

**FIRST QUARTER REPORT
FOR THE PERIOD ENDED
SEPTEMBER 30, 2013
(Un-Audited)**



NAGINA COTTON MILLS LTD.



CONTENTS

| | |
|--|----|
| Company Information | 03 |
| Directors' Report to the Members | 04 |
| Condensed Interim Balance Sheet | 06 |
| Condensed Interim Profit & Loss Account | 08 |
| Condensed Interim Cash Flow Statement | 09 |
| Condensed Interim Statement of Changes in Equity | 11 |
| Notes to the Condensed Interim Financial Information | 12 |



NAGINA COTTON MILLS LTD.

COMPANY INFORMATION

BOARD OF DIRECTORS

| | |
|------------------------------|-----------------------------------|
| Mr. Shaikh Enam Ellahi | Non-Executive Director / Chairman |
| Mr. Javaid Bashir Sheikh | Non-Executive Director |
| Mr. Shahzada Ellahi Shaikh | Non-Executive Director |
| Mr. Shafqat Ellahi Shaikh | Non-Executive Director |
| Mr. Shaukat Ellahi Shaikh | Executive Director |
| Mr. Shahzada Sultan Mubashir | Executive Director |
| Mr. Munawar Iqbal | Executive Director |

MANAGING DIRECTOR (Chief Executive)

Mr. Shaukat Ellahi Shaikh

AUDIT COMMITTEE

| | |
|------------------------------|-----------|
| Mr. Shafqat Ellahi Shaikh | Chairman |
| Mr. Shaikh Enam Ellahi | Member |
| Mr. Shahzada Ellahi Shaikh | Member |
| Mr. Shahzada Sultan Mubashir | Secretary |

HUMAN RESOURCE & REMUNERATION (HR & R) COMMITTEE

| | |
|------------------------------|-----------|
| Mr. Shafqat Ellahi Shaikh | Chairman |
| Mr. Shahzada Ellahi Shaikh | Member |
| Mr. Shahzada Sultan Mubashir | Member |
| Mr. Muhammad Azam | Secretary |

EXECUTIVE COMMITTEE

| | |
|----------------------------|-----------|
| Mr. Shaikh Enam Ellahi | Chairman |
| Mr. Shahzada Ellahi Shaikh | Member |
| Mr. Shaukat Ellahi Shaikh | Member |
| Mr. Shafqat Ellahi Shaikh | Member |
| Mr. Muhammad Azam | Secretary |

CORPORATE SECRETARY

Mr. Shahzada Sultan Mubashir

CHIEF FINANCIAL OFFICER (CFO)

Mr. Tariq Zafar Bajwa

AUDITORS

Messrs M. Yousuf Adil Saleem & Co.
Chartered Accountants

LEGAL ADVISOR

Makhdoom & Makhdoom Advocates

LEAD BANKERS

Albaraka Bank (Pakistan) Ltd.
Allied Bank Ltd.
Askari Bank Ltd.
Bank Alfalah Ltd.
Faysal Bank Ltd.
Habib Bank Ltd.
Habib Metropolitan Bank Ltd.
HSBC Bank Middle East Ltd.
Industrial Development Bank of Pakistan
MCB Bank Ltd.
National Bank of Pakistan
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

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 # 021-32424835

MILLS

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



DIRECTORS' REPORT TO THE MEMBERS

IN THE NAME OF ALLAH THE MOST GRACIOUS
THE MOST BENEVOLENT THE MOST MERCIFUL

The Directors are pleased to present the un-audited condensed interim financial information of the Company for the 1st quarter of the financial year 2013-14 ended on September 30, 2013. The comparative figures for the corresponding quarter ended September 30, 2012 are included for comparison, except in balance sheet where figures are for the year ended on June 30, 2013 as required by International Accounting Standards.

Company Performance

Alhamdulillah, the results for the 1st quarter have been satisfactory and the Company has been able to maintain the good performance compared to corresponding quarter of last year. After tax profits of the Company grew by 5.80% to Rs. 128,092,578 yielding Earning Per Share (EPS) of Rs.6.85 as compared to EPS of Rs.6.47 during corresponding quarter of previous financial year.

