Annual Report 2026



NAZIR

COTTON MILLS LTD.

51st Annual Report and Accounts
For the year ended June 30, 2026

In the Name of Allah the merciful, the compassionate

CONTENTS

Company's Information 2
Vision Statement and Mission Statement 3
Statement of Ethics and Business Practices 4-5
Key Operating and Financial Data 6
Review Report to the Members on Statement of Compliance 7
Notice of Annual General Meeting 8-12
Ballot Paper 13
Chairman's Review 14
Auditors' Report 15-19
Statement of Compliance with the Code of Corporate Governance 20-21
Director's Report 22-27
Gender Pay Gap 28
Director's Report (In Urdu) 29-32
Statement of Financial Position 33
Statement of Profit or Loss Account 34
Statement of Changes in Equity 35
Statement of Cash Flow 36
Notes to the Accounts 37-60
Pattern of Shareholding 61-62
Proxy Form 63-64

COMPANY'S INFORMATION

Board of Directors	Mr. Muhammad Tayyab	Chief Executive Officer
	Col. Abdul Qayyum	
	Mr. Muhammad Adeel Anwer Khan	
	Mr. Tariq Javaid	
	Miss. Batool Zahra	
	Mr. Mujahid Ahmed	Independent Director
	Mr. Aftab Anwer	Independent Director
Audit Committee:	Mr. Aftab Anwer	Chairman
	Col. Abdul Qayyum	Member
	Mr. Tariq Javaid	Member
HR & R Committee	Mr. Mujahid Ahmed	Chairman
	Mr. Muhammad Adeeel Anwer Khan	Member
	Miss. Batool Zahra	Member
Chief Financial Officer	Mr. Maqbool Hussain Bhutta	
Company Secretary	Mr. Muhammad Faisal	
Auditors:	Kamran & Co. Chartered Accountants Apartment # A/2, Ingola Apartments 24 Jail Road, Lahore.	
Bankers:	Al-Baraka Bank Limited	
Share Registrar	Corplink (Pvt) Limited Wings Arcade 1-K, Commercial Model Town, Lahore. Tel: 042-3561714, 3589182, 35916719	
Registered Office:	Tricon Corporate Centre, Office No. 702, 7th Floor, 73-E, Main Jail Road, Gulberg-II, Lahore. Ph # 042-35775501-02, 36407302-03	
Mills:	8-Km, Faisalabad Road, Aslamabad, Khaareyanwala, Sheikhupura. 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 imporving its effectiveness for total coustomers' 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 profitablity 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 highly skilled technicians and professional managers.

4. To strive hard to explore new customers for the sale of our products in export and local markets.

5. To improve customers' 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 and prompt resolution of customers' quality complaints by taking timely corrective measures.

7. To improve logistic facilities for our customers dispatch programme and issue all shipments / delivery documents well in time.

8. To make comprehensive arrangements for the training of our workers / technicians.

9. To promote teamwork, sense of transparency, 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 the 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 member are expected not to engage in any activity which can cause conflict between their personal interests and the company's interests, such as:

   a. In effecting the purchases 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 services to the company or buying its products.

   b. The staff members should not engage in any outside business while serving the company.

   c. Staff members are not permitted to conduct personal business in the company's premises or use the company's facilities for the same.

   d. If a staff member has a direct or indirect relationship with an outside organization dealing with the company, he must disclose the same to the management.

2. **Confidentiality**

   All staff members are required not to divulge any secrets/information of the company to any outsider, 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 the 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 kick backs form 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 Account**

   All funds, receipts and disbursements should be properly recorded in the books of accounts of the company. No false or fictitious entries should be made or misleading statement pertaining to the company or its operations 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, agents etc.

The dealings of the company with Governement officials, suppliers, buyers, agents and consultants of the company should always be such that the intergrity 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 member is required to take care of his health and safety and of those working with him. The management is responsible for keeping its staff members insured as per 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 envirornmental awareness and protections.

8. Alcohol, Drugs

All types of gambling and betting at the company's work places are strictly forbidden. Also talking of any alcohols or druge 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, seniors and colleagues. Every member will cooperate with other members so that the company's work could be carried out effectively and efficiently. All cases of non-cooperation among staff members should be 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 staff members will be provided an environment that is 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

	2026	2025	2024	2023	2022	2021
			Figures in '000			
Sale	-	-	7,534	4,161	3,795	12,677
Gross Profit / (Loss)	-	-	(5,656)	(5,686)	(11,221)	(1,890)
Operating Profit/(loss)	88,551	(20,964)	(3,588)	(4,226)	(7,426)	(22,606)
Profit/(Loss) before tax	73,531	8,016	(15,846)	(24,429)	(28,258)	322
Tax	366	(15,248)	(153)	710	26,270	2,434
Profit/(Loss) after tax	73,897	(7,231)	(15,998)	(23,718)	1,989	2,756
Total Assets	263,620	289,431	354,265	396,070	420,455	381,574
Current Liabilities	52,357	139,199	210,866	208,081	207,985	207,739
	211,263	150,232	143,399	187,989	212,470	173,835
Share Capital	230,000	230,000	230,000	230,000	230,000	230,000
Reserves	18,737	(92,634)	(90,940)	(54,600)	(30,881)	(83,564)
Equity	211,263	137,365	139,060	175,400	199,118	146,417
Long Term Liabilities	-	12,866	4,339	12,589	13,351	27,419
	211,263	150,232	143,399	187,989	212,469	173,836

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, 2026, 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.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, 2026.

Reference of Regulation	Description	Explanation
18,19	The required number of Directors have not participated in the Director Training Program .	According to Regulation by June 30, 2022 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 2026.

Kamran & Co

KAMRAN & CO

CHARTERED ACCOUNTANTS

KAMRAN & CO. Chartered Accountants

Lahore

October 06, 2026

UDIN: CR202610181M8IZRA4E0

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 51st Annual General Meeting ("AGM") of the Shareholders of **NAZIR COTTON MILLS LIMITED** (the "Company") will be held at the Company's Registered Office, Tricon Corporate Centre, Office No. 702, 7th Floor, 73-E, Main Jail Road, Gulberg-II, Lahore, on Wednesday, October 28, 2026, at 11:30 a.m. and via video link to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Annual Audited Financial Statements of the Company for the year ended June 30, 2026, together with the Directors' and Auditors' Report thereon and Chairman's Review Report.

The Annual Report, including the Notice of Meeting and Financial Statements of the Company for the financial year ended June 30, 2026, have been made transmitted to the members and other entitled persons and 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.

3. **SPECIAL BUSINESS**

To ratify and approve transactions carried out with Related Parties during the financial year ended June 30, 2026, under the authority of the special resolution passed in the last annual general meeting held on October 28, 2025, 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, 2027, 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 businesses, as required under Section 134(3) of the Companies Act 2017.

By order of the Board

(MUHAMMAD FAISAL)
Company Secretary

Place: Lahore
Dated: October 06, 2026

NOTES:

1. Closure of Share Transfer Books

The Members' Register and Share Transfer Books of the Company will remain closed from October 21, 2026, to October 28, 2026 (both days inclusive). Transfers received in order at the 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 20, 2026, 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 in Circular No. 1 dated 26 January, 2000.

5. Change of Address

The shareholders are requested to promptly notify any 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 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, an electronic dividend mandate on E-Dividend Form provided in the annual report and also available on the website of the Company. In the case of shares held in CDC, the same information should be provided 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 shareholders of the Company are required to submit a Declaration for Zakat exemption in terms of the Zakat and Ushr Ordinance, 1980.

8. Circulations of Annual Reports through E-mail

The shareholders are requested to provide their email addresses for the transmission of the 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 the Active Taxpayers List provided on the website of the Federal Board of Revenue.

Members seeking exemption from the 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

10. Placement of Financial Statements

The Company has placed the Notice of AGM and Audited Annual Financial Statements for the year ended June 30, 2026, along with Auditors, Directors, and Chairman's Reports thereon on its website: www.nazircotton.com

11. Unclaimed Dividend and Bonus Shares

Shareholders, who for 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 enquire about their unclaimed dividend or pending shares, if any.

12. Online Participation in the Annual General Meeting:

As per the instructions of the Securities and Exchange Commission of Pakistan, the Company has arranged a 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 a 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 at **corporate@nazircotton.com** on or before 26th October 2026.

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 used to email the Company. The login facility will remain open from the start of the meeting till its proceedings are concluded.

13. 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 a CDC sub-account with any of the brokers or an 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, at any time they want, as the trading of physical shares is not permitted as per the existing regulations of the Stock Exchange.

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

The members of the Company shall be provided the 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.

15. 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 20, 2026.

The security codes will be communicated to members through SMS from the web portal of Corplink (Pvt) Limited (being the e-voting service provider).

ii. Identity of the members intending to cast a vote through e-voting shall be authenticated through an electronic signature or authentication for login.

iii. E-voting lines will start from October 24, 2026, at 09:00 a.m. and shall close on October 27, 2026, at 05:00 p.m. Members can cast their votes at 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 a ballot paper

i. The members may alternatively opt for voting through a postal ballot. The ballot paper in the prescribed form is attached to 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 the computerized national identity card (CNIC), should reach the Chairman of the meeting through post at the address Nazir Cotton Mills Limited, Office No. 702, 7th Floor, Tricon Corporate Centre, Main Jail Road, Gulberg-II, Lahore, or by email at chairman@nazircotton.com by 5:00 pm, October 27, 2026. Postal ballot received after this time/date shall not be considered for voting. The signature on the ballot paper shall match the signature on the CNIC.

16. No gift shall be distributed at the meeting as prohibited under the Companies Act, 2017.

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, 2026.

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 of a special resolution passed by the shareholders in the last Annual General Meeting held on October 28, 2025. 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 a 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.)
Sponsors	N/A	Sponsors	Repayment of Sponsors loan			97,144,774

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

"Resolved that the 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, 2026, be and are hereby ratified, approved, and confirmed.

Name of Related Party	Description of transaction	Amount (Rs)
Sponsor loan	Repayment of Sponsor's loan	97,144,774

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, 2027, 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 Limited (the "**Company**") be and is hereby authorized to carry out the transactions with its any or all Related Parties, as and when required in the ordinary course of business at arm's length basis during the year ending June 30, 2027, and till the next Annual General Meeting, without any limitation on the amounts of the transactions.

Further Resolved that the Chief Executive 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 Director's interest in this business is disclosed hereinabove.

BALLOT PAPER FOR VOTING IN 51ST ANNUAL GENERAL MEETING

(Through post for poll to be held on October 28, 2026, at
NAZIR COTTON MILLS LIMITED
Tricon Corporate Center Office No. 702, 7th Floor, 73-E, Main Jail Road, Gulberg-II, Lahore.

