



SALFI TEXTILE MILLS LIMITED

**Condensed Interim Financial Statements
(UNAUDITED)
for the 1st Quarter ended September 30, 2020**

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COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Mazhar Valjee	- Chairman
Mr. Adeel Shahid Tata	- Chief Executive
Mr. Shahid Anwar Tata	- Executive Director
Mr. Bilal Shahid Tata	- Non Executive Director
Miss Samar Shahid Tata	- Non Executive Director
Mr. Farooq Advani	- Independent Director
Mr. Muhammad Jawaid Iqbal	- Independent Director

AUDIT COMMITTEE

Mr. Farooq Advani	- Chairman
Mr. Bilal Shahid Tata	- Member
Miss Samar Shahid Tata	- Member
Mr. Ghazanfer Yaseen	- Secretary

HR & REMUNERATION COMMITTEE

Mr. Farooq Advani	- Chairman
Mr. Shahid Anwar Tata	- Member
Mr. Bilal Shahid Tata	- Member
Miss Samar Shahid Tata	- Member
Mr. Farooq Kasam	- Secretary

CHIEF FINANCIAL OFFICER

Mr. Haseeb Hafeezuddeen

COMPANY SECRETARY

Mr. Muhammad Hussain

INTERNAL AUDITOR

Mr. Ghazanfer Yaseen

AUDITORS

M/s. Deloitte Yousuf Adil
Chartered Accountants

BANKERS

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

LEGAL ADVISOR

Ameen Bandukda & Co. Advocates

REGISTERED OFFICE

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

FACTORY LOCATION

HX-, Landhi Industrial Area
Landhi, Karachi

SHARE REGISTRAR

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

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DIRECTORS' REPORT

Assalam-o-Alaikum

The Financial Statements (un-audited) of the Company for the 1st Quarter ended September 30, 2020 is presented. During this quarter the Company has made a Pre-Tax Loss of PKR 37.277 Million (2019 Pre-Tax Loss of PKR 8.849 Million).

Even though, the last quarter, i.e. April-June was the most difficult quarter in our history, due to the havoc played by the Covid'19 pandemic, we started the new year on an apprehensive note given the uncertainties surrounding the demand and supply of textile products, however, as the current quarter progressed, there suddenly appeared a ray of hope as there was a complete turnaround in the local textile market. The demand for yarn picked up from the down-stream Industries on the back of ample orders they were getting which was unprecedented. Gradually, during this quarter, we were able to sell almost all the yarn that had accumulated during the previous quarter.

Moreover, there has been a healthy turnaround in the textile market against all the perceptions that the Covid'19 pandemic will bring down the demand for Textile products. On the contrary, demand has increased, as the world which had stopped or minimized socializing, entertaining or travelling during the pandemic, have now gone back to socializing resulting in increase in local and international retail sales. There is a huge demand for yarn in the domestic market and orders have been booked till December 2020, however, despite the optimism it is difficult to predict the situation beyond December.

Raw Material.

Last year, the cotton crop harvest was not good and we could only produce about 8.6 Mn bales and we were hoping that the current year cotton crop yield will be improved to a level of 10 Million bales but unfortunately, we have witnessed cotton arrivals of only 2.4 Million bales till 15th October. Normally, up to this period 50% of the cotton crop arrives at the ginners, which seems to suggest a cotton crop size of only 4.8 Million bales, which is a very dangerous situation. The crop size estimates and quality issues have led to bullish trend in the local market as the cost of cotton which started at a bearish trend of Rs.8,000/- per maund has now gone up to Rs.10,000/- to Rs.10,500/-. Although there is support of the Yarn price and the coming quarter will be better, but the local cotton crop size has turned very tricky and dangerous, which will result in the increased of imported cotton to meet the local market requirement.

Globally, too the cotton market started the season with a bearish note, but now the commodity market has turned bullish.


