

**FIRST QUARTER REPORT  
FOR THE PERIOD ENDED  
SEPTEMBER 30, 2014  
(Un-Audited)**



**NAGINA COTTON MILLS LTD.**



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# NAGINA COTTON MILLS LTD.

## COMPANY INFORMATION

### BOARD OF DIRECTORS

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

### MANAGING DIRECTOR (Chief Executive)

Mr. Shaukat Ellahi Shaikh

### AUDIT COMMITTEE

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

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

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

### EXECUTIVE COMMITTEE

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

### CORPORATE SECRETARY

Mr. Shahzada Sultan Mubashir

### CHIEF FINANCIAL OFFICER (CFO)

Mr. Tariq Zafar Bajwa

### AUDITORS

Messrs M. Yousuf Adil Saleem & Co.  
Chartered Accountants

### LEGAL ADVISOR

Makhdoom & Makhdoom Advocates

### LEAD BANKERS

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

### REGISTERED OFFICE

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

### WEB REFERENCE

[www.nagina.com](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 1<sup>st</sup> quarter of the financial year 2014-15 ended on September 30, 2014. The comparative figures for the corresponding quarter ended September 30, 2013 are included for comparison, except in balance sheet where figures are for the year ended on June 30, 2014.

### **Company Performance**

The Company earned a profit after tax of Rs. 36,211,555 or 3.15% of sales during the current 1<sup>st</sup> quarter of the year compared to Rs. 128,092,578 or 10.14% of sales for the corresponding 1<sup>st</sup> quarter of last year. Earning per share (EPS) for the quarter is Rs. 1.94 compared to Rs. 6.85 for the 1<sup>st</sup> quarter of last year.

During the period under review the Company's revenue dropped by 8.89% and sales were recorded at Rs.1,150,618,745 compared to Rs.1,262,829,841. Severe competition in the international and local markets, appreciation of Pakistani Rupee against US Dollar caused the erosion in unit prices and drop in revenues of the Company. Cotton prices fell quarter-on-quarter basis and helped in achieving profits for the company. However increase in energy costs and wages during the period caused the rise in cost of production. Decrease in sales and rise in production costs caused the drop in the gross profit (G.P) from 18.17% of sales to 9.79% of sales quarter-on-quarter.

Operating expenses decreased from 5.32% of sales to 5.03% of sales while finance costs decreased by 11.91% quarter-on-quarter 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.

### **Future Outlook**

Strong competition from competing countries has caused reduction in yarn prices. The unit prices of yarn are still falling. Cotton prices are showing increased volatility both in the international and Pakistani markets. World cotton prices are depressed and predicted to fall further. The raw cotton prices in Pakistan have also experienced a fall. Pakistani Rupee has devalued against US\$ since the start of the financial year. These factors have created an uncertain environment for export-oriented sector. Management has developed a strategy to limit the effects of increased volatility by booking profits wherever possible by increased efforts in exports and fixing the cost of raw material. Management is concerned about the ever-increasing energy costs and frequent load shedding of gas due to which cost of inputs is rising. Wages and salaries are rising continuously. The Board of Directors is cognizant of these facts and strives to take all necessary steps to protect the interests of the Company.



## **NAGINA COTTON MILLS LTD.**

### **Acknowledgement**

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

On behalf of the Board.

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

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

October 28, 2014



# NAGINA COTTON MILLS LTD.

## CONDENSED INTERIM BALANCE SHEET AS AT SEPTEMBER 30, 2014

	(Un-Audited) September 30 2014	(Audited) June 30 2014
	Note	-----Rupees-----
<b>EQUITY AND LIABILITIES</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
Authorized capital 50,000,000 (June 30, 2014: 50,000,000) Ordinary shares of Rs. 10 each	<u>500,000,000</u>	<u>500,000,000</u>
Issued, subscribed and paid up capital	187,000,000	187,000,000
Capital reserves	253,964,417	253,964,417
Accumulated profit	1,438,059,756	1,401,848,201
<b>Total equity</b>	<u>1,879,024,173</u>	<u>1,842,812,618</u>
<b>LIABILITIES</b>		
<b>NON-CURRENT LIABILITIES</b>		
Long term finances	391,557,326	427,024,977
Employees retirement benefits	60,605,041	59,076,666
	<u>452,162,367</u>	<u>486,101,643</u>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	336,802,783	241,340,902
Accrued interest / mark-up	11,306,800	12,916,435
Short term borrowings	117,250,372	193,523,821
Current portion of long term finances	109,227,462	106,506,189
Current portion of liabilities against assets subject to finance lease	-	452,476
	<u>574,587,417</u>	<u>554,739,823</u>
<b>TOTAL LIABILITIES</b>	<u>1,026,749,784</u>	<u>1,040,841,466</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	6	-
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>2,905,773,957</u>	<u>2,883,654,084</u>

The annexed explanatory notes from 1 to 12 form part of the condensed interim financial information.

