

**FIRST QUARTER REPORT
FOR THE PERIOD ENDED
SEPTEMBER 30, 2024
(Un-Audited)**



NAGINA COTTON MILLS LTD.



NAGINA COTTON MILLS LTD.

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NAGINA COTTON MILLS LTD.

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Shahzada Ellahi Shaikh	Non-Executive Director/ Chairman
Mr. Naweed Akhter Sharif	Independent Non-Executive Director
Mr. Shafiq ur Rehman	Independent Non-Executive Director
Ms. Tosheeba Sarwar	Independent Non-Executive Director
Mr. Hasan Ahmad	Non-Executive Director
Mr. Shafqat Ellahi Shaikh	Non-Executive Director
Mr. Raza Ellahi Shaikh	Non-Executive Director
Mr. Haroon Shahzada Ellahi Shaikh	Non-Executive Director
Mr. Shaukat Ellahi Shaikh	Executive Director
Mr. Amin Ellahi Shaikh	Executive Director

CHIEF EXECUTIVE OFFICER

Mr. Amin Ellahi Shaikh

AUDIT COMMITTEE

Mr. Shafiq ur Rehman	Chairman
Mr. Raza Ellahi Shaikh	Member
Mr. Haroon Shahzada Ellahi Shaikh	Member
Mr. Syed Mohsin Gilani	Secretary

HUMAN RESOURCE & REMUNERATION (HR & R) COMMITTEE

Mr. Shafiq ur Rehman	Chairman
Mr. Amin Ellahi Shaikh	Member
Mr. Haroon Shahzada Ellahi Shaikh	Member
Mr. Muhammad Azam	Secretary

EXECUTIVE COMMITTEE

Mr. Amin Ellahi Shaikh	Chairman
Mr. Shaukat Ellahi Shaikh	Member
Mr. Raza Ellahi Shaikh	Member
Mr. Haroon Shahzada Ellahi Shaikh	Member
Mr. Muhammad Azam	Secretary

CORPORATE SECRETARY

Mr. Syed Mohsin Gilani

CHIEF FINANCIAL OFFICER (CFO)

Mr. Tariq Zafar Bajwa

HEAD OF INTERNAL AUDIT

Mr. Farjad Ashfaq

AUDITORS

Messrs Yousuf Adil
Chartered Accountants

LEGAL ADVISOR

Makhdoom & Makhdoom Advocates

LEAD BANKERS

Allied Bank Ltd.
Askari Bank Ltd.
Bank Alfalah Ltd.
Faysal Bank Ltd.
Habib Bank Ltd.
Habib Metropolitan Bank Ltd.
JS Bank LTD.
Meezan Bank Ltd.
Industrial Development Bank of Pakistan
MCB Bank Ltd.
National Bank of Pakistan
Pakistan Kuwait Investment Co. (Pvt) Ltd.
Samba Bank Ltd.
Standard Chartered Bank (Pakistan) Ltd.
The Bank of Punjab
United Bank Ltd.

REGISTERED OFFICE

2nd Floor, Shaikh Sultan Trust Bldg. No.2
26, Civil Lines, Beaumont Road, Karachi - 75530

REGIONAL OFFICE

Nagina House, 91-B-1, M.M. Alam Road, Gulberg-III, Lahore - 54660

WEB REFERENCE

www.nagina.com

SHARE REGISTRAR

M/s Hameed Majeed Associates (Pvt.) Ltd.
5th Floor, Karachi Chambers,
Hasrat Mohani Road, Karachi.
Phone # 021-32412754, 32424826 Fax # 021-3242835

MILLS

Aminabad, A-16, S.I.T.E., National Highway, Kotri



NAGINA COTTON MILLS LTD.

DIRECTORS' REVIEW

The Directors are pleased to present the un-audited condensed interim financial statements of the Company for the 1st quarter ended on September 30, 2024. The comparative figures for the corresponding quarter ended on September 30, 2023 are included for comparison, except in statement of financial position where comparative figures are for the year ended on June 30, 2024.

Company Performance

Despite challenging environment your Company has managed to remain profitable and earned after tax profit of Rs. 7,729,282 compared to Rs. 25,478,676 during the same period of last year (SPLY). Earning per share (EPS) for the quarter is Rs. 0.41 compared to Rs. 1.36 for the SPLY.

Sales revenue for the quarter under review decreased by 10.27% over the SPLY and stood at Rs. 4,597,461,241 compared to Rs. 5,123,541,004. The reduction in revenue is mainly due to reduction in sales volume. Cost of sales slightly decreased from 92.01% of sales during SPLY to 91.75% of sales during the period under review. Reduction in cost of sales increased Gross Profit (GP) margins from 7.99% of sales during SPLY to 8.25% of sales during the period under review.

