

**THIRD QUARTER REPORT  
FOR THE PERIOD ENDED  
MARCH 31, 2014  
(Un-Audited)**



**NAGINA GROUP**

**NAGINA COTTON MILLS LTD.**



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# NAGINA COTTON MILLS LTD.

## COMPANY INFORMATION

### BOARD OF DIRECTORS

Mr. Shaikh Enam Ellahi	Non-Executive Director / Chairman
Mr. Tajammal Husain Bokharee	Independent Non-Executive Director
Mr. Javaid Bashir Sheikh	Non-Executive Director
Mr. Shahzada Ellahi Shaikh	Non-Executive Director
Mr. Shafqat Ellahi Shaikh	Non-Executive Director
Mr. Raza Ellahi Shaikh	Non-Executive Director
Mr. Shaukat Ellahi Shaikh	Executive Director
Mr. Shahzada Sultan Mubashir	Executive Director
Mr. Munawar Iqbal	Executive Director

### MANAGING DIRECTOR (Chief Executive)

Mr. Shaukat Ellahi Shaikh

### AUDIT COMMITTEE

Mr. Tajammal Husain Bokharee	Chairman
Mr. Shafqat Ellahi Shaikh	Member
Mr. Raza Ellahi Shaikh	Member
Mr. Shahzada Sultan Mubashir	Secretary

### HUMAN RESOURCE & REMUNERATION (HR & R) COMMITTEE

Mr. Raza Ellahi Shaikh	Chairman
Mr. Shafqat Ellahi Shaikh	Member
Mr. Shahzada Sultan Mubashir	Member
Mr. Muhammad Azam	Secretary

### EXECUTIVE COMMITTEE

Mr. Shaikh Enam Ellahi	Chairman
Mr. Shahzada Ellahi Shaikh	Member
Mr. Shaukat Ellahi Shaikh	Member
Mr. Shafqat Ellahi Shaikh	Member
Mr. Muhammad Azam	Secretary

### CORPORATE SECRETARY

Mr. Shahzada Sultan Mubashir

### CHIEF FINANCIAL OFFICER (CFO)

Mr. Tariq Zafar Bajwa

### AUDITORS

Messrs M. Yousuf Adil Saleem & Co.  
Chartered Accountants

### LEGAL ADVISOR

Makhdoom & Makhdoom Advocates

### LEAD BANKERS

Albaraka Bank (Pakistan) Ltd.  
Allied Bank Ltd.  
Askari Bank Ltd.  
Bank Alfalah Ltd.  
Faysal Bank Ltd.  
Habib Bank Ltd.  
Habib Metropolitan Bank Ltd.  
HSBC Bank Middle East Ltd.  
Industrial Development Bank of Pakistan  
MCB Bank Ltd.  
National Bank of Pakistan  
Samba Bank Ltd.  
Standard Chartered Bank (Pakistan) Ltd.  
The Bank of Punjab  
United Bank Ltd.

### REGISTERED OFFICE

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

### WEB REFERENCE

[www.nagina.com](http://www.nagina.com)

### SHARE REGISTRAR

M/s Hameed Majeed Associates (Pvt.) Ltd.  
5<sup>th</sup> 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



**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 3<sup>rd</sup> quarter of the financial year 2013-14 ended on March 31, 2014. The comparative figures for the corresponding quarter ended March 31, 2013 are included for comparison, except in balance sheet where figures are for the year ended on June 30, 2013.

**Company Performance**

The Company has been able to announce profitable results despite stiff competition and other various challenges. Profits after tax for the 3<sup>rd</sup> quarter under review clocked at Rs.19,489,261 or 1.68% of sales compared to Rs.175,666,540 or 14.30% of sales over the corresponding quarter. Earning per share (EPS) is Rs.1.04 compared to Rs.9.39 during the corresponding quarter.

During the period under review the Company experienced the drop in revenue with Sales recorded at Rs.1,157,718,697 compared to Rs.1,228,832,799 over the corresponding quarter down by 5.79%. Cost of sales rose by 12.67% due to increase in raw cotton prices and surge in energy costs and wages during the period under review. Decrease in sales and rise in production costs caused the drop in the Gross profit (G.P) from 23.16% to 8.11% of sales.

