

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. Noor Muhammad
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 Askari Bank Limited
Head Office / Registered Office	:	A 801-804, Lakson Square Building No. 3, Sarwar Shaheed Road, Karachi - Pakistan. Phone : (92-21) 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

CHAIRMAN REVIEW REPORT

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present before you the Chairman Review Report for the half year ended December 31, 2021 on the overall performance and effectiveness of the Board in achieving the Company's objectives.

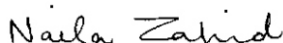
The Company achieved a sales turnover of Rs. 6,601.90 million during the half year as compared to Rs. 4,196.79 million of the corresponding period of last year showing an increase of 57.31%. The Company managed to earn a net profit after tax of Rs. 758.62 million as compared to Rs. 156.54 million of the corresponding period of last year.

Due to a revival in the demand of textile products, Pakistan textile industry grew onward after Covid-19 related lockdowns. The Company took advantage of favorable market conditions and performed very well during the period. The management of the company has made its best efforts to ensure continuity and profitability of the Company besides safeguarding employees' safety, security and health.

The overall performance and effectiveness of the Board of Directors was evaluated as satisfactory during the reporting period. Assessments are based on the efficiency of strategic planning, policymaking, resource management, and business operations. A self-assessment of the board and its committees is conducted. The purpose of this assessment is to ensure that board performance is measured in the context of the company's overall business goals and governance structure.

On behalf of the Board of Directors, I would like to acknowledge that all employees have contributed to the success of the company. I would also like to thank our shareholders, customers, suppliers, bankers, and other stakeholders for their continued trust and support.

On behalf of the Board of Directors

A handwritten signature in black ink, reading "Naila Zahid".

Naila Zahid
Chairperson

Karachi:
February 28, 2022

چیئر مین کی جائزہ رپورٹ

محترم حصص یافتگان،

بورڈ آف ڈائریکٹرز کی جانب سے کمپنی کے مقاصد کے حصول میں بورڈ کی مجموعی کارکردگی اور مؤثر کردار کے بارے میں ۳۱ دسمبر ۲۰۲۱ کو اختتام پذیر نصف سال کے لئے چیئر مین جائزہ رپورٹ آپ کے سامنے پیش کرتے ہوئے میں خوشی محسوس کرتی ہوں۔

دوران مدت کمپنی 6,601.90 ملین روپے کی فروخت کے حصول میں کامیاب رہی جو کہ پچھلے سال کی اسی مدت کے دوران کی جانے والی 4,196.79 ملین روپے کی فروخت کے مقابلے میں 57.31% اضافے کو ظاہر کرتی ہے۔ کمپنی نے 758.62 ملین روپے کا بعد از ٹیکس منافع حاصل کیا جو کہ پچھلے سال کی اسی مدت کے دوران 156.54 ملین روپے تھا۔

COVID-19 سے متعلقہ لاک ڈاؤن کے بعد ٹیکنیکل مصنوعات کی مانگ میں بحالی کے باعث پاکستان کی ٹیکنیکل انڈسٹری تیزی سے آگے بڑھی۔ کمپنی نے مارکیٹ کے سازگار حالات کا فائدہ اٹھایا اور اس مدت کے دوران بہت اچھی کارکردگی کا مظاہرہ کیا۔ کمپنی کی انتظامیہ نے ملازمین کی حفاظت، سلامتی اور صحت کے تحفظ کے علاوہ کمپنی کے تسلسل اور منافع کو یقینی بنانے کے لئے پوری کوششیں کی ہیں۔

دوران مدت بورڈ آف ڈائریکٹرز کی مجموعی کارکردگی کو جانچ کے بعد مؤثر اور تسلی بخش قرار دیا گیا۔ یہ تشخیص بہترین منصوبہ بندی، پالیسی سازی، وسائل کے انتظام اور کاروباری کارکردگی پر مبنی ہیں۔ بورڈ اور اس کی دیگر کمیٹیوں کا خود جائزہ لیا جاتا ہے۔ اس تشخیص کا مقصد اس بات کو یقینی بنانا ہے کہ بورڈ کی کارکردگی کو کمپنی کے مجموعی کاروباری اہداف اور گورننس کے ڈھانچے کے تناظر میں ناپا جائے۔

