



TATA TEXTILE MILLS LIMITED

**Condensed Interim Financial Statements
(UNAUDITED)
for the 1st Quarter ended September 30, 2019**

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Company Information

BOARD OF DIRECTORS

Mr. Anwar Ahmed Tata - Chairman
Mr. Shahid Anwar Tata - Chief Executive
Mr. Adeel Shahid Tata - Executive Director
Mr. Bilal Shahid Tata - Non Executive Director
Mr. Farooq Advani - Non Executive Director
Ms. Shahbano Hameed - Non Executive Director
Mr. Muhammad Naseem - Independent Director

AUDIT COMMITTEE

Mr. Muhammad Naseem - Chairman
Mr. Farooq Advani - Member
Mr. Bilal Shahid Tata - Member
Mr. Ghulam Raza Hemani - Secretary

HR & REMUNERATION COMMITTEE

Mr. Muhammad Naseem - Chairman
Mr. Shahid Anwar Tata - Member
Mr. Bilal Shahid Tata - Member
Mr. Farooq Advani - Member
Mr. Muhammad Ali Mirza - Secretary

CHIEF FINANCIAL OFFICER

Mr. Haseeb Hafeezuddeen

COMPANY SECRETARY

Mr. Muhammad Hussain

INTERNAL AUDITOR

Mr. Ghulam Raza Hemani

AUDITORS

M/s. Deloitte Yousuf Adil
Chartered Accountants

BANKERS

Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Dubai Islamic Bank Pakistan Limited
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

FACTORY LOCATION

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

SHARE REGISTRAR

CDC Share Registrar Services Limited
CDC House, 99-B
Block 'B', S.M.C.H.S.,
Main Shakra-e-Faisal
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, 2019 is being presented to you.

The Company has incurred a pre-tax loss of Rs.51.892 million (2018 pre-tax profit of Rs.154.702 million) due to the frequent devaluation of Pak Rupee experienced during last year despite increase of 15% in turnover, amid a global economic slowdown.

The major reasons for the quarter loss was due to higher price of cotton and financial charges. Last year we took long positions on imported cotton, as we were apprehensive of the cotton prices at the start of the cotton crop season in Pakistan but unfortunately we had fixed the cotton when the prices were high. Thereafter, due to China-USA trade dispute, the global cotton prices suddenly collapsed and since we had to honor all our contracts, our cotton prices remained higher than what is prevailing in the market. Further, the China-USA trade conflict and Chinese economic slow-down impacted the yarn imports into China which left major yarn exporting countries, especially Pakistan and India, devastated. Additionally, a sharp increase in discount rate from 6.75% to 13.75% significantly increased financial charges by 175.77% to Rs. 97.018 million (2018 Rs.35.180 million).

Current year

The current year started with the withdrawal of zero rating which was enjoyed by the textile sector and resulting imposition of 17 percent Sales Tax and exorbitant increase in rates of many other Withholding schemes has disrupted the local yarn trade on which the Company places heavy reliance. Hence, both the huge increase in taxes and global economic slow-down has adversely impacted our profitability. Although, the Government has been able to bring down the current account deficit through steep devaluation of Pak Rupee, however, meager efforts have been expended towards trade development to enhance exports. Pakistan is still faced with a large fiscal deficit and the Government is forced to collect massive amount of taxes and borrow from whatever source they can. This is resulting in extreme liquidity shortage in the market, leaving precious little resources for the Private Sector.

Cost of Energy

The cost of energy in Pakistan is extremely high as compared to the regional countries. The Government's promise of charging Dollar 6.5 per MMBTU for Gas and 7.5 cents for electricity has not materialized and every month we have to take up a legal remedy to attain the above prices.

Raw Material

As the situation stands, the Pakistani Cotton crop has further deteriorated and the size of the crop is estimated around 9 Million bales which is about 2 Million bales less than last year, leading to very high prices in the Local Cotton market. This shortage and subsequent rise in Domestic Cotton prices will keep pressure on our Company's profitability in this coming year.

Future Outlook

There are six segments in Textile Industry in Pakistan, namely, Denim, Towel, Home Textile, Knitted Garments, Yarn and Grey Fabric. To a great extent the export of Yarn and Grey Fabric depends on the Chinese Market but due to the trade conflict between China and USA, our exports have severely declined. We hope the Government will review this critical situation and work on providing a major share to the Textile Industry in the Trade Agreement with China. The Government should also work out some incentives/tax benefits for this segment of the Industry.

