Nadeem

NADEEM TEXTILE MILLS LIMITED

29th ANNUAL REPORT 2015

CONTENTS

NADEEM TEXTILE MILLS LIMITED

Vision Statement

To be a dynamic, profitable and growth oriented Company.

Mission Statement

The mission of the Company is to prudently utilize the human resources and plant and machinery in order to achieve high levels of sustainable growth by:

- offering high class products and services to all our customers.
- continuously upgrading the latest production facilities to achieve higher levels of operational efficiency.
- nurturing a work culture that generates creativity, enthusiasm, professionalism and teamwork.
- maintaining the highest standards of ethics, safety and environment.
- contributing towards the economic development of the country.

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. Mehmood Siddiqi
Chief Financial Officer	:	Mr. Omer Bin Zahid
Company Secretary	:	Mr. Abdul Amin
Audit Committee	:	Mr. Mehmood Siddiqui (Chairman) Mrs. Anam Omer (Member) Mrs. Shafia Hassan (Member)
H. R. & Remuneration Committee	:	Mrs. Anam Omer (Chairperson) Mr. Hassan Bin Zahid (Member) Mr. Mehmood Siddiqui (Member)
Auditors	:	M/s. Rahman Safaraz 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 Allied Bank Limited Askari Bank Limited
Head Office / Registered Office	:	A 801-804, Lakson Square Building No. 3, Sarwar Shaheed Road, Karachi - Pakistan. Phone: (021) 35220481-8 Fax: (92-21) 35220495-6
Share Registrar	:	M/s Hameed Majeed Associates (Pvt.) Ltd. 5th Floor, Karachi Chambers, Hasrat Mohani Road, Karachi. Phone : 32424826-32412754 Fax : 32424835 E-mail: majeed@hmaconsultants.com
Mills	:	Unit-1: A-265, S.I.T.E., Nooriabad, District Dadu, Sindh. Unit-2: E-11, S.I.T.E., Kotri, Sindh.
URL	:	www.nadeem.com.pk

NADEEM TEXTILE MILLS LIMITED
NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 29th Annual General Meeting of **Nadeem Textile Mills Ltd.** will be held on Friday, October 30, 2015 at 5:00 p.m. at 801-804, 8th Floor, Lakson Square Building No.3, Block-A, Sarwar Shaheed Road, Karachi, to transact the following business:

1. To confirm the Minutes of the Annual General Meeting of the Company held on 29th October, 2014.

2. To receive, consider, and adopt the audited financial statements of the company for the year ended 30th June, 2015 together with the Directors' and Auditors' Reports thereon.

3. To appoint Auditors and fix their remuneration for the year ending June 30, 2016.

Special Business:

4. To approve the remuneration and perquisite of the Chief Executive and Directors of the Company passing the following resolutions as an ordinary resolution:

   "RESOLVED that the Company hereby approves the remuneration of Chief Executive Officer upto Rs.700,000/= and remuneration of each Director upto Rs. 350,000/= per month with effect from 1st November 2015 in addition to provision of Company maintained car, actual traveling expenses and actual residential utility bills."

5. To transact any other ordinary business as may be placed before the meeting with the permission of the Chair.

Karachi: By order of the Board
Dated: October 06, 2015 Company Secretary

NOTES:

1. The share transfer books of the Company will remain closed from October 23, 2015 to October 30, 2015 (both days inclusive).Transfers received before the closure of shares transfer books (i.e. 22-10-2015) at the office of share Registrar, M/s Hameed Majeed Associates (Pvt) Ltd. Karachi Chamber, Hasrat Mohani Road, Karachi by 22-10-2015 will be treated in time for the entitlement to attend the Annual General Meeting.

2. A member entitled to attend and vote at the General Meeting is entitled to appoint another member as his/her proxy to attend and vote instead of him. A proxy must be a member of the Company.

3. The instrument appointing a proxy, in order to be valid must be received at the Head Office of the Company at A -801-804, Lakson Square Building No.3, Sarwar Shaheed Road, Karachi, not less than forty-eight (48) hours before the time fixed for the meeting.

4. Any individual Beneficial Owner of CDC, entitled to attend and vote at this meeting, must bring his/her participant ID number and account/sub account number along-with original Computerized National Identity Card (CNIC) or passport at the time of attending the meeting to prove his/her identity and in case of Proxy must enclose additionally an attested copy of his/her CNIC or Passport, Representatives of corporate members should bring the usual documents required for such purpose.

5. Members are requested to immediately inform of any change in their addresses to our Share Registrar, M/S Hameed Majeed Associates (Pvt.) Ltd., 4th Floor, Karachi Chambers, Hasrat Mohani Road, Karachi.

6. A statement under Section 160(I)(b) of the Companies Ordinance, 1984 setting forth all material facts concerning the Special Business contained in item 4 of the Notice which will be considered for adoption at the Meeting is annexed to this Notice of Meeting being sent to the Members.

NADEEM TEXTILE MILLS LIMITED
DIRECTORS' REPORT TO THE SHARE HOLDERS

Dear Shareholders,

The Directors of your Company hereby present the 29th Annual Report of the Company together with audited accounts and Auditor's Report thereon for the year ended June 30, 2015.

SUMMARY OF FINANCIAL RESULTS

Following is the brief highlights of the financial results of the Company for the year ended June 30, 2015.

	2015	2014
	Rupees in million	
Sales	5,224.53	5,620.60
Gross profit	202.95	338.06
Profit / (Loss) before tax	(66.99)	82.52
Profit / (Loss) after tax	(88.01)	56.53
EPS (in Rupees)	(7.33)	4.71

BREAK-UP VALUE AND EARNING PER SHARE

The break-up value of the shares as on June 30, 2015 was Rs. 42.00 as compared to Rs. 49.33 as at June 30, 2014.

The earning per share for the year ended June 30, 2015 is Rs. (7.33) as per computation below:

	2015 Rupees	2014 Rupees
Profit / (Loss) after tax	(88,010,907)	56,533,190
No. of Ordinary Shares	12,015,000	12,015,000
EPS (in Rupees)	(7.33)	4.71

OVERVIEW

The year under review was very challenging for the Textile Industry. The availability of Indian yarn at cheaper rates in the market, higher conversion cost and gas load shedding adversely affected the profitability of the company. The management made extensive efforts to achieve sales turnover of Rs. 5.22 billion for the year. The gross profit during the year is Rs. 202.95 million as compared to 338.05 million of the last year.

OPERATING PERFORMANCE

The plant remained operative throughout the year on a three shifts basis and achieved the production of 22.29 million Kgs. of spun yarn after conversion into 20/s count as compared to 20.73 million Kgs. of previous year showing an increase of 7.53%.

PRESENT AND FUTURE OUTLOOK

Over the last two years the textile industry of Pakistan has become unviable as compared to the industry of Bangladesh, India and Sri Lanka. The reasons include the following:

1. Unfavorable rates of foreign exchange viz a viz Pak Rs. to US $.
2. High rates of electricity and gas.
3. Heavy taxation.

Various textile associations have taken up the matter with the government and it is expected that the government will soon announce a textile package for the revival of the industry.

The cotton crop for the year 2015-2016 is anticipated to be around 13.50 million bales. The industry is likely to import about 1.50 million bales to meet the domestic requirements for the current year. We foresee that cotton price during the current season shall remain stable. The current price of cotton is at a level where the cost of production is viable to maintain the profitability. However, there are some external factors like demand of yarn in local and international markets, depreciation of Chinese currency and increase in gas prices etc. that might adversely impact the profitability. The Company is taking steps to implement cost controlling measures to minimize these adverse effects. The management is committed to post better results in the forthcoming period.

EXPANSION AND MODERNIZATION

The Company is continuing its BMR policy. Modernization has been made in Auto Cone department. The BMR program is to be continued in future according to the resources available. It is expected that due to the BMR, the Company will be able to increase its productivity, improve quality at reduced cost of production.

DIVIDEND

The Board of Directors has not recommended any dividend due to requirement of funds for BMR.

HUMAN RESOURCE

The company has established a Human Resource and Remuneration Committee as required by the Code of Corporate Governance, which comprises of three members as mentioned in the company information. On the recommendations of HR&R Committee, the management is continuously upgrading its manpower through training facilities and by inducting more qualified staff.

CODE OF CORPORATE GOVERNANCE

The Board of Directors hereby declares that for the period ended June 30, 2015:

- The financial statements, together with the notes thereon have been drawn up in conformity with the Companies Ordinance 1984. These Statements present fairly the Company's state of affairs, results of its operations, cash flow, comprehensive income and changes in equity.
- The Company entered in arm length transactions with other members of the group. These transactions are in compliance with the directives issued by the Security & Exchange Commission of Pakistan (SECP) in this regard.
- Proper books of accounts of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- The International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed.
- The system of Internal Control is sound in design and has been effectively implemented and monitored.
- There is no significant doubt upon the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- The key operating and financial data for the last six years in summarized form is annexed.
- Information about taxes and levies is given in the notes to the accounts.
- All the directors of the company are registered as tax-payer and none of the company's directors is in default of payment of any dues to a banking company, DFI, NBFI or Stock Exchange.
- None of the directors of the company is serving on the Board of 7 or more listed companies.

The company operates an unfunded gratuity covering all its employees who have completed their qualifying period. Provision is made annually to cover current obligation under the scheme. The company has adopted the revised IAS 19.

BOARD MEETINGS

During the period under review, four meetings of the Board of Directors were held and following were in attendance:

Name of Directors	No. of Meetings Attended
1- Mr. Zahid Mazhar	4
2- Mr. Omer Bin Zahid	4
3- Mr. Hassan Bin Zahid	4
4- Mrs. Naila Zahid	4
5- Mrs. Anam Omer	4
6- Mrs. Shafia Hassan	4
7- Mr. Mehmood Siddiqui	4

ASSOCIATED COMPANIES

Following is the list of associated companies:

(a) Nadeem Power Generation (Pvt.) Ltd.
(b) Nadeem International (Pvt.) Ltd.

AUDIT COMMITTEE

The company has established an audit committee as required by the Code of Corporate Governance, which comprises of three members as mentioned in the company information. The audit committee has established an internal audit function to monitor and review the adequacy and implementation of internal control at each level.