Overall operating expenses increased from 2.63% of sales during SPLY to 3.87% of sales during the period under review. Finance cost reduced to 3.85% of sales from 4.26% of sales in the SPLY. This reduction is mainly due to reduction in average borrowing amount and utilisation of foreign currency borrowings. The company successfully maintained stable cash flows, allowing for timely settlement of its operating liabilities.

According to the figures issued by the Pakistan Cotton Ginners Association, for the crop year 2024-25, Kapas, (seed cotton) arrivals up to October 15, 2024, at the Gineries totalled 3.102 million bales compared to 5.996 million bales for SPLY showing decrease in arrival of 48.27%.

Future Outlook

The textile industry is facing significant challenges due to reduced demand in global and domestic markets. Reduced demand from value-added sectors are squeezing profit margins. The company is facing increasing costs such as energy, salaries and wages, packing costs, transportation and administration. Shortfall in local cotton production is a further setback to the textile industry. Cotton production shortfall has led to increased reliance on imported raw cotton involving greater risks. The ongoing conflict in the Gulf region is severely disrupting supply chains and placing strain on global demand. The outlook for the second quarter of FY25 remains uncertain because of the subdued demand and surging costs. In response, management is actively pursuing cost-cutting strategies, targeted marketing efforts, and product diversification to enhance the company's resilience.



NAGINA COTTON MILLS LTD.

Government reported lower rate of inflation which should help SBP to continue on the path of monetary easing. We hope that SBP will announce further reduction of 3% to 4% in the policy rate. The State Bank of Pakistan (SBP) has effectively managed the country's Current Account, significantly reducing the deficit to minimal levels. Year-on-year growth in home remittances and exports has further bolstered the external account. Consequently, the Rupee has maintained stability against the US dollar.

It is hoped that the Government will bring in business friendly policies such as uninterrupted energy supplies in cost effective manner, refund of outstanding taxes, controlling the inflation rate, reducing the financial costs and release of LTFF facility against the machinery against which LCs has already been retired. Government policies should encourage the completion of the value chain in the textile sector so that the country can export finished products.

Acknowledgement

Continued diligence and devotion of the staff and workers of the Company and good human relations at all levels deserve acknowledgement. The Directors also wish to place on record their thanks to the bankers and other stakeholders for their continued support to the Company.

On behalf of the Board.

A handwritten signature in black ink, appearing to read "Haroon", written in a cursive style.

Haroon Shahzada Ellahi Shaikh
Director

A handwritten signature in black ink, appearing to read "Shaukat", written in a cursive style.

Shaukat Ellahi Shaikh
Director

October 29, 2024



ممبران کے لئے ڈائریکٹرز کی رپورٹ

مجلسِ انجمنہ 30 ستمبر 2024ء کو اختتام پہلی سہ ماہی کے لئے کمپنی کی غیر نظر ثانی شدہ منجمد عبوری مالیاتی معلومات پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔ 30 ستمبر 2023ء کو ختم ہونے والی سہ ماہی کے تقابلی اعداد و شمار بھی موازنہ کے لئے شامل کئے گئے ہیں، ماسوائے سٹیٹمنٹ آف فنانشل پوزیشن کے جہاں تقابلی اعداد و شمار 30 جون 2024ء کو اختتامہ سال کے لئے ہیں۔

کمپنی کی کارکردگی

الحمد للہ، آپ کی کمپنی مشکل ماحول کے باوجود منافع بخش رہنے میں کامیاب رہی اور گزشتہ سال کی اسی مدت کے دوران 25,478,676 روپے کے مقابلے میں زیرِ جائزہ سہ ماہی کے دوران 7,729,282 روپے بعد از ٹیکس منافع کمایا۔ سہ ماہی کی فی شیئر آمدنی (EPS) گزشتہ سال کی اسی مدت کے دوران 1.36 روپے کے مقابلے میں 0.41 روپے ہے۔

زیرِ جائزہ سہ ماہی میں فروخت آمدنی گزشتہ سال کی اسی سہ ماہی کے دوران 10.27 فیصد تک زیادہ ہوئی اور گزشتہ سال کی اسی سہ ماہی کے دوران 5,123,541,004 روپے کے مقابلے میں 4,597,461,241 روپے رہی۔ آمدنی میں کمی بنیادی طور پر فروخت حجم میں کمی کی وجہ سے ہوئی ہے۔ فروخت کی لاگت گزشتہ سال کی اسی سہ ماہی کے دوران فروخت کے 92.01 فیصد سے کم ہو کر زیرِ جائزہ سہ ماہی کے دوران فروخت کے 91.75 فیصد تک ہوئی ہے۔ فروخت کی لاگت میں کمی کے نتیجے میں مجموعی منافع (GP) گزشتہ سال کی اسی سہ ماہی کے دوران فروخت کے 7.99 فیصد سے بڑھ کر زیرِ جائزہ سہ ماہی کے دوران فروخت کا 8.25 فیصد تک زیادہ ہوا۔