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 our Manage



Shahid Anwar Tata
Chief Executive

On behalf of the Board of Directors



Adeel Shahid Tata
Director

Karachi

Dated: October 29, 2019

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2019**

September 30, June 30,
2019 2019
(Un-Audited) (Audited)
NoteRupees in '000'.....

ASSETS

NON-CURRENT ASSETS

Property, plant and equipment	5	4,633,923	4,681,700
Intangible assets		1,005	1,080
Long term investments		37,100	26,700
Long term deposits		2,867	2,852
		4,674,895	4,712,332

CURRENT ASSETS

Stores, spares and loose tools		68,038	50,920
Stock-in-trade		1,836,253	2,039,035
Trade debts		610,299	615,002
Loans and advances		368,942	340,200
Short-term prepayments		5,515	1,774
Other receivables		44,359	59,950
Other financial assets		19,670	19,670
Sales tax refundable		88,293	96,015
Cash and bank balances		120,657	153,625
		3,162,026	3,376,191

TOTAL ASSETS

7,836,921 **8,088,523**

EQUITY AND LIABILITIES

EQUITY

Share capital		173,248	173,248
General reserve		1,000,000	1,000,000
Unappropriated profit		785,824	820,630
Revaluation reserve of property, plant and equipment		2,447,997	2,476,256
		4,407,069	4,470,134

NON-CURRENT LIABILITIES

Long-term finance	6	416,936	440,243
Deferred liabilities		499,794	493,193
		916,730	933,436

CURRENT LIABILITIES

Trade and other payables		563,013	298,453
Interest / mark-up accrued on borrowings		71,962	60,654
Short-term borrowings		1,695,190	2,154,374
Current portion of long-term finance	6	94,592	96,174
Unclaimed dividend		4,392	4,396
Provision for income tax		83,973	70,902
		2,513,122	2,684,953

CONTINGENCIES AND COMMITMENTS

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TOTAL EQUITY AND LIABILITIES

7,836,921 **8,088,523**

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 COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019**

		September 30, 2019	September 30, 2018
	NoteRupees in '000'.....	
Revenue from contract with customers - net	8	1,771,428	1,545,893
Cost of goods sold	9	(1,608,764)	(1,302,884)
Gross profit		162,664	243,009
Distribution cost		(23,315)	(22,506)
Administrative expenses		(35,158)	(31,626)
Other operating expenses		(59,241)	(8,876)
Finance cost		(97,018)	(35,180)
		(214,732)	(98,188)
		(52,068)	144,821
Other income		176	9,881
(Loss) / Profit before taxation		(51,892)	154,702
Provision for taxation		(11,173)	(21,993)
(Loss) / Profit for the period		(63,065)	132,709
Other Comprehensive income for the period		-	-
Total comprehensive income for the period		(63,065)	132,709
(Loss) / Earnings per share - basic and diluted		(3.64)	7.66

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 CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019**

September 30, 2019 September 30, 2019

.....Rupees in '000'.....

A. CASH FLOWS FROM OPERATING ACTIVITIES

(Loss)/Profit before taxation	(51,892)	154,702
Adjustments for :		
Depreciation	57,391	48,294
Amortization	76	80
Provision for staff gratuity	12,657	9,935
Provision for compensated absences	4,753	4,361
Provision for doubtful debts	-	1,211
Finance cost	97,018	35,180
Loss / (Gain) on disposal of property, plant and equipment	8	(3,935)
Operating cash flows before changes in working capital	120,011	249,828
(Increase) / decrease in current assets		
Stores, spares and loose tools	(17,118)	2,860
Stock-in-trade	202,782	(585,563)
Trade debts	4,703	306,702
Loans and advances	(24,965)	(161,378)
Trade deposits and short-term prepayments	(3,741)	(4,599)
Other receivables	15,591	20
Sales tax refundable	7,722	(11,263)
Increase / (Decrease) in current liabilities		
Trade and other payables	264,560	(201)
Cash generated from / (used in) operations	569,545	(203,594)
Finance cost paid	(85,710)	(41,153)
Income taxes paid	(3,779)	(5,959)
Staff gratuity paid	(6,583)	(1,798)
Staff compensated absences paid	(2,328)	(3,115)
Net cash generated from / (used in) operating activities	471,145	(255,619)

B. CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property, plant and equipment	(9,653)	(88,620)
Proceeds from disposal of property and equipment	31	8,528
Purchase of intangible assets	-	(417)
Long term investments	(10,400)	-
Long-term deposits	(15)	(15)
Net cash used in investing activities	(20,037)	(80,524)

