

**HALF YEARLY REPORT
FOR THE PERIOD ENDED
DECEMBER 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. Farjad Ashfaq

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



NAGINA COTTON MILLS LTD.

DIRECTORS' REVIEW

The Directors are pleased to present the un-audited condensed interim financial information of the company for the half year ended on December 31, 2024 duly reviewed by the auditors. The comparative figures for the corresponding half year ended on December 31, 2023 are included for comparison, except in statement of financial position where figures are for the year ended on June 30, 2024.

Company Performance

The business environment during the half year was very challenging. Despite this difficult environment, your company has managed to remain profitable. After-tax profit for the half year ended is Rs. 30,960,604 or 0.29% of sales compared to Rs. 60,144,764 or 0.56% of sales during the same period last year (SPLY). Earning per share (EPS) is Rs. 1.66 for the current first half of the year compared to Rs. 3.22 during the SPLY.

Sales revenue for the half year ended decreased by 2.67% over the SPLY and stood at Rs. 10,519,806,572 compared to Rs. 10,808,864,445. The main reason for decrease in sales is reduction in per unit selling rate coupled with volume decrease. Cost of sales marginally increased from 91.81% of sales during SPLY to 92.72% of sales during the period under review. Gross Profit (GP) decreased from 8.19% of sales during SPLY to 7.28% of sales during the period under review.

The operating expenses increased from 2.60% of sales during SPLY to 3.05% of sales during the period under review. The company successfully maintained stable cash flows, allowing for timely settlement of its operating liabilities. Due to better cash flows and reduction in policy rate, finance cost reduced to 3.74% of sales from 4.34% of sales in the SPLY.

According to the figures issued by the Pakistan Cotton Ginners Association, for the crop year 2024-25, Kapas, (seed cotton) arrivals upto January 31, 2025, at the Ginneries totaled 5.511 million bales compared to 8.350 million bales for similar period of financial year 2023-24 showing decrease in arrival of 34%.

Future Outlook

The textile industry is going through turbulent times due to slowdowns in both international and domestic markets. Rising costs and weak demand from value-added sectors are exerting pressure on profit margins. Additionally, another cotton crop failure has forced increased cotton imports by spinners. The government has announced increase in the gas prices for both domestic and RLNG supplies. This increase in energy costs will reduce margins further.

The outlook for the 2nd half of FY25 remains uncertain. However, the management is actively implementing cost-cutting strategies, targeted marketing efforts, and product diversification to enhance the company's resilience. With these measures in place, we anticipate that the company will maintain profitability over the next half year.

The government has reported a lower inflation rate, which is expected to support the State Bank of Pakistan (SBP) in continuing its monetary easing strategy. During the half-year under review, SBP has already reduced the policy rate by 8.5% (from 20.5% to 12%). We hope for further reduction in the coming months.



NAGINA COTTON MILLS LTD.

SBP's prudent policies have effectively managed the country's current account, resulting in a surplus—a commendable achievement. Additionally, consistent growth in home remittances and exports has strengthened the external account, contributing to the stability of the Rupee against the US dollar.

The company has added another 1.5 MW in its solar capacity. With this addition, the total solar capacity has risen to 2.5 MW. This will help in lowering the energy cost and increase green energy foot print of the Company.

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. 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.

On behalf of the Board.


Raza Ellahi Shaikh
Director


Amin Ellahi Shaikh
Chief Executive Officer

February 26, 2025

ڈائریکٹرز کی جائزہ رپورٹ

مجلس نظامہ 31 دسمبر 2024ء کو اختتام پہلی ششماہی کے لئے کمپنی کی غیر نظر ثانی شدہ منجمد عبوری مالیاتی معلومات پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔ 31 دسمبر 2023ء کو ختم ہونے والی ششماہی کے تقابلی اعداد و شمار بھی موازنہ کے لئے شامل کئے گئے ہیں، ماسوائے سٹیٹمنٹ آف فنانشل پوزیشن کے جہاں تقابلی اعداد و شمار 30 جون 2024ء کو اختتام سال کے لئے ہیں۔

کمپنی کی کارکردگی

ششماہی کے دوران کاروباری ماحول مشکل ترین تھا۔ اس مشکل ماحول کے باوجود، آپ کی کمپنی منافع بخش رہی ہے۔ کمپنی نے گزشتہ سال کی اسی مدت کے دوران 60,144,764 روپے یا فروخت کا 0.56 فیصد کے مقابلے میں زیر جائزہ سہ ماہی کے دوران 30,960,604 روپے یا فروخت کا 0.29 فیصد بعد از ٹیکس منافع کمایا۔ رواں پہلی ششماہی کی فی شیئر آمدنی (EPS) گزشتہ سال کی اسی مدت کے دوران 3.22 روپے کے مقابلے میں 1.66 روپے ہے۔

