



TATA TEXTILE MILLS LIMITED

**Condensed Interim Financial Statements
(UN-AUDITED)
For The Half Year Ended December 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
Ms. Samar Shahid - Non Executive Director

AUDIT COMMITTEE

Mr. Tayyeb Afzal – Chairman
Mr. Farooq Advani - Member
Mr. Bilal Shahid Tata - 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. Humera Ahmad - 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

1. Allied Bank Limited
2. Askari Bank Limited
3. Bank Alfalah Limited
4. Bank Islami Pakistan Limited
5. Dubai Islamic Bank (Pakistan) Limited
6. HBL (Islamic Banking)
7. JS Bank Limited
8. MCB Bank Limited
9. Meezan Bank Limited
10. United Bank Limited
11. National Bank of Pakistan
12. National Bank of Pakistan – AIBG
13. Pak Oman Investment Company Limited
14. Samba Bank Limited
15. Soneri Bank Limited
16. The Bank of Khyber
17. The Bank of Punjab
18. Bank Al Habib Limited

LEGAL ADVISOR

Ameen Bandukda & Co.

REGISTERED OFFICE

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

FACTORY LOCATION

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

SHARE REGISTRAR

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

WEB

www.tatapakistan.com

DIRECTORS' REPORT

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

The Board of Directors are pleased to present the unaudited financial statements for the half year ended December 31, 2023.

Business and Economic Overview

The economy continues to face persistent challenges, including high core inflation, elevated interest rates, external debt management, and political instability, all of which exert pressure on economic activities. Domestically, high inflation and interest rates have resulted in a severe liquidity crunch. Although the recent IMF deal may offer some relief by opening prospects for other multilateral fundings, its impact remains limited. Ongoing political instability and elections further complicate the economic landscape. The repercussions of last year's adversities continue to afflict the vital textile sector, exacerbated by rising energy prices and a depreciating currency that affects import-dependent sectors. Weak global demand, compounded by excess inventory held by the retailers, has led to a decrease in new export orders. Additionally, the ongoing conflict in the Middle East and global inflationary pressures have further subdued textile demand.

In the second quarter of the fiscal year 2024, the large-scale manufacturing sector witnessed a significant achievement during the first five months, with the current account transforming from a billion-dollar deficit to a surplus of USD 198 million in the outgoing quarter of FY24. However, the State Bank of Pakistan has maintained the policy rate at 22% making survival a challenge for businesses due to high interest rates. After facing challenges in the past year from unprecedented floods, Pakistan's cotton sector showed signs of recovery in the current cotton ginning season, with arrivals estimated at 8.5 million bales of cotton, attributed to better weather conditions and improved pest management nationwide.

Company's Performance

During the period under review, despite prevailing economic instability and various challenges on both global and local fronts, your company has achieved a top line of Rs. 22.81 billion compared to Rs. 14 billion for the Same Period Last Year (SPLY).

However, the impact of inflation on raw material and conversion costs, coupled with increased finance cost, significantly affected the margins, leading to a loss after tax of Rs. 84 million, compared to a profit after tax of Rs. 117 million in the corresponding period last year. The loss per share is recorded at Rs. 1.51, in contrast to an earnings per share of Rs. 2.09 in the corresponding period last year.

Throughout the period, a notable factor affecting the Cost of Sales was the heightened expense of power cost. The finance cost in the half year amounted to Rs. 2.4 billion, twice compared to the corresponding period of the previous year. This increase is primarily attributed to high-interest rates and relatively higher financing requirements for the procurement of local cotton and cover production

Tata Textile Mills Ltd.

requirements until May 2024. However, other income was recorded Rs. 1.2 billion for the period, compared to Rs. 295 million in the corresponding period last year.

The Company received a Recognition award for Best Practices of Occupational Safety, Health, and Environment Year 2022 by the Employees Federation of Pakistan. The Company was also awarded a Certificate of Merit for Best Corporate Reporting in the Textile Category by the Institute of Chartered Accountants of Pakistan and the Institute of Cost and Management Accountants of Pakistan for its Annual Report 2022. The company is marching forward with making strides in its digital transformation journey through the implementation of Oracle Fusion Cloud ERP, with Phase II expected to be completed by June 2024.

Future Outlook

Amidst global economic recovery, challenges such as high inflation and geopolitical disruptions persist. With the elections concluded, there is a need for a stable democratic government of addressing core economic issues. Our company focuses on internal efficiencies, capacity optimization, and cost rationalization amid turbulent times. Despite positive outlooks, the immediate priority is weathering challenges through proactive measures, strategic advancements, and prudent financial management, aiming to protect shareholder value and strengthen post-economic headwinds.