October 28, 2014

  
**Shahzada Ellahi Shaikh**  
Director



# NAGINA COTTON MILLS LTD.

	(Un-Audited) September 30 2014	(Audited) June 30 2014
Note	-----Rupees-----	
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	7 <b>1,067,470,127</b>	1,088,031,051
Investment properties	<b>15,342,668</b>	15,422,297
Long term deposits	<b>1,033,979</b>	1,233,829
	<b>1,083,846,774</b>	1,104,687,177
<b>CURRENT ASSETS</b>		
Stores and spares	<b>31,054,920</b>	19,991,364
Stock-in-trade	<b>805,436,122</b>	638,772,492
Trade debts	<b>202,226,072</b>	207,322,038
Loans and advances	<b>138,134,753</b>	91,280,479
Prepayments	<b>5,117,580</b>	2,291,733
Other receivables	<b>7,696,658</b>	1,750,044
Other financial assets	<b>589,128,363</b>	785,681,725
Sales tax refundable	<b>33,428,570</b>	27,457,990
Cash and bank balances	<b>9,704,145</b>	4,419,042
	<b>1,821,927,183</b>	1,778,966,907
<b>TOTAL ASSETS</b>	<b><u>2,905,773,957</u></b>	<b><u>2,883,654,084</u></b>

The annexed explanatory notes from 1 to 12 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 QUARTER ENDED SEPTEMBER 30, 2014

	Quarter Ended	
	September 30 2014	September 30 2013
	.....Rupees.....	
Sales	1,150,618,745	1,262,829,841
Cost of sales	8 (1,037,958,298)	(1,033,354,413)
<b>Gross profit</b>	<b>112,660,447</b>	<b>229,475,428</b>
Distribution cost	(30,020,207)	(34,482,966)
Administrative expenses	(24,122,258)	(21,877,650)
Other operating expenses	(3,713,465)	(10,802,239)
	(57,855,930)	(67,162,855)
	<b>54,804,517</b>	<b>162,312,573</b>
Other income	15,960,599	3,580,674
<b>Operating profit</b>	<b>70,765,116</b>	<b>165,893,247</b>
Finance cost	(21,839,116)	(24,790,710)
<b>Profit before taxation</b>	<b>48,926,000</b>	<b>141,102,537</b>
Provision for taxation	(12,714,445)	(13,009,959)
<b>Profit after taxation</b>	<b>36,211,555</b>	<b>128,092,578</b>
Other comprehensive income	-	-
<b>Total comprehensive income for the period</b>	<b>36,211,555</b>	<b>128,092,578</b>
<b>Earnings per share - basic and diluted</b>	<b>1.94</b>	<b>6.85</b>

The annexed explanatory notes from 1 to 12 form part of the condensed interim financial information.

Shahzada Ellahi Shaikh  
Director

October 28, 2014

Shaukat Ellahi Shaikh  
Mg. Director (Chief Executive)





