



TATA TEXTILE MILLS LIMITED

**Condensed Interim Financial Statements
(UNAUDITED)
for the 1st Quarter ended September 30, 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
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

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
Pak Oman Investment Company Limited
Samba Bank Limited
Soneri Bank Limited
Summit 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

FACTORY LOCATION

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



DIRECTORS' REPORT

Assalam-o-Alaikum

The financial statements (un-audited) of the Company for the 1st Quarter Ended September 30, 2021 are being presented to you and we are pleased to inform that the Company has made a Pre-Tax Profit of PKR 1,332.27 Million as compared to Pre-Tax Profit of Rs. 88.581 Million during the corresponding period last year.

The 1st quarter has been exceptionally good and Alhamdulillah we have achieved highest ever profit.

We are also happy to report that July to September is the first quarter Tata Textile Mills Limited operated as a **merged Company**, following the successful merger of our textile companies, with effect from **July 1st 2021**.

Overview.

The global supply chain disruption has been a significant factor that we have confronted during the first quarter and it seems this will continue in the second quarter as well. This may eventually have an adverse effect on the entire textile sectors. Most of the cotton that we are presently buying in Pakistan is from North and South America and some from West Africa, but due to delayed shipments / longer transit period, together with the exorbitant cost of shipping, logistics and rising exchange rate has shrunk the availability of imported cotton in Pakistan hence there is a lot of dependence on the local cotton these days, which from the very beginning has remained at a very high price. Normally, the speculators and trade determine cotton prices, however, the global inflationary pressure is another factor that has added to the price increase of cotton and other commodities. At the current level there is a serious resistance from the end-users, as far as the increase in prices are concerned, therefore, it is a battle of nerves and we can only wait and watch how this price situation will work out.

According to the latest figure we are estimating a crop of 8.9 Million bales in 2021-2022, however, the local cotton quality concerns are very serious. Initially, the quality of cotton was good but as the cotton season progressed, the quality of cotton gravely deteriorated and hence it will be a huge challenge to produce quality yarn from this cotton.

Future Outlook.

The coming quarter looks good but we feel the future is very unpredictable, with so many critical factors, which makes us apprehensive as to how the commodity prices will fare in the coming quarter. However, on the positive side, the Pakistan down-stream Industry has robust orders and if these orders remain consistent then hopefully demand for yarn will also remain good.

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.

On behalf of the Board of Directors



SHAHID ANWAR TATA
CHIEF EXECUTIVE



ADEEL SHAHID TATA
DIRECTOR

Karachi

Dated: October 28, 2021

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2021

		September 30, 2021 (Un-Audited)	June 30, 2021 (Audited)
	NoteRupees in '000'.....	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	15,403,905	4,536,262
Intangible assets		9,155	5,275
Long term deposits		6,302	3,189
		15,419,362	4,544,726
CURRENT ASSETS			
Stores, spares and loose tools		146,982	45,747
Stock-in-trade		9,100,532	1,887,580
Trade debts		3,991,862	862,345
Loans and advances		1,305,848	203,466
Short-term prepayments		24,113	3,087
Other receivables		35,147	-
Other financial assets		474,071	264,070
Sales tax refundable		852,941	38,234
Cash and bank balances		1,307,023	1,250,879
		17,238,519	4,555,408
TOTAL ASSETS		32,657,881	9,100,134
EQUITY AND LIABILITIES			
EQUITY			
Share capital	6	559,936	173,248
Amalgamation Reserve	7	(337,950)	-
General reserve		2,805,996	1,000,000
Unappropriated profit		4,538,026	1,527,934
Surplus on revaluation of' property, plant and equipment		7,475,519	2,277,797
		15,041,527	4,978,979
NON-CURRENT LIABILITIES			
Long-term finance	8	2,380,137	529,008
Deferred liabilities		1,043,534	468,538
Deferred grant	9	1,509	1,271
		3,425,180	998,817
CURRENT LIABILITIES			
Trade and other payables		3,628,149	500,156
Interest / mark-up accrued on borrowings		159,933	36,379
Short-term borrowings		9,321,228	2,328,877
Current portion of long-term finance	8	576,584	139,300
Current portion of deferred government grant	9	15,174	6,484
Unclaimed dividend		6,777	4,463
Provision for income tax		483,329	106,679
		14,191,174	3,122,338
TOTAL EQUITY AND LIABILITIES		32,657,881	9,100,134