Operating expenses decreased from 6.32% of sales to 4.91% during the period under review compared to previous quarter. Financial costs dropped from 1.67% of sales to 1.38% of sales in giving much required 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.

The Company is regularly investing in expansion, balancing, modernization and replacement (BMR) of its plant and machinery and other fixed assets. During the quarter under review, the Company has invested Rs.25,239,114 in BMR and other assets.



## **NAGINA COTTON MILLS LTD.**

### **Future Outlook**

Strong competition from competing countries has caused reduction in yarn prices, whereas prices of raw material and costs of inputs are rising. Appreciation of Pakistani Rupee verses US dollar is hurting the export business. The Company has experienced load shedding of gas for the past few months. The performance over the next quarter may be affected due to these adverse factors. Management is fully aware of these challenges and is very much vigilant about the situation and will strive to achieve profitability.

### **Acknowledgement**

The continued good results have been possible due to continued diligence and devotion of the staff and workers of the Company and the continued good human relations at all levels deserve acknowledgement. The Directors also wish to place on record their gratitude to the bankers for their continued support to the Company.

On behalf of the Board.

A handwritten signature in black ink, appearing to read "Shaukat Ellahi Shaikh".

**Shaukat Ellahi Shaikh**  
Mg. Director (Chief Executive)

April 24, 2014



# NAGINA COTTON MILLS LTD.

## CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2014

	(Un-Audited) March 31, 2014	(Audited) June 30, 2013
Note	-----Rupees-----	
<b>EQUITY AND LIABILITIES</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
Authorized capital 50,000,000 (June 30, 2013: 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	<b>187,000,000</b>	187,000,000
Capital reserves	<b>253,964,417</b>	253,964,417
Accumulated profit	<b>1,395,982,676</b>	1,341,914,922
<b>Total Equity</b>	<b>1,836,947,093</b>	1,782,879,339
<b>LIABILITIES</b>		
<b>NON-CURRENT LIABILITIES</b>		
Long Term Finances	<b>462,782,292</b>	480,228,900
Liabilities against assets subject to finance lease	<b>199,850</b>	536,472
Employees retirement benefits	<b>51,601,975</b>	49,237,466
	<b>514,584,117</b>	530,002,838
<b>CURRENT LIABILITIES</b>		
Trade and other payables	<b>238,204,916</b>	215,226,887
Accrued interest / mark-up	<b>18,578,384</b>	17,622,203
Short term borrowings	<b>97,451,552</b>	5,563,284
Current portion of long term finances	<b>117,643,791</b>	100,305,068
Current portion of liabilities against assets subject to finance lease	<b>508,902</b>	1,001,842
	<b>472,387,545</b>	339,719,284
<b>TOTAL LIABILITIES</b>	<b>986,971,662</b>	869,722,122
<b>CONTINGENCIES AND COMMITMENTS</b>	<b>6</b>	
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><b>2,823,918,755</b></u>	<u>2,652,601,461</u>

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

April 24, 2014

  
**Shahzada Ellahi Shaikh**  
 Director



# NAGINA COTTON MILLS LTD.

		(Un-Audited) March 31, 2014	(Audited) June 30, 2013
	Note	-----Rupees-----	
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	1,090,220,651	1,014,527,118
Investment properties		15,506,117	15,757,577
Long term deposits		1,233,829	1,317,729
		<b>1,106,960,597</b>	<b>1,031,602,424</b>
<b>CURRENT ASSETS</b>			
Stores and spares		28,845,237	16,139,978
Stock-in-trade		1,323,067,522	722,790,632
Trade debts		134,570,075	818,841,751
Loans and advances		72,578,388	40,415,677
Short term deposits and prepayments		6,751,566	1,860,187
Other receivables		2,927,329	1,256,016
Other financial assets		114,171,102	-
Sales tax refundable		25,176,306	18,249,799
Cash and bank balances		8,870,633	1,444,997
		<b>1,716,958,158</b>	<b>1,620,999,037</b>
<b>TOTAL ASSETS</b>		<b>2,823,918,755</b>	<b>2,652,601,461</b>

