

**THIRD QUARTER REPORT
FOR THE PERIOD ENDED
MARCH 31, 2024
(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. Naweed Akhter Sharif	Independent Non-Executive Director
Mr. Shafiq ur Rehman	Independent Non-Executive Director
Ms. Tosheeba Sarwar	Independent Non-Executive Director
Mr. Hasan Ahmad	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. Amin Ellahi Shaikh	Executive Director

CHIEF EXECUTIVE OFFICER

Mr. Amin Ellahi Shaikh

AUDIT COMMITTEE

Mr. Shafiq ur Rehman	Chairman
Mr. Raza Ellahi Shaikh	Member
Mr. Haroon Shahzada Ellahi Shaikh	Member
Mr. Syed Mohsin Gilani	Secretary

HUMAN RESOURCE & REMUNERATION (HR & R) COMMITTEE

Mr. Shafiq ur Rehman	Chairman
Mr. Amin Ellahi Shaikh	Member
Mr. Haroon Shahzada Ellahi Shaikh	Member
Mr. Muhammad Azam	Secretary

EXECUTIVE COMMITTEE

Mr. Amin Ellahi Shaikh	Chairman
Mr. Shaukat Ellahi Shaikh	Member
Mr. Raza Ellahi Shaikh	Member
Mr. Haroon Shahzada Ellahi Shaikh	Member
Mr. Muhammad Azam	Secretary

CORPORATE SECRETARY

Mr. Syed Mohsin Gilani

CHIEF FINANCIAL OFFICER (CFO)

Mr. Tariq Zafar Bajwa

HEAD OF INTERNAL AUDIT

Mr. Kashif Saleem

AUDITORS

Messrs Yousuf Adil
Chartered Accountants

LEGAL ADVISOR

Makhdoom & Makhdoom Advocates

LEAD BANKERS

Allied Bank Ltd.
Askari Bank Ltd.
Bank Alfalah Ltd.
Faysal Bank Ltd.
Habib Bank Ltd.
Habib Metropolitan Bank Ltd.
JS Bank LTD.
Meezan Bank Ltd.
Industrial Development Bank of Pakistan
MCB Bank Ltd.
National Bank of Pakistan
Pakistan Kuwait Investment Co. (Pvt) Ltd.
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

REGIONAL OFFICE

Nagina House, 91-B-1, M.M. Alam Road, Gulberg-III, Lahore - 54660

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 # 021-3242835

MILLS

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



DIRECTORS' REVIEW

The Directors are pleased to present the un-audited condensed interim financial information of the Company for the third quarter ended on March 31, 2024. The comparative figures for the corresponding quarter ended on March 31, 2023 are included for comparison, except in statement of financial position where figures are for the year ended on June 30, 2023.

Company Performance

The business conditions during the quarter remained very challenging. Despite all odds the company has managed to remain profitable. During the quarter ended March 31, 2024, your company has managed to earn after-tax profit of Rs. 9,901,185 or 0.20 % of sales compared to Rs. 100,657,029 or 3.32% of sales during the same period last year (SPLY). Earning per share (EPS) for the quarter is Rs. 0.53 compared to Rs. 5.38 during the SPLY.

Sales revenue for the quarter increased by 59.37% over the SPLY and stood at Rs. 4,832,300,397 compared to Rs. 3,032,147,808 during SPLY. The main reason for increase in sales is significant increase in volume as well as increase in yarn prices. Cost of sales risen from 91% of sales during SPLY to 92.25% of sales during the period under review. Increase in cost of sales is mainly due to rise in energy costs Increase in cost of sales resulted in lower Gross Profit (GP) from 9% of sales during SPLY to 7.75% of sales during the period under review.

Overall operating expenses increased from 2.16% of sales during SPLY to 3.08% of sales during the period under review. Finance cost increased to 3.73% of sales during the period under review as compared to 3.04% of sales during SPLY. Increase in finance costs is mainly due to rising interest rates. The long term finance cost has also risen because of the non availability of LTFF. The company has been able to generate stable cash flows and made timely discharge of its operating liabilities.

According to the figures issued by the Pakistan Cotton Ginners Association, for the crop year 2023-24 (final data of the year), Kapas, (seed cotton) arrivals upto March 31, 2024, at the Ginnersies totalled 8.397 million bales compared to 4.912 million bales for the financial year 2022-23 showing increase in arrival of 70.94%.

Future Outlook

The textile industry is currently experiencing turbulent times. Both the global and domestic markets are bearish. Costs such as energy, wages, financials, administration, packaging materials, and transportation are rising continuously. Moreover, the value-added chain is facing low demand. The downward trend in product demand is resulting in low margins in yarn prices. Escalating government-administered energy costs is disrupting estimates of cost of production and eroding profit margins. Cotton prices are fluctuating more than usual. After a brief surge the cotton prices are falling and putting downward pressure on yarn prices. Geo-political tensions are flaring up and may affect demand for textiles.

The outlook for the last quarter of the financial year appears to be uncertain. However, we are optimistic that last quarter of the year would show better profitability because the timely cotton procurement at reasonable prices.



NAGINA COTTON MILLS LTD.

