



TATA TEXTILE MILLS LIMITED

**Condensed Interim Financial Information
(UNAUDITED)
for the 1st Quarter ended September 30, 2015**

TATA TEXTILE MILLS LIMITED

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COMPANY INFORMATION**BOARD OF DIRECTORS**

CHAIRMAN:	Mr. Anwar Ahmed Tata
CHIEF EXECUTIVE:	Mr. Shahid Anwar Tata
DIRECTORS:	Mr. Adeel Shahid Anwar Tata Mr. Bilal Shahid Anwar Mr. Asif Saleem Mr. Muhammad Salman H. Chawala (NIT) Mr. Muhammad Naseem

AUDIT COMMITTEE

CHAIRMAN:	Mr. Muhammad Naseem
MEMBERS:	Mr. Asif Saleem Mr. Bilal Shahid Anwar

SECRETARY	Mr. Owais Ahmed Abbasi
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HUMAN RESOURCE & REMUNERATION COMMITTEE

CHAIRMAN:	Mr. Muhammad Naseem
MEMBERS:	Mr. Shahid Anwar Tata Mr. Bilal Shahid Anwar

SECRETARY	Mr. Umar Khawajah
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COMPANY SECRETARY & CHIEF FINANCIAL OFFICER:	Mr. Farooq Advani
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BANKERS:	Faysal Bank Limited Dubai Islamic Bank (Pakistan) Limited Bank Alfalah Limited Meezan Bank Limited Habib Metropolitan Bank Limited The Bank of Punjab MCB Bank Limited National Bank of Pakistan Soneri Bank Limited Allied Bank Limited Bank Islami Pakistan Limited JS Bank Limited Askari Bank Limited Samba Bank Limited NIB Bank Limited Industrial Commercial Bank of China (ICBC) Limited
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AUDITORS:	M/s. Deloitte Yousuf Adil Chartered Accountants
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LEGAL ADVISOR:	Rajwana & Rajwana Advocates
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SHARE REGISTRAR:	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
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REGISTERED OFFICE:	6th Floor Textile Plaza, M.A Jinnah Road Karachi. Tel# 32412955-3 Lines 32426761-2-4 Fax# 32417710
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WEB SITE ADDRESS:	www.tatatex.com
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E- MAIL ADDRESS:	ttm.corporate@tatatex.com
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MILLS:	10th K.M. M.M. Road Khanpur-Baggasher, District Muzaffargarh
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DIRECTORS' REPORT

Assalam-o-Alaikum,

The Financial Statements (unaudited) of the Company for the 1st Quarter ended on September 30, 2015 is being presented to you.

The Financial Results for the 1st Quarter of the company is very disappointing. During the quarter under review the Company incurred a pre-tax loss of Rs.23.756 million as compared to a pre-tax loss of Rs.46.013 million during the corresponding period of last year.

Textile Industry

During this quarter, the Textile Industry has confronted the most tumultuous and difficult situation. The cost of doing business in Pakistan has risen tremendously. The burden of Indirect taxes, sales tax withholding is all on the Corporate sector and together with non-refund of advance income tax and sales tax, is becoming unbearable.

As of 1st July 2014, the rate of US\$ was 99/- and since then there has been an increase of 30% in wage rate, multiple increase in Electricity tariffs, an increase in Gas Tariff, Surcharges and in infrastructure Cess, combined with the withholding taxes and service taxes imposed by the provincial government, the Industry is rendered totally uncompetitive. The Government's indifferent and non-serious attitude is leading to total collapse of the Textile Industry.

Cotton Situation

Over and above, there seems to be a cotton failure in Pakistan because of inferior cotton seeds and untimely rains and there are various estimates of Cotton crop ranging from 10 million to 12 million bales, which has also rendered the quality of Cotton to be poor and yet Cotton price are on a higher side, in comparison to Yarn prices, both locally and internationally.

