



TATA TEXTILE MILLS LIMITED

**Condensed Interim Financial Information
For The Half Year Ended December 31, 2015**

TATA TEXTILE MILLS LIMITED

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TATA TEXTILE MILLS LIMITED

01

COMPANY INFORMATION

BOARD OF DIRECTORS

CHAIRMAN: Mr. Anwar Ahmed Tata
CHIEF EXECUTIVE: Mr. Shahid Anwar Tata
DIRECTORS: Mr. Adeel Shahid Anwar
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. Umar Khawajah

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
Industrial Commercial Bank of China (ICBC) 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
Fax# 32417710

WEB SITE ADDRESS:

www.tatatex.com

E- MAIL ADDRESS:

ttn.corporate@tatatex.com

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 Year, ended **December 31, 2015** is being presented to you.

The Financial Results for the 2nd Quarter of the company continues to be discouraging. During the quarter under review, the Company incurred an after tax loss of Rs.3.40 Million as compared to an after tax profit of Rs.37.23 million during the corresponding period of last year.

Textile Industry

During the quarter under review, the Textile Industry continues to confront a turbulent and unstable situation and this is only due to the indifferent attitude of the incumbent Government. The country's share in the global market continues to decline due to the mounting cost of doing business, non-release of multiple tax refunds, i.e. Sales Tax, Income Tax and Custom Rebate Claims and compounded with the heavy burden of withholding Tax, the Textile Sector has been badly affected. In addition to above, the exchange control policy adopted by the Government has seriously hurt the country's exports which have declined by 15% in Textile Industry and 40% in Yarn exports. During the last 5 years, our neighboring country and competitor has depreciated its currency by 55%, whereas, Pakistan has depreciated the Rupee by 24% only. Therefore, this big difference in the currency valuation cannot be covered by achieving any level of efficiency in production or cost.

The Textile Industry is a major sector of providing employment and earning of foreign exchange but the Government has completely failed to lift the country's export and especially the manufacturing sector is being neglected, as most of the promises for support made by the Government, remains unfulfilled.

Cotton Situation

The failure of Pakistani Cotton Crop has been most detrimental and there is a shortage of approximately five million cotton bales as compared to last year. According to the latest figure the output of cotton crop is estimated at approximately 9.7 to 9.8 million bales, which is a big disaster. It is most unfortunate that the Government has shown no concern for this disastrous output of cotton crop as no enquiry committee has been set up to analyze the reasons for the crop failure and no corrective measures or steps have been taken by the Government to avoid such adversity in future.

The Textile sector is therefore compelled to import Cotton and in order to make the basic Textile Industry competitive, the levy of taxes and duties on import of Cotton must be withdrawn.

Power & Gas availability.

Non-availability of Gas has resulted in dependency on Grid, which has high power tariffs, so this has put extra financial burden on the Textile Industry. Moreover, the value of Fuel Adjustment Surcharges is above Rs.3.50 and the Prime Minister has announced Rs.3/= reduction in Power Tariff, which falls short of Fuel Adjustment surcharges, so actually speaking, in reality, there is no reduction in Power Tariff.

Acknowledgment

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:
Date: February 27, 2016

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, 2015**, the related condensed interim profit and loss account, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the condensed interim financial information for the half year then ended (here-in-after referred to as condensed interim financial information). Management is responsible for the preparation and presentation of the condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim profit and loss account for the quarters ended December 31, 2015 and 2014 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2015.

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 condensed interim financial information as of and for the half year ended December 31, 2015 is not prepared, in all material respects, in accordance with approved accounting standards for interim reporting as applicable in Pakistan.

Chartered Accountants

Engagement partner
Mushtaq Ali Hirani

Dated: Febraury 27, 2016
Karachi

Member of
Deloitte Touche Tohmatsu Ltd.