C. CASH FLOWS FROM FINANCING ACTIVITIES

Long-term finance obtained	-	72,317
Repayment of long-term finance	(24,889)	(18,732)
Repayment of short-term borrowings	(592,740)	(156,039)
Dividend paid	(4)	-
Net cash used in financing activities	(617,633)	(102,454)
Net (decrease) / increase in cash and cash equivalents (A+B+C)	(166,525)	(438,597)
Cash and cash equivalents at July 01	(929,517)	(1,058,430)
Cash and cash equivalents at September 30	(1,096,042)	(1,497,027)

CASH AND CASH EQUIVALENTS

Cash and bank balances	120,657	48,444
Running / cash finances	(1,216,699)	(1,545,471)
	(1,096,042)	(1,497,027)

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 CHANGES IN EQUITY (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019**

	Share Capital		Revenue reserve		Capital reserve		Total
	General reserve	Unappropriated profit	Unappropriated profit	Revaluation surplus	Revaluation surplus		
Balance at July 01, 2018	173,248	1,000,000	723,170	1,841,047	1,841,047		3,737,465

Total comprehensive income for the period

Profit for the quarter	-	-	132,709	-	-	-	132,709
Other comprehensive income - net of tax	-	-	-	-	-	-	-
	-	-	132,709	-	-	-	132,709

Transferred from surplus on revaluation of property, plant and equipment on account of:

- incremental depreciation	-	-	6,864	(6,864)	(6,864)	-	-
- disposal of property, plant and equipment	-	-	6,659	(6,659)	(6,659)	-	-
	-	-	13,523	(13,523)	(13,523)	-	-

Balance as at September 30, 2018

173,248	1,000,000	869,402	1,827,524	3,870,174
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Balance at July 01, 2019

173,248	1,000,000	820,630	2,476,256	4,470,134
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Total comprehensive income for the period

Loss for the quarter	-	-	(63,065)	-	-	-	(63,065)
Other comprehensive income - net of tax	-	-	-	-	-	-	-
	-	-	(63,065)	-	-	-	(63,065)

Transferred from surplus on revaluation of property, plant and equipment on account of:

- incremental depreciation	-	-	28,259	(28,259)	(28,259)	-	-
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Balance as at September 30, 2019

173,248	1,000,000	785,824	2,447,997	4,407,069
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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, 2019**

1. THE COMPANY AND ITS OPERATIONS

Tata Textile Mills Limited (the Company) is a public limited company incorporated in Pakistan on April 15, 1987 under the Companies Ordinance, 1984 (repealed) (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.

2. BASIS OF PREPARATION

2.1 This condensed interim financial information of the Company for the 1st quarter ended September 30, 2019 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, 2019.

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 balance sheet presented has been extracted from annual financial statements for the year ended June 30, 2019; the comparative condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity of the Company have been extracted from the unaudited condensed interim financial information for the 1st quarter ended September 30, 2019.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information and the significant 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, 2019. Certain new IFRSs and amendments to existing IFRSs are effective for periods beginning on or after July 1, 2019, 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, 2019.

	Notes	September 30, 2019 (Un-Audited)	June 30, 2019 (Audited)
		----- Rupees in '000' -----	
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	4,617,130	4,660,235
Capital work-in-progress	5.2	16,793	21,465
		4,633,923	4,681,700

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 Three-month ended Sept 30, 2019 (Un-Audited)			
Plant and machinery	6,403	-	-
Office equipment	92	38	30
Vehicles	7,830	1	1
	14,325	39	31

During the year ended June 30, 2019 (Audited)	Additions/ transfers from CWIP	Disposals (written down value)	Sale proceeds
	Rupees in '000'		
Building on freehold land	22,372	4,309	-
Plant and machinery	90,398	2,479	1,762
Factory and workshop equipment	8,697	-	-
Furniture and fixtures	1,445	-	-
Office equipment	4,616	82	69
Vehicles	7,124	4,154	12,682
	<u>134,652</u>	<u>11,024</u>	<u>14,513</u>

5.2 During the three-month period net addition to capital work in progress is Rs. Nil million (June 30, 2019: Rs. 6.50 million)

Notes	September 30, 2019 (Un-Audited)	June 30, 2019 (Audited)
	----- Rupees in '000' -----	

6. LONG TERM FINANCES

Banking companies - secured

Term finances	111,462	120,346
SBP-LTFF	396,903	411,327
Diminishing musharka	3,163	4,744
	<u>511,528</u>	<u>536,417</u>

