

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. Muhammad Mushtaq Qadri (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 Dubai Islamic Bank |
| 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. 4th Floor, Karachi Chambers, Hasrat Mohani Road, Karachi. Phone : 32424826 E-mail : khi@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's REVIEW REPORT

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the Chairman's Review Report for the half year ended December 31, 2024.

During the period under review, the Company recorded a sales turnover of Rs. 3,387.07 million, reflecting a decline of 48.34% compared to Rs. 6,555.77 million achieved in the corresponding period of the previous year. The net loss after tax stood at Rs. (437.17) million, primarily due to the challenging economic environment and the rising costs of energy and raw materials.

The Board of Directors, comprising nine members with diverse expertise and experience aligned with the Company's operations, actively prioritizes best practices in corporate governance. We remain fully compliant with the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019, ensuring transparency, accountability, and ethical conduct in all our endeavors.

The macroeconomic landscape has shown signs of improvement, with strengthening financial indicators, downward trend in policy rates and a reduction in inflation. Political stability is fostering a more favorable business climate. The decline in policy rates is expected to play a significant role in revitalizing economic growth and improving business sentiment. With these positive developments, we can expect that the upcoming quarter will bring improved financial outcomes.

During the reporting period, the Board conducted a comprehensive self-assessment, reviewing its effectiveness in areas such as strategic planning, policymaking, resource management, and overall business oversight. This evaluation ensures alignment with the Company's long-term objectives and governance framework. We remain committed to continuous improvement and adaptability to drive sustained success.

On behalf of the Board of Directors, I extend my sincere appreciation to all employees for their dedication and contributions to the Company's progress. I would also like to thank our shareholders, customers, suppliers, bankers, and other stakeholders for their ongoing trust and support.

On behalf of the Board of Directors

A handwritten signature in dark ink, reading "Naila Zahid". The signature is written in a cursive, flowing style.

Karachi:
March 27, 2025

Naila Zahid
Chairperson

چیئر مین کی جائزہ رپورٹ

محترم شیئر ہولڈرز،

بورڈ آف ڈائریکٹرز کی جانب سے، میں آپ کے ساتھ 31 دسمبر، 2024 کو ختم ہونے والی ششماہی مدت کے لیے چیئر مین کی جائزہ رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہی ہوں۔

اس مدت کے دوران، کمپنی کی مجموعی آمدنی 3,387.07 ملین روپے رہی، جو پچھلے سال کی اسی مدت میں حاصل کردہ 6,555.77 ملین روپے کے مقابلے میں 48.34 فیصد کمی کو ظاہر کرتی ہے۔ کمپنی کو بعد از ٹیکس 437.17 ملین روپے کا خالص نقصان ہوا، جس کی بنیادی وجوہات مشکل معاشی حالات، توانائی کے بڑھتے ہوئے اخراجات اور خام مال کی قیمتوں میں اضافہ ہیں۔

بورڈ آف ڈائریکٹرز نو اراکین پر مشتمل ہے، جو کمپنی کے کاروباری امور میں مہارت اور وسیع تجربہ رکھتے ہیں۔ بورڈ بہترین انتظامی اصولوں کو فروغ دینے کے لیے سرگرم عمل ہے۔ ہم کمپنیز ایکٹ 2017 اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کی مکمل پاسداری کو یقینی بناتے ہیں، تاکہ تمام معاملات دیانت داری، جوابدہی اور اعلیٰ اخلاقی اصولوں کے مطابق سرانجام دیے جائیں۔

ملکی معاشی حالات میں بہتری کے آثار نمایاں ہو رہے ہیں، جن میں مالی استحکام، قرضوں پر شرح سود میں کمی اور مہنگائی کی شرح میں کمی شامل ہیں۔ سیاسی استحکام کے باعث کاروباری ماحول مزید بہتر ہو رہا ہے۔ شرح سود میں کمی ملکی معیشت کو بحال کرنے اور کاروباری اعتماد کو بڑھانے میں مدد دے گی۔ ان مثبت عوامل کے پیش نظر، ہم توقع کرتے ہیں کہ آئندہ سہ ماہی میں کمپنی کی مالی کارکردگی میں بہتری آئے گی۔

اس رپورٹنگ مدت کے دوران، بورڈ نے اپنی مجموعی کارکردگی کا تفصیلی جائزہ لیا، جس میں حکمت عملی کی منصوبہ بندی، پالیسی سازی، وسائل کے مؤثر استعمال اور کاروباری نگرانی کے پہلو شامل تھے۔ یہ خود تشخیصی عمل اس بات کو یقینی بناتا ہے کہ کمپنی کے طویل مدتی اہداف اور انتظامی اصولوں کے درمیان ہم آہنگی برقرار رہے۔ ہم مسلسل بہتری اور بدلتے ہوئے حالات کے مطابق خود کو ڈھالنے کے لیے پرعزم ہیں تاکہ کمپنی کی پائیدار ترقی یقینی بنائی جاسکے۔

میں تمام ملازمین کا تہہ دل سے شکریہ ادا کرتی ہوں، جنہوں نے اپنی محنت اور لگن سے کمپنی کی ترقی میں اہم کردار ادا کیا۔ میں اپنے معزز شیئر ہولڈرز، صارفین، سپلائرز، مالیاتی اداروں اور دیگر تمام شراکت داروں کے مسلسل تعاون اور اعتماد پر ان کی بھی مشکور ہوں۔

مخانب بورڈ آف ڈائریکٹرز

Naila Zahid

نانکد زہد

چیئر پرسن

کراچی 27 مارچ 2025

DIRECTORS' REPORT

Dear Shareholders,

The Board of Directors presents its report along with the Reviewed Interim Financial Statements of the Company for the half year ended December 31, 2024.

