



TATA TEXTILE MILLS LIMITED

**Condensed Interim Financial Information
For The Half Year Ended December 31, 2016**

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COMPANY INFORMATION**BOARD OF DIRECTORS**

CHAIRMAN:	Mr. Anwar Ahmed Tata
CHIEF EXECUTIVE:	Mr. Shahid Anwar Tata
DIRECTORS:	Mr. Adeel Shahid Anwar Tata Mr. Bilal Shahid Anwar Mr. Asif Saleem Mr. Muhammad Salman H. Chawala (NIT) Mr. Muhammad Naseem

AUDIT COMMITTEE

CHAIRMAN:	Mr. Muhammad Naseem
MEMBERS:	Mr. Asif Saleem Mr. Bilal Shahid Anwar
SECRETARY	Mr. Owais Ahmed Abbasi

HUMAN RESOURCE & REMUNERATION

COMMITTEE	
CHAIRMAN:	Mr. Muhammad Naseem
MEMBERS:	Mr. Shahid Anwar Tata Mr. Bilal Shahid Anwar
SECRETARY	Mr. Aadil Riaz

**COMPANY SECRETARY &
CHIEF FINANCIAL OFFICER:**

Mr. Farooq Advani

BANKERS:

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

AUDITORS: M/s. Deloitte Yousuf Adil
Chartered Accountants

LEGAL ADVISOR: Rajwana & Rajwana Advocates

SHARE REGISTRAR: Central Depository Company of Pakistan Limited
CDC House, 99 – B, Block 'B',
S.M.C.H.S., Main Shahra-e-Faisal
Tel# (Toll Free) 0800-CDCPL (23275)
Fax # (92-21) 34326053

REGISTERED OFFICE: 6th Floor Textile Plaza,
M.A Jinnah Road Karachi.
Tel# 32412955-3 Lines 32426761-2-4
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MILLS: 10th K.M. M.M. Road
Khanpur-Baggasher,
District Muzaffargarh

Directors' Report

Assalam-o-Alaikum

The Financial Statements (un-audited) of the Company for the Half Yearly, ended on December 31, 2016 is being presented to you.

During the period under review, the Company incurred a pre-tax loss of PKR.10.527 million as compared to a pre-tax loss of PKR.28.725 million, during the corresponding period of last year, showing some progress.

Textile Industry

It is most unfortunate that we are yet again reporting the same distressing scenario which is only because of the apathetic attitude of the present Government. The cost push up continues in all inputs like labour, raw material, etc. The long awaited Textile Package has been finally announced, though, it is insufficient and inadequate. Nevertheless, we hope it will bring some development in the Textile Sector and help boost the declining exports.

Burden of Taxes

Like any other Company, your Company is burdened with Withholding Taxes. The current Tax Policy of the Government is not supportive to Business and the Industry. Instead, the Government has been inclined to recover more and more taxes from the already over-burdened existing tax payer in order to increase its revenue and target. The tax payer is required to pay minimum tax even if the company is incurring losses and the regime of Withholding Tax mechanism is programmed in such a manner that it deducts taxes in excess of the Minimum Tax liability. The Minimum Tax liability which was previously imposed at 0.5% is now increased to 1%.

Besides Withholding Taxes, we are contributing huge amount to the Government's Revenue on account of various government levies, such as, SRB on services, Custom Duties, Textile Cess, Education Cess, Cotton Cess, Social Security, EOBI, etc.

Raw Material

There has yet again been a very serious failure of Cotton Crop. The Textile Industry have contributed Millions of Rupees as Cotton Cess to the Government, but the Pakistan Agriculture Institutions have not carried out any research for improvement in quality of Cotton Seeds or for Virus / pest resistant variety. The quality of Cotton keeps deteriorating every year in addition to reduction in Crop size and with its issues of contaminations, etc., we are paying a much higher price for Pakistani Cotton than what it actually deserves. But the Government continues to remain indifferent to the issues relating to Cotton crop and has not come up with any corrective measures or Policy for a crop that provides for 70% of the exports. We are therefore compelled to import Cotton which falls expensive.