AUDITORS

The Auditors of the Company M/S Rahman Sarfaraz Rahim Iqbal Rafiq Chartered Accountants retire at the conclusion of the Annual General Meeting and being eligible; offer themselves for re-appointment as Auditors for the next term.

As suggested by the Audit Committee, The Board recommends their appointment as Auditors of the Company for the year ending June 30, 2016.

PATTERN OF SHAREHOLDING

The pattern of share holding of the company as at June 30, 2015 is annexed.

ACKNOWLEDGMENT

The Directors of the Company would like to take the opportunity to thank the shareholders, valued clients and bankers for the co-operation extended by them during the course of business activities. The Directors are also pleased to record their appreciation for the continued diligence and devotion of the staff members and workers of the Company.

On behalf of Board of Directors

ZAHID MAZHAR
Chief Executive

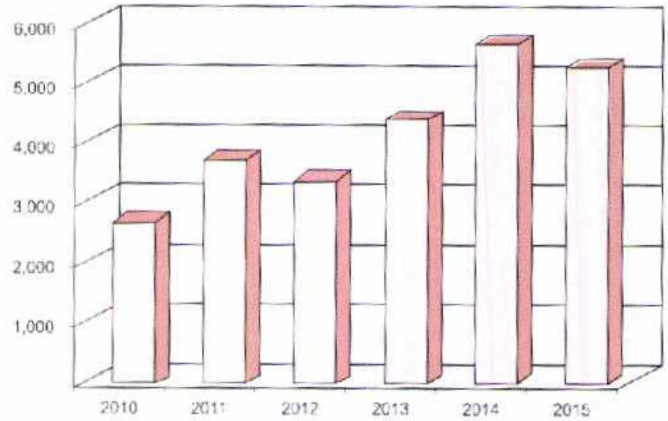
Karachi:
Dated: October 06, 2015

NADEEM TEXTILE MILLS LIMITED
Key Operating & Financial Data
For the period from July 2009 To June 2015

PERIODS	July - June 2014 - 2015	July - June 2013 - 2014	July - June 2012 - 2013	July - June 2011 - 2012	July - June 2010 - 2011	July - June 2009 - 2010
Net Sales Revenue	5,224,533,979	5,620,594,591	4,322,718,024	3,316,501,821	3,668,883,661	2,629,106,636
Cost Of Goods Sold	5,021,581,671	5,282,539,289	4,007,983,172	3,060,033,353	3,438,715,465	2,244,275,417
Gross Profit	202,952,308	338,055,302	314,734,852	256,468,468	230,168,196	384,831,219
Operating Profit	61,092,746	193,815,115	235,929,615	197,398,838	171,647,477	334,604,162
Profit/(Loss) Before Tax	(66,994,605)	82,515,432	114,479,183	53,302,521	51,632,184	210,993,880
Profit/(Loss) After Tax	(88,010,907)	56,533,190	72,698,839	5,278,478	29,032,097	183,874,536
Paid Up Capital	120,150,000	120,150,000	120,150,000	120,150,000	120,150,000	120,150,000
Current Assets	1,281,610,172	1,238,828,343	1,152,555,818	720,433,758	754,638,349	727,869,595
Current Liabilities	1,477,332,240	1,402,102,804	1,506,146,440	869,867,050	780,756,216	706,861,195

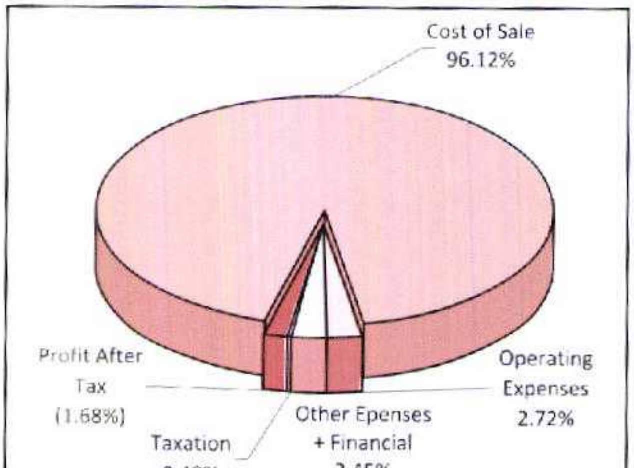
TURNOVER

Year	Sales in (M)
2015	5,225
2014	5,621
2013	4,323
2012	3,317
2011	3,669
2010	2,629



APPLICATION OF REVENUE
FOR THE YEAR ENDED JUNE 30, 2015

	RUPEES	%
Cost of Sale	5,021,581,671	96.12%
Operating Expenses	141,859,561	2.72%
Other Expenses + Financial	128,087,351	2.45%
Taxation	21,016,303	0.40%
Profit / (Loss) After Tax	(88,010,907)	(1.68%)
TOTAL	**5,224,533,979**	**100%**



NADEEM TEXTILE MILLS LIMITED

STATEMENT OF COMPLIANCE
WITH THE CODE OF CORPORATE GOVERNANCE
YEAR ENDED JUNE 30, 2015

This statement is being presented to comply with the Code of Corporate Governance contained in the Regulation No. 35 of Listing Regulations of Karachi Stock Exchange Ltd. for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the Code in the following manner:

1. The Board comprises seven directors, including the CEO. The Company encourages representation of independent non-executive directors on its Board including those representing minority interests. At present, the Board includes four non executive directors.

2. The Directors have confirmed that none of them is serving as a director in more than seven listed companies, including this Company.

3. All the resident Directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or being a member of a stock exchange, has been declared as a defaulter by the stock exchange.

4. There was no casual vacancy of directors during the year.

5. The Company has prepared a Statement of Ethics and Business Practices which has been signed by all the directors and senior employees of the Company.

6. The Board has developed a vision and mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO have been taken by the Board.

8. The meetings of the Board were presided by the Chairman. The Board met atleast once in every quarter. Written notices of the Board Meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. Two of the directors met the criteria of exemption under the condition of having 14 years of education and 15 years of experience on the Board of Directors of Listed Company. The condition of training certification for the other directors is being complied in due course.

10. The Board arranged orientation courses for its directors during the financial year to apprise them of their duties and responsibilities.

11. No new appointment of CFO, Company Secretary and Head of Internal Audit has been made during the year.

12. The Directors' Report for this period has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.

13. The financial statements of the Company were duly endorsed by the CEO and CFO before approval of the Board.

14. The Directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.

15. The Company has complied with all the corporate and financial reporting requirements of the Code.

16. The Board has formed an Audit Committee. It comprises three members, who are non-executive Directors.

17. The Board has formed a Human Resource and Remuneration Committee. It comprises three members, who are non-executive Directors.

18. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the Code.

    The terms of reference of the committee have been formed and advised to the committee for compliance.

19. The Board has setup an effective internal audit function manned by suitable qualified and experienced personnel who are conversant with the policies and procedures of the Company. They are involved in the internal audit function on full time basis.

20. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review programme of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as adopted by the Institute of Chartered Accountants of Pakistan.

21. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Listing Regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

22. The 'closed period' prior to the announcement of interim / final results and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchange.

23. The company has complied with all the major corporate and financial reporting requirements to the code. All related parties transactions has been reviewed and approved by the Board and are carried out as per agreed terms.

24. We confirm that all other material principles contained in the Code have been complied with except for the requirements pertaining to change in composition of Board of Directors or some its committees.

Karachi:
Dated: October 06, 2015

ZAHID MAZHAR
Chief Executive

Russell Bedford

Rahman Sarfaraz Rahim Iqbal Rafiq
CHARTERED ACCOUNTANTS

Plot No. 180, Block-A, S.M.C.H.S.,
Karachi-74400, PAKISTAN
Tel. No. : (021) 4549345-9
Fax No. : (021) 4548210
E-mail : info@rsrir.com
: rimri@fascom.com
Website : www.rsrir.com
Other Offices at Lahore - Islamabad

REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of **Nadeem Textile Mills Limited** for the year ended **June 30, 2015** to comply with the requirements of Listing Regulation of the Karachi Stock Exchange(s) where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Code.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended **June 30, 2015.**

Further, we highlight as disclosed in point 9 of the statement, none of the directors have obtained certification under directors training program as required under clause (xi) of the code

Karachi:
Dated: October 06, 2015

Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants

Russell Bedford

Rahman Sarfaraz Rahim Iqbal Rafiq

CHARTERED ACCOUNTANTS

Plot No. 180, Blcok-A, S.M.C.H.S.,
Karachi-74400, PAKISTAN
Tel. No. : (021) 4549345-9
Fax No. : (021) 4548210
E-mail : info@rsrir.com
: rirmri@fascom.com
Website : www.rsrir.com
Other Offices at Lahore - Islamabad

AUDITOR'S REPORT TO THE MEMBERS

We have audited the annexed balance sheet of Nadeem Textile Mills Limited ("the Company") as at June 30, 2015 and the related profit & loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by the management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that —

(a) in our opinion, proper books of accounts have been kept by the company as required by the Companies Ordinance, 1984;

(b) in our opinion —

  (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of accounts and are further in accordance with accounting policies consistently applied

  (ii) the expenditure incurred during the year was for the purpose of the company's business; and

  (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the company;

(c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the company's affairs as at June 30, 2015, and of the loss, Comprehensive Income, cash flows and changes in equity for the year then ended; and

(d) in our opinion, no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980, (XVIII of 1980).

