



NADEEM TEXTILE MILLS LIMITED

801-804, 8th Floor, Lakson Square, Building No. 3, Block-A,
Sarwar Shaheed Road, Karachi-74200, Pakistan. Tel.: (+92-21) 35220481-88
Fax : (+92-21) 35220495-96 E-mail: info@nadeem.com.pk
URL: www.nadeem.com.pk

NADEEM TEXTILE MILLS LIMITED **NOTICE OF RIGHT ISSUE & BOOK CLOSURE**

Shareholders are hereby informed that the Board of Directors of Nadeem Textile Mills Limited at their meeting held on June 19, 2017 have decided to issue right shares to existing shareholders in the ratio of 23 shares for every 100 shares held (i.e. 23%) at Rs. 25/- per share including premium of Rs. 15/- per share.

The above right shares shall rank pari passu with the existing shares in all respects.

The information required under the Companies (Issue of Capital) Rules, 1996 are given below:

1. **Purpose**

The funds raised shall be utilized for meeting working capital requirement of the Company.

2. **Benefits to the Company**

The proceeds of the right issue shall be utilized to meet the working capital requirement of the Company, which will improve ratios/ leverage position of the Company. The investment shall result in increase in earning and ultimately profits for the shareholders.

3. **Risk Factors**

There is no material risk involved as the Company is already in the business. Moreover, the management has a track record and history of successful operations of the Company.

4. **Book Closure**

The share transfer books of the Company shall remain closed from July 11, 2017 to July 18, 2017 (both days inclusive) for the purposes of entitlement of Right Shares.

The shareholders are requested to notify any change in their addresses immediately to our share registrar at the following address for dispatch of right allotment letters:

Hameed Majeed Associates (Private) Limited
5th Floor, Karachi Chambers,
Hasrat Mohani Road, Karachi
Phone: 32424826 & 32412754 Fax: 32424835
E-mail: khi@hmaconsultants.com

Abdul Amin
Company Secretary

Karachi:
Dated: June 19, 2017

NADEEM TEXTILE MILLS LIMITED



PROJECTED FINANCIAL STATEMENTS

NADEEM TEXTILE MILLS LIMITED
PROJECTED BALANCE SHEET


<u>ASSETS</u>	YEAR ENDED JUNE 30,	2018	2019	2020
Non-Current Assets				
Property, plant and equipment		1,573,695,522	1,450,629,120	1,339,084,822
Long term deposits		13,174,429	13,174,429	13,174,429
Current Assets				
Stores, spares and loose tools		74,000,000	76,000,000	77,500,000
Stock-in-trade		945,000,000	992,250,000	1,041,862,500
Trade debts		700,000,000	700,000,000	700,000,000
Loans and advances		16,000,000	16,000,000	16,000,000
Deposits, prepayments and other receivables		65,000,000	65,000,000	65,000,000
Taxation - net		80,000,000	80,000,000	80,000,000
Cash and bank balances		15,000,000	15,000,000	15,000,000
		1,895,000,000	1,944,250,000	1,995,362,500
		3,481,869,951	3,408,053,549	3,347,621,751
EQUITY AND LIABILITIES				
Share capital		192,119,850	192,119,850	192,119,850
Share premium		177,597,275	177,597,275	177,597,275
Unappropriated profit		221,185,692	318,884,184	427,343,034
		590,902,817	688,601,309	797,060,159
Surplus on revaluation of Property, Plant & Equipment		315,148,814	295,801,349	276,453,884
Total Equity		906,051,631	984,402,658	1,073,514,043
Non-Current Liabilities				
Long - term financing		102,749,060	65,326,040	34,903,020
Deferred liabilities		75,500,000	75,500,000	75,500,000
Loan from associate		250,000,000	250,000,000	250,000,000
Current Liabilities				
Loan from Directors		4,800,000	4,800,000	4,800,000
Trade and other payables		442,000,000	425,000,000	350,000,000
Accrued mark-up		30,000,000	30,000,000	30,000,000
Short - term borrowings		1,470,346,240	1,406,601,831	1,369,481,669
Loan from associate (current)		129,000,000	129,000,000	129,000,000
Current portion of long-term financing		71,423,020	37,423,020	30,423,020
		2,147,569,260	2,032,824,851	1,913,704,689
		3,481,869,951	3,408,053,549	3,347,621,751