While the future holds cautious optimism for an eventual economic resurgence, the immediate path will be challenging. By prioritizing internal efficiencies, adapting to market dynamics, and strategically managing costs, we can navigate the current turbulence and emerge prepared to capitalize on the opportunities that lie ahead.

Acknowledgment

Our dedicated team stands as our most valuable asset, showcasing unwavering commitment and support to drive the Company's progress. The Board extends its heartfelt gratitude to our customers, shareholders, employees, financial institutions, and other stakeholders for their enduring trust and confidence in the Company.

On behalf of the Board of Director



SHAHID ANWAR TATA
CHIEF EXECUTIVE



ADEEL SHAHID TATA
DIRECTOR

Karachi

Dated: February 23, 2024



Yousuf Adil
Chartered Accountants

Cavish Court, A-35, Block 7 & 8
KCHSU, Shahrah-e-Faisal
Karachi-75350
Pakistan

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INDEPENDENT AUDITORS' REVIEW REPORT To the members of TATA Textile Mills Limited

Report on review of Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **TATA TEXTILE MILLS LIMITED** (here-in-after referred to as "the Company") as at December 31, 2023, and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of cash flows, condensed interim statement of changes in equity and notes to the condensed interim financial statements for the half year then ended (here-in-after referred to as 'condensed interim financial statements'). Management is responsible for the preparation and presentation of the condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on the condensed interim financial statements based on our review.

Scope of Review

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

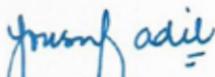
Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements as of and for the half year ended December 31, 2023 are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for the interim financial reporting.

Other matter

The figures of the condensed interim statement of profit or loss and comprehensive income and related notes for the quarter ended December 31, 2023 have not been reviewed by us, as we are only required to review the cumulative figures for the half year period ended December 31, 2023.

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


Chartered Accountants

Place: Karachi
Date: February 28, 2024
UDIN: RR2023100579noctxZBF

Tata Textile Mills Ltd.

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2023

		December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
	Note	----- (Rupees in '000) -----	
ASSETS			
Non-current assets			
Property, plant and equipment	6	21,606,294	21,367,677
Intangible assets		11,088	13,223
Long term deposits		5,126	4,596
		21,622,508	21,385,496
Current assets			
Stores, spares and loose tools		564,672	398,162
Stock in trade	7	16,248,028	13,593,083
Trade debts		5,117,319	6,634,797
Loans and advances		408,431	487,387
Short term prepayments		64,033	13,726
Other receivables		128,459	83,632
Other financial assets		3,222,156	2,118,712
Advance income tax		525,870	794,937
Sales tax refundable		1,864,275	439,070
Cash and bank balances		76,252	252,781
		28,219,495	24,816,287
		49,842,003	46,201,783
TOTAL ASSETS			
EQUITY AND LIABILITIES			
Equity			
Share capital	8	559,936	559,936
General reserve		2,805,996	2,805,996
Unappropriated profit		7,438,643	7,537,077
Surplus on revaluation of operating fixed assets - net of tax		10,416,981	10,476,205
		21,221,556	21,379,214
Non-current liabilities			
Long term finance	9	2,785,479	2,051,708
Deferred liabilities		1,283,199	1,360,596
		4,068,678	3,412,304
Current liabilities			
Trade and other payables		4,023,962	5,354,612
Interest / mark up accrued on borrowings		1,041,103	570,882
Short term borrowings	10	17,985,287	14,013,800
Current portion of long term finances	9	832,777	774,430
Unclaimed dividend		24,385	21,438
Provision for income tax		644,255	675,103
		24,551,769	21,410,265
		49,842,003	46,201,783
TOTAL EQUITY AND LIABILITIES			
CONTINGENCIES AND COMMITMENTS			
	11		

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.



SHAHID ANWAR TATA
CHIEF EXECUTIVE



MUHAMMAD ZAID KALIYA
CHIEF FINANCIAL OFFICER



ADEEL SHAHID TATA
DIRECTOR

Tata Textile Mills Ltd.

