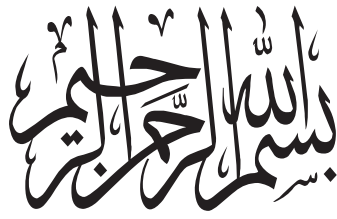


**FIRST QUARTER REPORT  
FOR THE PERIOD ENDED  
SEPTEMBER 30, 2015  
(Un-Audited)**



**NAGINA COTTON MILLS LTD.**



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## NAGINA COTTON MILLS LTD.

### COMPANY INFORMATION

#### BOARD OF DIRECTORS

Mr. Shaikh Enam Ellahi	Non-Executive Director / Chairman
Mr. Tajammal Husain Bokharee	Independent Non-Executive Director
Mr. Javaid Bashir Sheikh	Non-Executive Director
Mr. Shahzada Ellahi Shaikh	Non-Executive Director
Mr. Shafqat Ellahi Shaikh	Non-Executive Director
Mr. Raza Ellahi Shaikh	Non-Executive Director
Mr. Shaukat Ellahi Shaikh	Executive Director
Mr. Tariq Zafar Bajwa	Executive Director
Mr. Munawar Iqbal	Executive Director

#### MANAGING DIRECTOR (Chief Executive)

Mr. Shaukat Ellahi Shaikh

#### AUDIT COMMITTEE

Mr. Tajammal Husain Bokharee	Chairman
Mr. Shafqat Ellahi Shaikh	Member
Mr. Raza Ellahi Shaikh	Member
Mr. Syed Mohsin Gilani	Secretary

#### HUMAN RESOURCE & REMUNERATION (HR & R) COMMITTEE

Mr. Raza Ellahi Shaikh	Chairman
Mr. Shafqat Ellahi Shaikh	Member
Mr. Tariq Zafar Bajwa	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. Syed Mohsin Gilani

#### CHIEF FINANCIAL OFFICER (CFO)

Mr. Tariq Zafar Bajwa

#### AUDITORS

Messrs Deloitte Yousuf Adil  
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.  
Meezan Bank 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](http://www.nagina.com)

#### SHARE REGISTRAR

M/s Hameed Majeed Associates (Pvt.) Ltd.  
5<sup>th</sup> 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



## **NAGINA COTTON MILLS LTD.**

### **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 1<sup>st</sup> quarter ended on September 30, 2015. The comparative figures for the corresponding quarter ended on September 30, 2014 are included for comparison, except in balance sheet where comparative figures are for the year ended on June 30, 2015.

#### **Company Performance**

Turmoil in the textile sector continues to prevail. Selling prices of yarn in export as well as local market remained depressed during the quarter. Our competitors from regional countries continue to sell yarns at very low prices due to the subsidies and benefits provided to them by their governments. Consequently, sales revenue has fallen by 23.84% over the corresponding quarter of previous year. However, cost of sales increased to 93.82% of sales compared to 90.21% of sales during the corresponding quarter of previous year. The fall in revenue and surge in costs resulted in lower gross profit by 51.93% over the corresponding quarter and stood at Rs. 54,154,069 or 6.18% of sales compared to Rs.112,660,447 or 9.79% of sales during the corresponding quarter of previous year.

Operating expenses from quarter to quarter slightly increased from 5.03% of sales to 5.22%. This nominal increase is mainly because of efficient utilization of financial resources. Finance cost in quarter to quarter comparison has reduced by 33.19% and stood at 1.66% of sales (1.90% of sales in comparative last quarter). This reduction in finance cost was due to hard negotiations with banks, early repayment of expensive long term loans and fall in KIBOR rate.

After tax profit of the Company is Rs.1,508,501 or 0.17% of sales compared to Rs.36,211,555 or 3.15% of sales of the corresponding quarter of the last year. Earning per share (EPS) for the quarter is Rs. 0.08 compared to Rs.1.94 for the corresponding period.

According to the figures issued by the Pakistan Cotton Ginners Association, for the crop year 2015-16, Kapas, (seed cotton) arrivals upto October 15, 2015, at the Gineries totaled to 4.663 million bales compared to 5.344 million bales of last similar period of the year 2014 showing decrease in arrival of 12.74%.