Less: current portion shown under current liabilities

Term finances	(33,733)	(33,733)
SBP-LTFF	(57,697)	(57,697)
Diminishing musharka	(3,162)	(4,744)
	<u>(94,592)</u>	<u>(96,174)</u>
6.1 & 6.2	<u>416,936</u>	<u>440,243</u>

6.1 These finances are secured against first pari passu charge on all present and future fixed assets including land, building, plant and equipment of the Company, specific charge over new machinery and personal guarantee of directors. These finances are subject to mark-up at the rate 3 and 6 months' average KIBOR plus 1% and 1.75% per annum. (June 30, 2019: 3 and 6 months' average KIBOR plus 1% and 1.75% per annum).

Notes	September 30, 2019 (Un-Audited)	June 30, 2019 (Audited)
	----- Rupees in '000' -----	

6.2 The movement in long term finance is as follows:

Balance as on July 01	536,417	582,467
Additions	-	72,317
Repayment	(24,889)	(118,367)
Balance as on September 30	511,528	536,417
Less: current portion of long term financing	(94,592)	(96,174)
	<u>416,936</u>	<u>440,243</u>

7. CONTINGENCIES AND COMMITMENTS

7.1 Contingencies

The Company filed a suit before the High Court of Sindh, challenging the applicability of Gas Infrastructure Development Cess (GIDC) Act, 2011. The Sindh High Court has restrained the Federation and gas companies from recovering GIDC over and above Rs.13 per MMBTU. On August 22, 2014, the Supreme Court of Pakistan declared that the levy of GIDC as a tax was not levied in accordance with the Constitution and hence not valid.

Tata Textile Mills Ltd.

In September 2014, the Federal Government promulgated GIDC Ordinance No. VI of 2014 to circumvent earlier decision of the Supreme Court on the ground that GIDC was a 'Fee' and not a 'Tax'. In May 2015, the said Ordinance was approved in the Parliament and became an Act. Since the GIDC Act 2015 has also ultra vires to constitute and issue is being faced by all industry at large, management is confident based on the discussion with lawyer that the decision of the case will be in the favour of company. However, the Company on prudent basis, recognized provision for GIDC as at September 30, 2019 amounting to Rs. 24.50 million (2019: Rs. 24.50 million) in these financial statements.

		September 30, 2019 (Un-Audited)	June 30, 2019 (Audited)
	Note	----- Rupees in '000' -----	
7.2 Commitments			
(i) Civil Works		977	1,568
(ii) Letters of credit			
- plant and machinery		153,954	-
- stores and spares		25,126	42,867
- raw material		28,143	-
(iii) Bank guarantees issued on behalf of the Company	7.2.1	198,338	193,295
(iv) Bills discounted with recourse			
- Export		335,589	264,405
- Local		18,425	-
		354,014	264,405
(v) Rentals under Ijarah finance agreements	7.2.2		
- Not later than one year		40,835	40,893
- Later than one year but not later than five years		51,775	62,089
		92,610	102,982
(vi) Outstanding sales contract		553,077	411,186

7.2.1 This includes bank guarantee related to Sindh Development Infrastructure Cess amounting to Rs.80.20 million (2019: Rs. 77.20 million).

7.2.2 Represents four ijarah agreements entered into with an Islamic Bank in respect of machineries. Total future ijarah payments under agreements are Rs. 92.61 million (2019: Rs. 102.98 million) and are payable in quarterly installments latest by June, 2022. These commitments are secured against the exclusive ownership of machineries and third ranking charge against property, plant and equipment with 25% margin.

8. Sales

8.1 Sales include sales made to local customers (including indirect exports) and direct exports amounting to Rs. 1,282 million (2018: 1,022 million) and Rs. 489 million (2018: 524 million) respectively. The export are made to Asia Pacific region and Europe amounting to Rs. 489 million (2018: 508 million) and Rs. Nil million (2018: 16 million) respectively.

