



Nazir Cotton Mills Ltd.

MANUFACTURER & EXPORTERS OF COTTON YARN

FORM-8

Date: 28-02-2025

THE GENERAL MANAGER
Pakistan Stock Exchange Limited,
Stock Exchange Building,
Stock Exchange Road,
KARACHI

**SUBJECT: TRANSMISSION OF QUARTERLY REPORT FOR THE HALF YEAR
AND SECOND QUARTER ENDED DECEMBER 31, 2024**

Dear Sir,

We have to inform you that the Quarterly Report of the Company for the Half Year and Second Quarter Ended December 31, 2024 has been transmitted through PUCARS and is also available on Company's website.

You may please inform the TRE Certificate Holders of the Exchange accordingly.

Thanking you.

Yours Sincerely,
For NAZIR COTTON MILLS LIMITED

COMPANY SECRETARY

Encl: As above

HEAD OFFICE:

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

Telephones:

Phone : +92 - 42 - 35775501-03
Fax : +92 - 42 - 35711526
Email : nazir@nazircotton.com

Mills:

8 KM Faisalabad Road, Kharianwal
Sheikhupura,
Phone: (056) 3544054

Half Yearly Report
December 31, 2024



NAZIR
COTTON MILLS LTD.

CONTENTS

Company Information,	02
Directors' Report (English),	03
Directors' Report (Urdu)	04
Independent Auditors' Report to the Members	05-06
Condensed Interim Statement of Financial Position	07
Condensed Interim Statement of Profit or Loss	08
Condensed Interim Statement of Changes in Equity	09
Condensed Interim Statement of Cash Flows	10
Notes to and Forming Part of Condensed Interim Financial Statements.	11-13

COMPANY'S INFORMATION

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

DIRECTORS' REPORT TO THE SHAREHOLDERS

On behalf of the directors of M/s Nazir Cotton Mills Limited ("Company"), we present the Director's Review Report for the half-year period that ended December 31, 2024. The Company earned profit after tax amounting to Rs. 29.513 million as compared to loss after tax of Rs. 5.118 million in the corresponding period of previous year.

Earning per share for the half year ended 31st December 2024 is Rs.1.28 as compared to loss per shares of Rs. 0.22 in the corresponding period of previous year.

As you know, there is no production activity in textile segment since 2006 and the Company is focusing on dairy business and has generated revenue of **740,770** from the sale of milk. The machinery was considered obsolete and its deteriorated condition rendering it unsuitable for further use. In line with our strategy to optimize the Company's resources and streamline operations, we decided to dispose obsolete machinery to pay the loans from financial institutions, settle other liabilities and Company's working capital.

The disposal of obsolete machinery was successfully completed during the period ended December 31, 2024 and fifty percent of the total disposal amount had been received before December 31, 2024 however, the entire remaining amount was also received subsequently.

The funds raised from this transaction have been utilized judiciously. These funds will primarily be directed towards repaying outstanding external sources and bank loans and liabilities, significantly strengthening the Company's financial position. This repayment is expected to reduce the debt burden, enhance our liquidity, and improve our overall financial health.

Furthermore, part of the proceeds will be allocated towards working capital, which is essential to support our ongoing business operations and future growth initiatives for our dairy farming operations, which are integral to our strategy moving forward.

The Company has entered into an agreement for settlement with both the banks i.e. Islamic Investment bank limited and Habib Bank limited as properly disclosed in Note 6.1 and 6.2 to the condensed interim financial information. Furthermore, the Company has obtained NOC from banks and applied for vacation of all associated charges subsequently.

FUTURE PROSPECTS

The company has strategically increased its biological assets, primarily through the expansion of its livestock herd and the enhancement of breeding stock quality. This deliberate growth in biological assets underscores a commitment to bolstering production capacity, ensuring a sustainable supply of dairy products. By strengthening its biological asset base, the company is positioning itself for long-term operational efficiency, growth, and an enhanced ability to meet the evolving demands of the dairy market.

We are exceedingly grateful to our valued bankers, shareholders, and staff members who have sincerely participated in all the company's business activities.

