

Annual Report 2024



NAZIR

COTTON MILLS LTD.

**49th Annual Report and Accounts
For the year ended June 30, 2024
In the Name of Allah the merciful, the compassionate**

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COMPANY'S INFORMATION

Board of Director	Mr Muhammad Tayyab Mian Farrukh Naseem Mian Aamir Naseem Mr. Maqbool Hussain Bhutta Mr. Muhammad Abbas Mr. Asim Mahmood Bhatti Mr. Muhammad Irfan	Chief Executive Officer Independent Director Independent Director
Audit Committee:	Mr. Muhammad Irfan Mr. Muhammad Abbas Mr. Asim Mahmood Bahti	Chairman Member Member
HR & R Committee:	Mr. Asim Mahmood Bahti Mr. Muhammad Irfan Mr. Muhammad Abbas	Chairman Member 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	

VISION STATEMENT

We aim at seeing our Mills to be a model manufacturing unit producing high quality yarn by complying with the requirements of Quality Management System and continuously improving its effectiveness for total customer's satisfaction. We wish to play a leading role in the spinning sector by keeping a substantial presence in the export and local markets.

MISSION STATEMENT

1. To install state of the art machinery and to acquire sophisticated process technology to achieve maximum growth in a competitive quality environment.
2. To make strenuous efforts to enhance profitability of the mills ensuring a fair return to the investors, shareholders and employees of the Company.
3. To exercise maximum care for improvement of quality of our products by employing a team of high skilled technicians and professional managers.
4. To strive hard to develop new markets for the sale of our products in export and local markets.
5. To improve customer's satisfaction level by adhering strictly to quality requirements of our customers in local and export markets and by improving communications with customers for receiving prompt feed backs about quality of our products.
6. To attend to the prompt resolution of customer's complaints by taking timely corrective measures to re-dress the quality complaints.
7. To improve logistic facilities for our customers dispatch programme and issue all shipments / delivery documents well in time.
8. To make comprehensive arrangement for the training of our workers/technicians.
9. To promote team work, sense of transparency and creativity in our professionals and technical people.

STATEMENTS OF ETHICS AND BUSINESS PRACTICES

NAZIR COTTON MILLS LIMITED has laid down the following business ethics and principles, the observance of which is compulsory for all the directors and staff members of the company in the conduct of company's business in order to protect and safeguard the reputation and integrity of the company at all levels of its operations. Any contravention of these ethics is regarded as misconduct. The company will ensure that all the executives and subordinate staff members are fully aware of these standards and principles.

1. Conflict of interest

All staff members are expected not to engage in any activity which can cause conflict between their personal interests and company's interests, such as:

- a) In effecting the purchase for the company and selling its products, the Directors and the staff members are forbidden from holding any personal interest in any organization supplying goods or service to the company or buying its products.
- b) The staff members should not engage in any outside business while serving the company.
- c) Staff member's are not permitted to conduct personal business in company's premises or use company's facilities for the same.
- d) If a staff member has direct or indirect relationship with an outside organization dealing with the company he must disclose the same to the management.

2. Confidentially

All staff members are required not to divulge any secrets / information of the company to any outside even after leaving the service of the company unless it is so required by a court of law. During the course of service in the company they should not disseminate any information relating to business secrets of the company without the consent of management.

3. Kickbacks

All staff members are strictly forbidden not to accept any favour, gifts or kickbacks from any organization dealing with the company. In case if such a favour is considered, in the interest of the company, the same should be disclosed clearly to the management.

4. Proper Books of Accounts

All funds, receipt and disbursements should be properly recorded in the accounts books of the company. No false or fictitious entries should be made or misleading statement pertaining to the company or its operation should be issued. All agreements with agents, dealers and consultants should be made in writing supported with required evidence.

5. Relationship with Government officials suppliers and agents etc.

The dealings of the company with Government officials, suppliers, buyers, agents and consultants of the company should always be such that the integrity of the company and reputation is not damaged. Members having queries in connection with how to deal with these requirements should consult the management.

6. Health and Safety

Every staff members is required to take care of his health and safety and of those working with him. The management's responsibility for keeping its staff members insured government rules and regulations.

7. Environment

To preserve and protect the environment all staff members are required to operate the company's facilities and processes so as to ensure maximum safety of the adjoining communities, and strive continuously to improve environmental awareness and protections.

8. Alcohol, Drugs

All types of gambling and betting at the company's work places strictly forbidden. Also taking of any alcohols or drugs inside the work place is not allowed and any member of the staff, not abiding by these prohibitions will attract disciplinary as well as penal action under the law.

9. Coordination among staff members to maintain Discipline

All staff members will work in close coordination with their co-workers, superiors and colleagues. Every member will cooperate with other members so that the company's work carried out effectively and efficiently. All case of non-cooperation among staff members should reported to the management for necessary and suitable action. Strict disciplinary action will be taken against those staff members who violate the rules and regulations of the company.

10. Workplace harassment

All members of the staff will provide an environment that free from harassment and in which all employees are equally respected. Work place harassment means any action that creates an intimidating, hostile or offensive environment which may include sexual harassment, disparaging remarks based on gender, religious, race or ethnicity.

KEY OPERATING AND FINANCIAL DATA

	2024	2023	2022	2021	2020	2019
	Figures in '000					
Sale	7,534	4,161	3,795	12,677	2,449	1,300
Gross Profit / (Loss)	(5656)	(5686)	(11221)	(1890)	(2089)	(644)
Operating Profit/(loss)	(3588)	(4226)	(7426)	(22606)	(23666)	(16694)
Profit/(Loss) before tax	(15846)	(24429)	(28258)	322	(9450)	(7149)
Tax	(153)	710	26270	2434	2203	(1171)
Profit/(Loss) after tax	(15998)	(23718)	1989	2756	(7246)	(8320)
Total Assets	354,265	396,070	420,455	381,574	388,447	396,498
Current Liabilities	210,866	208,081	207,985	207,739	208,994	216,936
	143,399	187,989	212,470	173,835	179,453	179,562
Share Capital	230,000	230,000	230,000	230,000	230,000	230,000
Reserves	(90940)	(54600)	(30881)	(83564)	(80590)	(85914)
Equity	139,060	175,400	199,118	146,417	149,410	144,086
Long Term Loans	4,339	12,589	13,351	27,419	30,043	35,475
	143,399	187,989	212,469	173,836	179,453	179,562

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Nazir Cotton Mills Limited

Review Report on the Statement of Compliance Contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors Nazir Cotton Mills Limited for the year ended June 30, 2024, in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on Our Review, because of non-compliance to Regulation no. 7, 18, 19, and 31, the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2024.

Reference of Regulation	Description	Explanation
6, 7 & 28	Independent directors are not from the data base as notified	Independent Directors are to be appointed from the database as notified under the relevant regulations, and independent director is to be the chairman of Audit, HR & Remuneration Committee
7	There is no Female Director in the Company.	According to Regulation Every Company Must have at least one female director.
18,19	The required number of Directors have not participated in the Director Training Program .	According to Regulation by June 30, 202 2 all directors on the panel of Board of directors must have gone through Director Training Program .
31	There is no internal audit function.	According to Regulation, every Company must have an internal audit function.

We have also expressed an adverse opinion in our audit report to the financial statements for the year ended 30 June 2024.

Kamran & Co
KAMRAN & CO
CHARTERED ACCOUNTANTS

Lahore
October 07, 2024
 UDIN: CR202410181rljSVkCmi

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 49th Annual General Meeting (“AGM”) of the Shareholders of **NAZIR COTTON MILLS LIMITED** (the “Company”) will be held at the Company's Registered Office, 19-B, Off Zafar Ali Road, Gulberg-V, Lahore on Monday, October 28, 2024 at 12:30 p.m. and via video link to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt Annual Audited Financial Statements of the Company for the year ended June 30, 2024, together with the Directors' and Auditors' Report thereon and Chairman's Review Report.

The above financial statements, together with other documents, have been uploaded on the website of the Company which can be downloaded from the following link and/or QR-enabled code:

Weblink: <https://www.nazircotton.com>



2. To appoint auditors of the Company and fix their remuneration. The members are hereby notified that the Audit Committee and the Board of Directors of the Company have recommended the reappointment of M/s Kamran & Co., Chartered Accountants as auditors of the Company.

SPECIAL BUSINESS

3. To ratify and approve transactions carried out with Related Parties during the financial year ended June 30, 2024, under the authority of the special resolution passed in the last annual general meeting held on October 28, 2023, and to authorize the Chief Executive of the Company to approve all transactions with Related Parties carried out and to be carried out in the ordinary course of business during the financial year ending June 30, 2025, and till the date of next Annual General Meeting and to pass the resolutions as proposed in the statement of material facts as special resolutions..

Attached to this Notice is the statement of Material Facts covering the above-mentioned special business, as required under section 134(3) of the Companies Act 2017.

By order of the Board

Place: Lahore
Dated: October 04, 2024,


(MUHAMMAD FAISAL)
Company Secretary

NOTES:**1. Closure of Share Transfer Books**

The Share Transfer Books of the Company will remain closed from October 21, 2024 to October 28, 2024 (both days inclusive). Transfers received in order at Company's Independent Share Registrar's Office, Corplink (Pvt) Limited, Wings Arcade 1-K, Commercial Model Town, Lahore by the close of business on October 19, 2024 will be treated in time for the purpose of attending, speaking and voting at the annual general meeting.

2. A member entitled to attend and vote at this meeting may appoint any other member as his/her proxy to attend and vote instead of him/her and a proxy so appointed shall have the same rights, as respects attending, speaking and voting at the AGM as are available to the members.

3. The instrument appointing a proxy and the power of attorney or other authority under which it is signed or a notarial attested copy of the power of attorney must be deposited at the Registered Office of the Company at least 48 hours before the time of the meeting. Proxy Forms, in English and Urdu languages, have been dispatched to the members along with the notice of AGM.

4. Members who have deposited their shares into Central Depository Company of Pakistan Limited ("CDC") will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan.

A. For attending the Meeting

a. In case of individuals, the account holder and/or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by showing his/her original CNIC or, original Passport at the time of attending the Meeting.

B. For Appointing Proxies

a. In case of individuals, the account holder and/or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per above e requirements.

b. Two persons, whose name, addresses and CNIC numbers shall be mentioned on the form, shall witness the proxy form.

c. Attested copies of the CNIC or the passport of beneficial owners and the proxy shall be furnished with the proxy form.

d. The proxy shall produce his original CNIC or original passport at the time of the Meeting.

e. In case of corporate entity, the Board's resolution/power of attorney with specimen signature shall be furnished (unless it has been provided earlier) along with proxy form to the Company.

5. Change of Address

The shareholders are requested to promptly notify change in their address, if any to the Company's Share Registrar

6. CNIC/IBAN for E-Dividend Payment

The provisions of Section 242 of the Companies Act, 2017 require the listed companies that any dividend payable in cash shall only be paid through electronic mode directly into the bank account of designated by the entitled shareholders. Accordingly, the shareholders holding physical shares are requested to provide the Company's Share Registrar at the address given herein above, electronic dividend mandate on E-Dividend Form provided in the annual report and also available on website of the Company. In the case of shares held in

CDC, the same information should be provide to the CDS participants for updating and forwarding to the Company. In case of non-submission, of CNIC / IBAN all future dividend payments may be withheld.

7. Zakat Declarations:

The members of the Company are required to submit Declaration for Zakat exemption in terms of Zakat and Ushr Ordinance, 1980.

8. Circulations of Annual Reports through E-mail

The shareholders are requested to provide their email addresses for transmission of annual report containing financial statements and other documents.

9. Tax Deductions from Filer and Non-Filers

The deduction of income tax from dividend payments shall be made on the basis of filers and non-filers

S.No.	Nature of Shareholders	Rate of deduction
1	Filers	15.0 %
2	Non-Filers	30.0 %

Tax deduction will be made on the basis of Active Tax Payers List provided on the website of Feral Board of Revenue.

Members seeking exemption from deduction of tax on dividend payment or are eligible for deduction at a reduced rate are requested to submit a valid withholding tax exemption certificate or necessary documentary evidence, as the case may be.

The shareholders who have joint shareholdings held by Filers and Non-Filers shall be dealt with separately and in such particular situation, each account holder is to be treated as either a Filer or a Non-Filer and tax will be deducted according to his shareholding. If the share is not ascertainable then each account holder will be assumed to hold equal proportion of shares and the deduction will be made accordingly. Therefore, in order to avoid deduction of tax at a higher rate, the joint account holders are requested to provide the below details of their shareholding to the Share Registrar of the Company latest by the AGM date.

Folio /CDC Account No.	Name of shareholder	CNIC	Shareholding	Total Shares	Principal/Joint Shareholder
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10. Placement of Financial Statements

The Company has placed the Notice of AGM and Audited Annual Financial Statements for the year ended June 30, 2024, along with Auditors, Directors, and Chairman's Reports thereon on its website: www.nazircotton.com

11. Unclaimed Dividend and Bonus Shares

Shareholders, who by any reason, could not claim their dividend or bonus shares or did not collect their physical shares, if any are advised to contact our Share Registrar M/s Corplink (Private) Limited, Wings Arcade 1-K, Commercial Model Town, Lahore, to collect enquire about their unclaimed dividend or pending shares, if any.

12. Online Participation in the Annual General Meeting:

As per instructions of Securities and Exchange Commission of Pakistan, the Company has arranged video link facility for online participation of members in the AGM. To attend the meeting through video link, the members are requested to register themselves by providing the following information along with valid copy of CNIC / passport/ certified copy of board resolution/power of attorney in case of corporate shareholders

with the subject “Registration for Nazir Cotton Mills Limited AGM” through email chairman@nazircotton.com on or before 26th October 2024.

Name of member	CNIC No.	CDC Account No/Folio No.	Cell Number.	Email address

The members who are registered after the necessary verification shall be provided a video link by the Company on the same email address that they email with the Company with. The login facility will remain open from start of the meeting till its proceedings are concluded.

1. Deposit of Physical Shares in CDC account

As per Section 72 of the Companies Act, 2017 every existing company shall be required to replace its physical shares with book entry form in a manner as may be specified and from the date notified by the SECP, within a period not exceeding four years from the commencement of the Companies Act, 2017 i.e. May 31, 2017.

The shareholder having physical shareholding may open CDC sub-account with any of the brokers or investor's account directly with the CDC to place their physical shares into scrip-less form. This will facilitate them in many ways including safe custody and sale of shares, any time they want, as the trading of physical shares is not permitted as per existing regulations of the Stock Exchange.

2. Voting through Postal Ballot (electronic voting and by ballot paper)

The members of Company shall be provided right to vote through e-voting and voting by post in respect of all Special Business in the manner and subject to the conditions contained in the Companies (Postal Ballot) Regulations, 2018.

Procedure for E-Voting

- i. Details of the e-voting facility (including web address, login details, and password) will be shared through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the Company, not later than the close of business on October 19, 2024.
- ii. The security codes will be communicated to members through SMS form the web portal of Corplink (Pvt) Limited, Limited (being the e-voting service provider).
- iii. Identity of the members intending to cast vote through e-voting shall be authenticated through electronic signature or authentication for login.
- iv. E-voting lines will start from October 25, 2024, 09:00 a.m. and shall close on October 27, 2024 at 05:00 p.m. Members can cast their votes any time during this period. Once the vote on a resolution is cast by a Member, he/she shall not be allowed to change it subsequently.

Procedure for voting through ballot paper

- i. The members may alternatively opt for voting through postal ballot. Ballot paper in prescribed form is attached with this Notice and is also available on the Company's website nazircotton.com to download.

- ii. The members must ensure that the duly filled and signed ballot paper, along with computerized national identity card (CNIC) should reach the Chairman of the meeting through post at the address, 19-B Off. Zafar Ali Road, Gulberg-V, Lahore, or email at chairman@nazircotton.com by 5:00 pm, October 27, 2024. Postal ballot received after this time/date shall not be considered for voting. The signature on the ballot paper shall match with signature on the CNIC.

STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017

This statement sets out the material facts concerning special business to be transacted at the Annual General Meeting of the Company to be held on October 28, 2024.

Agenda Item No. 3

Ratification/approval of Related Party Transactions

The Company carried out transactions with its Related Parties in the ordinary course of business at arms' length basis in accordance with the Policy of related party transactions approved by the Board of Directors and under the authority special resolution passed by the shareholders in the last Annual General Meeting held on October 28, 2023. All the related party transactions summarized below were presented before the Board of Directors for their review and consideration as recommended by the Board Audit Committee on quarterly basis pursuant to the Listed Companies (Code of Corporate Governance) Regulations, 2019.

