



# **TATA TEXTILE MILLS LIMITED**

**Condensed Interim Financial Statements  
For The Nine Months Ended March 31, 2023**

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## COMPANY INFORMATION

### BOARD OF DIRECTORS

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

### AUDIT COMMITTEE

Mr. Farooq Advani - Chairman  
Mr. Bilal Shahid Tata - Member  
Mr. Tayyeb Afzal - Member  
Mr. Ghazanfer Yaseen - Secretary

### HR & REMUNERATION COMMITTEE

Mr. Mazhar Valjee - Chairman  
Mr. Farooq Advani - Member  
Mr. Adeel Shahid Tata - Member  
Mr. Bilal Shahid Tata - Member  
Ms. Samar Shahid - Member  
Ms. Samon Babar - Secretary

### CHIEF FINANCIAL OFFICER

Mr. Muhammad Zaid Kaliya

### COMPANY SECRETARY

Mr. Muhammad Hussain

### HEAD OF INTERNAL AUDIT

Mr. Ghazanfer Yaseen

### AUDITORS

M/S. Yousuf Adil  
Chartered Accountants

### BANKERS

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

### LEGAL ADVISOR

Ameen Bandukda & Co.

### REGISTERED OFFICE

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

### FACTORY LOCATION

- Khanpur, Baggasher, Muzaffargarh, Punjab.
- S.I.T.E. Kotri, District Jamshoro, Sindh.
- Landhi Industrial Area, Karachi, Sindh.

### SHARE REGISTRAR

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

### WEB

[www.tatapakistan.com](http://www.tatapakistan.com)

## DIRECTORS' REPORT

We are pleased to present the unaudited financial results of Tata Textile Mills Limited for the nine months ending March 31, 2023.

We would like to begin by acknowledging the many challenges faced by the company during this period, including natural disasters, political instability, deteriorating economic conditions, inflation, rising financing rates, and a global recession. Despite these challenges, Alhamdulillah, we would like to report that the company has achieved a Profit before Tax of Rs. 581.5 million for nine months as compared to the Profit before Tax of Rs. 4.63 billion during the corresponding period of last year, which is a significant accomplishment in this difficult environment. In the third quarter, the company earned a profit before tax of Rs. 293.66 million as compared to the profit before tax of Rs. 1.75 billion during the same period last year.

### Cost Increase

We would like to mention that many cost increases have affected our operations, including the exorbitant finance cost, increase in labour Minimum wages, and high-power tariff and all these factors have made it difficult for the company to sustain its profitability. In addition, the availability of RLNG remains a significant issue, with only 40-50% of gas available and the government has fixed the rate at US\$ 9 per MMBTU. The gas tariff in Sindh has also been increased from Rs. 852/ MMBTU to Rs. 1,100/ MMBTU, and the Grid rate at the national level has been increased from a ZRI-based flat rate of Rs. 19.99 / KWH to a general variable tariff, which comes to around Rs. 38~43/KWH.

We believe that the government should develop a comprehensive policy that includes increasing the availability of RLNG, incentivizing the use of renewable energy sources, and improving energy efficiency through the adoption of modern technologies.

### Global Situation

The global situation has had a significant impact on our operations. High inflation, increased energy costs, food prices, and economic uncertainty have led to a decline in demand for all consumer goods which include textile products.

### Cotton Availability in Pakistan

Yet again, the cotton production in Pakistan has decreased from 7.7 Mn bales in FY 21/22 to below 5 Mn bales in FY 22/23, which is a serious issue for the textile industry. The Agriculture Department has not carried out any research on quality seeds or focused on bringing any improvement, however, whatever the factors may be, our cotton crop is gradually declining. Despite the potential of the textile industry to consume around 16 Mn bales, we estimate consumption to be around 10 Mn due to the global situation, leading to the need to import around 5 Mn bales. There is also a decline in demand for yarn by the downstream industry, such as Denim, Home Textiles, Towels and Knitting, etc., which is resulting in excess production of yarn which has resulted in depressed margins.

### Pakistan Economic situation

The prevailing economic situation in Pakistan has made it difficult for the textile industry to establish L/Cs for cotton, spare parts, and machinery. The value-added industry is also facing the same situation as they need to import dyes, chemicals and other accessories. International Brands are reluctant to place new orders with Pakistani suppliers because they are unsure whether we will be able to perform as per commitments.

### Future outlook

Given the many challenges faced by the textile industry, both globally and locally, we cannot predict the outcome for the coming months. However, we remain committed to doing our best to overcome these problems and maintain our position as a leading textile company.

### Acknowledgement

We would like to express our gratitude to all of our employees for their hard work and dedication, our customers for their trust in our products, our bankers for their continued support, and our shareholders for their confidence in our management team.