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

  
**Shaukat Ellahi Shaikh**  
 Mg. Director (Chief Executive)



# NAGINA COTTON MILLS LTD.

## CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2014

	Note	Nine Months Ended		Quarter Ended	
		March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
		.....Rupees.....		.....Rupees.....	
Sales		3,581,889,967	3,239,181,077	1,157,718,697	1,228,832,799
Cost of goods sold	8	(3,082,713,396)	(2,558,389,893)	(1,063,825,307)	(944,187,923)
<b>Gross profit</b>		<b>499,176,571</b>	<b>680,791,184</b>	<b>93,893,390</b>	<b>284,644,876</b>
Distribution cost		(100,660,448)	(90,896,564)	(33,110,460)	(33,102,835)
Administrative expenses		(64,566,796)	(53,268,834)	(21,714,991)	(16,906,679)
Other operating expenses		(19,637,762)	(42,106,429)	(1,972,380)	(27,630,965)
		(184,865,006)	(186,271,827)	(56,797,831)	(77,640,479)
		<b>314,311,565</b>	<b>494,519,357</b>	<b>37,095,559</b>	<b>207,004,397</b>
Other Income		12,859,161	25,425,901	5,447,926	1,768,495
<b>Operating profit</b>		<b>327,170,726</b>	<b>519,945,258</b>	<b>42,543,485</b>	<b>208,772,892</b>
Finance cost		(68,531,004)	(59,292,254)	(15,997,243)	(20,484,790)
<b>Profit before taxation</b>		<b>258,639,722</b>	<b>460,653,004</b>	<b>26,546,242</b>	<b>188,288,102</b>
Provision for taxation - Current		(17,571,968)	(33,304,024)	(7,056,981)	(12,621,562)
<b>Profit after taxation</b>		<b>241,067,754</b>	<b>427,348,980</b>	<b>19,489,261</b>	<b>175,666,540</b>
<b>Other comprehensive income</b>					
Items that may be reclassified subsequently to profit and loss account		-	-	-	-
Items that will not be reclassified subsequently to profit and loss account					
Actuarial gain / (loss)	3.1	-	-	-	-
<b>Total comprehensive income for the period</b>		<b>241,067,754</b>	<b>427,348,980</b>	<b>19,489,261</b>	<b>175,666,540</b>
<b>Earnings per share - basic and diluted</b>		<b>12.89</b>	<b>22.85</b>	<b>1.04</b>	<b>9.39</b>

