

## **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 Commitee	:	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 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 : 324248 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		



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DIRECTORS' REPORT

Dear Shareholders,

The Board of Directors presents its report together with the Reviewed Interim Financial Statements of the Company for the nine months ended March 31, 2019.

#### **OPERATING RESULTS**

The financial results of the Company for the nine months ended March 31, 2019 has considerably improved as compared to the results of comparative period of last year. The directors of the company are determined to maintain this performance in the future by further improving plant operations, commercial operations and financial management.

Following are the financial highlights for the period under review:

	Mar. 31, 2019 Rs. In Million	Mar. 31, 2018
	RS. IN WIIIION	Rs. In Million
Net Sales	5,163.04	4,547.83
Gross Profit	525.22	307.14
Profit / (Loss) before Tax	224.45	27.07
Profit / (Loss) after tax	170.55	19.03
Earning per share	8.88	1.04

#### OVERVIEW

During the period under review, the company managed to achieve sales turnover of Rs. 5,163.04 million as compared to Rs. 4,547.83 million of the comparative period showing an increase of 13.52%. The gross profit of the period significantly increased to Rs. 525.22 million as compared to Rs. 307.14 million of the corresponding period of last year showing an increase of 71.00%.

## FUTURE OUTLOOK

With a rising cost of doing business, other issues like shortage of raw material, rising interest rates, low level of ease of doing business and inordinate delay in payment of refunds must be resolved by the government to make the textile industry viable. We have high hopes with the present government to take tradematic steps to create business and export friendly measures to give immediate boost to textile industry.

#### ACKNOWLEDGEMENT

The management of the Company appreciates the efforts of its employees, and continuous support of customers, suppliers and bankers.

On behalf of Board of Directors

ZAHID MAZHAR Chief Executive

Karachi: April 29, 2019



## ڈ ائر یکٹرزر پورٹ

محتر حصص یافتگان، بورڈ آف ڈائر کیٹرز اسمارچ واب کو تحتم ہونے والی تیسری سہ ماہی کے لئے کمپنی کے عبوری مالیاتی نتائج اپنی رپورٹ کے ساتھ پیش کرتا ہے۔ **مالیاتی نتائج** واضح طور پر بہتر ہوئے ہیں۔ کمپنی کے ڈائر کیٹر ستفتہل میں پلانٹ کے آپریشن، تجارتی سرگر میوں اور مالیاتی انتظام کو بہتر بنا کراپنی کارکردگی کو مزید بہتر ہونے نیں۔ کمپنی کے ڈائر کیٹر ستفتہل میں پلانٹ کے آپریشن، تجارتی سرگر میوں اور مالیاتی انتظام کو بہتر بنا کراپنی دوران مدت کی اہم مالیاتی جھلکیاں درج ذیل ہیں۔

31 مارچ2018 روپیځلین میں	31 مارچ2019 روییچ ملین میں	
4,547.83	5,163.04	خالص فروجت
307.14	525.22	مجموعي منافع
27.07	224.45	منافع قبل ازطيس
19.03	170.55	منافع بعداز ٹیکس 
1.04	8.88	فيحصص آمدن

. دوران مدت کمپنی کی فروخت 5,163.04 ملین روپے رہی جو کہ متقابلہ مدت کے دوران 4,547.83 ملین روپے تھی جو کہ 13.52% اضافے کو خاہر کرتی ہے۔دوران مدت کا مجموعی منافع نمایاں اضافے کے ساتھ بڑھ کر 22.255 ملین روپے ہو گیا جو کہ گزشتہ سال کی ای مدت کے 14.307 ملین روپئے کے مقابلے میں %71.00 اضافے کو خاہر کرتا ہے۔ **مستقبل کا نقطہ نظر** 

کاروباری اخراجات میں اضاف کے ساتھ ساتھ دیگر مسائل جیسے خام مال کی کمی، بڑھتی ہوئی سود کی شرح، کار وباری معاملات کے دوران در پیش معاملات اور ادائیگیوں میں غیر معمولی تاخیر کوحل کیا جانا ضروری ہے۔ ہمیں موجودہ حکومت سے قومی امید ہے کہ دہ ایسے دوستا نہ کاروباری اور برآ مدی پالیسیاں تجویز کرے گی اورا یسے تجارتی اقد امات کرے گی جو کہ ٹیکسٹاکل کی صنعت کی ترقی کابا عث ہوں۔

اظهارتشكر سمپنی کی انتظامیہ اپنے ملاز مین کی کوششوں اور گا ہموں، سپلائرزاور بینکاروں کے سلسل تعاون کوقد رکی نگاہ ہے دیکھتی ہے۔

كرا حي 29 ايريل 2019

حائزه

مراجعته استهار زایدظهر

چیف ایگزیکٹو

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## NADEEM TEXTILE MILLS LIMITED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED) AS AT MARCH 31, 2019