For and on behalf of the Board



Batool Zahra
Director



Muhammad Tayyab
Chief Executive

Lahore
February 26, 2025

ڈائریکٹر رپورٹ

میسرز نذیر کاتن ملز لمیٹڈ ("کمپنی") کے ڈائریکٹرز کی جانب سے، ہم 31 دسمبر 2024 کو ختم ہونے والی ششماہی مدت کے لیے ڈائریکٹر کی جائزہ رپورٹ پیش کرتے ہیں۔ کمپنی نے ٹیکس کے بعد منافع کمایا 29,513 ملین روپے ٹیکس کے بعد نقصان کے مقابلے میں پچھلے سال کی اسی مدت میں 5,118 ملین۔

31 دسمبر 2024 کو ختم ہونے والے ششماہی کے لیے فی حصص کمائی 1.28 روپے فی حصص نقصان کے مقابلے میں ہے۔ پچھلے سال کی اسی مدت میں (0.22)

جیسا کہ آپ جانتے ہیں، 2006 کے بعد سے ٹیکسٹائل کے شعبے میں کوئی پیداواری سرگرمی نہیں ہے اور کمپنی ڈیری کاروبار پر توجہ دے رہی ہے اور اس نے دودھ کی فروخت سے 59,740 کی آمدنی حاصل کی ہے۔ مشینری کو متروک سمجھا جاتا تھا اور اس کی بگڑتی ہوئی حالت اسے مزید استعمال کے لیے غیر موزوں قرار دیتی تھی۔ کمپنی کے وسائل کو بہتر بنانے اور آپریشنز کو ہموار کرنے کی اپنی حکمت عملی کے مطابق، ہم نے مالیاتی اداروں سے قرضوں کی ادائیگی، دیگر واجبات اور کمپنی کے ورکنگ کپیٹل کو حل کرنے کے لیے فرسودہ مشینری کو ضائع کرنے کا فیصلہ کیا۔

فرسودہ مشینری کو ٹھکانے لگانے کا کام 31 دسمبر 2024 کو ختم ہونے والی مدت کے دوران کامیابی کے ساتھ مکمل کیا گیا تھا اور 31 دسمبر 2024 سے پہلے تصرف کی کل رقم کا پچاس فیصد وصول کر لیا گیا تھا تاہم باقی تمام رقم بھی بعد میں موصول ہو گئی تھی۔

اس لین دین سے اکٹھے ہونے والے فنڈز کو درست طریقے سے استعمال کیا گیا ہے۔ یہ فنڈز بنیادی طور پر بقایا بیرونی ذرائع اور بینک کے قرضوں اور واجبات کی ادائیگی کے لیے ہوں گے، جس سے کمپنی کی مالیاتی پوزیشن کو نمایاں طور پر مضبوط کیا جائے گا۔ اس ادائیگی سے قرض کے بوجھ کو کم کرنے، ہماری لیکویڈیٹی کو بڑھانے اور ہماری مجموعی مالی صحت کو بہتر بنانے کی امید ہے۔

مزید برآں، آمدنی کا کچھ حصہ ورکنگ کپیٹل کے لیے مختص کیا جائے گا، جو ہمارے جاری کاروباری آپریشنز اور ہمارے ڈیری فارمنگ آپریشنز کے لیے مستقبل میں ترقی کے اقدامات کی حمایت کے لیے ضروری ہے، جو ہماری آگے بڑھنے کی حکمت عملی کے لیے لازمی ہیں۔

کمپنی نے دونوں بینکوں یعنی اسلامک انویسٹمنٹ بینک لمیٹڈ اور حبیب بینک لمیٹڈ کے ساتھ معاہدہ کیا ہے جیسا کہ نوٹ 6.1 اور 6.2 میں کنڈنسنڈ عبوری مالیاتی معلومات میں مناسب حاصل کیا ہے اور بعد میں تمام متعلقہ چارجز کی چھٹی NOC طور پر ظاہر کیا گیا ہے۔ مزید برآں، کمپنی نے بینکوں سے کے لیے درخواست دی ہے۔

بورڈ کے لیے اور اس کی جانب سے

M. Aslam
محمد طیب
چیف ایگزیکٹو

Bahra
بتول زہرا
ڈائریکٹر

لاہور

26 فروری 2025

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NAZIR COTTON MILLS LIMITED**REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS****INTRODUCTION**

We have reviewed the accompanying condensed interim statement of financial position of "NAZIR COTTON MILLS LIMITED" as at 31 December 2024 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity together with notes forming part thereof (her-in-after referred to as the interim financial statements) for the half year period ended. Management is responsible for the preparation and presentation of this interim financial statements in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figure for the condensed interim statement of profit or loss / statement of comprehensive income for the quarter ended 31 December 2024 have not been reviewed, as we are required to review only the cumulative figures for the half year ended 31 December 2024.