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2023

	Note	Half Year Ended		Quarter Ended	
		December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
(Rupees in '000)					
Revenue from contract with customers - net	12	22,815,498	14,003,954	9,249,183	5,010,594
Cost of goods revenue		(20,723,588)	(12,239,049)	(8,056,498)	(4,856,808)
Gross profit		2,091,910	1,764,905	1,192,685	153,786
Distribution cost		(230,053)	(160,926)	(86,356)	(57,011)
Administrative expenses		(275,324)	(310,454)	(116,093)	(145,332)
Other operating expenses		(68,738)	(297,706)	27,130	19,253
Finance cost		(2,401,452)	(1,002,705)	(1,283,774)	(587,798)
		(2,975,567)	(1,771,791)	(1,459,093)	(770,888)
Other income		1,203,956	294,728	731,158	192,451
Profit / (Loss) before taxation for the period		320,299	287,842	464,750	(424,651)
Provision for taxation	13	(404,673)	(170,946)	(228,714)	(60,332)
(Loss) / Profit after taxation for the period		(84,374)	116,896	236,036	(484,983)
Other comprehensive income		-	-	-	-
Total comprehensive (loss) / income for the period		(84,374)	116,896	236,036	(484,983)
(Rupees)					
(Loss) / earnings per share - basic and diluted	14	(1.51)	2.09	4.22	(8.66)

The annexed notes from 1 to 18 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 (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	Revenue reserve		Capital reserve	Total	
	Share Capital	General reserve	Surplus on revaluation of operating fixed assets		
	(Rupees in '000)				
Balance as at July 01, 2022 (Audited)	559,936	2,805,996	7,348,006	10,852,582	21,566,520
<i>Transactions with the owners of the company:</i>					
Final cash dividend for the year ended June 30, 2022 at Rs. 5 (50%) per share	-	-	(279,968)	-	(279,968)
Total comprehensive income for the half year period ended December 31, 2022					
Profit for the period	-	-	116,896	-	116,896
Other comprehensive income - net of tax	-	-	-	-	-
Total comprehensive income for the period	-	-	116,896	-	116,896
<i>Transferred from surplus on revaluation of operating fixed assets on account of:</i>					
- incremental depreciation	-	-	177,909	(177,909)	-
- disposal of operating fixed assets	-	-	6,508	(6,508)	-
- reversal of deferred tax on land	-	-	-	195,340	195,340
	-	-	184,417	10,923	195,340
Balance as at December 31, 2022 (Un-audited)	559,936	2,805,996	7,369,351	10,863,505	21,598,788
Balance as at July 01, 2023 (Audited)	559,936	2,805,996	7,537,077	10,476,205	21,379,214
<i>Transactions with the owners of the company:</i>					
Final cash dividend for the year ended June 30, 2023 at Rs. 3 (30%) per share	-	-	(167,981)	-	(167,981)
Total comprehensive loss for the half year period ended December 31, 2023					
Loss for the period	-	-	(84,374)	-	(84,374)
Adjustment of surplus on revaluation of operating fixed assets due to change in rate	-	-	-	94,697	94,697
Other comprehensive income - net of tax	-	-	-	-	-
Total comprehensive loss for the period	-	-	(84,374)	94,697	10,323
<i>Transferred from surplus on revaluation of operating fixed assets on account of:</i>					
- incremental depreciation	-	-	151,712	(151,712)	-
- disposal of operating fixed assets	-	-	2,209	(2,209)	-
	-	-	153,921	(153,921)	-
Balance as at December 31, 2023 (Un-audited)	559,936	2,805,996	7,438,643	10,416,981	21,221,556

The annexed notes from 1 to 18 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 FLOW (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	Half Year Ended	
	December 31, 2023	December 31, 2022
	----- (Rupees in '000') -----	
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	320,299	287,842
Adjustments for non-cash items and others:		
Depreciation	411,635	405,378
Amortisation	2,136	1,487
Provision for defined benefit obligations	51,930	49,724
Amortisation of deferred government grant	-	(3,348)
Profit on savings accounts	(31)	(1,488)
Profit on term deposit receipts	(80,757)	(7,892)
Provision for compensated absences	15,573	11,322
Finance cost	2,401,452	1,002,705
Capital work in progress expense out	18,670	12,676
Provision for doubtful debts	3,648	3,648
Provision for workers' profit participation fund	16,623	10,996
Provision / (reversal) for workers' welfare fund	1,557	(84,077)
Dividend income	(284,153)	(101,210)
Unrealised (gain) / loss on revaluation of other financial assets	(791,478)	247,344
Gain on disposal of operating fixed assets	(6,201)	(2,783)
Operating cash flows before working capital changes	2,080,903	1,832,324
(Increase) / decrease in current assets		
Stores, spares and loose tools	(166,510)	(62,404)
Stock-in-trade	(2,654,945)	(3,664,394)
Trade debts	1,513,830	739,907
Loans and advances	78,956	(2,132,793)
Short term prepayments	(50,307)	(5,541)
Other receivables	(44,828)	859
Sales tax refundable	(1,425,205)	(883,577)
Decrease in current liabilities		
Trade and other payables	(1,348,830)	(745,399)
Cash used in operations	(2,016,936)	(4,921,018)
Finance cost paid	(1,931,232)	(821,827)
Income taxes paid	(141,495)	(1,020)
Defined benefit obligations paid	(61,486)	(31,001)
Staff compensated absences paid	(13,676)	(10,975)
Net cash used in operating activities	(4,164,825)	(5,785,841)

Tata Textile Mills Ltd.