NADEEM TEXTILE MILLS LIMITED
PROJECTED PROFIT AND LOSS ACCOUNT

<u>YEAR ENDED JUNE 30</u>	2018	2019	2020
Sales - net	5,504,432,985	5,575,024,751	5,630,774,998
Cost of Sales	5,125,573,851	5,160,555,739	5,201,659,353
Gross Profit	378,859,133	414,469,012	429,115,645
Administrative expenses	(88,686,683)	(89,573,550)	(90,469,286)
Distribution cost	(52,047,537)	(52,568,012)	(53,093,692)
	(140,734,220)	(142,141,562)	(143,562,978)
Operating Profit	238,124,913	272,327,450	285,552,667
Other Income	(2,932,713)	(2,962,040)	(2,991,660)
Other Expenses (WPPF)	(5,448,690)	(7,094,241)	(7,690,281)
Finance cost	(126,218,398)	(127,480,582)	(128,755,388)
	(134,599,801)	(137,536,863)	(139,437,329)
Profit before taxation	103,525,113	134,790,587	146,115,339
Taxation	(43,595,688)	(56,439,559)	(57,003,954)
Profit after taxation	59,929,425	78,351,028	89,111,384

NADEEM TEXTILE MILLS LIMITED
PROJECTED NOTES TO THE ACCOUNTS

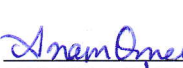
1 PRODUCTION & SALES YEAR ENDED JUNE 30,	2018	2019	2020
Local Sales (Rs)	2,622,378,703	2,701,050,064	2,728,060,565
Export Sales - Direct (Rs)	2,294,689,889	2,363,530,585	2,387,165,891
Export Sales - Indirect (Rs)	462,971,740	476,860,893	481,629,501
Total Yarn Sales (Rs)	5,380,040,332	5,541,441,542	5,596,855,957
Waste Sales	84,689,168	87,229,843	88,102,142
Raw Material Sales	14,839,309	15,284,488	15,437,333
Gross Sales	5,479,568,809	5,643,955,873	5,700,395,432
Ocean Freight	(12,962,296)	(13,351,165)	(13,484,677)
Commission on export & local sales	(38,119,571)	(39,263,158)	(39,655,790)
Export development surcharge	(5,674,408)	(5,844,640)	(5,903,087)
Premium on discounting	(10,167,144)	(10,472,159)	(10,576,880)
Add: 4% rebate on export sales	91,787,596		
Total Yarn Sales (Rs)	5,504,432,985	5,575,024,751	5,630,774,998
2 COST OF SALES			
Raw material consumed	4,018,105,601	4,058,286,657	4,098,869,524
Store and spares consumed	79,733,995	80,531,335	81,336,648
Packing Material consumed	86,979,308	87,849,101	88,727,592
Salaries, wages and other benefits	451,305,265	455,818,318	460,376,501
Repair & maintenance	4,815,897	4,864,056	4,912,696
Insurance	13,354,248	13,487,791	13,622,669
Fuel & power	449,228,481	453,720,766	458,257,974
Other manufacturing expenses	24,629,872	24,876,171	25,124,933
Depreciation	122,308,643	110,949,292	100,682,300
	5,250,461,310	5,290,383,486	5,331,910,836
Work in Process			
Opening	43,294,121	43,727,062	45,038,874
Closing	(43,727,062)	(45,038,874)	(45,489,263)
	(432,941)	(1,311,812)	(450,389)
Cost of goods manufactured	5,250,028,369	5,289,071,674	5,331,460,447
Cost of raw material sold	16,389,092	16,552,983	16,718,513
Finished Goods and Wastes:			
Opening	387,949,457	528,793,067	673,861,985
Closing	(528,793,067)	(673,861,985)	(820,381,593)
	(140,843,610)	(145,068,918)	(146,519,607)
3 Cost of Sales/Manufactured	5,125,573,851	5,160,555,739	5,201,659,353
ADMINISTRATIVE AND OTHER GENERAL EXPENSES	2018	2019	2020
Administrative expenses	(88,686,683)	(89,573,550)	(90,469,286)
Distribution cost	(52,047,537)	(52,568,012)	(53,093,692)
Other Income	(2,932,713)	(2,962,040)	(2,991,660)
Other Expenses (WPPF)	(5,448,690)	(7,094,241)	(7,690,281)
Financial cost	(126,218,398)	(127,480,582)	(128,755,388)
4 TAXATION	2018	2019	2020
Current	(54,795,688)	(56,439,559)	(57,003,954)
Tax Credit U/S 65B	11,200,000	-	-
	(43,595,688)	(56,439,559)	(57,003,954)