On behalf of the Board of Directors



SHAHID ANWAR TATA  
CHIEF EXECUTIVE



ADEEL SHAHID TATA  
DIRECTOR

Karachi

Dated: April 28, 2023

# Tata Textile Mills Ltd.

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2023

ASSETS	Note	March 31, 2023 (Un-Audited) ----- (Rupees in '000) -----	June 30, 2022 (Audited)
<b>Non-current assets</b>			
Property, plant and equipment	6	20,376,076	20,231,032
Intangible assets		14,463	6,853
Long term deposits	7	302,564	4,596
<b>Current assets</b>		<b>20,693,103</b>	<b>20,242,481</b>
<b>Stores, spares and loose tools</b>			
Stock-in-trade	8	12,194,186	10,128,138
Trade debts		5,646,092	4,239,865
Loans and advances		2,306,803	803,589
Short term prepayments		36,122	20,875
Other receivables		615,747	71,910
Other financial assets	9	1,928,206	1,911,901
Sales tax refundable		659,938	247,275
Cash and bank balances		387,781	274,927
		<b>24,023,167</b>	<b>17,841,441</b>
<b>TOTAL ASSETS</b>		<b>44,716,270</b>	<b>38,083,922</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	10	559,936	559,936
General reserve		2,805,996	2,805,996
Unappropriated profit		7,522,346	7,348,006
Surplus on revaluation of property, plant and equipment		10,783,784	10,852,582
<b>Non-current liabilities</b>		<b>21,672,062</b>	<b>21,566,520</b>
Long term finances	11	2,343,409	2,565,383
Deferred liabilities		393,197	370,972
Deferred Tax		805,507	1,017,718
Deferred government grant	12	-	-
<b>Current liabilities</b>		<b>3,542,113</b>	<b>3,954,073</b>
Trade and other payables		3,675,196	3,688,416
Interest accrued on borrowings		522,183	233,974
Short term borrowings	13	14,005,771	6,572,283
Current portion of Long term finances	11	720,698	1,554,501
Current portion of Deferred government grant	12	-	3,742
Unclaimed dividend		21,462	14,404
Provision for income tax		556,785	496,009
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>19,502,095</b>	<b>12,563,329</b>
		<b>44,716,270</b>	<b>38,083,922</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	14		

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



**SHAHID ANWAR TATA**  
CHIEF EXECUTIVE



**MUHAMMAD ZAID KALIYA**  
CHIEF FINANCIAL OFFICER



**ADEEL SHAHID TATA**  
DIRECTOR

# Tata Textile Mills Ltd.

## CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2023

	Note	Nine Months Ended		Quarter Ended	
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
----- (Rupees in '000) -----					
Revenue from contracts with customers - net	15	23,591,875	26,673,899	9,587,921	8,689,762
Cost of goods sold		(20,625,302)	(20,071,605)	(8,386,253)	(6,299,280)
<b>Gross profit</b>		<b>2,966,573</b>	6,602,294	<b>1,201,668</b>	2,390,482
Distribution cost		(256,023)	(309,835)	(95,097)	(85,105)
Administrative expenses		(477,345)	(432,674)	(166,891)	(170,364)
Other operating expenses		(205,626)	(480,171)	92,080	(148,454)
Finance cost		(1,779,066)	(838,715)	(776,361)	(302,014)
		(2,718,060)	(2,061,395)	(946,269)	(705,937)
Other income		332,990	95,928	38,262	69,290
<b>Profit before taxation for the period</b>		<b>581,503</b>	4,636,827	<b>293,661</b>	1,753,835
Provision for taxation	16	(279,347)	(518,324)	(108,401)	(77,280)
<b>Profit after taxation for the period</b>		<b>302,156</b>	4,118,503	<b>185,260</b>	1,676,555
<b>Other comprehensive income</b>		-	-	-	-
<b>Total comprehensive income for the period</b>		<b>302,156</b>	4,118,503	<b>185,260</b>	1,676,555
----- (Rupees) -----					
<b>Earnings per share - basic and diluted</b>	17	<b>5.40</b>	73.55	<b>3.31</b>	29.94