The challenge facing the company is to remain profitable despite inflation and reduced margins. Your management is aware of the current difficult situation and is consistently evaluating its approach to meet customer demands, search new export markets, enhance productivity through innovation, efficiency and effective cost management initiatives. The exchange rate is stable and the company is benefitting from reduced interest rates on foreign currency borrowings. We hope that the government will provide energy to the industry on regionally competitive rates. Bank borrowing rates continue to be on higher side pushing up financial costs of the company. Government statistics are showing that the inflation rate is falling steadily. It is hoped that the lower inflation outlook will enable the State Bank of Pakistan to lower the interest rates.

It is hoped that the Government will bring in business friendly policies such as uninterrupted energy supplies in cost effective manner, refund of outstanding taxes, controlling the inflation rate and reducing the financial costs and release of LTFF facility against the machinery against which LCs has already been retired. Government policies should encourage the completion of the value chain in the textile sector so that the country can export finished products.

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 gratitude to the bankers for their continued support to the Company.

April 29, 2024


Raza Ellahi Shaikh
Director

On behalf of the Board.


Amin Ellahi Shaikh
Chief Executive Officer



NAGINA COTTON MILLS LTD.

ڈائریکٹرز کا جائزہ

ڈائریکٹرز 31 مارچ 2024 کو اختتام تیسری سہ ماہی کے لئے کمپنی کی غیر نظر ثانی شدہ منجمد عبوری مالیاتی معلومات پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔ 31 مارچ 2023 کو ختم ہونے والی سہ ماہی کے تقابلی اعداد و شمار بھی موازنہ کے لئے شامل کئے گئے ہیں، ماسوائے ٹینٹمنٹ آف فنانشل پوزیشن کے جہاں تقابلی اعداد و شمار 30 جون 2023 کو اختتام سال کے لئے ہیں۔

کمپنی کی کارکردگی

موجودہ سہ ماہی کے دوران کاروباری حالات بہت چیلنجنگ رہے ہیں۔ تمام رکاوٹوں کے باوجود، آپ کی کمپنی منافع بخش رہی۔ 31 مارچ 2024 کو ختم ہونے والی سہ ماہی کے دوران، آپ کی کمپنی نے نیگیٹس کے بعد منافع 9,901,185 روپے یا فروخت کے 0.206 فیصد جبکہ گزشتہ سال کی اسی سہ ماہی کے دوران 100,657,029 روپے یا فروخت کے 3.32 فیصد بعد از نیگیٹس منافع کمایا۔ زیر جائزہ سہ ماہی کے لئے ٹی شیئر آمدنی (EPS) گزشتہ سال کی اسی مدت کے لئے 5.38 روپے کے مقابلے 0.53 روپے ہے۔

زیر جائزہ سہ ماہی میں فروخت آمدنی گزشتہ سال کی اسی سہ ماہی سے 59.37 فیصد زیادہ ہوئی اور گزشتہ سال کی اسی مدت کے دوران 3,032,147,808 روپے کے مقابلے 4,832,300,397 روپے رہی ہے۔ فروخت میں اضافہ کی بڑی وجہ حجم اور یارن کی قیمتوں میں نمایاں اضافہ ہے۔ گزشتہ سال کی اسی مدت کے دوران فروخت کی لاگت فروخت کی 91 فیصد سے بڑھ کر زیر جائزہ مدت کے دوران فروخت کی 92.25 فیصد ہو گئی۔ فروخت کی لاگت میں اضافہ بنیادی طور پر توانائی کی قیمتوں میں اضافہ کی وجہ سے ہوا ہے۔ فروخت کی لاگت میں اضافہ ہونے کی وجہ سے مجموعی منافع (GP) گزشتہ سال کے اسی مدت کے دوران فروخت کے 9 فیصد سے کم ہو کر زیر جائزہ مدت کے دوران فروخت کے 7.75 فیصد تک ہو گیا۔

مجموعی کاروباری اخراجات گزشتہ سال کی اسی مدت کے دوران فروخت کے 2.16 فیصد سے بڑھ کر زیر جائزہ مدت کے دوران فروخت کے 3.08 فیصد ہوئے۔ مالی لاگت گزشتہ سال کی اسی مدت کے دوران فروخت کے 3.04 فیصد سے بڑھ کر زیر جائزہ مدت کے دوران فروخت کے 3.73 فیصد ہو گئی۔ مالی لاگت میں اضافہ کی بنیادی وجہ شرح سود میں اضافہ ہے۔ طویل مدتی قرضہ کی لاگت بھی LTFF کی عدم دستیابی کی وجہ سے بڑھ گئی ہے۔ کمپنی منظم نقدی بہاؤ پیدا کرنے اور اپنے کاروباری واجبات کی بروقت ادائیگی کرنے میں کامیاب رہی۔

پاکستان کا ٹین جزا ایسوسی ایشن کی طرف سے فصل سال 2023-24 (سال کے حتمی ڈیٹا) کیلئے جاری کردہ اعداد و شمار کے مطابق 31 مارچ 2024 تک جزیرہ میں کپاس، (بیج کپاس) کی بیجی مالی سال 2022-23 کی اسی مدت تک کل 4.912 ملین گناٹھوں کے مقابلے 8.397 ملین گناٹھیں ہوئی جو کہ 70.94 فیصد کا اضافہ ظاہر کر رہی ہے۔