#### **Future Outlook**

There are currently no signs of any significant improvement in the prices for yarn. Markets continue to remain depressed and exhibiting slow demand. However cotton prices have surged based on the expectation of fall in cotton crop size. Cotton prices currently are slightly above the import price parity. Short crop coupled with high cotton prices will adversely impact future profitability. We also expect adverse effects due to the expected increase in gas prices. Pakistan government has recently announced measures to reduce the interest rate on long term finances scheme (LTTF) and export refinance schemes. Government has also imposed a 10% import duty on cotton yarn, greige and processed fabric. These measures are likely to support the Pakistani textile industry and we hope to benefit. Further government support is required to face the competition from competitors in the region. It is hoped that the government will support the textile industry by expediting refunds of various taxes, providing sufficient gas to operate the mills, zero rate textile exports and encourage value addition in the textile sector.



## **NAGINA COTTON MILLS LTD.**

Company is undergoing expansion / balancing, modernisation and replacement (BMR) as part of a continuing programme. Under the programme company has added 7,056 spindles after which the total spindles has increased to 53,484.

### **Acknowledgement**

Despite adverse circumstances profitable results have been possible due to continued diligence and devotion of the staff and workers of the Company and the continued good human relations at all levels deserve acknowledgement. The Directors also wish to place on record their gratitude to the bankers 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 27, 2015



# NAGINA COTTON MILLS LTD.

## CONDENSED INTERIM BALANCE SHEET AS AT SEPTEMBER 30, 2015

	(Un-Audited) September 30 2015	(Audited) June 30 2015
	-----Rupees-----	
<b>EQUITY AND LIABILITIES</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
Authorized capital		
50,000,000 (June 30, 2015: 50,000,000)		
Ordinary shares of Rs. 10 each	500,000,000	500,000,000
Issued, subscribed and paid up capital	187,000,000	187,000,000
Capital reserves	246,697,864	253,964,417
Accumulated profit	1,430,760,679	1,429,252,178
<b>Total equity</b>	<b>1,864,458,543</b>	<b>1,870,216,595</b>
<b>LIABILITIES</b>		
<b>NON-CURRENT LIABILITIES</b>		
Long term finances	549,000,242	398,853,549
Employees retirement benefits	87,218,208	83,628,947
	636,218,450	482,482,496
<b>CURRENT LIABILITIES</b>		
Trade and other payables	358,792,724	311,338,463
Accrued interest / mark-up	7,987,779	6,148,894
Short term borrowings	39,442,804	26,744,279
Current portion of long term finances	70,407,895	71,376,895
	476,631,202	415,608,531
<b>TOTAL LIABILITIES</b>	<b>1,112,849,652</b>	<b>898,091,027</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	6	-
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,977,308,195</b>	<b>2,768,307,622</b>

The annexed explanatory notes from 1 to 13 form part of the condensed interim financial information.

October 27, 2015

  
Shahzada Ellahi Shaikh  
Director



# NAGINA COTTON MILLS LTD.

		(Un-Audited) September 30 2015	(Audited) June 30 2015
	Note	-----Rupees-----	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	1,304,608,099	1,315,501,708
Investment properties		15,028,133	15,103,781
Long term deposits		1,050,877	1,068,980
		1,320,687,109	1,331,674,469
CURRENT ASSETS			
Stores and spares		29,985,393	25,116,025
Stock-in-trade		390,986,274	478,506,703
Trade debts		135,948,532	66,280,225
Loans and advances		121,471,881	122,448,878
Prepayments		5,481,888	2,359,653
Other receivables		2,161,819	1,905,360
Short term investments	8	882,828,037	599,319,634
Sales tax refundable		33,331,317	51,083,739
Cash and bank balances		54,425,945	89,612,936
		1,656,621,086	1,436,633,153
TOTAL ASSETS		2,977,308,195	2,768,307,622

The annexed explanatory notes from 1 to 13 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, 2015