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

SHAHID ANWAR TATA  
CHIEF EXECUTIVE

MUHAMMAD ZAID KALIYA  
CHIEF FINANCIAL OFFICER

ADEEL SHAHID TATA  
DIRECTOR

# Tata Textile Mills Ltd.

## CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2023

	Nine Months Ended	
	March 31, 2023	March 31, 2022
	----- (Rupees in '000) -----	
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	581,503	4,636,827
Adjustments for non-cash items and others:		
Depreciation	611,040	537,945
Amortisation	2,391	598
Provision for staff gratuity	74,551	81,407
Amortisation of deferred government grant	(3,742)	(16,076)
Profit on savings accounts	(1,748)	(631)
Profit on term deposit receipts	(45,589)	(8,555)
Provision for compensated absences	15,316	18,643
Finance cost	1,779,066	838,715
Effect of interest expense on SBP refinance loan for salaries	-	15,858
Dividend income	(101,210)	(87,020)
Unrealized loss on remeasurement of other financial assets	144,724	26,389
Realized Gain on revaluation of other financial assets	-	(508)
(Gain) / Loss on disposal of operating fixed assets	(2,730)	3,818
<b>Operating cash flows before working capital changes</b>	<b>3,053,572</b>	<b>6,047,411</b>
<b>(Increase) / decrease in current assets</b>		
Stores, spares and loose tools	(105,331)	(30,043)
Stock-in-trade	(2,066,048)	(1,292,159)
Trade debts	(1,406,226)	(1,987,142)
Loans and advances	(1,503,214)	(1,088,482)
Short term prepayments	(15,247)	(11,089)
Other receivables	(543,837)	(36,732)
Sales tax refundable	(412,663)	(290,095)
<b>Decrease in current liabilities</b>		
Trade and other payables	(13,220)	(149,856)
<b>Cash (used in) / generated from operations</b>	<b>(3,012,214)</b>	<b>1,161,813</b>
Finance cost paid	(1,490,857)	(756,010)
Income taxes paid	(235,442)	(325,974)
Staff gratuity paid	(52,615)	(79,775)
Staff compensated absences paid	(15,028)	(18,461)
<b>Net cash used in operating activities</b>	<b>(4,806,156)</b>	<b>(18,407)</b>

# Tata Textile Mills Ltd.

	Nine Months Ended	
	March 31, 2023	March 31, 2022
	----- (Rupees in '000) -----	
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(766,551)	(648,079)
Proceeds from disposal of property, plant and equipment	13,198	36,504
Purchase of Intangible assets	(10,000)	-
Purchase of investments	(161,029)	(1,642,810)
Dividends received during the period	101,210	87,020
Profit on savings accounts received during the period	1,748	631
Profit on term deposits receipts received during the period	45,589	8,555
(Increase) / decrease in long term deposits	(297,968)	1,681
<b>Net cash used in investing activities</b>	<b>(1,073,803)</b>	<b>(2,156,498)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term finances obtained	314,324	1,322,311
Repayment of long term finances	(1,370,102)	(1,068,228)
Acquisition / (Repayment) of short-term borrowings - net	245,712	(1,545,902)
Dividend paid during the period	(384,897)	(412,299)
<b>Net cash used in financing activities</b>	<b>(1,194,963)</b>	<b>(1,704,118)</b>
Net decrease in cash and cash equivalents (A+B+C)	(7,074,922)	(3,879,023)
<b>Cash and cash equivalents at the beginning</b>	<b>(3,150,974)</b>	<b>(182,817)</b>
<b>Cash and cash equivalents transferred from amalgamating companies</b>	<b>-</b>	<b>(1,573,542)</b>
	(3,150,974)	(1,756,359)
<b>Cash and cash equivalents at end of the period</b>	<b>(10,225,896)</b>	<b>(5,635,382)</b>
<b>CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	387,781	536,376
Short term running finances	(10,613,677)	(6,171,758)
	(10,225,896)	(5,635,382)

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



**SHAHID ANWAR TATA**  
CHIEF EXECUTIVE



**MUHAMMAD ZAID KALIYA**  
CHIEF FINANCIAL OFFICER



**ADEEL SHAHID TATA**  
DIRECTOR

# Tata Textile Mills Ltd.

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED MARCH 31, 2023

	Revenue reserve			Surplus on revaluation of property, plant and equipment	Total
	Share Capital	General reserve	Unappropriated profit		
Balance at July 01, 2021 (Audited)	173,248	1,000,000	1,527,933	2,277,797	4,978,978
Impact of amalgamation	-	1,805,996	1,857,866	5,267,937	8,931,799
Reserve arising on amalgamation	-	-	(337,953)	-	(337,953)
Capital issued pursuant to amalgamation	386,689	-	-	-	386,689
	386,689	1,805,996	1,519,913	5,267,937	8,980,535
<i>Transactions with the owners of the company:</i>					
First interim cash dividend at Rs. 2.50 (25%) per share	-	-	(139,984)	-	(139,984)
Second interim cash dividend at Rs.5.00 (50%) per share	-	-	(279,969)	-	(279,969)
Total comprehensive income for the nine-month ended March 31, 2022	-	-	4,118,503	-	4,118,503
Profit for the period	-	-	-	-	-
Other comprehensive income - net of tax	-	-	-	-	-
Total comprehensive income for the period	-	-	3,698,550	-	3,698,550
Transferred from surplus on revaluation of property, plant and equipment on account of:					
- incremental depreciation	-	-	200,731	(200,731)	-
- disposal of property, plant and equipment	-	-	12,712	(12,712)	-
	-	-	213,443	(213,443)	-
<b>Balance as at March 31, 2022 (Un-audited)</b>	<b>559,937</b>	<b>2,805,996</b>	<b>6,959,839</b>	<b>7,332,291</b>	<b>17,658,063</b>

