



# **TATA TEXTILE MILLS LIMITED**

**Condensed Interim Financial Information  
For The Nine - Month Period Ended March 31, 2019**

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**COMPANY INFORMATION**

<b>BOARD OF DIRECTORS CHAIRMAN</b>	Mr. Anwar Ahmed Tata
<b>CHIEF EXECUTIVE</b>	Mr. Shahid Anwar Tata
<b>DIRECTORS</b>	Mr. Adeel Shahid Tata Mr. Bilal Shahid Tata Mr. Farooq Advani Ms. Shahbano Hameed (NIT) Mr. Muhammad Naseem
<b>AUDIT COMMITTEE CHAIRMAN</b>	Mr. Muhammad Naseem
<b>MEMBERS</b>	Mr. Farooq Advani Mr. Bilal Shahid Tata
<b>SECRETARY</b>	Mr. Ghulam Raza Hemani
<b>HUMAN RESOURCE &amp; REMUNERATION COMMITTEE CHAIRMAN</b>	Mr. Muhammad Naseem
<b>MEMBERS</b>	Mr. Shahid Anwar Tata Mr. Bilal Shahid Tata Mr. Farooq Advani
<b>SECRETARY</b>	Mr. Muhammed Ali Mirza
<b>CHIEF FINANCIAL OFFICER</b>	Mr. Haseeb Hafeezuddeen
<b>COMPANY SECRETARY</b>	Mr. Muhammad Hussain
<b>BANKERS</b>	Faysal Bank Limited Dubai Islamic Bank (Pakistan) Limited Bank Alfalah Limited Meezan Bank Limited The Bank of Punjab MCB Bank Limited National Bank of Pakistan Soneri Bank Limited Allied Bank Limited JS Bank Limited Askari Bank Limited Samba Bank Limited
<b>AUDITORS</b>	M/s. Deloitte Yousuf Adil Chartered Accountants
<b>LEGAL ADVISOR</b>	Rajwana & Rajwana Advocates
<b>SHARE REGISTRAR</b>	Central Depository Company of Pakistan Limited CDC House, 99 – B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal Tel# (Toll Free) 0800-CDCPL (23275) Fax: (92-21) 34326053
<b>REGISTERED OFFICE</b>	6th Floor Textile Plaza, M.A Jinnah Road Karachi. Tel# 32412955-3 Lines 32426761-2-4 Fax# 32417710
<b>WEB SITE ADDRESS</b>	www. tatapakistan.com
<b>E- MAIL ADDRESS</b>	ttm.corporate@tatapakistan.com
<b>MILLS</b>	10th K.M. M.M. Road Khanpur-Baggasher, District Muzaffargarh

**Directors' Report****Assalam-o-Alaikum**

The Directors of your Company take pleasure in presenting before you the performance review and the un-audited financial statements for the Nine Months Ended March 31, 2019.

The Company has incurred a pre-tax profit of Rs.69.558 million for the Nine Month Ended March 31, 2019, as compared to pre-tax profit of Rs.147.825 million during the corresponding period of last year.

**Textile Industry.**

The negative effects of the 2nd Quarter due to absence of the Chinese market resulted in accumulation of Yarn stocks which largely remained during the earlier part of 3rd Quarter but the Company was able to clear out the higher stock levels towards the end of the quarter under review. The prices, however, remained under pressure because of previous higher yarn stocks. At present, there is some improvement in the sales of yarn, so we are hopeful for better results in the 4th Quarter.

**Overall Economic situation.**

It appears that Pakistan is going through very difficult times as the major problem confronting the Pakistan Economy is the current account deficit / high fiscal deficit, losses of public sector enterprises, narrow tax base and high cost of doing business, which are not yet completely corrected, although, the Government is making efforts towards improvement. However, the greatest impediment or concern is the uncertainty the Pakistan economy faces from a range of issues including but not limited to high inflation, sharply deteriorating currency and weakening foreign exchange reserves.

The Power and Gas tariffs announced by the Government came into effect from January 2019 and it is only valid till June 2019, so no long term planning is possible, unless these measures / Incentive policies are announced for the next 5 years.