Name of Related Party	Name of Interested Directors	Nature of relationship	Description of transaction	Pricing Policy	Terms & Conditions	Amount (Rs.)
Nazir Cotton Mills Ltd	Mian Shahzad Aslam	Chief Executive/ Director	Loan injected for Dairy Farming	Arm's length basis		970,000

The following resolution is proposed to be passed as a Special Resolution with or without any modification:

“Resolved that following transactions carried out in the ordinary course of business at arm's length basis with the related parties, in accordance with the Policy of related party transactions approved by the Board of Directors of Nazir Cotton Mills Limited, during the financial year ended June 30, 2024, be and are hereby ratified, approved and confirmed.

Name of Related Party	Description of transaction
Mian Shahzad Aslam	Sponsor Loan Granted by Ex CEO

Authorization to the Company to transact with certain related parties

The Company will continue to carry out transactions with its Related Parties in its ordinary course of business at arms' length basis during the financial year ending June 30, 2025, and till the next annual general meeting. The majority of directors are interested in the above transactions as disclosed above, therefore, such related party transactions need approval of the members under the provisions of the Companies Act, 2017. Accordingly, these transactions shall be placed before the shareholders in the next annual general meeting for their formal approval/ratification.

The following resolutions are proposed to be passed as Special Resolutions with or without modification:

“Resolved that the Nazir Cotton Mills Limited (the **“Company”**) be and is hereby authorized to carry out the transactions with its Related Parties (detailed hereunder) as and when required in the ordinary course of business at arm's length basis during the year ending June 30, 2025, and till the next Annual General Meeting, without any limitation on the amounts of the transactions.

Further Resolved that Chief Executive/Company Secretary of the Company be and is hereby authorized to undertake the transaction and take all necessary steps and to sign/execute any purchase order/document/agreement on behalf of the Company as may be required and to authorize any other officer of the Company to do so in order to implement the aforesaid Resolution(s)'.
 The Directors' interest in this business is disclosed hereinabove.

BALLOT PAPER FOR VOTING IN 49TH ANNUAL GENERAL MEETING

(Through post for poll to be held on October 28, 2024, at

NAZIR COTTON MILLS LIMITED

19-B, Off. Zafar Ali Road, Gulberg-V, Lahore.

Phone No. 042-35775501-03, Fax No. 042-35711526

Email: chairman@nazircotton.com

Website: www.nazircotton.com

For voting through the post for the Special Business agenda item No. 3 at the Annual General Meeting of Nazir Cotton Mills Limited, to be held on October 28, 2024, at 12:30 p.m. 19-B, Off. Zafar Ali Road, Gulberg V, Lahore.

Name of shareholder/joint shareholders	
Registered Address	
Number of Shares held and Folio number	
CNIC Number (copy to be attached)	
Additional information and enclosures (In case of representative of body corporate, Corporation and Federal Government)	

I/we hereby exercise my/our vote in respect of the following resolution through postal ballot by conveying my/our assent or dissent to the following resolution by placing tick () mark in the appropriate box below (delete as appropriate);

Sr. No.	Nature and Description of Resolution	No. of Ordinary shares for which votes cast	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
1	Resolution for Agenda Item No. 3 as proposed in the statement of material fact to be passed as special resolution.			

Signature of the Shareholder(s)

Place:

Date:

CHAIRMAN'S REVIEW REPORT

As we conclude the fiscal year 2023-2024, I am pleased to present this review, highlighting our current position and the proactive steps our new management team is undertaking to drive the company toward a brighter and more efficient future.

This year has been pivotal for Nazir Cotton Mills Limited, marked by the transition to a new management team dedicated to implementing innovative strategies for improvement and growth. Our focus has been on addressing operational challenges while positioning the company for sustainable success.

Our new management team is focused on enhancing operational processes and efficiency and implementing best practices that align with our goals for excellence.

Challenges and opportunities have marked this year as we navigated the complexities of our operations. The presence of non-functional units has necessitated a strategic response, ensuring that we address immediate issues and enhance our long-term operational resilience.

We actively engaged with our teams to gather insights and suggestions, fostering a culture of collaboration and innovation in and maintenance.

Moving into the next fiscal year, we will focus on proactive maintenance and investment in new technologies to prevent similar issues. We will also explore alternative operational models that minimize reliance on aging units.

This year's challenges posed by non-functional units have prompted a reevaluation of our operational strategies. While the road ahead may still have its challenges, I am confident that our steps will lead to a more robust and efficient organization.

I am filled with hope and optimism as we look to the future. Our new management team's dedication and fresh perspective instill confidence that we are on the right path toward revitalization and growth. By embracing change and focusing on continuous improvement, we can navigate the challenges ahead and emerge stronger.

I want to thank our employees for their unwavering commitment and resilience during this transition. With your support and the vision of our new management, I am confident that Nazir Cotton Mills Limited will thrive in the coming years.

Lahore:

Dated: October 04, 2024



ABDUL QAYYUM
Chairman

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBER OF NAZIR COTTON MILLS LIMITED
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

ADVERSE OPINION

We have audited the annexed financial statements of **M/S NAZIR COTTON MILLS LIMITED (the company)**, which comprises the statement of financial position as at June 30, 2024, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statement, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanation which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanation given to us, because of the significance of the matters as discussed in basis for adverse opinion section of our report, the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof do not conform with the accounting and reporting standards as applicable in Pakistan and do not give information required by Companies Act, 2017 (XIX of 2017), in the manner so required and respectively do not give a true and fair view of the state of the Company's affairs as at June 30, 2024 and of the loss and other comprehensive income, the changes in equity and its cash flows for the year then ended.

BASIS FOR ADVERSE OPINION

- a) As explained in note 4 to the financial statements, the Company has ceased its textile manufacturing operations. The Company without any adjustments for points below incurred loss during the year amounting to Rs 36.34 million (2023: 23.718 million) resulting in accumulated losses of Rs. 417.56 million (2023: Rs. 407.067 million) at the close of the year ended 30 June 2024. The Company's current liabilities exceed its current assets by Rs. 185.998 million (2023: Rs. 184.148 million). Moreover, short term borrowings from financial institutions remained unpaid along with accrued markup which is in litigation. The Company has been unable to arrange fresh financing for working capital and other purposes. The management of the Company did not provide us its assessment for going concern assumption used in preparation of these financial statements and the future financial projections indicating the economic viability of the Company. Moreover, the management has been unable to satisfy us with respect to:
- the willingness of the litigant financial institutions to restructure the terms and conditions and repayments of their existing loans. These conditions indicate the existence of material uncertainty which cast a significant doubt about the Company's ability to continue as a going concern and therefore it may be unable to realize its assets and discharge its liabilities in normal course of business. However, the financial statements, are prepared on going concern basis. Had the financial statements been prepared on a non-going concern basis of accounting, we believe that it would have had a significant negative effect on the Company's financial position and financial performance
 - letter of support as well as financial ability of sponsors and related parties for further cash injection
 - hiring of specialized staff for recommencing of operations
 - progress on negotiations with new financial institutions for working capital and BMR activities

Based on the audit evidence obtained, we believe that the Company will not be able to meet its obligations in the ordinary course of business. Accordingly, we do not agree with management's preparation and presentation of the financial statements on a going concern basis. However, the financial statements, are prepared on going concern basis. Had the financial statements been prepared on a non-going concern basis of accounting, we believe that it would have had a significant negative effect on the Company's financial position and financial performance

- a) The Company has not provided for mark-up on loans from financial institutions owing to the dispute with financial institutions since the litigation, and no provision for cost of funds had been accounted for in the financial statements. In the absence of detailed working and the opinion of legal counsel (sought directly) of the Company in this regard we were unable to determine the amount of provision required on account of accrued mark-up.
- b) The Company revalued its certain fixed assets on June 30, 2021, however Company incorporated the revaluation adjustment in year 2022. Moreover, the Company has not properly accounted for the revaluation surplus in prior years

based on previous revaluation report as well and accordingly fixed assets, revaluation surplus, depreciation expense and deferred tax has not been properly accounted for in the financial statements during the year as well in prior years. We are unable to quantify the impact of the same due to limited information available.

- c) The company made an investment in Sajjad Textile Mills Limited which has negative equity of Rs 388.749 million as at June 30, 2023. The Company has still shown this investment in long term investments in current as well in prior years. In our opinion this amount should have been impaired in prior years as equity is negative. No impairment has been recognized in the financial statement against such investment in current year as well. Had the impairment been recognized in the financial statement, the company equity would have been reduced by Rs. 3.833 million with similar decrease in long term investments.
- d) The Company's filed its annual income tax return for the last year without charging minimum tax as provided for in the financial statements and hence does not reconcile. Moreover, in our opinion the tax depreciation schedule as per income tax return does not match. However, due to absence of confirmation from tax advisor of the Company, we are unable to quantify the difference and also confirm the status of any tax litigations.
- e) We have not received confirmation from legal advisor of the Company, and hence unable to comment on the contingencies and various cases against the company. Moreover, Company has booked arrears paid to WAPDA amounting to Rs 12.418 million as per the decision of Lahore High Court and booked the same as advance. We are of the opinion, that in the absence of any stay order from competent authority, the amount may be disclosed in the financial statements but should not be recognized. However, we have not received any confirmation from the legal advisor of the Company.
- f) The Company is not in compliance with certain requirements of Listed Companies (Code of Corporate Governance) Regulations, 2019 and rules of Pakistan Stock Exchange which may entail certain penalties, and we have issued an adverse review report on the statement of compliance. We are unable to determine any financial implication of the same.
- g) The Company gave advance in respect of dairy equipment and other related expenses for construction of dairy farm in prior years which has been written off during the year. In our opinion this amount should have been written off in prior years. Had the impairment been recognized in the financial statement in prior years, the company equity would have been reduced by Rs. 3.019 million with similar decrease in capital work in progress in prior years.
- a) The company's operations have remained closed since 2006, resulting in the plant and machinery being idle throughout this period. Given the extended inactivity and current state of machinery, it is anticipated that the assets may now be obsolete, and the plant and machinery may need to be classified as scrap. An impairment provision has been recorded, as disclosed in Note 07 to the financial statements. However, we have not obtained an expert valuation to determine the net realizable value of these assets.
- b) There has been no movement in the quantities of stores, spares, and loose tools. We believe that a provision for obsolescence should have been recognized in prior years. However, management has recorded a provision of Rs. 750,688 during the current year, which we were unable to independently verify.
- c) We have not received any direct bank confirmation from the financial institutions and hence unable to confirm closing cash and bank balances in the financial statements.
- d) The Company has presented sale of calves in sales, with associated cost in cost of sales instead of classifying the net amount as other income.
- e) The Company has not provided for employee retirement benefits and other labour laws requirement, and we are unable to quantify any financial impact of the same.
- f) The cash flow statement for the prior years shows cash inflow of Rs 12.26 million from sale of biological assets, whereas the same amount was derecognized from the biological assets as appearing in note 14 to the financial statements. The amount derecognized should have been the fair value of the biological assets sold. Accordingly, fair value gain booked is not accurate. In the absence of related information, we are unable to quantify the difference.
- g) We have not been provided with adequate information regarding nature of capital & revenue reserve appearing in the financial statements.
- h) The Company has sponsor loan of Rs 122.175 million payable on demand and recognized as current liability, however the Company does not have sufficient current assets to repay such liability on demand.

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statement* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountant* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse opinion.

Key Audit Matters

Except for the matter described in the Basis for Adverse opinion section, we have determined that there are no Key audit matters to communicate in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard, except certain non-compliances of statement of compliance on listed companies (code of corporate governance) regulations 2019 as mentioned in review report on the statement of compliance.

RESPONSIBILITIES OF MANAGEMENT AND BOARD OF DIRECTORS FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Acts, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statement, management is responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Boards of directors are responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatement can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decision of user taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional Judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimate and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to

draw attention in our auditor's report to the related disclosure in the financial statements or, if such disclosure is inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern. Refer Basis for adverse opinion section of our report.

- Evaluate the overall presentation, structure and content of financial statements, including the disclosures and whether the financial statements represent the underlying transaction and events in a manner that achieve fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Based on our audit, we further report that in our opinion because of the significance of matter stated in basis of adverse opinion section of our report above:

- a) Proper books of account have not been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) The statements of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have not been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and, are not in agreement with the books of account and return;
- c) Investment made, expenditure incurred and guarantees extended during the year were for the purpose of company's business; and
- d) No Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Mr. Kamran Fatah (FCA).



KAMRAN & CO
CHARTERED ACCOUNTANTS

LAHORE
07 October 2024
UDIN: AR202410181jrS9liMFO

STATEMENT OF COMPLIANCE

with Listed Companies (Code of Corporate Governance) Regulations, 2019

The Nazir Cotton Mills Limited ("the Company") has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations 2019 ("the Regulations") in the following manner:

1. The total number of directors is Seven as per the following. (as per director Election held on July 27, 2024)
 - a. Male: Seven
 - b. Female: None
2. The composition of the Board of Directors (the Board) is as follows:
 - a. Category Independent
Mr. Muhammad Irfan
Mr. Asim Mehmood Bhatti
 - b. Director Executive Directors
Mr. Muhammad Tayyab
Mian Farrukh Naseem
 - c. Non-Executive Directors
Mian Aamir Naseem
Mr. Maqbool Hussain Bhutta
Mr. Muhammad Abbas
3. Directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company (excluding the listed subsidiaries of listed holding companies where applicable).
4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
5. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / Shareholders as empowered by the relevant provisions of the Companies Act, 2017 ("the Act") and these Regulations.
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
8. The Board of directors has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. The Board remained fully compliant with the provision with regard to their training program. The majority of the Board members have the prescribed qualifications and experience required for exemption from training program of directors pursuant to regulation 20 of the Regulations.
10. The Board has approved appointment of CFO and Company Secretary, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. CFO and CEO duly endorsed the financial statements before approval of the Board.
12. The Board has formed committees comprising of members given below:

a. Audit Committee

Mr. Muhammad Irfan (Chairman)
 Mr. Muhammad Abbas (Member)
 Mr. Asim Mahmood Bhatti (Member)

We have appoint independent director as Chairman of the Audit Committee in due course.

b. HR and Remuneration Committee

Mr. Asim Mahmood Bhatti (Chairman)
 Mr. Muhammad Abbas (Member)
 Mr. Muhammad Irfan (Member)

We have appointed independent director as member of HR and Remuneration Committee in due course.

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.

14. The frequency of meetings of the aforesaid committees were as per following:

- a. Audit Committee: Four meetings during the financial year ended 30 June 2024
- b. HR and Remuneration Committee: one meeting during the financial year ended 30 June 2024.

15. The board has not set up an internal audit function because the operation of the company has been suspended since last many years.

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all other requirements of the Regulations have been complied with.

19. Explanation for Non-Compliance with requirements, other than Regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below;

20.

S No.	Reg	Requirements	Future course of Action
1	19 20	By June 30, 2022, all directors shall acquire certification under Directors' Training Program.	Board shall take steps to arrange Directors' Training Certification for the remaining four directors by end of 2024.

Lahore

Dated: October 04, 2024



(Muhammad Tayyab)

Chief Executive

DIRECTORS' REPORT

The directors of your company welcome you to the Annual General Meeting and are pleased to present the company's audited financial statements for the year ended June 30, 2024.

Performance Review

The year under review shows that the company has incurred net loss after taxation of Rs. 15.998 million (2023: 23.718 million) after accounting for administrative expenses of Rs. 15.625 million (2023: 20.203 million) including depreciation of Rs. 9.524 million (2023: Rs 13.770 million).

The financial performance of your Company for the year ended June 30, 2024 is as follows:

	2024 (Rupees)	2023 (Rupees)
Sales	7,534,360	4,161,170
Gross Loss	(5,656,029)	(5,686,214)
Other operating Income	9,243,677	1,460,387
Loss before Taxation	(15,845,837)	(24,429,009)
Taxation	(152,746)	710,675
Loss after Taxation	(15,998,583)	(23,718,334)

During the year, our company has achieved sales of milk and biological assets amount to Rs. 7.534 million as compared to the previous year sales of Rs. 4.161 million and the loss after tax has been reduced to Rs. 15.998 million as compared to last year's loss after tax of Rs 23.718 million. Other income includes sale of scrap during the year. We are quite hopeful to have better future prospects when company may resume its operations.