زیر جائزہ اختتام ششماہی میں فروخت آمدنی گزشتہ سال سے 2.67 فیصد زیادہ ہوئی اور 10,808,864,445 روپے کے مقابلے میں 10,519,806,572 روپے رہی۔ فروخت میں کمی کی بنیادی وجہ حجم میں کمی کے ساتھ فی یونٹ فروخت شرح میں کمی ہے۔ فروخت کی لاگت گزشتہ سال کی اسی مدت کے دوران فروخت کے 91.81 فیصد سے بڑھ کر زیر جائزہ مدت کے دوران فروخت کے 92.72 فیصد تک زیادہ ہوئی ہے۔ مجموعی منافع (GP) گزشتہ سال کی اسی مدت کے دوران فروخت کے 8.19 فیصد سے کم ہو کر زیر جائزہ مدت کے دوران فروخت کا 7.28 فیصد تک ہوا۔

مجموعی کاروباری اخراجات گزشتہ سال کی اسی مدت کے دوران فروخت کے 2.60 فیصد سے بڑھ کر زیر جائزہ مدت کے دوران فروخت کے 3.05 فیصد تک ہوئے۔ کمپنی پائیدار نقدی بہاؤ پیدا کرنے اور اپنی آپریٹنگ ذمہ داریاں بروقت ادا کرنے کے قابل رہی ہے۔ بہتر نقد بہاؤ اور پالیسی شرح میں کمی کی وجہ سے، مالی لاگت گزشتہ سال SPLY کے دوران فروخت کی 4.34 فیصد سے کم ہو کر زیر جائزہ مدت کے دوران فروخت کی 3.74 فیصد ہو گئی۔

پاکستان کاٹن جزا ایسوسی ایشن کی طرف سے فصل سال 2024-25 کے لئے جاری کردہ اعداد و شمار کے مطابق 31 جنوری 2025 تک جزیر میں کپاس، (تیج کپاس) کی تیج مالی سال 2023-24 کی اسی مدت کے دوران 8.350 ملین گانٹھوں کے مقابلے میں 5.511 ملین گانٹھیں ہوئی جو کہ 34 فیصد کی کمی ظاہر کر رہی ہے۔

مستقبل کا نقطہ نظر

ٹیکسٹائل انڈسٹری کو دونوں عالمی اور ملکی مارکیٹ کی سست روی کے درمیان کافی مشکلات کا سامنا ہے۔ زیادہ لاگت اور ویلویو ایڈڈ شعبوں کی سست طلب منافع کے مارجن کو متاثر کر رہی ہے۔ مزید برآں، دوسری کپاس کی فصل کی ناکامی نے اسپنرز کو زیادہ کپاس درآمد کرنے پر مجبور کر دیا ہے۔ حکومت نے دونوں ڈومیسٹک اور آر ایل این جی سپلائی کے لئے ٹیکس کی قیمتیں بڑھانے کا اعلان کیا ہے۔ توانائی کی قیمتوں میں یہ اضافہ مارجنز کو مزید کم کر دے گا۔

مالی سال 25 کی دوسری ششماہی کا نقطہ نظر غیر یقینی ہے۔ تاہم، انتظامیہ کمپنی کی چلک کو مستحکم بنانے کے لئے لاگت بچانے کے اقدامات، ٹارگٹڈ مارکیٹنگ اقدامات، اور مصنوعات کے تنوع کو فعال طور پر لاگو کر رہی ہے۔ ہم اُمید کرتے ہیں کہ ان اقدامات کے ساتھ، آپ کی کمپنی اگلی ششماہی کے لئے موزوں منافع بخش رہے گی۔

حکومت نے افراط زر کی شرح کم ہونے کی اطلاع دی ہے، جس سے توقع ہے کہ اسٹیٹ بینک آف پاکستان (ایس بی پی) کو مالیاتی نرمی کی حکمت عملی کو جاری رکھنے میں مدد ملے گی۔ زیر جائزہ ششماہی کے دوران اسٹیٹ بینک پہلے ہی پالیسی ریٹ میں 8.5 فیصد (20.5 فیصد سے 12 فیصد) کمی کر چکا ہے۔ ہمیں اُمید ہے کہ آئندہ مہینوں میں اس میں مزید کمی آئے گی۔