**Going Forward**

The Prime Minister plans to visit China soon and hopefully duties and tariffs will be removed on import of Yarn into China which will prove to be a good omen and will increase the competitiveness of our exports and will provide a level playing field with Bangladesh and other ASEAN countries.

Other sectors, like knitted Fabric, Knitted Garments, Denim, Towel, Home Textile, Woven Garments and even Fabric, Dyed and Grey are all doing well. We are optimistic that this Quarter and the next Quarter will be favorable for the Textile Industry.

**ACKNOWLEDGEMENT**

It is most important to mention the untiring efforts of all our team members who are engaged in up-holding their commitment to the Company's success and growth. We also thank our Bankers, Vendors and Customers for their consistent trust and support.

**On behalf of the Board of Directors**



**Shahid Anwar Tata**  
Chief Executive



**Anwar Ahmed Tata**  
Chairman/Director

**Dated: April 30, 2019**  
**Karachi**

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2019

	March 31, 2019 (Unaudited)	June 30, 2018 (Audited)
Note .....Rupees in '000'.....		
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	5 3,907,808	3,935,299
Intangible assets	1,156	1,004
Long term deposits	2,837	2,670
	3,911,801	3,938,973
<b>CURRENT ASSETS</b>		
Stores, spares and loose tools	59,819	70,433
Stock-in-trade	1,742,328	1,089,874
Trade debts	776,235	777,983
Loans and advances	759,072	279,606
Short-term prepayments	5,138	1,278
Other receivables	79,984	95,724
Other financial assets	19,670	19,670
Sales tax refundable	128,632	116,432
Cash and bank balances	43,319	113,399
	3,614,197	2,564,399
<b>TOTAL ASSETS</b>	<b>7,525,998</b>	<b>6,503,372</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	173,248	173,248
General reserve	1,000,000	1,000,000
Unappropriated profit	793,314	723,170
Revaluation reserve of property, plant and equipment	1,787,044	1,841,046
	3,753,606	3,737,464
<b>NON-CURRENT LIABILITIES</b>		
Long-term finance	6 460,766	464,100
Deferred liabilities	385,046	365,863
	845,812	829,963
<b>CURRENT LIABILITIES</b>		
Trade and other payables	317,950	388,853
Interest / mark-up accrued on borrowings	79,132	27,442
Short-term borrowings	2,372,395	1,361,957
Current portion of long-term finance	6 109,792	118,367
Unclaimed dividend	5,138	4,893
Provision for income tax	42,173	34,433
	2,926,580	1,935,945
<b>CONTINGENCIES AND COMMITMENTS</b>	7	
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>7,525,998</b>	<b>6,503,372</b>

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.



SHAHID ANWAR TATA  
CHIEF EXECUTIVE



HASEEB HAFEEZUDEEN  
CHIEF FINANCIAL OFFICER



ANWAR AHMED TATA  
CHAIRMAN/DIRECTOR

**CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT AND  
OTHER COMPREHENSIVE INCOME (UNAUDITED)  
FOR THE NINE-MONTH PERIOD ENDED MARCH 31, 2019**

	Note	Nine-month period ended		Three-month period ended	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
----- Rupees in '000' -----					
Sales	8	4,882,552	4,351,752	1,919,613	1,480,058
Cost of goods sold	9	(4,446,356)	(3,961,800)	(1,794,065)	(1,314,576)
<b>Gross profit</b>		<b>436,196</b>	<b>389,952</b>	<b>125,548</b>	<b>165,482</b>
Distribution cost		(57,709)	(74,552)	(18,832)	(24,883)
Administrative expenses		(101,519)	(96,777)	(37,722)	(34,862)
Other operating expenses		(7,969)	(29,853)	(217)	(6,532)
Finance cost		(208,068)	(109,042)	(99,128)	(45,726)
		(375,265)	(310,224)	(155,899)	(112,003)
Other income		8,627	68,097	1,864	27,526
<b>Profit/(Loss) before taxation</b>		<b>69,558</b>	<b>147,825</b>	<b>(28,487)</b>	<b>81,005</b>
Provision for taxation	10	(36,091)	(29,947)	(11,485)	4,712
<b>Profit/(Loss) for the period</b>		<b>33,467</b>	<b>117,878</b>	<b>(39,972)</b>	<b>85,717</b>
<b>Other comprehensive income</b>		-	-	-	-
<b>Total comprehensive income/(Loss) for the period</b>		<b>33,467</b>	<b>117,878</b>	<b>(39,972)</b>	<b>85,717</b>
<b>Earnings / (Loss) per share - Basic and diluted (Rupees)</b>		<b>1.93</b>	<b>6.80</b>	<b>(2.31)</b>	<b>4.95</b>

