



SALFI TEXTILE MILLS LIMITED

**Condensed Interim Financial Statements
For the Nine-Month Ended March 31, 2021**

CONTENTS

1. COMPANY INFORMATION	01
2. DIRECTORS' REPORT	02
3. CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION	03
4. CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)	04
5. CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)	05
6. CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)	07
7. NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)	09
8. DIRECTORS' REPORT (URDU)	15

COMPANY INFORMATION**BOARD OF DIRECTORS**

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

AUDIT COMMITTEE

Mr. Farooq Advani - Chairman
Mr. Bilal Shahid Tata - Member
Mr. Muhammad Jawaid Iqbal - 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
Miss Samar Shahid Tata - Member
Mrs. Samon Babar - Secretary

CHIEF FINANCIAL OFFICER

Mr. Haseeb Hafeezuddeen

COMPANY SECRETARY

Mr. Muhammad Hussain

INTERNAL AUDITOR

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
JS Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Soneri Bank Limited
Samba Bank Limited
The Bank of Punjab

LEGAL ADVISOR

Ameen Bandukda & Co. Advocates

REGISTERED OFFICE

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

FACTORY LOCATION

HX-, Landhi Industrial Area
Landhi, Karachi

SHARE REGISTRAR

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

WEB

www.tatapakistan.com

Directors' Report

Assalam-o-Alaikum

The financial statements (un-audited) of the Company for the Nine Months Ended March 31, 2021 are being presented to you and we are pleased to inform you that the Company has made a Pre-Tax Profit of PKR 279.378 Million as compared to Pre-Tax Profit of Rs. 25.065 Million during the corresponding period last year.

We have been truly blessed in the third quarter, as this was the best quarter ever in the history of the Company as we made the highest ever profits. Although, the local cotton crop was at an all-time low the Company made arrangements to import sufficient cotton to run production at full capacity to supply yarn to our customers in the down-stream Industry which was getting huge orders from abroad. As the spinning industry has been operating at full capacity there are substantial Yarn stocks available, therefore, it is necessary to export 25,000 to 30,000 tons monthly to avoid an oversupply situation which will force down prices.

Raw Material

The price of Cotton has remained unprecedented while witnessing very high prices during the whole of cotton season. The local cotton crop size is approx. 5.5 Million bales, which is the lowest since last 20 years, as a result the Country needs to import approx. 8 to 9 Million bales from far distanced countries like USA, Brazil, Mexico, due to which we have to face long transit time.

Future Outlook

The current quarter has been good for the Textile Industry but presently the price of yarn has abruptly slid downwards. Globally there is an overcapacity of yarn and the same over capacity situation also prevails in Pakistan. The down-stream Industry is doing well and hopefully they will continue to get good orders, so the sale should remain consistent. In our opinion, the Textile Association has not fought its case effectively with the Textile Ministry in convincing the Ministry not to remove the Regulatory Duty and Import duty on Yarn, as our cost of doing business comparatively is much higher than the neighboring countries when we take into account the power cost, labor and spare parts duties, etc.

Moreover, we have heard of further capacity being increased in spinning as well, so the possibility of over-supply can yet again be confronted. However, we shall endeavor, as always, to keep on increasing our marketing and sales efforts, so we are able to do better in coming months and years, through concerted efforts