Phone No. 042-35775501-2, 36407302-03
Email: chairman@nazircotton.com.
Website: www.nazircotton.com

For voting through the post for the Special Business agenda item Nos. 3 at the Annual General Meeting of Nazir Cotton Mills Limited, to be held on October 28, 2026, at 11:30 a.m. Tricon Corporate Center Office No. 702, 7th Floor, 73-E, Main Jail Road, Gulberg-II, 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 a representative of a body corporate, Corporation, and the 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 a 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 a special resolution. **"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, 2026, and till the next Annual General Meeting, without any limitation on the amounts of the transactions. I. Repayment of Sponsor's Loan **Further Resolved** that the 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)'.			

Signature of the Shareholder(s)
Place:
Date:

NOTES:

1. Duly filled postal ballot should be sent to the following business address and email ID: Tricon Corporate Centre, Office No. 702, 7th Floor, 73-E, Main Jail Road, Gulberg-II, Lahore, chairman@nazircotton.com.
2. A copy of CNIC should be enclosed with the postal ballot form.
3. Postal Ballot forms should reach the chairman of the meeting on or before October 27, 2026 (last date of receiving postal ballots). Any postal ballot received after this date will not be considered for voting.
4. Signature on the Postal Ballot should match the signature on the CNIC.
5. Incomplete, unsigned, incorrect, defaced, torn, mutilated, or overwritten ballot papers will be rejected. The ballot paper has also been placed on the website of the Company, www.nazircottn.com, for download.

CHAIRMAN'S REVIEW REPORT

As we conclude the financial year ended June 30, 2026, I am pleased to present the Chairman's Review Report on the overall performance and strategic direction of the Company.

In FY 2025–2026, management took decisive steps to pave the way for a bright and sustainable future. Historically operating as a textile spinning unit prior to 2006, the Company subsequently transitioned into the dairy business. To address ongoing operational challenges, optimize asset utilization, and diversify beyond traditional business operations, the Board of Directors recommended major strategic initiatives on April 24, 2026.

At the Extraordinary General Meeting (EOGM) held on August 27, 2026, the shareholders duly approved the core restructuring resolutions:

Shifting the primary focus toward high-yield, income-generating business opportunities and investments. Renaming the enterprise from Nazir Cotton Mills Limited to Nazir Ventures Limited to reflect our revised strategy and scope. Authorizing the sale of land of the Company.

Proceeds realized from the land disposal will be systematically deployed into active, revenue-generating investments. Reallocating capital from non-yielding real estate assets into income-earning business avenues will strengthen our balance sheet, improve financial stability, and build long-term value for our shareholders.

Alongside corporate restructuring, management remains committed to enhancing operational efficiency and reinforcing internal controls. Looking ahead, executing our investment strategy will boost the Company's resilience, financial flexibility, and market competitiveness.

On behalf of the Board, I express my sincere appreciation to our shareholders for their trust at the EOGM, and to our employees and management team for their dedication during this transition. With this strategic realignment, Nazir Cotton Limited is well-positioned for financial strength, stability, and sustainable growth in the future.



Lahore:
Dated: October 06, 2026

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, 2026, 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 paragraph section of our report section, 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, 2026 and of the profit 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 4.4 4.4 to the financial statements, the Company has ceased its textile manufacturing operations. have leased out its manufacturing facility to ASM Industries (Pvt) Limited to earn lease rentals. As per the terms of the agreement significant portion of rentals is withheld by the tenant for overhauling of plant and machinery and replacement of old machinery parts for smooth functioning. This agreement has been terminated subsequent to year end and the Company is in contact with proposed tenants to lease out the premises. The Company without any adjustments for points below incurred recurring accumulated losses of Rs. 306.758 million (2025: Rs. 417.04 million) at the close of the year ended 30 June 2026. The Company's current liabilities exceed its current assets by Rs. 40.745 million (2025: Rs. 135.676 million). The Company has disposed off its building during the year & is in the process of sale of land and the Company is changing its nature of business to investing activities. 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. 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 effect on the Company's financial position and financial performance

b) The Company has fully settled its outstanding obligations with the financial institutions during the preceding year, including repayment and obtained certain waiver. The said treatment has been properly accounted for in the financial statements of that year, however prior year figures are carried forward as it is having been presented without restatement and therefore continue to reflect the effects of the departure from the requirements of the applicable financial reporting framework as described in our prior year's audit report.

c) The Company revalued certain fixed assets as at June 30, 2021; however, the resulting revaluation adjustment was recorded in the financial statements in 2022. Further, the revaluation surplus, depreciation and related deferred tax arising from the revaluation have not been properly accounted for in prior years. Due to insufficient information available to us, we were unable to determine the amount of adjustments required in respect of these matters.

d) The Company holds an investment in Sajjad Textile Mills Limited which had accumulated negative equity of Rs. 584.655 million as at 30 June 2025. The Company has recognized an impairment loss on this investment during the previous year. In our opinion, the impairment should have been recorded in prior years when the investee's net equity had already been negative. As a result, the loss for the prior year is overstated by this amount, while the losses of prior years were understated to the same extent.

e) The Company has filed its income tax returns for prior years with certain inconsistencies, including non-charging of minimum tax as reflected in the financial statements. Further, in our opinion, the tax depreciation schedules used in the income tax returns do not reconcile with those maintained by the Company. In the absence of confirmation from the Company's tax advisor, we have not been able to quantify the potential differences, nor confirm the status of any related tax litigations. The provision for taxation for the year ended 30 June 2026 has been calculated without giving effect to the adjustments arising from the matters described in the "Basis for Adverse Opinion" section of our report. Accordingly, we are unable to determine the extent of misstatement, if any, in respect of current taxation.

f) The Company recorded arrears paid to WAPDA amounting to Rs. 12.418 million as an advance pursuant to a decision of the Lahore High Court in prior years. During the previos year, the Company has impaired this advance. In our opinion, the impairment should have been recognized in prior years when the amount ceased to be recoverable. Consequently, the loss for the previous year is overstated by this amount, whereas the losses of prior years were understated to the same extent.

g) 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.

h) During the year ended 30 June 2025, the plant and machinery have been disposed off. The Company has also classified its building as "held for sale" on account of its dilapidated condition and management's intention to dispose of the debris. However, the impairment loss on the building has been charged entirely to profit and loss in previous year. In our opinion, as the building was previously carried under the revaluation model, the impairment should have first been charged to the revaluation surplus to the extent available, with only the excess, if any, recognized in profit and loss. Accordingly, the previous year's loss is overstated by Rs 15.745 million, while the revaluation surplus in equity is overstated to the same extent.

i) The Company's stores, spares, and loose tools have shown no movement in quantities over the years, indicating potential obsolescence. During the year ended 30 June 2025, management recorded a provision of Rs. 750,688 against these balances. In our opinion, such provision should have been recognized in periods prior to 2025 when the items became obsolete. Furthermore, we were unable to obtain sufficient appropriate audit evidence to independently verify the basis of this provision. Consequently, the loss for 2025 is overstated by this amount, whereas the losses of prior years were understated to the same extent.

j) 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.

k) We have not been provided with adequate information regarding nature of capital & revenue reserve appearing in the financial statements.

l) The Company has shown deficit on re-measurement on available for sale investments, but no information is available in respect of this. We are unable to form an opinion on this.

m) The Company has not recognized provision for Workers' Welfare Fund for the year in accordance with the The Punjab Workers' Welfare Fund Act, 2019. Consequently, profit for the year is overstated by Rs. 2.348 million, while accumulated losses and trade and other payables are understated by the same amount.

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.

Emphasis of Matter

We draw attention to Note 37 to the financial statements, which describes the subsequent events relating to the approval by the members of the Company for the proposed sale of land, change in the Company's name from Nazir Cotton Mills Limited to Nazir Ventures Limited, and change in its principal line of business from sale of yarn to investment activities. The Note further describes the independent valuation of the land of approximately Rs. 662.600 million, while the sale consideration has not yet been agreed, and the investment plan approved by the members. Our opinion is not modified in respect of this matter.

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. Refer para (a) above under 'Basis for adverse opinion'.

- 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: because of the significance of the matters as described in basis for adverse opinion above:

a) Except for the matters stated in basis of adverse opinion above, 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) however 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

KAMRAN & CO
CHARTERED ACCOUNTANTS

LAHORE
October 06, 2026
UDIN: AR202610181Ar1UE6PiQ

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

Name of Company: **NAZIR COTTON MILLS LIMITED**
Year Ending: **June 30, 2026**

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 are seven (07) as per the following;

   a) Male: 06
   b) Female: 01

2. The composition of the Board is as follows:

CATEGORY	NAMES
Independent Directors	Mr. Mujahid Ahmed Mr. Aftab Anwer
Executive Directors	Mr. Muhammad Tayyab Miss. Batool Zahra
Non-Executive Directors	Col. Abdul Qayyum Mr. Muhammad Adeel Anwer Khan Mr. Tariq Javaid
Female Director	Miss. Batool Zahra

3. The 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. The Board has ensured that a complete record of particulars of the significant policies, along with their date of approval or updating, is maintained by the Company.

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 meetings of the Board;

8. The Board 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 the training program of directors pursuant to regulation 20 of the Regulations.

10. The Board has approved the appointment of Chief Financial Officer, Company Secretary, and Head of Internal Audit, including their remuneration and terms and conditions of employment, and complied with relevant requirements of the Regulations;

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;

12. The Board has formed committees comprising members given below:

a) Audit Committee:

Mr. Aftab Anwer	Chairman
Col. Abdul Qayyum	Member
Mr. Tariq Javaid	Member

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

b) HR & Remuneration Committee

Mr. Mujahid Ahmed	Chairman
Mr. Muhammad Adeel Anwer Khan	Member
Miss. Batool Zahra	Member

We have appointed an independent director as a member of HR & R 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 June 30, 2026.

b) HR & R Committee: two meetings during the financial year ended June 30, 2026.

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 Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their 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 requirements of the Regulations have been complied with;

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

Sr. No.	Reg. Ref.	Requirement	Future course of Action
1.	19	By June 30, 202 2, all directors shall acquire certification under the Directors' Training Program.	The Board shall take steps to arrange Directors' Training Certification for the remaining four directors by the end of 2026.

Lahore

Dated: October 06, 2026

(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, 2026.

The financial performance of your Company for the year ended June 30, 2026 is as follows:

The year under review shows that the company has incurred a net Profit after taxation of Rs. 73.897 million (2025: 7.231 million) after accounting for administrative expenses of Rs. 15.020 million (2025: 57.339 million), including depreciation of Rs. 9.524 million (2025:Rs 16.400 million).

