



TATA TEXTILE MILLS LIMITED

**Condensed Interim Financial Statements
(UN-AUDITED)
For The Half Year Ended December 31, 2022**

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COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Mazhar Valjee - Chairman
Mr. Shahid Anwar Tata - Chief Executive
Mr. Adeel Shahid Tata - Executive Director
Mr. Bilal Shahid Tata - Non Executive Director
Mr. Farooq Advani - Independent Director
Mr. Tayyeb Afzal - Independent Director
Mr. Muhammad Jawaid Iqbal - Independent Director
Ms. Shahbano Hameed - Non Executive Director
(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

Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Islami Pakistan Limited
Dubai Islamic Bank (Pakistan) Limited
Faysal Bank Limited
HBL (Islamic Banking)
JS Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
National Bank of Pakistan – AIBG
Pak Oman Investment Company Limited
Samba Bank Limited
Soneri Bank Limited
Summit Bank Limited
The Bank of Khyber
The Bank of Punjab
Bank Al Habib Limited

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

DIRECTORS' REPORT

The Directors of Tata Textile Mills Limited are pleased to present the unaudited financial results of the Company for the six months ended December 31, 2022.

The six months were challenging due to the natural disaster, unstable political conditions, deteriorating economic conditions, inflation, and global recession. Despite these challenges, Alhamdulillah, the company has achieved a Profit before Tax for six months of Rs. 287.84 million as compared to the Profit before Tax of Rs. 2.88 billion during the corresponding period of last year. In the second quarter, the company suffered a loss before tax of Rs. 424.65 million as compared to the profit before tax of Rs. 1.55 billion during the same period last year.

Overview

The cotton crop in Pakistan is expected to be around 5 million bales or less. So far we have imported 1.88 million bales of cotton and it is estimated we will consume 5 million bales thus it appears that we will run short of inventory. While cotton consumption normally is 15-16 million bales, due to various factors it will be around 10-11 million bales this year, indicating a gap of 5-6 million, hence, there will be severe shortage of cotton for the Textile Industry and it will be a tough year, as far as the next six months are concerned.

Furthermore, we foresee that the spinning industry will go through unprecedented challenging times due to a massive increase in manufacturing and operating costs which could not be fully translated into selling prices due to global decline in demand. Moreover; due to the decline of the Pakistani cotton crop, the company is compelled to import cotton in USD and with the current uncertainty on USD-PKR exchange rate and delay in and restrictions on the issuance of LCs we predict a shortage in yarn production.

The high energy rates have led to an increase in manufacturing costs which is making it difficult for textile companies to remain competitive globally. The government has fixed the Regasified Liquefied Natural Gas (RLNG) rate at US\$ 9 per MMBTU for Export Oriented Companies. However, only 40% to 50% of gas is available. The Grid rate has been reduced to a flat rate of Rs. 19.99 per KWH which is still high. To achieve export targets, a sound policy is needed to lower energy costs and make the industry more competitive.

The liquid foreign exchange reserves of the country have declined to USD 11.4 billion while net reserves stand at 4 Billion USD as on December 30, 2022. The current situation has greatly impacted industrial activities and exports and is expected to have a devastating effect on the already struggling economy, including instability in foreign exchange reserves.

The hike in interest rates and the increase in the overall cost of doing business, particularly labor, energy, and finance costs, has made it difficult for the company to sustain business operations with bank financing. This, along with the non-issuance of LCs has had a negative impact on the company's profits.

Future Outlook

We expect the current recessionary phase to be temporary. The company believes that with the passage of time, there will be an improvement in the geo-political environment, resulting in an increase in global sales. Improvement has been witnessed in the global supply chain, which will rectify the international buying cycle of textile products. The key to survival and the main focus of the company is cost transformation in order to remain competitive. There is a need for a rationalized policy from the government for taxes, and making cost-effective borrowing facilities available to the textile sector.

Rest assured, your management is working tirelessly to increase productivity and implement operational efficiencies to ensure sustainability.

Dividend

The Board of Directors announced an interim dividend of Rs. 2 per share (20%) for the year ending June 30, 2023.

Acknowledgment

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

On behalf of the Board of Directors

Karachi

Dated: February 17, 2023



SHAHID ANWAR TATA
CHIEF EXECUTIVE



ADEEL SHAHID TATA
DIRECTOR

INDEPENDENT AUDITORS' REVIEW REPORT

To the members of Tata Textile Mills Limited

Report on review of Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of TATA TEXTILE MILLS LIMITED (here-in-after referred to as "the Company") as at December 31, 2022, and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of cash flows, condensed interim statement of changes in equity and notes to the condensed interim financial statements for the half year then ended (here-in-after referred to as 'condensed interim financial statements'). Management is responsible for the preparation and presentation of the condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on the condensed interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410 – 'Review of Interim Financial Statements Performed by the Independent Auditor of the Entity'. A review of the condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements as of and for the half year ended December 31, 2022 are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for the interim financial reporting.