# Tata Textile Mills Ltd.

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED MARCH 31, 2023

	Revenue reserve			Surplus on revaluation of property, plant and equipment	Total
	Share Capital	General reserve	Unappropriated profit		
	(Rupees in '000)				
<b>Balance as at July 01, 2022 (Audited)</b>	559,936	2,805,996	7,348,006	10,852,582	21,566,520
<i>Transactions with the owners of the company:</i>					
Final cash dividend for the year at Rs. 5.00 (50%) per share ended June 30, 2022			(279,968)		(279,968)
First interim cash dividend at Rs. 2.00 (20%) per share			(111,987)		(111,987)
<b>Total comprehensive income for the nine-month ended March 31, 2023</b>			302,156		302,156
Profit for the period	-		-		
Other comprehensive income - net of tax			(89,799)		(89,799)
<b>Total comprehensive income for the period</b>			(89,799)		(89,799)
<i>Transferred from surplus on revaluation of property, plant and equipment on account of:</i>					
- incremental depreciation			257,631	(257,631)	
- disposal of property, plant and equipment			6,508	(6,508)	
- reversal of deferred tax on land			-	195,341	195,341
			264,139	(68,798)	195,341
<b>Balance as at March 31, 2023 (Un-audited)</b>	559,936	2,805,996	7,522,346	10,783,784	21,672,062

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



SHAHID ANWAR TATA  
CHIEF EXECUTIVE



MUHAMMAD ZAID KALIYA  
CHIEF FINANCIAL OFFICER



ADEEL SHAHID TATA  
DIRECTOR

# Tata Textile Mills Ltd.

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2023

### 1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Tata Textile Mills Limited (the Company) is a public limited company incorporated in Pakistan on April 15, 1987 under the Companies Ordinance, 1984 (repealed) (now The Companies' Act 2017) and listed on Pakistan Stock Exchange Limited. The principal activity of the company is manufacturing and sale of yarn.

Following are the geographical location and address of all business units of the Company:

#### Head Office:

The registered office of the Company is situated at 6th floor, Textile Plaza, M.A. Jinnah Road, Karachi, in the province of Sindh.

#### Manufacturing facilities:

The company has following manufacturing units:

- a) 10th K.M. M.M Road Khanpur - Baggasher, District, Muzaffargarh;
- b) HX-1, Landhi Industrial Area, Landhi, Karachi;
- c) A/12, S.I.T.E, Kotri, District Jamshoro (Sindh).

### 2. BASIS OF PREPARATION

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

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

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

- 2.2 These condensed interim financial statements are presented in Pakistani Rupees 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

### 3. SIGNIFICANT ACCOUNTING POLICIES

- 3.1 The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements and the significant judgments made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of the financial statements of the Company as at and for the year ended June 30, 2022. Certain new IFRSs and amendments to existing IFRSs are effective for periods beginning on or after July 1, 2022, which do not have any impact on the Company's financial reporting and therefore have not been detailed in these condensed interim financial statements.
- 3.2 The Company follows the practice of conducting valuation of staff gratuity (annually) and property, plant and equipment (after every 3 years) through their respective valuation experts. Consequently for staff gratuity the impacts of such valuation are incorporated in the annual financial statements at every year end whereas for property, plant and equipment these are incorporated in the annual financial statements at the end of every 3 years. Hence, for property, plant and equipment no change in the valuation are incorporated in these condensed interim financial statement. For staff retirement benefits, the management has used the assumptions of their appointed experts as of June 30, 2022 for calculating the amount of provision and incorporated the resultant in these condensed interim financial statements.

# Tata Textile Mills Ltd.

## 4. FINANCIAL RISK MANAGEMENT

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

## 5. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these condensed interim financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgements that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

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

## 6. PROPERTY, PLANT AND EQUIPMENT

		<b>March 31, 2023 (Un-audited)</b>	June 30, 2022 (Audited)
----- (Rupees in '000) -----			
Operating fixed assets	6.1	<b>19,429,580</b>	19,312,762
Capital work-in-progress		<b>946,496</b>	918,270
		<b>20,376,076</b>	20,231,032

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

	<b>Quarter Ended March 31, 2023 (Unaudited)</b>		<b>Year Ended June 30, 2022 (Audited)</b>	
	<b>Additions / transfers from CWIP</b>	<b>Disposals at book value</b>	<b>Additions / transfers from CWIP</b>	<b>Disposals at book value</b>
----- (Rupees in '000) -----				
Freehold land	-	-	<b>47,882</b>	-
Buildings on Leasehold land	-	-	<b>1,487</b>	-
Buildings on freehold land	-	-	<b>7,118</b>	-
Plant and machinery	<b>189,319</b>	-	<b>296,019</b>	45,146
Factory & workshop equipment	<b>708</b>	-	<b>3,398</b>	36
Lease hold improvements	-	-	<b>277,783</b>	-
Office Equipment	<b>5,637</b>	52	<b>19,541</b>	231
Furniture & Fixtures	-	-	<b>3,927</b>	1,854
Vehicles	-	-	<b>27,668</b>	2,578
	<b>195,664</b>	<b>52</b>	<b>684,823</b>	<b>49,845</b>

# Tata Textile Mills Ltd.

		March 31, 2023 (Un-audited)	June 30, 2022 (Audited)
	Note	----- (Rupees in '000) -----	
<b>7. Long term deposits</b>	7.1	<b>302,564</b>	4,596

7.1 It includes an amount of Rs. 297.968 million (June 2022: Nil) given for import and installation of solar panels at factory premises.

