



TATA TEXTILE MILLS LIMITED

**Condensed Interim Financial Statements
For The Nine Months Ended March 31, 2022**

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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. Muhammad Zaid Kaliya

COMPANY SECRETARY

Mr. Muhammad Hussain

HEAD OF INTERNAL AUDIT

Mr. Ghazanfer Yaseen

AUDITORS

M/s Yousuf Adil
Chartered Accountants

BANKERS

Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Islami Pakistan Limited
Dubai Islamic Bank (Pakistan) Limited
Faysal Bank Limited
HBL (Islamic Banking)
JS Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
National Bank of Pakistan - AIBG
Pak Oman Investment Company Limited
Samba Bank Limited
Soneri Bank Limited
Summit Bank Limited
The Bank of Punjab
National Bank of Pakistan - AIBG

LEGAL ADVISOR

Ameen Bandukda & Co.

REGISTERED OFFICE

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

FACTORY LOCATIONS

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

SHARE REGISTRAR

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

WEB

www.tatapakistan.com

Director's Report

Assalam-o-Alaikum

The financial statements (un-audited) of the Company for nine months ended March 31, 2022 is being presented to you.

Alhamdulillah, the results for the current quarter has been exceptionally good for the textile spinning sector and your company has achieved Profit before Tax of Rs.1.754 billion as compared to Profit before Tax of Rs.292.032 million, during the corresponding period of last year.

Your Company has also received a favorable Long Term and Short-Term credit rating of A and A2 respectively from PACRA, which will help to further facilitate banking relationships.

Overview

The shortage of gas in the country lingers on and the whole Industry continues to protest. Extremely low gas pressure along with frequent unavailability of grid/gas is increasing cost of doing business. The Government has failed to arrange RLNG on time, which has not only affected the spinning industry but has also adversely affected the down-stream industry.

As mentioned in the last report the world trade continues to face a global supply chain disruption from delayed shipments, exorbitant cost of shipping & logistics. Further, since last few years Pakistan is confronting cotton crop scarcity, hence, we are again compelled to import from other cotton producing countries like America, Brazil, Mexico and West Africa. However, the global supply chain disruptions are hampering the availability of imported cotton to reach on time.

Though, the local cotton crop was forecasted at about 9 Mn bales, but unfortunately it has turned out to be approximately 7.4 Mn bales. Lately, we have also observed that the quality of the cotton deteriorated with increase in cost at approx. Rs. 22,000/- per mound, thus, making yarn affordability difficult for the down-stream industry. The entire down-stream industry is not able to pass on high raw material cost.

There was hope that based on new developments in the cotton trade, the global prices of Cotton would be adjusted downwards, but unluckily the Indian cotton crop

which was forecasted at 36 Mn bales is now expected to yield less than 32 Mn bales, which has further fueled cotton prices higher.

Future Outlook

Presently, the Textile Industry is in a very difficult situation due to exorbitant increase in costs especially raw material. Also due to the Russia - Ukraine conflict, the demand in EU for textile products have decreased resulting in less requirement of yarn from our customers. Going forward high inflation through-out the world will compress demand of textiles as people will have less disposable income left to shop for non-essential products.

Your management is working to increase the productivity and efficiency along with reduction in cost to achieve sustainable results.

Acknowledgment

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



Adeel Shahid Tata
Director



Shahid Anwar Tata
Chief Executive

Karachi

Dated: April 28, 2022

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2022

		March 31, 2022 (Un-audited)	June 30, 2021 (Audited)
	Note	----- (Rupees in '000) -----	
ASSETS			
Non-current assets			
Property, plant and equipment	6	15,563,576	4,536,263
Intangible assets		9,304	5,275
Long term deposits		4,621	3,189
		15,577,501	4,544,727
Current assets			
Stores, spares and loose tools		171,996	45,748
Stock-in-trade	7	7,333,789	1,887,580
Trade debts		4,845,711	862,345
Loans and advances		1,796,711	203,466
Short term prepayments		22,718	3,087
Other receivables		45,316	-
Other financial assets		1,979,654	264,070
Sales tax refundable		438,233	38,234
Cash and bank balances		536,376	1,250,879
		17,170,504	4,555,409
TOTAL ASSETS		32,748,005	9,100,136
EQUITY AND LIABILITIES			
EQUITY			
Share capital	8	559,937	173,248
General reserve		2,805,996	1,000,000
Unappropriated profit		6,959,839	1,527,933
Surplus on revaluation of operating fixed assets		7,332,291	2,277,797
		17,658,063	4,978,978
Non-current liabilities			
Long term finances	10	2,596,848	529,008
Deferred liabilities		991,794	468,539
Deferred government grant	11	-	1,272
		3,588,642	998,819
Current liabilities			
Trade and other payables		2,822,287	500,157
Interest accrued on borrowings		229,538	36,379
Short term borrowings	12	7,266,894	2,328,877
Current portion of long term finances	10	692,295	139,300
Current portion of deferred government grant	11	7,014	6,484
Unclaimed dividend		14,439	4,463
Provision for income tax		468,833	106,679
		11,501,300	3,122,339
TOTAL EQUITY AND LIABILITIES		32,748,005	9,100,136

CONTINGENCIES AND COMMITMENTS

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The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.