# NAGINA COTTON MILLS LTD.

## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2014

	Quarter Ended	
	September 30 2014	September 30 2013
	.....Rupees.....	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	48,926,000	141,102,537
Adjustments for:		
Depreciation	27,363,512	22,379,724
Provision for employees retirement benefits	5,162,828	3,900,856
Loss/(Gain) on disposal of property, plant and equipment	(129,894)	7,174
Gain on sale of other financial assets	(4,898,824)	-
Un-realized (Gain)/Loss on revaluation of FCY short term loan (FE-25)	5,724,230	-
Un-realized Gain on other financial assets	(7,229,540)	-
Finance cost	21,839,116	24,790,710
	47,831,428	51,078,464
Changes in working capital	96,757,428	192,181,001
Decrease / (increase) in current assets:		
Stores and spares	(11,063,556)	(6,423,722)
Stock-in-trade	(166,663,630)	(36,242,228)
Trade debts	5,095,966	(57,541,948)
Loans and advances	(45,956,178)	(54,796,606)
Prepayments	(2,825,847)	(3,755,703)
Other receivables	(5,946,614)	(207,100)
Sales tax refundable	(5,970,580)	(8,276,756)
	(233,330,439)	(167,244,063)
Increase / (Decrease) in current Liabilities		
Trade and other payables	95,461,881	58,669,430
	(137,868,558)	(108,574,633)
Cash (used in) / generated from operations	(41,111,130)	83,606,368
(Payments made) / receipts of:		
Employees retirement benefits	(3,634,453)	(1,574,177)
Finance cost	(23,448,751)	(26,556,648)
Income taxes	(13,612,542)	(11,976,294)
Long term deposits	199,850	83,900
<b>Net cash (used in) / generated from operating activities</b>	<b>(81,607,026)</b>	<b>43,583,149</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(7,104,965)	(16,271,664)
Proceeds from disposal of property, plant and equipment	511,900	795,000
Purchase of other financial assets	(1,141,000,000)	-
Proceeds from sale of other financial assets	564,000,000	-
<b>Net cash used in investing activities</b>	<b>(583,593,065)</b>	<b>(15,476,664)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term finances obtained	-	3,308,622
Repayment of long term finances	(32,746,378)	(26,896,756)
Repayment of principal portion of liabilities against assets subject to finance lease	(452,476)	(338,521)
Net decrease in short term borrowings excluding running finances	(153,598,008)	(3,404,010)
<b>Net cash used in financing activities</b>	<b>(186,796,862)</b>	<b>(27,330,665)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(851,996,953)</b>	<b>775,820</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>775,556,721</b>	<b>(553,179)</b>
<b>Cash and cash equivalents at end of the period</b>	<b>(76,440,232)</b>	<b>222,641</b>
<b>Cash and cash equivalents</b>		
Cash and bank balances	9,704,145	1,783,187
Short term running finances	(86,144,377)	(1,560,546)
	(76,440,232)	222,641

The annexed explanatory notes from 1 to 12 form part of the condensed interim financial information.

**Shahzada Ellahi Shaikh**  
Director

October 28, 2014

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



# NAGINA COTTON MILLS LTD.

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2014

	Paid up share capital	Capital reserves		Revenue reserve	Total
		Amalgamation reserve	Redemption reserve fund	Accumulated profit	
----- Rupees -----					
<b>Balance as at June 30, 2013 (Audited)</b>	187,000,000	12,104,417	241,860,000	1,341,914,922	1,782,879,339
<b>Comprehensive income</b>					
Profit after taxation	-	-	-	128,092,578	128,092,578
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive income for the period</b>	-	-	-	128,092,578	128,092,578
<b>Transactions with owners</b>					
Final dividend for the year ended June 30, 2013 @ 100% i.e. Rs. 10 per ordinary share	-	-	-	(187,000,000)	(187,000,000)
<b>Balance as at September 30, 2013 (Un-audited)</b>	<u>187,000,000</u>	<u>12,104,417</u>	<u>241,860,000</u>	<u>1,283,007,500</u>	<u>1,723,971,917</u>
<b>Comprehensive income</b>					
Profit after taxation	-	-	-	125,740,354	125,740,354
Other comprehensive income	-	-	-	(6,899,653)	(6,899,653)
<b>Total comprehensive income for the period</b>	-	-	-	118,840,701	118,840,701
<b>Balance as at June 30, 2014 (Audited)</b>	<u>187,000,000</u>	<u>12,104,417</u>	<u>241,860,000</u>	<u>1,401,848,201</u>	<u>1,842,812,618</u>
<b>Comprehensive income</b>					
Profit after taxation	-	-	-	36,211,555	36,211,555
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive income for the period</b>	-	-	-	36,211,555	36,211,555
<b>Balance as at September 30, 2014 (Un-audited)</b>	<u>187,000,000</u>	<u>12,104,417</u>	<u>241,860,000</u>	<u>1,438,059,756</u>	<u>1,879,024,173</u>

The annexed explanatory notes from 1 to 12 form part of the condensed interim financial information.

October 28, 2014

  
**Shahzada Ellahi Shaikh**  
 Director

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



## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 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. The principal activities of the Company is to manufacture and sale of cotton and blended yarn. The registered office of the Company is situated at 2nd floor, Sheikh Sultan Trust Building No.2, Beaumont Road, Karachi in the province of Sindh and the manufacturing facilities are located in Kotri Industrial Trading Estate in the Province of Sindh.

