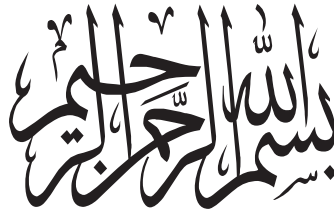


**HALF YEARLY REPORT
FOR THE PERIOD ENDED
DECEMBER 31, 2013
(Un-Audited)**



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. Shahzada Sultan Mubashir	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. Shahzada Sultan Mubashir	Secretary

HUMAN RESOURCE & REMUNERATION (HR & R) COMMITTEE

Mr. Raza Ellahi Shaikh	Chairman
Mr. Shafqat 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



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 half year ended on December 31, 2013. As required by International Auditing Standards, Company's external auditors have reviewed the condensed interim financial information. The review report is attached herewith. The comparative figures for the corresponding half year ended on December 31, 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 of the Company for the 1st half year are satisfactory. After tax profit for the period under review is Rs.221,578,493 (9.14% of sales) compared to Rs.251,682,440 (12.52% of sales) during the corresponding period of previous year. Earning Per Share (EPS) is Rs.11.85 compared to EPS of Rs.13.46 during the corresponding period of previous year. There has been slight fall in the profitability owing to increase in raw cotton prices along with rise in energy and labour costs.

During the period under review, sales revenue stood at Rs.2,424,171,270 compared to Rs.2,010,348,278 for the corresponding period of previous year showing a growth of 20.58%. Due to continued strong demand of cotton yarn in the International markets we were able to ship higher volumes and also able to attract better prices. Cost of sales increased by 25.07% over the corresponding period of previous year owing to increase in prices of raw cotton consumed and absorption of escalation in energy costs and labour wages. Gross profit (G.P) increased in value terms from Rs.396,146,308 to Rs.405,283,181 during this half year, however rise in costs pushed down the G.P ratio from 19.71% to 16.72%.

Distribution costs increased by 16.88% owing to increase in export sales volume. Administrative expenses increased due to inflationary impacts and other expenses increased due to recognition of provision of Workers Welfare Funds (WWF) during this period.

Finance cost for the period under review is Rs.52,533,761 (2.17% of sales) compared to Rs.38,807,464 (1.93% of sales) which has increased by 35.37%, mainly due to increase in the amount of long term loans taken for the expansion and balancing, modernization and replacement of plant and machinery. Higher raw material prices also pushed up the short term borrowing for working capital needs. State bank of Pakistan (SBP) increased the interest rates during the period, however management due to effective financial management and using cost effective financing mix was able to mitigate the impact on finance costs.

The Company is regularly investing in expansion, balancing, modernization and replacement (BMR) of its plant and machinery and other fixed assets. During the 1st half year ended December 31, 2013 Company has invested Rs.173,329,238 in BMR and other assets.

Future Outlook

We are hopeful to keep the growth momentum achieved during 1st half year for next half year and able to close the financial year 2013-14 on a profitable note. However, Uninterrupted supply of gas and electricity and rise in tariff of energy shall be the main concerns for the management, which may affect the profitability in the coming quarters. The State Bank of Pakistan (SBP) increased the interest rates by 1% in last six months and market is expecting a further rise.

Strong competition from competing countries has caused reduction in yarn prices. However, prices of raw material and costs of inputs are rising. The performance over the next quarters may be affected due to these adverse factors. Management is fully aware of this challenge and will strive to maintain profitability.

Acknowledgement

The continued good 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.

Shaukat Ellahi Shaikh

Mg. Director (Chief Executive)

February 25, 2014.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of **Nagina Cotton Mills Limited** ("the Company") as at December 31, 2013, the related condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes to the accounts for the half year then ended [here-in-after referred to as "interim financial information"]. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim profit and loss account for the quarter ended December 31, 2013 has not been reviewed as we are required to review only the cumulative figures for the half year ended December 31, 2013.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as of and for the half year ended December 31, 2013 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.


