

Annual Report 2025



NAZIR

COTTON MILLS LTD.

50th Annual Report and Accounts**For the year ended June 30, 2025****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	15-18
Statement of Compliance with the Code of Corporate Governance.....	19-20
Director's Report	21-26
Director's Report (In Urdu)	27-31
Statement of Financial Position	32
Statement of Profit or Loss Account	33
Statement of Cash Flow	34
Statement of Changes in Equity.....	35
Notes to the Accounts.....	36-58
Pattern of Shareholding.....	59-63
Proxy Form.....	65

COMPANY'S INFORMATION

Board of Directors	Muhammad Tayyab Col. Abdul Qayyum Muhammad Adeel Anwer Khan Mr. Tariq Javaid Miss. Batool Zahra Mr. Mujahid Ahmed Mr. Aftab Anwer	Chief Executive Officer Independent Director Independent Director
Audit Committee:	Mr. Aftab Anwer Col. Abdul Qayyum Mr. Tariq Javaid	Chairman Member Member
HR & R Committee	Mr. Mujahid Ahmed Muhammad Adeel Anwer Khan Miss. Batool Zahra	Chairman Member Member
Chief Financial Officer	Mr. Maqbool Hussain Bhutta	
Company Secretary	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, 7 th 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 improving its effectiveness for total customers' satisfaction. We wish to play a leading role in the spinning sector by keeping a substantial presence in the export and local markets.

MISSION STATEMENT

1. To install state of the art machinery and to acquire sophisticated process technology to achieve maximum growth in a competitive quality environment.
2. To make strenuous efforts to enhance profitability of the mills ensuring a fair return to the investors, shareholders and employees of the company.
3. To exercise maximum care for improvement of quality of our products by employing a team of 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 Government officials, suppliers, buyers, agents and consultants of the company should always be such that the integrity of the company and reputation is not damaged. Members having queries in connection with how to deal with these requirements should consult the management.

6. Health and Safety

Every staff 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 environmental 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 drugs inside the work place is not allowed and any member of the staff, not abiding by these prohibitions will attract disciplinary as well as penal action under the law.

9. Coordination among staff members to maintain discipline

All staff members will work in close coordination with their co-workers, 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. Workplace 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

	2025	2024	2023	2022	2021	2020
	Figures in '000					
Sale	-	7,534	4,161	3,795	12,677	2,449
Gross Profit / (Loss)	-	(5,656)	(5,686)	(11,221)	(1,890)	(2,089)
Operating Profit/(loss)	10,869	(3,588)	(4,226)	(7,426)	(22,606)	(23,666)
Profit/(Loss) before tax	8,106	(15,846)	(24,429)	(28,258)	322	(9,450)
Tax	(15,248)	(153)	710	26,270	2,434	2,203
Profit/(Loss) after tax	(7,231)	(15,998)	(23,718)	1,989	2,756	(7,246)
Total Assets	289,431	354,265	396,070	420,455	381,574	388,447
Current Liabilities	139,199	210,866	208,081	207,985	207,739	208,994
	150,232	143,399	187,989	212,470	173,835	179,453
Share Capital	230,000	230,000	230,000	230,000	230,000	230,000
Reserves	(92,634)	(90,940)	(54,600)	(30,881)	(83,564)	(80,590)
Equity	137,266	139,060	175,400	199,118	146,417	149,410
Long Term Loans	12,866	4,339	12,589	13,351	27,419	30,043
	150,232	143,399	187,989	212,469	173,836	179,453

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, 2025, 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.6, 7, 18, 19, 28 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, 2025.

Reference of Regulation	Description	Explanation
6, 7 & 28	Independent directors are not from the data base as notified	Independent Directors are to be appointed from the database as notified under the relevant regulations, and independent director is to be the chairman of Audit, HR & Remuneration Committee.
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 2025.



KAMRAN & CO
CHARTERED ACCOUNTANTS

Lahore

October 06, 2025

UDIN: CR202510181CmwM7ey8u

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 50th 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 Tuesday, October 28, 2025 at 12:30 p.m. and via video link to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt Annual Audited Financial Statements of the Company for the year ended June 30, 2025, together with the Directors' and Auditors' Report thereon and Chairman's Review Report.

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

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



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

By order of the Board

Place: Lahore
Dated: October 06, 2025


(MUHAMMAD FAISAL)
Company Secretary

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

The Share Transfer Books of the Company will remain closed from October 21, 2025, to October 28, 2025 (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, 2025, will be treated in time for the purpose of attending, speaking and voting at the annual general meeting.

2. A member entitled to attend and vote at this meeting may appoint any other member as his/her proxy to attend and vote instead of him/her and a proxy so appointed shall have the same rights, as respects attending, speaking and voting at the AGM as are available to the members.
3. The instrument appointing a proxy and the power of attorney or other authority under which it is signed or a notarial attested copy of the power of attorney must be deposited at the Registered Office of the Company at least 48 hours before the time of the meeting. Proxy Forms, in English and Urdu languages, have been dispatched to the members along with the notice of AGM.
4. Members who have deposited their shares into Central Depository Company of Pakistan Limited ("CDC") will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan.

A. For attending the Meeting

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

B. For Appointing Proxies

- a. In case of individuals, the account holder and/or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per above requirements.
- b. Two persons, whose name, addresses and CNIC numbers shall be mentioned on the form, shall witness the proxy form.
- c. Attested copies of the CNIC or the passport of beneficial owners and the proxy shall be furnished with the proxy form.
- d. The proxy shall produce his original CNIC or original passport at the time of the Meeting.
- e. In case of a corporate entity, the Board's resolution/power of attorney with specimen signature shall be furnished (unless it has been provided earlier) along with the proxy form to the Company.

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 of designated by the entitled shareholders. Accordingly, the shareholders holding physical shares are requested to provide the Company's Share Registrar at the address given herein above, electronic dividend mandate on E-Dividend

Form provided in the annual report and also available on website of the Company. In the case of shares held in CDC, the same information should be provide to the CDS participants for updating and forwarding to the Company. In case of non-submission, of CNIC / IBAN all future dividend payments may be withheld.

7. Zakat Declarations:

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

8. Circulations of Annual Reports through E-mail

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

9. Tax Deductions from Filer and Non-Filers

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

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

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

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

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

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

The Company has placed the Notice of AGM and Audited Annual Financial Statements for the year ended June 30, 2025, along with Auditors, Directors, and Chairman's Reports thereon on its website: www.nazircotton.com

11. Unclaimed Dividend and Bonus Shares

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

12. Online Participation in the Annual General Meeting:

As per instructions of Securities and Exchange Commission of Pakistan, the Company has arranged video link facility for online participation of members in the AGM. To attend the meeting through video link, the members are requested to register themselves by providing the following information along with valid copy of CNIC / passport/ certified copy of board resolution/power of attorney in case of corporate shareholders with the subject “Registration for Nazir Cotton Mills Limited AGM” through email chairman@nazircotton.com on or before 26th October 2025.