FINANCIAL RESULTS

The company is presenting financial highlights for the half year ended December 31, 2024, and also providing comparative figures from the same period in the previous year as follows:

| | Dec. 31, 2024 Rs. In Million | Dec. 31, 2023 Rs. In Million |
|-----------------------------|---------------------------------|---------------------------------|
| Sales – net | 3,387.07 | 6,555.77 |
| Gross Profit / (Loss) | (114.28) | 299.32 |
| Gross Profit / (Loss) % | (3.37%) | 4.56% |
| Profit / (Loss) before Tax | (541.32) | (221.14) |
| Profit / (Loss) after tax | (437.17) | (226.46) |
| Profit / (Loss) after tax % | (12.90%) | (3.45%) |
| Earnings per share | Rs. (20.56) | Rs. (10.65) |

OVERVIEW

The decline in sales volume as compared to the corresponding period of last year is primarily due to operation of our production units at reduced capacity, driven by a persistently challenging business environment. The Board acknowledges positive economic indicators, including declining inflation and a downward trend in policy rates, however, the higher rates of energy and raw materials and the unfriendly taxation policies are the significant hurdles that are adversely impacting the financial performance of the Company. The management is actively pursuing robust marketing strategies aimed at expanding both domestic and international market share to drive future profitability.

PRESENT AND FUTURE OUTLOOK

The textile industry of Pakistan continues to face significant challenges, including escalating production costs, raw material shortages and ever increasing rates of energy. Global recession and political uncertainty have further dampened demand of textile products.

An estimated cotton crop of 5.2 million bales is expected this year which is about 30% lower than 7.325 million bales of previous year. This shortfall will increase reliance on imported cotton. The government must prioritize the development and implementation of robust strategies to improve the cotton crop and maximize acreage and yield.

EXPANSION AND MODERNIZATION

The management remains committed to investing in the expansion and modernization of our mills through necessary BMR. Plans are underway to install solar and wind power projects to reduce energy costs. Additionally, the installation of open-end machinery is being considered to boost productivity while lowering production costs.

ACKNOWLEDGEMENT

The Board of Directors would like to express their appreciation for the efforts of the company's employees, as well as the ongoing support from customers, suppliers, and bankers.

On behalf of the Board of Directors

Karachi:
March 27, 2025


Omer Bin Zahid
Director


ZAHID MAZHAR
Chief Executive

ڈائریکٹرز رپورٹ

محترم شیئر ہولڈرز،

بورڈ آف ڈائریکٹرز، 31 دسمبر، 2024 کو ختم ہونے والی ششماہی مدت کے لیے کمپنی کے نظر ثانی شدہ عبوری مالیاتی گوشواروں کے ساتھ اپنی رپورٹ پیش کر رہا ہے۔

مالیاتی نتائج

کمپنی 31 دسمبر، 2024 کو ختم ہونے والی ششماہی مدت کے مالیاتی نکات پیش کر رہی ہے اور اس کے ساتھ پچھلے سال کی اسی مدت کے اعداد و شمار کا تقابلی جائزہ بھی دیا جا رہا ہے۔

31 ستمبر 2023

31 دسمبر 2024

روپے ملین میں

روپے ملین میں

6,555.77

3,387.07

299.32

(114.28)

4.56%

(3.37%)

(221.14)

(541.32)

(226.46)

(437.17)

(3.45%)

(12.90%)

Rs. (10.65)

Rs. (20.56)

خالص فروخت

مجموعی منافع / نقصان

مجموعی منافع %

نقصان قبل از ٹیکس اینڈ لیویز

نقصان بعد از ٹیکس اینڈ لیویز

نقصان بعد از ٹیکس %

فی حصص نقصان

جائزہ

گزشتہ سال کی اسی مدت کے مقابلے میں فروخت میں کمی کی بنیادی وجہ یہ ہے کہ ہمارے پیداواری یونٹ کم حجمائش پر چل رہے ہیں، جس کا سبب مسلسل چیلنجز کا روباری ماحول ہے۔ بورڈ بہتر ہوتے ہوئے معاشی اشاریوں، جیسے کہ کم ہوتی ہوئی مہنگائی اور پالیسی ریش میں کمی کو سراہتا ہے۔ تاہم، توانائی اور خام مال کی بلند قیمتیں اور غیر موافق ٹیکس پالیسیاں کمپنی کی مالی کارکردگی پر منفی اثر ڈال رہی ہیں۔ کمپنی کی انتظامیہ ملکی اور بین الاقوامی مارکیٹ میں اپنا حصہ بڑھانے کے لیے مؤثر حکمت عملی اپنا رہی ہے تاکہ مستقبل میں منافع میں اضافہ ہو۔