مجموعی کاروباری اخراجات گزشتہ سال کی اسی سہ ماہی کے دوران فروخت کے 2.63 فیصد سے بڑھ کر زیرِ جائزہ سہ ماہی کے دوران فروخت کے 3.87 فیصد تک ہوئے۔ مالی لاگت گزشتہ سال کی اسی سہ ماہی کے دوران فروخت کی 4.26 فیصد سے کم ہو کر زیرِ جائزہ سہ ماہی کے دوران فروخت کی 3.85 فیصد ہوئی۔ مالی لاگت میں کمی اوسط قرضوں کی رقم اور غیر ملکی کرنسی قرضوں کے استعمال میں کمی کی وجہ سے ہوئی ہے۔ کمپنی مستحکم نقد بہاؤ کمانے اور اپنے تمام کاروباری واجبات اور مالی ادائیگیاں بروقت ادا کرنے کے قابل رہی ہے۔

پاکستان کاٹن جنرالیسی ایسٹن کی طرف سے فصل سال 2024-25 کے لئے جاری کردہ اعداد و شمار کے مطابق 15 اکتوبر 2024ء تک جزیرہ کپاس، (تج کپاس) کی پینج گزشتہ سال کی اسی مدت کے دوران 5.996 ملین گانٹھوں کے مقابلے میں 3.102 ملین گانٹھیں ہوئی جو کہ 48.27 فیصد کا اضافہ ظاہر کر رہی ہے۔

مستقبل کا نقطہ نظر

ٹیکسٹائل کی صنعت اس وقت دونوں عالمی اور مقامی مارکیٹ میں کم طلب کی وجہ سے اہم مشکلات سے دوچار ہے۔ ویلیو ایڈڈ شعبوں سے کم طلب منافع مارجن کو کم کر رہے ہیں۔ کمپنی کو توانائی، تنخواہوں اور اجرتوں، پیکیجنگ کی لاگت، ٹرانسپورٹیشن اور انتظامی اخراجات میں اضافہ جیسی مشکلات کا سامنا ہے۔ کپاس کی مقامی پیداوار میں کمی بھی ٹیکسٹائل انڈسٹری کی مشکلات کو مزید بڑھا رہی ہے۔ کپاس کی پیداوار میں کمی کی وجہ سے درآمد شدہ خام کپاس پر زیادہ انحصار سے خطرات میں اضافہ ہوا ہے۔ غلجی خطہ میں جاری تنازعہ سپلائی چین کو بری طرح متاثر کر رہا ہے اور عالمی طلب پر دباؤ ڈال رہا ہے۔ اس کے نتیجے میں، مالی سال 25 کی دوسری سہ ماہی کے لئے نقطہ نظر کمزور طلب اور بڑھتی ہوئی لاگت کی بدولت غیر یقینی ہے۔ اس کے جواب میں، انتظامیہ فعال طور پر لاگت میں کمی کی حکمت عملی پر عمل درآمد، ٹارگنڈ مارکیٹنگ اقدامات پر توجہ مرکوز کر رہی ہے اور کمپنی کی چلک کو بڑھانے کے لئے مصنوعات کے تنوع کی تلاش ہے۔

حکومت نے افراط زر کی کم شرح بیان کی ہے جس سے اسٹیٹ بینک پاکستان کو مالیاتی نرمی کی راہ پر گامزن رہنے میں مدد ملے گی۔ ہمیں اُمید ہے کہ اسٹیٹ بینک پاکستان پالیسی شرح میں مزید 3 سے 4 فیصد کمی کا اعلان کرے گا۔ اسٹیٹ بینک آف پاکستان (ایس بی پی) نے ملک کے کرنٹ اکاؤنٹ کو مؤثر طریقے سے منظم کیا ہے، جس سے خسارے کو کم سے کم سطح تک نمایاں طور پر کم کیا گیا ہے۔ اندرون ملک ترسیلات زرا اور برآمدات میں سال بہ سال اضافہ سے بیرونی کھاتوں کو مزید تقویت ملی ہے۔ نتیجتاً، روپیہ نے امریکی ڈالر کے مقابلے میں استحکام برقرار رکھا ہے۔




NAGINA COTTON MILLS LTD.