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اسٹیٹ بینک پاکستان کی دانشمندانہ پالیسیوں نے ملک کے کرنٹ اکاؤنٹ کو مؤثر طریقے سے منظم کیا ہے، جس کے نتیجے میں سرپلس حاصل ہوا جو ایک قابل ستائش کامیابی ہے۔ مزید برآں ملکی ترسیلات زر اور برآمدات میں مسلسل اضافے سے بیرونی کھاتے مضبوط ہوئے جس سے امریکی ڈالر کے مقابلے میں روپیہ کے استحکام میں مدد ملی ہے۔

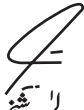
کمپنی نے اپنی سٹشی صلاحیت میں مزید 1.5 میگا واٹ کا اضافہ کیا ہے۔ اس اضافہ سے سٹشی توانائی کی مجموعی صلاحیت 2.5 میگا واٹ تک پہنچ جائے گی۔ اس سے توانائی کی لاگت کو کم کرنے اور کمپنی کے گرین انرجی فنڈ پرنٹ میں اضافہ کرنے میں مدد ملے گی۔


اُمید ہے کہ حکومت سستی توانائی کی بلا تعلق فراہمی، واجب الادا ٹیکسوں کی واپسی، افراط زر کی شرح پر قابو پانے اور مالی اخراجات میں کمی جیسی کاروبار دوست پالیسیاں لائے گی۔ حکومتی پالیسیوں میں ٹیکسٹائل سیکٹر میں ویلیو چین کی تکمیل کی حوصلہ افزائی ہونا چاہئے تاکہ ملک تیار مصنوعات برآمد کر سکے۔

اظہار تشکر

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 کا بھی شکریہ ادا کرتے ہیں۔

منجانب بورڈ


امین الہی شیخ
چیف ایگزیکٹو آفیسر


رضا الہی شیخ
ڈائریکٹر

26 فروری 2025ء

INDEPENDENT AUDITOR'S REVIEW REPORT **To the Members of Nagina Cotton Mills Limited**

Report on review of Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Nagina Cotton Mills Limited** (the Company) as at December 31, 2024, and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows and notes to the condensed interim financial statements for the half year then ended (here-in-after referred to as the 'condensed interim financial statements'). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

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 statements 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.

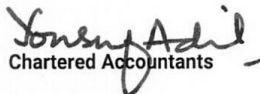
Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matter

The figures for quarter ended December 31, 2024 and December 31, 2023 in the condensed interim statement of profit or loss and other comprehensive income have not been reviewed, and we do not express a conclusion on them.

The engagement partner on the review resulting in this independent auditor's review report is Shafqat Ali.



Yousuf Adil
Chartered Accountants

Place: Karachi

Date: February 27, 2025

UDIN: RR202410186CtRjx3LNG



NAGINA COTTON MILLS LTD.

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

	Note	(Un-Audited) December 31, 2024 Rupees	(Audited) June 30, 2024 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 50,000,000 (June 30, 2024: 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		264,548,346	262,238,346
Revenue reserve - unappropriated profit		4,282,041,081	4,279,130,477
TOTAL EQUITY		4,733,589,427	4,728,368,823
LIABILITIES			
NON-CURRENT LIABILITIES			
Long-term finances		4,538,868,527	4,797,375,158
Employee retirement benefits		271,645,285	241,031,213
		4,810,513,812	5,038,406,371
CURRENT LIABILITIES			
Current portion of long-term finances		668,807,950	562,649,569
Trade and other payables		1,583,157,146	1,547,579,311
Contract liability - advance from customers		9,335,564	2,675,380
Unclaimed dividend		12,096,861	11,904,654
Accrued interest / mark-up		130,240,041	150,579,516
Short-term borrowings	6	3,230,541,044	688,088,033
		5,634,178,606	2,963,476,463
TOTAL LIABILITIES		10,444,692,418	8,001,882,834
CONTINGENCIES AND COMMITMENTS			
	7		
TOTAL EQUITY AND LIABILITIES		15,178,281,845	12,730,251,657

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

February 26, 2025


Raza Ellahi Shaikh
Director


Tariq Zafar Bajwa
Chief Financial Officer



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		(Un-Audited) December 31, 2024 Rupees	(Audited) June 30, 2024 Rupees
	Note		
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	5,825,248,930	5,964,975,353
Investment properties		12,770,766	12,866,120
Long-term deposits		1,021,858	1,021,858
		5,839,041,554	5,978,863,331
CURRENT ASSETS			
Stores and spares		135,010,519	175,946,946
Stock-in-trade		3,464,096,611	2,345,519,612
Trade receivables		2,845,748,811	2,423,990,217
Advances		375,216,368	444,171,607
Prepayments		25,004,429	3,777,750
Other receivables		27,486,426	12,165,011
Tax refundable		143,049,643	64,631,798
Other financial assets	9	2,189,607,328	1,155,266,963
Cash and bank balances		134,020,156	125,918,422
		9,339,240,291	6,751,388,326
TOTAL ASSETS		15,178,281,845	12,730,251,657