موجودہ اور مستقبل کا نقطہ نظر

پاکستان کی ٹیکسٹائل صنعت شدید مشکلات کا شکار ہے، جن میں پیداواری لاگت میں اضافہ، خام مال کی کمی اور توانائی کی بڑھتی ہوئی قیمتیں شامل ہیں۔ عالمی مندی اور سیاسی غیر یقینی صورتحال نے ٹیکسٹائل مصنوعات کی طلب کو مزید متاثر کیا ہے۔

اس سال تقریباً 5.2 ملین کانٹنوں کی کپاس کی فصل متوقع ہے، جو پچھلے سال کی 7.325 ملین کانٹنوں کے مقابلے میں 30 فیصد کم ہے۔ اس کمی کے باعث درآ مد شدہ کپاس پر انحصار مزید بڑھ گئے۔ حکومت کو کپاس کی پیداوار کو فروغ دینے اور زمین کے بہتر استعمال اور فی ایکڑ پیداوار بڑھانے کے لیے مؤثر حکمت عملیوں کو ترجیح دینی چاہیے۔

توسیع اور جدت طرازی

انتظامیہ اپنے پیداواری یونٹوں کی توسیع اور جدت کے لیے ضروری اقدامات کر رہی ہے۔ توانائی کے اخراجات کم کرنے کے لیے شمسی توانائی اور ہوا سے بجلی پیدا کرنے کے منصوبے زیر غور ہیں۔ مزید برآں، پیداواری لاگت میں کمی اور استعداد کار بڑھانے کے لیے اوپن اینڈ مشینری کی تنصیب پر بھی غور کیا جا رہا ہے۔

اظہار تشکر

بورڈ آف ڈائریکٹرز کمپنی کے تمام ملازمین کی محنت اور لگن کو سراہتا ہے اور اپنے معزز صارفین، سپلائرز اور مالیاتی اداروں کے مسلسل تعاون پر ان کا شکریہ ادا کرتا ہے۔

منجانب بورڈ آف ڈائریکٹرز

زابد مظہر

چیف ایگزیکٹو

عمر بن زابد

ڈائریکٹر

کراچی 27 مارچ 2025

**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, 2024 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 half yearly period then ended (here-in-after referred to as the "condensed 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 condensed 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 Condensed 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.

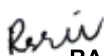
As part of our engagement, we were only required to review the cumulative figures for the six-month period ended December 31, 2024. Accordingly, we have not reviewed the figures in the condensed interim statement of profit or loss and the condensed interim statement of comprehensive income for the three-month period ended December 31, 2024.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed 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 Waseem.

Karachi
March 27, 2025



RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants
UDIN: RR202410213sCW03lwpL

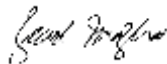
NADEEM TEXTILE MILLS LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2024

| | | Un-audited December 31, 2024 | Audited June 30, 2024 |
|--|------|------------------------------------|-----------------------------|
| | Note | Rupees | |
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 3 | 3,440,748,905 | 3,579,775,573 |
| Long term deposits | | 33,303,456 | 33,303,456 |
| Deferred tax asset - net | | 81,565,755 | - |
| | | <u>3,555,618,116</u> | <u>3,613,079,029</u> |
| Current assets | | | |
| Stores, spares and loose tools | | 218,818,823 | 245,746,781 |
| Stock-in-trade | 4 | 1,225,516,134 | 1,555,022,575 |
| Trade debts - net | | 1,398,135,281 | 1,504,000,691 |
| Investments | | 177,307,921 | 172,307,921 |
| Loans, advances and prepayments | | 282,694,159 | 147,587,572 |
| Other receivables | | 34,632,119 | 35,856,465 |
| Tax refunds due from government | | - | 74,030,149 |
| Cash and bank balances | | 74,991,068 | 182,240,917 |
| | | <u>3,412,095,505</u> | <u>3,916,793,071</u> |
| Total assets | | <u><u>6,967,713,621</u></u> | <u><u>7,529,872,100</u></u> |
| EQUITY AND LIABILITIES | | | |
| Share capital and reserves | | | |
| Authorized capital | | | |
| 33,000,000 (June, 30 2024: 33,000,000) ordinary shares of Rs. 10/- each | | <u>330,000,000</u> | <u>330,000,000</u> |
| Issued, subscribed and paid up capital | | <u>212,667,350</u> | <u>212,667,350</u> |
| Capital reserves | | | |
| Revaluation surplus on property, plant and equipment - net of deferred tax | | 1,178,003,574 | 1,184,716,919 |
| Share premium | | 388,683,536 | 388,683,536 |
| Contribution from associated undertaking | | 340,000,000 | 340,000,000 |
| | | <u>1,906,687,110</u> | <u>1,913,400,455</u> |
| | | <u>2,119,354,460</u> | <u>2,126,067,805</u> |
| Revenue reserve | | | |
| Unappropriated profits | | <u>142,999,784</u> | <u>573,452,787</u> |
| Total equity | | <u><u>2,262,354,244</u></u> | <u><u>2,699,520,592</u></u> |
| Non-current liabilities | | | |
| Long term financing - secured | | 379,571,051 | 448,453,463 |
| Deferred liabilities - staff gratuity | | 132,185,635 | 141,602,143 |
| Deferred tax - net | | - | 64,927,730 |
| | | <u>511,756,686</u> | <u>654,983,336</u> |
| Current liabilities | | | |
| Loans from directors | | 151,300,000 | 139,300,000 |
| Trade and other payables | 5 | 1,314,133,062 | 1,371,067,429 |
| Accrued mark-up | | 133,044,228 | 130,469,647 |
| Short term borrowings - secured | | 2,357,419,286 | 2,352,411,500 |
| Unclaimed dividend | | 1,503,383 | 1,506,408 |
| Taxation Net | | 44,177,490 | 8,398,485 |
| Current portion of long term financing | | 144,175,242 | 137,764,703 |
| Loan from related party | | 47,850,000 | 34,450,000 |
| | | <u>4,193,602,691</u> | <u>4,175,368,172</u> |
| Contingencies and commitments | 6 | - | - |
| Total equity and liabilities | | <u><u>6,967,713,621</u></u> | <u><u>7,529,872,100</u></u> |

