



ANNUAL REPORT 2022

**TATA TEXTILE
MILLS LIMITED**



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COMPANY PROFILE & BUSINESS AT A GLANCE

Tata Textile Mills Limited (TTML) is premier textile spinning Company of Tata Group with 127,092 spindles after merger of Salfi Textile Mills Ltd., Island Textile Mills Ltd. and Tata Energy Ltd. into TTML effective July 1, 2021. TTML produces a range of yarn catering to both domestic and international customers with the capability to process around 151 million pounds of raw material to produce 124 million pounds of yarn. TTML also has a credible export pedigree with a footprint in 10 countries. Following merger, the financials of the Company have been significantly strengthened with capital assets of Rs. 20 Billion, total assets of Rs. 38 Billion, issued capital of Rs. 560 million and equity of Rs. 22 Billion.

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

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

Tata Textile Mills Ltd., is also a member of various international forums and initiatives on Sustainability i.e. International Cotton Association, US Cotton Trust Protocol, Cotton made in Africa, Better Cotton Initiative and amfori-BEPI. Tata Textile Mills Ltd., is proudly part of world famous brands' supply chain like Primark and Inditex.

The focus of all these Customers, Forums and Certification on HSE has encouraged Tata Textile Mills Ltd., to take its HSE initiatives towards a broader and consistent HSE Culture and systems across all its offices, manufacturing units and locations as its corporate objective for the year 2022-23 and as a first step has engaged a very competent and renowned Management Consulting firm ASCENTIA who will conduct HSE Gap Analysis across all Tata Textile Mills locations and help the Management to drive a through action plan to make Tata Textile Mills Ltd., a safer and more secure place to work for a sustainable growth of company business through development of HSE system based on ISO-45001 and ISO 14001.

TTML is self-reliant as far as energy is concerned and utilizes a mix of energy sources to achieve lowest cost with core focus on generating energy from eco-friendly options.

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

Tata Textile has the capability to produce the following type of yarns

- 100% COTTON CARDED KNITTING & WEAVING YARNS
- 100% COTTON COMBED KNITTING & WEAVING YARNS
- 100% COTTON COMBED COMPACT KNITTING & WEAVING YARNS
- 100% COTTON CARDED WEAVING SIRO YARNS
- 100% COTTON COMBED COMPACT WEAVING SIRO YARNS
- 100% COTTON CARDED COMPACT AND NON-COMPACT WEAVING YARNS
- 100 % COTTON CARDED SLUB YARNS
- 100 % COTTON CARDED SIRO-SLUB YARNS
- COTTON CORE RING SPUN YARNS
- ZERO TWIST PVA CARDED & COMBED YARNS
- 100% COTTON PLIED CARDED & COMBED YARNS
- COTTON / PLOYESTER BLEND CARDED & COMB YARN FOR KNITTING AND WEAVING
- COTTON / TENCIL BLEND CARDED FOR WEAVING YARN
- COTTON / MODAL BLEND CARDED FOR WEAVING YARN

GROUP INFORMATION

TATA Pakistan is a large well-respected conglomerate in Pakistan with diversified interests in textiles and foods businesses. The group's activities started in 1969 and since then has expanded into textile pinning business and has established itself as a premier brand. In recent years, it has expanded into food business. Tata Pakistan has sizable exports and contributes valuable foreign exchange to the national exchequer.

Effective July 1, 2021 Island Textile Mills Ltd., Salfi Textile Mills Ltd. and the Tata Energy Ltd. were merged into Tata Textile Mills Ltd. (TTML)

TTML is a public limited company incorporated in 1987 and listed on Pakistan Stock Exchange. The main office is located in Textile Plaza Karachi. The spinning units are located in Karachi, Kotri and Multan.

MULTAN UNIT

It is a modern spinning unit consisting of 44,400 Spindles setup for the manufacturing of Cotton Yarn. The TATA Brand quickly became the standard for the yarn market. and its manufacturing facility is located in Muzaffargarh which is close to Multan. The management is taking further initiative for the automation of the mills and plan to replace the old machinery with new latest automation. To conserve energy consumption management has introduced high fuel-efficient Gas generators and have plan to install a 2 MW solar plant to further control the increasing cost of power.

KOTRI UNIT

This unit was acquired as a running spinning unit located at Kotri Industrial Estate in the Province of Sindh Kotri, in 1981 which quickly established a name in spinning of cotton yarns. In 2014, the Company initiated a strategic expansion plan and the facility started commercial production in 2015 with the latest state-of-the-art Reiter spinning machinery which is completely automated from Blow Room to Winding.

LANDHI UNIT

This unit was established in 1968 and was subsequently acquired in 1983 and gained a foothold in the synthetic yarn Market in 4 subsequent decades of successful operation. In 2005 a complete renovation of the Company was carried out and capacity enhanced to 36,708 Spindles with latest machinery thereby increasing the spinning production capacity by 100%.

ENERGY UNITS

Energy Units were originally incorporated in 1994. The principal activity was generation and supply of electric power installed at Landhi and Kotri Units. The total annual power generation capacity at both locations is more than 10 megawatts. Effective July 1, 2021, these energy assets have been incorporated in the respective Landhi and Kotri units of TTML.

TATA BEST FOODS LIMITED (TBFL)

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

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Mazhar Valjee - Chairman
Mr. Shahid Anwar Tata - Chief Executive
Mr. Adeel Shahid Tata - Executive Director
Mr. Bilal Shahid Tata - Non Executive Director
Mr. Farooq Advani - Independent Director
Mr. Tayyeb Afzal - Independent Director
Mr. Muhammad Jawaid Iqbal - Independent Director
Ms. Shahbano Hameed - Non Executive Director
(NIT Nominee)
Ms. Samar Shahid - 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 - Member
Ms. Samon Babar - Secretary

CHIEF FINANCIAL OFFICER

Mr. Muhammad Zaid Kaliya

COMPANY SECRETARY

Mr. Muhammad Hussain

HEAD OF INTERNAL AUDIT

Mr. Ghazanfer Yaseen

AUDITORS

M/S. Yousuf Adil
Chartered Accountants

BANKERS

1-Allied Bank Limited
2-Askari Bank Limited
3-Bank Alfalah Limited
4-Bank Islami Pakistan Limited
5-Dubai Islamic Bank (Pakistan) Limited
6-Faysal Bank Limited
7-HBL (Islamic Banking)
8-JS Bank Limited
9-MCB Bank Limited
10-Meezan Bank Limited
11-National Bank of Pakistan
12-National Bank of Pakistan – AIBG
13-Pak Oman Investment Company Limited
14-Samba Bank Limited
15-Soneri Bank Limited
16-Summit Bank Limited
17-The Bank of Punjab

LEGAL ADVISOR

Ameen Bandukda & Co.

REGISTERED OFFICE

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

FACTORY 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

CEO's Presentation is available on Company's website

Awards & Certificates







Certificate of Membership 2022

This is to certify that:

Tata Textile Mills Ltd

is a member of the International Cotton Association and, as such, is committed to the principles of safe trading that the Association champions.

Alex Hsu

President, International Cotton Association



www.ica-ltd.org | info@ica-ltd.org | +44 151 236 6041
The International Cotton Association Limited Registered in England No. 744445

STATEMENT OF MEMBERSHIP



U.S. COTTON
TRUST PROTOCOL®
Trust in a smarter cotton future

This certificate attests that

is an official member of the U.S. Cotton Trust Protocol

Issue Date November 2021

Expires August 1, 2022

The U.S. Cotton Trust Protocol provides mills and manufacturers critical assurances they need to prove to their customers that they are an approved supply chain partner for brands and retailers who are sourcing more sustainably grown cotton.

Gary Adams
President, U.S. Cotton Trust Protocol

KHRT36C

19-AF4E-SE-000291



Control Union Certifications B.V.
Meeuwenlaan 4-6, 8011 SZ Zwolle, Netherlands, NL
+31 38 426 0100
www.controlunion.com

SCOPE CERTIFICATE

Scope Certificate Number: CU1008928RCS-2022-00129315

Control Union Certifications certifies that
Tata Textile Mills Ltd., Corporate Office
License Number: CB-CUC-1008928
6th Floor, Textile Plaza, M. A. Jinnah Road
74000 Karachi, Sindh, PK-SD Pakistan, PK

has been audited and found to be in conformity with the
Recycled Claim Standard (RCS)
Version 2.0

Product categories mentioned below (and further specified in the product appendix) conform with the standard(s):
Product categories: Greige yarns (PC0030)

Process categories carried out under responsibility of the above-mentioned company for the certified products cover:
Trading (PR0030), Mechanical recycling (PR0017), Spinning (PR0027), Warehousing, distribution (PR0011)
*The processes marked with an asterisk may be carried out by subcontractors.

This certificate is valid until:
2023-05-28

Place and date of issue:



2022-08-17, Zwolle

Name of the accredited person:

On behalf of the Managing Director
Pasan Galappaththi/Certifier

Stamp of the issuing body



Logo of the accreditation body



Standard's Logo



This Scope Certificate provides no proof that any goods delivered by its holder are RCS certified. Proof of RCS certification of goods delivered is provided by a valid Transaction Certificate (TC) covering them.
The issuing body may withdraw this certificate before it expires if the declared conformity is no longer guaranteed.
Accredited by: Sri Lanka Accreditation Board (SLAB), Accreditation No: CP 004-03

CONTROL UNION

This electronically issued document is the valid original version.

Control Union Certifications B.V.
PC027 - Meeuwenlaan 4-6, 8011 SZ - Zwolle - Netherlands, NL
T +31 38 426 0100 - F +31 38 423 7040 - certifications@controlunion.com

Scope Certificate CU1008928RCS-2022-00129315 and License Number CB-CUC-1008928 Page 1 /



Control Union Certifications B.V.
Meeuwenlaan 4-6, 8011 SZ Zwolle, Netherlands, NL
+31 38 426 0100
www.controlunion.com

SCOPE CERTIFICATE

Scope Certificate Number: CU1008928GRS-2022-00129314

Control Union Certifications certifies that
Tata Textile Mills Ltd., Corporate Office
License Number: CB-CUC-1008928
6th Floor, Textile Plaza, M. A. Jinnah Road
74000 Karachi, Sindh, PK-SD Pakistan, PK

has been audited and found to be in conformity with the
Global Recycled Standard (GRS)
Version 4.0

Product categories mentioned below (and further specified in the product appendix) conform with the standard(s):
Product categories: Greige yarns (PC0030)

Process categories carried out under responsibility of the above-mentioned company for the certified products cover:
Trading (PR0030), Mechanical recycling (PR0017), Spinning (PR0027), Warehousing, distribution (PR0011)
*The processes marked with an asterisk may be carried out by subcontractors.

This certificate is valid until:
2023-05-28

Place and date of issue:



2022-08-17, Zwolle

Name of the accredited person:

On behalf of the Managing Director
Pasan Galappaththi/Certifier

Stamp of the issuing body



Logo of the accreditation body



Standard's Logo



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Scope Certificate CU1008928GRS-2022-00129314 and License Number CB-CUC-1008928 Page 1 /

PROFILE OF DIRECTORS

Mr. Mazhar Valjee

Chairman / Independent Director

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

Outside HOH Mazhar has served as CEO and Country Head of Schneider Electric Pakistan and currently serves on the board of Pakistan Cables Ltd.

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

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

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



Mr. Shahid Anwar Tata

Chief Executive



Mr. Shahid Anwar Tata holds a Bachelor's degree in Commerce and has been with the family Textile Spinning business since Graduation. He is serving as Director and CEO of Tata Pakistan which comprises of independent public listed spinning mills and a food processing business.

With over 40 years of experience and untiring efforts has helped him to acquire deep insight and expertise into export and manufacturing activities. He has played a key role in making the brand name "TATA" renowned both locally and internationally. Mr. Shahid Tata constantly strives to inspire his team of professionals in embracing modern technology for greater efficiency, produce quality products, while maintaining a fair and equitable dealing towards employees and workers.

He plays an instrumental role in contributing to the textile educational segment of Pakistan by serving on the Board of Governors at Textile Institute of Pakistan (TIP) and as a Vice Chairman of National Textile Foundation, Pakistan (NTF).

Having a strong desire to give back to the society, he is actively involved in philanthropy and supports many institutions in health and education sectors, such as, Aga Khan University Hospital, Indus Hospital, The Citizen Foundation, Pakistan, besides several other welfare & educational projects.

Mr. Shahid Tata is also a Board Member of YPO Gold Pakistan Chapter (Young Presidents Organization).

Mr. Adeel Shahid Tata

Executive Director

Mr. Adeel Shahid Tata is Finance graduate from Bentley College U.S.A. and has spent more than 17 years managing the textile business. He provides a new style of management to the group. He is dynamic and passionate about his work and brings freshness to the style of business.

Further he has also done number of professional courses in supply chain, cotton management, risk management, creative thinking and negotiation. He is currently the Chapter Chair for YPO Pakistan which is a leading organization for CEO's worldwide.



Mr. Bilal Shahid Tata

Non Executive Director

Mr. Bilal Shahid Tata holds a Master's Degree in Business Administration from Cardiff University, UK and a Bachelor's Degree from Clark University, USA. He has more than 10 years of experience in Business Management and is well versed in finance and strategy. He is currently serving as a CEO of Tata Best Foods Limited, which is operating a Modern Meat Processing facility and Cattle Feedlot Farm. Tata Best Foods Ltd is one of the leading exporters of Meat Products from Pakistan.



Mr. Farooq Advani

Independent Director

Mr. Farooq Advani brings with him over 48 years of experience of business and financial management in the Textile manufacturing, Power and Food businesses. He is a Fellow Member of Institute of Chartered Accountant of Pakistan (ICAP).

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

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



Ms. Shahbano Hameed

Non Executive Director (NIT Nominee)

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



Ms. Samar Shahid

Non Executive Director

Ms. Samar Shahid is a psychologist and mental health counselor holding a Master's Degree in Psychology from Columbia University, New York and Bachelor's degree in Psychology, Education and International Relations from Brandeis University.

She has considerable experience in the field of education and has served with organizations such as the Karachi American School and Haque Academy. She also runs a private clinic serving as a mental health professional. Over the years she has participated in a number of skills training programs which have focused primarily on Human Development and Education. Keen on giving back to the community, she currently chairs the Charity and Donation Committee at Tata Pakistan. Ms. Shahid firmly believes that education and human development are the bedrock of any young, modern and dynamic society.



Mr. Muhammad Jawaid Iqbal

Independent Director

Mr. Jawaid Iqbal is Chief Executive Officer of Providus Capital, which makes investments in Pakistan's public and private markets.

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



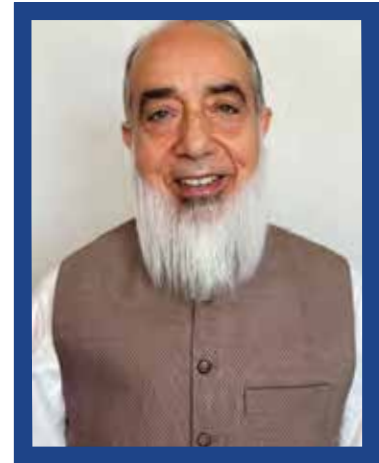
Mr. Tayyeb Afzal

Independent Director

Mr. Tayyeb Afzal is a seasoned C-level executive with over 45 years of international experience in both industry (Financial services, manufacturing) and professional services (Big 4). He is an independent board director, business advisor, executive coach, mentors and provides coaching to young entrepreneurs.

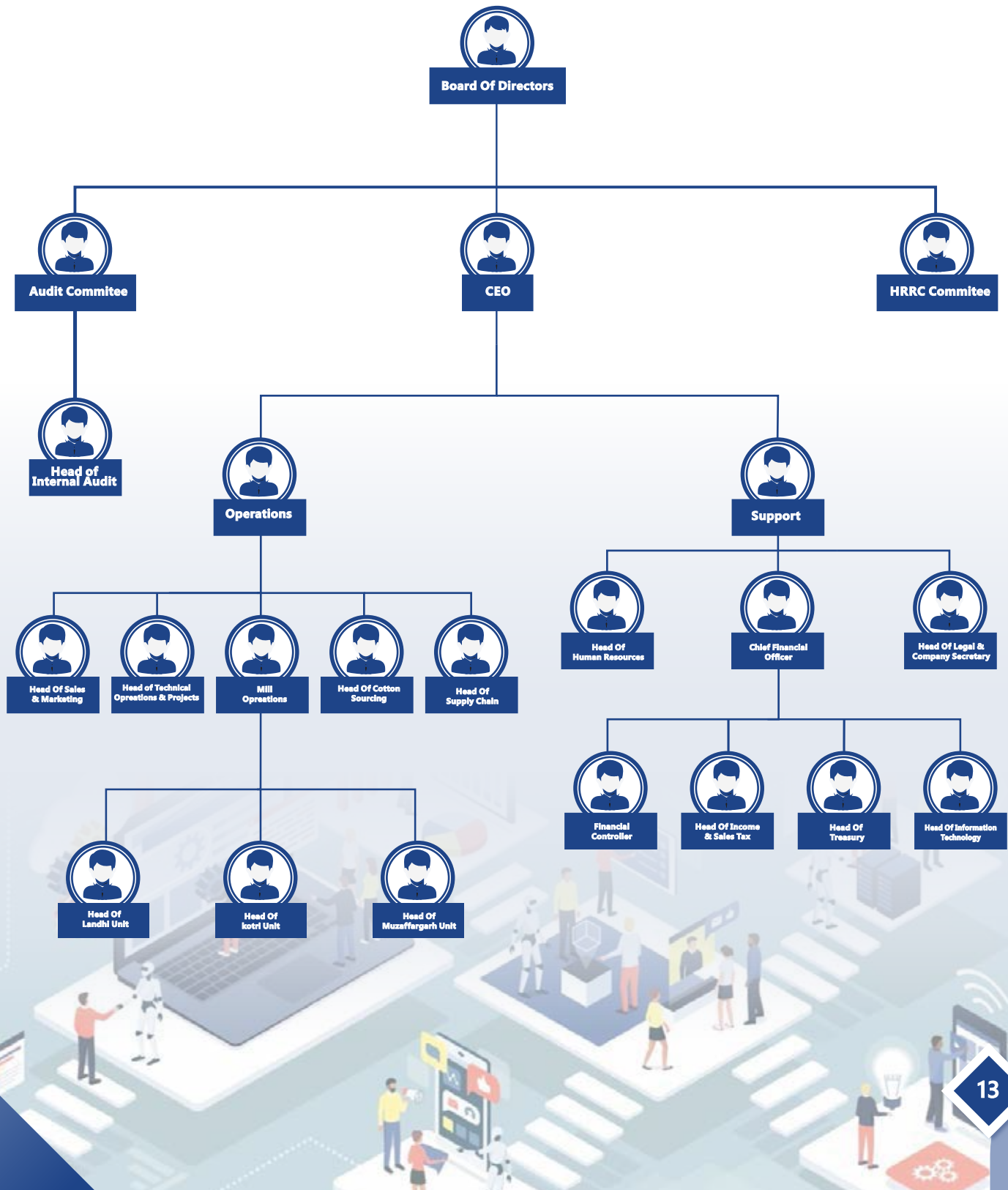
Mr. Tayyeb is established and recognized in Pakistan for board level participation and contribution for leading listed and private companies, especially in the areas of leadership of audit committees, optimization of financial accounting & systems, management and governance systems, strategic planning, IPO planning, M&A, and due diligence initiatives. He possesses expertise in external and internal auditing, wholesale and corporate banking, equipment leasing and skill set of adaptability and business knowledge of different industry sectors and diverse functional roles providing the ability to quickly add value while dealing with individuals at all levels and across all disciplines. He has strong business and functional acumen to execute a wide range of delivery and solution strategies. A creative and analytical thinker who can lead and manage changing businesses.

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





ORGANIZATIONAL CHART





VISION STATEMENT

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



MISSION STATEMENT

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



CULTURE

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



VALUES

A Commitment to

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



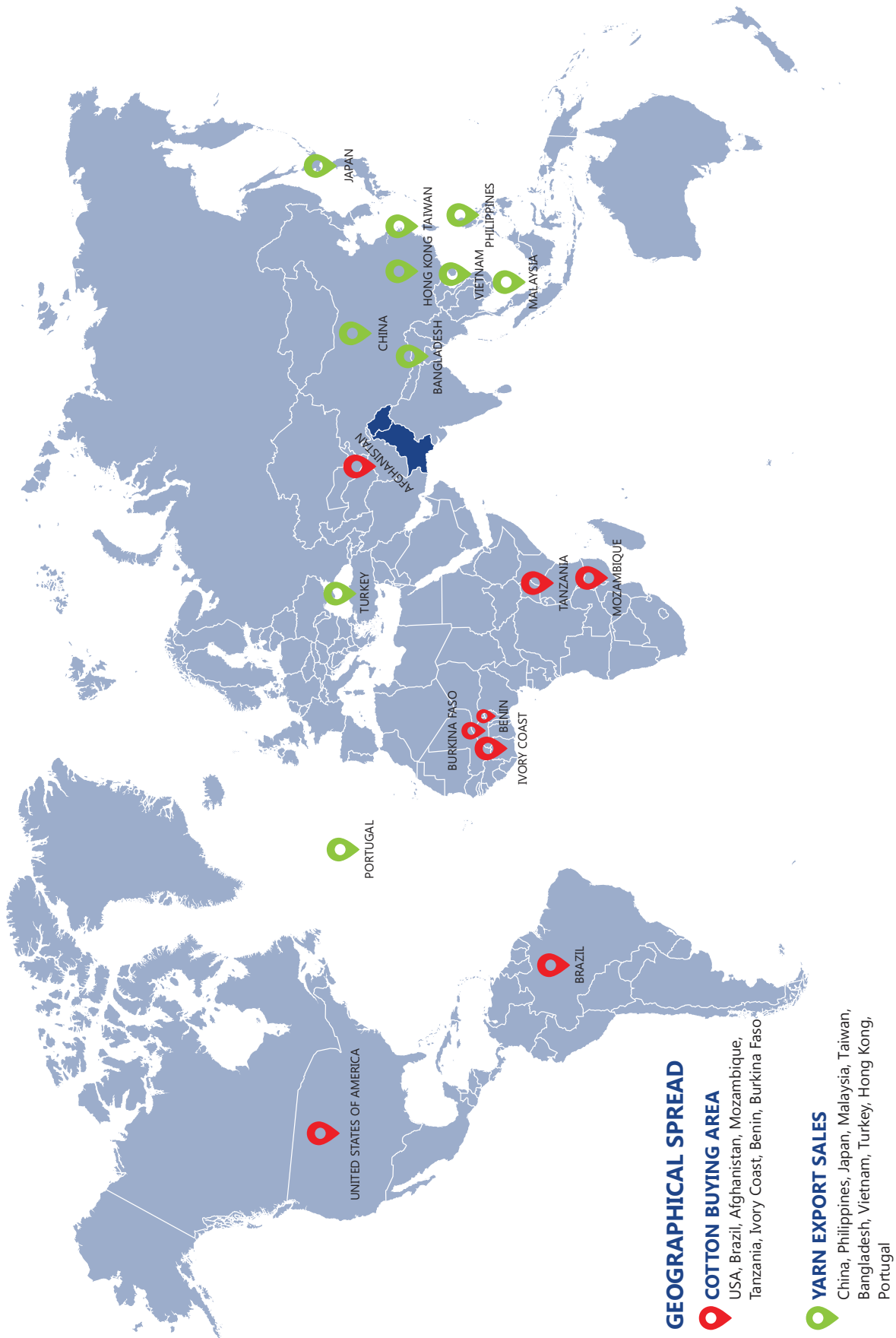
STRATEGIC OBJECTIVES

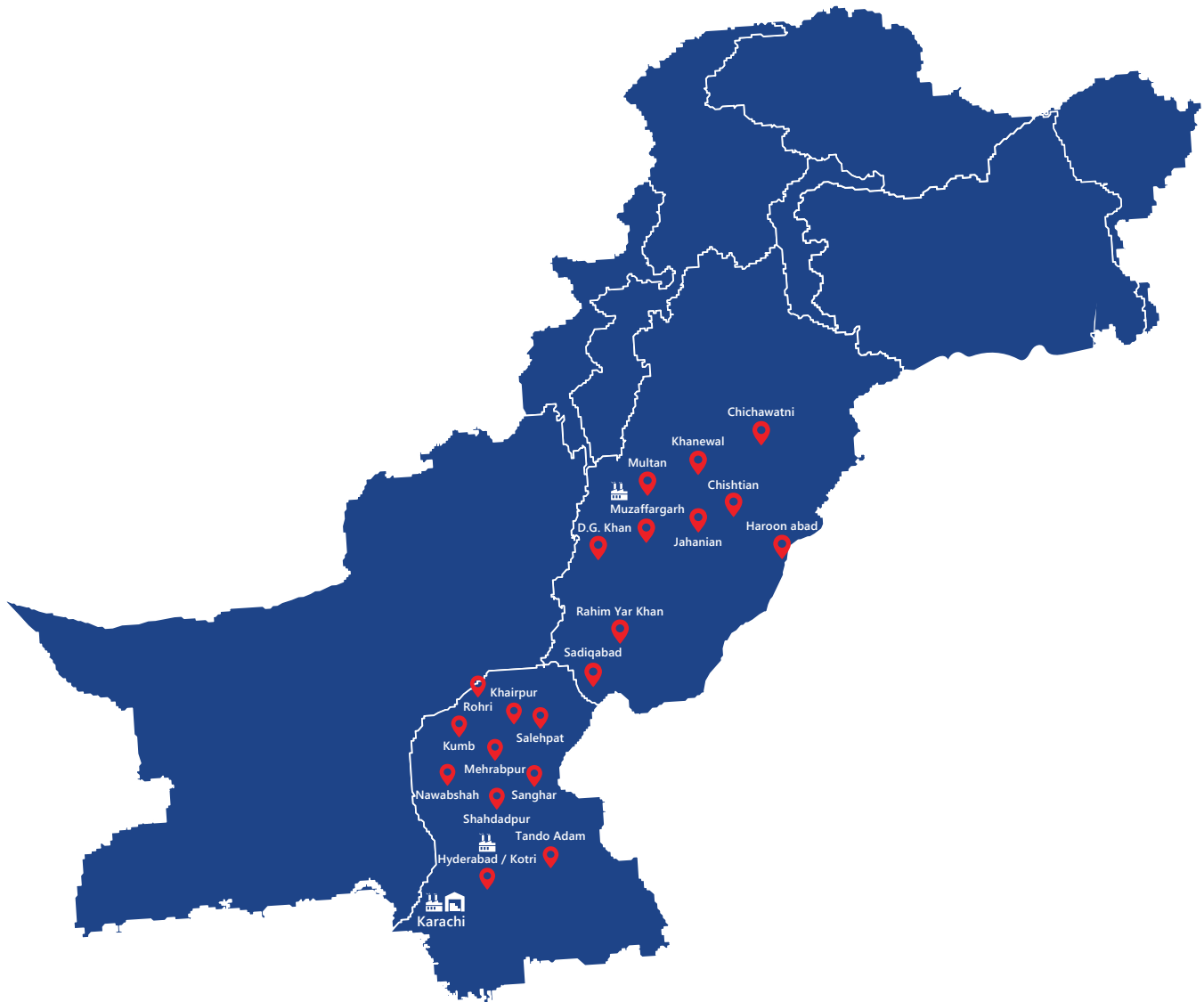
- To remain an ethical Company.
- Ensure a fair return to shareholders.
- Retain our reputation as the quality leader in our markets.
- To enhance sales with local large groups while capitalizing on export opportunities and leverage them to take advantage of economies of scale.
- To acquire and invest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



OUR VALUES

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





COTTON BUYING AREA

PUNJAB: D.G. Khan, Khanewal, Haroonabad, Jahania, R.Y. Khan, Sadiqabad, Chishtian, Chichawatni


SINDH: Tandoadam, Sanghar, Khairpur, Mehrabpur, Salehpat, Kotri, Shahdadpur, Nawabshah, Kumb, Rohri


HEAD OFFICE:

 Karachi, Pakistan

MANUFACTURING LOCATIONS

 Landhi Industrial Area, Karachi

 Kotri Industrial Area, Jamshoro

 Khanpur, Muzaffargarh

OUR ROAD TO SUCCESS

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

2022

During the current financial year the synergies of merger were materialized by strengthening of balance sheet and by bringing cost efficiencies. The Company embarked on the journey of growth by reaching the highest ever topline of Rs 35 billion along side with highest ever profit after tax of Rs. 4.4 billion. This has enabled Company to invest in technology, people and future capacity enhancement.

2021

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

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

2020

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

2019

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

2018

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

2017

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

2016

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

2015

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

2014

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

2013

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

2012

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

2011

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

2009

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

2008

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

2007

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

2005

Tata Textile Mills Ltd. became the first Usterized Textile Mills

in Pakistan. Achieved Supima Certifications. Completed renovation of Salfi Textile Mills Karachi having 36,324 Spindles with latest machinery.

