

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. Waqar Hassan Siddiqui Mr. Nadeem Ahmed Mr. Mehmood Siddiqui
Chief Financial Officer	:	Mr. Omer Bin Zahid
Company Secretary	:	Mr. Abdul Amin
Audit Committee	:	Mr. Waqar 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	:	Habib Bank Limited Bank Al-Falah Limited Soneri Bank Limited Habib Metropolitan Bank Limited J. S. 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, 2020.

FINANCIAL RESULTS

Following are the key financial results of the company for the quarter ended September 30, 2020, as compared to corresponding period of last year:

	Sep. 30, 2020	Sep. 30, 2019
	Rs. In Million	Rs. In Million
Net Sales	1,885.84	1,757.52
Gross Profit	151.51	152.80
Gross Profit %	8.03%	8.69%
Profit / (Loss) before Tax	50.80	39.62
Profit / (Loss) after tax	16.50	37.87
Profit / (Loss) after tax %	0.88%	2.15%
Earning per share	Rs. 0.86	Rs. 1.97

Despite difficult business situation due to COVID-19 pandemic, the company managed to achieve sales turnover of Rs. 1,885.84 million during the quarter as compared Rs. 1,757.52 million of the corresponding period of last year showing an increase of 7.30%. The management of the company is determined to capture both local and international markets more rigorously by intelligent marketing strategies.

OVERVIEW

COVID-19 outbreak has adversely impacted the export business worldwide. Although Pakistan has substantially controlled the pandemic, yet there is a slowdown of export orders from international buyers due to the increasing number of new cases in many countries.

PRESENT AND FUTURE OUTLOOK

The Government is making efforts to mitigate the impact of COVID-19 by improving the overall economic situation of the country. The major steps taken by the government include a reduction in the policy rate to 7.0% and lowering rate of finance to entities to enforce retention of employees to contain unemployment.

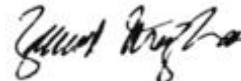
Owing to the continuous decline in the annual local cotton crop, Pakistan has to import about 4.5 million bales of cotton every year to meet its local demand. The government should give its immediate attention to ensure improvement in the cotton crop by providing good quality seeds and better research facilities.

The directors of the company are determined to improve profitability through further improvement in 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 the continuous support of customers, suppliers and bankers.

On behalf of Board of Directors



ZAHID MAZHAR
Chief Executive

Karachi:
October 29, 2020

ڈائریکٹرز رپورٹ

محترم حصص یافتگان،

بورڈ آف ڈائریکٹرز ۳۰ ستمبر ۲۰۲۰ 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 ۲۰۲۰ کو اختتام پذیر ہونے والی سرمایہ کے لئے کمپنی کے اہم مالیاتی نتائج گزشتہ سال کی اسی مدت کے مالیاتی نتائج کے مقابل میں درج ذیل ہیں۔

30 ستمبر 2019	30 ستمبر 2020	
روپے ملین میں	روپے ملین میں	
1,757.52	1,885.84	خالص فروخت
152.82	151.51	مجموعی منافع
8.69%	8.03%	مجموعی منافع %
39.62	50.80	منافع قبل از ٹیکس
37.87	16.50	منافع بعد از ٹیکس
2.15%	0.88%	منافع بعد از ٹیکس %
Rs. 1.97	Rs. 0.86	فی شخص آمدن

کوویڈ-۱۹ وبائی مرض کی وجہ سے مشکل کاروباری صورتحال کے باوجود کمپنی اس سرمایہ کے دوران 1,885.84 ملین روپے کی فروخت کرنے میں کامیاب رہی جو کہ پچھلے سال کی اسی مدت کی 1,757.52 ملین روپے کے مقابلے میں 7.30% کے اضافے کو ظاہر کرتی ہے۔ کمپنی کی انتظامیہ مارکیٹنگ کی بہترین حکمت عملی کے ذریعے مقامی اور بین الاقوامی دونوں مارکیٹوں میں اپنی فروخت بڑھانے کے لئے پرعزم ہے۔