Future Prospects

The demand for textile has started to show improvement which has reflected in the results and we are hopeful that the company will perform even better in the coming months. Further, the management is continuously working towards upgradation and enhancement in productivity and cost control.

Acknowledgement

We appreciate 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 financial institution for their continued support to the company. We are also grateful to our shareholders for their confidence in our Management.

On behalf of the Board of Directors



ADEEL SHAHID TATA
CHIEF EXECUTIVE

Karachi

Dated: October 31, 2020



SHAHID ANWAR TATA
DIRECTOR

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2020

	September 30, 2020 (Unaudited)	June 30, 2020 (Audited)
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	5,384,883	5,432,755
Intangible assets	2,505	2,666
Long term investments	625	714
Long term deposits	1,370	1,370
	5,389,384	5,437,505
CURRENT ASSETS		
Stores, spares and loose tools	45,485	44,534
Stock-in-trade	1,082,524	1,719,750
Trade debts	874,997	505,975
Loans and advances	393,130	264,511
short-term prepayments	5,318	1,707
Other receivables	5,218	4,109
Other financial assets	27,540	27,540
Sales tax refundable	61,576	92,125
Cash and bank balances	9,281	9,047
	2,505,069	2,669,298
TOTAL ASSETS	7,894,453	8,106,804
EQUITY AND LIABILITIES		
EQUITY		
Share capital	33,426	33,426
Reserves	505,996	505,996
Unappropriated profit	100,390	124,681
Surplus on revaluation of property, plant and equipment	3,344,363	3,363,816
	3,984,175	4,027,919
NON-CURRENT LIABILITIES		
Long-term finance	729,398	649,108
Deferred liabilities	133,065	142,031
Deferred government grant	2,248	2,248
	864,710	793,387
CURRENT LIABILITIES		
Trade and other payables	896,178	464,613
Interest / mark-up accrued on borrowings	33,838	67,091
Short-term borrowings	1,959,834	2,643,114
Current portion of long-term finances	65,520	38,757
Current portion of deferred government grant	3,092	3,092
Unclaimed dividend	1,227	1,227
Provision for income tax	85,880	67,604
	3,045,568	3,285,498
TOTAL EQUITY AND LIABILITIES	7,894,453	8,106,804
CONTINGENCIES AND COMMITMENTS		
	7	

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



ADEEL SHAHID TATA
CHIEF EXECUTIVE



HASEEB HAFEEZUDEEN
CHIEF FINANCIAL OFFICER




SHAHID ANWAR TATA
DIRECTOR

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

FOR THE QUARTER ENDED SEPTEMBER 30, 2020

		September 30, 2020	September 30, 2019
	Note	-----Rupees in 000-----	
Revenue from contract with customers-net	8	2,079,507	1,978,436
Cost of goods sold	9	(1,991,591)	(1,785,831)
Gross profit		87,916	192,605
Distribution cost		(27,650)	(36,198)
Administrative expenses		(31,851)	(32,831)
Other operating expenses		(4,991)	(14,886)
Finance cost		(63,737)	(118,252)
		(128,229)	(202,167)
		(40,313)	(9,562)
Other income		3,036	713
Loss before taxation		(37,277)	(8,849)
Taxation	10	(6,467)	(18,103)
Loss for the period		(43,744)	(26,952)
Other comprehensive income		-	-
Total comprehensive income for the period		(43,744)	(26,952)
Loss per share - basic and diluted (Rupees)		(13.09)	(8.06)

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ADEEL SHAHID TATA
CHIEF EXECUTIVE