CONTINGENCIES AND COMMITMENTS

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The annexed notes 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 PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2021**

		September 30, 2021	September 30, 2020
	NoteRupees in '000'.....	
Revenue from contract with customers - net	11	8,351,627	2,196,075
Cost of goods sold	12	(6,404,521)	(1,978,422)
Gross profit		1,947,106	217,653
Distribution cost		(117,804)	(21,237)
Administrative expenses		(127,388)	(33,584)
Other operating expenses		(180,268)	(7,714)
Finance cost		(199,887)	(67,178)
		(625,347)	(129,713)
		1,321,758	87,940
Other income		10,510	641
Profit before taxation		1,332,268	88,581
Provision for taxation		(250,256)	(24,888)
Profit for the period		1,082,012	63,693
Other Comprehensive income for the period		-	-
Total comprehensive income for the period		1,082,012	63,693
Earnings per share - basic and diluted		19.32	3.68

The annexed notes 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 CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2021

	September 30, 2021	September 30, 2020
Rupees in '000'.....	
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,332,268	88,581
Adjustments for :		
Depreciation	178,046	58,397
Amortization	747	401
Provision for staff gratuity	27,610	8,511
Provision for compensated absences	4,879	-
Finance cost	199,887	67,178
Gain on disposal of property, plant and equipment	(1,959)	-
Unrealized Loss on revaluation of other financial assets	4,084	-
Operating cash flows before changes in working capital	1,745,562	223,068
(Increase) / decrease in current assets		
Stores, spares and loose tools	(5,029)	(9,125)
Stock-in-trade	(3,061,049)	818,521
Trade debts	(1,133,294)	(268,300)
Loans and advances	(478,286)	(970,517)
Trade deposits and short-term prepayments	(12,484)	(5,381)
Other receivables	(26,563)	(270)
Sales tax refundable	(704,803)	(52,203)
Increase / (Decrease) in current liabilities		
Trade and other payables	656,009	335,323
Cash (used in) / generated from operations	(3,019,936)	71,116
Finance cost paid	(186,787)	(109,912)
Income taxes paid	(119,333)	(7,358)
Staff gratuity paid	(14,918)	(7,306)
Staff compensated absences paid	(6,193)	(1,383)
Net cash used in operating activities	(3,347,167)	(54,843)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(94,908)	(1,039)
Proceeds from disposal of property and equipment	8,680	-
Other financial assets	(115,430)	-
Net cash used in investing activities	(201,658)	(1,039)

September 30, 2021 September 30, 2020
Rupees in '000'.....

C. CASH FLOWS FROM FINANCING ACTIVITIES

Long-term finance obtained	13,386	108,137
Repayment of long-term finance	(82,275)	(5,841)
Short-term borrowings obtained / (paid off)-net	211,179	(602)
Dividend paid	(8)	-
Net cash generated from financing activities	142,282	101,694
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(3,406,543)	45,812
Cash and cash equivalents at July 01	(2,758,822)	(1,876,592)
Cash and cash equivalents at September 30	(6,165,365)	(1,830,780)
CASH AND CASH EQUIVALENTS		
Cash and bank balances	1,307,023	175,806
Running / cash finances	(7,472,388)	(2,006,586)
	(6,165,365)	(1,830,780)

The annexed notes 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 CHANGES IN EQUITY (UN-AUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2021

	Share Capital	Revenue reserve		Capital reserve		Total
		General reserve	Unappropriated profit	Revaluation surplus	Amalgamation Reserve	
	Rupees.....				
Balance at July 01, 2020	173,248	1,000,000	594,696	2,394,420	-	4,162,364
Profit for the quarter	-	-	63,693	-	-	63,693
	-	-	63,693	-	-	63,693
Transferred from surplus on revaluation of property, plant and equipment on account of: - incremental depreciation	-	-	27,170	(27,170)	-	-
Balance as at September 30, 2020	173,248	1,000,000	685,559	2,367,250	-	4,226,057
Balance at July 01, 2021	173,248	1,000,000	1,527,933	2,277,797	-	4,978,978
Impact of Amalgamation	-	1,805,996	1,857,864	5,267,937	-	8,931,797
Reserve arising on amalgamation	-	-	-	-	(337,950)	(337,950)
Capital issued pursuant to amalgamation	386,690	-	-	-	-	386,690
Total comprehensive income for the period	-	-	1,082,012	-	-	1,082,012
Profit for the quarter	-	-	1,082,012	-	-	1,082,012
Other comprehensive income - net of tax	-	-	1,082,012	-	-	1,082,012
Transferred from surplus on revaluation of property, plant and equipment on account of: - incremental depreciation	-	-	70,215	(70,215)	-	-
Balance as at September 30, 2021	559,938	2,805,996	4,538,024	7,475,519	(337,950)	15,041,527