Karachi:
Dated: October 06, 2015

Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants
Name of Engagement partner: Muhammad Waseem

NADEEM TEXTILE MILLS LIMITED
BALANCE SHEET AS AT JUNE 30, 2015

ASSETS	Note	June 30, 2015 RUPEES	June 30, 2014 RUPEES
Non-Current Assets			
Property, plant and equipment	4	1,189,500,180	1,175,493,906
Long term deposits	5	5,130,429	5,130,429
CURRENT ASSETS			
Stores, spares and loose tools	6	73,384,964	59,746,150
Stock-in-trade	7	658,162,045	735,552,948
Trade debts	8	413,007,573	282,599,498
Short term investments	9	766,701	764,182
Loans and advances	10	8,390,675	12,061,990
Deposits, prepayments and other receivables	11	96,159,266	85,013,634
Taxation - net	12	13,595,418	55,999,208
Cash and bank balances	13	18,143,529	7,090,732
		1,281,610,172	1,238,828,343
		2,476,240,781	2,419,452,678
EQUITY AND LIABILITIES			
Authorized Capital			
25,000,000 (2014: 25,000,000) ordinary shares of Rs. 10/- each		250,000,000	250,000,000
Issued, subscribed and paid up capital	14	120,150,000	120,150,000
Share premium		15,575,000	15,575,000
Unappropriated profit		368,970,958	456,981,866
		504,695,958	592,706,866
Non-Current Liabilities			
Long-term financing	15	191,365,506	227,472,186
Deferred liabilities	16	51,175,793	71,065,362
Loan from associate	17	251,671,284	126,105,459
Current Liabilities			
Trade and other payables	18	416,655,660	342,163,999
Accrued mark-up	19	23,272,216	22,216,646
Short-term borrowings	20	738,437,687	753,828,818
Loan from associate	21	185,000,000	200,000,000
Current portion of long-term financing	15	113,966,677	83,893,341
		1,477,332,240	1,402,102,804
Contingencies and commitments	22		
		2,476,240,781	2,419,452,678

The annexed notes from 1 to 42 form an integral part of these financial statements.

Zahid Mazhar
Chief Executive

Omer Bin Zahid
Director

Karachi:
Dated: October 06, 2015

NADEEM TEXTILE MILLS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2015

	Note	June 30, 2015 RUPEES	June 30, 2014 RUPEES
Sales - net	23	5,224,533,979	5,620,594,591
Cost of sales	24	(5,021,581,671)	(5,282,539,289)
Gross profit		202,952,308	338,055,302
Administrative expenses	25	(83,755,026)	(83,399,899)
Distribution costs	26	(58,104,535)	(60,840,288)
		(141,859,561)	(144,240,187)
		61,092,746	193,815,115
Other operating (loss)/ income	27	(13,268,818)	46,922,244
Other charges	28	-	(9,181,167)
Finance cost	29	(114,818,533)	(149,040,760)
		(128,087,351)	(111,299,683)
(Loss) / profit before taxation		(66,994,605)	82,515,432
Taxation	30	(21,016,303)	(25,982,242)
(Loss) / profit after taxation		(88,010,907)	56,533,190
Earnings per share - basic and diluted	31	(7.33)	4.71

The annexed notes from 1 to 42 form an integral part of these financial statements.

Zahid Mazhar
Chief Executive

Omer Bin Zahid
Director

Karachi:
Dated: October 06, 2015

NADEEM TEXTILE MILLS LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2015

	June 30, 2015 RUPEES	June 30, 2014 RUPEES
(Loss) / Profit after taxation	**(88,010,907)**	56,533,190
Other comprehensive income:		
Actuarial losses on Defined Benefit Obligation- net of tax	-	(355,233)
Total comprehensive income for the year	(88,010,907)	56,177,957

The annexed notes from 1 to 42 form an integral part of these financial statements.

Zahid Mazhar
Chief Executive

Omer Bin Zahid
Director

Karachi:
Dated: October 06, 2015

NADEEM TEXTILE MILLS LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2015

	Note	June 30, 2015 RUPEES	June 30, 2014 RUPEES
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	32	192,074,700	229,722,310
Long term deposit		-	(4,359,870)
Taxes refund/(paid)		4,894,690	(73,064,930)
Gratuity paid	16.1	(20,360,874)	(11,906,063)
Finance cost paid		(113,762,963)	(158,642,270)
Workers' Welfare fund paid		(6,748,734)	(3,593,841)
Workers' profit participation fund paid	18.3	(4,769,305)	(6,254,944)
Net cash generated from/ (used in) operating activities		51,327,514	(28,099,608)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		(130,853,755)	(175,261,344)
Proceeds from disposal of property, plant and equipment	4.1.2	1,438,700	34,319,746
Sale of investments		-	8,770,385
Net cash used in investing activities		(129,415,055)	(132,171,213)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term loan (repaid)/ obtained-net		(6,033,344)	202,190,349
Loan from Associate		110,565,825	202,881,279
Dividend paid during the year		(1,012)	(930,348)
Net cash generated from financing activities		104,531,469	404,141,280
Net increase in cash and cash equivalents		26,443,928	243,870,459
Cash and cash equivalents at beginning of the year		(746,738,086)	(990,608,546)
Cash and cash equivalents at the end of the year	33	(720,294,158)	(746,738,086)

The annexed notes from 1 to 42 form an integral part of these financial statements.

Zahid Mazhar
Chief Executive

Omer Bin Zahid
Director

Karachi:
Dated: October 06, 2015

NADEEM TEXTILE MILLS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2015

	ISSUED, SUBSCRIBED & PAID UP CAPITAL	SHARE PREMIUM	UNAPPROPRIATED PROFIT	TOTAL
	RUPEES			
Balance as at June 30, 2013	**120,150,000**	**15,575,000**	**400,803,909**	**536,528,909**
Total comprehensive income for the year	-	-	56,177,957	56,177,957
Balance as at June 30, 2014	**120,150,000**	**15,575,000**	**456,981,866**	**592,706,866**
Total comprehensive income for the year	-	-	(88,010,907)	(88,010,907)
Balance as at June 30, 2015	**120,150,000**	**15,575,000**	**368,970,958**	**504,695,958**

The annexed notes from 1 to 42 form an integral part of these financial statements.

Zahid Mazhar
Chief Executive

Omer Bin Zahid
Director

Karachi:
Dated: October 06, 2015

NADEEM TEXTILE MILLS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

1 THE COMPANY AND ITS OPERATIONS

1.1 Nadeem Textile Mills Limited ("The Company") was incorporated in Pakistan as public limited company on July 15, 1984 and is its shares are listed on the Karachi Stock Exchange Limited. The registered office of the Company is situated at 801-804, Lakson square Building No.3, Sarwar Shaheed Road, Karachi. The main business of the Company is manufacture and sale of yarn.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. Wherever the requirements of the Companies Ordinance, 1984 or directives issued by the Securities and Exchange Commission of Pakistan differ with the requirements of IFRS, the requirements of the Companies Ordinance, 1984 or the requirements of the said directives prevail.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except that certain short term investments which have been carried at fair value and certain employee retirement benefits carried at present value.

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is the functional and presentation currency of the Company.

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires the management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on going basis. Revisions to accounting estimates are recognized 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. Areas where various assumptions and estimates are significant to the financial statements or where judgments were exercised in application of accounting policies are as follows:

	Note
i) Useful life and residual values of property, plant and equipment	3.1
ii) Provision for slow moving and obsolete store, spares and loose tools	3.4
iii) Provision for slow moving and obsolete stock in trade	3.5
iv) Estimation for impairment of trade debts	3.9
v) Provision for staff retirement benefits	3.14
vi) Provision for taxation	3.16

Standards, amendments or interpretations which became effective during the year:

During the year certain amendments to standards or new interpretations became effective; however, the amendments or interpretation did not have any material effect on the financial statements of the Company.

Standards, amendments or interpretations not yet effective

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 1 July 2015 and the Company does not expect to have any material / significant changes in its accounting policy except for disclosures, where applicable:

Amendments to IAS 38 Intangible Assets and IAS 16 Property, Plant and Equipment (effective for annual periods beginning on or after 1 January 2016) introduce severe restrictions on the use of revenue-based amortization for intangible assets and explicitly state that revenue-based methods of depreciation cannot be used for property, plant and equipment. The amendments have no impact on Company's financial statements as the Company has the policy of depreciating / amortizing its property, plant and equipment and intangible assets based on the assessed useful lives.

IFRS 10 'Consolidated Financial Statements' – (effective for annual periods beginning on or after 1 January 2015) replaces the part of IAS 27 'Consolidated and Separate Financial Statements. IFRS 10 is not likely to have any impact on the financial statements of the Company.

IFRS 11 'Joint Arrangements' (effective for annual periods beginning on or after 1 January 2015) replaces IAS 31 'Interests in Joint Ventures'. IFRS 11 is not likely to have any impact on the financial statements of the Company.

IFRS 12 'Disclosure of Interest in Other Entities' (effective for annual periods beginning on or after 1 January 2015). The adoption of this standard is not like to have an impact on Company's financial statements.

IFRS 13 'Fair Value Measurement' effective for annual periods beginning on or after 1 January 2015). The adoption of this standard is not like to have an impact on Company's financial statements.

Amendment to IAS 27 'Separate Financial Statement' (effective for annual periods beginning on or after 1 January2016). The amendments to IAS 27 will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements.

Agriculture: Bearer Plants [Amendment to IAS 16 and IAS 41] (effective for annual periods beginning on or after 1 January 2016). These amendments have no impact on the financial statements of the Company.

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) [effective for annual periods beginning on or after 1 January 2016]. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

Annual Improvements 2012-2014 cycles (amendments are effective for annual periods beginning on or after 1 January 2016). The new cycle of improvements contain amendments to the following standards:

IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. These amendments are not likely to have any implication on the Company's Financial Statements.

IAS 19 'Employee Benefits'. These amendments are not likely to have any implication on the Company's Financial Statements.

IAS 34 'Interim Financial Reporting'. These amendments are not likely to have any implication on the Company's Financial Statements.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Cost comprises acquisition and other directly attributable costs. Capital work in progress is stated at cost less accumulated impairment losses, if any. All expenditures connected to the specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to specified assets as and when assets are available for use.

Where major components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Subsequent costs are included in the carrying amount as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the profit and loss account during the year in which they are incurred.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit and loss account in the year in which the asset is derecognized. The related balance of surplus on revaluation of such item, if any, is transferred directly to retained earnings (unappropriated profits).

Depreciation is charged to profit and loss account applying written down value method whereby the cost or revalued amount of an asset is written off over its useful life at the rates specified in note 4 the financial statements. Depreciation on additions is charged from the day in which asset is available for use and on disposals up to the day immediately preceding that of deletion.

The assets' residual values, useful lives are reviewed, and adjusted if appropriate, at each financial year end. The Company's estimate of residual value of property and equipment as at June 30, 2015 did not require any adjustment as its impact is considered insignificant.

3.2 Borrowing costs

Borrowings costs are recognised as an expense in the period in which they are incurred except, to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalized as part of the cost of that asset.