**CONDENSED INTERIM BALANCE SHEET
AS AT DECEMBER 31, 2015**

December 31,
2015
(Unaudited)
.....Rupees in '000'

June 30,
2015
(Audited)

ASSETS**NON-CURRENT ASSETS**

Property, plant and equipment	5	2,308,035	2,287,377
Intangible assets		2,743	3,614
Long-term deposits		9,970	1,964
		2,320,748	2,292,955

CURRENT ASSETS

Stores, spares and loose tools		53,202	48,902
Stock-in-trade		2,247,274	1,040,235
Trade debts		482,039	663,881
Loans and advances		190,623	190,708
Trade deposits and short term prepayments		3,866	1,122
Other receivables		2,010	71
Other financial assets		112,602	10,102
Sales tax refundable		31,974	51,426
Cash and bank balances		39,258	61,691
		3,162,848	2,068,138

TOTAL ASSETS

5,483,596 4,361,093

EQUITY AND LIABILITIES**SHARE CAPITAL AND RESERVES**

	6	1,591,704	1,630,888
Surplus on revaluation of property, plant and equipment		794,646	812,709

NON-CURRENT LIABILITIES

Long-term finance	7	198,624	186,412
Deferred liabilities		109,524	106,954
		308,148	293,366

CURRENT LIABILITIES

Trade and other payables		417,847	282,505
Accrued interest / mark-up on borrowings		16,888	14,996
Short-term borrowings		2,275,692	1,229,470
Current portion of long-term finance	7	55,569	54,205
Provision for income tax		23,102	42,954
		2,789,098	1,624,130

Contingencies and commitments

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TOTAL EQUITY AND LIABILITIES

5,483,596 4,361,093

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
Chairman/Director

**CONDENSED INTERIM PROFIT & LOSS ACCOUNT (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2015**

Notes	Six-month period ended		Three-month period ended	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
.....Rupees in '000'.....				
Sales-net	2,333,879	2,701,422	1,173,791	1,281,272
Cost of goods sold	9 (2,168,684)	(2,502,230)	(1,082,152)	(1,149,414)
Gross profit	165,195	199,192	91,639	131,858
Distribution cost	(69,230)	(96,321)	(30,076)	(44,526)
Administrative expenses	(69,013)	(58,877)	(31,688)	(31,619)
Other operating expenses	(17,453)	(14,209)	(14,610)	502
Finance cost	(40,546)	(33,050)	(22,525)	(12,978)
	(196,242)	(202,457)	(98,899)	(88,621)
Other income	2,322	4,388	2,291	3,899
(Loss) / Profit before taxation	(28,725)	1,123	(4,969)	47,136
Provision for taxation	10 (11,197)	(18,102)	1,573	(9,910)
(Loss) / profit for the period after taxation	(39,922)	(16,979)	(3,396)	37,226
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	(39,922)	(16,979)	(3,396)	37,226
Earnings per share - Basic and diluted (Rupees)	(2.30)	(0.98)	(0.20)	2.15

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
Chairman/Director

**CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2015**

	December 31, 2015	December 31, 2014
Rupees in '000'.....	
A. CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / profit before taxation	(28,725)	1,123
Adjustments for		
Depreciation	57,067	63,079
Amortization	872	871
Provision for staff gratuity and compensated absences	18,685	11,486
Finance cost	40,546	33,050
(Gain) / loss on disposal of property, plant and equipment	(1,846)	11,304
Operating cash flows before working capital changes	<u>86,599</u>	<u>120,913</u>
Decrease / (increase) in current assets		
Stores, spares and loose tools	(4,300)	(2,679)
Stock-in-trade	(1,207,039)	(538,662)
Trade debts	181,842	(155,651)
Loans and advances	(10,035)	(27,141)
Trade deposits and short-term prepayments	(2,744)	(3,109)
Other receivables	(1,939)	(460)
Other financial assets	(102,500)	(207,011)
Sales tax refundable	19,452	(18,968)
Increase in current liabilities		
Trade and other payables	134,991	106,337
Cash used in operations	<u>(905,673)</u>	<u>(726,432)</u>
Finance cost paid	(38,654)	(39,649)
Income tax paid	(26,464)	(30,857)
Staff gratuity and compensated absences paid	(10,580)	(6,984)
Net cash used in operating activities	<u>(981,371)</u>	<u>(803,922)</u>
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(78,512)	(65,091)
Proceeds from disposal of property, plant and equipment	2,632	12,691
Proceeds from sales and lease back - ijarah	-	200,194
Purchase of intangible assets	-	(21)
Long-term deposits	(8,006)	-
Net cash (used in) / generated from investing activities	<u>(83,886)</u>	<u>147,773</u>
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of long-term finance	(31,091)	(25,671)
Long-term finance obtained	44,667	-
Short-term borrowings obtained - net	736,535	275,141
Dividend paid	(16,974)	(16,931)
Net cash generated from financing activities	<u>733,137</u>	<u>232,539</u>
Net decrease in cash and cash equivalents (A+B+C)	<u>(332,120)</u>	<u>(423,610)</u>
Cash and cash equivalents at July 01	<u>(333,741)</u>	<u>37,491</u>
Cash and cash equivalents at December 31	<u>(665,861)</u>	<u>(386,119)</u>
CASH AND CASH EQUIVALENTS		
Cash and bank balances	39,258	52,965
Short-term running finance	(705,119)	(439,084)
	<u>(665,861)</u>	<u>(386,119)</u>