Power Issue

Energy shortages have continued this quarter as well and with the Government rising power tariffs have put extra financial burden on the Textile Industry.

Acknowledgement

In the end, it is of utmost important to mention the untiring endeavors of our team members engaged in upholding their commitment for the company's success and growth. We also thank our bankers, vendors agents and clients for their consistent trust and support.

On behalf of the Board of Directors



SHAHID ANWAR TATA
Chief Executive

Karachi:

Dated: October 29 2015

TATA TEXTILE MILLS LIMITED**03****CONDENSED INTERIM BALANCE SHEET
AS AT SEPTEMBER 30, 2015****Un-Audited
Sept 30, 2015 Audited
June 30, 2015****ASSETS****Notes Rupees in 000****NON-CURRENT ASSETS**

Property, plant and equipment	3	2,318,198	2,287,377
Intangible assets		3,179	3,614
Long term deposits		8,571	1,964
		2,329,948	2,292,955

CURRENT ASSETS

Stores, spares and loose tools		50,829	48,902
Stock-in-trade		850,301	1,040,235
Trade debts		483,307	663,881
Loans and advances		205,182	190,709
Trade deposits and short-term prepayments		8,850	1,122
Other receivables		71	71
Other financial assets		10,102	10,102
Sales tax refundable		31,242	51,426
Cash and bank balances		56,574	61,691
		1,696,458	2,068,139

TOTAL ASSETS**4,026,406 4,361,094****EQUITY AND LIABILITIES****EQUITY**

Share capital		173,248	173,248
General reserve		1,000,000	1,000,000
Unappropriated profit		430,567	457,641
		1,603,815	1,630,889
Surplus on revaluation of property, plant and equipment		803,258	812,709

NON-CURRENT LIABILITIES

Long-term finance		214,946	186,412
Deferred liabilities		112,926	106,954
		327,872	293,366

CURRENT LIABILITIES

Trade and other payables		378,230	282,505
Interest / mark-up accrued on borrowings		7,191	14,996
Short-term borrowings		798,214	1,229,470
Current portion of long-term finance		52,668	54,205
Provision for income tax		55,158	42,954
		1,291,461	1,624,130

CONTINGENCIES AND COMMITMENTS

2

TOTAL EQUITY AND LIABILITIES**4,026,406 4,361,094****The annexed notes form an integral part of these condensed interim financial information**

SHAHID ANWAR TATA
Chief Executive

ANWAR AHMED TATA
Chairman / Director

**CONDENSED INTERIM PROFIT & LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2015**

	Note	Sept 30, 2015	Sept 30, 2014
	Rupees in 000	
Sales - net		1,160,088	1,420,150
Cost of goods sold	4	<u>(1,086,532)</u>	<u>(1,352,816)</u>
Gross profit		73,556	67,334
Distribution cost		<u>(39,154)</u>	<u>(51,795)</u>
Administrative expenses		<u>(37,325)</u>	<u>(27,258)</u>
Other operating expenses		<u>(2,843)</u>	<u>(14,711)</u>
Finance cost		<u>(18,021)</u>	<u>(20,072)</u>
		(97,343)	(113,836)
Other income		31	489
Loss before taxation		<u>(23,756)</u>	<u>(46,013)</u>
Provision for taxation		(12,770)	(8,192)
Loss for the period		<u>(36,526)</u>	<u>(54,205)</u>
Other comprehensive income for the period		-	-
Total comprehensive income for the period		<u>(36,526)</u>	<u>(54,205)</u>
Earnings per share - basic and diluted		<u>(2.11)</u>	<u>(3.13)</u>

The annexed notes form an integral part of these condensed interim financial information



SHAHID ANWAR TATA
Chief Executive



ANWAR AHMED TATA
Chairman / Director

TATA TEXTILE MILLS LIMITED**05****CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2015**

