9)	(834.1)	(2,250.0)	(99.1)	1,182.7	(86.0)

DuPont Analysis



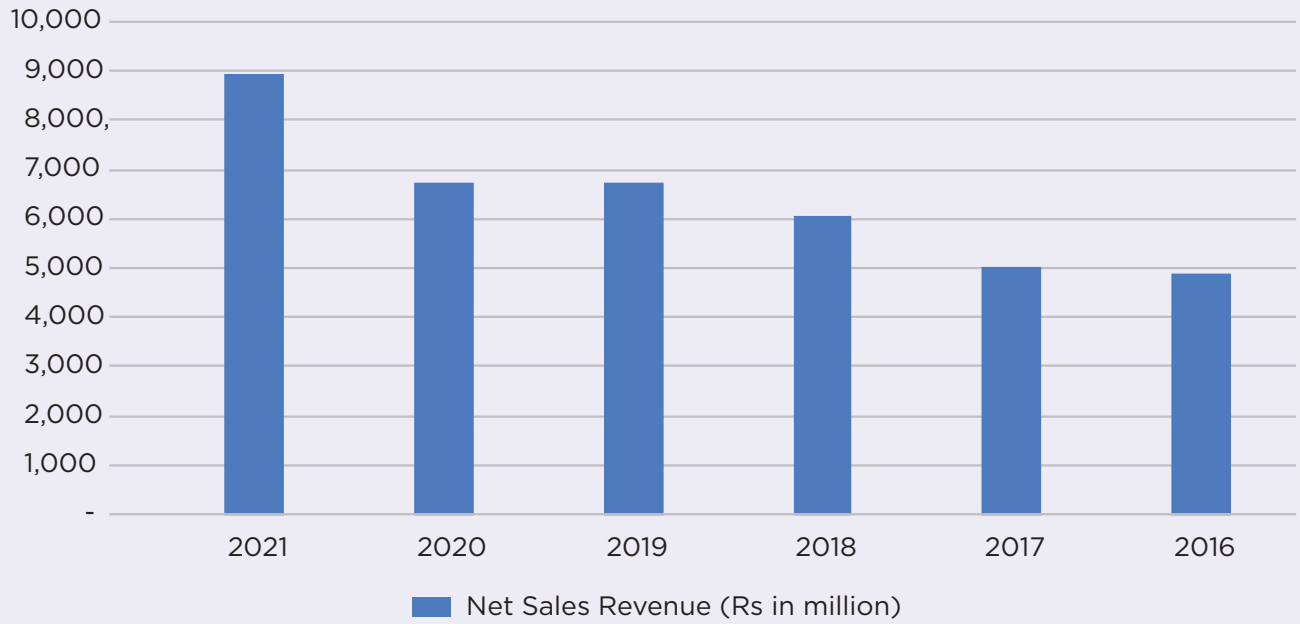
Statement of Value Additions and its Distribution

	2021		2020	
	Rs. In '000'	%	Rs. In '000'	%
Wealth generated				
Sales including sales tax	10,388,534	99.91%	7,646,931	99.86%
Other operating income	9,192	0.09%	10,663	0.14%
	10,397,726	100.00%	7,657,594	100.00%
Wealth distribution				
Cost of sales	7,050,022	67.80%	5,854,447	76.45%
Administrative, distribution and others	230,870	2.22%	294,698	3.85%
Employees	527,788	5.08%	475,742	6.21%
Income tax	84,568	0.81%	48,518	0.63%
Sales tax	1,426,458	13.72%	917,281	11.98%
Financial charges	253,040	2.43%	395,719	5.17%
Distribution within business	824,980	7.93%	(328,811)	-4.29%
	10,397,726	100.00%	7,657,594	100.00%

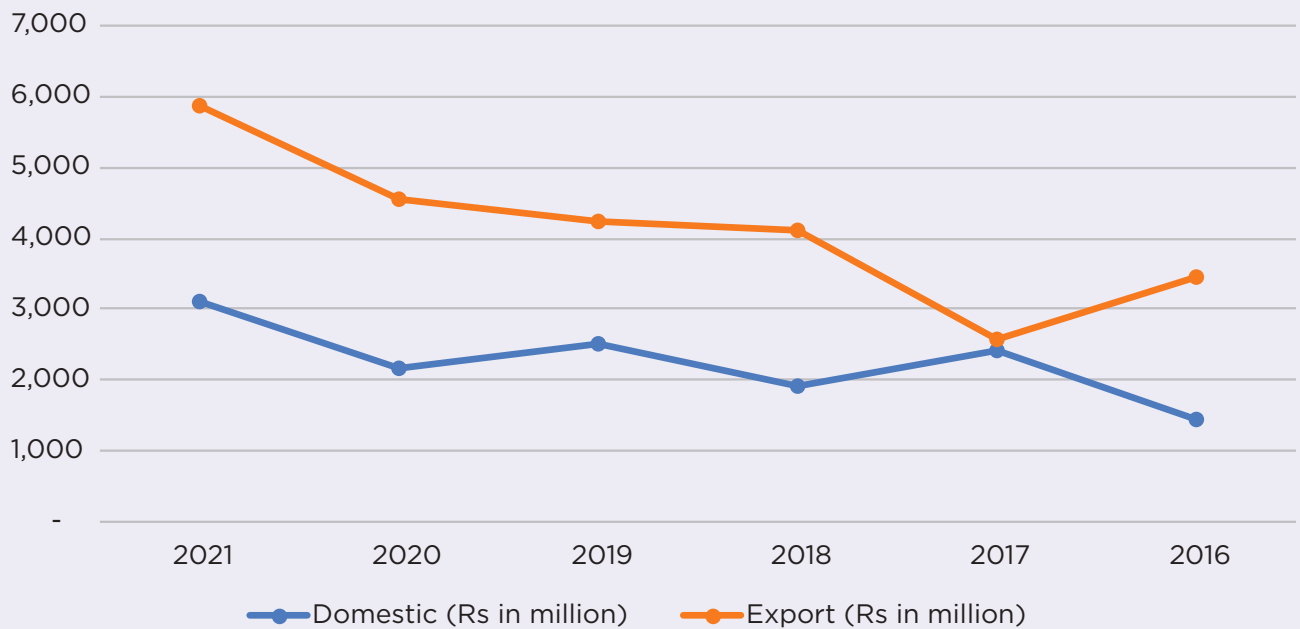


- Cost of sales
- Administrative, distribution and others
- Employees
- Income tax
- Sales tax
- Financial charges
- Distribution within business

Net Sales Revenue



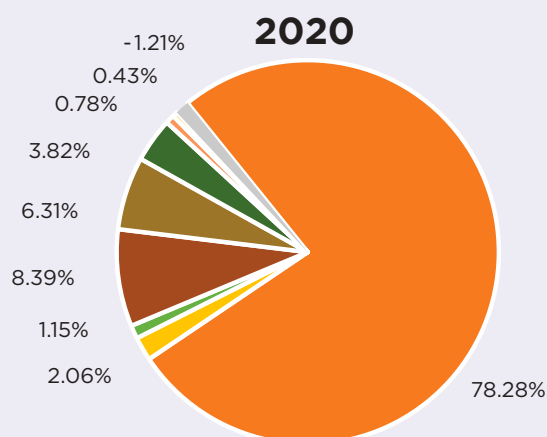
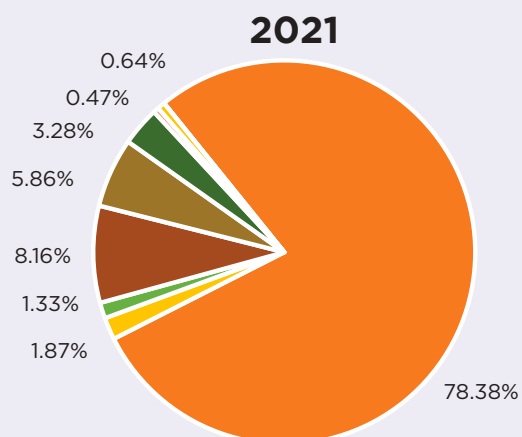
Sales Breakup



Analysis of Costs

Raw Material Consumed
Stores and Spares
Packing Material
Power and Fuel
Salaries, wages and benefits
Depreciation and amortisation
Ijara Rental
Others
Unallocated fixed overhead
Total

2021		2020	
Rs. In '000'	%	Rs. In '000'	%
5,435,374	78.38%	4,684,040	78.28%
129,595	1.87%	123,322	2.06%
92,563	1.33%	68,990	1.15%
566,102	8.16%	501,745	8.39%
406,454	5.86%	377,641	6.31%
227,702	3.28%	228,484	3.82%
32,760	0.47%	46,551	0.78%
44,241	0.64%	25,592	0.43%
-	0.00%	(72,647)	-1.21%
6,934,791	100.00%	5,983,718	100.00%

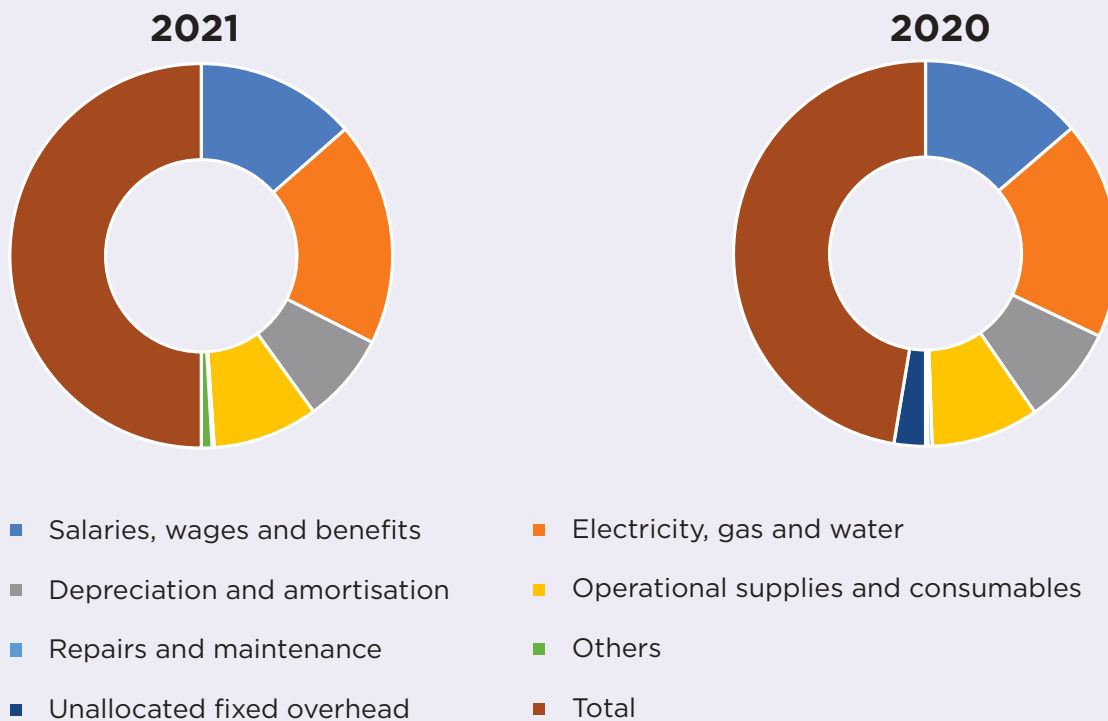


- Raw Material Consumed
- Stores and Spares
- Packing Material
- Power and Fuel
- Salaries, wages and benefits
- Depreciation and amortisation
- Ijara Rental
- Others

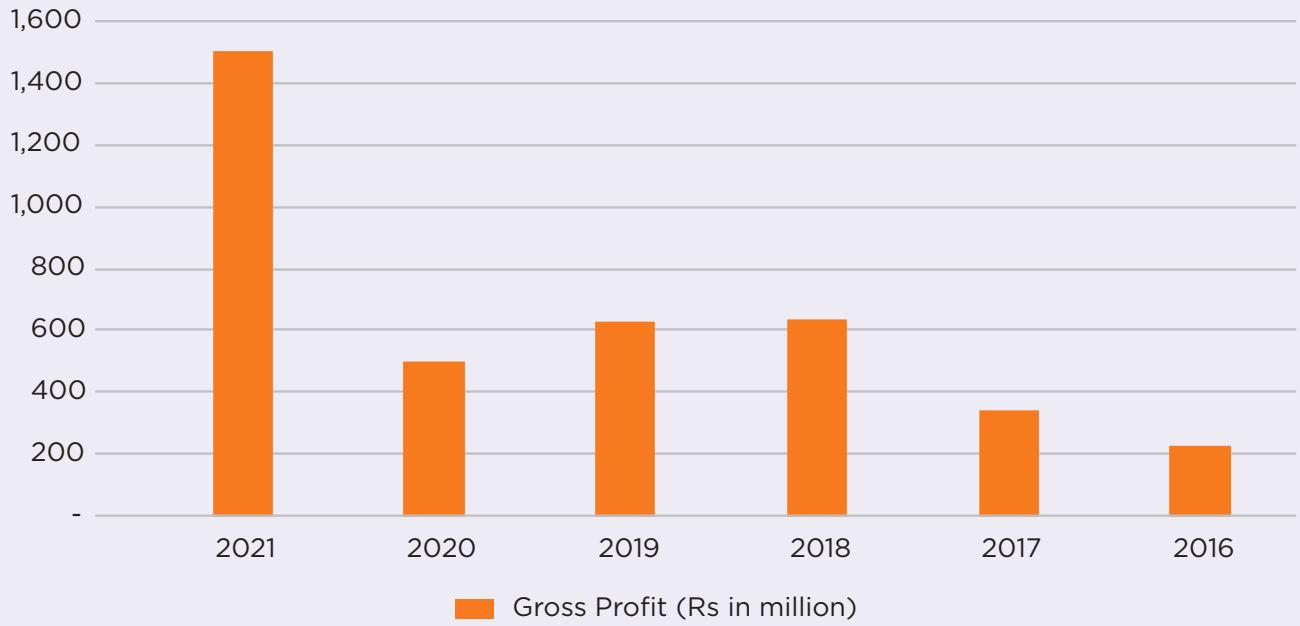
CONVERSION COST

	2021	2020
	...Rs in Million ...	
Salaries, wages and benefits	406	378
Electricity, gas and water	566	502
Depreciation and amortisation	228	228
Operational supplies and consumables	267	249
Repairs and maintenance	5	10
Others	27	6
Unallocated fixed overhead	-	(73)
Total	1,499	1,300

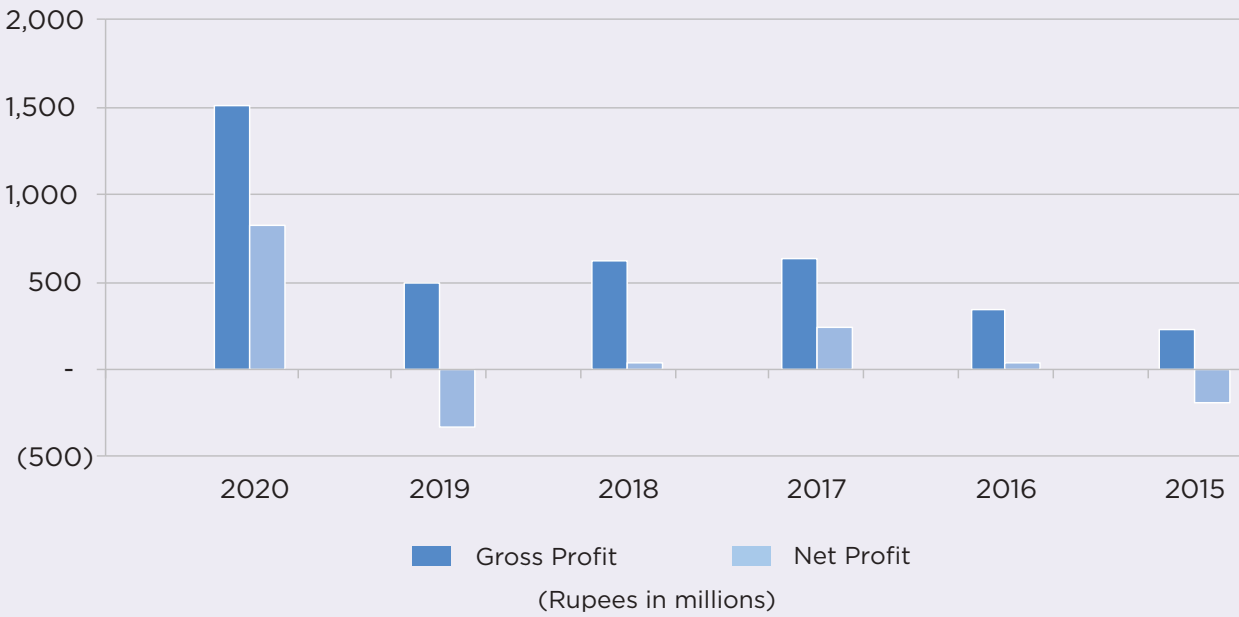
...Rs in Million ...