میں بورڈ کی جانب سے کمپنی کی کامیابی میں اپنے تمام ملازمین کی شراکت کو تسلیم کرنا چاہتی ہوں۔ میں اپنے حصص یافتگان، صارفین، سپلائی کنندگان، بینکرز اور دیگر اسٹیک ہولڈرز کے اعتماد اور حمایت کے لئے ان کا شکریہ بھی ادا کرتی ہوں۔

منجانب بورڈ آف ڈائریکٹرز

Naila Zaid
نائلہ زاہد

چیئر پرسن

کراچی 28 فروری 2022

DIRECTORS' REPORT

Dear Shareholders,

The Board of Directors is pleased in presenting before you its report together with the Reviewed Interim Financial Statements of the Company for the half year ended December 31, 2021.

FINANCIAL RESULTS

Financial highlights of the Company for the half year ended December 31, 2021, along with the comparative figures of last year are as under:

	December 31, 2021 Rs. In Million	December 31, 2020 Rs. In Million
Sales net	6,601.90	4,196.79
Gross Profit	1,152.10	471.92
Gross Profit %	17.45%	11.24%
Profit before Tax	799.85	255.56
Profit after tax	758.62	156.54
Profit after tax %	11.49%	3.74%
Earning per share	Rs. 35.27	Rs. 7.28

The financial results for the half year ended December 31, 2021 show overall improvement in the Company's performance. The Company achieved a sales turnover of Rs. 6,601.90 million during the period as compared to Rs. 4,196.79 million during the corresponding period of last year, showing an increase of 57.31%. The Company's after-tax profit also increased to Rs. 758.62 million as compared to Rs. 156.54 million for the corresponding period of last year.

OVERVIEW

The overall exports of Pakistan Textile Industry during the first half of the fiscal year 2021-22 has increased by 26.05% to \$9.381 billion, as compared to \$7.442 billion of the corresponding period of last year. This increase in textile exports is mainly due to the country's significant success against the crisis of COVID-19 outbreak and timely vaccination to the majority of its population. Pakistan textile industry is likely to grow onward due to a revival in demand after Covid-19 related lockdowns globally.

The cotton output for the current year has been estimated at 8.48 million bales as compared to 5.6 million bales of the last year. However, the country's cotton output will remain short by almost 40% of the textile industry's total demand of about 14 million bales.

PRESENT AND FUTURE OUTLOOK

The management of the company continues its policy to invest in the expansion and BMR of its mills. The Company is importing 28 sets High Production Carding machines, 6 sets Draw Frames, Blow Room machines, and 2 gas efficient generators of 1,500 KW each through LTFF. The Profitability of the company will further improve after the installation of these machineries.

The management of the company is determined to achieve optimum results by increasing its share in both local and international markets more rigorously through aggressive marketing strategies.

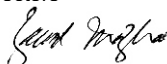
ACKNOWLEDGEMENT

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

On behalf of the Board of Directors



Omer Bin Zahid
Director



Zahid Mazhar
Chief Executive

Karachi:
February 28, 2022

ڈائریکٹرز رپورٹ

محترم حصص یافتگان،

بورڈ آف ڈائریکٹرز ۳۱ دسمبر ۲۰۲۱ء کو اختتام پذیر نصف سال کے لئے کمپنی کے نظر ثانی شدہ عبوری مالیاتی نتائج اپنی رپورٹ کے ساتھ پیش کرتے ہوئے خوش محسوس کرتے ہیں۔

مالیاتی نتائج

۳۱ دسمبر ۲۰۲۱ء کو اختتام پذیر پہلی نصف سال کے لئے کمپنی کے اہم مالیاتی نتائج کا موازنہ گزشتہ سال کے تقابلی اعداد و شمار کے ساتھ درج ذیل ہے۔

31 دسمبر 2020	31 دسمبر 2021	
روپے ملین میں	روپے ملین میں	
4,196.79	6,601.90	خالص فروخت
471.92	1,152.10	مجموعی منافع
11.24%	17.45%	مجموعی منافع %
255.56	799.85	منافع قبل از ٹیکس
156.54	758.62	منافع بعد از ٹیکس
3.74%	11.49%	منافع بعد از ٹیکس %
Rs. 7.28	Rs. 35.27	فی حصص آمدن