	2026 (Rupees)	2025 (Rupees)
Sales	**-**	-
Gross Profit/Loss	**-**	
Other operating Income	**88,550,830**	65,354,735
Profit/(Loss) before Taxation	**73,531,003**	6,653,409
Taxation	**366,118**	(13,884,779)
Loss after Taxation	**73,897,121**	(1,694,441)

During the year, our company has achieved sales of milk and biological assets amounting to Rs. 1.537 million as compared to the previous year's sales of Rs. 1.599 million and the profit after tax has been incurred Rs. 73.897 million as compared to last year's loss after tax of Rs 7.231 million. Other income includes gain on disposal of building and scrap during the year.

Auditors' Report

Auditors have raised their observation about the 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 have been discussed below:-

REPLY TO AUDITORS' QUALIFICATION

a) The Board acknowledges the auditors' observations and clarifies that the cessation of textile operations, disposal of machinery, buildings, and land, and subsequent organizational restructuring reflect a deliberate strategic realignment designed to safeguard value. To restore financial health and assure long-term commercial viability, Management is actively evaluating opportunities to enter high-growth, non-textile business sectors and diversify revenue streams.

b) The Company has fully settled its obligations with financial institutions and properly recognized the related waivers. Prior year figures are presented without restatement to align with previous reporting and the relevant auditors' opinion.

c) Management notes the observation and confirms that the revaluation adjustments were recognized based on the best available information at the time. Reconciliation of historical records is currently underway to ensure the appropriate accounting treatment of related balances in future periods. periods.

d) The impairment loss on the investment in Sajjad Textile Mills Limited was recognized during the previous year following a final assessment of its recoverable amount. Management remains committed to refining its evaluation framework to ensure timely and consistent reviews in future periods.

e) Management is currently reviewing historical tax filings in close consultation with tax advisors to resolve potential discrepancies. Any required adjustments will be recognized upon final determination, and appropriate disclosures will be provided in subsequent financial statements.

f) The impairment of the WAPDA advance was recognized in the previous year based on an updated recoverability assessment. Management is reviewing the accounting treatment in prior periods to enhance the accuracy, timeliness, and consistency of such assessments going forward.

g) Management acknowledges the non-compliance with certain provisions of the Code of Corporate Governance and PSX Regulations. The Company is taking immediate steps to rectify these matters and is committed to strengthening its governance framework to ensure full regulatory compliance going forward.

h) The impairment provision recorded in FY 2025 reflects management's assessment of the recoverable amount of the idle plant and machinery. To validate the adequacy and precision of this provision, the Company is engaged an independent professional valuator who has provided his correct findings which has cleared the positions.

i) The disposal of plant and machinery and the classification of the building as held for sale reflect a strategic decision by management. Independent valuations are currently being conducted, and any necessary adjustments to impairment and revaluation surplus will be recognized in accordance with applicable financial reporting standards.

FUTURE OUTLOOK

Followings are the shareholder's approval at the Extraordinary General Meeting (EOGM) held on August 27, 2026. The members decided to change the name of the business from Nazir Cotton Mills Limited to Nazir Ventures Limited.

To optimize asset utilization and drive growth, management will Sold out the land of the company. The sale proceeds of the land invest in income-earning business avenues which will enhance liquidity, strengthen balance sheet stability, and build sustainable shareholder value, with zero disruption to current dairy operations. Alongside capital deployment, management remains committed to upgrading internal controls, maximizing operational efficiency, and ensuring long-term competitiveness.

EARNING PER SHARE

Profit per share for the year ended June 30, 2026, is Rs. 3.21, as compared to a loss per share of Rs. (0.31) in the preceding year.

DIVIDEND

The directors have not recommended any dividend by the Company during the year.

PRINCIPAL RISKS AND UNCERTAINTIES FACING THE COMPANY

The company's operations have been closed since 2006; however, the following risks may be observed when the company resumes its operations.

RISK FACTORS

A) FOREIGN EXCHANGE RISK

Foreign currency risk arises mainly where receivables and payables 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 the Pakistani rupee.

B) LIQUIDITY RISK

Liquidity risk reflects an enterprise's inability to raise funds to meet commitments. The company's exposure to liquidity risk arises primarily from the mismatch of the maturities of financial assets and liabilities. The Company follows an effective cash management and planning policy to ensure the 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 banks, 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 as company is not operational.

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

The principal factor expected to significantly shape the Company's future development, performance, and strategic position is the proposed shift in its principal line of business towards investing in various potential sectors, accompanied by a corresponding change in the Company's name to align with its revised operational scope. Management considers this strategic repositioning a pivotal and positive milestone that will diversify revenue streams, enhance operational resilience, and drive long-term value for shareholders

IMPACT OF COMPANY BUSINESS ON THE ENVIRONMENT

The Company's business operations have remained suspended since 2006

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

Although commercial operations have remained suspended since 2006, the Company maintains an effective system of internal financial controls to safeguard assets and ensure compliance.

RELATED PARTIES TRANSACTIONS

All transactions with related parties were executed on an arm's length basis, determined in accordance with the Comparable Uncontrolled Price (CUP) method. These transactions were reviewed and recommended by the Audit Committee and subsequently approved by the Board of Directors. Comprehensive details of these transactions are disclosed in Note 34 to the financial statements.

CODE OF CONDUCT FOR PROTECTION AGAINST HARASSMENT AT WORK PLACE

The Company remains dedicated to fostering a safe, clean, and respectful work environment where every employee is treated with dignity. Upon the resumption of operations, Management is committed to promoting a positive, professional workplace culture essential for personal and organizational growth.

CORPORATE SOCIAL RESPONSIBILITY

The Company recognizes that long-term corporate sustainability relies on contributing meaningfully to the society from which it derives economic value. Management remains dedicated to creating value for local communities, employees, and the national exchequer by promoting work-life balance, supporting families of deceased staff, and fulfilling all statutory tax obligations. Upon the resumption of operations, the Company will reinstate and expand these social responsibility initiatives.

Contribution to the National Exchequer

In line with its commitment to supporting national economic development, the Company contributed Rs. 9.42 million to the national exchequer on account of income tax during the financial year 2025–26.

COMPOSITION OF THE BOARD

The composition of the Board of Directors fully complies with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019, as detailed below.

Total Number of Directors:

a)	Male	06
b)	Female	01

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 financial year under review (July 01, 2025, to June 30, 2026), four (04) meetings of the Board of Directors were held. Attendance of each director at these meetings is detailed below.

Name of Directors	No. of Meetings Attended
Mr. Muhammad Tayyab	04
Col ®. Abdul Qayyum	04
Mr. Muhammad Adeel Anwer	04
Mr. Tariq javaid	04
Miss. Batool Zahra	04
Mr. Mujahid Ahmed	04
Mr. Aftab Anwer	04

AUDIT COMMITTEE

In compliance with applicable regulatory requirements, the Board has established an Audit Committee comprising the following directors.

Mr. Aftab Anwer	Chairman
Col ®. Abdul Qayyum	Member
Mr. Tariq Javaid	Member

During the financial year under review (July 01, 2025, to June 30, 2026), four (04) meetings of the Audit Committee were held. Attendance of each member at these meetings is detailed below.

Name of Member	No. of Meeting Attended
Mr. Aftab Anwer	Four (4)
Col ®. Abdul Qayyum	Four (4)
Mr. Tariq Javaid	Four (4)

HUMAN RESOURCE AND REMUNERATION COMMITTEE

In compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019, the Board of Directors has established a Human Resource & Remuneration (HR&RC) Committee comprising the three directors listed below. The HR & RC assists the Board in ensuring the effective management of the Company's human capital. Furthermore, the Committee evaluates and recommends policies that align the Company's human resource strategy with its broader business objectives.

Mr. Mujahid Ahmed	Chairman
Mr. Muhammad Adeel Anwer Khan	Member
Miss. Batool Zahra	Member

Names of the members of the Committee	No. of Meeting Attended
Mr. Mujahid Ahmed	Four (4)
Mr. Muhammad Adeel Anwer Khan	Four (4)
Miss. Batool Zahra	Four (4)

CORPORATE GOVERNANCE

Statement of compliance as required under the Listed Companies' Code of Corporate Governance Regulations 2019 is annexed statement of compliance under the Companies Act, 2017 has not been notified.

PERFORMANCE EVALUATION OF THE BOARD OF DIRECTORS AND THE BOARD COMMITTEES

In compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019, the Board has established a formal mechanism for evaluating the performance of the Board of Directors and its Committees. The annual evaluation process, based on a comprehensive questionnaire, is currently underway.

DIRECTORS' REMUNERATION

During the financial year under review, remuneration was paid to the Chief Executive, one Director, and one Executive of the Company in accordance with the provisions of the Companies Act, 2017.

BOARD'S ROLE IN SUSTAINABILITY AND DE&I

The Director of Sustainability and DE&I is responsible for defining, executing, and leading strategic initiatives that drive environmental sustainability, social responsibility, and equitable workplace practices. This role ensures these programs align seamlessly with the organization's mission and values while embedding a culture of inclusion, continuous learning, and environmental stewardship across the enterprise.

GENDER, RACE & DIVERSITY

The Board recognizes that diversity is a key catalyst for innovation, operational resilience, and competitive advantage.

APPOINTMENT OF AUDITORS

The Auditors, M/s Kamran & Co. Chartered Accountants, will retire and are eligible for re-appointment as auditors of the Company for the next year. The Audit Committee and the Board have endorsed their re-appointment 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, 2026, on the prescribed Form 20 is attached herewith.

SUBSEQUENT EVENTS

The Company initiated the process to dispose of its surplus land in strict compliance with all applicable legal and regulatory requirements. Accordingly, a public notice was published in nationwide daily newspapers inviting bids from prospective purchasers. The Company is currently reviewing responses and evaluating proposals from prospective buyers to finalize the transaction.

ACKNOWLEDGMENT

We sincerely thank our dedicated employees, valued customers, and esteemed shareholders for their ongoing trust and support during this transformation. Together, we are confident that **Nazir Cotton Mills Limited** will continue to build financial strength, optimize shareholder value, and achieve sustainable growth in its new strategic direction as an investment enterprise.

For and on behalf of the Board

DIRECTOR **CHIEF EXECUTIVE**

Lahore:
Dated: October 06, 2026

GENDER PAY GAP STATEMENT

For the Financial Year Ended 30 June 2026

Pursuant to Circular No. 10 of 2024 issued by the Securities and Exchange Commission of Pakistan (SECP) on 17 April 2024, the Company presents its Gender Pay Gap Statement for the financial year ended 30 June 2026.

The Company has assessed the difference between the mean and median hourly pay rates of male and female full-pay relevant employees in accordance with the calculation methodology prescribed by the SECP.