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

  
**SHAHID ANWAR TATA**  
CHIEF EXECUTIVE

  
**HASEEB HAFEEZUDEEN**  
CHIEF FINANCIAL OFFICER

  
**ANWAR AHMED TATA**  
CHAIRMAN/DIRECTOR

**CONDENSED INTERIM STATEMENT OF CASH FLOW (UNAUDITED)  
FOR THE NINE-MONTH PERIOD ENDED MARCH 31, 2019**

	March 31, 2019	March 31, 2018
	.....Rupees in '000'.....	
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	69,558	147,825
Adjustments for :		
Depreciation	146,133	113,417
Amortization	265	115
Provision for staff gratuity	28,841	25,102
Provision for compensated absences	6,554	6,177
Provision for doubtful debts	(620)	(679)
Finance cost	208,068	109,042
(Gain) / loss on disposal of property, plant and equipment	(7,808)	19,528
Operating cash flows before changes in working capital	<u>450,991</u>	<u>420,527</u>
(Increase) / decrease in current assets		
Stores, spares and loose tools	10,614	(4,802)
Stock-in-trade	(652,454)	(736,565)
Trade debts	2,368	9,392
Loans and advances	(467,187)	(147,782)
Trade deposits and short-term prepayments	(3,860)	(3,475)
Other receivables	15,740	(55,498)
Other financial assets	-	249,691
Sales tax refundable	(12,200)	(50,949)
Increase / (Decrease) in current liabilities		
Trade and other payables	(70,903)	78,442
Cash used in operations	<u>(726,891)</u>	<u>(241,019)</u>
Finance cost paid	(156,378)	(88,897)
Income taxes paid	(39,002)	(36,094)
Staff gratuity paid	(11,858)	(20,443)
Staff compensated absences paid	(5,980)	(5,862)
Net cash used in operating activities	<u>(940,109)</u>	<u>(392,315)</u>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Addition to property, plant and equipment	(125,333)	(405,181)
Proceeds from disposal of property, plant and equipment	14,499	13,056
Addition to intangible assets	(417)	-
Long-term deposits	(167)	127
Net cash used in investing activities	<u>(111,418)</u>	<u>(391,998)</u>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long-term finance obtained	72,317	347,483
Repayment of long-term finance	(84,226)	(46,538)
Short-term borrowings paid off - net	379,404	(214,835)
Dividend paid	(17,080)	(23)
Net cash used in from financing activities	<u>350,415</u>	<u>86,087</u>
Net decrease in cash and cash equivalents (A+B+C)	(701,112)	(698,226)
<b>Cash and cash equivalents at July 01</b>	<u>(1,058,431)</u>	<u>(1,053,071)</u>
<b>Cash and cash equivalents at March 31</b>	<u>(1,759,543)</u>	<u>(1,751,297)</u>
<b>CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	43,319	21,810
Running / cash finances	(1,802,862)	(1,773,107)
	<u>(1,759,543)</u>	<u>(1,751,297)</u>

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

  
**SHAHID ANWAR TATA**  
 CHIEF EXECUTIVE

  
**HASEEB HAFEEZUDEEN**  
 CHIEF FINANCIAL OFFICER

  
**ANWAR AHMED TATA**  
 CHAIRMAN/DIRECTOR

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE NINE-MONTH PERIOD ENDED MARCH 31, 2019**

	Share Capital	Revenue reserve		Capital reserve	Total
		General reserve	Unappropriated profit		
<b>Balance at June 30 01, 2017 (Audited)</b>	173,248	1,000,000	400,245	1,236,796	2,810,289
<b>Total comprehensive income for the Nine-month period ended March 31, 2018</b>					
Profit for the period	-	-	117,878	-	117,878
Other comprehensive income - net of tax	-	-	-	-	-
	-	-	117,878	-	117,878
Transferred from surplus on revaluation of property, plant and equipment on account of:					
- incremental depreciation	-	-	52,333	(52,333)	-
- disposal of property, plant and equipment	-	-	10,097	(10,097)	-
	-	-	62,430	(62,430)	-
<b>Balance at March 31, 2018 (Unaudited)</b>	<b>173,248</b>	<b>1,000,000</b>	<b>580,553</b>	<b>1,174,366</b>	<b>2,928,167</b>

Note .....Rupees in '000' .....