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.



Chief Executive
March 27, 2025



Director

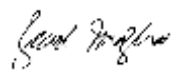


Chief Financial Officer

NADEEM TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2024

| | | For the half year ended December 31, (Restated) | | For the quarter ended December 31, (Restated) | |
|------------------------------------|------|---|-----------------|---|-----------------|
| | | 2024 | 2023 | 2024 | 2023 |
| | Note | Rupees | | | |
| Sales - net | 7 | 3,387,076,079 | 6,555,768,769 | 1,603,403,815 | 3,070,048,077 |
| Cost of sales | 8 | (3,501,353,999) | (6,256,446,144) | (1,733,577,217) | (3,088,463,795) |
| Gross (loss) / profit | | (114,277,920) | 299,322,625 | (130,173,402) | (18,415,718) |
| Administrative expenses | | (86,692,626) | (93,287,319) | (42,821,305) | (44,996,449) |
| Distribution costs | | (54,181,966) | (102,343,484) | (28,745,107) | (49,251,716) |
| | | (140,874,592) | (195,630,803) | (71,566,412) | (94,248,165) |
| Operating (loss) / profit | | (255,152,512) | 103,691,822 | (201,739,814) | (112,663,883) |
| Finance costs | | (302,986,698) | (354,867,413) | (125,950,069) | (177,830,784) |
| Other income | | 31,480,447 | 41,762,636 | 22,741,414 | 33,021,416 |
| Other expenses - net | | (14,662,399) | (11,728,052) | (4,550,764) | (10,806,315) |
| | | (286,168,650) | (324,832,829) | (107,759,419) | (155,615,683) |
| Loss before levies and taxation | | (541,321,162) | (221,141,007) | (309,499,233) | (268,279,566) |
| Levies | 9 | (42,338,451) | (65,905,297) | (21,998,343) | (24,109,940) |
| Loss before taxation | | (583,659,613) | (287,046,304) | (331,497,576) | (292,389,506) |
| Taxation - net | 10 | 146,493,265 | 60,583,143 | (42,702,387) | 60,583,143 |
| Loss after taxation | | (437,166,348) | (226,463,161) | (374,199,963) | (231,806,363) |
| Loss per share - basic and diluted | | (20.56) | (10.65) | (17.60) | (10.90) |

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.


Chief Executive
February 27, 2025

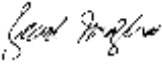

Director


Chief Financial Officer

NADEEM TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2024

| | For the half year ended December 31, | | For the quarter ended December 31, | |
|--|---|-----------------------------|---------------------------------------|-----------------------------|
| | 2024 | 2023 | 2024 | 2023 |
| | Rupees | | | |
| Loss after taxation | (437,166,348) | (226,463,161) | (374,199,963) | (231,806,363) |
| Other comprehensive income | - | - | - | - |
| Total comprehensive loss for the period | <u>(437,166,348)</u> | <u>(226,463,161)</u> | <u>(374,199,963)</u> | <u>(231,806,363)</u> |

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.