Other matter

The figures for the quarters ended December 31, 2022 and December 31, 2021 in the condensed interim statement of profit or loss and other comprehensive income have not been reviewed and we do not express a conclusion on them.

The engagement partner on the review resulting in this independent auditors' review report is Hena Sadiq.



Chartered Accountants

Place: Karachi

Date: February 23, 2023

UDIN: RR202310057Qz8IOPB4A

Tata Textile Mills Ltd.

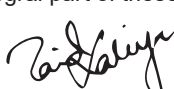
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2022

		December 31, 2022 (Un-Audited)	June 30, 2022 (Audited)
	Note	----- (Rupees in '000') -----	
ASSETS			
Non-current assets			
Property, plant and equipment	6	20,327,351	20,231,032
Intangible assets		5,367	6,853
Long term deposits	7	302,564	4,596
		20,635,282	20,242,481
Current assets			
Stores, spares and loose tools		205,365	142,961
Stock-in-trade	8	13,792,532	10,128,138
Trade debts		3,496,310	4,239,865
Loans and advances		2,936,382	803,589
Short term prepayments		26,416	20,875
Other receivables		71,051	71,910
Other financial assets		1,749,434	1,911,901
Sales tax refundable		1,130,852	247,275
Cash and bank balances		40,072	274,927
		23,448,414	17,841,441
TOTAL ASSETS		44,083,696	38,083,922
EQUITY AND LIABILITIES			
EQUITY			
Share capital	9	559,936	559,936
General reserve		2,805,996	2,805,996
Unappropriated profit		7,369,351	7,348,006
Surplus on revaluation of property, plant and equipment		10,863,505	10,852,582
		21,598,788	21,566,520
Non-current liabilities			
Long term finances	10	2,480,654	2,565,383
Deferred liabilities		390,042	370,972
Deferred Tax		807,444	1,017,718
Deferred government grant	11	-	-
		3,678,140	3,954,073
Current liabilities			
Trade and other payables		2,869,936	3,688,416
Interest accrued on borrowings		414,852	233,974
Short term borrowings	12	14,065,489	6,572,283
Current portion of Long term finances	10	755,883	1,554,501
Current portion of Deferred government grant	11	394	3,742
Unclaimed dividend		19,344	14,404
Provision for income tax		680,870	496,009
		18,806,768	12,563,329
TOTAL EQUITY AND LIABILITIES		44,083,696	38,083,922
CONTINGENCIES AND COMMITMENTS	13		

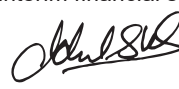
The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.



SHAHID ANWAR TATA
CHIEF EXECUTIVE



MUHAMMAD ZAID KALIYA
CHIEF FINANCIAL OFFICER



ADEEL SHAHID TATA
DIRECTOR

Tata Textile Mills Ltd.

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR ENDED AND QUARTER ENDED DECEMBER 31, 2022

		Half Year Ended		Quarter Ended	
		December 31,	December 31,	December 31,	December 31,
		2022	2021	2022	2021
Note	----- (Rupees in '000') -----				
Revenue from contract with customers - net	14	14,003,954	17,984,137	5,010,594	9,632,510
Cost of goods sold		(12,239,049)	(13,772,325)	(4,856,808)	(7,367,804)
Gross profit		1,764,905	4,211,812	153,786	2,264,706
Distribution cost		(160,926)	(224,730)	(57,011)	(106,926)
Administrative expenses		(310,454)	(262,310)	(145,332)	(134,922)
Other operating expenses		(297,706)	(331,717)	19,253	(151,449)
Finance cost		(1,002,705)	(536,701)	(587,798)	(336,814)
		(1,771,791)	(1,355,458)	(770,888)	(730,111)
Other income		294,728	26,638	192,451	16,128
Profit / (loss) before taxation for the period		287,842	2,882,992	(424,651)	1,550,723
Provision for taxation	15	(170,946)	(441,044)	(60,332)	(190,788)
Profit / (loss) after taxation for the period		116,896	2,441,948	(484,983)	1,359,935
Other comprehensive income		-	-	-	-
Total comprehensive income / (Loss) for the period		116,896	2,441,948	(484,983)	1,359,935
		----- (Rupees) -----			
Earning / (loss) per share - basic and diluted	16	2.09	43.61	(8.66)	24.29

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.



SHAHID ANWAR TATA
CHIEF EXECUTIVE



MUHAMMAD ZAID KALIYA
CHIEF FINANCIAL OFFICER



ADEEL SHAHID TATA
DIRECTOR

Tata Textile Mills Ltd.