The Company has not pay its outstanding loans as properly disclosed in Note 11 of the financial statements and discussed in point b in reply to Auditor's qualification below in our report.

The mill remained closed since 2006. The management is of the opinion that if the company is succeeded to secure the electricity connection, the company will resume its operations.

Auditors' Report

Auditors' has raised their observation about going concern of the Company. In assessing the going concern status of the Company, management has carefully assessed a number of factors covering the operational performance of the business, the ability to implement a significant debt restructuring of the Company's existing debts, and the appetite of directors & associates to continue financial support.

Based on the analysis of these, and key management efforts and decisions as mentioned above, Management is comfortable that the Company will be able to continue as a going concern in the near future.

The Adverse Opinion of the auditor is based on the following Points, which has been discussed below:-

REPLY TO AUDITORS' QUALIFICATION

- a) Regarding Going Concern, it is stated that the company intends to commence operation, for which the company is trying to raise funds and resume electricity connection.
- b) Regarding not providing Mark-up on Loan, it is stated that the banks are willing to settle the loan on the principal amount of loan. And management is negotiating the settlement agreements.
- c) Regarding Revaluation of assets, it is stated that the proper adjustment according to revaluation has been made. Moreover, management shall provide new revaluation of report to the Auditors' in next year.
- d) Regarding investment in Sajjad Textile Mill Limited, it is stated that the matter will be presented before the members and impairment if needed will be made in next year.

- e) Our Sales includes sale of milk and biological assets and matter related to Income Tax Return handled by Professional expert, doing well in this regard.
- f) The matter regarding advance to WAPDA, is pending before honorable Supreme Court of Pakistan and the lawyer is hopeful for a favorable decision.
- g) Regarding compliance of code of corporate governance, it is stated that company has made best efforts to remove the discrepancies subsequent to year end like appointment of Lady Director and Independent director registered with data bank.
- h) The matter regarding written off the advance for dairy equipment, it is stated that the management has approved the provision in current year, so, it cannot be charge in previous years.
- i) The auditor has made impairment provision and classified machinery as scrap because the operations were stopped since 2006. The management shall arrange valuation during current year to have proper estimate of impairment.
- j) The management has approved the provision in current year with respect to the obsolescence of store and spares, so, it cannot be charge in previous years.
- k) The matter relating to direct confirmation from banks, it is stated that the auditor should have send them reminder and make complaints to State Bank of Pakistan.
- l) The Company has approved dairy operations as principal business activity in its EOGM in May 2020. Therefore, the sale of Biologicals assets and its related activities will be classified as Sales.
- m) The observation regarding retirement benefits for the employees, it is stated that the most of the employees are daily wages basis.
- n) The auditor's objection is not according to the facts. Because there are no rules which may be applied for valuation of Biological assets. However, we shall adopt the method as suggested by Auditors' from next year.
- o) The capital and revenue reserves were created for enhancement of operational efficiency of the company. These reserves will be utilized whenever the Company resume its operations.
- p) The nature of sponsor loan is payable on demand and company shall proceed its payment when demanded by the sponsor.

FUTURE OUTLOOK

Looking ahead, we are optimistic about commencement of operations upon restoration of electricity connection and favorable market conditions.

EARNING PER SHARE

Loss per share of the company for the year ended June 30, 2024 is Rs. (0.70) as compared to loss per share of Rs. (1.03) in the preceding year.

DIVIDEND

The directors have not recommended any dividend in view of loss sustained by the Company during the year. However, management is quite hopeful for better future results when company become operational and shall announce dividend.

PRINCIPAL RISKS AND UN-UNCERTAINTIES FACING THE COMPANY

Company's operations were closed since 2006, however following risks may be observed when company resume its spinning operations.

RISK FACTORS

A) FOREIGN EXCHANGE RISK

Foreign currency risk arises mainly where receivable and payable exist due to transactions entered into foreign currencies. As the dollar shows a shaky position, with an ever-increasing trend therefore, the company is exposed

to foreign currency risk on trade debts, payable and revenues, which are entered in a currency other than Pak Rupee.

B) LIQUIDITY RISK

Liquidity risk reflects an enterprise's inability in raising funds to meet commitments. The company's exposure to liquidity risk arises primarily from mismatch of the maturities of financial assets and liabilities. The Company follows an effective cash management and planning policy to ensure availability of funds and to take appropriate actions for new requirements.

C) CREDIT RISK

Credit risk represents the accounting loss that would be recognized at the reporting date if counter-parties failed completely to perform as contracted. To reduce exposure to credit risk the Company has developed a formal approval process whereby credit limits are applied to its customers. The Management also continuously monitors credit exposure towards the customers and makes provision against those balances considered doubtful of recovery.

D) INTEREST RATE RISK

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Majority of the interest rate exposure arises from short and long-term borrowings from bank, term deposits and deposits in profit and loss/saving accounts with banks and investments in mutual funds.

CHANGES DURING FINANCIAL YEAR CONCERNING THE NATURE OF THE BUSINESS OF THE COMPANY OR ITS SUBSIDIARIES AND JOINT OPERATION

There is no change observed in the business of the company.

MAIN TRENDS AND FACTORS LIKELY TO AFFECT THE FUTURE DEVELOPMENT, PERFORMANCE AND POSITION OF THE COMPANY BUSINESS

Electricity connection restoration and favorable rates of raw material are key factors that affects operations of the Company.

IMPACT OF COMPANY BUSINESS ON THE ENVIRONMENT

Company's Spinning operations were closed since 2006. However, dairy business is operational and its biological assets have very positive impact on our environment.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

Internal financials controls are in place and are adequate.

RELATED PARTIES TRANSACTIONS

The transactions between the related parties were made at arm's length prices determined in accordance with the comparable uncontrolled price method. The same are disclosed in the Note # 33 of the financial statements. The Board on the recommendation of Audit Committee approved the related party transactions. The same will be presented at the Annual general meeting for the approval from the shareholders.

CODE OF CONDUCT FOR PROTECTION AGAINST HARASSMENT AT WORK PLACE

The Company is determined to provide clean environment working atmosphere and ensures that every employee is treated with respect and dignity. The Company is committed to encourage a positive professional work atmosphere that is essential for the professional growth of its staff.

CORPORATE SOCIAL RESPONSIBILITY

The company recognizes that the key to successful and sustainable business is to give back to the society from where we derive economic benefits. We create value for our local community, employers and the government by providing a vast array of facilities to our employees, financial assistance to the families of our deceased employees, promoting a better work life balance and contributing regularly to the national exchequer as per law.

CONTRIBUTION TO THE NATIONAL EXCHEQUER

To meet our social obligations towards the development of the economy of the country, the Company has contributed Rs. 41,727 in the year 2023-24 into the Government Exchequer on account of income Tax.

ENERGY SAVINGS

When company resumed its operations, the company will take necessary steps for energy savings.

COMPOSITION OF THE BOARD**Total Number of Directors:**

a)	Male	07
b)	Female	00

Subsequently, a female director was appointed in the director's election held on July 27, 2024

Composition:

i)	Independent Directors	02
ii)	Non-Executive Directors	03
iii)	Executive Directors	02

NAME OF THE DIRECTORS AND BOARD OF DIRECTORS MEETING

During the period under review, Four (04) meetings of the Board of Directors were held from July 01, 2023 to June 30, 2024. The details regarding the attendance by the Board members at these meetings has been provided below:

Name of Directors	No. of Meetings Attended
Mian Shahzad Aslam	02
Mr. Muhammad Tayyab	02
Mian Farrukh Naseem	04
Mian. Aamir Naseem	04
Mr. Maqbool Hussain Bhutta	04
Mr. Muhammad Abbas	04
Mr. Asim Mahmood Bhatti	04
Mr. Muhammad Irfan	04

AUDIT COMMITTEE

The Board has formed an Audit Committee, which consists of the following directors:

Mr. Muhammad Irfan	Chairman
Mr. Muhammad Abbas	Member
Mr. Asim Mahmood Bhatti	Member

During the period under review, Four (4) meetings of audit committee of the company were held from July 01, 2023 to June 30, 2024 respectively and the details of the attendance at these meetings are as follows:

Name of Member	No. of Meeting Attended
Mr. Muhammad Irfan	Four (4)
Mr. Muhammad Abbas	Four (4)
Mr. Asim Mahmood Bhatti	Four (4)

HUMAN RESOURCE AND REMUNERATION COMMITTEE

In Compliance with the Code of Corporate Governance (CCG) Regulations, 2019 the Board of Directors has formed a Human Resource and Remuneration Committee comprising of three Directors name below. The HR & R Committee provides assistances to the Board of Directors in helping the Company's Human Resource function efficiently. Further, the HR & R Committee will also assess and makes recommendations to ensure that the Company's Human Resource policies are objectively associated with its overall business.

Mr. Asim Mahmood Bhatti	Chairman
Mr. Muhammad Irfan	Member
Mr. Muhammad Abbas	Member

Names of the members of the Committee	No. of Meeting Attended
Mr. Asim Mahmood Bhatti	One (1)
Mr. Muhammad Irfan	One (1)
Mrs. Muhammad Abbas	One (1)

CORPORATE GOVERNANCE

Statement of compliance as required under the listed companies' code of corporate governance regulations 2019 is annexed. The statement of compliance under the Companies Act, 2017 has not been notified.

PERFORMANCE EVALUATION OF BOARD OF DIRECTORS AND THE BOARD COMMITTEES

Complying with Listed Companies Code of Corporate Governance, Regulations 2019 the Board has developed a mechanism for self-evaluation of performance of the Board of Directors and board committees.

DIRECTORS' REMUNERATION

During the year, remuneration is paid to the Chief Executive and no remuneration is paid to the Directors as disclosed in Note 34 to the Financial Statements. No employee falls under the definition of executive as per Companies Act, 2017.

BOARD'S ROLE IN SUSTAINABILITY AND DE&I

The Director of Sustainability and DE&I will be responsible for developing, implementing, and overseeing strategies that promote environmental sustainability, social responsibility, and equitable practices within the organization. This role will ensure alignment with the company's overall mission and values while fostering a culture of inclusivity and environmental stewardship.

GENDER, RACE & DIVERSITY

The Directors are placed importance to diversity for innovation and competitiveness.

APPOINTMENT OF AUDITORS

The Auditors M/s Kamran & Co. Chartered Accountant, will retire and eligible for re-appointment as auditors of the Company for the next year. The Audit Committee and the Board have endorsed their re-appointment at the same remuneration of current reporting year for reconsideration of the members at the forthcoming Annual General Meeting of the Company.

PATTERN OF SHAREHOLDING

The pattern of shareholding as of June 30, 2024 on the prescribed Form 20 is attached herewith.

SUBSEQUENT EVENTS

The Election of the Board of Directors was held on July 27, 2024, and five new directors, including one female director, were elected. Furthermore, two independent directors whose names are registered in the databank have also been appointed.

ACKNOWLEDGMENT

We would like to sincerely thank our dedicated employees, valued customers, and esteemed shareholders for their continued support. Together, we are confident that Nazir Cotton Textile Mills Limited will continue to thrive and excel in the dynamic landscape of the textile industry.

For and on behalf of the Board



DIRECTOR



CHIEF EXECUTIVE

Lahore:

Dated October 04, 2024

- (4) جناب عاصم محمود بھٹی فور
 (4) جناب محمد عرفان فور
 (4) مسر محمد عباس فور
 کارپوریٹ گورننس

لسڈ کمپنیوں کے کوڈ آف کارپوریٹ گورننس ریگولیشنز 2019 کے تحت مطلوبہ تعمیل کا بیان کمپنیز ایکٹ 2017 کے تحت تعمیل کے منسلک بیان کو مطلع نہیں کیا گیا ہے۔

بورڈ آف ڈائریکٹرز اور بورڈ کمیٹیوں کی کارکردگی کا جائزہ

لسڈ کمپنیز کوڈ آف کارپوریٹ گورننس، ریگولیشنز 2019 کی تعمیل کرتے ہوئے بورڈ نے بورڈ آف ڈائریکٹرز اور بورڈ کمیٹیوں کی کارکردگی کا جائزہ لینے کے لیے ایک طریقہ کار تیار کیا ہے۔ سوالنامے کے مطابق ڈائریکٹرز کی کارکردگی کا جائزہ جلد ہی متوقع ہے۔

ڈائریکٹرز کا معاوضہ

سال کے دوران معاوضہ چیف ایگزیکٹو کو ادا کیا جاتا ہے اور ڈائریکٹرز کو کوئی معاوضہ ادا نہیں کیا جاتا ہے۔ کمپنیز ایکٹ 2017 کے مطابق کوئی بھی ملازم ایگزیکٹو کی تعریف کے تحت نہیں آتا ہے۔

پائیداری اور DERI میں بورڈ کا کردار

پائیداری کے ڈائریکٹرز اور DERI تنظیم کے اندر ماحولیاتی پائیداری، سماجی ذمہ داری، اور مساوی طرز عمل کو فروغ دینے والی حکمت عملیوں کو تیار کرنے، نافذ کرنے اور ان کی نگرانی کے لیے ذمہ دار ہوں گے۔ یہ کردار جامعیت اور ماحولیاتی ذمہ داری کے کلچر کو فروغ دیتے ہوئے کمپنی کے مجموعی مشن اور اقدار کے ساتھ ہم آہنگی کو یقینی بنائے گا۔

GENDER، ریس اور تنوع

ڈائریکٹرز کو جدت اور مسابقت کے لیے تنوع کو اہمیت دی جاتی ہے۔

آڈیٹرز کی تقرری

آڈیٹرز میسرز کامران ایٹرنیٹس چارٹرڈ اکاؤنٹنٹس، ریٹائر ہو جائیں گے اور اگلے سال کے لیے کمپنی کے آڈیٹرز کے طور پر دوبارہ تقرری کے اہل ہوں گے۔ آڈٹ کمیٹی اور بورڈ نے کمپنی کے آئندہ سالانہ اجلاس عام میں ممبران پر نظر ثانی کے لیے ان کی دوبارہ تقرری کی توثیق کی ہے۔

شیر ہولڈنگ کا پیٹرن

مقررہ فارم 20 پر 30 جون 2024 تک شیر ہولڈنگ کا پیٹرن اس کے ساتھ منسلک ہے۔

بعد کے واقعات

بورڈ آف ڈائریکٹرز کا الیکشن 27 جولائی 2024 کو ہوا اور ایک خاتون ڈائریکٹر سمیت پانچ نئے ڈائریکٹرز کا انتخاب ہوا۔ مزید برآں، دو آزاد ڈائریکٹرز جن کے نام ڈیٹا بیٹک میں رجسٹرڈ ہیں، کو بھی تعینات کیا گیا ہے۔

اعتراف

ہم اپنے وقف ملازمین، قابل قدر گاہکوں، اور معزز شیئر ہولڈرز کا ان کی مسلسل حمایت کے لیے تہہ دل سے شکریہ ادا کرنا چاہیں گے۔ ایک ساتھ مل کر ہمیں یقین ہے کہ نذر کاٹن ٹیکسٹائل ملز لمیٹڈ ٹیکسٹائل کی صنعت کے متحرک منظر نامے میں ترقی کی منازل طے کرتی رہے گی۔

بورڈ کے لیے اور اس کی جانب سے

Masjale

چیف ایگزیکٹو

Bahwa

ڈائریکٹر

لاہور:

بتاریخ 04 اکتوبر 2024

ترکیب:

(1) آزاد ڈائریکٹرز 02

(11) نان ایگزیکٹو ڈائریکٹرز 03

(11) ایگزیکٹو ڈائریکٹرز 02

ڈائریکٹرز کے نام اور بورڈ آف ڈائریکٹرز کی میٹنگ

زیر جائزہ مدت کے دوران، بورڈ آف ڈائریکٹرز کے چار (04) اجلاس 01 جولائی 2023 سے 30 جون 2024 تک منعقد ہوئے۔

ان اجلاسوں میں بورڈ کے اراکین کی حاضری کے بارے میں تفصیلات درج ذیل ہیں:

ڈائریکٹرز کے نام میٹنگز کی تعداد

میاں شہزاد سلیم 02

جناب محمد طیب 02

میاں فرخ نسیم 04

میاں - عامر نسیم 04

جناب مقبول حسین بھٹہ 04

جناب محمد عباس 04

جناب عاصم محمود بھٹی 04

جناب محمد عرفان 04

آڈٹ کمیٹی

بورڈ نے ایک آڈٹ کمیٹی تشکیل دی ہے جو درج ذیل ڈائریکٹرز پر مشتمل ہے:

جناب محمد عرفان چیئرمین

جناب محمد عباس ممبر

جناب عاصم محمود بھٹی ممبر

زیر جائزہ مدت کے دوران کمیٹی کی آڈٹ کمیٹی کے چار (4) اجلاس بالترتیب 01 جولائی 2023 سے 30 جون 2024 تک منعقد ہوئے اور ان اجلاسوں میں حاضری کی تفصیلات درج ذیل ہیں:

میٹنگ میں شریک ممبر کا نام

جناب محمد عرفان فور (4)

جناب محمد عباس فور (4)

جناب عاصم محمود بھٹی فور (4)

انسانی وسائل اور معاوضے کی کمیٹی

کوڈ آف کارپوریٹ گورنس (CCG) ریگولیشنز، 2019 کی تعمیل میں بورڈ آف ڈائریکٹرز نے ایک انسانی وسائل اور معاوضے کی کمیٹی تشکیل دی ہے جس میں تین ڈائریکٹرز کے نام شامل ہیں۔ HR&R کمیٹی

کمیٹی کے انسانی وسائل کو موثر طریقے سے کام کرنے میں

مدد کرنے میں بورڈ آف ڈائریکٹرز کو مدد فراہم کرتی ہے۔ اس کے علاوہ، HR&R کمیٹی اس بات کا بھی جائزہ لے گی اور سفارشات پیش کرے گی تاکہ یہ یقینی بنایا جاسکے کہ کمیٹی کی انسانی وسائل کی پالیسیاں اس کے

مجموعی کاروبار سے معروضی طور پر وابستہ ہیں۔

جناب عاصم محمود بھٹی چیئرمین جناب محمد عرفان ممبر جناب محمد عباس ممبر

اجلاس میں شرکت کرنے والے کمیٹی کے اراکین کے نام

شرح سود کا خطرہ وہ خطرہ ہے کہ مارکیٹ کی شرح سود میں تبدیلی کی وجہ سے کسی مالیاتی آلے کے مستقبل کے نقد بہاؤ کی منصفانہ قیمت میں اتار چڑھاؤ آئے گا۔ شرح سود کا زیادہ تر حصہ بینک سے مختصر اور طویل مدتی قرضے، ٹرم ڈپازٹس اور بینکوں میں منافع اور نقصان/سیونگ اکاؤنٹس اور میوچل فنڈز میں سرمایہ کاری سے پیدا ہوتا ہے۔

کمپنی یا اس کے ذیلی اداروں اور مشترکہ آپریشن کے کاروبار کی نوعیت سے متعلق مالی سال کے دوران تبدیلیاں

کمپنی کے آپریشنل نہ ہونے کی وجہ سے کوئی تبدیلی دیکھنے میں نہیں آئی۔

اہم رجحانات اور عوامل جو مستقبل کی ترقی، کارکردگی اور کمپنی کے کاروبار کی پوزیشن کو متاثر کر سکتے ہیں بجلی کے کنکشن کی بحالی اور خام مال کی سازگار قیمتیں کمپنی کے کام کو متاثر کرنے والے اہم عوامل ہیں۔

ماحولیات پر کمپنی کے کاروبار کا اثر

کمپنی کے آپریشنز 2006 سے بند تھے۔

داخلی مالیاتی کنٹرول کی مناسبت

اگرچہ کمپنی کے کام بند تھے لیکن داخلی مالیاتی کنٹرول موجود ہیں۔

متعلقہ فریقوں کے لین دین

متعلقہ فریقوں کے درمیان لین دین کا موازنہ غیر کنٹرول شدہ قیمت کے طریقہ کے مطابق طے شدہ بازو کی لمبائی کی قیمتوں پر کیا گیا تھا۔ مالی بیانات کے نوٹ نمبر 33 میں بھی اسی کا انکشاف کیا گیا ہے۔ متعلقہ مارٹی ٹرانزیکشنز کی منظوری بورڈ نے آڈٹ کمیٹی کی سفارش پر دی تھی۔

کام کی جگہ پر ہراساں کرنے کے خلاف تحفظ کے لیے ضابطہ اخلاق

کمپنی صاف ستھرا ماحول فراہم کرنے کے لیے پرعزم ہے اور اس بات کو یقینی بناتی ہے کہ ہر ملازم کے ساتھ عزت اور وقار کے ساتھ برتاؤ کیا جائے۔ کمپنی ایک مثبت پیشہ ورانہ کام کے ماحول کی حوصلہ افزائی کے لیے پرعزم ہے جو اس کے عملے کی پیشہ ورانہ ترقی کے لیے ضروری ہے۔

کارپوریٹ سماجی ذمہ داری

کمپنی تسلیم کرتی ہے کہ کامیاب اور پائیدار کاروبار کی کلید اس معاشرے کو واپس دینا ہے جہاں سے ہم معاشی فوائد حاصل کرتے ہیں۔ ہم اپنے ملازمین کو بہت ساری سہولیات فراہم کر کے، اپنے فوٹ شدہ ملازمین کے اہل خانہ کو مالی امداد فراہم کر کے، کام کی زندگی کے بہتر توازن کو فروغ دے کر اور قانون کے مطابق قومی خزانے میں باقاعدگی سے حصہ ڈال کر اپنی مقامی کمیونٹی، آجروں اور حکومت کے لیے قدر پیدا کرتے ہیں۔

قومی خزانے میں حصہ ڈالنا

ملک کی معیشت کی ترقی کے لیے ہماری سماجی ذمہ داریوں کو پورا کرنے کے لیے، کمپنی نے روپے کا تعاون دیا ہے۔ سال 2023-24 میں 727,41 اکھ ٹیکس کی مد میں سرکاری خزانے میں جمع ہوئے۔

توانائی کی بچت

جب کمپنی نے اپنا کام دوبارہ شروع کیا تو کمپنی توانائی کی بچت کے لیے ضروری اقدامات کرے گی۔

بورڈ کی تشکیل

بورڈ آف ڈائریکٹرز کی تشکیل لسٹڈ کمپنیز کوڈ آف کارپوریٹ گورننس (CCG) کے تقاضوں

کے مطابق ہے، ایک لسٹڈ کمپنی پر لاگو ضوابط 2019، جو ذیل میں دیا گیا ہے:

ڈائریکٹرز کی کل تعداد:

07 مرد

ب) خواتین 00

اس کے بعد 27 جولائی 2024 کو ہونے والے ڈائریکٹرز کے انتخابات میں ایک خاتون

ڈائریکٹرز کا تقرر کیا گیا

(1) واپڈا کو بیٹنگی کے حوالے سے معاملہ معزز سپریم کورٹ آف پاکستان میں زیر التوا ہے اور وکیل سازگار فیصلے کے لیے پرامید ہیں۔

(8) کارپوریٹ گورننس کے ضابطہ کی تعمیل کے بارے میں، یہ کہا جاتا ہے کہ کمپنی نے سال کے آخر میں ڈیٹا بینک کے ساتھ رجسٹرڈ لیڈی ڈائریکٹر اور آڈیٹر میکٹر کی تقرری جیسے تضادات کو دور کرنے کی بہترین کوشش کی ہے۔

(h) ڈیری آلات کے لیے ایڈوائس رائٹ آف دینے کے معاملے میں کہا گیا ہے کہ انتظامیہ نے رواں سال پروویژن کی منظوری دی ہے، اس لیے پچھلے سالوں میں چارج نہیں کیا جاسکتا۔ (آڈیٹر نے خرابی کی فراہمی اور مشینری کو اسکرپ کے طور پر درجہ بندی کیا ہے کیونکہ 2006 سے آپریشن روک دیا گیا تھا۔ انتظامیہ خرابی کا صحیح تخمینہ لگانے کے لیے اگلے سال میں تشخیص کی رپورٹ آڈیٹر کو فراہم کرے گی۔

انتظامیہ نے سنورا اور اسپتیرز کے متروک ہونے کے حوالے سے موجودہ سال میں پروویژن کی منظوری دی ہے، اس لیے پچھلے سالوں میں اسے چارج نہیں کیا جاسکتا۔ (k) بیٹنگوں سے براہ راست تصدیق سے متعلق معاملہ میں کہا گیا ہے کہ آڈیٹر کو انہیں یاد دہانی بھیجینی چاہیے تھی اور اسٹیٹ بینک آف پاکستان کو شکایت کرنی چاہیے تھی۔

(1) کمپنی نے مئی 2020 میں اپنے EOGM میں ڈیری آپریشنز کو پرنسپل کاروباری سرگرمی کے طور پر منظوری دی ہے۔ اس لیے، حیاتیاتی اثاثوں کی فروخت اور اس سے متعلقہ سرگرمیوں کو سٹیز کے طور پر درجہ بندی کیا جائے گا

ملازمین کے لیے ریٹائرمنٹ کے فوائد کے حوالے سے مشاہدے میں کہا گیا ہے کہ زیادہ تر ملازمین یومیہ اجرت پر ہیں۔

(1) آڈیٹر کا اعتراض حقائق کے مطابق نہیں ہے۔ کیونکہ حیاتیاتی اثاثوں کی تشخیص کے لیے کوئی اصول موجود نہیں ہے۔ تاہم، ہم اگلے سال سے آڈیٹرز کے تجویز کردہ طریقہ کو اپنائیں گے۔

(اسپانسر قرض کی نوعیت مانگ پر قابل ادائیگی ہے اور کمپنی اسپانسر کے مطالبہ پر اپنی ادائیگی کو آگے بڑھائے گی۔

مستقبل کا آؤٹ لک آگے دیکھتے ہوئے، ہم بجلی کے کنکشن کی بحالی پر کارروائیوں کے آغاز کے بارے میں پرامید ہیں۔

فی شیئر کمائی

30 جون 2024 کو ختم ہونے والے سال کے لیے کمپنی کا فی شیئر نقصان روپے ہے۔ (70.0) روپے فی شیئر نقصان کے مقابلے میں (03.1) پچھلے سال میں۔

ڈی آئی ڈی

ڈائریکٹرز نے سال کے دوران کمپنی کو ہونے والے نقصان کے پیش نظر کسی بھی منافع کی سفارش نہیں کی ہے۔

کمپنی کو درپیش بنیادی خطرات اور غیر یقینی صورتحال

کمپنی کے آپریشنز 2006 سے بند کر دیے گئے تھے، تاہم جب کمپنی اپنا کام دوبارہ شروع کرتی ہے تو مجھے مندرجہ ذیل خطرات کا سامنا کرنا پڑتا ہے۔

خطرے کے عوامل

(A) غیر ملکی زرمبادلہ کا خطرہ غیر ملکی کرنسی کا خطرہ بنیادی طور پر وہاں پیدا ہوتا ہے جہاں غیر ملکی کرنسیوں میں داخل ہونے والے لین دین کی وجہ سے قابل وصول اور قابل ادائیگی موجود ہو۔ چونکہ ڈالر ایک متزلزل پوزیشن کو ظاہر کرتا ہے، ایک مسلسل بڑھتے ہوئے رجحان کے ساتھ، اس وجہ سے، کمپنی تجارتی قرضوں، قابل ادائیگی اور محصولات پر غیر ملکی کرنسی کے خطرے سے دوچار ہے، جو کہ پاک روپے کے علاوہ کسی دوسری کرنسی میں داخل ہوتے ہیں۔

ب) لیکویڈیٹی رسک

لیکویڈیٹی رسک وعدوں کو پورا کرنے کے لیے فنڈز اکٹھا کرنے میں انٹراپرائز کی نااہلی کو ظاہر کرتا ہے۔ کمپنی کا لیکویڈیٹی رسک کا سامنا بنیادی طور پر مالیاتی اثاثوں اور واجبات کی میچورٹی کی عدم مطابقت سے پیدا ہوتا ہے۔ کمپنی فنڈز کی دستیابی کو یقینی بنانے اور نئی ضروریات کے لیے مناسب اقدامات کرنے کے لیے ایک موثر نقدی کے انتظام اور منصوبہ بندی کی پالیسی پر عمل پیرا ہے۔

ج) کریڈٹ رسک

کریڈٹ رسک کا وینٹنگ نقصان کی نمائندگی کرتا ہے جسے رپورٹنگ کی تاریخ پر تسلیم کیا جائے گا اگر کاؤنٹر پارٹیز معاہدے کے مطابق کارکردگی دکھانے میں مکمل طور پر ناکام رہیں۔ کریڈٹ رسک کی نمائندگی کو کم کرنے کے لیے کمپنی نے منظوری کا ایک ضابطہ عمل تیار کیا ہے جس کے تحت اس کے صارفین پر کریڈٹ کی حدیں لاگو ہوتی ہیں۔ انتظامیہ صارفین کے لیے کریڈٹ ایکسپوزر کی بھی مسلسل نگرانی کرتی ہے اور ان ہیلنسرز کے خلاف پروویژن کرتی ہے جنہیں ریکوری کا شبہ سمجھا جاتا ہے۔

ڈی) سودی شرح کا خطرہ

ڈائریکٹرز کی رپورٹ

آپ کی کمپنی کے ڈائریکٹرز آپ کو سالانہ جرنل میٹنگ میں خوش آمدیہ کہتے ہیں اور 30 جون 2024 کو ختم ہونے والے سال کے لیے کمپنی کے آؤٹ شدہ مالیاتی گوشوارے پیش کرنے پر خوش ہیں۔ کارکردگی کا جائزہ

زیر جائزہ سال ظاہر کرتا ہے کہ کمپنی کو روپے ٹیکس لگانے کے بعد خالص نقصان ہوا ہے۔ 998.15 ملین (2023: 718.23 ملین) روپے کے انتظامی اخراجات کے حساب سے۔ 625.15 ملین (2023: 203.20 ملین) بشمول روپے کی قدر میں کمی۔ 524.9 ملین (2023: 770.13 ملین روپے)۔

30 جون 2024 کو ختم ہونے والے سال کے لیے آپ کی کمپنی کی مالی کارکردگی حسب ذیل ہے

2024 (روپے)	2023 (روپے)	
7,534,360	4,161,170	سیلز
(5,656,029)	(5,686,214)	مجموعی نقصان
9,243,677	1,460,387	دیگر آمدنی
(15,845,837)	(24,429,009)	نقصان قبل از ٹیکس
(152,746)	710,675	ٹیکس
(15,998,583)	(23,718,334)	نقصان بعد از ٹیکس

سال کے دوران، ہماری کمپنی نے دودھ کی فروخت اور حیاتیاتی اثاثوں کی رقم 7.534 ملین روپے تک حاصل کی ہے۔ پچھلے سال کی فروخت کے مقابلے میں 534.7 ملین روپے۔ 161.4 ملین اور ٹیکس کے بعد نقصان کم ہو کر روپے رہ گیا ہے۔ گزشتہ سال کے 718.23 ملین روپے کے بعد ٹیکس کے نقصان کے مقابلے میں 998.15 ملین روپے۔ دیگر آمدنی میں سال کے دوران اسکرپٹ کی فروخت شامل ہے۔ بجلی کے کنکشن کی عدم دستیابی کی وجہ سے مل 2006 سے بند ہے۔ تاہم ڈیری کا کاروبار چل رہا ہے۔

انتظامیہ کا موقف ہے کہ اگر کمپنی بجلی کا کنکشن محفوظ کرنے میں کامیاب ہوگی تو کمپنی اپنا کام دوبارہ شروع کر دے گی۔

آڈیٹرز کی رپورٹ

آڈیٹرز نے کمپنی کے بارے میں تشویش کا اظہار کیا ہے۔ کمپنی کی تشویشناک صورتحال کا جائزہ لیتے ہوئے، انتظامیہ نے کاروبار کی آپریشنل کارکردگی، کمپنی کے موجودہ قرضوں کی ایک اہم قرض کی تنظیم نو کو لاگو کرنے کی صلاحیت، اور مالیاتی کام جاری رکھنے کے لیے ڈائریکٹرز اور ایسوسی ایٹس کی خواہش کا احاطہ کرنے والے متعدد عوامل کا بغور جائزہ لیا ہے۔

حمایت

ان کے تجزیے، اور کلیدی انتظامی کوششوں اور فیصلوں کی بنیاد پر جیسا کہ اوپر ذکر کیا گیا ہے، انتظامیہ اس بات پر راضی ہے کہ کمپنی مستقبل قریب میں ایک جاری تشویش کے طور پر جاری رکھ سکے گی۔