۳۱ دسمبر ۲۰۲۱ء کو اختتام پذیر ششماہی کے مالی نتائج کمپنی کی کارکردگی میں مجموعی بہتری کو ظاہر کرتے ہیں۔ دوران مدت کمپنی 6,601.90 ملین روپے کی فروخت کے حصول میں کامیاب رہی جو پچھلے سال کی اسی مدت کے دوران کی جانے والی 4,196.79 ملین روپے کی فروخت کے مقابلے میں %57.31 اضافے کو ظاہر کرتی ہے۔ کمپنی نے 758.62 ملین روپے کا بعد از ٹیکس منافع حاصل کیا جو کہ پچھلے سال کی اسی مدت کے دوران 156.54 ملین روپے تھا۔

جائزہ

پاکستان نیکسٹل انڈسٹری کی مجموعی برآمدات مالی سال 2021-22 کی پہلی ششماہی کے دوران %26.05 اضافے سے 9.381 ملین ڈالر تک پہنچ گئی ہیں جو کہ گزشتہ سال کی اسی مدت کے دوران 7.442 ملین ڈالر تھی۔ نیکسٹل کی برآمدات میں یہ اضافہ بنیادی طور پر COVID-19 کے بحران کے خلاف ملک کی نمایاں کامیابی اور اس کی آبادی کی اکثریت کو بروقت ویکسینیشن کی وجہ سے ہے۔ عالمی سطح پر COVID-19 سے متعلقہ لاک ڈاؤن کے بعد طلب میں بحالی کی وجہ سے پاکستان کی نیکسٹل انڈسٹری کے آگے بڑھنے کا امکان ہے۔

رواں سال کپاس کی پیداوار کا تخمینہ 8.48 ملین گانٹھوں کا لگایا گیا ہے جو کہ گزشتہ سال 5.60 ملین گانٹھیں تھیں۔ تاہم ملک کی کپاس کی پیداوار نیکسٹل انڈسٹری کی 14 ملین گانٹھوں کی مجموعی طلب سے %40 تک کم رہے گی۔

موجودہ اور مستقبل کا نقطہ نظر

کمپنی کی انتظامیہ اپنی ملوں کی توسیع اور BMR میں سرمایہ کاری جاری رکھے ہوئے ہے۔ کمپنی LTFF کے ذریعے 28 سیٹ ہائی پروڈکشن کارڈنگ مشین، 6 سیٹ ڈرافٹ فریم، بلوروم مشینیں اور 1,500 KW کے دو گیس جنریٹرز درآمد کر رہی ہے۔ ان مشینوں کی تنصیب کے بعد کمپنی کے منافع میں مزید بہتری آئے گی۔ کمپنی کی انتظامیہ مارکیٹنگ کی بہترین حکمت عملیوں کے ذریعے مقامی اور بین الاقوامی دونوں منڈیوں میں اپنے حصے میں اضافہ کر کے بہترین نتائج حاصل کرنے کے لئے پرعزم ہے۔

اظہار تشکر

بورڈ آف ڈائریکٹرز نے ملازمین کی کاوشوں اور صارفین، سپلائرز اور بینکرز کے مسلسل تعاون کو قدر کی نگاہ سے دیکھتی ہے۔

مناصب بورڈ آف ڈائریکٹرز

Said Mughal

زاہد مظہر
چیف ایگزیکٹو

عمر بن زاہد

ڈائریکٹر

کراچی 28 فروری 2022



**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF M/S NADEEM TEXTILE MILLS LIMITED
Report on Review of Condensed Interim Financial Statements**

Introduction

We have reviewed the accompanying condensed interim statement of financial position of M/s. Nadeem Textile Mills Limited ("the Company") as at December 31, 2021 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows and notes thereto for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the International Standards on Auditing, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As part of our engagement, we were only required to review the cumulative figures for the six-month period ended December 31, 2021. Accordingly, we have not reviewed the figures in the condensed interim statement of profit or loss and the condensed interim statement of comprehensive income for the three-month period ended December 31, 2021.