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2022

	Half Year Ended	
	December 31, 2022	December 31, 2021
	----- (Rupees in '000') -----	
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	287,842	2,882,992
Adjustments for non-cash items and others:		
Depreciation	405,378	357,622
Amortisation	1,487	1,495
Provision for staff gratuity	49,724	51,414
Amortisation of deferred government grant	(3,348)	(11,803)
Profit on savings accounts	(1,488)	(392)
Profit on term deposit receipts	(7,892)	(2,953)
Provision / (reversal) for compensated absences	11,322	12,300
Finance cost	1,002,209	536,701
Effect of interest expense on SBP refinance loan for salaries	496	11,584
Dividend income	(101,210)	(20,000)
Unrealized loss on remeasurement of other financial assets	247,344	9,085
(Gain) on disposal of operating fixed assets	(2,783)	(1,364)
Operating cash flows before working capital changes	1,889,081	3,826,681
(Increase) / decrease in current assets		
Stores, spares and loose tools	(62,404)	(3,367)
Stock-in-trade	(3,664,394)	(3,844,363)
Trade debts	743,555	(1,152,436)
Loans and advances	(2,132,793)	45,597
Short term prepayments	(5,541)	3,245
Other receivables	859	(37,043)
Sales tax refundable	(883,577)	(709,567)
Decrease in current liabilities		
Trade and other payables	(818,480)	(260,206)
Cash used in operations	(4,933,694)	(2,131,459)
Finance cost paid	(821,827)	(401,484)
Income taxes paid	(1,020)	(324,932)
Staff gratuity paid	(31,001)	(43,963)
Staff compensated absences paid	(10,975)	(12,129)
Net cash used in operating activities	(5,798,517)	(2,913,967)

Tata Textile Mills Ltd.

	Half Year Ended	
	December 31, 2022	December 31, 2021
	----- (Rupees in '000') -----	
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(512,112)	(397,358)
Proceeds from disposal of property and equipment	13,198	18,406
Purchase of investments	(84,877)	(2,450,150)
Dividend received during the period	101,210	20,000
Profit on savings accounts received during the period	1,488	392
Profit on term deposits receipts received during the period	7,892	2,953
Increase in long term deposits	(297,968)	(152)
Net cash used in investing activities	(771,169)	(2,805,909)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Long term finances obtained	313,455	209,218
Repayment of long term finances	(1,196,802)	(250,225)
(Repayment) of short-term borrowings - net	(79,375)	(1,127,592)
Dividend paid during the period	(275,028)	(137,669)
Net cash used in financing activities	(1,237,750)	(1,306,268)
Net decrease in cash and cash equivalents (A+B+C)	(7,807,436)	(7,026,144)
Cash and cash equivalents at the beginning	(3,150,974)	(182,819)
Cash and cash equivalents transferred from amalgamating companies	-	(1,573,542)
	(3,150,974)	(1,756,361)
Cash and cash equivalents at end of the period	(10,958,410)	(8,782,505)
CASH AND CASH EQUIVALENTS		
Cash and bank balances	40,072	722,024
Short term running finances	(10,998,482)	(9,504,529)
	(10,958,410)	(8,782,505)

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.



SHAHID ANWAR TATA
CHIEF EXECUTIVE



MUHAMMAD ZAID KALIYA
CHIEF FINANCIAL OFFICER



ADEEL SHAHID TATA
DIRECTOR

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED DECEMBER 31, 2022

	Revenue reserve				Surplus on revaluation of property, plant and equipment	Total
	Share Capital	General reserve	Unappropriated profit	(Rupees in '000')		
Balance at July 01, 2021 (Audited)	173,248	1,000,000	1,527,933	2,277,797	4,978,978	
Impact of amalgamation	-	1,805,996	1,857,866	5,267,937	8,931,799	
Reserve arising on amalgamation	-	-	(337,953)	-	(337,953)	
Capital issued pursuant to amalgamation	386,690	-	-	-	386,690	
	386,690	1,805,996	1,519,913	5,267,937	8,980,536	
<i>Transactions with the owners of the company:</i>						
Interim cash dividend for the quarter ended September 30, 2021 at Rs. 2.50 (25%) per share	-	-	(139,984)	-	(139,984)	
Total comprehensive income for the half year ended December 31, 2021	-	-	2,441,948	-	2,441,948	
Profit for the period	-	-	-	-	-	
Other comprehensive income - net of tax	-	-	2,301,964	-	2,301,964	
Total comprehensive income for the period	-	-	139,737	(139,737)	-	
Transferred from surplus on revaluation of property, plant and equipment on account of:						
- incremental depreciation	-	-	139,737	(139,737)	-	
	-	-	139,737	(139,737)	-	
Balance as at December 31, 2021 (Un-audited)	559,938	2,805,996	5,489,547	7,405,997	16,261,478	

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED DECEMBER 31, 2022

	Revenue reserve				Total
	Share Capital	General reserve	Unappropriated profit	Surplus on revaluation of property, plant and equipment	
Balance as at July 01, 2022 (Audited)	559,936	2,805,996	7,348,006	10,852,582	21,566,520
<i>Transactions with the owners of the company:</i>					
Final cash dividend for the year at Rs. 5 (50%) per share	-	-	(279,968)	-	(279,968)
Total comprehensive income for the half year ended December 31, 2022	-	-	116,896	-	116,896
Profit for the period	-	-	(163,072)	-	(163,072)
Other comprehensive income - net of tax	-	-	-	-	-
Total comprehensive income for the period	-	-	(163,072)	-	(163,072)
<i>Transferred from surplus on revaluation of property, plant and equipment on account of:</i>					
- incremental depreciation	-	-	177,909	(177,909)	-
- disposal of property, plant and equipment	-	-	6,508	(6,508)	-
- reversal of deferred tax on land	-	-	-	195,340	195,340
	-	-	184,417	10,923	195,340
Balance as at December 31, 2022 (Un-audited)	559,936	2,805,996	7,369,351	10,863,505	21,598,788

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.