SHAHID ANWAR TATA
CHIEF EXECUTIVE



MUHAMMAD ZAID KALIYA
CHIEF FINANCIAL OFFICER



ADEEL SHAHID TATA
DIRECTOR


CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)


FOR THE NINE MONTHS AND THREE MONTHS ENDED MARCH 31, 2022

	Note	Nine Months ended		Three Months Ended	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
----- (Rupees in '000) -----					
Revenue from contract with customers - net	14	26,673,899	6,564,598	8,689,762	2,261,138
Cost of goods sold		(20,071,605)	(5,639,390)	(6,299,280)	(1,794,864)
Gross profit		6,602,294	925,208	2,390,482	466,274
Distribution cost		(309,835)	(65,205)	(85,105)	(25,027)
Administrative expenses		(432,674)	(121,767)	(170,364)	(53,597)
Other operating expenses		(480,171)	(38,455)	(148,454)	(22,201)
Finance cost		(838,715)	(202,289)	(302,014)	(72,025)
		(2,061,395)	(427,716)	(705,937)	(172,850)
Other income		95,928	4,174	69,290	(1,392)
Profit before taxation for the period		4,636,827	501,666	1,753,835	292,032
Provision for taxation	15	(518,324)	(75,976)	(77,280)	(26,756)
Profit after taxation for the period		4,118,503	425,690	1,676,555	265,276
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		4,118,503	425,690	1,676,555	265,276
----- (Rupees) -----					
Earning per share - Basic and diluted	16	73.55	24.57	29.94	15.31

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 SHAHID ANWAR TATA
 CHIEF EXECUTIVE


 MUHAMMAD ZAID KALIYA
 CHIEF FINANCIAL OFFICER


 ADEEL SHAHID TATA
 DIRECTOR

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2022

	Nine Months ended	
	March 31, 2022	March 31, 2021
	----- (Rupees in '000) -----	
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	4,636,827	501,666
Adjustments for non-cash items and others:		
Depreciation	537,945	175,343
Amortisation	598	1,204
Provision for retirement benefits	81,407	27,034
Amortisation of deferred government grant	(16,076)	-
Provision for compensated absences	18,643	1,386
Finance cost	838,715	202,289
Effect of interest expense on SBP refinance loan for salaries	15,858	-
Dividend income	(87,020)	-
Unrealized loss on remeasurement of other financial assets	26,389	-
Realized Gain on revaluation of other financial assets	(508)	-
Loss on disposal of operating fixed assets	3,818	400
Operating cash flows before working capital changes	6,056,597	909,322
(Increase) / decrease in current assets		
Stores, spares and loose tools	(30,043)	(7,717)
Stock-in-trade	(1,292,159)	(358,383)
Trade debts	(1,987,142)	160,894
Loans and advances	(1,088,482)	(169,011)
Short term prepayments	(11,089)	(2,883)
Other receivables	(36,732)	(2,500)
Sales tax refundable	(290,095)	(40,250)
Increase / (decrease) in current liabilities		
Trade and other payables	(149,856)	(31,763)
Cash generated from operations	1,170,999	457,709
Finance cost paid	(756,010)	(236,492)
Income taxes paid	(325,974)	(37,716)
Staff retirement benefits paid	(79,775)	(15,404)
Staff compensated absences paid	(18,461)	(3,329)
Net cash generated from operating activities	(9,221)	164,768

Nine Months ended

B. CASH FLOWS FROM INVESTING ACTIVITIES

	March 31, 2022	March 31, 2021
	----- (Rupees in '000) -----	
Purchase of property, plant and equipment	(648,079)	(7,563)
Proceeds from disposal of property and equipment	36,504	7,042
Purchase of investments	(1,642,810)	-
Dividend received during the period	87,020	-
Increase in long term deposits	1,681	(563)
Net cash used in investing activities	(2,165,684)	(1,084)

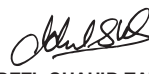
C. CASH FLOWS FROM FINANCING ACTIVITIES

Long term finances obtained	1,322,311	108,137
Repayment of long term finances	(1,068,228)	(111,608)
(Repayment) / acquisition of short-term borrowings - net	(1,545,902)	748,119
Dividend paid during the period	(412,299)	(21)
Net cash (used in) / generated from financing activities	(1,704,118)	744,627
Net (decrease) / increase in cash and cash equivalents (A+B+C)	(3,879,023)	908,311
Cash and cash equivalents at the beginning	(182,817)	(1,876,592)
Cash and cash equivalents transferred from amalgamating companies	(1,573,542)	-
	(1,756,359)	(1,876,592)
Cash and cash equivalents at end of the period	(5,635,382)	(968,281)
CASH AND CASH EQUIVALENTS		
Cash and bank balances	536,376	800,568
Short term running finances	(6,171,758)	(1,768,849)
	(5,635,382)	(968,281)

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.