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

**Shahzada Ellahi Shaikh**  
Director

**Shaukat Ellahi Shaikh**  
Mg. Director (Chief Executive)

April 24, 2014





# NAGINA COTTON MILLS LTD.

## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2014

	Nine Months Ended	
	March 31 2014	'March 31 2013
	.....Rupees.....	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	258,639,722	460,653,004
Adjustments for:		
Depreciation	73,120,802	53,234,715
Provision for employees retirement benefits	11,702,570	7,353,269
Loss/(Gain) on disposal of property, plant and equipment	(694,225)	1,379,446
Gain on sale of other financial assets	(703,090)	(16,910,834)
Finance cost	68,531,004	59,292,254
	<b>410,596,783</b>	<b>565,001,854</b>
Changes in working capital		
Decrease / (increase) in current assets:		
Stores and spares	(12,705,259)	69,815
Stock-in-trade	(600,276,890)	(851,824,678)
Trade debts	684,271,676	306,615,755
Loans and advances	(2,210,834)	(10,304,819)
Short term deposits and prepayments	(4,891,379)	(2,786,899)
Other receivables	(1,671,313)	16,517
Sales tax refundable	(6,926,507)	(5,386,023)
Increase/(decrease) in current liabilities		
Trade and other payables	22,978,029	97,558,404
	<b>78,567,523</b>	<b>(466,041,928)</b>
<b>Cash generated from / (used in) operations</b>	<b>489,164,306</b>	<b>98,959,926</b>
(Payments made) / receipts of:		
Employees retirement benefits	(9,338,061)	(7,148,932)
Finance cost	(67,574,823)	(59,822,313)
Income taxes	(47,523,845)	(44,062,159)
Long term deposits	83,900	228,671
<b>Net cash generated from / (used in) operating activities</b>	<b>A</b>	<b>(11,844,807)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(151,561,650)	(105,963,444)
Proceeds from disposal of property, plant and equipment	3,693,000	12,291,856
Purchase of other financial assets	(225,500,000)	(1,648,645,057)
Proceeds from sale of other financial assets	112,031,988	1,735,715,960
<b>Net cash used in investing activities</b>	<b>B</b>	<b>(6,600,685)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term finances obtained	96,316,408	64,399,215
Repayment of long term finances	(96,424,293)	(58,865,172)
Repayment of principal portion of liabilities against assets subject to finance lease	(829,562)	(1,990,796)
Net increase / (decrease) in short term borrowings excluding running finances	83,186,046	(20,724,000)
Dividend paid	(187,000,000)	(93,500,000)
<b>Net cash used in financing activities</b>	<b>C</b>	<b>(110,680,753)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(A+B+C)</b>	<b>(129,126,245)</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>(553,179)</b>	<b>43,224,555</b>
<b>Cash and cash equivalents at end of the period</b>	<b>(1,829,765)</b>	<b>(85,901,690)</b>
<b>Cash and cash equivalents</b>		
Cash and bank balances	8,870,633	2,163,762
Short term running finances	(10,700,398)	(88,065,452)
	<b>(1,829,765)</b>	<b>(85,901,690)</b>

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

**Shahzada Ellahi Shaikh**  
Director

**Shaukat Ellahi Shaikh**  
Mg. Director (Chief Executive)

April 24, 2014



# NAGINA COTTON MILLS LTD.

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2014

	Issued, subscribed and paid up share capital	Capital reserves		Revenue reserve	Total
		Amalgamation reserve	Redemption reserve fund	Accumulated profit	
-----Rupees-----					
<b>Balance as at June 30, 2012 (Audited)</b>	187,000,000	12,104,417	241,860,000	830,262,465	1,271,226,882
<b>Comprehensive income</b>					
Profit after taxation	-	-	-	427,348,980	427,348,980
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive income for the nine months ended March 31, 2013</b>	-	-	-	427,348,980	427,348,980
<b>Transactions with owners</b>					
Final dividend for the year ended June 30, 2012 @ 50% i.e. Rs. 5.00 per ordinary share	-	-	-	(93,500,000)	(93,500,000)
<b>Balance as at March 31, 2013 (Un-audited)</b>	<b>187,000,000</b>	<b>12,104,417</b>	<b>241,860,000</b>	<b>1,164,111,445</b>	<b>1,605,075,862</b>
<b>Comprehensive income</b>					
Profit after taxation	-	-	-	177,803,477	177,803,477
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive income for the quarter ended June 30, 2013</b>	-	-	-	177,803,477	177,803,477
<b>Balance as at June 30, 2013 (Audited)</b>	<b>187,000,000</b>	<b>12,104,417</b>	<b>241,860,000</b>	<b>1,341,914,922</b>	<b>1,782,879,339</b>
<b>Comprehensive income</b>					
Profit after taxation	-	-	-	241,067,754	241,067,754
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive income for the nine months ended March 31, 2014</b>	-	-	-	241,067,754	241,067,754
<b>Transactions with owners</b>					
Final dividend for the year ended June 30, 2013 @ 100% i.e. Rs. 10.00 per ordinary share	-	-	-	(187,000,000)	(187,000,000)
<b>Balance as at March 31, 2014 (Un-audited)</b>	<b>187,000,000</b>	<b>12,104,417</b>	<b>241,860,000</b>	<b>1,395,982,676</b>	<b>1,836,947,093</b>

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

**Shahzada Ellahi Shaikh**  
Director

**Shaukat Ellahi Shaikh**  
Mg. Director (Chief Executive)

April 24, 2014



## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 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 2nd floor, Sheikh Sultan Trust Building No.2, Beaumont Road, Karachi in the province of Sindh and the manufacturing facilities are located in Kotri Industrial Trading Estate in the Province of Sindh.