Future Outlook

The Government has made some announcements for the Textile Industry, which under no circumstances could be termed as a "Textile Package". A Country which is already short of Raw Material and is buying Raw Material at Import Parity, imposing 4% Import Duty, was an absolutely wrong Policy of the Government which rendered the Textile Industry totally uncompetitive, so this withdrawal of 4% duty cannot be considered a Package. However, we have to wait and watch, in the coming months, how the 4% Duty Draw Back on yarn, which is too little and too late, benefit the Industry against the unrealistic Exchange Rate Policy. Moreover, the Government should also take urgent measures to refund our accumulated amount of Sales Tax and Income Tax.

Acknowledgement

It is most important to mention the untiring endeavors of all our team members who are engaged in up-holding their commitment for the company's success and growth. We also thank our Bankers, Vendors and Clients for their consistent trust and support.

On behalf of the Board of Directors



SHAHID ANWAR TATA
CHIEF EXECUTIVE

Karachi

Dated: February 25, 2017

Deloitte.

Deloitte Yousuf Adil
Chartered Accountants
Cavish Court, A-35, Block 7 & 8
KCHSU, Sharea Faisal,
Karachi-75350
Pakistan
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AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of **TATA TEXTILE MILLS LIMITED** (the Company) as at **December 31, 2016**, the related condensed interim profit and loss account, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the half year then ended (here-in-after referred to as the 'interim financial information'). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim profit and loss account for the quarters ended December 31, 2016 and December 31, 2015 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2016.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information 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 interim financial information as of and for the half year ended December 31, 2016 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.



Chartered Accountants

Engagement partner
Mushtaq Ali Hirani

Dated: February 25, 2017
Karachi

Member of


Deloitte Touche Tohmatsu Limited

CONDENSED INTERIM BALANCE SHEET
AS AT DECEMBER 31, 2016

		December 31, 2016 (Unaudited)	June 30, 2016 (Audited)
	Note	----- Rupees in '000' -----	
ASSETS			
Non-Current Assets			
Property, plant and equipment	5	2,935,961	2,891,141
Intangible assets		1,244	1,956
Long-term deposits		2,077	2,077
		2,939,282	2,895,174
Current Assets			
Stores, spares and loose tools		50,234	50,533
Stock-in-trade		1,568,771	857,649
Trade debts		284,045	312,584
Loans and advances		236,262	229,348
Trade deposits and short term prepayments		11,451	22,019
Other receivables		52	362
Other financial assets		23,588	14,852
Sales tax refundable		50,376	32,146
Cash and bank balances		53,979	60,364
		2,278,758	1,579,857
TOTAL ASSETS		5,218,040	4,475,031
EQUITY AND LIABILITIES			
Equity			
Share capital and reserves	6	1,454,223	1,460,510
Surplus on revaluation of property, plant and equipment		1,325,695	1,357,456
Non-Current Liabilities			
Long-term finances	7	264,671	158,733
Deferred liabilities		179,157	165,302
		443,828	324,035
Current Liabilities			
Trade and other payables		375,681	353,983
Accrued interest / mark-up on borrowings		19,967	12,482
Short-term borrowings		1,463,740	855,315
Current portion of long-term finances	7	64,374	64,394
Provision for income tax		70,532	46,856
		1,994,294	1,333,030
Contingencies and commitments	8		
TOTAL EQUITY AND LIABILITIES		5,218,040	4,475,031

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.