 SHAHID ANWAR TATA
 CHIEF EXECUTIVE


 MUHAMMAD ZAID KALIYA
 CHIEF FINANCIAL OFFICER


 ADEEL SHAHID TATA
 DIRECTOR

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE NINE MONTHS ENDED MARCH 31, 2022

	Revenue reserve		Capital reserve		Total
	Share Capital	General reserve	Unappropriated profit	Surplus on revaluation of property, plant and equipment	
Balance at July 01, 2020 (Audited)	173,248	1,000,000	594,696	2,394,420	4,162,364
Total comprehensive income for the half year ended December 31, 2020					
Profit for the period	-	-	425,690	-	425,690
Other comprehensive income - net of tax	-	-	-	-	425,690
Transferred from surplus on revaluation of property, plant and equipment on account of:					
- incremental depreciation	-	-	79,288	(79,288)	-
- adjustment in revaluation surplus	-	-	1,120	(1,120)	-
Balance as at March 31, 2021 (Un-audited)	173,248	1,000,000	1,100,794	2,314,012	4,588,054
Balance as at July 01, 2021 (Audited)	173,248	1,000,000	1,527,933	2,277,797	4,978,978
Impact of amalgamation	-	1,805,996	1,857,866	5,267,937	8,931,799
Reserve arising on amalgamation	-	-	(337,953)	-	(337,953)
Capital issued pursuant to amalgamation	386,689	-	-	-	386,689
	386,689	1,805,996	1,519,913	5,267,937	8,980,535

Note

(Rupees in '000)

	Revenue reserve		Capital reserve		Total
	Share Capital	General reserve	Unappropriated profit	Surplus on revaluation of property, plant and equipment	
----- (Rupees in '000) -----					
Note					
Transactions with the owners of the company:					
First interim dividend Rs. 2.50 per share	-	-	(139,984)	-	(139,984)
Second interim dividend Rs. 5.00 per share	-	-	(279,969)	-	(279,969)
Total transaction with owners	-	-	(419,953)	-	(419,953)
Comprehensive income for the nine-month ended March 31, 2022					
Profit for the period	-	-	4,118,503	-	4,118,503
Other comprehensive income - net of tax	-	-	4,118,503	-	4,118,503
Total comprehensive income for the period	-	-	3,698,550	-	3,698,550
Transferred from surplus on revaluation of property, plant and equipment on account of:					
- incremental depreciation	-	-	200,731	(200,731)	-
- disposal of property, plant and equipment	-	-	12,712	(12,712)	-
	-	-	213,443	(213,443)	-
Balance as at March 31, 2022 (Un-audited)	559,937	2,805,996	6,959,839	7,332,291	17,658,063

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.


SHAHID ANWAR TATA
 CHIEF EXECUTIVE


MUHAMMAD ZAID KALIYA
 CHIEF FINANCIAL OFFICER


ADEEL SHAHID TATA
 DIRECTOR

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2022

1. LEGAL STATUS AND NATURE OF BUSINESS

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

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

Head Office:

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

Manufacturing facilities:

The company has following manufacturing units:

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

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

The High Court of Sindh 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, ILTM, SALT and TEL (herein after referred as "Amalgamated Companies") 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 during the period.

The terms of the Scheme of Arrangement have resulted in immediate dissolution without winding up of the amalgamated Companies 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 amalgamated Companies are transferred in the name of Tata Textile Mills Limited (TATM) and TATM continues to its legal form as a result of amalgamation.

Further, in consideration for the transfer of the entire undertaking of amalgamated companies, the Company has issued its fully paid ordinary shares to all the shareholders of amalgamated companies on July 01, 2021. 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 ILTM, TEL and SALT respectively, which was approved by the Court. As a result, the Company has transferred 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 ILTM, TEL and SALT respectively.

The Company accounts for business combination involving other entities or businesses under common control using predecessor value method. The net assets of amalgamated companies have been incorporated at their net carrying amount in the book of the respective companies as at June 30, 2021 and the difference between the value of the net assets acquired and shares as issued has been carried in the equity and netted off with unappropriated profits. Further, the amalgamated entities' results and statement of financial position have been incorporated prospectively from the date on which the merger occurred. Consequently, these financial statements do not reflect the results of the merged entities for the period before the transaction occurred and the corresponding amounts for the previous year presented have not been restated, and therefore, are not comparable. A breakup of the carrying values of the amalgamated companies have been given in note 9. Further, the transaction has been considered as non-cash for the purpose of preparation of cash flow statement.