The annexed notes from 1 to 17 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 HALF YEAR ENDED DECEMBER 31, 2024

	Note	Half year ended		Quarter ended	
		December 31, 2024	December 31, 2023 (Restated)	December 31, 2024	December 31, 2023 (Restated)
		Rupees	Rupees	Rupees	Rupees
Revenue from contracts with customers	10	10,519,806,572	10,808,864,445	5,922,345,331	5,685,323,441
Cost of goods sold	11	(9,753,871,771)	(9,923,207,271)	(5,535,471,354)	(5,209,181,533)
Gross profit		765,934,801	885,657,174	386,873,977	476,141,908
Distribution cost		(180,639,391)	(155,258,057)	(83,684,865)	(84,320,481)
Administrative expenses		(128,203,150)	(116,437,626)	(51,299,405)	(58,703,598)
Other expenses		(11,612,787)	(9,668,739)	(7,396,083)	(3,671,509)
		(320,455,328)	(281,364,422)	(142,380,353)	(146,695,588)
		445,479,473	604,292,752	244,493,624	329,446,320
Other income		119,255,223	48,858,431	75,856,252	24,760,149
Operating profit		564,734,696	653,151,183	320,349,876	354,206,469
Finance cost		(393,452,987)	(469,445,136)	(216,450,583)	(251,418,305)
Profit before levies and taxation		171,281,709	183,706,047	103,899,293	102,788,164
Levies	12	(111,733,897)	(123,561,283)	(52,080,763)	(68,122,076)
Profit before taxation		59,547,812	60,144,764	51,818,530	34,666,088
Provision for taxation	13	(28,587,208)	-	(28,587,208)	-
Profit for the period		30,960,604	60,144,764	23,231,322	34,666,088
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Fair value gain on investment in equity instruments designated at fair value through other comprehensive income (FVTOCI)		2,310,000	77,829,282	3,927,600	59,230,785
Total comprehensive income for the period		33,270,604	137,974,046	27,158,922	93,896,873
Earnings per share - basic and diluted		1.66	3.22	1.24	1.85

The annexed notes from 1 to 17 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

February 26, 2025



NAGINA COTTON MILLS LTD.

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2024

	Half year ended	
	December 31, 2024 Rupees	December 31, 2023 Rupees
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	59,547,812	60,144,764
Adjustments for:		
Depreciation on property, plant and equipment	297,174,982	267,385,559
Depreciation on investment properties	95,354	100,373
Provision for gratuity	40,561,419	33,098,812
Gain on disposal of property, plant and equipment - net	(1,707,013)	(1,335,979)
Gain on redemption of mutual funds	(57,983,487)	(199,046)
Unrealized loss on revaluation of foreign currency accounts	6,976	1,876,051
Unrealized loss / (gain) on revaluation of foreign currency short term finance	1,627,967	(2,173,899)
Unrealized gain on other financial assets at FVTPL	(29,170,154)	(352,409)
Profit on term deposits	(9,514,415)	(9,986,626)
Finance cost	393,452,987	469,445,136
Rental income from investment property	(17,798,090)	(16,382,444)
Dividend income	(1,009,270)	(17,297,658)
Levies	111,733,897	123,561,283
	787,018,965	907,883,917
Changes in working capital		
Decrease / (increase) in current assets		
Stores and spares	40,936,427	12,106,080
Stock-in-trade	(1,118,576,999)	(1,177,195,928)
Trade receivables	(421,758,594)	(1,060,035,930)
Advances	68,955,239	779,049,458
Prepayments	(21,226,679)	(22,839,481)
Other receivables	(13,622,919)	30,179,292
Sales tax refundable	(64,598,433)	61,690,369
	(1,529,891,958)	(1,377,046,140)
Increase in current liabilities		
Trade and other payables	19,208,124	430,197,797
Contract liability - advance from customers	6,660,184	8,165,672
	25,868,308	438,363,469
Cash used in operations	(717,004,685)	(30,798,754)
Payments made:		
Employees retirement benefits	(9,947,347)	(14,523,657)
Finance cost	(413,792,462)	(388,686,734)
Levies and taxes	(155,159,652)	(65,724,765)
Net cash used in operating activities	(1,295,904,146)	(499,733,910)



NAGINA COTTON MILLS LTD.