**Total comprehensive income for the Three-month period ended June 30, 2018**

Profit for the period	-	-	128,226	-	128,226
Surplus on revaluation of land, building, electric installation and plant and machinery - net of deferred tax	-	-	-	697,000	697,000
<b>Other comprehensive income</b>					
Gain on remeasurement of defined benefit plan - net of deferred tax	-	-	554	-	554
Adjustment of surplus on revaluation of property, plant & equipment due to change in tax rate	-	-	-	(16,483)	(16,483)
Total comprehensive income for the period	-	-	128,780	680,517	809,297

Surplus on revaluation of land, building, electric installation and plant and machinery - net of deferred tax

**Other comprehensive income**

Gain on remeasurement of defined benefit plan - net of deferred tax  
Adjustment of surplus on revaluation of property, plant & equipment due to change in tax rate  
Total comprehensive income for the period

	Share Capital		Revenue reserve		Capital reserve		Total
	General reserve	Unappropriated profit	General reserve	Unappropriated profit	Revaluation surplus	Revaluation surplus	
.....Rupees in '000'.....							
-	-	-	3,543	-	(3,543)	-	-
-	-	-	10,294	-	(10,294)	-	-
-	-	-	13,837	-	(13,837)	-	-
<b>173,248</b>	<b>1,000,000</b>	<b>723,170</b>	<b>1,841,046</b>	<b>1,841,046</b>	<b>3,737,464</b>	<b>3,737,464</b>	
-	-	-	33,467	-	-	33,467	33,467
-	-	-	33,467	-	-	33,467	33,467
-	-	-	47,343	-	(47,343)	-	-
-	-	-	6,659	-	(6,659)	-	-
-	-	-	54,002	-	(54,002)	-	-
-	-	-	(17,325)	-	-	(17,325)	(17,325)
<b>173,248</b>	<b>1,000,000</b>	<b>793,314</b>	<b>1,787,044</b>	<b>1,787,044</b>	<b>3,753,606</b>	<b>3,753,606</b>	

Transferred from surplus on revaluation of property, plant and equipment on account of:  
 - incremental depreciation  
 - disposal of property, plant and equipment

**Balance at June 30, 2018 (Audited)**

**Total comprehensive income for the Nine-month period ended March 31, 2019**

Profit for the period  
 Other comprehensive income - net of tax

Transferred from surplus on revaluation of property, plant and equipment on account of:  
 - incremental depreciation  
 - disposal of property, plant and equipment

**Transactions with owners**

Final cash dividend for the year ended June 30, 2018  
 @ Re. 1 per share

**Balance as at March 31, 2019 (Unaudited)**

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.

  
 SHAHID ANWAR TATA  
 CHIEF EXECUTIVE

  
 HASEEB HAFEEZ UDDEEN  
 CHIEF FINANCIAL OFFICER

  
 ANWAR AHMED TATA  
 CHAIRMAN/DIRECTOR

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE-MONTH PERIOD MARCH 31, 2019

### 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 (now the Companies Act 2017) and is listed on Pakistan Stock Exchange Limited. The registered office of the Company is situated at 6th floor, Textile Plaza, M.A. Jinnah Road, Karachi, in the province of Sindh. The principal activity of the Company is manufacturing and sale of yarn. The Company's manufacturing facilities are located at District Muzaffargarh in the province of Punjab.

### 2. BASIS OF PREPARATION

2.1 This condensed interim financial information of the Company for the nine months ended March 31, 2019 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed. This condensed interim financial information does not include all the information required for the full financial statements and therefore should be read in conjunction with the annual financial statements of the Company for the year ended June 30, 2018.

2.2 This condensed interim financial information is presented in Pak Rupees which is also the Company's functional currency and figures presented in this condensed interim financial information has been rounded off to the nearest thousand rupee.