SHAHID ANWAR TATA
CHIEF EXECUTIVE



ANWAR AHMED TATA
CHARIMAN / DIRECTOR

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2016**

	Half year ended		Quarter ended	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Note ----- Rupees in '000' -----				
Sales-net	2,632,436	2,333,879	1,446,095	1,173,791
Cost of goods sold	9 (2,480,331)	(2,168,684)	(1,387,017)	(1,082,152)
Gross profit	152,105	165,195	59,078	91,639
Distribution cost	(49,916)	(69,230)	(24,091)	(30,076)
Administrative expenses	(70,317)	(69,013)	(29,956)	(31,688)
Other operating expenses	(1,468)	(17,453)	-	(14,610)
Finance cost	(43,127)	(40,546)	(28,134)	(22,525)
	(164,828)	(196,242)	(82,181)	(98,899)
Other income	2,196	2,322	558	2,291
Loss before taxation	(10,527)	(28,725)	(22,545)	(4,969)
Provision for taxation	10 (27,520)	(11,197)	(11,980)	1,573
Loss for the period	(38,047)	(39,922)	(34,525)	(3,396)
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	(38,047)	(39,922)	(34,525)	(3,396)
Earnings per share - Basic and diluted (Rupees)	(2.20)	(2.30)	(1.99)	(0.20)

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.


SHAHID ANWAR TATA
 CHIEF EXECUTIVE


ANWAR AHMED TATA
 CHARIMAN / DIRECTOR


**CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2016**

December 31, December 31,
2016 2015
----- Rupees in '000' -----

A. CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(10,527)	(28,725)
Adjustments for		
Depreciation	73,216	57,067
Amortization	880	872
Provision for staff gratuity	17,078	13,583
Provision for staff compensated absences	3,190	5,102
Provision for doubtful debts	593	-
Finance cost	43,127	40,546
Gain on disposal of property, plant and equipment	(380)	(1,846)
Operating cash flows before working capital changes	127,177	86,599
Decrease / (increase) in current assets		
Stores, spares and loose tools	299	(4,300)
Stock-in-trade	(711,122)	(1,207,039)
Trade debts	27,946	181,842
Loans and advances	6,854	(10,035)
Trade deposits and short-term prepayments	10,514	(2,744)
Other receivables	310	(1,939)
Other financial assets	(8,736)	(102,500)
Sales tax refundable	(18,230)	19,452
Increase in current liabilities		
Trade and other payables	21,700	134,991
Cash used in operations	(543,288)	(905,673)
Finance cost paid	(35,642)	(38,654)
Income tax paid	(13,767)	(26,464)
Staff gratuity paid	(6,500)	(5,779)
Staff compensated absences paid	(3,695)	(4,801)
Net cash used in operating activities	(602,892)	(981,371)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Addition to property, plant and equipment	(119,281)	(78,512)
Proceeds from disposal of property, plant and equipment	1,625	2,632
Additions to intangible assets	(169)	-
Long-term deposits	-	(8,006)
Net cash used in investing activities	(117,825)	(83,886)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of long-term finance	(32,207)	(31,091)
Long-term finance obtained	138,125	44,667
Short-term borrowings (paid off) / obtained - net	(402,984)	736,535
Dividend paid	(2)	(16,974)
Net cash (used in) / generated from financing activities	(297,068)	733,137
Net decrease in cash and cash equivalents (A+B+C)	(1,017,785)	(332,120)
Cash and cash equivalents at July 01	(385,911)	(333,741)
Cash and cash equivalents at December 31	(1,403,696)	(665,861)
CASH AND CASH EQUIVALENTS		
Cash and bank balances	53,979	39,258
Short-term borrowings	(1,457,675)	(705,119)
	(1,403,696)	(665,861)

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.