Sales revenue for the quarter is Rs.1,262,829,841 showing growth of 26.86% over previous period. Growth in sales revenue was attributable to increase in sales volume and improvement in prices of yarn sold in the International market. Gross profits (G.P) for quarter is Rs.229,475,428 (18.17% of sales) as compared to Rs.192,126,993 (19.30% of sales) relating to corresponding quarter of last year. There is slight fall in G.P ratio, which is mainly due to increase in raw cotton prices during the quarter as compared to previous period.

Distribution expenses increased mainly due to growth in sales volumes and administrative expenses increased due to inflationary impact. Other operating expenses increased over the corresponding quarter of previous year owing to increase in the provisions for Workers Profit Participation Fund in line with increase in profitability and recognition of Workers Welfare Fund.

During the quarter under review, finance costs increased to Rs.24,790,710 (1.96% of sales) as compared to Rs.20,314,015 (2.04% of sales) during the corresponding quarter. This increase in finance cost is mainly on account of increase in debt servicing cost of long-term loans taken by the Company for expansion and balancing, modernization and replacement (BMR) of Plant and machinery. The Company has been able to discharge all its operating and financial liabilities in time through generation of stable cash flows.



NAGINA COTTON MILLS LTD.

Future Prospects and Outlook

We are hopeful to maintain profitability during the rest of the year. However, increasing energy prices are the matter of concern. Our ability to repeat the performance of 1st quarter is dependent on uninterrupted supply of energy, continued strong demand and stability in prices in both local and international markets, stable law and order situation and economic policies of the government.

Acknowledgement

The staff and workers of the Company continue to work diligently and devotedly. The Company has good human relations at all levels and this deserves acknowledgement. The Directors also wish to place on record their thanks to the bankers and other business partners for their continued support to the Company.

On behalf of the Board.

A handwritten signature in black ink, appearing to read 'Shaukat Ellahi Shaikh'.

Shaukat Ellahi Shaikh
Mg. Director (Chief Executive).

October 29, 2013



NAGINA COTTON MILLS LTD.

CONDENSED INTERIM BALANCE SHEET AS AT SEPTEMBER 30, 2013

| | (Un-Audited) September 30 2013 | (Audited) June 30 2013 |
|--|--------------------------------------|------------------------------|
| Note | -----Rupees----- | |
| EQUITY AND LIABILITIES | | |
| SHARE CAPITAL AND RESERVES | | |
| Authorized capital | | |
| 50,000,000 (June 30, 2013: 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 | 253,964,417 | 253,964,417 |
| Accumulated profit | <u>1,283,007,500</u> | <u>1,341,914,922</u> |
| Total equity | <u>1,723,971,917</u> | <u>1,782,879,339</u> |
| LIABILITIES | | |
| NON-CURRENT LIABILITIES | | |
| Long term finances | <u>446,349,429</u> | <u>480,228,900</u> |
| Liabilities against assets subject to finance lease | <u>199,849</u> | <u>536,472</u> |
| Employees retirement benefits | <u>51,564,146</u> | <u>49,237,466</u> |
| | 498,113,424 | 530,002,838 |
| CURRENT LIABILITIES | | |
| Trade and other payables | <u>460,896,318</u> | <u>215,226,887</u> |
| Accrued interest / mark-up | <u>15,856,265</u> | <u>17,622,203</u> |
| Short term borrowings | <u>1,721,644</u> | <u>5,563,284</u> |
| Current portion of long term finances | <u>110,596,405</u> | <u>100,305,068</u> |
| Current portion of liabilities against assets subject to finance lease | <u>999,944</u> | <u>1,001,842</u> |
| | 590,070,576 | 339,719,284 |
| TOTAL LIABILITIES | <u>1,088,184,000</u> | <u>869,722,122</u> |
| CONTINGENCIES AND COMMITMENTS | 6 | - |
| TOTAL EQUITY AND LIABILITIES | <u>2,812,155,917</u> | <u>2,652,601,461</u> |

The annexed explanatory notes from 1 to 12 form part of the condensed interim financial information.