3.3 Impairment of non-financial assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of these assets may not be recoverable. Whenever the carrying amount of these assets exceed their recoverable amount, an impairment loss is recognized in the profit and loss account for the amount by which the asset's carrying amount exceeds its recoverable amount. Reversal of impairment loss is restricted to the original cost of the asset.

3.4 Stores, spares and loose tools

Stores, spares and loose tools excluding items in transit are valued at lower of average cost and net realizable value. Provision is made for slow moving and obsolete items. Items in transit are valued at cost comprising invoice values plus other charges incurred thereon accumulated to the balance sheet date.

Net realizable value signifies the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

Provisions are made in the financial statements for obsolete and slow moving inventory based on management's best estimate regarding future usability.

3.5 Stock in trade

Raw materials and packing materials are valued at average cost and finished goods are valued at lower of average cost and net realizable value. Work-in-process is valued at average cost of raw materials including a proportionate of manufacturing overheads. Raw material in transit is valued at invoice value plus other charges paid thereon.

Net realizable value signifies the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to be incurred to make the sale.

Provisions are made in the financial statements for obsolete and slow moving inventory based on management's best estimate regarding there future usability.

3.6 Financial Instruments

Financial instruments carried on the balance sheet include investments, deposits, trade debts and other receivables, cash and bank balances, trade and other payables, long term loan, accrued mark-up on short term finance and short term borrowings. financial statements.

- Financial assets

The Company classifies its financial assets in held to maturity, fair value through profit and loss, and available-for-sale categories. The classification depends on the purpose for which the financial assets are acquired. Management determines the classification of its financial assets at initial recognition.

(a) Held-to-maturity

These are non-derivative financial assets with fixed or determinable payments and fixed maturity that the Company has the positive intention and ability to hold till maturity.

(b) Fair value through profit and loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorized as held for trading unless they are designated as hedges. Assets in this category are classified as current assets. There were no financial assets at fair value through profit or loss on the balance sheet date.

(c) Available for sale

Available for sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories.

All financial assets are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of investments are recognised on trade date - the date on which the Company commits to purchase or sell the asset. Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the right to receive the cash flows from the assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownerships.

Fair value of available-for-sale investments are determined on the basis of rates notified by Mutual Fund Association of Pakistan for debt securities, relevant redemption prices for the open-end mutual funds, or PKRV sheets.

Available-for-sale financial assets are subsequently carried at fair value with changes in fair value recognised in other comprehensive income until derecognised or impaired. When securities classified as available-for- sale are sold or impaired, the accumulated fair value adjustment recognised in equity are included in the profit and loss account as gains and losses from investment securities. Interest on available-for-sale securities calculated using the effective interest method is recognised in the profit and loss account. Dividends on available-for-sale equity instruments are recognised in the profit and loss account when the Company's right to receive the dividends is established.

(d) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than twelve months after the balance sheet date, which are classified as non-current assets. Loans and receivables comprises of long term deposits, trade debts, deposits, prepayments and other receivables and cash and bank balances in the balance sheet.

The Company assesses at the end of each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss is removed from equity and is recognised in the profit and loss account. Impairment losses recognised in the profit and loss account on equity instruments are not reversed through the profit and loss account.

The Company follows trade date accounting for regular way purchase and sales of securities.

- Financial liabilities

All financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instruments. A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired.

3.7 Offsetting

Financial assets and liabilities are offset and the net amount is reported in the financial statements only when there is a legally enforceable right to set off the recognised amount and the company intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

3.8 Trade and other payables

Liabilities for trade and other payables are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received. Where the time value of money has a substantial effect due to the time remaining in the due dates for settlement of liabilities, the liabilities are discounted to the present value using effective interest rate.

These are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

3.9 Trade and other receivable

Trade and other receivables are carried at original invoice amount / cost, which is the fair value of the consideration to be received, less an estimate made for doubtful receivables which is determined based on management review of outstanding amounts and previous repayment pattern. Balance considered bad and irrevocable are written off.

Exchange gains or losses arising in respect of trade and other receivables in foreign currency are added to their respective carrying amounts.

3.10 Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand, demand deposits held with bank and highly liquid investments with maturity of less than three months from the date of acquisition. Running finance facilities availed by the Company which are repayable on demand and form an integral part of the Company's cash management are included as part of cash and cash equivalents for the purpose of the statement of cash flows.

3.11 Foreign currency transactions and translation

Foreign currencies are translated into reporting currency at the rates of exchange prevailing on the date of transactions. Monetary assets and liabilities denominated in foreign currencies are translated into reporting currency equivalents using year-end spot foreign exchange rates. Non-monetary assets are translated using exchange rates that existed when the values were determined. Exchange differences on foreign currency translations are included in income currently.

3.12 Dividend

Dividend distribution to the Company's shareholders is recognised as a liability in the period in which the dividends are approved.

3.13 Provisions

A provision is recognized in the balance sheet when the Company has a legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the outflow can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

3.14 Employees' retirement benefits

3.14.1 Defined benefit plan

A defined benefit plan is post employment benefit plan other than a defined contribution plan. The company's net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in current and prior periods, that benefit is discounted to determine its present value. The calculation is performed annually by a qualified actuary using the projected unit credit method. The Gratuity scheme is unfunded and covers those permanent employees & management staff of the Company who have completed prescribed qualifying period of service. Provision is made annually to cover obligations under the scheme on the basis of actuarial valuation.

Past service cost is recognized immediately to the extent that the benefits are already vested. For non-vested benefits past service cost is amortized on the straight line basis over the average period until the amended benefits become vested.

All actuarial gains and losses arising on valuation are charged to other comprehensive income.

3.15 Borrowings

Borrowings that are acquired for long term financing are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the profit and loss account over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

3.16 Taxation

Income tax expense comprises of current and deferred tax. Income tax expense is recognised in profit and loss account except to the extent that it relates to item(s) recognized directly in equity, in which case it is also recognised in equity.

Current

The current income tax charge is based on the taxable income for the year calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date or minimum or turnover tax under Income Tax Ordinance, 2001, whichever is higher and any adjustment to tax payable in respect of previous years.

Deferred

Deferred tax is recognised using balance sheet liability method, providing for all temporary differences between carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilized. Deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the

3.17 Revenue recognitionrelated tax benefit will be realized.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, net of any direct expenses. Revenue is recognized on the following basis:

- Sales revenue is recognised on dispatch of goods to the customers.

- Dividend income on equity investments is recognized when right to receive dividend is established.

- Mark-up / interest income is recognized on a time proportion basis that takes into account the effective yield.

3.18 Related Party Transactions

All transactions involving related parties arising in the normal course of business are conducted at normal commercial rates on the same terms and conditions as third party transactions using valuation modes, as admissible, except in extremely rare circumstances where, subject to the approval of the Board of Directors, it is in the interest of the Company to do so.

3.19 Share capital

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

3.20 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

	Note	June 30, 2015 RUPEES	June 30, 2014 RUPEES
4 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	4.1	**1,185,557,413**	1,172,072,306
Capital work in process	4.2	**3,942,767**	3,421,600
		1,189,500,180	1,175,493,906

4.1 OPERATING FIXED ASSETS

	Free hold land	lease hold land	Factory building	Office premises	Plant and machinery	Office equipment	Computer equipment	Furniture and fixture	Vehicles	Total
	Rupees									
As at July 01, 2013										
Cost	2,028,820	31,392,763	163,031,205	138,423,353	1,279,578,427	8,805,815	2,001,771	4,029,380	47,630,416	1,676,921,950
Accumulated depreciation	-	-	(40,993,646)	(29,995,497)	(537,506,991)	(2,013,661)	(1,234,298)	(1,455,251)	(16,109,238)	(629,308,582)
	2,028,820	31,392,763	122,037,559	108,427,856	742,071,436	6,792,154	767,473	2,574,129	31,521,178	1,047,613,368
Year ended June 30, 2014										
Opening net book value	2,028,820	31,392,763	122,037,559	108,427,856	742,071,436	6,792,154	767,473	2,574,129	31,521,178	1,047,613,368
Additions during the year	-	8,007,450	6,486,115	11,556,219	212,242,300	429,994	271,510	728,314	12,159,875	251,881,777
Disposals / transfers										
Cost	(2,028,820)	-	-	-	(23,172,723)	-	-	-	(7,481,476)	(32,683,019)
Accumulated depreciation	-	-	-	-	15,104,583	-	-	-	3,001,411	18,105,994
	(2,028,820)	-	-	-	(8,068,140)	-	-	-	(4,480,065)	(14,577,025)
Depreciation / for the year	-	-	(12,532,416)	(5,591,690)	(86,367,308)	(705,206)	(294,353)	(285,919)	(7,068,921)	(112,845,814)
Closing net book value	-	39,400,213	115,991,258	114,392,385	859,878,288	6,516,942	744,630	3,016,524	32,132,067	1,172,072,306
As at July 01, 2014										
Cost	-	39,400,213	169,517,320	149,979,572	1,468,648,004	9,235,809	2,273,281	4,757,694	52,308,815	1,896,120,708
Accumulated depreciation	-	-	(53,526,062)	(35,587,187)	(608,769,716)	(2,718,867)	(1,528,651)	(1,741,170)	(20,176,748)	(724,048,402)
	-	39,400,213	115,991,258	114,392,385	859,878,288	6,516,942	744,630	3,016,524	32,132,067	1,172,072,306
Year ended June 30, 2015										
Opening net book value	-	39,400,213	115,991,258	114,392,385	859,878,288	6,516,942	744,630	3,016,524	32,132,067	1,172,072,306
Additions during the year	-	5,858,827	1,515,153	1,869,391	115,170,805	1,357,468	242,097	358,358	3,960,489	130,332,588
Disposals / transfers										
Cost	-	-	-	-	(550,000)	-	(425,591)	-	(1,562,000)	(2,537,591)
Accumulated depreciation	-	-	-	-	63,000	-	412,515	-	849,801	1,325,316
	-	-	-	-	(487,000)	-	(13,076)	-	(712,199)	(1,212,275)
Depreciation for the year	-	-	(11,623,560)	(5,735,980)	(90,584,597)	(705,304)	(259,238)	(317,907)	(6,408,620)	(115,635,206)
Closing net book value	-	45,259,040	105,882,851	110,525,795	883,977,496	7,169,106	714,413	3,056,975	28,971,736	1,185,557,413
As at June 30, 2015										
Cost	-	45,259,040	171,032,473	151,848,963	1,583,268,809	10,593,277	2,089,787	5,116,052	54,707,304	2,023,915,705
Accumulated depreciation	-	-	(65,149,622)	(41,323,168)	(699,291,313)	(3,424,171)	(1,375,374)	(2,059,077)	(25,735,568)	(838,358,292)
	-	45,259,040	105,882,851	110,525,795	883,977,496	7,169,106	714,413	3,056,975	28,971,736	1,185,557,413
Annual rates of depreciation	0%	0%	10%	5%	10%	10%	30%	10%	20%	