SHAHID ANWAR TATA
CHIEF EXECUTIVE


ANWAR AHMED TATA
CHARIMAN / DIRECTOR

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2016**

	Issued, subscribed and paid up capital	Revenue reserve		Total
		General reserve	Unappropriated profits	
----- Rupees in '000' -----				
Balance at June 30, 2015 (Audited)	173,247	1,000,000	457,641	1,630,888
Total comprehensive income for the half year ended December 31, 2015				
Loss for the period	-	-	(39,922)	(39,922)
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	(39,922)	(39,922)
Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax	-	-	18,063	18,063
Transaction with owners				
Final cash dividend for the year ended June 30, 2015 @ Re. 1 per share	-	-	(17,325)	(17,325)
Balance at December 31, 2015 (Unaudited)	173,247	1,000,000	418,457	1,591,704
Total comprehensive income for the half year ended June 30, 2016				
Loss for the period	-	-	(154,495)	(154,495)
Other comprehensive income				
Loss on remeasurement of defined benefit plan - net of deferred tax	-	-	(8,603)	(8,603)
Total comprehensive income for the period	-	-	(163,098)	(163,098)
Transferred from surplus on revaluation of property, plant and equipment on account of:				
- incremental depreciation - net of deferred tax	-	-	30,923	30,923
- disposal of property, plant and equipment	-	-	981	981
	-	-	31,904	31,904
Balance at June 30, 2016 (Audited)	173,247	1,000,000	287,263	1,460,510
Total comprehensive income for the half year ended December 31, 2016				
Loss for the period	-	-	(38,047)	(38,047)
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	(38,047)	(38,047)
Transferred from surplus on revaluation of property, plant and equipment on account of:				
- incremental depreciation - net of deferred tax	-	-	31,314	31,314
- disposal of property, plant and equipment	-	-	446	446
	-	-	31,760	31,760
Balance at December 31, 2016 (Unaudited)	173,247	1,000,000	280,976	1,454,223

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.



SHAHID ANWAR TATA
CHIEF EXECUTIVE



ANWAR AHMED TATA
CHARIMAN / DIRECTOR

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE HALF YEAR ENDED DECEMBER 31, 2016

1. LEGAL STATUS AND NATURE OF BUSINESS

Tata Textile Mills Limited (the Company) is a public limited company incorporated in Pakistan on April 15, 1987 under the Companies Ordinance, 1984 and listed on Pakistan Stock Exchange Limited. The registered office of the Company is situated at 6th floor, Textile Plaza, M.A. Jinnah Road, Karachi, in the province of Sindh. The principal activity of the Company is manufacturing and sale of yarn. The Company's manufacturing facilities are located at District Muzaffargarh in the province of Punjab.

2. BASIS OF PREPARATION

- 2.1 This condensed interim financial information of the Company for the half year ended December 31, 2016 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 shall prevail. This condensed interim financial information does not include all the information required for the full financial statements and therefore should be read in conjunction with the annual financial statements of the Company for the year ended June 30, 2016.
- 2.2 This condensed interim financial information has been prepared under historical cost convention modified by:
- revaluation of certain property, plant and equipment and
 - recognition of certain staff retirement benefits at present value.
- 2.3 This condensed interim financial information is presented in Pak Rupees which is also the Company's functional and presentation currency and figures presented in this condensed interim financial information has been rounded off to the nearest thousand rupee.
- 2.4 This condensed interim financial information is unaudited. However, a limited scope review of this condensed interim financial information has been performed by the external auditors of the Company in accordance with the requirements of clause 5.19.13(b) of Rule Book of Pakistan Stock Exchange Limited and they have issued their review report thereon. This condensed interim financial report is being submitted to shareholders as required by Section 245 of Companies Ordinance, 1984.
- 2.5 The comparative balance sheet presented has been extracted from annual financial statements for the year ended June 30, 2016 whereas comparative condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity are taken from the unaudited condensed interim financial information for the half year ended December 31, 2015

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information and the significant 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, 2016

Certain amendments to existing IFRSs are effective for periods beginning on or after July 1, 2016, which do not have any impact on this condensed interim financial information and are therefore not enumerated here.

4. FINANCIAL RISK MANAGEMENT

The Company's financial risk objectives and policies are consistent with those disclosed in the annual financial statements as at and for the year ended June 30, 2016.