آڈیٹرز کی منفی رائے درج ذیل نکات پر مبنی ہے، جن پر ذیل میں بحث کی گئی ہے:۔ آڈیٹرز کی اہلیت کا جواب دیں۔

(a) گونگ کنسنر کے بارے میں بتایا گیا ہے کہ کمپنی آپریشن شروع کرنے کا ارادہ رکھتی ہے، جس کے لیے کمپنی فنڈز اکٹھا کرنے اور بجلی کا کنکشن دوبارہ شروع کرنے کی کوشش کر رہی ہے۔

(ب) قرض پر مارک اپ فراہم نہ کرنے کے بارے میں، یہ کہا گیا ہے کہ بینک قرض کی اصل رقم پر قرض کا تصفیہ کرنے کے لیے تیار ہیں۔ اور انتظامیہ تصفیہ کے معاہدوں پر بات چیت کر رہی ہے۔

(ج) اثاثوں کی دوبارہ تشخیص کے بارے میں، یہ کہا جاتا ہے کہ دوبارہ تشخیص کے مطابق مناسب ایڈجسٹمنٹ کی گئی ہے۔ مزید برآں، انتظامیہ اگلے سال آڈیٹرز کو رپورٹ کا نیا جائزہ فراہم کرے گی۔

(d) سجاد بیگ سٹائل لمیٹڈ میں سرمایہ کاری کے حوالے سے کہا گیا ہے کہ یہ معاملہ ممبران کے سامنے پیش کیا جائے گا اور آئندہ سال میں خرابی کی جائے گی۔

(c) ہماری فروخت میں دودھ اور حیاتیاتی اثاثوں کی فروخت اور اکٹم ٹیکس ریٹرن سے

متعلق معاملات شامل ہیں جو پیشہ ور ماہر کے ذریعہ سنبھالے جاتے ہیں، اس سلسلے میں اچھی کارکردگی کا مظاہرہ کرتے ہیں۔

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024**

	Note	30 June 2024 Rupees	30 June 2023 Rupees
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	6	230,000,000	230,000,000
Capital reserve			
-Surplus on revaluation of property, plant and equipment	7	280,845,693	306,683,595
-(Deficit) / surplus on remeasurement of available for sale investments	8	(479,125)	(479,125)
-Capital reserve		434,000	434,000
Revenue reserve			
Accumulated loss		(417,569,803)	(407,067,537)
Revenue reserve - general		45,829,500	45,829,500
		<u>139,060,265</u>	<u>175,400,433</u>
Non-current liabilities			
Deferred taxation	9	4,339,002	12,588,971
Current liabilities			
Trade and other payables	10	2,725,561	1,004,764
Short-term borrowings	11	207,866,985	206,896,985
Income tax liability		273,717	179,537
		<u>210,866,263</u>	<u>208,081,286</u>
Contingencies and commitments			
	12	-	-
Total equity and liabilities		<u><u>354,265,530</u></u>	<u><u>396,070,690</u></u>
ASSETS			
Non-current assets			
Property, plant and equipment	13	323,802,473	361,977,354
Capital work in progress		-	3,019,890
Biological assets	14	1,757,000	3,302,307
Long term investment	15	3,838,000	3,838,000
		<u>329,397,473</u>	<u>372,137,551</u>
Current assets			
Stores, spare parts and loose tools	16	750,688	1,534,873
Trade debts	17	16,924	1,016,924
Deposits, prepayments and other receivables	18	13,725,031	12,736,571
Cash and bank balances	19	10,375,414	8,644,771
		<u>24,868,057</u>	<u>23,933,139</u>
Total assets		<u><u>354,265,530</u></u>	<u><u>396,070,690</u></u>

The annexed notes from 1 to 37 form an integral part of these financial statements.


Chief Executive Officer


Director


Chief Financial Officer

Lahore.

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2024**

	Note	30 June 2024 Rupees	30 June 2023 Rupees
Sales - net	20	7,534,360	4,161,170
Cost of sales	21	13,190,389	9,847,384
Gross loss		(5,656,029)	(5,686,214)
Other operating income	22	9,243,677	1,460,387
Administrative and general expenses	23	15,625,223	20,202,776
Other expenses	24	3,804,075	-
Finance cost	25	4,187	406
		19,433,485	20,203,182
Loss before taxation		(15,845,837)	(24,429,009)
Taxation	26	(152,746)	710,675
Loss after taxation		(15,998,583)	(23,718,334)
Other comprehensive income for the year			
<i>Items that will not be reclassified to profit or loss</i>			
(Deficit) / surplus arising on measurement of available for sale		-	-
-investments to fair value		-	-
		-	-
Revaluation loss pertaining to plant and machinery		(28,650,120)	-
Related deferred tax		8,308,535	-
		(20,341,585)	-
Total comprehensive loss for the year		(36,340,168)	(23,718,334)
Loss per share (basic and anti-dilutive)	27	(0.70)	(1.03)

The annexed notes from 1 to 37 form an integral part of these financial statements.


Chief Executive Officer


Director


Chief Financial Officer

Lahore.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2024**

	Note	30 June 2024 Rupees	30 June 2023 Rupees
A CASH FLOW FROM OPERATING ACTIVITIES			
Loss before taxation		(15,845,837)	(24,429,009)
Advances written off	24	3,019,890	-
Provision for obsolete store items	24	784,185	-
(Gain) / loss on disposal of biological assets		(1,761,283)	(23,940)
Surplus on revaluation of biological assets	22	(770,500)	(915,360)
Adjustment for depreciation on property, plant and equipment	13	9,524,761	13,770,958
Finance cost	25	4,187	406
Operating loss before working capital changes		(5,044,597)	(11,596,945)
Working capital changes			
Decrease / (increase) in current assets			
Trade debts		1,000,000	50,000
Deposits, prepayments and other receivables		(946,733)	(50,000)
Increase in trade and other payables		1,720,797	44,750
		1,774,064	44,750
Cash used in operating activities		(3,270,533)	(11,552,195)
Income taxes paid	18	(41,727)	(81,754)
Finance cost paid		(4,187)	(406)
Net cash used in operating activities		(3,316,447)	(11,634,355)
B CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	13	-	-
Proceeds from disposal of property, plant and equipment		-	-
Proceeds from sale of biological assets		5,063,590	2,143,500
Payment for acquisition of biological assets	14	(986,500)	(2,622,507)
Cash generated from investing activities		4,077,090	(479,007)
C CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from short-term borrowing (net)		970,000	-
Cash generated from financing activities		970,000	-
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		1,730,643	(12,113,362)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	19	8,644,771	20,758,133
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	19	10,375,414	8,644,771

The annexed notes from 1 to 37 form an integral part of these financial statements.


Chief Executive Officer


Director


Chief Financial Officer

Lahore.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2024**

	Reserves					Total equity
	Capital		General			
	Share capital	Capital reserves	Surplus on revaluation of assets for sale investments	Revenue reserve - General	Accumulated loss	
As at 30 June 2022	230,000,000	434,000	(479,125)	315,050,789	45,829,500	199,118,767
Profit for the year	-	-	-	-	(23,718,334)	(23,718,334)
- Other Comprehensive Income	-	-	-	-	-	-
Incremental depreciation on revaluation of assets for the year (net of tax)	-	-	(8,367,194)	-	8,367,194	-
Surplus realised during the year on disposal	-	-	-	-	-	-
As at 30 June 2023	230,000,000	434,000	(479,125)	306,683,595	45,829,500	175,400,433
Profit for the year	-	-	-	-	(15,998,583)	(15,998,583)
- Other Comprehensive loss	-	-	(20,341,585)	-	-	(20,341,585)
Incremental depreciation on revaluation of assets for the year (net of tax)	-	-	(5,496,317)	-	5,496,317	-
As at 30 June 2024	230,000,000	434,000	(479,125)	280,845,693	45,829,500	139,060,265

The annexed notes from 1 to 37 form an integral part of these financial statements.



Chief Executive Officer



Director



Chief Financial Officer

Lahore.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

1 STATUS AND ACTIVITIES

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. Following is the detail of addresses of the Company.

Description	Location
Registered office	19-B, Off Zafar Ali Road, Gulberg V, Lahore.
Manufacturing facility	8 KM, Faisalabad Road, Aslamabad, Kharianwala, Sheikhpura

2 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRSs) 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 provisions of and directives issued under the Companies Act, 2017 differ from the IFRSs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3 NEW AND AMENDED STANDARDS AND INTERPRETATIONS

3.1 Initial application of International Financial Reporting Standards (IFRSs), interpretations and amendments to published approved accounting standards that are effective in the current year:

There were certain amendments in accounting and reporting standards which became effective for the Company for the current year. However, these are considered not to be relevant or have any significant impact on the Company's financial reporting and therefore have not been disclosed in these financial statements, except that during the year certain amendments to IAS 1 Presentation of Financial Statements have become applicable to the Company which require entities to disclose their material accounting policy information rather than their significant accounting policies. These amendments have been incorporated in these financial statements with the primary impact that the material accounting policy information has been disclosed rather than the significant accounting policies.

3.2 IFRSs, IFRIC interpretations and accounting standards not yet effective and have not been early adopted by the Company:

There are certain new standards and certain amendments to the accounting and reporting standards that will become mandatory for the Company's annual accounting periods beginning on or after July 1, 2024. However, these will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these financial statements.

4 BASIS OF PREPARATION

4.1 Measurement

These financial statements have been prepared under historical cost convention except for modifications stated elsewhere in these financial statements.

4.2 Significant accounting judgments and estimates

The preparation of financial statements in conformity with the accounting and reporting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. In the process of applying the Company’s accounting policies, the management has made the following estimates and judgments which are significant to the financial statements:

a)	assumptions and estimates used in determining the recoverable amount, residual values and useful lives of property and equipment;	(notes 5.1 and 13)
b)	Fair value of biological assets	notes 5.14 & 14)
c)	assumptions and estimates used in determining the provision for slow moving stores, spares and loose tools;	(notes 5.17 and 16)
d)	assumptions and estimates used in disclosure and assessment of provision for contingencies; and	(notes 5.12, 12 and 5.21)
e)	assumptions and estimates used in determining current income under relevant tax law and decisions of appellate authorities issued in past.	(notes 5.3 and 25)

Estimates and judgments are continually evaluated, are based on historical experience / other factors, including expectation of future events that are believed to be reasonable under circumstances.

4.3 Functional and presentational currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. These financial statements are presented in Pak Rupees, which is Company's functional and presentation currency.

4.4 Going concern assumption

The financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates realization of assets and liquidation of liabilities in normal course of business. The Company has incurred net loss of Rs. 15.999 (2023: 23.718) million resulting in accumulated losses of Rs. 417.570 million (2023: Rs. 407.068) million at close of the year ended 30 June 2024. The Company’s current liabilities exceed its current assets by Rs. 185.998 (2023: Rs.184.148)

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 through 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.

5 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies adopted in preparation of these financial statements are set out below:

5.1 Property, plant and equipment

Items of property, plant and equipment are stated at cost / revalued amounts less accumulated depreciation and impairment losses, if any. Free hold land is stated at revalued amount less impairment loss, if any. Cost comprises purchase price, including duties and non-refundable purchase taxes, after deducting trade discounts and rebates and includes other costs directly attributable to the acquisition or construction including expenditures on material, labor and overheads directly relating to construction, erection and installation of items of property, plant and equipment.

Assets' residual values, if significant and useful lives are reviewed and adjusted, if appropriate, at each reporting date. Subsequent costs are recognized as a part of asset, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

Depreciation is charged by applying the reducing balance method over estimated useful life at the rates specified in note 13 to the financial statements. Depreciation on additions to property, plant and equipment is charged from the date at which they are available for use while no depreciation is charged for the date at which it is disposed off. The useful lives and depreciation methods are reviewed on periodic intervals to ensure that the methods and period of depreciation charged during the year are consistent with the expected pattern of economic benefits from items of property, plant and equipment.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on sale of an item of property, plant and equipment are determined by comparing the proceeds from sale with the carrying amount of property, plant and equipment, and are recognized in statement of profit or loss. All other repair and maintenance costs are charged to the income during the period in which they are incurred.

5.2 Surplus on revaluation of fixed assets

Increase in carrying amounts arising on revaluation of property, plant and equipment are recognized, net of tax, in other comprehensive income and accumulated in revaluation surplus in shareholders' equity. To the extent that increase reverses a decrease previously recognized in the statement of profit or loss, the increase is first recognized in the statement of profit or loss. Decreases that reverse previous increases of the same assets are first recognized in other comprehensive income to the extent of remaining surplus attributable to the asset; all other decreases are charged to the statement of profit or loss. Differences between depreciation based on the revalued carrying amount of the asset charged to the statement of profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from revaluation surplus on property plant and equipment to unappropriated profit.

5.3 Taxation

Income tax expense comprise current and deferred tax. Income tax is recognized in profit and loss account except to the extent that it relates to items recognized directly in 'profit and loss account / statement of comprehensive income' or 'equity', in which case it is recognized in 'profit and loss account / statement of comprehensive income' or 'equity'.

a) Current

Provision for current taxation is the amount computed on taxable income at the current rates of taxation or alternative corporate tax computed on accounting income or minimum tax on turnover, whichever is higher, and taxes paid / payable on final tax basis, after taking into account tax credit available, if any. The charge for the current tax also includes adjustments where necessary, relating to prior years which arise from the assessments made / finalized during the year.

b) Deferred

Deferred taxation if applicable, is provided using liability method for all temporary differences at the reporting date between tax base of assets and liabilities and their carrying amount for financial reporting purposes. In this regard effects on deferred tax of the portion of income subject to final tax regime is also considered in accordance with the requirements of guidance issued by ICAP. Deferred tax liability is recognized for all taxable temporary differences. Deferred tax asset is recognized for all deductible temporary differences and carry forward of unused tax losses, if any, to the extent that it is probable that taxable profit will be available against which such temporary differences and tax losses can be utilized. Deferred tax assets and liabilities are measured at rates that are expected to be applied to the period when the asset is realized or the liability is settled, based on rates that have been enacted or substantively enacted at the reporting date. Deferred tax is charged in the profit and loss account, except in the case of items credited or charged to equity, in that case it is included in equity.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

5.4 Mark-up bearing borrowings

Mark-up bearing borrowings are recognized initially at fair value, less attributable transaction costs. Subsequent to initial recognition, mark-up bearing borrowings are stated at amortized cost with any difference between cost and redemption value being recognized in the statement of profit or loss over the period of the borrowings on an effective interest basis.

5.5 Financial liabilities

All financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortised costs are initially measured at fair value minus transaction costs. Financial liabilities at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the profit or loss. Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortised cost using the effective yield method. A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the profit or loss.

5.6 Financial assets

a) Initial measurement

The Company classifies its financial assets in the following categories:

- (i) at fair value through profit or loss
- (ii) at fair value through comprehensive income
- (iii) measured at amortized cost

A financial asset is initially measured at fair value plus, for an item not at fair value through profit and loss, transaction costs that are directly attributable to its acquisition.

b) Subsequent measurement

The financial assets are subsequently measured as follows:

- (i) Financial assets at fair value through profit and loss These assets are subsequently measured at fair value. Net gains and losses, including any interest / markup or dividend income, are recognized in profit or loss.
- (ii) Financial assets measured at amortized cost These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest / markup income, foreign exchange gains and losses and impairment are recognized in the statement of profit or loss.
- (iii) Debt investments at fair value through other comprehensive income These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in the statement of profit or loss. Other net gains and losses are recognized in other comprehensive income. On de-recognition, gains and losses accumulated in other comprehensive income are reclassified to the statement of profit or loss.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

(iv) Equity investments at fair value through other comprehensive income

These assets are subsequently measured at fair value. Dividends are recognized as income in statement of profit or loss unless dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to the statement of profit or loss.

c) De-recognition of financial assets

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Assets or liabilities that are not contractual in nature and that are created as a result of statutory requirements imposed by the Government are not the financial instruments of the Company.

5.7 Cash and cash equivalents

Cash and cash equivalents are carried in the financial position at cost. For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand and balances with banks and short-term deposits which are held to maturity.

5.8 Trade debts and other receivables

a) Financial assets

These are classified at 'amortized cost'. On initial recognition, these are measured at cost, being their fair value at the date of transaction, plus attributable transaction costs. Subsequent to initial recognition, trade debts and other receivables are recognized and carried at original invoice amount less an estimated allowance made for doubtful receivables based on review of outstanding amounts at the year end. Provision for impairment of trade debts and other receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to original terms of receivables. Significant financial difficulties of debtors, probability that the debtor will enter bankruptcy or financial reorganization, default or delinquency in payments are considered indicators that trade receivable is impaired. Debts, considered irrecoverable, are written off, as and when identified. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

b) Financial assets

These on initial recognition are measured at cost.