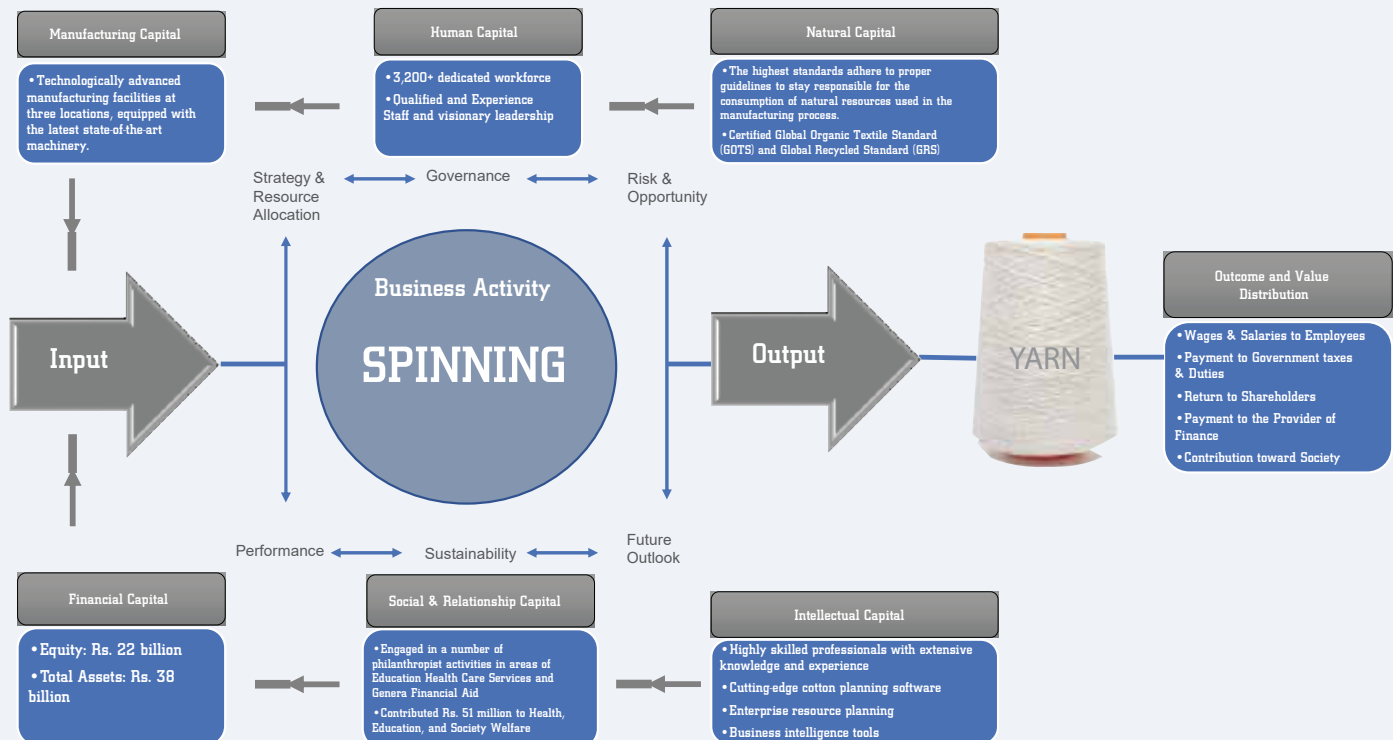
2004

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

1969-2003

In 1969 the Group initiated its activities with acquisition of Naveena Industries an embroidery unit in Pakistan. In 1981, the Group took over the management of a running spinning unit i.e. Island Textile Mills limited, Kotri, and quickly established a name in the spinning of cotton yarns. In 1983, Salfi Textile Mills Limited, Karachi – Sindh, a large spinning unit was acquired thereby gained a foothold in the synthetic yarn market. In 1991, a most modern Spinning Unit, consisting of 19,200 Spindles was setup in Muzaffargarh for the manufacturing of cotton yarn. Its "Tata Brand" quickly became the standard for the yarn in the spinning industry. In 1997, Tata Textile Mills Limited received

BUSINESS MODEL



SWOT ANALYSIS

S

STRENGTHS

- Strong control environment and corporate governance
- 6 decades of business and spinning experience and strong market reputation for quality products
- Ethical business practices
- Self-power generation capability
- Excellent relationships with banks and business community
- Experienced technical staff
- State-of-the-art production facilities
- Economies of scale and synergy due to merger

W

WEAKNESSES

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

O

OPPORTUNITIES

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

T

THREATS

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

STEEPLES ANALYSIS

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

SOCIAL

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

TECHNOLOGICAL

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

ENVIRONMENTAL

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

ETHICAL

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

POLITICAL

- Uncertainty about government policies
- Lack of implementation and very slow progress of tax reforms in Pakistan
- Delay in processing of refunds by FBR despite Government announcement
- Improvement in law and order situation in Pakistan
- Growing Chinese influence
- Harsh economic circumstances due to IMF package have increased cost of living

LEGAL

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

ECONOMIC

- Low cost of financing for green field projects and BMR
- Sharp and sudden devaluation impacts input cost of raw materials.
- Harsh economic measures has slowed economy and reduced GDP
- Slowdown in china shifting production to Pakistan
- Increasing tariff barriers in export markets
- Regional exchange rate fluctuation
- Significant Increase in minimum wage and labor costs
- Volatile commodity prices
- Rising global & local inflation
- High cost of borrowing cost

SEASONALITY

- Purchase of cotton crop August to Dec puts high demand on working capital
- Not able to get full benefit of devaluation as foreign buyers expect discounts
- Rain & other natural climates impact on cotton crop

Calendar Of Corporate Events

Notable Events For The Financial Year	
BOD Meeting for Approval of Annual Budget/Business Plan 2021-22	July 08, 2021
BOD Meeting for Approval of Annual Accounts for the year ended June 2021	August 26, 2021
BOD Meeting for Declaration of Interim Dividend – 2022	September 03, 2021
Annual General Meeting – 2021	October 05, 2021
BOD Meeting for Approval of Financial Statements- First Quarter ended September 30, 2021	October 28, 2021
BOD Meeting for Approval of Financial Statements-Half year ended December 31, 2021	February 24, 2022
BOD Meeting for Approval of Capital Expenditure	April 07, 2022
BOD Meeting for Approval of Financial Statements-Third Quarter ended March 31, 2022	April 28, 2022
BOD Meeting for Approval of Annual Budget/Business Plan 2022-23	June 23, 2022

Tentative Dates for Next Financial Year	
BOD Meeting for Approval of Annual Accounts for the year ended June 2022	August 26, 2022
Annual General Meeting – 2022	October 13, 2022
BOD Meeting for first quarter ended September 30, 2022	October 28, 2022
BOD Meeting for Half year ended December 31, 2022	February 26, 2023
BOD Meeting for third quarter ended March 31, 2023	April 27, 2023
BOD Meeting for Approval of Annual Budget/Business Plan 2023-24	June 26, 2023

OBJECTIVES AND KEY PERFORMANCE INDICATORS

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

	OBJECTIVES	STRATEGY AND KEY PERFORMANCE INDICATORS
1	Keeping true to providing best corporate governance and ethical way of doing business	<ul style="list-style-type: none"> • Circulation of ethical practice policies among staff and reinforcement of ethical practices across the organization. • Abide by the current and new Code of Corporate Governance standards of SECP. • Ensuring that SOP's, work instructions & job descriptions are aligned with appropriate policies. • Zero tolerance towards fraudulent activity.
2	Maintain quality of yarn and ensure best quality for customers	<ul style="list-style-type: none"> • Keep International and national Certifications uptodate. • Manufacture according to customer expectations. • Ensure worker training and management seminars for latest quality initiatives. • Maintain effective contact with customers and obtain feedback on quality.
3	Maximize sales and identify new markets	<ul style="list-style-type: none"> • Review & monitor relationships with agents/brokers. • Constantly reviewing pricing to ensure competitiveness and selling opportunity and shifts in buying patterns. • Develop new yarn counts.
4	Develop avenues for future growth businesses in line with our philosophy of innovation, continuous improvement and growth objectives	<ul style="list-style-type: none"> • Development of new products. • Investment in new technologies where needed. • Developing plans for vertical integration. • Assuring availability of appropriate resources (HR, CAPEX, management time etc).
5	Maintain and increase manufacturing effectiveness by focusing on operational excellence.	<ul style="list-style-type: none"> • Identify opportunities for cost transformation. • Invest in new technologies to achieve labor, cost and energy efficiencies.
6	Leverage technology for business process automations via state of the art and latest Cloud based ERP solution.	<ul style="list-style-type: none"> • Focus on integration of data flow with automated dashboard reporting. • Development of sustainable IT model with scalable access, On-Demand Self-Service & resource pooling via cloud computing.
7	Maximize returns to shareholders through the efficient and effective use of financial resources	<ul style="list-style-type: none"> • Make timely sales and collections. • Procure fit for purpose, lower cost quality raw materials while keeping holding periods to a minimum. • Efficient use of finances to minimize interest cost. • Earnings per Share. • Return on Equity.
8	Efficient human capital management in a systematic and efficient manner.	<ul style="list-style-type: none"> • Alignment of individual objectives with corporate objectives. • Development of learning management system to identify and fulfillment learning needs for the role.

Stakeholder Engagement

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

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

Risk & Opportunity Report

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

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

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

Risk Management

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

Potential Opportunities

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

Key sources of uncertainty

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

Political Instability

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

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

Exchange Rate

Tata has to import the cotton from various countries and its direct export has increased to 9% from 7%, through which the entity is exposed to exchange rate risk. Any favorable or unfavorable movement in exchange rates might affect the company's profitability and hence, affect the share price. The company has also adopted effective strategies to minimize the risk of exchange rates.

Interest Rate

The Company's Finance Cost is 3.36% percent of the turnover. Any adverse interest rate movement might affect the company's profitability and hence, affect the share price.

Availability of Raw Material

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

CODE OF CONDUCT

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

1. HONEST AND ETHICAL CONDUCT

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

2. CONFLICTS OF INTEREST

- a. Every employee, Officer or Director should conduct his/her personal and business affairs in a manner such that neither a conflict nor the appearance of a conflict, arises between those interests and the interests of the company.
- b. An employee should avoid any situation in which he or she, or a family member, might profit personally either (directly or indirectly), from the company's facilities, its products, or company's relationships with its vendors or customers.
- c. An employee, Officer or Director should not have any significant ownership interest in any supplier, customer, development partner, or competitor of the Company.
- d. The receipt of non-nominal gifts or excessive entertainment from any person/company with which the Company has current or prospective business dealings.
- e. Conflict of interest shall be avoided and promptly disclosed where they exist and guidance should be sought from superiors.

3. COMPLIANCE WITH APPLICABLE LAWS, RULES AND REGULATIONS

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

4. MISCELLANEOUS

- a. All employees, Directors/Officers shall maintain the confidentiality of confidential information of the Company or that of any customer, supplier, or business associate of the Company to which Company has a duty to maintain confidentiality, except when disclosure is authorized or legally mandated.
- b. All employees, Directors/Officers shall deal fairly with customers, suppliers, and competitors. They should not take unfair advantage of anyone through manipulation, concealment, abuse of confidential, proprietary, or trade secret information, misrepresentation of material facts, or any other unfair dealing practices.

- c. All employees, Directors/Officers should protect Company's assets and property and ensure its efficient use. Theft, carelessness, and waste of the Company's assets and property have a direct impact on the Company's profitability. Company's assets should be used only for legitimate business purposes.
- d. Any question or interpretation under this Code of Ethics and Business Conduct will be handled by the Board or any person /committee authorized by the Board of the Company. The Board of Directors or any designated person/committee has the authority to waive compliance with this Code of business conduct. The person-seeking waiver of this Code shall make full disclosure of the particular circumstances to the Board or the designated person/ committee.
- e. This Code of conduct is not intended to and does not create any rights for any employee, customer, client, supplier, competitor, shareholder or any other person or entity.
- f. If any employee or Directors/Officers who know of or suspects of a violation of applicable laws, rules or regulations or Code of conduct, he/she must immediately report the same to the Board of Directors or any designated person/committee thereof. Such person should as far as possible provide the details of suspected violations with all known particulars relating to the issue.
- g. Violations of Code of Ethics will result in disciplinary action, which may even include termination of services of the employee or the officer and disqualification from being a Board Member. The Company's Board or any Committee/person designated by the Board for this purpose shall determine the appropriate action in response to violations of this Code of Ethics.





CHAIRMAN'S REVIEW

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the annual results of the Company for the year ended June 30, 2022.

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

The other highlight being the ability of the company to overcome the challenges posed by the COVID-19 Pandemic and having taken full advantage of the enhanced demand for Yarn mostly from the domestic down-stream textile Industry and to have maximized the output of the mills while improving overall productivity. Efficiencies in selling and marketing were also achieved by making direct sales to customers and building a Customer Bank.

Though the COVID-19 pandemic has led to a global crisis of unprecedented proportions. Pakistan's economy however has remained insulated to some extent. The timely announced measures to counter the COVID-19 impact namely the conducive monetary policy, introduction of refinancing facilities, targeted fiscal support and other financial initiatives have given a much-needed impetus to the economy. As a result, the post-lockdown contraction phase was short-lived.

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

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

Future Outlook

The company will endeavor to preserve the bottom-line as it expects to reduce borrowing and as the company shifts its focus towards local procurement of cotton resulting in reduced holding periods of raw material.

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

Board Performance and effectiveness.

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

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



MAZHAR VALJEE
CHAIRMAN

Karachi

Date: August 26, 2022



DIRECTORS' REPORT TO THE MEMBERS

The Directors of the Company are pleased to present their report along with the 36th Annual Report of the Company and the audited Financial Statements of the Company for the year ended June 30, 2022.

We are glad to report that, Tata Textile Mills Limited operated as a merged Company, following the successful merger of our textile companies, with effect from July 01, 2021.

The merger has solidified the Company's position as one of the largest spinning mills in Pakistan with plant capacity of 127,092 spindles. This has resulted in a stronger Balance Sheet position and materialization of cost and operating efficiencies.

The merger has significantly enhanced the focus, financial strength and visibility of the Company and its ability to grow the business sustainably in the future. Improved operational synergies have been achieved through more efficient utilization of resources while reducing costs, more effective branding and marketing of Tata Textile Mills products.

In January 2022, the Company has received a favorable Long-Term and Short-Term credit rating of A and A2 respectively from PACRA. In June 2022, PACRA issued revised rating improving Long Term credit rating from A to A1. It will help to further facilitate banking relationships.

The Company's Annual Report for the year 2019 and 2020 was awarded Certificates of Merit by ICAP and ICMAP.

BUSINESS ENVIRONMENT

Alhamdulillah, we achieved very good results for the year under review due to the fact that during the pandemic period, the people in US, Europe and in other parts of the world had stopped socializing, entertaining or travelling and subsequently with the Government's hand-outs, there was an increase in liquidity which enabled the people to spend more on textiles and other discretionary products. Hence, with the upsurge in international retail sales, there was a huge demand for yarn, resulting in the profit of your company.

The Cotton year started with a very optimistic note that the demand for cotton has shrunk and with the carry-over of last year cotton will be in surplus. However, yet again a new development has taken place, that is, because of drought in US, the crop has fallen by more than 5 Mn bales and similarly with very heavy rains in Pakistan, India and elsewhere has severely damaged the cotton crop, so the market has suddenly taken an upturn and prices have started getting stronger.

On the other hand, the world is going through a recessionary period because of the energy /fuel crisis and food inflation, the demand for textile has shrunk especially for the lower end segment of the society, so this year will be a year when we have to be extra cautious and try to save on profits that has been made rather than being speculative in trying to make money.

In Pakistan, unprecedented rains have seriously damaged the crops and so far the quality and quantity both seems much less than expected. We were anticipating a crop of 12 Mn bales, whereas, it now appears to be 6 to 8 Mn bales which is much less than the demand, which we feel is around 14 Mn bales or more, so we will need to import further 6 to 8 million bales which will be a tremendous task all in all to import and make this cotton available. Therefore, we foresee that the spinning industry will go through a rough period because of shortage of Raw Material and also there is not much demand.

PAKISTAN'S ECONOMY

Although presently the economic situation in Pakistan is difficult just like the rest of the world, however, as our concern is with the export market, therefore our main priority is availability and cost of energy and other cost pushups

taken place, which will make us globally uncompetitive. The situation has been further aggravated by a steep depreciation of the currency in the last few months. All these factors are putting huge pressure on the disposable income of the consumers and might have an adverse impact on the consumption.

Pakistan's economy attained a GDP growth of 5.97 per cent in FY22, compared to 5.74 per cent in FY21 owing to robust growth of the industrial sector (7.2% in FY22) and agriculture sector (4.4% in FY22).

Despite record exports of US\$ 32.5 billion and remittances of US\$ 31.2 billion, the country witnessed an increased in current account deficit to \$17.4 billion in FY22 due to unprecedented increase in overall imports. High current account deficit combined with strong inflationary pressures and domestic political instability continued to put downward pressure on the foreign exchange rate which depreciated by more than 15%. Central bank foreign currency reserves have fallen around \$9.7 billion, barely enough to cover a few weeks of imports. Given the deteriorating external liquidity position and financing conditions, Fitch Ratings revised Pakistan's economic outlook to negative from stable. In order to stabilize the economy, Pakistan revived the IMF program with an immediate tranche of \$1.17 billion in coming weeks. The country is expected to have easier access to funds from other international lenders including the multi-donor agencies. Country's GDP growth in FY23 is projected to decline to 5% in FY23 as per IMF's estimates on concerns over global recession and growing political and economic instability.

The economic stability would largely depend on political firmness, a proactive and prudent monetary policy and access to external financing.

The interest rates have significant gone up from single digit to double digits with an approximate increase of more than 5%. This not only impacted the company but the industry in general as well.

TEXTILE INDUSTRY CHALLENGES

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

It is projected that the profitability in the coming months will be impacted due to increase in commodity prices, power cost rupee devaluation, minimum wage increases and mark up rates, etc., resulting in escalation in cost of doing business.

RAW MATERIAL

In early July we forecasted crop yield of approximate 12 to 14 million bales but the recent rains wreaked havoc on the crop and we do not yet know how much damage has been done. However, it is estimated that recent spell of rains has deteriorated 40 to 50% quality of the crop with reduction in produce by 30% as well. There is a tricky balance between supply and demand as demand for textile has also shrunk and supply of cotton has also reduced. The price between Cotton and Polyester has narrowed so the year ahead will be tough as we do not see any increase in consumption of cotton.

TAXES

Textile sector is already overburdened with different taxes, the sector is further squeezed by levying humungous 10% Super tax effective tax year 2022. In order to meet the revenue target FBR field officers' issues notices under different section of the tax laws and pass orders thus creating huge frivolous tax demands. This triggers the litigation process causing unnecessary time and cost consumption of the taxpayers and Govt. Taxation structure should be such that which creates ease of doing business and with focus on expanding the tax-base rather than over burdening existing base.

COST OF ENERGY

For the financial year 2021 the energy rates of USD 6/ MMBTU for Gas and 9 cents per unit for electricity impacted by fluctuations in exchange rates clubbed with shortage in gas supply / low pressures. Specially winters become challenging to keep energy cost at reasonable level as gas rate was USD 9/ MMBTU during winters with low gas supply. Energy rates have been fixed at USD 9 / MMBTU for Gas and cent 9 per unit for electricity w.e.f August 2022. Even the tariff of July has been changed and bills paid at enhanced cost. A predictable, stable and compatible energy policy is required for improving business confidence levels and increase in investments in Industry. Govt. also needs to address gas shortage issue to prevent possible downfall of textile industry.

COMPANY RESULTS

Particulars	Year ended 30 June 2022 (post-merger)	Year ended 30 June 2021 (pre-merger)
	----- Rupees in '000' -----	
Sales	35,114	8,962
Cost of Sales	(27,060)	(7,456)
Gross Profit	8,054	1,506
Distribution, Admin & Other	(2,057)	(354)
Finance Cost	(1,179)	(253)
Profit before taxation	5,029	908
Profit after taxation	4,443	824
Earnings per Share	79.35	47.54

The above table is not comparable due to merger of textile companies.

CAPITAL STRUCTURE

Total Debt to equity ratio on June 30, 2022, is 47:53 (post-merger) compared to 45:55 (pre-merger) as on June 30, 2021. Long term debt to equity ratio is 10:90 (post-merger) and 33:67 for short term debt to equity (post-merger) on June 30, 2022 as against 11:89 on long term (pre-merger) and 34:66 on short term (pre-merger) on June 30, 2021.

DIVIDENDS

The Board of Directors in its meeting held on August 26, 2022, has recommended a final cash dividend for the year ended June 30, 2022 at Rs.5.00 per share i.e. 50%. This is in addition to Interim dividend already paid at Rs.7.50 per share i.e. 75%.

AUDITORS

The present Auditors M/s Yousuf Adil, Chartered Accountants retired and offered themselves for re-appointment. They have confirmed achieving satisfactory QCR rating from Institute of Chartered Accountants of Pakistan (ICAP) and compliance with the Guidelines on the Code of Ethics of International Federation of Accountants (IFAC) as adopted by ICAP. The Board of Directors has recommended their re-appointment as auditors of the company for the year ending June 30, 2023, at a fee to be mutually agreed.

HUMAN RESOURCES

An organization's greatest strength has always been its Human Resources (HR). It's the dedication, quality, and commitment of HR at Tata Textile Mills that has enabled us to achieve exceptional results last year and overcome all the challenges market dynamics offered. Tata Textile Mills employees play a pivotal role in the growth and progress of

the company not only at the operational level but more importantly at the strategic level as well.

HR also has primary responsibility for managing, assisting, and dealing with all employee-related matters including such functions as policy-making and administration, recruitment process, benefits administration, employment, and labor laws, new employee orientation, training and development, labor relations, personnel records retention, wage and salary administration, and employee assistance program.

OUR PEOPLE PHILOSOPHY

As an organization, Tata Textile Mills understands that people are its real strength and fully understands its importance. Our people philosophy revolves around creating and maintaining a culture that is focused on people, performance, and values. Our culture is supported by a unique set of values and it all starts with our people – a growing community of over 3500 diverse and talented individuals across the country. By attracting and retaining the right people and by nurturing an inclusive culture, we aim to enable our people to be at their best at work. We aim to develop a culture where everyone is valued with respect, follows integrity, and gels in with teamwork. At Tata Textile Mills every individual is important and knows their role and requirements to contribute to the organization's success combined with framing people strategies that enable employees to grow and thrive at a fast pace achieving their full potential.

TALENT ACQUISITION

Tata Textile Mills strongly believes in hiring the right person for the right job. The right person for any job in the organization would be someone who not only fulfills the criteria of skills and competencies as described in the Job Description and Position Profile but also someone who believes in the vision and values of the organization and has a positive attitude. An ideal candidate for any position would also be one who is willing to contribute to the organization in the long term and take personal accountability for their roles. However, in the current market dynamics, talent acquisition comes with a fair number of challenges. Our dedicated and competent talent acquisition team always strives to acquire the best talent from all sources and avenues.

Tata Textile Mills encourages new talent to explore opportunities with us that can enhance their career. Through structured learning, hands-on projects, continuous feedback, and supportive colleagues, the FUTURE LEADERSHIP PROGRAM (FLP) provides the chance to grow and have an impact on the chosen field. The FLP is designed to give business knowledge, training, and excellent mentorship to the young talent of our nation. Tata Textile Mills participated in the Job Fairs of the Institute of Business Management, NED University, Textile Institute of Pakistan, Bahria University, and Shaheed Zulfikar Ali Bhutto Institute of Science and Technology to hunt the young talented individual to drive our business toward progressive and innovative culture.

Our Talent Acquisition team is constantly in touch with renowned technical and business schools and regularly attends job fairs to attract the best talent. Apart from carrying out a successful FLP we also have introduced the Hiring Matrix and Gender Diversity program which provides the right mix of a qualified and diverse workforce in both blue- and white-collar categories.

LEARNING AND DEVELOPMENT

The year 2021-22 saw a shift in how Tata Textile Mills operates in terms of carrying out Learning & Development (L&D) interventions and events. We have taken up many initiatives which will help in achieving the people development and excellence vision at Tata Textile Mills since for any organization to grow and succeed L&D activities are essential foundation stones. Starting with an extensive Learning Needs Analysis exercise to actually carry out the design and delivery of training, comprehensive strategies were developed and executed.

More than 1500 man-hours of training were conducted during the year. Sessions conducted included both internal and external learning interventions covering a wide variety of topics. More than 60 training sessions were conducted during the fiscal year which included many technical and soft skills topics. The purpose of training sessions was to provide employees with the right mindset and skill set needed to perform to their full potential.

Automation is necessary for many aspects of organizational operations and Training is no exception. In this regard, we have totally automated the record-keeping part of Training and now all records are being updated on the newly developed L&D portal. This initiative will result in efficiencies, providing data analytics tools including a comprehensive dashboard to report training records and create a paperless work environment.

EMPLOYEE ENGAGEMENT

Tata Textile Mills believes in efficient employee engagement leaders which is the first step towards enhancing engagement. With the growing needs and modernization, the company has shifted its focus to finding new methods of engaging its people. The primary role of engagement managers is to carry out a seamless employee engagement strategy.

At Tata Textile Mills through various initiatives, we emphasize respect. This approach is all about the individual value that each person brings to the organization, recognizing achievement often and loudly, inculcating a culture of merit to focus on transparency.

It is important that a new joiner is welcomed well at the company and also becomes quickly familiar with the processes and culture. In the orientation presentation, all new employees are apprised about the legacy of Tata Textile Mills, and all-important information about rules, policies, people, and functional and cultural aspects.

In this connection, we have introduced, the CEO Hour session as a key component of the new employee onboarding program. At the inaugural session, all Units of Tata Textile Mills and Head Office new inductions participated in an interactive session with the CEO to promote two-way conversations. The session was well-received by all participants while the Head of Departments commented that they look forward to such sessions in the future.

PERFORMANCE MANAGEMENT

The Performance Management Process at Tata Textile Mills is a strategic management performance metric covering objectives in functional and behavioral aspects. Our strategic objectives revolve around financials, internal process, customers, and learning and growth that helps to identify and improve internal operations to help the external outcomes. PMS measures data and provides us with feedback on how to make better decisions in the future.

Our performance management process's main objective is to enhance individual potential through achieving individual employee objectives in line with the organizational objectives. The most important objectives of performance management are to set performance standards. Setting the right performance standards helps build a better performance plan. It, in turn, makes for a smoother evaluation of employee performance. It drives towards enhancing the skills and personal development of employees through the managers' help which forces managers to discuss performance issues with employees. The process ensures targeted Staff Development. All employees are on a development journey. This process allows for Employee Growth. Motivated employees value structure, development, and a plan for growth.

INDUSTRIAL RELATIONS

We recognize our employees as our most valuable asset and don't discriminate based on cadre, position, location, or any other factor. We continuously look into the welfare and wellbeing of our non-management/workers categories and keep reviewing their working conditions, pay, benefits, etc. in line with the Govt. notification for revision in minimum wages, the management of Tata has complied with the notification and accordingly revised the minimum

wages of its workers to Rs. 25,000/- in Sindh effective from June 1, 2022 and in Punjab effective from July 1, 2022. Furthermore, the management has also revisited the assorted benefits of workers like mills' canteen subsidy, Funeral Expenses, Gratuity, Education Policy, etc. We have also introduced soft skills training programs with the name of Kamyab Karkun for our non-management/worker categories.

LONG SERVICE AWARDS

Long service awards are provided to recognize and reward the devotion and loyalty of employees who have a long tenure with the company. During FY 2021-22, 64 employees were honored with these awards.

HEALTH SAFETY & ENVIRONMENT (HSE) AND QUALITY

The Company as part of its strategic approach on Sustainability and to remain a preferred partner of its customers as a consistent member of supply chain is maintaining international certifications on Oeko Tex from Aitex, Global Organic Textile Standard (GOTS), Organic Content Standard (OCS), Global Recycle Standard (GRS) and Recycled Claim Standard (RCS).

The Company is also a member of various international forums and initiatives on Sustainability i.e. International Cotton Association, US Cotton Trust Protocol, Cotton made in Africa, Better Cotton Initiative and AMFORI-BEPI.

These standards require active maintenance/ compliance to Quality Management System, Health Safety & Environment and Social Compliance.

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

The Company is also proudly part of world-famous brands' supply chain like Primark and Inditex. The focus of all these Customers, Forums and Certification on HSE has enabled the company, to take its HSE initiatives towards a broader and consistent HSE Culture and systems across all its offices, manufacturing units and locations as its corporate objective for the year 2022-23 and as a first step has engaged a very competent and renowned Management Consulting firm ASCENTIA who will conduct HSE Gap Analysis across all Tata Textile Mills locations and help the Management to drive a through action plan to make Tata Textile Mills Ltd., a safer and more secure place to work for a sustainable growth of company business through development of HSE system based on ISO-45001 and ISO 14001.

CORPORATE SOCIAL RESPONSIBILITY

The Company realizes its responsibility towards the society and strives to contribute in various areas by improving the economic conditions of the people, protecting the environment through our initiatives and friendly policies and contributing in the well-being of the humanity in general. In this regard, the Company has consistently shown commitment to make education more easily available and to provide financial support for students. Another goal is to make health care more accessible without any discrimination, to all patients regardless of their ability to pay. The Company is constantly engaged in number of philanthropic activities in areas of Education Health Care Services and General Financial Aid.

During the year under review the Company contributed Rs.31.22 million in Health, Rs.14.20 in Education and Rs.4.50 million towards Society Welfare.

FINANCIAL DATA AND GRAPHS

Highlights of the operating/financial data and graphs are presented in this Report.

CORPORATE GOVERNANCE MATTERS

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

CHAIRMAN'S REVIEW

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

FUTURE OUTLOOK

Pakistan, an emerging market economy within the South Asia region has additional indigenous challenges in addition to those faced by the developed world. In the midst of double-digit inflation, the country has many issues in the form of political instability, depleting foreign reserves, devaluation of local currency, low FDIs, savings and investments and widening of twin deficits. The next year is a challenging year for not only the company but also for the economy of Pakistan.

The management has geared up for the challenge and Inshallah will be successful in achieving the budgeted numbers. The initiatives for the next year include implementation of Oracle Fusion (Cloud) which will bring efficiency and effectiveness in Company's processes.

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.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS



SHAHID ANWAR TATA
CHIEF EXECUTIVE



ADEEL SHAHID TATA
DIRECTOR

Karachi:

Date: August 26, 2022

CORPORATE GOVERNANCE

Governance Framework

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

Compliance Statement

Living up to its standards, the Board of Directors has, throughout the year 2021-22, complied with the CCG, the listing requirements of the PSX and the CFRF of SECP. The Directors confirm that the following has been complied with:

- a) The financial statements for the year ended June 30, 2022 present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- b) Proper books of accounts of the Company have been maintained.
- c) Appropriate accounting policies have been consistently applied in preparation of financial statements for the year ended June 30, 2022 and accounting estimates are based on reasonable and prudent judgment.
- d) International Financial Reporting Standards (IFRS), as applicable in Pakistan, have been followed in preparation of financial statements and any departures therefrom have been disclosed and explained.
- e) The systems of internal control are sound in design and has been effectively implemented and monitored.
- f) There are no doubts about the Company's ability to continue as a going concern.
- g) There has been no material departure from the best practices of corporate governance as detailed in listing regulations.
- h) There have been no material changes since June 30, 2022 to date of the report and the Company has not entered into any commitment during this period which would have an adverse impact on the financial position of the Company.

The Board of Directors

The Board of Directors consists of qualified individuals possessing knowledge, experience and skills in various professions, with the leadership and vision to provide oversight to the company. The Board is headed by Chairman Mr. Mazhar Valjee, an Independent Director and out of nine (9) directors, four (4) are independent directors. The current Board composition reflects a good mix of experience, backgrounds, skills and qualifications. All directors have many years of experience, and are fully aware of their duties and responsibilities under the Code of Corporate Governance. At present, seven (7) Directors have acquired the formal Directors Training Certificates, while one (1) director got exemptions from SECP on meeting criteria. One director could not get registered herself for training program and expected to complete her training in the year 2022-23. All the directors possess sufficient skills and experience of Board as described in the Code of Corporate Governance. To further its role of providing oversight and strategic guidelines to the company, the Board has formulated role and responsibilities of Chairman and Chief

Executive Officer. The Board has constituted two Sub Committees, namely Board Audit Committee (BAC) and Human Resources & Remuneration Committee (HR&RC). The composition, role and responsibilities of the Committees are clearly defined in their respective Terms of References.

All the Board members are given appropriate documents in advance of each meeting which normally includes a detailed analysis of business and matters, where the Board will be required to make a decision or give its approval. During the year 2021-22, the Board had eight (8) meetings during this year. The average attendance of the directors in Board meetings during the year was 94%.

Board Evaluation

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

The Board Performance Evaluation will be considered the following process:

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

Changes in the Board

During the year, no changes were occurred in the Board.

Composition of Board

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

Total number of Directors

- | | |
|-----------|---|
| a) Male | 7 |
| b) Female | 2 |

Composition:

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

The names of the directors as at June 30, 2022 are as follows

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

Committees of the Board

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

Audit Committee

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

Human Resource and Remuneration Committee

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

Detail of Board and its Committee Meetings

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

Name of Director	Number of Meeting Attended		
	Board Meeting	Audit Committee	Human Resource & Remuneration Committee
Mr. Mazhar Valjee	7	N/A	2
Mr. Shahid Anwar Tata	8	N/A	N/A
Mr. Adeel Shahid Tata	8	N/A	2
Mr. Bilal Shahid Tata	8	4	2
Mr. Farooq Advani	8	4	2
Mr. Muhammad Jawaaid Iqbal	7	N/A	N/A
Mr. Tayyeb Afzal	8	4	N/A
Ms. Samar Shahid	7	N/A	2
Ms. Shahbano Hamid (NIT)	7	N/A	N/A

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

Directors' Remuneration

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

Directors' Training

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

The Directors are also encouraged to attend courses which provide information and training relating to their duties, responsibilities, powers and potential liabilities. The Chairman, in collaboration with the Company Secretary and senior management, is responsible to ensure that the Board members are provided, at all times, with the information necessary for them to effectively discharge their duties and responsibilities.