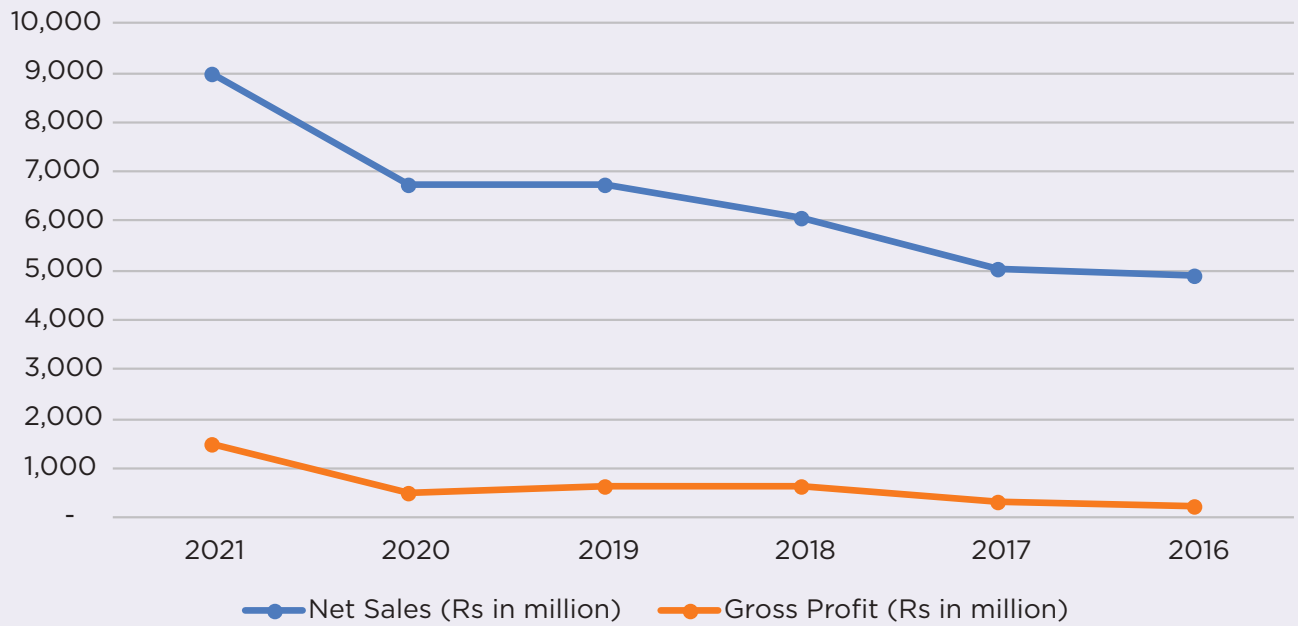
Gross Profit



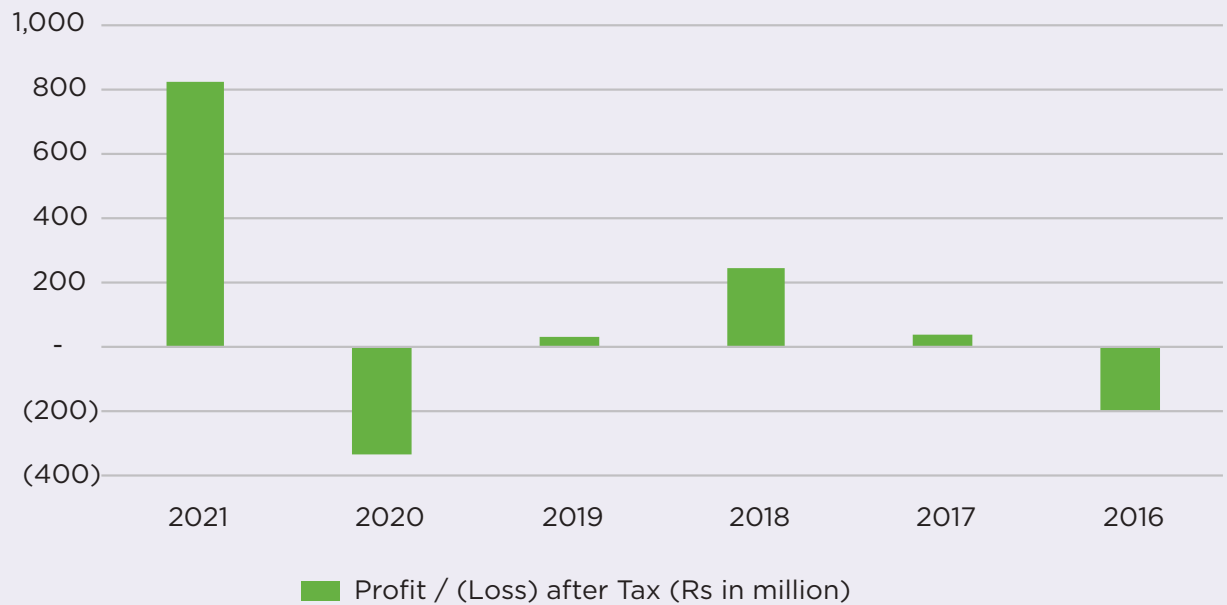
Gross & Net Profit

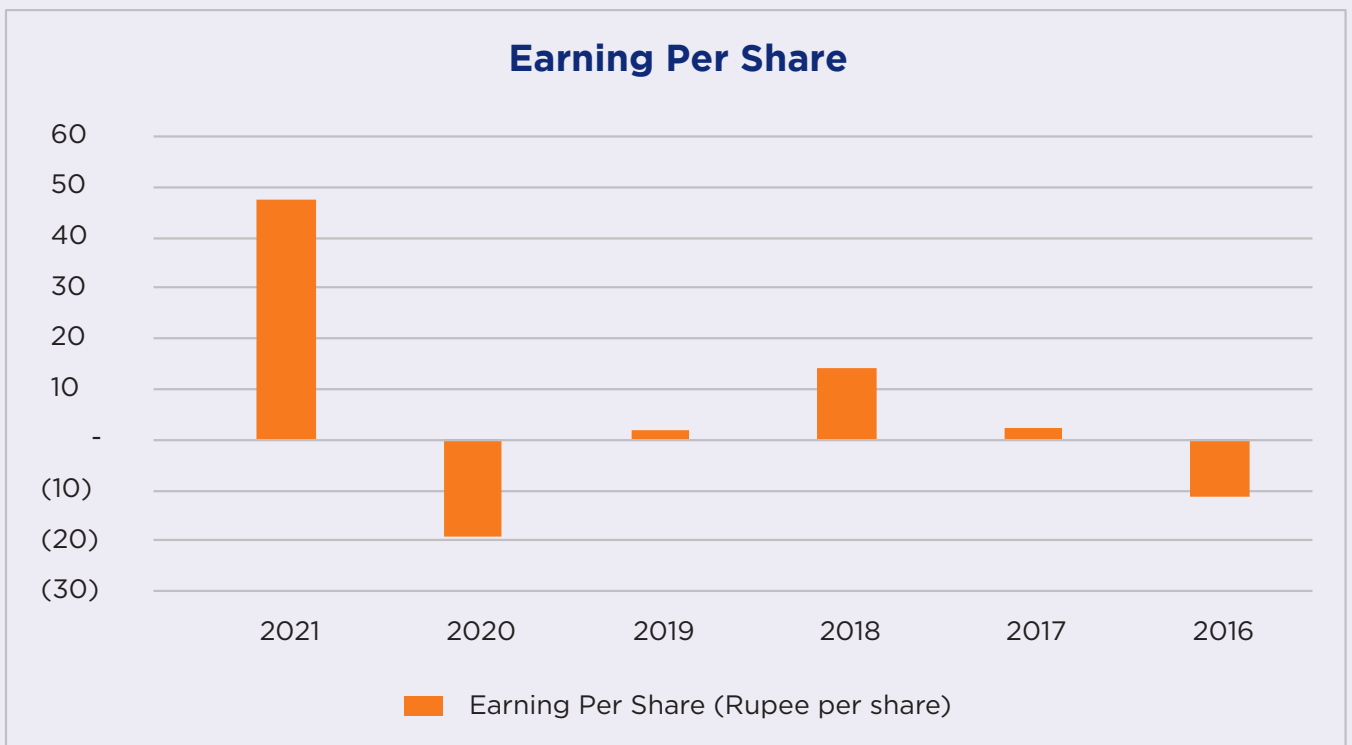
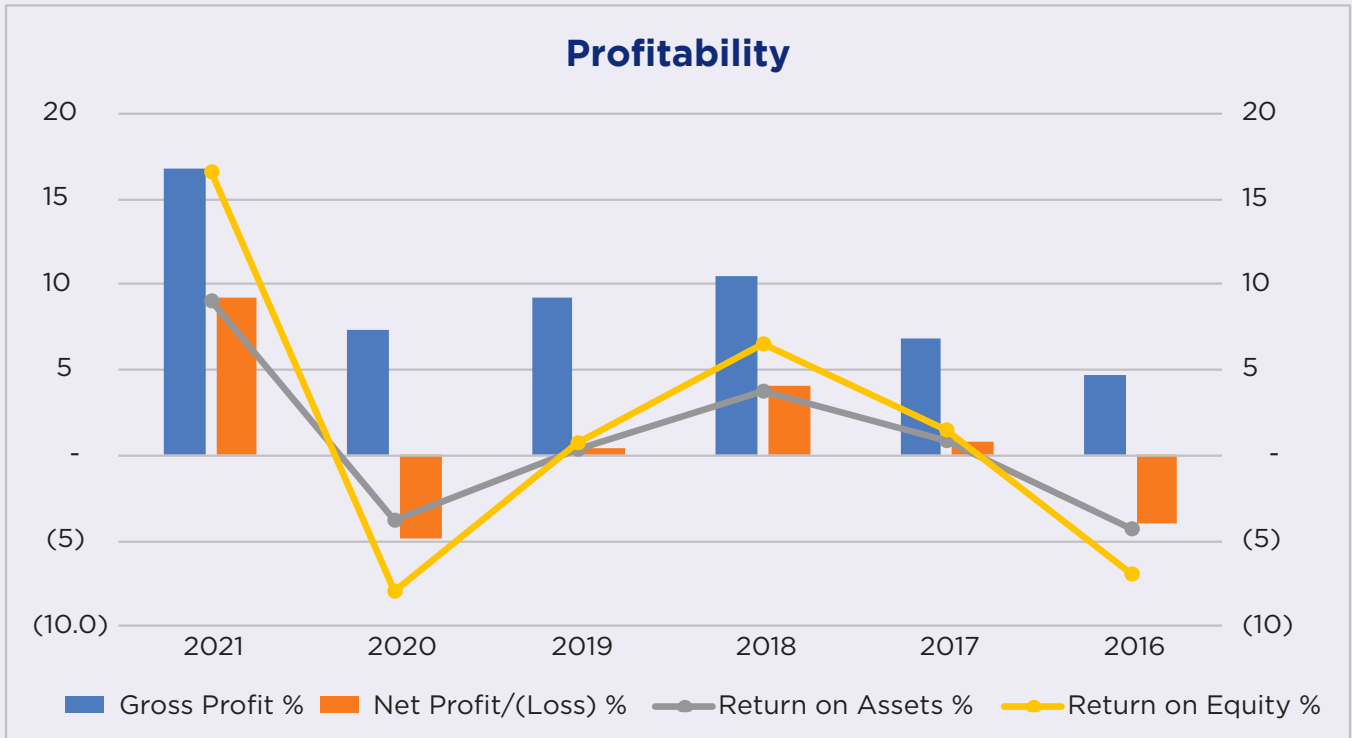


Net Sales and Gross Profit

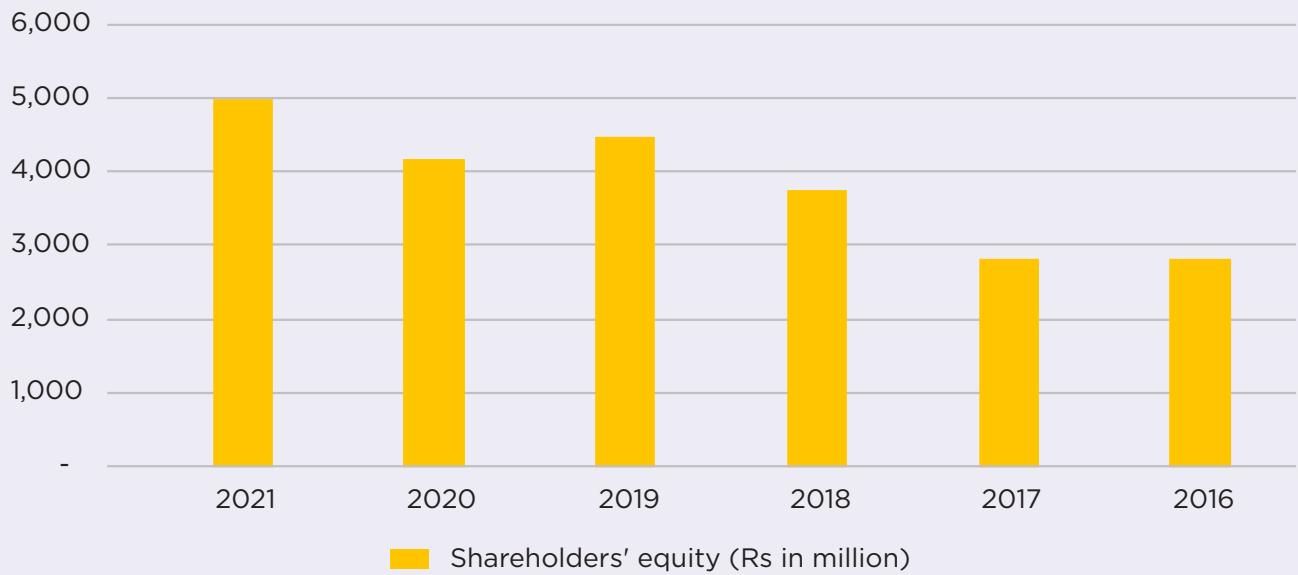


Profit / (Loss) After Tax

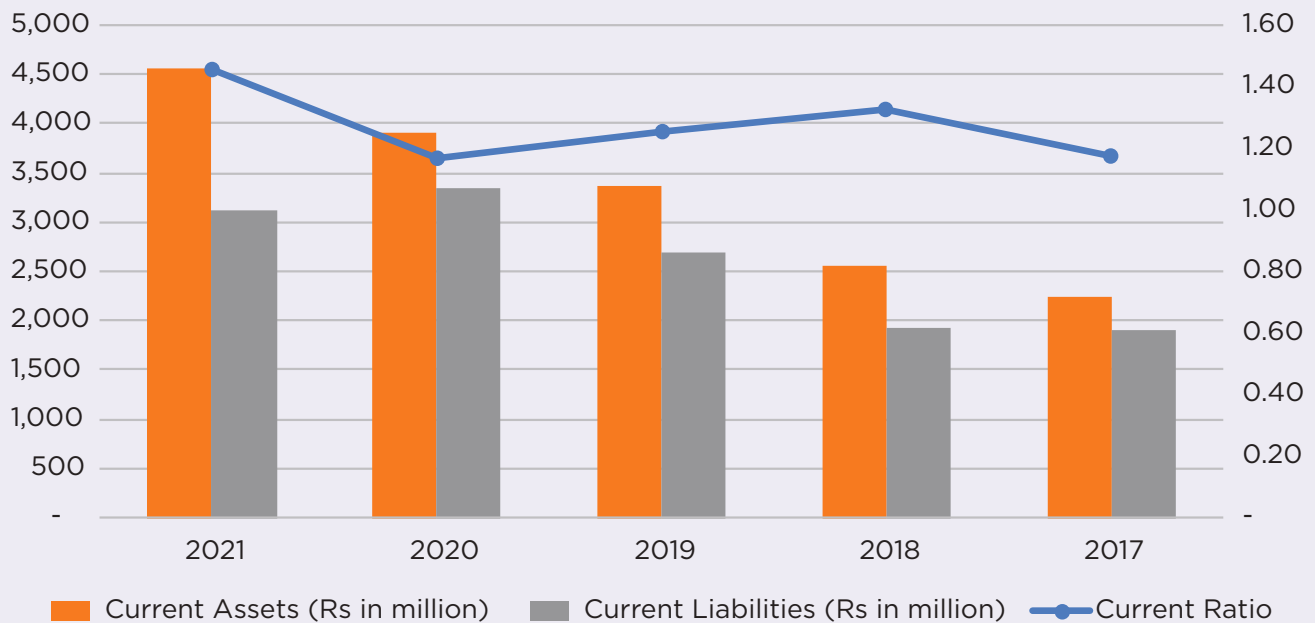




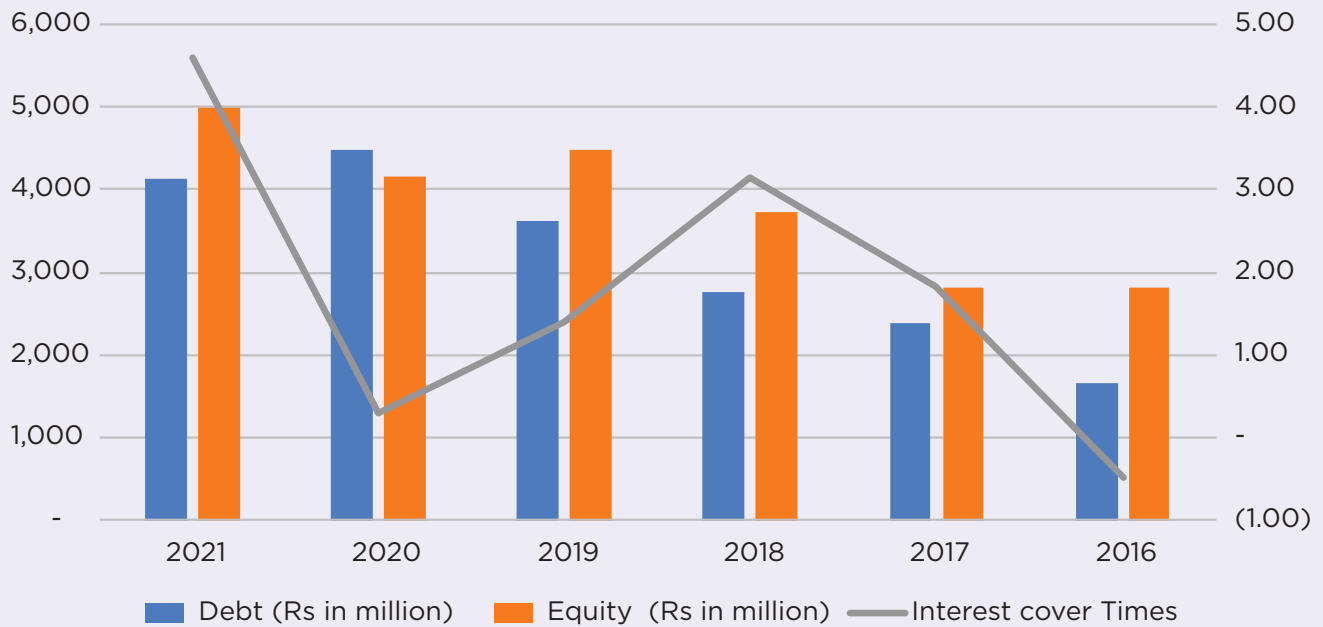
Shareholders equity / Book Value per share



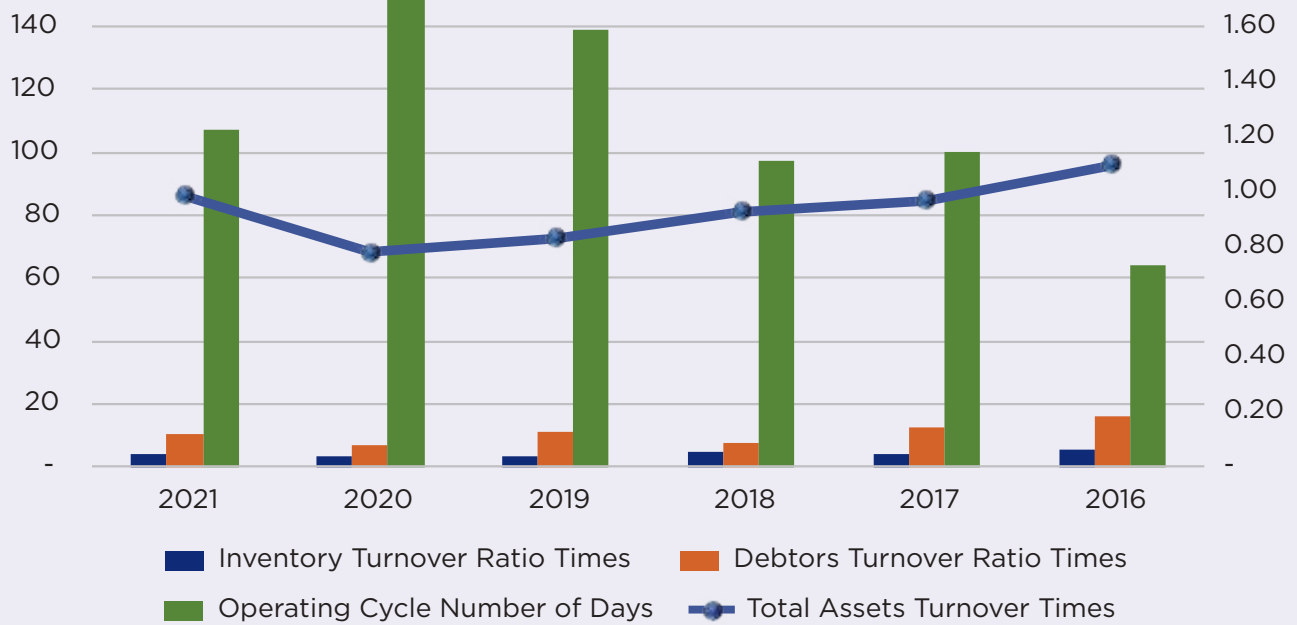
Current Assets, Current Liabilities & Current Ratio



Debt Management & Interest Cover Ratio



Asset Management Ratio



PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2021

NO. OF SHAREHOLDERS	SHARE-HOLDING		TOTAL SHARES HELD
	FROM	TO	
1235	1	100	56,783
455	101	500	106,873
358	501	1000	247,301
111	1001	5000	271,192
28	5001	10000	218,268
13	10001	15000	176,100
6	15001	20000	114,007
3	20001	25000	68,500
4	25001	30000	115,269
1	30001	35000	30,392
1	35001	40000	35,305
1	40001	45000	41,500
2	45001	50000	100,000
1	50001	55000	53,267
1	55001	60000	55,545
2	65001	70000	132,250
1	80001	85000	81,500
1	130001	135000	135,000
1	195001	200000	200,000
1	200001	205000	202,824
1	230001	235000	232,000
3	280001	285000	852,337
1	285001	290000	285,708
1	320001	325000	323,881
1	975001	980000	980,000
1	1730001	1735000	1,731,998
1	10475001	10480000	10,476,950
2235			17,324,750

CATEGORIES OF SHAREHOLDERS

	NUMBER OF SHAREHOLDER	SHARES HELD	PERCENTAGE
Directors, their Spouse(s) and Minor Children	13	11,046,645	63.76
NIT & ICP	3	1,751,980	10.11
Banks, Development Finance Institutions, Non-Banking Financial Institutions	2	4,467	0.03
Insurance Companies	1	664	0.00
Modarabas and Mutual Funds	2	65,697	0.38
Others	13	448,680	2.59
General Public-Local	2,201	4,006,617	23.13
	2,235	17,324,750	100.00

Detail of Categories of Shareholders

AS AT JUNE 30, 2021

	No. of Shareholders	Shares Held
DIRECTORS, THEIR SPOUSE(S) & MINOR CHILDREN		
Mr. Mazhar Valjee (Chairman/Director)	1	500
Mr. Shahid Anwar Tata (Chief Executives)	2	10,676,950
Mr. Adeel Shahid Tata (Director)	1	29,869
Mr. Bilal Shahid Tata (Director)	1	3,273
Mr. Muhammad Jawaid Iqbal (Director)	1	500
Mr. Farooq Advani (Director)	2	586
Mr. Tayyeb Afzal (Director)	1	6,500
Ms. Samar Shahid (Director)	2	586
Mrs. Saiqa Shahid (W/o Mr. Shahid Anwar Tata)	1	323,881
Mrs. Bushra Tayyeb Afzal (W/o Mr. Tayyeb Afzal)	1	4,000
	13	11,046,645
NIT & ICP		
Investment Corporation of Pakistan	2	19,982
CDC - Trustee National Investment (Unit) Trust	1	1,731,998
	3	1,751,980
BANKS, DEVELOPMENT FINANCIAL INSTITUTIONS, NON-BANKING FINANCIAL INSTITUTIONS		
National Development Finance Corporation	1	3,223
National Bank of Pakistan	1	1,244
	2	4,467
INSURANCE COMPANIES		
Central Insurance Co. Ltd.	1	664
MODARABAS AND MUTUAL FUNDS		
CDC - Trustee AKD Opportunity Fund	1	30,392
CDC - Trustee Golden Arrow Stock Fund	1	35,305
	2	65,697
OTHERS		
	13	448,680
GENERAL PUBLIC		
Local	2,201	4,006,617
Grand Total	2,235	17,324,750
Shareholders Holding 10% or more		
	Shares Held	Percentage
Shahid Anwar Tata	10,676,950	61.63
CDC - Trustee National Investment (Unit) Trust	1,731,998	10.00

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 35th Annual General Meeting of the Shareholders of Tata Textile Mills Limited will be held on Tuesday, the October 05, 2021 at 11:00 a.m. through video link facility at 6th Floor, Textile Plaza, M. A. Jinnah Road, Karachi to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Annual Audited Financial Statements of the Company for the year ended June 30, 2021 together with the Directors' and Auditors' Report thereon and the Review Report of the Chairman.
2. To appoint Auditors and fix their remuneration. The shareholders are hereby notified that the Board and the Board Audit Committee have recommended the name of M/s Yousuf Adil, Chartered Accountants, for re-appointment as auditors of the Company for the year ending June 30, 2022.

SPECIAL BUSINESS

Ordinary Resolution

3. To consider and pass the following ordinary resolutions:
 - a) "RESOLVED that the transactions carried out in normal course of business with associated companies as disclosed in Note No. 37 of the audited financial statements for the year ended June 30, 2021 be and are hereby ratified and approved."
 - b) "RESOLVED that the Chief Executive Officer of the Company be and is hereby authorized to approve all the transactions carried out and to be carried out in normal course of business with associated companies during the ensuing year ending June 30, 2022 and, in this connection, the Chief Executive Officer be and is hereby also authorized to take any and all necessary actions and sign/execute any and all such documents/indentures as may be required in this regard on behalf of the Company."

OTHER BUSINESS

4. To transact any other ordinary business or businesses with the permission of the Chairman.

Statement under section 134(3) of the Companies Act, 2017 pertaining to the Special Business is being annexed.

By Order of the Board of Directors



Muhammad Hussain
Company Secretary

Karachi:
Dated: September 14, 2021

1. Coronavirus contingency planning for the Annual General Meeting (AGM)

Due to current COVID-19 situation and to ensure the safety and well-being of the shareholders and general public, the Company is holding this meeting through video link as allowed by the Securities and Exchange Commission of Pakistan vide its Circular No. 6 of 2021 dated 03 March, 2021. To attend the AGM through video link, the members and their proxies are requested to register themselves by providing the following information along with their Name, Folio Number, Cell No., and Number of Shares held in their name, a valid copy of CNIC (both sides)/ passport attested copy of board resolution / power of attorney (in case of corporate shareholders) through email with subject "Registration for Tata AGM" at ttm.corporate@tatapakistan.com by October 02, 2021:

Name of Member/ proxyholders	CNIC No.	Folio No./ Participant Id/ Account No.	Cell No./ WhatsApp's No.	Email ID.