9. COST OF GOODS SOLD

		September 30, 2019 ----- Un-Audited -----	September 30, 2018
	Note	----- Rupees in '000' -----	
Opening finished goods		317,315	180,932
Cost of goods manufactured	9.1	1,575,936	1,529,068
		1,893,251	1,710,000
Closing finished goods	9.2	(284,487)	(407,116)
		1,608,764	1,302,884

September 30, 2019, September 30, 2018

----- Unaudited -----
----- Rupees in '000' -----

Note

9.1 Cost of goods manufactured

Raw material	9.1.1	1,216,441	1,208,375
Stores and spares		20,940	26,434
Packing material		19,040	20,665
Power and fuel		144,973	117,659
Salaries, wages and benefits		105,156	98,748
Depreciation		56,080	46,875
Insurance		3,269	2,647
Repairs and maintenance		2,182	1,301
Ijara rentals		11,276	15,344
Other overheads		2,162	2,108
		1,581,519	1,540,156
Work-in-process			
Opening stock		60,210	47,895
Closing stock		(65,793)	(58,984)
		(5,583)	(11,088)
		1,575,936	1,529,068

9.1.1 Raw material consumed

Opening stock	1,738,890	861,045
Purchases - net	963,522	1,556,667
	2,702,412	2,417,712
Closing stock	(1,485,971)	(1,209,337)
	1,216,441	1,208,375

9.2 Net realizable value of finished goods was lower than its cost, resulting in a write-down of Rs. 4.80 million (Sept 30, 2018: Rs. 4.59 million) charged to cost of goods sold.

10. TAXATION

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

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

11. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise 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, 2019. Transactions with related parties are as follows:

Three-month period ended
September 30, September 30,
2019 2018
 -----(Unaudited)-----
 ----- Rupees in '000' -----

Relationship with the party	Nature of transactions		
Associated undertakings	Share of expenses received	1,429	454
	Share of expenses paid	1,129	539
	Sale of Goods	-	36
Key management personnel	Short term benefits	18,530	14,436
Directors	Short term benefits	4,376	3,138
	Meetings fee	160	105
	Rent expense		
	-godown	60	60
	-office premises	1,023	1,023

12. FAIR VALUE HIERARCHY

The Company's free hold land, building and plant and machinery are stated at revalued amounts, being the fair value at the date of revaluation, less any subsequent depreciation and subsequent impairment losses, if any. The fair value measurements of the Company's free hold land, building and plant and machinery were 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, 2019 (Unaudited)				
Free hold land	-	317,400	-	317,400
Building on free hold land	-	927,749	-	927,749
Plant and machinery	-	3,260,969	-	3,260,969
Electric installations	-	84,774	-	84,774
	-	4,590,892	-	4,590,892
As at June 30, 2019 (Audited)				
Free hold land	-	317,400	-	317,400
Building on free hold land	-	927,749	-	927,749
Plant and machinery	-	3,254,566	-	3,254,566
Electric installations	-	84,774	-	84,774
	-	4,584,489	-	4,584,489

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

As at September 30, 2019 and June 30, 2019, 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.

13. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on October 29, 2019 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 علیکم

30 ستمبر 2019ء کو ختم ہونے والی پہلی سہ ماہی کیلئے کمپنی کے (غیر آڈٹ شدہ) مالیاتی حسابات آپ کو پیش کئے جا رہے ہیں۔

عالمی معاشی ست روی کے باعث ٹران اور میں 15 فیصد اضافہ کے باوجود گزشتہ سال کے دوران روپے کی قدر میں متوازی کی وجہ سے کمپنی کو مبلغ 51.892 ملین روپے کا قہر از نکس خسارہ ہوا (2018 میں قبل از نکس منافع مبلغ 154.702 ملین روپے تھا)۔

کمپنی کے منافع کو متعدد عوامل نے متاثر کیا جن میں روپے کی قدر میں مثالی کمی، پاکستان اور چین میں معاشی ست روی، چین امریکہ تجارتی تنازعہ جس نے یارن کی قیمتوں، درآمد شدہ کپاس کی لاگت، زیادہ شرح سود اور افراط زر کے عمومی اثرات کو متاثر کیا، شامل ہیں۔ چین امریکہ ٹریف تجارتی تنازعہ اور عالمی اور چینی معاشی ست روی کے باعث یارن کی فروخت کی قیمتیں نیچے گرتی رہیں، اور اس کے ساتھ ہی چین کی طرف سے کپاس کی درآمد بھی کم ہوگئی جس کے باعث یارن کے بڑے برآمداتی ملک خاص طور پر پاکستان اور بھارت متاثر ہوئے۔ چینی منصفوں کے ہدف سے کم مقدار کی وجہ سے درآمد شدہ کپاس پر بھاری انحصار کیا جو کہ پاکستانی روپے کی قدر میں کمی اور ڈسکانٹ ریٹ میں 6.75 فیصد سے 13.75 فیصد تک تیزی سے اضافہ ایک اور پہلو تھا جس نے ہمارے منافع کو متاثر کیا ہے جس سے مالی معروضوں میں 175.77 فیصد کا اضافہ جو کہ مبلغ 97.018 ملین روپے ہو گیا (2018ء میں مبلغ 35.180 ملین روپے)۔