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

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

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

14. Restriction on distribution of Gifts to Member:

The SECP, vide Circular No. 2 of 2018 date February 9, 2018, and S.R.O. 452(1) 2025 dated March 17, 2025, has strictly prohibited companies from offering or distrusting gifts, incentives, or any similar benefits (including but not limited to tokens, coupons, meals, or takeaway packages) to Members at or in connection with general meetings. In accordance with these directives constitutes a punishable offence, and companies found in violation may be subject to enforcement actions and penalties.

BALLOT PAPER FOR VOTING IN 50TH ANNUAL GENERAL MEETING

(Through post for poll to be held on October 28, 2025, at

NAZIR COTTON MILLS LIMITED

Tricon Corporate Centre Office No. 702, 7th Floor,
73-E, Main Jail Road, Gulberg-II, Lahore

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

Email: chairman@nazircotton.com

Website: www.nazircotton.com

For voting through the post for the Special Business agenda item No. 3 at the Annual General Meeting of Nazir Cotton Mills Limited, to be held on Tuesday October 28, 2025 at 12.30 p.m. at Tricon Corporate Centre 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 representative of body corporate, Corporation and Federal Government)	

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

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

Signature of the Shareholder(s)

Place:

Date:

CHAIRMAN'S REVIEW REPORT

As we conclude the fiscal year 2024-2025, I am pleased to present this review, highlighting our current position and the proactive steps our new management team is undertaking to drive the company toward a brighter and more efficient future.

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

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

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

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

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

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

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

,

‘Lahore:

Dated: October 06, 2025



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 KHALID SIRAJ TEXTILE NAZIR COTTON MILLS LIMITED (the Company)**, which comprises the statement of financial position as at June 30, 2025, 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, 2025 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 loss during the year amounting to Rs 1.694 million (2024: 36.34 million) resulting in accumulated losses of Rs. 417.04 million (2024: Rs. 417.56 million) at the close of the year ended 30 June 2025. The Company's current liabilities exceed its current assets by Rs. 135.676 million (2024: Rs. 185.998 million). The Company has disposed off its plant & machinery during the year & is in the process of demolishing the building structure. 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, including repayment and obtained certain waiver. The said treatment has been properly accounted for in the financial statements, 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 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.
- d) The Company holds an investment in Sajjad Textile Mills Limited which had accumulated negative equity of Rs. 388.749 million as at 30 June 2023. The Company has recognized an impairment loss on this investment during the current 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 current 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 2025 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 and deferred 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 current 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 current 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) In prior years, the Company had recorded advances relating to dairy equipment and related expenditures for the construction of a dairy farm. These balances amounting to Rs. 3.019 million were written off in the financial statements for the year ended 30 June 2024. In our opinion, the write-off should have been recognized in periods prior to 2024 when the amounts ceased to be recoverable. Consequently, the loss for 2024 is overstated by Rs. 3.019 million, whereas the losses of prior years were understated to the same extent.
- i) The Company's operations had remained closed since 2006, and the plant and machinery had been idle throughout this period. An impairment provision was recorded in the 2024 financial statements, although we were unable to obtain an independent expert valuation to determine the adequacy of such provision, and therefore we could not satisfy ourselves in respect of the comparative information.
- j) During the year ended 30 June 2025, the plant and machinery have been disposed of. 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. We were unable to obtain an independent valuation to determine the realizable value of this building and related debris, and accordingly we are unable to satisfy ourselves as to the appropriateness of the carrying amount disclosed under assets held for sale. Moreover, the impairment loss on the building has been charged entirely to profit and loss. 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 current year's loss is overstated by Rs 15.745 million, while the revaluation surplus in equity is overstated to the same extent.
- k) 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 2024, management recorded a provision of Rs. 750,688 against these balances. In our opinion, such provision should have been recognized in periods prior to 2024 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 2024 is overstated by this amount, whereas the losses of prior years were understated to the same extent.
- l) In the financial statements for the year ended 30 June 2024, the Company presented the sale of calves under sales with the related costs included in cost of sales, instead of presenting the net amount under other income as required by the applicable financial reporting framework. This misclassification has been corrected in the current year and the financial statements for the year ended 30 June 2025 reflect the appropriate presentation.
- m) 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.
- n) We have not been provided with adequate information regarding nature of capital & revenue reserve appearing in the financial statements.
- o) 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.
- p) The Company has sponsor loan of Rs 131.144 million payable on demand and recognized as current liability, however the Company does not have sufficient current assets to repay such liability on demand.

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statement* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board

for Accountants' *Code of Ethics for Professional Accountant* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse opinion.

Key Audit Matters

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

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

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

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



KAMRAN & CO
CHARTERED ACCOUNTANTS

LAHORE
06 October 2025
UDIN: AR202510181sB71VaSjZ

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

1. The total number of directors is Seven as per the following.(as per director Election held on July 27, 2024)

2. The composition of the Board of Directors (the Board) is as follows:

- | | | |
|----|-------------------------|--|
| c. | Non-Executive Directors | Mr. Abdul Qayyum
Mr. Tariq Javaid
Mr. Adeel Ahmad Khan |
|----|-------------------------|--|

11. CFO and CEO duly endorsed the financial statements before approval of the Board.

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

- a. Audit Committee
Mr. Aftab Anwar (Chairman)
Mr. Abdul Qayyum (Member)
Mr. Tariq Javaid (Member)

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

- b. HR and Remuneration Committee
Mr. Mujahid Ahmad (Chairman)
Mr. Adeel Ahmad Khan (Member)
Miss Batool Zahra (Member)

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

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

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

- a. Audit Committee: Four meetings during the financial year ended 30 June 2025
b. HR and Remuneration Committee: two meetings during the financial year ended 30 June 2025.

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

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

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

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

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

S No.	Reg	Requirements	Future course of Action
1	19	By June 30, 2022, all directors shall acquire certification under Directors' Training Program.	Board shall take steps to arrange Directors' Training Certification for the remaining four directors by end of 2025.
	20		

Lahore

Dated: October 06, 2025


(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, 2025.

Performance Review

The year under review shows that the company has incurred net loss after taxation of Rs. 7.231 million (2024: 15.998 million) after accounting for administrative expenses of Rs. 20.963 million (2024: 15.625 million) including depreciation of Rs. 6.924 million (2024: Rs 9.524 million).

The financial performance of your Company for the year ended June 30, 2025 is as follows:

	2025 (Rupees)	2024 (Rupees)
Sales	-	7,534,360
Gross Loss	-	(5,656,029)
Other operating Income	65,354,735	9,243,677
Profit/(Loss) before Taxation	6,653,409	(15,845,837)
Taxation	(13,884,779)	(152,746)
Profit/(Loss) after Taxation	(7,231,370)	(15,998,583)

During the year, our company has achieved sales of milk and biological assets amount to Rs. 1.699 million as compared to the previous year sales of Rs. 7.534 million and the loss after tax has been reduced to Rs. 7.231 million as compared to last year's loss after tax of Rs 15.998 million. Other income includes gain on disposal of property, plant and equipments, gain on settlement of loan from banks, profit on bank deposits, sale of milk and biological assets during the year. We are quite hopeful to have better future prospects when company may resume its operations.

The Company resolved in its Extraordinary General Meeting of the members held on Thursday 21st November 2024 that the company will dispose/sale of All the Machinery located at 8-Km Faisalabad Road, Aslamabad, Khaareyanwala, Sheikhupura and the outcome of the Machinery will be used to settled the Liabilities of the company towards loan from Financial Institutions.