Conclusion


Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's review report is **Mr. Muhammad Rafiq Dosani**.

NADEEM TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2021

		Un-Audited Dec. 31, 2021 RUPEES	Audited Jun. 30, 2021 RUPEES
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	3	2,986,980,793	2,942,055,457
Long term deposits		13,908,488	13,608,488
		<u>3,000,889,281</u>	<u>2,955,663,945</u>
CURRENT ASSETS			
Stores, spares and loose tools		131,478,463	117,843,997
Stock in trade	4	2,373,700,566	1,041,106,025
Trade debts		2,301,825,907	1,678,765,237
Investments		103,113,452	82,439,482
Loans and advances		118,664,200	114,865,743
Other receivables		19,966,715	23,906,809
Tax refunds due from Government		217,030,324	25,744,511
Cash and bank balances		139,656,298	141,856,960
		<u>5,405,435,925</u>	<u>3,226,528,764</u>
TOTAL ASSETS		<u>8,406,325,206</u>	<u>6,182,192,709</u>
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorised Capital: 25,000,000 ordinary shares of Rs. 10 each		250,000,000	250,000,000
Issued, subscribed and paidup capital			
21,511,985 (June 30, 2021: 21,511,985) ordinary shares of Rs. 10/- each		215,119,850	215,119,850
Capital reserve			
Share premium		274,197,289	274,197,289
Surplus on revaluation of property, plant & equipment		1,295,349,746	1,305,611,412
Revenue reserve			
Unappropriated profits		1,889,082,832	1,184,734,861
		<u>3,673,749,717</u>	<u>2,979,663,412</u>
NON CURRENT LIABILITIES			
Long term financing		224,098,468	288,508,595
Deferred liabilities		134,364,107	149,930,739
Loan from related parties		399,050,204	377,650,204
Deferred grant		2,615,500	5,332,154
		<u>760,128,279</u>	<u>821,421,692</u>
CURRENT LIABILITIES			
Trade and other payables		792,149,380	816,957,298
Accrued mark-up		62,702,424	32,194,556
Short term borrowings	5	2,863,871,189	1,284,020,194
Unclaimed dividend		1,491,024	1,485,472
Loan from directors		50,700,000	60,700,000
Current portion of long term financing		135,883,193	112,750,085
Current portion of loan from related parties		65,650,000	73,000,000
		<u>3,972,447,210</u>	<u>2,381,107,605</u>
Contingencies and Commitments	6		
TOTAL EQUITY AND LIABILITIES		<u>8,406,325,206</u>	<u>6,182,192,709</u>

The annexed notes from 1 to 10 form an integral part of these condensed financial statements.


Chief Executive
 February 28, 2022


Director



Chief Financial Officer

NADEEM TEXTILE MILLS LIMITED

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED) FOR THE SIX MONTHS AND QUARTER ENDED DECEMBER 31, 2021

	For the half year ended		For the quarter Year ended	
	31-Dec-21 RUPEES	31-Dec-20 RUPEES	31-Dec-21 RUPEES	31-Dec-20 RUPEES
Sales (net)	6,601,903,331	4,196,793,370	3,541,389,624	2,301,955,264
Cost of Sales	(5,449,799,292)	(3,724,874,105)	(2,919,140,178)	(1,990,542,849)
Gross Profit	1,152,104,039	471,919,265	622,249,446	320,412,415
Administrative expenses	(68,511,951)	(57,535,261)	(34,692,985)	(32,800,204)
Distribution costs	(54,944,965)	(26,952,799)	(31,830,275)	(16,450,384)
	(123,456,916)	(84,488,060)	(66,523,260)	(49,250,588)
Operating profit	1,028,647,123	387,431,205	555,726,186	271,161,827
Finance costs	(181,321,431)	(136,287,507)	(112,589,761)	(70,470,331)
Other operating (expenses)/income	(47,474,274)	1,037,073	(25,076,472)	686,631
	(228,795,705)	(135,250,434)	(137,666,233)	(69,783,700)
Profit before taxation	799,851,418	252,180,771	418,059,953	201,378,127
Taxation				
Current	(61,448,713)	(55,457,144)	(25,727,411)	(29,344,203)
Prior	601,000	-	601,000	-
Deferred	19,618,555	(40,188,390)	(43,021,789)	(32,003,892)
	(41,229,158)	(95,645,534)	(68,148,200)	(61,348,095)
Profit after taxation	758,622,260	156,535,237	349,911,753	140,030,032
Earning per share -				
Basic and diluted	35.27	7.28	16.27	6.51