حالیہ سال:

اس سال کا آغاز نیگیشنل کیلئے حاصل ہونے والی زیور بینک سے دستبرداری کے ساتھ ہوا اور اس کے نتیجے میں 17 فیصد سٹیبلنگس لگا گیا اور بہت سارے دو ہولڈنگ نیگسوں کی شرح میں غیر معمولی اضافہ ہوا جس سے مقامی مارکیٹ جس پر ہم یارن کی فروخت پر زیادہ بھروسہ کرتے ہیں، پر مکمل طور پر غلط پڑا۔ لہذا عالمی معاشی ست روی کے ساتھ نیگسوں میں زبردست اضافے نے ہماری فروخت کو بری طرح متاثر کیا۔ اگرچہ حکومت نے پاکستانی روپے کی قیمت میں کمی کے ذریعے کرنٹ اکاؤنٹ خسارے کو تفریق ختم کر دیا ہے، تاہم برآمدات کو بڑھانے کیلئے تجارتی ترقی کی طرف بہت کم کوششیں کی گئیں۔ پاکستان کو اب بھی شدید مالی خسارے کا سامنا ہے جس کے لئے اس پر باؤ ڈالاجا رہا ہے کہ وہ بڑے پیمانے پر نیگس اٹھاتا کرے، اس کے نتیجے میں مارکیٹ میں کیوبینڈیٹی کی انتہائی قلت پیدا ہوگئی، جس سے نجی شعبے کے لئے قیمتی وسائل بڑھ گئے۔

قوانینی کی لاگت:

علاقائی ممالک کے مقابلے میں پاکستان میں توانائی کی لاگت انتہائی زیادہ ہے۔ حکومت نے گیس کیلئے 6.5 فیصد MMBTU ڈالر اور بجلی کیلئے 7.5 سینٹ وصول کرنے کا وعدہ پورا نہیں کیا اور ہمیں ہر مہینے مذکورہ قیمتوں کو حاصل کرنے کیلئے قانونی اقدام اٹھانا پڑتا ہے۔

خام مال:

پیش نظر صورتحال کے تحت پاکستانی کپاس کی فصل مزید بگڑ چکی ہے اور فصل کا حجم لگ بھگ 9 ملین بیلز کے حساب سے لگایا گیا ہے جو کہ گزشتہ سال کی نسبت 2 ملین بیلز کم ہے جس کے باعث مقامی کپاس مارکیٹ میں قیمتیں بہت زیادہ بڑھ گئی ہیں۔ مقامی کپاس کی قیمتوں میں اضافے کے نتیجے میں آنے والے سال میں آپ کی کمپنی کے منافع پر باؤ ڈال رہا ہے۔


مستقبل کا نظریہ:

پاکستان میں نیگیشنل کی صنعت میں چھ شعبے ہیں یعنی ڈیم، تولیہ، ہوم ٹیکسٹائل، ہینگنگ گارمنٹس، یارن اور گرے فبیرکس۔ یارن اور گرے فبیرکس کی برآمدات زیادہ تر انحصار چینی مارکیٹ پر ہے لیکن چین اور امریکہ کے مابین تجارتی تنازعہ کے باعث ہماری برآمدات میں شدید کمی آئی ہے۔ ہمیں امید ہے کہ حکومت اس نازک صورتحال کا جائزہ لے گی اور چین کے ساتھ تجارتی معاہدے میں نیگیشنل انڈسٹری کو بڑا حصہ فراہم کرنے پر کام کرے گی۔ حکومت کو صنعت کے اس حصے کیلئے مراعات/انگس کے فوائد پر بھی عمل کرنا چاہئے۔

اظہار تشکر:

ہم کمپنی کے ہر ملازم کی شمولیت کا شکریہ ادا کرتے ہیں اس کے علاوہ ہمارے کسٹمرز جو کہ ہماری پروڈکشن پر اعتماد کرتے ہیں اور ہمارے ٹیکرز 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۔

یورڈ آف ڈائریکٹرز کی جانب سے



عبدل شاہد ناٹا
ڈائریکٹر



شاہد اورانگ زب
چیف ایگزیکٹو

کراچی مورخہ 29 اکتوبر 2019ء

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