### 2 STATEMENT OF COMPLIANCE

2.1 This un-audited condensed interim financial information of the Company for the nine months ended March 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, these should be read in conjunction with the annual financial statements of the Company for the year ended June 30, 2013.

2.2 The condensed interim financial information has been prepared under 'historical cost convention' except employee benefit obligation which have been included at present value and other financial assets which are investments designated at fair value through profit or loss at inception or held for trading. These are initially measured at fair value and changes on re-measurement are taken to profit and loss account.

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

2.4 The comparative balance sheet presented has been extracted from annual financial statements for the year ended June 30, 2013, whereas comparative condensed profit and loss account, condensed cash flow statement and condensed statement of changes in equity are stated from the unaudited condensed interim financial information for the nine months ended March 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, 2013. except as disclosed in note 3.1.

#### 3.1 Change in accounting policy

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

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

### 4 ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the condensed interim financial information in conformity with approved accounting standards as applicable in Pakistan for interim financial reporting requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revision to accounting estimates are recognized prospectively commencing from the period of revision.

In preparing this condensed interim financial information, the significant judgments made by the management in applying the Company's accounting policies and the key source of estimation and uncertainty were the same as those that applied to the financial statements as at and for the year ended June 30, 2013.

### 5 FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2013.



# NAGINA COTTON MILLS LTD.

## 6 CONTINGENCIES AND COMMITMENTS

### 6.1 Contingencies

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

		(Un-audited) March 31, 2014	(Audited) June 30, 2013
	Note	-----Rupees-----	
<b>6.2 Commitments</b>			
Civil work		9,579,838	17,906,691
Stores and spares		917,893	36,070,882
Machinery		<u>15,215,160</u>	<u>85,487,483</u>
		<u>25,712,891</u>	<u>139,465,056</u>
Commitments for rentals of assets under operating lease agreements as at March 31,2014			
- Not later than one year		<u>781,023</u>	<u>727,466</u>
		<u><u>26,493,914</u></u>	<u><u>140,192,522</u></u>
<b>7 PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets			
Owned	7.1	<u>943,381,164</u>	<u>820,049,417</u>
Leased	7.2	<u>1,584,505</u>	<u>2,216,017</u>
		<u>944,965,669</u>	<u>822,265,434</u>
Capital work in progress	7.3	<u>145,254,982</u>	<u>192,261,684</u>
		<u><u>1,090,220,651</u></u>	<u><u>1,014,527,118</u></u>
<b>7.1 Operating fixed assets - Owned</b>			
Opening written down value		820,049,417	688,306,698
Additions during the period / year			
Land - lease hold		<u>1,066,050</u>	<u>1,281,249</u>
Mill building on lease hold land		<u>10,183,896</u>	<u>965,572</u>
Plant and machinery		<u>159,292,115</u>	<u>187,973,836</u>
Electric installation and equipment		<u>23,177,203</u>	<u>3,286,564</u>
Gas Installations		<u>99,964</u>	<u>306,616</u>
Furniture and fittings		<u>445,054</u>	<u>1,398,058</u>
Office equipment		<u>708,364</u>	<u>919,870</u>
Vehicles		<u>3,595,706</u>	<u>30,053,973</u>
		<u>198,568,352</u>	<u>226,185,738</u>
Written down value of property, plant and equipment transferred from leased assets		<u>335,118</u>	<u>2,714,651</u>
Written down value of property, plant and equipment disposed off		<u>(2,998,775)</u>	<u>(23,765,568)</u>
Depreciation charged during the period/year		<u>(72,572,948)</u>	<u>(73,392,102)</u>
Written down value at end of the period/year		<u><u>943,381,164</u></u>	<u><u>820,049,417</u></u>
<b>7.2 Operating fixed assets - Leased</b>			
Opening written down value		2,216,017	5,826,720
Written down value of property, plant and equipment transferred to owned assets		<u>(335,118)</u>	<u>(2,714,651)</u>
Depreciation charged during the period/year		<u>(296,394)</u>	<u>(896,052)</u>
Written down value at end of the period/year		<u><u>1,584,505</u></u>	<u><u>2,216,017</u></u>
<b>7.3 Capital work in progress</b>			
Opening Balance		192,261,684	19,917,073
Additions during the period / year		<u>142,734,657</u>	<u>363,301,603</u>
Transfers during the period / year		<u>(189,741,359)</u>	<u>(190,956,992)</u>
Closing Balance		<u><u>145,254,982</u></u>	<u><u>192,261,684</u></u>



