

**HALF YEARLY REPORT
FOR THE PERIOD ENDED
DECEMBER 31, 2014
(Un-Audited)**



NAGINA COTTON MILLS LTD.



CONTENTS

Company Information	03
Directors' Report to the Members	04
Auditors' Report to the Members on Review of Condensed Interim Financial Information	05
Condensed Interim Balance Sheet	06
Condensed Interim Profit & Loss Account	08
Condensed Interim Cash Flow Statement	09
Condensed Interim Statement of Changes in Equity	10
Notes to the Condensed Interim Financial Information	11



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
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

Syed Mohsin Gilani

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.
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

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, 2014 duly reviewed by the auditors. The comparative figures for the corresponding half year ended on December 31, 2013 are included for comparison, except in balance sheet where figures are for the year ended on June 30, 2014

Company Performance

Alhamdulillah, despite tough business environment your company has been able to earn after tax profit of Rs. 101,420,267 or 4.28% of sales during the current half year compared to Rs. 221,578,493 or 9.14% of sales for the corresponding half year of last year. Earning per share (EPS) for the half year is Rs. 5.42 compared to Rs. 11.85 for the corresponding period. Drop in earnings is due to steep fall in the unit prices of yarn as a consequence of the massive fall in cotton prices. Rise in production costs in general including energy and wages and salaries reduced the profits of the company. The company faced sluggish demand of finished products owing to overall recessionary environment in local as well as in international markets. Stable Rupee parity against US Dollar adversely affected the competitiveness of Pakistani textile products in comparison to regional competitors whose currencies were devaluing against the USD.

During the period under review, the sales were recorded at Rs.2,367,582,044 compared to Rs.2,424,171,270 during the same period of previous year. Cost of sales is Rs. 2,105,346,613 (88.92% of sales) compared to Rs.2,018,888,089 (83.28% of sales) resulting in decrease in gross profit (G.P) from 16.72% of sales to 11.08% of sales.

Operating expenses decreased from 5.28% of sales to 5.02% of sales. Due to better borrowings patterns and cost lowering measures overall finance costs decreased by 18.59% over the same period of previous year providing support to the bottom line.

The company has been able to generate stable cash flows and discharged all its operating and financial liabilities in time.

Future Outlook

We foresee a continuation of a challenging environment in the next half year because of falling raw material prices, surging input costs and sluggish demand of finished products both in export as well as local market. The devaluation of the Euro against the USD is likely to reduce margins for textile products from Pakistan. However, the company is likely to benefit from the reduction in oil prices which will hopefully reduce energy costs. The company will also benefit from the reduction of 1% in the discount rate announced by the State Bank of Pakistan. It is hoped that the decline in the overall inflation rate in Pakistan will help to curtail costs of production. Management is aware of the difficult environment and will continue to strive for reduced costs of production, improving productivity and achieving better unit prices to protect the profitability of the company.

In order to adapt to the changing trends and fashion requirements your company is undergoing an expansion/ balancing, modernisation and replacement (BMR) of machinery programme comprising installation of state of the art new machines. Under the plan 7 ring frames along with allied machinery will be added. The cost estimate of the BMR/expansion plan is approximately Rs. 450 million. This expansion/ BMR programme is expected to be implemented in first half of next financial year.

In order to diversify the income source of the Company, Board of Directors approved investment upto Rs.350 million in stock markets and financial instruments.

Acknowledgement

Despite odd 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.

Shaukat Ellahi Shaikh

Mg. Director (Chief Executive)

February 25, 2015.

Independent Auditors' Report to the Members on Review of Condensed Interim Financial Information

Introduction

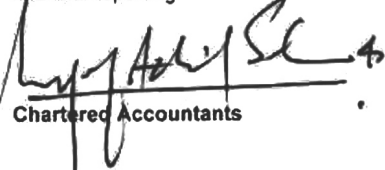
We have reviewed the accompanying condensed interim balance sheet of **Nagina Cotton Mills Limited** ("the Company") as at December 31, 2014, the related condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes to the accounts for the half year then ended [here-in-after referred to as "condensed 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, 2014 have not been reviewed as we are required to review only the cumulative figures for the half year ended December 31, 2014.

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 condensed 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, 2014 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:
Mushfaq Ali Hirani

Dated: February 25, 2015
Place: Karachi



NAGINA COTTON MILLS LTD.