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


Chief Executive
February 28, 2022



Director


Chief Financial Officer

NADEEM TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE SIX MONTHS AND QUARTER ENDED DECEMBER 31, 2021

	For the half year ended		For the quarter Year ended	
	31-Dec-21 RUPEES	31-Dec-20 RUPEES	31-Dec-21 RUPEES	31-Dec-20 RUPEES
Profit for the period	758,622,260	156,535,237	349,911,753	140,030,032
Other comprehensive income	-	-	-	-
Total comprehensive income				
For the period	<u>758,622,260</u>	<u>156,535,237</u>	<u>349,911,753</u>	<u>140,330,032</u>

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


Chief Executive
February 28, 2022

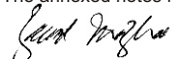

Director


Chief Financial Officer

NADEEM TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE SIX MONTHS ENDED DECEMBER 31, 2021

	DEC. 31, 2021 RUPEES	DEC. 31, 2020 RUPEES
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	799,851,418	252,180,771
Adjustment for non-cash and other items:		
Depreciation on operating fixed assets	88,702,416	74,035,411
Provision for gratuity	19,050,270	16,976,892
Loss /(gain) on disposal on property, plant & equipment	(651,942)	(35,833)
Contribution to Workers' Profits Participation Fund	46,213,491	14,187,887
Contribution to Workers' Welfare Fund	16,440,796	5,391,397
Finance cost	181,321,431	136,287,507
	351,076,462	246,843,261
Operating profit before working capital changes	1,150,927,880	499,024,032
(Increase) / decrease in current assets		
Stores, spares and loose tools	(13,634,466)	(13,328,633)
Stock in trade	(1,332,594,541)	524,473,170
Trade debts - unsecured, considered good	(623,060,670)	(143,820,152)
Loans and advances	(3,798,457)	(147,440,540)
Sales tax refundable	(185,741,879)	-
Other receivables	3,940,094	1,232,162
	(2,154,889,919)	221,116,007
Increase / (decrease) in current liabilities		
Trade and other payables	(87,462,202)	(147,714,219)
Net cash generated from / (used in) operations	(1,091,424,241)	572,425,820
Taxes paid	(66,386,102)	(37,996,923)
Long term deposits	(300,000)	-
Workers' Profit Participation Fund paid	-	(25,626,426)
Gratuity paid	(14,998,347)	(12,326,366)
Finance cost paid	(150,813,563)	(152,088,983)
	(232,498,012)	(228,038,698)
Net cash generated / (used in) from operating activities	(1,323,922,253)	344,387,122
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(143,319,111)	(92,047,044)
Proceeds from disposal of property, plant and equipment	10,343,305	336,225
Short term deposits	(20,673,970)	(14,196,042)
Net cash (used in) /generated from investing activities	(153,649,776)	(105,906,861)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(64,535,955)	-
Loan from director	(10,000,000)	-
Long term loan obtained / (repaid) - net	(43,993,673)	65,535,405
Loan acquired from associates - net	14,050,000	9,725,000
Net Cash flow used in financing activities	(104,479,628)	75,260,405
Net Increase / (Decrease) in Cash & Cash Equivalents	(1,582,051,657)	313,740,666
Cash & cash equivalents at the beginning of the period	(1,142,163,234)	(1,869,796,402)
Cash & cash equivalents at the end of the period	(2,724,214,891)	(1,556,055,736)
Cash and cash equivalents comprise of:		
Cash and bank balance	139,656,298	160,755,427
Short term borrowings	(2,863,871,189)	(1,716,811,163)
	(2,724,214,891)	(1,556,05736)

The annexed notes from 1 to 10 form an integral part of these condensed financial statements.