December 31,	June 30,
2016	2016
(Unaudited)	(Audited)
----- Rupees in '000' -----	----- Rupees in '000' -----

5. PROPERTY, PLANT AND EQUIPMENT

Operating assets	2,791,088	2,828,415
Capital work-in-progress	144,873	62,726
	2,935,961	2,891,141

- 5.1 Following additions, transfers and disposals in operating assets were made:

	Additions/ transfers from CWIP	Disposals (written down value)	Sale proceeds
----- Rupees in '000' -----	----- Rupees in '000' -----	----- Rupees in '000' -----	----- Rupees in '000' -----
During the period ended December 31, 2016 (Unaudited)			
Building on freehold land	4,199	-	-
Plant and machinery	8,765	740	350
Factory and workshop equipment	180	-	-
Electric installations	1,184	-	-
Furniture and fixtures	349	-	-
Security equipment	13,047	-	-
Vehicles	9,410	505	1,275
	37,134	1,245	1,625

	Additions/ transfers from CWIP	Disposals (written down value)	Sale proceeds
	----- Rupees in '000' -----		
During the year ended June 30, 2016 (Audited)			
Building on freehold land	4,443	-	-
Plant and machinery	68,166	5,196	4,415
Factory and workshop equipment	692	-	-
Electric installations	452	-	-
Furniture and fixtures	628	-	-
Office equipment	681	1	1
Vehicles	277	3,380	8,781
	<u>75,339</u>	<u>8,577</u>	<u>13,197</u>
	December 31,	June 30,	
	2016	2016	
	(Unaudited)	(Audited)	
	----- Rupees in '000' -----		

6. SHARE CAPITAL AND RESERVES
Authorized share capital

20,000,000 ordinary shares of Rs.10 each

200,000	200,000
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Issued, subscribed and paid-up capital

17,324,750 ordinary shares of Rs.10 each

173,247	173,247
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General reserve

1,000,000	1,000,000
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Unappropriated profits

280,976	287,263
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1,454,223	1,460,510
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7. LONG TERM FINANCES
Banking companies - secured

Demand finances

82,668	99,202
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Term finances

225,818	58,953
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Diminishing musharka

20,559	23,721
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Car finances

-	20
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Export oriented projects (EOP)

-	41,231
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329,045	223,127
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Less: current portion shown under current liabilities

Demand finances

33,067	33,067
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Term finances

24,981	18,110
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Diminishing musharka

6,326	6,325
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Car finances

-	20
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Export oriented projects (EOP)

-	6,872
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64,374	64,394
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264,671	158,733
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- 7.1 These finances are secured against first pari passu charge on all present and future fixed assets including land, building, property, plant and equipment of the Company, vehicles acquired from such finance, specific charge over new machinery and personal guarantee of directors. These finances are subject to mark-up at the rates ranging from 3.52 % to 7.59 % per annum (June 30, 2016: 8.2 % to 13% per annum).

8. CONTINGENCIES AND COMMITMENTS
8.1 Contingencies

At June 30, 2016, the Company issued security cheques of Rs 7.89 million for differential gas tariff to Sui Northern Gas Pipeline Limited (SNGPL) on order of Lahore High Court, Multan Bench. These cheques have become time barred at December 31, 2016, therefore, there are no contingencies as at December 31, 2016.

		December 31, 2016 (Unaudited)	June 30, 2016 (Audited)
		----- Rupees in '000' -----	
8.2	Commitments	Note	
(i)	Letters of credit		
	- plant and machinery	698,812	382,130
	- stores and spares	35,807	11,332
	- raw material	26,977	24,281
(ii)	Bank guarantees issued on behalf of the Company	165,501	162,956
(iii)	Bills discounted with recourse		
	- Export	294,663	454,802
	- Local	72,458	43,415
		367,121	498,217
(iv)	Rentals under ijarah finance agreements		
	- Not later than one year	57,282	57,282
	- Later than one year but not later than five years	178,480	188,134
	- Later than five years	2,299	21,424
		238,061	266,840

8.2.1 This includes bank guarantee for Sindh Development Infrastructure Cess amounting to Rs. 48.40 million (June 30, 2016: Rs. 48.40 million) for which provision amounting to Rs. 67.34 million (June 30, 2016 : Rs. 66 million) has been made.