		Half Year Ended	
		December 31, 2023	December 31, 2022
		----- (Rupees in '000') -----	
B.	CASH FLOWS FROM INVESTING ACTIVITIES	Note	
	Purchase of operating fixed assets		(678,439) (524,788)
	Proceeds from disposal of operating fixed assets		15,719 13,198
	Purchase of other financial assets		(609,199) (84,877)
	Proceeds from disposal of other financial assets		297,233 -
	Dividends received during the period		284,153 101,210
	Profit on savings accounts received during the period		31 1,488
	Profit on term deposits receipts received during the period		80,757 7,892
	Long term deposits paid		(530) (297,968)
	Net cash used in investing activities		(610,275) (783,845)
C.	CASH FLOWS FROM FINANCING ACTIVITIES		
	Long term finance obtained		1,171,853 313,455
	Repayment of long term finance		(379,735) (1,196,802)
	Repayment of short-term borrowings - net		(497,968) (79,375)
	Dividend paid		(165,034) (275,028)
	Net cash generated from / (used in) financing activities		129,116 (1,237,750)
	Net decrease in cash and cash equivalents (A+B+C)		(4,645,984) (7,807,436)
	Cash and cash equivalents at the beginning		(9,484,450) (3,150,974)
	Cash and cash equivalents at end of the period		(14,130,434) (10,958,410)
	CASH AND CASH EQUIVALENTS		
	Cash and bank balances		76,252 40,072
	Running finance / cash finance	10.1	(14,206,686) (10,998,482)
			(14,130,434) (10,958,410)

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.



SHAHID ANWAR TATA
CHIEF EXECUTIVE



MUHAMMAD ZAID KALIYA
CHIEF FINANCIAL OFFICER



ADEEL SHAHID TATA
DIRECTOR

Tata Textile Mills Ltd.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2023

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 The Company and its operations

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

Following are the geographical locations and addresses 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; and
- 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 do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended June 30, 2023. These condensed interim financial statements are unaudited, however, the same have been subject to limited scope review by the statutory auditors of the Company, and are being submitted to share holders as required by the listing regulations of Pakistan Stock Exchange Limited and Section 237 of the Companies Act, 2017.

2.3 The figures of interim statement of profit or loss and other comprehensive income for the quarters ended December 31, 2023 and December 31, 2022 and notes forming part thereof have not been reviewed by the auditors of the Company, as they have reviewed the cumulative figures for the half yearly ended December 31, 2023 and December 31, 2022. The comparative statement of financial position presented has been extracted from annual financial statements of the Company only for the year ended June 30, 2023; the comparative condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity of the Company have been extracted from the un-audited condensed interim financial statements for the half year ended December 31, 2022.

2.4 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.

Tata Textile Mills Ltd.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

- 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, 2023. Certain new IFRSs and amendments to existing IFRSs are effective for periods beginning on or after July 01, 2023, which do not have any impact on the Company's financial reporting and therefore have not been detailed in these condensed interim financial statements.

During the period, the Company adopted Disclosure of Accounting Policies (Amendments to IAS 1) from January 01, 2023. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. Although the amendments did not result in any changes to the accounting policies themselves.

- 3.2 The Company follows the practice of conducting valuation of defined benefit obligations (annually) and operating fixed assets (after every 3 years) through their respective valuation experts. Consequently for defined benefit obligations the impacts of such valuation are incorporated in the annual financial statements at every year end whereas for operating fixed assets these are incorporated in the annual financial statements at the end of every 3 years. Hence, for operating fixed assets no change in the valuation are incorporated in these condensed interim financial statements. For staff retirement benefits, the management has used the assumptions of their appointed experts as of June 30, 2023 for calculating the amount of provision and incorporated the resultant in these condensed interim financial statements.

4. FINANCIAL RISK MANAGEMENT

The Company's financial risk objectives and policies are consistent with those disclosed in the annual audited financial statements as at and for the year ended June 30, 2023.

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, 2023, except as disclosed otherwise.

December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
----- (Rupees in '000) -----	

6. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	6.1	20,114,589	19,706,613
Capital work-in-progress	6.2	1,491,705	1,661,064
		21,606,294	21,367,677

6.1 Operating fixed assets

Opening book value	19,706,613	19,312,762
Transfers during the period / year	829,129	1,261,685
Disposals / write off during the period / year	(9,518)	(54,035)
Depreciation charged for the period / year - net of disposals	(411,635)	(813,799)
Closing book value	20,114,589	19,706,613

Tata Textile Mills Ltd.