SHAHID ANWAR TATA
CHIEF EXECUTIVE



MUHAMMAD ZAID KALIYA
CHIEF FINANCIAL OFFICER



ADEEL SHAHID TATA
DIRECTOR

Tata Textile Mills Ltd.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2022

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Tata Textile Mills Limited (the Company) is a public limited company incorporated in Pakistan on April 15, 1987 under the Companies Ordinance, 1984 (repealed) (now The Companies' Act 2017) and listed on Pakistan Stock Exchange Limited. The 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;
- c) A/12, S.I.T.E, Kotri, District Jamshoro (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 are presented in Pakistani Rupees in thousand which is also the Company's functional currency and figures presented in these condensed interim financial statements have been rounded off to the nearest thousand rupees.
- 2.3 The figures of interim statement of profit or loss and other comprehensive income for the quarters ended December 31, 2022 and December 31, 2021 and notes forming part thereof have not been reviewed by the auditors of the Company, as they have reviewed the cumulative figure for the half yearly ended December 31, 2022 and December 31, 2021. The comparative statement of financial position presented has been extracted from annual financial statements of the Company only for the year ended June 30, 2022; the comparative condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity of the Company have been extracted from the un-audited condensed interim financial statements for the half year ended December 31, 2021.

3. SIGNIFICANT ACCOUNTING POLICIES

- 3.1 The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements and the significant judgments made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of the financial statements of the Company as at and for the year ended June 30, 2022. Certain new IFRSs and amendments to existing IFRSs are effective for periods beginning on or after July 1, 2022, which do not have any impact on the Company's financial reporting and therefore have not been detailed in these condensed interim financial statements.

Tata Textile Mills Ltd.

3.2 The Company follows the practice of conducting valuation of staff gratuity (annually) and property, plant and equipment (after every 3 years) through their respective valuation experts. Consequently for staff gratuity the impacts of such valuation are incorporated in the annual financial statements at every year end whereas for property, plant and equipment these are incorporated in the annual financial statements at the end of every 3 years. Hence, for property, plant and equipment no change in the valuation are incorporated in these condensed interim financial statement. For staff retirement benefits, the management has used the assumptions of their appointed experts as of June 30, 2022 for calculating the amount of provision and incorporated the resultant in these condensed interim financial statements.

4. FINANCIAL RISK MANAGEMENT

The Company's financial risk objectives and policies are consistent with those disclosed in the annual audited financial statements as at and for the year ended June 30, 2022.

5. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these condensed interim financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgements that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgements 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.

Estimates and judgements made by the management in the preparation of these condensed interim financial statements are the same as those that were applied to the annual financial statements of the Company for the year ended June 30, 2022, except as disclosed otherwise.

December 31,	June 30,
2022	2022
(Un-audited)	(Audited)
----- (Rupees in '000') -----	

6. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	6.1	19,440,564	19,312,762
Capital work-in-progress	6.2	886,787	918,270
		<u>20,327,351</u>	<u>20,231,032</u>

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

	December 31, 2022		June 30, 2022	
	(Unaudited)		(Audited)	
	Additions / transfers from CWIP	Disposals at book value	Additions / transfers from CWIP	Disposals at book value
----- (Rupees in '000') -----				
Freehold land	-	-	47,882	-
Buildings on Leasehold land	22,028	-	1,487	-
Buildings on freehold land	40,203	-	7,118	-
Plant and machinery	434,038	9,371	296,019	45,146
Factory & workshop equipment	6,106	-	3,398	36
Lease hold improvements	-	-	277,783	-
Office Equipment	10,238	69	19,541	231
Furniture & Fixtures	10,006	-	3,927	1,854
Vehicles	20,925	975	27,668	2,578
	<u>543,544</u>	<u>10,415</u>	<u>684,823</u>	<u>49,845</u>

Tata Textile Mills Ltd.