چاٹزہ

کوویڈ-۱۹ پھیلنے سے دنیا بھر میں برآمدی کاروبار بری طرح متاثر ہوا ہے۔ اگرچہ پاکستان نے وبائی مرض پر کافی حد تک قابو پا لیا ہے لیکن اس کے باوجود بہت سے ممالک میں نئے کیسوں کی بڑھتی ہوئی تعداد کی وجہ سے بین الاقوامی خریداروں سے برآمدات کے آرڈر میں مشکلات کا سامنا ہے۔

موجودہ اور مستقبل کا لائحہ عمل

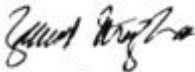
حکومت ملک کی مجموعی معاشی صورتحال کو بہتر بنا کر کوویڈ-۱۹ کے اثرات کو کم کرنے کی کوششیں کر رہی ہے۔ حکومت کی جانب سے اٹھائے گئے اہم اقدامات میں شرح سود کو 7.0% تک کم کرنا اور ملازمتوں کے روزگار کو برقرار رکھنے اور پیروزگاری پر قابو پانے کے لئے کم شرح سود پر اداروں کو قرضے فراہم کئے جانے جیسے اقدامات شامل ہیں۔

کیپاس کی سالانہ فصل میں مسلسل کمی کے سبب پاکستان کو اپنی مقامی طلب پوری کرنے کے لئے ہر سال کاٹن کی 4.5 ملین گاٹھیں درآمد کرنی پڑتی ہیں۔ حکومت کو چاہئے کہ وہ اچھے معیار کے بیج اور تحقیق کی بہتر سہولیات کی فراہمی کے ذریعے روٹی کی فصل میں بہتری کو یقینی بنائے۔

کمپنی کے ڈائریکٹرز پلانٹ آپریشن، تجارتی عمل اور مالی انتظام میں مزید بہتری کے ذریعے منافع میں بہتری لانے کے لئے پرعزم ہیں۔

اظہار تشکر

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



زابد مظہر
چیف ایگزیکٹو

کراچی 29 اکتوبر 2020

NADEEM TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT SEPTEMBER 30, 2020

	Note	Un-Audited Sep. 30, 2020 RUPEES	Audited June 30, 2020 RUPEES
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	1,743,947,752	1,762,441,100
Long term deposits		13,608,488	13,608,488
		1,757,556,240	1,776,049,588
CURRENT ASSETS			
Stores, spares and loose tools		91,699,872	88,790,763
Stock in trade		1,733,702,178	1,785,459,086
Trade debts		1,659,849,344	1,441,559,793
Investments - amortized cost		70,167,432	59,971,390
Loans and advances		367,322,279	55,740,641
Other receivables		30,652,424	25,233,182
Tax refunds due from government		711,577	24,329,869
Cash and bank balances		119,266,215	125,710,539
		4,073,371,320	3,606,835,263
TOTAL ASSETS		5,830,927,560	5,382,884,851
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
25,000,000 ordinary shares of Rs. 10/- each		250,000,000	250,000,000
Issued, subscribed and paid up capital		192,119,850	192,119,850
Advance against issue of shares		119,600,000	119,600,000
Un-appropriated profit		550,047,057	530,976,171
Revaluation surplus on property, plant & equipment		297,874,585	300,440,266
Share premium		177,597,289	177,597,289
		1,337,238,781	1,320,733,576
NON CURRENT LIABILITIES			
Long term financing		263,809,814	272,185,047
Deferred liabilities		115,869,422	104,804,153
Loan from associates		370,480,204	359,855,204
Deferred grant		8,769,759	6,802,278
		758,929,199	743,646,682
CURRENT LIABILITIES			
Loan from director		36,700,000	36,700,000
Trade and other payables		1,137,415,567	1,116,293,057
Accrued mark up		54,790,771	55,335,461
Short term borrowings		2,342,880,696	1,995,506,941
Unclaimed dividend		1,485,472	1,485,472
Current portion of long term financing		88,487,073	40,183,662
Current portion of loan from related parties		73,000,000	73,000,000
		3,734,759,580	3,318,504,593
Contingencies and commitments			
TOTAL EQUITY AND LIABILITIES		5,830,927,560	5,382,884,851