6.1.1 Following additions / (transfers) and disposals in operating assets were made:

Particulars	December 31, 2023 (Un-audited)		June 30, 2023 (Audited)	
	Additions / transfers from CWIP	Disposals / write off at book value	Additions / transfers from CWIP	Disposals / write off at book value
----- (Rupees in '000) -----				
Leasehold land	-	-	148,680	-
Buildings on freehold land	19,042	-	40,204	36,120
Buildings on leasehold land				
- Godown	-	-	16,514	-
- Mills	50,988	-	18,210	-
Plant machinery and electric installations	745,871	8,392	977,408	9,537
Factory and workshop equipment	1,529	179	6,814	-
Lease hold improvements	-	-	4,574	-
Furniture and fixtures	2,205	730	11,503	-
Office equipments	9,494	217	16,853	2,626
Vehicles	-	-	20,925	5,752
	829,129	9,518	1,261,685	54,035

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

	(Un-audited) December 31, 2023			
	Civil Works	Machinery and electric installations	Others	Total
	----- (Rupees in '000) -----			
Note				
Opening balance	476,449	1,072,182	112,433	1,661,064
Additions	302,310	358,271	17,858	678,439
Transfers to/ from operating fixed assets	(70,030)	(745,871)	(13,228)	(829,129)
Expensed out	(17,978)	-	(692)	(18,670)
Closing balance	690,751	684,583	116,371	1,491,705
	----- (Rupees in '000) -----			
	(Audited) June 30, 2023			
	Civil Works	Machinery and electric installations	Others	Total
	----- (Rupees in '000) -----			
Opening balance	99,451	662,946	155,873	918,270
Additions	486,550	1,393,608	171,859	2,052,017
Transfers to/ from operating fixed assets	(82,061)	(981,454)	(198,168)	(1,261,683)
Transfer to intangible assets	-	-	(10,000)	(10,000)
Expensed out	(27,491)	(2,918)	(7,131)	(37,540)
Closing balance	476,449	1,072,182	112,433	1,661,064

6.2.1 Expensed out pertains to revenue expenditures that have been transferred to respective accounts in condensed interim statement of profit or loss and other comprehensive income.

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- 9.1** These are secured against joint 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, 2023: 3 months' KIBOR plus 0.5% to 1.25% per annum). These loans are repayable in equal quarterly installments upto October 2032.
- 9.2** This represents outstanding against loan of Rs. 3 billion obtained from a syndicate of 8 commercial banks secured against joint 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 (June 30, 2023: 3% to 4.5% plus bank spread of 1.4% per annum, payable semi-annually).
- 9.3** These facilities are secured against joint pari passu charge on operating 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, 2023: SBP markup rate of 2% to 8% plus bank spread of 1% to 2.5% per annum). These are payable in 10 years with principal & markup payable in half yearly installments.
- 9.4** These facilities are obtained to finance solar project under SBP financing scheme for Renewable Energy. These facilities are subject to SBP markup rate of 2% plus bank spread of 2% per annum (June 30, 2023: 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.
- 9.5 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. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Company's condensed interim statement of cash flow as cash flows from financing activities.

	July 01, 2023	Obtained during the period	Repaid during the period	December 31, 2023
----- (Rupees in '000) -----				
Term finances	1,269,392	1,171,853	(284,417)	2,156,828
Syndicate financing	45,344	-	(21,470)	23,874
SBP - Long term financing facility	1,460,557	-	(70,498)	1,390,059
SBP - Financing scheme for renewable energy	50,845	-	(3,350)	47,495
	2,826,138	1,171,853	(379,735)	3,618,256

	Note	December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
----- (Rupees in '000) -----			
10 SHORT TERM BORROWINGS			
From banking companies - secured			
Running finance / cash finance	10.1	14,206,686	9,737,231
Finance against import	10.2	3,778,601	4,276,569
	10.3	17,985,287	14,013,800

- 10.1** These are subject to markup at the rate of 1- 6 months' KIBOR plus spread ranging between 0.5% to 1.25% per annum (June 30, 2023: 1- 6 months' KIBOR plus spread ranging between 0.5% to 1.25% per annum). These facilities are secured against pledge of stock and joint pari passu charge over current assets.
- 10.2** These facilities are secured against pledge of imported cotton stock and trust receipts. These facilities are subject to markup at the rate of 1 - 6 months' KIBOR plus spread ranging between 0.50% to 1.25% per annum (June 30, 2023: markup at the rate of 1 - 6 months' KIBOR plus spread ranging between 0.50% to 1.25% per annum).
- 10.3** Total facilities available from various commercial banks amounts to Rs. 26,030 million (June 30, 2023: Rs. 23,925 million) out of which the aggregate unavailed short term facilities amounted to Rs. 8,045 million (June 30, 2023: Rs. 9,911 million).

