

**FIRST QUARTER REPORT
FOR THE PERIOD ENDED
SEPTEMBER 30, 2016
(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. Tajammal Husain Bokharee	Independent Non-Executive Director
Mr. Javaid Bashir Sheikh	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. 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. Shafqat Ellahi Shaikh	Chairman
Mr. Shahzada Ellahi Shaikh	Member
Mr. Shaukat Ellahi Shaikh	Member
Mr. Raza 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

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



NAGINA COTTON MILLS LTD.

DIRECTORS' REPORT TO THE MEMBERS

The Directors are pleased to present the un-audited condensed interim financial information of the Company for the 1st quarter ended on September 30, 2016. The comparative figures for the corresponding quarter ended on September 30, 2015 are included for comparison, except in balance sheet where comparative figures are for the year ended on June 30, 2016.

Company Performance

Alhamdulillah, the company has managed to earn profit in the first quarter of the financial year 2016-17. Although market conditions are still not very conducive but due to better marketing strategies and cost controls the company managed a profitable quarter. After tax profit of Rs.18,528,115 is earned in comparison to Rs.1,508,501 during same quarter of previous year. Earning per share (EPS) for the quarter is Rs. 0.99 compared to Rs.0.08 during same quarter of previous year.

Sales revenue for the period under review increased by 45.50% over the same quarter of previous year. The increase in sales is due to better yarn prices and volume rise. Cost of sales decreased from 93.82% of sales to 92.93% of sales. Increase in sales and decrease in costs resulted increase in GP by 66.40% over the same quarter of previous year.

Overall operating expenses decreased from 5.22% of sales to 4.32% of sales. This decrease is mainly because of overall increase in sales and efficient utilization of financial resources. Finance cost reduced by 12.02% over the same quarter of previous year and stood at 1.01% of sales. This reduction in finance cost was due to hard negotiations with banks, and reduction in KIBOR rate.

According to the figures issued by the Pakistan Cotton Ginners Association, for the crop year 2016-17, Kapas, (seed cotton) arrivals upto October 15, 2016, at the Ginneries totaled to 4.374 million bales compared to 4.664 million bales of same period of previous year showing decrease in arrival of 6.22%.

Future Outlook

The signs of recovery are visible in the yarn market. Rising demand from export market is enhancing the expectation of better future product margins. However recessionary environment is not yet over. Cotton prices have surged based on increase in global cotton prices and expectation of fall in world cotton crop size. Current increase in gas prices may adversely affect our cost of production. Rupee dollar parity remained stable which is a negative factor in our export competitiveness. Government is mulling over a textile incentive package. By virtue of this package export rebate is likely to be given to textile exporters. We hope this package will be announced soon and would meet the needs of the ailing industry. 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.

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.

Shaukat Ellahi Shaikh

Mg. Director (Chief Executive)

October 27, 2016

ممبران کے لیے ڈائریکٹرز کی رپورٹ

ڈائریکٹرز 30 ستمبر 2016 کو مختتمہ پہلی سہ ماہی کے لئے کمپنی کی غیر نظر ثانی شدہ مالیاتی معلومات پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔ 30 ستمبر 2015 کو ختم ہونے والی سہ ماہی کے تقابلی اعداد و شمار بھی موازنہ کے لئے شامل کئے گئے ہیں۔ جب کے بیلنس شیٹ میں تقابلی اعداد و شمار 30 جون 2016 کو مختتمہ سال کے ہیں۔

کمپنی کی کارکردگی

الحمد للہ کمپنی مالی سال 2016-17 کی پہلی سہ ماہی میں منافع کمانے میں کامیاب رہی ہے۔ اگرچہ مارکیٹ کے حالات اب بھی بہت سازگار نہیں ہیں لیکن بہتر مارکیٹنگ حکمت عملی اور لاگت کے کنٹرول کی وجہ سے کمپنی کے ایک منافع بخش سہ ماہی منظم کرنے میں کامیاب ہوئی ہے۔ گزشتہ سال کی اسی سہ ماہی کے دوران 1,508,501 روپے کے مقابلہ میں بعد از ٹیکس منافع 18,528,115 روپے کمایا ہے۔ سہ ماہی کے لئے فی شیئر آمدنی (EPS) گزشتہ سال کی اسی سہ ماہی کے دوران 0.08 روپے کے مقابلے 0.99 روپے ہے۔

