



TATA TEXTILE MILLS LIMITED

**Condensed Interim Financial Statements
(UNAUDITED)
for the 1st Quarter ended September 30, 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

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-National Bank of Pakistan
11-National Bank of Pakistan – AIBG
12-Pak Oman Investment Company Limited
13-Samba Bank Limited
14-Soneri Bank Limited
15-The Bank of Khyber
16-The Bank of Punjab
17-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

The Board of Directors are pleased to present the unaudited financial statements for the quarter ended September 30, 2023.

Business and Economic Overview

This year, Pakistan is on track to produce 8.5 million bales of cotton which is projected to conserve \$2 billion in foreign exchange. There are prospects of better fiber quality and higher cotton yields. The challenges that continue to affect Pakistan's textile sector in the current year are, in many respects, a continuation of those experienced in the previous year. Some of the hurdles contributing to slow export performance is predominantly weakened consumer demand and a surplus of inventory at buyers' end, resulting in reduced export orders. Globally, elevated commodity prices, increasing petroleum costs, and conflict between Russia & Ukraine are collectively leading to a deceleration of economic activities worldwide, consequently affecting the demand for textile goods.

High inflation, rising interest rates, compounded by floods and instability created a severe liquidity crunch. While an arrangement with the IMF averted immediate default, it offered only temporary relief. Rising inflation through energy price hikes, significant currency devaluation affecting import-driven sectors, and interest rates, and escalating taxes on documented industries collectively contribute to the challenges of doing business.

Company's Performance

During the quarter, the company was adversely impacted with high cost of sales and surge in inflation rates, resulting in a loss after tax of Rs. 320 million as compared to profit after tax of Rs. 602 million in corresponding period last year. The loss per share of Rs. 5.72 as compared to earning per share of Rs. 10.75 in the corresponding period last year.

The significant influence on the Cost of Sales is the increased expense of power generation. Finance cost in the current quarter amounted to Rs. 1,118 million, tripled compared to the corresponding period of the previous year. This increase can be attributed primarily to rising interest rates and relatively higher financing requirements for the procurement of local cotton.

Faced with an extremely challenging economic environment, the Company has energized 0.65 MW solar plant in this quarter bringing the total renewable capacity to 3.65 MW whereas further solar installation is also planned which will reduce carbon footprint and optimize the increasing cost of Power.

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 has also been awarded with 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. Alhamdulillah

Future Outlook

The global economic outlook shows signs of improvement, with stabilizing growth and moderating inflation. However, Pakistan's economic situation in 2023-24 presents unique challenges, both monetary and fiscal, as evident from economic indicators. The appreciation of the Rupee can counterbalance these challenges and assist in achieving economic stability. The government's actions aimed at addressing vulnerabilities along open borders led to a resurgence of pressure on the exchange rate. Nevertheless, it's imperative that control is exercised over expenditures and the balance of payments to be enhanced to reduce reliance on borrowed funds and advance in line with other progressive countries. Alongside ongoing domestic issues, it remains imperative for the textile industry to closely monitor evolving customer strategies driven by volatile consumer demand. In navigating these unprecedented times, maintaining a sharp focus on efficient business delivery and cost competitiveness will be of paramount importance to the industry. The government has expressed its commitment to tackling the challenges within the economy and reinvigorating cautious growth. Anticipating the emergence of expanded demand to boost business activity, the company embraces a realistic sense of optimism about the future and stands ready to seize emerging business opportunities.

Tata Textile Mills Ltd.

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 Directors



SHAHID ANWAR TATA
CHIEF EXECUTIVE



ADEEL SHAHID TATA
DIRECTOR

Karachi

Dated: October 27, 2023

Tata Textile Mills Ltd.