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



Chief Executive
Karachi: October 29, 2020



Director

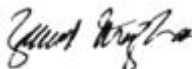


Chief Financial Officer

NADEEM TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2020

	30-SEP-20 RUPEES	30-SEP-19 RUPEES
Sales - net	1,885,838,106	1,757,515,000
Cost of sales and services	(1,734,331,257)	(1,604,714,049)
Gross Profit	151,506,849	152,800,951
Administrative expenses	(24,735,057)	(25,676,356)
Distribution costs	(10,502,415)	(18,276,351)
	(35,237,472)	(43,952,707)
Operating profit	116,269,377	108,848,244
Other operating income	4,199,041	10,749,202
Other operating expenses	(3,848,599)	(3,328,438)
Financial cost	(65,817,176)	(76,652,048)
	(65,466,734)	(69,231,284)
Profit before taxation	50,802,643	39,616,960
Taxation for the period	(34,297,438)	(1,748,615)
Profit after taxation	16,505,205	37,868,344
Earnings per share basic and diluted	0.86	1.97

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



Chief Executive
Karachi: October 29, 2020



Director

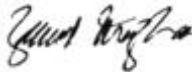


Chief Financial Officer

NADEEM TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2020

	30-Sep-20 RUPEES	30-Sep-19 RUPEES
Profit after taxation	16,505,205	37,868,344
Other Comprehensive income	2,565,681	3,000,285
Total Comprehensive income for the period	<u>19,070,886</u>	<u>40,868,629</u>

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



Chief Executive
Karachi: October 29, 2020



Director



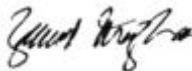
Chief Financial Officer

NADEEM TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2020

	Sep. 30, 2019	Sep. 30, 2019
	RUPEES	RUPEES
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	50,802,643	39,616,960
Adjustments for non-cash and other items:		
Depreciation	36,475,394	32,902,866
Provision for gratuity	8,488,446	9,160,517
Loss / (gain) on disposal on property, Plant and equipment	-	(135,443)
Finance costs	65,817,176	76,652,048
	110,781,016	118,579,988
Operating profit before working capital changes	161,583,659	158,196,948
(Increase) / decrease in current assets		
Stores, spares and loose tools	(2,909,109)	(172,334)
Stock in trade	51,756,908	(747,287,639)
Trade debts	(218,249,551)	(101,858,102)
Loans and advances	(311,581,638)	118,508,148
Investments, deposits other receivables	(15,615,284)	(7,513,956)
	(496,598,674)	(738,323,883)
(Decrease) / increase in current liabilities		
Trade and other payables	21,122,510	392,818,098
Net cash generated / (used) in operations	(313,892,504)	(187,308,837)
Gratuity paid	(5,607,675)	(6,774,880)
Taxes paid	(3,710,660)	-
Finance costs paid	(66,361,865)	(82,070,297)
	(75,680,200)	(88,845,177)
Net cash used in operating activities	(389,572,704)	(276,154,014)
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition to property, plant & equipment	(14,798,553)	(61,998,879)
Proceeds from disposal of property, plant and equipment	-	1,050,000
Net cash used in investing activities	(14,798,553)	(60,948,879)
	(404,371,257)	(337,102,893)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term finance - net	39,928,178	(16,709,238)
Loan from associate - net	10,625,000	(9,135,167)
Net cash flow used in financing activities	50,553,178	(25,844,405)
Net increase / (decrease) in cash & cash equivalents	(353,818,079)	(362,947,298)
Cash & cash equivalents at the beginning of the period	(1,869,796,402)	(1,454,872,000)
Cash and cash equivalents at end of the period	(2,223,614,481)	(1,817,819,298)

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 29, 2020



Director

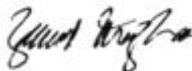


Chief Financial Officer

NADEEM TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2020

	Issued, subscribed and paidup capital	Advance Against issue of shares	Share premium	Un-appro- priated profit	Revaluation surplus on property, plant & equipment	TOTAL
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at July 01, 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
Balance as at July 1, 2020	192,119,850	119,600,000	177,597,289	530,976,171	300,440,266	1,320,733,576
Total comprehensive income (July 01, 2020 to September 30, 2020)	-	-	-	19,070,886	(2,565,681)	16,505,205
Balance as at Sep. 30, 2020	192,119,850	119,600,000	177,597,289	550,047,057	297,874,585	1,337,238,781