2. BASIS OF PREPARATION

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

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

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements and the significant judgments made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of the financial statements of the Company as at and for the year ended June 30, 2021 except for the new policies adopted as a result of amalgamation during the period as disclosed in note 1.2 of these condensed interim financial statements. Certain new IFRS's and amendments to existing IFRSs are effective for periods beginning on or after July 1, 2021, which do not have any impact on the Company's financial reporting and therefore have not been detailed in these condensed interim financial statements.

3.2 The Company follows the practice of conducting valuation of staff gratuity (annually) and property, plant and equipment (after every 3 years) through their respective valuation experts. Consequently for staff gratuity the impacts of such valuation are incorporated in the annual financial statements at every year end whereas for property, plant and equipment these are incorporated in the annual financial statements at the end of every 3 years. Hence, for property, plant and equipment no change in the valuation are incorporated in these condensed interim financial statement. For staff retirement benefits, the management has used the assumptions of their appointed experts as of June 30, 2021 for calculating the amount of provision and incorporated the resultant in these condensed interim financial statements.

3.3 Accounting policies of all amalgamating companies were consistent with that of amalgamated companies therefore no transitional change was required after amalgamation. Further, the tax liabilities of SALT, ILTM, TEL and TATM are deemed assessed for the tax year 2021 and the same has been transferred to TATM at their respective carrying values.

4. FINANCIAL RISK MANAGEMENT

The Company's financial risk objectives and policies are consistent with those disclosed in the annual audited financial statements as at and for the year ended June 30, 2021.

5. ACCOUNTING ESTIMATES AND JUDGEMENTS

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

Estimates and judgements made by the management in the preparation of these condensed interim financial statements are the same as those that were applied to the annual financial statements of the Company for the year ended June 30, 2021, except as disclosed otherwise.

	March 31, 2022	June 30, 2021
	(Un-audited)	(Audited)
	----- (Rupees in '000) -----	
6. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets	14,987,194	4,524,775
Capital work-in-progress	576,382	11,488
	15,563,576	4,536,263

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

	Additions / transfers from CWIP	Disposals / write off at book value	Sale Proceed
	----- (Rupees in '000) -----		
During the quarter ended March 31, 2022 (Unaudited)			
Buildings on Leasehold land	8,605	-	-
Plant and machinery	15,916	23,244	18,082
Electric installations	240	-	-
Factory and workshop equipment	1,666	-	-
Furniture and fixtures	514	-	-
Office equipment	1,489	36	13
Vehicle	-	1	3
	28,430	23,281	18,098

	Additions / transfers from CWIP	Disposals / write off at book value	Sale Proceed
	----- (Rupees in '000) -----		
During the year ended June 30, 2021 (Audited)			
Buildings on Leasehold land	2,885	-	-
Plant and machinery	41,462	10,368	6,592
Factory and workshop equipment	238	704	-
Furniture and fixtures	1,752	141	-
Office equipment	6,285	84	9
Vehicle	-	1	450
	52,622	11,298	7,051

		March 31, 2022	June 30, 2021
		(Un-audited)	(Audited)
		----- (Rupees in '000) -----	
7. STOCK-IN-TRADE			
Raw material	7.1	5,890,362	1,543,228
Work-in-process		233,177	88,494
Finished goods		1,088,704	170,327
By-Product		121,546	85,531
		7,333,789	1,887,580

7.1 Raw material includes stock-in-transit amounting to Rs. Nil (2021: Rs. 330.13 million).

8. SHARE CAPITAL

March 31, 2022	June 30, 2021		March 31, 2022	June 30, 2021
----- (Number of shares) -----		Authorised capital:	----- (Rupees in '000) -----	
100,000,000	100,000,000	Ordinary shares of Rs. 10 each	1,000,000	1,000,000
		Issued, subscribed and paid-up capital:		
		Ordinary shares of Rs. 10 each:		
13,100,000	13,100,000	- issued for cash	131,000	131,000
4,224,750	4,224,750	- issued as bonus shares	42,248	42,248
38,668,864	-	- issued in pursuant to amalgamation	386,689	-
55,993,614	17,324,750		559,937	173,248

8.1 As stated in note 1.2, in pursuant to amalgamation the Company issued a total of 15,100,000, 6,187,500, and 17,381,364 fully paid ordinary shares at Rs. 10 respectively to the shareholders of ILTM, TEL and SALT. As a result, the paid up share capital of the Company has increased with effect from the date of amalgamation i.e. July 01, 2021.