The shareholders who are registered after the necessary verification shall be provided a video link by the Company on the said email address. The login facility will remain open from start of the meeting till its proceedings are concluded. Shareholders can also provide their comments and questions for the agenda items of the AGM at the email address ttm.corporate@tatapakistan.com or at WhatsApp No.0333-2313361 Members are therefore, encouraged to attend the AGM through video link and by consolidating their attendance through proxies.

2. Closure of Share Transfer Books

The Share Transfer Books of the Company will remain closed from September 27, 2021 to October 05, 2021 (both days inclusive). Transfers received at the Company's Share Registrar's Office at CDC Share Registrar Services Limited Office CDC, House, 99-B Block "B", S.M.C.H.S. Main Shakra-e-Faisal, Karachi at the close of business hours on September 24, 2021 will be treated in time for the purposes of attending, speaking and voting at the Annual General Meeting (AGM).

3. Participant in the Annual General Meeting and appointing proxies

All shareholders entitled to attend, speak and vote at this AGM shall be entitled to appoint another shareholder, as a proxy to attend and vote on his/her behalf. A corporate entity, being shareholder, may appoint any person, regardless whether they are a shareholder or not, as its proxy. In case of corporate entities, a resolution of the board of directors/power of attorney with specimen signature of the person nominated to represent and vote on behalf of the corporate entity shall be submitted with the Company along with a complete proxy form.

The instrument appointing a proxy and the power of attorney or other authority under which it is

signed or a notarial attested copy of the power of attorney must be deposited at the Registered Office of the Company at least 48 hours before the time of the meeting. Proxy Forms, in English and Urdu languages, have been dispatched to the members along with the notice of AGM.

CDC Account Holders will have to follow the guidelines as laid down in Circular No.1 dated January 26, 2000 issued by the SECP for attending the meeting.

4. Change of Address and other (if any)

Members are requested to notify their change of address, (if any) immediately to Company's Share Registrar M/s CDC Share Registrar Service Limited.

- 5. CNIC / NTN** Pursuant to the directive of the Securities Exchange Commission of Pakistan (SECP), CNIC of members are mandatorily required to be mentioned on Tax/ Zakat certificate. Members are therefore requested to submit a copy of their valid CNIC (if not already provided) to Company's Share Registrar M/s CDC Share Registrar Service Limited.

6. Payment of Cash Dividend Electronically (Mandatory)

Under the second proviso of Section 242 of the Company Act, 2017, listed companies are required to pay cash dividend to its shareholders only through electronic mode directly into bank account designated by the entitled shareholders. Accordingly, Members are requested to provide their International Banking Account Number (IBAN) together with a copy of the Computerized National Identity Card (CNIC) to update our records. In case of non-submission, all future dividend payments may be withheld.

- 7. Unclaimed Dividends and Bonus Shares** Shareholders, who by any reason, could not claim their dividend or bonus shares or did not collect their physical shares, are advised to contact Company's Share Registrar M/s CDC Share Registrar Services Limited to collect/ enquire about their unclaimed dividend or pending shares, if any. Please note that in compliance with Section 244 of the Companies Act, 2017, after having completed the stipulated procedure, all dividends unclaimed for a period of three (3) years from the date due and payable shall be deposited to the credit of the Federal Government and in case of shares, shall be delivered to the Securities & Exchange Commission of Pakistan.

- 8. E-Voting** Members can exercise their right to demand a poll subject to meeting requirements of Section 143 -145 of Companies Act, 2017 and applicable clauses of Companies (Postal Ballot) Regulations 2018.

9. Transmission of Annual Report

Pursuant to the notification of the SECP S.R.O. 1196(I)/2019 dated October 03, 2019, the financial statements of the Company have been placed on the Company's website at www.tatapakistan.com.

Pursuant to SRO 470(1)2016, dated May 31, 2016, the shareholders of the Company have accorded approval in general meeting for transmission of the Annual Reports to its member through CD/DVD/USB at their registered addresses instead of transmitting the same in hard copies. Therefore, the Annual Report 2021 of the Company is dispatched in the form of DVDs to all members. Any member requiring printed copy of Annual Report 2021 may send a request for the same.

10. Deposit of Physical Shares into CDC Account

As per Section 72 of the Companies Act, 2017 every existing company shall be required to replace its physical shares with book entry form in a manner as may be specified and from the date notified by the SECP, within a period not exceeding four years from the commencement of the Companies Act, 2017 i.e. May 31, 2017.

The shareholder having physical shareholding may open CDC sub-account with any of the brokers or investor's account directly with the CDC to place their physical shares into scrip-less form. This will facilitate them in many ways including safe custody and sale of shares, any time they want, as the trading of physical shares is not permitted as per existing regulations of the Stock Exchange.

Statement under Section 134(3)(B) of the Companies Act, 2017

This statement is annexed to the notice of Annual General Meeting of the members of Tata Textile Mills Ltd. to be held on October 05, 2021 and sets out the material facts concerning the following Special Business to be transacted at the meeting for approval of members.

Ordinary Resolution

1. Agenda Item No. 5(a) of the Notice – Transactions carried out with associated companies during the year ended June 30, 2021 to be passed as an Ordinary Resolution.

The transactions carried out in normal course of business with associated companies (Related parties) were being approved by the Board as recommended by the Audit Committee on quarterly basis pursuant to clause 15 of Listed Companies Code of Corporate Governance Regulations 2019.

During the Board meeting it was pointed out by the Directors that as the majority of Company Directors were interested in these transactions due to their common directorship and holding of shares in the associated companies, the quorum of directors could not be formed for approval some of these transactions specifically, therefore, these transactions have to be approved by the shareholders in the General Meeting.

In view of the above, the transactions carried out during the financial year ended June 30, 2021 with associated companies shown in note No. 37 of the financial statements are being placed before the shareholders for their consideration and approval/ratification.

The Directors are interested in the resolution to the extent of their common directorships and their shareholding in the associated companies.

- 2.** Agenda Item No. 5(b) of the Notice – Authorization to the Chief Executive Officer for the transactions carried out and to be carried out with associated companies during the ensuing year ending June 30, 2022 to be passed as an Ordinary Resolution.

The Company is expected to be conducting transactions with associated companies in the normal course of business. The majority of Directors are interested in these transactions due to their common directorship and shareholding in the associated companies. Therefore, such transactions with associated companies have to be approved by the shareholders.

In order to comply with the provisions of clause 15 of Listed Companies Code of Corporate Governance Regulations 2019, the shareholders may authorize the Chief Executive Officer to approve transactions carried out and to be carried out in normal course of business with associated companies during the ensuing year ending June 30, 2022.

The Directors are interested in the resolution to the extent of their common directorships and their shareholding in the associated companies.

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF TATA TEXTILE MILLS LIMITED

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 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 Tata Textile Mills Limited (the Company) for the year ended June 30, 2021 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.

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, 2021.



Chartered Accountants

Place: Karachi
Date: September 03, 2021

Independent Correspondent Firm to
Deloitte Touche Tohmatsu Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TATA TEXTILE MILLS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Tata Textile Mills Limited (the Company), which comprise the statement of financial position as at June 30, 2021, and the statement of comprehensive income, the statement of changes in equity and the cash flow statement 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, the statement of financial position, the statement of comprehensive income, the statement of changes in equity and the cash flow statement 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, 2021 and of the loss and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for 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.

Emphasis of Matter

We draw attention to Note 1.2 of the financial statements, which describes the amalgamation of Salfi Textile Mills Limited (SALT), Island Textile Mills Limited (ILMT) and Tata Energy Limited (TEL) into Tata Textile Mills Limited (the Company). Our opinion is not modified in respect of this matter.

Key Audit Matters

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.

◆ YOUSUF ADIL

Following are the key audit matters:

Key audit matter	How our audit addressed the key audit matter
1. Revenue Recognition	
<p>The Company is engaged in manufacturing and sale of yarn. Revenue recognition policy has been explained in note 4.17, and the related amounts of revenue recognized during the year are disclosed in note 23 to the financial statements.</p> <p>The Company generates revenue from sale of goods to domestic as well as export customers.</p> <p>Revenue from the local (including indirect exports) and export sales is recognized when control of goods is transferred to the customer.</p> <p>We identified revenue recognition as key audit matter since it is one of the key performance indicators of the Company and because of the potential risk that revenue transactions may not have been recognized on point in time basis i.e. When control of goods is transferred to the customer, in line with the accounting policy adopted and may not have been recognized in the appropriate period.</p>	<p>Our audit procedures to assess the recognition of revenue, amongst others, included the following:</p> <ul style="list-style-type: none"> • obtained understanding and evaluate design and implementation of controls designed to ensure that revenue is recognized in the appropriate accounting period and based on transfer of control of goods to the customer; • assessed appropriateness of the Company's accounting policies for revenue recognition in light of applicable accounting and reporting standards; • checked on a sample basis whether the recorded local and export sales transactions were based on actual transfer of control of goods to the customer; • tested timeliness of revenue recognition by comparing individual sales transactions before and after the year end to underlying documents.

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

Management is responsible for the other information. The other information comprises the information included in annual 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. When we read the annual report, if we conclude that there is a material misstatement of therein, we are required to communicate the matter to those charged with governance and take necessary actions as required under law. We have not been provided with the other information and

◆ YOUSUF ADIL

therefore, do not report on it.

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 the 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 are 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

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◆ YOUSUF ADIL

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:

- 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 and loss, the statement of comprehensive income, the statement of changes in equity and the cash flow statement 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 Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Hena Sadiq.



Chartered Accountants

Place: Karachi

Date: September 03, 2021

Independent Correspondent Firm to
Deloitte Touche Tohmatsu Limited



Financial Statements

for the year ended June 30, 2021



STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2021

	Note	2021 ----- (Rupees) -----	2020
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	4,536,262,314	4,725,793,041
Intangible assets	6	5,274,560	6,877,628
Long-term deposits		3,188,850	2,902,489
		4,544,725,724	4,735,573,158
CURRENT ASSETS			
Stores, spares and loose tools	7	45,747,302	38,612,826
Stock-in-trade	8	1,887,580,372	2,102,807,173
Trade debts	9	862,344,558	1,009,595,827
Loans and advances	10	203,466,456	316,268,870
Short-term prepayments		3,087,332	1,338,943
Other receivables	11	-	5,039,523
Other financial assets	12	264,070,177	19,670,177
Sales tax refundable		38,233,522	39,234,649
Cash and bank balances	13	1,250,879,274	375,892,663
		4,555,408,993	3,908,460,651
TOTAL ASSETS		9,100,134,717	8,644,033,809
EQUITY AND LIABILITIES			
EQUITY			
Share capital	14	173,247,500	173,247,500
Reserves		1,000,000,000	1,000,000,000
Unappropriated profit		1,527,933,717	594,696,001
Surplus on revaluation of property, plant and equipment	15	2,277,797,433	2,394,419,640
		4,978,978,650	4,162,363,141
NON-CURRENT LIABILITIES			
Long-term finances	16	529,007,631	668,737,025
Deferred liabilities	17	468,537,647	464,002,163
Deferred government grant	18	1,271,578	1,926,490
		998,816,856	1,134,665,678
CURRENT LIABILITIES			
Trade and other payables	19	500,156,503	482,197,590
Interest / mark-up accrued on borrowings	20	36,379,297	91,793,707
Short-term borrowings	21	2,328,876,843	2,668,359,819
Current portion of long-term finances	16	139,299,939	19,348,863
Current portion of deferred government grant	18	6,484,475	3,445,591
Unclaimed dividend		4,463,136	4,482,700
Provision for income tax		106,679,018	77,376,720
		3,122,339,211	3,347,004,990
TOTAL EQUITY AND LIABILITIES		9,100,134,717	8,644,033,809
CONTINGENCIES AND COMMITMENTS			
	22		

The annexed notes from 1 to 44 form an integral part of these financial statements.



SHAHID ANWAR TATA
CHIEF EXECUTIVE



HASEEB HAFEEZUDEEN
CHIEF FINANCIAL OFFICER



ADEEL SHAHID TATA
DIRECTOR

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021 ----- (Rupees) -----	2020
Revenue from contract with customers - net	23	8,962,076,161	6,729,650,107
Cost of goods sold	24	(7,456,476,070)	(6,232,088,791)
Gross profit		1,505,600,091	497,561,316
Distribution cost	25	(82,614,844)	(74,049,195)
Administrative expenses	26	(187,970,422)	(145,547,211)
Other operating expenses	27	(81,618,630)	(173,202,156)
Impairment loss on financial assets	28	(1,350,383)	-
Finance cost	29	(253,039,781)	(395,719,471)
		(606,594,060)	(788,518,033)
Other income	30	9,191,849	10,662,773
Profit / (Loss) before taxation		908,197,880	(280,293,944)
Taxation	31	(84,568,264)	(48,517,685)
Profit / (Loss) for the year		823,629,616	(328,811,629)
Other comprehensive income			
<i>Items that will not be reclassified subsequently through profit or loss</i>			
Remeasurement of defined benefit plan	171.3	1,896,621	(2,015,386)
Less: deferred tax thereon		(197,059)	201,539
Adjustment of surplus on revaluation of property plant and equipment due to change in tax rate	15.1	(8,713,669)	25,189,645
		(7,014,107)	23,375,798
Total comprehensive income / (loss) for the year		816,615,509	(305,435,831)
Earnings / (Loss) per share - basic and diluted	32	47.54	(18.98)

The annexed notes from 1 to 44 form an integral part of these financial statements.



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HASEEB HAFEEZUDEEN
CHIEF FINANCIAL OFFICER



ADEEL SHAHID TATA
DIRECTOR

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2021

	Issued, subscribed and paid up capital	Revenue reserves		Capital reserves		Total
		General reserve	Unappropriated profit	Revaluation surplus		
Balance at June 30, 2019	173,247,500	1,000,000,000	820,629,722	2,476,256,047		4,470,133,269
<i>Transaction with owners:</i>						
Final cash dividend for the year ended June 30, 2019 @ Rupee 1 per share	-	-	(8,662,375)	-	-	(8,662,375)
<i>Loss for the year:</i>	-	-	(328,811,629)	-	-	(328,811,629)
<i>Other comprehensive income:</i>						
Gain on remeasurement of defined benefit plan - net of tax	-	-	(1,813,847)	-	-	(1,813,847)
Adjustment of surplus on revaluation of property plant and equipment due to change in tax rate	-	-	-	25,189,645	25,189,645	25,189,645
<i>Total comprehensive income for the year</i>	-	-	(1,813,847)	25,189,645	25,189,645	23,375,798
<i>Transferred from surplus on revaluation of property, property, plant and equipment on account of:</i>						
- incremental depreciation	-	-	113,354,130	(113,354,130)	-	-
- adjustment in revaluation surplus	-	-	-	6,328,078	6,328,078	6,328,078
- disposal of property, plant and equipment	-	-	-	-	-	-
	-	-	113,354,130	(107,026,052)	(107,026,052)	6,328,078
	173,247,500	1,000,000,000	594,696,001	2,394,419,640		4,162,363,141

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	Issued, subscribed and paid up capital	Revenue reserves		Capital reserves		Total
		General reserve	Unappropriated profit	Revaluation surplus		
Transaction with owners	-	-	823,629,616	-	-	823,629,616
<i>Profit for the year:</i>						
<i>Other comprehensive income:</i>						
Surplus on revaluation of land, buildings, electric installations and plant and Gain on remeasurement of defined benefit plan - net of tax	-	-	1,699,562	-	-	1,699,562
Adjustment of surplus on revaluation of property plant and equipment due to change in tax rate	-	-	-	(8,713,669)	(8,713,669)	(8,713,669)
<i>Total comprehensive income for the year</i>	-	-	825,329,178	(8,713,669)	(8,713,669)	816,615,509
<i>Transferred from surplus on revaluation of property, plant and equipment on account of:</i>						
- incremental depreciation	-	-	107,120,976	(107,120,976)	(107,120,976)	-
- disposal of property, plant and equipment	-	-	787,562	(787,562)	(787,562)	-
	-	-	107,908,538	(107,908,538)	(107,908,538)	-
Balance at June 30, 2021	173,247,500	1,000,000,000	1,527,933,717	2,277,797,433	4,978,978,650	


Note

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The annexed notes from 1 to 44 form an integral part of these financial statements.


SHAHID ANWAR TATA
 CHIEF EXECUTIVE


HASEEB HAFEEZUDEEN
 CHIEF FINANCIAL OFFICER


ADEEL SHAHID TATA
 DIRECTOR

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021 ----- (Rupees) -----	2020
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (Loss) before taxation		908,197,880	(280,293,944)
Adjustments for:			
Depreciation	5.2	234,484,902	234,578,533
Amortisation	6	1,603,068	726,994
Provision for staff gratuity		34,928,087	34,625,702
Provision for compensated absences		2,661,538	7,912,596
Provision for doubtful debts		1,350,383	-
Provision for slow moving spares and loose tools		-	3,389,894
Unrealised loss on revaluation of other financial assets		10,057,741	
Sales tax refundable written off	24.1	21,119,291	-
Amortisation of deferred government grant	18.1	(9,030,275)	(360,327)
Finance cost	29	253,039,781	395,719,471
Loss / (Gain) on disposal of property, plant and equipment	27 & 30	4,247,609	(2,106,887)
Operating cash flows before changes in working capital		1,462,660,005	394,192,032
Decrease / (increase) in current assets			
Stores, spares and loose tools		(7,134,476)	8,917,603
Stock-in-trade		215,226,801	(63,772,313)
Trade debts		145,900,886	(394,593,646)
Loans and advances		61,348,602	(12,221,364)
Short-term prepayments		(1,748,389)	435,177
Other receivables		5,039,523	54,910,166
Sales tax refundable		(20,118,164)	56,780,178
Increase / (decrease) in current liabilities			
Trade and other payables		18,701,441	190,860,455
Net cash generated from operations		1,879,876,229	235,508,288
Finance cost paid		(308,454,191)	(364,579,351)
Income taxes paid		(21,198,753)	(29,001,321)
Staff gratuity paid		(18,532,539)	(19,536,034)
Staff compensated absences paid		(4,891,638)	(6,495,017)
Net cash generated from / (used in) operating activities		1,526,799,108	(184,103,435)

B. CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property, plant and equipment	(56,253,153)	(278,898,007)
Proceeds from disposal of property, plant and equipment	7,051,369	2,332,908
Purchase of intangible assets	-	(6,524,129)
Long-term investments	-	26,700,000
Other financial assets	(254,457,741)	-
Long-term deposits	(286,361)	(50,000)
Net cash used in investing activities	(303,945,886)	(256,439,228)

C. CASH FLOWS FROM FINANCING ACTIVITIES

	2021	2020
Note	----- Rupees -----	
Long-term finance obtained	117,174,416	243,298,670
Repayments of long-term finance	(125,538,487)	(85,897,446)
Short-term borrowings (paid off) / obtained - net	479,303,584	(655,356,422)
Dividend paid	(19,564)	(8,576,038)
Net cash generated from / (used in) financing activities	470,919,949	(506,531,236)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	1,693,773,171	(947,073,899)
Cash and cash equivalents at beginning of the year	(1,876,592,434)	(929,518,535)
Cash and cash equivalents at end of the year	(182,819,263)	(1,876,592,434)

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The annexed notes from 1 to 44 form an integral part of these financial statements.



SHAHID ANWAR TATA
CHIEF EXECUTIVE



HASEEB HAFEEZUDEEN
CHIEF FINANCIAL OFFICER



ADEEL SHAHID TATA
DIRECTOR

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

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 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.

1.2 Amalgamation of Salfi Textile Mills Limited (SALT), Island Textile Mills Limited (ILMT) and Tata Energy Limited (TEL) into Tata Textile Mills Limited (the Company)

The High Court of Sindh has passed order JCM No. 13 of 2020 dated March 04, 2021 and an addendum dated March 07, 2021 under section 279(2) of the Companies Act 2017 sanctioning the scheme of amalgamation with effect from July 01, 2021 binding the Company, ILMT, SALT and TEL and creditors and shareholders of the companies along with all other persons. All the statutory compliances in relation to amalgamation have been completed by the management.

The terms of the Scheme of Arrangement have resulted in immediate dissolution without winding up of ILMT, TEL and SALT and removal from the register of companies maintained by the Securities and Exchange Commission of Pakistan (SECP). All the assets and liabilities along with all other contracts, share certificates, bonds, documents, correspondences, records, agreements and instruments of any nature whatsoever in relation to the ILMT, TEL and SALT are transferred in the name of Tata Textile Mills Limited (TATM) and TATM will maintain its legal form as a result of amalgamation.

Further, in consideration for the transfer of the entire undertaking of ILMT, TEL and SALT, the Company has issued on July 01, 2021 its fully paid ordinary shares to all the shareholders of ILMT, TEL and SALT its fully paid-up ordinary shares. The swap ratio calculated based on the financial statement for the period ended December 31, 2019 is in the ratio of 30.2, 6 and 5.2 against each share in the ILMT, TEL and SALT respectively. As a result, the Company will be transferring a total of 15,100,000, 6,187,500 and 17,381,364 fully paid up ordinary shares of Rs. 10 to the shareholders of the ILMT, TEL and SALT respectively.

2 Basis of preparation

2.1 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;
- Provisions of and directives issued under the Companies Act, 2017; and
- Islamic Financial Accounting Standards (IFAS) issued by Institute of Chartered Accountants of Pakistan (ICAP) as notified under the Companies Act, 2017;

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for:

- property, plant and equipment measured at revalued amounts less accumulated depreciation thereon; and
- recognition of certain staff retirement benefits at present value.
- certain financial instruments measured at fair value.

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is the Company's functional and presentation currency.

2.4 Critical accounting estimates and judgments

The preparation of the financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make estimates, assumptions and use judgment that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses.

