



# **TATA TEXTILE MILLS LIMITED**

**Condensed Interim Financial Information (Unaudited)  
For The Nine - Month Period Ended March 31, 2013**

**TATA TEXTILE MILLS LIMITED****CONTENTS**

1. COMPANY INFORMATION	01
2. DIRECTORS' REPORT	02
3. CONDENSED INTERIM BALANCE SHEET	03
4. CONDENSED INTERIM PROFIT AND LOSS ACCOUNTS (UNAUDITED)	04
5. CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)	05
6. CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)	06
7. SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)	07

## **TATA TEXTILE MILLS LIMITED**

01

### **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 Tata  
Mr. Farooq Advani  
Mr. Muhammad Salman H. Chawla (NIT)  
Mr. Muhammad Naseem

### **AUDIT COMMITTEE**

**CHAIRMAN:** Mr. Muhammad Naseem

**MEMBERS:** Mr. Adeel Shahid Anwar Tata  
Mr. Bilal Shahid Anwar Tata

### **HUMAN RESOURCE & REMMUNERATION COMMITTEE**

**CHAIRMAN:** Mr. Muhammad Naseem

**MEMBERS:** Mr. Shahid Anwar Tata  
Mr. Bilal Shahid Anwar

### **COMPANY SECRETARY & CHIEF FINANCIAL OFFICER:**

Mr. Farooq Advani

### **BANKERS:**

Faysal Bank Limited  
Dubai Islamic Bank (Pakistan) Limited  
Bank Al-Falah Limited  
Bank Islami Pakistan Limited  
Meezan Bank Limited  
Habib Metropolitan Bank Limited  
MCB Bank Limited  
National Bank of Pakistan  
Soneri Bank Limited  
Allied Bank Limited  
The Bank of Punjab

### **AUDITORS:**

M/s. M. Yousuf Adil Saleem & Co.  
Chartered Accountants

### **LEGAL ADVISOR:**

Muhammad Afzal Awan Advocates.

### **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

### **REGISTERED OFFICE:**

6th Floor Textile Plaza,  
M.A Jinnah Road Karachi.  
Tel# 32412955-3 Lines 32426761-2-4  
Fax# 32417710

### **WEB SITE ADDRESS:**

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

### **E- MAIL ADDRESS:**

[ttm.corporate@tatatex.com](mailto:ttm.corporate@tatatex.com)

### **MILLS:**

10th K.M. M.M. Road  
Khanpur-Baggasher,  
District Muzaffargarh

**DIRECTORS' REPORT**

Assalam-o-Alaikum,

I feel pleasure in presenting to you the financial statements (un-audited) of the company for the 3rd Quarter ended on 31st March 2013.

Alhamdulillah, ALLAH has been very kind to us and despite the ongoing energy crisis, your company has performed well during the quarter under review and has made a pre-tax profit of Rs. 106.131 million in comparison to a pre-tax profit of Rs. 40.516 million during the corresponding period last year.

Gas and Electricity shortages in Punjab have remained worst during this nine month period. Your company has suffered severe financial loss due to power interruptions as in total we are faced with 30 days during the first nine month period, in which no power was available to us. Your company could have earned more profits, if regular power supply was made available to us, and diesel was not used as an alternative. Power generation from diesel has cost us around Rs. 34 million more than gas power generation. Energy outages have become the main impediments to investment and industrial productivity, since we are not sure about the reliability of power supply, therefore reluctant to make further investments decisions. Even during summer season, when domestic gas consumptions must have come down drastically as no heaters and geysers are required, yet the gas availability is only three days a week. It is very unfortunate that some selective mills are being supplied with gas on continuous basis on one pretexts or the other, the gas supply to all the mills should be based on fair distribution system. As of now, the industrial sector of the province has lost millions of dollars worth of export orders and the condition is aggravating with each passing day. Government seriously needs to look upon this issue as only a long term solution to this mounting power crisis can rebuild investor's confidence in this area.

By the grace of ALLAH, our cotton purchases which began with the start of the cotton season have now been completed. Apparently, we have purchased good cotton at quite competitive rates which will enable us to get good profits.

Going forward, uncertain political environment in the country due to upcoming elections can affect the domestic industry which will avoid taking long term position on yarn, as a outcome of this, sales are likely to get slow down in the next quarter. However, because of the good coverage of cotton and specialization of our product line, we are very confident that the next quarter will also have similar results.

It is pertinent to acknowledge the role of our team members in the growth of this organization as we as an organization believe that a hard working and motivated team is a synonym to our success. The pivotal role played by our bankers, brokers, suppliers also needs a mention here. We would also like to thank our clients for their continued confidence in our products.

