

3rd Quarterly Report
March 31, 2025



NAZIR
COTTON MILLS LTD.

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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	Female Director
	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:	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

On behalf of the directors of M/s Nazir Cotton Mills Limited ("Company"), we present the Director's Report for the Quarter period that ended March 31, 2025. The Company incurred a loss after tax amounting to Rs. 3.755 million as compared to loss after tax of Rs. 3.238 million in the corresponding period of previous year.

Loss per share for the Quarter ended 31st March 2025 is Rs. (0.16) as compared to loss per share of Rs. (0.14) in the corresponding period of previous year.

As you know, the Company is currently focusing on dairy business and has generated revenue of Rs. 290,233/- from the sale of milk.

The Company has fully settled the banks loans and other liabilities.

FUTURE PROSPECTS

The company intends to increase its biological assets, primarily through the expansion of its livestock herd and the enhancement of breeding stock quality. By strengthening its biological asset base, the Company will position itself for long-term operational efficiency, growth, and an enhanced ability to meet the evolving demands of the dairy market.

We are grateful to our valued 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
April 25, 2025

ڈائریکٹر رپورٹ

میسرز نذیر کاٹن ملز لمیٹڈ (کمپنی) کے ڈائریکٹرز کی جانب سے ہم آپ کے سامنے 31 مارچ 2025 کو ختم ہونے والی سہ ماہی مدت کیلئے ڈائریکٹر رپورٹ پیش کر رہے ہیں۔ کمپنی نے اس عرصے کے دوران ٹیکس کے بعد 3.755 ملین روپے کا خصارہ برداشت کیا ہے۔ جبکہ گزشتہ سال کے اسی مدت میں ٹیکس کے بعد 3.238 ملین روپے کا خصارہ ہوا تھا۔

31 مارچ 2025 کو ختم ہونے والی سہ ماہی کیلئے فی حصص خصارہ (0.16) روپے رہا جبکہ گزشتہ سال کے اسی مدت میں فی حصص خصارہ (0.14) روپے تھا۔

جیسا کہ آپ جانتے ہیں کہ کمپنی اس وقت ڈیری کے کاروبار پر توجہ مرکوز کئے ہوئے ہے۔ اور دودھ کی فروخت سے 290,233 روپے کی آمدنی حاصل کی ہے۔

کمپنی نے بنکوں کے قرضے اور دیگر واجبات مکمل طور پر ادا کر دیئے ہیں۔

مستقبل کا نقطہ نظر:

کمپنی مستقبل میں اپنے حیاتیاتی اثاثوں میں اضافہ کرنے کا ارادہ رکھتی ہے۔ بالخصوص موشیوں کے رپوز کو وسعت دیکر اور افزائش نسل کے معیار کو بہتر بنا کر حیاتیاتی اثاثوں کی بنیاد کو مضبوط بنا کر کمپنی طویل مدتی عملی کارکردگی، ترقی اور ڈیری مارکیٹ کی بدلتی ہوئی ضروریات کو بہتر طور پر پورا کرنے کیلئے اپنے آپ کو بہتر طور پر تیار کرے گی۔

ہم اپنے معزز عملے کے شکر گزار ہیں جنہوں نے کمپنی کی کاروباری سرگرمیوں میں مخلصانہ طور پر حصہ لیا۔

برائے دیکھ بھل

Balwa

بتول زہراء

ڈائریکٹر

M. Faraz

محمد طیب

چیف ایگزیکٹو

25 اپریل 2025

لاہور

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT 31 MARCH 2025

	Note	Un-Audited 31/Mar/2025 Rupees	Audited 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		271,001,879	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		(381,968,043)	(417,569,803)
Revenue reserve - general		45,829,500	45,829,500
		<u>164,818,211</u>	<u>139,060,265</u>
Non-current liabilities			
Deferred liabilities		2,222,500	4,339,002
Current liabilities			
Trade and other payables		3,159,590	2,725,561
Income tax liability		5,115,941	273,717
Accrued mark-up		2,596,963	-
Short term borrowings	6	131,144,774	207,866,985
		142,017,268	210,866,263
CONTINGENCIES AND COMMITMENTS			
	7	-	-
		<u>309,057,979</u>	<u>354,265,530</u>
ASSETS			
Non-current assets			
Property, plant and equipment	8	300,355,599	323,802,473
Biological assets		2,076,000	1,757,000
Long term investment		-	3,838,000
		302,431,599	329,397,473
Current assets			
Stores, spare parts and loose tools		-	750,688
Trade debts		16,924	16,924
Deposits, prepayments and other receivables		3,318,109	13,725,031
Cash and bank balances		3,291,347	10,375,414
		6,626,380	24,868,057
		<u>309,057,979</u>	<u>354,265,530</u>