Chief Executive
February 28, 2022



Director




Chief Financial Officer

NADEEM TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE SIX MONTHS AND QUARTER ENDED DECEMBER 31, 2021

	Issued subscribed and paid-up capital	Advance against issue of shares	Share Premium	Unappropriated profit	Revaluation surplus on property, plant & equipment	Total
RUPEES						
Balance as at July 01, 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 December 31, 2020)	-	-	-	156,535,237	-	156,535,237
Incremental depreciation transferred from surplus on revaluation to fixed assets - net of deferred tax	-	-	-	5,927,086	(5,927,086)	-
Issuance of shares other than right shares	23,000,000	(23,000,000)	-	-	-	-
Share premium	-	(96,600,000)	96,600,000	-	-	-
Balance as at December 31, 2020	215,119,850	-	274,197,289	693,438,494	294,513,180	1,477,268,813
Balance as at July 01, 2021	215,119,850	-	274,197,289	1,184,734,861	1,305,611,412	2,979,663,412
Total comprehensive income (July 01, 2021 to December 31, 2021)	-	-	-	758,622,260	-	758,622,260
Dividend Paid	-	-	-	(64,535,955)	-	(64,535,955)
Incremental depreciation transferred from surplus on revaluation of fixed assets - net of deferred tax	-	-	-	10,261,666	(10,261,666)	-
Balance as at December 31, 2021	215,119,850	-	274,197,289	1,889,082,832	1,295,349,746	3,673,749,717

The annexed notes from 1 to 10 form an integral part of these condensed financial statements.


Chief Executive
February 28, 2022


Director


Chief Financial Officer

NADEEM TEXTILE MILLS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT (UNAUDITED) FOR THE SIX MONTHS ENDED DECEMBER 31, 2021

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 BASIS OF PREPARATION

2.1 Statement of Compliance

These condensed interim financial statements (here-in-after referred to as the 'interim financial statements') have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise:

International Accounting Standard 34: 'Interim Financial Reporting' (IAS 34), issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These interim financial statements do not include all the information and disclosures as required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2021.

The comparative figures presented in these condensed interim financial statements as at December 31, 2021 has been extracted from the audited financial statements of the Company for the year ended June 30, 2021, whereas the comparative statement of profit or loss, statement of comprehensive income, statement of changes in equity and the statement of cash flows are extracted from the unaudited condensed interim financial statements for the six months period ended December 31, 2020.

These condensed interim financial statements is unaudited and is being submitted to the members of the Company as required under section 237 of the Companies Act, 2017 and the listing regulations of Pakistan Stock Exchange Limited as required by the Code of Corporate Governance.

2.2 Basis of Measurement

These financial statements have been prepared under the historical cost convention, except;

- Land and building carried at revaluation model ;

2.3 Functional and presentation currency

Items included in these interim financial statements are measured using the currency of the primary economic environment in which the Company operates. These interim financial statements are presented in Pak Rupees which is the Company's functional and presentation currency. All figures have been rounded off to the nearest rupee.

2.4 Judgements and sources of estimation uncertainty

In preparing these interim financial statements, 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, 2021.

2.5 Significant accounting policies

The significant accounting policies adopted in the preparation of these interim financial statements are the same as those applied in the preparation of the financial statements of the Company for the year ended June 30, 2021.

2.6 Accounting estimates and judgements

The preparation of these condensed interim financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

2.7 Financial risk management

The company's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements for the year ended June 30, 2021.

3. PROPERTY PLANT & EQUIPMENT	Note	Un-Audited Dec. 31, 2021	Audited June 30, 2021
		----- Rupees-----	
Operating fixed assets		2,968,454,607	2,936,481,747
Capital work in progress	3.2	18,526,186	5,573,710
		<u>2,986,980,793</u>	<u>2,942,055,457</u>