Estimates, assumptions and judgments 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. Areas where judgments and estimates made by the management that may have a significant effect on the amounts recognised in the financial statements are included in the following notes:

- Revaluation of certain items of property, plant and equipment (note 4.1)
- Useful lives of property, plant and equipment (note 4.1)
- Useful lives of intangible assets (note 4.2)
- Valuation of stores and spares and stock-in-trade (note 4.3 and 4.4)
- Impairment of financial and non-financial assets (note 4.5)
- Staff retirement benefit - gratuity scheme (note 4.12)
- Taxation (note 4.17)

3 Adoption of new and revised accounting standards

3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2021

The following standards, amendments and interpretations are effective for the year ended June 30, 2021. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

**Effective from
accounting period
beginning on or after:**

Amendment to IFRS 16 'Leases' - Covid-19 related rent concessions	June 01, 2020
Amendments to the conceptual framework for financial reporting, including amendments to references to the conceptual framework in IFRS	January 01, 2020
Amendments to IFRS 3 'Business Combinations' - Definition of a business	January 01, 2020
Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of material	January 01, 2020
Amendments to IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement' and IFRS 7 'Financial Instruments: Disclosures' - Interest rate benchmark reform	January 01, 2020

(Certain annual improvements have also been made to a number of IFRSs)

3.2 New accounting standards, amendments and IFRS interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

**Effective from
accounting period
beginning on or after:**

Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	January 01, 2021
Amendment to IFRS 16 'Leases' - Covid-19 related rent concessions extended beyond June 30, 2021	April 01, 2021
Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 01, 2022
Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 01, 2022
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts - cost of fulfilling a contract	January 01, 2022
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2023
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates	January 01, 2023
Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction.	January 01, 2023

(Certain annual improvements have also been made to a number of IFRSs)

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 17 – Insurance Contracts

4 Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These have been consistently applied to all the years presented, unless otherwise stated.

4.1 Property, plant and equipment

Accounting policy

Property, plant and equipment except free hold land, buildings on freehold land, plant and machinery and electric installations are stated at cost less accumulated depreciation and impairment, if any. While freehold land, building, plant and machinery and electric installations are stated at revalued amount being the fair value at the date of revaluation, less subsequent accumulated depreciation and impairment losses, if any. Revaluations are performed with sufficient regularity so that the fair value and carrying value do not differ materially at the reporting date.

Depreciation method

Depreciation is charged to statement of profit or loss applying the reducing balance method at the rates specified in note 5 of these financial statements. Depreciation on all additions in fixed assets is charged from the month in which the asset is available for use and on disposals upto the month preceding the month of disposal. The residual values, depreciation method and assets' useful lives are reviewed and adjusted, if appropriate, at each reporting date.

Subsequent expenditures

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to statement of profit or loss during the year in which these are incurred.

Gains and losses on disposals

Gains and losses on disposal of assets are taken to the statement of profit or loss, and the related surplus on revaluation of property, plant and equipment is recorded in other comprehensive income.

Surplus on revaluation of fixed assets

Increases in the carrying amounts arising on revaluation of land and buildings are recognised, net of tax, in other comprehensive income and accumulated in reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognised in statement of profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to

profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from the revaluation surplus to retained earnings.

Capital work-in-progress

Capital work-in-progress (CWIP) is stated at cost less any impairment loss, if any. All expenditures connected to specific assets incurred during installation and construction period are carried under CWIP. Expenditures include borrowing costs as referred to in note 4.15. Items are transferred to operating property, plant and equipment as and when assets are ready for their intended use.

4.2 Intangible assets

An intangible asset is recognised as an asset if it is probable that future economic benefits attributable to the asset will flow to the Company and the cost of such asset can be measured reliably.

Costs associated with maintaining computer software programs are generally recognised as an expense as incurred. However, costs that are directly associated with identifiable software and have probable economic benefits exceeding one year, are recognised as an intangible asset. Direct costs include the purchase cost of software and related overhead cost. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any, thereon.

Intangible assets with a definite useful life are amortised on a straight line basis over its useful life. Amortisation on all additions in intangible assets is charged from the month in which the asset is available for use and on disposals upto the month of disposal. Amortisation charge is recognised in the statement of profit or loss account. The rates of amortisation are disclosed in note 6.

4.3 Stores, spares and loose tools

These are valued at cost. The cost is determined on moving average basis less allowance for obsolete and slow moving items. Stores and spares in transit are stated at invoice values plus other charges incurred thereon upto the reporting date.

4.4 Stock in trade

Stock in trade is stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct Labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average cost method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

4.5 Impairment of non financial asset

The Company assesses at each reporting date whether there is any indication that assets except deferred tax assets and stock in trade may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognised in the statement of profit or loss. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

An impairment loss is reversed if there is a change in the estimates used to determine the

recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. A reversal of an impairment loss is recognised immediately in the statement of profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as an increase in revaluation surplus.

4.6 Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

4.6.1 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

A. Trade debts

Trade debts and other receivables are recognised initially at fair value and subsequently measured at amortised cost less loss allowance, if any. The Company always measures the loss allowance for trade debts at an amount equal to lifetime expected credit losses (ECL). The expected credit losses on trade debts are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

Trade debts and other receivables considered irrecoverable are written off.

Exchange gains or losses arising in respect of trade and other receivables in foreign currency are adjusted from their respective carrying amounts.

B. Other financial assets

Other financial assets are measured at amortised cost as they are held within a business model whose objective is to hold assets to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Other financial assets comprises of Term Deposit Receipts (TDRs).

C. Impairment of financial assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred loss event) and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or

principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

D. Derecognition of financial assets

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the entity has transferred substantially all risks and rewards of ownership.

4.6.2 Financial liabilities

All financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are recognised initially at fair value less any directly attributable transaction cost. Subsequent to initial recognition, these are measured at amortized cost using the effective yield method.

A financial liability is derecognised when the obligation under the liability is discharged or 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 derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the statement of profit or loss account.

A. Bank borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred and are subsequently stated at amortised cost. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer the settlement of the liability for at least twelve months after the reporting date. Exchange gains and losses arising in respect of borrowings in foreign currency are added in the carrying amount of the borrowing.

B. SBP - Refinance scheme for salary payments

Loan obtained under the State Bank of Pakistan (SBP) Refinance Scheme for Payment of Wages and Salaries to the Workers and Employees was initially recognised at its fair value, which is the present value of future cash outflows discounted using the prevailing market interest rate of a similar instrument. The differential between the loan proceeds and fair value is recorded as government grant under IAS 20 "Government Grant".

In subsequent periods, the loan amount would be accreted using the effective interest method. The accreditation would increase the carrying value of the loan with a corresponding effect on the interest expense for the period.

The benefit of interest rate lower than market rate on borrowings obtained under State Bank of Pakistan (SBP) under Refinance Scheme for Payment of Wages and Salaries to the Workers and Employees of the entity, is accounted for as a government grant which is the difference between loan received and the fair value of the loan. The differential amount is recognised and presented in statement of financial position as deferred government grant.

In subsequent periods, the grant shall be amortised over the period of loan and amortisation shall be recognised and presented as reduction of related interest expense.

C. Trade and other payables

Trade and other payables are recorded initially at fair value and subsequently measured at amortised cost. Generally, this results in their recognition at their nominal value.

D. Derecognition of financial liabilities

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

4.6.3 Derivatives

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at their fair values. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative. Any change in the fair value of derivative financial instruments is taken to the statement of profit or loss account.

4.7 Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount reported in the statement of financial position, if the Company has a legal enforceable right to set off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously..

4.8 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of statement of cash flows, cash and cash equivalents consist of cash in hand, balances with banks, highly liquid short-term investments that are convertible to known amount of cash and subject to insignificant risk of change in value, and short-term running finances. Running finances under mark-up arrangements are shown with short term borrowings in current liabilities on the statement of financial position.

4.9 Share capital

Ordinary shares are classified as equity and are recorded at their face value.

4.10 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements in the period in which the dividends are approved for distribution to shareholders.

4.11 Staff retirement benefits

The Company manages two unfunded schemes for its workmen and non-workmen categories, the details of which are as follows:

i. Defined benefit plan - Workmen

The Company operates a gratuity scheme for all its employees under workmen category who have completed the minimum qualifying period of service as defined under the respective schemes. Provisions are made to cover the obligations under the scheme on the basis of actuarial valuation and charged to statement of profit or loss and other comprehensive income. All actuarial gains and losses are recognised in other comprehensive income as they occur. The most recent valuation was carried out as at June 30, 2021 using 'Projected Unit Credit Method'. The amount recognised in the statement of financial position represents the present value of defined benefit obligation.

ii. Defined benefit plan - Non workmen

The Company also maintains an unfunded contributory gratuity scheme for its employees under non-workmen category. Under this scheme, every eligible employee is entitled to receive benefit of one month salary based on last month of each year's service. The Company accounts for liability of each employee at year end and such liability is treated as full and final with respect to that year. In future years, the liability amount is not revised for any increase or decrease in salary.

iii. Compensated absences

The Company provides for compensated absences of its employees on unavailed balance of leave in the period in which the leave is earned based on one gross salary of the employee. Under the policy, leaves of 10 days for all staff only working in shifts can be accumulated and carried forward.

4.12 Ijarah contracts

Ijarah agreements irrespective of whether significant portion of risks and rewards relating to ownership of the asset are retained by the lessor are classified as operating leases. Payments made under these agreements are recognised in the statement of profit or loss on straight-line basis over the period of the agreement.

4.13 Borrowing cost

Borrowing costs are recognised as an expense in the period in which these are incurred except where such costs are directly attributable to the acquisition, construction or production of a qualifying asset in which case such costs are capitalised as part of the cost of that asset. Borrowing costs eligible for capitalisation are determined using effective interest rate method.

4.14 Provisions

Provisions are recognised when the Company has a present, legal or constructive obligation as a result of the past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. However, provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

4.15 Taxation

i. Current

Provision for current taxation is based on taxable income at the current tax rates after taking into account tax credits and rebates available, if any or on turnover at the specified rates or Alternate Corporate Tax as defined in section 113C of the Income Tax Ordinance, 2001, whichever is higher. The charge for current tax also includes adjustments, where necessary, relating to prior years which arise due to assessment framed / finalised during the year.

ii. Deferred

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.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax

asset is recognised for all deductible temporary differences and carried forward unused tax losses, if any, to the extent that it is probable that taxable profit will be available against which such temporary differences and tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rate that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date. In this regard, the effects on deferred taxation of the portion of income expected to be subject to final tax regime is adjusted in accordance with the requirements of Accounting Technical Release - 27 of the Institute of Chartered Accountants.

4.16 Revenue recognition

Revenue from contracts with customers is recognised at the point in time when the performance obligation is satisfied i.e. control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled to in exchange for those goods

Interest income is recognised on a time proportionate basis using the effective rate of return.

4.17 Earnings per share

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 period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

4.18 Segment reporting

Segment information is presented on the same basis as that used for internal reporting purposes by the Chief Operating Decision Maker (CODM). The Company considers Chief Executive as its CODM who is responsible for allocating resources and assessing performance of the operating segments. On the basis of its internal reporting structure, the Company considers itself to be a single reportable segment.

4.19 Foreign currency transactions and translation

Foreign currency transactions are translated into Pakistan Rupees (functional currency) using the exchange rate prevailing at the dates of transactions. Monetary assets and liabilities in foreign currencies are translated at year end into Pakistan Rupees using the exchange rate at the reporting date. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translations of monetary assets and liabilities denominated in foreign currencies at reporting date are included in the statement of profit or loss account.

5	PROPERTY, PLANT AND EQUIPMENT	Note	2021	2020
			----- (Rupees) -----	
	Operating assets	5.1	4,524,774,587	4,717,936,427
	Capital work in progress	5.6	11,487,727	7,856,614
			4,536,262,314	4,725,793,041

5.1 Operating assets

Particulars	Cost/ revalued amount at July 01, 2020	Additions / transfers during the year	Disposals / write off during the year	Cost/ revalued amount at June 30, 2021	Accumulated depreciation for the year	Depreciation on disposals / write off	Accumulated depreciation at June 30, 2021	Written down value at June 30, 2021	Rate
----- (Rupees) ----- %									
Owned									
Freehold land	317,400,000	-	-	317,400,000	-	-	-	317,400,000	-
Buildings on freehold land	945,826,835	2,884,203	-	948,711,038	45,028,680	-	91,610,010	857,101,028	5
Plant and machinery	3,504,688,219	41,462,076	(11,228,270)	3,534,922,025	167,395,515	(860,281)	332,309,079	3,202,612,946	5 -10
Factory and workshop equipment	32,216,008	238,000	(1,730,233)	30,723,775	2,001,697	(1,025,812)	13,222,838	17,500,937	10
Electric installations	84,773,831	-	-	84,773,831	7,629,645	-	16,107,028	68,666,803	10
Lease hold improvements	26,089,214	-	-	26,089,214	982,378	-	17,247,817	8,841,397	10
Furniture and fixtures	28,977,616	1,752,493	(516,940)	30,213,169	1,454,185	(375,742)	16,311,788	13,901,381	10
Office equipment	53,524,064	6,285,268	(1,822,872)	57,986,460	5,232,559	(1,738,559)	38,277,113	19,709,347	5-30
Vehicles	43,958,528	-	(844,598)	43,113,930	4,760,243	(843,541)	24,073,182	19,040,748	20
June 30, 2021	5,037,454,315	52,622,040	(16,142,913)	5,073,933,442	234,484,902	(4,843,935)	549,158,855	4,524,774,587	

Freehold lands are located at Muzaffargarh with an area of 138.98 acres.

FOR COMPARATIVE PERIOD

Particulars	Cost/ revalued amount at July 01, 2019	Additions / transfers during the year	Disposals / write off during the year	Cost/ revalued amount at June 30, 2020	Accumulated depreciation at July 01, 2019	Depreciation for the year	Depreciation on disposals / write off	Accumulated depreciation at June 30, 2020	Written down value at June 30, 2020	Rate
----- (Rupees) -----										
Owned										%
Freehold land	317,400,000	-	-	317,400,000	-	-	-	-	317,400,000	-
Buildings on freehold land	927,748,677	18,078,158	-	945,826,835	-	46,581,330	-	46,581,330	899,245,505	5
Plant and machinery	3,226,433,487	250,122,588	-	3,504,688,219	-	165,773,845	-	165,773,845	3,338,914,374	5 -10
		28,132,144 *								
Factory and workshop equipment	25,195,895	7,020,113	-	32,216,008	10,502,520	1,744,433	-	12,246,953	19,969,055	10
Electric installations	84,773,831	-	-	84,773,831	-	8,477,383	-	8,477,383	76,296,448	10
Lease hold improvements	26,089,214	-	-	26,089,214	15,173,908	1,091,531	-	16,265,439	9,823,775	10
Furniture and fixtures	28,977,616	-	-	28,977,616	13,706,203	1,527,142	-	15,233,345	13,744,271	10
Office equipment	51,417,080	3,806,889	(1,699,905)	53,524,064	31,895,335	4,549,297	(1,661,519)	34,783,113	18,740,951	5-30
Vehicles	34,525,988	13,479,050	(4,046,510)	43,958,528	19,181,782	4,833,572	(3,858,874)	20,156,480	23,802,048	20
June 30, 2020	4,722,561,788	320,638,942	(5,746,415)	5,037,454,315	90,459,748	234,578,533	(5,520,393)	319,517,888	4,717,936,427	
Under Diminishing Musharika Arrangement										
Plant and machinery	28,132,144	(28,132,144) *	-	-	-	-	-	-	-	5
June 30, 2020	4,750,693,932	292,506,798	(5,746,415)	5,037,454,315	90,459,748	234,578,533	(5,520,393)	319,517,888	4,717,936,427	

*The asset has been transferred to owned assets from assets under diminishing musharaka

5.2 Depreciation for the year has been allocated as under:

	2021 ----- (Rupees) -----	2020 ----- (Rupees) -----
Cost of goods manufactured	226,478,029	228,098,787
Administrative expenses	8,006,873	6,479,746
	234,484,902	234,578,533

5.3 Had there been no revaluation the related figures of freehold land, buildings on freehold land, plant and machinery and electric installations, would have been as follows :

	June 30, 2021		June 30, 2020	
	Cost	Accumulated depreciation	Written down value	Cost
Freehold land	41,735,490	-	41,735,490	41,735,490
Buildings on freehold land	447,359,698	203,400,984	243,958,714	444,475,495
Plant and machinery	2,935,859,799	1,299,580,335	1,636,279,464	2,925,643,031
Electric installations	60,961,474	47,092,866	13,868,608	60,961,474
	3,485,916,461	1,550,074,185	1,935,842,276	3,472,815,490

Revaluation of freehold land, buildings on freehold land, plant and machinery and electric installations was carried out on September 30, 2003, June 30, 2008, June 30, 2012, December 31, 2015, June 30, 2018 and June 30, 2019. All the revaluations were conducted by the independent professional valuer M/s. Iqbal A. Nanjee & Co. on the basis of market value or depreciated replacement values as applicable. In estimating the fair value of the assets, the highest and best use of the premises is its current use. Revaluation surplus has been credited to equity account to comply with the requirements of International Accounting Standards 16 "Property, Plant and Equipment". The forced sales values of freehold land, buildings on freehold land and property, plant and machinery (including electric installations) at that time was Rs. 253,92 million, Rs. 742.20 million and Rs. 2,671.47 million respectively.

5.4 Disposal of property, plant and equipment

Details of property, plant and equipment disposed off during the year are as follows:

Particulars	Cost / revalued amount	Accumulated depreciation	Written down value	Sale proceeds	Gain / (loss)	Mode of disposal & relationship	Particulars of buyer
Gas Generator	4,000,000	279,167	3,720,833	3,315,278	405,555	Negotiation	Khalis Fibre (Pvt) Limited 786 Shahra-e-Nazria-e-Pakistan, Opposite Expo Center, Lahore.
Gas Generator	4,000,000	279,167	3,720,833	3,277,083	443,750	Negotiation	Talat Mahmood House No. P-19, Faisal City, Faisalabad.
Blow room machinery	564,094	52,766	511,327	-	511,327	Written off	N/A
Blow room machinery	564,094	52,766	511,327	-	511,327	Written off	N/A
Steam generator recovery system	630,073	58,938	571,135	-	571,135	Written off	N/A

7	STORES, SPARES AND LOOSE TOOLS	Note	2021 ----- (Rupees) -----	2020 -----
	Stores and spares		49,129,696	41,989,218
	Loose tools		7,500	13,502
		7.1	49,137,196	42,002,720
	Less : Provision for slow moving stores, spares and loose tools	7.2	(3,389,894)	(3,389,894)
			45,747,302	38,612,826

7.1 Stores, spares and loose tools include items which may result in fixed capital expenditure but are not distinguishable.

7.2	Movement for provision against slow moving stock:	Note	2021 ----- (Rupees) -----	2020 -----
	As at the beginning of the year		3,389,894	-
	Add : Provision recorded during the year		-	3,389,894
	As at the end of the year		3,389,894	3,389,894

8	STOCK-IN-TRADE			
	Raw material	8.1 & 8.2	1,543,228,021	1,446,104,022
	Work-in-process		88,494,239	78,157,747
	Finished goods	8.3	170,326,929	549,617,475
	Waste stock		85,531,183	28,927,929
			1,887,580,372	2,102,807,173

8.1 Raw material includes stock in transit amounting to Rs. 330.134 million (2020: Rs. 138.64 million).

8.2 During last year, the net realisable value adjustment to raw material amounted to Rs. 82.01 million (2021: Rs. nil).

8.3 The net realisable value of the finished goods was lower than its cost as at year end; which resulted in a write-off amounting to Rs. 1.53 million (2020 : Rs. 29.80 million).

9	TRADE DEBTS	Note	2021 ----- (Rupees) -----	2020 -----
	Considered good			
	Export - secured	9.1	-	43,513,657
	Local - unsecured	9.2 & 9.3	862,344,558	966,082,170
	Considered doubtful			
	Local - unsecured	9.3	1,524,739	174,356
	Less : provision for doubtful debts	9.4	(1,524,739)	(174,356)
			-	-
			862,344,558	1,009,595,827

9.1 These are secured against letters of credit in favor of the Company.

9.2 Trade debts are non-interest bearing and are generally on 7 to 90 days credit term.

9.3 As at June 30, 2021, local trade debts aggregating Rs. 848.29 million (2020: Rs. 725.62 million) were past due for which the Company has made a provision of Rs. 1.52 million (2020: Rs. 0.17 million). The ageing of these past due trade debts is as follows:

	Note	2021 ----- (Rupees) -----	2020
Ageing of past due but not impaired			
1-30 days		640,987,723	617,532,079
31-90 days		198,952,610	70,136,789
91 days and above		8,356,100	37,952,659
		848,296,433	725,621,527
9.4 The movement in provision during the year is as follows:			
Balance at the beginning of the year		174,356	174,356
Impairment loss	28	1,350,383	-
Balance at the end of the year		1,524,739	174,356
10 LOANS AND ADVANCES			
Considered good			
Due from employees	10.1	10,099,118	5,865,181
Advance to suppliers		16,692,635	81,223,271
Advance for expenses		99,981	3,290
Advance income tax		167,467,210	218,921,022
Advance against letters of credit		9,107,512	10,256,106
		203,466,456	316,268,870
10.1 These represent short-term interest free loans to employees as per Company's policy. These are adjustable against salaries and recoverable within a period of one year.			
11 OTHER RECEIVABLES			
Claim receivables		-	5,039,523
		-	5,039,523
12 OTHER FINANCIAL ASSETS			
Amortised cost			
Term Deposit Receipts	12.1	19,670,177	19,670,177
At Fair Value through profit or loss			
Investment in listed securities			
United Bank Limited			
2 million (2020: Nil) ordinary shares of Rs. 10 each	12.2	244,400,000	-
		264,070,177	19,670,177
12.1 These represent term deposit receipts held at Soneri Bank for a period of four months with a markup rate of 5.5% per annum (2020: 7.5%).			
12.2 Movement in investment in listed securities			
As at the beginning of the year		-	-
Acquired during the year		254,457,741	-
Unrealised loss on remeasurement at fair value		(10,057,741)	-
As at the end of the year		244,400,000	-

13 CASH AND BANK BALANCES

Cash at bank

In current accounts

- Local currency
- Foreign currency

In savings accounts

Cash in hand

Note	2021 ----- (Rupees) -----	2020 -----
	70,460,089	24,970,217
	3,977,729	5,405,536
	74,437,818	30,375,753
13.1	1,174,990,050	343,818,170
	1,249,427,868	374,193,923
	1,451,406	1,698,740
	1,250,879,274	375,892,663

13.1 These carry markup rates ranging from 3.0% to 5.5% (2020: 6.5% to 11.25%) per annum.

14 SHARE CAPITAL

2021 2020

Number of shares

100,000,000	20,000,000
13,100,000	13,100,000
4,224,750	4,224,750
17,324,750	17,324,750

Authorised capital:

Ordinary shares of Rs. 10 each

Issued, subscribed and paid-up capital:

Ordinary shares of Rs. 10 each:

- issued for cash
- issued as bonus shares

2021 ----- (Rupees) -----	2020 -----
1,000,000,000	200,000,000
131,000,000	131,000,000
42,247,500	42,247,500
173,247,500	173,247,500

14.1 The Company has one class of ordinary shares which carry no right to fixed income. The holders are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

14.2 The Company has no reserved shares for issuance under options and sales contracts.

15 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

This represents surplus over book value resulting from the revaluation of freehold land, buildings on freehold land, plant and machinery and electric installations (Refer note 5.1).