5.9 Trade and other payables

a) Financial liabilities

These are classified as 'financial liabilities at amortized cost'. On initial recognition, these are measured at cost, being their fair value at the date the liability is incurred, less attributable transaction costs. Subsequent to initial recognition, these are measured at amortized cost using the effective interest method, with interest recognized in profit or loss.

b) Non-financial liabilities

These on initial recognition are measured at cost.

5.10 Dividend distribution

a) Dividend distributions

Dividend is recognized as liability in the period in which it is declared.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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Dividend to ordinary shareholders is recognized as a deduction from accumulated profit in statement of changes in equity and as a liability, to the extent it is unclaimed, in the Company's financial statements in the year in which the dividends are approved by Company's shareholders.

b) Appropriations

Appropriations of profit are reflected in the statement of changes in equity in the period in which such appropriations are approved.

5.11 Borrowing cost

Borrowing costs relating to the acquisition, construction or production of a qualifying asset are recognized as part of the cost of that asset. All other borrowing costs are recognized as an expense in the period in which these are incurred.

5.12 Provisions

A provision is recognized when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. The amount recognized as provision reflects best estimate of expenditure required to settle present obligation at end of reporting period. Provisions are reviewed at each reporting date and adjusted to reflect best estimates.

5.13 Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if the Company has a legally enforceable right to set off the recognized amounts and the Company intends to settle on a net basis or realize the asset and settle the liability simultaneously.

5.14 Biological assets

Livestock are measured on initial recognition and at end of each reporting period at their fair value less costs to sell. Fair value of livestock is determined by an independent valuer on the basis of best available estimate for livestock of similar attributes. Costs to sell are incremental costs directly attributable to the disposal of an asset mainly comprise of transportation cost. Milk is initially measured at its fair value less costs to sell at the time of milking. The fair value of milk is determined based on market prices in the local area. Gains or losses arising from changes in fair value less costs to sell of livestock and milk are recognized in the statement of profit or loss.

5.15 Investments

All investments are initially recognized at cost, being fair value of the consideration given including acquisition charges associated with investments and are classified as either held for trading or available for Sale. After initial recognition, investments held for trading or available for Sale are measured at fair value.

Gains and losses on investments held for trading are recognized in income. Gains and losses on investments available for sale are recognized as separate component of equity until investments are sold, disposed off or determined to be impaired, at which time the accumulated gain/loss previously reported in equity is included in income.

5.16 Ordinary share capital

Ordinary share capital is recognized as equity. Transaction costs directly attributable to the issue of ordinary shares are recognized as deduction from equity.

5.17 Stores, spare parts and loose tools

These are normally held for internal use and valued at moving average cost less allowances for obsolete and slow moving items except stores in transit which are valued at invoice values plus other charges incurred thereon up to the balance sheet date. For items which are slow moving and/ or identified as surplus to the Company's requirements, adequate impairment is recognized. The Company reviews the carrying amount of stores, spare parts and loose tools on a regular basis and provision is made for obsolescence.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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5.18 Stock-in-trade

Basis of valuations are as follows:

<i>Particulars</i>	<i>Mode of Valuation</i>
Raw material	at lower of weighted average cost and net realizable value
Work-in-process	at estimated manufacturing cost
Finished goods	at lower of cost and net realizable value

Cost in relation to work-in-process and finished goods represents average manufacturing cost which consists of prime cost and proportion of manufacturing overheads based on normal capacity. Net realizable value signifies selling price in ordinary course of business less estimated costs of completion and estimated cost necessary to make the sale.

5.19 Revenue recognition

Revenue is recognized when performance obligations are satisfied by transferring control of good or service to a customer and control transfers over time or at point in time. Revenue is measured at fair value of the consideration received or receivable excluding discounts, rebates and government levies.

5.20 Impairment

a) Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have negative effect on estimated future cash flows of that asset. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

b) Non-financial assets

The carrying amount of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Impairment losses are recognized as expense in statement of profit or loss. An impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount and loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

5.21 Contingents

a) Contingent liabilities - are disclosed when:

- (i) there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company; or
- (ii) there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

b) Contingent assets

Contingent assets are disclosed when there is a possible asset that arises from past events and whose existence will be confirmed only by occurrence or non-occurrence of uncertain future events not wholly within the control of the Company. These are not recognized until their realization become certain.

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5.22 Earnings per share ("EPS")

The Company calculates both basic and diluted EPS in accordance with IAS 33 "Earnings per Share". Under IAS 33, basic EPS is computed using weighted average number of shares outstanding during the year. Diluted EPS is computed using weighted average number of shares outstanding plus dilutive effect of stock options outstanding during the year.

5.23 Related party transactions

Related party transactions are carried out on a mutually agreed basis. Pricing for these transactions are determined on the basis of comparable uncontrolled price method, which sets the price by reference to comparable goods and services sold in an economically comparable market to a buyer unrelated to the seller. The accounting methods adopted for various types of transactions and balances with related parties are as follows:

a) Sale of goods and services

Revenue from sale of goods and services to related parties is recognized in accordance with the revenue recognition policy of the Company for such transactions. Receivables against sale of goods outstanding at the reporting date are carried at amortized cost in accordance with the accounting policy of the Company for such balances.

b) Purchases of goods and services

Purchases of goods from related parties are recognized at actual cost to the Company. Payables against purchases from related parties outstanding at the reporting date are carried at amortized cost in accordance with the accounting policy of the Company for such balances.

c) Dividend distribution

Distribution to related parties having shareholding in the Company is recognized in accordance with the accounting policy of the Company for dividend distribution to ordinary shareholders.

5.24 Comprehensive income

Comprehensive income is the change in equity resulting from transactions and other events, other than changes resulting from transactions with shareholders in their capacity as shareholders. Total comprehensive income comprises of all the components of statement of profit or loss and other comprehensive income.

Other comprehensive income comprises of all the items of income and expense, including reclassification adjustments, that are not recognized in profit or loss as required or permitted by approved accounting standards, and is presented in 'statement of profit or loss and other comprehensive income'.

5.25 Figures

Figures have been rounded off to the nearest of rupee.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	----- Number of shares -----		Rupees	Rupees
6 SHARE CAPITAL				
Authorized capital				
Ordinary shares of Rs. 10 each	<u>25,000,000</u>	<u>25,000,000</u>	<u>250,000,000</u>	<u>250,000,000</u>
Issued subscribed and paid up capital				
Ordinary shares of Rs. 10 each				
- fully paid in cash	20,312,530	20,312,530	203,125,300	203,125,300
- fully paid as bonus shares	2,317,470	2,317,470	23,174,700	23,174,700
- fully paid in consideration of Property and assets of Sargodha Textile Mills Limited as per bifurcation scheme approved by the Honorable High Court in 1974.	<u>370,000</u>	<u>370,000</u>	<u>3,700,000</u>	<u>3,700,000</u>
	<u>23,000,000</u>	<u>23,000,000</u>	<u>230,000,000</u>	<u>230,000,000</u>

6.1 All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

	30 June 2024	30 June 2023
	Rupees	Rupees
7 -SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT		
Surplus on revaluation		
At beginning of the year	337,441,873	349,226,653
Less: Deficit arisen during the year	(28,650,120)	-
Less: Incremental depreciation for the year	(7,741,291)	(11,784,780)
At end of the year	301,050,462	337,441,873
Less: Related deferred tax		
At beginning of the year	30,758,278	34,175,864
Add: deficit arisen during the year	(8,308,535)	-
Less: Incremental depreciation for the year	(2,244,974)	(3,417,586)
At end of the year	20,204,769	30,758,278
Net surplus on revaluation	<u>280,845,693</u>	<u>306,683,595</u>

7.1 The Company, had revalued its freehold land, buildings on freehold land and plant and machinery on 30 June 2015 and 30 June 2019 and 30 June 2021 by independent valuers. The latest revaluation was carried out by independent valuer M/s. Alnoor Consultants and evaluators (who are on the list of approved valuers of Pakistan Banks' Association) and revaluation adjustments were incorporated accordingly during the year. The said revaluation exercises were carried-out to replace the carrying amounts of assets with the market values / depreciated market values. The Company has recognized revaluation loss of Rs. 28,650,120 on plant and machinery during the year.

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7.2 The basis of revaluation are as under:

Freehold land	The value is based on inquiries in the activity of land and also information obtained from different sources in the area. (Forced Sale Value 2021: Rs. 214,479,360).
Buildings on freehold land	The value of building is based on information of construction details, covered areas and quality of constructions were noted and new rate of construction per square foot was determined based upon estimates of balance life to arrive at new construction value. (Forced Sale Value 2021: Rs. 78,207,968).
Plant machinery	The value is based on inquiries from the local market, market based comparisons and setting price of machinery to obtain prevalent replacement values of similar local and imported machinery items. (Forced Sale Value 2021: Rs. 48,000,000).

		30 June 2024 Rupees	30 June 2023 Rupees
8	-(DEFICIT) / SURPLUS ON REMEASUREMENT OF AVAILABLE FOR SALE INVESTMENTS		
	Fair value reserve	- note 8.1 (479,125)	(479,125)
		<u>(479,125)</u>	<u>(479,125)</u>

8.1 This represents the unrealized (loss) / gain on remeasurement of available for sale investments at fair value and is not available for distribution. This will be transferred to the statement of comprehensive income on realization.

8.2 Reconciliation of 'fair value reserve is as under:

Opening balance	(479,125)	(479,125)
Fair value adjustment during the year	-	-
Closing balance	<u>(479,125)</u>	<u>(479,125)</u>

9 DEFERRED TAXATION

Deferred tax liability on taxable temporary differences

Accelerated tax depreciation on property, plant and equipment	(15,865,767)	(18,169,307)
Surplus on revaluation of property, plant and equipment	20,204,769	30,758,278
	<u>4,339,002</u>	<u>12,588,971</u>

9.1 Movement in deferred tax due to taxable / (deductible) temporary differences -

	<i>Opening balance</i>	<i>statement of profit or loss</i>	<i>statement of OCI</i>	<i>Closing balance</i>
As at 30 June 2024				
Accelerated depreciation	(18,169,307)	2,303,540	-	(15,865,767)
Surplus on revaluation of fixed assets	30,758,278	(2,244,974)	(8,308,535)	20,204,769
	<u>12,588,971</u>	<u>58,566</u>	<u>(8,308,535)</u>	<u>4,339,002</u>

9.2 Deferred tax asset amounting to Rs. 22.068 million (2023: Rs. 22.68 million) in respect of unused tax losses amounting to Rs. 76.10 million (2023: Rs. 78.20 million) has not been recognized because it is not probable that future taxable profits will be available against which the Company can utilize the deferred tax assets. Unused tax losses amounting to Rs. 13.93 million will expire in 2025.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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		30 June 2024	30 June 2023
		Rupees	Rupees
10	TRADE AND OTHER PAYABLES		
	Accrued liabilities	1,015,263	658,582
	Other liabilities	1,710,298	346,182
		<u>2,725,561</u>	<u>1,004,764</u>
11	SHORT-TERM BORROWINGS		
	-From financial institutions		
	-Habib Bank Limited	- note 11.1 13,258,000	13,258,000
	-Islamic Investment Bank Limited	- note 11.2 71,464,211	71,464,211
	-From others		
	Sponsor's loan	- note 11.3 123,144,774	122,174,774
		<u>207,866,985</u>	<u>206,896,985</u>

11.1 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.

11.2 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
	<u>71,464,211</u>	<u>71,464,211</u>

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.

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11.3 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. The maximum aggregate amount due at the end of any month during the year was Rs. 122.17 million (2023: Rs. 122.17 million).

12 CONTINGENCIES AND COMMITMENTS
Contingencies and Commitments

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 likelihood of the judgement in their favour.

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.

13.4 Particulars of immovable property in the name of the Company are as follows:

<i>Manufacturing facility</i>		<i>Area</i>	
8 KM, Faisalabad Road, Aslamabad, Kharianwala, Sheikhpura		30 June 2024	30 June 2023
		Rupees	Rupees
14	BIOLOGICAL ASSETS		
	Buffalos	- note 14.1	1,424,287
	Cows	852,000	265,040
	Calfs	905,000	949,683
	Goats	-	663,297
		1,757,000	3,302,307

14.1 Reconciliation of changes in carrying amount

Carrying amount at beginning of the year	3,302,307	1,884,000
Increase due to purchases	986,500	2,622,507
Decrease due to disposal	(3,302,307)	(2,119,560)
	986,500	2,386,947
Changes in fair value less cost to sell:		
Due to price changes	770,500	915,360
Carrying amount at end of the year	1,757,000	3,302,307

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14.2 At June 30, 2024, livestock comprised 3 Cows, 10 Calves (2023: 8 Buffalos, 2 Cows, 13 Calves and 17 Goats). During the year 2024, the mangement sold 8 Buffalos, 2 Cows, 13 Calves and 17 Goats.

14.3 The valuation of livestock as at 30 June 2024 has been carried out by independent valuers. In this regard, the valuers examined the physical condition of the livestock, assessed the key assumptions and estimates and relied on the representations made by the Company as at 30 June 2024. Further, replacement values of similar livestock from active markets in local market have been used as basis of valuation by the independent valuers.

15	LONG TERM INVESTMENT	30 June 2024	30 June 2023
		Rupees	Rupees
	Un-quoted (Available for sale investment)		
	Sajjad Textile Mills Limited		
	383,300 (2023: 383,300) Ordinary shares of Rs.10/- each	3,833,000	3,833,000
	Sargodha Industrial Urban Development Co-operative Society Limited		
	50 (2023: 50) Ordinary shares of Rs. 100/- each.	5,000	5,000
		3,838,000	3,838,000

15.1 The company holds 1.802% (2023: 1.802%) share holding in Sajjad Textile Mills Limited and account for this investment on face value.

16	STORES, SPARE PARTS AND LOOSE TOOLS	30 June 2024	30 June 2023
		Rupees	Rupees
	Stores	1,805,733	1,805,733
	Spare parts and loose tools	-	-
		1,805,733	1,805,733
	Less: Provision for obsolete items	(1,055,045)	(270,860)
		750,688	1,534,873

17	TRADE DEBTS	30 June 2024	30 June 2023
		Rupees	Rupees
	Local - unsecured but considered good	16,924	1,016,924
	Local - unsecured but considered doubtful	94,890	164,890
		111,814	1,181,814
	Less: Provision for expected credit losses	(94,890)	(164,890)
		16,924	1,016,924

17.1 The movement in provision for impairment of receivables is as follows:

Opening balance	164,890	164,890
Less: balance recoverd during the year	(70,000)	-
Add: charge for the year	-	-
Closing balance	94,890	164,890

17.2 ageing analysis of trade debts is as follows:

Not past due	90,860	90,860
Past due		
1 - 90 days	926,064	926,064
91-180 days	164,890	164,890
	1,181,814	1,181,814

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	30 June 2024	30 June 2023
	Rupees	Rupees
18 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
Deposit with WAPDA	12,418,302	12,418,302
Security deposits	73,500	73,500
Advance income tax	230,114	188,387
Other receivables	1,003,115	56,382
	<u>13,725,031</u>	<u>12,736,571</u>
19 CASH AND BANK BALANCES		
Cash in hand	3,507,611	5,393,404
With banks		
-Current accounts	66,668	66,658
-Saving accounts	6,801,135	3,184,709
	<u>6,867,803</u>	<u>3,251,367</u>
	<u>10,375,414</u>	<u>8,644,771</u>
19.1 Mark up rate in respect of savings accounts ranges from 19.5% to 19.75% (2023: 7.25% to 13.25%) per annum.		
20 SALES - NET		
Sale of milk	2,470,770	2,017,670
Sale of biological assets	5,063,590	2,143,500
	<u>7,534,360</u>	<u>4,161,170</u>
21 COST OF SALES		
Salaries, wages and benefits	4,020,580	3,127,726
Utilities	1,089,760	850,967
Other direct expenses	4,777,742	3,749,131
Cost of biological assets and milk sold	3,302,307	2,119,560
	<u>13,190,389</u>	<u>9,847,384</u>
22 OTHER OPERATING INCOME		
Profit on bank deposits	278,177	545,027
Gain on fair value measurements of biological assets	770,500	915,360
Reversal of expected credit loss allowance	70,000	-
Other income	8,125,000	-
	<u>9,243,677</u>	<u>1,460,387</u>

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	30 June 2024	30 June 2023
	Rupees	Rupees
23 ADMINISTRATIVE AND GENERAL EXPENSES		
Director's remuneration	1,487,500	2,313,750
Salaries, wages and benefits	1,049,964	1,246,927
Traveling and conveyance	9,600	5,800
Printing and stationery	75,810	84,370
Postage, telephone and telex	6,760	24,510
Repair and maintenance	19,000	-
Entertainment	1,870	4,000
Rent, rates and taxes	141,200	188,000
Electricity, water and gas	322,578	373,904
Fees and subscription	1,749,589	1,575,829
Legal and professional	538,000	28,000
Auditors' remuneration	470,000	470,000
Newspapers and periodicals	19,095	23,070
Advertisement	32,495	33,000
Miscellaneous expenses	177,001	60,658
Depreciation on property, plant and equipment	9,524,761	13,770,958
	<u>15,625,223</u>	<u>20,202,776</u>
23.1 Auditors' remuneration		
Audit fee	420,000	420,000
Fee for interim review and other certifications	50,000	50,000
	<u>470,000</u>	<u>470,000</u>
24 OTHER EXPENSES		
Advances written off	3,019,890	-
Provision for obsolete store items	784,185	-
	<u>3,804,075</u>	<u>-</u>
25 FINANCE COST		
Bank charges	4,187	406
26 TAXATION		
Current	94,180	52,015
Deferred	58,566	(762,690)
	<u>152,746</u>	<u>(710,675)</u>
26.1 Current year		
Provision for current year's taxation has been made in accordance with the relevant provisions of the Income Tax Ordinance, 2001.		
26.2 Prior period assessments		
Income tax assessments of the Company have been finalized up to tax year 2023 in accordance with the deeming provisions under section 120 (1) of the Ordinance.		

