

COMPANY INFORMATION

Board of Directors	:	Mr. Zahid Mazhar (Chief Executive) Mr. Omer Bin Zahid (Executive Director) Mr. Hassan Bin Zahid (Executive Director) Mrs. Naila Zahid (Chairperson) Mrs. Anam Omer Mrs. Shafia Hassan Mr. Faiz-ul-Hassan Siddiqui Mr. Nadeem Ahmed Mr. Mehmood Siddiqui
Chief Financial Officer	:	Mr. Omer Bin Zahid
Company Secretary	:	Mr. Abdul Amin
Audit Committee	:	Mr. Faiz-ul-Hassan Siddiqui (Chairman) Mrs. Anam Omer (Member) Mrs. Shafia Hassan (Member)
H. R. & Remuneration Committee	:	Mr. Nadeem Ahmed (Chairman) Mrs. Anam Omer (Member) Mrs. Shafia Hassan (Member)
Auditors	:	M/s. Rahman Sarfaraz Rahim Iqbal Rafiq Chartered Accountants
Legal Advisor	:	Mr. Abdul Ghani Khan (Advocate)
Bankers	:	Soneri Bank Limited J. S. Bank Limited Bank Al-Falah Limited Habib Bank Limited Samba Bank Limited
Head Office / Registered Office	:	A 801-804, Lakson Square Building No. 3, Sarwar Shaheed Road, Karachi - Pakistan. Phone : (021) 35220481-8 Fax : (92-21) 35220495-6
Share Registrar	:	M/s Hameed Majeed Associates (Pvt.) Ltd. 5th Floor, Karachi Chambers, Hasrat Mohani Road, Karachi. Phone : 32424826-32412754 Fax : 32424835 E-mail : majeed@hmaconsultants.com
Mills	:	Unit 1: A-265, S.I.T.E., Nooriabad, District Jamshoro, Sindh. Unit 2: E-11, S.I.T.E, Kotri, District Jamshoro, Sindh.
URL	:	www.nadeem.com.pk

DIRECTORS' REPORT

Dear Shareholders,

The Board of Directors is pleased to present its report together with the un-audited Interim Financial Statements of the Company for the quarter ended September 30, 2019.

FINANCIAL RESULTS

During the quarter ended September 30, 2019, following are the key financial results of the company as compared to corresponding period of last year:

	Sep. 30, 2019	Sep. 30, 2018
	Rs. In Million	Rs. In Million
Net Sales	1,757.52	1,615.38
Gross Profit	152.80	244.02
Gross Profit %	8.69%	15.10%
Profit / (Loss) before Tax	39.62	155.69
Profit / (Loss) after tax	37.87	140.17
Profit / (Loss) after tax %	2.15%	8.68%
Earning per share	Rs. 1.97	Rs. 7.30

Sales turnover during the quarter increased to Rs. 1,757.52 million as compared to 1,615.38 million of corresponding period of last year showing an increase of 8.80%. The management of the company is striving its best to capture both local and international markets more rigorously by intelligent marketing strategies.

OVERVIEW

The substantial devaluation of Pakistani currency has a resultant impact on the prices of raw material i.e., cotton and polyester etc., energy cost and other input costs. The markup rates have also increased substantially which directly impacts our financial cost, while the sale prices of yarn were not increased correspondingly.

FUTURE OUTLOOK

Although the Government is making efforts towards to improve overall economic situation of the country, it appears that that Pakistan is going through very difficult times. The major problems confronting the Pakistan Economy are the current account deficit / high fiscal deficit and high cost of doing business. Pakistan's economy is facing issues of high inflation, sharply deteriorating currency and weakening foreign exchange reserves.

In order to encourage industrialization and revive the exports of textile sector, the government would have to take measures for immediate payment of long overdue refunds of Sales Tax, Income Tax and export DLTTL.

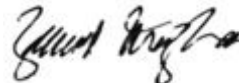
Owing to the continuous decline in the annual local cotton crop, Pakistan has to import about 3.5 million bales of cotton every year to meet its local demand. The government should ensure availability of cotton and polyester fibre at competitive prices.

The directors of the company are determined to further improve plant operations, commercial operations and financial management.

ACKNOWLEDGEMENT

The Board of directors would like to place on record their appreciation to the efforts of its employees, and continuous support of customers, suppliers and bankers.