Detail of Share Trading

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

Sr. no	Name of Director	Opening 01-Jul-21	Merger In	Purchase / Gift In	Sale / Gift Out	Balance on 30-Jun-22
1	Mr. Mazhar Valjee	500	6,540	-	-	7,040
2	Mr. Shahid Anwar Tata	10,676,950	30,766,953	31,336	12,918,495	28,556,744
3	Mr. Adeel Shahid Tata	29,869	165,573	4,366,165	-	4,561,607
4	Mr. Bilal Shahid Tata	3,273	101,047	4,478,165	-	4,582,485
5	Mr. Farooq Advani	586	3,919	-	4,005	500
6	Mr. Muhammad Jawaid Iqbal	500	3,540	-	-	4,040
7	Ms. Samar Shahid	586	3,919	4,306,165	-	4,310,670
8	Ms. Saiqa Shahid	323,881	155,132	-	-	479,013
9	Ms. Sara Adeel	-	-	15,000	-	15,000

Role and Responsibilities of the Chairman and CEO

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

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

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

Business Philosophy & Best Corporate Practice

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

Timely Communication of Financial results

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

Risk & Opportunity Management

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

Internal Control Framework

The Board Audit Committee has been entrusted with the main responsibility of Internal Controls. The Audit Committee receives the Audit reports by the Internal and External auditors, and after detailed deliberations, and suggesting improvements, periodic reports are submitted to the Board of Directors. The Company places a high value on

transparency, both internally and externally, in its corporate management. It focuses consistently on the implementation of efficient management practices for the purpose of achieving clear and quantifiable commitments. The Company has posted a qualified employee as Head of Internal Audit, who is being assisted by in-house executives to carry out the Internal Control functions.

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

Whistleblowing & Speak-up Policy

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

Sustainability Measures

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

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

Engaging Stakeholders & Transparency

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

Policy for Investor Grievances

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

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

- a) Investors are treated fairly at all times.
- b) Complaints raised are dealt with in a courteous and timely manner.
- c) Various modes of communication like email, telephone, meetings and raising matters at the Annual General Meeting are available to investors to raise grievances.

- d) Queries and complaints are treated fairly and efficiently.
- e) Employees work in good faith and without prejudice towards the interest of the Company.
- f) Detailed company information regarding financial highlights, investor information, and other requisite information specified under the relevant regulations has been placed on the corporate website of the company which is updated on regular basis.

Issues Raised at Last AGM

While general clarifications were sought by shareholders on company published financial statements during the 35th Annual General Meeting of the Company held on October 05, 2021, no significant issues were raised.

Pattern of Shareholding

A statement on the pattern of shareholding along with categories of shareholders, where disclosure is required under the reporting framework and the statement of shares held by the directors and executives as on June 30, 2022 is annexed.

Mechanism for Providing Information and Recommendation to the Board

Formal Reporting Line

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

Employees

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

Shareholders

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

Managing Conflict of Interest

As per the Code of Corporate Governance, the Company communicate the Code of Conduct to all employees and Directors. Further, the Directors and key employees are reminded of insider trading and to avoid dealing in shares during closed period. Every Director is required to bring to the attention of the Board complete details regarding any material transaction which has a conflict of interest for prior approval of the Board. The interested Directors neither participate in discussions nor vote on such matters. The complete details of all transactions with related parties are provided to the Board for approval. These transactions are also fully disclosed in the annual financial statement of the Company.

Safety of Company Records

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

Information Technology Governance and Cybersecurity

The board of directors is responsible for overseeing the management of a company’s operations, including evaluating and enforcing legal and regulatory implications of cyber risks. In the event of a cyber breach, the board is responsible for ensuring the company has a plan in place to respond and minimize the impact, working with external experts and authorities as necessary. The board should also ensure the company communicates transparently with stakeholders about breaches.

As part of our commitment to good IT governance and robust cybersecurity, Tata Textile Mills Ltd. has implemented a number of policies, procedures, and programs to protect against cyber threats.

Our cybersecurity program is designed to prevent, detect, and respond to cyber incidents and is regularly reviewed and updated to ensure that it remains effective in protecting our systems and data.

In addition, we have a clear strategy in place for managing cyber risks, which includes identifying and assessing potential threats, implementing controls to prevent or mitigate the impact of any breaches that may occur, and establishing a process for responding to and recovering from any incidents that do occur.

At Tata Textile Mills Ltd., cybersecurity is an important aspect of the board risk oversight function. The board regularly reviews and assesses the company’s cyber risks, including the potential impact of these risks on the business and the effectiveness of controls in place to manage these risks.

The board engages with management on a regular basis to discuss the company’s cybersecurity posture, including any potential vulnerabilities or incidents that may have occurred. In addition, the board has made the audit committee specifically responsible for overseeing cyber risks and IT governance, which meets every quarter to review and assess these issues. If any.

At Tata Textile Mills Ltd., we recognize the importance of good IT governance and robust cybersecurity to the long-term success of our business. To ensure that we are effectively managing these risks, Mr. Adeel Tata Director is charged with oversight of IT governance and cybersecurity matters, and is responsible for reviewing and approving our IT governance and cybersecurity policies and procedures, as well as overseeing the implementation of these policies and procedures by management. The committee also receives regular updates from management on the state of our cybersecurity program and any potential threats or incidents that have occurred.

We have also established controls and procedures to enable us to identify, assess, and address cybersecurity risks and incidents in a timely manner. This includes an “early warning system” that is designed to alert us to potential threats or incidents as soon as they are identified, allowing us to take prompt action to mitigate the impact of these events.

We recognize the importance of maintaining a secure technology environment and regularly review our systems and controls to ensure that we are effectively managing cybersecurity risks. As part of this effort, we have a policy in place related to conducting independent, comprehensive security assessments of our technology environment, including third-party risks and currently engaging with the third party to assess our controls.

Our company has a resilient contingency and disaster recovery plan in place to deal with possible IT failures or cyber breaches. This plan includes regular backups of all important data, the use of multiple servers in different locations to ensure continuity of service, and the implementation of strong security measures such as firewalls and secure passwords to prevent unauthorized access.

In the event of a cyber breach or IT failure, we have protocols in place to quickly identify and address the issue. Our team is highly qualified and trained to handle such situations and will work to minimize the impact on our customers and restore normal operations as soon as possible.

In addition, we have planned to embrace cloud computing to improve our scalability and flexibility. By moving to a cloud-based infrastructure, we have been able to reduce our IT costs and improve our ability to access and analyze data in real time.

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

The Board Audit Committee has concluded its annual review of the conduct and operations of the company for the year ended 30 June 2022 and reports that:

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

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

Appropriate accounting policies have been consistently applied except those disclosed in financial statements. Applicable accounting standards were followed in preparation of the financial statements of the company on a going concern basis for the financial year ended 30 June 2022, which present fairly the state of affairs, results of operations, profits, cash flows and changes in equity of the company for the year under review.

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

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

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

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

INTERNAL AUDIT FUNCTION

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

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

The Board Audit Committee has ensured the achievement of operational, compliance and financial reporting objectives, safeguarding of the assets of the company and the shareholders wealth through effective financial, operational and compliance controls and risk management at all levels within the company.

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

EXTERNAL AUDITORS

The statutory auditors of the company, Yousuf Adil, Chartered Accountants, have completed their audit of the company's financial statements and the Statement of Compliance with the Code of Corporate Governance for the financial year ended 30 June 2022 and shall retire on the conclusion of the 36th Annual General Meeting for the year 2022.

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

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

Being eligible for re-appointment under the listing regulations, the Board Audit Committee recommends their reappointment for the financial year ending 30 June 2023 on terms & remuneration negotiated by the Chief Executive Officer.



Farooq Advani
Chairman
Board Audit Committee

Karachi

Dated: August 23, 2022



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

Name of Company: Tata Textile Mills Limited

Year ended: June 30, 2022

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

1. The total number of directors are Nine as per the following
 - a. Male: Seven
 - b. Female: Two
2. The composition of board is as follow:

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

The independent director meets the criteria of independence under the Companies Act, 2017

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this, Company.
4. The Company has prepared a 'Code of Conduct' and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of significant policies along with their dates of approval or updating is maintained by the company.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board/ shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board.
8. The Board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. The Board remained fully compliant with the provision with regard to their directors' training program. Out of total of nine directors, seven directors have already completed this training earlier. One director is exempt from

training program as mentioned in regulation no.19 of the Regulations. One director could not get registered herself for training program. However, she will complete her training in the year 2022-23.

10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. Chief Financial Officer and Chief Executive Officer duly endorse the financial statements before approval of the Board.
12. The Board has formed committees comprising of members given below:
 - a. Audit Committee
 - i. Mr. Farooq Advani Chairman
 - ii. Mr. Tayyeb Afzal Member
 - iii. Mr. Bilal Shahid Tata Member
 - b. HR and Remuneration Committee
 - i. Mr. Mazhar Valjee Chairman
 - ii. Mr. Farooq Advani Member
 - iii. Mr. Adeel Shahid Tata Member
 - iv. Mr. Bilal Shahid Tata Member
 - v. Ms. Samar Shahid Member
13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings of the committee were as following:
 - a. Audit Committee Quarterly
 - b. HR and Remuneration Committee Bi-Annual
15. The Board has set up an effective internal audit function supervised by a qualified Head of Internal Audit who is considered suitably experienced for the purpose and is conversant with the policies and procedures of the company.
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by ICAP and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or director of the Company.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27,32, 33 and 36 of the Regulations have been complied with; and

19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

S. No.	Non-Mandatory Requirement	Reg. No.	Explanation
1	Nomination Committee; The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	29 (1)	Currently, the board has not constituted a separate Nomination Committee and the functions are being performed by the HR & RC.
2.	Risk Management Committee; The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	30 (1)	Currently, the board has not constituted a Risk Management Committee and the Company's CEO/CFO performs the requisite functions and apprises the board accordingly.
3.	Companies are also encouraged to arrange training for: (i) at least one female executive every year under the Directors' Training program from year July 2020; and (ii) at least one head of department every year under the Directors' Training program from July 2022.	19 (3)	The Company has not arranged any training under Directors' Training Program for female executive or head of department during the year.
4.	Directors Orientation: Acquainting the directors with the CCG Regulations, other applicable laws, their duties and responsibilities.	18	All directors have years of experience, and are fully aware of their duties and responsibilities under the Code of Corporate Governance. At present, seven (7) Directors have DTP's Certification, while one (1) director got exemptions from SECP. One director is expected to complete her training in the year 2022-23 The Directors are also encouraged to attend courses which provide information and training relating to their duties, responsibilities, powers and potential liabilities.

ON BEHALF OF THE BOARD OF DIRECTORS



MAZHAR VALJEE
CHAIRMAN



SHAHID ANWAR TATA
CHIEF EXECUTIVE

Karachi

Dated: August 26, 2022

KEY OPERATING AND FINANCIAL DATA

RATIOS		2022 (Post Merger)	2021	2020	2019	2018	2017
PROFITABILITY RATIOS							
Gross Profit Ratio	%	22.94	16.80	7.39	9.30	10.50	6.79
Net Profit / (Loss) to sales	%	12.65	9.19	(4.89)	0.49	4.07	0.84
EBITDA Margin to sales	%	19.75	15.59	5.21	8.70	10.32	6.32
Operating leverage ratio	%	1.49	27.31	2,120.78	(1.55)	7.56	(205.38)
Return on Equity	%	20.60	16.54	(7.90)	0.73	6.58	1.51
Return on capital employed	%	24.33	19.43	2.18	7.20	10.33	5.64
LIQUIDITY RATIOS							
Current Ratio	Times	1.42	1.46	1.17	1.26	1.32	1.17
Quick/Acid test Ratio	Times	0.60	0.84	0.53	0.48	0.72	0.56
Cash on current liabilities	Times	0.02	0.40	0.11	0.06	0.06	0.05
Cash flow from operations to sales	Times	0.21	0.16	0.06	0.09	0.11	0.08
INVESTMENT / MARKET RATIOS							
Earning per Shares	Rs	79.35	47.54	(18.98)	1.89	14.21	2.45
Price/Earning ratio	Times	0.88	1.79	-1.63	13.99	2.60	15.54
Price to Book ratio	%	18.09	29.64	12.90	10.27	17.15	23.43
Dividend Yield ratio	%	17.94	0.00	0.00	1.89	2.70	0.00
Dividend Payout ratio	%	15.75	0.00	0.00	26.40	7.04	0.00
Dividend Cover ratio	Times	6.35	0.00	0.00	3.79	14.21	0.00
Cash Dividend per Share	Rs	12.50	0.00	0.00	0.50	1.00	0.00
Book Value per Share as at June 30th		385.16	287.39	240.26	258.02	215.73	162.21
Market Value per Share as at June 30th	Rs	69.68	85.18	31.00	26.50	37.00	38.00
CAPITAL STRUCTURE RATIOS							
Financial Leverage ratio	Times	0.50	0.60	0.81	0.60	0.52	0.66
Weighted average cost of debt	%	9.62	7.39	12.63	11.32	7.20	6.16
Debt to equity ratio	%	19.12	13.55	16.61	12.00	15.58	10.56
Interest Cover / Time Interest earned ratio	Times	5.27	4.59	0.29	1.39	3.14	1.83
ACTIVITY / TURNOVER RATIOS							
Total Assets Turnover ratio	Times	0.92	0.98	0.78	0.83	0.93	0.97
Fixed Assets Turnover ratio	Times	1.73	1.97	1.42	1.43	1.53	1.70
No. of days in Inventory	Days	137	92	123	122	74	87
No. of days in Receivables	Days	43	35	54	33	46	29
No. of days in Payables	Days	32	20	27	16	24	17
Operating cycle	Days	143	107	151	139	97	100
Inventory Turnover Ratio	Times	2.67	3.95	2.96	2.99	4.96	4.19
Debtors Turnover Ratio	Times	8.28	10.39	6.67	10.94	7.77	12.26
Return on assets	%	11.67	9.05	(3.81)	0.40	3.81	0.83

Analysis of Financial Position

	2022 (Post Merger)	2021	2020	2019	2018	2017
----- Rupees in million -----						
Property, plant and equipment	20,231	4,536	4,725	4,682	3,935	2,945
Other non current assets	11	8	10	31	4	3
Current assets	17,841	4,556	3,908	3,376	2,564	2,239
Total assets	38,083	9,100	8,643	8,089	6,503	5,187
Shareholders' equity	21,567	4,979	4,162	4,472	3,737	2,810
Non current liabilities	3,954	999	1,135	933	830	470
Current portion of long term financing	1,554	139	19	96	118	62
Current portion of deferred government grant	3	6	3	-	-	-
Short term borrowings	6,572	2,329	2,668	2,154	1,362	1,564
Other current liabilities	4,433	648	656	434	456	281
Total equity & liabilities	38,083	9,100	8,643	8,089	6,503	5,187

Vertical Analysis

		Percentage				
Property, Plant and Equipment	53.1	49.9	54.7	57.9	60.5	56.8
Other non current assets	0.0	0.1	0.1	0.4	0.1	0.1
Current assets	46.9	50.1	45.2	41.7	39.4	43.2
Total assets	100.0	100.0	100.0	100.0	100.0	100.0
Shareholders' equity	56.6	54.7	48.2	55.3	57.5	54.2
Non current liabilities	10.4	11.0	13.1	11.5	12.8	9.1
Current portion of long term financing	4.1	1.5	0.2	1.2	1.8	1.2
Short term borrowings	17.3	25.6	30.9	26.6	20.9	30.2
Other current liabilities	11.6	7.2	7.6	5.4	7.0	5.4
Total equity & liabilities	100.0	100.0	100.0	100.0	100.0	100.0

Horizontal Analysis

		Percentage				
Property, Plant and Equipment	346.0	(4.0)	0.9	19.0	33.6	1.9
Other non current assets	37.5	(20.0)	(67.7)	675.0	33.3	(25.0)
Current assets	291.6	16.6	15.8	31.7	14.5	41.7
Total assets	318.5	5.3	6.9	24.4	25.4	15.9
Shareholders' equity	333.2	19.6	(6.9)	19.7	33.1	(0.3)
Non current liabilities	295.8	(12.0)	21.7	12.4	76.6	45.1
Current portion of long term financing	1,018.0	631.6	(80.2)	(18.6)	90.3	(3.1)
Short term borrowings	182.2	(12.7)	23.9	58.2	(12.9)	82.9
Other current liabilities	584.1	(1.2)	51.2	(4.8)	62.3	(32.0)
Total equity & liabilities	318.5	5.3	6.9	24.4	25.4	15.9

Analysis of Profit & Loss

	2022 (Post Merger)	2021	2020	2019	2018	2017
----- Rupees in million -----						
Revenue from contract with customers - net	35,114	8,962	6,730	6,727	6,042	5,014
Cost of sales	(27,060)	(7,456)	(6,232)	(6,102)	(5,407)	(4,674)
Gross profit	8,054	1,506	498	625	635	340
Administration, selling and distribution expenses	(1,011)	(271)	(220)	(217)	(231)	(210)
Other operating expenses	(1,047)	(82)	(173)	(26)	(39)	(10)
Other operating income	212	9	11	6	108	65
Operating profit/(loss) before financing cost	6,208	1,162	116	388	473	185
Finance cost	(1,179)	(253)	(396)	(281)	(150)	(101)
Profit/(Loss) before taxation	5,029	909	(280)	107	323	84
Taxation	(586)	(85)	(49)	(75)	(75)	(41)
Profit/(Loss) after taxation	4,443	824	(329)	32	248	43

Vertical Analysis

		Percentage				
Net sales	100.0	100.0	100.0	100.0	100.0	100.0
Cost of sales	(77.1)	(83.2)	(92.6)	(90.7)	(89.5)	(93.2)
Gross profit	22.9	16.8	7.4	9.3	10.5	6.8
Administration, selling and distribution expenses	(2.9)	(3.0)	(3.3)	(3.2)	(3.8)	(4.2)
Other operating expenses	(3.0)	(0.9)	(2.6)	(0.4)	(0.7)	(0.2)
Other operating income	0.6	0.1	0.2	0.1	1.8	1.3
Operating profit/(loss) before financing cost	17.7	13.0	1.7	5.8	7.8	3.7
Finance cost	(3.4)	(2.8)	(5.9)	(4.2)	(2.5)	(2.0)
Profit/(Loss) before taxation	14.3	10.2	(4.2)	1.6	5.4	1.7
Taxation	(1.7)	(1.0)	(0.7)	(1.1)	(1.2)	(0.8)
Profit/(Loss) after taxation	12.7	9.2	(4.9)	0.5	4.1	0.9

Horizontal Analysis

		Percentage				
Net sales	291.8	33.2	0.0	11.3	20.5	2.2
Cost of sales	262.9	19.6	2.1	12.9	15.7	(0.1)
Gross profit	434.8	202.4	(20.3)	(1.6)	86.8	49.1
Administration, selling and distribution expenses	273.1	23.2	1.4	(6.1)	10.0	(21.9)
Other operating expenses	1,176.8	(52.6)	565.4	(33.3)	290.0	(41.2)
Other operating income	2,255.6	(18.2)	83.3	(94.4)	66.2	828.6
Operating (loss)/profit before financing cost	434.3	901.7	(70.1)	(18.0)	155.7	(462.8)
Finance cost	366.0	(36.1)	40.9	87.3	48.5	(6.5)
Profit/(Loss) before taxation	453.3	(424.6)	(361.7)	(66.9)	284.5	(152.8)
Taxation	589.4	73.5	(34.7)	-	82.9	20.6
Profit/(Loss) after taxation	439.2	(350.5)	(1,128.1)	(87.1)	476.7	(122.3)

Analysis of Cash Flows

	2022 (Post Merger)	2021	2020	2019	2018	2017
----- Rupees in million -----						
Net cash generated/(used in) from operating activities	832	1,527	(184)	(534)	345	(545)
Net cash (outflows)/inflows from investing activities	(3,401)	(304)	(256)	(154)	(404)	(209)
Net cash inflows/(outflows) from financing activities	1,174	471	(507)	817	53	87
Net (decrease)/increase in cash and cash equivalents	(1,395)	1,694	(947)	129	(6)	(667)

Vertical Analysis

Percentage

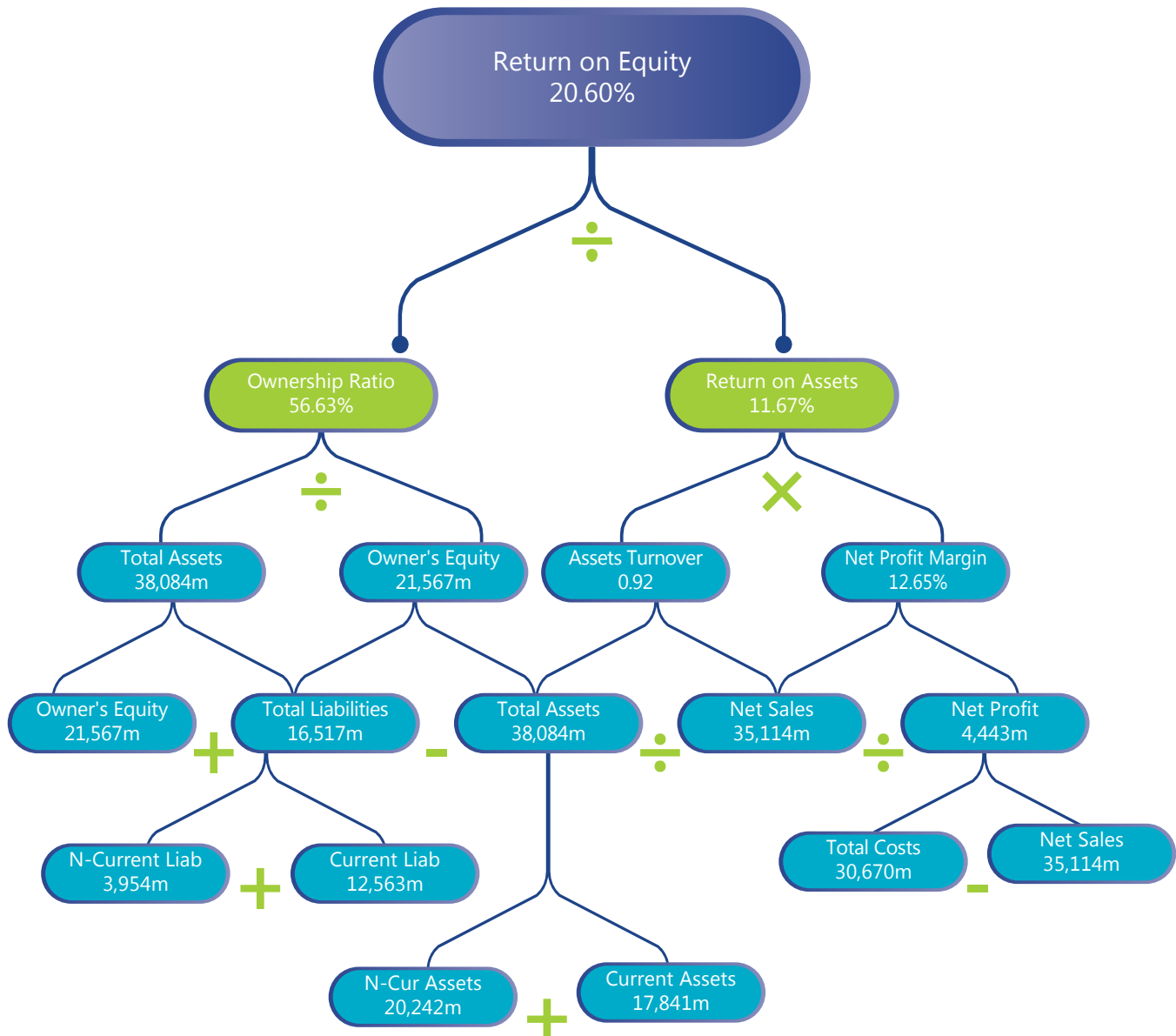
Net cash (used in)/generated from operating activities	(59.7)	90.1	19.4	(414.0)	(5,750.0)	81.7
Net cash inflows/(outflows) from investing activities	243.9	(17.9)	27.0	(119.4)	6,733.3	31.3
Net cash (outflows)/inflows from financing activities	(84.2)	27.8	53.5	633.3	(883.3)	(13.0)
Cash and cash equivalents	100.0	100.0	100.0	100.0	100.0	100.0

Horizontal Analysis

Percentage

Net cash (used in)/generated from operating activities	(45.5)	(929.8)	(65.5)	(254.8)	(163.3)	(209.7)
Net cash inflows/(outflows) from investing activities	1,018.9	18.7	66.2	(61.9)	93.3	134.8
Net cash inflows/(outflows) from financing activities	149.4	(192.9)	(162.1)	1,441.5	(39.1)	(118.9)
Net (decrease)/increase in cash and cash equivalents	(182.3)	(278.9)	(834.1)	(2,250.0)	(99.1)	1,182.7

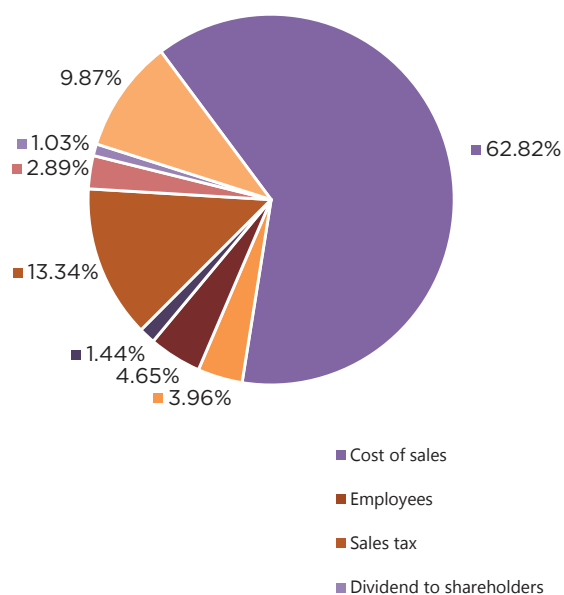
DuPont Analysis



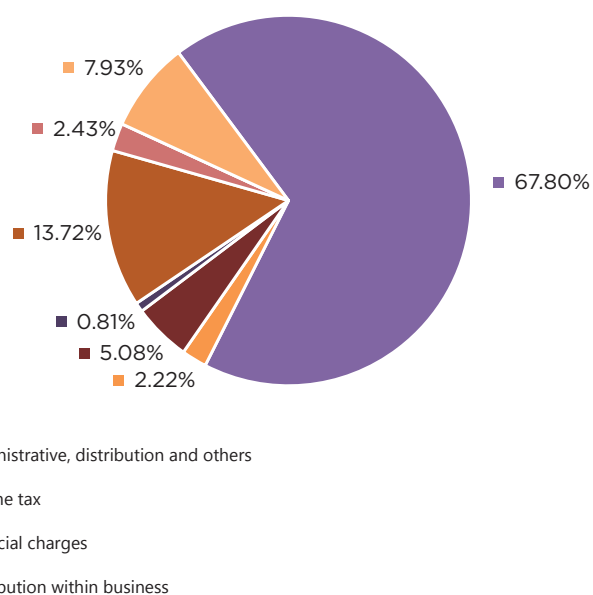
Statement of Value Additions and its Distribution

	2022 (Post Merger)		2021	
	Rs. In '000'	%	Rs. In '000'	%
Wealth generated				
Sales including sales tax	40,552,463	99.48%	10,388,534	99.91%
Other operating income	211,965	0.52%	9,192	0.09%
	40,764,428	100.00%	10,397,726	100.00%
Wealth distribution				
Cost of sales	25,606,387	62.82%	7,050,022	67.80%
Administrative, distribution and others	1,615,369	3.96%	230,870	2.22%
Employees	1,895,537	4.65%	527,788	5.08%
Income tax	585,876	1.44%	84,568	0.81%
Sales tax	5,438,878	13.34%	1,426,458	13.72%
Financial charges	1,179,089	2.89%	253,040	2.43%
Dividend to shareholders	419,953	1.03%	-	0.00%
Distribution within business	4,023,339	9.87%	824,980	7.93%
	40,764,428	100.00%	10,397,726	100.00%

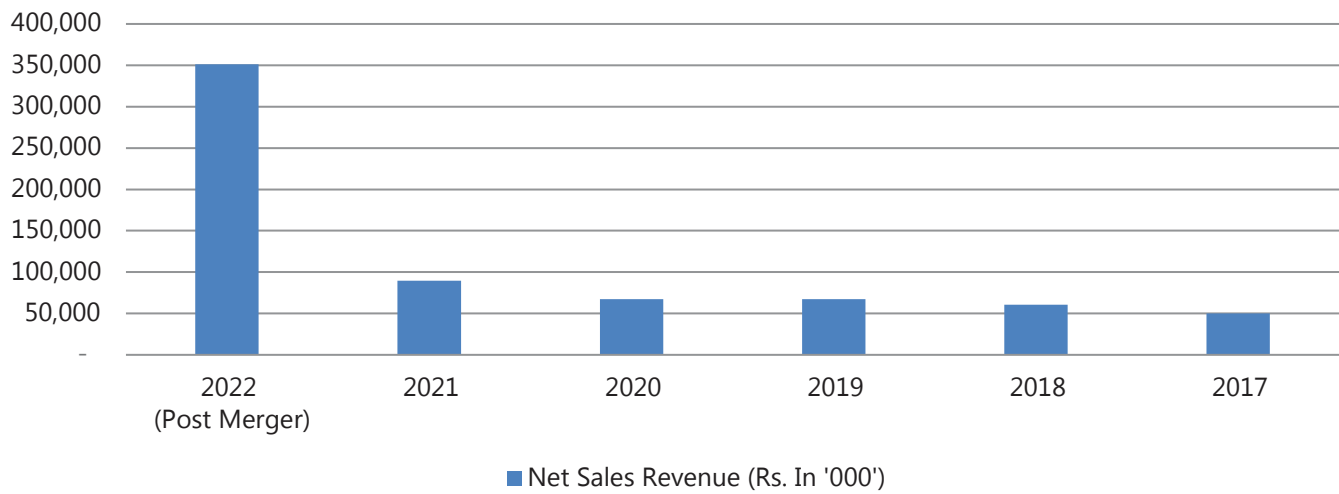
2022 (Post Merger)