Chartered Accountants

Engagement Partner:
Nadeem Yousuf Adil

Dated: February 25, 2014
Place: Karachi

Member of
Deloitte Touche Tohmatsu Limited



NAGINA COTTON MILLS LTD.

CONDENSED INTERIM BALANCE SHEET AS AT DECEMBER 31, 2013

	(Un-Audited) December 31, 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	500,000,000	500,000,000
Issued, subscribed and paid-up capital	187,000,000	187,000,000
Capital reserves	253,964,417	253,964,417
Accumulated profit	1,376,493,415	1,341,914,922
TOTAL EQUITY	1,817,457,832	1,782,879,339
LIABILITIES		
NON-CURRENT LIABILITIES		
Long term finances	435,837,925	480,228,900
Liabilities against assets subject to finance lease	199,850	536,472
Employees retirement benefits	51,001,064	49,237,466
	487,038,839	530,002,838
CURRENT LIABILITIES		
Trade and other payables	285,104,277	215,226,887
Accrued interest / mark-up	22,492,363	17,622,203
Short term borrowings	427,515,510	5,563,284
Current portion of long-term finances	114,710,255	100,305,068
Current portion of liabilities against assets subject to finance lease	758,024	1,001,842
	850,580,429	339,719,284
TOTAL LIABILITIES	1,337,619,268	869,722,122
CONTINGENCIES AND COMMITMENTS		
TOTAL EQUITY AND LIABILITIES	3,155,077,100	2,652,601,461

The annexed explanatory notes from 1 to 11 form an integral part of this condensed interim financial information.

February 25, 2014


Raza Ellahi Shaikh
Director



NAGINA COTTON MILLS LTD.

		(Un-Audited) December 31, 2013	(Audited), June 30, 2013
Note		-----Rupees-----	
ASSETS			
NON-CURRENT ASSETS			
	7	1,005,072,743	1,014,527,118
Property, plant and equipment		15,589,937	15,757,577
Investment properties		1,233,829	1,317,729
Long-term deposits			
		1,021,896,509	1,031,602,424
CURRENT ASSETS			
		38,676,168	16,139,978
Stores and spares		1,764,056,770	722,790,632
Stock-in-trade		226,721,672	818,841,751
Trade debts		66,397,104	40,415,677
Loans and advances		4,586,364	1,860,187
Short-term deposits and prepayments		1,551,013	1,256,016
Other receivables		29,648,503	18,249,799
Sales tax refundable		1,542,997	1,444,997
Cash and bank balances			
		2,133,180,591	1,620,999,037
TOTAL ASSETS			
		3,155,077,100	2,652,601,461

The annexed explanatory notes from 1 to 11 form an integral part of this 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 HALF YEAR ENDED DECEMBER 31, 2013

	Note	Half Year Ended		Quarter Ended	
		December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
		Rupees	Rupees	Rupees	Rupees
Sales		2,424,171,270	2,010,348,278	1,161,341,429	1,014,882,070
Cost of goods sold	8	(2,018,888,089)	(1,614,201,970)	(985,533,676)	(810,862,751)
Gross profit		405,283,181	396,146,308	175,807,753	204,019,319
Distribution cost		(67,549,988)	(57,793,729)	(33,067,022)	(28,584,840)
Administrative expenses		(42,851,805)	(36,362,155)	(20,974,155)	(18,638,038)
Other operating expenses		(17,665,382)	(14,475,464)	(6,863,143)	(7,461,329)
		(128,067,175)	(108,631,348)	(60,904,320)	(54,684,207)
Other income		277,216,006	287,514,960	114,903,433	149,335,112
		7,411,235	23,657,406	3,830,561	10,203,424
Operating profit		284,627,241	311,172,366	118,733,994	159,538,536
Finance cost		(52,533,761)	(38,807,464)	(27,743,051)	(18,493,449)
Profit before taxation		232,093,480	272,364,902	90,990,943	141,045,087
Provision for taxation - current		(10,514,987)	(20,682,462)	2,494,972	(10,436,359)
Profit after taxation		221,578,493	251,682,440	93,485,915	130,608,728
Other comprehensive income					
Items that may be reclassified subsequently to profit and loss account		-	-	-	-
Items that will not be reclassified subsequently to profit and loss account					
Actuarial gain / (loss)	3.1	-	-	-	-
Total comprehensive income for the period		221,578,493	251,682,440	93,485,915	130,608,728
Earnings per share - basic and diluted		11.85	13.46	5.00	6.98

The annexed explanatory notes from 1 to 11 form an integral part of this condensed interim financial information.