HASEEB HAFEEZUDEEN
CHIEF FINANCIAL OFFICER


SHAHID ANWAR TATA
DIRECTOR

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2020

	Revenue Reserve			Capital Reserve		Total
	Share Capital	General Reserve	Other reserve	Unappropriated profit	Revaluation Surplus	
	Rupees in 000.....					
Balance at July 01, 2019	33,426	500,000	5,996	386,082	3,388,248	4,313,752
Total Comprehensive income						
Loss for the quarter	-	-	-	(26,952)	-	(26,952)
Transfer from surplus on revaluation of property, plant and equipment on account of : - incremental depreciation	-	-	-	19,950	(19,950)	-
Balance as at September 30, 2019	33,426	500,000	5,996	379,080	3,368,298	4,286,800
Balance at July 01, 2020	33,426	500,000	5,996	124,681	3,363,816	4,027,919
Total Comprehensive income						
Loss for the quarter	-	-	-	(43,744)	-	(43,744)
Transfer from surplus on revaluation of property, plant and equipment on account of : - incremental depreciation	-	-	-	19,453	(19,453)	-
Balance as at September 30, 2020	33,426	500,000	5,996	100,390	3,344,363	3,984,175

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


ADEEL SHAHID TATA
CHIEF EXECUTIVE


HASEEB HAFEEZUDDIN
CHIEF FINANCIAL OFFICER


SHAHID ANWAR TATA
DIRECTOR

CONDENSED INTERIM CASH FLOWS STATEMENT (UN-AUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2020

September
30, 2020

September
30, 2019

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

A. CASH FLOWS FROM OPERATING ACTIVITIES


Loss before taxation	(37,277)	(8,849)
Adjustments for :		
Depreciation	46,731	45,523
Amortization	161	56
Provision for staff gratuity	8,599	7,985
Provision for staff compensated absences	605	4,402
Finance cost	63,737	118,252
Loss on disposal of property, plant and equipment	483	15
Unrealized loss (gain) on long term Investment	89	(1)
Operating cash flows before movements in working capital	<u>83,128</u>	<u>167,383</u>
 (Increase) / decrease in current assets		
Stores, spares and loose tools	(951)	4,664
Stock-in-trade	637,226	814,079
Trade debts - considered good	(369,022)	79,440
Loans and advances	(188,702)	22,794
Trade deposits & short term prepayments	(3,611)	(3,459)
Other receivables	(1,109)	2,176
Sales tax refundable	30,549	(656)
 Increase in current liabilities		
Trade and other payables	431,565	55,029
 Cash generated from operations	<u>619,073</u>	<u>1,141,450</u>
 Finance cost paid	(96,990)	(143,381)
Income taxes paid	60,083	(16,201)
Staff gratuity paid	(5,429)	(2,577)
Compensated absences paid	(934)	(2,502)
Net cash generated from operating activities	<u>575,803</u>	<u>976,789</u>

B. CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property, plant and equipment	(759)	(208,776)
Proceeds from disposal of property, plant and equipment	1,417	40
Long-term investment	-	(2,601)
Net cash generated from/(used in) investing activities	<u>658</u>	<u>(211,337)</u>

	September 30, 2020	September 30, 2019
	----- Rupees in '000' -----	
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Long term finances Repayment	-	(63,049)
Long term finances Obtain	107,052	189,521
Short-term borrowings repayments	(612,928)	(815,044)
Net cash used in financing activities	<u>(505,876)</u>	<u>(688,572)</u>
Net increase in cash and cash equivalents (A+B+C)	70,585	76,880
Cash and cash equivalents at July 01	(1,545,238)	(1,556,606)
Cash and cash equivalents at September 30	<u>(1,474,653)</u>	<u>(1,479,726)</u>
CASH AND CASH EQUIVALENTS		
Cash and bank balances	9,281	9,931
Short-term running finance	(1,483,934)	(1,489,657)
	<u>(1,474,653)</u>	<u>(1,479,726)</u>

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


ADEEL SHAHID TATA
CHIEF EXECUTIVE


HASEEB HAFEEZUDEEN
CHIEF FINANCIAL OFFICER


SHAHID ANWAR TATA
DIRECTOR

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2020

1 THE COMPANY AND ITS OPERATIONS

Salfi Textile Mills Limited (the Company) is a public limited company incorporated in Pakistan on January 05, 1968 under the Companies Act, 1913 (repealed) now The Companies' Act 2017 and listed on Pakistan Stock Exchange Limited. The registered office of the Company is situated at 6th floor Textile Plaza, M.A. Jinnah Road, Karachi in the province of Sindh. The principal activity of the Company is manufacturing and sale of yarn. The Company's manufacturing facilities are located at Landhi Industrial Estate, Karachi in the Province of Sindh.