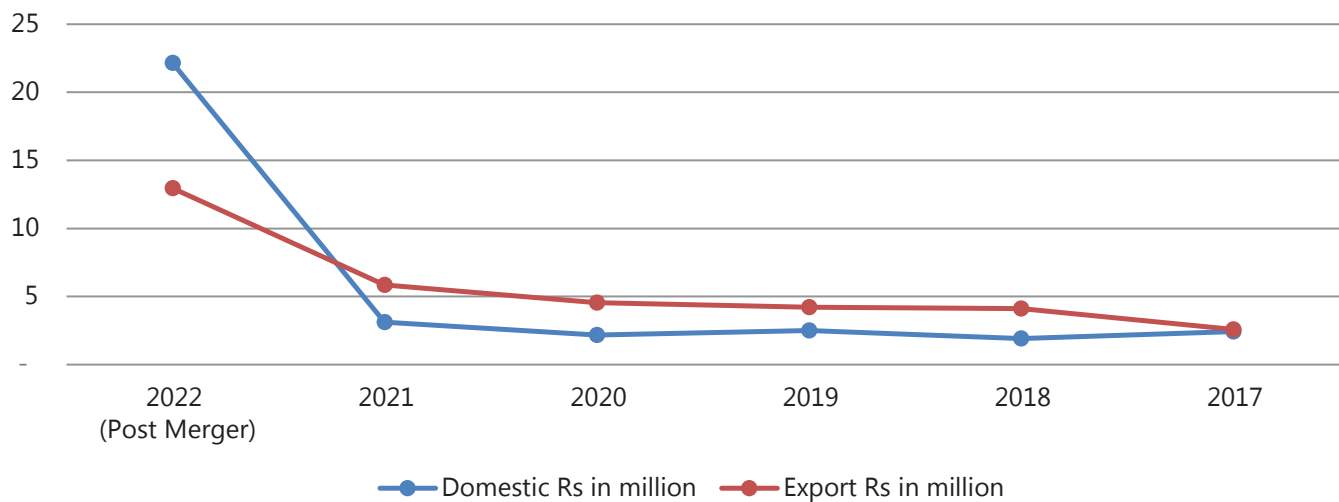
2021



Net Sales Revenue



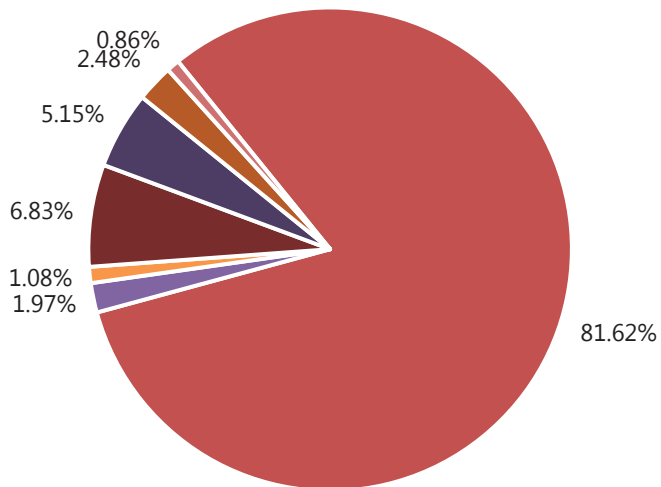
Sales Breakup



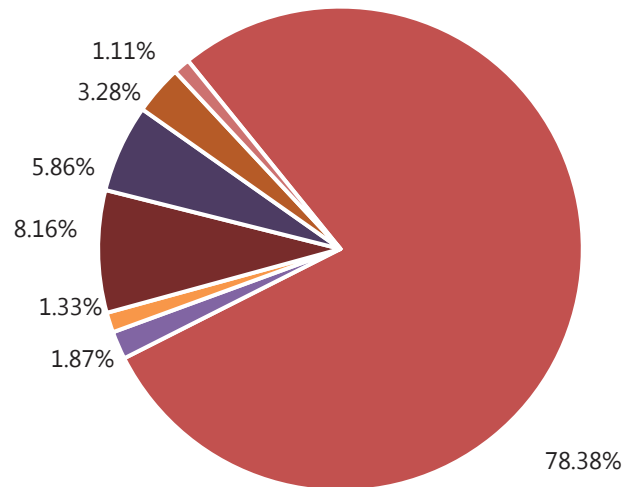
Analysis of Costs

	2022 (Post Merger)		2021	
	Rs. In '000'	%	Rs. In '000'	%
Raw Material Consumed	23,022,447	81.62%	5,435,374	78.38%
Stores and Spares	555,977	1.97%	129,595	1.87%
Packing Material	305,346	1.08%	92,563	1.33%
Power and Fuel	1,927,065	6.83%	566,102	8.16%
Salaries, wages and benefits	1,453,748	5.15%	406,454	5.86%
Depreciation and amortisation	700,874	2.48%	227,702	3.28%
Others	242,851	0.86%	77,001	1.11%
Total	28,208,308	100.00%	6,934,791	100.00%

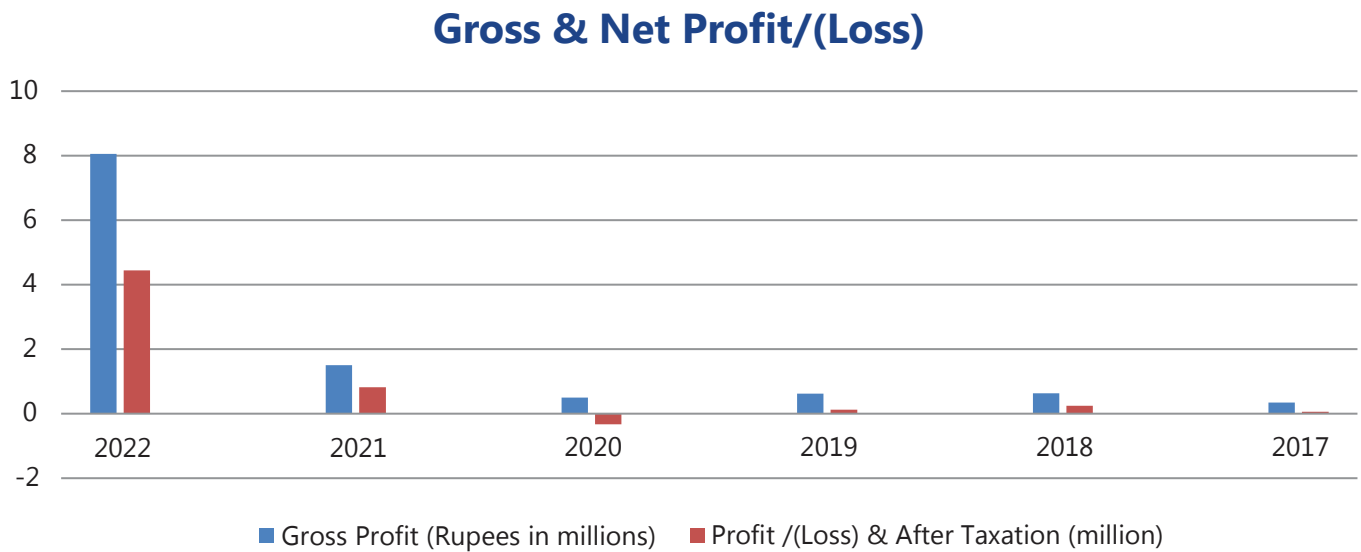
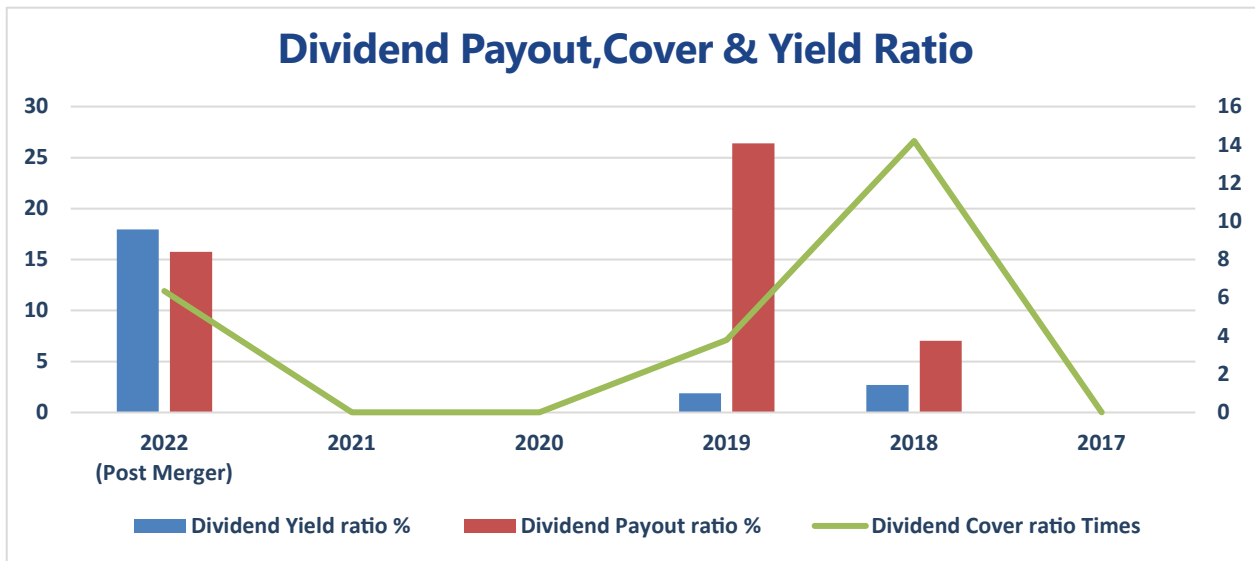
2022 (Post Merger)



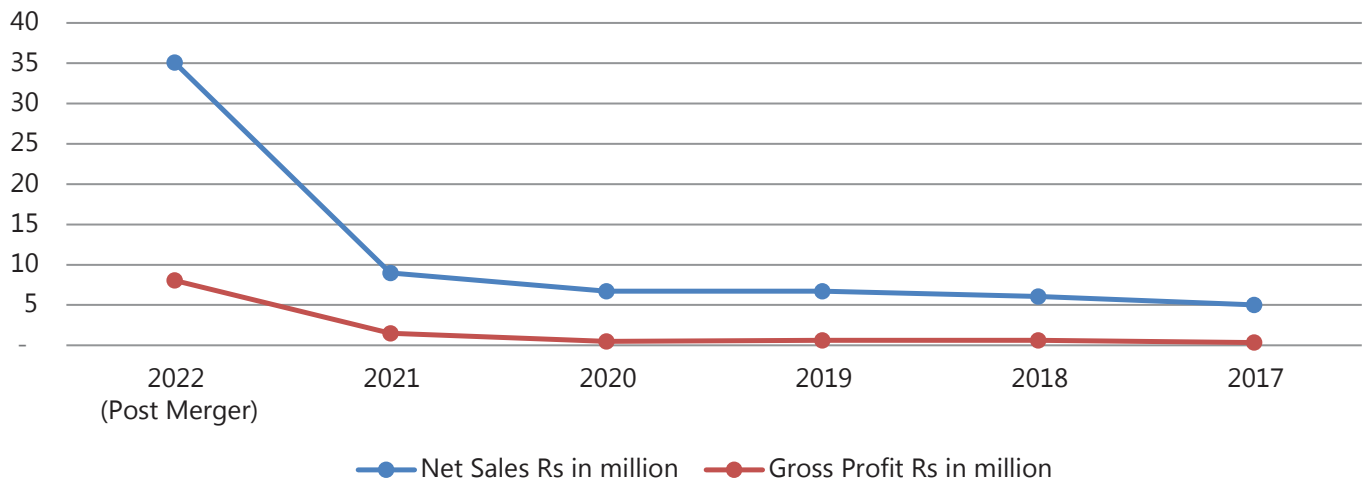
2021



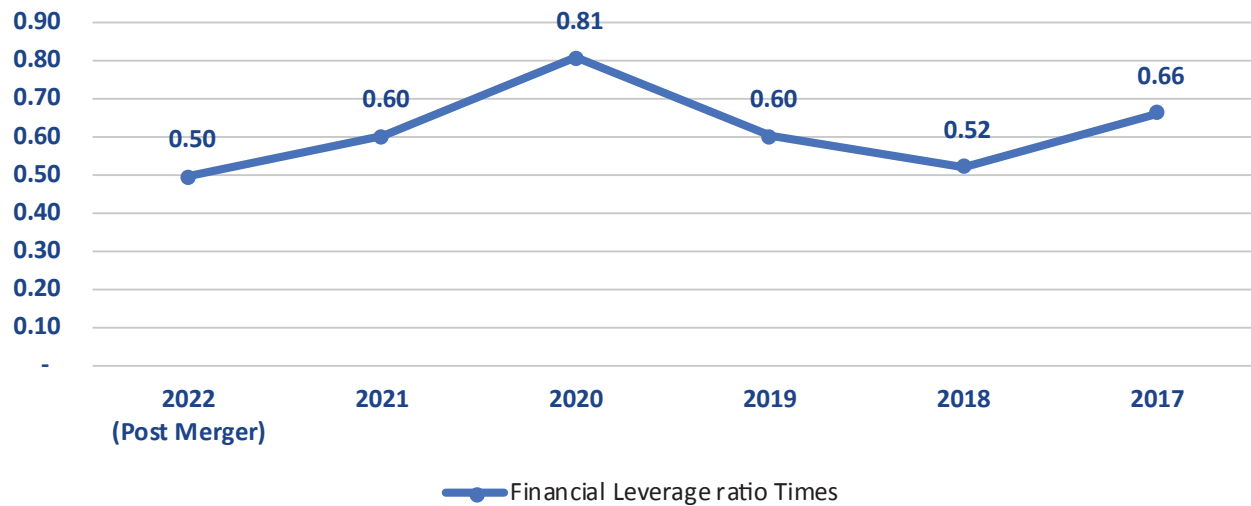
- Raw Material Consumed
- Stores and Spares
- Packing Material
- Power and Fuel
- Salaries, wages and benefits
- Depreciation and amortisation
- Others



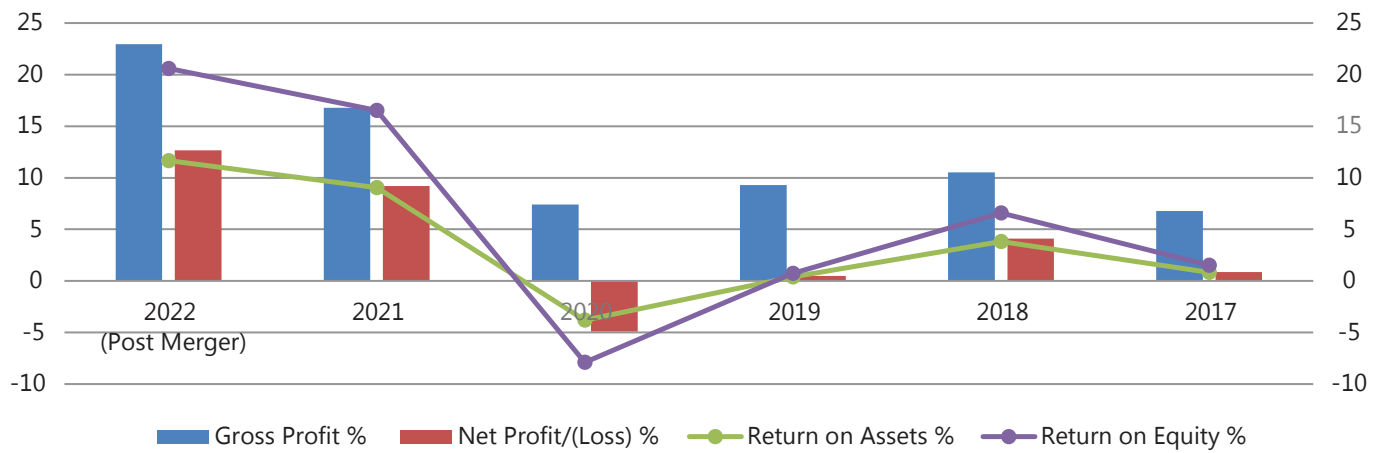
Net Sales and Gross Profit



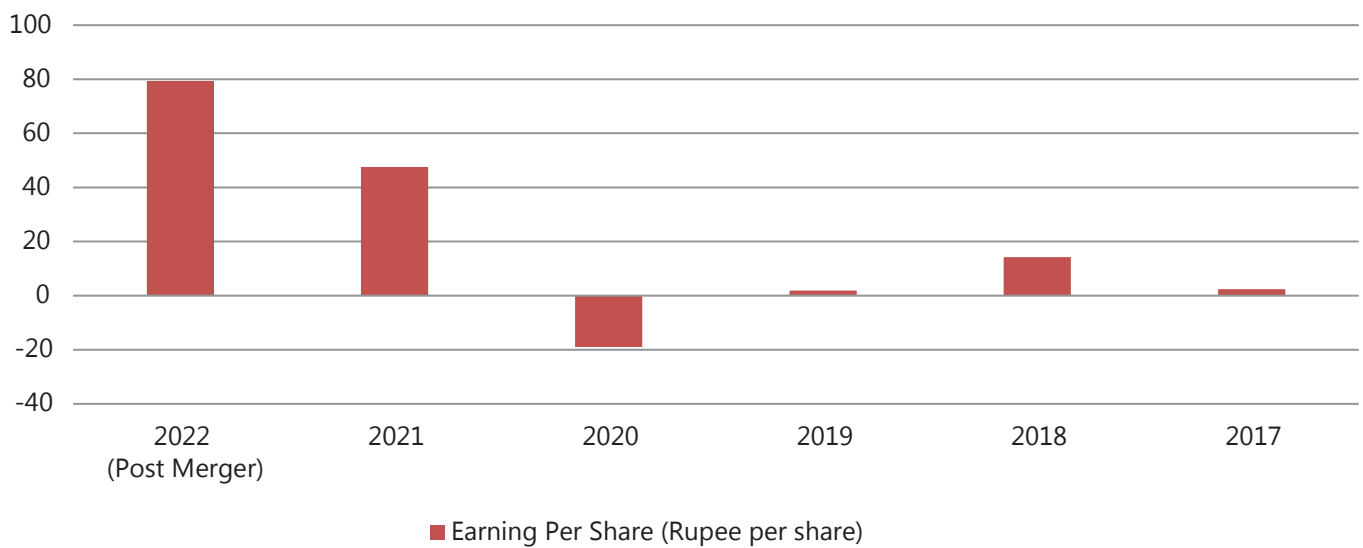
Financial Leverage Ratio



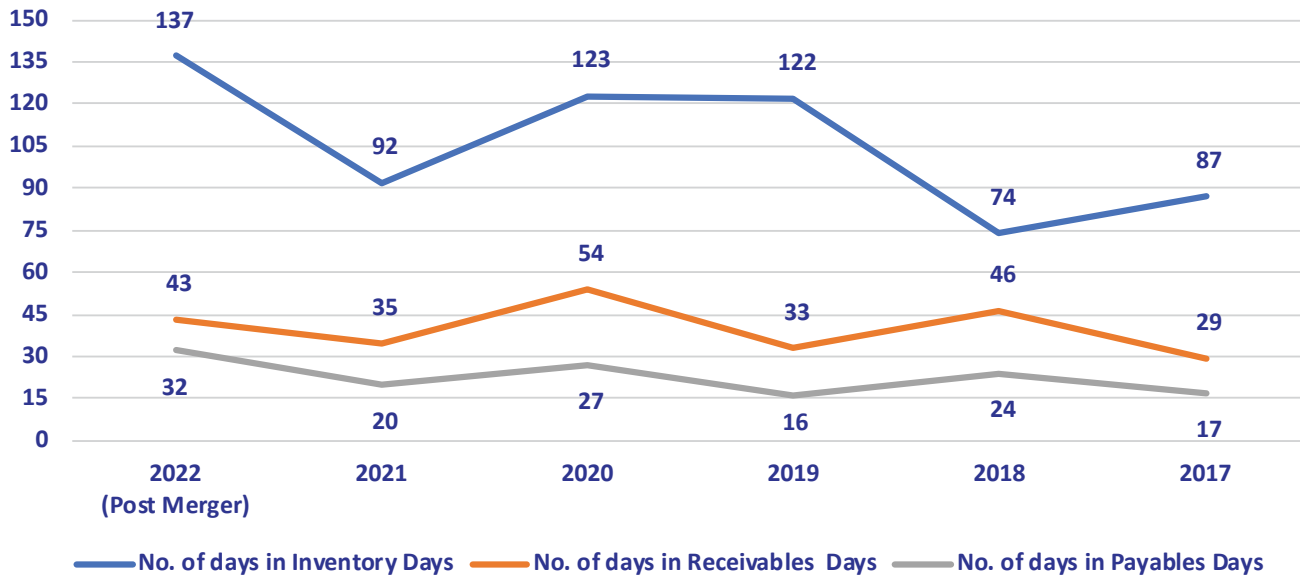
Profitability



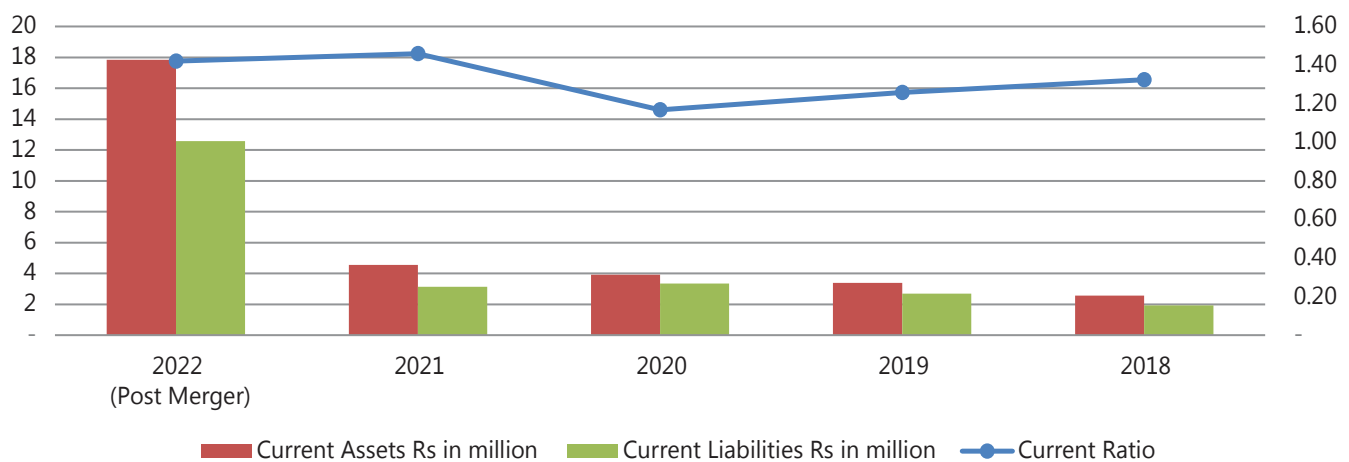
Earning Per Share



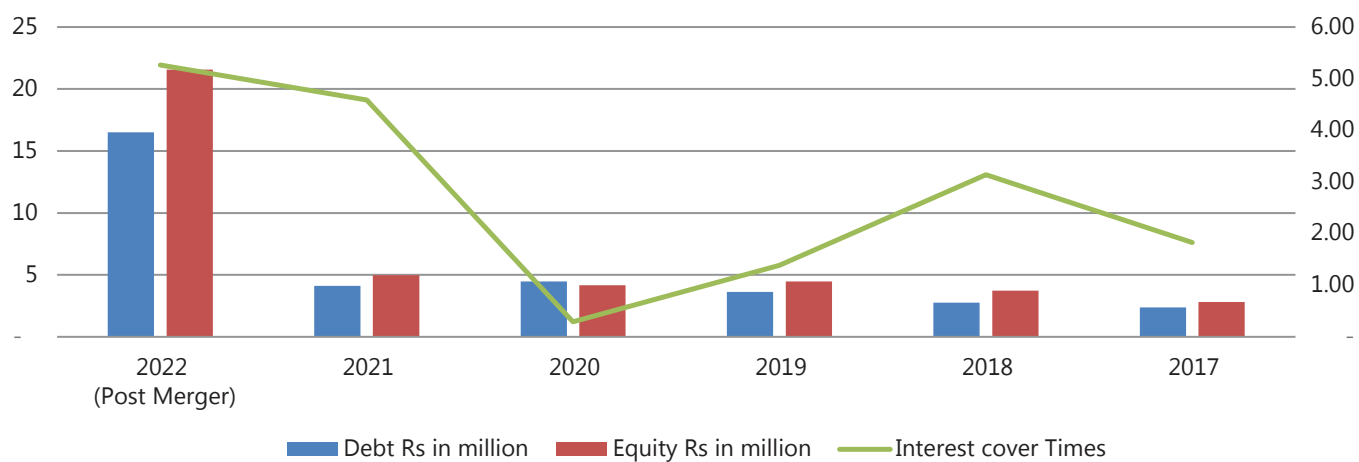
Operating Cycle



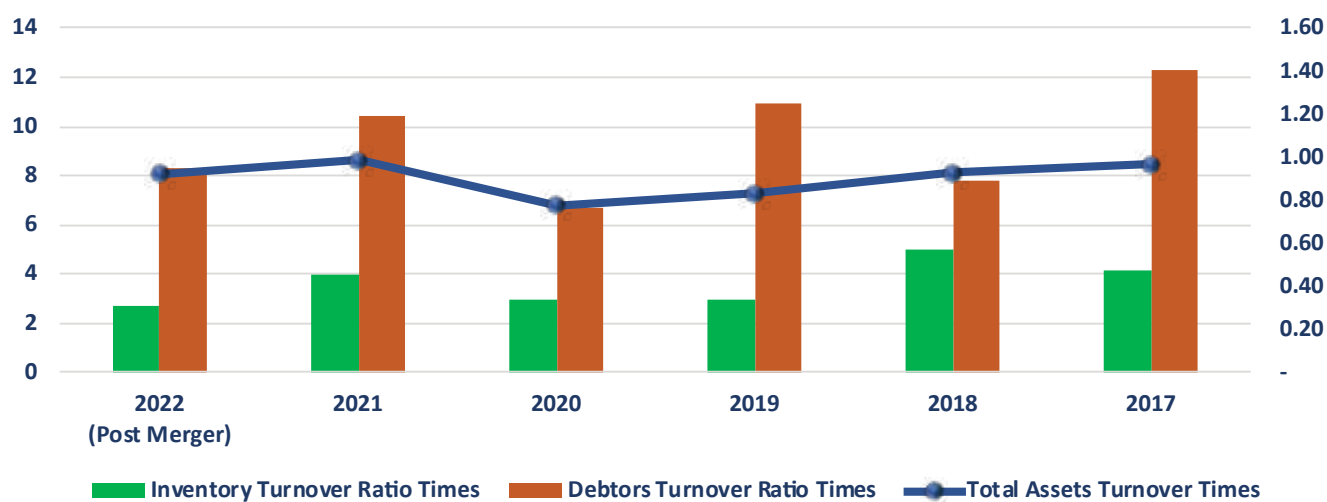
Current Assets, Current Liabilities & Current Ratio



Debt Management & Interest Cover Ratio



Asset Management Ratio



PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2022

NO. OF SHAREHOLDERS	SHARE-HOLDING		TOTAL SHARES HELD
	FROM	TO	
1,309	1	100	59,455
1,239	101	500	299,932
447	501	1,000	300,802
496	1,001	5,000	1,007,220
61	5,001	10,000	451,230
20	10,001	15,000	261,924
8	15,001	20,000	135,724
14	20,001	25,000	311,684
5	25,001	30,000	134,442
3	30,001	35,000	99,886
2	35,001	40,000	75,500
2	45,001	50,000	100,000
2	50,001	55,000	104,067
1	55,001	60,000	55,545
1	60,001	65,000	60,255
2	65,001	70,000	132,250
1	70,001	75,000	75,000
2	80,001	85,000	164,700
1	85,001	90,000	87,100
1	115,001	120,000	119,000
1	145,001	150,000	145,500
1	170,001	175,000	172,000
1	215,001	220,000	220,000
1	250,001	255,000	252,572
3	280,001	285,000	852,337
1	475,001	480,000	479,013
1	995,001	1,000,000	1,000,000
1	1,240,001	1,245,000	1,241,538
1	1,415,001	1,420,000	1,416,088
1	2,060,001	2,065,000	2,063,192
1	2,275,001	2,280,000	2,276,152
1	4,310,001	4,315,000	4,310,670
1	4,410,001	4,415,000	4,410,485
1	4,560,001	4,565,000	4,561,607
1	28,555,001	28,560,000	28,556,744
3,634			55,993,614

CATEGORIES OF SHAREHOLDERS

CATEGORIES OF SHAREHOLDERS	NUMBER OF SHAREHOLDER	SHARES HELD	PERCENTAGE
Directors, their Spouse(s) and Minor Children	12	42,527,599	75.95
NIT & ICP	5	2,367,882	4.23
Banks, Development Finance Institutions, Non Banking Financial Institutions	2	4,768	0.01
Insurance Companies	3	13,576	0.02
Modarabas and Mutual Funds	4	2,687,133	4.80
Others	19	373,377	0.67
General Public-Foreign	2	21,000	0.04
General Public-Local	3,587	7,998,279	14.28
	<u>3,634</u>	<u>55,993,614</u>	<u>100.00</u>

Detail of Categories of Shareholders

AS AT JUNE 30, 2022

DIRECTORS, THEIR SPOUSE(S) & MINOR

	No. of Shareholders	Shares Held
Mr. Mazhar Valjee (Chairman/Director)	1	7,040
Mr. Shahid Anwar Tata (Chief Executives)	1	28,556,744
Mr. Adeel Shahid Tata (Director)	1	4,561,607
Mr. Bilal Shahid Tata (Director)	2	4,582,485
Mr. Muhammad Jawaid Iqbal (Director)	1	4,040
Mr. Farooq Advani (Director)	1	500
Mr. Tayyeb Afzal (Director)	1	6,500
Ms. Samar Shahid (Director)	1	4,310,670
Mrs. Saiqa Shahid (W/o Mr. Shahid Anwar Tata)	1	479,013
Mrs. Sara Adeel (W/o Mr. Adeel Shahid Tata)	1	15,000
Mrs. Bushra Tayyeb Afzal (W/o Mr. Tayyeb Afzal)	1	4,000
	<u>12</u>	<u>42,527,599</u>

NIT & ICP

Investment Corporation of Pakistan	4	91,730
CDC - Trustee National Investment (Unit) Trust	1	2,276,152
	<u>5</u>	<u>2,367,882</u>

BANKS, DEVELOPMENT FINANCIAL

INSTITUTIONS, NON-BANKING FINANCIAL INSTITUTIONS

National Development Finance Corporation	1	3,223
National Bank of Pakistan	1	1,545
	<u>2</u>	<u>4,768</u>

INSURANCE COMPANIES

GHAF Limited	1	10,000
Central Insurance Co. Ltd.	2	3,576
	<u>3</u>	<u>13,576</u>

MODARABAS AND MUTUAL FUNDS

CDC - Trustee AKD Opportunity Fund	1	1,241,538
CDC - Trustee Golden Arrow Stock Fund	1	1,416,088
Guardian Modaraba Management (Pvt) Ltd.	1	5,483
B.R.R. Investments (Pvt.) Limited	1	24,024
	<u>4</u>	<u>2,687,133</u>

OTHERS	No. of Shareholders	Shares Held
IDBL (ICP Unit)	1	25,862
Y.S. Securities & Services (Pvt) Ltd.	1	132
Roomi Fabrics Ltd.	2	10,500
Fateh Textile Mills Ltd.	1	1,861
Trustee National Bank Of Pakistan Employees Pension Fund	1	252,572
Trustee National Bank Of Pakistan Emp Benevolent Fund Trust	1	8,864
NH Capital (Private) Limited	1	2
Maple Leaf Capital Limited	1	6
AKD Securities Limited	1	500
Fikrees (Private) Limited	1	33,190
MRA Securities Limited	1	6,000
Sarkarwala Capital Securities (Private) Limited	1	3,500
Salim Sozer Securities (Pvt.) Ltd.	1	15,000
Muhammad Salim Kasmani Securities (Private) Limited	1	15,000
Naseer Shahid Ltd.	2	127
Securities Exchange Authority	1	1
The Administrator Abandoned Properties	1	260
	19	373,377
GENERAL PUBLIC		
Foreign	2	21,000
Local	3,587	7,998,279
	3,589	8,019,279
Grand Total	3,634	55,993,614
Shareholders Holding 10% or more		
Shahid Anwar Tata	Shares Held 28,556,744	Percentage 51.00

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 36th Annual General Meeting of the Shareholders of Tata Textile Mills Limited will be held on Thursday, the October 13, 2022 at 11:30 A.M. at 5th Floor Textile Plaza, M. A. Jinnah Road, Karachi to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Annual Audited Financial Statements of the Company for the year ended June 30, 2022 together with the Directors' and Auditors' Report thereon and the Review Report of the Chairman.
2. To appoint Auditors and fix their remuneration. The shareholders are hereby notified that the Board and the Board Audit Committee have recommended the name of M/s Yousuf Adil, Chartered Accountants, for re-appointment as auditors of the Company for the year ending June 30, 2023.
3. To consider and approve the payment of final cash dividend for the year ended June 30, 2022 @ 50% i.e. Rs. 5 per share as recommended by the Board. This is in addition to 75% i.e. Rs.05 per share interim cash dividend already paid

SPECIAL BUSINESS

Ordinary Resolution

4. To consider and pass the following ordinary resolutions:
 - a) "RESOLVED that the transactions carried out in normal course of business with associated companies as disclosed in Note No. 37 of the audited financial statements for the year ended June 30, 2022 be and are hereby ratified and approved."
 - b) "RESOLVED that the Chief Executive Officer of the Company be and is hereby authorized to approve all the transactions carried out and to be carried out in normal course of business with associated companies during the ensuing year ending June 30, 2023 and, in this connection, the Chief Executive Officer be and is hereby also authorized to take any and all necessary actions and sign/execute any and all such documents/indentures as may be required in this regard on behalf of the Company."