SCOPE OF REVIEW

We conducted our review in accordance with international standard on review engagement 2410, "Review of interim financial information by the independent auditor of the entity ". A review of interim financial statements consists of making inquiries, primarily of the persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standard on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BASIS FOR ADVERSE CONCLUSION

- a) The Company has ceased its textile manufacturing operations. The Company without any adjustments for points below incurred accumulated losses of Rs. 381.254 million (June 30, 2024: Rs. 417.569 million) at the close of the period ended 31 Dec 2024. The Company's current liabilities exceed its current assets by Rs.133.180 million (June 30, 2024: Rs. 185.998 million). The Company disposed off its plant & machinery during the period after approval in Extra Ordinary General Meeting. However, our audit procedures were limited to assessing compliance with applicable financial reporting standards and regulatory requirements and did not extend to evaluating the fairness of the transaction. Based on the audit evidence obtained, we believe that the Company will not be able to meet its obligations in the ordinary course of business. Accordingly, we do not agree with management's preparation and presentation of the financial statements on a going concern basis. However, the financial statements, are prepared on going concern basis. Had the financial statements been prepared on a non-going concern basis of accounting, we believe that it would have had a significant negative effect on the Company's financial position and financial performance.
- b) The Company revalued its certain fixed assets on June 30, 2021, however Company incorporated the revaluation adjustment in year 2022. Moreover, the Company has not properly accounted for the revaluation surplus in prior years based on previous revaluation report as well and accordingly fixed assets, revaluation surplus, depreciation expense and deferred tax has not been properly accounted for in the financial statements during the year as well in prior years. We are unable to quantify the impact of the same due to limited information available.
- c) The company made an investment in Sajjad Textile Mills Limited which has negative equity. Accordingly, the Company has created expected credit losses during the

year amounting to Rs 3.838 million. In our opinion, this amount should have been impaired in prior years. Had the impairment been recognized in the financial statement in prior years, the loss for the current year would have reduced by the same amount.

- d) The Company's filed its annual income tax return for the prior year without charging minimum tax as provided for in the financial statements and hence does not reconcile. Moreover, in our opinion the tax depreciation schedule as per income tax return does not match. However, due to absence of confirmation from tax advisor of the Company, we are unable to quantify the difference and also confirm the status of any tax litigations.
- e) We have not received confirmation from legal advisor of the Company, and hence unable to comment on the contingencies and various cases against the company. Moreover, Company booked arrears paid to WAPDA amounting to Rs 12.418 million as per the decision of Lahore High Court and booked the same as advance in prior years which has been booked as expected credit losses during the period. We are of the opinion, that this amount should have been impaired in prior years. Had the Impairment been recognized in the financial statement in prior years, the loss for the current year would have reduced by the same amount.
- f) The Company is not in compliance with certain requirements of Listed Companies (Code of Corporate Governance) Regulations, 2019 and rules of Pakistan Stock Exchange and we have issued an adverse review report on the statement of compliance. We are unable to determine any financial implication of the same.
- g) The Company has not provided for employee retirement benefits and other labour laws requirement, and we are unable to quantify any financial impact of the same.
- h) We have not been provided with adequate information regarding nature of capital & revenue reserve appearing in the financial statements.
- i) The Company has old outstanding sponsor loan of Rs 123.144 million payable on demand and recognized as current liability, however the Company does not have sufficient current assets to repay such liability on demand.

ADVERSE CONCLUSION

Our review indicates that, because of the significance of the effects of the matters as described in paragraph (a) to (i) of the "Basis for Adverse Conclusion" section of our report, this interim financial Information does not give the true and fair view of the financial position of the Company as at December 31, 2024 and of its financial performance and its cash flows for the six-month period then ended in accordance with the accounting and financial reporting standards as applicable in Pakistan for interim financial reporting.