6.2 The details of additions and transfers from capital work in progress during the period are as under:

	December 31, 2022 (Unaudited)		June 30, 2022 (Audited)	
	Additions	Transfers / Expense out	Additions	Transfers / Expense out
----- (Rupees in '000') -----				
Civil works	86,644	73,369	392,525	295,541
Machinery and electric installations	422,364	440,315	905,006	311,806
Vehicle	1,295	20,925	63,165	59,683
Others	14,485	21,662	171,363	28,316
	524,788	556,271	1,532,059	695,346

6.2.1 Transfer and expense out includes Rs. 12.72 million pertaining to revenue expenditure that have been transferred to respective accounts in profit or loss statement (June 30, 2022: Rs. 5.612 million)

	December 31, 2022 (Un-audited)	June 30, 2022 (Audited)
Note	----- (Rupees in '000') -----	
7. Long term deposits	7.1	302,564
		4,596

7.1 It includes an amount of Rs. 297.968 million given for import and installation of solar panel at factory premises.

	December 31, 2022 (Un-audited)	June 30, 2022 (Audited)
Note	----- (Rupees in '000') -----	
8. STOCK-IN-TRADE		
Raw material	8.1	8,863,026
Work in process		7,740,802
Finished goods	8.2	282,535
By-Product		268,560
		4,529,461
		117,510
		13,792,532
		10,128,138

8.1 Raw material includes stock in transit amounting to Rs. Nil (June 30, 2022: Rs. 1,224.82 million).

8.2 The net realisable value of the finished goods was lower than its cost as at, which resulted in a write down amounting to Rs. 280 million (2022 : Rs. 5.15 million).

9. SHARE CAPITAL

	December 31, 2022	June 30, 2022		December 31, 2022	June 30, 2022
			Authorised capital:	----- (Rupees in '000') -----	
100,000	100,000		Ordinary shares of Rs. 10 each	1,000,000	1,000,000

Tata Textile Mills Ltd.

December 31, 2022 June 30, 2022 **December 31, 2022** June 30, 2022
 (Number of shares in '000') Issued, subscribed and paid-up capital: ----- (Rupees in '000') -----

		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	42,247
38,669	38,669		386,689	386,689
55,994	55,994		559,936	559,936

December 31, 2022 June 30, 2022
 (Un-audited) (Audited)
 ----- (Rupees in '000') -----

Note

10. LONG TERM FINANCE

Banking companies - secured

SBP-LTFF	10.1	1,346,424	1,110,130
Syndicate financing-LTFF	10.2	136,720	869,970
SBP REFF- Solar Project	10.3	66,826	70,176
Term finance	10.4	1,656,628	1,920,378
SBP - Refinance scheme for salary payments	10.5	29,939	149,230
		3,236,537	4,119,884

Less: current portion

SBP-LTFF		(162,635)	(141,537)
Syndicate financing-LTFF		(94,110)	(827,360)
SBP REFF- Solar Project		(6,699)	(7,207)
Term finance		(462,500)	(429,167)
SBP - Refinance scheme for salary payments		(29,939)	(149,230)
		(755,883)	(1,554,501)
		2,480,654	2,565,383

- 10.1** These facilities are secured against first pari passu charge on fixed assets and are subject to SBP markup rate 2% to 8% plus bank spread 1% to 2.5% per annum. (June 30, 2022: SBP markup rate 1.5% to 2% plus bank spread 2% per annum). These are payable in 10 years with principal & markup payable in half yearly installments.
- 10.2** This represents the outstanding against loan of Rs. 3 billion 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. 726 million out of total loan of Rs. 3 billion. SBP-LTFF is subject to SBP markup rate of 3% to 4.5% plus bank spread 1.4% per annum payable semi-annually.
- 10.3** These facilities are obtained from a banking company which are used to finance solar project under SBP financing scheme for Renewable Energy. These facilities are subject to markup at SBP rate 2% plus bank spread 2% per annum. (June 30, 2022: SBP markup rate 2% plus bank spread 2% per annum). These are repayable in 32 equal quarterly installments and have various maturity dates from September 2026 upto March 2031.
- 10.4** The finances are secured against first pari passu charge on all present and future fixed assets including land, building, plant and machinery, charge on specific machinery and investments. These facilities are subject to markup at the rate 3 months' KIBOR plus 0.5% to 1.25% per annum (June 30, 2022: 3 months' KIBOR plus 0.50% to 1.25% per annum). These loans are repayable in equal quarterly installments upto October 2032.

Tata Textile Mills Ltd.

10.5 This facility is obtained from a banking company which is secured against first pari passu charge on fixed assets and is subject to SBP mark-up rate from 2%. (June 30, 2022: SBP markup rate from 1.5% to 2%) per annum and will mature in January 2023. The current maturity of the loan shows last payment is due in January 2023.

10.6 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.