ASSETS NON-CURRENT ASSETS	Note	Un-Audited Mar. 31, 2019 RUPEES	Audited June 30, 2018 RUPEES
Property, plant and equipment	5	1,627,709,144	1,663,043,411
Long term deposits	Ū	13,622,274	13,622,274
Deferred taxation		21,427,010	23,128,977
		1,662,758,429	1.699.794.662
CURRENT ASSETS		.,,,	.,,
Stores, spares and loose tools		84.433.383	76,884,797
Stock in trade		1,419,109,799	1,231,609,339
Trade debtors - unsecured - considered good		976,353,201	640,857,885
Loans and advances		116,094,386	38,304,295
Deposits, prepayments and other receivable		186,358,903	207,459,849
Taxation - net		122,519,539	115,488,303
Cash and bank balances		118,188,168	99,030,982
		3,023,057,379	2,409,635,451
TOTAL ASSETS		4,685,815,807	4,109,430,112
EQUITY AND LIABILITIES			<u> </u>
Authorized share capital			
25,000,000 ordinary shares of Rs. 10/- each		250,000,000	250,000,000
Issued, subscribed and paid-up capital			
19,211,985 (June 30, 2018: 19,211,985) ordina	ry shares		
of Rs. 10/- each		192,119,850	192,119,850
Share premium		177,597,289	177,597,289
Surplus on revaluation of property, plant & equi	oment	315,141,363	324,611,119
Unappropriated profits		506,557,011	357,288,753
		1,191,415,513	1,051,617,011
NON CURRENT LIABILITIES			
Long term finances - secured		104,779,285	148,283,561
Deferred liabilities	6	66,559,050	63,250,494
Loan from associates		340,045,371	316,770,371
		511,383,706	528,304,426
CURRENT LIABILITIES			
Loan from director		10,000,000	10,000,000
Trade and other payables		776,000,304	685,957,623
Accrued mark up		55,915,892	39,138,030
Short term borrowings - secured	7	1,965,308,524	1,615,969,280
Unclaimed dividend		19,951,848	1,478,723
Current portion of long term finance		75,840,019	96,965,019
Loan from associate		80,000,000	80,000,000
		2,983,016,587	2,529,508,675
Contingencies and commitments	8		
TOTAL EQUITY AND LIABILITIES		4,685,815,807	4,109,430,112

Chief Executive Karachi: April 29, 2019

Director

Chief Financial Officer

## NADEEM TEXTILE MILLS LIMITED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2019

	For the Nine M	Ionths ended	For the Quarter ended		
	31-Mar-19 RUPEES	31-Mar-18 RUPEES	31-Mar-19 RUPEES	31-Mar-18 RUPEES	
Turnover - net	5,163,043,591	4,547,833,615	2,004,298,938	1,415,694,850	
Cost of sales	(4,637,828,038)	(4,240,688,853)	(1,850,308,907)	(1,299,303,559)	
Gross Profit	525,215,553	307,144,762	153,990,031	116,391,291	
Administrative					
expenses	(72,196,547)	(69,986,254)	(26,184,080)	(22,938,397)	
Distribution costs	(52,056,158)	(57,255,989)	(19,441,641)	(16,121,735)	
	(124,252,705)	(127,242,243)	(45,625,721)	(39,060,132)	
Operating profit	400,962,849	179,902,520	108,364,311	77,331,158	
Finance costs Other operating	(170,749,765)	(123,083,959)	(70,983,185)	(50,668,812)	
(expenses)/income	(5,762,422)	(29,746,308)	(3,392,406)	(8,780,816)	
	(176,512,187)	(152,830,267)	(74,375,591)	(59,449,628)	
Profit before taxation Taxation	224,450,662	27,072,253	33,988,720	17,881,531	
Current	(51,674,619)	(41,141,576)	(21,828,529)	(14,306,005)	
Prior	(526,815)	(1,831,367)	-	-	
Deferred	(1,701,967)	34,927,573	3,375,066	4,777,790	
	(53,903,401)	(8,045,370)	(18,453,463)	(9,528,215)	
Profit after taxation	170,547,260	19,026,883	15,535,256	8,353,316	
Earnings per share basic and diluted	8.88	1.04	0.81	0.46	

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Chief Executive Karachi: April 29, 2019

Director

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Chief Financial Officer

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## NADEEM TEXTILE MILLS LIMITED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2019

	For the Nine Months ended		For the Quarter ended	
	31-Mar-19 RUPEES	31-Mar-18 RUPEES	31-Mar-19 RUPEES	31-Mar-18 RUPEES
Profit for the period	170,547,260	19,026,883	15,535,256	8,353,316
Other Comprehensive income	-	-	-	-
Total Comprehensive income for the period	170,547,260	19,026,883	15,535,256	8,353,316