Shahzada Ellahi Shaikh
Director

October 29, 2013



NAGINA COTTON MILLS LTD.

| | | (Un-Audited) September 30 2013 | (Audited) June 30 2013 |
|-------------------------------------|---|--------------------------------------|------------------------------|
| Note | | -----Rupees----- | |
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 7 | 1,007,700,705 | 1,014,527,118 |
| Investment properties | | 15,673,758 | 15,757,577 |
| Long term deposits | | 1,233,829 | 1,317,729 |
| | | 1,024,608,292 | 1,031,602,424 |
| CURRENT ASSETS | | | |
| Stores and spares | | 22,563,700 | 16,139,978 |
| Stock-in-trade | | 759,032,860 | 722,790,632 |
| Trade debts | | 876,383,699 | 818,841,751 |
| Loans and advances | | 94,178,618 | 40,415,677 |
| Short term deposits and prepayments | | 5,615,890 | 1,860,187 |
| Other receivables | | 1,463,116 | 1,256,016 |
| Sales tax refundable | | 26,526,555 | 18,249,799 |
| Cash and bank balances | | 1,783,187 | 1,444,997 |
| | | 1,787,547,625 | 1,620,999,037 |
| TOTAL ASSETS | | 2,812,155,917 | 2,652,601,461 |

The annexed explanatory notes from 1 to 12 form part of the condensed interim financial information.

Shaukat Ellahi Shaikh
Mg. Director (Chief Executive)



NAGINA COTTON MILLS LTD.

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2013

| | Note | Quarter Ended | |
|--|------|--------------------|--------------------|
| | | September 30 | September 30 |
| | | 2013 | 2012 |
| | |Rupees..... | |
| Sales | | 1,262,829,841 | 995,466,208 |
| Cost of sales | 8 | (1,033,354,413) | (803,339,215) |
| Gross profit | | 229,475,428 | 192,126,993 |
| Distribution cost | | (34,482,966) | (29,208,889) |
| Administrative expenses | | (21,877,650) | (17,724,117) |
| Other operating expenses | | (10,802,239) | (7,014,135) |
| | | (67,162,855) | (53,947,141) |
| | | 162,312,573 | 138,179,852 |
| Other income | | 3,580,674 | 13,453,982 |
| Operating profit | | 165,893,247 | 151,633,834 |
| Finance cost | | (24,790,710) | (20,314,015) |
| Profit before taxation | | 141,102,537 | 131,319,819 |
| Provision for taxation | | (13,009,959) | (10,246,103) |
| Profit after taxation | | 128,092,578 | 121,073,716 |
| Other comprehensive income | | - | - |
| Total comprehensive income for the period | | 128,092,578 | 121,073,716 |
| Earnings per share - basic and diluted | | 6.85 | 6.47 |

The annexed explanatory notes from 1 to 12 form part of the condensed interim financial information.

Shahzada Ellahi Shaikh
Director

October 29, 2013

Shaukat Ellahi Shaikh
Mg. Director (Chief Executive)



NAGINA COTTON MILLS LTD.

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2013

| | Quarter Ended | |
|--|----------------------|----------------------|
| | September 30 2013 | September 30 2012 |
| |Rupees..... | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 141,102,537 | 131,319,819 |
| Adjustments for: | | |
| Depreciation on property, plant and equipment | 22,379,724 | 17,398,716 |
| Provision for employees retirement benefits | 3,900,856 | 2,022,464 |
| Loss on disposal of property, plant and equipment | 7,174 | 127,499 |
| Gain on sale of short term investments | - | (1,235,860) |
| Un-realized gain on re-measurement of short term investments | - | (9,361,543) |
| Finance cost | 24,790,710 | 20,314,015 |
| | 51,078,464 | 29,265,291 |
| | 192,181,001 | 160,585,110 |
| Changes in working capital | | |
| Decrease / (increase) in current assets: | | |
| Stores and spares | (6,423,722) | 4,337,057 |
| Stock-in-trade | (36,242,228) | 277,621,016 |
| Trade debts | (57,541,948) | (41,825,486) |
| Loans and advances | (54,796,606) | (2,124,694) |
| Short term deposits and prepayments | (3,755,703) | (3,335,262) |
| Other receivables | (207,100) | 2,307,777 |
| Sales tax refundable | (8,276,756) | 1,078,869 |
| | (167,244,063) | 238,059,277 |
| Increase / (Decrease) in current Liabilities | | |
| Trade and other payables | 58,669,430 | 50,204,962 |
| | (108,574,633) | 288,264,239 |
| Cash generated from operations | 83,606,368 | 448,849,349 |
| (Payments made) / receipts of: | | |
| Employees retirement benefits | (1,574,177) | (1,610,912) |
| Finance cost | (26,556,648) | (24,016,828) |
| Income taxes | (11,976,294) | (10,170,067) |
| Long term deposits | 83,900 | - |
| Net cash generated from operating activities | 43,583,149 | 413,051,542 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | (16,271,664) | (28,684,970) |
| Proceeds from disposal of property, plant and equipment | 795,000 | 3,559,787 |
| Purchase of short term investments | - | (1,038,502,114) |
| Proceeds from sale of short term investments | - | 609,285,266 |
| Net cash used in investing activities | (15,476,664) | (454,342,031) |



NAGINA COTTON MILLS LTD.