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2023

		September 30, 2023 Un-Audited	June 30, 2023 Audited
ASSETS	Note	----- (Rupees in 000') -----	
NON-CURRENT ASSETS			
Property, plant and equipment	6	21,275,422	21,367,677
Intangible assets		11,986	13,223
Long term deposits		4,906	4,596
		21,292,314	21,385,496
CURRENT ASSETS			
Stores, spares and loose tools		451,154	398,162
Stock in trade	7	15,385,883	13,593,083
Trade debts		6,713,928	6,634,797
Loans and advances		596,271	487,387
Short term prepayments		63,677	13,726
Other receivables		81,058	83,632
Other financial assets		2,492,221	2,118,712
Advance income tax		819,517	794,937
Sales tax refundable		1,076,906	439,070
Cash and bank balances		63,692	252,781
		27,744,307	24,816,287
TOTAL ASSETS		49,036,621	46,201,783
EQUITY AND LIABILITIES			
EQUITY			
Share capital	8	559,936	559,936
General reserve		2,805,996	2,805,996
Unappropriated profit		7,292,669	7,537,077
Surplus on revaluation of operating fixed assets		10,400,203	10,476,205
		21,058,804	21,379,214
NON-CURRENT LIABILITIES			
Long term finance	9	2,584,236	2,051,708
Deferred liabilities		1,336,323	1,360,596
		3,920,559	3,412,304
CURRENT LIABILITIES			
Trade and other payables		4,544,365	5,354,612
Interest / mark up accrued on borrowings		893,455	570,882
Short term borrowings	10	16,964,936	14,013,800
Current portion of long term finances	9	771,237	774,430
Unclaimed dividend		21,438	21,438
Provision for income tax		861,827	675,103
		24,057,258	21,410,265
TOTAL EQUITY AND LIABILITIES		49,036,621	46,201,783
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The annexed notes 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 QUARTER ENDED SEPTEMBER 30, 2023

	Note	September 30, 2023 ----- (Rupees in 000') -----	September 30, 2022
Revenue from contract with customers - net	12	13,566,315	8,993,360
Cost of goods sold		(12,667,090)	(7,382,241)
Gross profit		899,225	1,611,119
Distribution cost		(143,697)	(103,915)
Administrative expenses		(159,231)	(165,122)
Other operating expenses		(95,868)	(316,959)
Finance cost		(1,117,678)	(414,907)
		(1,516,474)	(1,000,903)
Other income		472,798	102,277
(Loss)/Profit before taxation for the period		(144,451)	712,493
Taxation	13	(175,959)	(110,614)
(Loss)/Profit for the period		(320,410)	601,879
Other comprehensive income		-	-
Total comprehensive (loss)/income for the period		(320,410)	601,879
(Loss)/Earnings per share - basic and diluted (Rs.)	14	(5.72)	10.75



SHAHID ANWAR TATA
CHIEF EXECUTIVE



MUHAMMAD ZAID KALIYA
CHIEF FINANCIAL OFFICER



ADEEL SHAHID TATA
DIRECTOR

Tata Textile Mills Ltd.

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2023

	September 30, 2023	September 30, 2022
	----- (Rupees in 000') -----	
A. CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before taxation	(144,451)	712,493
Adjustments for non cash items and others		
Depreciation	203,196	199,647
Amortisation	1,238	743
Amortisation of deferred government grant	-	(2,226)
Provision for defined benefit obligations	27,892	25,919
Provision for compensated absences	7,572	7,038
Finance cost	1,117,678	414,907
Realised gain on investment	(21,229)	-
Unrealised (gain)/loss on revaluation of other financial assets	(286,544)	65,779
Gain on disposal of operating fixed assets	(4,139)	(912)
Operating cash flows before changes in working capital	901,213	1,423,388
Decrease / (increase) in current assets		
Stores, spares and loose tools	(52,992)	(39,205)
Stock in trade	(1,792,800)	(2,022,850)
Trade debts	(79,131)	(1,124,731)
Loans and advances	(133,464)	(170,753)
Short term prepayments	(49,951)	(30,358)
Other receivables	2,574	15,840
Sales tax refundable	(637,836)	(379,820)
(Decrease) / increase in current liabilities		
Trade and other payables	(810,247)	110,517
Net cash used in operations	(2,652,634)	(2,217,972)
Finance cost paid	(795,105)	(294,454)
Income taxes paid	(403)	(1,503)
Defined benefit obligations paid	(42,531)	(11,674)
Staff compensated absences paid	(6,038)	(6,098)
Net cash used in operating activities	(3,496,711)	(2,531,701)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(117,891)	(82,301)
Proceeds from disposal of property, plant and equipment	11,089	1,022
Purchase of other financial assets	(65,737)	(26,602)
Long term deposits	(310)	(216,546)
Net cash used in investing activities	(172,849)	(324,427)

Tata Textile Mills Ltd.