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



KAMRAN & CO.
CHARTERED ACCOUNTANTS

LAHORE
26th FEBRUARY 2025
UDIN #PR202410181WbrajURtX

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT 31 DECEMBER 2024

	Note	31/Dec/2024 Rupees	30/ Jun/2024 Rupees
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	5	230,000,000	230,000,000
Capital reserve			
Surplus on revaluation of property, plant and equipment		274,043,477	280,845,693
-(Deficit) / surplus on remeasurement of available for sale investments		(479,125)	(479,125)
-Capital reserve		434,000	434,000
Revenue reserve			
Accumulated loss		(381,254,084)	(417,569,803)
Revenue reserve - general		45,829,500	45,829,500
		168,573,768	139,060,265
Non-current liabilities			
Deferred liabilities		2,062,569	4,339,002
Current liabilities			
Trade and other payables		8,757,395	2,725,561
Income tax liability		5,852,394	273,717
Accrued mark-up		1,966,475	-
Short term borrowings	6	171,144,774	207,866,985
		187,721,038	210,866,263
CONTINGENCIES AND COMMITMENTS			
	7	-	-
		358,357,375	354,265,530
ASSETS			
Non-current assets			
Property, plant and equipment	8	302,032,470	323,802,473
Biological assets		1,784,000	1,757,000
Long term investment		-	3,838,000
		303,816,470	329,397,473
Current assets			
Stores, spare parts and loose tools		-	750,688
Trade debts		20,016,925	16,924
Deposits, prepayments and other receivables		1,299,310	13,725,031
Cash and bank balances		33,224,670	10,375,414
		54,540,905	24,868,057
		358,357,375	354,265,530

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.


Chief Executive


Chief Financial officer


Director

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2024

Note	Half year ended		Quarter ended	
	31/Dec/2024	31/Dec/2023	31/Dec/2024	31/Dec/2023
	Rupees		Rupees	
Sales - net	-	-	-	-
Cost of sales	-	-	-	-
Gross loss	-	-	-	-
Other Income				
-Gain on disposal of plant and machinery	16,691,535	-	16,691,535	-
-Gain on settlement of loan from banks	45,319,059	-	45,319,059	-
-Gain on sale of milk	59,740	-	59,740	-
-Other income	931,977	10,015,498	644,179	5,086,447
	63,002,311	10,015,498	62,714,513	5,086,447
Administrative and general expenses	(10,784,646)	(13,595,771)	(5,014,893)	(9,819,361)
Other expenses	(17,435,443)	-	(17,435,443)	-
Finance cost	(1,966,475)	(696)	(1,966,475)	-
Profit / (loss) before taxation and levies	32,815,747	(3,580,969)	38,297,702	(4,732,914)
Levies	(5,578,677)	-	(5,578,677)	-
Profit / (loss) before income tax	27,237,070	(3,580,969)	32,719,025	(4,732,914)
Deferred taxation	2,276,433	(1,537,914)	-	-
Profit / (loss) after income tax	29,513,503	(5,118,883)	32,719,025	(4,732,914)
Other comprehensive income	-	-	-	-
Total comprehensive Income/(loss)	29,513,503	(5,118,883)	32,719,025	(4,732,914)
Earnings/(Loss) per share - basic and diluted	1.28	(0.22)	1.42	(0.21)

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.


Cheif Executive


Chief Financial officer


Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2024

		Reserves					
		Capital			General	Revenue	
	Share capital	Capital reserves	-(Deficit) / surplus on remeasurement of available for sale	Revaluation surplus on property, plant and equipment	Revenue reserve - General	Accumulated loss	Total Equity
Balance as at 30 June 2023	230,000,000	434,000	(479,125)	306,683,595	45,829,500	(407,067,537)	175,400,433
Total comprehensive loss for the six months period ended 31 December 2023							
Total comprehensive loss	-	-	-	-	-	(5,118,883)	(5,118,883)
Incremental depreciation on revaluation of assets for the year (net of tax)	-	-	-	(3,765,237)	-	3,765,237	-
Balance as at 31 December 2023	230,000,000	434,000	(479,125)	302,918,358	45,829,500	(408,421,183)	170,281,550
Total comprehensive income for the six months period ended 30 June 2024							:
Total comprehensive income	-	-	-	-	-	(10,879,700)	(10,879,700)
Incremental depreciation on revaluation of assets for the year (net of tax)	-	-	-	(1,731,080)		1,731,080	-
Revaluation surplus on property, plant and equipment for the year (net of tax)				(20,341,585)			(20,341,585)
Balance as at 30 June 2024	230,000,000	434,000	(479,125)	280,845,693	45,829,500	(417,569,803)	139,060,265
Total comprehensive income for the six months period ended 31 December 2023							:
Loss for the period	-	-				29,513,503	29,513,503
Incremental depreciation on revaluation of assets for the year (net of tax)	-			(3,454,470)		3,454,470	-
Revaluation surplus on disposal of Plant and machinery				(3,347,746)		3,347,746	-
Balance as at 31 December 2024	230,000,000	434,000	(479,125)	274,043,477	45,829,500	(381,254,084)	168,573,768