On behalf of the Board of Directors



**SHAHID ANWAR TATA**  
Chief Executive

Karachi:  
Date: April 27, 2013

**TATA TEXTILE MILLS LIMITED****03****CONDENSED INTERIM BALANCE SHEET  
AS AT MARCH 31, 2013**

	Note	March 31, 2013 (Unaudited)	June 30, 2012 (Audited)
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized			
20,000,000 Ordinary shares of Rs.10/- each		<u>200,000</u>	<u>200,000</u>
Issued, subscribed and paid-up			
17,324,750 ordinary shares of Rs.10/- each		173,248	173,248
Unappropriated profit		<u>1,177,722</u>	<u>946,390</u>
		<u>1,350,970</u>	<u>1,119,638</u>
<b>SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - Net of Tax</b>			
		948,904	978,446
<b>NON-CURRENT LIABILITIES</b>			
Long-term finance		288,798	234,982
Deferred liabilities		66,880	61,092
<b>CURRENT LIABILITIES</b>			
Trade and other payables		324,626	273,299
Accrued interest / mark-up on loans		28,922	37,048
Short-term borrowings		2,429,625	943,063
Current portion of long- term finance		73,645	80,822
Taxation - income tax		81,634	53,570
		<u>2,938,452</u>	<u>1,387,802</u>
<b>Contingencies and commitments</b>	2	<u>5,594,004</u>	<u>3,781,960</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	3	2,485,502	2,400,345
Intangible assets		6,599	7,768
Long-term deposits		1,964	1,939
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		47,454	47,285
Stock-in-trade		1,933,156	933,111
Trade debts		826,452	120,626
Loans and advances		193,522	93,171
Trade deposits and short term prepayments		8,564	3,388
Other receivables		6,473	33,800
Other financial assets		5,352	8,145
Sales tax refundable		20,597	13,277
Cash and bank balances		58,369	119,105
		<u>3,099,939</u>	<u>1,371,908</u>
		<u>5,594,004</u>	<u>3,781,960</u>

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

  
**SHAHID ANWAR TATA**  
 Chief Executive

  
**ANWAR AHMED TATA**  
 Chairman/Director

**CONDENSED INTERIM PROFIT & LOSS ACCOUNT (UN-AUDITED)**  
**FOR THE NINE-MONTH PERIOD ENDED MARCH 31, 2013**

Note	Nine-month period ended		Three-month period ended	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
	.....Rupees in '000'.....			
Sales	3,502,347	3,976,326	1,175,732	1,323,716
Cost of goods sold	4 (2,876,786)	(3,558,911)	(946,136)	(1,136,631)
<b>Gross profit</b>	<b>625,561</b>	<b>417,415</b>	<b>229,596</b>	<b>187,085</b>
Distribution cost	(152,142)	(129,127)	(43,249)	(52,376)
Administrative expenses	(68,887)	(53,206)	(23,966)	(16,932)
Other operating expenses	(36,153)	(26,056)	(5,715)	592
Other operating income	4,147	5,891	3,272	809
Finance cost	(123,593)	(214,376)	(53,807)	(78,662)
<b>Profit before taxation</b>	<b>248,933</b>	<b>541</b>	<b>106,131</b>	<b>40,516</b>
Provision for taxation	(29,818)	(38,706)	(7,789)	(12,809)
<b>Profit / (Loss) for the period</b>	<b>219,115</b>	<b>(38,165)</b>	<b>98,342</b>	<b>27,707</b>
Other comprehensive income	-	-	-	-
<b>Total comprehensive income</b>				
<b>for the period</b>	<b>219,115</b>	<b>(38,165)</b>	<b>98,342</b>	<b>27,707</b>
<b>Earnings per share</b>				
- Basic and diluted (Rupees)	12.65	(2.20)	5.68	1.60