September 30, September 30,
2023 2022
----- (Rupees in 000) -----

C. CASH FLOWS FROM FINANCING ACTIVITIES

Long term finance obtained	721,853	-
Repayments of long term finance	(192,518)	(853,104)
Short term borrowings obtain/(repaid) - net of obtain/(repaid)	2,309,434	(608,484)
Dividend paid	-	(12)
Net cash generated from / (used in) financing activities	2,838,769	(1,461,600)
Net decrease in cash and cash equivalents (A+B+C)	(830,791)	(4,317,728)
Cash and cash equivalents at beginning of the period	(10,614,639)	(3,150,972)
Cash and cash equivalents at end of the period	(11,445,430)	(7,468,700)
CASH AND CASH EQUIVALENTS		
Cash and bank balances	63,692	248,683
Running / cash finance	(11,509,122)	(7,717,383)
	(11,445,430)	(7,468,700)

The annexed notes 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 QUARTER ENDED SEPTEMBER 30, 2023

	Issued, subscribed and paid up capital	Capital reserves	Revenue reserves		Total
		Revaluation surplus	General reserve	Unappropriated profit	
----- (Rupees in 000') -----					
Balance at July 01, 2022	559,936	10,852,582	2,805,996	7,348,006	21,566,520
Total comprehensive Income for the period:					
Profit for the quarter	-	-	-	601,879	601,879
Other comprehensive income - net of tax	-	-	-	-	-
Total comprehensive income for the period	-	-	-	601,879	601,879
Transferred from surplus on revaluation of property, plant and equipment on account of:					
- incremental depreciation	-	(91,129)	-	91,129	-
- reversal of deferred tax on land	-	195,340	-	-	195,340
	-	104,211	-	91,129	195,340
Balance as at September 30, 2022	559,936	10,956,793	2,805,996	8,041,014	22,363,739
Balance at July 01, 2023	559,936	10,476,205	2,805,996	7,537,077	21,379,214
Total comprehensive Income for the period:					
Loss for the quarter	-	-	-	(320,410)	(320,410)
Other comprehensive income - net of tax	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(320,410)	(320,410)
Transferred from surplus on revaluation of property, plant and equipment on account of:					
- incremental depreciation	-	(73,806)	-	73,806	-
- disposal of operating fixed assets	-	(2,196)	-	2,196	-
	-	(76,002)	-	76,002	-
Balance as at September 30, 2023	559,936	10,400,203	2,805,996	7,292,669	21,058,804

The annexed notes 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 QUARTER ENDED SEPTEMBER 30, 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 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, 2023. Certain new IFRSs and amendments to existing IFRSs are effective for periods beginning on or after July 1, 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.

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.

Tata Textile Mills Ltd.

6	PROPERTY, PLANT AND EQUIPMENT	September 30, 2023 (Un-Audited)	June 30, 2023 (Audited)
		----- (Rupees in 000') -----	
	Operating fixed assets	19,677,922	19,706,613
	Capital work-in-progress	1,597,500	1,661,064
		<u>21,275,422</u>	<u>21,367,677</u>

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

During the quarter ended September 30, 2023 (Un-Audited)

	Addition / transfers from CWIP	Disposals/ write off at book value	Sale Proceed
----- (Rupees in 000') -----			
Buildings on leasehold land	19,315	-	-
Plant machinery and electric installations	155,686	6,879	11,017
Factory and Workshop Equipment	290	-	-
Furniture and fixtures	2,234	-	-
Office equipment	3,928	70	72
	<u>181,453</u>	<u>6,949</u>	<u>11,089</u>

During the year ended June 30, 2023 (Audited)

Leasehold land	148,680	-	-
Buildings on freehold land	40,204	-	-
Building on leasehold land			
- Godown	16,514	-	-
- Mills	18,210	-	-
Plant machinery and electric installations	977,407	9,371	6,593
Factory and workshop equipment	6,814	-	-
Lease hold improvements	4,573	-	-
Furniture and fixtures	11,503	-	-
Office equipment	16,853	127	155
Vehicle	20,925	975	6,495
	<u>1,261,683</u>	<u>10,473</u>	<u>13,243</u>

7	STOCK IN TRADE	September 30, 2023 (Un-Audited)	June 30, 2023 (Audited)
		----- (Rupees in 000') -----	
	Raw material	12,985,362	8,741,095
	Work in process	363,377	481,327
	Finished goods	1,907,162	4,217,097
	Waste stock	129,982	153,564
		<u>15,385,883</u>	<u>13,593,083</u>

7.1 Raw material includes stock in transit amounting to Rs. 505.60 million (June 30, 2023: Rs. 3,762 million).

7.2 The net realisable value of the finished goods was lower than its cost as at quarter end which resulted in a write down amounting to Rs. 36.95 million (June 30, 2023 : Rs. 117.53 million).