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
 Chairman/Director

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2015**

	Issued, subscribed and paid up capital	Revenue reserve		Total
		General reserve	Unappropriated profit	
----- Rupees in '000' -----				
Balance at June 30, 2014	173,247	1,000,000	425,198	1,598,445
Comprehensive income for the half year ended December 31, 2014				
Loss after taxation	-	-	(16,979)	(16,979)
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	(16,979)	(16,979)
Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of tax	-	-	25,638	25,638
Transactions with owners				
Final cash dividend for the year ended June 30, 2014 @ Re. 1 per share	-	-	(17,325)	(17,325)
Balance at December 31, 2014	173,247	1,000,000	416,532	1,589,779
Comprehensive income for the half year ended June 30, 2015				
Profit after taxation	-	-	18,140	18,140
Loss on remeasurement of defined benefit scheme	-	-	(736)	(736)
Less: deferred tax thereon	-	-	18	18
Other comprehensive income - net of tax	-	-	(718)	(718)
Total comprehensive income for the period	-	-	17,422	17,422
Transferred from surplus on revaluation of property, plant and equipment on account of: - incremental depreciation - net of tax - disposal of property, plant and equipment	-	-	11,471 12,216	11,471 12,216
	-	-	23,687	23,687
Balance at June 30, 2015	173,247	1,000,000	457,641	1,630,888
Comprehensive income for the half year ended December 31, 2015				
Loss after taxation	-	-	(39,922)	(39,922)
Other comprehensive income - net of tax	-	-	-	-
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 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	173,247	1,000,000	418,457	1,591,704

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
Chairman/Director

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE HALF YEAR ENDED DECEMBER 31, 2015****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 Pakistan Stock Exchange Limited (formerly Lahore and Karachi Stock Exchanges). 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 six month period ended December 31, 2015 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, 2015.
- 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 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, 2015 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, 2014.

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, 2015.

Certain new IFRSs and amendments to existing IFRSs are effective for periods beginning on or after July 1, 2015, which do not have any impact on this condensed interim financial information except for IFRS 13 Fair Value Measurement.

IFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. However, it does not change the requirements regarding which items should be measured or disclosed at fair value. The scope of IFRS 13 is broad; it applies to both financial and non-financial instrument items for which other IFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. The application of this standard does not have an impact on this condensed interim financial information except certain additional disclosures as given in note 5.2 and 12

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, 2015.

TATA TEXTILE MILLS LIMITED
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	December 31, 2015 (Unaudited)	June 30, 2015 (Audited)
5. PROPERTY, PLANT AND EQUIPMENT	...Rupees in '000'...	
Operating fixed assets	2,197,157	2,251,770
Capital work-in-progress	110,878	35,607
	<u>2,308,035</u>	<u>2,287,377</u>

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

	Additions	Disposals (W.D.V)	Sales Proceeds
Rupees in '000'.....		
During the period ended			
December 31, 2015 (Unaudited)			
Owned			
Building on free hold land	1,059	-	-
Plant and machinery	1,605	-	-
Furniture and fixtures	448	-	-
Office equipment	-	1	1
Vehicles	129	785	2,631
	<u>3,241</u>	<u>786</u>	<u>2,632</u>
During the year ended			
June 30, 2015 (Audited)			
Owned			
Buildings on freehold land	8,876	-	-
Plant and machinery *	71,522	(248,524)	9,648
Factory and workshop equipment	915	-	-
Furniture and fixtures	968	-	-
Office equipment	2,133	(29)	30
Vehicles	3,239	(3,801)	9,315
	<u>87,653</u>	<u>(252,354)</u>	<u>18,993</u>
Under Diminishing Musharka			
Plant and machinery	26,665	-	-
	<u>114,318</u>	<u>(252,354)</u>	<u>18,993</u>

* Disposal includes plant and machinery sold and leased back having written down value of Rs. 230.84 million.