2.3 This condensed interim financial information is un-audited and all relevant compliance with Companies Act, 2017 has been made accordingly. The comparative condensed balance sheet presented has been extracted from annual financial statements for the year ended June 30, 2018; the comparative condensed profit and loss account, condensed interim statement of other comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity of the Company have been extracted from the unaudited condensed interim financial information for the nine months period ended March 31, 2018.

### 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information and the significant judgements made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of the financial statements as at and for the year ended June 30, 2018. Certain new IFRSs and amendments to existing IFRSs are effective for periods beginning on or after July 1, 2018, which do not have any impact on this condensed interim financial information. In addition to the foregoing, the Companies Act, 2017 has added certain disclosure requirements which will be applicable on the Company's annual 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, 2018.

Notes	2019	2018	
	(Unaudited)	(Audited)	
	----- Rupees in '000' -----		
<b>5. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	5.1	3,874,644	3,920,330
Capital work-in-progress	5.2	33,164	14,969
		<u>3,907,808</u>	<u>3,935,299</u>
<b>5.1 Details of additions and disposals to operating fixed assets are as under:</b>			
	<b>Additions/ transfers from CWIP</b>	<b>Disposals (written down value)</b>	<b>Sale proceeds</b>
	----- Rupees in '000' -----		
<b>During the Three-month ended March 31, 2019 (Unaudited)</b>			
Plant and machinery	49,999	-	-
Factory equipment	543	-	-
Office equipment	211	66	66
Furniture and fixtures	432	-	-
Vehicles	-	1,720	5,099
	<u>51,185</u>	<u>1,786</u>	<u>5,165</u>
<b>During the year ended June 30, 2018 (Audited)</b>			
Building on freehold land	100,512	11,678	7,578
Plant and machinery	339,284	20,707	5,400
Factory and workshop equipment	120	57	-
Electric installations	680	-	-
Furniture and fixtures	4,038	-	-
Office equipment	5,010	25	16
Vehicles	2,430	975	1,601
	<u>452,074</u>	<u>33,442</u>	<u>14,595</u>

5.2 During the period addition to capital work in progress is Nil.

	March 31, 2019 (Unaudited)	June 30, 2018 (Audited)
Notes	----- Rupees in '000' -----	
<b>6. LONG TERM FINANCES</b>		
<b>Banking companies - secured</b>		
Demand finances	8,267	33,067
Term finances	130,214	157,848
SBP-LTFF	425,751	380,482
Diminishing musharka	6,326	11,070
	<u>570,558</u>	<u>582,467</u>
<b>Less: current portion shown under current liabilities</b>		
Demand finances	8,267	33,067
Term finances	37,502	37,502
SBP-LTFF	57,697	41,472
Diminishing musharka	6,326	6,326
	<u>109,792</u>	<u>118,367</u>
6.1 & 6.2	<u>460,766</u>	<u>464,100</u>

6.1 These finances are secured against first pari passu charge on all present and future fixed assets including land, building, plant and equipment of the Company, specific charge over new machinery and personal guarantee of directors. These finances are subject to mark-up at the rates ranging from 3.52 % to 12.55 % per annum (June 30, 2018: 3.5 % to 7.57% per annum).

	March 31, 2019 (Unaudited)	June 30, 2018 (Audited)
	----- Rupees in '000' -----	
<b>6.2 The movement in long term finance is as follows:</b>		
Balance as on July 01	582,467	296,858
Additions	72,317	347,483
Repayment	(84,226)	(61,874)
Balance as on March 31	570,558	582,467
Less: current portion of long term financing	(109,792)	(118,367)
	<u>460,766</u>	<u>464,100</u>

## 7. CONTINGENCIES AND COMMITMENTS

### 7.1 Contingencies

The Company filed a suit before the High Court of Sindh, challenging the applicability of Gas Infrastructure Development Cess (GIDC) Act, 2011. The Sindh High Court has restrained the Federation and gas companies from recovering GIDC over and above Rs. 13 per MMBTU. On August 22, 2014, the Supreme Court of Pakistan declared that the levy of GIDC as a tax was not levied in accordance with the Constitution and hence not valid.