### 2. STATEMENT OF COMPLIANCE

2.1 This condensed interim financial information of the Company for the First Quarter ended September 30, 2014 have 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 does not include all of the information required for the full financial statements and, therefore, this should be read in conjunction with the annual financial statements of the Company for the year ended June 30, 2014.

2.2 The condensed interim financial information has been prepared under 'historical cost convention' except employee benefit obligation which have been included at present value 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 Pakistan 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, 2014, whereas comparative condensed profit and loss account, condensed cash flow statement and condensed statement of changes in equity are stated from the unaudited condensed interim financial information for the First Quarter ended September 30, 2013.

### 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies, applied in the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Company for the year ended June 30, 2014.

### 4. ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the condensed interim financial information in conformity with approved accounting standards as applicable in Pakistan for interim financial reporting requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are 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, 2014.

### 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, 2014.



# 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 annual financial statements for the year ended June 30, 2014, except bills discounted.

### 6.2 Commitments

	(Un-audited ) September 30 2014	(Audited) June 30 2014
	..... Rupees .....	
Stores and spares	6,644,945	9,270,487
Machinery	3,850,000	6,481,960
Civil Work	10,837,367	10,837,367
	<u>21,332,312</u>	<u>26,589,814</u>
Commitments for rentals of assets under operating lease agreements as at September 30, 2014		
Not later than one year	1,640,134	1,902,066
Later than one year and not later than five year	-	558,135
	<u>22,972,446</u>	<u>29,050,015</u>

## 7 PROPERTY, PLANT AND EQUIPEMENT

### Operating fixed assets

Owned	7.1	1,050,471,359	1,060,717,809
Leased	7.2	1,212,529	1,491,299
		1,051,683,888	1,062,209,108
Capital work in progress	7.3	15,786,239	25,821,943
		<u>1,067,470,127</u>	<u>1,088,031,051</u>

### 7.1 Operating fixed assets - Owned

Opening written down value		1,060,717,809	820,049,417
Additions during the period / year			
Land - lease hold		-	1,066,050
Mills building on lease hold land		1,871,222	24,187,392
Machinery and equipment		10,135,781	282,647,611
Electric installation and equipment		359,764	31,053,215
Gas Installations		-	99,964
Furniture and fittings		174,750	494,870
Office equipment		300,135	1,313,263
Vehicles		4,299,017	3,595,705
		<u>17,140,669</u>	<u>344,458,070</u>
Written down value of property, plant and equipment transferred from leased assets		207,862	335,118
Written down value of property, plant and equipment disposed off		(382,006)	(3,697,722)
Depreciation charged during the period/year		(27,212,975)	(100,427,074)
Written down value at end of the period/year		<u>1,050,471,359</u>	<u>1,060,717,809</u>

### 7.2 Operating fixed assets - Leased

Opening written down value		1,491,299	2,216,017
Additions during the period / year		-	-
Written down value of property, plant and equipment transferred to owned assets		(207,862)	(335,118)
Depreciation charged during the period/year		(70,908)	(389,600)
Written down value at end of the period/year		<u>1,212,529</u>	<u>1,491,299</u>

### 7.3 Capital work in progress

Opening Balance		25,821,943	192,261,684
Additions during the period / year		1,387,982	168,676,155
Transfers during the period / year		(11,423,686)	(335,115,896)
Closing Balance		<u>15,786,239</u>	<u>25,821,943</u>