	Sept 30, 2015	Sept 30, 2014
Rupees in 000	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(23,756)	(46,013)
Adjustments for :		
Depreciation of property, plant and equipment	28,529	32,162
Amortization of intangibles	436	435
Provision for staff gratuity and compensated absences	8,541	4,179
Finance cost	18,021	20,072
(Gain) / loss on disposal of property, plant and equipment	(10)	1,184
Operating cash flows before movements in working capital	31,761	12,019
(Increase) / decrease in current assets		
Stores, spares and loose tools	(1,927)	(4,575)
Stock-in-trade	189,934	490,198
Trade debts	180,574	(428,479)
Loans and advances	(266)	(56,481)
Trade deposits and short-term prepayments	(7,728)	(10,094)
Other receivables	-	(1,058)
Other financial assets	-	(5,932)
Sales tax refundable	20,184	(9,330)
Increase / (decrease) in current liabilities		
Trade and other payables	95,725	127,212
Cash generated from operations	508,257	113,480
Finance cost paid	(25,826)	(16,080)
Income taxes paid	(14,207)	(11,936)
Staff gratuity and compensated absences paid	(3,135)	(2,756)
Net cash generated from operating activities	465,089	82,708
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(59,387)	(45,111)
Proceeds from disposal of property, plant and equipment	47	2,200
Long-term deposits	(6,607)	(14)
Net cash used in investing activities	(65,947)	(42,925)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term financing	44,668	-
Repayment of long-term financing	(17,671)	(16,817)
Proceed from short-term borrowings	(496,252)	(367,884)
Net cash used in financing activities	(469,255)	(384,701)
Net decreased in cash and cash equivalents	(70,113)	(344,918)
Cash and cash equivalents at July 1	(333,742)	(159,002)
Cash and cash equivalents at September 30	(403,855)	(503,920)
CASH AND CASH EQUIVALENTS		
Cash and bank balances	56,574	41,034
Short - term running finance under markup arrangements	(460,429)	(544,954)
	(403,855)	(503,920)

The annexed notes form an integral part of these condensed interim financial information


SHAHID ANWAR TATA
Chief Executive

ANWAR AHMED TATA
Chairman / Director

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2015**

	Share Capital	General Reserve	Revenue Reserve Unappropriated Profit	Total
Rupees in 000.....			
Balance at July 01, 2014	173,248	1,000,000	425,197	1,598,445
Comprehensive income				
Loss for the quarter	-	-	(54,205)	(54,205)
Other comprehensive income-net of tax	-	-	-	-
	-	-	(54,205)	(54,205)
Transfer from surplus on revaluation of property, plant and equipment on account of : -incremental depreciation - net of tax	-	-	12,538	12,538
Balance as at September 30, 2014	<u>173,248</u>	<u>1,000,000</u>	<u>383,530</u>	<u>1,556,778</u>
Balance at July 01, 2015	173,248	1,000,000	457,641	1,630,889
Comprehensive income				
Loss for the quarter	-	-	(36,526)	(36,526)
Other comprehensive income-net of tax	-	-	-	-
	-	-	(36,526)	(36,526)
Transfer from surplus on revaluation of property, plant and equipment on account of : -incremental depreciation-net of tax	-	-	9,452	9,452
Balance as at September 30, 2015	<u>173,248</u>	<u>1,000,000</u>	<u>430,567</u>	<u>1,603,815</u>

The annexed notes form an integral part of these condensed interim financial information



SHAHID ANWAR TATA
Chief Executive



ANWAR AHMED TATA
Chairman / Director

TATA TEXTILE MILLS LIMITED**07****NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2015****1. SELECTED EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS**

- 1.1** Tata Textile Mills Limited (the company) was incorporated in Pakistan on April 15, 1987 as a public limited company under the Companies Ordinance, 1984 and is listed on Karachi and Lahore Stock Exchanges. 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 of Muzaffargarh in province of Punjab.
- 1.2** These condensed interim financial statements have been prepared under 'historical cost convention' except that certain property, plant and equipment have been included at the revalued amounts and certain employee retirement benefits are recognized at present value.
- 1.3** These condensed interim financial statements have been prepared in accordance with the International Financial Reporting Standards, International Accounting Standard (IAS) 34: Interim Financial Reporting and in compliance with the requirement of section 245 of the Companies Ordinance, 1984 and the Listing Regulations of the Karachi and Lahore Stock Exchanges.
- 1.4** The accounting policies and methods of computation followed in the preparation of the 1st Quarterly financial statements are the same as those of the published annual financial statements for the period ended June 30, 2015.