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2013

| | Quarter Ended | |
|---|----------------------|----------------------|
| | September 30 2013 | September 30 2012 |
| |Rupees..... | |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Long term finances obtained | 3,308,622 | 18,463,600 |
| Repayment of long term finances | (26,896,756) | (13,279,041) |
| Repayment of principal portion of liabilities against assets subject to finance lease | (338,521) | (694,623) |
| Net decrease in short term borrowings excluding running finances | (3,404,010) | (15,434,909) |
| Net cash used in financing activities | (27,330,665) | (10,944,973) |
| Net increase / (decrease) in cash and cash equivalents | 775,820 | (52,235,462) |
| Cash and cash equivalents at beginning of the period | (553,179) | 43,224,555 |
| Cash and cash equivalents at end of the period | 222,641 | (9,010,907) |
| Cash and cash equivalents | | |
| Cash and bank balances | 1,783,187 | 1,827,459 |
| Short term running finances | (1,560,546) | (10,838,366) |
| | 222,641 | (9,010,907) |

The annexed explanatory notes from 1 to 12 form part of the condensed interim financial information.

October 29, 2013


Shahzada Ellahi Shaikh
Director


Shaukat Ellahi Shaikh
Mg. Director (Chief Executive)



NAGINA COTTON MILLS LTD.

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2013

| | Paid up Share capital | Capital reserves | | Revenue reserve | Total |
|--|-----------------------------|-------------------------|----------------------------|-----------------------|---------------|
| | | Amalgamation reserve | Redemption reserve fund | Accumulated profit | |
| | Rupees | | | | |
| Balance as at June 30, 2012 (Audited) | 187,000,000 | 12,104,417 | 241,860,000 | 830,262,465 | 1,271,226,882 |
| Comprehensive income | | | | | |
| Profit after taxation | - | - | - | 121,073,716 | 121,073,716 |
| Other comprehensive income | - | - | - | - | - |
| Total comprehensive income for the period | - | - | - | 121,073,716 | 121,073,716 |
| Balance as at September 30, 2012 (Un-audited) | 187,000,000 | 12,104,417 | 241,860,000 | 951,336,181 | 1,392,300,598 |
| Transactions with owners | | | | | |
| Final dividend for the year ended June 30, 2012 @ 50% i.e. Rs. 5 per ordinary share | - | - | - | (93,500,000) | (93,500,000) |
| Comprehensive income | | | | | |
| Profit after taxation | - | - | - | 484,078,741 | 484,078,741 |
| Other comprehensive income | - | - | - | - | - |
| Total comprehensive income for the period | - | - | - | 484,078,741 | 484,078,741 |
| Balance as at June 30, 2013 (Audited) | 187,000,000 | 12,104,417 | 241,860,000 | 1,341,914,922 | 1,782,879,339 |
| Transactions with owners | | | | | |
| Final dividend for the year ended June 30, 2013 @ 100% i.e. Rs. 10 per ordinary share | - | - | - | (187,000,000) | (187,000,000) |
| Comprehensive income | | | | | |
| Profit after taxation | - | - | - | 128,092,578 | 128,092,578 |
| Other comprehensive income | - | - | - | - | - |
| Total comprehensive income for the period | - | - | - | 128,092,578 | 128,092,578 |
| Balance as at September 30, 2013 (Un-audited) | 187,000,000 | 12,104,417 | 241,860,000 | 1,283,007,500 | 1,723,971,917 |

The annexed explanatory notes from 1 to 12 form part of the condensed interim financial information.