زیر جائزہ مدت کے لئے فروخت کی آمدنی گزشتہ سال کی اسی سہ ماہی سے 45.50 فیصد زیادہ ہوئی۔ فروخت میں اضافہ یارن کی قیمتوں میں بہتری اور حجم میں اضافہ کی وجہ سے ہے۔ فروخت کی لاگت، فروخت کی 93.82 فیصد سے فروخت کی 92.93 فیصد تک کم ہو گئی۔ فروخت میں اضافہ اور اخراجات میں کمی کے نتیجے گزشتہ سال کی اسی سہ ماہی سے 66.40 فیصد تک مجموعی منافع میں اضافہ ہوا۔

مجموعی انتظامی اخراجات میں فروخت کے 5.22 فی صد سے فروخت کے 4.32 فی صد تک کمی واقع ہوئی ہے۔ اس کمی کی بنیادی وجہ فروخت میں مجموعی اضافہ اور مالی وسائل کا موثر استعمال ہے۔ مالی لاگت پچھلے سال کی اسی سہ ماہی سے 12.02 فیصد تک کم اور فروخت کی 1.01 فیصد پر رہی۔ مالی لاگت میں یہ کمی بینکوں کے ساتھ گفتوشنید اور KIBOR شرح میں کمی کی وجہ سے تھی۔

کراپ سال 2016-17 کیلئے پاکستان کاٹن جنرل ایسوسی ایشن کی طرف سے جاری کردہ اعداد و شمار کے مطابق کپاس، (بیج کپاس) 15 اکتوبر 2016 تک جنرل میں آمد گزشتہ سال کی اسی مدت میں 4.664 ملین گانٹھوں کے مقابلے میں 4.374 ملین گانٹھوں تک رہی۔ جو کے 6.22 فیصد کی کمی ظاہر کرتی ہے۔

مستقبل کا نقطہ نظر

یارن مارکیٹ میں بحالی کے آثار نظر آتے ہیں۔ برآمدی منڈی سے طلب میں اضافہ مستقبل میں مصنوعات کے مارجن میں بہتری کی توقعات میں اضافہ کر رہا ہے۔ تاہم کساد بازاری کا ماحول ابھی تک ختم نہیں ہوا ہے۔ کپاس کی قیمتیں عالمی سطح پر کپاس کی قیمتوں میں اضافہ اور فصل کے سائز میں کمی کے آثار کی بنیاد پر بڑھ گئی ہیں۔ گیس کی قیمتوں میں موجودہ اضافہ ہمارے پیداواری اخراجات کو منفی متاثر کر سکتا ہے۔ روپیہ اور ڈالر کے تبادلے کی شرح کے مستحکم رجحان نے ہماری برآمدی مسابقت میں منفی کردار ادا کیا۔ حکومت ٹیکسٹائل کی حوصلہ افزائی کے ایک پیکیج پر غور کر رہی ہے۔ اس پیکیج کی وجہ سے ٹیکسٹائل برآمد کنندگان کو برآمدی چھوٹ دینے جانے کا امکان ہے۔ ہمیں امید ہے کہ اس پیکیج کا جلد ہی اعلان کیا جائے گا جو کمزور صنعت



NAGINA COTTON MILLS LTD.

کی ضروریات کو پورا کرے گا۔ اس کے علاوہ علاقے میں حریف سے مقابلے کا سامنا کرنے کے لئے حکومت کے تعاون کی ضرورت ہے۔ امید ہے کہ حکومت مختلف ٹیکسوں کی قوم کی واپسی میں تیزی لانے، ملیں چلانے کے لئے گیس کی وافر فراہمی، ٹیکسٹائل برآمدات پر صفر شرح اور ٹیکسٹائل کے شعبے میں ویلیو ایڈیشن کی حوصلہ افزائی کے ذریعے ٹیکسٹائل صنعت کی مدد کرے گی۔

اعتراف

کمپنی کے عملے اور کارکنوں کی مسلسل محنت اور جذبہ اور تمام سطحوں پر اچھے تعلقات کا اعتراف کرتے ہیں۔ ڈائریکٹرز، مینجنگ ڈائریکٹرز اور دیگر حصہ داروں کا بھی کمپنی کی مسلسل حمایت پر شکریہ ادا کرتے ہیں۔

مجاہد بورڈ

شوکت الہی شیخ

مینجنگ ڈائریکٹر (چیف ایگزیکٹو)

27 اکتوبر 2016ء



NAGINA COTTON MILLS LTD.