1. Gender Pay Gap Disclosure Particulars Percentage

Mean Gender Pay Gap[●]%Median Gender Pay Gap[●]%The reported gender pay gap, where applicable, reflects the difference between the respective average or median pay rates of male and female employees and does not, by itself, establish whether employees are receiving equal pay for equal work.

As the company is not operational and there is no female worker in the company so the disclosure is not applicable on the company

2. Approval and Authorization

This statement is submitted for inclusion in the Company's Annual Report for the financial year ended 30 June 2026 and for publication on the Company's website in accordance with the applicable SECP requirements.

For and on behalf of the Board of Directors



Muhammad Tayyab

Chief Executive Officer / Director

October 06, 2026

ڈائریکٹرز کے نام اور اجلاس میں شرکت

زیرِ جائزہ سال کے دوران بورڈ کے 04 اجلاس منعقد ہوئے:

- جناب محمد طیب (04 اجلاس)
- کرنل (ر) عبداللہ قیوم (04 اجلاس)
- جناب محمد عدیل انور (04 اجلاس)
- جناب طارق جاوید (04 اجلاس)
- مس بتول زہرہ (04 اجلاس)
- جناب مجاہد احمد (04 اجلاس)
- جناب آفتاب انور (04 اجلاس)

بورڈ کمیٹیاں

آڈٹ کمیٹی: جناب آفتاب انور (چیئرمین)، کرنل (ر) عبداللہ قیوم (رکن)، اور جناب طارق جاوید (رکن)۔ سال کے دوران 04 اجلاس منعقد ہوئے اور تمام اراکین نے شرکت کی۔

ایچ آر اینڈ ریمونریشن کمیٹی: جناب مجاہد احمد (چیئرمین)، جناب محمد عدیل انور خان (رکن)، اور مس بتول زہرہ (رکن)۔ سال کے دوران 04 اجلاس منعقد ہوئے اور تمام اراکین نے شرکت کی۔

آڈیٹرز کی تقرری

موجودہ آڈیٹرز میسرز کامران اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس ریٹائر ہو رہے ہیں اور دوبارہ تقرری کے اہل ہیں۔ بورڈ نے ان کی دوبارہ تقرری کی سفارش کی ہے۔

بعد کے واقعات

کمپنی نے اضافی زمین کی فروخت کے لیے اخبارات میں اشتہار جاری کیا ہے اور موصول ہونے والی بولیوں کا جائزہ لیا جا رہا ہے۔

اعتراف و شکریہ

ہم اپنے تمام ملازمین، صارفین اور شیئر ہولڈرز کے مسلسل تعاون کا شکریہ ادا کرتے ہیں۔

بورڈ کے لیے اور اس کی جانب سے

ڈائریکٹر

چیف ایگزیکٹو

لاہور:

بتاریخ 06 اکتوبر 2026

بنیادی خطرات اور غیر یقینی صورتحال

کمپنی کے آپریشنز 2006 سے بند ہیں، تاہم دوبارہ کام شروع کرنے پر درج ذیل خطرات کا سامنا ہو سکتا ہے:

- زرِ مبادلہ کا خطرہ: غیر ملکی کرنسی میں لین دین کے باعث کرنسی کے نرخوں کے اتراؤ چڑھاؤ کا خطرہ۔
- لیکویڈیٹی کا خطرہ: وقت پر فنڈز حاصل کرنے کی صلاحیت کا خطرہ۔ کمپنی اس کے لیے کیش مینجمنٹ پالیسی پر عمل کرتی ہے۔
- کریڈٹ کا خطرہ: فریقِ ثانی کی جانب سے معاہدے کی خلاف ورزی سے ہونے والے نقصان کا خطرہ۔
- شرحِ سود کا خطرہ: مارکیٹ میں سود کی شرح میں تبدیلی کے اثرات۔

کاروباری نوعیت میں تبدیلی اور مستقبل کے رجحانات

کمپنی کے بند ہونے کی وجہ سے سال کے دوران کوئی تبدیلی نہیں آئی۔ مستقبل میں کمپنی کے مرکزی کاروبار کو مختلف شعبوں میں سرمایہ کاری کی طرف منتقل کرنا ایک مثبت پیش رفت ثابت ہوگی جس سے آمدنی کے نئے ذرائع پیدا ہوں گے۔

ماحولیاتی اثرات

2006 سے آپریشنز معطل ہونے کی وجہ سے ماحول پر کوئی اثرات مرتب نہیں ہوئے۔

اندرونی مالیاتی کنٹرول

کمپنی نے اپنے اثاثوں کے تحفظ اور قوانین کی تعمیل کے لیے اندرونی مالیاتی کنٹرول کا نظام برقرار رکھا ہوا ہے۔

متعلقہ فریقین کے ساتھ لین دین

متعلقہ فریقین کے ساتھ تمام لین دین 'آرمز لینتھ' کی بنیاد پر کیے گئے ہیں، جن کی منظوری آڈٹ کمیٹی اور بورڈ آف ڈائریکٹرز نے دی ہے۔ تفصیلات نوٹ 34 میں درج ہیں۔

ہراسانی کے خلاف کوڈ آف کنڈکٹ

کمپنی کام کی جگہ پر محفوظ اور باوقار ماحول فراہم کرنے کے لیے مکمل طور پر پر عزم ہے۔

کارپوریٹ سماجی ذمہ داری اور قومی خزانے میں حصہ

کمپنی نے مالیاتی سال 2025–26 کے دوران انکم ٹیکس کی مد میں 9.42 ملین روپے قومی خزانے میں جمع کرائے۔

بورڈ کی تشکیل

بورڈ آف ڈائریکٹرز کی مجموعی تعداد 07 ہے (06 مرد اور 01 خاتون ڈائریکٹر)۔

- آزاد ڈائریکٹرز: 02
- نان ایگزیکٹو ڈائریکٹرز: 03
- ایگزیکٹو ڈائریکٹرز: 02

آڈیٹرز کے اعتراضات کے جوابات

بورڈ آڈیٹرز کے مشاہدات کو تسلیم کرتا ہے اور وضاحت کرتا ہے کہ ٹیکسٹائل آپریشنز کی بندش، مشینری، عمارتوں اور زمین کی فروخت، اور تنظیم نو کی حکمت عملی کمپنی کی قدر کو محفوظ بنانے کے لیے بنائی گئی ہے۔

- **مالیاتی واجبات:** کمپنی نے مالیاتی اداروں کے ساتھ اپنے تمام واجبات مکمل طور پر طے کر لیے ہیں اور متعلقہ چھوٹ کو تسلیم کیا ہے۔
- **اثاثوں کی ازسرنو قدر:** انتظامیہ نے دستیاب معلومات کی بنیاد پر قدر کی ایڈجسٹمنٹ کی ہے اور تاریخی ریکارڈز کا جائزہ جاری ہے۔
- **سجاد ٹیکسٹائل ملز میں سرمایہ کاری:** قابلِ وصول رقم کے حتمی تخمینے کے بعد جاری سال میں امپیئرمنٹ لاس درج کیا گیا ہے۔
- **ٹیکس معاملات:** ٹیکس مشیروں کے ساتھ مل کر تاریخی ٹیکس فائلنگز کا جائزہ لیا جا رہا ہے تاکہ تمام مسائل حل کیے جا سکیں۔
- **واپڈا ایڈوانس:** وصولی کے تازہ ترین جائزے کی بنیاد پر جاری سال میں امپیئرمنٹ درج کی گئی ہے۔
- **کارپوریٹ گورننس:** تمام متعلقہ قواعد و ضوابط کی مکمل تعمیل کے لیے فوری اقدامات کیے جا رہے ہیں۔
- **غیر فعال پلانٹ و مشینری:** بیکار مشینری کی قدر کا درست تعین کرنے کے لیے ایک آزاد ماہر کی خدمات حاصل کی جا رہی ہیں۔
- **زمین کی فروخت:** زمین کی فروخت اور عمارت کو برائے فروخت قرار دینا انتظامیہ کا حکمت عملی کے تحت فیصلہ ہے۔

مستقبل کا منظر نامہ

27 اگست 2026 کو منعقدہ غیر معمولی عمومی اجلاس (EOGM) میں شیئر ہولڈرز کی منظوری کے مطابق، کمپنی اپنے کاروبار کو ایک متنوع انویسٹمنٹ انٹرپرائز میں تبدیل کر رہی ہے۔ اس سلسلے میں کمپنی کا نام **نظیر کاٹن ملز لمیٹڈ** سے تبدیل کر کے **نظیر وینچرز لمیٹڈ** رکھا جا رہا ہے۔

کمپنی کی زمین فروخت کر کے حاصل ہونے والے فنڈز کو منافع بخش کاروباری شعبوں میں منتقل کیا جائے گا جس سے کمپنی کی مالی حالت مضبوط ہوگی اور شیئر ہولڈرز کے لیے پائیدار قدر پیدا ہوگی۔

فی شیئر آمدنی (EPS)

30 جون 2026 کو ختم ہونے والے سال کے لیے فی شیئر منافع 2.74 روپے رہا، جبکہ گزشتہ سال فی شیئر نقصان (0.31) روپے تھا۔

ڈویڈنڈ

ڈائریکٹرز نے زیرِ جائزہ سال کے لیے کسی ڈویڈنڈ کی سفارش نہیں کی ہے۔

ڈائریکٹرز رپورٹ

نظیر کاٹن ملز لمیٹڈ
برائے سال ختم شدہ 30 جون 2026

آپ کی کمپنی کے ڈائریکٹرز آپ کو سالانہ جنرل اجلاس میں خوش آمدید کہتے ہیں اور 30 جون 2026 کو ختم ہونے والے سال کے لیے کمپنی کے آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔

مالیاتی کارکردگی

30 جون 2026 کو ختم ہونے والے سال کے لیے آپ کی کمپنی کی مالیاتی کارکردگی درج ذیل ہے:

زیرِ جائزہ سال کے دوران کمپنی نے 15.020 ملین روپے (2025: 57.339 ملین روپے) کے انتظامی اخراجات (بشمول ڈائپریسی ایشن 9.524 ملین روپے) کی منہائی کے بعد 73.897 ملین روپے (2025: 7.231 ملین روپے) کا ٹیکس بعد از منافع حاصل کیا ہے۔

تفصیلات	2026 (روپے)	2025 (روپے)
فروخت / مجموعی منافع (نقصان)	-	-
دیگر آپریٹنگ آمدنی	88,550,830	65,354,735
قبل از ٹیکس منافع / (نقصان)	73,531,003	6,653,409
ٹیکسیشن	366,118	(13,884,779)
ٹیکس بعد از منافع / (نقصان)	63,039,035	(7,231,370)