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

  
**SHAHID ANWAR TATA**  
 Chief Executive

  
**ANWAR AHMED TATA**  
 Chairman/Director

**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)**  
**FOR THE NINE-MONTH PERIOD ENDED MARCH 31, 2013**

	March 31, 2013	March 31, 2012
	.....Rupees in '000'.....	
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	248,933	541
Adjustments for:		
Depreciation on property, plant and equipment	95,292	84,943
Amortization on intangible assets	1,169	-
Provision for WPPF and WWF	18,901	3,092
Unrealized loss on forward contracts	-	-
Provision for staff gratuity and compensated absences	10,961	9,183
Finance cost	123,593	214,375
Gain on disposal of property, plant and equipment	(3,570)	(5,271)
Operating cash flows before working capital changes	495,279	306,863
Decrease / (increase) in current assets:		
Stores, spares and loose tools	(169)	15,590
Stock-in-trade	(1,000,045)	421,528
Trade debts	(705,826)	47,879
Loans and advances	(77,848)	(12,177)
Trade deposits and short-term prepayments	(5,176)	(5,631)
Other receivables	27,327	8,819
Sales tax refundable	(7,320)	(4,447)
Other financial assets	2,793	(100)
(Decrease) / Increase in current liabilities:		
Trade and other payables	32,117	7,043
Cash (used in) / generated from operations	(1,238,868)	785,367
Finance cost paid	(131,719)	(188,943)
Income tax paid	(22,503)	(39,329)
Staff gratuity and compensated absences paid	(6,927)	(6,383)
Long-term deposits	(25)	(1,286)
Net cash (used in) / generated from operating activities	(1,400,042)	549,426
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for purchase of property, plant and equipment	(190,886)	(86,181)
Proceeds on disposal of property, plant and equipment	14,007	21,014
Net cash used in investing activities	(176,879)	(65,167)
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds (Repayment) of long term finance	46,639	(79,124)
Proceeds/(Repayment) of short-term borrowings	854,937	(1,355,091)
Dividends paid	(17,016)	(51,332)
Net cash generated from / (used in) financing activities	884,560	(1,485,547)
Net decrease in cash and cash equivalent (A+B+C)	(692,361)	(1,001,288)
Cash and cash equivalents as at July 01	(601,215)	(413,792)
Cash and cash equivalents as at March 31	(1,293,576)	(1,415,080)
<b>CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	58,369	71,674
Short-term running finance	(1,351,945)	(1,486,754)
	(1,293,576)	(1,415,080)

The annexed notes form an integral part of this 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 NINE-MONTH PERIOD ENDED MARCH 31, 2013**

	Issued, subscribed and paid-up Capital	Revenue reserve Unappropriated Profit	Total
	.....Rupees in '000' .....		
<b>Balance as at July 01, 2011</b>	173,248	911,195	1,084,443
<b>Comprehensive Income</b>			
Loss after taxation for the nine-month ended March 31, 2012	-	(38,165)	(38,165)
Other comprehensive income - net of tax	-	-	-
	-	(38,165)	(38,165)
Transferred from surplus on revaluation of property, plant and equipment on account of:			
- incremental depreciation - net of deferred tax	-	29,148	29,148
- disposal	-	5,669	5,669
	-	34,817	34,817
<b>Transactions with owners</b>			
Final cash dividend for the year ended June 30, 2011 @ Rs 3.00 per share	-	(51,973)	(51,973)
<b>Balance as at March 31, 2012</b>	<u>173,248</u>	<u>855,874</u>	<u>1,029,122</u>
<b>Balance as at July 01, 2012</b>	173,248	946,390	1,119,638
<b>Comprehensive Income</b>			
Profit after taxation for the nine-months ended March 31, 2013	-	219,115	219,115
Other comprehensive income - net of tax	-	-	-
	-	219,115	219,115
Transferred from surplus on revaluation of property, plant and equipment on account of			
- incremental depreciation	-	29,542	29,542
<b>Transactions with owners</b>			
Final cash dividend for the year ended June 30, 2012 @ Re 1 per share	-	(17,325)	(17,325)
<b>Balance as at March 31, 2013</b>	<u>173,248</u>	<u>1,177,722</u>	<u>1,350,970</u>

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

  
**SHAHID ANWAR TATA**  
Chief Executive

  
**ANWAR AHMED TATA**  
Chairman/Director



**SELECTED EXPLANATORY NOTES TO THE  
CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE NINE-MONTH PERIOD ENDED MARCH 31, 2013**

**1. STATUS AND NATURE OF BUSINESS**

- 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. 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 3rd quarterly financial statements are the same as those of the published annual financial statements for the period ended June 30, 2012.

**2. CONTINGENCIES AND COMMITMENTS**

**2.1 Contingencies**

There is no change in contingencies disclosed in Note 10 of the annual audited financial statements for the year ended June 30, 2012.

	<b>March 31,</b>	<b>June 30,</b>
	<b>2013</b>	<b>2012</b>
<b>Note</b>	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>.....Rupees in 000 .....</b>	

**2.2 Commitments**

Letters of credit for stores, machinery and raw material	<b>46,388</b>	124,097
Bank guarantees issued on behalf of the Company <b>2.2.1</b>	<b>92,824</b>	93,466
Foreign bills discounted	<b>371,981</b>	1,161,575
Forward Contracts	-	693,444

- 2.2.1** This includes bank guarantee related to infrastructure cess amounting to Rs. 45.76 million (June 30, 2012 Rs. 43.95 million) which has been provided by the Company

**3. PROPERTY, PLANT AND EQUIPMENT**

Operating fixed assets	<b>3.1</b>	<b>2,463,816</b>	2,389,943
Capital work-in-progress		<b>21,686</b>	10,402
		<b><u>2,485,502</u></b>	<b><u>2,400,345</u></b>

- 3.1 Following additions, transfers and disposals in operating fixed assets were made during the 3rd quarter ended March 31, 2013.