OTHER BUSINESS

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

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

By Order of the Board of Directors



Muhammad Hussain
Company Secretary

Karachi:

Dated: September 21, 2022

Notes:

1. Participation via Physical presence or through video conferencing facility:

The Company intends to convene this AGM with minimal physical interaction of shareholders while ensuring compliance with the quorum requirements and requests the members to consolidate their attendance and voting at the AGM through proxies.

The Company, furthermore, has made arrangements to ensure that all participants, including shareholders, can now attend the AGM through video link. For this, Shareholders / members and their proxies are requested to register themselves by providing the following information along with their Name, Folio Number, Cell No., and Number of Shares held in their name, a valid copy of CNIC (both sides)/ passport attested copy of board resolution / power of attorney (in case of corporate shareholders) through email with subject "Registration for Tata AGM" at ttn.corporate@tatapakistan.com by October 12, 2022:

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

The shareholders who are registered after the necessary verification shall be provided a video link by the Company on the said email address. The login facility will remain open from start of the meeting till its proceedings are concluded. Shareholders can also provide their comments and questions for the agenda items of the AGM at the email address ttn.corporate@tatapakistan.com. Members are therefore, encouraged to attend the AGM through video link and by consolidating their attendance through proxies.

2. Closure of Share Transfer Books

The Share Transfer Books of the Company will remain closed from October 06, 2022 to October 13, 2022 (both days inclusive). Transfers received at the Company's Share Registrar's Office at CDC Share Registrar Services Limited Office CDC, House, 99-B Block "B", S.M.C.H.S. Main Shahra-e-Faisal, Karachi at the close of business hours on October 05, 2022 will be treated in time for determination of entitlement of shareholders to cash dividend and to attend and vote at the meeting.

3. Participant in the Annual General Meeting (AMG) and Appointing Proxies

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

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

CDC Account Holders will have to follow the guidelines as laid down in Circular No.1 dated January 26, 2000

issued by the SECP for attending the meeting.

4. Change of Address and other (if any)

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

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

6. Payment of Cash Dividend Electronically (Mandatory)

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

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

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

9. Transmission of Annual Report

Pursuant to the notification of the SECP S.R.O. 1196(I)/2019 dated October 03, 2019, the financial statements of the Company for the year ended June 30, 2022 along with reports, have been placed on the Company's website at www.tatapakistan.com.

Pursuant to SRO 470(1)2016, dated May 31, 2016, the shareholders of the Company have accorded approval in general meeting for transmission of the Annual Reports to its member through CD/DVD/USB at their registered addresses instead of transmitting the same in hard copies. Therefore, the Annual Report 2022 of the Company is dispatched in the form of DVDs to all members. Any member requiring printed copy of Annual Report 2022 may send a request for the same.

10. Deposit of Physical Shares into CDC Account

As per Section 72 of the Companies Act, 2017 every existing company shall be required to replace its physical shares with book entry form in a manner as may be specified and from the date notified by the SECP, within a

period not exceeding four years from the commencement of the Companies Act, 2017 i.e. May 31, 2017.

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

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

This statement is annexed to the notice of Annual General Meeting of the members of Tata Textile Mills Ltd. to be held on October 13, 2022 and sets out the material facts concerning the following Special Business to be transacted at the meeting for approval of members.

Ordinary Resolution

1. Agenda Item No. 4(a) of the Notice – Transactions carried out with associated companies during the year ended June 30, 2022 to be passed as an Ordinary Resolution.

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

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

In view of the above, the transactions carried out during the financial year ended June 30, 2022 with associated companies shown in note No. 37 of the financial statements are being placed before the shareholders for their consideration and approval/ratification.

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

2. Agenda Item No. 4(b) of the Notice – Authorization to the Chief Executive Officer for the transactions carried out and to be carried out with associated companies during the ensuing year ending June 30, 2023 to be passed as an Ordinary Resolution.

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

In order to comply with the provisions of clause 15 of Listed Companies Code of Corporate Governance Regulations 2019, the shareholders may authorize the Chief Executive Officer to approve transactions carried out and to be carried out in normal course of business with associated companies during the ensuing year ending June 30, 2023.



Yousuf Adil
Chartered Accountants
Cavish Court, A-35, Block 7 & 8
KCHSU, Sharea Faisal,
Karachi-75350
Pakistan
Phone: +92 (0) 21 3454 6494-7
Fax: +92 (0) 21- 3454 1314
www.yousufadil.com

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

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Code) prepared by the Board of Directors of Tata Textile Mills Limited (the Company) for the year ended June 30, 2022 in accordance with the respective requirements of the Code.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Code.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Code require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Code as applicable to the Company for the year ended June 30, 2022.

Chartered Accountants

Place: Karachi

Date: September 05, 2022

UDIN: CR20221005725BMVxNve

Independent Correspondent Firm to
Deloitte Touche Tohmatsu Limited



Yousuf Adil
Chartered Accountants
Cavish Court, A-35, Block 7 & 8
KCHSU, Sharea Faisal,
Karachi-75350
Pakistan
Phone: +92 (0) 21 3454 6494-7
Fax: +92 (0) 21- 3454 1314
www.yousufadil.com

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

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Tata Textile Mills Limited (the Company), which comprise the statement of financial position as at June 30, 2022, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2022 and of the profit or loss and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

◆ YOUSUF ADIL

Following are the key audit matters:

Key audit matter	How our audit addressed the key audit matter
1. Revenue Recognition	
<p>The Company is engaged in manufacturing and sale of yarn. Revenue recognition policy has been explained in note 4.16, and the related amounts of revenue recognised during the year are disclosed in note 23 to the financial statements.</p> <p>The Company generates revenue from sale of goods to domestic as well as export customers.</p> <p>Revenue from the local (including indirect exports) and export sales is recognised when control of goods is transferred to the customer.</p> <p>We identified revenue recognition as key audit matter since it is one of the key performance indicators of the Company and because of the potential risk that revenue transactions may not have been recognised on point in time basis i.e. When control of goods is transferred to the customer, in line with the accounting policy adopted and may not have been recognised in the appropriate period.</p>	<p>Our audit procedures to assess the recognition of revenue, amongst others, included the following:</p> <ul style="list-style-type: none"> obtained understanding and evaluate design and implementation of controls designed to ensure that revenue is recognised in the appropriate accounting period and based on transfer of control of goods to the customer; assessed appropriateness of the Company's accounting policies for revenue recognition in light of applicable accounting and reporting standards; checked on a sample basis whether the recorded local and export sales transactions were based on actual transfer of control of goods to the customer; tested timeliness of revenue recognition by comparing individual sales transactions before and after the year end to underlying documents.
2. Revaluation of freehold land, buildings on freehold land, plant and machinery and electric installations	
<p>As disclosed in note 3.1 to the accompanying financial statements, freehold land, buildings on freehold land, plant and machinery and electric installations are carried at revaluation model.</p> <p>The revaluation exercise performed by the management external valuer (the expert) during the year has resulted in an increase of Rs. 3,989.70 million bringing carrying value from Rs. 14,793.36 million to Rs. 18,783.06 million.</p> <p>We have considered the above matters to be a key audit matter due to the judgments inherent within the valuation exercise.</p>	<p>Our audit procedures to address the revaluation of freehold land, buildings on freehold land, plant and machinery and electric installations, included the following:</p> <ul style="list-style-type: none"> discussed with management and challenged the appropriateness of the valuation methodology adopted by the management expert through involvement of our own valuation expert; our valuation expert checked the reasonableness of the fair values recorded by management; checked the relevance, completeness and accuracy of source data; and assessed the accounting implications in accordance with the applicable financial reporting standards.

◆ YOUSUF ADIL

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

Management is responsible for the other information. The other information comprises the information included in annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the annual report, if we conclude that there is a material misstatement of therein, we are required to communicate the matter to those charged with governance and take necessary actions as required under law. We have not been provided with the other information and therefore, do not report on it.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of the Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

◆ YOUSUF ADIL

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flow together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- Zakat was deductible at source under Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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



Chartered Accountants

Place: Karachi

Date: September 05, 2022

UDIN: AR202210057y1YuJG7Id

Independent Correspondent Firm to
Deloitte Touche Tohmatsu Limited



Financial Statements

for the year ended June 30, 2022

2022



2021

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2022

	Note	2022 ----- (Rupees in '000') -----	2021
NON-CURRENT ASSETS			
Property, plant and equipment	5	20,231,032	4,536,263
Intangible assets	6	6,853	5,274
Long term deposits		4,596	3,188
		20,242,481	4,544,725
CURRENT ASSETS			
Stores, spares and loose tools	7	142,961	45,747
Stock in trade	8	10,128,138	1,887,580
Trade debts	9	4,239,865	862,345
Loans and advances	10	803,589	203,467
Short term prepayments		20,875	3,087
Other receivables		71,910	-
Other financial assets	11	1,911,901	264,070
Sales tax refundable		247,275	38,234
Cash and bank balances	12	274,927	1,250,879
		17,841,441	4,555,409
TOTAL ASSETS		38,083,922	9,100,134
EQUITY AND LIABILITIES			
EQUITY			
Share capital	13	559,936	173,248
General reserve		2,805,996	1,000,000
Unappropriated profit		7,348,006	1,527,934
Surplus on revaluation of property, plant and equipment	15	10,852,582	2,277,797
		21,566,520	4,978,979
NON-CURRENT LIABILITIES			
Long term finance	16	2,565,383	529,008
Deferred liabilities	17	1,388,690	468,538
Deferred government grant	18	-	1,271
		3,954,073	998,817
CURRENT LIABILITIES			
Trade and other payables	19	3,688,416	500,156
Interest / mark up accrued on borrowings	20	233,974	36,379
Short term borrowings	21	6,572,283	2,328,877
Current portion of long term finances	16	1,554,501	139,300
Current portion of deferred government grant	18	3,742	6,484
Unclaimed dividend		14,404	4,463
Provision for income tax		496,009	106,679
		12,563,329	3,122,338
TOTAL EQUITY AND LIABILITIES		38,083,922	9,100,134
CONTINGENCIES AND COMMITMENTS			
	22		

The annexed notes from 1 to 45 form an integral part of these financial statements.

SHAHID ANWAR TATA
CHIEF EXECUTIVE

MUHAMMAD ZAID KALIYA
CHIEF FINANCIAL OFFICER

ADEEL SHAHID TATA
DIRECTOR

STATEMENT OF PROFIT OR LOSS

AS AT JUNE 30, 2022

	Note	2022 ----- (Rupees in '000') -----	2021
Revenue from contract with customers - net	23	35,113,585	8,962,076
Cost of goods sold	24	(27,060,135)	(7,456,476)
Gross profit		8,053,450	1,505,600
Distribution cost	25	(394,608)	(82,615)
Administrative expenses	26	(615,912)	(187,970)
Other operating expenses	27	(1,046,638)	(81,619)
Impairment loss on financial assets	28	-	(1,350)
Finance cost	29	(1,179,089)	(253,040)
		(3,236,247)	(606,594)
Other income	30	211,965	9,192
Profit before taxation		5,029,168	908,198
Taxation	31	(585,876)	(84,568)
Profit for the year		4,443,292	823,630
		-----Rupees-----	
Earnings per share - basic and diluted	32	79.35	47.54

The annexed notes from 1 to 45 form an integral part of these financial statements.



SHAHID ANWAR TATA
CHIEF EXECUTIVE



MUHAMMAD ZAID KALIYA
CHIEF FINANCIAL OFFICER



ADEEL SHAHID TATA
DIRECTOR

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 ----- (Rupees in '000') -----	2021
Profit for the year		4,443,292	823,630
Other comprehensive income			
Items that will not be reclassified subsequently to the statement of profit or loss			
Remeasurement of defined benefit obligation	17.1.2	943	1,897
Less: deferred tax thereon		(97)	(197)
Adjustment of deferred tax relating to surplus on revaluation of plant and equipment due to change in tax rate	15	4,454	(8,714)
Surplus on revaluation of land, buildings, electric installations and plant and machinery	15	3,989,704	-
Less: deferred tax thereon		(411,338)	-
Other comprehensive income		3,583,666	(7,014)
Total comprehensive income for the year		8,026,958	816,616

The annexed notes from 1 to 45 form an integral part of these financial statements.



SHAHID ANWAR TATA
CHIEF EXECUTIVE



MUHAMMAD ZAID KALIYA
CHIEF FINANCIAL OFFICER



ADEEL SHAHID TATA
DIRECTOR

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2022

	Issued, subscribed and paid up capital	Capital reserves Revaluation surplus	Revenue reserves General reserve	Unappropriated profit	Total
Note	(Rupees in '000')				
Balance at June 30, 2020	173,248	2,394,420	1,000,000	594,696	4,162,364
Profit for the year:	-	-	-	823,630	823,630
Other comprehensive income:					
Surplus on revaluation of land, buildings, electric installations and plant and machinery	-	-	-	-	-
Gain on remeasurement of defined benefit plan - net of tax	-	-	-	1,699	1,699
Adjustment of surplus on revaluation of property, plant and equipment due to change in tax rate	-	(8,714)	-	-	(8,714)
15	-	(8,714)	-	1,699	(7,015)
Total comprehensive income for the year	-	(8,714)	-	825,329	816,615
Transferred from surplus on revaluation of property, property, plant and equipment on account of:					-
- incremental depreciation	-	(107,121)	-	107,121	-
- disposal of property, plant and equipment	-	(788)	-	788	-
15	-	(107,909)	-	107,909	-
Balance at June 30, 2021	173,248	2,277,797	1,000,000	1,527,934	4,978,979
Impact of amalgamation	-	5,267,937	1,805,996	1,857,865	8,931,798
14	-	-	-	(337,950)	(337,950)
Reserves arising on amalgamation	-	-	-	-	-
14	-	-	-	-	-
Capital issued pursuant to amalgamation	386,688	-	-	-	386,688
13	386,688	5,267,937	1,805,996	1,519,915	8,980,536
Transactions with owners of the Company:					
Interim cash dividend for the quarter ended September 30, 2021 at Rs. 2.50 (25%) per share	-	-	-	(139,985)	(139,985)
Interim cash dividend for the quarter ended March 31, 2022 at Rs. 5 (50%) per share	-	-	-	(279,968)	(279,968)
Profit for the year	-	-	-	4,443,292	4,443,292
Other comprehensive income:					
Gain on remeasurement of defined benefit plan - net of tax	-	-	-	846	846
Adjustment of surplus on revaluation of property, plant and equipment due to change in rate	-	4,454	-	-	4,454
Surplus on revaluation of land, buildings, electric installations and plant and machinery	-	3,989,704	-	-	3,989,704
Less: deferred tax thereon	-	(411,338)	-	-	(411,338)
Total comprehensive income for the year ended June 30, 2022	-	3,582,820	-	4,024,185	7,607,005
Transferred from surplus on revaluation of property, plant and equipment on account of:					
- incremental depreciation	-	(269,290)	-	269,290	-
- disposal of property, plant and equipment	-	(6,682)	-	6,682	-
15	-	(275,972)	-	275,972	-
Balance at June 30, 2022	559,936	10,852,582	2,805,996	7,348,006	21,566,520

The annexed notes from 1 to 45 form an integral part of these financial statements.



SHAHID ANWAR TATA
CHIEF EXECUTIVE



MUHAMMAD ZAID KALIYA
CHIEF FINANCIAL OFFICER



ADEEL SHAHID TATA
DIRECTOR

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2022

	2022	2021
	----- (Rupees in '000') -----	
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	5,029,168	908,198
Adjustments for non cash items and others		
Depreciation	724,129	234,485
Amortisation	3,048	1,603
Provision for defined benefit obligations	94,664	34,928
Provision for compensated absences	22,853	2,662
Provision for doubtful debts	-	1,350
Provision for slow moving spares and loose tools	11,413	-
Unrealised loss on revaluation of other financial assets	371,405	10,058
Sales tax refundable written off	-	21,119
Finance cost	1,179,089	253,040
CWIP transfers to expense	5,612	-
Realised gain on investment	(507)	-
Loss on disposal of property, plant and equipment	5,299	4,248
Operating cash flows before changes in working capital	7,446,173	1,471,691
Decrease / (increase) in current assets		
Stores, spares and loose tools	(12,421)	(7,134)
Stock in trade	(4,086,508)	215,227
Trade debts	(1,381,297)	145,901
Loans and advances	19,276	61,349
Short term prepayments	(9,246)	(1,748)
Other receivables	(63,326)	5,040
Sales tax refundable	(99,137)	(20,118)
Increase in current liabilities		
Trade and other payables	716,276	18,701
Net cash generated from operations	2,529,790	1,888,909
Finance cost paid	(1,091,948)	(308,454)
Income taxes paid	(434,381)	(21,199)
Defined benefit obligations paid	(148,771)	(18,533)
Staff compensated absences paid	(22,677)	(4,892)
Net cash generated from operating activities	832,013	1,535,831

	June, 30 2022	June, 30 2021
	(Rupees in '000')	
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,527,148)	(56,253)
Proceeds from disposal of property, plant and equipment	44,545	7,051
Purchase of investments	(1,921,192)	(254,458)
Disposal of investments	1,118	-
Long term deposits	1,705	(286)
Net cash used in investing activities	(3,400,972)	(303,946)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Long term finance obtained	2,672,310	108,144
Repayments of long term finance	(1,590,978)	(125,538)
Short term borrowings obtained - net of payments	505,344	479,304
Dividend paid	(412,334)	(20)
Net cash generated from financing activities	1,174,342	461,890
Net (decrease) / increase in cash and cash equivalents (A+B+C)	(1,394,617)	1,693,775
Cash and cash equivalents at beginning of the year	(182,820)	(1,876,595)
Cash and cash equivalents transferred from amalgamating companies	(1,573,537)	-
	(1,756,357)	(1,876,595)
Cash and cash equivalents at end of the year	(3,150,974)	(182,820)

Note

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The annexed notes from 1 to 45 form an integral part of these financial statements.



SHAHID ANWAR TATA
CHIEF EXECUTIVE



MUHAMMAD ZAID KALIYA
CHIEF FINANCIAL OFFICER



ADEEL SHAHID TATA
DIRECTOR

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

1 Legal status and nature of Business

1.1 The Company and its operations

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

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

Head Office:

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

Manufacturing facilities:

The Company has following manufacturing units:

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

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

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

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

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

The Company accounted for business combination involving other entities or businesses under common control using predecessor value method. The net assets of amalgamated companies have been incorporated at their net carrying amount in the book of the respective companies as at June 30, 2021 and the difference

between the value of the net assets acquired and shares as issued has been carried in the equity and netted off with unappropriated profits. Further, the amalgamated entities' results and statement of financial position have been incorporated prospectively from the date on which the merger occurred. Consequently, these financial statements do not reflect the results of the merged entities for the period before the transaction occurred and the corresponding amounts for the previous year presented have not been restated, and therefore, are not comparable. A breakup of the carrying values of the amalgamated companies have been given in note 15. Further, the transaction has been considered as non-cash for the purpose of preparation of statement of cash flows.

2 Basis of preparation

2.1 Statement of compliance

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

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

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

2.2 Basis of measurement

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

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

2.3 Functional and presentation currency

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

2.4 Critical accounting estimates and judgments

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

Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. Areas where judgments and estimates made by the management that may have a significant effect on the amounts recognised in the financial statements are included in the following notes:

	Note
- Revaluation of certain items of property, plant and equipment	4.1
- Useful lives of property, plant and equipment	4.1
- Useful lives of intangible assets	4.2
- Valuation of stores and spares and stock in trade	4.3 & 4.4
- Impairment of non-financial assets and financial assets	4.5 & 4.6
- Retirement benefit obligations - gratuity scheme	4.11
- Taxation	4.14

3. Adoption of new and revised accounting standards

3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2022

The following standards, amendments and interpretations are effective for the year ended June 30, 2022. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Effective from accounting period beginning on or after:

Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) January 01, 2021

Amendment to IFRS 16 'Leases' - Covid-19 related rent concessions extended beyond June 30, 2021 April 01, 2021

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

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

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

Effective from accounting period beginning on or after:

Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) January 01, 2021

Amendment to IFRS 16 'Leases' - Covid-19 related rent concessions extended beyond June 30, 2021 April 01, 2021

Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework January 01, 2022

Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use January 01, 2022

Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts — cost of fulfilling a contract January 01, 2022

Annual Improvements to IFRS Standards 2018-2020 Cycle (related to IFRS 9, IFRS 16 and IAS 41) January 01, 2022

Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2023
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates	January 01, 2023
Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction.	January 01, 2023
Amendments to IFRS 10 and 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred indefinitely

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

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

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

4 Significant accounting policies

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

4.1 Property, plant and equipment

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

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

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

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

Increases in the carrying amounts arising on revaluation of operating assets are recognised, net of tax, recognised in statement of comprehensive income and accumulated in reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognised in statement of profit or loss, the increase is first recognised in statement of profit or loss. Decreases that reverse previous increases of the same asset are

first recognised in statement of profit or loss and other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to statement of profit or loss and other comprehensive income. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to statement of profit or loss and other comprehensive income and depreciation based on the asset's original cost, net of tax, is reclassified from the revaluation surplus to retained earnings.

Capital work-in-progress

Capital work in progress (CWIP) is stated at cost less any impairment loss, if any. All expenditures connected to specific assets incurred during installation and construction period are carried under CWIP. Expenditures include borrowing costs as referred to in note 4.13. Items are transferred to operating fixed assets as and when assets are ready for their intended use.

4.2 Intangible assets

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

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

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

4.3 Stores, spares and loose tools

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

4.4 Stock in trade

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

4.5 Impairment of non financial asset

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

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

4.6 Financial instruments

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

4.6.1 Financial assets

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

A. Trade debts

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

Trade debts and other receivables considered irrecoverable are written off.

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

- Definition of default

The Company employs statistical models to analyse the data collected and generate estimates of probability of default ('PD') of exposures with the passage of time. This analysis includes the identification for any changes in default rates and changes in key macro-economic factors across various geographies of the Company.

B. Other financial assets

Other financial assets are measured at amortised cost as they are held within a business model whose objective is to hold assets to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Others financial assets comprises of term deposit receipts (TDRs) and investments carried at fair value through profit and loss (FVTPL).

C. Impairment of financial assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed

to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred loss event) and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

D. Derecognition of financial assets

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

4.6.2 Financial liabilities

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

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the statement of profit or loss.

A. Bank borrowings

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

B. SBP - Refinance scheme for salary payments

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

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

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

In subsequent periods, the grant shall be amortised over the period of loan and amortisation shall be

recognised and presented as reduction of related interest expense.

C. Trade and other payables

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

D. Derecognition of financial liabilities

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

4.6.3 Derivatives

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

4.7 Offsetting of financial assets and financial liabilities

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

4.8 Cash and cash equivalents

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

4.9 Share capital

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

4.10 Dividend distribution

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

4.11 Retirement Benefit Obligation

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

i. Defined benefit plan - Workmen

The Company operates a gratuity scheme for all its employees under workmen category who have completed the minimum qualifying period of service as defined under the respective schemes. Provisions are made to cover the obligations under the scheme on the basis of actuarial valuation and charged to statement of profit or loss and other comprehensive income. All actuarial gains and losses are recognised in statement of comprehensive income as they occur. The most recent valuation was carried out as at June 30, 2022 using 'Projected Unit Credit Method'. The amount recognised in the statement of financial position represents the present value of defined benefit obligation.

ii. Defined benefit plan - Non workmen

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

iii. Defined contribution plan

The Company operates an approved contribution provident fund for senior management employees. Equal monthly contributions are made both by the Company and employees to the Fund at the rate of 9.17% of the basic salary.

iv. Compensated absences

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

4.12 Borrowing cost

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

4.13 Provisions

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

4.14 Taxation

i. Current

Provision for current taxation is based on taxable income at the current tax rates after taking into account tax credits and rebates available, if any or on turnover at the specified rates or Alternate Corporate Tax as defined in section 113C of the Income Tax Ordinance, 2001, whichever is higher. The charge for income tax includes adjustments to charge for prior years and super tax imposed by the incumbent government.

ii. Deferred

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

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

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

4.15 Revenue recognition

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

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

4.16 Earnings per share

The Company presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

4.17 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Board of Directors has identified different chief operating decision makers responsible for strategic decisions of all the reportable segments. On the basis of its internal reporting structure, the Company considers itself to be a single reporting segment.

4.18 Foreign currency transactions and translation

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

	Note	2022 ----- (Rupees in '000') -----	2021
5. PROPERTY, PLANT AND EQUIPMENT			
Operating assets	5.1	19,312,762	4,524,775
Capital work in progress	5.2	918,270	11,488
		20,231,032	4,536,263

5.1 Operating assets

Particulars	Cost / revalued amount at July 01, 2021	Transferred on amalgamation during the year	Additions / transfers during the year	Disposals / write off during the year	Revaluation Surplus during the year	Cost / revalued amount at June 30, 2022	Accumulated depreciation at July 01, 2021	Transferred on amalgamation	Depreciation for the year	Depreciation on disposals / write off	Accumulated depreciation at June 30, 2022	Written down value at June 30, 2022	Rate
(Rupees in '000)													
Owned													%
Freehold land	317,400	-	47,882	-	593,805	959,087	-	-	-	-	-	959,087	-
Leasehold land	-	2,035,680	-	-	1,300,870	3,336,550	-	-	-	-	-	3,336,550	-
Buildings on freehold land	948,711	-	7,118	-	113,747	1,069,576	91,610	-	43,033	-	134,643	934,933	5
Buildings on leasehold land	-	-	-	-	-	-	-	-	-	-	-	-	-
-Godown	-	337,323	-	-	53,384	390,707	-	32,889	15,222	-	48,111	342,596	5
-Mills	-	2,200,308	1,487	-	467,415	2,669,210	-	213,124	99,396	-	312,520	2,356,690	5
-Others	-	119	-	-	-	119	-	102	2	-	104	15	10
Office premises	-	3,607	-	-	-	3,607	-	1,974	163	-	2,137	1,470	10
Plant, machinery and Electric installations	3,619,696	7,563,684	296,019	(77,661)	1,460,483	12,862,221	348,416	1,171,682	521,432	(32,515)	2,009,015	10,853,206	5-10
Factory and workshop equipment	30,724	66,074	3,398	(146)	-	100,050	13,223	31,367	5,350	(110)	49,830	50,220	10
Lease hold improvements	26,089	33,800	277,783	-	-	337,672	17,248	20,814	4,498	-	42,560	295,112	10
Furniture and fixtures	30,213	73,312	3,927	(5,392)	-	102,060	16,312	36,127	5,251	(3,538)	54,152	47,908	10
Office equipment	57,986	75,610	19,541	(1,317)	-	151,820	38,277	52,503	11,250	(1,086)	100,944	50,876	5-30
Vehicles	43,114	131,479	27,668	(8,042)	-	194,219	24,073	72,979	18,532	(5,464)	110,120	84,099	20
June 30, 2022	5,073,933	12,520,996	684,823	(92,558)	3,989,704	22,176,898	549,159	1,633,561	724,129	(42,713)	2,864,136	19,312,762	

Freehold land is located at Muzaffargarh with an area of 151.60 acres.

FOR COMPARATIVE YEAR

Particulars	Cost / revalued amount at July 01, 2020	Additions / transfers during the year	Disposals / write off during the year	Cost / revalued amount at June 30, 2021	Accumulated depreciation at July 01, 2020	Depreciation for the year	Depreciation on disposals / write off	Accumulated depreciation at June 30, 2021	Written down value at June 30, 2021	Rate
----- (Rupees in '000) ----- %										
Owned										
Freehold land	317,400	-	-	317,400	-	-	-	-	317,400	-
Buildings on freehold land	945,827	2,884	-	948,711	46,581	45,029	-	91,610	857,101	5
Plant and machinery	3,504,688	41,462	(11,228)	3,534,922	165,774	167,394	(858)	332,310	3,202,612	5-10
Factory and workshop equipment	32,216	238	(1,730)	30,724	12,247	2,002	(1,026)	13,223	17,501	10
Electric installations	84,774	-	-	84,774	8,477	7,630	-	16,107	68,667	10
Lease hold improvements	26,089	-	-	26,089	16,265	983	-	17,248	8,841	10
Furniture and fixtures	28,978	1,752	(517)	30,213	15,233	1,454	(376)	16,311	13,902	10
Office equipment	53,524	6,285	(1,823)	57,986	34,783	5,233	(1,739)	38,277	19,709	5-30
Vehicles	43,959	-	(845)	43,114	20,156	4,760	(844)	24,072	19,042	20
June 30, 2021	5,037,455	52,621	(16,143)	5,073,933	319,516	234,485	(4,843)	549,158	4,524,775	

Freehold land is located at Muzaffargarh with an area of 138.98 acres.

5.1.1 Depreciation for the year has been allocated as under:

	Note	2022 ----- (Rupees in '000') -----	2021 ----- (Rupees in '000') -----
Cost of goods manufactured	24.1	698,251	226,478
Administrative expenses	26	25,878	8,007
		724,129	234,485

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

	June 30, 2022		June 30, 2021			
	Cost	Accumulated depreciation	Written down value	Cost	Accumulated depreciation	Written down value
	----- (Rupees in '000') -----					
Freehold land	89,617	-	89,617	41,735	-	41,735
Buildings on freehold land	454,477	215,777	238,700	447,360	203,401	243,959
Leasehold land	30,639	-	30,639	-	-	-
Buildings on leasehold land						
-Godown	129,041	40,498	88,543	-	-	-
-Mills	1,288,320	446,294	842,026	-	-	-
Plant, machinery and electric installations	9,517,123	3,861,520	5,655,603	2,935,860	1,299,580	1,636,280
Electric installations	-	-	-	60,961	47,093	13,868
	11,509,217	4,564,089	6,945,128	3,485,916	1,550,074	1,935,842

Revaluation of freehold land, buildings on freehold land, plant and machinery was carried out on September 30, 2003, June 30, 2008, June 30, 2012, December 31, 2015, June 30, 2018, June 30, 2019 and June 30, 2022. All the revaluations were conducted by the independent professional valuer M/s. Iqbal A. Nanjee & Co (Private) Limited on the basis of market value or depreciated replacement values as applicable. In estimating the fair value of the assets, the highest and best use of the premises is its current use. As a result, revaluation surplus of Rs. 3,994.52 million has been credited to equity account to comply with the requirements of International Accounting Standards 16 "Property, Plant and Equipment".

The forced sales values of freehold land, buildings on freehold land, leasehold land, building on leasehold land and property, plant machinery and electric installations at that time was Rs. 767.27 million, Rs. 747.94 million, Rs. 2,669.24 million, Rs. 2,159.43 million, and Rs. 8,679 million respectively.