In September 2014, the Federal Government promulgated GIDC Ordinance No. VI of 2014 to circumvent earlier decision of the Supreme Court on the ground that GIDC was a 'Fee' and not a 'Tax'. In May 2015, the said Ordinance was approved in the Parliament and became an Act.

Since the GIDC Act 2015 has also ultra vires to constitute and issue is being faced by all industry at large, management is confident based on the discussion with lawyer that the decision of the case will be in the favour of company and therefore there is no need to record any further provision in these condensed interim financial statements.

	March 31, 2019 (Unaudited)	June 30, 2018 (Audited)
Note	----- Rupees in '000' -----	
<b>7.2 Commitments</b>		
(i) Civil Works	6,584	14,855
(ii) Letters of credit		
- plant and machinery	-	30,360
- stores and spares	9,037	12,357
- raw material	138,875	9,411
(iii) Bank guarantees issued on behalf of the Company	7.2.1	178,628
	<u>186,275</u>	<u>178,628</u>

		March 31, 2019 (Unaudited)	June 30, 2018 (Audited)
	Note	----- Rupees in '000' -----	
(iv) Bills discounted with recourse			
- Export		87,233	264,634
- Local		<b>41,059</b>	29,053
		<b>128,292</b>	293,687
(v) Rentals under Ijara finance agreements	7.2.2		
- Not later than one year		44,600	48,346
- Later than one year but not later than five years		<b>72,359</b>	103,943
		<b>116,959</b>	152,289
(vi) Outstanding sales contract		<b>276,419</b>	194,588

7.2.1 This includes bank guarantee for Sindh Development Infrastructure Cess amounting to Rs. 103.50 million (June 30, 2018: Rs. 101.50 million).

7.2.2 The commitment represents Ijara agreements entered into with an Islamic Bank in respect of machinery. Total future Ijara payments under agreements are Rs. 116.96 million (June 30, 2018: Rs. 152.29 million) and are payable in quarterly installments latest by June 2022.

## 8. Sales

8.1 Sales include sales made to local customers (including indirect exports) and direct exports amounting to Rs. 3,711 million (2018: 2,798 million) and Rs. 1,171 million (2018: 1,554 million) respectively. The export are made to Asia Pacific region and Europe amounting to Rs. 1,156 million (2018: 1,501 million) and Rs. 15.6 million (2018: 52.3 million)

## 9. COST OF GOODS SOLD

	Note	Nine-month period ended		Three-month period ended	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
		( Unaudited )			
----- Rupees in '000' -----					
Opening finished goods		180,933	271,813	567,578	200,249
Cost of goods manufactured	9.1	<b>4,607,153</b>	3,884,945	<b>1,568,217</b>	1,330,552
		<b>4,788,086</b>	4,156,758	<b>2,135,795</b>	1,530,801
Closing finished goods	9.2	<b>(341,730)</b>	(216,225)	<b>(341,730)</b>	(216,225)
Cost of manufactured goods sold		<b>4,446,356</b>	3,940,533	<b>1,794,065</b>	1,314,576
Cost of raw material sold		-	21,267	-	-
		<b>4,446,356</b>	3,961,800	<b>1,794,065</b>	1,314,576

### 9.1 Cost of goods manufactured

Raw material	9.1.1	3,635,964	2,988,466	1,264,817	1,034,695
Stores and spares		70,871	62,564	22,001	18,055
Packing material		58,127	57,452	18,544	19,598
Power and fuel		385,253	345,760	119,260	116,122
Salaries, wages and benefits		269,390	257,919	81,780	84,744
Depreciation		141,414	108,564	48,065	38,717
Insurance		8,381	6,891	3,094	2,401
Repairs and maintenance		4,439	3,373	1,901	1,154
Ijara rentals		41,638	45,509	12,766	15,067
Other overheads		6,400	5,821	1,991	1,987
		<b>4,621,877</b>	3,882,319	<b>1,574,219</b>	1,332,540
Work-in-process					
Opening stock		47,895	51,824	56,617	47,210
Closing stock		<b>(62,619)</b>	(49,198)	<b>(62,619)</b>	(49,198)
		<b>(14,724)</b>	2,626	<b>(6,002)</b>	(1,988)
		<b>4,607,153</b>	3,884,945	<b>1,568,217</b>	1,330,552