4.1.1 Depreciation is allocated as under

	Note	June 30, 2015 RUPEES	June 30, 2014 RUPEES
Cost of sales	24	102,208,157	98,899,724
Administrative expenses	25	13,427,049	13,946,090
		115,635,206	112,845,814

4.1.2 Particulars of disposal of operating fixed assets

PARICULAR OF ASSETS	COST	ACCUMULATED DEPRECIATION	BOOK VALUE	SALES PROCEEDS	(GAIN)/LOSS ON DISPOSAL	PARTICULARS OF PURCHASER
Motor Cycle KDI-3963	35,000	27,325	7,675	16,000	(8,325)	Muhammad Faizan
Motor Cycle KEA-7647	42,000	30,540	11,460	17,500	(6,040)	Syed Shabbir Hussain
Suzuki Cultus AJN-991	585,000	516,808	68,192	250,000	(181,808)	Faiz Jawed
Computer Equiment	425,591	400,508	25,083	15,200	9,883	Muhammad Amjad
Generator	550,000	63,000	487,000	500,000	(13,000)	Suraya Aslam Paper & Allied Products (Pvt.) Ltd.
Suzuki Liana ALU-060	500,000	152,603	347,397	350,000	(2,603)	Zulfiqar Ali
Suzuki Cultus AGJ-138	400,000	134,532	265,468	290,000	(24,532)	Wazir Ali Alvi
TOTAL	2,537,591	1,325,316	1,212,275	1,438,700	(226,425)	

4.2 Capital work in progress

Advance for purchase of Land	437,500	437,500
Power house	-	680,598
Advance to Contractors for Civil Works	3,505,267	2,303,502
	3,942,767	3,421,600

5 LONG TERM DEPOSITS

Security deposits:

- WAPDA	3,345,060	3,345,060
-PSO	450,000	450,000
- ETO	800,000	800,000
- Others	535,369	535,369
	5,130,429	5,130,429

		Note	June 30, 2015 RUPEES	June 30, 2014 RUPEES
6	**STORES, SPARES AND LOOSE TOOLS**			
	Stores		**41,120,448**	27,400,484
	Spares		**31,819,794**	32,142,609
	Loose tools		**444,722**	203,057
			73,384,964	59,746,150
7	**STOCK IN TRADE**			
	Raw material		**260,649,085**	340,593,158
	Work-in-process		**36,713,693**	43,879,741
	Finished goods		**352,768,601**	341,897,751
	Waste		**8,030,666**	9,182,298
			360,799,267	351,080,049
		7.1	**658,162,045**	735,552,948

7.1 Stocks with carrying value of Rs.502.79 /- million (2014: Rs. 586.96/- million) have been pledged as security with certain banks against finance facilities.

7.2 All Stock of raw material and finished goods have been carried out on net realizable value.

		Note	June 30, 2015 RUPEES	June 30, 2014 RUPEES
8	**TRADE DEBTS**			
	Considered good			
	Export trade debts - secured		**24,753,067**	38,170,836
	Local trade debts - unsecured		**392,382,951**	248,557,107
			417,136,018	286,727,943
	Less: provision for impairment		**(4,128,445)**	(4,128,445)
			413,007,573	282,599,498
9	**SHORT TERM INVESTMENTS**			
	Financial assets at fair value through profit or loss			
	Held for trading-Quoted equity Instruments	9.1	**766,701**	764,182

9.1

June 30 2015	June 30 2014	Name of Company	June 30 2015	June 30 2014
Number of Shares			Ruppees	
83,976	83,976	The Bank of Punjab	**766,701**	764,182
83,976	83,976		**766,701**	764,182

- All the holdings are in ordinary shares of Rs. 10/- each.

	Note	June 30, 2015 RUPEES	June 30, 2014 RUPEES
10 LOAN AND ADVANCES			
Staff and workers	10.1	1,162,251	1,580,347
Advance to suppliers		7,228,424	10,481,643
		8,390,675	12,061,990

10.1 This represents interest free advances provided to employees in accordance with the Company's policy. The advances are unsecured and are recoverable in equal monthly installments.

	Note	June 30, 2015 RUPEES	June 30, 2014 RUPEES
11 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLE			
Bank guarantee and margin	11.1	21,492,890	12,118,707
Sales tax refundable		58,474,629	53,153,341
Special excise duty refundable		2,525,384	2,518,028
Receivable against GID Cess		13,666,363	13,666,363
Other receivable		-	3,557,195
		96,159,266	85,013,634

11.1 This margin is provided by the company against guarantees given by different banks as disclosed in note No. 22. These are deposit in shape of term deposit reciepts earning a markup at a rate of 7%-8% (2014: 8%-9%).

	Note	June 30, 2015 RUPEES	June 30, 2014 RUPEES
12 TAXATION - NET			
Advance tax recoverable		58,928,126	94,146,179
Provision for taxation	30	(45,332,708)	(38,146,971)
		13,595,418	55,999,208
13 CASH AND BANK BALANCES			
Cash in hand		3,147,137	914,081
Cash at bank - current accounts		14,996,392	6,176,651
		18,143,529	7,090,732

14 ISSUED SUBSCRIBED AND PAID UP CAPITAL
AUTHORIZED SHARE CAPITAL

	June 30, 2015 RUPEES	June 30, 2014 RUPEES
25,000,000 (2014:25,000,000) ordinary shares of Rs.10/- each	250,000,000	250,000,000

2015	2014			
Number of Shares				
5,515,000	5,515,000	Ordinary shares of Rs.10/- each issued as fully paid in cash	55,150,000	55,150,000
6,500,000	6,500,000	Ordinary shares of Rs.10/- each issued as fully paid as bonus shares	65,000,000	65,000,000
12,015,000	12,015,000		120,150,000	120,150,000

	Note	June 30, 2015 RUPEES	June 30, 2014 RUPEES
15 LONG TERM FINANCING			
From Banking Companies- Secured	15.1	305,332,183	311,365,527
Less: current portion		(113,966,677)	(83,893,341)
		191,365,506	227,472,186

15.1 The principal details of loan facilities availed by the Company are as follows:

Lender	June 30, 2015	June 30, 2014	Purpose	Facility Amount (Rs. millions)	Security	Pricing	Repayment Terms
Soneri Bank Limited	6,206,408	12,412,814	Import of spinning machinery-Term Finance	24.284	First specific charge over imported machinery	6 month average KIBOR + 3% p.a	16 installments Quarterly.
	-	1,500,000	Import of spinning machinery-Term Finance	15	First specific charge over imported machinery	6 month average KIBOR + 3% p.a	10 installments Semi annually
	87,500,000	112,500.00	Debt swap from Shadman Cotton Mills Limited	125	First pari pasu charge (with Bank Al-Falah) over property of company (including acquired Kotri unit.)	6 month average KIBOR + 2% p.a.	10 installments Semi annually
JS Bank Limited	26,833,334	42,166,667	To meet capital expediture requirements and retirement of LCs for import of machinery	43	First exclusive and specific charge of 58m over machinery imported (new) i.e Auto cone winder- Savio Polar and Draw frame Reiter with accessories.	3 month average KIBOR + 2.5%	12 installments Quarterly.
	19,223,013	-	To meet capital expediture requirements and retirement of LCs for import of machinery	20.97	First exclusive and specific charge of 54m over machinery imported (new) i.e Muratac Auto cone winder Machines	3 month average KIBOR + 2.5%	12 installments Quarterly.
	18,700,000	-	To meet capital expediture requirements and retirement of LCs for import of machinery	20.4	First exclusive and specific charge of 54m over machinery imported (new) i.e Muratac Auto cone winder Machines	3 month average KIBOR + 2.5%	12 installments Quarterly.
Citi Bank	-	2,216,610	Acquired for short term requirements and transferred to term finance	80	First pari pasu charge over stocks and book debts of 160 million	1 month average KIBOR+2.5 % p.a.	36 installments Monthly.
Bank Al-falah Limited	87,500,000	112,500,000	To Purchase Kotri Unit of Shadman Cotton Mills Limited	125	First Pari Pasu charge of 133m over fixed assets of the company	6 month average KIBOR + 2% p.a.	10 installments Semi annually
Askari bank Limited	19,432,684	28,069,436	Acquired for short term requirements and transferred to term finance	34.547	First pari pasu charge of 72.629m over fixed assets of the company.	3 month average KIBOR + 1.5% p.a.	16 installments Quarterly.
Allied bank Limited	39,936,744	-	Acquired for short term requirements and transferred to term finance	49.94	First pari pasu charge of over all current assets of the company wit 25% margin	3 month average KIBOR + 1.5% p.a.	10 installments Quarterly.
Total	305,332,183	311,365,527					

	Note		
16 DEFERRED LIABILITIES			
Gratuity	16.1	37,760,600	41,157,373
Deferred taxation-net	16.2	13,415,193	29,907,989
		51,175,793	71,065,362

	Note	June 30, 2015 RUPEES	June 30, 2014 RUPEES
16.1 Movement in the net liability recognized in the balance sheet			
Opening net liability		**41,157,373**	36,051,359
Expense for the year	16.1.1	**16,964,101**	16,481,879
		58,121,474	52,533,238
Benefits paid		**(20,360,874)**	(11,906,063)
Experience Adjustment		-	2,214,092
Remeasurements		-	(1,683,894)
		37,760,600	41,157,373
16.1.1 Expense recognized in the profit and loss account			
Current service cost		**12,231,908**	13,321,555
Interest cost		**4,732,193**	3,160,324
		16,964,101	16,481,879

16.1.2 Comparison of present value of defined benefit obligation for the current year and pervious four years is as follows:

	Present value of defined benefit obligation	Experience adjustment on obligations
June 2015	37,760,600	-
June 2014	41,157,373	2,214,092
June 2013	17,377,977	-
June 2012	15,574,073	-
June 2011	14,471,889	(42,999)

16.1.3 Year end sensitivity analysis on Defined Benefit Obligation		
Discount Rate + 100 bps	**35,962,476**	39,066,598
Discount Rate - 100 bps	**39,648,630**	43,551,239
Salary Increase + 100 bps	**39,837,433**	43,566,994
Salary Increase -100 bps	**35,792,038**	39,017,549

The average duration of the defined benefit obligation is 5 Years.