## NAGINA COTTON MILLS LTD.

	Nine Months Ended (Un-audited)		Quarter Ended (Un-audited)	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
	.....Rupees .....		.....Rupees .....	
<b>8 COST OF GOODS SOLD</b>				
Raw material consumed	2,393,820,500	1,974,498,918	756,318,012	700,895,526
Packing material consumed	57,358,285	50,703,154	19,901,213	17,049,463
Stores and spares consumed	94,976,229	36,341,120	33,343,713	12,745,287
Salaries, wages and benefits	244,659,098	200,992,349	74,848,395	66,279,641
Fuel	243,986,414	197,633,006	89,184,392	68,449,032
Rent, rates and taxes	443,663	323,666	172,586	134,401
Insurance	8,596,158	6,958,177	3,054,645	2,538,265
Repairs and maintenance	5,042,878	4,847,914	1,378,579	1,592,030
Depreciation	65,514,335	48,724,181	23,082,325	16,511,068
Other manufacturing overheads	5,576,138	7,412,656	3,530,407	2,828,369
	<b>3,119,973,698</b>	<b>2,528,435,141</b>	<b>1,004,814,267</b>	<b>889,023,082</b>
Work-in-process:				
At beginning of period	50,665,531	41,643,960	55,959,803	50,996,102
At end of period	(42,643,950)	(45,049,557)	(42,643,950)	(45,049,557)
	<b>8,021,581</b>	<b>(3,405,597)</b>	<b>13,315,853</b>	<b>5,946,545</b>
	<b>3,127,995,279</b>	<b>2,525,029,544</b>	<b>1,018,130,120</b>	<b>894,969,627</b>
Finished stocks:				
At beginning of period	26,415,128	43,416,794	117,392,198	70,059,271
Purchase of finished goods	5,460,000	10,784,530	5,460,000	-
At end of period	(77,157,011)	(20,840,975)	(77,157,011)	(20,840,975)
	<b>(45,281,883)</b>	<b>33,360,349</b>	<b>45,695,187</b>	<b>49,218,296</b>
	<b>3,082,713,396</b>	<b>2,558,389,893</b>	<b>1,063,825,307</b>	<b>944,187,923</b>

## 9 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of associated companies, directors of the Company and key management personnel. The Company enters into transactions with various related parties at agreed terms. The transactions with related parties during the period generally consist of sales and purchases.

Nature and description of related party transactions during the period along with monetary values are as follows:

Nature of Relationship	Nature of Transaction	Nine Months ended (Un-audited)	
		March 31 2014	March 31 2013
		.....Rupees.....	
Associated companies	Purchase of goods and services	5,682,448	9,341,840
	Sale of goods and services	11,054,862	31,500,000
	Rental Income	828,000	995,000
	Dividend Paid	30,605,420	15,302,710
Key Management Personnel	Remuneration and other benefits	5,828,240	5,468,836
Directors, family members of directors and key management personnel	Dividend Paid	139,352,340	69,676,180

Transactions with related parties are carried out at arm's length in normal course of business. The consideration is computed on commercial terms and conditions. There is no balance outstanding with or from associated undertakings, as at reporting date.



## NAGINA COTTON MILLS LTD.

### 10 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information have been approved by the Board of Directors of the Company and authorized for issue on April 24, 2014.

### 11 CORRESPONDING FIGURES

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

April 24, 2014

**Shahzada Ellahi Shaikh**  
Director

**Shaukat Ellahi Shaikh**  
Mg. Director (Chief Executive)

**BOOK POST**

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