On behalf of Board of Directors



ZAHID MAZHAR
Chief Executive

Karachi:
October 30, 2019

ڈائریکٹرز رپورٹ

محترم حصص یافتگان،

بورڈ آف ڈائریکٹرز ۳۰ ستمبر ۲۰۱۹ کو ختم ہونے والی سرمایہ کے لئے کمپنی کے عبوری مالیاتی نتائج اپنی رپورٹ کے ساتھ پیش کرتے ہوئے خوشی محسوس کرتا ہے۔
مالیاتی نتائج

۳۰ ستمبر ۲۰۱۹ کو اختتام پذیر ہونے والی سرمایہ کے لئے کمپنی کے اہم مالیاتی نتائج گزشتہ سال کی اسی مدت کے مالیاتی نتائج کے تقابل میں درج ذیل ہیں۔

30 ستمبر 2018	30 ستمبر 2019	
روپے ملین میں	روپے ملین میں	
1,615.38	1,757.52	خالص فروخت
244.02	152.82	مجموعی منافع
15.10%	8.69%	مجموعی منافع %
155.69	39.62	منافع قبل از ٹیکس
140.17	37.87	منافع بعد از ٹیکس
8.68%	2.15%	منافع بعد از ٹیکس %
Rs. 7.30	Rs. 1.97	فی حصص آمدن

سرمایہ کے دوران کمپنی کی فروخت پچھلے سال کی اسی مدت کی 1,615.38 ملین روپے کی فروخت کے مقابلے میں بڑھ کر 1,757.52 ملین روپے ہو گئی جو کہ 8.80% اضافے کو ظاہر کرتی ہے۔ کمپنی کی انتظامیہ بہترین حکمت عملی کے ذریعے مقامی اور بین الاقوامی مارکیٹوں میں اپنی جگہ بنانے کی پوری کوشش کر رہی ہے۔

جانزہ

پاکستانی کرنسی کی قدر میں نمایاں کمی خام مال یعنی کپاس اور پالیسٹر کی قیمتوں، توانائی اور دوسرے اخراجات پر اثر انداز ہوئی ہے۔ شرح سود میں بھی کافی اضافہ ہوا ہے جس کا اثر براہ راست ہماری مالی لاگت پر پڑتا ہے جبکہ دھاگے کی قیمت فروخت میں اس مناسبت سے اضافہ نہیں ہوا ہے۔

مستقبل کا لائحہ عمل

اگرچہ پاکستان کی حکومت ملک کی مجموعی صورتحال کو بہتر بنانے کے لئے کوششیں کر رہی ہے لیکن فی الحال ملک ایک مشکل دور سے گزر رہا ہے۔ پاکستان کی معیشت کو درپیش اہم مسائل میں کرنٹ اکاؤنٹ کا خسارہ، مالی خسارہ، اور کاروباری اخراجات میں اضافہ شامل ہیں۔ پاکستان کی معیشت کو تیزی سے بڑھتی ہوئی افراط زر کی شرح، پاکستانی کرنسی کی قدر میں ہونے والی کمی اور زر مبادلہ کے ذخائر میں کمی جیسے معاملات درپیش ہیں۔

صنعت کاری کی حوصلہ افزائی اور ٹیکسٹائل سیکٹر کی برآمدات کی بحالی کے لئے حکومت کو سیلز ٹیکس، انکم ٹیکس اور ایکسپورٹ DTL کی فوری ادائیگی کے لئے اقدامات کرنے ہوں گے۔

کپاس کی سالانہ پیداوار میں مسلسل کمی کی وجہ سے پاکستان کو اپنی ضرورت پوری کرنے کے لئے ہر سال کاٹن کی تقریباً ساڑھے تین لاکھ گھنٹہ رآمد کرنی پڑتی ہے۔ حکومت کو مستقبل قریب میں قریبی اور پالیسٹر کی فراہمی کو یقینی بنانا چاہئے۔

کمپنی کے ڈائریکٹر پلانٹ آپریشن، تجارتی عمل اور مالی انتظام کو مزید بہتر بنانے کے لئے پرعزم ہیں۔

اظہار تشکر

کمپنی کی انتظامیہ اپنے ملازمین کی کاوشوں اور صارفین، سپلائرز اور بینکروں کے مستقل تعاون کو قدر کی نگاہ سے دیکھتی ہے۔

