



# **TATA TEXTILE MILLS LIMITED**

**Condensed Interim Financial Statements  
For The Nine-Month Ended March 31, 2021**

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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  
Miss. 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. Farooq Advani - Chairman  
Mr. Shahid Anwar Tata - Member  
Mr. Bilal Shahid Tata - Member  
Miss. Samar Shahid Tata - Member  
Mrs. Samon Babar - Secretary

**CHIEF FINANCIAL OFFICER**

Mr. Haseeb Hafeezuddeen

**COMPANY SECRETARY**

Mr. Muhammad Hussain

**INTERNAL AUDITOR**

Mr. Ghazanfer Yaseen

**AUDITORS**

Yousuf Adil  
Chartered Accountants

**BANKERS**

Allied Bank Limited  
Askari Bank Limited  
Bank Alfalah Limited  
Dubai Islamic Bank Pakistan Limited  
HBL (Islamic Banking)  
Faysal Bank Limited  
JS Bank Limited  
MCB Bank Limited  
Meezan Bank Limited  
National Bank of Pakistan  
Soneri Bank Limited  
Samba Bank Limited  
The Bank of Punjab

**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](mailto: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 Shahra-e-Faisal Karachi.  
Tel# (Toll Free) 0800-CDCPL (23275)  
Fax: (92-21) 34326053

**WEB**

[www.tatapakistan.com](http://www.tatapakistan.com)

## Directors' Report

### Assalam-o-Alaikum

The financial statements (un-audited) of the Company for the Nine Months Ended March 31, 2021 are being presented to you and we are pleased to inform you that the Company has made a Pre-Tax Profit of PKR 501.67 Million as compared to Pre-Tax Loss of Rs. 37.74 Million during the corresponding period last year.

We have been truly blessed in the third quarter, as this was the best quarter ever in the history of the Company as we made the highest ever profits. Although, the local cotton crop was at an all-time low the Company made arrangements to import sufficient cotton to run production at full capacity to supply yarn to our customers in the down-stream Industry which was getting huge orders from abroad. As the spinning industry has been operating at full capacity there are substantial Yarn stocks available, therefore, it is necessary to export 25,000 to 30,000 tons monthly to avoid an oversupply situation which will force down prices.

### Raw Material

The price of Cotton has remained unprecedented while witnessing very high prices during the whole of cotton season. The local cotton crop size is approx. 5.5 Million bales, which is the lowest since last 20 years, as a result the Country needs to import approx. 8 to 9 Million bales from far distanced countries like USA, Brazil, Mexico, due to which we have to face long transit time.

### Future Outlook

The current quarter has been good for the Textile Industry but presently the price of yarn has abruptly slid downwards. Globally there is an overcapacity of yarn and the same over capacity situation also prevails in Pakistan. The down-stream Industry is doing well and hopefully they will continue to get good orders, so the sale should remain consistent. In our opinion, the Textile Association has not fought its case effectively with the Textile Ministry in convincing the Ministry not to remove the Regulatory Duty and Import duty on Yarn, as our cost of doing business comparatively is much higher than the neighboring countries when we take into account the power cost, labor and spare parts duties, etc.

Moreover, we have heard of further capacity being increased in spinning as well, so the possibility of over-supply can yet again be confronted. However, we shall endeavor, as always, to keep on increasing our marketing and sales efforts, so we are able to do better in coming months and years, through concerted efforts