Shahzada Ellahi Shaikh
Director

October 29, 2013

Shaukat Ellahi Shaikh
Mg. Director (Chief Executive)



NAGINA COTTON MILLS LTD.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2013

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 as repealed by the Companies Ordinance 1984. The Company is listed on Karachi and Lahore stock exchanges. The principal activities of the Company is to manufacture and sale of cotton and blended yarn. The registered office of the Company is situated at 2nd floor, Sheikh Sultan Trust Building No.2, Beaumont Road, Karachi in the province of Sindh and the manufacturing facilities are located in Kotri Industrial Trading Estate in the Province of Sindh.

2 STATEMENT OF COMPLIANCE

2.1 This condensed interim financial information of the Company for the First Quarter ended September 30, 2013 have been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. This condensed interim financial information does not include all of the information required for the full financial statements and, therefore, this should be read in conjunction with the annual financial statements of the Company for the year ended June 30, 2013.

2.2 This condensed interim financial information has been prepared under 'historical cost convention'.

2.3 This condensed interim financial information is presented in Pakistan Rupees which is also the Company's functional currency and figures presented in this condensed interim financial information have been rounded off to the nearest Rupee.

2.4 The comparative balance sheet presented has been extracted from annual financial statements for the year ended June 30, 2013, whereas comparative condensed profit and loss account, condensed cash flow statement and condensed statement of changes in equity are stated from the unaudited condensed interim financial information for the First Quarter ended September 30, 2012.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies, applied in the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Company for the year ended June 30, 2013.

4 ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the condensed interim financial information in conformity with approved accounting standards as applicable in Pakistan for interim financial reporting requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and 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 this condensed interim financial information, the significant judgments made by the management in applying the Company's accounting policies and the key source of estimation and uncertainty were the same as those that applied to the financial statements as at and for the year ended June 30, 2013.

5 FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2013.



NAGINA COTTON MILLS LTD.

6 CONTINGENCIES AND COMMITMENTS

6.1 Contingencies

There is no change in contingencies as disclosed in note 13.1 to the annual financial statements for the year ended June 30, 2013, except bills discounted which, as at reporting date, amount to Rs.691,178,875 (June 30, 2013: Rs. 397,819,591).

6.2 Commitments

| | | (Un-audited) September 30 2013 | (Audited) June 30 2013 |
|--|-----|---------------------------------------|------------------------------|
| | | Rupees | |
| Stores and spares | | 13,033,357 | 36,070,882 |
| Machinery | | 97,544,072 | 85,487,483 |
| Civil Work | | 15,252,999 | 17,906,691 |
| Raw Material | | 142,483,882 | - |
| | | 268,314,310 | 139,465,056 |
| Commitments for rentals of assets under operating lease agreements as at September 30,2013 | | | |
| - Not later than one year | | 891,482 | 727,466 |
| | | 269,205,792 | 140,192,522 |
| 7 Property, plant and equipment | | | |
| Operating fixed assets | | | |
| Owned | 7.1 | 956,960,776 | 820,049,417 |
| Leased | 7.2 | 1,770,918 | 2,216,017 |
| | | 958,731,694 | 822,265,434 |
| Capital work in progress | 7.3 | 48,969,011 | 192,261,684 |
| | | 1,007,700,705 | 1,014,527,118 |
| 7.1 Operating fixed assets - Owned | | | |
| Opening written down value | | 820,049,417 | 688,306,698 |
| Additions during the period / year | | | |
| Land - free hold | | 1,016,050 | 1,281,249 |
| Mills Building on free hold land | | 201,947 | 965,572 |
| Machinery and equipment | | 156,256,274 | 187,973,836 |
| Electric installation and equipment | | 190,560 | 3,286,564 |
| Gas Installations | | 66,106 | 306,616 |
| Furniture and fittings | | 59,150 | 1,398,058 |
| Office equipment | | 151,300 | 919,870 |
| Vehicles | | 1,622,950 | 30,053,973 |
| | | 159,564,337 | 226,185,738 |
| Written down value of property, plant and equipment transferred from leased assets | | 335,118 | 2,714,651 |
| Written down value of property, plant and equipment disposed off | | (802,174) | (23,765,568) |
| Depreciation charged during the period/year | | (22,185,922) | (73,392,102) |
| Written down value at end of the period/year | | 956,960,776 | 820,049,417 |
| 7.2 Operating fixed assets - Leased | | | |
| Opening written down value | | 2,216,017 | 5,826,720 |
| Additions during the period / year | | - | - |
| Written down value of property, plant and equipment transferred to owned assets | | (335,118) | (2,714,651) |
| Depreciation charged during the period/year | | (109,981) | (896,052) |
| Written down value at end of the period/year | | 1,770,918 | 2,216,017 |
| 7.3 Capital work in progress | | | |
| Opening Balance | | 192,261,684 | 19,917,073 |
| Additions during the period / year | | 13,356,108 | 363,301,603 |
| Transfers during the period / year | | (156,648,781) | (190,956,992) |
| Closing Balance | | 48,969,011 | 192,261,684 |