February 25, 2014

Raza Ellahi Shaikh
Director

Shaukat Ellahi Shaikh
Mg. Director (Chief Executive)



NAGINA COTTON MILLS LTD.

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2013

CASH FLOWS FROM OPERATING ACTIVITIES

Profit before taxation

Adjustments for:

Depreciation

Provision for employees retirement benefits

Gain on disposal of property, plant and equipment

Gain on sale of other financial asset

Finance cost

Changes in working capital

Decrease / (increase) in current assets

Stores and spares

Stock-in-trade

Trade debts

Loans and advances

Short term deposits and prepayments

Other receivables

Sales tax refundable

Increase in current liabilities

Trade and other payables

Cash used in operations

(Payments made) / receipts of:

Employees retirement benefits

Finance cost

Income taxes

Long term deposits

Net cash used in operating activities

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property, plant and equipment

Proceeds from disposal of property, plant and equipment

Purchase of other financial asset

Proceeds from sale of other financial asset

Net cash (used in) / generated from investing activities

CASH FLOWS FROM FINANCING ACTIVITIES

Long term finances obtained

Repayment of long term finances

Repayment of principal portion of liabilities against assets subject to finance lease

Net increase / (decrease) in short term borrowings excluding running finances

Dividend paid

Net cash generated from / (used in) financing activities

Net decrease in cash and cash equivalents

Cash and cash equivalents at beginning of the period

Cash and cash equivalents at end of the period

Cash and cash equivalents

Cash and bank balances

Short term running finances

Half Year Ended	
December 31 2013	December 31 2012
.....Rupees.....	
232,093,480	272,364,902
47,492,059	35,156,447
7,801,711	3,710,254
(7,764)	(341,509)
-	(16,899,550)
52,533,761	38,807,464
339,913,247	332,798,008
(22,536,190)	3,673,089
(1,041,266,138)	(720,307,284)
592,120,079	326,658,369
(3,833,381)	(72,366,095)
(2,726,177)	(2,029,606)
(294,997)	1,330,385
(11,398,704)	(1,131,478)
69,877,390	80,183,925
(420,058,118)	(383,988,695)
(80,144,871)	(51,190,687)
(6,038,113)	(4,749,598)
(47,663,601)	(38,144,006)
(32,663,033)	(28,585,612)
83,900	228,671
(166,425,718)	(122,441,232)
(38,995,280)	(66,663,571)
1,133,000	6,419,791
-	(1,648,645,057)
-	1,735,715,960
(37,862,280)	26,827,123
14,623,207	41,300,822
(44,608,995)	(26,558,084)
(580,440)	(1,563,987)
226,321,751	(12,992,475)
(187,000,000)	(93,500,000)
8,755,523	(93,313,724)
(195,532,475)	(188,927,833)
(553,179)	43,224,555
(196,085,654)	(145,703,278)
1,542,997	17,757,559
(197,628,651)	(163,460,837)
(196,085,654)	(145,703,278)

The annexed explanatory notes from 1 to 11 form an integral part of this condensed interim financial information.