زیرِ جائزہ سال کے دوران، ہماری کمپنی نے دودھ اور حیاتیاتی اثاثوں کی فروخت سے 1.521 ملین روپے حاصل کیے جبکہ گزشتہ سال یہ فروخت 1.306 ملین روپے تھی۔ ٹیکس کے بعد منافع 63.039 ملین روپے رہا، جبکہ گزشتہ سال 7.231 ملین روپے کا نقصان ہوا تھا۔ دیگر آمدنی میں عمارت اور سکریپ کی فروخت سے حاصل ہونے والا منافع شامل ہے۔

آڈیٹرز رپورٹ

آڈیٹرز نے کمپنی کی تسلسل کے ساتھ بقاء (Going Concern) کی حیثیت پر اپنے تحفظات کا اظہار کیا ہے۔ اس سلسلے میں انتظامیہ نے آپریشنل کارکردگی، قرضوں کی ری سٹرکچرنگ، اور ڈائریکٹرز کی مالی معاونت کا جائزہ لیا ہے۔ انتظامیہ کو پورا اعتماد ہے کہ کمپنی مستقبل قریب میں اپنا کام جاری رکھنے کے اہل رہے گی۔

NAZIR COTTON MILLS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2026

	Note	30 June 2026 Rupees	30 June 2025 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	**231,378,846**	278,624,427
-(Deficit) / surplus on remeasurement of available for sale investments	8	**(479,125)**	(479,125)
-Capital reserve		**434,000**	434,000
Revenue reserve			
Accumulated loss		**(295,900,276)**	(417,042,978)
Revenue reserve - general		**45,829,500**	45,829,500
		211,262,945	137,365,824
Non-current liabilities			
Deferred taxation	9	**-**	12,866,389
Current liabilities			
Trade and other payables	10	**5,856,925**	3,838,674
Accrued mark-up		**-**	2,852,907
Short-term borrowings	11	**34,000,000**	131,144,774
Income tax liability		**12,500,271**	1,362,747
		52,357,196	139,199,102
Contingencies and commitments	12	**-**	-
Total equity and liabilities		**263,620,141**	289,431,315
ASSETS			
Non-current assets			
Operating fixed assets	13	**-**	238,310,400
Biological assets	14	**2,839,542**	2,416,285
		2,839,542	240,726,685
Current assets			
Trade debts	17	**-**	79,730
Deposits, prepayments and other receivables	18	**2,508,078**	3,157,512
Cash and bank balances	19	**19,962,121**	286,188
		22,470,199	3,523,430
Non-current asset classified as held for sale	20	**238,310,400**	45,181,200
Total assets		**263,620,141**	289,431,315

The annexed notes from 1 to 40 form an integral part of these financial statements.

Chief Executive Officer **Director** **Chief Financial Officer**

Lahore.

NAZIR COTTON MILLS LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2026

	Note	30 June 2026 Rupees	30 June 2025 Rupees
Sales - net	21	-	-
Cost of sales	22	-	-
Gross profit		-	-
Other operating income	23	88,550,830	65,354,735
Administrative and general expenses	24	13,183,781	20,963,700
Other expenses	25	925,591	33,521,636
Finance cost	26	910,455	2,853,243
		15,019,827	57,338,579
Profit before income tax and levies		73,531,003	8,016,156
Levies		-	(1,362,747)
Profit before income tax		73,531,003	6,653,409
Taxation	27	366,118	(13,884,779)
Profit / (loss) after taxation		73,897,121	(7,231,370)
Other comprehensive income for the year			
Items that will not be reclassified to profit or loss			
Revaluation surplus pertaining to plant and machinery		-	-
Related deferred tax on disposal of revalued asset		-	970,847
		-	970,847
Revaluation loss pertaining to plant and machinery		-	-
Related deferred tax		-	4,566,082
		-	4,566,082
Total comprehensive income / (loss) for the year		73,897,121	(1,694,441)
Earnings / (loss) per share (basic and anti-dilutive)	28	3.21	(0.31)

The annexed notes from 1 to 40 form an integral part of these financial statements.

Chief Executive Officer Director Chief Financial Officer

Lahore.

NAZIR COTTON MILLS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2026

	Share capital	Reserves					Total equity
		Capital			*General*	*Revenue*	
		Capital reserves	-(Deficit) / surplus on remeasurement of available for sale investments	Surplus on revaluation of assets	Revenue reserve - General	Accumulated loss	
	---------- Rupees ----------						
As at 30 June 2024	**230,000,000**	**434,000**	**(479,125)**	**280,845,693**	**45,829,500**	**(417,569,803)**	**139,060,265**
Loss for the year	-			-		(7,231,370)	(7,231,370)
Disposal during the year				2,189,183		3,347,746	5,536,929
Incremental depreciation on revaluation of assets for the year (net of tax)	-			(4,410,449)		4,410,449	-
As at 30 June 2025	**230,000,000**	**434,000**	**(479,125)**	**278,624,427**	**45,829,500**	**(417,042,978)**	**137,365,824**
Profit for the year	-			-		73,897,121	73,897,121
Disposal during the year - net of tax				(47,245,581)		47,245,581	-
Incremental depreciation on revaluation of assets for the year (net of tax)	-			-		-	-
As at 30 June 2026	**230,000,000**	**434,000**	**(479,125)**	**231,378,846**	**45,829,500**	**(295,900,276)**	**211,262,945**

The annexed notes from 1 to 40 form an integral part of these financial statements.

Chief Executive Officer | Director | Chief Financial Officer

Lahore.

NAZIR COTTON MILLS LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2026

		Note	30 June 2026 Rupees	30 June 2025 Rupees
A	**CASH FLOW FROM OPERATING ACTIVITIES**			
	Profit before income tax and levies		**73,531,003**	8,016,156
	Impairment and balances written off	**25**	**925,591**	16,399,607
	Provision for obsolete store items	**25**	**-**	750,688
	(Gain) / loss on disposal of biological assets		**(15,000)**	(292,393)
	Surplus on revaluation of biological assets	**23**	**(473,257)**	(264,142)
	Adjustment for depreciation on property, plant and equipment	**13**	**-**	6,924,079
	(Gain) / loss on disposal of property, plant and equipment		**(84,818,800)**	(16,256,620)
	Adjustment for short term loan from banks		**-**	(45,319,059)
	Old balances written back		**(626,232)**	(1,316,627)
	Impairment of asset held for sale		**-**	15,745,109
	Provision for worker's welfare fund		**-**	626,232
	Finance cost	**26**	**910,455**	2,853,243
	Operating loss before working capital changes		**(10,566,240)**	**(12,133,727)**
	Working capital changes			
	Decrease / (increase) in current assets			
	Trade debts		**-**	(79,730)
	Deposits, prepayments and other receivables		**(1,500,000)**	30,872
	Increase in trade and other payables		**2,644,483**	1,803,509
			1,144,483	1,754,651
	Cash used in operating activities		**(9,421,757)**	(10,379,076)
	Income taxes paid	**18**	**(59,174)**	(2,102,217)
	Finance cost paid		**(3,763,362)**	(336)
	Net cash used in operating activities		**(13,244,293)**	(12,481,629)
B	**CASH FLOW FROM INVESTING ACTIVITIES**			
	Proceeds from disposal of property, plant and equipment		**130,000,000**	33,898,305
	Proceeds from sale of biological assets		**65,000**	654,250
	Payment for acqusition of biological assets	**14**	**-**	(757,000)
	Cash generated from investing activities		**130,065,000**	**33,795,555**
C	**CASH FLOW FROM FINANCING ACTIVITIES**			
	Proceeds from short-term borrowing		**-**	8,000,000
	Repayments of short term borrowings		**(97,144,774)**	(39,403,152)
	Cash used in financing activities		**(97,144,774)**	**(31,403,152)**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)			**19,675,933**	**(10,089,226)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		**19**	**286,188**	10,375,414
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		**19**	**19,962,121**	**286,188**

The annexed notes from 1 to 40 form an integral part of these financial statements.

Chief Executive Officer **Director** **Chief Financial Officer**

Lahore.

NAZIR COTTON MILLS LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

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. and investment in various industrial sector.

Following is the detail of addresses of the Company.

Description	Location
Registered office	Office no. 702,7th floor, Tricon corporate centre, Gulberg II, Lahore
Manufacturing facility	8 KM, Faisalabad Road, Aslamabad, Kharianwala, Sheikhupura

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.

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 amendments to published accounting and reporting standards that will be applicable to the Company for its annual periods beginning on or after July 1, 2026. The new standards include IFRS18 Presentation and Disclosure in Financial Statements with applicability date of January 1, 2027 as per IASB. However, the Company's management at present is in the process of assessing the full impact of the new standard and is expecting to complete the assessment in due course.

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.
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:

NAZIR COTTON MILLS LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

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 disclosure and assessment of provision for contingencies; and	(notes 5.12, 12 and 5.21)
d)	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 recurring losses in previous years resulting in accumulated losses of Rs. 295.900 million (2025: Rs. 417.043) million at close of the year ended 30 June 2026. The Company's current liabilities exceed its current assets by Rs. 29.887 million (2025: Rs. 135.676) million.

The Company has been non-operational for several years due to working capital constraints. The Board of Directors approved, in its meeting held on 24 April 2026, the proposed sale of land, change in the Company÷sname and commencement of investment activities. Subsequent to the reporting date, the Company held an Extraordinary General Meeting on 27 August 2026, at which the members approved the proposed sale of land, change in the Company's name from Nazir Cotton Mills Limited to Nazir Ventures Limited, and change in its principal line of businessfrom sale of yarn to investment activities. The Company has met its liquidity requirements through financing from its sponsors, and its ability to continue as a going concern remains dependent upon continued financial support from its sponsors. Management expects to commence investment activities in the subsequent year and is actively pursuing its proposed business plan to generate sustainable revenue. Based on these plans and the continued support from sponsors, management is confident that the Company will be able to meet its obligations as they fall due and 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.

NAZIR COTTON MILLS LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

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 - Levy and income tax

Final and minimum taxes under the Income Tax Ordinance, 2001 are treated as levies in accordance with IFRIC 21 / IAS 37, based on IAS 12 guidance issued by ICAP.

Income tax expense includes current and deferred tax. It is recognized in profit or loss, except for items recognized directly in other 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.

NAZIR COTTON MILLS LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

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.
(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.

NAZIR COTTON MILLS LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

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.

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.

NAZIR COTTON MILLS LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

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.

NAZIR COTTON MILLS LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

5.18 Stock-in-trade

Basis of valuations are as follows:

Particulars	*Mode of Valuation*
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.