	Note	Quarter Ended	
		September 30 2015	September 30 2014
		.....Rupees.....	
Sales		876,304,075	1,150,618,745
Cost of sales	9	(822,150,006)	(1,037,958,298)
<b>Gross profit</b>		<b>54,154,069</b>	<b>112,660,447</b>
Distribution cost		(21,570,003)	(30,020,207)
Administrative expenses		(23,238,185)	(24,122,258)
Other expenses		(902,159)	(3,713,465)
		(45,710,347)	(57,855,930)
		8,443,722	54,804,517
Other income		17,939,518	15,960,599
<b>Operating profit</b>		<b>26,383,240</b>	<b>70,765,116</b>
Finance cost		(14,589,895)	(21,839,116)
<b>Profit before taxation</b>		<b>11,793,345</b>	<b>48,926,000</b>
Provision for taxation		(10,284,844)	(12,714,445)
<b>Profit after taxation</b>		<b>1,508,501</b>	<b>36,211,555</b>
<b>Other comprehensive (Loss)/income</b>			
<b>Items that will not be reclassified to profit and loss account</b>		-	-
<b>Items that may be reclassified subsequently to profit and loss account</b>			
Unrealized loss on remeasurement of available for sale investments		(7,266,553)	-
Total other comprehensive loss for the period		(7,266,553)	-
<b>Total comprehensive (loss)/income for the period</b>		<b>(5,758,052)</b>	<b>36,211,555</b>
<b>Earnings per share - basic and diluted</b>		<b>0.08</b>	<b>1.94</b>

The annexed explanatory notes from 1 to 13 form part of the condensed interim financial information.

**Shahzada Ellahi Shaikh**  
Director

October 27, 2015

**Shaukat Ellahi Shaikh**  
Mg. Director (Chief Executive)





# NAGINA COTTON MILLS LTD.

## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2015

	Quarter Ended	
	September 30 2015	September 30 2014
	.....Rupees.....	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	11,793,345	48,926,000
Adjustments for:		
Depreciation	32,945,815	27,363,512
Provision for employees retirement benefits	6,045,128	5,162,828
Gain on disposal of property, plant and equipment	(872,167)	(129,894)
Gain on sale of short term investments - held for trading	(3,463,305)	(4,898,824)
Un-realized (Gain)/Loss on revaluation of FCY Short Term Loan (FE-25)	-	5,724,230
Un-realized Gain on short term investments - held for trading	(9,265,198)	(7,229,540)
Finance cost	14,589,895	21,839,116
	<b>39,980,168</b>	<b>47,831,428</b>
	<b>51,773,513</b>	<b>96,757,428</b>
Changes in working capital		
Decrease / (increase) in current assets:		
Stores and spares	(4,869,368)	(11,063,556)
Stock-in-trade	87,520,429	(166,663,630)
Trade debts	(69,668,307)	5,095,966
Loans and advances	(1,230)	(45,956,178)
Prepayments	(3,122,235)	(2,825,847)
Other receivables	(256,459)	(5,946,614)
Sales tax refundable	17,752,422	(5,970,580)
	<b>27,355,252</b>	<b>(233,330,439)</b>
Increase / (Decrease) in current Liabilities		
Trade and other payables	47,454,261	95,461,881
	<b>74,809,513</b>	<b>(137,868,558)</b>
Cash generated from/(used in) operations	<b>126,583,026</b>	<b>(41,111,130)</b>
(Payments made) / receipts of:		
Employees retirement benefits	(2,455,867)	(3,634,453)
Finance cost	(12,751,010)	(23,448,751)
Income taxes	(9,306,618)	(13,612,542)
Long term deposits	18,103	199,850
<b>Net cash generated from/(used in) operating activities</b>	<b>102,087,634</b>	<b>(81,607,026)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(23,274,391)	(7,104,965)
Proceeds from disposal of property, plant and equipment	2,170,000	511,900
Purchase of short term investments	(1,289,102,997)	(1,141,000,000)
Proceeds from sale of short term investments	1,011,056,545	564,000,000
<b>Net cash used in investing activities</b>	<b>(299,150,843)</b>	<b>(583,593,065)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term finances obtained	167,040,628	-
Repayment of long term finances	(17,862,935)	(32,746,378)
Repayment of principal portion of liabilities against assets subject to finance lease	-	(452,476)
Net decrease in short term borrowings excluding running finances	(2,749,161)	(153,598,008)
<b>Net cash used in financing activities</b>	<b>146,428,532</b>	<b>(186,796,862)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(50,634,677)</b>	<b>(851,996,953)</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>65,617,818</b>	<b>775,556,721</b>
<b>Cash and cash equivalents at end of the period</b>	<b>14,983,141</b>	<b>(76,440,232)</b>
<b>Cash and cash equivalents</b>		
Cash and bank balances	54,425,945	9,704,145
Short term running finances	(39,442,804)	(86,144,377)
	<b>14,983,141</b>	<b>(76,440,232)</b>