Chief Executive
February 27, 2025


Director


Chief Financial Officer

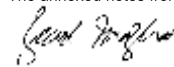
NADEEM TEXTILE MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2024

| | December 31, 2024 | December 31, 2023 |
|---|----------------------|----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | Note | Rupees |
| Loss before levies and taxation | | (541,321,162) |
| Adjustments for non-cash and other items | | (221,141,007) |
| Depreciation on operating fixed assets | | 117,709,543 |
| Provision for gratuity | | 33,630,100 |
| Provision for gas tariff difference | | (91,672,616) |
| Provision for slow moving stores and spares | | - |
| Provision for expected credit losses | | 870,144 |
| Interest on term deposit receipts | | (9,836,778) |
| Interest on Saving account | | (17,211,212) |
| Interest on Worker's Profit Participation Fund | | - |
| Reversal of provision for Worker's Welfare Fund | | (3,832,456) |
| Bad debts recovered | | (600,000) |
| (Loss) / Gain on disposal of operating fixed assets | | 10,111,635 |
| Finance costs | | 302,986,698 |
| | | 342,155,058 |
| Cash (used in) / generated from operating activities before working capital changes | | 558,368,007 |
| Effect on cash flow due to working capital changes | | (199,166,104) |
| (Increase) / decrease in current assets | | 337,227,000 |
| Stores, spares and loose tools | | 26,927,958 |
| Stock in trade | | 329,506,441 |
| Trade debts | | 105,595,266 |
| Loans and advances | | (135,106,587) |
| Sales tax refundable | | 74,030,149 |
| Other receivables | | 1,224,346 |
| | | 402,177,573 |
| Increase in current liabilities | | (20,802,723) |
| Trade and other payables | | 576,914,920 |
| Net cash generated from operations | | (668,516,033) |
| | | 263,046,260 |
| Income tax paid | | (6,559,666) |
| Worker's Welfare Fund paid | | - |
| Worker's Profit Participation Fund paid | | - |
| Interest on Worker's Profit Participation Fund paid | | - |
| Gas tariff difference paid | | (21,464,086) |
| Gratuity paid | | (43,046,608) |
| Finance cost paid | | (300,412,117) |
| | | (371,482,477) |
| Net cash (used in) / generated from operating activities | | (108,436,217) |
| | | 64,655,007 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | (31,209,192) |
| Additions to property, plant and equipment | | (2,942,560) |
| Proceeds from disposal of operating fixed assets | | 14,148,050 |
| Profit received on saving accounts and TDRs | | 27,047,990 |
| Short term investments made | | (5,000,000) |
| Net cash generated from / (used in) investing activities | | 33,253,480 |
| | | (134,039,864) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | 8,659,000 |
| Dividend paid | | (3,025) |
| Loan obtained from director | | 12,000,000 |
| Loan repaid to director | | - |
| Long term loan repaid | | (62,471,873) |
| Loan obtained from related party | | 17,500,000 |
| Loan repaid to related party | | (4,100,000) |
| Short term borrowings (excluding running finance) - net | | (89,543,132) |
| Net cash used in financing activities | | (126,618,030) |
| | | (11,500,000) |
| Net decrease in cash and cash equivalents | | (52,697,811) |
| Cash and cash equivalents at beginning of the period | | (334,176,063) |
| Cash and cash equivalents at end of the period | 11 | (387,482,357) |

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.


Chief Executive
 March 27, 2025


Director

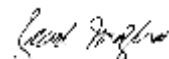

Chief Financial Officer

NADEEM TEXTILE MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2024

| | Revenue reserve | | | Capital reserves | | |
|---|--|---------------------------|---------------|---|--|---------------|
| | Issued, subscribed and paid-up capital | Unappropriated profits | Share premium | Revaluation surplus on property, plant & equipment | Contribution from associated undertaking | Total |
| | Rupees | | | | | |
| Balance as at June 30, 2023 (as previously reported) | 212,667,350 | 1,666,651,399 | 388,683,536 | 1,260,116,348 | 340,000,000 | 3,868,118,633 |
| Effect of the change in accounting policy (refer note 16) | - | (132,898,522) | - | (61,459,510) | - | (194,358,032) |
| Balance as at June 30, 2023 (restated) | 212,667,350 | 1,533,752,877 | 388,683,536 | 1,198,656,838 | 340,000,000 | 3,673,760,601 |
| Total comprehensive loss for the period ended December 31, 2023 | | | | | | |
| - Loss after taxation (restated) | - | (226,463,161) | - | - | - | (226,463,161) |
| - Other comprehensive income | - | - | - | - | - | - |
| | - | (226,463,161) | - | - | - | (226,463,161) |
| Transfer to unappropriated profit on account of incremental depreciation - net of deferred tax | - | 8,445,943 | - | (8,445,943) | - | - |
| Balance as at December 31, 2023 (restated & unaudited) | 212,667,350 | 1,315,735,659 | 388,683,536 | 1,190,210,895 | 340,000,000 | 3,447,297,440 |
| Balance as at June 30, 2024 (audited) | 212,667,350 | 573,452,787 | 388,683,536 | 1,184,716,919 | 340,000,000 | 2,699,520,592 |
| Total comprehensive loss for the period ended December 31, 2024 | | | | | | |
| - Loss after taxation | - | (437,166,348) | - | - | - | (437,166,348) |
| - Other comprehensive income | - | - | - | - | - | - |
| | - | (437,166,348) | - | - | - | (437,166,348) |
| Transfer to unappropriated profit on account of incremental depreciation - net of deferred tax | - | 6,713,345 | - | (6,713,345) | - | - |
| Balance as at December 31, 2024 (unaudited) | 212,667,350 | 142,999,784 | 388,683,536 | 1,178,003,574 | 340,000,000 | 2,262,354,244 |

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.