NAZIR COTTON MILLS LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

5.22 Earnings per share ("EPS")

The Company calculates both basic and diluted EPSin accordance with IAS 33 "Earnings per Share". Under IAS 33, basic EPSis computed using weighted average number of shares outstanding during the year. Diluted EPSis 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 an 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

Purchasesof 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 Non-current assets held for sale

Assetsare classified as held for sale when their carrying amount is expected to be recovered principally through sale rather than use and the sale is highly probable. They are measured at the lower of carrying amount and fair value less costs to sell, and depreciation ceases from the date of classification. Impairment lossesare recognized in profit or loss. Related revaluation surplus, if any, is transferred to retained earnings on actual disposal.

5.26 Figures

Figures have been rounded off to the nearest of rupee.

NAZIR COTTON MILLS LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

5.22 Earnings per share ("EPS")

The Company calculates both basic and diluted EPSin accordance with IAS 33 "Earnings per Share". Under IAS 33, basic EPSis computed using weighted average number of shares outstanding during the year. Diluted EPSis 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 an 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

Purchasesof 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 Non-current assets held for sale

Assetsare classified as held for sale when their carrying amount is expected to be recovered principally through sale rather than use and the sale is highly probable. They are measured at the lower of carrying amount and fair value less costs to sell, and depreciation ceases from the date of classification. Impairment lossesare recognized in profit or loss. Related revaluation surplus, if any, is transferred to retained earnings on actual disposal.

5.26 Figures

Figures have been rounded off to the nearest of rupee.

NAZIR COTTON MILLS LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

		30 June 2026	30 June 2025	30 June 2026	30 June 2025
		--------- Number of shares ----------		Rupees	Rupees
6	**SHARE CAPITAL**				
	Authorized capital				
	Ordinary shares of Rs. 10 each	**25,000,000**	25,000,000	**250,000,000**	250,000,000
	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 appproved by the Honorable High Court in 1974.	**370,000**	370,000	**3,700,000**	3,700,000
		23,000,000	**23,000,000**	**230,000,000**	230,000,000

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 2026	30 June 2025
		Rupees	Rupees
7	**-SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT**		
	Surplus on revaluation		
	At beginning of the year	**291,490,816**	301,050,462
	Less: Reversal on surplus of assets disposed off	**(60,111,970)**	(3,347,746)
	Less: Incremental depreciation for the year	**-**	(6,211,900)
	At end of the year	**231,378,846**	291,490,816
	Less: Related deferred tax		
	At beginning of the year	**12,866,389**	20,204,769
	Add: deficit arisen during the year	**-**	(4,566,082)
	Less: Reversal of related deferred tax on disposals	**(12,866,389)**	(970,847)
	Less: Incremental depreciation for the year	**-**	(1,801,451)
	At end of the year	**-**	12,866,389
	Net surplus on revaluation	**231,378,846**	278,624,427

7.1 During the year, certain revalued buildings were disposed of, resulting in the transfer of the related revaluation surplus of Rs. 60,111,970 directly to retained earnings. The transfer had no impact on profit or loss. The related deferred tax liability of Rs. 12,866,389 was also reversed during the year.

7.2 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 last years. 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 previous year.

NAZIR COTTON MILLS LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

7.3 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 2026 Rupees	30 June 2025 Rupees
8	**-(DEFICIT) / SURPLUS ON REMEASUREMENT OF AVAILABLE FOR SALE INVESTMENTS**			
	Fair value reserve	- note 8.1	**(479,125)**	(479,125)

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:

	30 June 2026 Rupees	30 June 2025 Rupees
Opening balance	**(479,125)**	(479,125)
Closing balance	**(479,125)**	(479,125)

9 DEFERRED TAXATION

	30 June 2026 Rupees	30 June 2025 Rupees
Deferred tax liability on taxable temporary differences		
Surplus on revaluation of property, plant and equipment	**-**	12,866,389
	-	12,866,389

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

	Opening balance	*statement of profit or loss*	*statement of OCI*	*Closing balance*
As at 30 June 2026				
Surplus on revaluation of fixed assets	12,866,389	(12,866,389)	-	-
	12,866,389	(12,866,389)	-	-
As at 30 June 2025				
Accelerated depreciation	(15,865,767)	15,865,767	-	-
Surplus on revaluation of fixed assets	20,204,769	(1,801,451)	(5,536,929)	12,866,389
	4,339,002	14,064,316	(5,536,929)	12,866,389

9.2 Deferred tax asset amounting to Rs. 21.368 million (2025: Rs. 62.528 million) in respect of unused tax losses amounting to Rs. 73.682 million (2025: Rs. 215.612 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.

		30 June 2026 Rupees	30 June 2025 Rupees
10	**TRADE AND OTHER PAYABLES**		
	Accrued liabilities	**5,816,485**	3,810,860
	Other liabilities	**37,426**	27,814
	Withholding tax payable	**3,014**	-
		5,856,925	3,838,674

NAZIR COTTON MILLS LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

			30 June 2026 Rupees	30 June 2025 Rupees
11	**SHORT-TERM BORROWINGS**			
	-From others			
	Sponsor's loan - interest free	- note 11.1	**34,000,000**	123,144,774
	Related party loan - interest bearing	- note 11.2	**-**	8,000,000
			34,000,000	131,144,774

11.1 This represents unsecured and interest free loan obtained from sponsors of the Company to meet the Company's day to day expenditures 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. 34 million (2025: Rs. 123.144 million).

11.2 The Company during the preceding year has entered in to a loan agreement with a shareholder and obtained interest bearing loan for settlement of loan liabilities of the Company. It carries mark up at the rate of 3 months kibor plus 3.5% per annum. During the year, the Company, during the year has repaid the outstanding loan.

12 CONTINGENCIES AND COMMITMENTS

Contingencies

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. However, the said balance is written off during the preceding year.

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

Commitments

Other than above, there is no known contingent liability and commitments as on year end (2025: Nil).

		30 June 2026 Rupees	30 June 2025 Rupees
13	**OPERATING FIXED ASSETS**		
	Freehold land		
	Cost	**6,931,554**	6,931,554
	Revaluation	**231,378,846**	231,378,846
		238,310,400	238,310,400
	Less: Transferred to held for sale	**(238,310,400)**	**-**
		-	238,310,400

13.1 During the year, the Company reclassified its land with a carrying amount of Rs. 238.310 million to non-current assets held for sale following approval of disposal by members in Board of directo's meeting held on 24 April 2026.

13.2 The depreciation has been allocated to administrative expense.

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

	30 June 2026 Rupees	30 June 2025 Rupees
Freehold land	**-**	6,931,554
	-	6,931,554

13

PARTICULARS	COST / REVALUED AMOUNTS			DEPRECIATION			BOOK VALUE	Annual rate of dep.
	As at 1/July/2025	Revaluation for the year	As at 30/June/2026	As at 1/July/2025	Charge for the year	As at 30/June/2026	As at 30/June/2026	
	---------- Rupees ----------							% age
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	
Total - 30/June/2026	238,310,400	-	238,310,400	-	-	-	238,310,400	

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

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

Freehold land	**6,931,554**	6,931,554
Building- on freehold land	**-**	896,520
Plant and machinery	**-**	14,461,591
	6,931,554	22,289,665

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 2026								
Financial assets / liabilities measured at fair value								
Long term investment	-	-		-	-	-	-	-
Financial assets not measured at fair value								
Trade debts		-	-	-	-	-	-	-
Trade deposits		2,508,078	-	2,508,078	-	2,508,078	-	2,508,078
Bank balances		19,962,121	-	19,962,121	-	19,962,121	-	19,962,121
	-	22,470,199	-	22,470,199	-	22,470,199	-	22,470,199
Financial liabilities not measured at fair value								
Short term borrowings	-	-	34,000,000	34,000,000	-	-	-	-
Trade payables	-	-	5,856,925	5,856,925	-	-	-	-
	-	-	39,856,925	39,856,925	-	-	-	-
as at 30 June 2025								
Financial assets / liabilities measured at fair value								
Long term investment	-	-	-	-	-	-	-	-
Financial assets not measured at fair value								
Trade debts	-	79,730	-	79,730	-	79,730	-	79,730
Trade deposits	-	3,157,512	-	3,157,512	-	3,157,512	-	3,157,512
Bank balances	-	286,188	-	286,188	-	286,188	-	286,188
	-	3,523,430	-	3,523,430	-	3,523,430	-	3,523,430
Financial liabilities not measured at fair value								
Short term borrowings	-	-	131,144,774	131,144,774	-	-	-	-
Trade payables	-	-	3,838,674	3,838,674	-	-	-	-
	-	-	134,983,448	134,983,448	-	-	-	-

13.4 Reconciliation of carrying values for the year - 30 June 2025

PARTICULARS	COST / REVALUED AMOUNTS			DEPRECIATION				BOOK VALUE	Annual rate of dep.
	As at 1/July/2024	Disposal / transfer held for sale	As at 30/June/2025	As at 1/July/2024	Disposal / transfer held for sale	Charge for the year	As at 30/June/2025	As at 30/June/2025	
	---------- Rupees ----------								% age
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)	-	469,917	(552,098)	82,181	-	-	10
Revaluation	104,032,402	(104,032,402)	-	37,854,086	(43,920,432)	6,066,346	-	-	10
	105,398,839	(105,398,839)	-	38,324,003	(44,472,530)	6,148,527	-	-	
Plant and machinery									
Cost	22,041,749	(22,041,749)	-	7,580,158	(8,182,724)	602,566	-	-	10
Revaluation	21,658,131	(21,658,131)	-	18,164,831	(18,310,385)	145,554	-	-	10
	43,699,880	(43,699,880)	-	25,744,989	(26,493,109)	748,120	-	-	
Electric installations	9,108,541	(9,108,541)	-	9,031,391	(9,036,213)	4,822	-	-	15
Laboratory equipment	2,207,748	(2,207,748)	-	2,195,208	(2,195,992)	784	-	-	15
Office Equipment	1,094,571	(1,094,571)	-	803,941	(822,105)	18,164	-	-	15
Air conditioner	156,699	(156,699)	-	155,748	(155,827)	79	-	-	20
Fire Fighting equipment	1,053,552	(1,053,552)	-	1,049,877	(1,050,107)	230	-	-	15
Fans	228,154	(228,154)	-	227,539	(227,577)	38	-	-	15
Furniture and fixtures	915,829	(915,829)	-	894,780	(895,657)	877	-	-	10
Tube well	966,025	(966,025)	-	962,672	(962,882)	210	-	-	15
Arms and ammunition	29,885	(29,885)	-	28,810	(28,855)	45	-	-	10
Computers	368,983	(368,983)	-	318,759	(320,852)	2,093	-	-	10
Motor vehicles	534,536	(534,536)	-	533,452	(533,542)	90	-	-	20
Total - 30/June/2025	404,073,642	(165,763,242)	238,310,400	80,271,169	(87,195,248)	6,924,079	-	238,310,400	

13.5 ***De-recognition of plant and machinery***

During the preceding year, the Company has disposed of all its remaining plant and machinery and other fixed assets, resulting in a gain of Rs. 16.256 million, which has been recognized as gain on sale of plant and machinery in the statement of profit or loss. The Company has no plans to restart commercial production in the future.