امید ہے کہ حکومت کاروبار دوست پالیسیاں لائے گی جیسے کہ موسم سرما کے دوران لاگت مؤثر انداز میں توانائی کی بلا تعطل فراہمی، بقایا ٹیکس کی واپسی، تاکہ مہنگائی کی شرح کو کنٹرول اور مالیاتی اخراجات میں کمی لائی جاسکے اور جو LCs پہلے ہی ریٹائر ہو چکی ہیں کی مشینری کے لئے LTFF کی سہولت کا اجراء کرے گی۔ حکومتی پالیسیوں کو ٹیکسٹائل سیکٹر میں ویلیو چین کی تکمیل کی حوصلہ افزائی کرنی چاہیے تاکہ ملک تیار مصنوعات برآمد کر سکے۔

اظہار تشکر

کمپنی کے عملے اور کارکنوں کی مسلسل محنت اور جذبہ اور تمام سطحوں پر اچھے انسانی تعلقات کا اعتراف کرتے ہیں۔ ڈائریکٹرز کمپنی کی مسلسل حمایت پر بینکرز اور دیگر اسٹیک ہولڈرز کا بھی شکریہ ادا کرتے ہیں۔

مخائب بورڈ


بارون شہزادہ الہی شیخ
ڈائریکٹر


شوکت الہی شیخ
ڈائریکٹر

29 اکتوبر 2024ء



NAGINA COTTON MILLS LTD.

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2024

	(Un-Audited) September 30, 2024	(Audited) June 30, 2024
	Note	-----Rupees-----
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized share capital 50,000,000 (June 30, 2024: 50,000,000) ordinary shares of Rs. 10/- each	<u>500,000,000</u>	<u>500,000,000</u>
Issued, subscribed and paid up capital	187,000,000	187,000,000
Capital reserves	260,620,746	262,238,346
Revenue reserve - Unappropriated profit	4,286,859,759	4,279,130,477
TOTAL EQUITY	4,734,480,505	4,728,368,823
LIABILITIES		
NON-CURRENT LIABILITIES		
Long term finances	4,676,014,284	4,797,375,158
Employee retirement benefits	255,106,588	241,031,213
	4,931,120,872	5,038,406,371
CURRENT LIABILITIES		
Current portion of long-term finances	615,548,552	562,649,569
Trade and other payables	1,636,072,371	1,547,579,311
Contract liability - advance from customers	14,126,092	2,675,380
Unclaimed dividend	11,904,654	11,904,654
Accrued interest/mark-up	114,681,592	150,579,516
Short-term borrowings	749,581,544	688,088,033
	3,141,914,805	2,963,476,463
TOTAL LIABILITIES	8,073,035,677	8,001,882,834
CONTINGENCIES AND COMMITMENTS	7	
TOTAL EQUITY AND LIABILITIES	<u>12,807,516,182</u>	<u>12,730,251,657</u>

The annexed explanatory notes from 1 to 13 form an integral part of these condensed interim financial statements.

October 29, 2024


Haroon Shahzada Ellahi Shaikh
Director

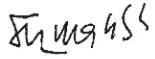

Tariq Zafar Bajwa
Chief Financial Officer



NAGINA COTTON MILLS LTD.

	(Un-Audited) September 30, 2024	(Audited) June 30, 2024
Note	-----Rupees-----	
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	8	5,964,975,353
Investment properties	12,818,443	12,866,120
Long-term deposits	1,021,858	1,021,858
	5,910,151,791	5,978,863,331
CURRENT ASSETS		
Stores and spares	168,670,378	175,946,946
Stock-in-trade	2,229,628,181	2,345,519,612
Trade receivables	2,802,519,368	2,423,990,217
Advances	981,703,380	444,171,607
Prepayments	34,721,864	3,777,750
Other receivables	18,223,485	12,165,011
Tax refundable	115,946,511	64,631,798
Other financial assets	9	1,155,266,963
Cash and bank balances	275,738,466	125,918,422
	6,897,364,391	6,751,388,326
TOTAL ASSETS	12,807,516,182	12,730,251,657

The annexed explanatory notes from 1 to 13 form an integral part of these condensed interim financial statements.


Shaukat Ellahi Shaikh
Director



NAGINA COTTON MILLS LTD.