8.2.2 The commitment represents ijarah agreements entered into with an Islamic Bank in respect of machinery. Total future ijarah payments under agreements are Rs. 238.06 million (June 30, 2016: Rs. 266.84 million) and are payable in quarterly instalments latest by June 2022. These commitments are secured against the exclusive ownership of machinery and third ranking charge against property, plant and equipment with 25% margin.

		Half year ended		Quarter ended	
		December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
		(Unaudited)-----			
		----- Rupees in '000' -----			
9.	COST OF GOODS SOLD	Note			
	Opening finished goods	301,423	442,591	397,462	521,394
	Cost of goods manufactured	2,350,120	2,229,255	1,193,180	1,064,466
		2,651,543	2,671,846	1,590,642	1,585,860
	Closing finished goods	(203,625)	(503,708)	(203,625)	(503,708)
	Cost of manufactured goods sold	2,447,918	2,168,138	1,387,017	1,082,152
	Cost of raw material sold	32,413	546	-	-
		2,480,331	2,168,684	1,387,017	1,082,152
9.1	Cost of goods manufactured				
	Raw material	1,741,704	1,630,147	882,057	776,903
	Stores and spares	45,907	40,550	27,392	21,574
	Packing material	29,337	43,843	14,065	18,639
	Power and fuel	244,734	251,857	124,958	122,607
	Salaries, wages and benefits	170,284	161,913	80,421	80,831
	Depreciation	69,468	53,119	35,433	26,570
	Insurance	9,497	8,981	4,463	2,378
	Repairs and maintenance	2,649	5,929	2,011	3,177
	Ijarah rentals	30,618	28,771	15,358	14,490
	Other overheads	5,920	5,997	3,147	3,632
		2,350,118	2,231,107	1,189,305	1,070,801
	Work-in-process				
	Opening stock	41,589	42,238	45,462	37,755
	Closing stock	(41,587)	(44,090)	(41,587)	(44,090)
		2	(1,852)	3,875	(6,335)
		2,350,120	2,229,255	1,193,180	1,064,466
9.1.1	Raw material consumed				
	Opening stock	514,637	555,405	296,319	291,152
	Purchases - net	2,550,626	2,627,259	1,909,297	2,038,268
		3,065,263	3,182,664	2,205,616	2,329,420
	Closing stock	(1,323,559)	(1,552,517)	(1,323,559)	(1,552,517)
		1,741,704	1,630,147	882,057	776,903

9.2 Net realizable value of finished goods was lower than its cost, resulting in a write-down of Rs. 8.41 million (December 31, 2015: Rs. 26.03 million) charged to cost of goods sold.

10. TAXATION

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

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

11. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated undertakings and key management personnel. The transactions between the Company and the related parties are carried out as per agreed terms. Significant transactions with related parties are as follows:

		Half year ended	
		December 31, 2016	December 31, 2015
		------(Unaudited)-----	
		----- Rupees in '000' -----	
Relationship with the party	Nature of transactions		
Associated undertakings	Share of expenses received	1,103	1,124
	Share of expenses paid	1,611	3,362
	Purchase of cotton	37,725	54,983
	Sale of yarn	375	-
	Dividend paid	-	435
Key management personnel	Remuneration	44,529	38,315
Directors	Remuneration	7,490	5,735
	Meetings fee	120	110
	Rent expense		
	-godown	120	120
	-office premises	1,432	1,432
	Dividend paid	-	10,236

12. FAIR VALUE HIERARCHY

The Company's free hold land, building and plant and machinery are stated at revalued amounts, being the fair value at the date of revaluation, less any subsequent depreciation and subsequent impairment losses, if any. The fair value measurements of the Company's free hold land, building and plant and machinery were carried out as at September 30, 2003, June 30, 2008, June 30, 2012 and December 31, 2015, all by Iqbal A.Najee & Company (Private) Limited (valuer) on the basis of market value or depreciated replacement values as applicable. The valuer is listed on panel of Pakistan Banks Association and they have appropriate qualification and experience in the fair value measurement of properties, plant and machinery.