In the light of above facts, Machinery was sold out and Liabilities of all the banks were settled off.

The Company its outstanding loans as properly disclosed in Note 11 of the financial statements and discussed in point b in reply to Auditor's qualification below in our report.

Auditors' Report

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

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

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

REPLY TO AUDITORS' QUALIFICATION

- Regarding Going Concern, it is stated that the company intends to commence operation, for which the company is trying to raise funds and resume electricity connection.
- Regarding not providing Mark-up on Loan, it is stated that the banks are willing to settle the loan on the principal

amount of loan. And management is negotiating the settlement agreements.

- c) Regarding Revaluation of assets, it is stated that the proper adjustment according to revaluation has been made. Moreover, management shall provide new revaluation of report to the Auditors' in next year.
- d) Regarding investment in Sajjad Textile Mills Limited, it is stated that the matter will be was presented before the members and impairment was made.
- e) Our Sales includes sale of milk and biological assets and matter related to Income Tax Return handled by Professional expert, doing well in this regard.
- f) The matter regarding advance to WAPDA, is pending before honorable Supreme Court of Pakistan and the lawyer is hopeful for a favorable decision.
- g) Regarding compliance of code of corporate governance, it is stated that company has made best efforts to remove the discrepancies subsequent to year end like appointment of Lady Director and Independent director registered with data bank.
- h) The matter regarding written off the advance for dairy equipment, it is stated that the management has approved the provision in current year, so, it cannot be charge in previous years.
- i) The auditor has made impairment provision and classified machinery as scrap because the operations were stopped since 2006. The machinery has been disposed off and the value of machinery has been realised. So, the question of proper estimate of impairment does not arrive.
- j) According to the Auditor's point of view there should be recognized the impairment of building held for sale amounting to Rs. 15.745 million. The management shall arrange valuation during current year to have proper estimate of impairment.
- k) The management has approved the provision in current year with respect to the obsolescence of store and spares, so, it cannot be charge in previous years.
- l) The Company has approved dairy operations as principal business activity in its EOGM in May 2020. Therefore, the sale of Biologicals assets and its related activities will be classified as Sales.
- m) The observation regarding retirement benefits for the employees, it is stated that the most of the employees are daily wages basis.
- n) The capital and revenue reserves were created for enhancement of operational efficiency of the company. These reserves will be utilized whenever the Company resume its operations.
- o) Regarding deficit on re-measurement on available for sale investments, it is stated that this investment has been de-listed and not saleable in the market.
- p) The nature of sponsor loan is payable on demand and company shall proceed its payment when demanded by the sponsor.

FUTURE OUTLOOK

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

An Extraordinary General Meeting (the "EOGM") held on Tuesday, 3rd June 2025, to transact to consider and if deemed fit to approve the disposal of the dilapidated building of the Company. The proceeds from the disposal of Assets will be used to pay the sponsors' loan, other liabilities, and remaining proceeds to use in the Company's working capital.

EARNING PER SHARE

Loss per share of the company for the year ended June 30, 2025 is Rs. (0.31) as compared to loss per share of Rs. (0.70) in the preceding year.

DIVIDEND

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

PRINCIPAL RISKS AND UN-UNCERTAINTIES FACING THE COMPANY

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

RISK FACTORS**A) FOREIGN EXCHANGE RISK**

Foreign currency risk arises mainly where receivable and payable exist due to transactions entered into foreign currencies. As the dollar shows a shaky position, with an ever-increasing trend therefore, the company is exposed to foreign currency risk on trade debts, payable and revenues, which are entered in a currency other than Pak Rupee.

B) LIQUIDITY RISK

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

C) CREDIT RISK

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

D) INTEREST RATE RISK

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

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

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

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

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

IMPACT OF COMPANY BUSINESS ON THE ENVIRONMENT

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

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

Internal financials controls are in place and are adequate.

RELATED PARTIES TRANSACTIONS

The transactions between the related parties were made at arm's length prices determined in accordance with the comparable uncontrolled price method. The same are disclosed in the Note # 34 of the financial statements. The Board on the recommendation of Audit Committee approved the related party transactions. The same will be presented at the Annual general meeting for the approval from the shareholders.

CODE OF CONDUCT FOR PROTECTION AGAINST HARASSMENT AT WORK PLACE

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

CORPORATE SOCIAL RESPONSIBILITY

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

CONTRIBUTION TO THE NATIONAL EXCHEQUER

To meet our social obligations towards the development of the economy of the country, the Company has contributed Rs. 15,247,526 in the year 2024-25 into the Government Exchequer on account of income Tax.

ENERGY SAVINGS

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

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

a)	Male	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 period under review, Four (05) meetings of the Board of Directors were held from July 01, 2024 to June 30, 2025. The details regarding the attendance by the Board members at these meetings has been provided below:

Name of Directors	No. of Meetings Attended
Mr. Muhammad Tayyab	05
Mr. Abdul Qayyum	05
Mr. Mujahid Ahmad	05
Mr. Aftab Anwar	05
Miss Batool Zahra	05
Mr. Tariq Javaid	05
Mr. Adeel Ahmad Khan	05

AUDIT COMMITTEE

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

Mr. Aftab Anwar	Chairman
Mr. Abdul Qayyum	Member
Mr. Tariq Javaid	Member

During the period under review, Four (4) meetings of audit committee of the company were held from July 01, 2024 to

June 30, 2025 respectively and the details of the attendance at these meetings are as follows:

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

HUMAN RESOURCE AND REMUNERATION COMMITTEE

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

Mr. Mujahid Ahmad	Chairman
Mr. Adeel Ahmad Khan	Member
Miss Batool Zahra	Member

Names of the members of the Committee	No. of Meeting Attended
Mr. Mujahid Ahmad	Two (2)
Mr. Adeel Ahmad Khan	Two (2)
Miss Batool Zahra	Two (2)

CORPORATE GOVERNANCE

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

PERFORMANCE EVALUATION OF BOARD OF DIRECTORS AND THE BOARD COMMITTEES

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

DIRECTORS' REMUNERATION

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

BOARD'S ROLE IN SUSTAINABILITY AND DE&I

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

GENDER, RACE & DIVERSITY

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

APPOINTMENT OF AUDITORS

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

PATTERN OF SHAREHOLDING

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

SUBSEQUENT EVENTS

There was no subsequent event has been taken place after June 30, 2025.

