

**1st Quarterly Report
September 30, 2024**



NAZIR
COTTON MILLS LTD.

CONTENTS

Company Information,	02
Directors' Report (English),	03
Directors' Report (Urdu)	04
Condensed Interim Statement of Financial Position	05
Condensed Interim Statement of Profit or Loss	06
Condensed Interim Statement of Comprehensive Income	07
Condensed Interim Statement of Cash Flows	08
Condensed Interim Statement of Changes in Equity	09
Notes to and Forming Part of	
Condensed Interim Financial Statements	10-12

COMPANY'S INFORMATION

Board of Director	Mr. Muhammad Tayyab	Chief Executive Officer
	Col. Abdul Qayyum	
	Mr. Muhammad Adeel Amwer Khan	
	Mr. Tariq Javaid	
	Ms. Batool Zahra	
	Mr. Mujahid Ahmed	Independent Director
	Mr. Aftab Anwer	Independent Director
Audit Committee:	Mr. Aftab Anwer	Chairman
	Col. Abdul Qayyum	Member
	Mr. Tariq Javaid	Member
HR & R Committee:	Mr. Mujahid Ahmed	Chairman
	Mr. Muhammad Adeel Amwer Khan	Member
	Ms. Batool Zahra	Member
Chief Financial Officer:	Mr. Maqbool Hussain Bhutta	
Company Secretary:	Mr. Muhammad Faisal	
Auditors:	Kamran & Co. Chartered Accountants Apartment # A/2, Ingola Apartments 24 Jail Road, Lahore.	
Bankers:	Habib Bank Limited Muslim Commercial Bank Ltd. Al-Baraka Bank Pakistan Ltd.	
Share Registrar	Corplink (Pvt) Ltd. Wings Arcade 1-K Commercial Modal Town, Lahore. Tel: 042-3561714, 35839182, 35916719	
Registered Office:	19-B Off Zafar Ali Road, Gulberg V, Lahore. Ph: 042-35775501-02	
Mill:	8-Km, Faisalabad Road, Aslamabad, Khaareyanwala, Sheikhpura. Ph: 056-3544053	

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Results for quarter under review show a loss after tax amounting to rupees 5.482 Million after accounting for administrative expenses of Rs. 5.770 Million including depreciation of Rs. 2.404 million and other operating expenses were Rs. Nil and financial cost was also Nil.

During the quarter period ended September 30, 2024, the operation of the mills remained Closed. However, the business of dairy remains operative. During the period under consideration, sales proceeds were Rs. 392,015. The management is considering the extension of its dairy business.

The management is doing its best efforts to settle all the cases with Banks and is doing negotiation with banks and making all efforts to revive the operation of mills.

The Management is also trying to restore electricity connection to restart the production process of the mill.

The Management of the Company is hopeful that the operation of the Mill will be re-started in near future.

For and on behalf of the Board of Directors



Chief Executive Officer

Lahore
October 29, 2024

ڈائریکٹر رپورٹ

زیر جائزہ سہ ماہی کے نتائج 5.482 ملین روپے کے انتظامی اخراجات کے حساب سے ٹیکس کے بعد نقصان کو ظاہر کرتے ہیں۔ 5.770 ملین روپے کی فرسودگی سمیت 2.404 ملین اور دیگر آپریٹنگ اخراجات روپے تھے۔ صفر اور مالی لاگت بھی صفر تھی

ستمبر 2024 کو ختم ہونے والی سہ ماہی کی مدت کے دوران، ملوں کا آپریشن بند رہا۔ 30 کمپنی نے ڈیری کا کاروبار شروع کیا ہے۔ زیر غور مدت کے دوران، فروخت کی کارروائی 392,015 روپے تھی۔ انتظامیہ ڈیری کے کاروبار کو بڑھانے کی کوشش کر رہی ہے۔


انتظامیہ اپنی مین لائن آف بزنس یعنی اسپننگ کو دوبارہ شروع کرنے کے لیے بجلی کے کنکشن کو محفوظ بنانے کی بھی کوشش کر رہی ہے۔

انتظامیہ بینکوں کے ساتھ تمام معاملات کو حل کرنے کی پوری کوشش کر رہی ہے اور بینکوں کے ساتھ گفت و شنید کر رہی ہے اور مل کے آپریشن کا جائزہ لینے کی تمام کوششیں کر رہی ہے۔

انتظامیہ مل کے پیداواری عمل کو دوبارہ شروع کرنے کے لیے بجلی کا کنکشن حاصل کرنے کی بھی کوشش کر رہی ہے۔

کمپنی کی انتظامیہ کو امید ہے کہ مل کا آپریشن مستقبل قریب میں دوبارہ شروع کر دیا جائے گا۔