Levels of fair value are defined as follows:

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

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

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

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

	Level 1	Level 2	Level 3	Total
	-----Rupees '000'-----			
As at December 31, 2016 (Unaudited)				
Free hold land	-	179,733	-	179,733
Building on free hold land	-	555,763	-	555,763
Plant and machinery	-	1,921,716	-	1,921,716
Electric installations	-	57,317	-	57,317
As at June 30, 2016 (Audited)				
Free hold land	-	179,733	-	179,733
Building on free hold land	-	565,812	-	565,812
Plant and machinery	-	1,962,915	-	1,962,915
Electric installations	-	59,129	-	59,129

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


As at December 31, 2016 and June 30, 2016, there were no other financial assets and financial liabilities that warranted classification under above levels.

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

13. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on **February 25, 2017** by the Board of Directors of the Company.


SHAHID ANWAR TATA
CHIEF EXECUTIVE


ANWAR AHMED TATA
CHARIMAN / DIRECTOR

ٹاٹا ٹیکسٹائل ملز لمیٹڈ

ڈائریکٹر رپورٹ
اسلام علیہ!

31 دسمبر 2016 کو ختم ہونے والی ششماہی کیلئے کمپنی کے مالیاتی حسابات (غیر آڈٹ شدہ) آپ کے سامنے پیش کیا جا رہا ہے۔

زیر نظر مدت کے دوران کمپنی کو ٹیکس سے قبل مبلغ 10.527 ملین روپے کا خسارہ ہوا جس کا موازنہ گزشتہ سال کی اسی مدت کے دوران ٹیکس سے قبل مبلغ 28.725 ملین روپے خسارے سے تھوڑی بہت بہتری کے ساتھ کیا جاسکتا ہے۔

ٹیکسٹائل کی صنعت:

بدقسمتی سے ایک بار پھر ہم موجودہ حکومت کی عدم توجہی کی وجہ سے ٹیکسٹائل کی صنعت میں دباؤ کا شکار ہیں۔ اخراجات مستقل طور پر بڑھ رہے ہیں جس میں لیبر، خام مال وغیرہ شامل ہیں۔ ایک طویل عرصے سے منظر پر آ رہی "ٹیکسٹائل پیکیج" کا اعلان کر دیا گیا گوکہ یہ کافی ہے لیکن ہمیں امید ہے کہ اس کی وجہ سے ٹیکسٹائل سیکٹر میں کچھ ترقی ہوگی اور یہ گرتی ہوئی برآمدات کے اضافے میں معاون ثابت ہوگا۔

ٹیکسٹائل کا بوجھ:

دیگر کمپنیوں کی طرح آپ کی کمپنی بھی دو ہولڈنگ کمپنیز کی وجہ سے دباؤ میں ہے۔ حکومت کی موجودہ ٹیکس پالیسی کا دربارہ صنعت کیلئے معاون نہیں ہے باوجود اس کے کہ پیپلے ی موجدہ ٹیکس ادا کنندہ پر بہت زیادہ دباؤ ہے، حکومت انہی سے زیادہ ٹیکسز حاصل کرنے کے درجے ہے۔ ٹیکس ادا کنندہ یہ چاہتا ہے کہ وہ کم سے کم ٹیکس ادا کرے چاہے کمپنی کو خسارہ ہی کیوں نہ ہو اور وہ ہولڈنگ ٹیکس ملکہ کم کر دیا کر اس طرح اس سے کم سے کم ٹیکس کے حوالے سے ٹیکس کی کوئی زیادہ ہو۔ کم سے کم ٹیکس کی ذمہ داری جو کہ گزشتہ سال 0.5% تھی اب اس میں اضافہ کی وجہ سے 1% کر دیا گیا ہے۔