5.2 Fair value of property, plant and equipment

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 accumulated impairment losses, if any. The fair value measurements of the Company's free hold land, building and plant and machinery as at June 30, 2012 and electric installations as at September 30, 2003 were performed by Messer Iqbal A.Nanjee & Company (Private) Limited (valuer), independent valuer not related to the Company. The valuer is listed on panel of Pakistan Banks Association and they have appropriate qualification and experience in the fair value measurement of properties, plant and machinery.

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

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, electric installations and plant and machinery and information about the fair value hierarchy as at end of December 31, 2015 are as follows:

	Level 1	Level 2	Level 3	Total
Rupees in '000'.....			
Free hold land	-	131,765	-	131,765
Building on free hold land	-	430,499	-	430,499
Plant and machinery	-	1,545,462	-	1,545,462
Electric installations	-	6,661	-	6,661

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

6. SHARE CAPITAL AND RESERVES

	December 31, 2015 (Unaudited)	June 30, 2015 (Audited)
	...Rupees in '000'...	
Authorized share capital 20,000,000 Ordinary shares of Rs.10 each	<u>200,000</u>	<u>200,000</u>
Issued, subscribed and paid-up 17,324,750 Ordinary shares of Rs.10 each	<u>173,247</u>	<u>173,247</u>
General reserve	<u>1,000,000</u>	<u>1,000,000</u>
Unappropriated profit	<u>418,457</u>	<u>457,641</u>
	<u>1,591,704</u>	<u>1,630,888</u>

7. LONG TERM FINANCES

From banking companies - secured

Demand finances	72,408	85,979
Term finances	112,676	77,063
Vehicle loans	479	1,132
Export oriented projects (EOP)	43,328	51,141
Diminishing Musharka	25,302	25,302
	<u>254,193</u>	<u>240,617</u>

Less: Current portion shown under current liabilities

Demand finances	21,495	21,495
Term finances	18,110	16,250
Vehicle loans	415	755
Export oriented projects (EOP)	10,805	14,124
Diminishing Musharka	4,744	1,581
	<u>55,569</u>	<u>54,205</u>
	<u>198,624</u>	<u>186,412</u>

- 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 vehicle loans, specific charge over new machinery and personal guarantee of directors. These finances are subject to mark-up at the rates ranging from 7.53% to 11.2% per annum (June 2015: 7% to 13% per annum).

8.	CONTINGENCIES AND COMMITMENTS		December 31, 2015 (Unaudited)	June 30, 2015 (Audited)
		Note		
			...Rupees in '000'...	

8.1 Contingencies

Security bond	8.1.1	7,892	-
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8.1.1 Sui Northern Gas Pipeline Limited (SNGPL) applied tariff for Captive Consumers while billing to the Company. However, the Company claims to be an Industrial Consumer. The Company challenged the applicability of captive tariff on the Company before the Lahore High Court, Multan Bench. The Company has issued a Security Bond for tariff differential amount of Rs. 7.892 million as required by the Court.

The case is still pending in the court, the management is confident that case will be settled in favor of the Company, therefore no provision has been made.

8.2	Commitments		December 31, 2015 (Unaudited)	June 30, 2015 (Audited)
		Notes		
			...Rupees in '000'...	

(i) Letters of credit

- plant and machinery		5,940	48,232
- stores and spares		8,812	22,561
- raw material		6,497	44,676

(ii) Bank guarantees issued on behalf of the Company	8.2.1	119,002	118,902
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(iii) Bills discounted with recourse

- Export		323,517	173,996
- Local		20,769	19,055

(iv) Rentals under ijarah finance agreements

8.2.2

- Not later than one year		60,248	59,599
- Later than one year but not later than five years		250,040	260,138
- Later than five years		6,995	27,603

8.2.1 This includes bank guarantee for Sindh Development Infrastructure Cess amounting to Rs. 48.4 million (June 2015: Rs. 48.40 million) for which provision amounting to Rs. 62.46 million (June 2015 : Rs. 54.03 million) has been made.