2 BASIS OF PREPARATION

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

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

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

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

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

3 SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information and the significant judgements made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of the financial statements as at and for the year ended June 30, 2020. Certain new IFRSs and amendments to existing IFRSs are effective for periods beginning on or after July 1, 2020, which do not have any impact on this condensed interim financial information. In addition to the foregoing, the Companies Act, 2017 has added certain disclosure requirements which will be applicable on the Company's annual financial statements.

4 FINANCIAL RISK MANAGEMENT

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

5 PROPERTY, PLANT AND EQUIPMENT

		September 30, 2020 (Unaudited)	June 30, 2020 (Audited)
-----Rupees in '000'-----			
Operating fixed assets	5.1	5,373,554	5,422,186
Capital work in progress	5.2	11,329	10,570
		5,384,883	5,432,755

5.1 Following addition/transfers and disposals in operating fixed assets were made.

	Additions /transfers from CWIP	Disposal (Written down value)	Sales Proceeds
----- Rupees in '000' -----			
During the Quarter ended September 30, 2020 (Unaudited)			
Plant & Machinery	-	1,900	1,417
	-	1,900	1,417
During the year ended June 30,2020 (Audited)			
Buildings on leasehold land	44,881	-	-
Plant & Machinery	282,878	7,973	14,879
Mill equipment	353	-	-
Furniture & Fixture	3,408	-	-
Office Equipment	2,798	73	66
Vehicles	-	20	13
	334,317	8,067	14,958

5.2 During the period, the addition to capital work in progress is amounting to Rs. 0.76 million.(June 30, 2020: Rs.32 million).

6 LONG TERM FINANCE From banking companies - (Secured) - At amortised Cost

		September 30, 2020 (Unaudited)	June 30, 2020 (Audited)
----- Rupees in '000' -----			
Term Finance	6.1 & 6.4	376,740	376,740
SBP- LTFF	6.2 & 6.4	261,436	261,436
SBP - Refinance scheme for salary payments	6.3 & 6.4	156,742	49,689
		794,917	687,865
Less: Current portion shown under current liabilities			
Term Finance		(25,000)	(25,000)
Salaries and Wages Loan		(40,520)	(13,757)
		(65,520)	(38,757)
	6.5	729,398	649,108

6.1 These facilities are obtained from a banking company which are secured against first equitable mortgage on fixed assets and first specific charge over imported machinery and are subject to mark-up rate of 3 - 6 months KIBOR plus 1 % to 1.25 % per annum(June 30, 2020 3 - 6 months KIBOR plus 1 % to 1.25 % per annum). These finances are repayable in six to twenty halfyear and quarterly installments upto March 2023.

6.2 These facilities are obtained from a banking company which are secured against first equitable mortgage on fixed assets and first specific charge over imported machinery. These facilities are subject to markup at SBP rate plus bank spread i.e. 2% + 2.50% to 1.75% per annum (June 30, 2020 2% + 2.50% to 1.75% per annum). These are repayable in 10 half yearly installments upto September 2026.

6.3 These facilities are obtained from a banking company which are secured against equitable mortgage on fixed assets and are subject to mark-up rate of 2% per annum (June 30, 2020 2% per annum). These finances are repayable in eight quarterly installments upto October 2022.

6.4 The payment of principal component of these facilities, payable within next 12 months, has been deferred for 1 year as per the directions of State Bank of Pakistan via its Circular Letter No. 13 of 2020. However, the mark-up on these facilities is not deferred and payable as soon as its due to be paid. Consequently, the maturity date of these facilities have also been extended to 1 - 2 years.