	Additions	Disposal (W.D.V)	Sale Proceed
	..... Rupees in '000' .....		
Plant & Machinery	-	10,135	13,167
Equipments	1,339	-	-
Furniture	1,180	-	-
	<u>2,519</u>	<u>10,135</u>	<u>13,167</u>

	Nine-month period ended		Three-month period ended	
Note	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
	.....Unaudited.....			
	.....Rupees in '000'.....			

#### 4. COST OF GOODS SOLD

Opening finished goods	4.1	135,407	748,994	87,530	375,334
Cost of goods manufactured	4.2	2,928,474	2,849,877	1,059,438	912,880
		<u>3,063,881</u>	<u>3,598,871</u>	<u>1,146,968</u>	<u>1,288,214</u>
Closing finished goods	4.2	(200,832)	(151,583)	(200,832)	(151,583)
Cost of goods manufactured sold		<u>2,863,049</u>	<u>3,447,288</u>	<u>946,136</u>	<u>1,136,631</u>
Cost of raw material sold		<u>13,737</u>	<u>111,623</u>	-	-
		<u>2,876,786</u>	<u>3,558,911</u>	<u>946,136</u>	<u>1,136,631</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	2,236,392	2,267,499	794,573	708,953
Packing material consumed		51,610	49,193	15,418	17,057
Stores and spares consumed		77,851	54,812	29,552	17,764
Salaries, wages and benefits		166,413	134,375	57,266	42,519
Power and fuel		274,180	236,439	122,030	91,159
Insurance		13,832	13,855	4,943	3,163
Repairs and maintenance		6,412	4,005	2,035	1,403
Depreciation		88,905	81,815	30,639	27,543
Other overheads		11,602	5,398	4,013	1,754
		<u>2,927,197</u>	<u>2,847,391</u>	<u>1,060,469</u>	<u>911,315</u>
Work-in-process					
Opening stock		39,454	36,707	37,146	35,786
Closing stock		(38,177)	(34,221)	(38,177)	(34,221)
		<u>1,277</u>	<u>2,486</u>	<u>(1,031)</u>	<u>1,565</u>
		<u>2,928,474</u>	<u>2,849,877</u>	<u>1,059,438</u>	<u>912,880</u>

#### 4.2.1 Raw material consumed

Opening stock		733,989	1,163,382	1,012,651	1,599,290
Purchases - net		<u>3,196,550</u>	<u>2,613,140</u>	<u>1,476,069</u>	<u>618,686</u>
		<u>3,930,539</u>	<u>3,776,522</u>	<u>2,488,720</u>	<u>2,217,976</u>
Closing stock		(1,694,147)	(1,509,023)	(1,694,147)	(1,509,023)
		<u>2,236,392</u>	<u>2,267,499</u>	<u>794,573</u>	<u>708,953</u>

## 5. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated undertakings and key management personnel. The transactions between the Company and the related parties are carried out as per agreed terms. Significant transactions with related parties are as follows:

	March 31, 2013 (Unaudited)	June 30, 2012 (Audited)
	...Rupees in '000'...	
<b>Balances with associates as at period / year end</b>		
Long-term financing	-	25,000
Interest accrued on long-term financing	-	17,705
	<b>Three-month period ended</b>	
	<b>March 31, 2013 (Unaudited)</b>	<b>March 31, 2012 (Unaudited)</b>
	...Rupees in '000'...	
<b>Transactions with associates during the period</b>		
Share of expenses received	44	98
Share of expenses paid	310	1,773
Mark-up on long-term financing	-	838
<b>Transactions with key management personnel</b>		
Short-term benefits	13,154	14,110
Directors meeting fee	80	35
Rent expenses	776	60

## 6. APPROVAL OF FINANCIAL STATEMENTS

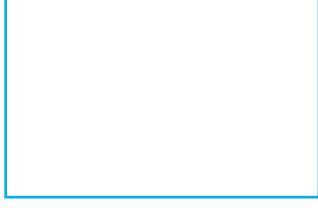
These condensed interim financial statements were authorized for issue on April 27, 2013 by the Board of Directors of the Company.

  
**SHAHID ANWAR TATA**  
 Chief Executive

  
**ANWAR AHMED TATA**  
 Chairman/Director

# BOOK POST

Printed Matter



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