Following significant assumptions were used by the actuary in valuation of the scheme:

Discount rate (per annum)	**9.75%**	13.25%
Expected rate of increase in salary level (per annum)	-	12.25%

16.2 Deferred taxation - net

Deferred tax liability on taxable temporary difference:		
Property, plant and equipment - accelerated depreciation	**48,490,348**	32,990,074
Deferred tax asset on deductible temporary differences:		
Provision for doubtful debts	**(409,673)**	(266,619)
Provision for gratuity	**(3,747,052)**	(2,815,466)
Excess of minimum tax carry forward	**(23,466,350)**	-
Carry forward of tax losses	**(7,452,080)**	-
	(35,075,155)	(3,082,085)
	13,415,193	29,907,990

17 LOAN FROM ASSOCIATE

Nadeem Power Generation (Private) Limited		**151,671,284**	126,105,459
Nadeem International (Private) Limited		**100,000,000**	-
	17.1	**251,671,284**	126,105,459

17.1 This represents interest free loan with no definite repayment terms.

	Note	June 30, 2015 RUPEES	June 30, 2014 RUPEES
18 TRADE AND OTHER PAYABLES			
Creditors	18.1	293,377,003	190,813,491
Accrued expenses	18.2	102,734,358	110,167,912
Workers' profit participation fund	18.3	-	4,769,305
Workers' welfare fund		-	6,748,734
Income tax payable		884,051	727,627
Provision against HESCO		-	11,452,000
Provision against ETO		9,869,075	8,631,685
Unclaimed dividend		1,478,601	1,479,613
Advances from customer		8,312,572	7,373,632
		416,655,660	342,163,999

18.1 This includes Rs. 63,358,182 (2014: Nil) due to Associated Undertaking Nadeem International (Pvt) Limited against cotton purchase.

18.2 This includes Rs. 15,090,247 (2014: 17,355,402) due to Associated Undertaking Nadeem Power Generation (Pvt) Limited against electric bill.

		June 30, 2015 RUPEES	June 30, 2014 RUPEES
18.3 Workers' profits participation fund			
Opening balance		4,769,305	6,025,220
Interest expense		376,840	-
		5,146,145	6,025,220
Less: Payment during the year		(5,146,145)	(6,025,220)
		-	-
Allocation for the year		-	4,769,305
		-	4,769,305
19 ACCRUED MARK - UP			
Long-term financing		3,618,813	5,854,067
Short-term borrowings		19,653,403	16,362,579
		23,272,216	22,216,646
20 SHORT TERM BORROWINGS			
Secured			
Bank Al-Falah Limited		188,949,704	163,919,953
Allied Bank Limited		-	72,103,961
Soneri Bank Limited		94,652,590	35,986,511
J. S. Bank Limited		16,976,627	9,597,600
	20.1	300,578,921	281,608,025
Foreign currency loan			
Soneri Bank Limited FE-25	20.2	436,946,451	370,007,181
JS Bank Limited FE-25		-	99,549,850
		737,525,372	751,165,056
Soneri bank limited (overdraft)		912,315	2,663,762
		738,437,687	753,828,818

20.1 These represent short term working capital finance facilities secured against pledge of stocks (Cotton, Yarn and Spares), and export bills under collection, local trade debts of the Company and charge over current assets. The rate of mark-up for running finance ranges from KIBOR + 1.5% to KIBOR + 2.0% per annum (2014: KIBOR + 1.5% to KIBOR + 2.0% per annum), KIBOR ranged from 1 month, 3 months and 6 months.

20.2 The applicable rate of mark-up on foreign currency finance has been LIBOR + 1.75% to LIBOR + 3.8% per annum (2014 LIBOR + 3% to LIBOR + 3.5% per annum). This represents Foreign Exchange loan of $ 4,296,425 translated at the conversion rate existed at June 30, 2015 (2014: $ 4,755,008).

20.3 The unavailed facility of total short term borrowings amount to Rs 437.5 million (2014: Rs 500 million).

	Note	June 30, 2015 RUPEES	June 30, 2014 RUPEES
21 LOAN FROM ASSOCIATES			
Nadeem International (Private) Limited	21.1	**185,000,000**	200,000,000

21.1 This loan is interest free and is payable within next twelve months.

22 CONTINGENCIES AND COMMITMENTS

Contingencies

No contingency existed at balance sheet date.

Commitments

Following commitments exists for the company as of reporting date;

	June 30, 2015	June 30, 2014
Against letters of credit	**20,938,851**	2,788,230
Bank guarantee to Excise & Taxation department	**9,075,753**	7,575,753
Bank guarantee to HESCO	**10,290,000**	10,290,000
Revolving Letter of credit to SSGC	**33,822,953**	33,172,953
FBP outstanding	**474,764,168**	602,480,474
Civil Contractor	**1,606,470**	417,290

23. SALES - NET

	June 30, 2015	June 30, 2014
Local sales	**1,555,872,753**	1,042,949,029
Exports - direct	**3,080,043,658**	3,874,142,695
Exports - indirect	**581,698,868**	737,204,500
	3,661,742,526	4,611,347,195
	5,217,615,279	5,654,296,224
Wastage sales	**58,453,305**	39,961,816
Raw material sales	**30,657,616**	23,330,742
Income from processing of yarn	**911,370**	2,474,987
	90,022,291	65,767,545
Less :		
Ocean freight	**(15,118,238)**	(28,973,215)
Commission on export sales	**(33,821,498)**	(35,498,931)
Commission on local sales	**(10,678,345)**	(8,457,296)
Export development charges	**(7,691,808)**	(9,771,481)
Premium on discounting of the export bills	**(15,793,702)**	(16,768,255)
	(83,103,591)	(99,469,178)
	5,224,533,979	5,620,594,591

	Note	June 30, 2015 RUPEES	June 30, 2014 RUPEES
24 COST OF SALES			
Raw material consumed	24.1	3,757,942,177	4,259,001,522
Store and spares consumed		98,501,982	82,088,692
Packing material consumed		105,942,010	102,547,470
Salaries, wages and other benefits	24.2	402,597,041	354,012,921
Repair and maintenance		14,594,157	13,434,466
Insurance		14,417,225	14,222,439
Fuel and power	24.3	483,572,259	504,848,795
Other manufacturing expenses		16,698,558	27,592,361
Depreciation	4.1.1	102,208,157	98,899,724
		4,996,473,566	5,456,648,390
Work in process:			
Opening		43,879,741	30,006,014
Closing		(36,713,693)	(43,879,741)
		7,166,048	(13,873,727)
Cost of goods manufactured		5,003,639,614	5,442,774,663
Cost of raw material sold		27,661,276	20,695,386
Finished goods and waste:			
Opening:		351,080,049	170,149,289
Closing		(360,799,267)	(351,080,049)
		(9,719,218)	(180,930,760)
		5,021,581,671	5,282,539,289

		June 30, 2015 RUPEES	June 30, 2014 RUPEES
24.1 RAW MATERIAL CONSUMED			
Opening		340,593,158	617,809,183
Add: Purchases		3,705,659,380	4,002,480,883
		4,046,252,538	4,620,290,066
Raw material sold		(27,661,276)	(20,695,386)
Closing stock		(260,649,085)	(340,593,158)
		3,757,942,177	4,259,001,522

24.2 This includes staff retirement benefits amounting to Rs. 12.38 million (2014: 12 million).

24.3 This includes reversal of provision against HESCO amounting to Rs 11.45 million.

	Note	June 30, 2015 RUPEES	June 30, 2014 RUPEES
25 ADMINISTRATIVE EXPENSES			
Directors' remuneration	34	6,209,000	1,938,000
Salaries and other benefits	25.1	29,014,067	30,413,737
Traveling conveyance		4,879,875	4,716,702
Legal and professional		3,312,753	5,580,538
Fees and subscription		1,007,895	1,396,802
Rent, rates and taxes		1,563,279	1,325,847
Electricity, gas and water		3,995,025	3,915,133
Repair and maintenance		1,953,496	1,710,138
Communication expenses		2,108,939	2,184,727
Printing and stationery		2,662,650	3,069,248
Motor vehicle expenses		8,807,943	7,018,569
Advertisement expenses		154,645	180,351
Entertainment expenses		1,909,617	1,847,837
Charity and donation	25.2	325,000	65,500
Audit fee	25.3	1,180,000	1,100,000
Miscellaneous expenses		1,116,325	1,401,303
Depreciation	4.1.1	13,427,049	13,946,090
Sales tax expense		127,468	1,589,377
		83,755,026	83,399,899

	Note	June 30, 2015 RUPEES	June 30, 2014 RUPEES

25.1 This includes staff retirement benefits amounting to Rs. 4.58 million (2014: 4.47 million).

25.2 None of directors or their spouse have any interest in the donees' funds.

25.3 Auditors Remuneration

	Note	June 30, 2015 RUPEES	June 30, 2014 RUPEES
Audit fee		**880,000**	800,000
Half yearly review		**215,000**	215,000
Code Of Corporate Governance		**50,000**	50,000
Other Certifications		**25,000**	25,000
Out of pocket Expenses		**10,000**	10,000
		1,180,000	1,100,000

26 DISTRIBUTION COST

	Note	June 30, 2015 RUPEES	June 30, 2014 RUPEES
Freight charges		**13,866,155**	6,643,896
Export Selling Expenses		**9,308,440**	9,144,260
Foreign Traveling Expense		**3,948,900**	2,679,060
Trailer Charges		**14,764,150**	16,748,450
Export Insurance Charges		**2,377,985**	2,169,503
Stamp duty on Export sales		**4,441,949**	6,000,778
Others	26.1	**9,396,956**	17,454,341
		58,104,535	60,840,288

26.1 It includes charges in respect of stamp duty on local sales, Letter of credit expenses, sales promotion, export and foreign bank charges and forwarding charges.