ACKNOWLEDGMENT

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

For and on behalf of the Board



DIRECTOR



CHIEF EXECUTIVE

Lahore:

Dated October 06, 2025

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

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

بورڈ آف ڈائریکٹرز اور بورڈ کمیٹیوں کی کارکردگی کا جائزہ

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

ڈائریکٹرز کا معاوضہ

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

پائیداری اور DERI میں بورڈ کا کردار

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

GENDER، ریس اور تنوع

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

آڈیٹرز کی تقرری

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

شیئر ہولڈنگ کا پیٹرن

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

بعد کے واقعات

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

اعتراف

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

بورڈ کے لیے اور اس کی جانب سے

M. Aslam

چیف ایگزیکٹو

Bahwa

ڈائریکٹر

لاہور:

بتاریخ 04 اکتوبر 2024

ترکیب:

(1) آزاد ڈائریکٹرز 02

(11) نان ایگزیکٹو ڈائریکٹرز 03

(11) ایگزیکٹو ڈائریکٹرز 02

ڈائریکٹرز کے نام اور بورڈ آف ڈائریکٹرز کی میٹنگ

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

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

ڈائریکٹرز کے نام میٹنگز کی تعداد

میاں شہزاد سلیم 02

جناب محمد طیب 02

میاں فرخ نسیم 04

میاں - عامر نسیم 04

جناب مقبول حسین بھٹہ 04

جناب محمد عباس 04

جناب عاصم محمود بھٹی 04

جناب محمد عرفان 04

آڈٹ کمیٹی

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

جناب محمد عرفان چیئرمین

جناب محمد عباس ممبر

جناب عاصم محمود بھٹی ممبر

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

میٹنگ میں شریک ممبر کا نام

(4) جناب محمد عرفان فور

(4) جناب محمد عباس فور

(4) جناب عاصم محمود بھٹی فور

انسانی وسائل اور معاوضے کی کمیٹی

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

کمیٹی کے انسانی وسائل کو موثر طریقے سے کام کرنے میں

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

مجموعی کاروبار سے معروضی طور پر وابستہ ہیں۔

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

اجلاس میں شرکت کرنے والے کمیٹی کے اراکین کے نام

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

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

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

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

ماحولیات پر کمپنی کے کاروبار کا اثر

کمپنی کے آپریشنز 2006 سے بند تھے۔

داخلی مالیاتی کنٹرول کی مناسبت

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

متعلقہ فریقوں کے لین دین

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

کام کی جگہ پر ہر اسائن کرنے کے خلاف تحفظ کے لیے ضابطہ اخلاق

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

کارپوریٹ سماجی ذمہ داری

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

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

توانائی کی بچت

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

بورڈ کی تشکیل

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

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

ڈائریکٹرز کی کل تعداد:

07 مرد

ب) خواتین 00

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

ڈائریکٹرز کا تقرر کیا گیا

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

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

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

انتظامیہ نے سنسور اور اسپنرز کے متروک ہونے کے حوالے سے موجودہ سال میں پروویژن کی منظوری دی ہے، اس لیے پچھلے سالوں میں اسے چارج نہیں کیا جاسکتا۔

(k) بینکوں سے براہ راست تصدیق سے متعلق معاملہ میں کہا گیا ہے کہ آڈیٹر کو انہیں یاد دہانی بھیجی چاہیے تھی اور اسٹیٹ بینک آف پاکستان کو شکایت کرنی چاہیے تھی۔

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

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

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

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

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

فی شیئر کمائی

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

ڈی آئی ڈی

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

کمپنی کو درپیش بنیادی خطرات اور غیر یقینی صورتحال

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

خطرے کے عوامل

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

(ب) لیکویڈیٹی رسک

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

(ج) کریڈٹ رسک

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

ڈی (سوڈی شرح کا خطرہ

ڈائریکٹرز کی رپورٹ

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

زیر جائزہ سال ظاہر کرتا ہے کہ کمپنی کو روپے ٹیکس لگانے کے بعد خالص نقصان ہوا ہے۔ 998.15 ملین (2023: 718.23 ملین) روپے کے انتظامی اخراجات کے حساب سے۔ 625.15 ملین (2023: 203.20 ملین) بشمول روپے کی قدر میں کمی۔ 524.9 ملین (2023: 770.13 ملین روپے)۔ 30 جون 2024 کو ختم ہونے والے سال کے لیے آپ کی کمپنی کی مالی کارکردگی حسب ذیل ہے

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

سال کے دوران، ہماری کمپنی نے دودھ کی فروخت اور حیاتیاتی اثاثوں کی رقم 7.534 ملین روپے تک حاصل کی ہے۔ پچھلے سال کی فروخت کے مقابلے میں 534.7 ملین روپے۔ 161.4 ملین اور ٹیکس کے بعد نقصان کم ہو کر روپے رہ گیا ہے۔ گزشتہ سال کے 718.23 ملین روپے کے بعد ٹیکس کے نقصان کے مقابلے میں 998.15 ملین روپے۔ دیگر آمدنی میں سال کے دوران اسکرپ کی فروخت شامل ہے۔ بجلی کے کنکشن کی عدم دستیابی کی وجہ سے 2006 سے بند ہے۔ تاہم ڈیری کا کاروبار چل رہا ہے۔ انتظامیہ کا موقف ہے کہ اگر کمپنی بجلی کا کنکشن محفوظ کرنے میں کامیاب ہوگی تو کمپنی اپنا کام دوبارہ شروع کر دے گی۔

آڈیٹرز کی رپورٹ

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

حمایت

ان کے تجزیے، اور کلیدی انتظامی کوششوں اور فیصلوں کی بنیاد پر جیسا کہ اوپر ذکر کیا گیا ہے، انتظامیہ اس بات پر راضی ہے کہ کمپنی مستقبل قریب میں ایک جاری تشویش کے طور پر جاری رکھ سکے گی۔ آڈیٹرز کی منفی رائے درج ذیل نکات پر مبنی ہے، جن پر ذیل میں بحث کی گئی ہے: آڈیٹرز کی اہلیت کا جواب دیں۔

- گوئنگ کنسنر کے بارے میں بتایا گیا ہے کہ کمپنی آپریشن شروع کرنے کا ارادہ رکھتی ہے، جس کے لیے کمپنی فنڈز اکٹھا کرنے اور بجلی کا کنکشن دوبارہ شروع کرنے کی کوشش کر رہی ہے۔
- قرض پر مارک اپ فراہم نہ کرنے کے بارے میں، یہ کہا گیا ہے کہ بینک قرض کی اصل رقم پر قرض کا تصفیہ کرنے کے لیے تیار ہیں۔ اور انتظامیہ تصفیہ کے معاہدوں پر بات چیت کر رہی ہے۔
- اثاثوں کی دوبارہ تشخیص کے بارے میں، یہ کہا جاتا ہے کہ دوبارہ تشخیص کے مطابق مناسب ایڈجسٹمنٹ کی گئی ہے۔ مزید برآں، انتظامیہ اگلے سال آڈیٹرز کو رپورٹ کا نیا جائزہ فراہم کرے گی۔
- سجاد بیگم سائل مل لمیٹڈ میں سرمایہ کاری کے حوالے سے کہا گیا ہے کہ یہ معاملہ ممبران کے سامنے پیش کیا جائے گا اور آئندہ سال میں خرابی کی جائے گی۔
- ہماری فروخت میں دودھ اور حیاتیاتی اثاثوں کی فروخت اور انکم ٹیکس ریٹرن سے متعلق معاملات شامل ہیں جو پیشہ ور ماہر کے ذریعہ سنبھالے جاتے ہیں، اس سلسلے میں اچھی کارکردگی کا مظاہرہ کرتے ہیں۔