Zahid Mughal

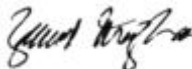
زاہد مظہر
چیف ایگزیکٹو

کراچی 30 اکتوبر 2019

NADEEM TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT SEPTEMBER 30, 2019

ASSETS	Note	Un-Audited Sep. 30, 2019 RUPEES	Audited June 30, 2019 RUPEES
NON-CURRENT ASSETS			
Property, plant and equipment	5	1,639,788,477	1,626,405,616
Long term deposits		13,608,142	13,597,274
		<u>1,653,396,619</u>	<u>1,640,002,890</u>
CURRENT ASSETS			
Stores, spares and loose tools		89,587,706	89,415,372
Stock in trade		1,633,747,632	886,459,993
Trade debts		1,051,439,119	949,581,017
Investments		135,169,390	114,769,390
Loans and advances		111,935,975	230,444,123
Deposits, prepayments and other receivable		81,985,773	86,686,876
Taxation refunds due from government		62,541,656	75,103,048
Cash and bank balances		126,022,446	143,896,482
		<u>3,292,429,698</u>	<u>2,576,356,301</u>
TOTAL ASSETS		<u>4,945,826,316</u>	<u>4,216,359,191</u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
25,000,000 ordinary shares of Rs. 10/- each		<u>250,000,000</u>	<u>250,000,000</u>
Issued, subscribed and paid up capital		192,119,850	192,119,850
Share premium		177,597,289	177,597,289
Revaluation surplus on property, plant & equipment		309,228,837	312,229,122
Unappropriated profits		579,227,801	538,359,167
		<u>1,258,173,776</u>	<u>1,220,305,428</u>
NON CURRENT LIABILITIES			
Long term financing		62,734,290	85,318,528
Deferred liabilities		76,322,184	91,352,113
Loan from associates		323,860,204	332,995,371
		<u>462,916,678</u>	<u>509,666,012</u>
CURRENT LIABILITIES			
Loan from director		10,000,000	10,000,000
Trade and other payables		1,065,655,567	672,837,469
Accrued mark up		45,541,722	50,959,971
Short term borrowings		1,943,841,744	1,598,768,482
Unclaimed dividend		1,481,813	1,481,813
Current portion of long term financing		78,215,016	72,340,016
Current portion of loan from associate		80,000,000	80,000,000
		<u>3,224,735,862</u>	<u>2,486,387,751</u>
Contingencies and commitments	6		
TOTAL EQUITY AND LIABILITIES		<u>4,945,826,316</u>	<u>4,216,359,191</u>

The annexed notes from 1 to 10 form an integral part of this condensed interim financial statement.



Chief Executive
Karachi: October 30, 2019



Director

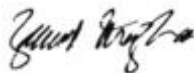


Chief Financial Officer

NADEEM TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

	30-SEP-19	30-SEP-18
	RUPEES	RUPEES
Sales - net	1,757,515,000	1,615,375,196
Cost of sales and services	(1,604,714,049)	(1,371,353,831)
Gross Profit	152,800,951	244,021,365
Administrative expenses	(25,676,356)	(22,248,137)
Distribution costs	(18,276,351)	(18,474,025)
	(43,952,707)	(40,722,162)
Operating profit	108,848,244	203,299,203
Other operating income	10,749,202	4,882,864
Other operating expenses	(3,328,438)	(11,757,365)
Financial cost	(76,652,048)	(40,731,487)
	(69,231,284)	(47,605,988)
Profit before taxation	39,616,960	155,693,215
Taxation for the period	(1,748,615)	(15,524,546)
Profit after taxation	37,868,344	140,168,669
Earnings per share basic and diluted	1.97	7.30

The annexed notes from 1 to 10 form an integral part of this condensed interim financial statement.



Chief Executive
Karachi: October 30, 2019



Director

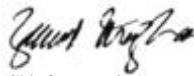


Chief Financial Officer

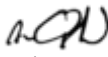
NADEEM TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

	30-Sep-19	30-Sep-18
	RUPEES	RUPEES
Profit after taxation	37,868,344	140,168,669
Other Comprehensive income	3,000,285	3,200,092
Total Comprehensive income for the period	<u>40,868,630</u>	<u>143,368,762</u>

The annexed notes from 1 to 10 form an integral part of this condensed interim financial statement.