Chief Executive
March 27, 2025


Director


Chief Financial Officer

NADEEM TEXTILE MILLS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT (UNAUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2024

1.1 Legal status of the Company

Nadeem Textile Mills Limited ('the Company') was incorporated in Pakistan on July 15, 1984 as a public limited company under the Companies Ordinance, 1984 (repealed with the enactment of the Companies Act, 2017 on May 30, 2017) and its shares are listed on Pakistan Stock Exchange Limited.

1.2 Location of the registered office and the manufacturing facilities

Registered office:

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

Manufacturing facilities:

The Company's manufacturing facilities are situated as follows:

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

1.3 Principal business activity

The main business of the Company is manufacturing and sale of yarn.

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 of:

- 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 condensed interim financial statement 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, 2024.

2.2 Basis of measurement

Items in these financial statements have been measured at their historical cost except for leasehold land, factory building and office premises which are carried at revalued amounts less accumulated depreciation therein.

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, unless otherwise stated.

2.4 Material accounting policies

The material 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, 2024.

2.5 Judgements and sources of estimation uncertainty

In preparing the interim financial statements, 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, 2024.

| | | Un-audited December 31, 2024 | Audited June 30, 2024 |
|----------------------------------|------|------------------------------------|-----------------------------|
| | Note | Rupees | |
| 3. PROPERTY, PLANT AND EQUIPMENT | | | |
| Operating fixed assets | 3.1 | 3,417,828,905 | 3,556,228,184 |
| Capital work in progress | | 22,920,000 | 23,547,389 |
| | | 3,440,748,905 | 3,579,775,573 |

3.1 Operating fixed assets

| Period ended December 31, 2024 (Un-audited) | | Year ended June 30, 2024 (Audited) | |
|--|--------------------|---------------------------------------|--------------------|
| Additions / Transfers | Disposal at NBV | Additions / Transfers | Disposal at NBV |
| Rupees | | | |
| Factory building | - | 1,145,562 | - |
| Non-factory land | - | 526,824 | - |
| Plant and machinery | 3,430,000 | 227,344,381 | 8,955,323 |
| Office equipment | - | 200,500 | - |
| Computer equipment | - | 36,500 | - |
| Furniture and fixtures | 39,750 | 963,448 | - |
| Vehicle | - | 11,213,000 | 492,591 |
| | 3,469,750 | 24,259,685 | 9,447,914 |

| | Note | Un-audited December 31, 2024 | Audited June 30, 2024 |
|---|---|---|---------------------------------------|
| | | Rupees | |
| 4. STOCK IN TRADE | | | |
| Raw material in hand | | 646,777,167 | 517,595,937 |
| Raw material in transit | | 72,799,728 | 502,827,124 |
| | | <u>719,576,895</u> | <u>1,020,423,061</u> |
| Work- in- process | | 85,272,530 | 96,935,774 |
| Finished goods | | 381,132,335 | 386,945,027 |
| Waste material | | 39,534,374 | 50,718,713 |
| | 4.1 | <u>1,225,516,134</u> | <u>1,555,022,575</u> |
| 4.1 | This includes stock amounting to Rs. 1,003.86 million (June 30, 2024: Rs. 450 million) pledged with banks as security against financing facilities. | | |
| 5. TRADE AND OTHER PAYABLES | | | |
| Creditors | | | |
| - local | | 751,022,226 | 691,701,109 |
| - foreign | | 23,126,364 | 23,560,806 |
| | | <u>774,148,590</u> | <u>715,261,915</u> |
| Accrued expenses | | 276,945,160 | 348,681,085 |
| Provision for gas tariff difference | | 97,688,776 | 210,825,478 |
| Sales tax payable | | 103,001,378 | - |
| Provision against Excise and Taxation charges | | 10,541,603 | 10,017,753 |
| Provision against Anti-dumping duty | | 19,053,287 | 19,053,287 |
| Advances from customers | | 5,445,974 | 25,852,770 |
| Withholding income tax payable | | 24,169,267 | 34,640,362 |
| Withholding sales tax payable | | 3,139,027 | 2,902,323 |
| Worker's Welfare Fund payable | | - | 3,832,456 |
| | | <u>1,314,133,062</u> | <u>1,371,067,429</u> |
| 6. CONTINGENCIES AND COMMITMENTS | | | |
| 6.1 Contingencies | There has been no change in the status of contingencies as disclosed in financial statements for the year ended June 30, | | |
| 6.2 Commitments | As of the reporting date, following were the financial commitments: | | |
| Letter of credit - Against raw material | | - | 264,433,114 |
| Bank guarantees to Excise and Taxation department | | <u>152,475,753</u> | <u>147,475,753</u> |
| Revolving Letter of credit to SSGC | | <u>91,987,580</u> | <u>91,987,580</u> |
| 7. SALES - net | | | |
| | | For the half year ended December 31, | For the quarter ended December 31, |
| | | 2024 | 2023 |
| | | Rupees | |
| Local sales - net | Note | 2,327,597,809 | 3,071,132,781 |
| Export sales - indirect | | 1,026,329,750 | 3,076,216,978 |
| Export sales - direct | | - | 321,702,389 |
| Raw Material and wastage sales- net | | 33,148,520 | 86,716,621 |
| | | <u>3,387,076,079</u> | <u>6,555,768,769</u> |
| | | <u>1,603,403,815</u> | <u>3,070,048,077</u> |
| 8. COST OF SALES | | | |
| Opening stock of finished goods and waste | | 437,663,740 | 1,271,338,092 |
| Cost of goods manufactured | 8.1 | 3,484,356,968 | 5,837,831,392 |
| | | <u>3,922,020,708</u> | <u>7,109,169,484</u> |
| Closing stock of finished goods and waste | | (420,666,709) | (852,723,340) |
| | | <u>3,501,353,999</u> | <u>6,256,446,144</u> |
| | | <u>1,733,577,217</u> | <u>3,088,463,795</u> |
| 8.1 Cost of goods manufactured | | | |
| Raw material consumed | | 2,426,953,272 | 4,534,224,092 |
| Conversion costs incurred | | 1,045,740,452 | 1,341,047,140 |
| | | <u>3,472,693,724</u> | <u>5,875,271,232</u> |
| Change in work-in-process inventory: | | | |
| - Opening stock | | 96,935,774 | 98,450,984 |
| - Closing stock | | (85,272,530) | (135,890,824) |
| | | <u>11,663,244</u> | <u>(37,439,840)</u> |
| | | <u>3,484,356,968</u> | <u>5,837,831,392</u> |
| | | <u>1,692,065,702</u> | <u>2,932,468,900</u> |
| 9. LEVIES | | | |
| Income tax: | | | |
| - Excess of minimum tax over normal tax | | (42,338,451) | (39,473,118) |
| - Final tax | | - | (26,432,179) |
| | | <u>(42,338,451)</u> | <u>(65,905,297)</u> |
| | | <u>(21,998,343)</u> | <u>(8,536,537)</u> |
| | | <u>(15,573,403)</u> | <u>(24,109,940)</u> |
| 10. TAXATION - NET | | | |
| Current | | - | - |
| Deferred | | 146,493,265 | 60,583,143 |
| | | <u>146,493,265</u> | <u>60,583,143</u> |
| | | <u>(42,702,387)</u> | <u>60,583,143</u> |