Acknowledgement

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

On behalf of the Board of Directors



ADEEL SHAHID TATA
CHIEF EXECUTIVE



SHAHID ANWAR TATA
DIRECTOR

Karachi

Dated: April 29, 2021

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2021

		March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
	Note (Rupees in '000')	
ASSETS			
Non-current assets			
Property, plant and equipment	5	5,295,777	5,432,755
Intangible assets		2,184	2,667
Long-term investment	6	614	714
Long-term deposits		1,370	1,370
		5,299,945	5,437,506
Current assets			
Stores, spares and loose tools		43,981	44,534
Stock-in-trade	7	1,070,893	1,719,750
Trade debts		797,542	505,975
Loans and advances		846,993	264,511
Short-term prepayments		4,503	1,707
Other receivables		5,787	4,109
Other financial assets		27,540	27,540
Sales tax refundable		60,561	92,125
Cash and bank balances		12,338	9,047
		2,870,138	2,669,298
TOTAL ASSETS		8,170,083	8,106,804
EQUITY AND LIABILITIES			
Share capital		33,426	33,426
Reserves		505,996	505,996
Unappropriated profit		371,841	124,681
Surplus on revaluation of property, plant and equipment		3,303,860	3,363,816
		4,215,123	4,027,919
Non-current liabilities			
Long-term finance	8	577,729	649,108
Deferred liabilities		167,503	142,031
Deferred government grant	9	3,542	2,248
		748,774	793,387
Current liabilities			
Trade and other payables		586,729	464,613
Interest accrued on borrowings		41,177	67,091
Short-term borrowings		2,320,039	2,643,114
Current portion of long-term finances	8	181,039	38,757
Current portion of deferred government grant	9	7,556	3,092
Unclaimed dividend		1,226	1,227
Provision for income tax		68,420	67,604
		3,206,186	3,285,498
TOTAL EQUITY AND LIABILITIES		8,170,083	8,106,804

Contingencies and commitments

10

The annexed notes from 1 to 15 from an integral part of these condensed interim financial statements.


ADEEL SHAHID TATA
CHIEF EXECUTIVE


HASEEB HAFEEZUDEEN
CHIEF FINANCIAL OFFICER


SHAHID ANWAR TATA
DIRECTOR

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME (UNAUDITED)
FOR THE NINE-MONTH AND QUARTER ENDED MARCH 31, 2021**

	NINE-MONTH ENDED		QUARTER ENDED	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Note	(Rupees in '000')			
Revenue from contract with customers-net 11	6,401,014	5,513,606	2,416,034	1,436,688
Cost of goods sold 12	(5,762,624)	(5,042,615)	(1,949,106)	(1,256,455)
Gross profit	638,390	470,991	466,928	180,233
Distribution cost	(85,575)	(110,579)	(31,905)	(31,911)
Administrative expenses	(99,435)	(104,693)	(33,762)	(35,388)
Other operating expenses	(21,241)	(20,866)	(17,800)	(3,359)
Finance cost	(186,223)	(284,311)	(60,155)	(79,488)
	(392,474)	(520,449)	(143,622)	(150,146)
	245,916	(49,458)	323,306	30,087
Other Income	33,462	74,523	26,369	(1,570)
Profit before taxation for the period	279,378	25,065	349,675	28,517
Taxation	(92,174)	(60,514)	(59,931)	(21,362)
Profit / (Loss) after taxation for the period	187,204	(35,449)	289,744	7,155
Other comprehensive income				
Unrealised Profit / (Loss) on remeasurement of investment available-for-sale	-	-	-	-
Total comprehensive Profit / (Loss) for the period	187,204	(35,449)	289,744	7,155
Earning / (Loss) per share - Basic and diluted	56.01	(10.61)	86.68	2.14

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.



ADEEL SHAHID TATA
CHIEF EXECUTIVE



HASEEB HAFEEZUDEEN
CHIEF FINANCIAL OFFICER



SHAHID ANWAR TATA
DIRECTOR

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE NINE MONTH ENDED MARCH 31, 2021**

	March 31, 2021	March 31, 2020
	----- (Rupees in '000) -----	
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	279,378	25,065
Adjustments for :		
Depreciation	140,366	142,278
Amortization	482	168
Provision for staff gratuity	23,819	24,582
Provision for staff compensated absences	827	6,220
Finance cost	186,223	284,311
Loss / (gain) on disposal of property, plant and equipment	436	(6,892)
Unrealized loss / (gain) on long term Investment	100	(115)
	631,631	475,617
(Increase) / Decrease in current assets		
Stores, spares and loose tools	554	9,664
Stock-in-trade	648,856	933,481
Trade debts	(291,567)	(66,926)
Loans and advances	(708,987)	(123,342)
Short term prepayments	(2,796)	(2,366)
Other receivables	(1,678)	(13,747)
Other financial assets	-	(2,000)
Sales tax refundable	31,565	11,041
Increase / (decrease) in current liabilities		
Trade and other payables	122,114	98,731
Cash generated from operations	429,692	1,320,153
Finance cost paid	(212,136)	(340,416)
Income taxes refund	60,914	(3,190)
Staff gratuity paid	(22,717)	(14,241)
Compensated absences paid	(2,226)	(5,179)
Net cash generated from operating activities	253,527	957,127
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(11,485)	(299,560)
Proceeds from disposal of property, plant and equipment	7,661	14,958
Long-term deposit	-	(347)
Long-term investment	-	16,400
Net cash used in investing activities	(3,824)	(268,549)