27 OTHER OPERATING INCOME / (LOSS)

	Note	June 30, 2015 RUPEES	June 30, 2014 RUPEES
Profit on saving deposit account		**1,596,408**	1,032,955
Profit on term deposit		-	445,333
Gain on sale of property, plant and equipment		**226,425**	19,742,723
Reversal of GIDC		-	7,867,579
Bad debts recovered		-	1,819,850
Gain / (loss) on exchange rate difference		**(15,094,170)**	14,801,369
Gain on sale of share		-	1,504,646
Unrealised gain / (loss) on investment classified as fair value through Profit & loss		**2,519**	(292,211)
		(13,268,818)	46,922,244

28 OTHER CHARGES

	Note	June 30, 2015 RUPEES	June 30, 2014 RUPEES
Workers' profit participation fund		-	4,769,305
Workers' welfare fund		-	4,411,862
		-	9,181,167

29 FINANCE COST

	Note	June 30, 2015 RUPEES	June 30, 2014 RUPEES
Mark-up on:			
Short term borrowings		**76,138,040**	121,707,273
Long term financing		**32,982,561**	22,401,519
Inland letter of credit and FAFB		-	452,094
		109,120,601	144,560,886
Interest on workers' profit participation fund		**376,840**	229,784
L/C discount charges		**2,358,710**	-
Bank charges and guarantee commission		**2,962,382**	4,250,090
		114,818,533	149,040,760

	Note	June 30, 2015 RUPEES	June 30, 2014 RUPEES
30 TAXATION			
Current year		**45,332,708**	38,146,971
Prior year		**(7,823,609)**	(2,113,185)
Deferred		**(16,492,796)**	(10,051,544)
		21,016,303	25,982,242

30.1 Income tax assessment of the company deemed as finalized upto the tax year 2014. As the provision for current income tax is based on FTR on export and for normal tax regime under section 113 of the Income Tax Ordinance, 2001, accordingly tax expense reconciliation with the accounting profit is not reported.

31 EARNINGS PER SHARE - BASIC & DILUTED			
(Loss)/ Profit after taxation		**(88,010,907)**	56,563,191
Weighted average number of ordinary shares		**12,015,000**	12,015,000
Earning per share in rupees		**(7.33)**	4.71

There is no dilutive effect on the basic earnings per share of the Company as it has not issued any instruments carrying options which could have an impact on earnings per share when exercised.

32 CASH GENERATED FROM OPERATIONS			
(Loss)/Profit before taxation		**(66,994,605)**	84,134,809
Adjustments for non cash and other items			
Depreciation / impairment	4.1	**115,635,206**	112,845,814
Provision for gratuity	16.1.1	**16,964,101**	35,685,459
Capital gain on sale of investments		-	(1,504,646)
Unrealised (gain) / loss on investments classified as fair value through profit and loss		**(2,519)**	292,211
Unrealised (gain) / loss on other income		-	(22,668,948)
Gain on sale of property, plant and equipment	4.1.2	**(226,425)**	(19,742,723)
Workers' profits participation fund		-	4,769,305
Workers' welfare fund		-	4,411,862
Finance cost		**114,818,533**	149,040,760
		247,188,896	263,129,093
Operating profit before working capital changes		**180,194,291**	347,263,903
(Increase) / decrease in current assets			
Stores, spares and loose tools		**(13,638,814)**	(18,643,859)
Stock in trade		**77,390,903**	82,411,538
Trade debts		**(130,408,075)**	(105,766,990)
Loans and advances		**3,671,315**	825,061
Deposits, prepayments and other receivables		**(11,145,632)**	(200,804)
		(74,130,303)	(41,375,054)
Increase / (decrease) in current liabilities			
Trade and other payables		**86,010,712**	(76,575,809)
		192,074,700	229,313,040

	Note	June 30, 2015 RUPEES	June 30, 2014 RUPEES

33 CASH AND CASH EQUIVALENTS

Cash and cash equivalents at financial statements date as shown in the cash flow statement comprise of following:

Cash and bank balances		18,143,529	7,090,732
Short term borrowings		(738,437,687)	(753,828,818)
		(720,294,158)	(746,738,086)

34 FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets:

Loans and receivables			
Long term deposits		5,130,429	13,133,136
Trade debts		413,007,573	282,599,498
Deposits, prepayments and other receivables		96,159,266	81,207,743
Cash and bank balances		18,143,529	7,090,732
		532,440,797	391,896,283
Fair value through profit and loss			
Equity instruments		766,701	764,182
		533,207,498	392,660,465

Financial liabilities:

At amortized cost			
Long term financing		305,332,183	311,365,527
Trade & other payables		416,655,660	342,133,999
Accrued mark-up		23,272,216	22,216,646
Short term borrowings		738,437,687	753,828,818
		1,483,697,746	1,429,544,990

35 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks: capital risk, credit risk, liquidity risk and market risk (including foreign exchange or currency risk, interest / mark - up rate risk and price risk). The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance. Overall, risks arising from the Company's financial assets and liabilities are limited. The Company consistently manages its exposure to financial risk without any material change from previous periods in the manner described in notes below.

The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. All treasury related transactions are carried out within the parameters of these policies.

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. Due to the Company's long standing business relationship with these counterparties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the Company. To manage exposure to credit risk, Company applies credit limits and deals with credit worthy parties. It makes full provision against those balances considered doubtful and by dealing with variety of major banks and financial institutions. The carrying amounts of financial assets against which the Company does not hold any collateral represent the maximum credit exposure, these are listed as under:

	June 30, 2015 RUPEES	June 30, 2014 RUPEES
Long term deposits	5,130,429	13,133,136
Trade debts	413,007,573	282,599,498
Deposits, prepayments and other receivables	37,684,637	31,860,293
Bank balances	18,143,529	7,090,732
	473,966,168	334,683,659

Impairment losses:

The aging of trade debts at the reporting date was:

	2015		2014	
	Gross Value	Impairment	Gross Value	Impairment
	Rupees			
Not past due	237,347,262	-	117,859,418	-
Past due 1-60 days	155,858,607	-	131,777,504	-
Past due 61 days to 1 year	14,993,571	-	28,486,347	-
More than 1 year	8,936,578	4,128,445	8,604,674	4,128,445
Total	**417,136,018**	**4,128,445**	286,727,943	4,128,445

The Company believes that no impairment loss is necessary in respect of trade debts past due except for which has already been provided. Trade debts are essentially due from credit worthy parities. The Company is actively pursuing for recovery of debts and the Company does not expect these parties to fail to meet their obligations.

The maximum exposure to credit risk at the balance sheet date segregated by geographic region is as follows:

Domestic	388,254,506	244,428,662
China	24,753,067	38,170,836
	413,007,573	282,599,498

The credit quality of Company's bank balances as at the balance sheet date can be assessed with reference to external credit ratings as follows:

A1+	10,675,915	2,409,410
A-1+	4,320,477	3,722,826
A2	-	44,415
	14,996,392	6,176,651

Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate exposure is significant in relation to the Company's total exposure. The Company's portfolio of financial instruments is broadly diversified and transactions are entered into with diverse credit - worthy counterparties thereby mitigating any significant concentrations of credit risk.

(b) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facility. The Company finances its operations through equity, borrowings and working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk. Company's treasury functions aim at maintaining flexibility in funding by keeping committed credit line available.

The following table details repayments of financial liabilities including estimated interest payments based on their contractual maturities:

	Carrying value	Contractual cash flow		
		Total	Upto one year	More than one year
	Rupees			
Long term financing	305,332,183	(338,737,654)	(126,256,102)	(212,481,552)
Trade and other payables	416,655,660	416,655,660	416,655,660	-
Short term borrowings	738,437,687	(738,437,687)	(738,437,687)	-
Accured Mark-up	23,272,216	(23,272,216)	(23,272,216)	-
Loan from associate	436,671,284	(436,671,284)	(185,000,000)	(251,671,284)
June 30, 2015	**1,920,369,030**	**(1,120,463,181)**	**(656,310,345)**	**(464,152,836)**
Long term financing	311,365,527	(450,638,855)	(121,432,970)	(329,205,885)
Trade and other payables	342,163,999	(342,163,999)	342,163,999	-
Short term borrowings	753,828,818	(753,828,818)	(753,828,818)	-
Accured Mark-up	22,216,646	(22,216,646)	(22,216,646)	-
Loan from associate	326,105,459	(326,105,459)	(200,000,000)	(126,105,459)
June 30, 2014	**1,755,680,449**	**(1,894,953,777)**	**(755,314,435)**	**(455,311,344)**

Contractual cash flows include tentative interest payments to be made up to the maturity of relevant facilities. The future interest related cash flows depend on the interest rates applicable at that time and the extent of utilization of running finance facilities.

(c) Market risk

Market risk means the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices such as foreign exchange rates, equity prices and interest rates. The objective is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Company's market risk comprises of two types of risk: foreign exchange or currency risk and interest / mark-up rate risk. The market risks associated with the Company's business activities are discussed as under:

(i) Foreign exchange risk management

Foreign currency risk arises mainly where receivables and payables exist due to transactions denominated in foreign currencies. The foreign currency risk of the Company arising due to exports is minimal as the export bills are immediately realized via sale to bank. Currently the Company's main risk exposure is on its foreign currency borrowing.

(ii) Exposure to foreign currency risk

As at balance sheet date, the Company is exposed to foreign currency risk on the following account balances:

		June 30, 2015	June 30, 2014
Trade debts	$	**243,393**	387,323
Short term foreign currency finances	$	**(4,296,425)**	(4,755,008)
Net Exposure - (Liability)	$	**(4,053,032)**	(4,367,685)
Net exposure - (Liability)	Rs.	**(411,382,749)**	(431,308,894)

Sensitivity analysis

The following is an analysis of the financial assets / liabilities as at June 30, 2015 and 2014 that are subject to foreign currency risk and shows the estimated changes in the value of financial assets and financial liabilities (and the resulting change in profit and loss account and equity) assuming changes in the underlying exchange rates applied immediately and uniformly across all currencies. The changes in value do not necessarily reflect the best or worst case scenarios and actual results may differ. The analysis assumes that all other variables, in particular interest rate, remain constant.