| | | (Un-audited) December 31, 2024 | (Un-audited) December 31, 2023 |
|-----|--|--------------------------------------|--------------------------------------|
| | | Rupees | |
| 11. | CASH AND CASH EQUIVALENTS | | |
| | Cash and cash equivalents comprise of the following items: | | |
| | Cash and bank balances | 74,991,068 | 155,116,409 |
| | Short term - running finances | (610,967,898) | (1,320,177,011) |
| | | <u>(535,976,830)</u> | <u>(1,165,060,602)</u> |

12. **TRANSACTIONS WITH RELATED PARTIES**

Related parties comprise of associated companies, key management personnel of the Company (including directors) and their close family members.

Transactions entered into and balances held, with related parties during the period / year, are as follows:

Transactions during the period

| Name of the related | Basis of relationship | Nature of the transaction | | |
|---------------------|-----------------------------------|---------------------------|------------|------------|
| Nadeem | Associated company | Loan received | 17,500,000 | 11,700,000 |
| International | by virtue of common | Loan repaid | 4,100,000 | 9,350,000 |
| (Private) Limited | directorship | Weight bridge expenses | 90,000 | 90,000 |
| Zahid Mazhar | Chief Executive Officer | Loan received | 12,000,000 | 13,000,000 |
| Hasan Bin Zahid | Executive Director | Loan received | - | - |
| | | Loan repaid | - | 11,500,000 |
| Naila Zahid | Chairperson of Board of directors | Loan received | - | 40,000,000 |
| | | Loan repaid | - | - |

Balances outstanding as of the reporting date

| Name of the related | Basis of relationship | Nature of the balance outstanding | | |
|---------------------|-----------------------------------|-----------------------------------|-------------|-------------|
| Nadeem | Associated company | Loan payable | 47,850,000 | 34,450,000 |
| International | by virtue of common | Equity contribution | 340,000,000 | 340,000,000 |
| (Private) Limited | directorship | | | |
| Zahid Mazhar | Chief Executive Officer | Loan payable | 107,000,000 | 95,000,000 |
| Hasan Bin Zahid | Executive Director | Loan payable | 4,300,000 | 4,300,000 |
| Naila Zahid | Chairperson of Board of directors | Loan payable | 40,000,000 | 40,000,000 |

13. **OPERATING SEGMENTS**

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.

14. **FAIR VALUE OF ASSETS AND LIABILITIES**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The carrying values of all financial assets and liabilities reflected in these condensed interim financial statements approximate their fair values.

Fair value hierarchy

Level 1: Quoted market price (unadjusted) in an active market.

Level 2: Valuation techniques based on observable inputs.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data.