9. AMALGAMATION RESERVE

As stated in Note 1.2, following are the carrying amounts of assets and liabilities transferred from SALT, ILTM and TEL to TATM pursuant to the scheme of amalgamation. The difference between the net assets and other reserves acquired and share capital issued against those net assets has been recorded as 'Amalgamation Reserve':

	SALT	ILTM	TEL	Adjustment	Total
	----- (Rupees in '000) -----				
ASSETS					
Property, plant and equipment	5,250,733	5,213,559	493,210	-	10,957,502
Intangible assets	2,023	2,495	110	-	4,628
Long Term Deposit	1,370	1,690	53	-	3,113
Stores, spares and loose tools	41,290	38,227	16,689	-	96,206
Stock-in-trade	1,724,590	2,429,460	-	-	4,154,050
Trade debts	909,823	1,084,510	199,033	(197,142)	1,996,224
Loans and advances	248,136	246,046	10,581	-	504,763
Short-term prepayments	1,770	2,085	4,687	-	8,542
Other receivables	6,531	2,053	-	-	8,584
Other financial assets	28,151	46,972	23,532	-	98,655
Sales tax refundable	47,220	25,714	36,970	-	109,904
Cash and bank balances	17,409	60,730	4,673	-	82,812
Total Assets - A	8,279,046	9,153,541	789,538	(197,142)	18,024,983
LIABILITIES					
Long Term finances	727,091	1,619,615	4,190	-	2,350,896
Deferred Liabilities	262,069	195,431	23,802	-	481,302
Deferred government grant	7,647	7,469	219	-	15,335
Trade and other Payables	938,373	1,148,126	582,627	(197,142)	2,471,984
Interest accrued on borrowings	42,476	67,978	-	-	110,454
Short Term Borrowing	1,909,126	1,493,085	-	-	3,402,211
Unclaimed Dividend	1,226	1,097	-	-	2,323
Provision for income tax	90,414	118,511	1,018	-	209,943
Total Liabilities - B	3,978,422	4,651,312	611,856	(197,142)	9,044,448
Net Assets acquired C = (A - B)	4,300,624	4,502,229	177,682	-	8,980,535

Represented by:	SALT	ILTM	TEL	Adjustment	Total
	(Rupees in '000)				
Revaluation Surplus	3,237,677	2,030,260	-	-	(5,267,937)
General Reserve	505,996	900,000	400,000	-	(1,805,996)
Unappropriated profit	523,527	1,566,970	(232,631)	-	(1,857,866)
	4,267,200	4,497,230	167,369	-	(8,931,799)
				A	48,736
		Paid up Capital	Swap Ratio	Shares Issued	
		(Number)		(in'000)	
Salfi Textile Mills Limited		3,342,570	5.2	17,381	
Island Textile Mills Limited		500,000	30.2	15,100	
Tata Energy Limited		1,031,250	6	6,188	
		4,873,820		38,669	
Shares issued pursuant to amalgamation				B	(386,689)
Reserve arising on amalgamation				A+B	(337,953)

9.1 This transaction is considered as non-cash for the purpose of statement of Cash flows.

	Note	March 31, 2022 (Un-audited)	June 30, 2021 (Audited)
		----- (Rupees in '000) -----	
10. LONG TERM FINANCES			
Banking companies - secured			
SBP-LTFF	10.1	739,638	539,697
Syndicate financing	10.2	922,598	-
SBP REFF- Solar Project	10.3	431,769	-
Term finance	10.4	987,863	13,744
SBP - Refinance scheme for salary payments	10.5	207,275	114,867
		3,289,143	668,308
Less: current portion			
SBP-LTFF		(90,027)	(50,679)
Syndicate financing		(145,280)	-
SBP REFF- Solar Project		(5,199)	-
Term finance		(237,500)	(6,872)
SBP - Refinance scheme for salary payments		(214,289)	(81,749)
		(692,295)	(139,300)
		2,596,848	529,008

10.1 These finances are secured against first pari passu charge on all present and future plant & machineries, land and building as well as charge on specific machineries. These facilities are subject to markup at SBP rate plus bank spread ranging between 2% + 1.5% to 2.5% p.a (2021: 2% + 1.5% to 2.5% p.a). These loans have various maturity dates from September 2026 upto March 2030.

10.2 This represents the outstanding against loan of PKR 3,000 million obtained from a syndicate of 8 commercial banks secured against, pari passu charge on entire operating fixed asset of the Company. The Company has received SBP-LTFF grant for PKR 760 million out of total loan of PKR 3,000 million. Detail of the syndicate term finance facility and SBP-LTFF grant are as below:

Syndicate term finance facility is subject to markup rate of 6 months' KIBOR + 1.4% p.a for term financing and SBP-LTFF is subject to markup rate of 3% + 1.4% p.a payable semi-annually in arrears. (2021: 6 months' KIBOR + 1.4% p.a and SBP rate of 3% plus 1.4%).

10.3 These facilities are obtained from a banking company which are used to finance solar project under SBP financing scheme for Renewable Energy. These facility are secured against first pari passu charge on fixed assets and is subject to SBP markup rate of 2% plus bank spread of 2% i.e. 4%. (2021: 2% plus bank spread of 2% i.e. 4%) p.a. This facility is payable in 10 years with principal & markup payable in quarterly.