	July 01, 2022	Obtained during the period	Repaid during the period	December 31, 2022
(Rupees in '000')				
SBP - LTFF	1,110,130	313,455	(77,161)	1,346,424
Syndicate financing-LTFF	869,970	-	(733,250)	136,720
SBP REFF-Solar Project	70,176	-	(3,350)	66,826
Term finances	1,920,378	-	(263,750)	1,656,628
SBP - Refinance for salary payments	149,230	-	(119,291)	29,939
	4,119,884	313,455	(1,196,802)	3,236,537

11. DEFERRED GOVERNMENT GRANT

Deferred government grant against salary loans
Current portion of deferred government grant

Note

December 31,
2022
(Un-audited)
(Rupees in '000')

June 30,
2022
(Audited)

394
(394)

3,742
(3,742)

11.1 Movement for the period / year

As at the beginning of the period / year
Effect of amalgamation in the period / year

3,742
-

7,755
15,334

Less: Amortisation for the period / year

3,742
(3,348)

23,089
(19,347)

As at the end of the period / year

394

3,742

11.2 Deferred government grant relates to the difference between the fair value and actual proceeds of salary loan obtained under SBP's refinance scheme for payment of salaries and amortised over the period of two and a half year 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 is amortised over the period of loan and amortisation will be recognised and presented as reduction of related interest expense.

December 31,
2022
(Un-audited)
(Rupees in '000')

June 30,
2022
(Audited)

Note

12. SHORT TERM BORROWINGS

Banking companies - secured

Finance against export merchandise
Finance against import merchandise
Running / cash finance

12.1
12.2
12.3
12.4

17,975
3,049,032
10,998,482
14,065,489

164,800
2,981,582
3,425,901
6,572,283

Tata Textile Mills Ltd.

- 12.1** This facility is subject to mark-up at the rate of 4.5% (June 30, 2022: 2.5% to 4.5%) inclusive of LIBOR. This is secured against joint pari passu hypothecation charge over current assets of the Company including 25% margin.
- 12.2** 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 months' KIBOR plus spread ranging between 0.75% to 1.00% (June 30, 2022: markup at the rate of 1 - 6 months' KIBOR plus spread ranging between 0.75 to 1.5%) per annum.
- 12.3** These are subject to mark-up at the rate of 1 - 6 months' KIBOR plus spread ranging between -0.25% to 1.00% (June 30, 2022: 1 - 3 months' KIBOR plus spread ranging between 0.75% to 1.5%) per annum. These facilities are secured against pledge of stock and joint pari passu charge over current assets.
- 12.4** Total facilities available from various commercial banks amounts to Rs. 22,855 million (June 30, 2022: Rs. 20,590 million) out of which the aggregate unavailed short term facilities amounted to Rs. 8,790 million (June 30, 2022: Rs. 14,420 million).

	July 01, 2022	Obtained during the period	Repaid during the period	December 31, 2022
----- Rupees in '000' -----				
Finance against export merchandise	164,800	71,890	(218,715)	17,975
Finance against import merchandise	2,981,582	1,917,685	(1,850,235)	3,049,032
Running / cash finances	3,425,901	9,203,557	(1,630,976)	10,998,482
	6,572,283	11,193,132	(3,699,926)	14,065,489

13. CONTINGENCIES AND COMMITMENTS

13.1 Contingencies

There are no contingencies to report as at December 31, 2022 and June 30, 2022.

13.2 Commitments

	Note	December 31, 2022 (Un-audited) ----- (Rupees in '000') -----	June 30, 2022 (Audited)
(i) Civil works		404,999	69,715
(ii) Letters of credit against:			
- Plant and machinery		666,101	884,816
- Stores and spares		181,298	166,537
- Raw material		2,509,543	916,846
		3,356,942	1,968,199
(iii) Bank guarantees issued on behalf of the Company	13.2.1	898,672	827,503
(iv) Bills discounted with recourse:			
- Export		157,575	215,775
- Local		151,478	558,182
		309,053	773,957
(v) Outstanding sales contract		1,380,217	1,986,871

Tata Textile Mills Ltd.

13.2.1 This includes bank guarantee related to Sindh Development Infrastructure Cess amounting to Rs. 589.10 million (June 30, 2022: Rs. 548.10 million).

14. REVENUE FROM CONTRACT WITH CUSTOMERS - NET

Sales include sales made to local customers (including indirect exports) Rs.13,338 million (December 31, 2021: Rs. 16,384 million) and direct exports amounting to Rs. 666 million (December 31, 2021: Rs. 1,600 million). The export are made to Asia & Europe region.

HALF YEAR ENDED		QUARTER ENDED	
December 31, December 31,		December 31, December 31,	
2022	2021	2022	2021
----- (Un-audited) -----			
----- (Rupees in '000') -----			

15. PROVISION FOR TAXATION

Current				
for the Period	184,862	272,470	82,914	105,763
for the prior year	1,017	8,311	(483)	7,077
	185,879	280,781	82,431	112,840
Deferred	(14,933)	160,263	(22,099)	77,948
	170,946	441,044	60,332	190,788

16. EARNINGS PER SHARE - BASIC AND DILUTED

Profit / (loss) for the period	116,896	2,441,948	(484,983)	1,359,935
Weighted average number of ordinary	----- (Number of shares in '000') -----			
shares outstanding during the year	55,994	55,994	55,994	55,994
Earnings / (Loss) per share (Rupees)	2.09	43.61	(8.66)	24.29

16.1 There is no dilutive effect on the basic earnings per share of the Company.

17. TRANSACTIONS WITH RELATED PARTIES

Details of significant transactions with related parties, other than those which have been disclosed elsewhere in these condensed interim financial statements, are as follows:

Relationship with the Party	Basis of Relationship	% of share-holding	Nature of Transaction	Half year ended	
				December 31, December 31,	
				2022	2021
----- (Un-audited) -----					
----- (Rupees in '000') -----					
Associated undertakings	-	-	Share of expenses received	-	3
			Share of expenses paid	-	990
			License income	712	712
Key management personnel	-	-	Remuneration and other benefits	64,376	95,860

Tata Textile Mills Ltd.