**NAZIR COTTON MILLS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025**

	Note	30 June 2025 Rupees	30 June 2024 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	278,624,427	280,845,693
-(Deficit) / surplus on remeasurement of available for sale investments	8	(479,125)	(479,125)
-Capital reserve		434,000	434,000
Revenue reserve			
Accumulated loss		(417,042,978)	(417,569,803)
Revenue reserve - general		45,829,500	45,829,500
		<u>137,365,824</u>	<u>139,060,265</u>
Non-current liabilities			
Deferred taxation	9	12,866,389	4,339,002
Current liabilities			
Trade and other payables	10	3,838,674	2,725,561
Accrued mark-up		2,852,907	-
Short-term borrowings	11	131,144,774	207,866,985
Income tax liability		1,362,747	273,717
		<u>139,199,102</u>	<u>210,866,263</u>
Contingencies and commitments			
	12	-	-
Total equity and liabilities		<u>289,431,315</u>	<u>354,265,530</u>
ASSETS			
Non-current assets			
Property, plant and equipment	13	238,310,400	323,802,473
Biological assets	14	2,416,285	1,757,000
Long term investment	15	-	3,838,000
		<u>240,726,685</u>	<u>329,397,473</u>
Current assets			
Stores, spare parts and loose tools	16	-	750,688
Trade debts	17	79,730	16,924
Deposits, prepayments and other receivables	18	3,157,512	13,725,031
Cash and bank balances	19	286,188	10,375,414
		<u>3,523,430</u>	<u>24,868,057</u>
Non-current asset classified as held for sale	20	45,181,200	-
Total assets		<u>289,431,315</u>	<u>354,265,530</u>

The annexed notes from 1 to 38 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 IN
FOR THE YEAR ENDED 30 JUNE 2025**

	Note	30 June 2025 Rupees	30 June 2024 Rupees
Sales - net	21	-	7,534,360
Cost of sales	22	-	13,190,389
Gross loss		-	(5,656,029)
Other operating income	23	65,354,735	9,243,677
Administrative and general expenses	24	20,963,700	15,625,223
Other expenses	25	33,521,636	3,804,075
Finance cost	26	2,853,243	4,187
		57,338,579	19,433,485
Profit / (loss) before income tax and levies		8,016,156	(15,845,837)
Levies		(1,362,747)	(94,180)
Profit / (loss) before income tax		6,653,409	(15,940,017)
Taxation	27	(13,884,779)	(58,566)
Profit / (loss) after taxation		(7,231,370)	(15,998,583)
Other comprehensive income for the year			
<i>Items that will not be reclassified to profit or loss</i>			
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		-	(28,650,120)
Related deferred tax		4,566,082	8,308,535
		4,566,082	(20,341,585)
Total comprehensive profit / (loss) for the year		(1,694,441)	(36,340,168)
Profit / (loss) per share (basic and anti-dilutive)	28	(0.31)	(0.70)

The annexed notes from 1 to 38 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 2025**

	Note	30 June 2025 Rupees	30 June 2024 Rupees
A CASH FLOW FROM OPERATING ACTIVITIES			
Profit / (loss) before income tax and levies		8,016,156	(15,845,837)
Impairment and balances written off	25	16,399,607	3,019,890
Provision for obsolete store items	25	750,688	784,185
(Gain) / loss on disposal of biological assets		(292,393)	(1,761,283)
Surplus on revaluation of biological assets	23	(264,142)	(770,500)
Adjustment for depreciation on property, plant and equipment	13	6,924,079	9,524,761
(Gain) / loss on disposal of property, plant and equipment		(16,256,620)	-
Adjustment for short term loan from banks		(45,319,059)	-
Old balances written back		(1,316,627)	-
Impairment of asset held for sale		15,745,109	-
Provision for worker's welfare fund		626,232	-
Finance cost	26	2,853,243	4,187
Operating loss before working capital changes		(12,133,727)	(5,044,597)
Working capital changes			
Decrease / (increase) in current assets			
Trade debts		(79,730)	1,000,000
Deposits, prepayments and other receivables		30,872	(946,733)
Increase in trade and other payables		1,803,509	1,720,797
		1,754,651	1,774,064
Cash used in operating activities		(10,379,076)	(3,270,533)
Income taxes paid	18	(2,102,217)	(41,727)
Finance cost paid		(336)	(4,187)
Net cash used in operating activities		(12,481,629)	(3,316,447)
B CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from disposal of property, plant and equipment		33,898,305	-
Proceeds from sale of biological assets		654,250	5,063,590
Payment for acquisition of biological assets	14	(757,000)	(986,500)
Cash generated from investing activities		33,795,555	4,077,090
C CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from short-term borrowing (net)		8,000,000	970,000
Repayments of short term borrowings		(39,403,152)	-
Cash (used in) / generated from financing activities		(31,403,152)	970,000
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		(10,089,226)	1,730,643
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	19	10,375,414	8,644,771
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	19	286,188	10,375,414

The annexed notes from 1 to 38 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 2025

[illegible]

The annexed notes from 1 to 38 form an integral part of these financial statements.

Margaret
Chief Financial Officer

Lahore.

NAZIR COTTON MILLS LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

1 STATUS AND ACTIVITIES

Nazir Cotton Mills Limited (the "Company") was incorporated in Pakistan as a public limited company under the repealed Companies Act, 1913 (now the Companies Act, 2017) and is quoted on Pakistan Stock Exchange. The principle business of the Company is manufacturing and sale of yarn and the other related / allied operations. The members of the Company has authorised to enter into a new line of business of dairy farming. Following is the detail of addresses of the Company.

Description	Location
Registered office	61 K, Gulberg III, Lahore
Manufacturing facility	8 KM, Faisalabad Road, Aslamabad, Kharianwala, Sheikhpura

2 STATEMENT OF COMPLIANCE

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

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRSs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

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

There were certain amendments in accounting and reporting standards which became effective for the Company for the current year. However, these are considered not to be relevant or have any significant impact on the Company's financial reporting and therefore have not been disclosed in these financial statements, except that during the year certain amendments to IAS 1- Non current liabilities with covenants, These amendments clarify disclosure requirements where the classification of liabilities depends on compliance with covenants within twelve months after the reporting period. The amendments are disclosure-oriented and had no impact on the Company's recognition, measurement or presentation of items 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 certain amendments to the accounting and reporting standards that will become mandatory for the Company's annual accounting periods beginning on or after July 1, 2025. However, these will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these financial statements.

4 BASIS OF PREPARATION
4.1 Measurement

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

4.2 Significant accounting judgments and estimates

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

NAZIR COTTON MILLS LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

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

a)	assumptions and estimates used in determining the recoverable amount, residual values and useful lives of property and equipment;	(notes 5.1 and 13)
b)	Fair value of biological assets assumptions and estimates used in determining the provision for slow moving stores, spares and loose tools;	notes 5.14 & 14) 16)
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)
e)		

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

4.3 Functional and presentational currency

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

4.4 Going concern assumption

The financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates realization of assets and liquidation of liabilities in normal course of business. The Company has incurred net loss of Rs. 15.999 million in previous year resulting in accumulated losses of Rs. 417.042 million (2024: Rs. 417.570) million at close of the year ended 30 June 2025. The Company's current liabilities exceed its current assets by Rs. 135.676 (2024: Rs 185.998) million. The Company had ceased its operations from many years due to working capital. However, subsequent to the reporting date, the management is taking steps to recommence operations and are in negotiations with financial institutions to obtain funds to manage working capital requirements. The Company managed its liquidity constraints thru financing from its sponsors and its ability to continue as a going concern is dependent on continued financing from sponsors. Management is of view that the company will restart its commercial production in foreseeable future. Management's efforts for obtaining finances from financial institutions are not so far materialized, however, management is confident that efforts will be realized and that the Company will be able to continue as a going concern.