8 SHARE CAPITAL

September 30, 2023 (Un-Audited)	June 30, 2023 (Audited)
--- (Number of shares in 000')---	
<u>100,000</u>	<u>100,000</u>

Authorised capital:

Ordinary shares of Rs. 10 each

September 30, 2023 (Un-Audited)	June 30, 2023 (Audited)
----- (Rupees in 000') -----	
<u>1,000,000</u>	<u>1,000,000</u>

Issued, subscribed and paid-up capital:

Ordinary shares of Rs. 10 each:

- issued for cash
- issued as bonus shares
- issued in pursuant to amalgamation

13,100	13,100
4,225	4,225
<u>38,669</u>	<u>38,669</u>
<u>55,994</u>	<u>55,994</u>

131,000	131,000
42,247	42,247
<u>386,689</u>	<u>386,689</u>
<u>559,936</u>	<u>559,936</u>

Tata Textile Mills Ltd.

9	LONG TERM FINANCE From banking companies (Secured) - At amortised cost	Note	September 30,	June 30,
			2023 (Un-Audited)	2023 (Audited)
			----- (Rupees in 000') -----	
	Term finances	9.1	1,849,036	1,269,392
	Syndicate financing	9.2	25,331	45,344
	SBP - LTFF	9.3	1,431,935	1,460,557
	SBP REEF - Solar project	9.4	49,171	50,845
			3,355,473	2,826,138

Current portion shown under current liabilities

Term finances	9.1	(569,761)	(569,452)
Syndicate financing	9.2	(19,838)	(31,467)
SBP - LTFF	9.3	(174,939)	(166,812)
SBP REEF - Solar project	9.4	(6,699)	(6,699)
		(771,237)	(774,430)
		2,584,236	2,051,708

9.1 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, 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 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 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, 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 statement of cash flows as cash flows from financing activities.

	July 01, 2023	Obtained during the period	Repaid during the period	September 30, 2023
----- (Rupees in 000') -----				
Term finances	1,269,392	721,853	142,209	1,849,036
Syndicate financing	45,344	-	20,013	25,331
SBP - LTFF	1,460,557	-	28,622	1,431,935
SBP REEF - Solar project	50,845	-	1,674	49,171
	2,826,138	721,853	192,518	3,355,473

Tata Textile Mills Ltd.

	Note	September 30, 2023 (Un-Audited)	June 30, 2023 (Audited)
		----- (Rupees in 000') -----	
10	SHORT TERM BORROWINGS		
	From banking companies - secured		
	Running finance / cash finance	10.1 11,509,120	9,737,231
	Finance against import	10.2 4,959,106	4,276,569
	Finance against export	10.3 496,710	-
		10.4 <u>16,964,936</u>	<u>14,013,800</u>

- 10.1** These are subject to markup at the rate of 1- 6 months' KIBOR plus spread ranging between 0.5% to 1.25% (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% (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** These are subject to mark-up at the rate of 1-3 months 6% to 7.5% inclusive of LIBOR mark-up rate (June 30, 2023: 1-3 months 2% to 2.5% inclusive of LIBOR mark-up rate). These facilities were secured against joint pari passu hypothecation charge over current assets of the Company including 25% margin.
- 10.4** Total facilities available from various commercial banks amounts to Rs. 23,130 million (June 30, 2023: Rs. 23,925 million) out of which the aggregate unavailed short term facilities amounted to Rs. 6,165 million (June 30, 2023: Rs. 9,911 million).
- 10.5** **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 noncash 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 statement of cash flows as cash flows from financing activities.