The annexed explanatory notes from 1 to 13 form part of the condensed interim financial information.

**Shahzada Ellahi Shaikh**  
Director

October 27, 2015

**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, 2015

	Paid up Share capital	Capital reserves			Revenue reserve	Total
		Amalgamation reserve	Redemption reserve fund	Fair value reserve	Accumulated profit	
----- Rupees -----						
Balance as at June 30, 2014 (Audited)	187,000,000	12,104,417	241,860,000	-	1,401,848,201	1,842,812,618
<b>Comprehensive income</b>						
Profit after taxation	-	-	-	-	36,211,555	36,211,555
Other comprehensive income	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>	-	-	-	-	36,211,555	36,211,555
<b>Balance as at September 30, 2014 (Un-audited)</b>	<b>187,000,000</b>	<b>12,104,417</b>	<b>241,860,000</b>	<b>-</b>	<b>1,438,059,756</b>	<b>1,879,024,173</b>
<b>Transactions with owners</b>						
Final dividend for the year ended June 30, 2014 @ 60% i.e. Rs. 6 per ordinary share	-	-	-	-	(112,200,000)	(112,200,000)
<b>Comprehensive income</b>						
Profit after taxation	-	-	-	-	97,477,202	97,477,202
Other comprehensive income	-	-	-	-	5,915,220	5,915,220
<b>Total comprehensive income for the period</b>	-	-	-	-	103,392,422	103,392,422
<b>Balance as at June 30, 2015 (Audited)</b>	<b>187,000,000</b>	<b>12,104,417</b>	<b>241,860,000</b>	<b>-</b>	<b>1,429,252,178</b>	<b>1,870,216,595</b>
<b>Comprehensive (loss)/income</b>						
Profit after taxation	-	-	-	-	1,508,501	1,508,501
Other comprehensive (loss)/income	-	-	-	(7,266,553)	-	(7,266,553)
<b>Total comprehensive (loss)/income for the period</b>	-	-	-	(7,266,553)	1,508,501	(5,758,052)
<b>Balance as at September 30, 2015 (Un-audited)</b>	<b>187,000,000</b>	<b>12,104,417</b>	<b>241,860,000</b>	<b>(7,266,553)</b>	<b>1,430,760,679</b>	<b>1,864,458,543</b>

The annexed explanatory notes from 1 to 13 form part of the condensed interim financial information.

**Shahzada Ellahi Shaikh**  
Director

October 27, 2015

**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, 2015**

#### **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 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, 2015 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, 2015.
- 2.2 This condensed interim financial information is presented in Pakistan Rupees which is also the Company's functional currency and figures presented in the condensed interim financial information have been rounded off to the nearest Rupee.
- 2.3 The comparative balance sheet presented has been extracted from annual financial statements for the year ended June 30, 2015, 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, 2014.

#### **3. SIGNIFICANT ACCOUNTING POLICIES**

- 3.1 Except as described below, 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, 2015.

##### **3.2 Investments**

###### **Available for sale**

Investments intended to be held for an indefinite period of time, which may be sold in response to need for liquidity, or changes to interest rates or equity prices are classified as available for sale. After initial recognition, investments which are classified as available for sale are measured at fair value. Gains or losses on available for sale investments are recognized directly in other comprehensive income until the investment is sold, de-recognized or is determined to be impaired, at which time the cumulative gain or loss previously reported in other comprehensive income is included in profit and loss account. These are sub-categorized as under:

###### **Quoted**

For investments that are actively traded in organized capital markets, fair value is determined by reference to stock exchange quoted market bids at the close of business on the balance sheet date.