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Chief Executive Karachi: March 29, 2019

Director

Chief Financial Officer



## NADEEM TEXTILE MILLS LIMITED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2019

	Mar. 31, 2019 RUPEES	Mar. 31, 2018 RUPEES
CASH FLOWS FROM OPERATING ACTIVITIES	004 450 000	07 070 050
Profit before taxation	224,450,662	27,072,253
Adjustments for non-cash and other items Depreciation	101,986,584	98,130,658
Provision for gratuity	24,502,029	20,967,945
Loss / (gain) on disposal on property.	24,302,023	20,307,343
Plant and equipment	(1,503,300)	4,784,634
Contribution to workers' profit participation fund	12,054,278	1,443,803
Contribution to workers' welfare fund	4,580,626	-
Finance costs	170,749,765	123,083,959
	312,369,982	248,410,999
Operating profit before working capital changes (Increase) / decrease in current assets	536,820,644	275,483,252
Stores, spares and loose tools	(7,548,586)	(20,515,300)
Stock in trade	(187,500,460)	(834,894,830)
Trade debts unsecured – considered good	(335,495,316)	(174,544,935)
Loans and advances	(77,790,091)	(314,076,856)
Deposits, prepayments and other receivables	1,621,732	(122,593,386)
	(606,712,721)	(1,466,625,307)
(Decrease) / increase in current liabilities	05 450 000	207 270 570
Trade and other payables Net cash generated / (used) in operations	<u>85,458,980</u> 15,566,903	<u>397,270,570</u> (793,871,485)
Taxes paid	(41,666,806)	(33,944,491)
Workers' profit participation fund paid	(10,137,859)	(1,336,112)
Gratuity paid	(21,193,473)	(17,560,008)
Finance costs paid	(153,971,903)	(108,804,855)
	(226,970,041)	(161,645,466)
Net cash used in operating activities	(211,403,138)	(955,516,951)
CASH FLOWS FROM INVESTING ACTIVITIES	(,,,	(000,010,001)
Capital expenditure	(80,975,505)	(124,045,953)
Long term deposit	-	(432,155)
Proceeds from disposal of property, plant and equipment	15,826,495	7,198,426
Net cash used in investing activities	(65,149,010)	(117,279,682)
CASH FLOWS FROM FINANCING ACTIVITIES		· · ·
Dividend paid	(12,275,635)	-
Long term loan repaid – net Loan acquired / (repaid) from associate - net	(64,629,276) 23,275,000	(43,926,294) (52,175,000)
Net cash used in financing activities	(53,629,911)	(96,101,294)
Net decrease in cash and cash equivalents	(330,182,058)	(1,168,897,927)
Cash and cash equivalents at beginning of the period	(1,516,938,298)	(1,178,796,859)
Cash and cash equivalents at beginning of the period	(1,847,120,356)	(2,347,694,786)
Cash and cash equivalents comprise of:	(1,047,120,000)	(2,347,034,700)
Cash and bank balances	118,188,168	41,252,354
Short term borrowings-secured	(1,965,308,524)	(2,388,947,141)
chort term borrowings scourcu	(1,847,120,356)	(2,347,694,786)
	(1,077,120,000)	(2,071,007,100)

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Chief Executive Karachi: April 29, 2019

Director

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Chief Financial Officer

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## NADEEM TEXTILE MILLS LIMITED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 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, 2017	156,195,000	123,710,000	202,021,367	-	481,926,367
Issuance of shares	35,924,850	53,887,289	-	-	89,812,139
Total comprehensive income for the nine months ended March 31, 2018	-	-	19,026,883	-	19,026,883
Surplus on revaluation of property, plant & equipment	-	-	-	328,160,499	328,160,499
Incremental depreciation transferred from surplus on revaluation of fixed assets – net of deferred tax	-	-	9,565,948	-	9,565,948
<i>Transactions with owners</i> Final dividend at the rate of PKR 0.35/- per share for the year ended June 30, 2017	-	-	(6,724,195)	-	(6,724,195)
Balance as at Mar. 31, 2018	192,119,850	177,597,289	223,890,003	328,160,499	921,767,641
Balance as at July 1, 2018	192,119,850	177,597,289	357,288,753	324,611,119	1,051,617,011
Total comprehensive income for the nine months ended March 31, 2019	-	-	170,547,260	-	170,547,260
Incremental depreciation transferred from surplus on revaluation of fixed assets – net of deferred tax	-	-	9,469,758	(9,469,758)	-
<i>Transactions with owners</i> Final dividend at the rate of PKR 0.32/- per share for the year ended June 30, 2018	-	-	(30,748,760)	-	(30,748,760)
Balance as at Mar. 31, 2019	192,119,850	177,597,289	506,557,011	315,141,361	1,191,415,514