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 2025

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 2025

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 2025

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 2025

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 2025

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 2025

5.22 Earnings per share ("EPS")

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

5.23 Related party transactions

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

a) Sale of goods and services

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

b) Purchases of goods and services

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

c) Dividend distribution

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

5.24 Comprehensive income

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

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

5.25 Non-current assets held for sale

Assets are 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 losses are 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 2025**

	30 June 2025 ----- Number of shares -----	30 June 2024	30 June 2025 Rupees	30 June 2024 Rupees
6 SHARE CAPITAL				
Authorized capital				
Ordinary shares of Rs. 10 each	<u>25,000,000</u>	<u>25,000,000</u>	<u>250,000,000</u>	<u>250,000,000</u>
Issued subscribed and paid up capital				
Ordinary shares of Rs. 10 each				
- fully paid in cash	20,312,530	20,312,530	203,125,300	203,125,300
- fully paid as bonus shares	2,317,470	2,317,470	23,174,700	23,174,700
- fully paid in consideration of Property and assets of Sargodha Textile Mills Limited as per bifurcation scheme approved by the Honorable High Court in 1974.	370,000	370,000	3,700,000	3,700,000
	<u>23,000,000</u>	<u>23,000,000</u>	<u>230,000,000</u>	<u>230,000,000</u>
6.1	All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.			
			30 June 2025 Rupees	30 June 2024 Rupees
7 -SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT				
Surplus on revaluation				
At beginning of the year			301,050,462	337,441,873
Less: Deficit arisen during the year			(3,347,746)	(28,650,120)
Less: Reversal on surplus of assets disposed off			(6,211,900)	-
Less: Incremental depreciation for the year			291,490,816	(7,741,291)
At end of the year				301,050,462
Less: Related deferred tax				
At beginning of the year			20,204,769	30,758,278
Add: deficit arisen during the year			(4,566,082)	(8,308,535)
Less: Reversal of related deferred tax on disposals			(970,847)	-
Less: Incremental depreciation for the year			(1,801,451)	(2,244,974)
At end of the year			12,866,389	20,204,769
Net surplus on revaluation			<u>278,624,427</u>	<u>280,845,693</u>
7.1	During the year, Plant and machinery that had previously been revalued were disposed of. Consequently, the related surplus of Rs. 3,347,746 was transferred directly to retained earnings. This transfer had no impact on the statement of profit or loss.			
	In addition, the deferred tax liability of Rs. 970,847 that had originally been recognised in equity in relation to these revaluations was reversed during the year. The reversal was recorded through other comprehensive income.			
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 year. The said revaluation exercises were carried-out to replace the carrying amounts of assets with the market values / depreciated market values. The Company has recognized revaluation loss of Rs. 28,650,120 on plant and machinery during the previous year.			

**NAZIR COTTON MILLS LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**
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 2025 Rupees	30 June 2024 Rupees
8	-(DEFICIT) / SURPLUS ON REMEASUREMENT OF AVAILABLE FOR SALE INVESTMENTS		
Fair value reserve	- note 8.1	(479,125)	(479,125)
		<u>(479,125)</u>	<u>(479,125)</u>
8.1	This represents the unrealized (loss) / gain on remeasurement of available for sale investments at fair value and is not available for distribution. This will be transferred to the statement of comprehensive income on realization.		
8.2	Reconciliation of 'fair value reserve is as under:		
Opening balance		(479,125)	(479,125)
Closing balance		<u>(479,125)</u>	<u>(479,125)</u>

9 DEFERRED TAXATION
Deferred tax liability on taxable temporary differences

Accelerated tax depreciation on property, plant and equipment	-	(15,865,767)
Surplus on revaluation of property, plant and equipment	12,866,389	20,204,769
	<u>12,866,389</u>	<u>4,339,002</u>

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 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
	<u>4,339,002</u>	<u>14,064,316</u>	<u>(5,536,929)</u>	<u>12,866,389</u>

9.2 Deferred tax asset amounting to Rs. 62.528 million (2024: Rs. 22.68 million) in respect of unused tax losses amounting to Rs. 215.612 million (2024: Rs. 76.10 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 2025 Rupees	30 June 2024 Rupees
10 TRADE AND OTHER PAYABLES		
Accrued liabilities	3,184,628	1,015,263
Other liabilities	27,814	1,710,298
Worker's welfare fund	626,232	-
	<u>3,838,674</u>	<u>2,725,561</u>

**NAZIR COTTON MILLS LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

		30 June 2025 Rupees	30 June 2024 Rupees
11	SHORT-TERM BORROWINGS		
	-From financial institutions		
	-Habib Bank Limited	-	13,258,000
	-Islamic Investment Bank Limited	-	71,464,211
	-From others		
	Sponsor's loan - interest free	123,144,774	123,144,774
	Related party loan - interest bearing	8,000,000	-
		131,144,774	207,866,985

11.1 During the year, 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.

11.2 During the year, 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.

11.3 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. 123.144 million (2024: Rs. 123.144 million).

11.4 The Company during the period 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 kibar plus 3.5% per annum. The loan is repayable within the next twelve months.

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.

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 (2024: Nil).

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

13 Reconciliation of carrying values at beginning of the year - 30 June 2025

PARTICULARS	COST / REVALUED AMOUNTS			DEPRECIATION			BOOK VALUE		Annual rate of dep.
	As at 1/July/2024	Disposal / held for sale	As at 30/June/2025	As at 1/July/2024	Disposal / held for sale	Charge for the year	As at 30/June/2025	As at 30/June/2025	
									% age
									Rupees
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	

13.1 De-recognition of plant and machinery

During the current 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.

13.2 During the 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.

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

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

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

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

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

	30 June 2024	30 June 2023
Rupees	Rupees	Rupees
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

NAZIR COTTON MILLS LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

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

Manufacturing facility		Area	
8 KM, Faisalabad Road, Aslamabad, Kharianwala, Sheikhpura		18.618 Acres	
	30 June 2025	30 June 2024	
	Rupees	Rupees	
14 BIOLOGICAL ASSETS			
Cows	- note 14.1	1,497,335	852,000
Calfs		732,355	905,000
Goats		186,595	-
		2,416,285	1,757,000

14.1 Reconciliation of changes in carrying amount

Carrying amount at beginning of the year	1,757,000	3,302,307
Increase due to purchases	757,000	986,500
Decrease due to disposal	(361,857)	(3,302,307)
	2,152,143	986,500
Changes in fair value less cost to sell:		
Due to price changes	264,142	770,500
Carrying amount at end of the year	2,416,285	1,757,000

14.2 At June 30, 2025, livestock comprised 3 Cows, 13 Calves and 1 Goat (2024: 3 Cows, 10 Calves). During the year 2025, the mangement sold 2 Cows, 4 Calves and 1 Goat and 1 Bull.