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME(UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2024

	Note	Quarter Ended	
		September 30, 2024	September 30, 2023
	Rupees.....	
Revenue from contracts with customers		4,597,461,241	5,123,541,004
Cost of goods sold	10	(4,218,400,417)	(4,714,025,738)
Gross profit		379,060,824	409,515,266
Distribution cost		(96,954,526)	(70,937,576)
Administrative expenses		(76,903,745)	(57,734,028)
Other expenses		(4,216,704)	(5,997,230)
		(178,074,975)	(134,668,834)
		200,985,849	274,846,432
Other income		43,398,971	24,098,282
Operating profit		244,384,820	298,944,714
Finance cost		(177,002,404)	(218,026,831)
Profit before levies and taxation		67,382,416	80,917,883
Levies		(59,653,134)	(55,439,207)
Profit before taxation		7,729,282	25,478,676
Taxation		-	-
Profit for the period		7,729,282	25,478,676
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Fair value (loss) / gain on investment in equity instruments designated at FVTOCI	9.2	(1,617,600)	18,598,497
Other comprehensive income for the period		(1,617,600)	18,598,497
Total comprehensive income for the period		6,111,682	44,077,173
Earnings per share - basic and diluted		0.41	1.36

The annexed explanatory notes from 1 to 13 form an integral part of these condensed interim financial statements.

October 29, 2024

Haroon Shahzada Ellahi Shaikh
Director


Tariq Zafar Bajwa
Chief Financial Officer


Shaukat Ellahi Shaikh
Director



NAGINA COTTON MILLS LTD.

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2024

	Quarter Ended	
	September 30, 2024	September 30, 2023
Rupees.....	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before levies and taxation	67,382,416	80,917,883
Adjustments for:		
Depreciation on property, plant and equipment	148,452,292	133,363,626
Depreciation on investment properties	47,994	50,187
Provision for gratuity	20,280,711	16,549,407
Gain on disposal of property, plant and equipment	(1,518,569)	-
Realized (gain) / loss on investment classified as fair value through profit or loss	(28,196,642)	-
Unrealized gain / (loss) on investment classified as fair value through profit or loss	1,896,748	(17,579)
Finance cost	177,002,404	218,026,831
Rental Income	(8,744,709)	(8,046,792)
Dividend Income	(420,000)	(7,599,655)
	<u>376,182,645</u>	<u>433,243,908</u>
Changes in working capital		
Increase / (decrease) in current assets:		
Stores and spares	7,276,568	22,642,899
Stock-in-trade	115,891,431	(2,064,026,839)
Trade receivables	(378,529,151)	(964,464,265)
Advances	(536,639,108)	743,059,988
Prepayments	(30,944,114)	(29,179,806)
Other receivables	(6,058,474)	(10,678,968)
Sales tax refundable	(52,454,895)	(147,914,912)
	<u>(881,457,743)</u>	<u>(2,450,561,903)</u>
Increase / (decrease) in current liabilities:		
Trade and other payables	88,493,060	397,904,294
Contract liability - advance from customers	11,450,712	2,881,468
	<u>(781,513,971)</u>	<u>(2,049,776,141)</u>
Cash used in operations	(405,331,326)	(1,616,532,233)
Payments made:		
Employees retirement benefits	(6,205,336)	(9,849,519)
Finance cost	(212,900,328)	(175,979,087)
Income taxes	(59,405,617)	(44,042,821)
Net cash used in operating activities	(683,842,607)	(1,846,403,660)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(80,592,251)	(169,178,793)
Proceeds from disposal of property, plant and equipment	2,322,074	-
Purchase of other financial assets	(1,011,700,000)	(22,087,286)
Proceeds from sale of other financial assets	1,921,436,499	-
Rental Income received	8,744,709	8,046,792
Dividend received	420,000	7,599,655
Net cash (used in) / generated from investing activities	840,631,031	(175,619,632)
	A	B



NAGINA COTTON MILLS LTD.

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2024

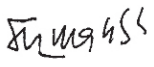
	Quarter Ended	
	September 30, 2024	September 30, 2023
Rupees.....	
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term finances obtained	56,515,400	32,271,321
Repayment of long term finances	(124,977,291)	(80,523,483)
Net increase in short term borrowings excluding running finances	280,567,047	728,150,000
Net cash generated from financing activities	212,105,156	679,897,838
Net decrease in cash and cash equivalents	368,893,580	(1,342,125,454)
Cash and cash equivalents at beginning of the period	(32,154,515)	(702,604,631)
Cash and cash equivalents at end of the period	336,739,065	(2,044,730,085)
Cash and cash equivalents		
Cash and bank balances	275,738,466	236,124,982
Other financial assets - terms deposits with banks	76,903,615	1,903,615
Short-term running finances	(15,903,016)	(2,282,758,682)
	336,739,065	(2,044,730,085)

The annexed explanatory notes from 1 to 13 form an integral part of these condensed interim financial statements.