Chief Executive Karachi: April 29, 2019

Director

**Chief Financial Officer** 

## NADEEM TEXTILE MILLS LIMITED

#### NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2019

#### 1 STATUS AND NATURE OF BUSINESS

Nadeem Textile Mills Limited (the "Company") is a public listed company incorporated under the Companies Act, 2017 and is quoted on the Pakistan Stock Exchange (formerly Karachi Stock Exchange). The company is in the business of manufacturing and sale of cotton yarn. The manufacturing facility of the company is located at A-265, S.I.T.E, Nooriabad and E-11, S.I.T.E, Kotri, District Jamshoro, Sindh. The registered business office of the company is situated at Suite A-801 to A-804, Lakson Square Building No.3, Sarwar Shaheed Road, Karachi.

#### 2 STATEMENT OF COMPLIANCE

This condensed interim financial report of the Company for the nine months period ended March 31, 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 (the Act). In case where requirements differ, the provisions of or directives issued under the Act have been followed.

This condensed interim financial report comprises of the condensed interim balance sheet as at March 31, 2019 and the condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and the condensed interim cash flow statement together with the condensed interim notes to the interim financial information forming for the nine months ended.

The comparative condensed balance sheet, presented in this condense interim financial report, as at June 30, 2018 has been extracted from the annual audited financial statements of the Company for the year ended June 30, 2018 whereas the comparative condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim cash flow statement for the nine months period ended March 31, 2018 have been extracted from the condensed interim financial information for the nine months ended March 31, 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, 2018.

#### 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, 2018.

		Note	Un-Audited Mar. 31, 2019	Audited June 30, 2018
5	PROPERTY, PLANT & EQUIPMENT		RUPEES	RUPEES
	Property, plant & equipment		1,600,529,910	1,613,394,656
	Capital work in progress		27,179,234	49,648,755
			1,627,709,144	1,663,043,411

This detail of operating property, plant & equipment that have been added / disposed off during the nine months period ended March 31, 2019 is as follows:

		March 31, 2019 (Un-Audited)		30, 2018 dited)
	Addition Rs.	Deletion Rs.	Addition Rs.	Deletion Rs.
Factory building	-	-	1,830,684	-
Office premises	-	-	2,175,721	-
Plant & machinery	84,631,769	(42,182,533)	128,429,758	(25,813,087)
Computer equipment	354,100	-	144,063	-
Office equipment	289,000	-	542,715	-
Furniture and fixture	87,240	-	835,298	-
Vehicles	18,082,917	(13,646,500)	7,455,045	(4,017,800)
	103,445,026	(55,829,033)	141,413,284	(29,830,887)
		Un-Auc		Audited

		Mar. 31, 2019 RUPEES	June 30, 2018 RUPEES
6	DEFERRED LIABILITIES		
	Gratuity	66,559,050	63,250,494

#### 7 SHORT TERM BORROWINGS

These represent short term working capital finance facilities secured against pledge of stocks (Cotton, Yarn and Fibre), and trade receivable of the Company and charge over other current assets.

8 CONTINGENCIES & COMMITMENTS

#### Contingencies

Contingencies are same as previous financial statements dated June 30, 2018.

#### Commitments

Against letter of credit	344,337,617	68,622,408
Bank guarantee to Excise and Taxation Dept.	30,875,753	26,875,753
Bank guarantee to HESCO	-	10,290,000
Revolving letter of credit to SSGC	34,983,987	33,822,955
FBP outstanding	742,305,990	1,109,736,813
Civil contractor	6,259,378	5,157,475
Post dated cheques	91,893,560	74,994,161

#### 9 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of associated companies, other associated undertakings, directors and key management personnel. Transactions between the Company and the related parties are as follows:

		Un-Audited Mar. 31, 2019	Un-Audited Mar. 31, 2018
Transactions during the period	Nature of relationship	RUPEES	RUPEES
Electricity purchased	Associated undertaking	177,537,927	196,599,729
Rental income	Associated undertaking	6,760,000	10,000
Weighbridge	Associated undertaking	135,000	45,000
Loan received	Associated undertaking	32,515,000	2,500,000
Loan repaid	Associated undertaking	9,240,000	54,685,000
Balance outstanding			
Nadeem International (Pvt.) Ltd		402,500,000	35,715,000
Nadeem Power Generation (Pvt.) Ltd.		17,545,371	9,373,058
Loan from director		10,000,000	12,000,000



#### 10 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, 2018.

#### 11 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were approved by the Board of Directors and authorized for issue on April 29, 2019.

#### 12 GENERAL

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

Chief Executive Karachi: April 29, 2019

Director

Chief Financial Officer

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