مستقبل کا نقطہ نظر

یکساں اندیشی کو اس وقت انتہائی مشکل دور کا سامنا ہے۔ دونوں عالمی اور مقامی مارکیٹیں مندی کا شکار ہیں۔ اخراجات جیسے کہ توانائی، اجرتیں، فنانسنگ، ایڈمنسٹریشن، پیکیج میٹریل، اور ٹرانسپورٹیشن اخراجات کے دباؤ میں ہیں۔ اس کے علاوہ، ویلیو ایڈڈ چین کم طلب کا سامنا کر رہی ہے۔ مصنوعات کی طلب میں اس کی کے رجحان کے نتیجے میں یارن کی قیمتوں کا مارجن کم ہے۔ حکومت کے زیر انتظام توانائی کے بڑھتے ہوئے اخراجات کی وجہ سے مصنوعات کی فروخت کے دوران لاگت کا اندازہ لگانا مشکل ہوتا جا رہا ہے۔ کپاس کی منڈی میں معمولی تیزی کے بعد یہ دوبارہ نیچے آنا شروع ہو گئی ہے کیونکہ غیر یقینی حالات جیسے کہ مشرق وسطیٰ میں جنگ کے خدشات بڑھ رہے ہیں۔ یہ صورتحال یارن کی قیمتوں پر دباؤ ڈال سکتی ہے۔

مالی سال کی آخری سہ ماہی کا نقطہ نظر غیر یقینی دکھائی دیتا ہے۔ تاہم، ہم ہر امید ہیں کہ کمپنی کی جانب سے یارن کی قیمتوں میں اضافہ اور کپاس کی بروقت خریداری کی وجہ سے سال کی آخری سہ ماہی میں منافع بہتر ہوگا۔

کمپنی کو درپیش چیلنجیں اخراجات اور کم مارجن کے باوجود منافع بخش رہنا ہے۔ آپ کی انتظامیہ موجودہ مشکل صورتحال سے آگاہ ہے اور صارفین کی طلب کو پورا کرنے، نئی برآمدی منڈیوں کی تلاش، جدت، کارکردگی اور لاگت کے موثر انتظامی اقدامات کے ذریعے پیداواری صلاحیت کو بڑھانے کے لیے اپنے نقطہ نظر کا مسلسل جائزہ لے رہی ہے۔ زرمبادلہ کی شرح مستحکم ہے اور کمپنی غیر ملکی کرنسی قرضوں پر کم شرح سود سے مستفید ہو رہی ہے۔ ہمیں امید ہے کہ حکومت صنعت کو علاقائی سطح پر مسابقتی نرخوں پر توانائی فراہم کرے گی۔ بینک سے قرض لینے کی شرحیں کمپنی کے مالی اخراجات میں اضافہ کر رہی ہیں۔ حکومتی اعداد و شمار بتاتے ہیں کہ مہنگائی کی شرح مسلسل گر رہی ہے۔ امید ہے کہ اخراجات کی شرح کم ہونے سے اسٹیٹ بینک آف پاکستان کو شرح سود کو کم کرنے میں مدد ملے گی۔




NAGINA COTTON MILLS LTD.


امید ہے کہ حکومت لاگت بچانے والے موثر انداز میں توانائی کی بلا تعطل فراہمی، بقایا سبلزنگس اور راکم ٹیکس کی واپسی، افراط زر کی شرح پر کنٹرول، مالی اخراجات کی کمی اور مشینری LCs جو پہلے ہی ریٹائر ہو چکی ہے کے مقابلے میں LTFF سہولت کی واگزاری جیسی کاروبار دوست پالیسیاں لائے گی۔ حکومتی پالیسیاں ٹیکسٹائل سیکٹر میں ویلیو چین کی تکمیل کی حوصلہ افزاء ہونی چاہئیں تاکہ ملک تیار مصنوعات کو برآمد کر سکے۔

اظہار شکر

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

منجانب بورڈ


امین اکبری شیخ
چیف ایگزیکٹو آفیسر


رضا الہی شیخ
ڈائریکٹر
29 اپریل 2024ء



NAGINA COTTON MILLS LTD.

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2024

	(Un-Audited) March 31, 2024	(Audited) June 30, 2023
Note	-----Rupees-----	
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized share capital 50,000,000 (June 30, 2023: 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	<u>187,000,000</u>	187,000,000
Capital reserves	<u>272,260,349</u>	198,262,201
Revenue reserve - Unappropriated profit	<u>4,254,892,070</u>	4,281,777,150
TOTAL EQUITY	4,714,152,419	4,667,039,351
LIABILITIES		
NON-CURRENT LIABILITIES		
Long term finances	<u>4,728,193,171</u>	4,721,892,278
Employee retirement benefits	<u>222,619,769</u>	191,948,868
	4,950,812,940	4,913,841,146
CURRENT LIABILITIES		
Current portion of long term finances	<u>495,553,563</u>	380,544,257
Trade and other payables	<u>1,884,347,653</u>	1,521,203,569
Contract liability - advance from customers	<u>19,889,521</u>	9,389,454
Unclaimed dividend	<u>11,904,653</u>	10,989,419
Income taxes payable	<u>6,734,155</u>	-
Accrued interest / mark-up	<u>154,337,505</u>	144,041,836
Short term borrowings	<u>1,507,987,944</u>	941,704,041
	<u>4,080,754,994</u>	3,007,872,576
TOTAL LIABILITIES	9,031,567,934	7,921,713,722
CONTINGENCIES AND COMMITMENTS		
TOTAL EQUITY AND LIABILITIES	<u>13,745,720,353</u>	<u>12,588,753,073</u>

The annexed explanatory notes from 1 to 16 form an integral part of these condensed interim financial statements.