برائے اور محکم بورڈ


چیف ایگزیکٹو

29 اکتوبر 2024

لاہور

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT 30 SEPTEMBER 2024

	September 30, 2024	June 30, 2024
Note	(Un-audited)	(Audited)
	----- Rupees -----	
EQUITY AND LIABILITIES		
Share Capital and Reserves		
Authorized Capital:		
25,000,000 (June 30, 2024 : 25,000,000)		
ordinary shares of Rs. 10/- each	<u>250,000,000</u>	<u>250,000,000</u>
Issued, Subscribed and Paid up Capital		
23,000,000 (June 30, 2024: 23,000,000)		
ordinary shares of Rs. 10/- each	<u>230,000,000</u>	<u>230,000,000</u>
Capital reserve	230,000,000	230,000,000
-Surplus On Revaluation Of Property, Plant And Equipment	278,841,905	280,845,693
-Deficit On Remeasurement Of Available For Sale Investments	(479,125)	(479,125)
-Capital Reserve	434,000	434,000
Revenue Reserve		
Accumulated Loss	(421,047,970)	(417,569,803)
Revenue Reserve - General	<u>45,829,500</u>	<u>45,829,500</u>
	<u>133,578,310</u>	<u>139,060,265</u>
Non Current Liabilities		
Deferred Taxation	4,339,002	4,339,002
Current Liabilities		
Trade And Other Payables	2,265,595	2,725,561
Short-term Borrowings	207,866,985	207,866,985
Income Tax Liability	273,717	273,717
	<u>210,406,297</u>	<u>210,866,263</u>
Contingencies And Commitments		
	-	-
	<u>348,323,609</u>	<u>354,265,530</u>
Assets		
Non Current Assets		
Property, Plant & Equipment	321,398,197	323,802,473
Biological Assets	1,757,000	1,757,000
Investments	3,838,000	3,838,000
	<u>326,993,197</u>	<u>329,397,473</u>
Current Assets		
Stores & Spares	750,688	750,688
Trade Debts	16,924	16,924
Advances, Prepayments & Other Receivables	13,699,318	13,725,031
Cash & Bank Balances	6,863,482	10,375,414
	<u>21,330,412</u>	<u>24,868,057</u>
	<u>348,323,609</u>	<u>354,265,530</u>

The annexed notes form an integral part of these financial statements.



Chief Executive



Chief Financial officer



Director

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)

FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2024

	September 30, 2024	September 30, 2023
----- Rupees -----		
Sales	392,015	6,336,490
Cost of sales	(252,890)	(5,520,144)
Gross profit	139,125	816,346
Operating expenses:		
- Selling and distribution	-	-
- Administrative expenses	(5,769,753)	(3,776,410)
	(5,769,753)	(3,776,410)
Operating loss	(5,630,628)	(2,960,064)
Bank charges	-	(696)
Other income	148,673	6,604
	148,673	5,908
Loss before taxation	(5,481,955)	(2,954,156)
Taxation	-	-
Net loss for the period	(5,481,955)	(2,954,156)
Loss per share	(0.24)	(0.13)


 Chief Executive


 Chief Financial officer


 Director

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2024**

	September 30, 2024	September 30, 2023
	---- Rupees ----	
Net Loss for the Period	(5,481,955)	(2,954,156)
Other Comprehensive Income for the Period		
Items that will not be reclassified subsequently to profit or loss	-	-
Items that may be reclassified subsequently to profit or loss	-	-
Total Comprehensive Loss for the Period	(5,481,955)	(2,954,156)

The annexed notes form an integral part of these financial statements.


Chief Executive


Chief Financial officer


Director

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2024

	September 30, 2024	September 30, 2023
	----- Rupees -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(5,481,955)	(2,954,156)
Adjustment for:		
- Depreciation	2,404,276	3,084,421
- Bank charges	-	696
- Other Income	(148,673)	(6,604)
	<u>2,255,603</u>	<u>3,078,513</u>
Operating (loss) / profit before working capital changes	(3,226,352)	124,357
Decrease in current assets		
Stores and spares	-	-
Trade debts	-	(50,000)
Advances, deposits, prepayments and other receivables	25,713	91,754
	<u>25,713</u>	<u>41,754</u>
Decrease in current liabilities		
Creditors, accrued and other liabilities	(459,966)	-
Cash (Used in)/ generated from operations	<u>(3,660,605)</u>	<u>166,111</u>
Income tax paid	-	-
Other Income	148,673	6,604
Bank charges paid	-	(696)
Net cash (used in)/ generated from operating activities	(3,511,932)	172,019
CASH FLOW FROM INVESTING ACTIVITIES		
Payment for the Acquisition of Biological Equipment	-	(1,980,253)
Net cash used in investing activities	<u>-</u>	<u>(1,980,253)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Net cash (used in)/ generated from financing activities	<u>-</u>	<u>-</u>
Decrease in cash and cash equivalents	(3,511,932)	(1,808,234)
Cash and cash equivalents at the beginning of period	10,375,414	8,644,771
Cash and cash equivalents at the end of period	<u>6,863,482</u>	<u>6,836,538</u>