October 29, 2024

Haroon Shahzada Ellahi Shaikh
Director


Tariq Zafar Bajwa
Chief Financial Officer


Shaukat Ellahi Shaikh
Director



NAGINA COTTON MILLS LTD.

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2024

	Capital reserves				Revenue	Total	
	Capital Redemption reserve	Amalgamation reserve	Fair value reserve	Total capital reserves	Unappropriated profit		
	-----Rupees-----						
Balance as at June 30, 2023 (Audited)	187,000,000	241,860,000	12,104,417	(55,702,216)	198,262,201	4,281,777,150	4,667,039,351
Comprehensive income							
Profit after taxation	-	-	-	-	-	25,478,676	25,478,676
Other comprehensive income							
Fair value gain on investment in equity instruments designated at FVTOCI	-	-	-	18,598,497	18,598,497	-	18,598,497
Total comprehensive (loss) / income for the period	-	-	-	18,598,497	18,598,497	25,478,676	44,077,173
Balance as at September 30, 2023 (Un-Audited)	187,000,000	241,860,000	12,104,417	(37,103,719)	216,860,698	4,307,255,826	4,711,116,524
Comprehensive income							
Profit after taxation	-	-	-	-	-	51,546,312	51,546,312
Other comprehensive income							
Remeasurement of defined benefit liability	-	-	-	-	-	(12,139,615)	(12,139,615)
Fair value gain on investment in equity instruments designated at FVTOCI	-	-	-	90,045,602	90,045,602	-	90,045,602
Transfer of realized gain on sale of investments	-	-	-	(44,667,954)	(44,667,954)	44,667,954	-
Total comprehensive income for the period	-	-	-	45,377,648	45,377,648	84,074,651	129,452,299
Transactions with owners							
Final dividend for the year ended June 30, 2023 @ 60% i.e. Rs. 6 per ordinary share	-	-	-	-	-	(112,200,000)	(112,200,000)
Balance as at June 30, 2024 (Audited)	187,000,000	241,860,000	12,104,417	8,273,929	262,238,346	4,279,130,477	4,728,368,823
Comprehensive income							
Profit after taxation	-	-	-	-	-	7,729,282	7,729,282
Other comprehensive income							
Fair value loss on investment in equity instruments designated at FVTOCI	-	-	-	(1,617,600)	(1,617,600)	-	(1,617,600)
Total comprehensive income for the period	-	-	-	(1,617,600)	(1,617,600)	7,729,282	6,111,682
Balance as at September 30, 2024 (Un-Audited)	187,000,000	241,860,000	12,104,417	6,656,329	260,620,746	4,286,859,759	4,734,480,505

The annexed explanatory notes from 1 to 13 form an integral part of these condensed interim financial statements.

Haroon Shahzada Ellahi Shaikh
Director

Tariq Zafar Bajwa
Chief Financial Officer

Shaukat Ellahi Shaikh
Director

October 29, 2024



NAGINA COTTON MILLS LTD.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2024

1. LEGAL STATUS AND OPERATIONS

Nagina Cotton Mills Limited (the Company) was incorporated in Pakistan on May 16, 1967 as a public limited company under the Companies Act, 1913 (repealed) now The Companies' Act, 2017 and is listed on Pakistan Stock Exchange Limited. The principal business of the Company is to manufacture and sale of yarn.

Following is the geographical location and address of all business units of the Company:

Head Office:

2nd floor, Shaikh Sultan Trust Building No.2, 26-Civil Lines, Beaumont Road, Karachi-75530, Sindh.

Manufacturing facility:

A-16, National Highway, Aminabad, S.I.T.E Kotri, Sindh.

Regional Office:

Nagina House 91 – B-1, M.M. Alam Road, Gulberg-III, Lahore, Punjab.

2 BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

2.1.1 These un-audited condensed interim financial statements of the Company for the Quarter ended September 30, 2024 have been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standard Board (IASB) as notified under the Companies Act, 2017; and provisions of and directives issued under the Companies Act, 2017. Where the provisions of or directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of or directives issued under the Companies Act, 2017 have been followed.

These condensed interim financial statements do not include all of the notes required for the full financial statements and, therefore, these should be read in conjunction with the annual audited financial statements of the Company for the year ended June 30, 2024.

2.1.2 These condensed interim financial statements have been prepared under 'Historical cost convention' except employees retirement benefits and financial instruments at fair value through other comprehensive income (FVTOCI).

2.1.3 These condensed interim financial statements are presented in Pak Rupees, which is also the Company's functional and presentation currency. Figures presented in these condensed interim financial statements have been rounded off to the nearest Rupee.