Chief Executive
Karachi: October 30, 2019



Director

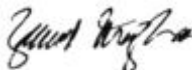


Chief Financial Officer

NADEEM TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

	Sep. 30, 2019	Sep. 30, 2018
	RUPEES	RUPEES
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	39,616,960	155,693,215
Adjustments for non-cash and other items:		
Depreciation	32,902,866	33,740,026
Provision for gratuity	9,160,517	8,167,343
Loss / (gain) on disposal on property, Plant and equipment	(135,443)	256,702
Finance costs	76,652,048	40,731,487
	118,579,988	82,895,558
Operating profit before working capital changes	158,196,948	238,588,773
(Increase) / decrease in current assets		
Stores, spares and loose tools	(172,334)	(3,185,101)
Stock in trade	(747,287,639)	445,226,718
Trade debts	(101,858,102)	(155,503,252)
Loans and advances	118,508,148	836,082
Investments, deposits other receivables	(7,513,956)	9,029,546
	(738,323,883)	296,403,993
(Decrease) / increase in current liabilities		
Trade and other payables	392,818,098	62,990,920
Net cash generated / (used) in operations	(187,308,837)	472,001,846
Gratuity paid	(6,774,880)	(5,579,130)
Taxes paid	-	(32,924,480)
Finance costs paid	(82,070,297)	(51,668,738)
	(88,845,177)	(90,172,348)
Net cash used in operating activities	(276,154,014)	381,829,498
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition to property, plant & equipment	(61,998,879)	(32,176,650)
Proceeds from disposal of property, plant and equipment	1,050,000	2,008,332
Net cash used in investing activities	(60,948,879)	(30,168,318)
	(337,102,893)	351,661,180
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term finance - net	(16,709,238)	(16,709,266)
Loan from associate - net	(9,135,167)	(16,831,667)
Net cash flow used in financing activities	(25,844,405)	(33,540,933)
Net increase / (decrease) in cash & cash equivalents	(362,947,298)	318,120,247
Cash & cash equivalents at the beginning of the period	(1,454,872,000)	(1,596,938,298)
Cash and cash equivalents at end of the period	(1,817,819,298)	(1,278,818,051)
Cash and cash equivalents comprise of:		

The annexed notes from 1 to 10 form an integral part of this condensed interim financial statement.



Chief Executive
Karachi: October 30, 2019



Director

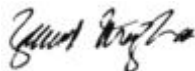


Chief Financial Officer

NADEEM TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2019

	Issued, subscribed and paidup capital	Share premium	Unappro- priated profit	Revaluation surplus on property, plant & equipment	TOTAL
	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at July 01, 2018	192,119,850	177,597,289	357,288,753	324,611,119	1,051,617,011
Total comprehensive income (July 01, 2018 to September 30, 2018)	-	-	143,368,762	(3,200,092)	140,168,669
Balance as at Sep. 30, 2018	192,119,850	177,597,289	500,657,515	321,411,029	1,191,785,683
Balance as at July 1, 2019	192,119,850	177,597,289	538,359,167	312,229,122	1,220,305,428
Total comprehensive income (July 01, 2019 to September 30, 2019)	-	-	40,868,630	(3,000,285)	37,868,344
Balance as at Sep. 30, 2019	192,119,850	177,597,289	579,227,797	309,228,837	1,258,173,776

The annexed notes from 1 to 10 form an integral part of this condensed interim financial statement.



Chief Executive
Karachi: October 30, 2019



Director



Chief Financial Officer

NADEEM TEXTILE MILLS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2019

1 STATUS AND NATURE OF BUSINESS

Nadeem Textile Mills Limited ("the Company") was incorporated in Pakistan as public limited company on July 15, 1984 and its shares are listed on the Pakistan Stock Exchange Limited. The main business of the Company is manufacture and sale of yarn.

The geographical location and address of the Company's business units, including mills/plant is as under:

The registered office of the Company is situated at 801-804, Lakson square Building No.3, Sarwar Shaheed Road, Karachi

The Company's mills is located at;

- Unit-1: A-265, S.I.T.E., Nooriabad, district Jamshoro, Sindh.
- Unit-2: E-11, S.I.T.E., Kotri, district Jamshoro, Sindh.