5.1.3 Disposal of operating fixed assets

Details of operating fixed assets disposed off during the year are as follows:

Particulars	Cost / revalued amount	Accumulated depreciation	Written down value	Sale proceeds	Gain / (loss)	Mode of disposal & relationship	Particulars of buyer
(Rupees in '000')							
Vehicles	5,726	3,535	2,191	6,500	4,309	Negotiation	M. Iqbal Mandavia
Plant and machinery	4,494	472	4,022	1,200	(2,822)	Negotiation	Olympia Textile International
Plant and machinery	1,204	131	1,073	1,400	327	Negotiation	Olympia Textile International
Plant and machinery	758	85	673	556	(117)	Negotiation	Olympia Textile International
Plant and machinery	758	85	673	556	(117)	Negotiation	Olympia Textile International
Plant and machinery	758	88	670	556	(114)	Negotiation	Olympia Textile International
Plant and machinery	758	88	670	556	(114)	Negotiation	Olympia Textile International
Plant and machinery	1,511	176	1,335	556	(779)	Negotiation	Olympia Textile International
Plant and machinery	847	99	748	556	(192)	Negotiation	Olympia Textile International
Plant and machinery	847	99	748	556	(192)	Negotiation	Olympia Textile International
Plant and machinery	847	99	748	556	(192)	Negotiation	Olympia Textile International
Plant and machinery	847	99	748	556	(192)	Negotiation	Olympia Textile International
Plant and machinery	847	99	748	556	(192)	Negotiation	Olympia Textile International
Plant and machinery	847	99	748	556	(192)	Negotiation	Olympia Textile International
Plant and machinery	847	102	745	556	(189)	Negotiation	Olympia Textile International
Plant and machinery	847	102	745	556	(189)	Negotiation	Olympia Textile International
Plant and machinery	847	102	745	556	(189)	Negotiation	Olympia Textile International
Plant and machinery	847	102	745	556	(189)	Negotiation	Olympia Textile International
Plant and machinery	847	102	745	556	(189)	Negotiation	Olympia Textile International
Plant and machinery	847	102	745	556	(189)	Negotiation	Olympia Textile International
Plant and machinery	1,187	143	1,044	104	(940)	Negotiation	Olympia Textile International
Plant and machinery	2,500	300	2,200	2,250	50	Negotiation	Olympia Textile International
Plant and machinery	17,797	2,271	15,526	12,393	(3,133)	Negotiation	Olympia Textile International
Plant and machinery	9,500	5,806	3,694	2,778	(916)	Negotiation	Ideal Trading Company
Plant and machinery	23,750	21,343	2,407	2,778	371	Negotiation	Mubashar Brothers
Furniture and fittings	2,567	1,671	896	-	(896)	Scrapped	N/A
	83,432	37,400	46,032	38,855	(7,177)		

5.1.4 Particulars of immovable property (i.e. land and building) in the name of Company are as follows:

Location	Usage of immovable property	Total Area (In acres)
a) 10-KM M.M. Road, Khanpur, Bagdasher, Muzaffargarh	Manufacturing facility	1516
b) A/12 & A/, SITE, Kotri, District, Jamshoro, Sindh	Manufacturing facility	13.73
c) HK-1, Landhi Industrial Area, Karachi	Manufacturing facility	18.8
d) W5/02 and W5/03, North Western Industrial Zone, Port Qasim Authority, Karachi	Warehouse	10

5.2 Capital work in progress

June 30, 2022

Movement in balance during the year:

Opening balance	795	2,258	7,532	903	11,488
Transfers on amalgamation	1,672	67,488	-	909	70,069
Additions	392,525	905,006	63,165	171,363	1,532,059
Transfer to operating fixed assets	(291,499)	(311,209)	(59,040)	(27,986)	(689,734)
Expensed out	(4,042)	(597)	(643)	(330)	(5,612)
Closing balance	99,451	662,946	11,014	144,859	918,270

June 30, 2021

Opening balance	155	-	-	7,702	7,857
Adjustment	-	4,421	-	(4,421)	-
Additions	3,524	2,264	-	13,430	19,218
Transfer to operating assets / intangibles and expensed out	(2,884)	(4,427)	-	(8,276)	(15,587)
Closing balance	795	2,258	-	8,435	11,488

6. INTANGIBLE ASSETS

	Cost				Amortisation		Rate of Amortisation (%)
	As at July 01, 2021	Transferred on amalgamation	As at June 30, 2022	As at July 01, 2021	Transferred on amalgamation	As at June 30, 2022	
License fee	2,125	4,884	7,009	1,644	2,486	4,230	20
Bar Code Software	-	1,593	1,593	-	1,091	1,290	20
ERP software	14,614	14,447	29,061	9,821	12,720	25,290	20
	16,739	20,924	37,663	11,465	16,297	30,810	6,853
	Cost				Amortisation		Rate of Amortisation (%)
	As at July 01, 2020	Additions	As at June 30, 2021	As at July 01, 2020	Adjustment	As at June 30, 2021	
License fee	2,125	-	2,125	1,755	(393)	1,644	20
ERP software	14,614	-	14,614	8,107	393	9,821	20
	16,739	-	16,739	9,862	-	11,465	5,274

6.1 Amortisation for the year has been allocated as under:

	Note	June, 30 2022	June, 30 2021
Cost of goods manufactured	24.1	2,623	1,224
Administrative expenses	26	425	379
		3,048	1,603

7. STORES, SPARES AND LOOSE TOOLS

	Note	2022 ----- (Rupees in '000') -----	2021 -----
Stores and spares		162,911	49,130
Loose tools		-	7
	7.1	162,911	49,137
Provision for slow moving stores, spares and loose tools	7.2	(19,950)	(3,390)
		142,961	45,747

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

7.2 Movement for provision against slow moving stock:

	Note	2022 ----- (Rupees in '000') -----	2021 -----
Opening balance		3,390	3,390
Transferred on amalgamation		5,147	-
Provision made during the year		11,413	-
Closing balance		19,950	3,390

8. STOCK IN TRADE

Raw material	8.1 & 8.2	7,740,802	1,543,228
Work in process		268,560	88,494
Finished goods	8.3	1,839,353	170,327
Waste stock		279,423	85,531
		10,128,138	1,887,580

8.1 Raw material includes stock in transit amounting to Rs. 1,224.82 million (2021: Rs. 330.14 million).

8.2 The net realisable value of the raw material was lower than its cost amounting which resulted in provision of Rs.132.15 million (2021: Rs. 82.01 million) at year end.

8.3 The net realisable value of the finished goods was lower than its cost as at year end; which resulted in a write-off amounting to Rs. 5.15 million (2021 : Rs. 1.53 million).

	Note	2022 ----- (Rupees in '000') -----	2021 -----
9. TRADE DEBTS			
Considered good			
Export - secured	9.1	27,978	-
Local - unsecured	9.2 & 9.3	4,211,887	862,345
Considered doubtful			
Local - unsecured	9.3	3,648	1,525
Provision for doubtful debts	9.4	(3,648)	(1,525)
		-	-
		4,239,865	862,345

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

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

9.3 As at June 30, 2022, local trade debts aggregating Rs. 883 million (2021: Rs. 848.29 million) were past due for which the Company has made a provision of Rs. 3.64 million (2021: Rs. 1.52 million). The ageing of these past due trade debts is as follows:

	Note	2022 ----- (Rupees in '000') -----	2021 -----
Ageing of past due but not impaired			
1-30 days		764,343	640,988
31-90 days		118,888	198,953
91 days and above		-	8,356
		883,231	848,297
9.4 The movement in provision during the year is as follows:			
Opening balance		1,524	174
Transferred on amalgamation		2,123	-
Impairment loss	28	-	1,350
Closing balance		3,647	1,524

10. LOANS AND ADVANCES

Considered good

Due from employees	10.1	18,868	10,099
Advance to suppliers		117,625	16,693
Advance for expenses		360	100
Advance income tax		643,673	167,467
Advance against letters of credit		23,063	9,108
		803,589	203,467

10.1 These represent short term interest free loans to employees as per Company's policy. These are adjustable against salaries and recoverable within a period of one year.

	Note	2022 --- (Rupees in '000') ---	2021
11. OTHER FINANCIAL ASSETS			
Amortised cost			
Term deposit receipts			
At Fair Value through profit or loss			
	11.1	287,446	19,670
Investment in listed securities			
United Bank Limited 11,170,000 (2021: 2,000,000) ordinary shares of Rs.10 each		1,263,662	244,400
Habib Bank Limited 3,950,000 ordinary shares of Rs.10 each		360,793	-
	11.2	1,624,455	244,400
		1,911,901	264,070

11.1 They carry profit markup rate at 12.50% per annum (2021: 5.5% per annum) and have a maturity period of six months.

	Note	2022 --- (Rupees in '000') ---	2021
11.2 Movement in investment in listed securities during the year			
Opening balance		244,400	-
Transferred on amalgamation		611	-
Acquired		1,751,460	254,458
Unrealised loss on remeasurement at fair value		(371,405)	(10,058)
Realised gain on investment		507	-
Disposed off		(1,118)	-
Closing balance		1,624,455	244,400
12. CASH AND BANK BALANCES			
Cash at bank			
In current accounts			
- Local currency		267,021	70,460
- Foreign currency		2,299	3,978
		269,320	74,438
In savings accounts	12.1	3,756	1,174,990
		273,076	1,249,428
Cash in hand		1,851	1,451
		274,927	1,250,879

12.1 These carry markup rates ranging from 5.75% to 10.75% (2021: 3.0% to 5.5%) per annum.

13. SHARE CAPITAL

2022	2021		2022	2021
(Number of shares in '000')			(Rupees in '000')	
Authorised capital:				
100,000	100,000	Ordinary shares of Rs. 10 each	1,000,000	1,000,000
Issued, subscribed and paid-up capital:				
		Ordinary shares of Rs. 10 each:		
13,100	13,100	- issued for cash	131,000	131,000
4,225	4,225	- issued as bonus shares	42,247	42,248
38,669	-	- issued in pursuant to amalgamation	386,689	-
55,994	17,325		559,936	173,248

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

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

14. AMALGAMATION RESERVE

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

	ILMT	SALT	TEL	Adjustments	Total
	(Rupees in '000')				
ASSETS					
Property, plant and equipment	5,213,559	5,250,733	493,210	-	10,957,502
Long term deposits	2,495	2,023	110	-	4,628
Intangible assets	1,690	1,370	53	-	3,113
Stores, spares and loose tools	38,227	41,290	16,689	-	96,206
Stock in trade	2,429,460	1,724,590	-	-	4,154,050
Trade debts	1,084,510	909,823	199,033	(197,142)	1,996,224
Loans and advances	246,046	248,136	10,581	-	504,763
Short term prepayments	2,085	1,770	4,687	-	8,542
Other receivables	2,053	6,531	-	-	8,584
Other financial assets	46,972	28,151	23,532	-	98,655
Sales tax refundable	25,714	47,220	36,970	-	109,904
Cash and bank	60,730	17,409	4,672	-	82,811
Total assets - A	9,153,541	8,279,046	789,537	(197,142)	18,024,982
LIABILITIES					
Long term finance	1,406,922	546,051	663	-	1,953,636
Deferred liabilities	195,431	262,069	23,803	-	481,303
Deferred government grant	1,217	1,234	14	-	2,465
Trade and other payables	1,148,126	938,373	582,626	(197,142)	2,471,983
Interest / mark up accrued on borrowings	67,978	42,476	-	-	110,454
Short term borrowings	1,493,085	1,909,126	-	-	3,402,211
Current portion of long term finances	212,693	181,039	3,527	-	397,259
Current portion of deferred government grant	6,252	6,413	204	-	12,869
Unclaimed dividend	1,097	1,226	-	-	2,323
Provision for income tax	118,511	90,413	1,018	-	209,942
	4,651,312	3,978,420	611,855	(197,142)	9,044,445
TOTAL LIABILITIES - B					
Net assets acquired C = (A - B)	4,502,229	4,300,626	177,682	-	8,980,537

Represented by:

Surplus on revaluation of property, plant and equipment
General reserve
Unappropriated profit

ILMT	SALT	TEL	Adjustments	Total
(Rupees in '000')				
2,030,260	3,237,677	-	-	(5,267,937)
900,000	505,996	400,000	-	(1,805,996)
1,566,969	523,527	(232,631)	-	(1,857,865)
4,497,229	4,267,200	167,369		(8,931,798)
			A	48,739

Shares issued pursuant to amalgamation:

	Paid up Capital (Number in '000')	Swap Ratio (%)	Shares Issued (Number in '000')	
Salvi Textile Mills Limited	3,343	5.2	17,381	
Island Textile Mills Limited	500	30.2	15,100	
Tata Energy Limited	1,031	6	6,188	
	4,874		38,669	
Shares issued pursuant to amalgamation			B	(386,689)
Reserve arising of amalgamation			A + B	(337,950)

14.1 This transaction is considered as non-cash for the purpose of Statement of cash flows

15 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

This represents surplus over book value resulting from the revaluation of freehold land, buildings on freehold land, plant and machinery and electric installations (Refer note 5).

	Note	2022 (Rupees in '000')	2021
Opening balance		2,509,938	2,629,837
Transferred on amalgamation		5,646,260	-
Revaluation during the year		3,989,704	-
Transferred to unappropriated profit on account of			
- incremental depreciation		(269,290)	(107,121)
- disposal of property, plant and equipment		(6,682)	(788)
- adjustment to revaluation surplus		-	-
Related deferred tax liability		(31,998)	(11,990)
		(307,970)	(119,899)
Closing balance		11,837,932	2,509,938
Related deferred tax liability			
Opening balance		232,141	235,417
Transferred on amalgamation		378,323	-
Effect of revaluation carried out during the year		411,338	-
Adjustment due to change in rate on			
- income subject to final tax regime	15.1	(4,454)	8,714
			-
Transferred to statement of profit or loss on account of			
- incremental depreciation		(31,230)	(11,899)
- disposal		(768)	(91)
Closing balance		(985,350)	(232,141)
		10,852,582	2,277,797

- 15.1** This represents effect on opening deferred tax liability due to revision of deferred tax rate from 10.39% to 10.31% (2021: 10.00% to 10.39%) in order to incorporate the affect of change in proportion of export sales to local sales which falls under Final Tax Regime (FTR).

	Note	2022 ----- (Rupees in '000') -----	2021 -----
16 LONG TERM FINANCE			
From banking companies (Secured) - At amortised cost			
Term finances	16.1	1,920,378	13,744
Syndicate financing	16.2	869,970	-
SBP - LTFF	16.3	1,110,130	539,697
SBP REEF - Solar Project	16.4	70,176	-
SBP - Refinance scheme for salary payments	16.5	149,230	114,867
		4,119,884	668,308

Current portion shown under current liabilities

Term finances	16.1	(429,167)	(6,872)
Syndicate financing	16.2	(827,360)	-
SBP - LTFF	16.3	(141,537)	(50,679)
SBP REEF - Solar Project	16.4	(7,207)	-
SBP - Refinance scheme for salary payments	16.5	(149,230)	(81,749)
		(1,554,501)	(139,300)
		2,565,383	529,008

- 16.1** The finances are secured against first pari passu charge on all present and future fixed assets including land, building, plant and machinery and charge on specific machinery. These facilities are subject to markup at the rate 3 months' average KIBOR plus 1.5% per annum (2021: 3 months' average KIBOR plus 1% to 1.5% per annum). These loans are repayable in equal quarterly installments upto February 2026.
- 16.2** This represents the outstanding against loan of Rs. 3,000 million obtained from a syndicate of 8 commercial banks secured against, pari passu charge on entire operating fixed asset of the Company. The Company has received SBP-LTFF grant for Rs. 760 million out of total loan of Rs. 3,000 million. Detail of the syndicate term finance facility and SBP-LTFF grant are as below.
- Syndicate term finance facility is subject to markup rate of 6 months' KIBOR + 1.4% p.a for term financing and SBP-LTFF is subject to markup rate of 3% + 1.4% per annum payable semi-annually in arrears.
- 16.3** These finances are secured against first pari passu charge on all present and future plant & machineries, land and building as well as charge on specific machineries. These facilities are subject to markup at SBP rate plus bank spread ranging between 2% + 1.5% to 2.5% p.a (2021: 2% + 1.5% to 2% p.a). These loans are repayable in 32 equal quarterly installments and have various maturity dates from September 2026 upto March 2031.
- 16.4** These facilities are obtained from a banking company which are used to finance solar project under SBP financing scheme for Renewable Energy. These facility are secured against first pari passu charge on fixed assets and is subject to SBP markup rate of 1.5% to 2% plus bank spread of 2% i.e. 3.5% to 4% per annum. This facility is payable in 10 years with principal & markup payable in half yearly installments.
- 16.5** These facilities are obtained from a banking company which are secured against first pari passu charge on fixed assets and are subject to mark-up rate ranging from 1.5% to 2%. (2021:1.5% to 2%) per annum. These loans are repayable in equal quarterly installments up to January 2023.

16.6 Reconciliation of liabilities arising from long term financing activities

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

	July 01, 2021	Transferred on amalgamation	Obtained during the year	Repaid during the year	Effect of interest on SBP loan	June 30, 2022
----- (Rupees in '000') -----						
Term finances	13,744	351,740	2,050,000	(495,106)	-	1,920,378
Syndicate loan financing	-	1,458,341	-	(588,371)	-	869,970
SBP - LTFF	539,697	261,435	597,781	(288,783)	-	1,110,130
SBP REEF - Solar Project	-	50,307	24,529	(4,660)	-	70,176
SBP - Refinance scheme for	114,867	229,073	-	(214,058)	19,348	149,230
	668,308	2,350,896	2,672,310	(1,590,978)	19,348	4,119,884

	Note	2022 ---- (Rupees in '000') ---	2021
17. DEFERRED LIABILITIES			
Defined benefit obligations	17.1	368,043	161,387
Compensated absences		2,929	859
Deferred taxation	17.2	1,017,718	306,292
		1,388,690	468,538
17.1 Defined benefit obligations			
Defined benefit plans			
Workmen	17.1.1	214,389	76,742
Non-workmen	17.1.10	153,654	84,645
		368,043	161,387

17.1.1 Workmen - Defined benefit plan

The details of the workmen - defined benefit plan obligation based on actuarial valuations carried out by independent actuary as at June 30, 2022 under the Projected Unit Credit Method, are as follows:

	Note	2022 ---- (Rupees in '000') ---	2021
Net liability in the statement of financial position			
Present value of defined benefit obligation	17.1.3	214,389	76,741
17.1.2 Expense recognised in the statement of profit or loss and other comprehensive income			
Current service cost		44,665	15,566
Interest cost		17,535	5,895
Actuarial gain on defined benefit obligation			
Experience adjustments		(943)	(1,897)
17.1.3 Movement in defined benefit obligation during the year		61,257	19,564
Opening balance		76,741	70,291
Transferred on amalgamation		112,267	-
Current service cost		44,665	15,566
Interest cost		17,535	5,895
Actuarial gain		(943)	(1,897)
Benefits paid		(35,876)	(13,114)
Closing balance		214,389	76,741

17.1.4 The principal assumptions used in the valuation of defined benefit obligation (Workmen - Defined benefit scheme)

Discount rate (% per annum)	13.50	10.25
Expected rate of salary increase (% per annum)	13.50	10.25
Mortality rate	Adjusted SLIC 2001-05	Adjusted SLIC 2001-05
Expected withdrawal rate for actuarial assumptions	Moderate	Moderate

17.1.5 Sensitivity analysis

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

		Impact on obligation	
		Increase in assumption	Decrease in assumption
		--- (Rupees in '000') ---	
For current year			
Discount rate	1%	(22,407)	24,339
Expected rate of salary increase	1%	25,666	(23,845)
Withdrawal limited	10%	10,098	(13,186)
Mortality rate	1 year	(164)	163

		Impact on obligation	
		Increase in assumption	Decrease in assumption
		--- (Rupees in '000') ---	
For comparative year			
Discount rate	1%	(8,281)	10,067
Expected rate of salary increase	1%	10,757	(8,974)
Withdrawal limited	10%	3,836	(4,133)
Mortality rate	1 year	(40)	77

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

17.1.6 The scheme exposes the Company to the actuarial risks such as:**Salary risks**

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

Mortality / withdrawal risks

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

Longevity risks

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

17.1.7 The weighted average duration of the defined benefit obligation is year 11.97 years (2021: 11.97 years).**17.1.8** The expected maturity analysis of undiscounted retirement benefit obligation is:

	Undiscounted payments	
	2022	2021
	----- (Rupees in '000') -----	
Year 1	12,714	4,398
Year 2	16,143	5,515
Year 3	19,098	6,501
Year 4	21,512	7,279
Year 5	23,454	7,904
Year 6 and above	444,424	148,241

17.1.9 There are no plan assets against defined benefit obligation.

2022 2021
----- (Rupees in '000') -----

17.1.10 Non workmen - Defined benefit plan during the year

Opening balance	84,645	76,597
Transferred on amalgamation	149,440	-
Charge	32,464	13,466
Payment	(112,895)	(5,418)
Closing balance	153,654	84,645

17.2 Deferred taxation

Deferred tax recognised in

As at the beginning of the year	Transferred at amalgamation	Statement of profit or loss	Other comprehensive income	As at the end of the year
----- (Rupees in '000') -----				

Movement for the year ended June 30, 2022

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

Property plant and equipment	111,048	301,359	15,475	-	427,882
Surplus on revaluation of property, plant and equipment	232,141	378,323	(31,998)	406,884	985,350
Trade debts	3,944	12,341	17,195	-	33,480
Other financial assets	(1,045)	28	1,017	-	-
	346,088	692,051	1,689	406,884	1,446,712

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

Intangible assets	(55)	(8)	(147)	-	(210)
Defined benefit obligations	(16,768)	(27,191)	5,917	97	(37,945)
Leave encashment	(89)	(197)	(17)	-	(303)
Provision for doubtful debts	(442)	(429)	(187)	-	(1,058)
Provision for stores and spares	(352)	(581)	(1,124)	-	(2,057)
Unrealised gain/ loss on short term investment	-	(208)	38,501	-	38,293
Unused tax losses	(22,090)	(445,734)	42,110	-	(425,714)
	306,292	217,703	86,742	406,981	1,017,718

Movement for the year ended June 30, 2021

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

Property plant and equipment	102,733	-	8,315	-	111,048
Surplus on revaluation of property, plant and equipment	235,417	-	(11,990)	8,714	232,141
Trade debts	2,934	-	1,010	-	3,944
Other financial assets	-	-	(1,045)	-	(1,045)
Intangible assets	21	-	(76)	-	(55)
	341,105	-	(3,786)	8,714	346,033

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

Staff gratuity	(14,689)	-	(2,276)	197	(16,768)
Leave encashment	(309)	-	220	-	(89)
Provision for doubtful debts	(50)	-	(392)	-	(442)
Provision of stores and spares	(339)	-	(13)	-	(352)
Unused tax losses	(11,694)	-	(10,396)	-	(22,090)
	314,024	-	(16,643)	8,911	306,292

		June, 30 2022	June, 30 2021
	Note	(Rupees in '000')	
18 DEFERRED GOVERNMENT GRANT			
Deferred grant against salary loans	18.1	3,742	7,755
Current portion of deferred grant		(3,742)	(6,484)
		-	1,271
18.1 Movement during the year			
Opening balance		7,755	5,372
Transferred on amalgamation		15,334	-
Deferred grant recognised		-	11,413
		23,089	16,785
Amortisation		(19,347)	(9,030)
Closing balance	18.2	3,742	7,755
18.2	Deferred grant relates to the difference between the fair value and actual proceed of salary loan obtained under SBP's refinance scheme for payment of salaries during the current year. It will be amortised over the period of one and a half year after disbursement with an amount equal to the difference between the finance cost charged to statement of profit or loss and other comprehensive income 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.		
19. TRADE AND OTHER PAYABLES			
Creditors	19.1	255,862	57,409
Accrued liabilities	19.2 & 19.3	1,327,592	259,496
Advance from customers		49,261	-
Gas charges payable		51,095	-
Retention money		-	3,823
Withholding income tax		13,803	1,589
Foreign bills payable		716,478	38,769
Sales tax payable		159,645	68,513
Workers' profit participation fund	19.4	30,617	48,778
Workers' welfare fund		187,956	21,779
Others		896,107	-
		3,688,416	500,156

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

19.2 This includes Rs. 516.67 million (2021: 125.31 million) provision for Sindh Development and Infrastructure Cess which was levied by the Excise and Tax Department of Government of Sindh on goods entering or leaving the province through air or sea at prescribed rate under Sindh Finance Ordinance, 2001. The levy was challenged by the Company along with other companies in Sindh High Court (SHC). SHC through its interim order passed on May 31, 2011 ordered that for every consignment cleared after December 28, 2006, 50% of the value of infrastructure cess should be paid in cash and a bank guarantee for the remaining amount should be submitted until the final order is passed. The management is confident for a favorable outcome, however, as a matter of prudence Company has paid Rs. 516.67 million upto June 30, 2022 (50%) of the value of infrastructure cess in cash and recorded liability for the remaining amount which is supported by a bank guarantee. During the year, the Sindh High Court has passed an order on June 4, 2021 for settlement of remainder of Infrastructure Cess against which the Company has filed an appeal in Supreme Court and the Company's legal counsel expect that the matter will be decided in favour of the Company.

19.3 This includes the provision of Rs. 78.28 million which relates to the amalgamating company Tata Energy Limited (TEL), Late Payment Surcharge on differential of rate for Captive Power Producer (CPP) and Independent Power Producer (IPP) claimed by Sui Southern Gas Company Limited (SSGCL) on gas bills have not been accounted for in the financial statements since 2009 but adequate provision has been made in this regard. TEL along with other power generation companies filed a suit in the High Court of Sindh (single bench) against this claim as they were contesting that all the companies were IPPs.

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

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

	Note	2022 --- (Rupees in '000') ---	2021
19.4 Workers' Profits Participation Fund			
Opening balance		48,778	-
Transferred on amalgamation		85,427	-
Allocation for the year	27	270,617	48,778
Interest on funds utilised in the Company's business	19.4.1	4,621	-
		409,443	48,778
Payments made to the fund		(378,826)	-
Closing balance		30,617	48,778

19.4.1 Interest on funds utilised is charged at the rate of 9.50% (2021: nil) per annum.

20. INTEREST / MARK UP ACCRUED ON BORROWINGS

Long term finance		91,969	7,984
Short term borrowings		142,005	28,395
		233,974	36,379

21. SHORT TERM BORROWINGS From banking companies - secured

Running / cash finances	21.1	3,425,901	1,433,699
Finance against import	21.2	2,981,582	895,178
Finance against export	21.3	164,800	-
	21.4	6,572,283	2,328,877

21.1 These are subject to mark-up at the rate of 1 - 3 months KIBOR plus spread ranging between 0.75% to 1.5% (2021: 1 - 3 months KIBOR plus spread ranging between 0.5% to 2%) per annum. These facilities are secured against pledge of stock and pari passu charge over current assets and operating assets.

21.2 These facilities are secured against pledge of imported cotton, stock and trust receipts. These facilities are subject to markup at the rate of 1 - 6 KIBOR plus spread ranging between 0.75% to 1.5% (2021: mark-up at the rate of 1 - 6 month's KIBOR plus spread ranging between 0.5 to 1.5%) per annum.

21.3 These are subject to mark-up at the rate of 1-3 months 2% to 2.5% inclusive of LIBOR mark-up rate (2021: nil). These facilities were secured against pari passu hypothecation charge over stocks and book debts of the Company including 25% margin.

21.4 Total facilities available from various commercial banks amounts to Rs. 20,590 million (2021: Rs. 4,275 million) out of which the aggregate unavailed short term facilities amounted to Rs. 14,420 million (2021: Rs. 1,946 million).

21.5 Reconciliation of liabilities arising from short term financing activities

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

	July 01, 2021	Transferred on amalgamation	Obtained during the year	Repaid during the year	June 30, 2022
	(Rupees in '000')				
Running / cash finances	1,433,699	1,656,351	37,209,649	(36,873,798)	3,425,901
Finance against import	895,178	1,745,860	11,951,141	(11,610,597)	2,981,582
Finance against export	-	-	164,800	-	164,800
	2,328,877	3,402,211	49,325,590	(48,484,395)	6,572,283

22. CONTINGENCIES AND COMMITMENTS

22.1 Contingencies

There are no contingencies to report as at June 30, 2022.

22.2 Commitments

	Note	2022 ---- (Rupees in '000') ----	2021 ----
(i) Civil works		69,715	7,535
(ii) Letters of credits against:			
Plant and machinery		884,816	110,019
Stores and spares		166,537	26,517
Raw material		916,846	245,423
		1,968,199	381,959
(iii) Bank guarantees issued on behalf of the Company	22.2.1	827,503	241,543
(iv) Bills discounted:			
Export		215,775	49,372
Local		558,182	118,782
		773,957	168,154
(v) Outstanding sales contract		1,986,871	1,261,102

22.2.1 This includes bank guarantee related to Sindh development infrastructure cess amounting to Rs. 548.10 million (2021: Rs. 107.20 million).

23. REVENUE FROM CONTRACT WITH CUSTOMERS - NET

Export Sales

Yarn	2,162,698	364,729
Yarn (Indirect exports)	23,191,469	5,447,016
By-product	40,938	43,268
	25,395,105	5,855,013

Local Sales

Yarn	13,422,722	3,803,337
Raw material	52,475	189,420
By-product	1,682,112	540,764
Stores and spares	49	-
	15,157,358	4,533,521
Sales tax	(5,438,878)	(1,426,458)
	35,113,585	8,962,076

		2022	2021
	Note	--- (Rupees in '000') ---	
23.1	Following are the details of sales jurisdiction-wise:		
Asia		35,063,846	8,924,472
Europe		49,739	34,374
Australia		-	3,230
		35,113,585	8,962,076
24. COST OF GOODS SOLD			
Cost of goods manufactured	24.1	28,155,574	6,924,454
Finished goods (including waste):			
Opening balance		255,858	578,545
Transferred on amalgamation		731,483	-
Purchases - net		-	43,725
Closing balance		(2,118,776)	(255,858)
		(1,131,435)	366,412
Cost of goods sold		27,024,139	7,290,866
Cost of raw material sold		35,996	165,610
		27,060,135	7,456,476
24.1 Cost of goods manufactured			
Raw material consumed	24.1.1	23,022,447	5,435,374
Stores and spares consumed		555,977	129,595
Packing material consumed		305,346	92,563
Power and fuel		1,927,065	566,102
Salaries, wages and benefits	24.1.2	1,453,748	406,454
Depreciation	5.1.1	698,251	226,478
Amortisation	6.1	2,623	1,224
Insurance		58,991	11,605
Repairs and maintenance		44,607	5,472
Ijarah rentals		-	32,760
Other overheads		139,253	6,044
Sales tax refundable written off		-	21,119
		28,208,308	6,934,790
Work in process:			
Opening balance		88,494	78,158
Transferred on amalgamation		127,332	-
Closing balance	8	(268,560)	(88,494)
		(52,734)	(10,336)
		28,155,574	6,924,454
24.1.1 Raw material consumed during the year			
Opening balance		1,543,228	1,446,104
Transferred on amalgamation		3,295,234	-
Purchases - net		25,924,787	5,532,498
		30,763,249	6,978,602
Closing balance	8	(7,740,802)	(1,543,228)
		23,022,447	5,435,374

24.1.2 Salaries, wages and benefits include Rs. 86.29 million (2021: Rs. 28.65 million) in respect of staff retirement obligations.