2.1.4 The comparative condensed interim statement of financial position presented has been extracted from annual audited financial statements for the year ended June 30, 2024; whereas comparative condensed interim statement of profit or loss and statement of other comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity of the Company have been extracted from the un-audited condensed interim financial statements for the first quarter ended September 30, 2023.

3 SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual audited financial statements of the Company for the year ended June 30, 2024.

4 ACCOUNTING ESTIMATES AND JUDGMENTS

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

In preparing these condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies, the key source of estimation and uncertainty were the same as those that applied to the financial statements of the Company for the year ended June 30, 2024.

5 FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements of the Company for the year ended June 30, 2024.



NAGINA COTTON MILLS LTD.

		(Un-Audited) September 30, 2024	(Audited) June 30, 2024
6	SHORT-TERM BORROWINGS		
	- Banking companies - secured		
	Foreign currency finance	733,678,528	453,111,481
	Running finance	15,903,016	234,976,552
		<u>749,581,544</u>	<u>688,088,033</u>
7	CONTINGENCIES AND COMMITMENTS		
7.1	Contingencies		
	Bank guarantees issued on behalf of the Company	28,253,615	28,253,615
	Bank guarantee in favor of Excise and Taxation department	313,442,448	293,442,448
	Revolving Letter of credit Favouring SSGC	82,051,880	82,051,880
7.1.1	It includes guarantee issued in favor of Hyderabad Electric Supply Corporation (HESCO) amounting Rs. 24.253 million (2023: Rs 24.253 million). There is no further change in contingencies as disclosed in note 14.1 to the annual audited financial statements for the year ended June 30, 2024.		
		(Un-Audited) September 30, 2024	(Audited) June 30, 2024
7.2	Commitments		
	Capital work		
	Civil work	38,400,000	-
	Raw material	2,657,097,401	1,481,895,235
	Stores and spares	56,795,885	38,992,366
	Bills discounted	242,498,178	730,817,471
	Commitments for rentals of assets under short term lease as at:		
	- Not later than one year	2,805,088	4,207,472
8	PROPERTY, PLANT AND EQUIPMENT		
	Operating fixed assets - owned	5,751,140,678	5,893,797,509
	Capital work in progress	145,170,812	71,177,844
		<u>5,896,311,490</u>	<u>5,964,975,353</u>
8.1	Operating fixed assets - owned		
	Opening written down value	5,893,797,509	3,565,934,646
	Additions during the period / year		
	Machinery and equipment	-	2,264,579,474
	Mills building on leasehold land	-	552,978,017
	Electric installation and equipment	-	46,267,539
	Furniture and fixtures	1,661,226	2,294,529
	Office equipment	639,750	569,000
	Vehicles	4,297,990	48,523,675
		6,598,966	2,915,212,234
	Written down value of property, plant and equipment disposed off	(803,505)	(94,737,868)
	Depreciation charged during the period/year	(148,452,292)	(492,611,503)
	Written down value at end of the period/year	<u>5,751,140,678</u>	<u>5,893,797,509</u>
8.2	Capital work in progress		
	Opening Balance	71,177,844	2,647,511,511
	Additions during the period / year	78,256,968	283,574,736
	Transfers during the period / year	(4,264,000)	(2,859,908,403)
	Closing Balance	<u>145,170,812</u>	<u>71,177,844</u>



NAGINA COTTON MILLS LTD.

	(Un-Audited) September 30, 2024	(Audited) June 30, 2024
NoteRupees	
9 OTHER FINANCIAL ASSETS		
Designated at amortised cost		
Terms deposits with banks having maturity of		
- More than three months	45,100,000	45,100,000
- Three months or less	76,903,615	76,903,615
	<u>122,003,615</u>	<u>122,003,615</u>
Designated at fair value through Other Comprehensive Income		
Investment in listed equity securities	11,844,000	13,461,600
9.1	<u>11,844,000</u>	<u>13,461,600</u>
Designated at fair value through profit or loss		
Investment in mutual funds	136,365,143	1,019,801,748
9.3	<u>136,365,143</u>	<u>1,019,801,748</u>
	<u>270,212,758</u>	<u>1,155,266,963</u>
9.1 Reconciliation between fair value and cost of investments classified as 'equity instrument'		
Fair value of investments		
- in listed equity securities	11,844,000	13,461,600
	<u>11,844,000</u>	<u>13,461,600</u>
Add: unrealized gain on remeasurement of investments	<u>(6,656,329)</u>	<u>(8,273,929)</u>
Cost of investments	<u>5,187,671</u>	<u>5,187,671</u>
9.2 Unrealized loss on remeasurement of equity instruments Through Other Comprehensive Income		
Opening balance	8,273,929	(55,702,216)
Fair value (loss) / gain arises for the period / year	(1,617,600)	108,644,099
Transfer of realized gain on sale of investments	-	(44,667,954)
Unrealized fair value (loss) / gain for the period / year	<u>(1,617,600)</u>	<u>63,976,145</u>
Deferred tax reversed	6,656,329	8,273,929
Closing balance	<u>-</u>	<u>-</u>
	<u>6,656,329</u>	<u>8,273,929</u>
9.3 Unrealized gain on remeasurement of mutual funds Through profit or loss		
Fair value of investments in mutual funds	136,365,143	1,019,801,748
Less: Cost of investments	(135,996,332)	(1,017,536,188)
Unrealised gain on remeasurement of investments	<u>368,811</u>	<u>2,265,560</u>