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.

M. Tassal
Chief Executive


Chief Financial officer

Bahva
Director

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2024

	----- Six months ended -----	
	31/Dec/2024	31/Dec/2023
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	32,815,747	(3,580,969)
Adjustments for non-cash charges / items:		
Depreciation of property, plant and equipment	4,134,779	6,340,347
Settlement of loan	(45,319,059)	-
Provision for stores, spares and loose tools	750,688	-
Impairment of investment	3,838,000	-
Impairment of fixed assets	428,453	-
Allowance for advances	12,418,302	-
Gain on sale of fixed assets	(16,691,535)	(7,314,361)
Loss / (Gain) on sale of biological assets	90,000	(476,283)
Finance cost	1,966,475	696
	(38,383,897)	(1,449,601)
(Loss) / profit before working capital changes	(5,568,150)	(5,030,570)
Working capital changes		
(Increase) in current assets	7,419	(780,122)
Decrease / (increase) in trade and other payables	6,031,834	4,069,253
	6,039,253	3,289,131
Cash generated (used in) / from operations	471,103	(1,741,439)
Income tax paid	-	(16,110)
Finance cost paid	-	(696)
Net cash (used in) / generated from operating activities	471,103	(1,758,245)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of biological assets	(492,000)	(4,103,210)
Proceeds from disposal of fixed assets	13,898,305	7,425,000
Proceeds from disposal of biological assets	375,000	3,778,590
Net cash out flow from investing activities	13,781,305	7,100,380
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of short term borrowings	(39,403,152)	970,000
Proceeds of short term borrowings	48,000,000	-
Net cash in flow from financing activities	8,596,848	970,000
Net decrease in cash and cash equivalents	22,849,256	6,312,135
Cash and cash equivalents at beginning of period	10,375,414	8,644,771
Cash and cash equivalents at end of period	33,224,670	14,956,906

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.


Chief Executive


Chief Financial officer


Director

**NOTES TO AND FORMING PART OF
CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2024**

1 STATUS AND ACTIVITIES

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

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

Registered office of the Company is situated at 61K, Gulberg III, Lahore. The manufacturing facility of the Company is located at 8 KM, Faisalabad Road, Aslamabad, Kharianwala, Sheikhpura.

1.2 Going concern assumption

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business.

The Company incurred recurring losses resulting in accumulated losses at the end of the period of Rs. 381,254,084 (June 2024: Rs. 417,569,803). The Company's current liabilities exceed its current assets at reporting date by Rs. 133,180,133 (June 2024: Rs. 185,998,206).

The Company had ceased its operations from many years due to working capital. However, subsequent to the reporting date, the management is taking steps to recommence operations and are in negotiations with financial institutions to obtain funds to manage working capital requirements. The Company managed its liquidity constraints thru financing from its sponsors and its ability to continue as a going concern is dependent on continued financing from sponsors. Management is of view that the company will restart its commercial production in foreseeable future. Management's efforts for obtaining finances from financial institutions are not so far materialized, however, management is confident that efforts will be realized and that the Company will be able to continue as going concern.

2 STATEMENT OF COMPLIANCE

This condensed interim financial information is unaudited and has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting' issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 and provisions of and directives issued under the Companies Act, 2017. Where provisions of and directives issued under the Companies Act, 2017 differ from the IAS 34 and IFRSs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

This condensed interim financial information has, however, been subjected to limited scope review by the auditors, as required by the Code of Corporate Governance, and should be read in conjunction with the audited annual financial statements of the Company for the year ended 30 June 2024.

3 BASIS OF MEASUREMENT

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

4 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and method for computation adopted for the preparation of this condensed interim financial information is the same as those applied in preparation of the financial statements for the year ended June 30, 2024.