April 29, 2024


Raza Ellahi Shaikh
Director


Tariq Zafar Bajwa
Chief Financial Officer



NAGINA COTTON MILLS LTD.

		(Un-Audited) March 31, 2024	(Audited) June 30, 2023
	Note	-----Rupees-----	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	6,089,400,915	6,213,446,157
Investment properties		12,916,306	13,066,865
Long term deposits		1,021,858	1,021,858
		6,103,339,079	6,227,534,880
CURRENT ASSETS			
Stores and spares		136,730,916	154,951,770
Stock-in-trade		3,617,786,379	3,506,232,808
Trade receivables		2,655,446,572	1,206,972,178
Advances		625,533,457	818,409,748
Prepayments		15,159,198	2,487,395
Other receivables		35,776,714	59,930,963
Tax refundable		9,337,134	158,079,245
Other financial assets	9	251,400,878	216,958,291
Cash and bank balances		295,210,026	237,195,795
		7,642,381,274	6,361,218,193
TOTAL ASSETS		13,745,720,353	12,588,753,073

The annexed explanatory notes from 1 to 16 form an integral part of these condensed interim financial statements.


Amin Ellahi Shaikh
Chief Executive Officer



NAGINA COTTON MILLS LTD.

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2024

	Note	Nine Months Ended		Quarter Ended	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
		Rupees.....		Rupees.....	
Revenue from contracts with customers	10	15,641,164,842	9,146,617,177	4,832,300,397	3,032,147,808
Cost of goods sold	11	(14,381,013,507)	(8,039,472,133)	(4,457,806,236)	(2,759,291,233)
Gross profit		1,260,151,335	1,107,145,044	374,494,161	272,856,575
Distribution cost		(240,381,245)	(173,699,695)	(85,123,188)	(42,322,877)
Administrative expenses		(176,285,920)	(144,770,650)	(59,848,294)	(47,873,568)
Other expenses		(13,346,958)	(50,957,945)	(3,678,219)	24,609,486
		(430,014,123)	(369,428,290)	(148,649,701)	(65,586,959)
		830,137,212	737,716,754	225,844,460	207,269,616
Other Income		72,936,753	173,296,635	24,078,322	26,115,505
Operating profit		903,073,965	911,013,389	249,922,782	233,385,121
Finance cost		(649,481,756)	(223,450,395)	(180,036,620)	(92,233,138)
Profit before taxation		253,592,209	687,562,994	69,886,162	141,151,983
Provision for taxation	12	(183,546,260)	(130,773,131)	(59,984,977)	(40,494,954)
Profit after taxation		70,045,949	556,789,863	9,901,185	100,657,029
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Fair value gain / (loss) on investment in equity instruments designated at fair value through other comprehensive income (FVTOCI)-net	9.3	89,267,119	(22,123,404)	11,437,837	(3,822,161)
Other comprehensive income / (loss) for the period		89,267,119	(22,123,404)	11,437,837	(3,822,161)
Total comprehensive income for the period		159,313,068	534,666,459	21,339,022	96,834,868
Earnings per share - basic and diluted		3.75	29.77	0.53	5.38

The annexed explanatory notes from 1 to 16 form an integral part of these condensed interim financial statements.


Raza Ellahi Shaikh
Director


Tariq Zafar Bajwa
Chief Financial Officer


Amin Ellahi Shaikh
Chief Executive Officer

April 29, 2024



NAGINA COTTON MILLS LTD.

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2024

	Nine Months Ended	
	March 31, 2024	March 31, 2023
Rupees.....	
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	253,592,209	687,562,994
Adjustments for:		
Depreciation on property, plant and equipment	405,928,780	276,534,285
Depreciation on investment properties	150,560	158,483
Provision for gratuity	49,648,219	29,440,736
Gain on disposal of property, plant and equipment-net	(6,376,745)	(1,873,839)
Realized gain on other financial assets at FVTPL	(926,080)	(28,173,355)
Unrealized gain on other financial assets at FVTPL	-	(1,206,359)
Unrealized loss on revaluation of foreign currency short term finance	1,876,051	-
Unrealized gain on revaluation of foreign currency account	-	(664,668)
Profit on term deposits	(14,946,803)	(1,340,477)
Finance cost	649,481,756	223,450,395
Rental income from investment property	(24,945,431)	(22,837,009)
Dividend Income	(22,769,178)	(114,242,253)
	1,290,713,338	1,046,808,933
Changes in working capital		
(Decrease) / Increase in current assets:		
Stores and spares	18,220,854	(82,396,209)
Stock-in-trade	(111,553,571)	476,578,216
Trade receivables	(1,448,474,394)	(804,754,393)
Advances	192,876,291	(273,868,495)
Prepayments	(12,671,803)	(9,928,826)
Other receivables	24,154,249	(348,163,979)
Sales tax refundable	90,100,386	159,099,028
	(1,247,347,988)	(883,434,658)
Increase in current liabilities :		
Trade and other payables	363,144,084	687,008,626
Contract liability - advance from customers	10,500,067	-
	(873,703,837)	(196,426,032)
Cash generated from operations	417,009,501	850,382,901
Payments made:		
Employees retirement benefits	(18,977,318)	(10,926,099)
Finance cost	(639,186,087)	(190,989,572)
Income taxes	(118,170,381)	(151,204,804)
Net cash (used in) / generated from operating activities	A (359,324,285)	497,262,426



NAGINA COTTON MILLS LTD.