March **March**
31, 2021 **31, 2020**
 ----- (Rupees in '000) -----

C. CASH FLOWS FROM FINANCING ACTIVITIES

Long term finances repayment	(30,390)	(119,208)
Long term finances obtained	107,052	411,436
Short-term borrowings repayments	(10,171)	(387,873)
Payment of dividend	(1)	(43)
Net cash generated from / (used) in financing activities	66,491	(95,688)
Net increase in cash and cash equivalents (A+B+C)	316,194	592,890
Cash and cash equivalents at the beginning of the period	(1,545,238)	(1,556,606)
Cash and cash equivalents at the end of the period	(1,229,044)	(963,716)
CASH AND CASH EQUIVALENTS		
Cash and bank balances	12,338	16,786
Short-term running finance	(1,241,382)	(980,502)
	(1,229,044)	(963,716)

The annexed notes from 1 to 15 from an integral part of these condensed interim financial statements.



ADEEL SHAHID TATA
CHIEF EXECUTIVE



HASEEB HAFEEZUDEEN
CHIEF FINANCIAL OFFICER



SHAHID ANWAR TATA
DIRECTOR

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE NINE MONTH ENDED MARCH 31, 2021**

	Revenue Reserve			Capital Reserve		Total
	Share Capital	General Reserve	Other reserve	Unappropriated profit	Surplus on revaluation of property, plant and equipment	
Balance at July 01, 2019 (Audited)	33,426	500,000	5,996	386,082	3,388,248	4,313,752
Total Comprehensive income	-	-	-	(35,449)	-	(35,449)
Loss for the period	-	-	-	(35,449)	-	(35,449)
Other comprehensive income						
Transfer from surplus on revaluation of property, plant and equipment on account of :						
- incremental depreciation	-	-	-	61,918	(61,918)	-
- disposal	-	-	-	(20,044)	20,044	-
	-	-	-	41,874	(41,874)	-
Balance as at March 31, 2020 (Unaudited)	33,426	500,000	5,996	392,507	3,346,374	4,278,303
Loss for the period	-	-	-	(290,415)	-	(290,415)

..... (Rupees in '000')

	Share Capital	General Reserve	Other reserve	Unappropriated profit	Capital Reserve Surplus on revaluation of property, plant and equipment	Total
Other comprehensive income						
Gain on remeasurement of defined benefit plan - net of tax	-	-	-	2,336	-	2,336
Adjustment of surplus on revaluation of property plant and equipment due to change in tax rate	-	-	-	-	37,695	37,695
Total comprehensive income for the period	-	-	-	(288,079)	37,695	(250,384)
Transfer from surplus on revaluation of property, plant and equipment on account of : - incremental depreciation	-	-	-	20,253	(20,253)	-
Balance at July 01, 2020	33,426	500,000	5,996	124,681	3,363,816	4,027,919
Profit for the period	-	-	-	187,204	-	187,204
Other comprehensive income						
Transfer from surplus on revaluation of property, plant and equipment on account of : - incremental depreciation - disposal	-	-	-	60,925 (969)	(60,925) 969	-
Balance as at March 31, 2021 (Unaudited)	33,426	500,000	5,996	371,841	3,303,860	4,215,123

(Rupees in '000')

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.