 Chief Executive


 Chief Financial officer


 Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2024

Particulars	Share Capital	Reserves					Total Equity
		Capital reserves			General	Revenue	
		Capital Reserves	Surplus on remeasurement of available for sale	Surplus on revaluation of property, plan & equipment	Revenue reserves - General	Accumulated Loss	
		Rupees					
Balance as at June 30, 2023	230,000,000	434,000	(479,125)	306,683,595	45,829,500	(407,067,537)	175,400,433
Net profit for the period	-	-	-	-	-	(2,954,156)	(2,954,156)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	(2,954,156)	(2,954,156)
Transferred from surplus on revaluation of property, plant and equipment on incremental depreciation charged in current period (net of deferred tax)	-	-	-	-	-	-	-
Surplus on revaluation of property, plant and equipment related to export	-	-	-	-	-	-	-
Balance as at September 30, 2023	230,000,000	434,000	(479,125)	306,683,595	45,829,500	(410,021,693)	172,446,277
Balance as at June 30, 2024	230,000,000	434,000	(479,125)	280,845,693	45,829,500	(417,569,803)	139,060,265
Net loss for the period	-	-	-	-	-	(5,481,955)	(5,481,955)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	-	(5,481,955)	(5,481,955)
Transferred from surplus on revaluation of property, plant and equipment on incremental depreciation charged in current period (net of deferred tax)	-	-	-	(2,003,788)	-	2,003,788	-
Surplus on revaluation of property, plant and equipment related to export	-	-	-	-	-	-	-
Balance as at September 30, 2024	230,000,000	434,000	(479,125)	278,841,905	45,829,500	(421,047,970)	133,578,310


Chief Executive


Chief Financial officer


Director

**NOTES TO AND FORMING PART OF
CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2024**

Note 1

Status and Activities

- 1.1** Nazir Cotton Mills Limited (the "Company") was incorporated in Pakistan as a public limited company under the repealed Companies Act, 1913 (now the Companies Act, 2017) and is quoted on Pakistan Stock Exchange.

The principle business of the Company is manufacturing and sale of yarn and the other related / allied operations. The members of the Company has authorised to enter into a new line of business of dairy farming.

Registered office of the Company is situated at 19-B, Off Zafar Ali Road, Gulberg V, Lahore. The manufacturing facility of the Company is located at 8 KM, Faisalabad Road, Aslamabad, Kharianwala, Sheikhupura.

1.2 Going concern assumption

The financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business. The Company incurred a net loss for the period ended of Rs. 5.482 million (September 30, 2023: Rs. 2.954 million) resulting in accumulated losses at the end of the period of Rs. 421.048 million (September 30, 2023: Rs. 410.022 million). The Company's current liabilities exceed its current assets at reporting date by Rs. 189.076 million (September 30, 2023: Rs. 185.998 million). The Company had ceased its operations from many years due to working capital. However, subsequent to the reporting date, the management is taking steps to recommence operations and are in negotiations with financial institutions to obtain funds to manage working capital requirements. The Company managed its liquidity constraints thru financing from its sponsors and its ability to continue as a going concern is dependent on continued financing from sponsors. Management is of view that the company will restart its commercial production in foreseeable future. Management's efforts for obtaining finances from financial institutions are not so far materialized, however, management is confident that efforts will be realized and that the Company will be able to continue as a going concern.

Note 2

Statement of compliance

This condensed interim financial statements are un-audited and have been prepared in accordance with the requirements of International Accounting Standard 34 "Interim Financial Reporting" issued by the International Accounting Standards Board (IASB) as notified under the companies Act, 2017 and provisions of directives issued under the companies Act, 2017. Where the provisions of or directives issued under the Companies Act, 2017 differ from the IAS 34 and IFRSs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

Note 3

Basis of Measurement

This condensed interim financial statements have been prepared under the historical cost convention modified by adjustment of revaluation of certain assets. In this condensed interim financial statements, except for the cash flow statements, all the transactions have been accounted for on accrual basis.