Less:

September 30, 2020 (Unaudited)	June 30, 2020 (Audited)
----- Rupees in '000' -----	----- Rupees in '000' -----

6.5 Reconciliation of liabilities arising from long term financing activities

Balance at on July 01	687,865	346,151
Obtained during the period	107,052	461,125
Repayment during the period	-	(119,411)
Balance as on September 30,	794,917	687,865
Less: current portion of long term financing	(65,520)	(38,757)
	<u>729,398</u>	<u>649,108</u>

7 CONTINGENCIES & COMMITMENTS

7.1 Contingencies

There is no contingency to report as at September 30, 2020 and June 30, 2020.

7.2 Commitments

	September 30, 2020 (Unaudited)	June 30, 2020 (Audited)
	----- Rupees in '000' -----	
(i) Civil works	1,584	1,584
(ii) Letters of credit for		
- Stores and spares	19,004	2,865
- Raw material	749,945	330,565
(iii) Bank guarantees issued on behalf of the company	140,356	140,356
(iv) Bills discounted		
- local	66,834	1,972
- export	659,864	443,194
(v) Outstanding sales contract	409,148	138,830

7.2.1 This includes bank guarantee related to Sindh Development and maintenance of infrastructure cess amounting to Rs. 122.50 million (June 30, 2020: Rs. 122.50 million).

8 Revenue from Contract with customers - Net

8.1 Sales include sales made to local customers (including indirect exports) and direct exports amounting to Rs. 902 million (2019: 528 million) and Rs. 1,178 million (2019: 1,450 million) respectively.

September 30, September 30,
2020 2019

Note	Un-audited		
	----- Rupees in '000' -----		
9 COST OF GOODS SOLD			
Cost of goods manufactured	9.1	1,672,525	1,823,988
Finished goods (including waste stock)			
Opening Stock	9.2	668,092	321,232
Closing Stock	9.3	(349,026)	(360,366)
		<u>319,066</u>	<u>(39,134)</u>
Cost of manufactured goods sold		1,991,591	1,784,854
Cost of raw material sold		-	977
		<u>1,991,591</u>	<u>1,785,831</u>
9.1 Cost of goods manufactured			
Raw material	9.1.1	1,354,681	1,491,041
Packing material		18,671	21,243
Stores and spares		25,443	27,237
Salaries, wages and benefits		89,441	106,697
Power and fuel		126,405	122,192
Insurance		1,485	2,964
Repairs and maintenance		1,428	1,438
Depreciation		45,763	44,438
Amortization		154	29
Other overheads		4,277	9,570
		<u>1,667,748</u>	<u>1,826,849</u>
Work-in-process			
Opening stock		45,019	48,512
Closing stock		(40,243)	(51,373)
		<u>4,777</u>	<u>(2,861)</u>
		<u>1,672,525</u>	<u>1,823,988</u>
9.1.1 Raw material consumed			
Opening stock		1,006,639	1,842,166
Purchases - net		1,041,297	634,967
		<u>2,047,936</u>	<u>2,477,133</u>
Closing stock		(693,255)	(986,092)
		<u>1,354,681</u>	<u>1,491,041</u>

9.2 Net realizable value of finished goods was lower than its cost, which resulted in write down of Rs. 4.95 million (September 30, 2019 Rs.11.06 million) charged to cost of sales.