دو ہولڈنگ کمپنیز کے باوجود ہم گورنمنٹ کی جانب سے عائد کردہ مختلف ٹیکسز جیسا کہ سرمز پر SRB، کسٹم ڈیوٹی، ٹیکسٹائل سیس، تعلیمی سیس، ہاؤس سیس، سوشل سکیورٹی اور EOBI وغیرہ کی مد میں حکومت کے خرچانے میں بھاری رقم کی ادائیگی کر رہے ہیں۔

خام مال:

ایک بار پھر کانٹن کی فصل میں شدید ناکامی کا سامنا ہے۔ ٹیکسٹائل کی صنعت نے حکومت کو کانٹن سیس کے حوالے سے کئی ملین روپے کی ادائیگی کی ہے لیکن اس کے باوجود پاکستان کے زرعی اداروں نے کانٹن کے بیج کی ادائیگی/کیز سے مارا دویات کا چھڑکاؤ کے ذریعے معیار میں بہتری کیلئے کوئی تھپتھپ نہیں کی۔ اس وجہ سے کانٹن کی کوالٹی ہر سال خراب ہو رہی ہے اس کے علاوہ فصل کی مقدار میں بھی کمی واقع ہو رہی ہے۔ ہم پاکستانی کانٹن کیلئے کافی زیادہ قیمت ادا کر رہے ہیں مگر حکومت کانٹن کی فصل سے متعلق معاملات کو ابھی تک مسلسل نظر انداز کئے ہوئے ہے اور اس کی فصلوں کیلئے کوئی اصلاحی اقدامات یا پالیسی مرتب نہیں کی جو کہ برآمدات کے سلسلے میں 70% ریونیو فراہم کرتا ہے۔ لہذا ہم کانٹن کی درآمدات جو کہ زیادہ ہو گئی پرتی ہے پر مجبور ہیں۔

مستقبل پر نظر:

حکومت نے ٹیکسٹائل صنعت کیلئے کچھ اعانات کئے ہیں لیکن اسے کسی بھی حالت میں "ٹیکسٹائل پیکیج" نہیں کہا جاسکتا۔ ہمارا ملک جو کہ پیپلے ی خام مال میں کمی کا شکار ہے اور 4% عائد درآمداتی ڈیوٹی ادا کر کے خام مال خرید رہی ہے جو کہ حکومت کی سراسر غلط پالیسی ہے لہذا اس 4% سے دستبردار کی کو پیکیج نہیں تصور کیا جاسکتا۔ لہذا ہمیں آنے والے سیشنوں کا انتظار کرتا ہے کہ یارن پر 4% کی ڈیوٹی ٹیکس طرح واپس ہوتی ہے جو کہ بہت کم اور بہت تاخیر سے ہوئی ہے اور غیر حقیقی پیکیج ریٹ پالیسی کے خلاف ہے حکومت کو چاہئے کہ وہ فوری اقدامات کرتے ہوئے پیپلے ٹیکس اور آٹم ٹیکس کی مد میں شرح شدہ رقم واپس کرے۔

اظہار تشکر:

ہم یہاں اپنے ان تمام اہم ممبران جو کہ کمپنی کی کامیابی اور بہتری کیلئے اپنا کردار ادا کر رہے ہیں اور ہمارے بینکرز، خریداران اور صارفین جنہوں نے کمپنی پر اعتماد کیا ہے کے صد تشکر ہیں۔

شاہد انوار خان

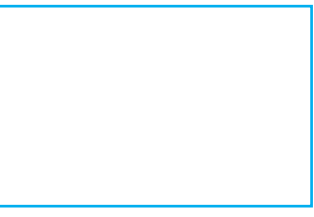
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کراچی

موخہ: 25 فروری 2017ء

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