### 9.1.1 Raw material consumed

Opening stock	861,045	791,265	2,500,828	2,036,661
Purchases - net	<b>4,112,898</b>	3,783,245	<b>101,968</b>	584,078
	<b>4,973,943</b>	4,574,510	<b>2,602,796</b>	2,620,739
Closing stock	<b>(1,337,979)</b>	(1,586,044)	<b>(1,337,979)</b>	(1,586,044)
	<b>3,635,964</b>	2,988,466	<b>1,264,817</b>	1,034,695

- 9.2 Net realizable value of finished goods was lower than its cost, resulting in a write-down of Rs. 0.99 million (March 31, 2018: Rs. 0.58 million) charged to cost of goods sold.

#### 10. TAXATION

The charge for current taxation is based on taxable income at the current rate of taxation after taking into account applicable tax credit, rebates and exemptions available, if any. However, for income covered under final tax regime, taxation is based on applicable tax rates under such regime.

Deferred tax is provided using the balance sheet liability method for all temporary differences at the reporting date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. After considering, the effects on deferred taxation on the portion of income subject to final tax regime.

#### 11. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of associated undertakings, directors, key management personnel and their relatives. The transactions between the Company and the related parties are carried out as per agreed terms. Transactions with related parties are as follows:

Relationship with the party	Nature of transactions	Three-month period ended	
		March 31, 2019	March 31, 2018
		----- (Unaudited) -----	
		----- Rupees in '000' -----	
<b>Associated undertakings</b>	Share of expenses received	306	418
	Share of expenses paid	3,341	2,285
	Purchase of Store	156	135
<b>Key management personnel</b>	Remuneration	14,232	13,031
<b>Directors</b>	Remuneration	3,417	2,796
	Meetings fee	140	90
	Rent expense		
	-godown	60	60
	-office premises	1,023	1,023

#### 12. FAIR VALUE HIERARCHY

The Company's free hold land, building and plant and machinery are stated at revalued amounts, being the fair value at the date of revaluation, less any subsequent depreciation and subsequent impairment losses, if any. The fair value measurements of the Company's free hold land, building and plant and machinery were last carried out as at June 30, 2018, all by Iqbal A.Nanjee & Company (Private) Limited (valuer) on the basis of market value or depreciated replacement values as applicable. The valuer is listed on panel of Pakistan Banks Association and they have appropriate qualification and experience in the fair value measurement of properties, plant and machinery.

Levels of fair value are defined as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities ;

Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) ;

Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Details of Company's free hold land, building, plant and machinery and electric installations information about the fair value hierarchy are as follows:

	Level 1	Level 2	Level 3	Total
	----- Rupees '000' -----			
<b>As at March 31, 2019 (Unaudited)</b>				
Free hold land	-	317,400	-	317,400
Building on free hold land	-	654,375	-	654,375
Plant and machinery	-	2,759,600	-	2,759,600
Electric installations	-	65,509	-	65,509
	-	<b>3,796,884</b>	-	<b>3,796,884</b>
<b>As at June 30, 2018 (Audited)</b>				
Free hold land	-	317,400	-	317,400
Building on free hold land	-	679,871	-	679,871
Plant and machinery	-	2,780,169	-	2,780,169
Electric installations	-	71,450	-	71,450
	-	<b>3,848,890</b>	-	<b>3,848,890</b>

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

As at March 31, 2019 and June 30, 2018, there were no other financial assets and financial liabilities that warranted classification under above levels.

The carrying value of all other financial assets and liabilities approximate their fair values.

**13. DATE OF AUTHORIZATION FOR ISSUE**

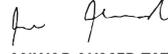
This condensed interim financial information was authorized for issue on 30th April, 2019 by the Board of Directors of the Company.