Nine Months Ended	
March 31, 2024	March 31, 2023
.....Rupees.....	

B. CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property, plant and equipment	(305,731,793)	(2,026,177,269)
Proceeds from disposal of property, plant and equipment	30,225,000	4,295,000
Purchase of other financial assets	(339,291,425)	(5,190,434,041)
Proceeds from sale / redemption of other financial assets	409,988,840	5,755,518,142
Rental Income received	24,945,431	22,837,009
Dividend received	22,769,178	114,242,253
Net cash used in investing activities	B (157,094,769)	(1,319,718,906)

C. CASH FLOWS FROM FINANCING ACTIVITIES

Long term finances obtained	391,500,000	1,378,937,902
Repayment of long term finances	(270,189,801)	(263,498,063)
Net increase / (decrease) in short term borrowings excluding running finances	780,408,642	(535,174,052)
Dividend paid	(111,284,766)	(185,447,197)
Net cash generated from financing activities	C 790,434,075	394,818,590
Net increase / (decrease) in cash and cash equivalents	(A+B+C) 274,015,021	(427,637,890)

Cash and cash equivalents at beginning of the period

Cash and bank balances	237,195,795	76,074,875
Other financial assets - term deposits with banks	1,903,615	-
Short term running finances	(941,704,041)	(77,515,493)
	(702,604,631)	(1,440,618)
	-	-
Cash and cash equivalents at end of the period	(428,589,610)	(429,078,508)

Cash and cash equivalents at end of the period

Cash and bank balances	295,210,026	123,316,295
Other financial assets - term deposits with banks	1,903,615	1,903,615
Short term running finances	(725,703,251)	(554,298,418)
Effect of Unrealized exchange loss on cash and cash equivalents	-	-
	(428,589,610)	(429,078,508)

The annexed explanatory notes from 1 to 16 form an integral part of these condensed interim financial statements.

Raza Ellahi Shaikh
Director

Tariq Zafar Bajwa
Chief Financial Officer

Amin Ellahi Shaikh
Chief Executive Officer

April 29, 2024



NAGINA COTTON MILLS LTD.

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2024

Issued, subscribed and paid up capital	Capital reserves				Revenue reserve	Total	
	Capital Redemption reserve	Amalgamation reserve	Fair Value reserve	Total Capital reserve	Unappropriated profit		
-----Rupees-----							
Balance as at June 30, 2022 (Audited)	187,000,000	241,860,000	12,104,417	(70,354,394)	183,610,023	3,936,891,002	4,307,501,025
Comprehensive income for the period ended March 31, 2023							
Profit after taxation	-	-	-	-	-	556,789,863	556,789,863
Other comprehensive income							
Fair value loss on investments in equity instrument designated at FVTOCI	-	-	-	(22,123,404)	(22,123,404)	-	(22,123,404)
Transfer of realized gain on sale of investments	-	-	-	(6,497,104)	(6,497,104)	6,497,104	-
Total comprehensive (Loss) / income for the period	-	-	-	(28,620,508)	(28,620,508)	563,286,967	534,666,459
Transactions with owners:							
Final cash dividend for the year ended June 30, 2022 @ 100% i.e. Rs. 10 per ordinary share	-	-	-	-	-	(187,000,000)	(187,000,000)
Balance as at March 31, 2023 (Un-Audited)	187,000,000	241,860,000	12,104,417	(98,974,902)	154,989,515	4,313,177,969	4,655,167,484
Comprehensive income							
Profit after taxation	-	-	-	-	-	33,157,158	33,157,158
Other comprehensive income							
Remeasurement of defined benefit liability	-	-	-	-	-	(20,493,603)	(20,493,603)
Fair value loss on investment in equity instrument designated at FVTOCI	-	-	-	(791,688)	(791,688)	-	(791,688)
Transfer of realized loss on sale of investments	-	-	-	44,064,374	44,064,374	(44,064,374)	-
Total comprehensive income/ (Loss) for the period	-	-	-	43,272,686	43,272,686	(31,400,819)	11,871,867
Balance as at June 30, 2023 (Audited)	187,000,000	241,860,000	12,104,417	(55,702,216)	198,262,201	4,281,777,150	4,667,039,351
Comprehensive income for the period ended March 31, 2024							
Profit after taxation	-	-	-	-	-	70,045,949	70,045,949
Other comprehensive income							
Fair value gain on investment in equity instrument designated at FVTOCI	-	-	-	89,267,119	89,267,119	-	89,267,119
Transfer of realized gain on sale of investments	-	-	-	(15,268,971)	(15,268,971)	15,268,971	-
Total comprehensive Income for the period	-	-	-	73,998,148	73,998,148	85,314,920	159,313,068
Transactions with owners:							
Final cash dividend for the year ended June 30, 2023 @ 60% i.e. Rs. 6 per ordinary share	-	-	-	-	-	(112,200,000)	(112,200,000)
Balance as at March 31, 2024 (Un-audited)	187,000,000	241,860,000	12,104,417	18,295,932	272,260,349	4,254,892,070	4,714,152,419

The annexed explanatory notes from 1 to 16 form an integral part of these condensed interim financial statements.