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



SHAHID ANWAR TATA
CHIEF EXECUTIVE



HASEEB HAFEEZ UDDEEN
CHIEF FINANCIAL OFFICER



ADEEL SHAHID TATA
DIRECTOR

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2021**

1. THE COMPANY AND ITS OPERATIONS

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 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, Sindh. The principal activity of the Company is manufacturing and sale of yarn. The Company's manufacturing facilities are located at:

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

1.2 Amalgamation of Salfi Textile Mills Limited (STML, PSX - SALT), Island Textile Mills Limited (ITML, PSX - ILMT) and Tata Energy Limited (TEL) into Tata Textile Mills Limited (TTML, PSX - TATM) (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, ITML, STML 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 ITML, TEL and STML 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 ITML, TEL and STML are transferred in the name of TTML which will maintain its legal form as a result of amalgamation.

Further, in consideration for the transfer of the entire undertaking of ITML, TEL and STML, the Company has issued its fully paid ordinary shares to all the shareholders of ITML, TEL and STML 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, 6.0 and 5.2 against each share in the ITML, TEL and STML respectively. 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 ITML, TEL and STML respectively.

2. BASIS OF PREPARATION

2.1 This condensed interim financial information of the Company for the 1st quarter ended September 30, 2021 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting where provisions of and directives issued under the Companies Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed. This condensed interim financial information does not include all the information required for the full financial statements and therefore should be read in conjunction with the annual financial statements of the Company for the year ended June 30, 2021.

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

2.3 This condensed interim financial information is un-audited and all relevant compliance with Companies Act, 2017 has been made accordingly. The comparative condensed statement of financial position presented has been extracted from annual financial statements for the year ended June 30, 2021; the comparative condensed statement of profit or loss and other comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity of the Company have been extracted from the condensed interim financial statements (un-audited) for the 1st quarter ended September 30, 2020.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial position and the significant judgements made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of the financial statements as at and for the year ended June 30, 2021. Certain new IFRSs and amendments to existing IFRSs are effective for periods beginning on or after July 1, 2021, which do not have any impact on this condensed interim financial information. In addition to the foregoing, the Companies Act, 2017 has added certain disclosure requirements which will be applicable on the Company's annual 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, 2021.

5. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets
Capital work-in-progress

Notes	September 30, 2021 (Un-Audited)	June 30, 2021 (Audited)
	----- Rupees in '000' -----	
5.1	15,242,454	4,524,774
	161,451	11,488
	15,403,905	4,536,262

5.1 Details of additions and disposals to operating fixed assets are as under:

Additions/ transfers from CWIP	Disposals (written down value)	Sale proceeds
----- Rupees in '000' -----		

During the quarter ended Sept 30, 2021 (Un-Audited)

Plant and machinery	7,091	4,425	2,075
Office equipment	855	105	105
Vehicle	7,067	2,191	6,500
	15,013	6,721	8,680

During the year ended June 30, 2021 (Audited)

Building on freehold land	2,885	-	-
Plant and machinery	41,462	11,228	6,592
Factory and workshop equipment	238	1,730	-
Furniture and fixtures	-	-	-
Furniture and fixtures	1,752	517	-
Office equipment	6,285	1,823	9
Vehicles	-	845	450
	52,622	16,143	7,051

6. SHARE CAPITAL

Sep-21 (Un-Audited)	Jun-21 (Audited)
Number of shares	

100,000,000	100,000,000
13,100,000	13,100,000
4,224,750	4,224,750
38,668,864	-
55,993,614	17,324,750

Authorised capital:

Ordinary shares of Rs. 10 each	1,000,000	1,000,000
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Issued, subscribed and paid-up capital:

Ordinary shares of Rs. 10 each:		
- issued for cash	131,000	131,000
- issued as bonus shares	42,248	42,248
- issued in pursuant to amalgamation	386,688	-
	559,936	173,248

7. AMALGAMATION RESERVE

As detailed in Note 1.2, following are the carrying amounts of assets and liabilities transferred from ITML, STML and TEL to TTML 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':