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

15 LONG TERM INVESTMEI	30 June 2025	30 June 2024
Un-quoted (Available for sale investment)	Rupees	Rupees
Sajjad Textile Mills Limited		
383,300 (2023: 383,300) Ordinary shares of Rs.10/- each	-	3,833,000
Sargodha Industrial Urban Development Co-operative Society Limited		
50 (2023: 50) Ordinary shares of Rs. 100/- each.	-	5,000
	-	3,838,000

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

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 year.

16 STORES, SPARE PARTS AND LOOSE TOOLS	30 June 2025	30 June 2024
Stores	Rupees	Rupees
	1,805,733	1,805,733
	1,805,733	1,805,733
Less: Provision for obsolete items	(1,805,733)	(1,055,045)
	-	750,688

**NAZIR COTTON MILLS LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

		30 June 2025 Rupees	30 June 2024 Rupees
17	TRADE DEBTS		
	Local - unsecured but considered good	79,730	16,924
	Local - unsecured but considered doubtful	-	94,890
		<u>79,730</u>	<u>111,814</u>
	Less: Provision for expected credit losses	-	(94,890)
		<u>79,730</u>	<u>16,924</u>
17.1	The movement in provision for expected credit losses is as follows:		
	Opening balance	94,890	164,890
	Less: written off / recovered during the year	(111,814)	(70,000)
	Add: charge for the year	16,924	-
	Closing balance	<u>-</u>	<u>94,890</u>
17.2	ageing analysis of trade debts is as follows:		
	Trade debts of Rs. 79,730 are outstanding, all due within 0—30 days and considered fully recoverable.		
18	DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
	Deposit with WAPDA - note 18.1	-	12,418,302
	Security deposits	73,500	73,500
	Advance income tax	2,238,151	230,114
	Other receivables	845,861	1,003,115
		<u>3,157,512</u>	<u>13,725,031</u>
18.1	The Company's deposits with WAPDA, under litigation, have been assessed as not recoverable and have been fully impaired during the year.		
19	CASH AND BANK BALANCES		
	Cash in hand	254,593	3,507,611
	With banks		
	-Current accounts	30,369	66,668
	-Saving accounts	1,226	6,801,135
		<u>31,595</u>	<u>6,867,803</u>
		<u>286,188</u>	<u>10,375,414</u>
19.1	Mark up rate in respect of savings accounts ranges from 11.1% to 13.1 % (2024: 19.5% to 19.75%) per a		
20	NON-CURRENT ASSET CLASSIFIED AS HELD FOR SALE		
	Building on free hold land	45,181,200	-
20.1	Building on free hold land		
	Carrying value	60,926,309	-
	Fair value less cost to sell	45,181,200	-
	Lower of carrying value and fair value	45,181,200	-
	Impairment loss	(15,745,109)	-
	Book value	<u>45,181,200</u>	<u>-</u>
20.2	The Company has reclassified its building, 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. The related revaluation surplus has been retained within equity and will be transferred to retained earnings upon actual disposal of the asset.		

**NAZIR COTTON MILLS LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

	30 June 2025 Rupees	30 June 2024 Rupees
21 SALES - NET		
Sale of milk	-	2,470,770
Sale of biological assets	-	5,063,590
	<u>-</u>	<u>7,534,360</u>
22 COST OF SALES		
Salaries, wages and benefits	-	4,020,580
Utilities	-	1,089,760
Other direct expenses	-	4,777,742
Cost of biological assets and milk sold	-	3,302,307
	<u>-</u>	<u>13,190,389</u>
23 OTHER OPERATING INCOME		
Profit on bank deposits	272,101	278,177
Gain on fair value measurements of biological assets	264,142	770,500
Reversal of expected credit loss allowance	-	70,000
Gain on disposal of property, plant and equipment	16,256,620	-
Gain on settlement of loan from banks	45,319,059	-
Old liabilities written back	1,316,627	-
Sale of milk	1,306,818	-
Sale of biological assets	292,393	-
Other income	326,975	8,125,000
	<u>65,354,735</u>	<u>9,243,677</u>
24 ADMINISTRATIVE AND GENERAL EXPENSES		
Director's remuneration	2,400,000	1,487,500
Salaries, wages and benefits	4,076,215	1,049,964
Traveling and conveyance	29,533	9,600
Printing and stationery	212,990	75,810
Postage, telephone and telex	6,121	6,760
Repair and maintenance	-	19,000
Entertainment	16,347	1,870
Rent, rates and taxes	-	141,200
Electricity, water and gas	1,164,037	322,578
Fees and subscription	2,058,208	1,749,589
Legal and professional	575,800	538,000
Auditors' remuneration	470,000	470,000
Newspapers and periodicals	-	19,095
Advertisement	975,525	32,495
Miscellaneous expenses	2,054,845	177,001
Depreciation on property, plant and equipment	6,924,079	9,524,761
	<u>20,963,700</u>	<u>15,625,223</u>
24.1 Auditors' remuneration		
Audit fee	420,000	420,000
Fee for interim review and other certifications	50,000	50,000
	<u>470,000</u>	<u>470,000</u>

**NAZIR COTTON MILLS LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

		30 June 2025 Rupees	30 June 2024 Rupees
25 OTHER EXPENSES			
Old balances written off		142,805	3,019,890
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	784,185
Worker's welfare fund		626,232	-
		33,521,636	3,804,075
26 FINANCE COST			
Bank charges		336	4,187
Mark-up on related party loan		2,852,907	-
		2,853,243	4,187
27 LEVIES AND TAXATION			
Levies			
-Minimum tax		1,362,747	94,180
Taxation			
Current		-	-
Prior year effects		(179,537)	-
Deferred	- note 9.1	14,064,316	58,566
		15,247,526	152,746
28 PROFIT / (LOSS) PER SHARE (BASIC AND ANTI-DILUT)			
Profit attributable to ordinary equity holders of the Company	(Rupees)	(7,231,370)	(15,998,583)
Weighted average number of ordinary shares	(Number)	23,000,000	23,000,000
Profit per share - basic and anti dilutive	(Rupees)	(0.31)	(0.70)
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 2025 and 2024.		
29 PLANT CAPACITY AND ACTUAL PRODUCTION		30 June 2025	30 June 2024
Number of spindles installed		-	28,800
Installed capacity after conversion into 20 / S counts (kilograms)		-	7,776,000
29.1	The company has disposed off its remaining machinery during the year.		
30 NUMBER OF EMPLOYEES		30 June 2025	30 June 2024
Total number of employees at end of year	Number	10	16
Average number of employees during the year	Number	14	17
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's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.			

**NAZIR COTTON MILLS LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**
31.1 Risk management framework

The Board of Directors has overall responsibility for establishment and over-sight of the Company's risk management framework. The executive management team is responsible for developing and monitoring the Company's risk management policies. The team regularly meets and any changes and compliance issues are reported to the Board of Directors of the Company.