Presently, the only items in the interim financial statements that are carried at fair value are plant and machinery and electrical installations. The Company engages an independent external valuer to carry out a fresh revaluation of these operating fixed assets to ensure that their carrying amounts in financial statements do not differ materially from that which would be determined using fair value at the end of the reporting period. Such valuation usually involves the use of observable and unobservable inputs; however, the weightage of observable inputs used is considered as significant. Accordingly, the Company classifies the aforesaid classes of operating fixed assets within Level 2 of the fair value hierarchy.

The management considers that the carrying amount of all financial assets and liabilities recognised in the financial statements approximate their fair value.

15. **CORRESPONDING FIGURES**

Corresponding figures and balances have been rearranged and reclassified, wherever considered necessary, for the purpose of comparison, the effects of which are not material.

16. CHANGE IN ACCOUNTING POLICY

In May 2024, the Institute of Chartered Accountants of Pakistan issued Circular 07/2024 titled as 'IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes'. The circular clarifies that any taxes whose calculation is *not* based on 'taxable profit' (as defined in the International Accounting Standard (IAS) 12 'Income Taxes') do not meet the definition of 'current tax' as per that standard. Instead, such taxes should be treated as 'levies' falling within the scope of IFRIC 21 'Levies' and the IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'.

In light of the guidance provided in, and as required by, the said circular, the Company has changed its accounting policy for current tax whereby *only* the portion of the income tax charge that is based on the 'taxable income' for a reporting period (as determined in accordance with the provisions of the Income Tax Ordinance, 2001 and the rules made thereunder) is now classified as a 'current tax'. Any excess charge over the said amount (for example, excess of Minimum Tax under section 113 of the Income Tax Ordinance, 2001 over the normal tax charge) is now classified as a 'levy' in the statement of profit or loss. As the said change in accounting policy also has effect on the accounting for deferred income taxes i.e., the deferred tax liabilities / assets have also been restated.

In these financial statements, the said change in accounting policy has been accounted for *retrospectively*. If the said change had, however, not been made, the following items in the statement of profit or loss would have been reported as follows:

| | December 31 2024 | December 31 2023 |
|---|----------------------|----------------------|
| | Rupees | |
| Loss before levies and taxation | (541,321,162) | (221,141,007) |
| Levies | - | - |
| Loss before taxation | (541,321,162) | (221,141,007) |
| Taxation: | | |
| - Current | (42,338,451) | (65,905,297) |
| - Prior | - | - |
| - Deferred | 146,493,265 | 41,490,361 |
| | 104,154,814 | (24,414,936) |
| Loss after taxation | (437,166,348) | (245,555,943) |
| Loss per share - basic and diluted | (20.56) | (11.55) |

As stated above the aforementioned change in accounting policy has been accounted for retrospectively in accordance with the requirements of the International Accounting Standard (IAS) 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and all the corresponding figures affected thereby have been restated. Further, since these restatements have material effects on the statement of financial position as at the beginning of the earliest period presented (i.e. June 30, 2022), the said statement has also been presented in these financial statements in accordance with the requirements of the IAS 1 'Presentation of Financial Statements'.

The retrospective effects on the corresponding figures presented in these financial statements are as follows:

Effects on the statement of profit or loss

| | For the year ended December 31, 2023 | | |
|---|--------------------------------------|----------------------|---------------------|
| | As previously | As restated | Change |
| | | (Rupees) | |
| Loss before levies and taxation | (221,141,007) | (221,141,007) | - |
| Levies: | | | |
| - Excess of Minimum Tax (MTR) over Normal Tax (NTR) | - | 39,473,118 | 39,473,118 |
| - Tax under Final Tax Regime (FTR) | - | 26,432,179 | 26,432,179 |
| | - | 65,905,297 | 65,905,297 |
| Loss before taxation | (221,141,007) | (155,235,710) | 65,905,297 |
| Taxation: | | | |
| - Current | (65,905,297) | - | (65,905,297) |
| - Prior | - | - | - |
| - Deferred | 41,490,361 | 60,583,143 | (19,092,782) |
| | (24,414,936) | 60,583,143 | (84,998,079) |
| Loss after taxation | (245,555,943) | (94,652,567) | (19,092,782) |
| Loss per share - basic and diluted | (11.55) | (4.45) | (0.90) |

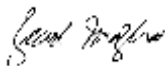
17. GENERAL

17.1 Level of rounding

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

17.2 Date of authorization for issue

These interim financial statements were authorised for issue by the Board of Directors in their meeting held on March 27, 2025.


Chief Executive
 March 27, 2025


Director


Chief Financial Officer

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- Jamapunji games*
- Tax credit calculator*
- Company Verification
- Insurance & Investment Checklist
- FAQs Answered

- Stock trading simulator
(based on live feed from KSE)
- Knowledge center
- Risk profiler*
- Financial calculator
- Subscription to Alerts (event notifications, corporate and regulatory actions)
- Jamapunji application for mobile device
- Online Quizzes



Jama Punji is an Investor
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*Mobile apps are also available for download for android and ios devices