	STML	ITML	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	938,372	1,148,126	582,627	(197,142)	2,471,983
Interest accrued on borrowings	42,475	67,978	-	-	110,453
Short Term Borrowing	1,909,125	1,493,085	-	-	3,402,210
Unclaimed Dividend	1,226	1,097	-	-	2,323
Provision for income tax	90,413	118,511	1,018	-	209,942
Total Liabilities - B	3,978,418	4,651,312	611,856	(197,142)	9,044,444
Net Assets acquired (A-B)	4,300,628	4,502,229	177,682	-	8,980,539

Represented by:	STML	ITML	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)

Shares issued pursuant amalgamation

	Paid up capital	Swap ratio	Shares issued
Island Textile Mills Limited	500,000	30.2	15,100,000
Salfi Textile Mills Limited	3,342,570	5.2	17,381,364
Tata Energy Limited	1,031,250	6	6,187,500
	4,873,861		38,668,864

Issue of shares pursuant to amalgamation

(386,690)

Reserve arising on amalgamation

(337,950)

This transaction is considered non-cash for the purpose of preparation of Statement of Cash flows

September 30, 2021 (Un-Audited)	June 30, 2021 (Audited)
----- Rupees in '000' -----	

8. LONG TERM FINANCES

From banking companies (Secured) - At amortized cost

Term finances	342,956	13,744
SBP - LTFF	784,448	539,697
Syndicate term finance	1,136,801	-
Syndicate SBP-LTFF	313,157	-
SBP REEF - Solar Panel	63,306	-
SBP - Refinance scheme for salary payments	316,053	114,867
	2,956,721	668,308

Less: current portion shown under current liabilities

Term finances	(110,399)	(6,872)
SBP - LTFF	(77,614)	(50,679)
Syndicate SBP-LTFF	(145,280)	-
SBP REEF - Solar Panel	(1,543)	-
SBP - Refinance scheme for salary payments	(241,748)	(81,749)
	(576,584)	(139,300)
	2,380,137	529,008

The movement in long term finance is as follows:

Balance as on July 01	668,308	688,086
Transfer on amalgamation	2,350,895	-
Loans obtained	13,386	108,144
Loans repaid	(82,275)	(125,538)
Impact of deferred grant	6,407	(2,384)
	2,956,721	668,308
Less: current portion of long term financing	(576,584)	(139,300)
	2,380,137	529,008

9. DEFERRED GOVERNMENT GRANT

Deferred grant against salary loans
Less: Current portion of deferred grant

16,683	7,756
(15,174)	(6,485)
1,509	1,271

Movement for the year

As at the beginning of the year	7,756	5,372
Transferred on amalgamation	15,334	-
Add : Deferred grant recognised during the period	-	11,414
	23,090	16,786
Less : Amortisation for the period	(6,407)	(9,030)
As at the end of the period	16,683	7,756

Deferred 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 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.

10. CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

10.1.1 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. During the period, in respect of the GIDC matter, the SCP in its 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 has 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.

10.1.2 With respect to merging 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 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 decided 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 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.

	Note	September 30, 2021 (Un-Audited)	June 30, 2021 (Audited)
----- Rupees in '000' -----			
10.1.5	Estimated financial impact of labour and workmen compensation cases in court of law	465	-
10.2	Commitments		
(i)	Civil Works	23,240	7,535
(ii)	Letters of credit		
	- plant & machinery	299,087	110,019
	- stores and spares	252,121	26,517
	- raw material	1,324,652	245,423
		1,875,860	381,959
(iii)	Bank guarantees issued on behalf of the Company	667,601	241,543
(iv)	Bills discounted with recourse		
	- Export	615,548	49,372
	- Local	293,428	118,782
		908,976	168,154
(v)	Outstanding sales contract	3,117,853	1,261,102
10.2.1	This includes bank guarantee related to Sindh Development Infrastructure Cess amounting to Rs.367.3 million (2020: Rs. 91.20 million).		

11. Sales

Sales include sales made to local customers (including indirect exports) and direct exports amounting to Rs. 7,492 million (2020: 2,162 million) and Rs. 860 million (2020: 34 million) respectively. The export are made to Asia, Australia & Europe region amounting to Rs. 860 million (2020: 34 million).