10 TAXATION

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

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

11 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of associated undertakings and key management personnel. The transactions between the Company and the related parties are carried out as per agreed terms. Name of the associated companies are same as disclosed in annual audited financial statement of June 30, 2020. Transactions and

		<u>Three-month period ended</u>	
		September 30, 2020	September 30, 2019
		----- Unaudited -----	
		----- Rupees in '000' -----	
Relationship with the party Associates undertakings	Nature of transactions		
	Purchase of power	102,207	119,825
	Share of expense received	1,685	779
	Share of expense paid	538	2,169
	Sales of Yarn	43,725	-
	Sales of Store Item	244	-
	Licensing Income	356	356
Rent Income	150	150	
Key management personnel	Short-term benefits	14,614	16,332
Directors	Short-term benefits	2,272	2,178
	Meeting fee	210	160
	Rent Expense	1,023	1,023
		September 30, 2020	June 30, 2020
		(Unaudited)	(Audited)
		----- Rupees in '000' -----	
Outstanding Balance			
Associated Undertakings	Other Receivables	342	-
	Trade & Other Payables	156,914	133,231

12 FAIR VALUE HIERARCHY

The Company's leasehold land, buildings on leasehold land and plant and machinery 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 leasehold land, buildings on leasehold land and plant and machinery were last carried out as at June 30, 2019 by Messers Iqbal A.Nanjee & Company (Private)Limited (valuer), an 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.

Information about fair value hierarchy and assets classified under the hierarchy are as follows:

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

Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either.

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

The fair value measurement for the Company are classified into different levels are as follows:

	Level 1	Level 2	Level 3	Total
	-----Rupees in '000' -----			
As at September 30, 2020 (unaudited)				
Leasehold land	-	-	1,816,000	1,816,000
Building on leasehold land	-	-	1,188,975	1,188,975
Plant and machinery	-	-	2,298,376	2,298,376
	-	-	5,303,351	5,303,351
Financial assets measured at fair value:	625	-	-	625
	625	-	5,303,351	5,303,977

As at June 30, 2020 (audited)	Level 1	Level 2	Level 3	Total
	-----Rupees in '000'-----			
Leasehold land	-	-	1,816,000	1,816,000
Building on leasehold land	-	-	1,204,026	1,204,026
Plant and machinery	-	-	2,329,369	2,329,369
	-	-	5,349,395	5,349,395
Financial assets measured at fair value:	714	-	-	714
	714	-	5,349,395	5,350,109

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

As at September 30, 2020 and June 30, 2020, there were no other financial assets and liabilities that warranted classification under above levels.

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

13. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements has been approved and authorized for issue on October 31, 2020 by the Board of Directors of the Company.



ADEEL SHAHID TATA
CHIEF EXECUTIVE



HASEEB HAFEEZUDEEN
CHIEF FINANCIAL OFFICER



SHAHID ANWAR TATA
DIRECTOR



ڈائریکٹرز رپورٹ

السلام و علیکم

30 ستمبر 2020ء کو مختصر ہونے والی پہلی سہ ماہی کیلئے کمپنی کے (غیر آڈٹ شدہ) مالیاتی حسابات آپ کو پیش کئے جا رہے ہیں۔ دوران سہ ماہی کمپنی نے قبل از ٹیکس خسارہ مبلغ 30.277 بلین روپے (2019 میں قبل از ٹیکس خسارہ مبلغ 8.849 بلین روپے) حاصل کیا۔

اگرچہ، آخری سہ ماہی یعنی اپریل جون ہمارے لئے کافی مشکل تھی، کورونا وبا سے ہونے والی تاہیوں کے باوجود ہم نے ٹیکسٹائل مصنوعات کی طلب اور رسد سے متعلق غیر یقینی صورتحال کو مد نظر رکھتے ہوئے نئے سال کا آغاز کیا۔ تاہم جیسے ہی موجودہ سہ ماہی میں پیشرفت ہوئی اچانک مقامی ٹیکسٹائل مارکیٹ میں تبدیلی اور امید کی کرن نظر آئی۔ صنعتوں سے کم قیمت پر یارن حاصل کی گئی۔ آہستہ آہستہ دوران سہ ماہی ہم گذشتہ سہ ماہی کے دوران کی جمع ہونے والی تقریباً تمام یارن کو فروخت کرنے میں کامیاب ہو گئے۔