CONDENSED INTERIM BALANCE SHEET AS AT SEPTEMBER 30, 2016

	(Un-Audited) September 30 2016	(Audited) June 30 2016
Note	-----Rupees-----	
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized capital		
50,000,000 (June 30, 2016: 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	253,721,597	254,445,363
Accumulated profit	1,294,817,323	1,276,289,208
Total equity	1,735,538,920	1,717,734,571
LIABILITIES		
NON-CURRENT LIABILITIES		
Long term finances	605,959,627	630,008,976
Employees retirement benefits	77,560,721	74,736,927
	683,520,348	704,745,903
CURRENT LIABILITIES		
Trade and other payables	507,145,358	428,035,638
Accrued interest / mark-up	6,625,410	10,517,052
Short term borrowings	22,307,694	111,653,516
Current portion of long term finances	91,874,137	84,718,723
	627,952,599	634,924,929
TOTAL LIABILITIES	1,311,472,947	1,339,670,832
CONTINGENCIES AND COMMITMENTS		
	-	-
TOTAL EQUITY AND LIABILITIES	3,047,011,867	3,057,405,403

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

October 27, 2016

Shahzada Ellahi Shaikh
Director



NAGINA COTTON MILLS LTD.

(Un-Audited) (Audited)
September 30 June 30
2016 2016
Note -----Rupees-----

ASSETS

NON-CURRENT ASSETS

Property, plant and equipment	7	1,403,349,855	1,435,680,166
Investment properties		14,729,325	14,801,190
Intangible assets		3,874,608	4,082,176
Long term deposits		1,069,258	1,110,258
		1,423,023,046	1,455,673,790

CURRENT ASSETS

Stores and spares		31,275,138	34,057,091
Stock-in-trade		664,266,059	724,010,229
Trade debts		398,861,723	329,873,056
Loans and advances		135,566,165	138,698,478
Prepayments		8,077,267	8,367,089
Other receivables		2,431,664	2,678,330
Sales tax refundable		63,614,133	57,411,550
Other financial assets	10	309,932,534	119,964,290
Cash and bank balances		9,964,138	186,671,500
		1,623,988,821	1,601,731,613

TOTAL ASSETS

3,047,011,867	3,057,405,403
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The annexed explanatory notes from 1 to 13 form part of the condensed interim financial information.

Shaukat Ellahi Shaikh

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, 2016

		Quarter Ended	
		September 30 2016	September 30 2015
	Rupees.....	
Sales		1,275,017,490	876,304,075
Cost of sales	8	(1,184,904,859)	(822,150,006)
Gross profit		90,112,631	54,154,069
Distribution cost		(23,581,507)	(21,570,003)
Administrative expenses		(29,034,170)	(23,238,185)
Other expenses		(2,436,138)	(902,159)
		(55,051,815)	(45,710,347)
		35,060,816	8,443,722
Other income		10,645,716	17,939,518
Operating profit		45,706,532	26,383,240
Finance cost		(12,836,325)	(14,589,895)
Profit before taxation		32,870,207	11,793,345
Provision for taxation		(14,342,092)	(10,284,844)
Profit after taxation		18,528,115	1,508,501
Other comprehensive income/(loss)			
Items that will not be reclassified to profit and loss account		-	-
Items that may be reclassified subsequently to profit and loss account			
Unrealized loss on remeasurement of available for sale investments		(723,766)	(7,266,553)
Total other comprehensive income/(loss) for the period		(723,766)	(7,266,553)
Total comprehensive income/(loss) for the period		17,804,349	(5,758,052)
Earnings per share - basic and diluted		0.99	0.08

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

Shahzada Ellahi Shaikh
Director

October 27, 2016

Shaukat Ellahi Shaikh
Mg. Director (Chief Executive)



NAGINA COTTON MILLS LTD.