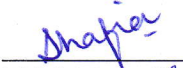

ZAHID MAZHAR


OMER BIN ZAHID

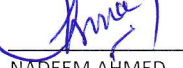

HASSAN BIN ZAHID


MRS. NAILA ZAHID


MRS. ANAM OMER


MRS. SHAFIA HASSAN


FAIZ-UL-HASSAN SIDDIQUI


NADEEM AHMED


MEHMOOD SIDDIQUI

Karachi:
Dated : June 19, 2017



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**RESOLUTION PASSED BY THE BOARD OF DIRECTORS
IN THEIR MEETING HELD ON JUNE 19, 2017 AT 12:00 NOON AT REGISTERED OFFICE OF THE COMPANY
A-801-804, LAKSON SQUARE BUILDING NO. 3, SARWAR SHAHEED ROAD, KARACHI**

RESOLVED THAT Approval be and is hereby given to increase the paid up capital of the Company by issuance of 3,592,485 ordinary shares to be offered @ 23% of the existing shares held by the shareholders (23 shares for every 100 shares held) to be issued at Rs. 25/- per share i.e. at a premium of Rs. 15/- per share in consideration of cash.

FURTHER RESOLVED THAT After allotment, these right shares shall rank pari passu with the existing shares in all respect.

FURTHER RESOLVED THAT The share transfer books of the Company shall remain closed from July 11, 2017 to July 18, 2017 (both days inclusive) for the purposes of entitlement of Right Shares.

FURTHER RESOLVED THAT The purpose of right issue, benefits to the Company, use of funds, risk factors given below and financial projections for the next three years attached herewith, be and are hereby approved.

Purpose of the Right Issue

The proceeds of the right issue shall be utilized to meet the working capital requirement of the Company.

Benefits to the Company

The proceeds of the right issue shall be utilized to meet the working capital requirement of the Company, which will improve ratios / leverage position of the Company. The investment shall result in increase in earning and ultimately profits for the shareholders.

Uses of the Funds

The proceeds of the right issue would be utilized to meet the working capital requirements of the Company.

Risk Factors

There is no material risk involved as the Company is already in the business. Moreover, the management has a track record and history of successful operations of the Company.



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FURTHER RESOLVED THAT Chief Executive be and is hereby authorized to appoint any one of the Bank from Soneri Bank Limited, J.S. Bank Limited, Bank Alfalah Limited and / or Habib Bank Limited as Banker to the Right Issue for collection of right subscriptions from the shareholders.

FURTHER RESOLVED THAT Mr. Zahid Mazhar, Chief Executive Officer, Mr. Omer Bin Zahid, Executive Director and Mr. Hassan Bin Zahid, Executive Director of the Company are singly authorized to operate the right issue subscription account of the Company.

FURTHER RESOLVED THAT The Company Secretary in consultation with the Chief Executive Officer be and is hereby authorized to prepare the right issue plan, made any amendment therein and obtain approval of the same from the Stock Exchange.

FURTHER RERSOLVED THAT The Chief Executive Officer and / or Company Secretary be and is hereby authorized to make application to the Securities and Exchange Commission of Pakistan for exemption under clause (v) of Rule 5 of the Companies (Issue of Capital) Rules, 1996 i.e. exemption from underwriting of the issue.

FURTHER RERSOLVED THAT the Chief Executive Officer and Company Secretary be and are hereby authorized to issue Circular U/s. 83 of the Companies Act, 2017 and letter of right to the shareholders, SECP and Stock Exchange.

CERTIFIED TRUE COPY


Company Secretary