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



Chief Executive
Karachi: October 29, 2020



Director



Chief Financial Officer

NADEEM TEXTILE MILLS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2020

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, 2020 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 September 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, 2020 has been extracted from the annual audited financial statements of the Company for the year ended June 30, 2020 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, 2019 have been extracted from the condensed interim financial information for the three months ended September 30, 2019.

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, 2020.

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, 2020.

	Un-Audited Sep. 30, 2020 RUPEES	Audited June 30, 2020 RUPEES
5 PROPERTY, PLANT & EQUIPMENT		
Property, plant & equipment	1,733,014,323	1,759,538,807
Capital work in progress	10,933,429	2,902,293
	1,743,947,752	1,762,441,100

This detail of operating property, plant & equipment that have been added / disposed off during the quarter ended September 30, 2020 is as follows:

ACQUISITION AND DISPOSAL OF PREOPERTY, PLANT & EQUIPMENT

	Sep. 30, 2020 (Un-Audited)		June 30, 2020 (Audited)	
	Addition Rs.	Deletion Rs.	Addition Rs.	Deletion Rs.
Land – Leasehold	-	-	-	-
Factory building	-	-	427,650	-
Office premises	-	-	16,721,968	-
Plant & machinery	4,160,248	-	286,419,431	(30,689,875)
Computer equipment	20,500	-	138,305	-
Office equipment	88,500	-	1,664,670	-
Furniture and fixture	113,169	-	262,800	-
Vehicles	-	-	-	(4,371,505)
	4,382,417	-	305,634,824	(35,061,380)

6 CONTINGENCIES & COMMITMENTS

Contingencies

Contingencies are same as previous financial statements dated June 30, 2020.

	Un-Audited Sep. 30, 2020 RUPEES	Audited June 30, 2020 RUPEES
Commitments		
Against letter of credit	158,743,049	277,944,693
Bank guarantee to Excise and Taxation Dept.	55,375,753	52,875,753
Revolving letter of credit to SSGC	50,375,789	34,983,987
Bank guarantee to HESCO	2,502,000	2,502,000
FBP outstanding	55,671,361	93,371,408
Civil contractor	2,627,627	2,879,627
Post-dated cheques	91,881,560	91,881,560

7 TRANSACTIONS WITH RELATED PARTIES

Nadeem Power Generation (Pvt.) Ltd.

Relationship and percentage shareholding - Significant influence

	Un-Audited Sep. 30, 2020 RUPEES	Un-Audited Sep. 30, 2019 RUPEES
Transactions during the period		
Electricity purchased	72,515,916	65,292,155
Rental income	10,000	10,000
Loan received	7,900,000	-
Loan repaid	10,775,000	3,860,167
Balance outstanding	11,480,204	10,160,204

Nadeem International (Pvt.) Ltd.

Relationship and percentage shareholding - Significant influence

Transactions during the period

	Un-Audited Sep. 30 2020 RUPEES	Un-Audited Sep. 30 2019 RUPEES
Weigh bridge expenses	45,000	45,000
Loan received	13,500,000	30,215,000
Loan repaid	-	23,165,000
Balance outstanding	432,000,000	393,700,000

Zahid Mazhar

Chief Executive Officer

Loan from director -Outstanding balance	26,300,000	10,000,000
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Naila Zahid

Chairperson

Loan from director -Outstanding balance	10,400,000	-
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8 FINANCIAL RISK MANAGEMENT

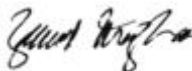
The company's financial risk management objectives and policies are consistent with that disclosed in the financial statements for the year ended June 30, 2020.

9 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were approved by the Board of Directors and authorized for issue on October 29, 2020.

10 GENERAL

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



Chief Executive
Karachi: October 29, 2020



Director



Chief Financial Officer

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