10.4 These facilities are obtained from a banking company which are secured against first equitable mortgage on fixed assets and first specific charge over imported machinery and are subject to mark-up rate of 3 - 6 months KIBOR plus 1% to 1.50% p.a (2021: 3-6 months KIBOR plus 1% to 1.50% p.a). These loans are repayable in quarterly installments upto March 2023.

10.5 These facilities are obtained from a banking company which are secured against first pari passu charge on fixed assets and are subject to mark-up rate ranging from 1.5% to 2%. (2021:1.5% to 2%) p.a. These loans are repayable in quarterly up to January 2023.

10.6 Reconciliation of liabilities arising from long term financing activities

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

	July 01, 2021	Transferred on amalgamation	Obtained during the period	Repaid during the period	Effect of interest on SBP loan	March 31, 2022
	(Rupees in '000')					
SBP - LTFF	539,697	261,435	-	(61,494)	-	739,638
Syndicate financing	-	1,458,341	-	(535,743)	-	922,598
SBP - REFF Solar Panel	-	50,307	384,448	(2,985)	-	431,769
Term finance	13,744	351,740	937,863	(315,484)	-	987,863
SBP - Refinance						
Salary Payments	114,867	229,072	-	(152,521)	15,857	207,275
	<u>668,308</u>	<u>2,350,895</u>	<u>1,322,311</u>	<u>(1,068,228)</u>	<u>15,857</u>	<u>3,289,143</u>

	Note	March 31, 2022 (Unaudited) ----- (Rupees in '000) -----	June 30, 2021 (Audited)
11. DEFERRED GOVERNMENT			
Deferred government grant against salary loans	11.1	7,014	7,756
Current portion of deferred government grant		(7,014)	(6,484)
		<u>-</u>	<u>1,272</u>
11.1 Movement for the period / year			
As at the beginning of the period / year		7,756	5,372
Effect of amalgamation in the period / year		15,334	-
Add: Deferred grant recognised during the period / year		-	11,414
		23,090	16,786
Less: Amortisation for the period / year		(16,076)	(9,030)
As at the end of the period / year		7,014	7,756

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

March 31, 2022	June 30, 2021
(Un-audited)	(Audited)
----- (Rupees in '000) -----	

12. SHORT TERM BORROWINGS
Banking companies - secured

Finance against import merchandise	1,095,136	895,178
Running / cash finance	6,171,758	1,433,699
	<u>7,266,894</u>	<u>2,328,877</u>

- 12.1** Facilities for finance against import merchandise and running/cash finance are available from various commercial banks up to Rs.17.320 billion (2021: Rs. 4,275 million). For finance against import merchandise, the rates of markup range between 1- 6 months KIBOR plus 0.5% to 1.5% p.a (2021: 1-3 Months KIBOR plus 0.5% to 1.5% p.a). For running finance facility, the rates of mark up range between 1-6 Months KIBOR + 0.5% to 1.5% p.a (2021: KIBOR + 0.5% to 2.00% p.a). These are secured against hypothecation of stock and receivables (current assets).

13. CONTINGENCIES AND COMMITMENTS

13.1 Contingencies

- 13.1.1** By way of its Judgment dated August 13, 2020, the Supreme Court of Pakistan (SCP) has upheld the GIDC Act, 2015 and permitted the Government to collect arrears of GIDC that have become due up to July 31, 2020. SCP in its subsequent judgment dated November 03, 2020, while dismissing all review petitions filed against its earlier judgement dated August 13, 2020, clearly stated that as the SCP held the Act to be intra-vires therefore all the sections are to be applied and that the question pertaining to the applicability of Section 8(2) and its proviso has not been agitated and its relief lies elsewhere and that the companies claiming any relief under GIDC Act, 2015 may approach the right forum. Further, SCP permitted the Government to collect arrears of GIDC that have become due up to July 31, 2020 in 48 equal installments. Meanwhile, the Company has filed petition in July 2021 which is pending before the Sindh High Court. The management maintains that since the Company has not passed on the burden to its consumers / clients, it is not liable to pay GIDC, by whatever name charged as it clearly falls within the ambit of the exemption in line with Section 8(2) of the GIDC Act, 2015.

- 13.1.2** With respect to amalgamating company Tata Energy Limited (TEL), Late Payment Surcharge on differential of rate for Captive Power Producer (CPP) and Independent Power Producer (IPP) claimed by Sui Southern Gas Company Limited (SSGCL) on gas bills have not been accounted for in these condensed interim financial statements since 2009. TEL along with other power generation companies filed a suit in the High Court of Sindh (single bench) against this claim as they were contesting that all the companies were IPPs.

The High Court of Sindh in its order dated June 30, 2015 declared that all these companies are not IPPs. The plaintiff preferred intra court appeal which was also turned down vide order dated August 18, 2016 and thereafter filed civil petition before Supreme Court of Pakistan which is still pending adjudication.