3.1 Following is the summary of class-wise addition to, or disposals from, operating fixed assets:

	Half year ended Dec. 31, 2021 (Un-Audited)		Year ended June 30, 2021 (Audited)	
	Additions/transfers	Disposal (At NBV)	Additions/transfers	Disposal at NBV)
	-----Rupees-----		-----Rupees-----	
Building and godown on freehold land	4,856,169	-	6,301,408	-
Plant and Machinery	106,143,931	7,507,781	255,661,066	-
Office equipment	183,213	-	454,000	-
Furniture and fixture	86,000	-	360,959	-
Computer equipment	174,950	-	184,270	-
Vehicles	18,922,372	2,183,582	28,484,945	4,821,947
	<u>130,366,635</u>	<u>9,691,363</u>	<u>291,446,648</u>	<u>4,821,947</u>

3.2 Capital work in progress	Un-Audited Dec. 31, 2021	Audited June 30, 2021
Plant and Machinery	14,902,215	169,401
Civil works	3,623,971	5,404,309
	<u>2,986,980,793</u>	<u>2,942,055,457</u>

4 STOCK IN TRADE

Raw material	1,653,010,259	373,846,564
Work in process	86,221,145	61,074,545
Finished goods	608,920,484	372,638,511
Waste	25,548,678	48,270,623
Stock in transit	-	185,275,782
	<u>2,373,700,566</u>	<u>1,041,106,025</u>

5 SHORT TERM BORROWING -secured

- 5.1 These represent short term working capital finance facilities secured against pledge of stocks (Cotton, Yarn and Polyester fiber), local trade debts of the Company and charge over current assets. The rate of mark-up for running finance and cash finance ranges @ KIBOR + 1.85% to 2.25% per annum (June 30, 2021: KIBOR + 1.85% to 2.25% per annum), KIBOR ranged from 1 month and 3 months.

6 CONTINGENCIES AND COMMITMENTS

6.1 Contingencies

There has been no change in the status of contingencies as disclosed in annual audited financial statements of the Company for the year ended June 30, 2021.

	Un-Audited Dec. 31, 2021	Audited June 30, 2021
6.2 Commitments		
Against letter of credit	600,875,721	1,312,205,937
Bank guarantee to Excise & Taxation Dept.	79,375,753	64,375,753
Revolving letter of credit to SSGC	59,593,889	53,923,889
FBP outstanding	871,277,551	263,220,120
Post dated cheques	121,170,622	91,881,560

7 TRANSACTIONS WITH RELATED PARTIES

Nadeem International (Pvt.) Ltd.

Associated company by virtue of common directorship

Transaction during the period

Weighbridge	90,000	90,000
Loan received	-	13,500,000
Loan repaid	7,350,000	-
Balance outstanding at period end		
Payable to related party	410,550,000	432,000,000

Nadeem Power Generation (Pvt.) Ltd.

Associated company by virtue of common directorship

Transaction during the period

Electricity purchased	141,669,126	154,047,051
Rental Income	10,000	10,000
Loan received	24,800,000	7,900,000
Loan repaid	3,400,000	11,675,000
Balance outstanding at period end		
Payable to related party	54,150,204	10,580,204

Mrs. Naila Zahid

Director

Transaction during the period

Balance outstanding at period end		
Payable to related party	10,400,000	10,400,000

Mr. Zahid Mazhar

Director

Transaction during the period

Loan received	-	26,300,000
Loan repaid	10,000,000	-
Balance outstanding at period end		
Payable to related party	40,300,000	26,300,000

8 OPERATING SEGMENT

These interim financial statements have been prepared on the basis of a single reportable segment as the Company's asset allocation decisions are based on a single and integrated business strategy.

All non-current assets of the Company at Dec 31, 2021 are located in Pakistan.

9 DATE OF AUTHORIZATION FOR ISSUE

These interim financial statements has been authorized by the Board of Directors of the Company for issue in their meeting held on February 28, 2022

10. GENERAL

10.1 The corresponding figures have been rearranged and reclassified, wherever considered necessary, to comply with the requirements of applicable financial reporting framework and for the purpose of comparison and better presentation.

10.2 Figures have been rounded off to the nearest rupee.

A handwritten signature in black ink, appearing to read "Said Mughal", positioned above the printed name and date.

Chief Executive
February 28, 2022

A handwritten signature in black ink, appearing to read "S. Qazi", positioned above the printed title.

Director

A handwritten signature in black ink, appearing to read "S. Qazi", positioned above the printed title.

Chief Financial Officer

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