### Acknowledgement

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

**On behalf of the Board of Directors**



SHAHID ANWAR TATA  
CHIEF EXECUTIVE



ADEEL SHAHID TATA  
DIRECTOR

Karachi


Dated: April 28, 2021


**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION  
AS AT MARCH 31, 2021**

		March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
	Note	.....Rupees in '000'.....	
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	4,550,571	4,725,793
Intangible assets		5,674	6,878
Long term deposits		3,465	2,902
		<b>4,559,710</b>	<b>4,735,573</b>
<b>Current assets</b>			
Stores, spares and loose tools		46,330	38,613
Stock-in-trade	6	2,461,190	2,102,807
Trade debts		848,702	1,009,596
Loans and advances		444,691	316,269
Short-term prepayments		4,222	1,339
Other receivables		7,539	5,040
Other financial assets		19,670	19,670
Sales tax refundable		79,485	39,235
Cash and bank balances		800,568	375,893
		<b>4,712,397</b>	<b>3,908,462</b>
<b>TOTAL ASSETS</b>		<b>9,272,107</b>	<b>8,644,035</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	7	173,248	173,248
General reserve		1,000,000	1,000,000
Unappropriated profit		1,100,794	594,696
Surplus on revaluation of property, plant and equipment		2,314,012	2,394,420
		<b>4,588,054</b>	<b>4,162,364</b>
<b>Non-current liabilities</b>			
Long-term finances	8	625,062	668,737
Deferred liabilities		480,080	464,002
Deferred government grant	9	3,616	1,926
		<b>1,108,758</b>	<b>1,134,665</b>
<b>Current liabilities</b>			
Trade and other payables		450,435	482,198
Interest accrued on borrowings		57,591	91,794
Short-term borrowings		2,932,843	2,668,359
Current portion of long-term finances	8	53,670	19,349
Current portion of deferred government grant	9	7,640	3,446
Unclaimed dividend		4,462	4,483
Provision for income tax		68,654	77,377
		<b>3,575,295</b>	<b>3,347,006</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>9,272,107</b>	<b>8,644,035</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	10		

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

  
**SHAHID ANWAR TATA**  
 CHIEF EXECUTIVE

  
**HASEEB HAFEEZUDDEN**  
 CHIEF FINANCIAL OFFICER

  
**ADEEL SHAHID TATA**  
 DIRECTOR

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME (UNAUDITED)  
FOR THE NINE-MONTH AND QUARTER ENDED MARCH 31, 2021**

	Note	Nine-month ended		Quarter ended	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
----- Rupees in '000' -----					
Revenue from contract with customers - net	11	6,564,598	5,732,081	2,261,138	1,884,109
Cost of goods sold	12	(5,639,390)	(5,240,351)	(1,794,864)	(1,725,108)
<b>Gross profit</b>		<b>925,208</b>	491,730	<b>466,274</b>	159,001
Distribution cost		(65,205)	(61,898)	(25,027)	(20,165)
Administrative expenses		(121,767)	(118,414)	(53,597)	(45,110)
Other operating expenses		(38,455)	(51,203)	(22,201)	4,422
Finance cost		(202,289)	(299,708)	(72,025)	(96,730)
		(427,716)	(531,223)	(172,850)	(157,583)
Other income		4,174	1,752	(1,392)	168
<b>Profit / (loss) before taxation</b>		<b>501,666</b>	(37,741)	<b>292,032</b>	1,586
Provision for taxation		(75,976)	(56,836)	(26,756)	(21,932)
<b>Profit / (loss) for the period</b>		<b>425,690</b>	(94,577)	<b>265,276</b>	(20,346)
<b>Other comprehensive income</b>		-	-	-	-
<b>Total comprehensive income / (loss) for the period</b>		<b>425,690</b>	(94,577)	<b>265,276</b>	(20,346)
<b>Earnings / (Loss) per share - Basic and diluted (Rupees)</b>		<b>24.57</b>	(5.46)	<b>15.31</b>	(1.17)

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.



SHAHID ANWAR TATA  
CHIEF EXECUTIVE



HASEEB HAFEEZUDDEN  
CHIEF FINANCIAL OFFICER



ADEEL SHAHID TATA  
DIRECTOR

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)  
FOR THE NINE-MONTH ENDED MARCH 31, 2021**