CONDENSED INTERIM BALANCE SHEET AS AT DECEMBER 31, 2014

	(Un-Audited) December 31, 2014	(Audited) June 30, 2014
Note	-----Rupees-----	
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized capital 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	1,391,068,468	1,401,848,201
TOTAL EQUITY	1,832,032,885	1,842,812,618
LIABILITIES		
NON-CURRENT LIABILITIES		
Long-term finances	373,441,687	427,024,977
Employees retirement benefits	61,505,837	59,076,666
	434,947,524	486,101,643
CURRENT LIABILITIES		
Trade and other payables	370,675,392	241,340,902
Accrued interest / mark-up	12,214,216	12,916,435
Short-term borrowings	165,577,435	193,523,821
Current portion of long-term finances	110,979,735	106,506,189
Current portion of liabilities against assets subject to finance lease	-	452,476
	<u>659,446,778</u>	<u>554,739,823</u>
TOTAL LIABILITIES	1,094,394,302	1,040,841,466
CONTINGENCIES AND COMMITMENTS		
	6	
TOTAL EQUITY AND LIABILITIES	<u>2,926,427,187</u>	<u>2,883,654,084</u>

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

Shahzada Ellahi Shaikh
Director

February 25, 2015



NAGINA COTTON MILLS LTD.

		(Un-Audited) December 31, 2014	(Audited) June 30, 2014
Note		-----Rupees-----	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	1,104,657,406	1,088,031,051
Investment properties		15,263,039	15,422,297
Long-term deposits		1,033,980	1,233,829
		1,120,954,425	1,104,687,177
CURRENT ASSETS			
Stores and spares		25,182,618	19,991,364
Stock-in-trade		1,425,954,637	638,772,492
Trade debts		133,192,637	207,322,038
Loans and advances		95,169,347	91,280,479
Prepayments		5,316,297	2,291,733
Other receivables		1,763,830	1,750,044
Sales tax refundable		28,211,788	27,457,990
Other financial assets	8	33,007,894	785,681,725
Cash and bank balances		57,673,714	4,419,042
		1,805,472,762	1,778,966,907
TOTAL ASSETS		2,926,427,187	2,883,654,084

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)

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2014**

	Note	Half Year Ended		Quarter Ended	
		December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
		Rupees.....	Rupees.....	Rupees.....	Rupees.....
Sales		2,367,582,044	2,424,171,270	1,216,963,299	1,161,341,429
Cost of goods sold	9	(2,105,346,613)	(2,018,888,089)	(1,067,388,315)	(985,533,676)
Gross profit		262,235,431	405,283,181	149,574,984	175,807,753
Distribution cost		(60,883,758)	(67,549,988)	(30,863,551)	(33,067,022)
Administrative expenses		(48,344,320)	(42,851,805)	(24,222,062)	(20,974,155)
Other operating expenses		(9,514,435)	(17,665,382)	(5,800,970)	(6,863,143)
		(118,742,513)	(128,067,175)	(60,886,583)	(60,904,320)
		143,492,918	277,216,006	88,688,401	114,903,433
Other income		26,008,350	7,411,235	10,047,751	3,830,561
Operating profit		169,501,268	284,627,241	98,736,152	118,733,994
Finance cost		(42,765,504)	(52,533,761)	(20,926,388)	(27,743,051)
Profit before taxation		126,735,764	232,093,480	77,809,764	90,990,943
Provision for taxation - current		(25,315,497)	(10,514,987)	(12,601,052)	2,494,972
Profit after taxation		101,420,267	221,578,493	65,208,712	93,485,915
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		101,420,267	221,578,493	65,208,712	93,485,915
Earnings per share - basic and diluted		5.42	11.85	3.49	5.00