April 29, 2024


Raza Ellahi Shaikh
Director


Tariq Zafar Bajwa
Chief Financial Officer


Amin Ellahi Shaikh
Chief Executive Officer



NAGINA COTTON MILLS LTD.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2024

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 (repealed) now The Companies' Act, 2017 and is listed on Pakistan Stock Exchange Limited. The principal business of the Company is to manufacture and sale of yarn. The Company's manufacturing facilities are located in Kotri Industrial Trading Estate in the province of Sindh, measuring area of 20.75 acres.

Following are the geographical locations and address of all business units of the Company:

Head Office

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

Manufacturing facility

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

Regional Office:

Nagina House 91 – B-1, M.M. Alam Road, Gulberg-III, Lahore, Punjab.

2. BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

2.1.1 These un-audited condensed interim financial statements of the Company for the nine months ended March 31, 2024 have been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standard Board (IASB) as notified under the Companies Act, 2017; and provisions of and directives issued under the Companies Act, 2017. Where the provisions of or directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of or directives issued under the Companies Act, 2017 have been followed.

These condensed interim financial statements do not include all of the notes required for the full financial statements and, therefore, these should be read in conjunction with the annual audited financial statements of the Company for the year ended June 30, 2023.

2.1.2 These condensed interim financial statements have been prepared under 'Historical cost convention' except employees retirement benefits and financial instruments at fair value through other comprehensive income (FVTOCI).

2.1.3 These condensed interim financial statements are presented in Pak Rupees, which is also the Company's functional and presentation currency. Figures presented in these condensed interim financial statements have been rounded off to the nearest Rupee.

2.1.4 The comparative condensed interim statement of financial position presented has been extracted from annual audited financial statements for the year ended June 30, 2023; whereas comparative condensed interim statement of profit or loss and statement of other comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity of the Company have been extracted from the un-audited condensed interim financial statements for the nine months ended March 31, 2023.

3. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual audited financial statements of the Company for the year ended June 30, 2023.



NAGINA COTTON MILLS LTD.

4. ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these condensed interim financial statements require management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, 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 these condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies, the key source of estimation and uncertainty were the same as those that applied to the annual audited financial statements of the Company for the year ended June 30, 2023.

5. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements of the Company for the year ended June 30, 2023.

		(Un-Audited) March 31, 2024	(Audited) June 30, 2023
	Note	------(Rupees)-----	
6. SHORT-TERM BORROWINGS			
- Banking companies - secured			
Foreign currency finance	6.1	782,284,693	-
Running finance	6.2	725,703,251	941,704,041
		<u>1,507,987,944</u>	<u>941,704,041</u>

6.1 The Company has foreign currency finance facility from various banks amounting to Rs. 782.284 million (June 30, 2023: Rs. Nil) which carries mark-up at the rate ranging from 7.00% to 9.00% (June 30, 2023: Nil) .

6.2 Cash and running finance facilities are subject to variable markup ranging from 1 to 3 month KIBOR plus 0.10% to 1.00% (June 30, 2023 : 1 to 3 month KIBOR plus 0.12% to 1.00%) per annum payable on quarterly basis.

6.3 The Company can avail foreign currency, term finance and running finance facilities from various banks aggregating to Rs. 6,790 million (June 30, 2023: Rs. 5,390 million). These borrowings are secured against ranking / joint pari passu charge on present and future current assets of the company / lien on export bills / contracts.

6.4 The aggregate unavailed short-term borrowing facilities available amounted to Rs. 5,282.02 million (June 30, 2023 : Rs. 4,448 million).

		(Un-Audited) March 31, 2024	(Audited) June 30, 2023
	Note	------(Rupees)-----	
7. CONTINGENCIES AND COMMITMENTS			
7.1 Contingencies			
Bank guarantees issued on behalf of the Company	7.1.1	28,253,615	28,253,615
Bank guarantee in favor of Excise and Taxation and others		273,442,448	243,442,448
Revolving Letter of credit Favouring SSGC		82,051,880	82,051,880
7.1.1 It includes guarantee issued in favor of Hyderabad Electric Supply Cooperation (HESCO) amounting Rs. 24.253 million (June 30,2023: Rs. 24.253 million)			
7.2 Commitments			
Machinery		-	40,112,500
Civil work		1,520,610	6,226,196
Raw material		1,589,120,429	524,972,137
Stores and spares		85,764,928	17,955,443
Bills Discounted		1,105,182,250	556,701,868
Commitments for rentals of assets under short term lease agreements as at:			
- Not later than one year		<u>2,367,525</u>	<u>4,006,582</u>



NAGINA COTTON MILLS LTD.