Relationship with the Party	Basis of Relationship	% of share-holding	Nature of Transaction	Half year ended	
				December 31, December 31,	
				2022	2021
				----- (Un-audited) -----	
				----- (Rupees in '000') -----	
Directors	-	-	Remuneration and other benefits	16,801	19,743
			Meetings fee	2,800	4,500
			Dividend	210,648	104,426
			Rent expense		
			-godown	1,200	1,200
			-office premises	-	7,500
Staff retirement funds	-	-	Expense charged to Provident Fund	14,038	-

18. FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES

There have been no significant change in the risk management policies since the year ended June 30, 2022.

19. FAIR VALUE OF ASSETS AND LIABILITIES

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

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

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.

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).

Other financial assets includes investments in equity securities measured at fair value through profit or loss and classified under level 1 fair value hierarchy, as at December 31, 2022, these securities are valued at Rs. 1,377.11 million (June 30, 2022 Rs.1,624.45 million) and there were no transfers between various levels of fair value hierarchy during the period.

As at December 31, 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.

20. NON-ADJUSTING EVENTS AFTER REPORTING DATE

The Board of Directors of the Company at their meeting held on February 17, 2023, has declared an interim cash dividend of Rupee 2.00 per share. However, this event has been considered as a non-adjusting event under International Accounting Standard (IAS) 10 "Events after the Reporting Period" and has not been recognized in these condensed interim financial statements.

21. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements was authorised for issue on February 17, 2023 by the Board of Directors of the Company.

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.



SHAHID ANWAR TATA
CHIEF EXECUTIVE



MUHAMMAD ZAID KALIYA
CHIEF FINANCIAL OFFICER



ADEEL SHAHID TATA
DIRECTOR

31 دسمبر 2022ء کو ختم ہونے والی ششماہی کیلئے کمپنی کے (غیر آڈٹ شدہ) مالیاتی حسابات آپ کو پیش کئے جا رہے ہیں۔

قدرتی آفات، غیر مستحکم سیاسی حالات، بگڑتے معاشی حالات، مہنگائی اور عالمی کساد بازاری کے باعث چھ ماہ کا فی چیلنجنگ رہے۔ ان چیلنجز کے باوجود، الحمد للہ، کمپنی نے دوران ششماہی مبلغ 287.84 ملین روپے کا قبل از ٹیکس منافع حاصل کیا جس کا موازنہ گذشتہ سال کی اسی مدت کے قبل از ٹیکس منافع مبلغ 2.88 بلین روپے سے کیا جاسکتا ہے۔ دوسری سہ ماہی میں کمپنی کو مبلغ 424.65 ملین روپے کا قبل از ٹیکس خسارہ ہوا جس کا موازنہ گذشتہ سال کی اسی مدت کے قبل از ٹیکس منافع مبلغ 1.55 بلین روپے سے کیا جاسکتا ہے۔

جائزہ:

پاکستان میں کپاس کی فصل کی تقریباً 5 بلین گانٹھیں یا اس سے کم ہونے کی توقع ہے۔ اب تک ہم نے کپاس کی 1.88 بلین گانٹھیں درآمد کی ہیں اور ایک اندازے کے مطابق ہم 5 بلین گانٹھیں استعمال کر لیں گے اس وجہ سے ایسا لگتا ہے کہ ہمارے پاس انوینٹری کی کمی ہوگی۔ جبکہ کپاس کی کھپت عام طور پر 15 سے 16 بلین گانٹھیں ہوتی ہیں، مختلف عوامل کی وجہ سے اس سال یہ تقریباً 10 سے 11 بلین گانٹھیں ہوں گی، جو کہ 5 سے 6 بلین کے فرق کو ظاہر کرتی ہے، لہذا نیکسٹائل انڈسٹری کے لیے کپاس کی شدید قلت ہوگی اور اگلے چھ ماہ مشکل ہوں گے۔