		2022	2021
		----- (Rupees in '000') -----	
25. DISTRIBUTION COST	Note		
Brokerage and commission		166,460	33,029
Staff salaries and benefits	25.1	31,338	12,688
Inland freight on export		5,339	1,930
Export development surcharge		5,348	1,009
Miscellaneous export expenses		3,525	1,999
Ocean freight		49,754	3,980
Local freight and handling		97,399	20,767
Wharfage		3,401	801
Forwarding charges		860	425
Postage and telegram		720	1,441
Bank charges		8,304	2,229
Others		22,160	2,317
		394,608	82,615

25.1 Staff salaries and benefits include Rs. 0.93 million (2021: Rs. 0.60 million) in respect of staff retirement obligations.

		2022	2021
		----- (Rupees in '000') -----	
26. ADMINISTRATIVE EXPENSES	Note		
Staff salaries and benefits	26.1	373,151	93,005
Director's remuneration		28,600	13,000
Director's meeting fee		8,700	2,640
Rent, rates and taxes		15,029	4,192
Travelling and conveyance		9,719	1,162
Legal and professional		26,538	12,902
Fees and subscription		22,336	15,805
Depreciation	5.1.1	25,878	8,007
Amortisation	6.1	425	379
Vehicles running		7,968	2,315
Repairs and maintenance		14,145	7,629
Printing and stationery		4,692	2,137
Postage and telephone		3,131	2,123
Utilities		13,851	3,014
Insurance		3,000	457
Advertisement		287	943
Auditors' remuneration	26.2	3,560	970
Donations	26.3 & 26.4	50,560	15,845
Others		4,342	1,445
		615,912	187,970

26.1 Staff salaries and benefits include Rs. 20.74 million (2021: Rs. 5.67 million) in respect of staff retirement obligations.

	2022	2021
	----- (Rupees in '000') -----	
26.2 Auditors' remuneration		
Statutory audit fee	1,900	840
Half yearly review	375	100
Special purpose audit fee	810	-
Fee for review of:		
Statement of compliance of code of corporate governance	125	30
Certification and other services	100	-
Out of pocket expenses	250	-
	3,560	970

26.3 Donation charged in these financial statements is paid to The Indus Hospital Rs. 13 million, The Patients Behbud Society for AKUH Rs. 10 million, The Citizens Foundation Rs. 11.20 million, Development in Literacy Rs. 3.20 million, Chiniot Sheikh Society Rs. 2.35 million, Islamia Hospital Chiniot Rs.1.9 million, Baitul Sukoon Rs.1.6 million Progressive Education Network Rs. 1 million, Friends of Pink Ribbon (Women's Empowerment Group) Rs. 1 million, Memon Medical Institute Hospital Rs. 1 million, and Sina Welfare Rs. 1 million.

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

	Note	2022	2021
		----- (Rupees in '000') -----	
27. OTHER OPERATING EXPENSES			
Workers' profit participation fund		270,617	48,778
Workers' welfare fund		102,636	18,535
Unrealised loss on revaluation of other financial assets		371,405	10,058
Loss / write off operating fixed assets		-	4,248
Realised foreign exchange loss		296,590	-
Loss from agriculture farm		91	-
Loss on disposal of property, plant and equipment		5,299	-
		1,046,638	81,619

28. IMPAIRMENT LOSS ON FINANCIAL ASSETS

Impairment loss on trade debts

9.4 - 1,350

29. FINANCE COST

Interest / mark up on:

Long term finances
Short term borrowings
Workers' profit participation fund

245,632	29,226
862,136	205,464
4,621	-
1,112,389	234,690

Letters of credit discounting charges
Bank guarantee commission
Bank charges

42,815	10,302
5,661	2,211
18,224	5,837
1,179,089	253,040

30. OTHER INCOME

Profit on term deposit receipts
Profit on saving accounts
Income from agriculture far
Realised foreign exchange gain
Realised gain on forward contracts
Dividend income
License income from associated company
Realised gain on investment
Others

9,111	1,377
944	502
-	149
-	6,715
39,334	-
160,645	-
1,424	-
507	-
-	449
211,965	9,192

		2022	2021
		---- (Rupees in '000') ----	
31. TAXATION			
Current for the year		496,006	106,679
prior year		3,128	(5,467)
		499,134	101,212
		86,742	(16,644)
Deferred		585,876	84,568
31.1 Relationship between tax expense and accounting profit			
Profit before taxation		5,029,168	908,198
Tax at applicable rate of 29% (2021: 29%)		1,458,459	263,377
Impact of adjustment of prior period minimum tax		(470,389)	-
Tax effect of income under minimum tax regime		-	(58,309)
Tax effect of permanent differences		(107,707)	(2,917)
Tax effect of final tax regime		(204,362)	(48,370)
Tax effect on dividend and mutual Fund		(24,097)	-
Effect on super tax		261,334	-
Others		(327,362)	(69,213)
		585,876	84,568
31.2	Management has a practice of recording tax expense based on the generally accepted interpretation of tax laws and accordingly sufficient provision in respect of taxation for last three years has been provided in these financial statements.		
32. EARNINGS PER SHARE - BASIC AND DILUTED			
There is no dilutive effect on the basic earnings per share of the Company which is based on :			
Profit for the year	Rupees in '000'	4,443,292	823,630
Weighted average number of ordinary shares outstanding during the year	Shares in '000'	55,994	17,325
Earnings per share	Rupees	79.35	47.54
	Note	2022	2021
		--- (Rupees in '000') ---	
33. CASH AND CASH EQUIVALENTS			
Cash and bank balances	12	274,927	1,250,879
Running / cash finances	21.1	(3,425,901)	(1,433,699)
		(3,150,974)	(182,820)

34. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	2022			2021	
	Chief Executive	Director	Executives	Chief Executive	Executives
	----- (Rupees in '000') -----				
Managerial remuneration	17,400	11,200	92,184	15,640	80,597
Performance bonus / Ex-gratia	3,970	2,493	13,537	1,000	5,548
Retirement benefits	751	484	19,610	1,100	7,557
Utilities	434	-	13,127	527	-
	22,555	14,177	138,458	18,267	93,702
	----- (Number) -----				
Number of persons	1	1	17	1	21

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

34.2 An amount of Rs. 8.70 million (2021: Rs 2.64 million) has been charged in these financial statements in respect of fee paid to Directors for attending the board and its committee meetings.

35. PLANT CAPACITY AND ACTUAL PRODUCTION

	2022	2021
Number of spindles installed	127,092	44,400
Number of spindles worked	125,115	44,397
Number of shifts per day	3	3
Installed capacity after conversion into 20/s count-kgs (Number in '000')	46,773	16,732
Actual production of yarn after conversion into 20/s count-kgs (Number in '000')	45,861	16,109

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

36. NUMBER OF EMPLOYEES

	2022	2021
Average during the year	3,306	1,138
At the end of the year	3,203	1,135

37. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated undertakings, directors, key management personnel and their relatives. The Company carries out transactions with various related parties at agreed rates. Details of related parties (with whom the Company has transacted along with relationship and transactions with related parties, other than those which have been disclosed elsewhere in these financial statements, are as follows:

37.1 Name and nature of relationship**Associated Companies due to common directorship:**

- Tata Best Foods Ltd.
- Textile Institute of Pakistan

Relationship with the party Nature of transactions

2022 **2021**
--- (Rupees in '000') ---

Associated undertaking	Purchase of yarn	-	43,725
	Purchase of store	-	716
	Sale of cotton	-	129,508
	License income from associated company	1,424	-
	Donation to Textile Institute of Pakistan	-	6,525
Directors	Rent expense:		
	- godown	2,400	240
	- office premises	15,000	4,090
	Dividend paid	314,574	-
Staff retirement funds	Expense charged to Provident Fund	13,291	-

38. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES**38.1 Financial instrument by category****Financial assets as per statement of financial position**

2022 **2021**
--- (Rupees in '000') ---

At amortised cost:

Long term deposits	4,596	3,188
Trade debts	4,239,865	862,345
Other financial assets	287,446	19,670
Loans to employees	18,868	10,099
Other receivables	71,910	-
Cash and bank balances	274,927	1,250,879
	4,897,612	2,146,181

At fair value:

Investment in listed securities	1,624,455	244,400
	6,522,067	2,390,581

Financial liabilities as per statement of financial position**At amortised cost:**

Long term finance (Inclusive of current portion)	4,119,884	668,308
Trade and other payables	2,299,932	355,674
Unclaimed dividend	14,404	4,463
Interest / markup accrued on borrowings	233,974	36,379
Short term borrowings	6,572,283	2,328,877
	13,240,477	3,393,701

38.2 Financial risk management**38.2.1 Financial risk factors****Introduction and overview**

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

- market risk
- credit risk
- liquidity risk

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

Financial risk factors and risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's financial risk management. The responsibility includes developing and monitoring the Company's risk management policies. To assist the Board in discharging its oversight responsibility, management has been made responsible for identifying, monitoring and managing the Company's financial risk exposures. The Company's exposure to the risks associated with the financial instruments and the risk management policies and procedures are summarised as follows:

38.2.2 Market risk

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

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

(a) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly where receivables and payables exist due to transactions entered in foreign currencies. The Company is exposed to foreign currency risk on sales, purchases and borrowings, which, are entered in a currency other than Pak Rupees. As at reporting date, the financial assets and liabilities exposed to currency risk are as follows:

	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
	USD in '000'		PKR in '000'	
Trade debts	136	-	27,978	-
Foreign currency bank balances	11	25	2,299	3,978
Foreign bills payable	(3,478)	(244)	(716,478)	(38,769)

The following significant exchange rates applied during the year:

	Average rates		Reporting date rates	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
US Dollars to PKR	177.95	158.30	206	158.65

As at June 30, 2022, if the Pakistani Rupee had weakened / strengthened by 10% against the US Dollars with all variables held constant, profit or loss for the year would have been lower / higher by Rs. 68.62 million (2021: Rs. 3.48 million). This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis as in previous year.

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's interest rate risk arises from bank deposit accounts, long term finance, term deposit receipts and short term borrowings amounting to Rs. 10,539 million (financial liabilities on a net basis) (2021: Rs. 1,707 million). These are benchmarked to variable rates which exposes the Company to cash flow interest rate risk only.

Variable rate instruments	Carrying amount	
	2022	2021
	----- (Rupees in '000') -----	
Financial assets:		
Saving accounts with banks	3,756	1,174,990
Financial liabilities:		
Long term finance	3,970,654	553,441
Short term borrowings	6,572,283	2,328,877
	(10,542,937)	(2,882,318)
Net financial liabilities at variable interest rates	(10,539,181)	(1,707,328)

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the year end would have increased or decreased the profit for the year and shareholder's equity by Rs. 105.39 million (2021: Rs. 17.07 million). This analysis assumes that all other variables remain constant. The analysis is performed on the same basis as for 2021.

Fixed rate instruments	2022		2021	
	----- (Rupees in '000') -----			
Financial assets:				
Term deposit receipts	287,446		19,670	
Financial liabilities:				
SBP - Refinance scheme for salary payments	(149,230)		(114,867)	
	138,216		(95,197)	

(c) Equity price risk

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

A reasonably possible change of 5% increase or decrease in fair values at the reporting date would have increased / decreased the income statement by Rs. 0 million (2021: Rs. 12 million) and consequently financial instruments would be affected by the same amount. The analysis assumes that all other variables remain constant.

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

38.2.3 Credit risk and concentration of credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. The Company does not have any significant exposure to customers from any single country or single customer.

Credit risk of the Company arises principally from due from employees, long term deposits, trade debts, loans and advances, other receivables, other financial assets and bank balances. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

	2022	2021
	----- (Rupees in '000') -----	
Due from employees	18,868	10,099
Long term deposits	4,596	3,188
Trade debts	4,239,865	862,345
Loans and advances	803,589	203,467
Other receivables	71,910	-
Other financial assets	1,911,901	264,070
Bank balances	274,927	1,250,879
	7,325,656	2,594,048

The credit risk on liquid funds (cash and bank balances) is limited because the counter parties are banks with a reasonably high credit rating.

Name of bank

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

Credit risk related to receivables

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

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

The Company always measures the provision for doubtful debts for trade debts at an amount equal to lifetime ECL using the simplified approach. The expected credit losses on local trade debts are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Company has recognised a loss allowance of Rs. 3.65 million (2021: Rs. 1.52 million) against all local trade debts.

Credit risk related to other assets

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

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

38.2.4 Liquidity risk

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

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts. 76% of the Company's debt will mature in less than one year at June 30, 2022 (2021: 82%) based on the carrying value of borrowings reflected in the financial statements.

Liquidity and interest risk table

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

June 30, 2022	Average Interest rate	Less than 1 month	1 - 3 months	3 months - 1 years	1 - 5 years	More than 5 years	Total
		----- (Rupees in '000') -----					
	3 and 6 month KIBOR plus 1.5% to 1.75%, SBP rate plus bank spread i.e. (1.5% to 2%) and fixed rate from 1.5 % to 2%						
Long term financing including current portion		768,454	78,493	707,554	2,122,114	443,269	4,119,884
Trade and other payables	N/A	255,862	2,044,070	-	-	-	2,299,932
Unclaimed dividend	N/A	14,404	-	-	-	-	14,404
Interest / mark up accrued on loans	N/A	91,969	142,005	-	-	-	233,974
<u>Short-term borrowings</u>							
	One to three months KIBOR plus 0.75% to 1.0%						
Running finance / cash finance		-	3,425,901	-	-	-	3,425,901
	Six months KIBOR plus 0.75% to 1%						
Finance against import / export		-	3,146,382	-	-	-	3,146,382
		1,130,689	8,836,851	707,554	2,122,114	443,269	13,240,477
June 30, 2021	Average Interest rate	Less than 1 month	1 - 3 months	3 months - 1 years	1 - 5 years	More than 5 years	Total
		----- (Rupees in '000') -----					
	3 and 6 month KIBOR plus 1.5% to 1.75%, SBP rate plus bank spread i.e. (1.5% to 2%) & fixed rate from 1.5 % to 2%						
Long term financing including current portion		16,661	7,595	136,388	427,075	80,589	668,308
Trade and other payables	N/A	61,233	298,255	-	-	-	359,488
Unclaimed dividend	N/A	4,483	-	-	-	-	4,483
Interest / mark up accrued on loans	N/A	28,395	7,984	-	-	-	36,379
<u>Short-term borrowings</u>							
	One to three months KIBOR plus 0.50% to 2.0%						
Running finance / cash finance		-	1,433,699	-	-	-	1,433,699
	Six months KIBOR plus 0.5% to 1.75%						
Finance against imports / export		-	895,178	-	-	-	895,178
		110,772	2,642,711	136,388	427,075	80,589	3,397,535

39. OPERATIONAL RISK

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

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

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

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

40. FAIR VALUE MEASUREMENT

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 and measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

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

Fair value hierarchy

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

The Company holds investment in listed securities classified as fair value through profit or loss and the fair value of such investments is based on quoted market prices as at June 30, 2022.

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

As at June 30, 2022, the Company holds investment in listed securities classified as fair value through profit or loss and the fair value of such investments is based on quoted market prices.

The Company's freehold land, buildings on freehold land, leasehold land, buildings on leasehold land, plant, machinery and electric installations are stated at revalued amounts, being the fair value at the date of revaluation, less any subsequent depreciation and subsequent accumulated impairment losses, if any. The fair value measurements of the Company's freehold land, building and plant and machinery as at June 30, 2022 were performed by M/s Iqbal A. Nanjee & Company (Private) Limited (valuer), independent valuer not related to the Company. The valuer is listed on panel of

Pakistan Banks Association and they have appropriate qualification and experience in the fair value measurement of properties, plant and machinery. The fair values of the freehold land and leasehold land were determined by ascertaining the current market values of similar land, which are being sold in the near surroundings. The fair value of the buildings on freehold land and leasehold land was determined by carrying out the physical inspection of building with actual measurement and have worked out covered area of each building occupation wise with specification of civil works. The fair value of the plant, machinery and electric installations was determined by comparing the values of similar plants from various machinery dealers. In estimating the fair value of the assets, the highest and best use of the premises is its current use.

Details of Company's assets and liabilities measured at fair value and information about the fair value hierarchy as at end of June, 30 2022 and June 30, 2021 are as follows:

	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000') -----			
Non- financial assets measured at fair value:				
Freehold land	-	-	959,087	959,087
Buildings on free hold	-	-	934,933	934,933
Leasehold land	-	-	3,336,550	3,336,550
Building on leasehold	-	-	2,699,286	2,699,286
Plant and machinery and electric installations	-	-	10,853,206	10,853,206
June 30, 2022	-	-	18,783,062	18,783,062

Financial assets measured at fair value:

Investment in listed	1,624,455	-	-	1,624,455
June 30, 2022	1,624,455	-	-	1,624,455

Level 1	Level 2	Level 3	Total
----- (Rupees in '000') -----			

For comparative year

Non- financial assets measured at fair value:

Freehold land	-	-	317,400	317,400
Buildings on free hold	-	-	857,101	857,101
Plant and machinery	-	-	3,202,612	3,202,612
Electric installations	-	-	68,667	68,667
June 30, 2021	-	-	4,445,780	4,445,780

Financial assets measured at fair value:

Investment in listed	244,400	-	-	244,400
June 30, 2021	244,400	-	-	244,400

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

41. CAPITAL RISK MANAGEMENT

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

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

The gearing ratio at June 30, 2022 and June 30, 2021 were as follows:

	June, 30 2022 ---- (Rupees in '000') ----	June, 30 2021 ---- (Rupees in '000') ----
Total debts	10,692,167	2,997,185
Cash and bank balances	(274,927)	(1,250,879)
Net debt	10,417,240	1,746,306
Total equity	21,566,520	4,978,979
Adjusted capital	31,983,760	6,725,285
	----- (%) -----	
Gearing ratio	33%	26%

42. CORRESPONDING FIGURES

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

43. EVENT AFTER REPORTING DATE

The Board of Directors proposed a final dividend for the year ended June 30, 2022 of Rs. 5 per share (2021 Rs. Nil) amounting to Rs. 279.97 million (2021 Rs. Nil)

44. DATE OF AUTHORISATION FOR ISSUE

These financial statements have been approved by the board of directors of the Company and authorised for issue on August 26, 2022.

45. GENERAL

Figures have been rounded off to the nearest Rupee in thousand.



SHAHID ANWAR TATA
CHIEF EXECUTIVE



MUHAMMAD ZAID KALIYA
CHIEF FINANCIAL OFFICER



ADEEL SHAHID TATA
DIRECTOR

چیرمین کا جائزہ

بورڈ آف ڈائریکٹرز کی جانب سے میں 30 جون 2022ء کو ختم ہونے والے سال کیلئے کمپنی کے سالانہ مالیاتی نتائج پیش کرتے ہوئے مسرت محسوس کر رہا ہوں۔ اللہ تعالیٰ کے فضل و کرم سے، زیر جائزہ سال کے دوران کمپنی کی کارکردگی تسلی بخش رہی ہے۔ سب سے خاص بات یہ تھی کہ سندھ ہائی کورٹ نے اپنے آرڈر نمبر JCM نمبر 13/2020 مورخہ 2 مارچ 2021ء کے ذریعے انتظامات کی مجوزہ اسکیم کو منظور کرنے پر خوشی کا اظہار کیا اور 17 مارچ 2021ء کو گروپ کمپنیوں جن میں سلفی ٹیکسٹائل ملز لمیٹڈ، آئی لینڈ ٹیکسٹائل ملز لمیٹڈ اور ٹاٹا انرجی لمیٹڈ کا ٹاٹا ٹیکسٹائل ملز لمیٹڈ میں انضمام کے لئے ایک ضمیر کا حکم جاری کیا جو کہ مورخہ یکم جولائی 2021ء سے لاگو ہے۔

دوسری بات یہ ہے کہ کمپنی نے کورونا وبا کے باعث درپیش چیلنجز پر قابو پایا اور یارن کی بڑھتی ہوئی مانگ کا زیادہ تر ملکی ڈاون اسٹریم ٹیکسٹائل انڈسٹری سے فائدہ اٹھایا اور ملز کی پیداوار کو زیادہ سے زیادہ کرتے ہوئے مجموعی پیداوار کو بہتر بنایا۔ صارفین کو براہ راست فروخت کرنے اور کسٹمر بینک بنانے سے فروخت اور مارکیٹنگ میں کارکردگی بھی حاصل کی گئی۔

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

اس سلسلے میں وفاقی اور صوبائی حکومتوں کی عملی پالیسیاں قابل تعریف ہیں۔

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

مستقبل کا منظر نامہ:

کمپنی کے منافع میں بہتری متوقع ہے کیونکہ قرض لینے کے اخراجات میں متوقع کمی کی وجہ سے کمپنی کی توجہ کاٹن کی مقامی خریداری، خام مال کی حامل مدت میں کمی، کم شرح سود اور نسبتاً مستحکم شرح تبادلہ کی طرف ہے۔ مزید برآں کمپنی نے توانائی کی استعداد کار اور ٹریڈری مینجمنٹ کو بہتر بنانے کے لیے کئی منصوبے شروع کیے ہیں۔

بورڈ کی کارکردگی اور تاخیر:

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

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



مظہر والچی

چیرمین

کراچی

مورخہ 26 اگست 2022ء

کارپوریٹ سوشل ذمہ داری:

کمپنی کو معاشرے کے حصہ کے طور پر اپنی ذمہ داری کا احساس ہے اور لوگوں کے معاشی حالات کو بہتر بنانے، ہمارے اقدامات اور دوستانہ پالیسیوں کے ذریعے ماحول کی حفاظت اور عام طور پر انسانیت کی بھلائی میں حصہ ڈال کر مختلف شعبوں میں شراکت کرنے کی کوشش کرتی ہے۔ اسی تناظر میں کمپنی نے تعلیم کے حصول کے خلاف رکاوٹوں کو توڑنے اور اس قوم کے مستقبل کی تعمیر کیلئے مدد کرنے کیلئے مستقل عزم کا اظہار کیا ہے۔ ہمارے ہدف میں ایک ہدف یہ بھی ہے کہ تمام ملازمین کو ان کی ادائیگی کی اہلیت سے قطع نظر بغیر کسی امتیاز کے، صحت کی دیکھ بھال کو قابل رسائی بنا کر معیاری صحت کا نظام مرتب کریں۔ مذکورہ بالا کے علاوہ کمپنی تعلیم اور کھیلوں، ہیلتھ کیئر سروسز اور جنرل فنانشل ایڈ کے شعبوں میں متعدد غیر خدمات انجام دے رہی ہے اور مستقل طور پر مصروف عمل ہے۔

دوران جائزہ سال کمپنی نے صحت کی مدد میں 31.22 ملین روپے، تعلیم میں 14.20 روپے اور سوسائٹی ویلفیئر میں 4.50 ملین روپے کی شراکت داری کی۔

مالیاتی ڈیٹا اور گرافس:

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

کارپوریٹ گورننس کے معاملات:

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

چیئرمین کا جائزہ:

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

مستقبل کی حکمت عملی:

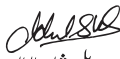
پاکستان، جنوبی ایشیا کے خطے میں ایک ابھرتی ہوئی مارکیٹ کی معیشت کو ترقی یافتہ دنیا کے سامنے آنے والے چیلنجوں کے علاوہ مقامی چیلنجز بھی درپیش ہیں۔ دوہرے ہند سے کی مہنگائی کے درمیان، ملک کو سیاسی عدم استحکام، غیر ملکی ذخائر میں کمی، مقامی کرنسی کی قدر میں کمی، کم FDI، بچت اور سرمایہ کاری اور خسارے کے وسیع ہونے کی صورت میں بہت سے مسائل درپیش ہیں۔ آئندہ سال نہ صرف کمپنی بلکہ پاکستان کی معیشت کے لیے بھی ایک چیلنجنگ سال ہے۔

انتظامیہ نے اس چیلنج کے لیے کمر کس لی ہے اور انشاء اللہ بجٹ والے نمبر حاصل کرنے میں کامیاب ہوں گے۔ اگلے سال کے اقدامات میں اوریکل فیوژن (کلاؤڈ) کا نفاذ شامل ہے جو کمپنی کے عمل میں کارکردگی اور تاثیر لائے گا۔

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 مینکوز 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۔

بورڈ آف ڈائریکٹرز کی جانب سے



عدیل شاہد ثاٹا
ڈائریکٹر



شاہد انوار ثاٹا
چیف ایگزیکٹو

کراچی

مورخہ 26 اگست 2022ء

اس سلسلے میں، ہم نے نئے ایمپلائی آن بورڈنگ پروگرام کے ایک اہم جزو کے طور پر سی ای او اور سیشن متعارف کرایا ہے۔ افتتاحی سیشن میں، ٹاٹا ٹیکسٹائل ملز کے تمام یونٹس اور ہیڈ آفس کی نئی شمولیتوں نے سی ای او کے ساتھ دوطرفہ بات چیت کو فروغ دینے کے لیے ایک انٹرا ایکٹو سیشن میں حصہ لیا۔ سیشن کو تمام شرکاء کی طرف سے پذیرائی ملی جبکہ ہیڈ آف ڈیپارٹمنٹس نے تبصرہ کیا کہ وہ مستقبل میں ایسے سیشنز کے منتظر ہیں۔

انتظامی کارکردگی:

ٹاٹا ٹیکسٹائل ملز میں پرفارمنس مینجمنٹ سسٹم (PMS) ایک اسٹریٹجک مینجمنٹ پرفارمنس میٹرک ہے جس میں فنکشنل اور رویے کے پہلوؤں میں مقاصد کا احاطہ کیا گیا ہے۔ ہمارے اسٹریٹجک مقاصد مالیات، اندرونی عمل، صارفین، اور سیکھنے اور ترقی کے گرد گھومتے ہیں جو خارجی نتائج کی مدد کے لیے داخلی کارروائیوں کی شناخت اور انہیں بہتر بنانے میں مدد کرتے ہیں۔ PMS ڈیٹا کی پیمائش کرتا ہے اور ہمیں مستقبل میں بہتر فیصلے کرنے کے بارے میں تاثرات فراہم کرتا ہے۔

ہماری کارکردگی کے انتظامی عمل کا بنیادی مقصد تنظیمی مقاصد کے مطابق ملازم کے انفرادی مقاصد کے حصول کے ذریعے انفرادی صلاحیت میں اضافہ کرنا ہے۔ کارکردگی کے انتظام کے سب سے اہم مقاصد کارکردگی کے معیارات مرتب کرنا ہیں۔ کارکردگی کے صحیح معیارات کو ترتیب دینے سے کارکردگی کا بہتر منصوبہ بنانے میں مدد ملتی ہے اور اس کے بدلے ملازم کی کارکردگی کا ہموار جائزہ لیتا ہے۔ یہ مینیجرز کے تعاون کے تحت ملازمین کی مہارتوں اور ذاتی ترقی کی طرف گامزن ہے جو مینیجرز کو ملازمین کے ساتھ کارکردگی کے مسائل پر بات کرنے پر مجبور کرتا ہے۔ یہ عمل ٹارگٹڈ سٹاف کی ترقی کو یقینی بناتا ہے۔ تمام ملازمین ترقی پر ہیں۔ یہ عمل ملازمین کو ترقی کی اجازت دیتا ہے۔ ایمپلائی اسٹرکچر ویلیو، ڈویلپمنٹ اور ترقیاتی منصوبوں کی حوصلہ افزائی کو اہمیت دیتا ہے۔

صنعتی تعلقات:

ہم اپنے ملازمین کو اپنا قیمتی اثاثہ تسلیم کرتے ہیں اور کیڈر، پوزیشن، مقام، یا کسی دوسرے عنصر کی بنیاد پر امتیازی سلوک نہیں کرتے۔ حکومتی نوٹیفیکیشن کے مطابق کم از کم اجرت میں نظر ثانی کے لیے ہم اپنے نان مینجمنٹ/ورکرز کیلنگرینز کی فلاح و بہبود کا مسلسل جائزہ لیتے ہیں اور ان کے کام کے حالات، تنخواہ، مراعات وغیرہ کا بھی جائزہ لیتے رہتے ہیں۔ ٹاٹا انتظامیہ نے نوٹیفیکیشن کی تعمیل کی ہے اور اس کے مطابق اپنے ورکرز کی کم از کم اجرت میں نظر ثانی کرتے ہوئے ان کی تنخواہ مبلغ/25,000 روپے کر دی ہے جو کہ سندھ میں کم جون 2022 سے اور پنجاب میں کم جولائی 2022 سے لاگو ہوں گے۔ مزید برآں، انتظامیہ نے ورکرز کے مختلف فوائد جیسا کہ ملازمین سبسڈی، چیمبر وٹنڈ فیمن کے اخراجات، گریجویٹ، تعلیمی پالیسی وغیرہ پر بھی نظر ثانی کی ہے۔ ہم نے اپنے نان مینجمنٹ/ورکرز کیلنگرینز کے لیے کامیاب کارکن کے نام سے سافٹ سکلور ٹینگ پروگرام بھی متعارف کرائے ہیں۔

طویل خدمات کے سلسلے میں ایوارڈز:

طویل خدمت کے ایوارڈز ان ملازمین کی عقیدت اور وفاداری کو پہچاننے اور انعام دینے کیلئے فراہم کئے جاتے ہیں جن کا کمپنی کے ساتھ طویل عرصہ ہوتا ہے۔ مالیاتی سال 2021-22 میں 64 ملازمین کو اس ایوارڈ سے نوازا گیا۔

صحت حفاظت اور ماحول:

کمپنی پائیداری پر اپنے اسٹریٹجک نقطہ نظر کے ایک حصہ کے طور پر اور سپلائی چین کے مستقل رکن کے طور پر اپنے صارفین کے ترجیحی پارٹنر بننے کیلئے Aitex، گلوبل آرکینک ٹیکسٹائل اسٹینڈرڈ (GOTS)، آگینک کوٹینٹ اسٹینڈرڈ (OCS)، گلوبل ریباٹیکل اسٹینڈرڈ (GRS) اور ریباٹیکل کلیم اسٹینڈرڈ (RCS) سے Oeko Tex پر بین الاقوامی سرٹیفیکیشن بھر قرار رکھے ہوئے ہیں۔

کمپنی مختلف بین الاقوامی فورمز اور پائیداری جیسے بین الاقوامی کاٹن ایسوسی ایشن، یو ایس کاٹن ٹرسٹ پروڈکول، افریقہ میں بنی کاٹن، بیٹر کاٹن انیشیٹیو اور BEPI-AMFORI کی بھی رکن ہے۔ ان معیارات کے لیے کوالٹی مینجمنٹ سسٹم، حفظان صحت اور ماحولیات اور سماجی تعمیل کی فعال دیکھ بھال/تعمیل کی ضرورت ہے۔

کمپنی اپنی انفرادی قوت، انفراسٹرکچر اور آپریشنز کو محفوظ رکھنے کی کوشش کرتی ہے۔ دوران سال، HSE میں ہونے والی تازہ ترین پیشرفت سے باخبر رہنے، قانونی تقاضوں کی تعمیل کو یقینی بنانے اور HSE کے چیلنجوں کا انتظام کرنے کے لیے مسلسل آگاہی سیشنز اور مشقیں کی گئی ہیں۔ اس کے علاوہ، مناسب سطح پر HSE کی کارکردگی کا جائزہ بھی لیا گیا ہے۔