2 STATEMENT OF COMPLIANCE

This condensed interim financial report of the Company for the three months ended September 30, 2019 has been prepared in accordance with the requirements of the International Accounting Standards 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 Ordinance have been followed.

This condensed interim financial report comprises of the condensed interim statement of financial position as at Septemehr 30, 2019 and the condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and the condensed interim statement of cash flow together with the condensed interim notes to the interim financial information forming for the three months ended.

The comparative condensed financial position, presented in this condense interim financial report, as at June 30, 2019 has been extracted from the annual audited financial statements of the Company for the year ended June 30, 2019 whereas the comparative condensed interim statement profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement cash flow for the three months period ended September 30, 2018 have been extracted from the condensed interim financial information for the three months ended September 30, 2018.

3 ACCOUNTING POLICIES

These interim financial information have been prepared using the same accounting convention, basis of preparation and significant accounting policies as those applied in the preparation of the audited financial statements for the year ended June 30, 2019.

4 ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the condensed interim financial information in conformity with approved accounting standards require management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

In preparing the condensed interim financial information, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the preceding published annual financial statements of the Company as at and for the year ended June 30, 2019.

	Un-Audited Sep. 30, 2019 RUPEES	Audited June 30, 2019 RUPEES
5 PROPERTY, PLANT & EQUIPMENT		
Property, plant & equipment	1,632,963,310	1,606,579,792
Capital work in progress	<u>6,825,167</u>	<u>19,825,824</u>
	<u><u>1,639,788,477</u></u>	<u><u>1,626,405,616</u></u>

This detail of operating property, plant & equipment that have been added / disposed off during the quarter ended September 30, 2019 is as follows:

ACQUISITION AND DISPOSAL OF PREOPERTY, PLANT & EQUIPMENT

	Sep. 30, 2019 (Un-Audited)		June 30, 2019 (Audited)	
	Addition Rs.	Deletion Rs.	Addition Rs.	Deletion Rs.
Land – Leasehold	-	-	-	-
Factory building	-	-	3,254,440	-
Office premises	12,171,845	-	1,885,872	(4,500,000)
Plant & machinery	47,479,735	-	123,818,253	(45,782,533)
Computer equipment	56,980	-	450,880	-
Office equipment	451,200	-	289,000	-
Furniture and fixture	41,171	-	630,409	-
Vehicles	-	(2,548,000)	21,445,417	(14,691,500)
	<u>60,200,931</u>	<u>(2,548,000)</u>	<u>151,774,271</u>	<u>(64,974,033)</u>

6 CONTINGENCIES & COMMITMENTS

Contingencies

Contingencies are same as previous financial statements dated June 30, 2019.

Commitments	Un-Audited Sep. 30, 2019 RUPEES	Audited June 30, 2019 RUPEES
Against letter of credit	89,187,309	332,736,018
Bank guarantee to Excise and Taxation Dept.	40,875,753	40,875,753
Revolving letter of credit to SSGC	34,983,987	34,983,987
FBP outstanding	243,463,957	375,511,406
Civil contractor	3,043,696	3,239,458
Post-dated cheques	93,046,560	91,881,560

7 TRANSACTIONS WITH RELATED PARTIES

Nadeem Power Generation (Pvt.) Ltd.

Associated company by virtue of common directorship

Electricity purchased	65,292,155	64,017,405
Rental income	10,000	10,000
Loan received	-	3,600,000
Loan repaid	3,860,167	75,000
Balance outstanding	10,160,204	11,385,371

Nadeem International (Pvt.) Ltd.

Associated company by virtue of common directorship

Weigh bridge expenses	45,000	45,000
Loan received	30,215,000	30,000
Loan repaid	23,165,000	4,065,000
Balance outstanding	393,700,000	382,615,000

Zahid Mazhar

Chief Executive Officer

Loan from director	10,000,000	10,000,000
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8 **FINANCIAL RISK MANAGEMENT**

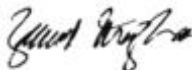
The company's financial risk management objectives and policies are consistent with that disclosed in the financial statements for the year ended June 30, 2019.

9 **DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were approved by the Board of Directors and authorized for issue on October 30, 2019.

10 **GENERAL**

Figures in these financial statements have been rounded off to the nearest rupee.



Chief Executive

Karachi: October 30, 2019



Director



Chief Financial Officer

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