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2024

	Half year ended	
	December 31, 2024 Rupees	December 31, 2023 Rupees
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(160,198,622)	(259,839,601)
Proceeds from disposal of property, plant and equipment	4,457,076	2,482,500
Purchase of other financial assets	(4,786,786,472)	(422,945,467)
Proceeds from sale / redemption of other financial assets	3,841,909,747	129,654,924
Rental income received	35,186,936	32,294,657
Profit received on term deposit receipts	7,815,919	7,494,620
Dividend received	1,009,270	17,297,658
Net cash used in investing activities	(1,056,606,146)	(493,560,709)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Long term finances obtained	98,542,791	182,271,320
Repayment of long term finances	(250,891,045)	(161,862,552)
Obtained short-term borrowings excluding running finance	4,436,882,018	2,250,423,896
Repayment of short-term borrowings excluding running finance	(1,789,420,121)	(1,019,520,544)
Dividend paid	(27,857,793)	(111,280,640)
Net cash generated from financing activities	2,467,255,850	1,140,031,480
Net increase in cash and cash equivalents (A+B+C)	114,745,558	146,736,861
Cash and cash equivalents at beginning of the period		
Cash and bank balances	125,918,422	237,195,795
Other financial assets - term deposits with banks	76,903,615	1,903,615
Short term running finances	(234,976,552)	(941,704,041)
	(32,154,515)	(702,604,631)
Effect of unrealized exchange loss on cash and cash equivalents	(6,976)	(1,876,051)
Cash and cash equivalents at end of the period	82,584,067	(557,743,821)
Cash and cash equivalents at end of the period		
Cash and bank balances	134,020,156	367,371,762
Other financial assets - term deposits with banks	76,903,615	1,903,615
Short term running finances	(128,339,704)	(927,019,198)
	82,584,067	(557,743,821)

The annexed notes from 1 to 17 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

February 26, 2025



NAGINA COTTON MILLS LTD.

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2024

	Issued, subscribed and paid up capital	Capital reserves				Revenue reserve	Total
		Capital redemption reserve	Amalgamation reserve	Fair value reserve	Total capital reserves	Unappropriated profit	
(Rupees)							
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 December 31, 2023							
Profit for the period	-	-	-	-	-	60,144,764	60,144,764
Other comprehensive income							
Fair value gain on investments in equity instruments designated at FVTOCI	-	-	-	77,829,282	77,829,282	-	77,829,282
Transfer of realized gain on sale of investments	-	-	-	(4,018,531)	(4,018,531)	4,018,531	-
Total comprehensive income for the period	-	-	-	73,810,751	73,810,751	64,163,295	137,974,046
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 December 31, 2023 (Un-audited)	187,000,000	241,860,000	12,104,417	18,108,535	272,072,952	4,233,740,445	4,692,813,397
Comprehensive income for the period ended June 30, 2024							
Profit for the period	-	-	-	-	-	16,880,224	16,880,224
Other comprehensive income							
Remeasurement of employee retirement benefits	-	-	-	-	-	(12,139,615)	(12,139,615)
Fair value gain on investment in equity instruments designated at FVTOCI	-	-	-	30,814,817	30,814,817	-	30,814,817
Transfer of realized gain on sale of investments	-	-	-	(40,649,423)	(40,649,423)	40,649,423	-
Total comprehensive income for the period	-	-	-	(9,834,606)	(9,834,606)	45,390,032	35,555,426
Balance as at June 30, 2024 (Audited)	187,000,000	241,860,000	12,104,417	8,273,929	262,238,346	4,279,130,477	4,728,368,823
Comprehensive income for the period ended December 31, 2024							
Profit for the period	-	-	-	-	-	30,960,604	30,960,604
Other comprehensive income							
Fair value gain on investment in equity instruments designated at FVTOCI	-	-	-	2,310,000	2,310,000	-	2,310,000
Total comprehensive income for the period	-	-	-	2,310,000	2,310,000	30,960,604	33,270,604
Transactions with owners							
Final cash dividend for the year ended June 30, 2024 @ 15% i.e. Rs. 1.5 per ordinary share	-	-	-	-	-	(28,050,000)	(28,050,000)
Balance as at December 31, 2024 (Un-audited)	187,000,000	241,860,000	12,104,417	10,583,929	264,548,346	4,282,041,081	4,733,589,427

The annexed notes from 1 to 17 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

February 26, 2025



NAGINA COTTON MILLS LTD.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 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 Companies Act, 2017 and is listed on Pakistan Stock Exchange Limited. The principal business of the Company is to manufacture and sale of yarn.