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


 Chief Executive Officer


 Chief Financial Officer


 Director

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2025

Note	Nine months ended		Quarter ended	
	31/Mar/2025	31/Mar/2024	31/Mar/2025	31/Mar/2024
	Rupees		Rupees	
Sales - net	-	-	-	-
Cost of sales	-	-	-	-
Gross profit / (loss)	-	-	-	-
Other Income				
-Gain on disposal of plant and machinery	16,691,535	-	-	-
-Gain on settlement of loan from banks	45,319,059	-	-	-
-Gain on sale of milk	349,973	-	290,233	-
-Other income	1,087,300	10,684,038	155,323	668,540
	63,447,867	10,684,038	445,556	668,540
Administrative and general expenses	(14,931,793)	(17,499,259)	(4,147,147)	(3,903,488)
Other expenses	(17,435,443)	-	-	-
Finance cost	(2,596,963)	(3,897)	(630,488)	(3,491)
Profit / (loss) before taxation and levies	28,483,668	(6,819,118)	(4,332,079)	(3,238,439)
Levies	(4,842,224)	1,159,250	736,453	-
Profit / (loss) before income tax	23,641,444	(5,659,868)	(3,595,626)	(3,238,439)
Deferred taxation	2,116,502	378,664	(159,931)	-
Profit / (loss) after income tax	25,757,946	(5,281,204)	(3,755,557)	(3,238,439)
Other comprehensive income	-	-	-	-
Total comprehensive income / (loss)	25,757,946	(5,281,204)	(3,755,557)	(3,238,439)
Earning / (loss) per share - basic and diluted	1.12	(0.23)	(0.16)	(0.14)

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


Chief Executive Officer


Chief Financial Officer


Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2025

	Share capital	Reserves					Total Equity
		Capital			General	Revenue	
		Capital reserves	-(Deficit) / surplus on remeasurement of available	Revaluation surplus on property, plant and equipment	Revenue reserve - General	Accumulated loss	
-----Rupees-----							
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
<i>Total comprehensive loss for the nine months period ended 31 March 2024</i>							
Total comprehensive loss	-	-	-	-	-	(5,281,204)	(5,281,204)
Incremental depreciation on revaluation of assets for the year (net of tax)	-	-	-	(9,292,328)	-	9,292,328	-
Balance as at 31 March 2024	230,000,000	434,000	(479,125)	297,391,267	45,829,500	(403,056,413)	170,119,229
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
<i>Total comprehensive income for the nine months period ended 31 March 2025</i>							
							:
Loss for the period	-	-				25,757,946	25,757,946
Incremental depreciation on revaluation of assets for the year (net of tax)	-			(9,843,814)		9,843,814	-
Revaluation surplus on disposal of Plant and machinery							
Balance as at 31 March 2025	230,000,000	434,000	(479,125)	271,001,879	45,829,500	(381,968,043)	164,818,211

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



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2025

	----- Nine months ended -----	
	31/Mar/2025	31/Mar/2024
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	28,483,668	(6,819,118)
Adjustments for non-cash charges / items:		
Depreciation of property, plant and equipment	5,811,650	9,292,328
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 and receivables	12,418,302	-
Gain on sale of fixed assets	(16,691,535)	-
Loss on sale of biological assets	90,000	-
Finance cost	2,596,963	3,897
	<u>(36,076,538)</u>	<u>9,296,225</u>
(Loss) / profit before working capital changes	(7,592,870)	2,477,107
Working capital changes		
(Increase) in current assets	(2,011,379)	(2,926,595)
increase in trade and other payables	434,029	1,120,000
	<u>(1,577,350)</u>	<u>(1,806,595)</u>
Cash (used in) / generated from operations	(9,170,220)	670,512
Income tax paid	-	2,037,954
Finance cost paid	-	(3,897)
Net cash (used in) / generated operating activities	<u>(9,170,220)</u>	<u>2,704,569</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of biological assets	(409,000)	-
Proceeds from disposal of fixed assets	33,898,305	-
Capital Expenditure	-	(400,903)
Net cash generated / (Used in) from investing activities	<u>33,489,305</u>	<u>(400,903)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of short term borrowings	(79,403,152)	-
Proceeds of short term borrowings	48,000,000	-
Net cash used in from financing activities	<u>(31,403,152)</u>	<u>-</u>
Net (decrease) / increase in cash and cash equivalents	(7,084,067)	2,303,666
Cash and cash equivalents at beginning of period	10,375,414	8,644,771
Cash and cash equivalents at end of period	<u>3,291,347</u>	<u>10,948,437</u>

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


Chief Executive Officer


Chief Financial Officer


Director

**NOTES TO AND FORMING PART OF
CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR NINE MONTHS PERIOD ENDED 31 MARCH 2025**

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. 381,968,043 (June 2024: Rs. 417,569,803). The Company's current liabilities exceed its current assets at reporting date by Rs. 135,390,888 (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 a 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/Mar/2025 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 BORROWINGS		
	-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	8,000,000	-
		131,144,774	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 end.

	Un-Audited 31/Mar/2025 Rupees	Audited 30/Jun/2024 Rupees
8 PROPERTY PLANT AND EQUIPMENT		
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	(5,811,650)	(9,524,761)
	300,355,599	323,802,473

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 April 25, 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 Officer


Chief Financial Officer


Director