###### **Un-quoted**

Investments in unquoted equity instruments are stated at cost less any identified impairment loss.

#### **4. ACCOUNTING ESTIMATES 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, 2015.

#### **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, 2015.



# NAGINA COTTON MILLS LTD.

## 6. CONTINGENCIES AND COMMITMENTS

6.1 There is no change in contingencies as disclosed in note 13.1 to the annual financial statements for the year ended June 30, 2015, except bills discounted.

### 6.2 Commitments

	(Un-audited ) September 30 2015	(Audited) June 30 2015
	Rupees	
Stores and spares	442,294	2,854,516
Machinery	80,154,144	87,202,598
Civil Work	12,184,307	13,990,888
	92,780,745	104,048,002
Commitments for rentals of assets under operating lease agreements as at September 30,2015		
Not later than one year	1,722,123	2,583,184
Later than one year and not later than five year	-	-
	94,502,868	106,631,186

## 7. PROPERTY, PLANT AND EQUIPEMENT

### Operating fixed assets

#### Owned

#### Leased

### Capital work in progress

7.1	1,267,454,915	1,294,647,924
7.2	-	-
	1,267,454,915	1,294,647,924
7.3	37,153,184	20,853,784
	1,304,608,099	1,315,501,708

### 7.1 Operating fixed assets - Owned

#### Opening written down value

#### Additions during the period / year

##### Mills building on lease hold land

##### Machinery and equipment

##### Electric installation and equipment

##### Furniture and fittings

##### Office equipment

##### Vehicles

1,294,647,924 1,060,717,809

-	1,627,573
-	339,114,593
-	5,839,984
360,501	1,192,889
151,600	943,261
6,462,890	9,448,989
6,974,991	358,167,289

#### Written down value of property, plant and equipment transferred from leased assets

#### Written down value of property, plant and equipment disposed off

#### Depreciation charged during the period/year

#### Written down value at end of the period/year

- 1,484,210

(1,297,833) (9,948,857)

(32,870,167) (115,772,527)

1,267,454,915 1,294,647,924

### 7.2 Operating fixed assets - Leased

#### Opening written down value

#### Additions during the period / year

#### Written down value of property, plant and equipment transferred to owned assets

#### Depreciation charged during the period/year

#### Written down value at end of the period/year

- 1,491,299

- -

- (1,484,210)

- (7,089)

- -

### 7.3 Capital work in progress

#### Opening Balance

#### Additions during the period / year

#### Transfers during the period / year

#### Closing Balance

20,853,784 25,821,943

18,530,400 337,389,331

(2,231,000) (342,357,490)

37,153,184 20,853,784



# NAGINA COTTON MILLS LTD.

## 8 SHORT TERM INVESTMENTS

### Fair value through profit or loss - held for trading

Investment in mutual funds	847,168,286	599,319,634
----------------------------	-------------	-------------

### Available for sale - quoted investments

Equity securities of listed companies	35,659,751	-
	<b>882,828,037</b>	<b>599,319,634</b>

## 9. COST OF SALES

Opening stock of finished goods	31,783,493	43,461,944
Cost of goods manufactured	848,408,798	998,991,630
Purchase of finished goods	-	27,463,129

	<b>880,192,291</b>	<b>1,069,916,703</b>
Closing stock of finished goods	<b>(58,042,285)</b>	<b>(31,958,405)</b>
	<b>822,150,006</b>	<b>1,037,958,298</b>

### 9.1 Cost of goods manufactured

Raw material consumed	610,829,803	738,564,412
Packing material consumed	17,359,622	18,168,067
Stores and spares consumed	18,510,148	13,677,104
Salaries, wages and benefits	86,851,264	91,540,704
Fuel	101,668,113	101,620,470
Rent, rates and taxes	190,818	134,823
Insurance	2,419,203	2,265,786
Repairs and maintenance	3,143,654	2,050,306
Depreciation	30,520,653	25,035,964
Other manufacturing overheads	2,547,971	2,685,555
	<b>874,041,249</b>	<b>995,743,191</b>

Work in process		
Opening stock	29,200,532	43,867,820
Closing stock	<b>(54,832,983)</b>	<b>(40,619,381)</b>
	<b>(25,632,451)</b>	<b>3,248,439</b>
	<b>848,408,798</b>	<b>998,991,630</b>

## 10. 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 2015	September 30 2014
	Rupees	
<b>Associated Undertakings</b>		
Purchases during the period	4,345,396	20,776
Sale of goods and services	71,468,126	1,582,811
<b>Key Management Personnel</b>		
Remuneration and other benefits	2,098,083	2,130,161

Transaction with related parties are carried out at arm's length in the normal course of business. The consideration is computed on commercial terms and conditions. There is no balance outstanding with or from associated undertakings, as at reporting date.