12. COST OF GOODS SOLD

		September 30, 2021	September 30, 2020
		----- Un-Audited -----	
		----- Rupees in '000' -----	
Cost of goods manufactured	12.1	6,323,512	1,588,545
Finished goods (including waste)			
As at the beginning of the period		987,341	578,545
Purchases		-	43,725
As at the end of the period		(906,333)	(287,426)
		81,009	334,844
Cost of goods sold		6,404,521	1,923,389
Cost of raw material sold		-	55,033
		6,404,521	1,978,422
12.1 Cost of goods manufactured			
Raw material	12.1.1	5,303,542	1,244,842
Stores and spares		98,007	21,468
Packing material		79,583	21,610
Power and fuel		363,316	124,572
Salaries, wages and benefits		288,077	101,614
Depreciation		159,513	56,505
Amortization		629	306
Insurance		10,512	2,239
Repairs and maintenance		4,358	1,907
Ijarah rentals		-	10,846
Other overheads		11,038	1,237
		6,318,575	1,587,146
Work-in-process			
Opening stock		215,827	78,158
Closing stock		(210,890)	(76,759)
		4,937	1,399
		6,323,512	1,588,545
12.1.1 Raw material consumed			
Opening stock		2,837,345	1,446,104
Purchases - net		10,450,549	718,839
		13,287,894	2,164,943
Closing stock		(7,984,352)	(920,101)
		5,303,542	1,244,842
12.2	Net realizable value of finished goods was lower than its cost, resulting in a write-down of Rs. 5.4 million (Sept 30, 2020: Rs. 11.38 million) charged to cost of goods sold.		
13. TAXATION			
	The charge for current taxation is based on taxable income at the current rate of taxation after taking into account applicable tax credit, rebates and exemptions available, if any. However, for income covered under final tax regime, taxation is based on applicable tax rates under such regime.		
	Deferred tax is provided using the balance sheet liability method for all temporary differences at the reporting date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. After considering, the effects on deferred taxation on the portion of income subject to final tax regime.		
14. TRANSACTIONS WITH RELATED PARTIES			
	The related parties comprise of associated undertakings, directors, key management personnel and their relatives. The transactions between the Company and the related parties are carried out as per agreed terms. Name of the associated companies are same as disclosed in annual audited financial statements of the June 30, 2021. Transactions with related parties are as follows:		

	Nature of transactions	September 30,	September 30,
		2021	2020
		----- (Unaudited) -----	
		----- Rupees in '000' -----	
Relationship with the party			
Associated undertakings	Share of expenses received	3	445
	Share of expenses paid	640	3,319
	Purchase of store	-	304
	Purchase of Yam	-	43,725
Key management personnel	Short term benefits	26,953	13,609
Directors	Short term benefits	9,552	3,164
	Meetings fee	3,600	190
	Rent expense		
	-godown	600	60
	-office premises	3,750	1,023

15. FAIR VALUE HIERARCHY

The Company's free hold land, building and plant and machinery are stated at revalued amounts, being the fair value at the date of revaluation, less any subsequent depreciation and subsequent impairment losses, if any. The fair value measurements of the Company's free hold land, building and plant and machinery were last carried out as at June 30, 2019, by Messer Iqbal A. Nanjee & Company (Private) Limited (valuer) on the basis of market value or depreciated replacement values as applicable. The valuer is listed on panel of Pakistan Banks Association and they have appropriate qualification and experience in the fair value measurement of properties, plant and machinery.

Levels of fair value are defined as follows:

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

Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) ;

Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

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

	Level 1	Level 2	Level 3	Total
----- Rupees '000' -----				
As at September 30, 2021 (Unaudited)				
Free hold land	-	-	2,353,080	2,353,080
Building on free hold land	-	-	3,109,376	3,109,376
Plant and machinery	-	-	9,244,839	9,244,839
Electric installations	-	-	291,713	291,713
	-	-	14,999,008	14,999,008
As at June 30, 2021 (Audited)				
Free hold land	-	-	317,400	317,400
Building on free hold land	-	-	857,101	857,101
Plant and machinery	-	-	3,202,613	3,202,613
Electric installations	-	-	68,667	68,667
	-	-	4,445,781	4,445,781

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

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

The carrying value of all other financial assets and liabilities approximate their fair values.

16. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on October 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

30 ستمبر 2021ء کو ختم ہونے والی پہلی سہ ماہی کیلئے کمپنی کے (خیر آڈٹ شدہ) مالیاتی حسابات آپ کو پیش کئے جا رہے ہیں اور ہمیں یہ بتاتے ہوئے خوشی ہو رہی ہے کہ کمپنی نے دوران سہ ماہی مبلغ 1,332.27 ملین روپے کا قبل از ٹیکس منافع حاصل کیا جس کا موازیہ گذشتہ سال کے قبل از ٹیکس منافع مبلغ 88.58 ملین روپے سے کیا جاسکتا ہے۔

پہلی سہ ماہی غیر معمولی طور پر بہتر رہی اور الحمد للہ ہم نے اب تک کا سب سے زیادہ منافع حاصل کیا۔

ہمیں یہ بتاتے ہوئے بھی خوشی ہے کہ یکم جولائی 2021ء سے ہماری ٹیکسٹائل کمپنیوں کے کامیاب انضمام کے بعد جولائی تا ستمبر، ایک ضم شدہ کمپنی کے طور پر ٹیکسٹائل ملز لمیٹڈ کی پہلی سہ ماہی ہے۔

چارتہ :

گلوبل سپلائی چین میں خلل ایک اہم عنصر رہا ہے جس کا ہم نے پہلی سہ ماہی کے دوران سامنا کیا اور ایسا لگتا ہے کہ یہ دوسری سہ ماہی میں بھی جاری رہے گا۔ یہ بالآخر پورے ٹیکسٹائل سیکٹرز پر منفی اثر ڈال سکتا ہے۔ ہم اس وقت پاکستان میں جو کمپنیاں خرید رہے ہیں ان میں سے زیادہ تر شمالی اور جنوبی امریکہ اور کچھ مغربی افریقہ سے ہیں۔ لیکن ترسیل میں تاخیر/طویل ترسیل کی مدت کی وجہ سے ترسیل کی لاگت، رسد اور بڑھتی ہوئی شرح تبادلے نے پاکستان میں درآمد شدہ کمپاس کی دستیابی کو کم کر دیا ہے لہذا ان دنوں مقامی کمپاس پر زیادہ انحصار ہے، جو شروع ہی سے بہت زیادہ قیمت پر رہیں۔ عام طور پر، اسپیکولیٹرز اور تاجر کمپاس کی قیمتوں کا تعین کرتے ہیں، تاہم، عالمی افراط زر کا دباؤ ایک اور عنصر ہے جس نے کمپاس اور دیگر اشیاء کی قیمتوں میں اضافہ کیا۔ جہاں تک قیمتوں میں اضافے کا تعلق ہے موجودہ سطح پر صارفین کی طرف سے شدید مزاحمت ہے، اس لیے یہ اعصاب کی جگہ ہے اور ہم صرف انتظار کر سکتے ہیں اور دیکھ سکتے ہیں کہ قیمت کی یہ صورتحال کس طرح کام کرے گی۔


تازہ ترین اعداد و شمار کے مطابق ہم 2021-2022 میں 8.9 ملین گانٹھوں کی فصل کا تخمینہ لگا رہے ہیں، تاہم مقامی کمپاس کے معیار کے خدشات بہت سنگین ہیں۔ شروع میں کمپاس کا معیار اچھا تھا لیکن جیسے جیسے کمپاس کا موسم آگے بڑھتا گیا، کمپاس کا معیار بہت خراب ہو گیا اور اسی وجہ سے اس کمپاس سے معیاری سوت پیدا کرنا ایک بڑا چیلنج ہو گا۔


مستقبل کی حکمت عملی:

آنے والی سہ ماہی بہتر نظر آ رہی ہے لیکن ہم محسوس کرتے ہیں کہ زیادہ تر اہم عوامل کے ساتھ مستقبل غیر متوقع ہے، جو کہ ہمارے لئے پریشان کن ہے کہ آنے والی سہ ماہی میں اشیاء کی قیمتیں کیسے رہیں گی۔ تاہم، مثبت پہلو یہ ہے کہ پاکستان ڈاون اسٹریٹس (اندسٹری کے پاس مضبوط آرڈرز ہیں اور اگر یہ آرڈرز مستقل رہے تو امید ہے کہ سوت کی مانگ بھی بہتر ہوگی۔

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 پیئرس جو کہ مستقبل طور پر کمپنی کو سپورٹ کر رہے ہیں ان کے بھی مشکور ہیں اس کے علاوہ ہماری انتظامیہ شیئرز ہولڈرز کے مکمل اعتماد پر بھی مشکور ہیں۔


عدیل شاہد ٹانا
ڈائریکٹر


شاہد انوار ٹانا
چیف ایگزیکٹو

کراچی مورخہ : 28 اکتوبر 2021ء

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