ADEEL SHAHID TATA
CHIEF EXECUTIVE



HASEEB HAFEEZ UDDEEN
CHIEF FINANCIAL OFFICER



SHAHID ANWAR TATA
DIRECTOR

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE-MONTH ENDED MARCH 31, 2021**

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 The Company and its operations

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

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

The Honorable High Court of Sindh has passed the Order JCM No. 13 of 2020 dated March 04, 2021 and an addendum order dated March 17, 2021 under Section 279(2) of the Companies Act, 2017 sanctioning the Scheme of Arrangement with effect from July 01, 2021 so as to make the Scheme of Arrangement binding on Tata Textile Mills Ltd., Island Textile Mills Ltd., Salfi Textile Mills Ltd., and Tata Energy Ltd. and the creditors and shareholders of the Companies, along-with all other persons.

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 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 These condensed interim financial statements are un-audited and do not include all the information therefore should be read in conjunction with Annual financial statement for the year ended June 30, 2020

3. SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS.

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements and the significant judgements made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of the financial statements as at and for the year ended June 30, 2020. Certain new IFRSs and amendments to existing IFRSs are effective for periods beginning on or after July 1, 2020, which do not have any impact on these condensed interim financial statements and therefore, have not been detailed 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, 2020.

March 31, 2020 (Unaudited)	June 30, 2020 (Audited)
----- (Rupees in '000) -----	

5. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	5,292,977	5,422,186
Capital work in progress	2,800	10,569
	<u>5,295,777</u>	<u>5,432,755</u>

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

	Additions/ Transfers	Disposal / write off at book value	Sales Proceeds
	----- (Rupees in '000') -----		
During the Quarter ended March 31, 2021 (Unaudited)			
Plant and Machinery	14,073	1,307	2,057
Electric Installation	-	119	199
Mill Equipment	1,090	24	91
Furniture and Fixture	884	138	175
Office Equipment	2,851	186	-
Motor Vehicle	160	-	-
	<u>19,058</u>	<u>1,774</u>	<u>2,522</u>

During the financial year ended June 30, 2020 (Audited)

Buildings on leasehold land	44,881	-	-
Plant and Machinery	282,878	7,973	14,879
Mill equipment	353	-	-
Furniture and Fixture	3,407	-	-
Office Equipment	2,798	73	66
Vehicles	-	20	13
	<u>334,317</u>	<u>8,066</u>	<u>14,958</u>

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

	March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
	----- (Rupees in '000') -----	
Note		

6. LONG-TERM INVESTMENT

Fair value through profit or loss

Listed shares - Samba Bank Limited	6.1	<u>614</u>	<u>714</u>
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6.1 This represents investment in the shares of Samba Bank Limited. The unrealised loss over fair value measurement of these equity instruments amounts to Rs. 0.10 million for the nine month ended March 31, 2021.

	March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
	----- (Rupees in '000') -----	
Note		

7. STOCK-IN-TRADE

Raw material	738,111	1,015,269
Work-in-process	49,496	45,019
Finished goods	266,713	688,839
Waste	17,109	9,543
	<u>1,071,429</u>	1,758,670
Less: provision of written down of inventories to their net realisable value	<u>(536)</u>	<u>(38,920)</u>
	<u>1,070,893</u>	<u>1,719,750</u>

		March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
	Note	----- (Rupees in '000') -----	
8. LONG TERM FINANCE			
From banking companies - (secured)			
Term Finance	8.1 & 8.4	376,739	376,740
SBP- LTFF	8.2 & 8.4	261,436	261,436
SBP - Refinance scheme for salary payments	8.3 & 8.4	120,593	49,689
		758,768	687,865
Less: Current portion shown under current liabilities			
Term Finance		(100,000)	(25,000)
Salaries and Wages Loan		(81,039)	(13,757)
		(181,039)	(38,757)
	8.5	577,729	649,108