## **NAGINA COTTON MILLS LTD.**

### **11. OTHERS**

The Board of Directors in its meeting held on September 29, 2015, proposed to distribute to the shareholders of the Company, cash dividend at the rate of 35 percent (i.e. Rs.3.50 per ordinary share). The dividend is subject to the approval by the shareholders of the Company in its forthcoming Annual General Meeting to be held on October 30, 2015.

### **12. DATE OF AUTHORIZATION FOR ISSUE**

This condensed interim financial information was authorized for issue on October 27, 2015 by the Board of Directors of the Company.

### **13. CORRESPONDING FIGURES**

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

October 27, 2015

**Shahzada Ellahi Shaikh**  
Director

**Shaukat Ellahi Shaikh**  
Mg. Director (Chief Executive)



## **SHAREHOLDERS' INFORMATION**

### **1. Requirement of CNIC Number / National Tax Number (NTN) Certificate.**

As has already notified from time to time, the Securities and Exchange Commission of Pakistan (SECP), vide SRO 19(I)/2014 dated January 10, 2014 read with SRO 831(I)2012 dated July 5, 2012 required that dividend warrants should bear Computerized National Identity Card (CNIC) number of the registered member.

Members who have not yet submitted copy of their valid Computerized National Identity Card (CNIC) / National Tax Number (NTN) Certificate (in case of Corporate Entity) are requested to submit the same at the earliest.

Copy of CNIC/NTN may be sent directly to the Share Registrar:

M/s Hameed Majeed Associates (Pvt.) Ltd.  
5<sup>th</sup> Floor, Karachi Chambers,  
Hasrat Mohani Road,  
Karachi  
Ph # (+92-21) 32412754, 32424826  
Fax # (+92-21) 32424835

**Henceforth, issuance of dividend warrant(s) will be subject to submission of CNIC (individuals) / NTN (corporate entities) by shareholders.**

### **2. Deduction of Income Tax from Dividend under Section 150 of the Income Tax Ordinance, 2001 ("Income Tax Ordinance").**

Pursuant to the provisions of the Finance Act, 2015 with effect from July 1, 2015, the rates of deduction of income tax from dividend payments under the Income Tax Ordinance have been revised as follows:

- (a) Rate of tax deduction for filer of income tax returns @12.5%
- (b) Rate of tax deduction for non-filer of income tax returns @17.5%

All shareholders' of the Company who hold shares in physical form are therefore requested to send a valid copy of their CNIC (individuals) and NTN (Corporate entities) certificate to the Company's Share Registrar M/s. Hameed Majeed Associates (Pvt) Ltd. to allow the Company to ascertain the status of the shareholder.

Shareholders of the Company who hold shares in scrip-less form on Central Depository System (CDS) of Central Depository Company of Pakistan Ltd (CDC) are requested to send valid copies of their CNIC (individuals) and NTN (Corporate entities) certificate to their CDC Participants / CDC Investor Account Services.

Where the required documents are not submitted, the Company will be constrained to treat the non-complying shareholders as a non-filer thereby attracting a higher rate of withholding tax.

Further, according to clarification received from Federal Board of Revenue (FBR), with-holding tax will be determined separately on "Filer/ Non-Filer" status of principal shareholder as well as joint-holders (s) based on their shareholding proportions, in case of joint accounts.

In this regard all shareholders who hold shares jointly are requested to provide shareholding proportions of principal shareholder and joint-holder(s) in respect of shares held by them to our Share Registrar, in writing, within 10 days of this notice, otherwise it will be assumed that the shares are equally held by principal shareholder and joint holder(s).

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