Note	2021 ----- (Rupees) -----	2020 -----
As at the beginning of the year	2,629,836,876	2,750,185,522
Transferred to unappropriated profit on account of		
- incremental depreciation	(107,120,976)	(113,354,130)
- disposal of property, plant and equipment	(787,562)	-
- adjustment to revaluation surplus	-	6,328,078
Related deferred tax liability	(11,989,838)	(13,322,594)
	(119,898,376)	(120,348,646)
As at the end of the year	2,509,938,500	2,629,836,876
Less: Related deferred tax liability		
As at the beginning of the year	235,417,236	273,929,475
Adjustment due to change in rate on		
- income subject to final tax regime	8,713,669	(25,189,645)
Transferred to statement of profit or loss on account of:		
- incremental depreciation	(11,898,523)	(14,110,313)
- disposal	(91,315)	-
- adjustment to deferred tax liability	-	787,719
As at the end of the year	(232,141,067)	(235,417,236)
	2,277,797,433	2,394,419,640

- 15.1** This represents effect on opening deferred tax liability due to revision of deferred tax rate from 10.00% to 10.39% (2020: 11.10% to 10.00%) in order to incorporate the affect of change in proportion of export sales to local sales which falls under Final Tax Regime (FTR).

	Note	2021 ----- (Rupees) -----	2020
16 LONG-TERM FINANCE			
From banking companies (Secured) - At amortised cost			
Term finances	16.1 & 16.3	13,743,655	92,711,210
SBP - LTFF	16.2 & 16.3	539,696,933	545,386,932
SBP - Refinance scheme for salary payments	16.3	114,866,982	49,987,746
		668,307,570	688,085,888
Less: Current portion shown under current liabilities			
Term finances		(6,871,832)	(2,785,000)
SBP - LTFF		(50,679,414)	(2,725,552)
SBP - Refinance scheme for salary payments	16.3	(81,748,693)	(13,838,311)
		(139,299,939)	(19,348,863)
		529,007,631	668,737,025

- 16.1** 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 (2020: 3 - 6 months' average KIBOR plus 1% to 1.75% per annum). These loans are repayable in equal half yearly installments upto October 2024.

- 16.2** The 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 i.e. (2% + 1.5% to 2.0%) per annum (2020: 2% + 1.5% to 2%) per annum. These loans are repayable in 32 equal quarterly installments upto March 2030.

- 16.3** 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% These loans are repayable in six monthly installments upto January 2023.

16.4 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.

	Cash flows			Impact of deferred grant	June 30, 2021
	July 01, 2020	Obtained	Repaid		
Term finances	92,711,210	-	(78,967,555)	-	13,743,655
SBP - LTFF	545,386,932	-	(5,689,999)	-	539,696,933
Diminishing musharika	-	-	-	-	-
SBP - Refinance scheme for salary payments	49,987,746	108,144,141	(40,880,933)	(2,383,972)	114,866,982
	688,085,888	108,144,141	(125,538,487)	(2,383,972)	668,307,570

		2021	2020
	Note	----- (Rupees) -----	-----
17. DEFERRED LIABILITIES			
Staff gratuity	17.1	161,387,158	146,888,231
Compensated absences		858,856	3,088,956
Deferred taxation	17.2	306,291,633	314,024,976
		468,537,647	464,002,163
17.1 Staff gratuity			
Defined benefit scheme			
Workmen	17.1.1	76,741,983	70,290,964
Non-workmen	17.1.2	84,645,175	76,597,267
		161,387,158	146,888,231
17.1.1 Workmen - Defined benefit scheme			
The details of the workmen - defined benefit plan obligation based on actuarial valuations carried out by independent actuary as at June 30, 2021 under the Projected Unit Credit Method, are as follows:			
		2021	2020
Net liability in the statement of financial position	Note	----- (Rupees) -----	-----
Present value of defined benefit obligation	17.1.4	76,741,983	70,290,964
17.1.2 Expense recognised in the statement of profit or loss			
Current service cost		15,566,353	14,679,406
Interest cost		5,895,387	6,628,229
		21,461,740	21,307,635
17.1.3 Remeasurement (gain) / loss recognised in other comprehensive income			
Actuarial gain on defined benefit obligation			
Experience adjustments		(1,896,621)	2,015,386
		(1,896,621)	2,015,386
17.1.4 Movement in defined benefit obligation			
As at the beginning of the year		70,290,964	63,502,543
Add : Current service cost		15,566,353	14,679,406
Add : Interest cost		5,895,387	6,628,229
Add : Actuarial (gain) / Loss		(1,896,621)	2,015,386
Less : Benefits paid during the year		(13,114,100)	(16,534,600)
As at the closing of the year		76,741,983	70,290,964
17.1.5 Movement in net liability in the statement of financial position			
As at the beginning of the year		70,290,964	63,502,543
Add : Charge for the year		21,461,740	21,307,635
Add : Remeasurement (gain) / loss recognised in other comprehensive income		(1,896,621)	2,015,386
Less : Payment made during the year		(13,114,100)	(16,534,600)
As at the end of the year		76,741,983	70,290,964
17.1.6 The principal assumptions used in the valuation of gratuity (Workmen - Defined benefit scheme)			
Discount rate (% per annum)		10.25	9.25
Expected rate of salary increase (% per annum)		10.25	9.25
Mortality rate		Adjusted SLIC 2001-05	Adjusted SLIC 2001-05
Expected withdrawal rate for actuarial assumptions		Moderate	Moderate

17.1.7 Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions are:

		Impact on obligation	
		Increase in assumption	Decrease in assumption
		----- (Rupees) -----	
For current year			
Discount rate	1%	(8,281,332)	10,066,951
Expected rate of salary increase	1%	10,757,138	(8,973,839)
Withdrawal limited	10%	3,835,976	(4,132,972)
Mortality rate	1 year	(40,166)	77,031
For comparative year			
Discount rate	1%	(7,602,322)	9,203,582
Expected rate of salary increase	1%	9,835,752	(8,236,616)
Withdrawal limited	10%	3,496,390	(3,802,678)
Mortality rate	1 year	(53,918)	53,427

The sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the liability for gratuity recognised within the statement of financial position.

17.1.8 The scheme exposes the Company to the actuarial risks such as:

Salary risks

The risks that the final salary at the time of cessation of service is higher than what was assumed. Since the benefit is calculated on the final salary, the benefit amount increases similarly.

Mortality / withdrawal risks

The risks that the actual mortality / withdrawal experience is different. The effect depends upon the beneficiaries' service / age distribution and the benefit.

Longevity risks

The risk arises when the actual lifetime of the retirees is longer than expectation. This risk is measured at the plan level over the entire retiree population.

17.1.9 The weighted average duration of the defined benefit obligation is year 11.97 years (2020: 10.46 years).

17.1.10 The expected maturity analysis of undiscounted retirement benefit obligation is:

	Undiscounted payments	
	2021	2020
	----- (Rupees) -----	
Year 1	4,398,235	4,230,919
Year 2	5,514,934	5,382,750
Year 3	6,501,455	6,234,043
Year 4	7,278,824	6,921,944
Year 5	7,903,778	7,453,831
Year 6 and above	148,240,789	174,596,045

17.1.11 There are no plan assets against defined benefit obligation.

2021

2020

(Rupees)

Non workmen - Defined benefit scheme

As at the beginning of the year	66,280,634
Add: Charge for the year	13,318,076
Less: Payment during the year	(3,001,443)
As at the closing of the year	76,597,267

Deferred taxation

	Deferred tax recognised in			As at the end of the year
	As at the beginning of the year	Adjustment to revaluation surplus	Statement of profit or loss	

Movement for the year ended June 30, 2021

Deferred tax liabilities on taxable temporary differences arising in respect of:

Property, plant and equipment	102,733,276	-	8,314,774	-	111,048,050
Surplus on revaluation of property, plant and equipment	235,417,236	-	(11,989,838)	8,713,669	232,141,067
Trade debts	2,934,287	-	1,009,910	-	3,944,197
Other financial assets	-	-	(1,044,999)	-	(1,044,999)
Intangible assets	21,497	-	(75,999)	-	(54,502)
	341,106,296	-	(3,786,152)	8,713,669	346,033,813

Deferred tax assets on deductible temporary differences arising in respect of:

Staff gratuity	(14,688,823)	-	(2,276,362)	197,059	(16,768,126)
Leave encashment	(308,896)	-	219,661	-	(89,235)
Provision of doubtful debts	(50,563)	-	(391,611)	-	(442,174)
Provision for stores and spares	(338,989)	-	(13,075)	-	(352,064)
Unused tax losses	(11,694,049)	-	(10,396,532)	-	(22,090,581)
	314,024,976	-	(16,644,071)	8,910,728	306,291,633

	As at the beginning of the year	Adjustment to revaluation surplus	Deferred tax recognised in:		As at the end of the year
			Statement of profit or loss	Other comprehensive income	
----- Rupees -----					
Movement for the year ended June 30, 2020					
<i>Deferred tax liabilities on taxable temporary differences arising in respect of:</i>					
Property, plant and equipment	100,329,971	-	2,403,305	-	102,733,276
Surplus on revaluation of property, plant and equipment	273,929,475	787,719 *	(14,110,313)	(25,189,645)	235,417,236
Trade debts	2,794,764	-	139,523	-	2,934,287
Intangible assets	1,616	-	19,881	-	21,497
	377,055,826	787,719	(11,547,604)	(25,189,645)	341,106,296
<i>Deferred tax assets on deductible temporary differences arising in respect of:</i>					
Staff gratuity	(14,366,998)	-	(120,286)	(201,539)	(14,688,823)
Leave encashment	(185,017)	-	(123,879)	-	(308,896)
Provision of doubtful debts	(50,563)	-	-	-	(50,563)
Provision of stores and spares	-	-	(338,989)	-	(338,989)
Unused tax losses	(714,609)	-	(10,979,440)	-	(11,694,049)
	361,738,639	787,719	(23,110,198)	(25,391,184)	314,024,976

(This represents adjustment related to revaluation surplus in opening deferred tax liability, the amount of this adjustment is not significant).

	Note	2021 ----- (Rupees) -----	2020 -----	
18	Deferred government grant			
	Deferred grant against salary loans	18.1	7,756,053	5,372,081
	Less: Current portion of deferred grant		(6,484,475)	(3,445,591)
			1,271,578	1,926,490
18.1	Movement for the year			
	As at the beginning of the year		5,372,081	-
	Add : Deferred grant recognised during the year		11,414,247	5,732,408
			16,786,328	5,732,408
	Less : Amortisation for the year		(9,030,275)	(360,327)
	As at the end of the year	18.2	7,756,053	5,372,081

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 account 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.

	Note	2021 ----- (Rupees) -----	2020 -----	
19	TRADE AND OTHER PAYABLES			
	Creditors	19.1	57,409,394	116,934,536
	Accrued liabilities	19.2	259,495,850	215,877,832
	Foreign bills payable		38,769,266	138,641,901
	Retention money		3,823,151	5,167,721
	Withholding income tax		1,589,164	2,331,692
	Sales tax payable		68,512,490	-
	Workers' profit participation fund	19.3	48,777,739	-
	Workers' welfare fund		21,779,449	3,243,908
			500,156,503	482,197,590

19.1 Creditors are non-interest bearing and are normally settled between 12 to 45 days terms.

19.2 This includes Rs. 125.31 million (2020: 108.65 million) provision for Sindh Development and Infrastructure Cess which was levied by the Excise and Tax Department of Government of Sindh on goods entering or leaving the province through air or sea at prescribed rate under Sindh Finance Ordinance, 2001. The levy was challenged by the Company along with other companies in Sindh High Court (SHC). SHC through its interim order passed on May 31, 2011 ordered that for every consignment cleared after December 28, 2006, 50% of the value of infrastructure cess should be paid in cash and a bank guarantee for the remaining amount should be submitted until the final order is passed. The management is confident for a favorable outcome, however, as a matter of prudence Company has paid Rs. 125.31 million upto June 30, 2021 (50%) of the value of infrastructure cess in cash and recorded liability for the remaining amount which is supported by a bank guarantee. During the year, the Sindh High Court has passed an order on June 4, 2021 for settlement of remainder of Infrastructure Cess against which the Company has filed an appeal in Supreme Court and the Company's legal counsel expect that the matter will be decided in favour of the Company.

	Note	2021 ----- (Rupees) -----	2020 -----	
19.3	Workers' Profits Participation Fund			
	Balance at the beginning of the year		-	5,756,576
	Add : Allocation for the year	27	48,777,739	-
	Add : Interest on funds utilised in the Company's business	19.3.1	-	379,303
			48,777,739	6,135,879
	Less: Payments made to the fund during the year		-	(6,135,879)
	Balance at the end of the year		48,777,739	-

19.3.1 Interest on funds utilised is charged at the rate of nil (2020: 16.25%) per annum.

22.2 Commitments	Note	2021	2020
		(Rupees)	
(i) Civil works		7,535,269	20,675,000
(ii) Letters of credits against:			
Plant and machinery		110,018,500	-
Stores and spares		26,517,076	11,865,268
Raw material		245,422,916	428,610,002
		381,958,491	440,475,270
(iii) Bank guarantees issued on behalf of the Company	22.2.1	241,542,671	220,293,797
(iv) Bills discounted:			
Export		49,371,921	40,547,148
Local		118,782,378	73,880,270
		168,154,299	114,427,418
(v) Rentals under ijarah finance agreements			
Not later than one year		-	39,642,256
Later than one year and not later than 5 years		-	20,447,216
Later than 5 years		-	-
		-	60,089,472
(vi) Outstanding sales contract		1,261,101,526	447,409,488

22.2.1 This includes bank guarantee related to Sindh Development Infrastructure Cess amounting to Rs. 107.2 million (2020: Rs. 91.2 million).

22.2.2 During the year, the Company settled the entire amount of Ijarah agreement entered into with Islamic bank.

23 REVENUE FROM CONTRACT WITH CUSTOMERS - NET	Note	2021	2020
		(Rupees)	
Export Sales			
Yarn		364,728,948	987,891,175
Yarn (Indirect exports)		5,447,016,102	3,523,570,067
Waste		43,268,349	42,519,384
		5,855,013,399	4,553,980,626
Local Sales			
Yarn		3,803,337,157	1,982,748,711
Raw material		189,419,782	566,703,869
Waste		540,763,748	543,498,089
		4,533,520,687	3,092,950,669
Less : Sales tax		(1,426,457,925)	(917,281,188)
		8,962,076,161	6,729,650,107

24 COST OF GOODS SOLD	Note	2021	2020
Cost of goods manufactured	24.1	6,924,453,434	5,965,770,712
Finished goods (including waste):			
As at the beginning of the year		578,545,404	317,315,392
Purchases - net		43,725,000	-
As at the end of the year		(255,858,112)	(578,545,404)
		366,412,292	(261,230,012)
Cost of goods sold		7,290,865,726	5,704,540,700
Cost of raw material sold		165,610,344	527,548,091
		7,456,476,070	6,232,088,791

	Note	2021 ----- (Rupees) -----	2020 -----
24.1 Cost of goods manufactured			
Raw material consumed	24.1.1	5,435,373,769	4,684,040,395
Stores and spares		129,594,751	123,321,927
Packing material		92,562,843	68,990,488
Power and fuel		566,101,639	501,744,886
Salaries, wages and benefits	24.1.2	406,453,786	377,641,442
Depreciation	5.2	226,478,029	228,098,787
Amortisation	6.1	1,224,259	385,665
Insurance		11,605,380	10,436,728
Repairs and maintenance		5,472,113	9,553,547
Ijarah rentals		32,759,927	46,551,190
Other overheads		6,044,139	5,600,481
Sales tax refundable written off		21,119,291	-
Unallocated fixed overheads	24.1.3	-	(72,646,814)
		6,934,789,926	5,983,718,722
Work-in-process:			
As at the beginning of the year		78,157,747	60,209,737
As at the end of the year	8	(88,494,239)	(78,157,747)
		(10,336,492)	(17,948,010)
		6,924,453,434	5,965,770,712

24.1.1 Raw material consumed

As at the beginning of the year		1,446,104,022	1,661,509,731
Purchases - net		5,532,497,768	4,468,634,686
		6,978,601,790	6,130,144,417
As at the end of the year	8	(1,543,228,021)	(1,446,104,022)
		5,435,373,769	4,684,040,395

24.1.2 Salaries, wages and benefits include Rs. 28.65 million (2020: Rs. 28.70 million) in respect of staff retirement benefits.

24.1.3 These represented part of fixed factory overheads for the last quarter of financial year 2020 which have not been allocated to cost of goods manufactured as the production during these months was either very minimal or below the average production routine of the company due to lock down. As per the provisions of IAS-02 - Inventory, the apportioned fixed overheads pertaining to such production periods must be charged to other operating expenses rather than cost of goods manufactured.

	Note	2021 ----- (Rupees) -----	2020 -----
25 DISTRIBUTION COST			
Brokerage and commission		33,029,245	27,779,355
Staff salaries and benefits	25.1	12,688,435	8,780,000
Inland freight on export		1,929,668	5,118,337
Export development surcharge		1,008,869	2,707,581
Miscellaneous export expenses		1,998,621	513,828
Ocean freight		3,979,789	4,542,464
Local freight and handling		20,767,425	12,686,789
Customers claims		-	189,003
Wharfage		800,551	2,164,169
Forwarding charges		424,672	352,490
Postage and telegram		1,440,634	1,404,915
Bank charges		2,229,490	5,992,075
Others		2,317,445	1,818,189
		82,614,844	74,049,195

25.1 Staff salaries and benefits include Rs. 0.60 million (2020: Rs. 0.6 million) in respect of staff retirement benefits.

		2021	2020
	Note	----- (Rupees) -----	
26 ADMINISTRATIVE EXPENSES			
Staff salaries and benefits	26.1	93,005,550	77,510,754
Director's remuneration		15,640,000	11,810,000
Rent, rates and taxes		4,192,113	4,234,121
Travelling and conveyance		1,162,489	8,071,722
Legal and professional		12,902,324	8,208,716
Fees and subscription		15,804,728	3,229,192
Depreciation	5.2	8,006,873	6,479,746
Amortisation	6.1	378,809	341,329
Vehicles running		2,315,172	1,909,021
Repairs and maintenance		7,628,841	3,007,118
Printing and stationery		2,137,243	1,115,033
Postage and telephone		2,123,560	1,551,948
Utilities		3,014,163	3,532,152
Insurance		456,991	486,989
Advertisement		942,526	180,570
Auditors' remuneration	26.2	970,009	1,620,000
Donation	26.3 & 26.4	15,844,500	10,850,027
Others		1,444,531	1,408,773
		187,970,422	145,547,211

26.1 Staff salaries and benefits include Rs. 5.67 million (2020: Rs. 5.33 million) in respect of staff retirement benefits.

		2021	2020
		----- (Rupees) -----	
26.2 Auditors' remuneration			
Annual audit fee		840,000	840,000
Fee for review of:			
Condensed interim financial information		100,000	100,000
Statement of compliance of Code of Corporate Governance (COCG)		30,000	30,000
Certification and other services		-	650,000
		970,000	1,620,000

26.3 Donations charged in these financial statements are paid to The Citizens Foundation Rs. 9.30 million (2020: 8.50 million), The Kidney Centre Rs. 0.02 million (2020: nil), Textile Institute of Pakistan Rs. 6.52 million (2020: Rs. 0.37 million).

26.4 Mr. Shahid Anwar Tata, Chief Executive Officer of the Company is also the member of Board Committee in the Textile Institute of Pakistan. Other than the above, none of the Directors or their spouse had any interest in the donee's fund.

		2021	2020
	Note	----- (Rupees) -----	
27 OTHER OPERATING EXPENSES			
Workers' Profit Participation Fund		48,777,739	-
Workers' Welfare Fund		18,535,541	3,243,908
Unrealized loss on short term investment		10,057,741	-
Loss / write off of property and equipment		4,247,609	-
Realised foreign exchange loss		-	97,311,434
Unallocated fixed overheads	24.1.3	-	72,646,814
		81,618,630	173,202,156

		2021	2020
	Note	----- (Rupees) -----	
28	IMPAIRMENT LOSS ON FINANCIAL ASSETS		
	Impairment loss on trade debts	1,350,383	-
		1,350,383	-
29	FINANCE COST		
	Interest / mark-up on:		
	Long-term finances	29,225,491	34,235,480
	Short-term borrowings	205,464,166	347,655,922
	Workers' Profit Participation Fund	-	379,303
		234,689,657	382,270,705
	Letters of credit discounting charges	10,301,994	9,766,268
	Bank guarantee commission	2,211,041	884,047
	Bank charges	5,837,089	2,798,451
		253,039,781	395,719,471
30	OTHER INCOME		
	Profit on term deposit receipts	1,376,854	1,767,080
	Profit on saving accounts	502,157	1,343,812
	Rebate on export sales	-	5,374,847
	Income from agriculture farm	148,912	68,647
	Realised foreign exchange gain	6,714,627	
	Gain on disposal of property and equipment	-	2,106,887
	Others	449,299	1,500
		9,191,849	10,662,773
31	TAXATION		
	Current		
	for the year	106,679,018	77,376,720
	prior year	(5,466,683)	(5,748,836)
		101,212,335	71,627,884
	Deferred	(16,644,071)	(23,110,199)
		84,568,264	48,517,685

31.1 Relationship between tax expense and accounting profit

The numerical reconciliation between the average tax rate and applicable tax rate has not been presented in these financial statements as a portion of its total income attracts minimum tax under section 113 of the Income Tax Ordinance, 2001 and its export sales fall under final tax regime (FTR).