		March 31, 2023 (Un-audited)	June 30, 2022 (Audited)
	Note	----- (Rupees in '000) -----	
<b>8. STOCK-IN-TRADE</b>			
Raw material	8.1	<b>6,786,984</b>	7,740,802
Work in process		<b>440,183</b>	268,560
Finished goods	8.2	<b>4,724,067</b>	1,839,353
By-Product		<b>242,952</b>	279,423
		<b>12,194,186</b>	10,128,138

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

8.2 The net realisable value of the finished goods was lower than its cost as at, which resulted in a write down amounting to Rs. 7.32 million (June 30, 2022 : Rs. 5.15 million).

## 9. OTHER FINANCIAL ASSETS

The other financial assets for the period ended March 31, 2023 include investments in listed securities of associated undertaking, United Bank Limited (UBL) amounting to Rs 1.19 billion which comprise of 11.17 million ordinary shares of Rs. 10 each.

## 10. SHARE CAPITAL

March 31, 2023 (Number of shares in '000)	June 30, 2022		March 31, 2023 (Rupees in '000)	June 30, 2022 (Rupees in '000)
		<b>Authorised capital:</b>		
<b>100,000</b>	100,000	Ordinary shares of Rs. 10 each	<b>1,000,000</b>	1,000,000
		<b>Issued, subscribed and paid-up capital:</b>		
		Ordinary shares of Rs. 10 each:		
<b>13,100</b>	13,100	- issued for cash	<b>131,000</b>	131,000
<b>4,225</b>	4,225	- issued as bonus shares	<b>42,247</b>	42,247
<b>38,669</b>	38,669	- amalgamation	<b>386,689</b>	386,689
<b>55,994</b>	55,994		<b>559,936</b>	559,936

# Tata Textile Mills Ltd.

		March 31, 2023 (Un-audited)	June 30, 2022 (Audited)
	Note	----- (Rupees in '000) -----	
<b>11. LONG TERM FINANCE</b>			
<b>Banking companies - secured</b>			
SBP-LTFF	11.1	1,321,625	1,110,130
Syndicate financing-LTFF	11.2	119,441	869,970
SBP REFF- Solar Project	11.3	62,418	70,176
Term finance	11.4	1,560,622	1,920,378
SBP - Refinance scheme for salary payments	11.5	-	149,230
		<b>3,064,106</b>	4,119,884
<b>Less: current portion</b>			
SBP-LTFF		(168,708)	(141,537)
Syndicate financing-LTFF		(82,481)	(827,360)
SBP REFF- Solar Project		(6,699)	(7,207)
Term finance		(462,809)	(429,167)
SBP - Refinance scheme for salary payments		-	(149,230)
		<b>(720,697)</b>	(1,554,501)
		<b>2,343,409</b>	2,565,383

- 11.1** These facilities are secured against first pari passu charge on fixed assets and are subject to SBP markup rate of 2% to 8% plus bank spread of 1% to 2.5% per annum. (June 30, 2022: SBP markup rate of 1.5% to 2% plus bank spread of 2% per annum). These are payable in 10 years with principal & markup payable in half yearly installments.
- 11.2** This represents the outstanding against loan of Rs.3 billion obtained from a syndicate of 8 commercial banks secured against pari passu charge on entire operating fixed assets of the Company. The Company has received SBP-LTFF grant for Rs. 726 million out of total loan of Rs. 3 billion. SBP-LTFF is subject to SBP markup rate of 3% to 4.5% plus bank spread of 1.4% per annum payable semi-annually.
- 11.3** These facilities are obtained to finance solar project under SBP financing scheme for Renewable Energy. These facilities are subject to markup at SBP rate of 2% plus bank spread of 2% per annum. (June 30, 2022: SBP markup rate of 2% plus bank spread of 2% per annum). These are repayable in 32 equal quarterly installments and have various maturity dates from September 2026 to March 2031.
- 11.4** These are secured against first pari passu charge on all present and future fixed assets including land, building, plant and machinery, charge on specific machinery and investments. These facilities are subject to markup at the rate of 3 months' KIBOR plus 0.5% to 1.25% per annum (June 30, 2022: 3 months' KIBOR plus 0.50% to 1.25% per annum). These loans are repayable in equal quarterly installments upto October 2032.
- 11.5** This loan was obtained through SBP's salaries and wages financing scheme, last payment of which was paid in January 2023 (June 30, 2022: SBP markup rate from 1.5% to 2%) per annum.