13.6 During the preceding year, the Company reclassified its building with a carrying amount of Rs. 60.926 million to non-current assets held for sale following approval of disposal by members in Extraordinary General Meeting held on 03 June 2025.

NAZIR COTTON MILLS LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

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

Manufacturing facility	*Area*
8 KM, Faisalabad Road, Aslamabad, Kharianwala, Sheikhupura	165 K 16 M

			30 June 2026	30 June 2025
			Rupees	Rupees
14	**BIOLOGICAL ASSETS**			
	Cows		**1,632,095**	1,497,335
	Calves		**1,003,062**	732,355
	Goats		**204,385**	186,595
		- note 14.1	**2,839,542**	2,416,285
	14.1 Reconciliation of changes in carrying amount			
	Carrying amount at beginning of the year		**2,416,285**	1,757,000
	Increase due to purchases		**-**	757,000
	Decrease due to disposal		**(50,000)**	(361,857)
			2,366,285	2,152,143
	Changes in fair value less cost to sell:			
	Due to price changes		**473,257**	264,142
	Carrying amount at end of the year		**2,839,542**	2,416,285

14.2 At June 30, 2026, livestock comprised 11 Cows, 2 buffaloes, 2 Calves and 1 Goat (2025: 3 Cows, 13 Calves and 1 Goat). During the year 2026, the mangement sold only 1 Calf.

14.3 The valuation of livestock as at 30 June 2026 has been carried out by independent valuers. In this regard, the valuers examined the physical condition of the livestock, assessedthe key assumptions and estimates and relied on the representations made by the Company as at 30 June 2025. Further, replacement values of similar livestock from active markets in local market have been used as basis of valuation by the independent valuers.

			30 June 2026	30 June 2025
15	**LONG TERM INVESTMENT - Un-quoted (Available for sale investment)**		**Rupees**	Rupees

15.1 The company holds 383,300 ordinary shares of Rs. 10 each (shareholding percentage 1.802%)in Sajjad Textile Mills Limited and account for this investment on face value.

15.2 The company holds 50 ordinary shares of Rs. 10 each in Sargodha Industrial Urban Development Co-operative Society Limited and account for this investment on face value.

15.2 The associates have incurred continuing losses and no recovery is expected. Accordingly, the investment has been fully impaired and reduced to nil during the preceding year.

			30 June 2026	30 June 2025
			Rupees	Rupees
16	**STORES, SPARE PARTS AND LOOSE TOOLS**			
	Stores		**-**	1,805,733
			-	1,805,733
	Less: Provision for obsolete items	- note 16.1	**-**	(1,805,733)
			-	-

16.1 The Company had fully provided for obsolete stores in prior years, and the corresponding provision has been appropriately accounted for in these financial statements.

17	**TRADE DEBTS**			
	Local - unsecured but considered good	- note 17.1	**-**	79,730

17.1 Trade debts of Rs. Nil (2025:Rs. 79,730) are outstanding, all due within 0—30 days and considered fully recoverable.

NAZIR COTTON MILLS LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

			30 June 2026 Rupees	30 June 2025 Rupees
18	**DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES**			
	Security deposits		**73,500**	73,500
	Advance income tax		**934,578**	2,238,151
	Other receivables		**1,500,000**	845,861
			2,508,078	3,157,512
19	**CASH AND BANK BALANCES**			
	Cash in hand		**349,184**	254,593
	With banks			
	-Current accounts		**11,664**	30,369
	-Saving accounts	- note 19.1	**19,601,273**	1,226
			19,612,937	31,595
			19,962,121	286,188

19.1 Mark up rate in respect of savings accounts ranges from 9.5% to 10% (2025: 11.1% to 13.1%) per annum.

		30 June 2026 Rupees	30 June 2025 Rupees
20	**NON-CURRENT ASSET CLASSIFIED AS HELD FOR SALE**		
	Freehold land	**238,310,400**	-
	Building on free hold land	**-**	45,181,200
		238,310,400	45,181,200

20.1 ***Movement of assets held for sale***

	Freehold land	*Building*	*Aggregate*	*Aggregate*
Carrying value	238,310,400	45,181,200	**283,491,600**	60,926,309
Fair vale less cost to sell	662,600,000	-	**662,600,000**	45,181,200
Lower of carrying value and fair value	238,310,400	-	**238,310,400**	45,181,200
Impairement loss	-	-	**-**	(15,745,109)
Carrying amount after impairment	238,310,400	45,181,200	**283,491,600**	45,181,200
Less:Disposal during the year	-	(45,181,200)	**(45,181,200)**	-
Carrying value at the end of the year	238,310,400	-	**238,310,400**	45,181,200

20.2 The Company has reclassified its land, previously included in property, plant and equipment, to 'Non-current assets held for sale at a carrying amount of Rs. 238.310 million, following approval for disposal by the members in Board of Director's Meeting held on 24 April 2026. The land is presented at the lower of carrying amount and fair value less costs to sell.The related revaluation surplus has been retained within equity and will be transferred to retained earnings upon actual disposal of the asset.

20.3 The Company reclassified its building during preceding year, previously included in property, plant and equipment, to 'Non-current assets held for sale at a carrying amount of Rs. 60.926 million, following approval for disposal by the members in Extraordinary General Meeting held on 03 June 2025. The building is presented at the lower of carrying amount and fair value less costs to sell, and depreciation has ceased from the date of classification.This treatment has resulted in an impairment loss of Rs. 15.745 million recognized in the profit or loss. During the year, the Company disposed of the building that had been classified as a non-current asset held for sale in the previous year. The asset, having a carrying amount of Rs. 45.181 million, was sold for Rs. 130 million, resulting in a gain on disposal of Rs. 84.819 million recognized in the statement of profit or loss. Upon disposal, the related revaluation surplus was transferred from the revaluation surplus reserve to retained earnings.

NAZIR COTTON MILLS LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

			30 June 2026 Rupees	30 June 2025 Rupees
21	**SALES - NET**			
	Sale of milk		**-**	-
	Sale of biological assets		**-**	-
			-	-
22	**COST OF SALES**			
	Salaries, wages and benefits		**-**	-
	Cost of biological assets and milk sold		**-**	-
			-	-
23	**OTHER OPERATING INCOME**			
	Income from financial assets			
	Profit on bank deposits		**295,861**	272,101
			295,861	272,101
	Income from non-financial assets			
	Gain on fair value measurements of biological assets		**473,257**	264,142
	Gain on disposal of property, plant and equipment		**84,818,800**	16,256,620
	Gain on settlement of loan from banks		**-**	45,319,059
	Old liabilities written back		**626,232**	1,316,627
	Sale of milk		**1,521,680**	1,306,818
	Sale of biological assets		**15,000**	292,393
	Other income		**800,000**	326,975
			88,254,969	65,082,634
			88,550,830	65,354,735
24	**ADMINISTRATIVE AND GENERAL EXPENSES**			
	Director's remuneration		**2,400,000**	2,400,000
	Salaries, wages and benefits		**4,673,959**	4,076,215
	Traveling and conveyance		**2,930**	29,533
	Printing and stationery		**97,500**	212,990
	Postage, telephone and telex		**-**	6,121
	Repair and maintenance		**156,000**	-
	Entertainment		**29,880**	16,347
	Rent, rates and taxes		**1,690,209**	-
	Electricity, water and gas		**886,500**	1,164,037
	Fees and subscription		**792,723**	2,058,208
	Legal and professional		**3,600**	575,800
	Auditors' remuneration	- note 24.1	**540,000**	470,000
	Advertisement		**217,360**	975,525
	Miscellaneous expenses		**1,693,120**	2,054,845
	Depreciation on property, plant and equipment		**-**	6,924,079
			13,183,781	20,963,700
	24.1 Auditors' remuneration			
	Audit fee		**486,000**	420,000
	Fee for interim review and other certifications		**54,000**	50,000
			540,000	470,000

NAZIR COTTON MILLS LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

			30 June 2026 Rupees	30 June 2025 Rupees
25	**OTHER EXPENSES**			
	Old balances written off		**925,591**	142,805
	Impairment of investment		**-**	3,838,500
	Impairment of assets held for sale		**-**	15,745,109
	Impairment of WAPDA receivable		**-**	12,418,302
	Provision for obsolete store items		**-**	750,688
	Worker's welfare fund		**-**	626,232
			925,591	33,521,636
26	**FINANCE COST**			
	Bank charges		**7,192**	336
	Mark-up on related party loan		**903,263**	2,852,907
			910,455	2,853,243
27	**LEVIES AND TAXATION**			
	Levies			
	-Minimum tax		**-**	1,362,747
	Taxation			
	Current		**12,500,271**	-
	Prior year effects		**-**	(179,537)
	Deferred	- note 9.1	**(12,866,389)**	14,064,316
			(366,118)	15,247,526
28	**EARNINGS / (LOSS) PER SHARE (BASIC AND ANTI-DILUTIVE)**			
	Profit attributable to ordinary equity holders of the Company	*(Rupees)*	**73,897,121**	(7,231,370)
	Weighted average number of ordinary shares	*(Number)*	**23,000,000**	23,000,000
	Profit per share - basic and anti dilutive	*(Rupees)*	**3.21**	(0.31)

28.1 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 2026 and 2025.

			30 June 2026	30 June 2025
29	**PLANT CAPACITY AND ACTUAL PRODUCTION**			
	Number of spindles installed		**-**	-
	Installed capacity after conversion into 20 / S counts (kilograms)		**-**	-

29.1 The Company discontinued its manufacturing operations in 2006. The remaining plant and machinery was disposed of during the preceding year. Accordingly, the Company has no installed production capacity and no production during the year.

			30 June 2026	30 June 2025
30	**NUMBER OF EMPLOYEES**			
	Total number of employees at end of year	*Number*	**9**	10
	Average number of employees during the year	*Number*	**15**	14

31 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'soverall risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

NAZIR COTTON MILLS LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

31.1 Risk management framework

The Board of Directors has overall responsibility for establishment and over-sight of the Company'srisk management framework. The executive management team is responsible for developing and monitoring the Company÷srisk 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÷sactivities. 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.

31.2 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 processesthe 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.