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10.4 Reconciliation of liabilities arising from short 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. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Company's condensed interim statement of cash flows as cash flows from financing activities.

	July 01, 2023	Obtained during the period	Repaid during the period	December 31, 2023
----- Rupees in '000' -----				
Running finance / cash finance	9,737,231	6,145,665	(1,676,210)	14,206,686
Finance against import	4,276,569	5,115,266	(5,613,234)	3,778,601
Finance against export	-	588,050	(588,050)	-
	4,276,569	5,703,316	(6,201,284)	3,778,601
	14,013,800	11,848,981	(7,877,494)	17,985,287

11. CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

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

11.2 Commitments

	Note	December 31, 2023 (Un-audited) ----- (Rupees in '000) -----	June 30, 2023 (Audited)
(i) Civil works		512,553	49,374
(ii) Letters of credit against:			
- Plant and machinery		25,778	256,188
- Stores and spares		130,985	106,388
- Raw material		2,719,890	2,226,886
		2,876,653	2,589,462
(iii) Bank guarantees issued on behalf of the Company	11.2.1	1,134,595	1,034,650
(iv) Bills discounted:			
- Export		958,385	523,004
- Local		1,040,702	1,319,858
		1,999,087	1,842,862
(v) Outstanding sales contract		2,634,002	3,082,657

11.2.1 This includes bank guarantee related to Sindh Development Infrastructure Cess amounting to Rs. 800.34 million (June 30, 2023: Rs. 705.57 million).

12. REVENUE FROM CONTRACT WITH CUSTOMERS - NET

Sales include sales made to local customers amounting to Rs. 5,411 million, indirect exports amounting to Rs. 15,815 million and direct exports Rs.1,590 million (December 31, 2022: local customer Rs. 3,579 million, indirect exports Rs. 9,759 million and direct exports Rs. 666 million). The export are made to Asia and Europe region.

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	HALF YEAR ENDED		QUARTER ENDED	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
----- (Un-audited) ----- ----- (Rupees in '000) -----				
13. PROVISION FOR TAXATION				
Current				
for the period	379,714	184,862	192,990	82,914
for the prior period	-	1,017	(403)	(483)
	379,714	185,879	192,587	82,431
Deferred	24,959	(14,933)	36,127	(22,099)
	404,673	170,946	228,714	60,332
14. (LOSS) / EARNINGS PER SHARE - BASIC AND DILUTED				
(Loss) / profit for the period (Rupees in '000)	(84,374)	116,896	236,036	(484,983)
----- (Number of shares in '000) -----				
Weighted average number of ordinary Shares outstanding during the period	55,994	55,994	55,994	55,994
(Loss) / earnings per share in (Rupees)	(1.51)	2.09	4.22	(8.66)

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

15. TRANSACTIONS WITH RELATED PARTIES

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

15.1 Name and nature of relationship

- Tata Best Foods Ltd.
- Upcrop (Private) Limited

Relationship with the party	Basis of relationship	% of share-holding	Nature of transaction	Half year ended	
				December 31, 2023	December 31, 2022
				----- (Un-audited) ----- ----- (Rupees in '000) -----	
Associated undertaking	Common directorship		License income	712	712
Key management personnel			Remuneration and other benefits	71,945	64,376
Directors			Remuneration and other benefits	21,177	16,801
			Meetings fee	3,550	2,800
			Dividend	126,902	210,648
			Rent expense -godown	-	1,200
Staff retirement funds			Expense charged to Provident Fund	27,027	14,038
Outstanding balances					
Staff retirement funds payable				9,704	-

16. FAIR VALUE OF ASSETS AND LIABILITES

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

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

Fair value hierarchy

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

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

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

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

Other financial assets includes investments in equity securities measured at fair value through profit or loss and classified under level 1 fair value hierarchy, As at December 31, 2023, These securities are valued at Rs. 2,414.71 million (June 30, 2023: Rs.1,602.18 million) and there were no transfers between various levels of fair value hierarchy during the period.

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

17. CORRESPONDING FIGURES

Corresponding figures and balances have been rearranged and reclassified, wherever considered necessary, for the purpose of comparison, the effects of which are not material.

18. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on February 23, 2024 by the Board of Directors of the Company.



SHAHID ANWAR TATA
CHIEF EXECUTIVE



MUHAMMAD ZAID KALIYA
CHIEF FINANCIAL OFFICER



ADEEL SHAHID TATA
DIRECTOR

ڈائریکٹرز رپورٹ

برائے اختتامی ششماہی 31 دسمبر 2023ء

بورڈ آف ڈائریکٹرز 31 دسمبر 2023ء کو ختم ہونے والی ششماہی کیلئے کمپنی کے مالیاتی حسابات پیش کر رہے ہیں۔

کاروباری اور معاشی جائزہ:

بڑھتی ہوئی افراط زر، بلند شرح سود، بیرونی قرضوں کا انتظام اور سیاسی عدم استحکام کے باعث معیشت کو مسلسل چیلنجز کا سامنا کرنا پڑ رہا ہے جن کی وجہ سے اقتصادی سرگرمیوں پر کافی دباؤ ہے۔ بلند افراط زر اور بلند شرح سود کے باعث ملک میں لیکویڈٹی کا بحران برقرار رہا۔ اگرچہ حالیہ IMF معاہدہ ممکنہ طور پر اضافی کثیر جہتی فنڈنگ کے دروازے کھول کر کچھ ریلیف فراہم کر سکتا ہے لیکن اس کے اثرات محدود ہیں۔ دریں اثناء مسلسل سیاسی عدم استحکام اور آنے والے انتخابات معاشی ماحول میں پیچیدگیوں میں اضافہ کر رہے ہیں۔ گذشتہ سال کے چیلنجوں کے اثرات ملک کے ٹیکسٹائل کے اہم شعبے کو مستقل طور پر متاثر کر رہے ہیں۔ اس شعبے کو بڑھتی ہوئی مشکلات کا سامنا ہے، جس میں توانائی کے اخراجات میں اضافہ اور کرنسی کی گراوٹ شامل ہے جو درآمدات پر منحصر صنعتوں کو بری طرح متاثر کرتی ہے۔ مزید برآں، ضرورت سے زیادہ خریداروں کی انونٹریوں کی وجہ سے گرتی ہوئی عالمی طلب میں اضافہ ہو جاتا ہے، جس کے نتیجے میں برآمدی آرڈرز کم ہوتے ہیں۔ مشرق وسطیٰ میں جاری تنازع اور عالمی سطح پر افراط زر کے دباؤ نے ٹیکسٹائل کی طلب کو مزید کم کر دیا ہے۔

مالی سال 2024ء کی دوسری سہ ماہی میں، پہلے پانچ مہینوں کے دوران بڑے پیمانے پر مینوفیکچرنگ کے شعبے میں ایک قابل ذکر کامیابی کرنٹ اکاؤنٹ کی تبدیلی تھی۔ اس تبدیلی نے مالی سال 2024ء کی گذشتہ سہ ماہی میں ایک بلین ڈالر کے خسارے سے 198 ملین ڈالر کے سرپلس میں تبدیلی دیکھی۔ تاہم اسٹیٹ بینک آف پاکستان نے پالیسی ریٹ کو 22 فیصد پر برقرار رکھا ہے۔ بلند شرح سود ان کاروبار کی بقاء میں اہم رکاوٹیں کھڑی کر رہی ہے۔ گذشتہ سال تباہ کن سیلاب سے درپیش چیلنجز کا سامنا کرنے کے بعد، پاکستان کے کپاس کے شعبے نے کپاس کی 8.5 بلین گانٹھوں کی آمد کے ساتھ موجودہ کاٹن جنگ سیزن میں بحالی کے آثار نظر آئے۔ بہتر موسمی حالات اور حشرات کش ادویات نے ملک بھر میں کپاس کی پیداوار میں اضافے میں اہم کردار ادا کیا۔

کمپنی کی کارکردگی:

زیر جائزہ مدت کے دوران، عالمی اور مقامی دونوں محاذوں پر مروجہ معاشی عدم استحکام اور مختلف چیلنجوں کے باوجود، آپ کی کمپنی نے 22.81 بلین روپے کا مجموعی منافع حاصل کیا، جو گذشتہ سال اسی مدت کے 14 بلین روپے کے مقابلے میں نمایاں اضافہ ہے۔