**SHAHID ANWAR TATA**  
CHIEF EXECUTIVE



**HASEEB HAFEEZUDEEN**  
CHIEF FINANCIAL OFFICER



**ANWAR AHMED TATA**  
CHAIRMAN/DIRECTOR

## ڈائریکٹرز رپورٹ

السلام علیکم

آپ کی کمپنی کے ڈائریکٹرز 31 مارچ 2019ء کو ختم ہونے والی نو ماہ کی مدت کیلئے کمپنی کی کارکردگی کا جائزہ اور غیر آڈٹ شدہ مالیاتی حسابات آپ کو پیش کر رہے ہیں۔

کمپنی نے 31 مارچ 2019ء کو ختم ہونے والی نو ماہ کی مدت میں قبل از ٹیکس منافع مبلغ 69.558 ملین روپے حاصل کیا ہے جس کا موازنہ گزشتہ سال کی اسی مدت کے دوران قبل از ٹیکس منافع مبلغ 147.825 ملین روپے سے کیا جاسکتا ہے۔

### ٹیکسٹائل کی صنعت :

چائنا کے مارکیٹ سے غیر حاضر ہونے کے باعث دوسری سہ ماہی پر منفی اثر پڑا جس کے نتیجے میں تیسری سہ ماہی کے پچھلے حصہ کے دوران یاران کی کھپت میں اضافہ ہوا لیکن کمپنی زیر جائزہ سہ ماہی کے دوران اس قابل تھی کہ اسٹاک کی بلند سطح کو کلیئرز کر سکے لیکن گزشتہ یاران کی وافر مقدار کے باعث قیمتیں دباؤ کا شکار رہیں۔ اس وقت یاران کی فروخت میں کچھ بہتری آئی ہے لہذا ہم امید کر رہے ہیں کہ پچھی سہ ماہی میں بہتر نتائج حاصل ہوں۔

### مجموعی اقتصادی صورتحال :

اس وقت پاکستان بہت مشکل دور سے گزر رہا ہے کیونکہ پاکستان کی معیشت کو موجودہ اکاؤنٹ کے خسارے / اعلیٰ مالی خسارے، پبلک سیکٹر اضطررانی اخراجات کے خسارے، بینک ٹیکس میں اور کاروبار کرنے کیلئے زیادہ قیمتوں کا سامنا ہے جو کہ ابھی تک بہتر نہیں ہو سکا ہے البتہ حکومت اسے بہتر بنانے کی کوشش کر رہی ہے۔ تاہم سب سے بڑی رکاوٹ یا تنویش اس بات کا یقین ہے کہ پاکستان کی معیشت مختلف مسائل کا شکار ہے جو کہ افراط زر تک محدود نہیں بلکہ اس میں تیزی سے بگڑتی ہوئی روپے کی قدر اور زر مبادلہ کے ذخائر میں کمی شامل ہیں۔

حکومت کی جانب سے اعلان کردہ بجلی اور گیس کی قیمتیں جنوری 2019ء سے لاگو ہو چکی ہیں اور جون 2019ء تک موثر رہیں گی۔ لہذا کوئی طویل مدتی منصوبہ بندی ممکن نہیں ہے جب تک کہ اگلے پانچ سالوں کے لئے ان اقدامات / ترغیباتی پالیسیوں کا اعلان نہ کیا جائے۔

### اگلا قدم :

وزیر عظمیٰ نے جلد ہی چین کا دورہ کرنے کا ارادہ کیا ہے اور امید ہے کہ یاران کی درآمد پر ڈیوٹی اور ٹریف چین میں ختم کر دینگے جو ایک اچھی پیشرفت ہوگی اور ہماری برآمدات کی مسابقت بڑھانے میں مدد ملے گی اور بنگلہ دیش اور دیگر ایشیائی ممالک کے درمیان اعلیٰ سطح پر تجارت کو فروغ ملے گا۔

دیگر شعبے جیسا کہ ٹیکسٹائل فیبرک، ٹیکسٹائل گارمنٹس، ڈسٹنٹ ٹولیز، ہوم ٹیکسٹائل، ووین گارمنٹس اور یہاں تک کہ فیبرک، ڈسٹنٹ اور گرے بہتر کام کر رہے ہیں۔ ہم امید کرتے ہیں کہ موجودہ سہ ماہی اور اگلی سہ ماہی ٹیکسٹائل انڈسٹری کیلئے بہتر ثابت ہوگی۔

### اظہار تشکر :

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

### از طرف بورڈ آف ڈائریکٹرز



انوار احمد خان  
چیئرمین / ڈائریکٹر



شاہد انوار خان  
چیف ایگزیکٹو

مورخہ : 30 اپریل 2019ء  
کراچی

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