TEL also filed a suit in the High Court of Sindh in respect of late payment surcharge charged on the bills for the month of July and August 2017. The Court in its interim order dated August 17, 2017 has suspended the demand of late payment surcharge on those bills till next hearing.

		March 31, 2022 (Un-audited)	June 30, 2021 (Audited)
		----- (Rupees in '000) -----	
13.2 Commitments	Note		
(i) Civil Works		41,107	7,535
(ii) Letters of credit against:			
- Plant and machinery		446,371	110,019
- Stores and spares		42,422	26,517
- Raw material		2,132,291	245,423
		2,621,084	381,959
(iii) Bank guarantees issued on behalf of the Company	13.2.1	671,403	241,543
(iv) Bills discounted with recourse:			
- Export		276,701	49,372
- Local		265,881	118,782
		542,582	168,154
(v) Outstanding sales contract		3,493,115	1,261,102

13.2.1 This includes bank guarantee related to Sindh Development Infrastructure Cess amounting to Rs. 400.60 million (2021: Rs. 107.2 million).

14. REVENUE FROM CONTRACT WITH CUSTOMERS - NET

Sales made to local customers amounting to Rs.10,002 million (March 31, 2021: Rs. 2,603 million) and exports (including indirect exports) amounting to Rs.16,672 million (March 31, 2021: Rs. 3,962 million).

	NINE MONTHS ENDED		THREE MONTHS ENDED	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
----- (Un-audited) -----				
----- (Rupees in '000) -----				
15. PROVISION FOR TAXATION				
Current				
for the year	468,833	68,654	196,363	28,033
for the prior year	9,352	931	1,041	-
	478,185	69,585	197,404	28,033
Deferred	40,139	6,391	(120,124)	(1,277)
	518,324	75,976	77,280	26,756
----- (Un-audited) -----				
----- (Rupees in '000) -----				
16. EARNINGS PER SHARE - BASIC AND DILUTED				
Profit for the period (Rupees in '000')	4,118,503	425,690	1,676,555	265,276
Weighted average number of ordinary shares outstanding during the year (Number)	55,994	17,325	55,994	17,325
Earnings per share (Rupees)	73.55	24.57	29.94	15.31

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

17. TRANSACTIONS WITH RELATED PARTIES

Details of significant transactions with related parties, other than those which have been disclosed elsewhere in these condensed interim financial statements, are as follows:

Name of Related Party	Basis of Relationship	Nature of Transaction	3rd Quarter ended	
			March 31, 2022	March 31, 2021
			----- (Un-audited) -----	
			----- (Rupees in '000) -----	
Tata Best Foods Limited	Associated Undertaking	Share of expenses received	1	4
		Share of expenses paid	433	72
		License income	356	-
Salfi Textile Mills Limited	Associated Undertaking	Share of expenses received	-	119
		Share of expenses paid	-	336
Island Textile Mills Limited	Associated Undertaking	Share of expenses received	-	243
		Share of expenses paid	-	468
Tata Energy Limited	Associated Undertaking	Share of expenses paid	-	103
Staff retirement funds		Expense charged for Provident Fund	6,506	-
Key management personnel		Remuneration	34,508	23,975
Directors		Salaries and benefits	7,856	5,131
		Dividend paid	210,148	-
		Meetings fee	1,600	800
		Rent expense		
		-godown	600	60
		-office premises	3,750	1,023
			March 31, 2022	June 30, 2021
			(Unaudited)	(Audited)
			----- (Rupees in '000) -----	
17.1 Outstanding/Receivable Balances				
		Staff retirement funds payable	4,537	-
		Receivable from Tata Best Foods Ltd.	392	-

18. FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES

There have been no significant change in the risk management policies since the year ended June 30, 2021.

19. FAIR VALUE OF ASSETS AND LIABILITES

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

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

Fair value hierarchy

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

- Level - 1:** fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level - 2:** fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level - 3:** fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Other financial assets includes investments in equity securities measured at fair value through profit or loss and classified under level 1 fair value hierarchy, as at March 31, 2022, these securities are valued at Rs. 1,969.47 million and there were no transfers between various levels of fair value hierarchy during the period.

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

As at March 31, 2022 and June 30, 2021, there were no other financial assets and financial liabilities that warranted classification under above levels.

20. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements was authorised for issue on April 28, 2022 by the Board of Directors of the Company.