کمپنی کو اس بات پر بھی فخر ہے کہ وہ دنیا کے مشہور برانڈز کی سپلائی چین جیسے Primark اور Inditex کا حصہ ہے۔ HSE پر ان تمام صارفین، فورمز اور سرٹیفیکیشن کی توجہ نے کمپنی کو سال 2022-23 کے لیے اپنے کارپوریٹ مقصد کے طور پر اپنے تمام دفاتر، مینوفیکچرنگ یونٹس اور مقامات پر ایک وسیع اور مستقل HSE کلچر اور سسٹمز کی طرف HSE کے اقدامات کو لے جانے اور پہلے قدم کے طور پر ایک انتہائی قابل اور معروف مینجمنٹ کنسلٹنگ فرم ASCENTIA کو شامل کرنے کے قابل بنایا ہے، جو ٹاٹا ٹیکسٹائل ملز کے تمام مقامات پر HSE Gap Analysis کرے گا اور ISO-45001 اور ISO-14001 پر مبنی HSE سسٹم کی ترقی کے ذریعے کمپنی کے کاروبار کی پائیدار ترقی اور کام کرنے کے لیے ٹاٹا ٹیکسٹائل ملز لمیٹڈ کو ایک محفوظ اور زیادہ محفوظ جگہ، کو ایکشن پلان کے ذریعے چلانے میں انتظامیہ کی مدد کرے گا۔

ہمارے لوگوں کا فلسفہ:

بطور ایک آرگنائزیشن، ٹائٹیکسٹائل ملز یہ سمجھتی ہے کہ لوگ اس کی اصل طاقت ہیں اور اس کی اہمیت کو پوری طرح سے سمجھتے ہیں۔ ہماری عوام کا فلسفہ ایک ایسی ثقافت کی تخلیق اور اسے برقرار رکھنے کے کٹر دھوڑا ہے جو لوگوں، کارکردگی اور اقدار پر مرکوز ہو۔ ہماری ثقافت کو اقدار کے ایک منفرد سیٹ سے تعاون حاصل ہے اور یہ سب ہمارے لوگوں ملک بھر میں 3500 سے زیادہ متنوع اور باصلاحیت افراد کی ایک بڑھتی ہوئی کمیونٹی سے شروع ہوتا ہے۔ لوگوں کو اپنی طرف متوجہ کرنے اور انہیں برقرار رکھنے اور ایک جامع ثقافت کو پروان چڑھانے کے لئے، ہم اپنے لوگوں کو بہترین طریقے سے کام کرنے کے قابل بنانا چاہتے ہیں۔ ہمارا مقصد ایک ایسی ثقافت کو فروغ دینا ہے جہاں ہر کسی کی عزت کی جائے، دیانتداری کی پیروی کی جائے، اور ٹیم ورک کے ساتھ کام کیا جائے۔ ٹائٹیکسٹائل ملز میں ہر فرد اہم ہے اور وہ اپنے کردار اور تقاضوں کو جانتا ہے کہ وہ تنظیم کی کامیابی میں اپنا حصہ ڈالنے کے ساتھ ساتھ لوگوں کی حکمت عملیوں کو تیار کرتا ہے جو ملازمین کو اپنی مکمل صلاحیتوں کو حاصل کرتے ہوئے تیز رفتاری سے ترقی اور ترقی کرنے کے قابل بناتا ہے۔

ٹیلنٹ کا حصول:

ٹائٹیکسٹائل ملز صحیح ملازمت کے لیے صحیح شخص کی خدمات حاصل کرنے میں پختہ یقین رکھتی ہے۔ تنظیم میں کسی بھی ملازمت کے لیے صحیح شخص وہ ہوگا جو نہ صرف مہارت اور اہلیت کے معیار پر پورا اترتا ہو جیسا کہ ملازمت کی تفصیل اور پوزیشن پروفائل میں بیان کیا گیا ہے بلکہ ایسا شخص بھی ہوگا جو تنظیم کے وژن اور اقدار پر یقین رکھتا ہو اور مثبت رویہ رکھتا ہو۔ کسی بھی عہدے کے لیے ایک مثالی امیدوار وہ بھی ہوگا جو طویل مدت میں تنظیم میں حصہ ڈالنے اور اپنے کردار کے لیے ذاتی احتساب کے لیے تیار ہو۔ تاہم، موجودہ مارکیٹ کی نقل و حرکت میں، ٹیلنٹ کا حصول کافی تعداد میں چیلنجز کے ساتھ آتا ہے۔ ہماری سرشار اور قابل ٹیلنٹ ایکویزیشن ٹیم ہمیشہ تمام ذرائع اور راستوں سے بہترین ٹیلنٹ حاصل کرنے کی کوشش کرتی ہے۔

ٹائٹیکسٹائل ملز نئے ٹیلنٹ کی حوصلہ افزائی کرتی ہے کہ وہ ہمارے ساتھ ایسے مواقع تلاش کریں جو ان کے کیریئر کو بہتر بناسکیں۔ سٹرکچرڈ لرننگ، ہینڈ آن پروڈیکشن، مسلسل فیڈ بیک، اور معاون ساتھیوں کے ذریعے، فلوچر لیڈرشپ پروگرام (FLP) فلیٹ فیلڈ پر بڑھنے اور اثر ڈالنے کا موقع فراہم کرتا ہے۔ FLP کو ہماری قوم کے نوجوان ٹیلنٹ کو کاروباری علم، تربیت اور بہترین رہنمائی دینے کے لیے ڈیزائن کیا گیا ہے۔ ٹائٹیکسٹائل ملز نے اپنے کاروبار کو ترقی پسند اور اختراعی ثقافت کی طرف لے جانے اور نوجوان باصلاحیت فرد کی تلاش کرنے کیلئے انسٹی ٹیوٹ آف بزنس مینجمنٹ، این ای ڈی یونیورسٹی، ٹیکسٹائل انسٹی ٹیوٹ آف پاکستان، بحریہ یونیورسٹی اور شہید ذوالفقار علی بھٹو انسٹی ٹیوٹ آف سائنس اینڈ ٹیکنالوجی کے جاب فیئرز میں شرکت کی۔

ہماری ٹیلنٹ ایکویزیشن ٹیم معروف ٹیکنیکل اور بزنس اسکولوں کے ساتھ مسلسل رابطے میں ہے اور بہترین ٹیلنٹ کو راغب کرنے کے لیے باقاعدگی سے جاب فیئرز میں شرکت کرتی ہے۔ ایک کامیاب FLP انجام دینے کے علاوہ ہم نے ہائرنگ میٹرکس اور چیئر ڈائریکٹری پروگرام بھی متعارف کرایا ہے جو بلیو اور وائٹ کالردونوں زمروں میں اہل اور متنوع افرادی قوت کا صحیح امتزاج فراہم کرتا ہے۔

لرننگ اینڈ ڈویلپمنٹ:

سال 2021-22 میں ٹائٹیکسٹائل ملز کے لرننگ اینڈ ڈویلپمنٹ (L&D) انٹر وینشن اور اپنٹس کو انجام دینے کے سلسلے میں کام کرنے کے طریقے میں تبدیلی دیکھی گئی۔ ہم نے ایسے بہت سے اقدامات کئے ہیں جو ٹائٹیکسٹائل ملز میں لوگوں کی ترقی اور بہترین نقطہ نظر کو حاصل کرنے میں مدد کریں گے کیونکہ یہ کسی بھی تنظیم کے لیے L&D سرگرمیوں کی ترقی اور کامیابی کے لیے ضروری سنگ بنیاد ہیں۔ درحقیقت تربیت کے ڈیزائن اور ڈیولپمنٹ کو انجام دینے کے لیے ایک وسیع لرننگ نیٹ ورک اینڈ لیسس ایکسپریس سائز کے ساتھ شروع کرتے ہوئے، جامع حکمت عملی تیار کی گئی اور اس پر عمل درآمد کیا گیا۔ دوران سال 1500 سے زائد گھنٹے کی ملازمتیں کو تربیت دی گئی ہے۔ منعقد کیے گئے سیشنز میں داخلی اور بیرونی لرننگ انٹر وینشن شامل تھے جن میں مختلف موضوعات کا احاطہ کیا گیا تھا۔ مالی سال کے دوران 60 سے زائد تربیتی سیشنز منعقد کیے گئے جن میں بہت سے تکنیکی اور مہارتی موضوعات شامل تھے۔ تربیتی سیشن کا مقصد ملازمین کو ان کی پوری صلاحیت کے مطابق کارکردگی کا مظاہرہ کرنے کیلئے ذہنی طور پر مہارت فراہم کرنا تھا۔

تنظیمی کارروائیوں کے بہت سے پہلوؤں کے لیے آڈیشن ضروری ہے اور تربیت بھی اس سے مستثنی نہیں ہے۔ اس سلسلے میں، ہم نے تربیت کے ریکارڈ رکھنے والے حصے کو مکمل طور پر خود کار کر دیا ہے اور اب نئے تیار کردہ L&D پورٹل پر تمام ریکارڈز کو اپ ڈیٹ کیا جا رہا ہے۔ اس اقدام کے نتیجے میں تربیتی ریکارڈ کی اطلاع دینے اور کاغذ کے بغیر کام کا ماحول بنانے کیلئے ڈیٹا اینالیٹکس ٹولز بشمول جامع ڈیش بورڈ فراہم کئے جائیں گے۔

امپلائی انگیجمنٹ:

ٹائٹیکسٹائل ملز امپلائی انگیجمنٹ لیڈرز پر یقین رکھتی ہے جو انگیجمنٹ کو بڑھانے کی طرف پہلا قدم ہے۔ بڑھتی ہوئی ضروریات اور جدید طرز کے ساتھ، کمپنی نے اپنی توجہ اپنے لوگوں کو شامل کرنے کے نئے طریقے تلاش کرنے پر مرکوز کر دی ہے۔ انگیجمنٹ منیجرز کا بنیادی کردار ملازمین کی انگیجمنٹ کی بحالہ و رکھتے ہوئے عمل کو انجام دینا ہے۔

ٹائٹیکسٹائل ملز میں مختلف اقدامات کے ذریعے، ہم ملازم کی عزت و احترام پر زور دیتے ہیں۔ یہ نقطہ نظر انفرادی قدر کے بارے میں ہے جو ہر شخص تنظیم میں لاتا ہے، کامیابی کو بلند آواز میں تسلیم کرتا ہے، شفافیت پر توجہ مرکوز کرنے کے لیے میرٹ کی ثقافت کو فروغ دیتا ہے۔

یہ ضروری ہے کہ ایک نئے جوائنر کا کمپنی میں خیر مقدم کیا جائے اور وہ عمل اور ثقافت سے جلد واقف ہو جائے۔ اور ٹیلنٹ پر یزیشن میں، تمام نئے ملازمین کو ٹائٹیکسٹائل ملز کی وراثت، اور قواعد، پالیسیوں، لوگوں، اور فنکشنل اور ثقافتی پہلوؤں کے بارے میں تمام اہم معلومات سے آگاہ کیا جاتا ہے۔

کمپنی کے نتائج:

تفصیلات	اختتامی سال 30 جون 2022ء (انضمام کے بعد) (روپے ہزاروں میں)	اختتامی سال 30 جون 2021ء (انضمام سے قبل) (روپے ہزاروں میں)
فروخت	35,114	8,962
فروخت کی قیمت	(27,060)	(7,456)
مجموعی منافع	8,054	1,506
ڈسٹری بیوٹن، ایڈمن و دیگر	(2,057)	(354)
مالیاتی قیمت	(1,179)	(253)
قبل از ٹیکس منافع	5,029	908
بعد از ٹیکس منافع	4,443	824
آمدنی فی شیئر	79.35	47.54

ٹیکسٹائل کمپنیوں کے انضمام کی وجہ سے مندرجہ بالا جدول کا موازنہ نہیں کیا جاسکتا۔

سرماہی کی ساخت:

30 جون 2022 کو (انضمام کے بعد) ٹوٹل ڈیبٹ ایکویٹی کا تناسب 47:53 تھا جس کا موازنہ 30 جون 2021 (انضمام سے قبل) کی ایکویٹی 45:55 سے کیا جاسکتا ہے۔ طویل مدتی قرض کیلئے ایکویٹی کا تناسب 10:90 (انضمام کے بعد) اور 30 جون 2022 کو مختصر مدتی تناسب (انضمام کے بعد) 33:67 ہے، جبکہ (انضمام سے قبل) طویل مدتی تناسب 11:89 اور 30 جون 2021 کو (انضمام سے قبل) مختصر مدتی تناسب 34:66 تھا۔

ڈویڈنڈز:

بورڈ آف ڈائریکٹرز نے 26 اگست 2022 کو ہونے والے اپنے اجلاس میں 30 جون 2022 کو ختم ہونے والے سال کے لیے 5.00 روپے فی حصص یعنی 50% کے حساب سے حتمی کیش ڈویڈنڈ کی سفارش کی ہے۔ یہ عبوری ڈویڈنڈ کے علاوہ ہے جو پہلے ہی 7.50 روپے فی شیئر یعنی 75% ادا کر چکا ہے۔

آڈیٹرز:

کمپنی کے موجودہ آڈیٹرز میسرز یوسف عادل چارٹرڈ اکاؤنٹینٹس ہیں جو کہ سبکدوش ہو رہے ہیں اور اہل ہونے کی حیثیت سے خود کو دوبارہ تقرری کے لئے پیش کرنے کے اہل ہیں۔ انہوں نے انسٹیٹیوٹ آف چارٹرڈ اکاؤنٹینٹس آف پاکستان (ICAP) سے اطمینان بخش QCR کی درجہ بندی حاصل کرنے اور ICAP کے ذریعہ بین الاقوامی فیڈریشن آف اکاؤنٹینٹس (IFAC) کے ضابطہ اخلاق کے رہنما اصولوں کی تعمیل کی تصدیق کی ہے۔ بورڈ آف ڈائریکٹرز نے باہمی اتفاق رائے کے تحت میسرز یوسف عادل چارٹرڈ اکاؤنٹینٹس کو بطور آڈیٹرز مالیاتی سال 30 جون 2023 کیلئے انہی شرائط و ضوابط اور اجرت پر دوبارہ تقرر کرنے کیلئے سفارش پیش کی ہے۔

ہیومن ریسورسز:

کسی تنظیم کی سب سے بڑی طاقت ہمیشہ اس کے ہیومن ریسورسز (HR) رہے ہیں۔ یہ ٹائٹیکسٹائل ملز میں HR کی لگن، معیار اور عزم ہے جس نے ہمیں گزشتہ سال غیر معمولی نتائج حاصل کرنے اور مارکیٹ کی پیش کردہ تمام چیلنجوں پر قابو پانے کے قابل بنایا ہے۔ ٹائٹیکسٹائل ملز کے ملازمین کمپنی کی ترقی میں نہ صرف آپریشنل سطح پر بلکہ زیادہ اہم طور پر اسٹریٹجک سطح پر بھی اہم کردار ادا کرتے ہیں۔ HR کے پاس ملازمین سے متعلق تمام امور کے انتظام، معاونت اور ان سے نمٹنے کی بھی بنیادی ذمہ داری ہے جس میں پالیسی سازی اور مینجمنٹ، تقرری کا عمل، فوائد کی انتظامیہ، روزگار، اور لیبر قوانین، نئے ملازمین کی واقفیت، تربیت اور ترقی، مزدور تعلقات، عملے کے ریکارڈ کو برقرار رکھنے، اجرت اور تنخواہ کی انتظامیہ، اور ملازمین کا امدادی پروگرام شامل ہے۔

سیاسی اور معاشی عدم استحکام کے خدشات کے باعث 2023 میں ملک کی جی ڈی پی کی شرح نمو 5 فیصد تک گرنے کا امکان ہے۔

معاشی استحکام کا زیادہ تر انحصار سیاسی، ایک فعال اور سمجھدار مالیاتی پالیسی اور بیرونی فنانشنگ تک رسائی پر ہوگا۔

شرح سود میں سنگل ہندسوں سے ڈبل ہندسوں میں نمایاں طور پر اضافہ ہوا ہے جو کہ تقریباً 5 فیصد سے زیادہ اضافہ ہے۔ اس کا اثر نہ صرف کینی بلکہ صنعت پر بھی پڑا ہے۔

ٹیکسٹائل انڈسٹری کے چیلنجز:

کاروباری اعتماد کی سطح کو بہتر بنانے اور صنعت میں سرمایہ کاری میں اضافے کے لیے ایک متوقع اور مستحکم توانائی کی پالیسی کی ضرورت ہے۔ ٹیکسٹائل برآمد کنندہ دیگر ممالک کی صنعتی بجلی کا ٹیئر پاکستان سے کم ہے جس کی وجہ سے ہم بین الاقوامی مارکیٹ میں مقابلہ نہیں کر سکتے۔ پاکستانی ٹیکسٹائل انڈسٹری کا برآمدی "پاور ہاؤس" بننے کا مقصد اس وقت تک حاصل نہیں ہو سکتا جب تک کہ بجلی کے نرخوں میں مسابقتی اور مستحکم سطح پر نظر ثانی نہیں کی جاتی۔

اندازہ ہے کہ آنے والے مہینوں میں کموڈٹی کی قیمتوں میں اضافے، بجلی کی قیمت، روپے کی قدر میں کمی، کم از کم اجرت میں اضافہ اور مارک اپ ریٹس وغیرہ کے باعث منافع پر اثر پڑے گا جس کے نتیجے میں کاروباری لاگت میں اضافہ ہوگا۔

خام مال:

جولائی کے شروع میں ہم نے تقریباً 12 سے 14 ملین گانٹھوں کی فصل کی پیداوار کی پیش گوئی کی تھی۔ لیکن حالیہ بارشوں نے فصل کو تباہ کر دیا۔ اور ہم ابھی تک یہ نہیں جانتے کہ نقصان کتنا ہوا ہے۔ تاہم، یہ اندازہ لگایا گیا ہے کہ حالیہ بارشوں سے فصل کا معیار 40 سے 50 فیصد خراب ہوا ہے اور پیداوار میں بھی 30 فیصد کمی آئی ہے۔ طلب اور رسد کے درمیان ایک مشکل توازن ہے کیونکہ ٹیکسٹائل کی طلب بھی محدود ہو گئی ہے اور کپاس کی رسد بھی کم ہو گئی ہے۔ کاٹن اور پالیمیسٹر کے درمیان قیمت کم ہو گئی ہے اس لیے آنے والا سال مشکل ہوگا کیونکہ ہمیں کپاس کی کھپت میں کوئی اضافہ نظر نہیں آتا۔

ٹیکسٹائل:

ٹیکسٹائل سیکٹر پہلے ہی مختلف ٹیکسٹائل کے بوجھ تلے دب گیا ہے، سال 2022 میں 10 فیصد سپرنٹیکس لگا کر اس شعبے کو مزید بادیایا گیا ہے۔ ریونیو کے ہدف کو پورا کرنے کے لیے ایف بی آر کے فیلڈ انفران ٹیکس قوانین کی مختلف شقوں کے تحت نوٹس جاری کرتے ہیں اور آرڈر پاس کرتے ہیں اس طرح ٹیکس کے بڑے مطالبات پیدا ہوتے ہیں۔ اس سے قانونی چارہ جوئی کا عمل شروع ہوتا ہے جس کی وجہ سے ٹیکس دہندگان اور حکومت کے غیر ضروری وقت اور لاگت کا خرچ ہوتا ہے۔ ٹیکس کا اسٹرکچر ایسا ہونا چاہیے جو کاروبار کرنے میں آسانی پیدا کرے اور موجودہ کاروبار پر بوجھ ڈالنے کی بجائے ٹیکس کی بنیاد کو بڑھانے پر توجہ مرکوز کرے۔

توانائی کی لاگت:

مالیاتی سال 2021 کے لیے گیس کے لیے 6 امریکی ڈالر/MMBTU اور بجلی کے لیے 9 سینٹ فی یونٹ کی توانائی کی قیمت گیس کی سپلائی میں کمی/کم پریشر اور آپکھینچ ریٹ میں اتار چڑھاؤ سے متاثر ہوتی ہیں۔ خاص طور پر سردیوں میں توانائی کی قیمت کو مناسب سطح پر رکھنا مشکل ہو جاتا ہے کیونکہ کم گیس سپلائی کے ساتھ سردیوں میں گیس کی قیمت 9 امریکی ڈالر/MMBTU تھی۔ اگست 2022 سے گیس کے لیے توانائی کے نرخ 9 امریکی ڈالر/MMBTU اور بجلی کے لیے 9 سینٹ فی یونٹ مقرر کیے گئے ہیں۔ یہاں تک کہ جولائی کا ٹیئر تبدیل کر دیا گیا ہے اور اضافی قیمت پر بل ادا کیے گئے ہیں۔ کاروباری اعتماد کی سطح کو بہتر بنانے اور صنعت میں سرمایہ کاری میں اضافے کے لیے ایک متوقع، مستحکم اور ہم آہنگ توانائی کی پالیسی کی ضرورت ہے۔ حکومت ٹیکسٹائل انڈسٹری کے ممکنہ زوال کو روکنے کے لیے گیس کی قلت کے مسئلے کو بھی حل کرنے کی ضرورت ہے۔

ڈائریکٹرز رپورٹ برائے ممبران

کمپنی کے ڈائریکٹرز 30 جون 2022ء کو ختم ہونے والے سال کیلئے کمپنی کی 36 ویں سالانہ رپورٹ اور کمپنی کے آڈٹ شدہ مالیاتی حسابات کے ساتھ اپنی رپورٹ پیش کرتے ہوئے مسرت محسوس کر رہے ہیں۔ ہمیں یہ بتاتے ہوئے خوشی ہو رہی ہے کہ ہماری ٹیکسٹائل کمپنیوں کے کامیاب انضمام کے بعد، ٹائٹیکسٹائل ملز لمیٹڈ نے یکم جولائی 2021ء سے ایک ضم شدہ کمپنی کے طور پر امور انجام دیئے۔

کمپنی کے انضمام نے 127,092 سپنڈلز کے پلانٹ کی صلاحیت کے ساتھ پاکستان کی سب سے بڑی سپننگ ملز میں سے ایک کے طور پر کمپنی کی پوزیشن مستحکم کر دی ہے۔ جس کے نتیجے میں بیلنس شیٹ کی مضبوط پوزیشن، لاگت اور آپریٹنگ افادیت کو عملی شکل دی گئی۔

کمپنی کے انضمام سے کمپنی کی توجہ مالی طاقت اور مرئیت اور مستقبل میں پائیدار طریقے سے کاروبار کو بڑھانے کی اس کی صلاحیت میں نمایاں طور پر اضافہ کیا ہے۔ ٹائٹیکسٹائل ملز کی مصنوعات کی لاگت کو کم کرنے، زیادہ موثر برانڈنگ اور مارکیٹنگ کے ذریعے وسائل کے زیادہ موثر استعمال کے ذریعے بہتر آپریٹنگ ہم آہنگی حاصل کی گئی ہے۔

جنوری 2022ء میں، کمپنی کو PACRA سے بائرتیب A اور A2 کی طویل مدتی اور قلیل مدتی کریڈٹ ریٹنگ ملی ہے۔ جون 2022ء میں، PACRA نے A سے A1 تک طویل مدتی کریڈٹ ریٹنگ کو بہتر کرتے ہوئے نظر ثانی شدہ درجہ بندی جاری کی۔ اس سے بینکاری تعلقات کو مزید آسان بنانے میں مدد ملے گی۔

سال 2019 اور سال 2020 کے لیے کمپنی کی سالانہ رپورٹ کو ICAP اور ICMAP کی جانب سے مشیر کمپنیز سرٹیفیکیٹس سے نوازا گیا۔

کاروباری ماحول:

الحمد للہ، زریعہ سال کے دوران ہم نے بہترین نتائج حاصل کیے، اس حقیقت کے باعث کہ وبائی عرصہ کے دوران، امریکہ، یورپ اور دنیا کے دیگر حصوں میں لوگوں نے سماجی، تفریح یا سفر کا چھوڑ دیا تھا اور اس کے نتیجے میں حالات حکومت کے قابو سے باہر ہونے کے باعث لیکویڈیٹی میں اضافہ ہوا جس نے لوگوں کو ٹیکسٹائل اور دیگر صوابدیدی مصنوعات پر زیادہ خرچ کرنے کے قابل بنایا۔ لہذا، بین الاقوامی ریٹیل سیکٹر میں اضافے کے ساتھ، یارن کی طلب زیادہ تھی، جس کے نتیجے میں آپ کی کمپنی کو منافع حاصل ہوا۔

کپاس کے سال کا آغاز اس امید کے ساتھ ہوا کہ کپاس کی طلب میں کمی ہوگئی ہے اور گذشتہ سال کپاس کی ترسیل کے ساتھ سرپلس ہو جائے گی۔ تاہم، ایک بار پھر ایک نئی پیشرفت ہوئی، وہ یہ کہ امریکہ میں خشک سالی کی وجہ سے فصل میں 5 ملین گانٹھوں سے زیادہ کمی ہوئی اور اسی طرح پاکستان، بھارت اور دیگر مقامات پر بہت زیادہ بارشوں سے کپاس کی فصل کو شدید نقصان پہنچا ہے، لہذا مارکیٹ میں اچانک تیزی آگئی اور قیمتوں میں اضافہ ہونا شروع ہو گیا ہے۔

دوسری جانب توانائی / ایندھن کے بحران اور غذائی افراط زر کے باعث دنیا کساد بازاری کے دور سے گزر رہی ہے، ٹیکسٹائل کی طلب خاص طور پر معاشرے کے نچلے حصے کے لیے محدود ہوگئی ہے، لہذا یہ سال ایک ایسا سال ہوگا جس میں ہمیں زیادہ جھٹکا رہنا ہوگا اور پیسہ کمانے کی کوشش میں قیاس آرائیوں کے بجائے کمائے گئے منافع کو بچانے کی کوشش کرنی ہوگی۔

پاکستان میں بے تحاشہ بارشوں نے فصلوں کو شدید نقصان پہنچایا ہے اور اب تک معیار اور مقدار دونوں ہی توقعات سے بہت کم دکھائی دیتے ہیں۔ ہم 12 ملین گانٹھوں کی فصل کی توقع کر رہے تھے، جب کہ اب یہ 6 سے 8 ملین گانٹھیں دکھائی دے رہی ہیں جو کہ طلب سے بہت کم ہے، جو کہ ہمیں لگ بھگ 14 ملین گانٹھیں یا اس سے زیادہ لگتی ہیں، اس لئے ہمیں مزید 6 سے 8 ملین گانٹھیں درآمد کرنے کی ضرورت ہوگی جو کہ اس کپاس کو درآمد کرنے اور اسے دستیاب کرنا ایک مشکل کام ہوگا۔ لہذا، ہم اندازہ لگا رہے ہیں کہ اسپننگ انڈسٹری خام مال کی قلت کی وجہ سے مشکل دور سے گزرے گی اور اس کی زیادہ طلب بھی نہیں ہے۔

پاکستان کی معیشت:

اگرچہ اس وقت پاکستان کی معاشی صورتحال پوری دنیا کی طرح مسائل کا شکار ہے۔ تاہم، چونکہ ہماری تشریحات برآمدی مارکیٹ سے ہے، اس لیے ہماری بنیادی ترجیح توانائی کی دستیابی اور لاگت اور دیگر لاگت میں اضافہ ہے، جو ہمیں عالمی سطح پر غیر مسابقتی بنادے گا۔ گزشتہ چند مہینوں میں کرنسی کی قدر میں زبردست گراؤٹ سے صورتحال مزید خراب ہوگئی ہے۔ یہ تمام عوامل صارفین کی ڈسپوزیبل آمدنی پر بہت زیادہ دباؤ ڈال رہے ہیں اور ان کا استعمال پر منفی اثر پڑ سکتا ہے۔

سال 2022ء میں پاکستان کی معاشی جی ڈی پی کی شرح نمو 5.97 فیصد رہی، جو کہ صنعتی شعبہ میں (مالیاتی سال 2022ء میں 7.2 فیصد) اور زرعی شعبہ میں (مالیاتی سال 2022ء میں 4.4 فیصد) کی بہتر شرح نمو کے باعث ہوئی، جس کا موازنہ گذشتہ سال 2021ء کی جی ڈی پی کی شرح نمو 5.74 فیصد سے کیا جاسکتا ہے۔

32.5 بلین امریکی ڈالر کی ریکارڈ برآمدات اور 31.2 بلین امریکی ڈالر کی ترسیلات کے باوجود، مجموعی درآمدات میں غیر معمولی اضافے کے باعث مالی سال 2022ء میں ملک کا کرنٹ اکاؤنٹ خسارہ بڑھ کر 17.4 بلین ڈالر تک پہنچ گیا۔ زیادہ کرنٹ اکاؤنٹ خسارے کے ساتھ مضبوط افراط زر کے دباؤ اور ملکی سیاسی عدم استحکام کے باعث زرمبادلہ کی شرح پر ٹپنی جانب دباؤ رہا جس کے باعث 15 فیصد سے زائد کمی ہوئی۔ سینٹرل بینک کے غیر ملکی کرنسی کے ذخائر میں تقریباً 9.7 بلین ڈالر کی کمی واقع ہوئی، جو چند مہینوں کی درآمدات کو پورا کرنے کے لیے بمشکل کافی ہے۔ بگڑتی ہوئی بیرونی لیکویڈیٹی پوزیشن اور فنانسنگ کے حالات کے پیش نظر، Fitch ریٹنگ نے پاکستان کے معاشی آؤٹ لک کو مستحکم سے منفی کر دیا۔ معیشت کو مستحکم کرنے کے لیے، پاکستان نے آنے والے مہینوں میں 1.17 بلین ڈالر کی فوری قسط کے ساتھ آئی ایم ایف پروگرام کو بحال کیا۔ ملک کو دوسرے بین الاقوامی قرض دہندگان بشمول کثیر عظیم دہندگان کے فنڈز تک آسان رسائی کی توقع ہے۔ آئی ایم ایف کے تخمینے کے مطابق عالمی کساد بازاری اور بڑھتے ہوئے

Form of Proxy

I/We _____ of _____, being a Member of Tata Textile Mills Limited, holder of _____, Ordinary Share(s) as per Register Folio No _____ hereby Appoint Mr. _____, having CNIC No. _____ as my/our proxy in my/our absence to attend and vote for me/us, and on my/our behalf at the Annual General Meeting of the company to be held on October 13, 2022 and at any adjournment thereof.

Signed this _____ day of _____ 2022.

Signature across Rs.5
Revenue Stamp

Witness 1 _____

Witness 2 _____

Signature _____

Signature _____

Name _____

Name _____

CNIC # _____

CNIC # _____

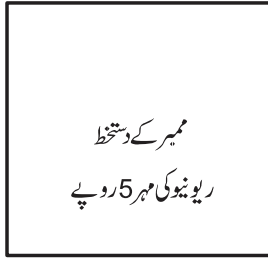
NOTES:

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

پراکسی فارم (مختارنامہ)

میں / ہم _____ کا / کی _____
 عام حصص بطلان رجسٹرڈ فو لیو نمبر _____
 بذریعہ ہذا محترم / محترمہ _____ کمپیوٹرائزڈ قومی شناختی کارڈ نمبر _____
 مورخہ 13 اکتوبر 2022ء

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



آج بروز بتاریخ 2022 کو میرے / ہمارے دستخط سے گواہوں کی تصدیق سے جاری ہوا۔

گواہان	گواہان
1- _____	2- _____
دستخط: _____	دستخط: _____
نام: _____	نام: _____
کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: _____	کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: _____

نوٹ:








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



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**HEAD OFFICE :**

6th Floor, Textile Plaza,
M.A. Jinnah Road, Karachi-74000
Ph : 3241-2955-3 Lines, 3242-6761-2-4
Fax : (92-21) 3241-7710
E-Mail: ttm.corporate@tatapakistan.com

MILLS:**Muzaffarhgarh Unit:**

10th K.M. M.M Road Khanpur, Baggasher,
District, Muzaffarhgarh

Landhi Unit:

HX-1, Landhi Industrial Area, Landhi, Karachi

Kotri Unit:

A/12, S.I.T.E, Kotri, District Jamshoro - Sindh

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