Following are the geographical locations and addresses 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 condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.1.2 These condensed interim financial statements are unaudited, however, a limited scope review of these condensed interim financial statements have been performed by the external auditors of the Company and they have issued their review report thereon. These condensed interim financial statements are submitted to the shareholders as required by section 237 of the Companies Act, 2017.

2.1.3 These condensed interim financial statements do not include all of the information required for annual financial statements and therefore should be read in conjunction with the annual audited financial statements of the Company for the year ended June 30, 2024.

2.1.4 The comparative statement of financial position presented has been extracted from annual audited financial statements for the year ended June 30, 2024, whereas comparative condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows, presented in these condensed interim financial statements have been extracted from the unaudited condensed interim financial statements for the half year ended December 31, 2023.

2.2 Basis of measurement

These condensed interim financial statements have been prepared under the historical cost convention, except for staff retirement benefits at present value and certain financial assets measured at fair value.

2.3 Functional and presentation currency

These condensed interim financial statements are presented in Pak Rupees which is also the Company's functional and presentation currency.



NAGINA COTTON MILLS LTD.

3. MATERIAL ACCOUNTING POLICY INFORMATION

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, 2024.

3.1 Presentation of minimum and final tax

On May 2024, the Institute of Chartered Accountants of Pakistan (ICAP) had withdrawn the Technical Release 27 "IAS 12, Income Taxes (Revised 2012)" and issued guidance - "IAS 12 Application Guidance on Accounting for Minimum Taxes". The Said guidance requires certain amounts of tax paid under minimum tax regime and final tax regime to be shown separately as a levy instead of showing it in current tax.

Accordingly, the impact has been incorporated in these financial statements retrospectively in accordance with the requirement of International Accounting Standard (IAS 8) - 'Accounting Policies, Change in Accounting Estimates and Errors'. There has been no effect on the condensed interim statement of financial position and statement of cash flows as a result of the change.

	(Un-audited) For the half year ended December 31, 2023			(Un-audited) For the quarter ended December 31, 2023		
	Had there been no change in accounting policy Rupees	Impact of change in accounting policy Rupees	After incorporating effects of change in accounting policy Rupees	Had there been no change in accounting policy Rupees	Impact of change in accounting policy Rupees	After incorporating effects of change in accounting policy Rupees
Effect on statement of profit or loss and other comprehensive income						
Profit before taxation	183,706,047	-	183,706,047	102,788,164	-	102,788,164
Levies		(123,561,283)	(123,561,283)		(68,122,076)	(68,122,076)
Taxation	(123,561,283)	123,561,283	-	(68,122,076)	68,122,076	-

3.2 Amendments to published accounting standards that are effective

There are certain amendments to accounting standards which are not yet effective, however, these do not have any significant impact on the Company's financial reporting and, therefore, have not been detailed in these condensed interim financial statements.

3.3 Amendments to published accounting standards that are not yet effective

Certain amendments to the accounting standards which are mandatory for the Company's annual accounting periods beginning after July 01, 2025, however, these amendments will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these condensed interim financial statements.

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 material 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, 2024.

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, 2024.



NAGINA COTTON MILLS LTD.

		(Un-audited) December 31, 2024 Rupees	(Audited) June 30, 2024 Rupees
6. SHORT-TERM BORROWINGS	Note		
Banking companies - secured			
Foreign currency finance	6.1	708,201,340	453,111,481
Running finance	6.2	128,339,704	234,976,552
Term finance	6.3	2,394,000,000	-
		3,230,541,044	688,088,033
6.1	The Company has availed foreign currency finance facility from various banks which carries mark-up ranging from 4.39% to 8.25% (June 30, 2024: 5% to 10%) per annum.		
6.2	Cash and running finance facilities are subject to variable markup ranging from 1 to 3 month KIBOR plus 0.12% to 0.75% (June 30, 2024 : 1 to 3 month KIBOR plus 0.12% to 0.75%) per annum payable on quarterly basis.		
6.3	The Company has obtained the short term finance facility from various banks which carries mark-up ranging from 1 to 3 month KIBOR minus 1.5% to 6% (June 30 , 2024: Nil) per annum payable on quarterly basis.		
6.4	The Company can avail foreign currency, short term finance and running finance facilities from various banks aggregating to Rs. 9,315 million (June 30, 2024: Rs. 5,790 million). These borrowings are secured against hypothecation of stocks and book debts / receivables of the Company and pari passu charge on present and future current assets, demand promissory notes and lien on export orders / contracts.		
6.5	The aggregate unavailed short-term borrowing facilities available amounted to Rs. 6,085 million (June 30, 2024 : Rs. 5,102 million).		
7. CONTINGENCIES AND COMMITMENTS			
7.1 Contingencies			
There are no major changes in the status of contingencies as reported in the annual audited financial statements for the year ended June 30, 2024, except for the contingencies stated below:			
	Note	(Un-audited) December 31, 2024 Rupees	(Audited) June 30, 2024 Rupees
Bank guarantee in favor of Excise and Taxation department		363,442,448	293,442,448
7.2 Commitments			
Electrical installations		9,600,000	-
Raw material		3,063,040,340	1,481,895,235
Stores and spares		55,154,398	38,992,366
Bills discounted		1,183,977,511	730,817,471
Commitments for rentals of assets under short term lease agreements:			
Not later than one year		2,805,088	4,207,472
8. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	8.1	5,607,280,020	5,893,797,509
Capital work in progress	8.2	217,968,910	71,177,844
		5,825,248,930	5,964,975,353