31.2.1 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 2026	30 June 2025
At amortized cost	**Rupees**	Rupees
Trade debts	**-**	79,730
Trade deposits	**2,508,078**	3,157,512
Bank balances	**19,962,121**	286,188
	22,470,199	3,523,430

31.2.2 Credit quality of financial assets

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

31.3 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'sapproach 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.

31.3.1 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 ----------			
as at 30 June 2026				
Short-term borrowings	34,000,000	34,000,000	34,000,000	-
Trade payables	5,856,925	5,856,925	5,856,925	-
	39,856,925	39,856,925	39,856,925	-

NAZIR COTTON MILLS LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

	Carrying	Contractual	Not later than	Later than 1
	---------- Rupees ----------			
as at 30 June 2025				
Short-term borrowings	131,144,774	131,144,774	131,144,774	-
Trade payables	3,838,674	3,838,674	3,838,674	-
	134,983,448	134,983,448	134,983,448	-

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

31.4 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'sincome 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.

31.4.1 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.

31.4.2 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 (2025: 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***

	30 June 2026		30 June 2025	
	Assets	Liabilities	Assets	Liabilities
	---------- Rupees ----------			
Short-term borrowings	-	34,000,000	-	131,144,774

- ***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.

	Variation in basis points (% age)	Effect on profit before tax 30 June 2026 Rupees	30 June 2025 Rupees
- ***Variable rate financial instruments***			
Short-term borrowings	1.00%	**340,000**	1,311,448

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

31.4.3 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.

NAZIR COTTON MILLS LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

32 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 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. IFRS13 '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 reprice periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

NAZIR COTTON MILLS LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

33 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 beneflts 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'sapproach 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 2026	30 June 2025
	------- rupees in '000 -------	
Total debt	**34,000**	131,145
Total equity and debt (including surplus on revaluation of operating assets)	**211,297**	137,497
Debt-to-equity ratio	**16%**	95%

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

34 TRANSACTIONS WITH RELATED PARTIES

34.1 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 also reported in respective notes to the financial statements.

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

		30 June 2026	30 June 2025
Nature of relation	***Nature of transactions***	**Rupees**	Rupees
Sponsors	Loan repaid	**(89,144,774)**	-
	Amount due at year end	**34,000,000**	123,144,774
Other related party	Loan (repaid) / received	**(8,000,000)**	8,000,000

35 REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

During the year the Company has charged remuneration of Rs. 2,400,000 (2025: 2,400,000) 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.

NAZIR COTTON MILLS LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

36 SHARIAH COMPLIANT DISCLOSURE

	30 June 2026 Rupees	30 June 2025 Rupees
Statement of financial position - Assets		
Shariah-compliant bank deposits and bank balances	**19,962,121**	286,188
Statement of financial position - liability		
The company has no borrowings with banks having Shariah based Operations.		
Statement of profit or loss		
Profit earned from shariah-compliant bank deposits	**295,861**	272,101
Shariah Compliant income.	**87,781,712**	64,818,492
Non-shariah Compliant income.	**473,257**	264,142

The company has no relationship with bank having Shariah based Operations or operating through Islamic windov

37 EVENTS AFTER THE REPORTING PERIOD

Subsequent to the reporting date, the Company held an Extraordinary General Meeting on 27 August 2026, at which the members approved the proposed sale of land, change in the Company's name from Nazir Cotton Mills Limited to Nazir Ventures Limited, and change in its principal line of business from sale of yarn to investment activities. The Company has obtained an independent valuation of the land, which indicates a fair value of approximately Rs. 662.600 million; however, the sale consideration has not yet been agreed. The Company has also formulated a plan for undertaking investment activities, which was presented to and approved by the members. These events have been disclosed in these financial statements as subsequent events.

38 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 2026 are located in Pakistan.

39 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 except for the following,

From	To	Reason	Amount
worker's welfare fund	Accrued liabilities	Better presentation	626,232

40 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been approved by the board of directors of the Company and authorized for issue on 06 October, 2026.

Chief Executive Officer Director Chief Financial Officer

Lahore.

FORM 20

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 **30-06-2026**

2.2 No. of Shareholders	------Shareholdings------ From	To	Total Shares Held
127	1	100	1,967
182	101	500	85,827
67	501	1,000	64,405
162	1,001	5,000	488,861
49	5,001	10,000	387,963
20	10,001	15,000	268,338
11	15,001	20,000	211,059
8	20,001	25,000	190,102
6	25,001	30,000	168,149
5	30,001	35,000	162,340
1	35,001	40,000	40,000
2	40,001	45,000	82,850
2	45,001	50,000	96,500
1	50,001	55,000	52,000
2	55,001	60,000	117,500
2	65,001	70,000	137,169
5	95,001	100,000	495,520
3	105,001	110,000	326,591
1	115,001	120,000	116,000
1	125,001	130,000	128,689
1	140,001	145,000	144,088
2	155,001	160,000	314,800
2	175,001	180,000	353,154
1	195,001	200,000	198,610
1	200,001	205,000	200,620
1	210,001	215,000	210,067
1	250,001	255,000	252,375
2	260,001	265,000	527,721
1	275,001	280,000	276,553
1	285,001	290,000	289,417
1	310,001	315,000	310,350
1	335,001	340,000	338,654
2	375,001	380,000	757,768
1	380,001	385,000	380,228
1	410,001	415,000	410,720
1	430,001	435,000	431,044
1	600,001	605,000	600,820
2	650,001	655,000	1,305,960
1	740,001	745,000	743,220
2	755,001	760,000	1,515,534
1	825,001	830,000	826,029
1	990,001	995,000	990,455
1	1,185,001	1,190,000	1,189,420
1	1,315,001	1,320,000	1,320,000
1	1,595,001	1,600,000	1,599,500
1	1,665,001	1,670,000	1,666,014
1	2,225,001	2,230,000	2,225,049
690			**23,000,000**

2.3 Categories of Shareholders	Shares Held	Percentage
2.3.1 Directors, Chief Executive Officer, and their spouse and minor children	4,000	0.0174%
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	5,683,150	24.7093%
2.3.8 General Public		
a. Local	22,350,950	97.1780%
b. Foreign	2,000	0.0087%
2.3.9 Others (to be specified)		
- Joint Stock Companies	642,050	2.7915%

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 Wednesday October 28, 2026 at 11:30 a.m. at Tricon Corporate Centre Office No. 702, 7th Floor, 73-E, Main Jail Road, Gulberg-II, Lahore and at any adjournment thereof .

As witness my/our hands this _____day of _____2026.

1. **Witnesses:**

   Name:_____

   Signature:_____

   CNIC:_____

   Address :_____

Please affix here Revenue Stamp of Rs. 50/-

Members' Signature

2. **Witnesses:**

   Name:_____

   Signature _____

   CNIC:_____

   Address :_____

Shareholder's Folio No. _____

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, Tricon Corporate Centre Office No. 702, 7th Floor, Main Jail Road, Gulberg-II, 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) Incase 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.

پراکسی فارم

میں/ہم _____ ولد/دختر/زوجہ _____ بحیثیت رکن

نذیر کاٹن ملز لمیٹڈ اور حامل _____ حصص بمطابق فولیو نمبر _____

سی ڈی سی پارٹیسپنٹ (شرکت) آئی ڈی نمبر _____ اور سب اکاؤنٹ (ذیلی کھاتہ) نمبر _____

محترم/محترمہ _____ کا/کی _____

کو اپنے/ہمارے ایماء پر _____ بروز بدھ 28 اکتوبر 2026 بوقت 11:30 بجے دوپہر

بمقام ٹرائی کون کارپوریٹ سنٹر، آفس نمبر 702، ساتواں فلور، E-73 مین جیل روڈ گلبرگ II، لاہور۔

منعقد ہونے والے **نذیر کاٹن ملز لمیٹڈ** کے سالانہ اجلاس عام میں حق رائے دہی استعمال کرنے،

کرتے ہیں۔

آج بروز _____ تاریخ _____ 2026 کو میرے/ہمارے دستخط سے گواہوں کی تصدیق سے جاری ہوا۔

گواہان

-1

نام: _____

دستخط: _____

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: _____

پتہ: _____

50 روپے کی رسیدی ٹکٹ یہاں چسپاں کریں۔

دستخط رکن: _____

-2

نام: _____

دستخط: _____

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: _____

پتہ: _____

شیئر ہولڈرز کا فولیو نمبر: _____

سی ڈی سی اکاؤنٹ نمبر: _____

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: _____

پتہ: _____

نوٹ

1- سالانہ اجلاس عام میں شرکت اور رائے دہی کا مستحق رکن پراکسی مقرر کرسکتا ہے۔

2- پراکسیاں تاآنکہ موثر ہوسکیں کمپنی کے رجسٹرڈ دفتر ٹرائی کون کارپوریٹ سنٹر، آفس نمبر 702، ساتواں فلور، E-73 مین جیل روڈ گلبرگ II، لاہور۔ میں اجلاس کے انعقاد سے کم از کم 48 گھنٹے لازماً وصول ہو جانی چاہئیں اور باقاعدہ مہر، دستخط اور گواہی شدہ ہونی چاہئیں۔

3- اراکین جو اپنے حصص سنٹرل ڈیپازٹری کمپنی پاکستان لمیٹڈ کے سنٹرل ڈیپازیٹری سسٹم میں جمع کروا چکے ہوں، کو سیکیورٹیز اینڈ ایکسچینج کمشن پاکستان کی سرکلر نمبر مورخہ 26 جنوری 2000 میں دی گئی ذیل میں درج ذیل ہدایات پر عمل کرنا ہوگا۔

i- بصورت افراد اکاؤنٹ ہولڈر اور یا سب اکاؤنٹ ہولڈر جن کی رجسٹریشن تفصیلات سی ڈی سی قوائد وضوابط کے مطابق اپ لوڈ ہوں، انہیں درج بالا شرائط کے مطابق پراکسی فارم (مختار نامہ) جمع کرانا ہونگے۔

ii- بینیفیشل اونرز (مستفید ہونے والے افراد) اور پراکسی کے کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی مصدقہ نقول، پراکسی فارم (مختار نامہ) کے ہمراہ جمع کرانا ہوگی۔

iii- بصورت کارپوریٹ اینٹٹی بورڈ کی قرارداد/مختار نامہ معہ نامزد کے دستخط (اگر پہلے فراہم نہ کئے گئے ہوں) پراکسی فارم (مختار نامہ) کے ہمراہ کمپنی میں جمع کرانا ہوگا۔

Printed Matter
Book Post
Under Postal Certificate

If undelivered please return to

NAZIR COTTON MILLS LIMITED

Tricon Corporate Centre, Office # 702, 7th Floor,
Main Jail Road, Gulberg-II, Lahore.