February 25, 2014


Raza 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 HALF YEAR ENDED DECEMBER 31, 2013

	Issued, subscribed and 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	-	-	-	251,682,440	251,682,440
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the half year ended	-	-	-	251,682,440	251,682,440
Transactions with owners:					
Final dividend for the year ended June 30, 2012 @ 50% i.e. Rs. 5.00 per ordinary share	-	-	-	(93,500,000)	(93,500,000)
Balance as at December 31, 2012 (Un-audited)	187,000,000	12,104,417	241,860,000	988,444,905	1,429,409,322
Comprehensive income					
Profit after taxation	-	-	-	353,470,017	353,470,017
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the half year ended	-	-	-	353,470,017	353,470,017
Balance as at June 30, 2013 (Audited)	187,000,000	12,104,417	241,860,000	1,341,914,922	1,782,879,339
Comprehensive income					
Profit after taxation	-	-	-	221,578,493	221,578,493
Other comprehensive income	-	-	-	-	-
	-	-	-	221,578,493	221,578,493
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)
Balance as at December 31, 2013 (Un-audited)	187,000,000	12,104,417	241,860,000	1,376,493,415	1,817,457,832

The annexed explanatory notes from 1 to 11 form an integral part of this condensed interim financial information.

February 25, 2014


Raza Ellahi Shaikh
Director


Shaukat Ellahi Shaikh
Mg. Director (Chief Executive)



NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 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 of Pakistan. 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 half year ended December 31, 2013 has 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 do 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 The condensed interim financial information has been prepared under 'historical cost convention' except employee benefit obligation which have been included at present value.

2.3 The condensed interim financial information is presented in Pakistani Rupees which is also the Company's functional and presentational currency and figures presented in the condensed interim financial information have been rounded off to the nearest rupee.

2.4 This condensed interim financial information is unaudited. However, a limited scope review of this condensed interim financial information has been performed by the external auditors of the Company in accordance with the requirements of Clause (xix) of the Code of Corporate Governance and they have issued their review report thereon.

2.5 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 half year ended December 31, 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 except as disclosed in note 3.1.

3.1 Change in accounting policy

During the current period, the Company has changed its accounting policy in respect of post-retirement defined benefit plan as required under IAS 19, 'Employee Benefits' (Revised 2011). According to the new policy, all actuarial gains and losses are recognized in Other Comprehensive Income (OCI) in the periods in which they occur. Amounts recorded in profit and loss account are limited to current and past service costs, gain or loss on settlement and net interest income or expense. All other changes in the net defined benefit obligation are recognized directly in OCI with no subsequent recycling through profit and loss account. Previously, the Company was recognizing all actuarial gains / losses in the profit and loss account.

The effect of such change is considered immaterial to this condensed interim financial information as whole, so no impact has been taken.

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 annual financial statements of the Company 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 annual financial statements of the Company for the year ended June 30, 2013.

6 CONTINGENCIES AND COMMITMENTS

6.1 Contingencies

There is no change in contingencies as disclosed in note 13.1 to the financial statement for the year ended June 30, 2013, except bills discounted.

		(Un-audited) December 31, 2013	(Audited) June 30, 2013
	Note	-----Rupees-----	
6.2 Commitments			
Civil Work		9,579,838	17,906,691
Stores and spares		6,829,843	36,070,882
Machinery		97,741,991	85,487,483
Raw Material		141,944,681	-
		256,096,353	139,465,056
Commitments for rentals of assets under operating lease agreement as at December 31, 2013			
Not later than one year		1,575,066	727,466
		257,671,419	140,192,522

7 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets

Owned	7.1	945,467,304	820,049,417
Leased	7.2	1,677,712	2,216,017
		947,145,016	822,265,434
Capital work in progress	7.3	57,927,727	192,261,684
		1,005,072,743	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 - lease hold		1,066,050	1,281,249
Mill building on lease hold land		10,124,729	965,572
Machinery and equipment		159,260,116	187,973,836
Electric installation and equipment		190,560	3,286,564
Gas Installations		66,106	306,616
Furniture and fittings		340,488	1,398,058
Office equipment		586,664	919,870
Vehicles		1,694,525	30,053,973
		173,329,238	226,185,738
Written down value of property, plant and equipment transferred from leased assets		335,117	2,714,651
Written down value of property, plant and equipment disposed off		(1,125,236)	(23,765,568)
Depreciation charged during the period / year		(47,121,232)	(73,392,102)
Written down value at end of the period / year		945,467,304	820,049,417