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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		<u>30 June 2024</u>	<u>30 June 2023</u>
		Rupees	Rupees
26.3	Numerical reconciliation of income tax expense		
	As the provision for current year's taxation is in accordance with the minimum taxation under section 113 of the Income Tax Ordinance 2001, hence no numerical reconciliation is presented in the financial statements.		
		<u>30 June 2024</u>	<u>30 June 2023</u>
27	LOSS PER SHARE (BASIC AND ANTI-DILUTIVE)		
	Profit attributable to ordinary equity holders of the Company	(Rupees) (15,998,583)	(23,718,334)
	Weighted average number of ordinary shares	(Number) 23,000,000	23,000,000
	Profit per share - basic and anti dilutive	(Rupees) (0.70)	(1.03)
27.1	There is no anti dilutive effect on the basic loss per share of the Company. Moreover, there are no anti dilutive potential ordinary shares outstanding as at 30 June 2024 and 2023.		
		<u>30 June 2024</u>	<u>30 June 2023</u>
28	PLANT CAPACITY AND ACTUAL PRODUCTION		
	Number of spindles installed	28,800	28,800
	Installed capacity after conversion into 20 / S counts (kilograms)	7,776,000	7,776,000
28.1	The company's operations remained suspended due to financial constraints and litigations with banks.		
		<u>30 June 2024</u>	<u>30 June 2023</u>
		Number of employees	
29	NUMBER OF EMPLOYEES		
	Total number of employees at end of year	16	17
	Average number of employees during the year	17	16
30	FINANCIAL RISK MANAGEMENT		
	The Company finances its operations through equity, borrowings and management of working capital with a view to obtain a reasonable mix between the various sources of finance to minimize the finance related risks to the entity. The Company has exposure to the following risks from its use of financial instruments:		
	a) Credit risk; b) Liquidity risk; and c) Market risk		
	The Company's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.		
30.1	Risk management framework		
	The Board of Directors has overall responsibility for establishment and over-sight of the Company's risk management framework. The executive management team is responsible for developing and monitoring the Company's risk management policies. The team regularly meets and any changes and compliance issues are reported to the Board of Directors of the Company.		
	Risk management systems are reviewed regularly by the executive management team to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.		

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

30.2 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter-parties failed completely to perform as contracted. The Company does not have significant exposure to any individual counterparty. To manage credit risk the Company maintains procedures covering the application for credit approvals, granting and renewal of counterparty limits and monitoring of exposures against these limits. As part of these processes the financial viability of all counterparties is regularly monitored and assessed. To mitigate the risk, the Company has a system of assigning credit limits to its customers based on an extensive evaluation based on customer profile and payment history. Outstanding customer receivables are regularly monitored.

30.2.1 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	30 June 2024	30 June 2023
	Rupees	Rupees
<i>At amortized cost</i>		
Trade debts	16,924	1,016,924
Trade deposits	13,725,031	12,736,571
Bank balances	10,375,414	8,644,771
	<u>24,117,369</u>	<u>22,398,266</u>

30.2.2 Credit quality of financial assets

Based on above information, the Company is exposed to minimal credit risk.

30.3 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions.

For this purpose the Company has sufficient running finance facilities available from various commercial banks to meet its liquidity requirements. Further liquidity position of the Company is closely monitored through budgets, cash flow projections and comparison with actual results by the Board.

30.3.1 Exposure to liquidity risk

(a) Contractual maturities of financial liabilities, including estimated interest payments

The following are the remaining contractual maturities of financial liabilities:

	Carrying	Contractual	Not later than	Later than 1
	----- Rupees -----			
<i>as at 30 June 2024</i>				
Short-term borrowings	207,866,985	207,866,985	207,866,985	-
Trade payables	2,725,561	2,725,561	2,725,561	-
	<u>210,592,546</u>	<u>210,592,546</u>	<u>210,592,546</u>	<u>-</u>
<i>as at 30 June 2023</i>				
Short-term borrowings	206,896,985	206,896,985	206,896,985	-
Trade payables	1,004,764	1,004,764	1,004,764	-
	<u>207,901,749</u>	<u>207,901,749</u>	<u>207,901,749</u>	<u>-</u>

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amount.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

30.4 Market risk

Market risk is the risk that changes in market price such as foreign exchange rates, interest rates and equity prices will effect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing return.

30.4.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is not exposed to currency risk.

30.4.2 Interest rate risk

Interest rate risk is the risk that the value of financial instrument will fluctuate due to changes in market interest rates. Significant interest rate risk exposures are primarily managed by a mix of borrowings at variable interest rates. At the reporting date the interest rate profile of the Company's significant interest bearing financial instruments was as follows:

- **Fixed rate financial instruments**

The Company do not have any financial instrument bearing fixed rate of interest (2023: Nil).

- **Fair value sensitivity analysis for fixed rate instruments**

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit and loss. Therefore change in interest rates at reporting date would not affect profit and loss.

- **Variable rate financial assets and liabilities**

	<u>30 June 2024</u>		<u>30 June 2023</u>	
	<i>Assets</i>	<i>Liabilities</i>	<i>Assets</i>	<i>Liabilities</i>
	----- Rupees -----			
Short-term borrowings	-	207,866,985	-	206,896,985

- **Cash flow sensitivity analysis for variable rate instruments**

Change of 1% in interest rates at reporting date would have varied profit before tax as shown below. Analysis assumes that all other variables, in particular foreign exchange rates, remain constant.

	<i>Variation in basis points (% age)</i>	<i>Effect on profit before tax 30 June 2024 Rupees</i>	<i>30 June 2023 Rupees</i>
- Variable rate financial instruments			
Short-term borrowings	1.00%	<u>2,078,670</u>	<u>2,068,970</u>

The above analysis is not necessarily indicative of effects on profit for the year, assets and liabilities.

30.4.3 Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The Company is not exposed to any price risk as there are no financial instruments at the reporting date that are sensitive to price fluctuations.

31 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Fair value is the amount that would be received to sell an asset or paid to transfer a liability in a transaction between market participants at measurement date. Investment in associates are carried

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

using equity method. Carrying values of other financial assets / liabilities reflected in these financial statements approximate their fair values. Underlying the definition of fair value is presumption that the Company is a going concern and there is no intention or requirement to curtail materially scale of its operation or to undertake transaction on adverse terms. A financial instrument is regarded as quoted in active market if quoted prices are readily and regularly available from an exchange dealer, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis. IFRS 13 'Fair Value Measurement' requires entity to classify fair value measurements and hierarchy that reflects significance of the inputs used in making the measurements of fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset either directly (that is, derived from prices) (Level 2)
- Inputs for the asset or liability that are not based on observable market data inputs (Level 3)

Transfer between levels of the fair value hierarchy are recognized at the end of the reporting period during which the changes have occurred. The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. The Company has not disclosed the fair values for some financial assets and financial liabilities, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

32 CAPITAL RISK MANAGEMENT

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company manages its capital structure which comprises capital and reserves by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders, appropriation of amounts to capital reserves or/and issue new shares.

There was no change to the Company's approach to capital management during the year and the Company is not subject to externally imposed capital requirements except for maintenance of debt to equity ratio under the financing agreements.

	30 June 2024	30 June 2023
	----- rupees in '000 -----	
Total debt	207,867	206,897
Total equity and debt (including surplus on revaluation of operating assets)	139,268	175,607
Debt-to-equity ratio	149%	118%

Neither there were any changes in the Company's approach to capital management during the year nor the Company is subject to externally imposed capital requirements.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

33 TRANSACTIONS WITH RELATED PARTIES

33.1 Disclosure of transactions between the Company and related parties

The related parties of the Company comprise of associated undertakings, directors of the Company, key management personnel and entities under common directorship.

Outstanding balances are reported in respective notes to the financial statements.

Significant transactions with related parties other than disclosed elsewhere in the financial statements are as follows:

<i>Nature of relation</i>	<i>Nature of transactions</i>	30 June 2024 Rupees	30 June 2023 Rupees
Sponsors	Loan received	-	-
	Loan repaid	-	-
	Amount due at year end	123,144,774	122,174,774

33.2 Following is the detail of related parties, however, no transaction have been entered into by the Company with them during the current year.

<i>Company Name</i>	<i>Basis of relationship</i>
Sargodha Textile Mills Limited	Common directorship
Sajjad Textile Mills Limited	Common directorship
Silver Fiber Spinning Mills Limited	Common directorship

34 REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

During the year the Company has only paid Rs. 1,487,500 in lieu of salary (2023: 2,313,750) to the chief executive and no remuneration has been paid to the directors. Moreover, no fee had been paid to directors for attending meetings of the board of directors.

No employee falls under the definition of executive as per Companies Act, 2017.

35 OPERATING SEGMENTS

These financial statements have been prepared on the basis of a single reportable segment.

- All the sales of the Company are made to customers located inside Pakistan.
- All non-current assets of the Company at 30 June 2024 are located in Pakistan.

36 RECLASSIFICATIONS AND RE-ARRANGEMENTS

Corresponding figures have been re-classified and re-arranged, wherever necessary, to reflect more appropriate presentation of events and transactions for the purpose of comparison. However, no significant re-classification and re-arrangements are made in the financial statements.

37 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been approved by the board of directors of the Company and authorized for issue on October 04, 2024.


Chief Executive Officer


Director


Chief Financial Officer

Lahore.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

Financial instruments on reporting date	Carrying Amount			Fair Value				
	Fair value through OCI	Amortized cost	Other liabilities	Total	Level 1	Level 2	Level 3	Total
----- Rupees -----								
as at 30 June 2024								
Financial assets / liabilities measured at fair value								
Long term investment	3,838,000	-	-	3,838,000	-	3,838,000	-	3,838,000
Financial assets not measured at fair value								
Trade debts	-	16,924	-	16,924	-	16,924	-	16,924
Trade deposits	-	13,725,031	-	13,725,031	-	13,725,031	-	13,725,031
Bank balances	-	10,375,414	-	10,375,414	-	10,375,414	-	10,375,414
	-	24,117,369	-	24,117,369	-	24,117,369	-	24,117,369
Financial liabilities not measured at fair value								
Short term borrowings	-	-	207,866,985	207,866,985	-	-	-	-
Trade payables	-	-	2,725,561	2,725,561	-	-	-	-
	-	-	210,592,546	210,592,546	-	-	-	-
as at 30 June 2023								
Financial assets / liabilities measured at fair value								
Long term investment	3,838,000	-	-	3,838,000	-	3,838,000	-	3,838,000
Financial assets not measured at fair value								
Trade debts	-	1,016,924	-	1,016,924	-	1,016,924	-	1,016,924
Trade deposits	-	12,736,571	-	12,736,571	-	12,736,571	-	12,736,571
Bank balances	-	8,644,771	-	8,644,771	-	8,644,771	-	8,644,771
	-	22,398,266	-	22,398,266	-	22,398,266	-	22,398,266
Financial liabilities not measured at fair value								
Short term borrowings	-	-	206,896,985	206,896,985	-	-	-	-
Trade payables	-	-	1,004,764	1,004,764	-	-	-	-
	-	-	207,901,749	207,901,749	-	-	-	-

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

WAPDA had filed a suit against the company for recovering of arrears amounting to Rs. 12.4 million before the Lahore High Court Lahore. The Lahore High Court had decided the case in favor of WAPDA. The company had deposited Rs. 12.4 million with WAPDA for electricity case as per orders of the Lahore High Court and has filed an appeal for recovery of the said amount from WAPDA in the Supreme Court. The management is hopeful of a decision in their favour.

Pakistan Stock Exchange had placed the Company in defaulter's segment due to non compliances with the regulations of Pakistan Stock Exchange.

Other than above, there is no known contingent liability and commitments as on year end (2023: Nil).

13 Reconciliation of carrying values at beginning of the year - 30 June 2024

PARTICULARS	COST / REVALUED AMOUNTS			DEPRECIATION		BOOK VALUE		Annual rate of dep. % age
	As at 1/July/2023	Revaluation for the year	As at 30/June/2024	As at 1/July/2023	Charge for the year	As at 30/June/2024	As at 30/June/2024	
Freehold land								
Cost	6,931,554	-	6,931,554	-	-	-	6,931,554	-
Revaluation	231,378,846	-	231,378,846	-	-	-	231,378,846	-
	238,310,400	-	238,310,400	-	-	-	238,310,400	
Building on freehold land								
Cost	1,366,437	-	1,366,437	370,304	99,613	469,917	896,520	10
Revaluation	104,032,402	-	104,032,402	30,500,940	7,353,146	37,854,086	66,178,316	10
	105,398,839	-	105,398,839	30,871,244	7,452,759	38,324,003	67,074,836	
Plant and machinery								
Cost	22,041,749	-	22,041,749	5,973,314	1,606,844	7,580,158	14,461,591	10
Revaluation	50,308,251	(28,650,120)	21,658,131	17,776,686	388,145	18,164,831	3,493,300	10
	72,350,000	(28,650,120)	43,699,880	23,750,000	1,994,989	25,744,989	17,954,891	
Electric installations	9,108,541	-	9,108,541	9,017,776	13,615	9,031,391	77,150	15
Laboratory equipment	2,207,748	-	2,207,748	2,192,995	2,213	2,195,208	12,540	15
Office Equipment	1,094,571	-	1,094,571	752,653	51,288	803,941	290,630	15
Air conditioner	156,699	-	156,699	155,510	238	155,748	951	20
Fire Fighting equipment	1,053,552	-	1,053,552	1,049,229	648	1,049,877	3,675	15
Fans	228,154	-	228,154	227,430	109	227,539	615	15
Furniture and fixtures	915,829	-	915,829	892,441	2,339	894,780	21,049	10
Tube well	966,025	-	966,025	962,080	592	962,672	3,353	15
Arms and ammunition	29,885	-	29,885	28,690	120	28,810	1,075	10
Computers	368,983	-	368,983	313,179	5,580	318,759	50,224	10
Motor vehicles	534,536	-	534,536	533,181	271	533,452	1,084	20
Total - 30/June/2024	432,723,762	(28,650,120)	404,073,642	70,746,408	9,524,761	80,271,169	323,802,473	

13.1 The depreciation for the year has been allocated to administrative expense.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