		(Un-Audited) March 31, 2024	(Audited) June 30, 2023
	Note	-----Rupees-----	
8. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets - owned	8.1	5,283,073,620	3,565,934,646
Capital work in progress (CWIP)	8.2	806,327,295	2,647,511,511
		6,089,400,915	6,213,446,157
8.1 Operating fixed assets - Owned			
Opening written down value		3,565,934,646	3,538,963,694
Additions / transfers from CWIP during the period / year			
Mills building on leasehold land		4,447,571	973,882
Machinery and equipment		2,092,411,254	397,403,596
Electric installations and equipment		1,989,225	814,000
Office equipment		3,009,655	959,700
Furniture and fixtures		1,978,529	508,456
Vehicles		43,079,775	4,531,503
		2,146,916,009	405,191,137
Written down value of operating fixed assets disposed off		(23,848,255)	(2,858,134)
Depreciation charged during the period / year		(405,928,780)	(375,362,051)
Written down value at end of the period / year		5,283,073,620	3,565,934,646
8.2 Capital work in progress			
Opening Balance		2,647,511,511	690,375,839
Additions during the period / year		253,663,645	2,355,841,499
Transfers during the period / year		(2,094,847,861)	(398,705,827)
Closing Balance		806,327,295	2,647,511,511
9. OTHER FINANCIAL ASSETS			
Designated at amortised cost			
Term deposits	9.1	122,003,615	84,403,615
Designated at fair value through other comprehensive income			
Listed equity securities	9.2	129,397,263	132,205,022
Designated at fair value through profit or loss			
Mutual funds units		-	349,654
		251,400,878	216,958,291

9.1 It represents investment in term deposits with various banks maturing between April 03, 2024 to September 14, 2024 at the rate of 15.50% to 19% per annum.



NAGINA COTTON MILLS LTD.

	(Un-Audited) March 31, 2024	(Audited) June 30, 2023																																																				
Note	-----Rupees-----																																																					
9.2 Reconciliation between fair value and cost of investments classified as equity instruments Through other comprehensive income																																																						
Fair value of investments																																																						
-in listed equity securities	129,397,263	132,205,022																																																				
	129,397,263	132,205,022																																																				
Unrealized (gain) / loss on remeasurement of investments	9.3 (18,295,932)	55,702,216																																																				
Cost of investments	111,101,331	187,907,238																																																				
9.3 Unrealized gain / (loss) on remeasurement of equity instruments Through Other Comprehensive Income																																																						
Opening balance	(55,702,216)	(70,354,394)																																																				
Fair value gain/ (loss) arises for the period / year	89,267,119	(22,915,092)																																																				
Transfer of realized (gain) / loss on sale of investments	(15,268,971)	37,567,270																																																				
Unrealized fair value gain for the period / year	73,998,148	14,652,178																																																				
	18,295,932	(55,702,216)																																																				
Closing balance	18,295,932	(55,702,216)																																																				
9.4 Unrealized gain on remeasurement of units of mutual funds through profit or loss																																																						
Fair value of investments in mutual funds	-	349,654																																																				
Less: Cost of investments	-	(348,383)																																																				
Unrealised gain on remeasurement of investments	-	1,271																																																				
10. REVENUE FROM CONTRACTS WITH CUSTOMERS																																																						
	<table border="1"> <thead> <tr> <th colspan="2" style="text-align: center;">Nine months ended (Un-Audited)</th> <th colspan="2" style="text-align: center;">Quarter ended (Un-Audited)</th> </tr> <tr> <th style="text-align: center;">March 31, 2024</th> <th style="text-align: center;">March 31, 2023</th> <th style="text-align: center;">March 31, 2024</th> <th style="text-align: center;">March 31, 2023</th> </tr> </thead> <tbody> <tr> <td colspan="4" style="text-align: center;">-----Rupees-----</td> </tr> <tr> <td>Export</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Yarn</td> <td style="text-align: right;">6,013,649,963</td> <td style="text-align: right;">6,982,733,638</td> <td style="text-align: right;">1,292,859,091</td> </tr> <tr> <td>Waste</td> <td style="text-align: right;">134,378,234</td> <td style="text-align: right;">176,200,919</td> <td style="text-align: right;">62,932,163</td> </tr> <tr> <td></td> <td style="text-align: right;">6,148,028,197</td> <td style="text-align: right;">7,158,934,557</td> <td style="text-align: right;">1,355,791,254</td> </tr> <tr> <td>Local</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Yarn</td> <td style="text-align: right;">8,494,346,376</td> <td style="text-align: right;">1,461,836,329</td> <td style="text-align: right;">3,162,953,220</td> </tr> <tr> <td>Waste</td> <td style="text-align: right;">998,790,269</td> <td style="text-align: right;">521,648,691</td> <td style="text-align: right;">313,555,923</td> </tr> <tr> <td>Raw Material</td> <td style="text-align: right;">-</td> <td style="text-align: right;">4,197,600</td> <td style="text-align: right;">-</td> </tr> <tr> <td></td> <td style="text-align: right;">9,493,136,645</td> <td style="text-align: right;">1,987,682,620</td> <td style="text-align: right;">3,476,509,143</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">15,641,164,842</td> <td style="text-align: right;">9,146,617,177</td> <td style="text-align: right;">4,832,300,397</td> </tr> </tbody> </table>		Nine months ended (Un-Audited)		Quarter ended (Un-Audited)		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	-----Rupees-----				Export				Yarn	6,013,649,963	6,982,733,638	1,292,859,091	Waste	134,378,234	176,200,919	62,932,163		6,148,028,197	7,158,934,557	1,355,791,254	Local				Yarn	8,494,346,376	1,461,836,329	3,162,953,220	Waste	998,790,269	521,648,691	313,555,923	Raw Material	-	4,197,600	-		9,493,136,645	1,987,682,620	3,476,509,143	Total	15,641,164,842	9,146,617,177	4,832,300,397
Nine months ended (Un-Audited)		Quarter ended (Un-Audited)																																																				
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Total	15,641,164,842	9,146,617,177	4,832,300,397																																																			

10.1 Exports sales include indirect exports of Rs. 1.303 billion (2023: Rs. 4.873 billion).



NAGINA COTTON MILLS LTD.