NAGINA COTTON MILLS LTD.

	Note	(Un-audited) December 31, 2024 Rupees	(Audited) June 30, 2024 Rupees
8.1 Operating fixed assets-owned			
Written down value at beginning of the period / year		5,893,797,509	3,565,934,646
Additions / transfers from CWIP during the period / year			
Mills building on leasehold land		-	552,978,017
Machinery and equipment		230,000	2,264,579,474
Electric installations and equipment		-	46,267,539
Office equipment		1,045,450	569,000
Furniture and fixtures		2,942,116	2,294,529
Vehicles		9,189,990	48,523,675
		13,407,556	2,915,212,234
Written down value of operating fixed assets disposed off		(2,750,063)	(31,937,116)
Depreciation charged during the period / year		(297,174,982)	(555,412,255)
Written down value at end of the period / year		5,607,280,020	5,893,797,509
8.2 Capital work in progress			
Opening balance		71,177,844	2,647,511,511
Additions during the period / year		151,055,066	283,574,736
Transfers during the period / year		(4,264,000)	(2,859,908,403)
Closing balance		217,968,910	71,177,844
9. OTHER FINANCIAL ASSETS			
Designated at amortised cost			
Term deposits with banks having maturity of			
- More than three months		45,100,000	45,100,000
- Three months or less		76,903,615	76,903,615
	9.1	122,003,615	122,003,615
Designated at fair value through other comprehensive income			
Investment in listed equity securities	9.2 & 9.3	15,771,600	13,461,600
Designated at fair value through profit or loss			
Investment in units of mutual funds	9.4	2,051,832,113	1,019,801,748
		2,189,607,328	1,155,266,963
9.1 Markup on these term deposits denominated in local currency ranges from 11.12% to 19% (June 30, 2024 : 15.97% to 19.99%) per annum.			



NAGINA COTTON MILLS LTD.

	Note	(Un-audited) December 31, 2024 Rupees	(Audited) June 30, 2024 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		15,771,600	13,461,600
Unrealised gain on remeasurement of investments	9.3	(10,583,929)	(8,273,929)
Cost of investments		5,187,671	5,187,671
9.3 Unrealised gain / (loss) on remeasurement of equity instruments through other comprehensive income			
Opening balance		8,273,929	(55,702,216)
Fair value gain arises for the period / year		2,310,000	108,644,099
Transfer of realized gain on sale of investments		-	(44,667,954)
Unrealized fair value gain for the period / year		2,310,000	63,976,145
Closing balance		10,583,929	8,273,929
9.4 Unrealised gain on remeasurement of units of mutual funds through profit or loss			
Fair value of investments in mutual funds		2,051,832,113	1,019,801,748
Unrealised gain on remeasurement of investments		(29,170,154)	(2,265,560)
Cost of investments		2,022,661,959	1,017,536,188

10. REVENUE FROM CONTRACTS WITH CUSTOMERS

	(Un-audited) Half year ended		(Un-audited) Quarter ended	
	December 31, 2024 Rupees	December 31, 2023 Rupees	December 31, 2024 Rupees	December 31, 2023 Rupees
Export				
Yarn	2,420,271,843	4,720,790,872	1,577,220,721	2,381,540,418
Waste	-	71,446,071	-	59,783,664
	2,420,271,843	4,792,236,943	1,577,220,721	2,441,324,082
Local				
Yarn	7,365,270,840	5,331,393,156	3,981,352,881	2,879,927,616
Waste	725,384,220	685,234,346	363,771,729	364,071,743
Raw material	8,879,669	-	-	-
	8,099,534,729	6,016,627,502	4,345,124,610	3,243,999,359
Total	10,519,806,572	10,808,864,445	5,922,345,331	5,685,323,441

10.1 Exports sales include indirect exports of Rs. 0.893 billion (2023: Rs. 1.259 billion).



NAGINA COTTON MILLS LTD.