تاہم، مالیاتی لاگت میں اضافے کے ساتھ مل کر خام مال اور تبادلوں کی لاگت پر افراط زر کے اثرات نے مارجن کو نمایاں طور پر متاثر کیا ہے، جس کے نتیجے میں مبلغ 84 بلین روپے کا بعد از ٹیکس خسارہ ہوا جس کا موازنہ گذشتہ سال کے بعد از ٹیکس منافع مبلغ 117 بلین روپے سے کیا جاسکتا ہے۔ نتیجتاً فی حصص خسارہ 1.51 ریکارڈ کیا گیا جو کہ گذشتہ سال کی اسی مدت میں 2.09 فی حصص آمدنی کے برعکس ہے۔

اس پورے عرصے کے دوران، فروخت کی لاگت کو متاثر کرنے والا ایک اہم عنصر بجلی کی قیمت کا بڑھتا ہوا خرچ تھا۔ ششماہی میں مالیاتی لاگت 2.4 بلین روپے تھی، جو گذشتہ سال کی اسی مدت کے مقابلے میں دوگنی ہے۔ یہ اضافہ بنیادی طور پر بلند شرح سود اور مقامی کپاس کی خریداری اور مئی 2024ء تک پیداواری ضروریات کو پورا کرنے کے لیے نسبتاً زیادہ مالیاتی ضروریات سے منسوب ہے۔ تاہم، اس مدت کے لیے دیگر آمدنی 1.2 بلین روپے ریکارڈ کی گئی، جو کہ گذشتہ سال کی اسی مدت میں 295 بلین روپے تھی۔

کمپنی کو ایمپلائز فیڈریشن آف پاکستان کی جانب سے سال 2022ء میں پیشہ ورانہ حفاظت، صحت اور ماحولیات کے بہترین طریقوں کے لیے ایک نمایاں ایوارڈ سے نوازا گیا۔ مزید برآں، کمپنی کو انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان اور انسٹی ٹیوٹ آف کاسٹ اینڈ مینجمنٹ اکاؤنٹنٹس آف پاکستان دونوں نے اپنی سالانہ رپورٹ 2022ء کے لیے ٹیکسٹائل میں بہترین کارپوریٹ رپورٹنگ کے لیے سرٹیفکیٹ آف میرٹ سے بھی نوازا ہے۔ مزید برآں، کمپنی اوریکل فیوژن کلاؤڈ ERP کو لاگو کر کے اپنے ڈیجیٹل تبدیلی کے سفر کو فعال طور پر آگے بڑھا رہی ہے، جس کے فیور II کے جون 2024ء تک مکمل ہونے کی امید ہے۔

مستقبل کی حکمت عملی:

عالمی اقتصادی بحالی کے پس منظر کے درمیان، بلند افراط زر اور جغرافیائی سیاسی رکاوٹیں جیسے مسلسل چیلنجز بدستور موجود ہیں۔ انتخابات کے اختتام کے ساتھ، ایک مستحکم جمہوری حکومت کی اشد ضرورت ہے جو بنیادی اقتصادی مسائل کو حل کرنے کی صلاحیت رکھتی ہو۔ اس کے جواب میں، ہماری کمپنی ان ہنگامہ خیز اوقات میں داخلی صلاحیتوں، صلاحیت کو بہتر بنانے، اور لاگت کو معقول بنانے کو ترجیح دے رہی ہے۔ مثبت نقطہ نظر کے باوجود، ہماری فوری توجہ فعال اقدامات، حکمت عملی کی پیشرفت، اور سمجھدار مالیاتی انتظام کے ذریعے چیلنجوں سے نمٹنے پر ہے۔ ہمارا مقصد حصص یافتگان کی قدر کی حفاظت کرنا ہے اور اپنے آپ کو اقتصادی پوسٹ کے بعد کی ممکنہ خرابیوں کے خلاف مضبوط بنانا ہے۔

اگرچہ مستقبل میں ممکنہ اقتصادی بحالی کے لیے محتاط امیدیں وابستہ ہیں، توقع ہے کہ آگے کا سفر مشکل ہوگا۔ تاہم، داخلی صلاحیتوں کو ترجیح دے کر، مارکیٹ کی حرکیات کے مطابق ڈھال کر، اور حکمت عملی سے اخراجات کا انتظام کر کے، ہم موجودہ ہنگامہ خیزی کو موثر طریقے سے سمٹ کا تعین کر سکتے ہیں۔ یہ نقطہ نظر ہمیں مواقع سے فائدہ اٹھانے اور مضبوط ہونے کے لیے تیار کرے گا، جو کہ آنے والے ممکنہ مواقع سے فائدہ اٹھانے کے لیے بہتر طور پر تیار 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 ہم شیئر ہولڈرز کے انتظامیہ پر اعتماد کے بھی مشکور ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے


عدیل شاہ
ڈائریکٹر


شاہد انوار
چیف ایگزیکٹو

کراچی مورخہ: 23 فروری 2024ء