Risk management systems are reviewed regularly by the executive management team to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

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 processes the financial viability of all counterparties is regularly monitored and assessed. To mitigate the risk, the Company has a system of assigning credit limits to its customers based on an extensive evaluation based on customer profile and payment history. Outstanding customer receivables are regularly monitored.

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 2025	30 June 2024
	Rupees	Rupees
<i>At amortized cost</i>		
Trade debts	79,730	16,924
Trade deposits	3,157,512	13,725,031
Bank balances	286,188	10,375,414
	3,523,430	24,117,369

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's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions.

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

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			
<i>as at 30 June 2025</i>				
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	-

**NAZIR COTTON MILLS LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

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

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's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing return.

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 (2024: 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 2025		30 June 2024	
	Assets	Liabilities	Assets	Liabilities
	<i>----- Rupees -----</i>			
Short-term borrowings	-	131,144,774	-	207,866,985

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

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

	Variation in basis points (% age)	Effect on profit before tax 30 June 2025 Rupees	30 June 2024 Rupees
- Variable rate financial instruments			
Short-term borrowings	1.00%	<u>1,311,448</u>	<u>2,078,670</u>

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 2025

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. IFRS 13 'Fair Value Measurement' requires entity to classify fair value measurements and hierarchy that reflects significance of the inputs used in making the measurements of fair value hierarchy has the following levels:

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

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

NAZIR COTTON MILLS LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

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 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	-	-	-	-
as at 30 June 2024								
Financial assets / liabilities measured at fair value								
Long term investment	3,838,000	-	-	3,838,000	-	3,838,000	-	3,838,000
Financial assets not measured at fair value								
Trade debts	-	16,924	-	16,924	-	16,924	-	16,924
Trade deposits	-	13,725,031	-	13,725,031	-	13,725,031	-	13,725,031
Bank balances	-	10,375,414	-	10,375,414	-	10,375,414	-	10,375,414
	-	24,117,369	-	24,117,369	-	24,117,369	-	24,117,369
Financial liabilities not measured at fair value								
Short term borrowings	-	-	207,866,985	207,866,985	-	-	-	-
Trade payables	-	-	2,725,561	2,725,561	-	-	-	-
	-	-	210,592,546	210,592,546	-	-	-	-

**NAZIR COTTON MILLS LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**
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 benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

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

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

	30 June 2025	30 June 2024
	----- rupees in '000 -----	
Total debt	131,145	207,867
Total equity and debt (including surplus on revaluation of operating assets)	137,497	139,268
Debt-to-equity ratio	95%	149%

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

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 reported in respective notes to the financial statements.

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

<i>Nature of relation</i>	<i>Nature of transactions</i>	30 June 2025 Rupees	30 June 2024 Rupees
Sponsors	Loan repaid	-	-
	Amount due at year end	123,144,774	123,144,774
Other related party	Loan received (net)	8,000,000	-

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

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

35 REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

During the year the Company has charged remuneration of Rs. 2,400,000 (2024: 1,487,500) 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 2025

36 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 2025 are located in Pakistan.

37 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.

38 DATE OF AUTHORIZATION FOR ISSUE

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



Chief Executive Officer



Director



Chief Financial Officer

Lahore.

THE COMPANIES ACT, 2017

(Section 227(2)(f))

PATTERN OF SHAREHOLDING

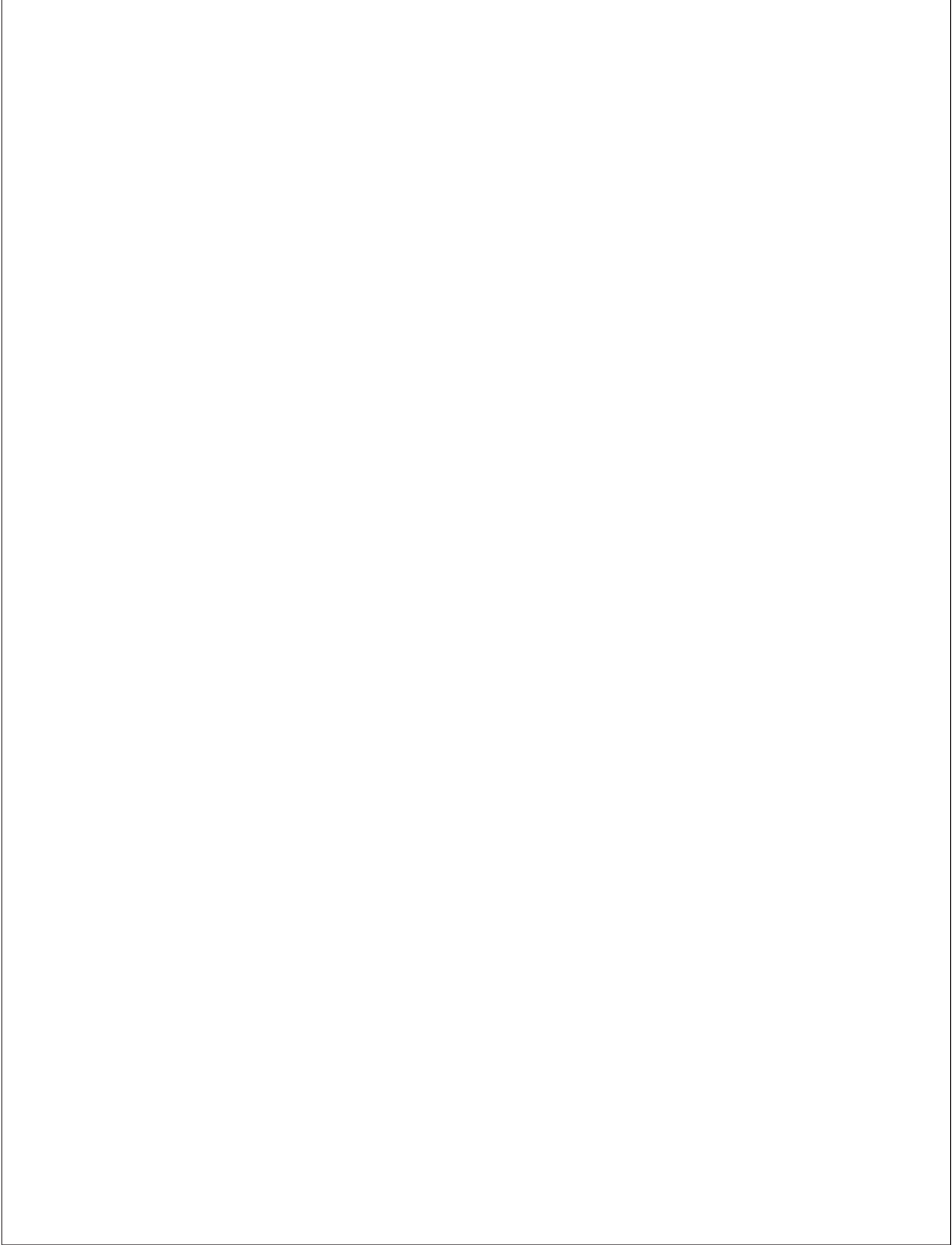
1.1 Name of the Company **NAZIR COTTON MILLS LIMITED**

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

30-06-2024

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

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



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 Tuesday October 28, 2025 at 12:30 p.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 _____ 2025.

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.