	July 01, 2023	Obtained during the period	Repaid during the period	September 30, 2023
----- Rupees in 000' -----				
Running / cash finances	9,737,231	4,474,932	2,703,043	11,509,120
Finance against import	4,276,569	3,589,201	2,906,664	4,959,106
Finance against export	-	496,710	-	496,710
	<u>14,013,800</u>	<u>8,560,843</u>	<u>5,609,707</u>	<u>16,964,936</u>

11 CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

There are no contingencies to report as at September 30, 2023 and June 30, 2023

11.2 Commitments

	Note	September 30, 2023 (Un-Audited)	June 30, 2023 (Audited)
		----- (Rupees in 000') -----	
(i)	Civil works	<u>132,208</u>	<u>49,374</u>
(ii)	Letters of credits against:		
	Plant and machinery	149,805	256,188
	Stores and spares	143,274	106,388
	Raw material	<u>1,276,623</u>	<u>2,226,886</u>
		<u>1,569,702</u>	<u>2,589,462</u>
(iii)	Bank guarantees issued on behalf of the Company	11.2.1 <u>1,136,595</u>	<u>1,034,650</u>
(iv)	Bills discounted:		
	Export	808,351	523,004
	Local	<u>1,229,244</u>	<u>1,319,858</u>
		<u>2,037,595</u>	<u>1,842,862</u>
(v)	Outstanding sales contract	<u>2,593,726</u>	<u>3,082,657</u>

- 11.2.1** This includes bank guarantee related to Sindh Development Infrastructure Cess amounting to Rs. 799.97 million (June 30, 2023: Rs. 705.57 million).

Tata Textile Mills Ltd.

12 REVENUE FROM CONTRACT WITH CUSTOMERS - NET

Sales include sales made to local customers amounting to Rs.3,163 million, indirect exports amounting to Rs. 9,539 million and direct exports Rs.864 million (September 30, 2022:local customer Rs.2,013 million, indirect exports Rs.6,529 million and direct exports Rs.451 million). The export are made to Asia & Europe region.

	September 30, 2023 (Un-Audited)	September 30, 2022 (Un-Audited)
	----- (Rupees in '000') -----	
13 TAXATION		
Current for the year	186,724	101,948
prior year	403	1,500
	187,127	103,448
Deferred	(11,168)	7,166
	<u>175,959</u>	<u>110,614</u>

13.1 The management has a practice of recording tax expenses based on the generally accepted interpretation of tax laws.

14 EARNINGS PER SHARE - BASIC AND DILUTED

There is no dilutive effect on the basic earnings per share of the Company which is based on :

	September 30, 2023 (Un-Audited)	September 30, 2022 (Un-Audited)
(Loss)/Profit for the quarter	Rupees in '000' <u>(320,410)</u>	601,879
Weighted average number of ordinary shares outstanding during the year	Shares in '000' <u>55,994</u>	<u>55,994</u>
(Loss)/Earnings per share	Rupees <u>(5.72)</u>	<u>10.75</u>

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 been disclosed elsewhere in these condensed interim financial statements, are as follows:

15.1 Name and nature of relationship

Associated Companies due to common directorship:

- Tata Best Foods Ltd.
- Textile Institute of Pakistan
- Ucrop (Private) Limited

		September 30, 2023 (Un-Audited)	September 30, 2022 (Un-Audited)
		----- (Rupees in '000') -----	
Relationship with the party	Nature of transactions		
Associated undertaking	License income from associated company	356	356
Directors	Short term benefits	10,416	8,422
	Meeting fees	1,600	1,600
	Godown Rent Expense	-	600
Key Management Personnel	Short term benefits	37,321	32,524
Staff retirement funds	Expense charged to Provident Fund	12,937	7,143
Common Directorship	Receivable against reimbursements of expenses	3,764	-

Tata Textile Mills Ltd.

	September 30, 2023 (Un-Audited)	June 30, 2023 (Audited)
	----- (Rupees in 000') -----	
15.2 Outstanding Balances		
Staff retirement funds payable	9,338	4,638

16 FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES

There have been no significant change in the risk management policies since the year ended June 30, 2023

17 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.

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 as at September 30, 2023.

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 September 30, 2023, these securities are valued at Rs. 1,909.78 million (June 30, 2023 Rs. 1,602.18 million) and there were no transfers between various levels of fair value hierarchy during the period.

18 DATE OF AUTHORISATION FOR ISSUE

These financial statements have been approved by the board of directors of the Company and authorised for issue on October 27, 2023.