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



Shahzada Ellahi Shaikh
Director

February 25, 2015



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, 2014

	Half Year Ended	
	December 31, 2014	December 31, 2013
	Rupees.....	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	126,735,764	232,093,480
Adjustments for		
Depreciation	55,079,512	47,492,060
Provision for employees retirement benefits	10,325,656	7,801,711
Gain on disposal of property, plant and equipment	(337,382)	(7,764)
Gain on sale of other financial assets	(15,821,698)	-
Unrealised gain on revaluation of other financial assets	(7,892)	-
Unrealised loss on revaluation of FCY short term loan (FE 25)	3,627,955	-
Finance cost	42,765,504	52,533,760
Rental Income	(7,509,944)	(6,822,265)
Changes in working capital	214,857,475	333,090,982
Decrease / (increase) in current assets		
Stores and spares	(5,191,254)	(22,536,190)
Stock-in-trade	(787,182,145)	(1,041,266,138)
Trade debts	74,129,401	592,120,079
Loans and advances	910,069	(3,833,381)
Prepayments	(3,024,564)	(2,726,177)
Other receivables	(13,786)	(294,997)
Sales tax refundable	(753,798)	(11,398,704)
Increase in current liabilities	129,334,490	69,877,390
Trade and other payables	(591,791,587)	(420,058,118)
Cash used in operations	(376,934,112)	(86,967,136)
(Payments made) / receipts of		
Employees retirement benefits	(7,896,485)	(6,038,113)
Finance cost	(43,467,723)	(47,663,601)
Income taxes	(30,114,434)	(32,663,033)
Long term deposits	199,849	83,900
Net cash used in operating activities	A (458,212,905)	(173,247,983)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(72,961,128)	(38,995,280)
Proceeds from disposal of property, plant and equipment	1,751,900	1,133,000
Purchase of other financial assets	(1,174,000,000)	-
Proceeds from sale of other financial assets	1,156,821,696	-
Rental income received	7,509,944	6,822,265
Net cash used in from investing activities	B (80,877,588)	(31,040,015)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term finances obtained	-	14,623,207
Repayment of long term finances	(49,109,744)	(44,608,995)
Repayment of principal portion of liabilities against assets subject to finance lease	(452,476)	(580,440)
Net (decrease) / increase in short term borrowings excluding running finances	(126,525,423)	226,321,751
Dividend paid	(112,200,000)	(187,000,000)
Net cash (used in) / generated from financing activities	C (288,287,643)	8,755,523
Net decrease in cash and cash equivalents	(A+B+C) (827,378,136)	(195,532,475)
Cash and cash equivalents at beginning of the period	775,556,721	(553,179)
Cash and cash equivalents at end of the period	(51,821,415)	(196,085,654)
Cash and cash equivalents		
Cash and bank balances	57,673,714	1,542,997
Short term running finances	(109,495,129)	(197,628,651)
	(51,821,415)	(196,085,654)

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


Shahzada Ellahi Shaikh
Director

February 25, 2015


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, 2014

	Issued, subscribed and paid up capital	Capital reserves		Revenue reserve	Total
		Amalgamation reserve	Redemption reserve fund	Accumulated profit	
Rupees					
Balance 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	-	-	-	-	-
Total comprehensive income for the half year ended	-	-	-	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 at December 31, 2013 (Un-Audited)	187,000,000	12,104,417	241,860,000	1,376,493,415	1,817,457,832
Comprehensive income					
Profit after taxation	-	-	-	32,254,439	32,254,439
Other comprehensive income	-	-	-	(6,899,653)	(6,899,653)
Total comprehensive income for the half year ended	-	-	-	25,354,786	25,354,786
Balance at June 30, 2014 (Audited)	187,000,000	12,104,417	241,860,000	1,401,848,201	1,842,812,618
Comprehensive income					
Profit after taxation	-	-	-	101,420,267	101,420,267
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the half year ended	-	-	-	101,420,267	101,420,267
Transactions with owners:					
Final dividend for the year ended June 30, 2014 @ 60% i.e. Rs. 6 per ordinary share	-	-	-	(112,200,000)	(112,200,000)
Balance at December 31, 2014 (Un-Audited)	187,000,000	12,104,417	241,860,000	1,391,068,468	1,832,032,885

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

Shahzada Ellahi Shaikh
Director

February 25, 2015

Shaukat Ellahi Shaikh
Mg. Director (Chief Executive)



NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2014

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 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, 2014 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, 2014.
- 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, 2014, 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, 2013.

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, 2014.

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 continuously 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, 2014.

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, 2014.

	Note	(Un-audited) December 31, 2014	(Audited) June 30, 2014
		-----Rupees-----	
6. CONTINGENCIES AND COMMITMENTS			
6.1 Contingencies			
Bank guarantees issued on behalf of the Company	6.1.1	14,602,000	14,161,000
Bills discounted		1,261,672,685	800,969,001
		<u>1,276,274,685</u>	<u>815,130,001</u>

6.1.1 These include bank guarantee issued in favour of Hyderabad Electric Supply Company (HESCO) for Rs. 14,602,000 (June 30, 2014: Rs. 14,161,000) in connection with new connection for a load of 4,900 KW.

	Note	(Un-audited) December 31, 2014	(Audited) June 30, 2014
		-----Rupees-----	
6.2 Commitments			
Civil Work		10,898,255	10,837,367
Machinery		199,776,658	6,481,960
Stores and spares		7,591,795	9,270,487
Rental of assets under operating lease agreements			
- Not later than one year		1,674,359	1,902,066
- Later than one year and not later than five years		-	558,135

7. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets			
Owned	7.1	1,029,727,307	1,060,717,809
Leased	7.2	1,148,713	1,491,299
		<u>1,030,876,020</u>	<u>1,062,209,108</u>
Capital work in progress	7.3	73,781,386	25,821,943
		<u>1,104,657,406</u>	<u>1,088,031,051</u>