- 8.1** These facilities are obtained from a banking company which are secured against first equitable mortgage on fixed assets and first specific charge over imported machinery and are subject to mark-up rate of 3 - 6 months KIBOR plus 1 % to 1.25 % per annum (June 30, 2020: 3 - 6 months KIBOR plus 1 % to 1.25 % per annum). These finances are repayable in six to twenty half year and quarterly installments upto March 2023.
- 8.2** These facilities are obtained from a banking company which are secured against first equitable mortgage on fixed assets and first specific charge over imported machinery. These facilities are subject to markup at State Bank of Pakistan (SBP) rate plus bank spread i.e. 2% + 2.50% to 1.75% per annum (June 30, 2020: 2% + 2.50% to 1.75% per annum). These are repayable in 10 half yearly installments upto September 2026.
- 8.3** These facilities are obtained from a banking company which are secured against equitable mortgage on fixed assets and are subject to mark-up rate of 1.5% to 2% per annum (June 30, 2020: 2% per annum). These finances are repayable in eight quarterly installments upto October 2022.
- 8.4** The payment of principal component of these facilities, payable within next 12 months, has been deferred for 1 year as per the directions of SBP via its Circular Letter No. 13 of 2020. However, the mark-up on these facilities is not deferred and payable as soon as its due to be paid. Consequently, the maturity date of these facilities have also been extended to 1 - 2 years.

		March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
	Note	----- (Rupees in '000') -----	
8.5 Reconciliation of liabilities arising from long term financing activities			
Balance at on July 01		687,865	346,151
Obtained during the period		107,052	466,465
Repayment during the period		(30,390)	(119,411)
Impact of deferred grant during the period		(5,759)	(5,340)
Balance as at period end		758,768	687,865
Less: current portion of long term financing		(181,039)	(38,757)
		577,729	649,108
9. DEFERRED GOVERNMENT GRANT			
Deferred grant against Salary loans	9.1	11,098	5,340
Less: Current portion of deferred grant		(7,556)	(3,092)
		3,542	2,248
9.1 Movement for the period			
As at the beginning of the period / year		5,340	-
Add: Deferred grant recognised during the period / year		10,859	5,701
		16,199	5,701
Less: Amortisation for the period / year		(5,101)	(361)
		11,098	5,340

- 9.2 Deferred grant relates to the difference between the fair value and actual proceed of salary loan obtained under SBP's Refinance scheme for payment of salaries during the period and previous financial year 2020. It will be amortised over the period of next two and a half year with an amount equal to the difference between the finance cost charged to statement of profit or loss and the interest paid at SBP's defined rate as per the scheme. In subsequent periods, the grant will be amortised over the period of loan and amortization will be recognised and presented as reduction of related interest expense.

10. CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

There are no contingencies against the Company as at March 31, 2021 and June 30, 2020.

	Note	March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
(Rupees in '000')			
10.2 Commitments			
(i) Civil works		2,763	1,584
(ii) Letters of credit for			
- Stores and spares		4,021	2,865
- Raw material		320,998	330,565
		325,019	333,430
(iii) Bank guarantees issued on behalf of the company	10.2.1	140,356	140,356
(iv) Bills discounted			
- local		7,371	1,972
- export		778,009	443,194
		785,380	445,166
(v) Outstanding sales contract		182,570	138,830

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

11. Revenue from contract with customers-net

- 11.1 Revenue include sales made to local customers (including indirect exports) amounting to Rs. 2,487 million (2020: Rs. 1,826 million). The export are made to Asia Pacific region amounting to Rs. 3,914 million (2020: 3,688 million)

	Nine Month Ended		Quarter Ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	(Unaudited)			
Note	(Rupees in '000')			

12. COST OF GOODS SOLD

Opening finished goods (including waste)	12.2	668,092	321,232	367,403	134,645
Cost of goods manufactured	12.1	5,377,819	5,099,612	1,864,990	1,501,014
Closing finished goods (including waste)	12.2	(283,287)	(379,206)	(283,287)	(379,206)
Cost of finished goods sold		5,762,624	5,041,638	1,949,106	1,256,453
Cost of raw material sold		-	977	-	2
		5,762,624	5,042,615	1,949,106	1,256,455