	March 31, 2021	March 31, 2020
	----- (Rupees in '000) -----	
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit / (loss) before taxation	501,666	(37,741)
Adjustments for :		
Depreciation	175,343	174,072
Amortisation	1,204	226
Provision for staff gratuity	27,034	26,030
Provision for compensated absences	1,386	6,483
Finance cost	202,289	299,708
Loss on disposal of property, plant and equipment	400	6
Operating cash flows before changes in working capital	909,322	468,784
(Increase) / decrease in current assets		
Stores, spares and loose tools	(7,717)	(9,494)
Stock-in-trade	(358,383)	146,676
Trade debts	160,894	(299,654)
Loans and advances	(169,011)	(627,384)
Short-term prepayments	(2,883)	(2,841)
Other receivables	(2,500)	6,869
Sales tax refundable	(40,250)	24,952
Increase / (Decrease) in current liabilities		
Trade and other payables	(31,763)	84,960
Cash generated from / (used) in operations	457,709	(207,132)
Finance cost paid	(236,492)	(268,817)
Income taxes paid	(37,716)	(23,803)
Staff gratuity paid	(15,404)	(15,635)
Staff compensated absences paid	(3,329)	(6,463)
Net cash generated from / (used in) operating activities	164,768	(521,850)
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(7,563)	(258,912)
Proceeds from disposal of property and equipment	7,042	33
Proceeds from long term investments	-	26,700
Long-term deposits	(563)	(45)
Net cash used in investing activities	(1,084)	(232,224)

	March 31, 2021	March 31, 2020
	----- (Rupees in '000) -----	
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long-term finance obtained	108,137	186,324
Repayment of long-term finance	(111,608)	(71,271)
Obtained / (repayment) of short-term borrowings-net	748,119	(578,415)
Dividend paid	(21)	(8,570)
Net cash generated from / (used in) from financing activities	744,627	(471,932)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	908,311	(1,226,006)
<b>Cash and cash equivalents at the beginning of the period</b>	<b>(1,876,592)</b>	<b>(929,518)</b>
<b>Cash and cash equivalents at end of the period</b>	<b>(968,281)</b>	<b>(2,155,524)</b>
<b>CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	800,568	53,477
Running / cash finances	(1,768,849)	(2,209,001)
	(968,281)	(2,155,524)

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.



SHAHID ANWAR TATA  
CHIEF EXECUTIVE



HASEEB HAFEEZUDEEN  
CHIEF FINANCIAL OFFICER



ADEEL SHAHID TATA  
DIRECTOR



**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE NINE-MONTH ENDED MARCH 31, 2021**

	Revenue reserve		Capital reserve		Total
	Share Capital	General reserve	Unappropriated profit	Surplus on revaluation of property, plant and equipment	
	----- (Rupees in 000) -----				
<b>Balance at June 30, 2019 (Audited)</b>	173,248	1,000,000	820,630	2,476,256	4,470,134
<b>Total comprehensive income for the Nine-month ended March 31, 2020</b>					
Loss for the period	-	-	(94,577)	-	(94,577)
Other comprehensive income - net of tax	-	-	(94,577)	-	(94,577)
Transferred from surplus on revaluation of property, plant and equipment on account of:					
- incremental depreciation	-	-	85,015	(85,015)	-
- adjustment in revaluation surplus	-	-	-	6,328	6,328
	-	-	85,015	(78,687)	6,328
<b>Transactions with owners</b>					
Final cash dividend for the year ended June 30, 2019 @ Re. 0.50 per share	-	-	(8,661)	-	(8,661)
<b>Balance at March 31, 2020 (Unaudited)</b>	<b>173,248</b>	<b>1,000,000</b>	<b>802,407</b>	<b>2,397,569</b>	<b>4,373,224</b>
<b>Total comprehensive income for the Quarter ended June 30, 2020</b>					
Loss for the period	-	-	(234,236)	-	(234,236)
<b>Other comprehensive income</b>					
Gain on remeasurement of defined benefit plan - net of deferred tax	-	-	(1,814)	-	(1,814)
Adjustment of surplus on revaluation of property, plant & equipment due to change in tax rate	-	-	-	25,190	25,190
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>(236,050)</b>	<b>25,190</b>	<b>(210,860)</b>



## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE-MONTH ENDED MARCH 31, 2021

### 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 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, Island Textile Mills Limited (ILTM) and Tata Energy Limited (TEL) into the Company

The Honorable High Court of Sindh has passed the Order JCM No. 13 of 2020 dated March 04, 2021 and an addendum order dated March 17, 2021 under Section 279(2) of the Companies Act, 2017 sanctioning the Scheme of Arrangement with effect from July 01, 2021, so as to make the Scheme of Arrangement binding on Tata Textile Mills Ltd., Island Textile Mills Ltd., Salfi Textile Mills Ltd., and Tata Energy Ltd. and the creditors and shareholders of the Companies, along-with all other persons.