NAGINA COTTON MILLS LTD.

	(Un-Audited) September 30, 2024	(Un-Audited) September 30, 2023
	-----Rupees-----	
10 COST OF GOODS SOLD		
Raw material consumed	3,773,865,683	3,909,287,109
Packing material consumed	50,362,178	53,999,985
Stores and spares consumed	70,742,975	157,876,190
Salaries, wages and benefits	200,618,884	142,695,600
Fuel	243,704,508	348,653,249
Rates and taxes	15,627	15,240
Insurance	9,425,729	9,504,340
Repairs and maintenance	782,785	4,738,324
Depreciation on property, plant and equipment	145,036,032	130,854,626
Other manufacturing overheads	11,314,921	14,166,554
Manufacturing cost	4,505,869,322	4,771,791,217
Work-in-process:		
At beginning of period	221,488,446	210,447,303
At end of period	(223,478,576)	(231,356,127)
Cost of goods manufactured	4,503,879,192	4,750,882,393
Finished stocks:		
At beginning of period	523,441,721	449,592,884
Purchase of waste	4,475,190	17,483,935
At end of period	(885,209,785)	(503,933,474)
Cost of sales of waste and raw material	(357,292,874)	(36,856,655)
	71,814,099	-
	4,218,400,417	4,714,025,738

11 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of associated companies, directors and key management personnel of the Company. Transactions with related parties are carried out as per agreed terms. The transactions with related parties during the period generally consist of sales, purchases and dividend. Nature and description of related party transactions during the period along with monetary values are as follows:

Nature and description of related party transactions during the period along with monetary values are as follows:

Nature of Relationship	Nature of Transaction	Quarter Ended (Un-Audited)	
		September 30, 2024	September 30, 2023
		-----Rupees-----	
Associated companies	Sale of goods and services	98,920,486	673,387,322
	Purchase of goods	-	-
Key management personnel	Remuneration and other benefits	8,700,000	8,700,000

There is no balance outstanding with or from associated undertakings, as at reporting date.

12 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

The carrying value of all the financial instruments reported in the financial statements approximates their fair value as the items are short term in nature.

The table below analyses financial instrument carried at fair value, by valuation method. The different levels have been defined as follows:

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

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



NAGINA COTTON MILLS LTD.

The valuation techniques used are as follows:

Level 1: Quoted prices (unadjusted) in active markets

The fair value of financial instruments traded in active markets is based on Net Asset Values (NAVs) of the units of the mutual funds and quoted market price of the equity instrument at the reporting date. A market is regarded as active when it is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The following table presents the Company's financial assets which are carried at fair value:

	September 30, 2024			Total
	Level 1	Level 2	Level 3	
	----- Rupees -----			
Financial assets				
- measured at fair value through other comprehensive income				
Investment in listed equity securities	11,844,000	-	-	11,844,000
- measured at fair value through profit or loss				
Investment in mutual funds	136,365,143	-	-	136,365,143
	<u>148,209,143</u>	<u>-</u>	<u>-</u>	<u>148,209,143</u>

	June 30, 2024			Total
	Level 1	Level 2	Level 3	
	----- Rupees -----			
Financial assets				
- measured at fair value through other comprehensive income				
Investment in listed equity securities	13,461,600	-	-	13,461,600
- measured at fair value through profit or loss				
Investment in mutual funds	1,019,801,748	-	-	1,019,801,748
	<u>1,033,263,348</u>	<u>-</u>	<u>-</u>	<u>1,033,263,348</u>

13 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements (un-audited) have been approved by the Board of Directors of the Company and authorized for issue on October 29, 2024.

Haroon Shahzada Ellahi Shaikh
Director

October 29, 2024

Tariq Zafar Bajwa
Chief Financial Officer

Shaukat Ellahi Shaikh
Director



NAGINA COTTON MILLS LTD.

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