# Tata Textile Mills Ltd.

## 11.6 Reconciliation of liabilities arising from long term financing activities

The table below details changes in the Company's liabilities arising from the financing activities, including both cash and non-cash changes, if any.

	July 01, 2022	Obtained during the period	Repaid during the period	March 31, 2023
----- (Rupees in '000) -----				
SBP - LTFF	1,110,130	313,455	(101,960)	1,321,625
Syndicate financing-LTFF	869,970	-	(750,529)	119,441
SBP REFF-Solar Project	70,176	-	(7,758)	62,418
Term finances	1,920,378	869	(360,625)	1,560,622
SBP - Refinance for salary payments	149,230	-	(149,230)	-
	<b>4,119,884</b>	314,324	<b>(1,370,102)</b>	3,064,106

## 12. DEFERRED GOVERNMENT GRANT

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

Note	March 31, 2023 (Un-audited)	June 30, 2022 (Audited)
	----- (Rupees in '000) -----	
	-	3,742
	-	(3,742)
	-	-

### 12.1 Movement for the period / year

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

Less: Amortisation for the period / year

As at the end of the period / year

	3,742	7,755
	-	15,334
	3,742	23,089
	(3,742)	(19,347)
	-	3,742

12.2 Deferred government grant relates to the difference between the fair value and actual proceeds of salary loan obtained under SBP's refinance scheme for payment of salaries and amortised over the period of two and a half year with an amount equal to the difference between the finance cost charged to statement of profit or loss and other comprehensive income and the interest paid at SBP's defined rate as per the scheme. In subsequent periods, the grant is amortised over the period of loan and amortisation will be recognised and presented as reduction of related interest expense.

## 13. SHORT TERM BORROWINGS Banking companies - secured

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

Note	March 31, 2023 (Un-audited)	June 30, 2022 (Audited)
	----- (Rupees in '000) -----	
	-	164,800
13.1	3,392,094	2,981,582
13.2	10,613,677	3,425,901
13.3	14,005,771	6,572,283

# Tata Textile Mills Ltd.

- 13.1** These facilities are secured against pledge of imported cotton, stock and trust receipts. These facilities are subject to markup at the rate of 1 - 6 months' KIBOR plus spread ranging between 0.50% to 1.00% (June 30, 2022: markup at the rate of 1 - 6 months' KIBOR plus spread ranging between 0.75 to 1.5%) per annum.
- 13.2** These are subject to mark-up at the rate of 1-6 months' KIBOR plus spread ranging between 0.4% to 1.25% (June 30, 2022: 1 - 3 months' KIBOR plus spread ranging between 0.75% to 1.5%) per annum. These facilities are secured against pledge of stock and joint pari passu charge over current assets.
- 13.3** Total facilities available from various commercial banks amounts to Rs. 24,250 million (June 30, 2022: Rs. 20,590 million) out of which the aggregate unavailed short term facilities amounted to Rs. 10,244 million (June 30, 2022: Rs. 14,420 million).

	July 01, 2022	Obtained during the period	Repaid during the period	March 31, 2023
----- Rupees in '000 -----				
Finance against export merchandise	164,800	71,890	(236,690)	-
Finance against import merchandise	2,981,582	1,893,360	(1,482,848)	3,392,094
Running / cash finances	3,425,901	8,423,194	(1,235,418)	10,613,677
	<b>6,572,283</b>	10,388,444	<b>(2,954,956)</b>	<b>14,005,771</b>

## 14. CONTINGENCIES AND COMMITMENTS

### 14.1 Contingencies

There are no contingencies to report as at March 31, 2023 and June 30, 2022.

### 14.2 Commitments

	Note	March 31, 2023 (Un-audited) ----- (Rupees in '000) -----	June 30, 2022 (Audited)
(i) Civil works		400,390	69,715
(ii) Letters of credit against:			
- Plant and machinery		787,751	884,816
- Stores and spares		250,032	166,537
- Raw material		2,604,492	916,846
		<b>3,642,275</b>	1,968,199
(iii) Bank guarantees issued on behalf of the Company	14.2.1	<b>1,015,008</b>	827,503
(iv) Bills discounted with recourse:			
- Export		-	215,775
- Local		61,949	558,182
		<b>61,949</b>	773,957
(v) Outstanding sales contract		<b>2,187,131</b>	1,986,871

# Tata Textile Mills Ltd.

14.2.1 This includes bank guarantee related to Sindh Development Infrastructure Cess amounting to Rs.714.37 million (June 30, 2022: Rs. 548.10 million).

## 15. REVENUE FROM CONTRACTS WITH CUSTOMERS - NET

Sales include sales made to local customers amounting to Rs.6,361 million, indirect exports amounting to Rs.16,409 million and direct exports amounting to Rs.822 million (March 31, 2022: local customer Rs.10,002 million, indirect exports 14,800 million and direct exports 1,872 million). The exports are made to Asia & Europe region.