### 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.

2.3 These condensed interim financial statements are un-audited and do not include all the information therefore should be read in conjunction with annual financial statements for the year ended June 30, 2020.

### 3 SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS.

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 as at and for the year ended June 30, 2020. Certain new IFRSs and amendments to existing IFRSs are effective for periods beginning on or after July 1, 2020, which do not have any impact on the Company's financial reporting and therefore, have not been detailed in these condensed interim financial statements.

### 4 FINANCIAL RISK MANAGEMENT

The Company's financial risk objectives and policies are consistent with those disclosed in the annual audited financial statements as at and for the year ended June 30, 2020.

	Note	March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
----- (Rupees in '000) -----			
<b>5 PROPERTY, PLANT AND EQUIPMENT</b>			
Operating assets	5.1	4,548,852	4,717,936
Capital work-in-progress		1,719	7,857
		<b>4,550,571</b>	<b>4,725,793</b>

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

	Additions / transfers from CWIP	Disposals (written down value)	Sale proceeds
----- Rupees in '000' -----			
During the quarter ended March 31, 2021 (Unaudited)			
Building on freehold land	2,442	-	-
Furniture and fixtures	69	-	-
Office equipment	683	-	-
	<b>3,194</b>	<b>-</b>	<b>-</b>

	Additions/ transfers from CWIP	Disposals (written down value)	Sale proceeds
	Rupees in '000'		
<b>During the year ended June 30, 2020 (Audited)</b>			
Building on freehold land	18,078	-	-
Plant and machinery	250,123	-	-
Factory and workshop equipment	7,020	-	-
Office equipment	3,807	38	32
Vehicles	13,479	188	2,301
	<b>292,507</b>	<b>226</b>	<b>2,333</b>
		<b>March 31, 2021 (Unaudited)</b>	<b>June 30, 2020 (Audited)</b>
		----- (Rupees in 000) -----	
<b>6 STOCK-IN-TRADE</b>	<b>Note</b>		
Raw material		2,224,194	1,446,104
Work-in-process		86,007	78,158
Finished goods		66,008	579,414
Waste stock		87,795	28,928
		<b>2,464,004</b>	2,132,604
Less: provision for written-down of inventories to their net realisable value	6.1	<b>(2,814)</b>	<b>(29,797)</b>
		<b>2,461,190</b>	<b>2,102,807</b>
		<b>March 31, 2021 (Unaudited)</b>	<b>June 30, 2020 (Audited)</b>
		----- (Rupees in 000) -----	
<b>6.1</b>	This provision pertains to finished goods inventory.		
<b>7 SHARE CAPITAL</b>			
<i>Authorized share capital</i>			
20,000,000 ordinary shares of Rs.10 each		200,000	200,000
<i>Issued, subscribed and paid-up capital</i>			
17,324,750 ordinary shares of Rs.10 each		173,248	173,248
		<b>March 31, 2021 (Unaudited)</b>	<b>June 30, 2020 (Audited)</b>
		----- (Rupees in 000) -----	
<b>8 LONG TERM FINANCES</b>			
<b>Banking companies - secured</b>			
Term finances	8.1 & 8.4	15,462	92,711
SBP-LTFF	8.2 & 8.4	541,575	545,387
SBP - Refinance scheme for salary payments	8.3 & 8.4	121,695	49,988
		<b>678,732</b>	688,086
<b>Less: current portion shown under current liabilities</b>			
Term finances		-	2,785
SBP-LTFF		2,726	2,726
SBP - Refinance scheme for salary payments		50,944	13,838
		<b>53,670</b>	19,349
	8.5	<b>625,062</b>	668,737
<b>8.1</b>	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 and 6 months' average KIBOR plus 1% and 1.75% per annum (June 30, 2020: 3 and 6 months' average KIBOR plus 1% and 1.75% per annum). These are repayable in equal half yearly installments.		