مزید برآں، ہم توقع کرتے ہیں کہ مینوفیکچرنگ اور آپریٹنگ لاگت میں بڑے پیمانے پر اضافے کی وجہ سے اسپننگ انڈسٹری چیلنجنگ دور سے گزرے گی۔ عالمی سطح پر مانگ میں کمی کی وجہ سے اس لاگت کو قیمت فروخت میں مکمل طور پر منتقل نہیں کیا جاسکتا۔ مزید یہ کہ پاکستانی کپاس کی فصل کی کمی کے باعث کمپنی امریکی ڈالر میں کپاس درآمد کرنے پر مجبور ہے اور روپے اور ڈالر کی شرح تبادلہ پر موجودہ غیر یقینی صورتحال اور LC کے اجراء میں تاخیر/پابندیوں کے باعث بارن کی پیداوار میں کمی کی توقع ہے۔

توانائی کی ہوشیار قیمتوں کے باعث مینوفیکچرنگ لاگت میں اضافہ ہوا ہے جس کی وجہ سے ٹیکسٹائل کمپنیوں کے لیے عالمی سطح پر مسابقتی رہنا مشکل ہو رہا ہے۔ حکومت نے ایکسپورٹ اور ریٹیل کمپنیوں کے لیے ری گیسفائیڈ لیکوئٹائیڈ نیچرل گیس (RLNG) کی قیمت 9 امریکی ڈالر فی MMBTU مقرر کی ہے۔ تاہم، صرف 40% سے 50% تک گیس دستیاب ہے۔ گرڈ ریٹ کو کم کر کے 19.99 روپے فی KWH فلیٹ ریٹ کر دیا گیا ہے۔ جو کہ اب بھی زیادہ ہے۔ برآمدی اہداف حاصل کرنے کے لیے، توانائی کی لاگت کو کم کرنے اور صنعت کو مزید مسابقتی بنانے کے لیے ایک مضبوط پالیسی کی ضرورت ہے۔

ملک کے زرمبادلہ کے ذخائر کم ہو کر 11.4 بلین امریکی ڈالر رہ گئے ہیں جبکہ 30 دسمبر 2022 تک خالص ذخائر 4 بلین امریکی ڈالر پر ہیں۔ موجودہ صورتحال نے صنعتی سرگرمیوں اور برآمدات کو کافی متاثر کیا ہے اور توقع کی جاتی ہے کہ پہلے سے ہی مشکلات کا شکار معیشت پر پتہ کن اثرات مرتب ہوں گے جس میں زرمبادلہ کے ذخائر میں عدم استحکام بھی شامل ہے۔

شرح سود میں اضافہ، کاروبار کرنے کی مجموعی لاگت میں اضافہ، خاص طور پر لیبر، توانائی اور مالیاتی اخراجات میں اضافے نے کمپنی کے لیے بینک فنانسنگ کے ذریعے کاروباری امور کو برقرار رکھنا مشکل بنا دیا ہے۔ اس کے ساتھ ساتھ LC کے اجراء نہ ہونے کی وجہ سے کمپنی کے منافع پر منفی اثر پڑا ہے۔

مستقبل کی حکمت عملی:

ہم توقع کرتے ہیں کہ موجودہ کساد بازاری کا مرحلہ عارضی ہوگا۔ کمپنی کا خیال ہے کہ وقت گزرنے کے ساتھ ساتھ چیمپو پلٹیکل ماحول میں بہتری آئے گی جس کے نتیجے میں عالمی فروخت میں اضافہ ہوگا۔ گلوبل سپلائی چین میں بہتری دیکھی گئی ہے، جو ٹیکسٹائل مصنوعات کی بین الاقوامی خریداری کے امور میں بہتری لائے گی۔ کلیدی امور میں مسابقتی رہنے کیلئے کمپنی لاگت کی کمی پر توجہ مرکوز کئے ہوئے ہے۔ حکومت کی جانب سے ٹیکسز اور ٹیکسٹائل شعبہ کے لیے سستے قرضے لینے کی سہولتوں کے لیے ایک معقول پالیسی کی ضرورت ہے۔

اس بات پر یقین رکھیں کہ آپ کی انتظامیہ پیداواری صلاحیت میں اضافہ اور پائیداری کو یقینی بنانے کے لیے آپریشنل افادیت کو نافذ کرنے کے لیے انتھک محنت کر رہی ہے۔

ڈویڈنڈ:

بورڈ آف ڈائریکٹرز نے اختتامی مدت 30 جون 2023 کیلئے مبلغ 2 روپے فی حصص (20%) کے عبوری ڈویڈنڈ کا اعلان کیا ہے۔

اظہار تشکر:

ہم کمپنی کے تمام ملازمین کی خدمات کا شکریہ ادا کرتے ہیں۔ اس کے علاوہ ہم اپنے کسٹمرز جو کہ ہماری پروڈکٹس پر اعتماد کرتے ہیں اور ہمارے بینکرز جو کہ مستقل طور پر کمپنی کو سپورٹ کر رہے ہیں ان کے بھی مشکور ہیں اس کے علاوہ ہم شیئر ہولڈرز کے انتظامیہ پر اعتماد کے بھی مشکور ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے

عدیل شاہدھانا
ڈائریکٹر

شاہد انوار ثانا
چیف ایگزیکٹو

کراچی مورخہ: 17 فروری 2023ء

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