NAGINA COTTON MILLS LTD.

| | | Quarter Ended (Un-Audited) | |
|---|---------------------------------|----------------------------|--------------|
| | | September 30 | September 30 |
| | | 2013 | 2012 |
| | | Rupees | |
| 8 | COST OF SALES | | |
| | Opening stock of finished goods | 26,415,128 | 43,416,794 |
| | Cost of goods manufactured | 1,046,605,688 | 802,070,607 |
| | Purchase of finished goods | - | 3,997,350 |
| | | 1,073,020,816 | 849,484,751 |
| | Closing stock of finished goods | (39,666,403) | (46,145,536) |
| | | 1,033,354,413 | 803,339,215 |

8.1 Cost of goods manufactured

| | | |
|-------------------------------|---------------|--------------|
| Raw material consumed | 846,891,700 | 614,788,104 |
| Packing material consumed | 17,497,658 | 17,279,927 |
| Stores and spares consumed | 12,802,704 | 11,184,671 |
| Salaries, wages and benefits | 86,322,182 | 70,703,950 |
| Fuel | 75,018,105 | 65,876,426 |
| Rent, rates and taxes | 122,182 | 94,635 |
| Insurance | 2,475,447 | 2,166,053 |
| Repairs and maintenance | 1,595,427 | 946,342 |
| Depreciation | 19,879,193 | 15,917,214 |
| Other manufacturing overheads | 288,362 | 2,059,364 |
| | 1,062,892,960 | 801,016,686 |
| Work in process | | |
| Opening stock | 50,665,531 | 41,643,960 |
| Closing stock | (66,952,803) | (40,590,039) |
| | (16,287,272) | 1,053,921 |
| | 1,046,605,688 | 802,070,607 |

9 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of associated companies, directors and key management personnel of the Company. The Company enters into transactions with various related parties at agreed terms. The transactions with related parties during the period generally consist of sales and purchases.

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

| | Quarter Ended (Un-Audited) | |
|---------------------------------|----------------------------|--------------|
| | September 30 | September 30 |
| | 2013 | 2012 |
| | Rupees | |
| Associated Undertakings | | |
| Purchases during the period | 41,888 | 3,978,350 |
| Sale of goods and services | 11,318,862 | 9,858,000 |
| Key Management Personnel | | |
| Remuneration and other benefits | 1,943,710 | 1,291,804 |

Chief Executive and Directors are provided with free use of company maintained car and Chief Executive is reimbursed with utilities bills.

Transaction with related parties are carried out at arm's length. The consideration is computed on commercial terms and conditions. There is no balance outstanding with or from associated undertakings.

10 TAXATION AND WORKERS PROFIT PARTICIPATION FUND

Allocation to the Workers Profit Participation Fund and Taxation are provisional. Final liability would be determined on the basis of annual results.



NAGINA COTTON MILLS LTD.

11 DATE OF AUTHORIZATION FOR ISSUE

This un-audited condensed interim financial information has been approved by the Board of Directors of the Company and authorized for issue on October 29, 2013.

12 CORRESPONDING FIGURES

Corresponding figures have been rearranged and regrouped wherever necessary for the purpose of comparison, however no significant changes have been made.

Figures have been rounded off to the nearest rupee.

October 29, 2013

A handwritten signature in black ink, appearing to read 'Shahzada Ellahi Shaikh'.

Shahzada Ellahi Shaikh
Director

A handwritten signature in black ink, appearing to read 'Shaukat Ellahi Shaikh'.

Shaukat Ellahi Shaikh
Mg. Director (Chief Executive)

BOOK POST

**PRINTED MATTER
U.P.C.**

If undelivered please return to:

NAGINA COTTON MILLS LTD.

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