8.2.2 The commitment represents ijarah agreements entered into with an Islamic Bank in respect of machineries. Total future ijarah payments under agreements are Rs. 317.28 million (June 2015: Rs. 347.34 million) and are payable in quarterly installments latest by June 2022.

		<u>Six-month period ended</u>	<u>Three-month period ended</u>	
		December 31, 2015	December 31, 2014	December 31, 2015
				December 31, 2014
	Unaudited.....		
	Rupees in '000'.....		

9. COST OF GOODS SOLD

Opening finished goods		442,591	345,633	521,394	184,569
Cost of goods manufactured	9.1	2,229,255	2,358,411	1,064,466	1,174,902
		2,671,846	2,704,044	1,585,860	1,359,471
Closing finished goods	9.2	(503,708)	(210,057)	(503,708)	(210,057)
Cost of manufactured goods sold		2,168,138	2,493,987	1,082,152	1,149,414
Cost of raw material sold		546	8,243	-	-
		<u>2,168,684</u>	<u>2,502,230</u>	<u>1,082,152</u>	<u>1,149,414</u>

TATA TEXTILE MILLS LIMITED

	Note	Six-month period ended		Three-month period ended	
		December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
		Unaudited			
		Rupees in '000'			
9.1 Cost of goods manufactured					
Raw material	9.1.1	1,630,147	1,774,462	776,903	872,502
Stores and spares		40,550	43,391	21,574	21,425
Packing material		43,843	46,051	18,639	22,869
Power and fuel		251,857	263,917	122,607	138,707
Salaries, wages and benefits		161,913	137,914	80,831	74,099
Depreciation		53,119	58,514	26,570	28,635
Insurance		8,981	12,685	2,378	5,918
Repairs and maintenance		5,929	5,824	3,177	2,473
Ijarah rentals		28,771	6,024	14,490	4,519
Other overheads		5,997	6,515	3,632	3,428
		2,231,107	2,355,297	1,070,801	1,174,575
Work-in-process					
Opening stock		42,238	47,745	37,755	44,958
Closing stock		(44,090)	(44,631)	(44,090)	(44,631)
		(1,852)	3,114	(6,335)	327
		2,229,255	2,358,411	1,064,466	1,174,902
9.1.1 Raw material consumed					
Opening stock		555,405	810,022	291,152	483,675
Purchases - net		2,627,259	2,451,814	2,038,268	1,876,201
		3,182,664	3,261,836	2,329,420	2,359,876
Closing stock		(1,552,517)	(1,487,374)	(1,552,517)	(1,487,374)
		1,630,147	1,774,462	776,903	872,502

9.2 Net realisable value of finished goods was lower than its cost resulted in write-down of Rs. 26.03 million (2014: Rs. 0.648 million) charged to cost of goods sold.

10. TAXATION

The charged 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.

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:

Relationship with the party	Nature of transactions	December 31, 2015	December 31, 2014
		Unaudited	Unaudited
		Rupees in '000'	
Associated undertakings	Share of expenses received	1,124	1,843
	Share of expenses paid	3,362	2,446
	Purchase of cotton	54,983	114,319
	Sales of property, plant and equipment	-	1,600
	Sale of raw material	-	816
	Dividend paid	435	435
Key management personnel	Short-term benefits	38,315	28,297
Directors	Short-term benefits	5,735	5,767
	Meetings fee	110	120
	Rent expense		
	-godown	120	120
	-office premises	1,432	1,432
	Dividend paid	10,236	10,236

12. FAIR VALUE OF FINANCIAL INSTRUMENTS

As at December 31, 2015 and June 30, 2015, there were no such financial instruments existed which need classification under above levels.

The Company has not disclosed the fair values of all other financial assets and liabilities as their carrying amounts are reasonable approximation of their fair values

13. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on February 27, 2016 by the Board of Directors of the Company.



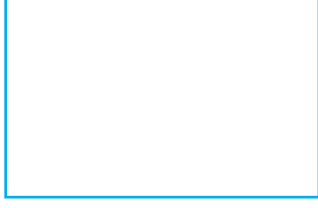
SHAHID ANWAR TATA
Chief Executive



ANWAR AHMED TATA
Chairman/Director

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