# NAGINA COTTON MILLS LTD.

		Quarter Ended (Un-Audited)	
		September 30	September 30
		2014	2013
		..... Rupees .....	
<b>8. COST OF SALES</b>			
Opening stock of finished goods		43,461,944	26,415,128
Cost of goods manufactured	8.1	998,991,630	1,046,605,688
Purchase of finished goods		33,383,690	-
		<u>1,075,837,264</u>	<u>1,073,020,816</u>
Loss due to theft		(5,920,561)	-
Closing stock of finished goods		<u>(31,958,405)</u>	<u>(39,666,403)</u>
		<u>1,037,958,298</u>	<u>1,033,354,413</u>
<b>8.1 Cost of goods manufactured</b>			
Raw material consumed		738,564,412	846,891,700
Packing material consumed		18,168,067	17,497,658
Stores and spares consumed		13,677,104	12,802,704
Salaries, wages and benefits		91,540,704	86,322,182
Fuel		101,620,470	75,018,105
Rent, rates and taxes		134,823	122,182
Insurance		2,265,786	2,475,447
Repairs and maintenance		2,050,306	1,595,427
Depreciation		25,035,964	19,879,193
Other manufacturing overheads		2,685,555	288,362
		<u>995,743,191</u>	<u>1,062,892,960</u>
Work in process			
Opening stock		43,867,820	50,665,531
Closing stock		(40,619,381)	(66,952,803)
		<u>3,248,439</u>	<u>(16,287,272)</u>
		<u>998,991,630</u>	<u>1,046,605,688</u>

## 9. TRANSACTIONS WITH RELATED PARTIES

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

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

		Quarter Ended (Un-Audited)	
		September 30	September 30
		2014	2013
		..... Rupees .....	
<b>Associated Undertakings</b>			
Purchases during the period		20,776	41,888
Sale of goods and services		1,582,811	11,318,862
<b>Key Management Personnel</b>			
Remuneration and other benefits		2,130,161	1,943,710

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



## NAGINA COTTON MILLS LTD.

### 10. OTHERS

The Board of Directors in its meeting held on September 25, 2014, proposed to distribute to the Shareholders of the Company a cash dividend at the rate of sixty percent (i.e. Rs.6/- per ordinary share). The dividend is subject to the approval by the Shareholders of the Company in its forthcoming Annual General Meeting to be held on October 29, 2014.

### 11. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on October 28, 2014 by the Board of Directors of the Company.

### 12. CORRESPONDING FIGURES

Corresponding figures have been rearranged and regrouped wherever necessary for the purpose of comparison, however no significant changes have been made.

October 28, 2014

**Shahzada Ellahi Shaikh**  
Director

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



## NAGINA COTTON MILLS LTD.

### SHAREHOLDERS' INFORMATION

Dear Shareholder,

#### 1. DEDUCTION OF TAX ON DIVIDEND INCOME – FINANCE ACT, 2014

It is hereby informed that pursuant to the provisions of the Finance Act, 2014 with effect from July 1, 2014, the rates of deduction of income tax from dividend payments under the Income Tax Ordinance, 2001 have been revised as follows:

- (a) Rate of tax deduction for filer of income tax returns @10%
- (b) Rate of tax deduction for non-filer of income tax returns @15%

You are therefore, requested to please provide us the following details to enable us to deduct applicable tax on dividend income (as and when declared / paid).

Name of Shareholder	Folio No. / CDC Participant & Account #	National Tax No. (For all shareholder)	CNIC No. (for individuals only), please enclose a copy of valid CNIC, if not already provided

Non-receipt / availability of above information well in time before the payment of dividend for the year 2013-14 would force us to treat you as “non-filer” and you will be subject to deduction of income tax on dividend @15% as applicable to the non-filers.

#### 2. MANDATORY SUBMISSION OF COPY OF COMPUTERIZED NATIONAL IDENTITY CARD (CNIC)

As we have already informed through various letters/ notices in respect of submission of a copy of valid CNIC, we reiterate that in accordance with the directives of Securities and Exchange Commission of Pakistan (SECP), CNIC number is mandatory requirement to be printed on the dividend warrant. Further provision of CNIC number is obligatory on annual return (Form-A) as required under section 156 of the Companies Ordinance, 1984.

Members who have not yet submitted copy of their valid Computerized National Identity Card (CNIC) / National Tax Number (NTN) Certificate (in case of Corporate Entity) are requested to submit the same at the earliest.

Copy of CNIC/NTN may be sent directly to the Share Registrar:

M/s Hameed Majeed Associates (Pvt.) Ltd.  
5<sup>th</sup> Floor, Karachi Chambers,  
Hasrat Mohani Road,  
Karachi  
Ph # (+92-21) 32412754, 32424826  
Fax # (+92-21) 32424835

**Kindly note that in case of non-compliance of the submission of CNIC, the Company shall be constrained to withhold the dispatch of dividend warrant in future.**

**Shahzada Sultan Mubashir**  
Corporate Secretary

**BOOK POST**

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**PRINTED MATTER  
U.P.C.**

*If undelivered please return to:*

**NAGINA COTTON MILLS LTD.**

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