2. CONTINGENCIES & COMMITMENTS

September 30, June 30,
2015 2015
.....Rupees in 000

2.1 Contingencies

There is no contingency outstanding against the Company at period end.

2.2 Commitments

Letter of credit for store and machinery	21,172	115,469
Bank guarantees issued on behalf of the Company.	118,902	118,902
Bills discounted	409,978	193,052
Rental under Ijarah Finance Agreements		
- Not later than one year	58,769	59,599
- Later than one year and not later than 5 years	260,737	260,138
- Later than 5 year	14,745	27,602

**3. ACQUISITIONS AND DISPOSALS OF
PROPERTY, PLANT AND EQUIPMENT**

	For The Quarter Ended September 30, 2015		
	Acquisitions /	Disposal	Sale
	transfers from	(W.D.V.)	Proceeds
	CWIP		
Rupees in 000.....		
Office Equipment	-	1	1
Vehicle	-	36	46
September 30, 2015	-	37	47

	Sept 30, 2015	Sept 30, 2014
4. COST OF GOODS SOLD		
Cost of goods manufactured (4.2)	1,164,789	1,183,509
Finished goods		
Opening stock - (4.1)	442,592	345,633
Closing stock - (4.1)	(521,395)	(184,569)
	(78,803)	161,064
Cost of goods manufactured sold	1,085,986	1,344,573
Cost of Cotton Sold	546	8,243
	<u>1,086,532</u>	<u>1,352,816</u>

4.1 Finished goods stock also includes waste stock carried at net realizable value.

4.2 Cost of goods manufactured

Raw material consumed (4.2.1)	853,244	901,960
Packing material consumed	25,204	23,182
Stores and spares consumed	18,976	21,966
Salaries, wages and benefits	81,082	63,815
Fuel and power	129,250	125,210
Insurance	6,603	6,767
Repairs and maintenance	2,752	3,351
Depreciation	26,549	29,879
Ijarah Rental	14,281	1,505
Other overheads	2,365	3,087
	<u>1,160,306</u>	<u>1,180,722</u>
Work-in-process		
Opening stock	42,238	47,745
Closing stock	(37,755)	(44,958)
	4,483	2,787
	<u>1,164,789</u>	<u>1,183,509</u>

4.2.1 Raw material consumed

Opening stock	555,405	810,022
Purchases - net	588,991	575,613
	<u>1,144,396</u>	<u>1,385,635</u>
Closing stock	(291,152)	(483,675)
	<u>853,244</u>	<u>901,960</u>

5. TRANSACTIONS WITH RELATED PARTIES

5.1 Associates

Purchase of Goods	-	78,059
Sale of Goods	-	816
Share of expense received	521	457
Share of expense paid	618	2,260

5.2 Transactions with key management personnel

Short-term benefits	20,842	17,010
Directors meetings fee	60	70
Rent	776	776

6. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were authorized for issue on October 29, 2015 by the Board of Directors of the Company.

7. Figures have been rounded off to nearest thousand rupee.



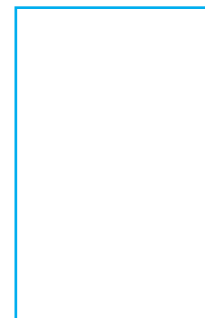
SHAHID ANWAR TATA
Chief Executive



ANWAR AHMED TATA
Chairman / Director

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