SHAHID ANWAR TATA
 CHIEF EXECUTIVE


MUHAMMAD ZAID KALIYA
 CHIEF FINANCIAL OFFICER


ADEEL SHAHID TATA
 DIRECTOR

بورڈ آف ڈائریکٹرز 30 ستمبر 2023ء کو ختم ہونے والی سہ ماہی کیلئے کمپنی کے غیر آڈٹ شدہ مالیاتی حسابات پیش کرتے ہوئے پُر مسرت ہیں۔

کاروبار اور معاشی جائزہ:

اس سال پاکستان کپاس کی 8.5 ملین گانٹھیں پیدا کرنے کی راہ پر گامزن ہے، اس پیشرفت سے 2 بلین ڈالر کے زرمبادلہ کی بچت متوقع ہے۔ فابریہ کے معیار میں بہتری اور کپاس کی پیداوار میں اضافہ کے امکانات ہیں۔ موجودہ سال میں پاکستان کے ٹیکسٹائل سیکٹر کو درپیش مشکلات کی وجہ دراصل گذشتہ سال کا تسلسل ہے۔ متعدد رکاوٹوں نے برآمدات کی کارکردگی سست کر دی ہے، اس ضمن میں بنیادی عوامل صارفین کی طلب میں کمی اور خریداروں کی جانب سے انویسٹری کی زیادتی ہے۔ یہ مسائل برآمدی آرڈرز میں کمی کا باعث بنے ہیں۔ عالمی سطح پر ایشیاء کی بڑھتی ہوئی قیمتوں، خصوصاً پولیم کی قیمتوں میں اضافہ اور روس اور یوکرین کے درمیان جاری تنازعات کی وجہ سے دنیا بھر میں اقتصادی سرگرمیوں میں سست روی ہے۔ اس کے نتیجے میں، ٹیکسٹائل ایشیاء کی مانگ پر اثر پڑ رہا ہے، کیونکہ یہ عوامل اجتماعی طور پر عالمی اقتصادی منظر نامے کو متاثر کر رہے ہیں۔

بلند افراط زر، بڑھتی ہوئی شرح سود، نیز سیلاب اور عدم استحکام کے پیچیدہ اثرات نے لیکویڈیٹی کا ایک اہم بحران پیدا کیا ہے۔ اگرچہ آئی ایم ایف کے ساتھ ایک معاہدے نے فوری طور پر ڈیفالٹ کے خطرہ کو روک دیا، لیکن اس نے صرف عارضی ریلیف فراہم کیا۔ کاروبار کرنے کے چیلنجز کئی عوامل کے امتزاج سے بڑھتے ہیں، جن میں توانائی کی قیمتوں میں اضافے کے نتیجے میں بڑھتی ہوئی افراط زر، درآمد پر چلنے والے شعبوں پر اثر انداز ہونے والی کرنسی کی قدر میں نمایاں کمی، شرح سود میں اضافہ، اور دستاویزی صنعتوں پر بڑھتے ہوئے ٹیکس شامل ہیں۔

کمپنی کی کارکردگی:

دوران سہ ماہی، فروخت کی لاگت اور افراط زر کی شرح میں اضافے سے منفی طور پر متاثر ہوئی، جس کے نتیجے میں کمپنی کو 30 ستمبر 2023ء کو ختم ہونے والی پہلی سہ ماہی میں بعد از ٹیکس خسارہ 320 ملین روپے ہوا جبکہ گزشتہ سال کی اسی مدت میں بعد از ٹیکس منافع 602 ملین روپے ہوا تھا۔ اس سال کی پہلی سہ ماہی کے اختتام پر پنی حصص خسارہ 5.72 روپے ہوا جبکہ گزشتہ سال کی اسی مدت کی فی حصص آمدنی 10.75 روپے تھی۔ بجلی کی پیداوار کے بڑھتے ہوئے اخراجات کے باعث فروخت کی لاگت پر اثر پڑا۔ موجودہ سہ ماہی میں مالیاتی لاگت 1,118 ملین روپے رہی جو کہ گذشتہ سال کی اسی مدت کے مقابلے میں تین گنا زیادہ ہے۔ اس اضافے کی وجہ بنیادی طور پر بڑھتی ہوئی شرح سود اور مقامی کپاس کی خریداری کے لیے نسبتاً زیادہ مالیاتی ضروریات کو قرار دیا جاسکتا ہے۔