	Nine Month Ended		Quarter Ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	(Unaudited)			
	(Rupees in '000')			
12.1 Cost of goods manufactured				
Raw material consumed	4,407,347	4,113,920	1,529,429	1,173,588
Packing material consumed	60,754	59,029	21,699	16,695
Stores and spares consumed	86,916	73,925	29,292	20,739
Salaries, wages and benefits	270,777	290,414	95,497	89,520
Fuel and power	389,431	358,492	130,923	108,664
Insurance	6,002	6,760	2,685	2,308
Repairs and maintenance	7,403	5,698	4,329	1,964
Depreciation	137,422	138,967	45,943	48,087
Other overheads	16,244	15,605	3,553	2,998
	5,382,296	5,062,810	1,863,350	1,464,563
Work-in-process				
Opening stock	45,019	48,512	51,136	48,162
Closing stock	(49,496)	(11,710)	(49,496)	(11,710)
	(4,477)	36,802	1,640	36,452
	5,377,819	5,099,612	1,864,990	1,501,014
12.1.1 Raw material consumed				
-Opening stock	1,006,639	1,842,166	1,100,882	686,558
-Raw material purchased	4,138,819	3,159,268	1,166,658	1,374,544
	5,145,458	5,001,434	2,267,540	2,061,102
-Closing stock	(738,111)	(887,514)	(738,111)	(887,514)
	4,407,347	4,113,920	1,529,429	1,173,588

12.2 Net realisable value of finished goods excluding waste was lower than its cost, which resulted in write down of Rs.0.54 million (March 31, 2020: Rs.1.125 million) charged to cost of sales.

13. TRANSACTIONS WITH RELATED PARTIES

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

Associated Companies due to common directorship & common management

- Island Textile Mills Limited
- Tata Textile Mills Limited
- Tata Energy Limited
- Tata Best Foods Limited
- Textile Institute of Pakistan
- Karam Ceramics

	Nature of transactions	Quarter Ended	
		March 31, 2021	March 31, 2020
		(Unaudited)	
		(Rupees in '000')	
13.1 Nature of Relationship			
Associates undertakings	Share of expense received	575	1,437
	Share of expense paid	1,706	272
	Licensing Income	356	356
	Rent Income	150	150
	Purchase of power	118,677	71,475
Directors	Remuneration	3,273	2,345
	Meeting fee	500	240
	Rent Expense	1,023	1,023
Key management personnel	Remuneration	14,967	17,646

March 31, June 30,
 2021 2020
 (Unaudited) (Audited)
 ----- (Rupees in '000') -----

13.2 Outstanding Balance

Associated Undertakings	Other Receivables	1,717	-
	Trade and Other Payables	170,294	133,231

14. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL 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.

15. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements have been approved and authorized for issue on April 29, 2021 by the Board of Directors of the Company.



ADEEL SHAHID TATA
CHIEF EXECUTIVE



HASEEB HAFEEZUDEEN
CHIEF FINANCIAL OFFICER



SHAHID ANWAR TATA
DIRECTOR

ڈائریکٹرز رپورٹ

السلام و علیکم

31 مارچ 2021ء کو ختم ہونے والی نو ماہ کی مدت کیلئے کمپنی کے مالیاتی حسابات (غیر آڈٹ شدہ) آپ کے سامنے پیش کئے جا رہے ہیں اور ہمیں آپ کو یہ بتاتے ہوئے خوشی محسوس ہو رہی ہے کہ کمپنی نے گزشتہ سال کی اسی مدت کے دوران مبلغ 25.065 ملین روپے کے قبل از ٹیکس خسارے کے مقابلے میں مبلغ 279.378 ملین روپے کا قبل از ٹیکس منافع حاصل کیا۔