13.2 Reconciliation of carrying values at beginning of the year - 30 June 2023

PARTICULARS	COST / REVALUED AMOUNTS			DEPRECIATION		BOOK VALUE		Annual rate of dep. % age
	As at 1/July/2022	Revaluation for the year	As at 30/June/2023	As at 1/July/2022	Charge for the year	As at 30/June/2023	As at 30/June/2023	
Freehold land								
Cost	6,931,554	-	6,931,554	-	-	-	6,931,554	-
Revaluation	231,378,846	-	231,378,846	-	-	-	231,378,846	-
	238,310,400	-	238,310,400	-	-	-	238,310,400	-
Building on freehold land								
Cost	1,366,437	-	1,366,437	259,623	110,681	370,304	996,133	10
Revaluation	104,032,402	-	104,032,402	22,330,778	8,170,162	30,500,940	73,531,462	10
	105,398,839	-	105,398,839	22,590,401	8,280,843	30,871,244	74,527,595	
Plant and machinery								
Cost	22,041,749	-	22,041,749	4,187,932	1,785,382	5,973,314	16,068,435	10
Revaluation	50,308,251	-	50,308,251	14,162,068	3,614,618	17,776,686	32,531,565	10
	72,350,000	-	72,350,000	18,350,000	5,400,000	23,750,000	48,600,000	
Electric installations	9,108,541	-	9,108,541	9,001,759	16,017	9,017,776	90,765	15
Laboratory equipment	2,207,748	-	2,207,748	2,190,392	2,603	2,192,995	14,753	15
Office Equipment	1,094,571	-	1,094,571	692,314	60,339	752,653	341,918	15
Air conditioner	156,699	-	156,699	155,213	297	155,510	1,189	20
Fire Fighting equipment	1,053,552	-	1,053,552	1,048,466	763	1,049,229	4,323	15
Fans	228,154	-	228,154	227,302	128	227,430	724	15
Furniture and fixtures	915,829	-	915,829	889,842	2,599	892,441	23,388	10
Tube well	966,025	-	966,025	961,384	696	962,080	3,945	15
Arms and ammunition	29,885	-	29,885	28,557	133	28,690	1,195	10
Computers	368,983	-	368,983	306,978	6,201	313,179	55,804	10
Motor vehicles	534,536	-	534,536	532,842	339	533,181	1,355	20
Total - 30/June/2023	432,723,762	-	432,723,762	56,975,450	13,770,958	70,746,408	361,977,354	

13.3 Had there been no revaluation the carrying value of revalued assets as at June 30, would have been as under:

	30 June 2024	30 June 2023
	Rupees	Rupees
Freehold land	6,931,554	6,931,554
Building- on freehold land	896,520	996,133
Plant and machinery	14,461,591	16,068,435
	22,289,665	23,996,122

**THE COMPANIES ACT, 2017
(Section 227(2)(f))**

PATTERN OF SHAREHOLDING

1.1 Name of the Company **NAZIR COTTON MILLS LIMITED**

2.1. Pattern of holding of the shares held by the shareholders as at

30-06-2024

2.2 No. of Shareholders	-----Shareholdings-----		Total Shares Held
	From	To	
69	1	100	1,147
177	101	500	86,250
83	501	1,000	82,011
211	1,001	5,000	643,799
90	5,001	10,000	721,817
27	10,001	15,000	354,536
21	15,001	20,000	407,550
13	20,001	25,000	306,600
8	25,001	30,000	226,814
7	30,001	35,000	230,338
7	35,001	40,000	271,140
1	40,001	45,000	43,165
3	45,001	50,000	150,000
1	50,001	55,000	52,500
1	55,001	60,000	60,000
1	60,001	65,000	64,500
4	65,001	70,000	274,005
1	70,001	75,000	75,000
1	90,001	95,000	91,000
1	95,001	100,000	100,000
1	100,001	105,000	102,000
3	105,001	110,000	329,070
2	110,001	115,000	221,352
1	115,001	120,000	117,000
2	125,001	130,000	255,539
1	135,001	140,000	140,000
1	140,001	145,000	144,088
1	145,001	150,000	150,000
2	150,001	155,000	303,480
2	155,001	160,000	312,200
1	165,001	170,000	166,000
3	175,001	180,000	533,154
3	185,001	190,000	560,599
1	225,001	230,000	227,345
1	235,001	240,000	239,000
3	260,001	265,000	791,582
1	275,001	280,000	276,553
1	360,001	365,000	361,513
1	375,001	380,000	376,000
1	385,001	390,000	386,855
1	410,001	415,000	410,720
1	495,001	500,000	500,000
1	580,001	585,000	584,220
1	630,001	635,000	634,707
1	730,001	735,000	731,441
1	865,001	870,000	866,888
1	1,145,001	1,150,000	1,149,720
1	1,315,001	1,320,000	1,320,000
1	1,595,001	1,600,000	1,599,500
1	2,270,001	2,275,000	2,273,302
1	2,690,001	2,695,000	2,694,000
770			23,000,000

2.3 Categories of Shareholders	Shares Held	Percentage
2.3.1 Directors, Chief Executive Officer, and their spouse and minor children	6,215,509	27.0240%
2.3.2 Associated Companies, undertakings and related parties. (Parent Company)	0	0.0000%
2.3.3 NIT and ICP	0	0.0000%
2.3.4 Banks Development Financial Institutions, Non Banking Financial Institutions.	1,000	0.0043%
2.3.5 Insurance Companies	0	0.0000%
2.3.6 Modarabas and Mutual Funds	0	0.0000%
2.3.7 Shareholders holding 10% or more	5,077,302	22.0752%
2.3.8 General Public		
a. Local	15,718,765	68.3425%
b. Foreign	22,000	0.0957%
2.3.9 Others (to be specified)		
- Joint Stock Companies	1,042,726	4.5336%

Nazir Cotton Mills Limited
CATEGORIES OF SHAREHOLDERS

ONLY FOR INFORMATION
NOT FOR PRINTING

AS ON 30th June, 2024

S. No.	NAME	HOLDING	% AGE
<u>DIRECTORS, CEO THEIR SPOUSE AND MINOR CHILDREN</u>			
1	MIAN SHAHZAD ASLAM	2,273,302	9.8839
	MIAN SHEHZAD ASLAM (CDC)	2,694,000	11.7130
	MIAN SHAHZAD ASLAM (CDC)	110,000	0.4783
2	MR. FARRUKH NASEEM (CDC)	500,000	2.1739
3	MR. AAMIR NASEEM (CDC)	634,707	2.7596
4	MR. ASIM MAHMOOD BHATTI	500	0.0022
5	MR. MUHAMMAD IRFAN	2,000	0.0087
6	MR. MUHAMMAD ABBAS	500	0.0022
7	MR. MAQBOOL HUSSAIN BHUTTA	500	0.0022
		6,215,509	27.0240
<u>ASSOCIATED COMPANIES</u>		0	0.0000
<u>NIT & ICP</u>		0	0.0000
<u>FINANCIAL INSTITUTION</u>			
1	INVEST CAPITAL INVESTMENT BANK LIMITED	1,000	0.0043
		1,000	0.0043
<u>MODARABA & MUTUAL FUNDS</u>		0	0.0000
<u>JOINT STOCK COMPANIES</u>			
1	SHAKARGANJ MILLS LIMITED	30,100	0.1309
2	HARVEST SMARTREND SECURITIES (PVT.) LTD.	19,000	0.0826
3	HIGHLINK CAPITAL (PVT.) LTD.	14,000	0.0609
4	FAIR EDGE SECURITIES (PVT) LTD.	1,500	0.0065
5	MAZHAR HUSSAIN SECURITIES (PVT) LIMITED	8,000	0.0348
6	UNITED CAPITAL SECURITIES PVT. LTD.	31,000	0.1348
7	DARSON SECURITIES (PVT) LIMITED	110,000	0.4783
8	KAI SECURITIES (PVT) LIMITED	8,500	0.0370
9	DURVESH SECURITIES (PVT) LTD.	3,500	0.0152
10	SALIM SOZER SECURITIES (PRIVATE) LIMITED (CDC)	361,513	1.5718
11	HH MISBAH SECURITIES (PRIVATE) LIMITED (CDC)	10,000	0.0435
12	NCC - PRESETTLEMENT DELIVERY ACCOUNT (CDC)	6,000	0.0261
13	SAAO CAPITAL (PVT) LIMITED (CDC)	1,500	0.0065
14	SHADAB INNOVATIONS (PRIVATE) LIMITED (CDC)	100,000	0.4348
15	TARIQ CAPITAL (PRIVATE) LIMITED (CDC)	227,345	0.9885
16	TARIQ CORPORATION LIMITED (CDC)	110,768	0.4816
		1,042,726	4.5336
<u>EXECUTIVE</u>		0	0.0000
<u>SHARES HELD BY THE GENERAL PUBLIC (LOCAL)</u>		15,718,765	68.3425
<u>SHARES HELD BY THE GENERAL PUBLIC (FOREIGN)</u>		22,000	0.0957
		15,740,765	68.4381
TOTAL:		23,000,000	100.0000

SHAREHOLDERS HOLDING 10% OR MORE OF TOTAL CAPITAL

S. No.	Name	Holding	% AGE
1	MR. SHAHZAD ASLAM	5,077,302	22.0752
		5,077,302	22.0752

SHAREHOLDERS HOLDING 5% OR MORE OF TOTAL CAPITAL

S. No.	Name	Holding	% AGE
1	MR. SHAHZAD ASLAM	5,077,302	22.0752
2	MR. YASIR NASEEM (CDC)	1,599,500	6.9543
3	SEEMA SAJJAD (CDC)	1,320,000	5.7391
		7,996,802	34.7687

During the financial year the trading in shares of the company by the Directors, CEO, CFO, Company Secretary and their spouses and minor children is as follows

S. No.	NAME	SALE	PURCHASE
1	MIAN SHEHZAD ASLAM (CDC)		13,500

Dear Sir, please check at your end

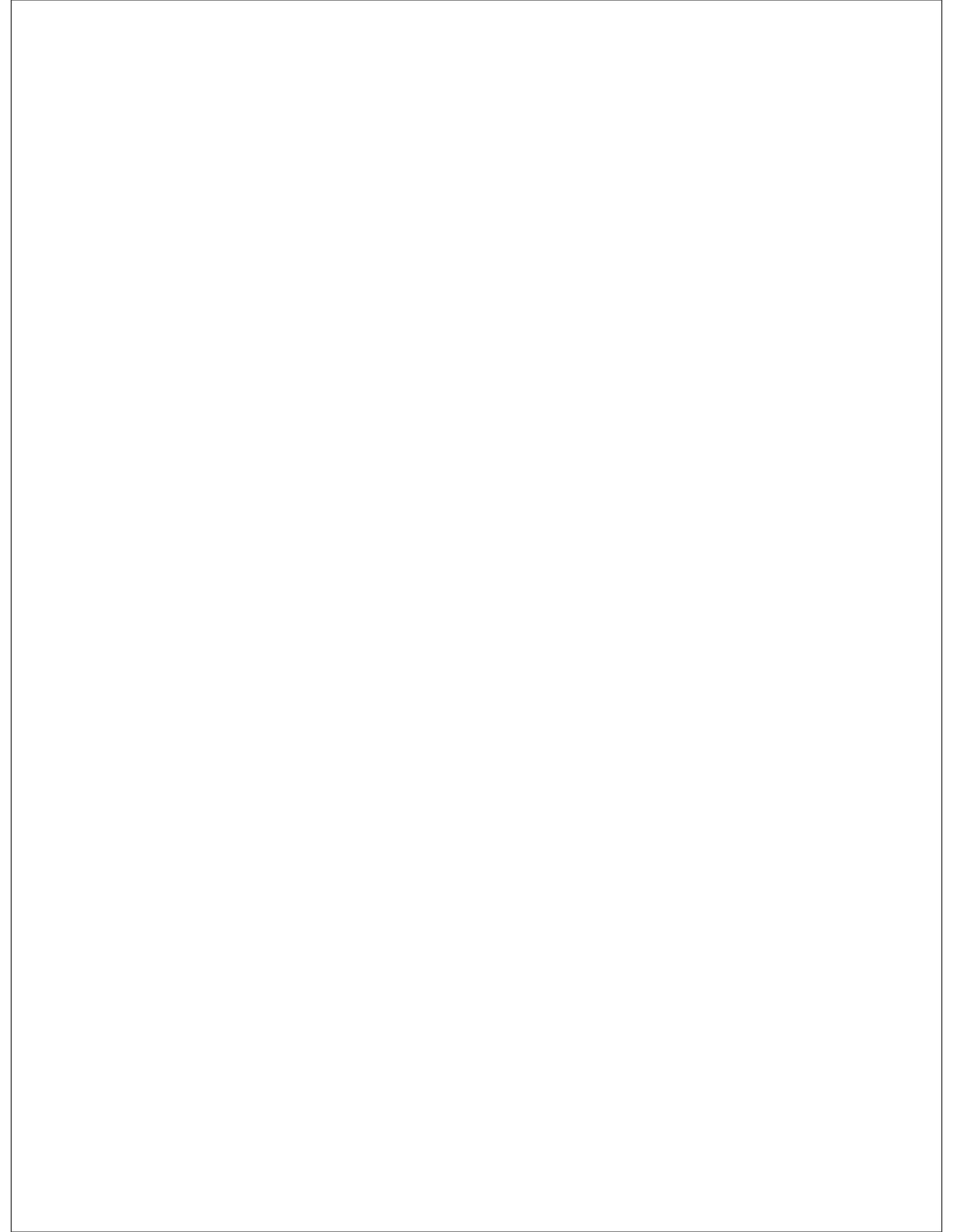
**Categories of Shareholding required under Code of Corporate Governance (CCG)
As on June 30, 2024**

Sr. No.	Name	No. of Shares Held	Percentage
Associated Companies, Undertakings and Related Parties (Name Wise Detail):		-	-
Mutual Funds (Name Wise Detail)		-	-
Directors and their Spouse and Minor Children (Name Wise Detail):			
1	MIAN SHAHZAD ASLAM	5,077,302	22.0752
2	MR. FARRUKH NASEEM (CDC)	500,000	2.1739
3	MR. AAMIR NASEEM (CDC)	634,707	2.7596
4	MR. ASIM MAHMOOD BHATTI	500	0.0022
5	MR. MUHAMMAD IRFAN	2,000	0.0087
6	MR. MUHAMMAD ABBAS	500	0.0022
7	MR. MAQBOOL HUSSAIN BHUTTA	500	0.0022
Executives:		-	-
Public Sector Companies & Corporations:		-	-
Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:		1,000	0.0043
Shareholders holding five percent or more voting interest in the listed company (Name Wise Detail)			
1	MR. SHAHZAD ASLAM	5,077,302	22.0752
2	MR. YASIR NASEEM (CDC)	1,599,500	6.9543
3	SEEMA SAJJAD (CDC)	1,320,000	5.7391

All trades in the shares of the listed company, carried out by its Directors, Executives and their spouses and minor children shall also be disclosed:

S.No	NAME	SALE	PURCHASE
1	MIAN SHEHZAD ASLAM (CDC)	-	13,500

Dear Sir, please check at your end



FORM OF PROXY

I/We _____ Son / Daughter / Wife of _____ being a member
Of NAZIR COTTON MILLS LIMITED and holder of _____ Shares Folio
 No. _____ CDC Participant ID # _____ and
 Sub Account # _____ do hereby appoint _____ of or failing
 him /her _____ of _____ as my/our proxy to
 attend, speak and vote for me/us and on my/our behalf at the Annual General meeting of Nazir Cotton Mills Limited
 scheduled to be held on Monday October 28, 2024 at 12:30 p.m. at 19-B, Off. Zafar Ali Road, Gulberg -V, Lahore and at any
 adjournment thereof.

As witness my/our hands this _____ day of _____ 2024.

1. Witnesses:

Name: _____
 Signature: _____
 CNIC: _____
 Address: _____

Please affix here Revenue
Stamp of Rs. 50/-

2. Witnesses:

Name _____
 Signature _____
 CNIC: _____
 Address: _____

Name _____
 CDC A/c No. _____
 CNIC: _____
 Address: _____

Notes:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy.
2. Proxies, in order to be effective, must be received at the Company’s Registered Office, 19 -B, Off. Zafar Ali Road, Gulberg-V, Lahore, not later than 48 hours before the time for holding the meeting and must be duly stamped, signed and witnessed.
3. CDC account holders will further have to follow the under -mentioned guidelines as laid down in circular # 1, dated 26th January, 2000 of the Securities and Exchange Commission of Pakistan.
 - i) In case of individuals, the account holder and/or sub -account holder whose securities and their registration details are uploaded as per the Regulations shall submit the proxy form as per the above requirement.
 - ii) The proxy shall produce his original CNIC or original passport at the time of the Meeting.
 - iii) In case of corporate entity, the Board’s resolution/power of attorney with specimen signatures of the proxy holder shall be submitted (unless it has been provided earlier) along with proxy form to the Company.