Nine Months Ended		Quarter Ended	
March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
----- (Un-audited) -----			
----- (Rupees in '000) -----			

## 16. PROVISION FOR TAXATION

Current				
for the year	295,200	468,833	110,338	196,363
for the prior year	1,017	9,352	-	1,041
	<b>296,217</b>	478,185	<b>110,338</b>	197,404
Deferred	<b>(16,870)</b>	40,139	<b>(1,937)</b>	(120,124)
	<b>279,347</b>	518,324	<b>108,401</b>	77,280

## 17. EARNINGS PER SHARE - BASIC AND DILUTED

Profit for the period	302,156	4,118,503	185,260	1,676,555
	----- (Number of shares in '000) -----			
Weighted average number of ordinary shares outstanding during the year	55,994	55,994	55,994	55,994
Earnings per share (Rupees)	5.40	73.55	3.31	29.94

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

## 18. TRANSACTIONS WITH RELATED PARTIES

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

Relationship with the Party	Basis of Relationship	% of share-holding	Nature of Transaction	Quarter Ended	
				March 31, 2023	March 31, 2022
----- (Un-audited) -----					
----- (Rupees in '000) -----					
Associated undertakings	Common Director	-	License income	356	356
			Markup	72,324	-
Key management personnel	-	-	Remuneration and other benefits	35,493	34,508

# Tata Textile Mills Ltd.

Relationship with the Party	Basis of Relationship	% of share-holding	Nature of Transaction	Quarter ended	
				March 31, 2023	March 31, 2022
				----- (Un-audited) -----	
				----- (Rupees in '000) -----	
Directors	-	-	Remuneration and other benefits	8,378	7,856
			Meetings fee	1,500	1,600
			Dividend	84,609	210,148
			Rent expense		
			-godown	600	600
			-office premises	-	3,750
Staff retirement funds	-	-	Expense charged to Provident Fund	6,816	6,506
				<b>March 31, 2023</b>	June 30, 2022
				<b>(Un-audited)</b>	<b>(Audited)</b>
				----- (Rupees in '000) -----	
<b>Outstanding Balances</b>					
Loan payable (UBL)	Common Director			1,700,000	-
Markup payable (UBL)	Common Director			8,374	-

## 19. FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES

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

## 20. FAIR VALUE OF ASSETS AND LIABILITIES

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

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

### Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

**Level - 1:** fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level - 2:** fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

**Level - 3:** fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Other financial assets include investments in equity securities measured at fair value through profit or loss and classified under level 1 fair value hierarchy, as at March 31, 2023, these securities are valued at Rs. 1,479.73 million (June 30, 2022 Rs.1,624.45 million) and there were no transfers between various levels of fair value hierarchy during the period.

As at March 31, 2023, the Company holds investments in listed securities classified as fair value through profit or loss and the fair value of such investments is based on quoted market prices.

## 21. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on April 28, 2023, by the Board of Directors of the Company.

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



**SHAHID ANWAR TATA**  
CHIEF EXECUTIVE



**MUHAMMAD ZAID KALIYA**  
CHIEF FINANCIAL OFFICER



**ADEEL SHAHID TATA**  
DIRECTOR

ڈائریکٹرز رپورٹ

برائے نو ماہی اختتامی مدت 31 مارچ 2023ء

ہم 31 مارچ 2023ء کو ختم ہونے والی نو ماہی مدت کیلئے ٹاٹا ٹیکسٹائل ملز لمیٹڈ کے غیر آڈٹ شدہ مالیاتی نتائج پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

دوران عرصہ کمپنی کو کافی چیلنجز کا سامنا کرنا پڑا جن میں قدرتی آفات، سیاسی عدم استحکام، بگڑتی ہوئی معاشی صورتحال، افراط زر، بڑھتی ہوئی مالیاتی شرح، اور عالمی کساد بازاری شامل ہیں۔ ان چیلنجز کے باوجود، الحمد للہ، کمپنی نے نو ماہی مدت میں مبلغ 581.5 ملین روپے کا قبل از ٹیکس منافع حاصل کیا جس کا موازنہ گذشتہ سال کی اسی مدت کے دوران قبل از ٹیکس منافع مبلغ 4.63 بلین روپے سے کیا جاسکتا ہے جو کہ اس مشکل صورتحال میں ایک اہم کامیابی ہے۔ کمپنی نے تیسری سہ ماہی میں مبلغ 293.66 ملین روپے کا قبل از ٹیکس منافع حاصل کیا جس کا موازنہ گذشتہ سال کی اسی مدت کے قبل از ٹیکس منافع مبلغ 1.75 بلین روپے سے کیا جاسکتا ہے۔

لاگت میں اضافہ:

ہم یہ بتانا چاہتے ہیں کہ لاگت میں کئی اضافوں نے ہمارے آپریشنز کو متاثر کیا ہے، جن میں مالی لاگت، مزدور کی کم از کم اجرت میں اضافہ اور ہائی پاور ٹیرف شامل ہیں اور ان تمام عوامل نے کمپنی کے لیے اپنے منافع کو برقرار رکھنا مشکل بنا دیا ہے۔ اس کے علاوہ، Regasified Liquefied Natural Gas (RLNG) کی دستیابی ایک اہم مسئلہ ہے، جس میں صرف 50-40 فیصد گیس دستیاب ہے اور حکومت نے اس کا ریٹ \$9 US فی MMBTU مقرر کیا ہے۔ سمنڈھ میں گیس ٹیرف بھی 852 روپے فی MMBTU سے بڑھا کر 1,100 روپے فی MMBTU کر دیا گیا ہے، اور قومی سطح پر گرڈ کی شرح ZRI پروٹی فلیٹ ریٹ 19.99 روپے فی KWH سے بڑے پیمانے پر ایک عام متغیر ٹیرف تک اضافہ کر دیا گیا ہے، جو تقریباً 38~43 روپے فی KWH بنتی ہے۔

ہم سمجھتے ہیں کہ حکومت کو ایک جامع پالیسی تیار کرنی چاہئے جس میں RLNG کی دستیابی میں اضافہ، قابل تجدید توانائی کے ذرائع کے استعمال کو فروغ دینا، اور جدید ٹیکنالوجی کو اپنانے کے ذریعے توانائی کی کارکردگی کو بہتر بنانا شامل ہے۔

عالمی صورتحال:

عالمی صورتحال کے باعث ہمارے آپریشنز پر نمایاں اثر پڑا ہے۔ بلند افراط زر، توانائی کی قیمتوں، خوراک کی قیمتوں میں اضافہ اور معاشی غیر یقینی صورتحال ٹیکسٹائل مصنوعات کی طلب میں کمی کا باعث بنی ہے، جس میں ٹیکسٹائل مصنوعات شامل ہیں۔

پاکستان میں کپاس کی دستیابی:

ایک بار پھر، پاکستان میں کپاس کی پیداوار 7.7 ملین گانٹھوں سے کم ہو کر 5 ملین گانٹھیں ہو گئی ہے، جو کہ ٹیکسٹائل انڈسٹری کے لیے ایک سنگین مسئلہ ہے۔ محکمہ زراعت نے معیاری بیجوں پر کوئی تحقیق نہیں کی اور نہ ہی کوئی بہتری لانے پر توجہ مرکوز کی ہے، البتہ عوامل کچھ بھی ہوں، ہماری کپاس کی فصل بتدریج کم ہو رہی ہے۔ ٹیکسٹائل صنعت کی تقریباً 16 ملین گانٹھیں استعمال کرنے کی صلاحیت کے باوجود، عالمی صورتحال کے باعث ہمارا تخمینہ کھپت تقریباً 10 ملین گانٹھیں ہے جس کی وجہ سے تقریباً 5 ملین گانٹھیں درآمد کرنے کی ضرورت ہے۔ ڈاؤن اسٹریم انڈسٹری

جیسے ڈنم، ہوم ٹیکسٹائل، تولیہ اور ٹنگ وغیرہ کی طرف سے یارن کی مانگ میں بھی کمی آئی ہے، جس کے نتیجے میں یارن کی زائد پیداوار ہورہی ہے اور منافع کم ہوا ہے۔

پاکستان کی معاشی صورتحال:

پاکستان کی موجودہ معاشی صورتحال نے ٹیکسٹائل انڈسٹری کے لیے کپاس، اسپنیر پارٹس اور مشینری کے لیے L/Cs کھولنا مشکل بنا دیا ہے۔ ویلیو ایڈڈ انڈسٹری کو بھی اسی طرح کی صورتحال کا سامنا ہے کیونکہ انہیں کلرڈائی اور زپس جیسے لوازمات درآمد کرنے کی ضرورت ہے، بین الاقوامی برانڈز پاکستانی سپلائرز کو نئے آرڈر دینے سے گریزاں ہیں کیونکہ وہ اس بات پر یقین نہیں رکھتے کہ آیا ہم اپنے آرڈرز کو پورا کر پائیں گے۔

مستقبل کی حکمت عملی:

عالمی اور ملکی سطح پر، ٹیکسٹائل کی صنعت کو درپیش بہت سے چیلنجز کے پیش نظر، ہم آنے والے مہینوں کے نتائج کا اندازہ نہیں لگا سکتے۔ تاہم، ہم ان مسائل پر قابو پانے اور ایک معروف ٹیکسٹائل کمپنی کے طور پر اپنی پوزیشن کو برقرار رکھنے کے لیے اپنی پوری کوشش کرنے کے لیے پرعزم ہیں۔

اظہار تشکر:

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

بورڈ آف ڈائریکٹرز کی جانب سے



عدیل شاہد ٹاٹا  
ڈائریکٹر



شاہد انوار ٹاٹا  
چیف ایگزیکٹو

کراچی مورخہ: 28 اپریل 2023ء

# BOOK POST

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