		2021	2020
32	EARNINGS PER SHARE - BASIC AND DILUTED		
	There is no dilutive effect on the basic earnings per share of the Company which is based on :		
	Profit / (Loss) for the year	Rupees 823,629,616	(328,811,629)
	Weighted average number of ordinary shares outstanding during the year	Shares 17,324,750	17,324,750
	Earnings / (Loss) per share	Rupees 47.54	(18.98)

	Note	2021 ----- (Rupees) -----	2020
33 CASH AND CASH EQUIVALENTS			
Cash and bank balances	13	1,250,879,274	375,892,663
Running / cash finances	21.1	(1,433,698,537)	(2,252,485,097)
		(182,819,263)	(1,876,592,434)

34 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in these financial statements in respect of remuneration and benefits to the Chief Executive and Executives are as follows:

	2021		2020	
	Chief Executive	Executives	Chief Executive	Executives
	----- (Rupees) -----			
Managerial remuneration	15,640,000	80,596,960	11,810,000	66,032,251
Bonus / Ex-gratia	1,000,000	5,548,482	865,000	5,527,988
Retirement benefits	1,100,000	7,557,027	865,000	5,747,322
Leave encashment	-	-	-	1,062,381
Utilities	526,896	-	747,170	-
	18,266,896	93,702,469	14,287,170	78,369,942
Number of persons	1	21	1	20

34.1 The Chief Executive and Executive Directors are entitled for use of car owned and maintained by the Company.

34.2 An amount of Rs. 2.64 million (2020: Rs 1.22 million) has been charged in these financial statements in respect of fee paid to Directors for attending the board and its committee meetings.

35 PLANT CAPACITY AND ACTUAL PRODUCTION

	2021	2020
Number of spindles installed	44,400	44,400
Number of spindles worked	44,397	41,993
Number of shifts per day	3	3
Installed capacity after conversion into 20/s count-kgs	16,732,136	15,743,375
Actual production of yarn after conversion into 20/s count-kgs	16,108,784	15,107,421

It is difficult to describe precisely the production capacity in the textile industry since it fluctuates widely depending on various factors such as count of yarn spun, spindles speed, twist per inch, raw material used, etc

36 NUMBER OF EMPLOYEES

	2021	2020
Average number of employees during the year	1,138	1,153
Number of employees as at the end of the year	1,135	1,103

37 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:

37.1 Name and nature of relationship

Associated Companies due to common directorship & common management:

- Island Textile Mills Ltd.
- Salfi Textile Mills Ltd.
- Tata Energy Ltd.
- Tata Best Foods Ltd.
- Textile Institute of Pakistan
- Karam Ceramics Ltd.

Relationship with the party	Nature of transactions	2021	2020
		----- (Rupees) -----	
Associated undertaking	Share of expenses paid	8,962,833	13,891,005
	Share of expenses received	2,980,604	3,540,346
	Purchase of yarn	43,725,000	-
	Purchase of store	716,002	284,767
	Sale of cotton	129,507,949	317,947,299
	Sale of fixed assets	-	1,866,646
	Dividend paid	-	217,399
	Donation to Textile Institute of Pakistan	6,524,500	371,500
Directors	Rent expense:		
	- godown	240,000	240,000
	- office premises	4,090,200	4,090,200
	Dividend paid	-	5,107,521

38 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

38.1 Financial instrument by category

Financial assets as per statement of financial position

	2021	2020
	----- (Rupees) -----	
At amortised cost:		
Long-term deposits	3,188,850	2,902,489
Trade debts	862,344,558	1,009,595,827
Other financial assets	19,670,177	19,670,177
Loans to employees	10,099,118	5,865,181
Other receivables	-	5,039,523
Cash and bank balances	1,250,879,274	375,892,663
	2,146,181,977	1,418,965,860
At fair value:		
Investment in listed securities	244,400,000	-
	2,390,581,977	1,418,965,860

Financial liabilities as per statement of financial position

At amortised cost:

Long-term finance (Inclusive of current portion)
Trade and other payables
Unclaimed dividend
Interest / mark-up accrued on borrowings
Short-term borrowings

	2021	2020
	----- (Rupees) -----	
	668,307,570	688,085,888
	359,497,661	476,621,990
	4,463,136	4,482,700
	36,379,297	91,793,707
	2,328,876,843	2,668,359,819
	3,397,524,507	3,929,344,104

38.2 Financial risk management objectives and policies

38.2.1 Financial risk factors

Introduction and overview

The Company has exposure to the following risks from financial instruments:

- market risk
- credit risk
- liquidity risk

This note presents information about the Company's exposure to each of the above risks, Company's objectives, policies and processes for measuring and managing risk and fair value of financial instruments.

Financial risk factors and risk management framework

The Company's overall risk management program focuses on having cost effective funding as well as to manage financial risk to minimize earnings volatility and provide maximum return to shareholders.

The Company's objective in managing risk is the creation and protection of shareholders' value. Risk is inherent in Company's activities but it is managed through monitoring and controlling activities which are based on internal controls set on different activities of the Company by the Board of Directors. These controls reflect the business strategy and market environment of the Company as well as the level of the risk that the Company is willing to

The Board along with the Company's finance and treasury department oversees the management of the financial risks reflecting changes in the market conditions and also the Company's risk taking activities providing assurance that these activities are governed by appropriate policies and procedures and that the financial risk are identified, measured and managed in accordance with the Company policies and risk appetite.

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, and price risk), credit risk and liquidity risk.

38.2.2 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates, foreign exchange rates or the equity prices due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market.

Under market risk the Company is exposed to currency risk, interest rate risk and other price risk (equity price risk).

(a) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company exports yarn and waste stock to foreign customers and maintain foreign currency accounts for the payment to foreign suppliers which exposes it to currency risk. As at June 30, 2021, financial assets include Rs. 3.98 million (2020: Rs. 50.29 million) equivalent to US\$ 0.03 (2020: US\$ 0.30 million) and financial liabilities include foreign commission payable amounting to Rs. 3.39 million (2020: Rs. 8.72 million) equivalent to US\$ 0.02 million (2020: US\$ 0.05 million). The average rates applied during the year is Rs. 158.30 / US \$ (2020: Rs. 158.33 /US \$) and the spot rate as at June 30, 2021 was Rs. 158.65 / US\$ (2020: Rs. 168.25 /US\$).

At June 30, 2021, if the Pakistan Rupee had weakened / strengthened by 10% against the US Dollar with all other variables held constant, loss / profit for the year would have been lower / higher by Rs. 0.06 million (2020: Rs. 4.16 million), mainly as a result of foreign exchange losses / gains on translation of US Dollar-denominated trade debts and accrued expenses.

(b) 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.

The Company's interest rate risk arises from bank deposit accounts, long term finance, term deposit receipts and short term borrowings amounting to Rs. 1,707.3 million (financial liabilities on a net basis) (2020: Rs. 2,962.6 million). These are benchmarked to variable rates which exposes the Company to cash flow interest rate risk only.

	Carrying amount	
	2021	2020
	----- (Rupees) -----	
Variable rate instruments		
Financial assets:		
Saving accounts with banks	1,174,990,050	343,818,170
Financial liabilities:		
Long-term finance	553,440,588	638,098,142
Short-term borrowings	2,328,876,843	2,668,359,819
	(2,882,317,431)	(3,306,457,961)
Net financial liabilities at variable interest rates	(1,707,327,381)	(2,962,639,791)

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the year end would have increased or decreased the profit for the year and shareholder's equity by Rs. 17.07 million (2020: Rs. 29.62 million). This analysis assumes that all other variables remain constant. The analysis is performed on the same basis as for 2020.

Fixed rate instruments

Financial assets:		
term deposit receipts	19,670,177	19,670,177
Financial liabilities:		
SBP - Refinance scheme for salary payments	(114,866,982)	(36,149,435)
	(95,196,805)	(16,479,258)

(c) Equity price risk

Equity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

As at year end, there are no financial instruments other than investment in listed securities are subject to equity price risk.

38.2.3 Credit risk and concentration of credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Out of the total financial assets of Rs. 2,390.59 million (2020: Rs. 1,418.96 million), the financial assets which are subject to credit risk amounted to Rs. 2136.08 million (2020: Rs. 1,408.06 million).

The Company is exposed to credit risk from its operating activities (primarily balances with banks, trade debts and loans and advances and other receivables) and from its investing activities, including deposits with banks and financial institutions and other financial instruments. The credit risk on liquid funds (cash and bank balances) is limited because the counter parties are banks with a reasonably high credit rating.

Name of bank	Credit rating	
	Short term	Long-term
Allied Bank Limited	A1+	AAA
Askari Bank Limited	A1+	AA+
Bank Al-Falah Limited	A1+	AA+
Bank of Punjab	A1+	AA+
BankIslami Pakistan Limited	A1	A+
Dubai Islamic Bank Pakistan Limited	A1+	AA
Faysal Bank Limited	A1+	AA
Meezan Bank Limited	A1+	AAA
National Bank of Pakistan	A1+	AAA
Samba Bank Limited	A1	AA
Soneri Bank Limited	A1+	AA-
Habib Metropolitan Bank Limited	A1+	AA+
JS Bank Limited	A1+	AA-
Habib Bank Limited	A1+	AAA
MCB Bank Limited	A1+	AAA

Credit risk related to receivables

The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure is continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management annually.

Trade debts consist of a large number of customers, spread across geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable, where appropriate. The Company does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

Credit risk related to other assets

Credit risk from other assets primarily relates to Company's investment in term deposits issued by bank (note 12). The risk is managed through ensuring that investments are made in instruments issued by reputed banks with good credit ratings. The credit rating of the investee banks is as follows:

Institute	Investment type	Long term	Short term
Soneri Bank Limited	Term deposit receipt	AA-	A1+
United Bank Limited	Equity investment	AAA	A1+

38.2.4

Liquidity risk

Liquidity risk reflects the Company's inability in raising funds to meet commitments. Management closely monitors the Company's liquidity and cash flow position. This includes maintenance of liquidity ratios, debtors and creditors concentration both in terms of the overall funding mix and avoidance of undue reliance on large individual customer.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts. 82% of the Company's debt will mature in less than one year at June 30, 2021 (2020: 80%) based on the carrying value of borrowings reflected in the financial statements.

Liquidity and interest risk table

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

June 30, 2021	Average interest rate	Less than 1 month	1 - 3 months	3 months - 1 years	1 - 5 years	More than 5 years	Total
----- Rupees -----							
Long term financing including current portion	3 and 6 month KIBOR plus 1.5% to 1.75% SBP rate plus bank spread i.e. (1.5% to 2%) & fixed rate from 1.5 % to 2%	16,660,934	7,594,846	136,388,409	427,075,470	88,343,964	676,063,623
Trade and other payables	-	61,232,545	298,265,116	-	-	-	359,497,661
Unclaimed dividend	-	4,463,136	-	-	-	-	4,463,136
Interest / mark-up accrued on loans	-	28,395,311	7,983,986	-	-	-	36,379,297
<i>Short-term borrowings</i>							
Running finance / cash finance	One to three months KIBOR plus 0.50% to 2.0%	-	1,433,698,537	-	-	-	1,433,698,537
Finance against import / export	Six months KIBOR plus 0.5% to 1.75%	-	895,178,306	-	-	-	895,178,306
		110,751,926	2,642,720,791	136,388,409	427,075,470	88,343,964	3,405,280,560

June 30, 2020	Average Interest rate	Rupees					Total
		Less than 1 month	1 - 3 months	3 months - 1 years	1 - 5 years	More than 5 years	
Long term financing including current portion	3 and 6 month KIBOR plus 1% to 1.75% & SBP rate plus bank spread i.e. (3.5 to 4%)	-	3,393,000	15,277,345	512,595,412	162,192,213	693,457,969
Trade and other payables	-	116,934,536	359,687,453	-	-	-	476,621,990
Unclaimed dividend	-	4,482,700	-	-	-	-	4,482,700
Interest / mark-up accrued on loans	-	69,947,003	21,846,704	-	-	-	91,793,707
<i>Short-term borrowings</i>		-	-	-	-	-	
Running finance / cash finance	One to three months KIBOR plus 0.50% to 1.75%		2,252,485,097				2,252,485,097
Finance against import / export	Six months KIBOR plus 0.5% to 1.75%.		415,874,722				415,874,722
		191,364,239	3,053,286,976	15,277,345	512,595,412	162,192,213	3,934,716,185

39 OPERATIONAL RISK

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Company's activities, either internally within the Company or externally at the Company's service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of operation behaviour. Operational risks arise from all of the Company's activities.

The Company's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation while achieving its business objective and generating returns for investors.

Primary responsibility for the development and implementation of controls over operational risk rests with the management of the company. This responsibility encompasses the controls in the following areas:

- requirements for appropriate segregation of duties between various functions, roles and responsibilities;
- requirements for the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures;
- periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- ethical and business standards;
- risk mitigation, including insurance where this is effective.
- operational and qualitative track record of the plant and equipment suppliers and related service providers.

40 FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Fair value is the price that would be received to sell an asset or paid or transfer a liability in an orderly transaction between market participants and measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

IFRS 13, 'Fair Value Measurements' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

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 June 30, 2021.

The Company's freehold land, buildings on freehold land, plant and machinery and electric installations are stated at revalued amounts, being the fair value at the date of revaluation, less any subsequent depreciation and subsequent accumulated impairment losses, if any. The fair value measurements of the Company's freehold land, building and plant and machinery as at June 30, 2019 were performed by M/s Iqbal A.Nanjee & Company (Private) Limited (valuer), independent valuer not related to the Company. 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. The fair value of the freehold land was determined by ascertaining the current market value of similar land, which is being sold in the near surroundings. The fair value of the buildings on freehold land was determined by carrying out the physical inspection of building with actual measurement and have worked out covered area of each building occupation wise with specification of civil works. The fair value of the plant and machinery and electric installations was determined by comparing the values of similar plants from various machinery dealers. In estimating the fair value of the assets, the highest and best use of the premises is its current use.

Details of Company's assets and liabilities measured at fair value and information about the fair value hierarchy as at end of 30 June 2021 and 30 June 2020 are as follows:

	Level 1	Level 2	Level 3	Total
Non- financial assets measured at fair value:	----- Rupees -----			
Freehold land	-	-	317,400,000	317,400,000
Buildings on free hold	-	-	857,101,028	857,101,028
Plant and machinery	-	-	3,202,612,946	3,202,612,946
Electric installations	-	-	68,666,803	68,666,803
June 30, 2021	-	-	4,445,780,777	4,445,780,777
Financial assets measured at fair value:				
Investment in listed securities	244,400,000	-	-	244,400,000
June 30, 2021	244,400,000	-	-	244,400,000
For comparative period				
Non- financial assets measured at fair value:				
Freehold land	-	-	317,400,000	317,400,000
Buildings on free hold	-	-	899,245,505	899,245,505
Plant and machinery	-	-	3,338,914,375	3,338,914,375
Electric installations	-	-	76,296,448	76,296,448
June 30, 2020	-	-	4,631,856,328	4,631,856,328
Financial assets measured at fair value:				
Investment in listed securities	-	-	-	-
June 30, 2020	-	-	-	-

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

41 CAPITAL RISK MANAGEMENT

The objectives of the Company when managing capital are to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for stakeholders, and to maintain a strong capital base to support the sustained development of its business. The Company is not subject to any externally imposed capital requirements.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the dividend payment to the shareholders or issue new shares. The Company's overall strategy remains

The gearing ratio at June 30, 2021 and June 30, 2020 were as follows:

	2021	2020
	----- (Rupees) -----	
Total debts	2,997,184,413	3,356,445,707
Less: Cash and bank balances	(1,250,879,274)	(375,892,663)
Net debt	1,746,305,139	2,980,553,044
Total equity	4,978,978,650	4,162,363,141
Adjusted capital	6,725,283,789	7,142,916,185
Gearing ratio	0.26	0.42

42 CORRESPONDING FIGURES


Corresponding figures have been rearranged or reclassified, where necessary, for the purpose of better presentation. No significant rearrangement or reclassification was made in these financial statements during the

43 DATE OF AUTHORISATION FOR ISSUE


These financial statements have been approved by the board of directors of the Company and authorised for issue on August 26, 2021.

44 GENERAL

Figures have been rounded off to the nearest Rupee.


SHAHID ANWAR TATA
 CHIEF EXECUTIVE


HASEEB HAFEEZUDEEN
 CHIEF FINANCIAL OFFICER


ADEEL SHAHID TATA
 DIRECTOR

چیئر مین کا جائزہ

بورڈ آف ڈائریکٹرز کی جانب سے میں 30 جون 2021 کو ختم ہونے والے سال کیلئے کمپنی کے سالانہ مالیاتی نتائج پیش کرتے ہوئے مسرت محسوس کر رہا ہوں۔ اللہ تعالیٰ کے فضل و کرم سے زیر جائزہ سال کے دوران کمپنی کی کارکردگی تسلی بخش رہی۔ سب سے پہلے اسکیم آف رینجمنٹ کی بنیاد پر محترم سندھ ہائی کورٹ کراچی کے آرڈر JCM نمبر 13/2020 مورخہ 02 مارچ 2021 اور گروپ کمپنیوں آئی لینڈ ٹیکسٹائل ملز لمیٹڈ (ILTM)، ہلسٹی ٹیکسٹائل ملز لمیٹڈ (SALT) اور ٹاٹا انرجی لمیٹڈ (TEL) کے انضمام کے لئے مورخہ 17 مارچ 2021 کے ضمنی حکم جو کہ یکم جولائی 2021 سے نافذ ہے، پر مسرت ہوئی۔

دوسری بات یہ ہے کہ کمپنی نے کورونا وباء کے باعث درپیش چیلنجز پر قابو پایا اور یارن کی بڑھتی ہوئی مانگ کا زیادہ تر ملکی ڈاون اسٹریٹجک ٹیکسٹائل انڈسٹری سے فائدہ اٹھایا اور ملز کی پیداوار کو زیادہ سے زیادہ کرتے ہوئے مجموعی پیداوار کو بہتر بنایا۔ صارفین کو براہ راست فروخت کرنے اور کسٹمر بینک بنانے سے فروخت اور مارکیٹنگ میں کارکردگی بھی حاصل کی گئی۔ دوران مدت کمپنی کے مالیاتی نتائج کا قبل از ٹیکس منافع 908.198 ملین روپے ہیں جبکہ گزشتہ سال اسی عرصے میں نقصان 280.293 ملین روپے تھا۔

اگرچہ کورونا وباء عالمی بحران کا باعث بنا تاہم پاکستان کی معیشت کافی حد تک بہتر رہی اور تیزی سے بحالی کی طرف گامزن ہے۔ کورونا وباء کے اثرات کا مقابلہ کرنے کے لیے بروقت اعلان کردہ اقدامات مثلاً سازگار مالیاتی پالیسی، ری فنانسنگ سہولیات کا تعارف، ہدف شدہ مالی مدد اور دیگر مالی اقدامات نے معیشت کو زیادہ استحکام دیا۔ اس کے نتیجے میں لاک ڈاؤن کے بعد مشکل مراحل قلیل مدتی تھے۔

مالیاتی سال 2021 میں شرح نمو تقریباً 3 فیصد زیادہ ہونے کا امکان ہے۔

اس حوالے سے وفاقی اور صوبائی حکومتوں کی عملی پالیسیاں قابل تعریف ہیں۔

نئی انضمام شدہ کمپنی کی ترجیحات میں تمام پرانے اور نئے حاصل کردہ اثاثوں اور وسائل کو جمع کرنا، کمپنی کی بہترین صلاحیت کے مطابق قرضہ جات کو کلیئر کرنا، ٹاٹا پاکستان برانڈ کو مستحکم اور مضبوط بنانا اور توسیع اور تنوع کے ذریعے کمپنی کو بڑھانے کے لیے مضبوط بیلنس شیٹ کا فائدہ اٹھانا شامل ہیں۔

مستقبل کا نظریہ:

کمپنی کے منافع میں بہتری متوقع ہے کیونکہ قرض لینے کے اخراجات میں متوقع کمی کی وجہ سے کمپنی کی توجہ کٹن کی مقامی خریداری، خام مال کی حامل مدت میں کمی، کم شرح سود اور نسبتاً مستحکم شرح تبادلہ کی طرف ہے۔

مزید برآں کمپنی نے توانائی کی استعداد کار اور ریٹری بیٹمنٹ کو بہتر بنانے کے لیے کئی منصوبے شروع کیے ہیں۔

بورڈ کی کارکردگی اور تاثر:

کوڈ آف کارپوریٹ گورننس اور کمپنیز ایکٹ 2017 کے تقاضوں کی تعمیل میں بورڈ کی کارکردگی کا سالانہ تخمینہ لگایا گیا تھا۔ اس تخمینے کا مقصد یہ یقینی بنانا ہے کہ کمپنی کے مجموعی کاروباری مقاصد اور انتظامی ڈھانچے کے تناظر میں بورڈ کی کارکردگی کی پیمائش یقینی بنائی جائے۔ ڈائریکٹرز کے عزم اور موثر نگرانی کے ذریعے آپ کی کمپنی نے کارپوریٹ گورننس اور کمپلائنس کی شفافیت یقینی بنائی۔

آخر میں بورڈ کی جانب سے میں کمپنی کی مسلسل کامیابی میں اپنے تمام ملازمین کی شراکت کا اعتراف کرنا چاہتا ہوں۔ میں اپنے شراکت داروں، صارفین، سپلائرز، بینکرز اور دوسرے اسٹیک ہولڈرز کے اعتماد اور ان کی حمایت کیلئے بھی ان کا شکریہ ادا کرنا چاہتا ہوں۔



مظہر واجی
چیئر مین

کراچی مورخہ 26 اگست 2021ء

کارپوریٹ گورننس کے معاملات :

پالیسی، بورڈ اور گورننس سے متعلق تمام معاملات کارپوریٹ گورننس سیکشن میں پیش کئے جاتے ہیں اور انہیں ڈائریکٹرز کی رپورٹ کا حصہ سمجھا جاتا ہے۔

چیئر مین کا جائزہ :

کمپنی کے ڈائریکٹرز چیئر مین کی جائزہ رپورٹ کی توثیق کرتے ہیں جو کہ ڈائریکٹرز کی رپورٹ کا حصہ ہے۔

اعتراف:

ہم دوران سال Covid-19 کو پھیلنے سے روکنے اور اس کو کنٹرول کرنے کیلئے ہیلتھ کیئر ورکرز، ضروری سروس فراہم کرنے والوں اور ٹاٹا کی پوری ٹیم کا مخلصانہ طور پر شکریہ ادا کرنا چاہتے ہیں۔ ٹاٹا ٹیکسٹائل گروپ نے مالی سال 2020-21 کے دوران بہترین منافع حاصل کیا اور یہ سال ٹیکسٹائل سیکٹر کی جلد بحالی، زیادہ مانگ اور ایشیا کی قیمتوں کو ریکارڈ پر رکھنے کی وجہ سے اپنے بہترین سالوں میں سے ایک ہے لیکن مالی سال 2021-22 جا رہا ہے، ہمیں خام مال کی قیمتوں، خریداری، پاکستانی روپے کی قدر میں کمی اور کورونا وائرس کی مزید لہروں پر زیادہ سے زیادہ توجہ دینے کی ضرورت ہے۔ آخر میں ہم کمپنی کے ساتھ وابستگی پر اپنے معزز صارفین، سپلائرز اور بینکرز سمیت دیگر تمام اسٹیک ہولڈرز کا شکریہ ادا کرتے ہیں اور آنے والے سالوں میں ان کے ساتھ مزید کامیابیاں بانٹنے کے منتظر ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے



عدیل شاہ ٹاٹا
ڈائریکٹر



شاہد انوار ٹاٹا
چیف ایگزیکٹو

کراچی مورخہ 26 اگست 2021

ریوارڈ، پہچان اور انتظامی کارکردگی :

ریوارڈز میں اندرونی مساوات اور بیرونی مسابقت کو یقینی بنانے کے لیے، ہمارے پاس بہترین طریقوں پر مبنی پالیسیاں، طریقہ کار اور نظام موجود ہیں۔ ہم مارکیٹ کی تبدیلیوں کو شامل کرنے کے لیے اپنی پالیسیوں کا باقاعدگی سے جائزہ لیتے ہیں اور ان پر نظر ثانی کرتے ہیں۔ سال کے دوران ہم نے کئی پالیسیوں کا جائزہ لیا اور نظر ثانی کی جن میں سیل فون پالیسی، میڈیکل پالیسی اور وہیکل پالیسی شامل ہیں۔ اعلیٰ کارکردگی کو ریوارڈ دینے کے ہمارے فلسفے کے مطابق، ہمارے پاس معروضی ترتیب اور کارکردگی کا باقاعدہ جائزہ لینے کے لیے ایک ساختہ طریقہ کار موجود ہے۔

صنعتی تعلقات :

ہم اپنے ملازمین کو اپنا قیمتی اثاثہ تسلیم کرتے ہیں۔ لہذا انتظامیہ ملازمین کے ساتھ پر امن تعلقات کو یقینی بناتی ہے اور ہیڈ آفس اور فیکٹریوں میں کام کرنے کے لئے سازگار ماحول مہیا کرنے کی کوشش کرتی ہے۔ کام اور زندگی کے درمیان توازن کو برقرار رکھنے پر اہمیت دی جاتی ہے۔ انتظامیہ روزگار کے تمام قوانین اور مزدور قانون سازی کی تعمیل کو بھی یقینی بناتی ہے۔ اس کے نتیجے میں ملازمین بغیر کسی تنازعہ کے اپنے اہداف کے حصول کیلئے سخت محنت کرتے ہیں۔

طویل خدمات کے سلسلے میں ایوارڈز :

طویل خدمت کے ایوارڈز ان ملازمین کی عقیدت اور وفاداری کو پہچاننے اور انعام دینے کیلئے فراہم کئے جاتے ہیں جن کا کمپنی کے ساتھ طویل عرصہ ہوتا ہے۔ مالیاتی سال 2020-21 میں 29 ملازمین کو اس ایوارڈ سے نوازا گیا۔

صحت حفاظت اور ماحول :

کمپنی اپنے کام کی قوت، انفراسٹرکچر اور آپریشن کو محفوظ رکھنے کی کوشش کرتی ہے۔ صحت مند کام کے ماحول اور طریقوں کی حوصلہ افزائی کرتی ہے۔ دوران سال شعور، بیداری، تربیت اور مشقوں کو مستقل طور پر آگے بڑھایا گیا ہے تاکہ وہ HSE کی تازہ ترین ترقی کے ساتھ برابر رہیں۔ قانونی تقاضوں کی تعمیل کو یقینی بنانے اور تیلکنیک ترقی کی وجہ سے HSE چیلنجز کا انتظام کریں۔ HSE اقدامات، پیشرفت، ترقی اور بہتری کے مواقعوں کا جائزہ لینے کیلئے مقاصد بیان کئے گئے ہیں۔ کارکردگی کے جائزے درج ذیل تعامل کے ساتھ باقاعدہ طور پر مناسب سطح پر طلب کئے جاتے ہیں۔ ذاتی حفاظتی سامان کا استعمال (PPE)، باقاعدہ مشقین، آگاہی اور تربیت سیشنز، HSE مانیٹرنگ/آڈٹ رپورٹس، ماحولیاتی ٹیسٹ رپورٹس کے نتائج، واقعہ/حادثے کی رپورٹنگ اور ریگولیٹری تعمیل کے استحکام کی توثیق بذریعہ EVP ٹیکنیکل آپریشنز ڈپارٹمنٹ کے ذریعہ سہ ماہی بنیاد پر ایگزیکٹو میٹجمنٹ کو کارکردگی کی رپورٹ۔

کاپوریٹ سوشل ذمہ داری :

کمپنی کو معاشرے کے حصہ کے طور پر اپنی ذمہ داری کا احساس ہے اور لوگوں کے معاشی حالات کو بہتر بنانے، ہمارے اقدامات اور دوستانہ پالیسیوں کے ذریعے ماحول کی حفاظت اور عام طور پر انسانیت کی بھلائی میں حصہ ڈال کر مختلف شعبوں میں شراکت کرنے کی کوشش کرتی ہے۔ اسی تناظر میں کمپنی نے تعلیم کے حصول کے خلاف رکاوٹوں کو توڑنے اور اس قوم کے مستقبل کی تعمیر کیلئے مدد کرنے کیلئے مستقل عزم کا اظہار کیا ہے۔ ہمارے ہدف میں ایک ہدف یہ بھی ہے کہ تمام مریضوں کو ان کی ادائیگی کی اہلیت سے قطع نظر بغیر کسی امتیاز کے، صحت کی دیکھ بھال کو قابل رسائی بنا کر معیاری صحت کا نظام مرتب کریں۔ مذکورہ بالا کے علاوہ کمپنی تعلیم اور کھیلوں، ہیلتھ کیئر سروسز اور جنرل فنانشل ایڈ کے شعبوں میں متعدد دیگر خدمات انجام دے رہی ہے اور مستقل طور پر مصروف عمل ہے۔ دوران سال Covid-19 کے باعث صحت اور حفاظت ایک بڑا مسئلہ رہا لہذا انتظامیہ نے اس خطرے کو کم کرنے کیلئے مختلف اقدامات کئے ہیں۔ ان میں باقاعدگی سے آگاہی سیشنز، احاطے کے اندر مختلف علاقوں میں ہینڈ سینیٹائزرز کی فراہمی، داخلی راستوں پر درجہ حرارت کی نگرانی، احاطے میں باقاعدہ طور پر جراثیم کا خاتمہ اور عملے کو ہر وقت ماسک پہننے کے ساتھ ساتھ سماجی فاصلہ کی مشق بھی شامل تھی۔

مالیاتی ڈیٹا اور گرافس :

آپریٹنگ/مالیاتی ڈیٹا اور گراف کی تفصیلات مالی سیکشن میں پیش کی گئی ہیں۔

انعامات اور مشترکہ خدمات کی دیکھ بھال کے لیے انتہائی اہل اور قابل پیشہ ورا افراد کی ایک ٹیم بھی ہے۔ اس کی وجہ سے، ٹاٹا ٹیکسٹائل ملز ٹیلیٹ کو اپنی طرف متوجہ کرنے، ترقی دینے اور برقرار رکھنے میں فخر محسوس کرتی ہے جو ہماری اقدار کو برقرار رکھتی ہے اور کاروبار کی کامیابی میں اپنا کردار ادا کرنے کے لیے اپنی بہترین کوشش کرتی ہے۔

ہمارے لوگوں کا فلسفہ:

ہم سمجھتے ہیں کہ انسانی وسائل میں سرمایہ کاری مجموعی پیداواری صلاحیت کو بڑھانے میں مددگار ثابت ہوگی جو کہ آخر کار مستحکم کاروباری نتائج کی تلاش میں ہماری مدد کرے گی۔ یہی وجہ ہے کہ کمپنی لوگوں میں سرمایہ کاری کرنے سے کبھی نہیں ہچکچاتی۔ ہم ہمیشہ کوشش کرتے ہیں کہ ٹاٹا ٹیکسٹائل ملز کو عزت، دیانتداری اور ٹیم ورک پر مبنی ایک مضبوط کلچر بنا کر انتخاب کا آجر بنایا جائے۔ اس کے علاوہ، اس بات کو یقینی بنایا جاتا ہے کہ ملازمین کو سیکھنے اور بڑھنے کے کافی مواقع میسر ہوں اور انہیں کارکردگی کی بنیاد پر مارکیٹ میں مسابقتی معاوضہ اور انعامات فراہم کیے جائیں۔ یہ ہمیں نہ صرف صحیح ٹیلیٹ کو اپنی طرف متوجہ کرنے اور برقرار رکھنے کے قابل بناتا ہے بلکہ اس بات کو بھی یقینی بناتا ہے کہ ٹاٹا ٹیکسٹائل ملز کے ملازمین اپنی صلاحیت سے تجاوز کر سکیں۔

ٹیلیٹ کا حصول:

ہمارے پاس ٹیلیٹ مینجمنٹ پروفیشنلز کی ایک ماہر ٹیم ہے جو مستقبل میں قائدانہ کردار ادا کرنے کے لیے قابل افراد کی مضبوط ٹیلیٹ ٹیم پائپ لائن بنانے کے لیے کام کرتی ہے۔ وہ اس بات کو یقینی بناتے ہیں کہ صحیح مہارت اور رویہ رکھنے والے لوگوں کو صحیح عہدوں پر رکھا جائے۔ یہ ہمارے لوگوں کو غیر معمولی کارکردگی پیش کرنے کی اجازت دیتا ہے۔ اس طرح، مالی سال 2020-21 میں، ٹاٹا ٹیکسٹائل ملز نے ہماری مل میں مینجمنٹ ٹیم پر وگرام کی اپنی سابقہ مشق کو آگے بڑھایا جو کہ معروف ٹیکسٹائل یونیورسٹیوں کے پرجوش تازہ گریجویٹ کو آن بورڈنگ اور پوروش کی طرف گامزن ہے تاکہ بعد میں اہم کردار ادا کریں۔ اس پروگرام کا امتیازی عنصر یہ ہے کہ یہ ملز میں صنفی تنوع کو بہتر بنانے کے لیے گریجویٹس کو تین ٹارگیٹ کرتا ہے۔ اس پروگرام کے لیے ٹیلیٹ کی تلاش میں، ٹیلیٹ ایکویزیشن ٹیم نے دوران سال ملک کے معروف ٹیکسٹائل اداروں کا دورہ کیا اور جنوری 2021 کے دوران حالیہ گریجویٹس کو تین کی پروفائل جمع کیں۔ پروفائلز کو احتیاط سے اسکرین کیا گیا اور بہتر ٹیلیٹ منتخب کرنے کے لیے شارٹ لسٹ کیے گئے امیدواروں کے ساتھ آمنے سامنے انٹرویو کیے گئے۔ منتخب امیدواروں کو ملز میں رکھا گیا ہے، جہاں انہیں مختلف ڈیپارٹمنٹ کا دورہ کروایا جائے گا۔ ہماری ٹیلیٹ ایکویزیشن ٹیم نے ہمارے ٹیلیٹ ڈیپارٹمنٹ کو مزید مضبوط بنانے اور موجودہ اور مستقبل کے عہدوں کے لئے ممکنہ امیدواروں کا تقرر کرنے کیلئے مختلف معروف یونیورسٹیوں میں جاب فیوزرز میں بھی حصہ لیا۔

لرننگ اینڈ ڈیولپمنٹ:

ملازمین کی قابلیت کو بہتر بنانے کے لیے تربیت ضروری ہے تاکہ وہ نہ صرف کمپنی کو اپنے مقاصد کے حصول میں مدد دے سکیں بلکہ مستقبل کے لیے بھی تیار ہوں۔ اس کو مدنظر رکھتے ہوئے، ٹاٹا ٹیکسٹائل ملز اپنے ملازمین میں مطلوبہ مہارت پیدا کرنے اور ان کی صلاحیتوں کو بڑھانے کے لیے پرعزم ہے۔ ملازمین کی تربیتی ضروریات کی بنیاد پر مالی سال 2020-21 کے دوران حسب ضرورت مختلف تکنیکی اور مہارتی تربیتی پروگرام منعقد کیے گئے۔

تمام پروگراموں میں کارپوریٹ آفس اور ملز کے ملازمین نے شرکت کی۔ ہمارے لرننگ اینڈ ڈیولپمنٹ ڈیپارٹمنٹ کے ذریعہ سال 2020-21 کے دوران سیکھنے کیلئے مختلف پروگرام شروع کیے گئے۔ جب کلاس روم کے سیشن منعقد نہیں کیے جاسکتے تھے تو ملازمین کو سیکھنے کا عمل جاری رکھنے کا موقع فراہم کرنے کیلئے آن لائن لرننگ کا آغاز کیا گیا۔ ان میں ٹرییز کے ذریعہ براہ راست اور ریکارڈ شدہ سیشن دونوں شامل تھے۔ یہ آن لائن لرننگ سیشن ہمارے ملازمین کی طرف سے اچھی طرح موصول ہوئے ہیں۔ اس کے علاوہ کارپوریٹ آفس اور ملز میں ملازمین کے لیے ماہانہ گیسٹ اسپیکر سیشن کا اہتمام کیا گیا۔ ان مختصر سیشنز کے لیے مختلف صنعتوں کے تجربہ کار پیشہ ورا افراد کو دعوت دی گئی کہ وہ اپنے ملازمین کے ساتھ مخصوص موضوعات پر اپنے تجربات اور ڈن شیئر کریں۔

امپلائی انگیجمنٹ:

ٹاٹا ٹیکسٹائل ملز میں، ہم اپنے تمام ملازمین اور انتظامیہ کو مربوط، مصروف اور متحرک رکھ کر مشترکہ نظریہ کے طور پر کام کرنے کے لیے سخت محنت کرتے ہیں۔ ہم ٹیم بلڈنگ اور صحت مند بین الثقوامی تعامل کو فروغ دینے کے لیے مختلف سرگرمیوں کا اہتمام کرتے ہیں۔ مالی سال 2020-21 کے دوران، ہم نے ملازمین کی شمولیت کی مختلف سرگرمیاں اور اقدامات شروع کیے جیسے عید ملن، ووٹن ڈے، انٹرنیشنل ڈے آف پیپینیس وغیرہ۔ اگرچہ ٹیم کے ارکان کے درمیان بات چیت سال کے دوران محدود رہی لیکن ان سرگرمیوں نے ٹیم کے تعلقات میں مدد کی۔

سرمایہ کی ساخت:

30 جون 2021 کو ڈی بیٹ اکیوٹی کا تناسب 45:55 تھا جس کا موازنہ 30 جون 2020 کی اکیوٹی 52:48 سے کیا جا سکتا ہے۔ یہ اضافہ بنیادی طور پر ورکنگ کپینٹل کی ضرورت میں عارضی اضافے اور اسٹیٹ بینک کے ذریعہ پیش کردہ Covid مراعات کے تحت طویل مدتی قرضوں کے التوا کی حمایت کے باعث ہوا۔

ڈویڈنڈز:

بورڈ آف ڈائریکٹرز نے 26 اگست 2021 کو اپنی منعقدہ میٹنگ میں 30 جون 2021 کو ختم ہونے والے سال کیلئے منافع کی سفارش نہیں کی ہے۔

ٹائٹانیا:

اللہ تعالیٰ کے فضل و کرم سے اور کمپنی کی جانب سے دائر کردہ اسکیم آف اریجنٹس کی بنیاد پر قابل احترام سندھ ہائی کورٹ کراچی نے اپنے آرڈر JCM نمبر 13/2020 مورخہ 02 مارچ 2021 کے ذریعے انضمام کو منظور کیا اور 17 مارچ 2021 کا ایک اضافی آرڈر کے تحت آئی لینڈ ٹیکسٹائل ملز لمیٹڈ (ILTM)، سلفی ٹیکسٹائل ملز لمیٹڈ (SALT) اور ٹائٹانیا انرجی لمیٹڈ (TEL) یکم جولائی 2021 سے ٹائٹانیا ٹیکسٹائل ملز میں ضم ہو گئے۔

ٹائٹانیا ٹیکسٹائل ملز لمیٹڈ کے تحت تمام ٹیکسٹائل اور پاور اثاثہ جات کا انضمام پاکستان کی سب سے بڑی اسپننگ ملز میں سے ایک کی حیثیت کو مستحکم کرے گا جس میں پلانٹ کی گنجائش 145,984 اسپنڈلز سے بڑھ کر 127,092 اسپنڈلز ہو جائے گی اور اس کے نتیجے میں 16 ارب روپے کی پراپرٹی، پلانٹ اور آلات کی تخمینہ قیمت کے ساتھ، 27 ارب روپے کے کل اثاثے، 560 ملین روپے کا مشترکہ شیئر کپینٹل، ضم ہونے والی کمپنیوں کو 386 ملین روپے کے 38.6 ملین شیئرز کے اجراء، 14 ملین روپے کی مشترکہ اکیوٹی اور 3 ملین روپے کے کل مشترکہ طویل مدتی قرض جو اکیوٹی کا صرف 21 فیصد بنتے ہیں کے ساتھ ایک بہت بڑی اور مضبوط مشترکہ بیلنس شیٹ پوزیشن ہوگی۔

انضمام کمپنی کی توجہ، مالی طاقت اور مرئیت اور مستقبل میں کاروبار کو بڑھانے کی صلاحیت میں نمایاں اضافہ کرے گی۔ آپریشنل طور پر، وسائل کے زیادہ موثر استعمال کے ذریعے بہتر ہم آہنگی حاصل کی جائے گی جبکہ اخراجات کو کم کرنے، ریٹرن کو بہتر بنانے کے لیے ٹائٹانیا مصنوعات کی موثر برانڈنگ اور مارکیٹنگ، مشترکہ کارپوریٹ اور ٹیکس رپورٹنگ سے زیادہ توجہ اور شیئر ہولڈرز کے لیے منافع کو بہتر بنانے کے لیے خطرے کو کم کرنے کی صلاحیت میں اضافہ کرے گی۔

آڈیٹرز:

کمپنی کے موجودہ آڈیٹرز میسرز یوسف عادل چارٹرڈ اکاؤنٹینٹس میں جو کہ سکدوش ہو رہے ہیں اور اہل ہونے کی حیثیت سے خود کو دوبارہ تقرری کے لئے پیش کرنے کے اہل ہیں۔ انہوں نے انسٹیٹیوٹ آف چارٹرڈ اکاؤنٹینٹس آف پاکستان (ICAP) سے اطمینان بخش QCR کی درجہ بندی حاصل کرنے اور ICAP کے ذریعہ بین الاقوامی فیڈریشن آف اکاؤنٹینٹس (IFAC) کے ضابطہ اخلاق کے رہنما اصولوں کی تعمیل کی تصدیق کی ہے۔ بورڈ آف ڈائریکٹرز نے باہمی اتفاق رائے کے تحت میسرز یوسف عادل چارٹرڈ اکاؤنٹینٹس کو بطور آڈیٹرز مابلیاتی سال 30 جون 2022 کیلئے انہی شرائط و ضوابط اور اجرت پر دوبارہ تقرر کرنے کیلئے سفارش پیش کی ہے۔

شیئر ہولڈنگ کا اسلوب:

شیئر ہولڈنگ کے اسلوب کی معلومات سالانہ رپورٹ کے ساتھ منسلک ہیں۔

ہیومن ریسورسز:

ہم نے ہمیشہ غیر معمولی نتائج حاصل کرنے کیلئے اپنے ملازمین کو اہمیت دی ہے۔ یہ ہماری ٹیم کی سخت محنت اور کاوش ہے جس نے ٹائٹانیا ٹیکسٹائل ملز کو ان مشکلات میں اپنے اہداف حاصل کرنے کے قابل بنایا۔ ہمارے ملازمین نے ٹائٹانیا ٹیکسٹائل ملز کو نہ صرف شیئر ہولڈنگ بلکہ معیشت اور معاشرے کے لیے قدر پیدا کرنے کے قابل بنایا۔ کسی بھی کاروبار کے لیے سب سے بڑا چیلنج قابل ذکر ٹیلنٹ کو اپنی طرف متوجہ کرنا، ترقی دینا اور برقرار رکھنا ہے۔ اس سلسلے میں ہم نے بہترین طریقوں پر مبنی انسانی وسائل کے نظام اور پالیسیاں تیار کی ہیں۔ ہمارے پاس ٹیلنٹ میجمنٹ پروگرام، تنظیمی ترقی، کل

متعارف کرانے، مثال کے طور پر 2.89 KWH/ کا الگ الگ کوارٹریٹریف اور فیول ایڈجسٹمنٹ چارج اور USD کے آپکچنج کے اثرات پر مبنی ٹیریف جو بجلی کی مجموعی لاگت میں اضافے کا اثر رکھتا ہے۔

ترقی کیلئے ایک متوقع اور مستحکم توانائی پالیسی درکار ہے۔ بد قسمتی سے، پاکستان میں پالیسی کی مستقل مزاجی کا فقدان ہے جو کہ ٹیکسٹائل انڈسٹری کی توسیع اور ترقی پر اثر انداز ہوتی ہے۔ دیگر ٹیکسٹائل برآمداتی ممالک کا صنعتی بجلی ٹیریف پاکستان کے مقابلے میں بہت کم ہے جو ہمیں مارکیٹ کے مقابلے میں غیر مسابقتی بنا دیتا ہے۔ پاکستانی ٹیکسٹائل انڈسٹری کا برآمداتی ”پاور ہاؤس“ بننے کا مقصد اس وقت تک حاصل نہیں کیا جاسکتا جب تک بجلی کے نرخوں کو مسابقتی اور مستحکم سطح پر نظر ثانی نہیں کی جاتی۔ اب، ٹیکسٹائل سیکٹر کی مکمل صلاحیت سے فائدہ اٹھانے اور موجودہ کسٹمر میں کو برقرار رکھنے اور بڑھانے کے لیے، RCET پالیسی پر مستقل عمل درآمد کی ضرورت ہے۔

مزید برآں، GIDC کے لیے انڈسٹری کو ادائیگی کرنے کا حکومت کا فیصلہ تنازعات میں گھرا ہوا ہے اور حکومت اور صنعت کے درمیان قانونی جنگ میں الجھ گیا ہے۔ سپریم کورٹ کے فیصلے کے بعد معاملہ پیچیدہ ہو گیا ہے۔ اب انڈسٹری ایک بار پھر GIDC ایکٹ اور قانون کے خلاف چل رہی ہے کیونکہ حکومت نے سپریم کورٹ کی طرف سے دی گئی چھ ماہ کی مدت کے اندر کوئی منصوبہ شروع نہیں کیا جو کہ اپنے فیصلے میں پورے GIDC ایکٹ کو کالعدم قرار دیتا ہے۔