	Un-Audited 31/Dec/2024 Rupees	Audited 30/ Jun/2024 Rupees
5 SHARE CAPITAL		
Authorized capital		
Ordinary shares of Rs. 10 each	250,000,000	250,000,000
Issued, subscribed and paid-up share capital		
20,312,530 (June 30, 2024: 20,312,530) ordinary shares of Rs 10/- each fully paid in cash	203,125,300	203,125,300
2,317,470 (June 30, 2024: 2,317,470) ordinary shares of Rs 10/- each fully paid as bonus shares	23,174,700	23,174,700
370,000 (June 30, 2024: 370,000) ordinary shares of Rs 10/- each fully paid fully paid in consideration of Property and assets of Sargodha Textile Mills Limited as per bifurcation scheme approved by the Honorable High Court in 1974.	3,700,000	3,700,000
	230,000,000	230,000,000
6 SHORT TERM FINANCES		
-From financial institutions		
-Islamic Investment Bank Limited - note 6.1	-	71,464,211
-Habib Bank Limited - note 6.2	-	13,258,000
-From others		
Sponsor's loan - note 6.3	123,144,774	123,144,774
Other's loan - note 6.4	48,000,000	-
	171,144,774	207,866,985

- 6.1** During the period, the Company entered into a settlement agreement with the bank to adjust its outstanding loan. Under the agreement, the total outstanding liability was Rs. 71.464 million, the bank agreed to waive off Rs. 40.739 million which has been recognized as gain on loan settlement in the statement of profit or loss. The Company repaid the remaining balance of Rs. 30.725 million. Following the settlement agreement the loan is derecognized from financial statements. The Company has obtained a No Objection Certificate (NOC) from the bank, and duly applied for vacation of the associated charges with the Securities and Exchange Commission of Pakistan (SECP) subsequently.
- 6.2** During the period, the Company entered into a settlement agreement with the bank to adjust its outstanding loan. Under the agreement, the total outstanding liability was Rs. 13.258 million, the bank agreed to waive off Rs. 4.580 million which has been recognized as gain on loan settlement in the statement of profit or loss. The Company settled the remaining balance of Rs. 8.678 million. Following the settlement agreement the loan is derecognized from financial statements. The Company has obtained a No Objection Certificate (NOC) from the bank, and duly applied for vacation of the associated charges with the Securities and Exchange Commission of Pakistan (SECP) subsequently.
- 6.3** This represents unsecured and interest free loan obtained from sponsors of the Company to meet the Company's past B.M.R. plans and liquidity problems, this loan is repayable on demand. The maximum aggregate amount due at the end of any month during the year was Rs. 123.144 million (2024: Rs. 123.144 million).
- 6.4** The Company during the period has entered in to a loan agreement and obtained interest bearing loan for settlement of loan liabilities of the Company. It carries mark up at the rate of 3 months kibar plus 3.5% per annum. The loan is repayable within the next twelve months.

7 CONTINGENCIES AND COMMITMENTS***Contingencies and Commitments***

- 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.
- Pakistan Stock Exchange had placed the Company in defaulter's segment due to non compliances with the regulations of Pakistan Stock Exchange.
- Other than above, there is no known contingent liability and commitments as on period ended December 31, 2024.

8 PROPERTY PLANT AND EQUIPMENT

	Un-Audited 31/Dec/2024 Rupees	Audited 30/Jun/2024 Rupees
Opening net book value	323,802,473	361,977,354
Revaluation loss during the year	-	(28,650,120)
Disposal	(17,206,771)	-
Impairment of fixed assets	(428,453)	-
Depreciation charged	(4,134,779)	(9,524,761)
	<u>302,032,470</u>	<u>323,802,473</u>

8.1 De-recognition of plant and machinery

During the current period, the Company has disposed of all its remaining plant and machinery, resulting in a gain of Rs. 16.691 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.

9 AUTHORIZATION FOR ISSUE

These financial statements have been approved by the board of directors of the Company and authorized for issue on 26 February 2025.

10 CORRESPONDING FIGURES

- 10.1 Corresponding figures have been re-arranged, wherever necessary to the facilitation of comparison.
- 10.2 Figures have been rounded off to the nearest of rupees.


Chief Executive


Chief Financial officer


Director