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2016

	Quarter Ended	
	September 30 2016	September 30 2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	32,870,207	11,793,345
Adjustments for:		
Depreciation	35,728,579	32,945,815
Amortization	207,568	-
Provision for employees retirement benefits	5,274,516	6,045,128
Gain on disposal of property, plant and equipment	(253,557)	(872,167)
Realized gain on sale of short term investments - held for trading	(3,346,097)	(3,463,305)
Un-realized Gain on short term investments - held for trading	(1,623,970)	(9,265,198)
Finance cost	12,836,325	14,589,895
Rental Income	(4,541,937)	(4,064,169)
Dividend Income	(391,321)	-
	43,890,106	35,915,999
Changes in working capital	76,760,313	47,709,344
Decrease / (increase) in current assets:		
Stores and spares	2,781,953	(4,869,368)
Stock-in-trade	59,744,170	87,520,429
Trade debts	(68,988,667)	(69,668,307)
Loans and advances	428,286	(1,230)
Prepayments	289,822	(3,122,235)
Other receivables	246,666	(256,459)
Sales tax refundable	(6,202,583)	17,752,422
	(11,700,353)	27,355,252
Increase / (Decrease) in current Liabilities		
Trade and other payables	79,109,720	47,454,261
	67,409,367	74,809,513
Cash generated from operations	144,169,680	122,518,857
(Payments made) / receipts of:		
Employees retirement benefits	(2,450,722)	(2,455,867)
Finance cost	(16,727,967)	(12,751,010)
Income taxes	(11,638,063)	(9,306,618)
Long term deposits	41,000	18,103
Net cash generated from operating activities	113,393,928	98,023,465
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(4,432,846)	(23,274,391)
Proceeds from disposal of property, plant and equipment	1,360,000	2,170,000
Purchase of short term investments	(596,216,656)	(1,289,102,997)
Proceeds from sale of short term investments	410,573,533	1,011,056,545
Rental Income received	4,541,937	4,064,169
Dividend Income received	312,500	-
Net cash used in investing activities	(183,861,532)	(295,086,674)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term finances obtained	-	167,040,628
Repayment of long term finances	(16,893,935)	(17,862,935)
Net decrease in short term borrowings excluding running finances	(46,083,666)	(2,749,161)
Net cash (used in) / generated from financing activities	(62,977,601)	146,428,532
Net decrease in cash and cash equivalents	(133,445,205)	(50,634,677)
Cash and cash equivalents at beginning of the period	121,101,649	65,617,818
Cash and cash equivalents at end of the period	(12,343,556)	14,983,141
Cash and cash equivalents		
Cash and bank balances	9,964,138	54,425,945
Short term running finances	(22,307,694)	(39,442,804)
	(12,343,556)	14,983,141

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

Shahzada Ellahi Shaikh
Director

October 27, 2016

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, 2016

	Paid up Share capital	Capital reserves			Revenue reserve	Total
		Amalgamation reserve	Redemption reserve fund	Deficit on revaluation of available for sale investment	Accumulated profit	
----- Rupees -----						
Balance as at June 30, 2015 (Audited)	187,000,000	12,104,417	241,860,000	-	1,429,252,178	1,870,216,595
Comprehensive (loss) / income						
Profit after taxation	-	-	-	-	1,508,501	1,508,501
Other comprehensive (Loss)/income	-	-	-	(7,266,553)	-	(7,266,553)
Total comprehensive (loss) / income for the period	-	-	-	(7,266,553)	1,508,501	(5,758,052)
Balance as at September 30, 2015 (Un-audited)	187,000,000	12,104,417	241,860,000	(7,266,553)	1,430,760,679	1,864,458,543
Transactions with owners						
Final dividend for the year ended June 30, 2015 @ 35% i.e. Rs. 3.5 per ordinary share	-	-	-	-	(65,450,000)	(65,450,000)
Comprehensive income						
Loss for the year	-	-	-	-	(94,453,468)	(94,453,468)
Other comprehensive income	-	-	-	7,747,499	5,431,997	13,179,496
Total comprehensive (loss) / income for the period	-	-	-	7,747,499	(89,021,471)	(81,273,972)
Balance as at June 30, 2016 (Audited)	187,000,000	12,104,417	241,860,000	480,946	1,276,289,208	1,717,734,571
Comprehensive income/(loss)						
Profit after taxation	-	-	-	-	18,528,115	18,528,115
Other comprehensive loss	-	-	-	(723,766)	-	(723,766)
Total comprehensive (loss) / income for the period	-	-	-	(723,766)	18,528,115	17,804,349
Balance as at September 30, 2016 (Un-audited)	187,000,000	12,104,417	241,860,000	(242,820)	1,294,817,323	1,735,538,920

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

Shahzada Ellahi Shaikh
Director

October 27, 2016

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, 2016

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 Pakistan Stock Exchange Limited. 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, 2016 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, 2016.

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, 2016, 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, 2015.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 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, 2016.

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, 2016.

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, 2016.



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6. CONTINGENCIES AND COMMITMENTS

6.1 Contingencies

There is no change in contingencies as disclosed in note 12.1 to the annual financial statements for the year ended June 30, 2016, except bills discounted.