SHAHID ANWAR TATA
CHIEF EXECUTIVE



MUHAMMAD ZAID KALIYA
CHIEF FINANCIAL OFFICER



ADEEL SHAHID TATA
DIRECTOR

امید تھی کہ کپاس کی تجارت میں نئی پیش رفت کی بنیاد پر، کپاس کی عالمی قیمتیں نچلی سطح پر ایڈجسٹ کی جائیں گی، لیکن بد قسمتی سے انڈین کپاس کی فصل جس کی پیش گوئی 36 ملین گانٹھوں پر کی گئی تھی، اب 32 ملین گانٹھوں سے کم پیداوار پر حاصل کرنے کی توقع ہے، جو کہ کپاس کی قیمتوں میں اضافے کے ساتھ ساتھ، عالمی سطح پر کپاس کی دستیابی کو متاثر کرتی ہے۔

مستقبل کی حکمت عملی:

اس وقت ٹیکسٹائل کی صنعت خاص طور پر خام مال کی قیمتوں میں بے تحاشہ اضافے کی وجہ سے بہت مشکل صورتحال سے دوچار ہے۔ روس اور یوکرین کے تنازع کی وجہ سے بھی یورپی یونین میں ٹیکسٹائل مصنوعات کی مانگ میں کمی آئی ہے جس کے نتیجے میں ہمارے صارفین کو سوت کی کم ضرورت ہے۔ دنیا بھر میں بلند افراط زر سے ٹیکسٹائل کی مانگ کم ہو جائے گی کیونکہ لوگوں کے پاس غیر ضروری مصنوعات کی خریداری کے لیے کم ڈسپوزابل آمدنی باقی رہ جائے گی۔

ہم اپنے حصص یافتگان کو بہترین ممکنہ نتائج دینے کی کوشش کرنے کے لیے لاگت میں کمی کے ساتھ ساتھ اپنی پیداواری صلاحیت کو بڑھانے پر کام کریں گے۔

اظہار تشکر:

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



عدیل شاہ
ڈائریکٹر



شاہد انوار شاہ
چیف ایگزیکٹو

کراچی مورخہ : 28 اپریل 2022ء

ڈائریکٹرز رپورٹ

السلام وعلیہم

31 مارچ 2022ء کو ختم ہونے والی تیسری سہ ماہی کیلئے کمپنی کے (غیر آڈٹ شدہ) مالیاتی حسابات آپ کو پیش کئے جا رہے ہیں۔

الحمد للہ، ٹیکسٹائل اسپننگ سیکٹر کے لیئے موجودہ سہ ماہی کے نتائج بہت بہتر رہے ہیں اور آپ کی کمپنی نے مبلغ 1.754 بلین روپے کا قبل از ٹیکس منافع حاصل کیا ہے جس کا موازنہ گذشتہ سال کی اسی مدت کے دوران کے قبل از ٹیکس منافع مبلغ 292.032 بلین روپے سے کیا جاسکتا ہے۔

آپ کی کمپنی کو PACRA سے بالترتیب A اور A2 کی طویل اور مختصر مدت کی کریڈٹ ریٹنگ ملی ہے جو بینکنگ تعلقات کو مزید آسان بنانے میں مدد کرے گی۔

جائزہ:

ملک میں گیس کی شدید قلت ہے اور پوری انڈسٹری سراپا احتجاج ہے۔ گیس کا انتہائی کم پریشر اور بجلی اور گیس کی مسلسل عدم دستیابی کاروباری لاگت میں اضافہ کر رہی ہے۔ حکومت وقت پر RLNG کا بندوبست کرنے میں ناکام رہی جس سے نہ صرف اسپننگ انڈسٹری متاثر ہوئی ہے بلکہ اس نے ڈاؤن سٹریم انڈسٹری کو بھی بری طرح متاثر کیا ہے۔

جیسا کہ گذشتہ رپورٹ میں بتایا گیا ہے کہ عالمی تجارت کو شپمنٹ میں تاخیر، شپنگ اور لاجسٹکس کی بے تحاشا لاگت سے گلوبل سپلائی چین میں خلل کا سامنا تھا، جو بد قسمتی سے آج بھی جاری ہے۔ مزید یہ کہ گزشتہ چند سالوں سے پاکستان کو کپاس کی فصل کی قلت کا سامنا ہے، اس لیے ہم ایک بار پھر دیگر کپاس کے پیداواری ممالک جیسا کہ امریکہ، برازیل، میکسیکو اور مغربی افریقہ سے کپاس درآمد کرنے پر مجبور ہیں تاہم، عالمی سپلائی چین میں رکاوٹیں درآمد شدہ کپاس کی دستیابی میں خلل ڈال رہی ہیں۔

اگرچہ، مقامی کپاس کی فصل کی تقریباً 9 ملین گانٹھیں ہونے کی پیش گوئی کی گئی تھی، لیکن بد قسمتی سے یہ تقریباً 7.4 ملین گانٹھیں نکلی ہیں۔ حال ہی میں، ہم نے یہ بھی مشاہدہ کیا ہے کہ لاگت میں اضافہ کے بعد کپاس کی فی من قیمت 22,000 روپے تک پہنچ گئی ہے، اس طرح، ڈاؤن اسٹریم انڈسٹری کے لیے کپاس کی اضافی لاگت کو منتقل کرنا مشکل ہو گیا ہے۔

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