Nine months ended (Un-Audited)		Quarter ended (Un-Audited)	
March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023

----- Rupees -----

11. COST OF GOODS SOLD

Raw material consumed	11,621,345,527	6,841,289,442	3,685,550,185	2,365,440,055
Packing material consumed	162,159,776	92,286,056	52,522,571	31,806,898
Stores and spares consumed	272,109,488	198,084,326	55,517,000	115,787,978
Salaries, wages and benefits	455,998,872	317,385,625	144,389,665	109,006,180
Fuel	1,285,271,787	348,634,845	495,431,818	138,849,625
Rates and taxes	319,185	441,849	-	251,985
Insurance	28,500,926	17,733,421	10,485,559	5,797,283
Repairs and maintenance	7,377,763	9,386,054	(2,734,068)	3,578,471
Depreciation on property, plant and equipment	396,976,724	268,177,004	134,959,733	92,627,270
Other manufacturing overheads	43,314,569	18,867,849	16,822,644	10,162,821
Manufacturing cost	14,273,374,617	8,112,286,471	4,592,945,107	2,873,308,566
Work-in-process:				
At beginning of period	210,447,303	112,471,329	194,235,597	155,625,485
At end of period	(203,513,891)	(202,862,844)	(203,513,891)	(202,862,844)
	6,933,412	(90,391,515)	(9,278,294)	(47,237,359)
Cost of goods manufactured	14,280,308,029	8,021,894,956	4,583,666,813	2,826,071,207
Finished goods:				
At beginning of period	449,592,884	221,494,535	345,402,036	177,474,398
Purchase of Waste	57,586,280	2,556,289	18,676,923	753,358
At end of period	(508,722,336)	(255,393,730)	(508,722,336)	(255,393,730)
	(1,543,172)	(31,342,906)	(144,643,377)	(77,165,974)
Cost of sales of raw material & waste	102,248,650	48,920,083	18,782,800	10,386,000
	14,381,013,507	8,039,472,133	4,457,806,236	2,759,291,233

12. PROVISION FOR TAXATION

Current tax	185,864,249	130,773,131	59,984,977	33,238,328
Prior tax	(2,317,989)	-	-	-
	183,546,260	130,773,131	59,984,977	33,238,328



NAGINA COTTON MILLS LTD.

13. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of associated companies, directors and key management personnel of the Company. Transactions with related parties are carried out as per agreed terms. The transactions with related parties during the period generally consist of sales, purchases and dividend. Nature and description of related party transactions during the period along with monetary values are as follows:

		Nine months ended (Un-Audited)	
		March 31, 2024	March 31, 2023
	Rupees.....	
Nature of Relationship	Nature of Transaction		
Associated companies	Purchase of goods and services	1,515,351	91,667
	Sale of goods and services	1,327,009,299	2,187,091,115
	Dividend paid	18,363,252	30,605,420
Key management personnel	Remuneration and other benefits	26,100,000	23,400,000
	Dividend paid to Directors and their close family members	83,620,392	139,367,340

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

14. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The carrying value of all the financial instruments reported in the financial statements approximates their fair value as the items are short term in nature.

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 liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

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

The valuation techniques used are as follows:

Level 1: Quoted prices (unadjusted) in active markets



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The fair value of financial instruments traded in active markets is based on Net Asset Values (NAVs) of the units of the mutual funds and quoted market price of the equity instrument at the reporting date. A market is regarded as active when it is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

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

March 31, 2024			
Level 1	Level 2	Level 3	Total
----- Rupees -----			

Financial assets

- measured at fair value through other comprehensive income

Investment in listed equity securities	129,397,263	-	-	129,397,263
--	-------------	---	---	-------------

- measured at fair value through profit or loss

Investment in mutual funds	-	-	-	-
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129,397,263	-	-	129,397,263
-------------	---	---	-------------

June 30, 2023			
Level 1	Level 2	Level 3	Total
----- Rupees -----			

Financial assets

- measured at fair value through other comprehensive income

Investment in listed equity securities	132,205,022	-	-	132,205,022
--	-------------	---	---	-------------

132,205,022	-	-	132,205,022
-------------	---	---	-------------

- measured at fair value through profit or loss

Investment in mutual funds	349,654	-	-	349,654
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349,654	-	-	349,654
---------	---	---	---------

At the reporting date, the Company holds above financial assets where the Company has used Level 1 inputs for the measurement of fair values and there is no transfer between levels.

15. OPERATING SEGMENTS

Chief Executive considers the business as a single operating segment as the Company's assets allocation decisions are based on a single, integrated business strategy, and the Company's performance is evaluated on an overall basis. Sales of the Company related to export customers is 39.31 percent (March 31, 2023: 78.27 percent) . As at period end, all non-current assets of the Company are located within Pakistan.



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16. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements (unaudited) have been approved by the Board of Directors of the Company and authorized for issue on April 29, 2024.

April 29, 2024


Raza Ellahi Shaikh
Director


Tariq Zafar Bajwa
Chief Financial Officer


Amin Ellahi Shaikh
Chief Executive Officer



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