6.2 Commitments

	(Un-audited) September 30 2016	(Audited) June 30 2016
	Rupees	
Machinery	94,887,650	91,891,000
Civil Work	14,073,016	15,673,016
Raw Material	3,512,058	17,881,889
Stores and spares	9,725,760	6,580,538
	122,198,484	132,026,443
Commitments for rentals of assets under operating lease agreements as at:		
Not later than one year	18,718	29,640
	122,217,202	132,056,083

7. PROPERTY, PLANT AND EQUIPEMENT

Operating fixed assets - Owned	7.1	1,381,172,565	1,409,029,696
Capital work in progress	7.2	22,177,290	26,650,470
		1,403,349,855	1,435,680,166

7.1 Operating fixed assets - Owned

Opening written down value	1,409,029,696	1,294,647,924
Additions during the period / year		
Mills building on lease hold land	5,758,063	-
Machinery and equipment	681,372	238,329,170
Electric installation and equipment	298,064	2,264,916
Furniture and fixtures	225,979	1,163,432
Office equipment	249,948	2,936,994
Vehicles	1,692,600	9,837,297
	8,906,026	254,531,809
Written down value of property, plant and equipment disposed off	(1,106,443)	(3,958,407)
Depreciation charged during the period/year	(35,656,714)	(136,191,630)
Written down value at end of the period/year	1,381,172,565	1,409,029,696

7.2 Capital work in progress

Opening Balance	26,650,470	20,853,784
Additions during the period / year	3,109,947	254,258,358
Transfers during the period / year	(7,583,127)	(248,461,672)
Closing Balance	22,177,290	26,650,470



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8. COST OF SALES

Opening stock of finished goods
Cost of goods manufactured
Purchase of Raw material

Closing stock of finished goods

8.1 Cost of goods manufactured

Raw material consumed
Packing material consumed
Stores and spares consumed
Salaries, wages and benefits
Fuel
Rent, rates and taxes
Insurance
Repairs and maintenance
Depreciation
Other manufacturing overheads

Work in process

Opening stock
Closing stock

Quarter Ended (Un-Audited)		
September 30	September 30	
2016	2015	
Rupees		
50,793,087	31,783,493	
1,192,018,986	848,408,798	8.1
13,024,918	-	
1,255,836,991	880,192,291	
(70,932,132)	(58,042,285)	
1,184,904,859	822,150,006	
921,618,992	612,002,917	
19,306,805	17,359,622	
22,853,027	18,510,148	
91,130,353	86,851,264	
111,185,381	101,668,113	
133,229	190,818	
2,196,495	2,419,203	
1,226,809	3,143,654	
33,569,624	30,520,653	
1,647,374	1,374,857	
1,204,868,089	874,041,249	
51,742,678	29,200,532	
(64,591,781)	(54,832,983)	
(12,849,103)	(25,632,451)	
1,192,018,986	848,408,798	

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:

Associated Undertakings

Purchase of goods
Sale of goods and services

Key Management Personnel

Remuneration and other benefits

Quarter Ended (Un-Audited)		
September 30	September 30	
2016	2015	
Rupees		
21,811	4,345,396	
3,603,000	71,468,126	
2,529,469	2,098,083	

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.



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10. FAIR VALUE OF FINANCIAL INSTRUMENTS

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 the liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

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

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

September 30, 2016				
	Level 1	Level 2	Level 3	Total
	-----Rs-----			
Fair value through profit or loss				
- Held for trading	153,475,354	-	-	153,475,354
Financial assets - at fair value				
Available for sale				
- Listed equity securities	156,457,180	-	-	156,457,180
	309,932,534	-	-	309,932,534
June 30, 2016				
	Level 1	Level 2	Level 3	Total
	-----Rs-----			
Fair value through profit or loss				
- Held for trading	-	-	-	-
Financial assets - at fair value				
Available for sale				
- Listed equity securities	119,964,290	-	-	119,964,290
	119,964,290	-	-	119,964,290

11. OTHERS

The Board of Directors in its meeting held on September 29, 2016, proposed to distribute to the shareholders of the Company, cash dividend at the rate of 10 percent (i.e. Rs.1/- 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 31, 2016.



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12. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on October 27, 2016 by the Board of Directors of the Company.

13. CORRESPONDING FIGURES

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

October 27, 2016

Shahzada Ellahi Shaikh
Director

Shaukat Ellahi Shaikh
Mg. Director (Chief Executive)



NAGINA COTTON MILLS LTD.

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 Notification SRO 275(I)/2016 dated March 31, 2016 read with Notification SRO 19(I)/2014 dated January 10, 2014 and Notification 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.
5th 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, 2016 with effect from July 1, 2016, 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 @20%

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), withholding 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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