Note 4

Significant Accounting Policies

The accounting policies and methods of computation adopted for the preparation of this condensed interim financial statements are the same as applied in preparation of preceding audited annual published financial statements of the Company for the year ended June 30, 2024

Note 5

Short Term Financing

		September 30, 2024 (Un-audited)	June 30, 2024 (Audited)
		----- Rupees -----	
- From financial institutions			
- Habib Bank Limited	5.1	13,258,000	13,258,000
- Islamic Investment Bank Limited	5.2	71,464,211	71,464,211
- From Others			
Sponsor's Loan	5.3	123,144,774	123,144,774
		207,866,985	207,866,985

5.1 The loan is secured against first E/M charge for PKR 69.325 million on land measuring 35 Kanals 12 Marlas, together with factory building, plant & machinery located at 11 K.M. Sheikhpura, Faisalabad Road Kharianwala, Distt. Sheikhpura and hypothecation charge of PKR 243.860 million on current assets of the Company. This loan was earlier settled by the State Bank of Pakistan in December 29, 2004 which had resulted in reduction of the liability by Rs. 3.580 million with no further markup to be provided subject to provisions that if the Company failed to repay any of the installment than the agreement would stand cancelled and the bank would be entitled to recover the original outstanding amount without any reduction. The Company failed to repay the installments and the Bank filed a suite for recovery of its original liability for Rs. 39,741,015 on October 22, 1999 which was consent decreed for PKR 40,080,000 on January 26, 2001. The management believes that Bank is only entitled to recover its original outstanding liability without any further markup, hence no markup has been provided.

5.2 Break up of the loan is as follows,

Principal	17,698,386	17,698,386
Frozen markup	20,354,000	20,354,000
Accrued markup	33,411,825	33,411,825
	71,464,211	71,464,211

The loan was repayable in sixteen quarterly installments w.e.f. April 1, 1999. It carries mark-up @ 20% per annum. Accrued mark-up has been frozen and kept in a separate account. The new mark-up on diminishing principal is also being kept in same account and repayment of this mark-up would start subject to the entire repayment of the principal amount. This loan and mark-up account are secured by Personal guarantees of directors except nominee director and mortgage of fixed assets to the tune of Rs.20 million. The liquidator of Islamic Investment Bank has been appointed. The management is of the opinion that as the bank is a shareholder in the profit/(losses) and that the matter is pending in the Peshawar court of law of the Company, therefore, no markup is payable. The company has filed a suit against the bank to recover the share of losses amounting to Rs. 110.0 million.

5.3 This represents unsecured and interest free loan obtained from sponsors of the Company to meet the Company's past B.M.R. plans and liquidity problems, this loan is repayable on demand.

Note 6

Contingencies & Commitments

Contingencies

- 6.1 Execution petition No. 231-E/2007 titled Habib Bank Limited vs. Nazir Cotton Mills Limited for recovery of Decretal amount of Rs. 39,741,015 filed by Habib Bank Limited against Nazir Cotton Mills Limited and others on January 12, 2007 before the Banking Court No. II, Lahore. The appeal is filed by Nazir Cotton Mills Limited before the Lahore High Court Lahore against the order dated March 16, 2015 passed by Banking Court No. II, Lahore in Execution No. 231-E/2007. The management is hopeful that there is substantial like hood of the judgement in their favor.
- 6.2 Islamic Investment Bank (in liquidation) and case has been shifted from Lahore High Court to Peshawar High Court because, the liquidation process will be completed in Peshawar. This loan and mark-up account are secured by Personal guarantees of directors except nominee director and mortgage of fixed assets to the tune of Rs.20.0 million. The liquidator of Islamic Investment Bank has been appointed. The management is of the opinion that as the bank is a shareholder in the profit/(losses), therefore, the company has filed a suit against the bank to recover the share of losses amounting to Rs. 110.0 million and that the matter is pending in the Peshawar High Court, hence, no markup is payable. Now case is transferred to Lahore High Court.

Note 7

Property Plant And Equipments

	September 30, 2024 (Un-Audited)	June 30, 2024 (Audited)
	----- Rupees -----	
Operating Fixed Assets	321,398,197	323,802,473
7.1 Operating fixed assets		
Opening written down value	323,802,473	361,977,354
Additions during the period / year (at cost)	-	-
	323,802,473	361,977,354
Disposals during the period / year (at written down value)	-	-
	323,802,473	361,977,354
Impairment charged	-	(28,650,120)
Depreciation charged for the period / year	(2,404,276)	(9,524,761)
	321,398,197	323,802,473

Note 8

Transactions with related parties

There have been no transactions made with related parties and associated companies during the period

Note 9

Financial Risk Management

The Company's financial risk management objectives and policies are consistent with those disclosed in preceding audited annual financial statements for the year ended June 30, 2024.

Note 10

Authorization For Issue

These financial statements have been approved by the board of directors of the Company and authorized for issue on October 29, 2024

Note 11

General

- 11.1** Comparative figures have been re-arranged, wherever necessary to the facilitation of comparison
11.2 No significant re-arrangement has been made in the condensed interim financial statements (un-audited)
11.3 Figures have been rounded off to the nearest of rupees



Chief Executive



Chief Financial officer



Director