The following significant Rupee exchange rates applied during the year:

	Average rate		June 30 closing rate	
	2015	2014	2015	2014
US Dollar	101.50	97.83	101.70	98.75

Change in Rupee parity against foreign currencies would have the following effect on profit and loss account and equity due the foreign currency balances outstanding as at balance sheet date:

	Weakening of the PKR by			0%	Strengthening of the PKR by		
	-20%	-10%	-5%		5%	10%	20%
	Increase			Rs.	Decrease		
June-2015	**(810,606)**	**(405,303)**	**(202,652)**	**-**	**202,652**	**405,303**	**810,606**
June-2014	(873,537)	(436,769)	(218,384)	-	873,537	436,769	218,384

(iii) Interest rate risk management

Interest/ mark-up rate risk is the risk that value of a financial instrument or future cash flows of a financial instrument will fluctuate due to changes in the market interest rates. Sensitivity to interest rate risk arises from mismatches of financial liabilities that mature or re-price in a given period. The Company manages these mismatches through risk management strategies where significant changes in gap position can be adjusted. The long-term financing and short term borrowing arrangements have variable rate pricing that is dependent on the Karachi Inter Bank Offered Rate (KIBOR) and London Inter Bank Offered Rate (LIBOR) as indicated in respective notes. At the balance sheet date, the interest rate profile of the Company's significant interest bearing financial instruments was as follows:

	2015	2014	2015	2014
	Effective interest rate (%)		Carrying amount (Rs.)	
Financial liabilities				
Long term financing	8.54%-10.04%	10.55%-13.99%	305,332,183	311,365,527
Short term borrowings				
- KIBOR based	8.51% -9.51%	11.03%-13.11%	301,491,236	284,271,787
- LIBOR based	1.5%-2.5%	2.5%-4%	436,946,451	469,557,031

As at balance sheet date, the Company does not hold any fixed rate interest based financial assets or liabilities carried at fair value.

A change of 100 basis points in interest rates would have (decreased)/increased profit by Rs.6.99 million (2014: Rs. 7.03 million).

(iv) Price risk

Price risk represents the risk that the fair value of a financial instrument will fluctuate because of changes in the market prices (other than those arising from interest / mark up rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all or similar financial instruments traded in the market. The Company is exposed to equity price risk since it has investments in quoted equity securities amounting to Rs.0.76 million (2014: 0.76 million).

The carrying value of investments subject to equity price risk is based on quoted market prices as of the reporting date. Market prices are subject to fluctuation and consequently the amount realized in the subsequent sale of an investment may significantly differ from the reported market value. Fluctuation in the market price of a security may result from perceived changes in the underlying economic characteristics of the investee, the relative price of alternative investments and general market conditions.

Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged or a liability settled between knowledgeable and willing parties in an arm's length transaction. Consequently, differences may arise between the carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake transactions on adverse terms.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market prices used for financial assets held by the Company are the current bid prices.

The carrying value less impairment provision of trade and other receivables and carrying amount of trade payables are estimated to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

The classification of financial instruments carried at fair value by reference to the source of inputs used to derive the fair value as given below uses the following three-level hierarchy:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3 - Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3	Total
	Rupees			
June 30, 2105				
Financial assets held for trading				
Quoted equity securities	766,701	-	-	766,701
June 30, 2014				
Financial assets held for trading				
Quoted equity securities	764,182	-	-	764,182

(d) CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure. an optimal capital structure.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company manages its capital risk by monitoring its debt levels and liquid assets and keeping in view future investment requirements and expectations of the shareholders.

For calculation of gearing ratio disclosed hereunder, "total borrowings" are taken as the sum of "long term financing' and 'short term borrowings' while "total capital" is comprised of 'shareholders' equity' and 'total borrowings';

	June 30, 2015 RUPEES	June 30, 2014 RUPEES
Total borrowings	1,295,441,154	1,391,299,804
Cash and bank balances	(18,143,529)	(7,090,732)
	1,277,297,625	1,384,209,072
Total equity	504,695,958	592,706,867
Total capital	1,781,993,583	1,976,915,939
Gearing ratio (%)	139.51	142.09

36 REMUNERATION OF DIRECTORS AND CHIEF EXECUTIVE

Managerial remuneration	5,588,100	1,761,818
Other allowances	620,900	176,182
	6,209,000	1,938,000
No of persons	3	3

36.1 The Chief Executive and two directors are provided with cars maintained by the Company and telephone at their residence.

36.2 The Chief Executive and directors have waived their meeting fees.

37 TRANSACTIONS WITH RELATED PARTIES

Parties are considered to be related if one party has the ability to control the other party or to exercise significant influence over the other party in making financial and operating decisions.

The related parties comprise of major shareholders, associated companies with or without common directors, directors of the Company and key management personnel, staff provident fund, and financial institution having nominee on the Board of Directors. Remuneration and benefits to executives of the Company are in accordance with the terms of the employment while contribution to the provident fund is in accordance with staff service rules. Transactions with other related parties are entered into at rates negotiated with them. The remuneration of Chief Executive and Directors is disclosed in note 36 to the financial statements.

Details of transactions and outstanding balances with related parties, other than those which have been disclosed elsewhere in these financial statements, are as follows:

	June 30, 2015 RUPEES	June 30, 2014 RUPEES
Associates		
Transaction during the year		
Purchase raw material	**403,305,721**	-
Sale of yarn	**12,742,656**	523,091,496
Reprocessing income	**929,598**	2,524,494
Electricity Purchase	**225,584,279**	243,090,598
Loan received	**320,275,000**	381,400,000
Loan repaid	**209,709,175**	178,518,721
Balance outstanding		
Loan from associate		
Nadeem International (Private) Limited	**285,000,000**	200,000,000
Nadeem Power Generation (Private) Limited	**151,671,284**	126,105,459
Against utilities		
Nadeem Power Generation (Private) Limited	**15,090,247**	17,355,402
Against raw material purchases		
Nadeem International (Private) Limited	**63,358,182**	-

38. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purposes of comparison and better presentation.

39. PLANT CAPACITY AND ACTUAL PRODUCTION

Total number of spindles installed	**72,192**	72,192
Average numbers of spindle worked	**69,619**	68,875
Number of shifts worked per day	**3**	3
Installed capacity after conversion into 20/s count (kgs.)	**22,410,743**	22,410,743
Actual production after conversion into 20/s count (kgs.)	**22,285,640**	20,726,874

40. DATE OF AUTHORIZATION FOR ISSUE

The Board of Directors of the Company has authorized the financial statements for issue in their meeting held on October 06, 2015.

41. NUMBER OF EMPLOYEES

The total number of employees and average number of employees at year end and during the year respectively are as follows:

	2015	2014
	Numbers	
Total number of employees as at June 30	**1,032**	1,023
Average number of employees during the year	**1,137**	1,125

42 GENERAL

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

Zahid Mazhar
Chief Executive

Omer Bin Zahid
Director

Karachi:
Dated: October 06, 2015

PATTERN OF SHAREHOLDING AS AT JUNE 30, 2015

No. of shareholders	Shareholding				Total shares held
16	Shareholding from 1	to	100	shares	401
14	Shareholding from 101	to	500	shares	7,000
1	Shareholding from 501	to	1000	shares	600
1	Shareholding from 1501	to	2000	shares	2,000
2	Shareholding from 100001	to	105000	shares	209,338
1	Shareholding from 355001	to	360000	shares	358,235
1	Shareholding from 370001	to	375000	shares	370,650
1	Shareholding from 530001	to	535000	shares	531,410
1	Shareholding from 655001	to	660000	shares	659,800
1	Shareholding from 690001	to	695000	shares	693,813
3	Shareholding from 705001	to	710000	shares	2,118,235
1	Shareholding from 1100001	to	1105000	shares	1,103,399
1	Shareholding from 5960001	to	5965000	shares	5,960,119
44	Total				12,015,000

* There is no shareholding in the slab not mantioned.

SR. NO.	CATEGORIES	NUMBER OF SHARE HOLDERS	SHARES HELD	PERCENTAGE
1	Directors Chief Executive Officer their spouse and minor children	9	8,081,864	67.26
2	Associated Companies, Undertaking and Related Parties	-	-	-
3	NIT	-	-	-
4	Bank / Financial Institution	-	-	-
5	Insurance Companies	-	-	-
6	General Public / Individuals	35	3,933,136	32.74
7	Joint Stock Companies	-	-	-
		44	12,015,000	100.00

Sr. No.	Share holder categories	Percentage	No. of Share
1	CEO, DIRECTORS AND THEIR SPOUSES AND MINOR CHILDREN		
	DIRECTORS & THEIR SPOUSES		
	MR. ZAHID MAZHAR	49.61	5,960,119
	MR. OMER BIN ZAHID	5.87	705,400
	MR. HASSAN BIN ZAHID	5.89	707,400
	MRS. NAILA ZAHID	5.87	705,435
	MRS. ANAM OMER	0.02	2,500
	MRS. SHAFIA HASSAN	0.00	500
	MR. MEHMOOD SIDDIQUI	0.00	510
2	ASSOCIATED COMPANIES UNDERTAKINGS AND RELATED PARTIES	-	-
3	NIT	-	-
4	BANKS, DEVELOPMENT FINANCIAL INSTITUTIONS, NON BANKING FINANCE INSTITUTIONS AND INSURANCE COMPANIES	-	-
5	INDIVIDUAL SHAREHOLDERS	32.74	3,933,136
6	JOINT STOCK COMPANIES	-	-
7	SHAREHOLDERS HOLDING 05% OR MORE		
	MR. ZAHID MAZHAR	49.61	5,960,119
	MRS. NAILA ZAHID	5.87	705,435
	MR. OMER BIN ZAHID	5.87	705,400
	MR. HASSAN BIN ZAHID	5.89	707,400
	MST. RAFIA SULTANA	9.18	1,103,399
	MR. AHSAN ELAHI	5.49	659,800
	MRS. SADIA ALI TARIQ G/O MASTER MUSTAFA ALI TARIQ	5.77	693,813