7.1 Operating fixed assets - Owned

Opening written down value		1,060,717,809	820,049,417
Additions during the period / year			
Land - lease hold		-	1,066,050
Mills building on lease hold land		1,306,961	24,187,392
Machinery and equipment		12,935,781	282,647,611
Electric installations and equipment		209,828	31,053,215
Gas Installations		-	99,964
Furniture and fittings		608,450	494,870
Office equipment		575,375	1,313,263
Vehicles		9,365,289	3,595,705
		<u>25,001,684</u>	<u>344,458,070</u>
Written down value of property, plant and equipment transferred from leased assets		207,862	335,118
Written down value of property, plant and equipment disposed off		(1,414,518)	(3,697,722)
Depreciation charged during the period / year		<u>(54,785,530)</u>	<u>(100,427,074)</u>
Written down value at end of the period / year		<u>1,029,727,307</u>	<u>1,060,717,809</u>

	(Un-audited) December 31, 2014	(Audited) June 30, 2014
	-----Rupees-----	
7.2 Operating fixed assets - Leased		
Opening written down value	1,491,299	2,216,017
Written down value of property, plant and equipment transferred to owned assets	(207,862)	(335,118)
Depreciation charged during the period / year	(134,724)	(389,600)
Written down value at end of the period / year	<u>1,148,713</u>	<u>1,491,299</u>
7.3 Capital work in progress		
Opening balance	25,821,943	192,261,684
Additions during the period / year	60,158,196	168,676,155
Transfers during the period / year	(12,198,753)	(335,115,896)
Closing balance	<u>73,781,386</u>	<u>25,821,943</u>

8. OTHER FINANCIAL ASSETS
Held to maturity:

As at June 30, 2014 (December 31, 2014: nil), other financial assets include PLS Term Deposits amounting to Rs. 785.681 million for the period of one month having return ranging from 10.11% to 10.5%.

Held for trading:

As at December 31, 2014 (June 30, 2014 : nil), other financial assets represent investments in NAFA Mutual Funds.

	Half Year Ended (Un-audited)		Quarter Ended (Un-audited)	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
	----- Rupees -----			
9. COST OF GOODS SOLD				
Raw material consumed	1,541,102,432	1,637,502,488	802,538,020	790,610,788
Packing material consumed	38,756,276	37,457,072	20,588,209	19,959,414
Stores and spares consumed	41,210,453	61,632,516	27,533,349	48,829,812
Salaries, wages and benefits	175,280,226	169,810,703	83,739,522	83,488,521
Fuel	204,954,592	154,802,022	103,334,122	79,783,917
Rent, rates and taxes	269,675	271,077	134,852	148,895
Insurance	4,626,258	5,541,513	2,360,472	3,066,066
Repairs and maintenance	6,018,012	3,664,299	3,967,706	2,068,872
Depreciation	50,069,752	42,432,010	25,033,788	22,552,817
Other manufacturing overheads	4,349,311	2,045,731	1,663,756	1,757,369
	<u>2,066,636,987</u>	<u>2,115,159,431</u>	<u>1,070,893,796</u>	<u>1,052,266,471</u>
Work-in-process				
At beginning of period	43,867,820	50,665,531	40,619,381	66,952,803
At end of period	(42,681,721)	(55,959,803)	(42,681,721)	(55,959,803)
	<u>1,186,099</u>	<u>(5,294,272)</u>	<u>(2,062,340)</u>	<u>10,993,000</u>
	<u>2,067,823,086</u>	<u>2,109,865,159</u>	<u>1,068,831,456</u>	<u>1,063,259,471</u>
Finished goods				
At beginning of period	43,461,944	26,415,128	31,958,405	39,666,403
Purchase of finished goods	32,274,313	-	4,811,184	-
At end of period	(38,212,730)	(117,392,198)	(38,212,730)	(117,392,198)
	<u>37,523,527</u>	<u>(90,977,070)</u>	<u>(1,443,141)</u>	<u>(77,725,795)</u>
	<u>2,105,346,613</u>	<u>2,018,888,089</u>	<u>1,067,388,315</u>	<u>985,533,676</u>



NAGINA COTTON MILLS LTD.

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:

Nature of Relationship	Nature of Transaction	Half Year Ended (Un-audited)	
		December 31 2014	December 31 2013
	Rupees.....	
Associated companies	Purchase of goods	3,369,796	90,221
	Sale of goods	1,282,811	11,054,862
	Rental Income	600,000	528,000
	Dividend paid	18,363,252	30,605,420
Key management personnel	Remuneration and other benefits	4,260,323	4,233,333
Directors, family members of directors and key management personnel	Dividend paid	83,617,416	139,352,340

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

11. 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, 2015.

February 25, 2015

Shahzada Ellahi Shaikh
Director

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