	(Un-audited) December 31, 2013	(Audited) June 30, 2013
	-----Rupees-----	
7.2 Operating fixed assets - Leased		
Opening written down value	2,216,017	5,826,720
Written down value of property, plant and equipment transferred to owned assets	(335,118)	(2,714,651)
Depreciation charged during the period / year	(203,187)	(896,052)
Written down value at end of the period / year	<u>1,677,712</u>	<u>2,216,017</u>
7.3 Capital work in progress		
Opening Balance	192,261,684	19,917,073
Additions during the period / year	32,363,663	363,301,603
Transfers during the period / year	(166,697,620)	(190,956,992)
Closing Balance	<u>57,927,727</u>	<u>192,261,684</u>

	Half Year Ended (Un-audited)		Quarter Ended (Un-audited)	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
8 COST OF GOODS SOLD Rupees (Unaudited)			

Raw material consumed	1,637,502,488	1,273,603,392	790,610,788	658,815,287
Packing material consumed	37,457,072	33,653,691	19,959,414	16,373,764
Stores and spares consumed	61,632,516	23,595,833	48,829,812	12,411,161
Salaries, wages and benefits	169,810,703	134,712,708	83,488,521	64,008,758
Fuel	154,802,022	129,183,974	79,783,917	63,307,548
Rent, rates and taxes	271,077	189,265	148,895	94,630
Insurance	5,541,513	4,419,912	3,066,066	2,253,859
Repairs and maintenance	3,664,299	3,255,884	2,068,872	2,309,542
Depreciation	42,432,010	32,213,113	22,552,817	16,295,899
Other manufacturing overheads	2,045,731	4,584,287	1,757,369	2,524,921
	<u>2,115,159,431</u>	<u>1,639,412,059</u>	<u>1,052,266,471</u>	<u>838,395,369</u>
Work-in-process:				
At beginning of period	50,665,531	41,643,960	66,952,803	40,590,039
At end of period	(55,959,803)	(50,996,102)	(55,959,803)	(50,996,102)
	<u>(5,294,272)</u>	<u>(9,352,142)</u>	<u>10,993,000</u>	<u>(10,406,063)</u>
	<u>2,109,865,159</u>	<u>1,630,059,917</u>	<u>1,063,259,471</u>	<u>827,989,306</u>
Finished goods:				
At beginning of period	26,415,128	43,416,794	39,666,403	46,145,536
Purchase of finished goods	-	10,784,530	-	6,787,180
At end of period	(117,392,198)	(70,059,271)	(117,392,198)	(70,059,271)
	<u>(90,977,070)</u>	<u>(15,857,947)</u>	<u>(77,725,795)</u>	<u>(17,126,555)</u>
	<u>2,018,888,089</u>	<u>1,614,201,970</u>	<u>985,533,676</u>	<u>810,862,751</u>



NAGINA COTTON MILLS LTD.

9 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of associated companies, directors of the Company and key management personnel. 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:

Nature of Relationship	Nature of Transaction	Half year ended (Un-audited)	
		December 31 2013	December 31 2012
	Rupees.....	
Associated companies	Purchase of goods and services	90,221	9,306,038
	Sale of goods and services	11,054,862	9,618,000
	Rental Income	528,000	480,000
	Dividend Paid	30,605,420	15,302,710
Key management personnel	Remuneration and other benefits	4,233,333	4,193,836
Directors, family members of directors and key management personnel	Dividend Paid	139,352,340	69,676,180

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.

10. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information has been approved by the Board of Directors of the Company and authorized for issue on February 25, 2014.

11. CORRESPONDING FIGURES

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

Figures have been rounded off to the nearest rupee.

February 25, 2014


Raza Ellahi Shaikh
Director


Shaukat Ellahi Shaikh
Mg. Director (Chief Executive)

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