مزید یہ کہ ٹیکسٹائل مارکیٹ میں ان تمام تاثرات کو روکنا دباؤ ٹیکسٹائل کی مصنوعات کی طلب کو کم کر دے گی، کے برعکس بدلاؤ آیا ہے۔ اس کے برعکس طلب میں اضافہ ہوا ہے کیونکہ جس دنیائے کورونا وبا کے دوران سماجی و معاشرتی کاموں میں حصہ لینا، سفر کرنا چھوڑ دیا تھا یا انہیں کم سے کم کر دیا تھا اب وہ مقامی اور بین الاقوامی ریٹیل فروخت میں اضافے کے نتیجے میں سماجی و معاشرتی کاموں کی طرف واپس لوٹ چکے ہیں۔ ملکی مارکیٹ میں یارن کی زیادہ مانگ ہے اور دسمبر 2020ء تک آرڈرز بک کے جانچے ہیں، تاہم امید کے باوجود دسمبر کے بعد کی صورتحال کی پیش گوئی کرنا مشکل ہے۔

خام مال:

گذشتہ سال کپاس کی فصل کٹائی اچھی نہیں تھی اور ہم صرف 8.6 بلین کانٹون کی پیداوار کر سکتے تھے اور ہم امید کر رہے تھے کہ رواں سال کپاس کی فصل کی پیداوار 10 بلین کانٹون تک ہو جائے گی لیکن بدقسمتی سے ہم 15 اکتوبر تک صرف 2.4 بلین کانٹون ہی تیار کر سکے ہیں۔ عام طور پر اس مدت تک کپاس کی فصل کا 50 فیصد جزرے کے پاس پہنچتا ہے جس سے لگتا ہے کہ کپاس کی فصل صرف 4.8 بلین کانٹون کی ہوگی جو ایک بہت ہی خطرناک صورتحال ہے۔ فصلوں کے سائز کا تخمینہ اور معیار کے مسائل کے باعث ملکی مارکیٹ میں تیزی کارخانوں کا کیونکہ کپاس کی قیمت مبلغ 8,000 روپے فی من کے حساب سے مندی کے رجحان سے شروع ہوئی تھی وہ اب مبلغ 10,000 روپے سے مبلغ 10,500 روپے تک پہنچ چکی ہے۔ اگرچہ یہاں یارن کی قیمت کو سپورٹ حاصل ہے اور آنے والی سہ ماہی بہتر ہوگی لیکن ملکی کپاس کی فصل کا سائز انتہائی مشکل اور خطرناک ہو گیا ہے جس کے نتیجے میں ملکی مارکیٹ کی ضرورت پوری کرنے کے لئے درآ مد شدہ کپاس میں اضافہ ہوگا۔

عالمی سطح پر بھی کپاس کی مارکیٹ نے مندی کا آغاز رواں اربعی نوٹ کے ساتھ کیا، لیکن اب اجناس کی مارکیٹ میں تیزی دیکھنے میں آئی ہے۔


مستقبل کے امکانات:


ٹیکسٹائل کی طلب میں بہتری آنا شروع ہوگئی ہے جس کے نتائج سامنے آ رہے ہیں اور ہمیں امید ہے کہ آنے والے مہینوں میں کمپنی اس سے بھی بہتر کارکردگی کا مظاہرہ کرے گی۔ مزید یہ کہ انتظامیہ اپ گریڈیشن اور پیداواری صلاحیت میں اضافہ اور قیمت پر قابو پانے کیلئے مسلسل کوشاں ہے۔

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 ٹیکرز جو کہ مستقل طور پر کمپنی کو سپورٹ کر رہے ہیں ان کے بھی مشکور ہیں اس کے علاوہ ہماری انتظامیہ ٹیمز جو ہولڈرز کے عمل اعتماد پر بھی مشکور ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے


شاہد انور ٹاٹا
ڈائریکٹر


عدیل شاہد ٹاٹا
چیف ایگزیکٹو

کراچی مورخہ 31 اکتوبر 2020ء

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