- 8.2 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%) per annum (June 30, 2020: 2% + 1.5% to 2%) per annum. These are repayable in 32 equal quarterly installments.
- 8.3 These facilities are obtained from a banking company which are secured against equitable mortgage on fixed assets and are subject to mark-up rate of 1.5% to 2% per annum (June 30, 2020: 2% per annum). These finances are repayable in eight quarterly installments upto October 2022.
- 8.4 The payment of principal component of these facilities, payable within next 12 months, has been deferred for 1 year as per the directions of State Bank of Pakistan via its Circular Letter No. 13 of 2020. However, the mark-up on these facilities is not deferred and payable as soon as its due to be paid. Consequently, the maturity date of these facilities have also been extended to 1 - 2 years.

March 31,                      June 30,  
2021                              2020  
(Unaudited)                      (Audited)  
----- (Rupees in 000) -----

8.5	March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
Balance as on July 01	688,086	536,417
Obtained during the period	108,137	242,938
Repayment during the period	(111,608)	(85,897)
Impact of deferred grant	(5,883)	(5,372)
Balance as at the period end	678,732	688,086
Less: current portion of long term financing	(53,670)	(19,349)
	<u>625,062</u>	<u>668,737</u>

March 31,                      June 30,  
2021                              2020  
(Unaudited)                      (Audited)  
----- (Rupees in 000) -----

## 9 Deferred Government Grant

	March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
Deferred grant against salary loans	11,256	5,372
less: current portion of deferred grant	(7,640)	(3,446)
	<u>3,616</u>	<u>1,926</u>

### 9.1 Movement for the period

As at the beginning of the period	5,372	-
Add: deferred grant recognized during the period	11,010	5,732
	16,382	5,732
Less: amortisation for the period	(5,126)	(360)
As at the end of the period	<u>11,256</u>	<u>5,372</u>

- 9.2 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 during the current year. It will be amortised over the period of next two and a half year 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.

## 10 CONTINGENCIES AND COMMITMENTS

### 10.1 Contingencies

During the period, there was a development as mentioned below to the contingencies note 23.1 pertaining to GIDC disclosed in the annual audited financial statements for the year ended June 30, 2020.

Supreme Court of Pakistan (SCP) in its judgment dated November 03, 2020 dismissed all review petitions filed against its earlier judgment dated August 13, 2020, stating that the companies claiming any relief under GIDC Act 2015 may approach the right forum. It further allowed the recovery of the amount in 48 equal installments with 1 year grace period as opposed to 24 installments and 6 months grace period mentioned in the original decision.

The payment of seven installments of GIDC amounting to Rs. 19.93 million has been made upto March 31, 2021. The Company is in the process of challenging this amount on ground that the government offered special tariff between December 2018 to July 2020 which in companies view does not attract GIDC and the Company did not pass on the GIDC burden to their end consumers and sought relief under Section 8 (2) of the GIDC Act 2015. However, 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.

	Note	March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
		----- (Rupees in 000) -----	
<b>10.2 Commitments</b>			
(i) Civil Works		20,675	20,675
(ii) Letters of credit			
- stores and spares		42,936	11,865
- raw material		407,276	428,610
(iii) Bank guarantees issued on behalf of the Company	10.2.1	241,543	220,294
(iv) Bills discounted with recourse			
- Export		149,666	40,547
- Local		74,241	73,880
		223,907	114,427
(v) Rentals under ijara finance agreements	10.2.2		
- Not later than one year		-	39,642
- Later than one year but not later than five years		-	20,447
- Later than five years		-	-
		-	60,089
(vi) Outstanding sales contract		825,187	447,409

**10.2.1** This includes bank guarantee related to Sindh Development Infrastructure Cess amounting to Rs. 107.20 million (June, 30 2020: Rs. 91.20 million).

**10.2.2** The Company has settled the whole amount of Ijarah agreement entered into with Islamic Bank in March, 2021 amounting to Rs. 69.21 million.

## 11 REVENUE FROM CONTRACT WITH CUSTOMERS - NET

Sales include sales made to local customers (including indirect exports) and direct exports amounting to Rs. 6,230 million (March 31, 2020: 4,840 million) and Rs. 335 million (March 31, 2020: 892 million) respectively. The exports are made to Asia, Australia and Europe region.