انتہائی مشکل معاشی صورتحال کا سامنا کرتے ہوئے کمپنی نے اس سہ ماہی میں کامیابی کے ساتھ 0.65 میگا واٹ سولر پلانٹ کا آغاز کیا ہے، جس سے قابل تجدید توانائی کی کل صلاحیت 3.65 میگا واٹ ہوگئی ہے۔ مزید برآں، مستقبل میں مزید شمسی تنصیبات کے منصوبے ہیں، جس سے کمپنی کے کاربن فوٹ پرنٹ کو کم کرنے اور بجلی کی بڑھتی ہوئی قیمتوں کو بہتر طریقے سے قابو کرنے میں مدد ملے گی۔

کمپنی نے مختلف شعبوں میں قابل ذکر پہچان حاصل کی ہے۔ کمپنی کو ایمپلائز فیڈریشن آف پاکستان کی جانب سے سال 2022 کے لیے پیشہ ورانہ حفاظت، صحت اور ماحولیات کا بہترین طرز عمل کا ایوارڈ دیا گیا۔ مزید برآں، اسے انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان اور انسٹی ٹیوٹ آف کاسٹ اینڈ مینجمنٹ اکاؤنٹنٹس آف پاکستان کی طرف سے اپنی سالانہ رپورٹ 2022 کے لیے ٹیکسٹائل کیٹیگری میں بہترین کارپوریٹ رپورٹنگ کے لیے میرٹ کا سٹیفکیٹ دیا گیا۔ الحمد للہ۔

مستقبل کی حکمت عملی:

عالمی اقتصادی پیش گوئی ترقی کے استحکام اور افراط زر کی شرح زیادہ معتدل ہونے کے ساتھ ایک مثبت رجحان کی نشاندہی کرتی ہے۔ اس کے باوجود، سال 2023-24 میں پاکستان کی معاشی حالت مخصوص چیلنجز کا شکار رہی، جس میں مالیاتی پہلو شامل ہیں، جیسا کہ مختلف اقتصادی اشاریوں سے ظاہر ہوتا ہے۔ روپے کی قدر میں مضبوطی ان چیلنجز کا مقابلہ کرنے میں مدد دے سکتی ہے اور معاشی استحکام کے حصول میں مدد کر سکتی ہے۔ تاہم، کھلی سرحدوں پر موجود خطرات کو دور کرنے کے لیے حکومت کی کوششوں کے نتیجے میں شرح مبادلہ پر نئے دباؤ میں اضافہ ہوا ہے۔ بہر حال، یہ ضروری ہے کہ اخراجات پر قابو پالیا جائے اور ادائیگیوں کے توازن کو بہتر بنایا جائے تاکہ ادھار لیے گئے فنڈز پر انحصار کم کیا جاسکے اور دور اندیش دیگر ممالک میں نظر آنے والی پیش رفت سے ہم آہنگ کیا جاسکے۔ ڈومیسٹک خدشات سے نمٹنے کے علاوہ، ٹیکسٹائل انڈسٹری کے لیے یہ ضروری ہے کہ وہ صارفین کی طلب میں اتار چڑھاؤ سے متاثر ہونے والی صارفین کی بدلتی ہوئی حکمت عملیوں کا قریب سے مشاہدہ کریں۔ جیسا کہ ہم ان غیر معمولی اور مشکل وقت سے گزر رہے ہیں، صنعت کے لیے یہ انتہائی اہمیت کا حامل ہے کہ وہ موثر کاروباری آپریشنز اور لاگت کی مسابقت پر مضبوط زور برقرار رکھے۔ حکومت نے معاشی چیلنجوں سے نمٹنے اور محتاط ترقی کو دوبارہ زندہ کرنے کے لیے اپنی لگن کا اظہار کیا ہے۔ طلب میں ممکنہ اضافے کی توقع ہے جو کاروباری سرگرمیوں کو تحریک دے سکتی ہے، کمپنی مستقبل کے بارے میں پُر امید ہے اور ابھرتے ہوئے کاروباری مواقع سے فائدہ اٹھانے کے لیے تیار ہے۔

اظہار تشکر:

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



عبدیل شاہد ٹاٹا
ڈائریکٹر



شاہد انوار ٹاٹا
چیف ایگزیکٹو

کراچی مورخہ: 27 اکتوبر 2023ء

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