11. COST OF GOODS SOLD

	(Un-audited) Half year ended		(Un-audited) Quarter ended	
	December 31, 2024 Rupees	December 31, 2023 Rupees	December 31, 2024 Rupees	December 31, 2023 Rupees
Raw material consumed	7,852,753,844	7,935,795,342	4,078,888,161	4,026,508,233
Packing material consumed	106,122,272	109,637,205	55,760,094	55,637,220
Stores and spares consumed	154,810,300	216,592,488	84,067,325	58,716,298
Salaries, wages and benefits	423,882,280	311,609,207	223,263,396	168,913,607
Fuel	678,638,710	789,839,969	434,934,202	441,186,720
Rates and taxes	31,254	319,185	15,627	303,945
Insurance	20,934,400	18,015,367	11,508,671	8,511,027
Repairs and maintenance	5,117,165	10,111,831	4,334,380	5,373,507
Depreciation on property, plant and equipment	292,018,388	262,016,991	146,982,356	131,162,365
Other manufacturing overheads	31,652,834	26,491,925	20,337,913	12,325,371
Manufacturing cost	9,565,961,447	9,680,429,510	5,060,092,125	4,908,638,293
Work-in-process				
At beginning of period	221,488,446	210,447,303	223,478,576	231,356,127
At end of period	(216,916,108)	(194,235,597)	(216,916,108)	(194,235,597)
	4,572,338	16,211,706	6,562,468	37,120,530
Cost of goods manufactured	9,570,533,785	9,696,641,216	5,066,654,593	4,945,758,823
Finished goods and waste				
At beginning of period	523,441,721	449,592,884	885,209,785	503,933,474
Purchase of waste	9,763,087	38,909,357	5,287,897	21,425,422
At end of period	(459,630,841)	(345,402,036)	(459,630,841)	(345,402,036)
	73,573,967	143,100,205	430,866,841	179,956,860
Cost of sales of raw material & waste	109,764,019	83,465,850	37,949,920	83,465,850
	9,753,871,771	9,923,207,271	5,535,471,354	5,209,181,533

12. LEVIES

Final taxes on:				
- export sales	-	47,922,369	-	8,424,235
- dividend income	126,000	2,724,178	63,000	1,454,700
- capital gain	8,697,523	24,881	4,468,027	24,881
Prior year levies	-	(2,317,989)	-	(2,317,989)
Minimum taxes	102,910,374	75,207,844	47,549,736	60,536,249
	111,733,897	123,561,283	52,080,763	68,122,076

13. TAXATION

Current tax	28,587,208	-	28,587,208	-
	28,587,208	-	28,587,208	-



NAGINA COTTON MILLS LTD.

14. 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 transaction with related parties during the period generally consist of sales, purchases and dividend. Basis of relationship and nature of related party transactions during the period along with monetary values are as follows:

		(Un-audited) December 31, 2024 Rupees	(Un-audited) December 31, 2023 Rupees
Basis of relationships	Nature of transactions		
Associated companies	Purchase of goods	36,630,712	-
	Sale of goods	161,914,573	1,076,424,950
	Rental income	1,406,232	1,339,272
	Dividend paid	4,590,813	18,363,252
Key Management Personnel	Remuneration and other benefits	17,400,000	17,400,000
	Dividend paid to Directors and their close family members	20,905,098	83,620,392

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

15. 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

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.



NAGINA COTTON MILLS LTD.

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

	(Un-audited)			
	December 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	15,771,600	-	-	15,771,600
- measured at fair value through profit or loss				
Investment in mutual funds	2,051,832,113	-	-	2,051,832,113
	2,067,603,713	-	-	2,067,603,713

	(Audited) June 30, 2024			
	Level 1	Level 2	Level 3	Total
	----- Rupees -----			
Financial assets				
- measured at fair value through other comprehensive income				
Investment in listed equity securities	13,461,600	-	-	13,461,600
- measured at fair value through profit or loss				
Investment in mutual funds	1,019,801,748	-	-	1,019,801,748
	1,033,263,348	-	-	1,033,263,348

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.

16 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 23.01 percent (December 31, 2023: 44.34 percent). As at period end, all non-current assets of the Company are located within Pakistan.

17 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements (un-audited) have been approved by the Board of Directors of the Company and authorized for issue on February 26, 2025.

February 26, 2025


Raza Ellahi Shaikh
Director


Tariq Zafar Bajwa
Chief Financial Officer


Amin Ellahi Shaikh
Chief Executive Officer

If undelivered please return to:

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