تیسری سہ ماہی میں ہم پر زیادہ کرم ہوا، کیوں کہ کمپنی کی تاریخ کا یہ اب تک کی سب سے اچھی سہ ماہی تھی جس میں ہم نے سب سے زیادہ منافع حاصل کیا۔ اگرچہ، کپاس کی مقامی فصل کی کھپت کم تھی لیکن کمپنی نے ہمارے انتظام کاروں کو ڈاون اسٹریم انڈسٹری جس کو بیرون ملک سے بھاری آرڈر مل رہے تھے میں بارن کی فراہمی کے لئے پوری صلاحیت سے پیداوار چلانے کے لئے کافی کٹائن درآمد کرنے کا انتظام کیا۔ چونکہ اسپننگ انڈسٹری پوری صلاحیت سے کام کر رہی ہے اس لئے یارن کے کافی ذخیرے دستیاب ہیں، لہذا، ضرورت سے زیادہ پلانٹی اور قیمتوں میں کمی کی صورتحال سے بچنے کے لئے ماہانہ 25,000 سے 30,000 ٹن درآمد کرنا ضروری ہے۔

خام مال:

کپاس کے پورے سیزن کے دوران اس کی قیمتیں غیر معمولی اور بہت زیادہ رہیں۔ مقامی طور پر کپاس کی فصل کی 5.5 ملین گانٹھیں تھیں جو کہ گزشتہ 20 سالوں میں سب سے کم ہیں، جس کے نتیجے میں ملک کو امریکہ، برازیل، میکسیکو جیسے دور دراز ممالک سے تقریباً 8 سے 9 ملین گانٹھیں درآمد کرنے کی ضرورت ہے جس کی وجہ سے ہمیں طویل ٹرانزٹ ٹائم کا سامنا کرنا پڑتا ہے۔

مستقبل کا نظریہ:

حالیہ سہ ماہی نیکسٹائل انڈسٹری کے لئے اچھی رہی ہے لیکن فی الحال یارن کی قیمت اچانک گرنے لگی ہے۔ عالمی سطح پر یارن کی زیادہ پلانٹی موجود ہے اور پاکستان میں بھی اسی حد سے زیادہ پلانٹی موجود ہے۔ ڈاؤن اسٹریم انڈسٹری اچھی کارکردگی کا مظاہرہ کر رہی ہے اور امید ہے کہ انہیں اچھے آرڈر ملتے رہیں گے، لہذا فروخت مستقل رہتی چاہئے۔ ہماری رائے میں، نیکسٹائل ایسوسی ایشن نے یارن پر ریگولیٹری ڈیوٹی اور امپورٹ ڈیوٹی کو نہ ہٹانے کے لئے وزارت کو اس بات پر راضی کرنے میں موثر اقدامات نہیں کر دار اور انہیں کیا ہے، کیونکہ ہم بھی کم لاگت، مزدوری اور اسپنرز پائرس ڈیویژن وغیرہ کو مد نظر رکھتے ہیں تو ہمسایہ ممالک کے مقابلے میں ہماری لاگت نسبتاً کم ہیں زیادہ ہے۔

مزید یہ کہ ہمارے علم میں آیا ہے کہ اسپننگ کی وسعت میں مزید اضافہ کیا گیا ہے لہذا ضرورت سے زیادہ فراہمی کی صورتحال پیچروں کو بہت مشکل بنا دے گی۔ تاہم، ہم آنے والے مہینوں میں بہتری کی امید کرتے ہیں اور ہم مستقبل قریب میں بھی اچھے منافع کیلئے کوششیں کرتے رہیں گے۔

اظہار تشکر

ہم کمپنی کے ہر ملازم کی شمولیت کا شکریہ ادا کرتے ہیں اس کے علاوہ ہمارے کسٹمرز جو کہ ہماری پروڈکٹس پر اعتماد کرتے ہیں اور ہمارے بینکرز جو کہ مستقل طور پر کمپنی کو سپورٹ کر رہے ہیں ان کے بھی مشکور ہیں اس کے علاوہ ہماری انتظامیہ شیپرز ہولڈرز کے مکمل اعتماد پر بھی مشکور ہیں۔

یورڈ آف ڈائریکٹرز کی جانب سے


شاہد انوار
ڈائریکٹر


عدیل شاہد انوار
چیف ایگزیکٹو

کراچی مورنہ 29 اپریل 2021ء

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