کمپنی کے نتائج:

کمپنی نے گذشتہ سال کے مقابلے میں زیادہ طلب اور یارن کی بہتر قیمتوں پر 33 فیصد اضافہ کے ساتھ 8,962 ملین روپے کی خالص فروخت کی اور مناسب وقت پر کپاس کی خریداری کی وجہ سے 202 فیصد تک مبلغ 1,506 ملین روپے کا منافع حاصل کیا۔ کمپنی نے کورونا کے بعد مقامی گارنٹنٹس مینوفیکچررز کی طلب میں اضافہ، زیادہ مستحکم آپکچنج ریٹ کے باعث بعد از ٹیکس منافع مبلغ 824 ملین روپے حاصل کیا۔ جس نے گذشتہ سال کے زرمبادلہ کے نقصانات کو ختم کیا، حکومت کی جانب سے پالیسی شرح کو کم کرنے کے فیصلے کے بعد انڈسٹری کی حوصلہ افزائی کے لیے سود کے اخراجات کم ہوئے جس نے مالیاتی چارجز کو 36 فیصد کم کر کے 253 ملین روپے (2020: مبلغ 396 ملین روپے) کر دیا۔

دوران سال فروخت مبلغ 7,456 ملین روپے رہی جو گذشتہ سال کی فروخت 89 فیصد کے مقابلے میں 83 فیصد ہے کیونکہ کمپنی کی جانب سے کپاس کی خریداری کے بعد کپاس کی قیمتوں میں نمایاں اضافہ ہوا جو کہ کورونا کے بعد طلب میں اضافے، کپاس کی کم دستیابی زیادہ تر سیلات کی لاگت کی وجہ سے تھا۔

فروخت، تقسیم اور انتظامی اخراجات میں گذشتہ سال 220 ملین روپے کے مقابلے میں 24 فیصد اضافے سے 272 ملین روپے کا اضافہ ہوا جس کی بنیادی وجہ زیادہ حجم، زیادہ مال برداری کے اخراجات، اسٹاف کی سالانہ انکریمنٹ اور ٹائٹا کے انضمام سے متعلق قانونی/قانونی اخراجات کی وجہ سے زیادہ فروخت کے اخراجات ہیں جو کہ گروپ ٹیکسٹائل کمپنیوں نے دوران سال حاصل کئے اور یکم جولائی 2021 سے مؤثر ہو رہے ہیں۔

دیگر آپریٹنگ چارجز گذشتہ سال 173 ملین روپے کے مقابلے میں 82 ملین روپے رہے کیونکہ آپکچنج کے نقصانات کو ختم کیا گیا تھا لیکن منافع بخش نتائج کی وجہ سے WPPF اور WWF سے تبدیل کر دیا گیا۔

مالیاتی چارجز مبلغ 253 ملین روپے رہے، جو کہ گذشتہ سال جون 2020 میں پالیسی کی شرح میں 7 فیصد تک کمی کی وجہ سے 36 فیصد کم ہے اور انہیں گزشتہ سال سے درج ذیل سطح پر رکھا گیا ہے:

تناسب فیصد میں	جون 2020	جون 2021	
33	6730	8962	فروخت
20	(6232)	(7456)	فروخت کی قیمت
202	498	1506	مجموعی منافع
10	(393)	(354)	ڈسٹری بیوشن، ایڈمن و دیگر
(36)	(396)	(253)	مالیاتی قیمت
424	(280)	908	قبل از ٹیکس منافع
350	(329)	824	بعد از ٹیکس منافع
350	(18.98)	47.54	آمدنی فی شیئر

ٹیکسٹائل انڈسٹری کے چیلنجز:

گذشتہ سال، حکومت پاکستان اور اسٹیٹ بینک آف پاکستان نے کورونا وبا کی وجہ سے مندی کا سامنا کرنے والے کاروبار کی حالت زار پر تیزی سے کام کیا اور مختلف مراعات کی پیشکش کی جن میں قرض کی تاخیر سے ادائیگی، پالیسی شرح میں کمی، کم سود تنخواہ والے قرضے اور دیگر کم سرمایہ کی توسیع کے لیے لاگت کی مالی اعانت شامل ہیں۔ آگے بڑھتے ہوئے، حکومت کو ٹیکسٹائل انڈسٹری کو مزید تقویت دینے کی ضرورت ہے جو کہ ٹیکسٹائل سیکٹر کی ترقی کی صلاحیت کو نقصان پہنچانے والی رکاوٹوں کو دور کر رہی ہے اور اس سلسلے میں قیمتی زرمبادلہ کمانے کی اپنی صلاحیت میں سادہ اور علاقائی مسابقتی توانائی کی پالیسی پر عمل درآمد، کپاس کی پیداوار کو بہتر بنانے، بہترین بیج کے معیار اور کسانوں کی ترغیبات میں بہتر تحقیق، سوت/ٹیکسٹائل کی پیداوار بڑھانے کے لیے مستحکم پالیسیوں اور مراعات کا نفاذ، ٹیکسٹائل کی لیکویڈیٹی کو بہتر بنانے اور گیس انفراسٹرکچر ڈیولپمنٹ سیس (جی آئی ڈی سی) کی ادائیگی کے خطرے کو دور کرنے کے لیے ٹیکس کی بروقت واپسی اور زیرو ریٹنگ کو دوبارہ نافذ کرنے کیلئے اقدامات کر رہی ہے۔

غام مال:

کپاس کے ذرائع پاکستان میں ٹیکسٹائل اسپننگ انڈسٹری کو درپیش ایک حقیقی تشویش ہے۔ کپاس کی عالمی پیداوار 2020/21 میں 6.5 فیصد کم ہو کر 114 ملین گانٹھیں رہ گئیں جبکہ پاکستان کی پیداوار 27 فیصد اضافے سے 4.5 ملین گانٹھوں تک پہنچ گئی۔ کھپت 2020/21 می 14 فیصد بڑھ کر 114 ملین گانٹھیں ہو گئیں جبکہ پاکستان نے کھپت میں نمایاں اضافہ دیکھا۔ USDA کے تخمینے کے مطابق، عالمی کپاس کی کھپت 2021/22 میں 4 فیصد بڑھ کر 122 ملین گانٹھوں اور پیداوار میں 3.2 ملین گانٹھوں تک اضافے کی توقع ہے، اس کے باوجود کپاس کی عالمی پیداوار 5 فیصد اضافے سے 119.5 ملین گانٹھوں تک متوقع ہے۔

پاکستان کی کھپت 16 ملین گانٹھوں تک بڑھنے کی توقع ہے۔ پاکستان کی کپاس کی فصل 2021/22 میں نمایاں طور پر بحال ہونے کی توقع ہے، لیکن ناموافق موسم، کیڑوں کے نقصان اور بیج کے معیار کے خطرے والے عوامل کی وجہ سے اب بھی غیر یقینی صورتحال ہے۔ اگر پیداوار بہتر ہو جائے تو کپاس کی پیداوار 1.3 ملین سے بڑھ کر 5.8 ملین گانٹھیں ہونے کی توقع ہے، تاہم پاکستان کو 5.8 کی متوقع پیداوار اور 16 ملین گانٹھوں کی مانگ کے درمیان فرق کو ختم کرنے کے لیے اب بھی کپاس درآمد کرنے کی ضرورت ہوگی۔ حکومت پاکستان کی وزارت ٹیکسٹائل کو بیج ٹیکنالوجی میں سرمایہ کاری کرنے، کسانوں کے ساتھ مل کر جدید کاشتکاری کی تکنیک کے ساتھ مل کر کام کرنے کی ضرورت ہے تاکہ ملکی کپاس کے بڑھتے ہوئے علاقوں میں اس بڑی نقد فصل کی پیداوار کو بڑھایا جا سکے۔

کم عالمی پیداوار کی پیشنگوئی اور دوسرے سال کھپت میں مثبت شرح نمو کے ساتھ 2021/22 میں بین الاقوامی مارکیٹ میں قیمت کی اعلیٰ سطح 90 سینٹ/پاؤنڈ کی پیشنگوئی کی گئی ہے۔ کمپنی مقامی کپاس پر انحصار کرنے، محتاط رہنے اور کم سے کم غام مال اور تیار شدہ سامان کی انویسٹری کے ساتھ موثر انداز میں کام کرنے کی پوری کوشش کرے گی۔

ٹیکسٹائل:

FBR حکام نے جنوری 2021 سے رقم کی واپسی کی رفتار سست کر دی ہے کیونکہ وہ حالیہ رقم کی واپسی پر کارروائی کرتے ہیں اور تاخیر کے حربے استعمال کرتے ہیں تاکہ پرانی آمدنی اور سیلز ٹیکس موخر ریفرنڈ کو ختم کیا جاسکے جس سے کاروبار کی لیکویڈیٹی متاثر ہوتی ہے۔

اس کے علاوہ، آمدنی کے اہداف کو حاصل کرنے کے لیے FBR حکام ٹیکس آڈٹ اور دوہلا ٹیکس کی کارروائیوں کو بیک وقت شروع کرتے ہیں اور ٹیکس کی غلط تقاضے پیدا کرتے ہیں اس طرح کمپنیاں اپیل میں جانے پر مجبور ہوتی ہیں۔ فنانس ایکٹ 2021 کے ذریعے حکومت نے غام کپاس کی خریداری پر سیلز ٹیکس کی شرح 10 فیصد سے بڑھا کر 17 فیصد کر دی ہے جس کے نتیجے میں لیکویڈیٹی مزید سخت ہو جائے گی۔ مزید برآں، ایکسپورٹنگ انڈسٹری کے مطالبے کے باوجود، حکومت نے ایکسپورٹ پر بھی سیلز ٹیکس کے لیے زیرو ریٹ کی درجہ بندی بحال نہیں کی جس کی وجہ سے ایکسپورٹرز کی لیکویڈیٹی پر بھی منفی اثرات مرتب ہو رہے ہیں۔

توانائی کی لاگت:

پی ٹی آئی حکومت کی علاقائی مسابقتی انرجی ٹیرف (آر سی ای ٹی) کی پالیسی نے ٹیکسٹائل کی برآمدات میں اضافہ کیا اور معاشی استحکام لایا۔ جی او پی نے 2018 میں آر سی ای ٹی پالیسی متعارف کروائی جس کے تحت دوبارہ گیس شدہ مانع قدرتی گیس (آر ایل این جی) 6.5 ڈالر/ایم ایم پی ٹی یو اور بجلی کے نرخ 7.5 سینٹ/کلوواٹ پر فراہم کیے جاتے تھے جو ستمبر 2020 میں 9 سینٹ/کلوواٹ تک بڑھا دی گئی ہے۔ اس کے بعد سے، حکومت نے بڑھتے ہوئے ٹیرف کے ذریعے کچھ ریلیف دیا ہے جس سے جون 2021 تک لاگت میں معمولی کمی آئی ہے لیکن دوسرے اقدامات

ڈائریکٹرز رپورٹ برائے ممبران

کمپنی کے ڈائریکٹر 30 جون 2021ء کو ختم ہونے والے سال کیلئے کمپنی کی 35 ویں سالانہ رپورٹ اور کمپنی کے آڈٹ شدہ مالیاتی حسابات کے ساتھ اپنی رپورٹ پیش کرتے ہوئے مسرت محسوس کر رہے ہیں۔

کاروباری ماحول:

ٹیکسٹائل اسپننگ کے کاروباری ماحول میں کوویڈ لاک ڈاؤن کی پابندیوں میں نرمی اور کپاس کی قیمتوں میں کمی کے بعد جس سے یارن کی قیمتوں میں اضافہ ہوا تھا کافی بہتری آئی۔ کوویڈ 19 پاکستان ٹیکسٹائل انڈسٹری کے لیے ایک نعمت ثابت ہوا کیونکہ عالمی خریداران نے کورونا کے باعث دیگر علاقائی خریداریوں کے آرڈرز روک کر پاکستان کا رخ کرنا شروع کر دیا۔ اس کے نتیجے میں پاکستان میں صلاحیت کے استعمال میں غیر معمولی اضافہ ہوا۔

اس کے نتیجے میں، ملک کے تمام بڑے حریف اپنی صلاحیت میں اضافہ کے لیے آگے بڑھ رہے ہیں تاکہ برآمداتی آرڈرز کی بڑھتی ہوئی تعداد کو سنبھال سکیں خاص طور پر ملکی ٹیکسٹائل، نٹ گارمنٹس اور تولیوں کے لیے۔ حکومت کو ڈیوٹی میں کٹوتی، مینوفیکچرنگ میں سرمایہ کاری پر ٹیکس کی مراعات، برآمد کنندگان کے لیے ٹیکس ریفرنڈ کے جلد اجراء اور درآمدات کے مقابلے میں ملکی رسد کے لیے سطح سازی کا میدان بنانے کے ذریعے مقامی پیداوار اور درآمد کے متبادل کی مزید حوصلہ افزائی کرنے کی ضرورت ہے۔

پاکستان کی معیشت:

پاکستان کی معیشت گزشتہ دو دہائیوں میں آہستہ آہستہ ترقی کر رہی ہے، جو کہ جنوبی ایشیاء کی اوسط سے 2 فیصد نصف ہے جو کہ متضاد پالیسیوں اور سرمایہ کاری اور برآمدات پر کم انحصار کی وجہ سے معاشی ترقی کو آگے بڑھاتی ہے۔ کھپت میں اضافے کی مختصر مدت کے باعث کرنٹ اکاؤنٹ اور مالیاتی خسارہ ہوا، جس کے لیے پالیسی سخت کرنے کی ضرورت تھی۔

مالیاتی سال 2020 میں، ملک مالیاتی اور مالی اقدامات کے ساتھ آئی ایم ایف پروگرام میں داخل ہوا جس نے عدم توازن کو کم کرنے اور معاشی استحکام کو بہتر بنانے میں اہم کردار ادا کیا۔ تاہم، کوویڈ 19 پر قابو پانے کے اقدامات معاشی سرگرمیوں میں شدید کمی کا باعث بنے اور افرادی قوت، ملازمت یا آمدنی میں کمی کے نتیجے میں غربت اور خوراک کی عدم تحفظ کا شکار ہوئے۔ اس لیے حکومت نے جی ڈی پی کا تقریباً 2.9 فیصد کا محرک تک متعارف کرایا اور وہاں کے اثرات کو کم کرنے کے لیے مالی ایڈجسٹمنٹ کے کچھ اقدامات کو موخر کر دیا۔ مالیاتی سال 2021 کی پہلی ششماہی کے دوران (جولائی تا دسمبر 2020)، وصولی، کمیونٹی کی نقل و حرکت میں اضافہ، زیادہ نجی استعمال، زیادہ سرکاری ترسیلات زر کی آمد اور مشینری کی درآمد اور سیمنٹ کی فروخت کے ساتھ بہتر سرمایہ کاری کے آثار تھے۔

پیداوار کی طرف، مالیاتی سال 2021 کے پہلے چھ مہینوں میں فصلوں کی پیداوار نسبتاً کمزور رہی، کیونکہ کپاس کی پیداوار اومون سون کے سیلاب سے منفی طور پر متاثر ہوئی اور مئی 2020 سے مرحلہ وار لاک ڈاؤن اقدامات کے ساتھ، مینوفیکچرنگ اور کاروباری اعتماد کے انڈیکس دسمبر 2020 میں کوویڈ سے پہلے کی سطح سے تجاوز کرنے کے ساتھ صنعتی اور خدمات کی سرگرمیوں میں بہتری آئی ہے۔ جولائی تا فروری مالی سال (Y-O-Y) 2021 میں افراط زر بنیادی طور پر خوراک کی افراط زر کی وجہ سے کم ہوئی، یہ اب بھی 8.3 فیصد پر ہے لیکن اسٹیٹ بینک نے معیشت کو سہارا دینے کے لیے پالیسی شرح 7 فیصد پر برقرار رکھی ہے۔

گذشتہ سال 2.0 ٹریلین امریکی ڈالر کے خسارے کے مقابلے میں، کرنٹ اکاؤنٹ نے جون تا دسمبر 2020 کے لیے 1.1 ٹریلین امریکی ڈالر کا اضافہ ریکارڈ کیا جس کی وجہ سے ترسیلات زر کی آمد میں اضافہ ہوا۔ دسمبر 2020 کے آخر میں روپے کے مقابلے میں امریکی ڈالر میں 5.4 فیصد اضافہ ہوا اور زرمبادلہ کے ذخائر بڑھ کر 14.9 ٹریلین امریکی ڈالر ہو گئے۔

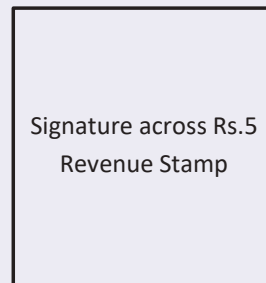
متوسط مدت کے دوران پیداوار کی شرح نمو آہستہ آہستہ ٹھیک ہونے کی توقع ہے، جو کہ مالی سال 2021-23 کے دوران زیادہ تر نجی استعمال کی شراکت کی وجہ سے اوسط 2.2 فیصد متوقع ہے۔ مالی سال 2021 میں کرنٹ اکاؤنٹ خسارہ جی ڈی پی کا 0.8 فیصد تک کم ہونے کا تخمینہ ہے، کیونکہ وسیع تر تجارتی خسارہ مضبوط ترسیلات زر کی آمد سے زیادہ ہے۔ مالی سال 2022 کے بعد سے برآمدات میں اضافے کا امکان ہے، کیونکہ بیرونی حالات سازگار ہیں اور ٹریف میں اصلاحات حاصل ہوتی ہیں، لیکن مضبوط ملکی سرگرمیوں اور تیل کی بلند قیمتوں کے مطابق درآمدات میں بھی اضافے کی توقع ہے۔

اہم خطرات کے پیش نظر وہاں کی نئی لہر کا امکان، ویکسین سے بچنے والے نئے تناؤ کا ظہور اور بڑے پیمانے پر ویکسینیشن میں رکاوٹیں شامل ہیں۔ اس کے علاوہ، اہم ساختی اصلاحات کے نفاذ میں زیادہ تاخیر مزید مالیاتی اور بڑے اقتصادی عدم توازن کا باعث بن سکتی ہے۔

Form of Proxy

I/We _____ of _____, being a Member of Tata Textile Mills Limited, holder of _____, Ordinary Share(s) as per Register Folio No _____ hereby Appoint Mr. _____, having CNIC No. _____ as my/our proxy in my/our absence to attend and vote for me/us, and on my/our behalf at the Annual General Meeting of the company to be held on October 05, 2021 and at any adjournment thereof.

Signed this _____ day of _____ 2021.



Witness 1 _____

Witness 2 _____

Signature _____

Signature _____

Name _____

Name _____

CNIC # _____

CNIC # _____

NOTES:

1. This instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorized in writing, or if the appointer is a corporation either under the common seal or under the hand of an official or attorney so authorized. No person shall be appointed as proxy who is not member of the company qualified to vote except that a corporation being a member may appoint a person who is not a member.
2. The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a notarially certified copy of that power of authority, shall be deposited at the office of the Company not less than 48 (forty eight) hours before the time for holding the meeting at which the person named in the instrument proposes to vote, and in default the instrument of a proxy shall not be treated as valid.
3. CDC Shareholders or their Proxies should bring their original CNICs or Passport along with the Participant's ID Number and their Account Number to facilitate their identification. Detail procedure is given in Notes to the Notice of AGM.

پراکسی فارم (مختار نامہ)

میں / ہم کا / کی
 بحیثیت رکن ٹاٹا ٹیکسٹائل ملز لمیٹڈ اور حامل عام حصص برطابق رجسٹرڈ فو لیو نمبر
 بذریعہ ہذا محترم / محترمہ کمپیوٹرائزڈ قومی شناختی کارڈ نمبر
 مورخہ 05 اکتوبر 2021ء

کو اپنے / ہمارے ایماء پر:
 منعقد ہونے والے کمپنی کے سالانہ اجلاس عام میں حق رائے دہی استعمال کرنے، تفریر اور شرکت کرنے یا کسی بھی التواء کی صورت میں اپنا / ہمارا بطور مختار نامہ (پراکسی) مقرر کرتا
 ہوں / کرتے ہیں۔

آج بروز تاریخ 2021 کو میرے / ہمارے دستخط سے گواہوں کی تصدیق سے جاری ہوا۔

ممبر کے دستخط
 ریونیو کی مہر 5 روپے

گواہان

-2

دستخط:

نام:

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر:

گواہان

-1

دستخط:

نام:

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر:

نوٹ:








- 1- پراکسی تفریری کے آلات تقرر کرنے والے کے دستخط یا اس کے باقاعدہ بااختیار وکیل کے تحریری اجازت نامہ، یا اگر تقرر کرنے والا کارپوریشن ہے تو عام مہر یا ایک آفیشل دستخط کے تحت یا ایسے بااختیار وکیل کے دستخط ہوں گے۔ جو کمپنی کا رکن نہیں ہے اسے پراکسی مقرر نہیں کیا جائے گا سوائے ایک کارپوریشن کے جو ووٹ ڈالنے کے لئے ایک غیر رکن شخص کو پراکسی مقرر کر سکتی ہے۔
- 2- پراکسی اور مختار نامہ یا دیگر اتھارٹی (اگر کوئی ہوں) تفریری کے آلات، جس کے تحت یہ دستخط شدہ ہو یا اس مختار نامہ کی نوٹریبل مصدقہ کاپی، کمپنی کے دفتر میں کم از کم 48 (اڑتالیس) گھنٹے قبل اجلاس جس میں ووٹ دینے کے مقاصد کے لئے انسٹرمنٹ میں نامزد شخص کی جمع کروایا جائے گا، بصورت دیگر پراکسی کا انسٹرمنٹ کارآمد تصور نہ ہوگا۔
- 3- سی ڈی سی حصص یا دیگر ایوان کے پراکسیز کو اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا اصل پاسپورٹ معہ پارٹیسپینٹ (شرکت) آئی ڈی نمبر اور اکاؤنٹ نمبر اپنی شناخت کی سہولت کے لئے اپنے ہمراہ لانا چاہئے۔ تفصیلی طریقہ کار نوٹس AGM کے نوٹ میں دیا گیا ہے۔



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