	Note	Nine-month ended		Quarter ended	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
		( Unaudited )		----- (Rupees in 000) -----	
<b>12 COST OF GOODS SOLD</b>					
Opening finished goods (including waste)	12.2	578,545	317,315	210,566	173,631
Purchases		43,725	-	-	-
Cost of goods manufactured	12.1	5,113,077	4,754,807	1,735,287	1,560,095
Closing finished goods (including waste)	12.2	(150,989)	(289,047)	(150,989)	(289,047)
Cost of manufactured goods sold		5,584,358	4,783,075	1,794,864	1,444,679
Cost of raw material sold		55,032	457,276	-	280,429
		5,639,390	5,240,351	1,794,864	1,725,108

	Nine-month ended		Quarter ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	----- Unaudited -----			
Note	----- (Rupees in 000) -----			

## 12.1 Cost of goods manufactured

Raw material	12.1.1	4,052,050	3,657,914	1,384,603	1,178,952
Stores and spares		79,158	86,097	26,354	33,273
Packing material		67,656	55,424	23,731	18,848
Power and fuel		416,045	410,280	138,511	131,138
Salaries, wages and benefits		283,942	293,323	94,382	90,218
Depreciation		169,508	169,625	56,488	57,155
Amortization		918	-	306	-
Insurance		9,515	7,928	4,681	2,381
Repairs and maintenance		5,329	4,132	1,846	990
Ijarah rentals		32,760	35,827	10,776	11,936
Other overheads		4,044	4,589	1,457	1,797
		5,120,925	4,725,139	1,743,135	1,526,688
Work-in-process					
Opening stock		78,158	60,210	78,159	63,949
Closing stock		(86,007)	(30,542)	(86,007)	(30,542)
		(7,849)	29,668	(7,848)	33,407
		5,113,077	4,754,807	1,735,287	1,560,095

### 12.1.1 Raw material consumed

Opening stock	1,446,104	1,661,510	2,748,207	1,892,300
Purchases - net	4,830,140	3,569,174	860,590	859,422
	6,276,244	5,230,684	3,608,797	2,751,722
Closing stock	(2,224,194)	(1,572,770)	(2,224,194)	(1,572,770)
	4,052,050	3,657,914	1,384,603	1,178,952

12.2 Net realizable value of finished goods was lower than its cost, resulting in a write-down of Rs. 2.81 million (March 31, 2020: Rs. 12.54 million) charged to cost of goods sold.

## 13 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 terms. Detail of related parties (with whom the Company has transacted) along with relationship and transactions with them, other than those which have been disclosed elsewhere in these financial statements, are as follows:

### Associated Companies due to common directorship and common management:

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

		Quarter ended	
		March 31, 2021	March 31, 2020
		----- (Unaudited) -----	
		----- (Rupees in 000) -----	
<b>13.1</b>	<b>Relationship with the party</b>	<b>Nature of transactions</b>	
	<b>Associated undertakings</b>		
		366	379
		979	4,079
		-	208,534
	<b>Key management personnel</b>	23,975	21,302
	<b>Directors</b>		
		5,131	3,571
		800	260
		60	60
		1,023	1,023

#### 14 FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

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

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

#### 15 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on April 28, 2021 by the Board of Directors of the Company.



SHAHID ANWAR TATA  
CHIEF EXECUTIVE



HASEEB HAFEEZUDEEN  
CHIEF FINANCIAL OFFICER



ADEEL SHAHID TATA  
DIRECTOR



## ڈائریکٹرز رپورٹ

السلام و علیکم

31 مارچ 2021ء کو ختم ہونے والی نو ماہ کی مدت کیلئے کمپنی کے مالیاتی حسابات (غیر آڈٹ شدہ) آپ کے سامنے پیش کئے جا رہے ہیں اور ہمیں آپ کو یہ بتاتے ہوئے خوشی محسوس ہو رہی ہے کہ کمپنی نے گزشتہ سال کی اسی مدت کے دوران مبلغ 37.74 ملین روپے کے قبل انریگیس خسارہ کے مقابلے میں مبلغ 501.67 ملین روپے کا قبل انریگیس منافع حاصل کیا۔

تیسری سہ ماہی میں ہم پر زیادہ کرم ہوا، کیوں کہ کمپنی کی تاریخ کا یہ اب تک کی سب سے اچھی سہ ماہی تھی جس میں ہم نے سب سے زیادہ منافع حاصل کیا۔ اگرچہ، کپاس کی مقامی فصل کی کھپت کم تھی لیکن کمپنی نے ہمارے انتظام کاروں کو ڈاون اسٹریم انڈسٹری جس کو بیرون ملک سے بھاری آرڈر مل رہے تھے میں بارن کی فراہمی کے لئے پوری صلاحیت سے پیداوار چلانے کے لئے کافی کاٹن درآمد کرنے کا انتظام کیا۔ چونکہ اسپننگ انڈسٹری پوری صلاحیت سے کام کر رہی ہے اس لئے بارن کے کافی ذخیرے دستیاب ہیں، لہذا، ضرورت سے زیادہ پیلانی اور قیمتوں میں کمی کی صورتحال سے بچنے کے لئے ماہانہ 25,000 سے 30,000 ٹن درآمد کرنا ضروری ہے۔

خام مال:

کپاس کے پورے سیزن کے دوران اس کی قیمتیں غیر معمولی اور بہت زیادہ رہیں۔ مقامی طور پر کپاس کی فصل کی 5.5 ملین گانٹھیں تھیں جو کہ گزشتہ 20 سالوں میں سب سے کم ہیں، جس کے نتیجے میں ملک کو امریکہ، برازیل، میکسیکو جیسے دور دراز ممالک سے تقریباً 8 سے 9 ملین گانٹھیں درآمد کرنے کی ضرورت ہے جس کی وجہ سے ہمیں طویل ٹرانزٹ ٹائم کا سامنا کرنا پڑتا ہے۔

مستقبل کا نظریہ:

حالیہ سہ ماہی ٹیکسٹائل انڈسٹری کے لئے اچھی رہی ہے لیکن فی الحال بارن کی قیمت اچانک گرنے لگی ہے۔ عالمی سطح پر بارن کی زیادہ پیلانی موجود ہے اور پاکستان میں بھی اسی حد سے زیادہ پیلانی موجود ہے۔ ڈاؤن اسٹریم انڈسٹری اچھی کارکردگی کا مظاہرہ کر رہی ہے اور امید ہے کہ انہیں اچھے آرڈر ملتے رہیں گے، لہذا فروخت مستقل رہتی چاہئے۔ ہماری رائے میں، ٹیکسٹائل ایسوسی ایشن نے بارن پر ریگولیٹری ڈیوٹی اور امپورٹ ڈیوٹی کو نہ ہٹانے کے لئے وزارت کو اس بات پر راضی کرنے میں موثر اقدامات نہیں کر دار اور انہیں کیا ہے، کیونکہ ہم کچھ ٹی لاگت، مزدوری اور اسپنر پائرس ڈیویڈنڈ وغیرہ کو مد نظر رکھتے ہیں تو ہمسایہ ممالک کے مقابلے میں ہماری لاگت نسبتاً کم ہیں زیادہ ہے۔

مزید یہ کہ ہمارے علم میں آیا ہے کہ اسپننگ کی وسعت میں مزید اضافہ کیا گیا ہے لہذا ضرورت سے زیادہ فراہمی کی صورتحال پھیروں کو بہت مشکل بنا دے گی۔ تاہم، ہم آنے والے مہینوں میں بہتری کی امید کرتے ہیں اور ہم مستقبل قریب میں بھی اچھے منافع کیلئے کوششیں کرتے رہیں گے۔

اظہار تشکر

ہم کمپنی کے ہر ملازم کی شمولیت کا شکریہ ادا کرتے ہیں اس کے علاوہ ہمارے کسٹمرز جو کہ ہماری پروڈکٹس پر اعتماد کرتے ہیں اور ہمارے بیکنرز جو کہ مستقل طور پر کمپنی کو سپورٹ کر رہے ہیں ان کے بھی مشکور ہیں اس کے علاوہ ہماری انتظامیہ شیپرز ہولڈرز کے مکمل اعتماد پر بھی مشکور ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے



عہد علی شاہ ڈانا  
ڈائریکٹر



شاہد انوار ڈانا  
چیف ایگزیکٹو

کراچی مورخہ 28 اپریل 2021ء

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