

Interim Financial Report of Nishat Mills Limited
for the quarter ended September 30, 2018



Nishat Mills Limited

*A great fly,
a great future*



Contents

Nishat Mills Limited

Company Information	02
Directors' Report	03
Unconsolidated Condensed Interim Statement of Financial Position	08
Unconsolidated Condensed Interim Statement of Profit or Loss	10
Unconsolidated Condensed Interim Statement of Comprehensive Income	11
Unconsolidated Condensed Interim Statement of Changes in Equity	12
Unconsolidated Condensed Interim Statement of Cash Flows	13
Selected Notes to the Unconsolidated Condensed Interim Financial Information	14

Nishat Mills Limited and its Subsidiary Companies

Consolidated Condensed Interim Statement of Financial Position	26
Consolidated Condensed Interim Statement of Profit or Loss	28
Consolidated Condensed Interim Statement of Comprehensive Income	29
Consolidated Condensed Interim Statement of Changes in Equity	30
Consolidated Condensed Interim Statement of Cash Flows	31
Selected Notes to the Consolidated Condensed Interim Financial Information	32
Directors' Report in Urdu	52

Company Information

Board of Directors

Mian Umer Mansha
Chief Executive Officer

Mian Hassan Mansha
Chairman

Syed Zahid Hussain
Mr. Khalid Qadeer Qureshi
Mr. Farid Noor Ali Fazal
Mr. Ghazanfar Husain Mirza
Mr. Maqsood Ahmed

Audit Committee

Syed Zahid Hussain
Chairman / Member

Mr. Khalid Qadeer Qureshi
Member

Mr. Farid Noor Ali Fazal
Member

Human Resource & Remuneration (HR & R) Committee

Syed Zahid Hussain
Chairman / Member

Mian Umer Mansha
Member

Mr. Khalid Qadeer Qureshi
Member

Chief Financial Officer

Mr. Badar-ul-Hassan

Company Secretary

Mr. Khalid Mahmood Chohan

Auditors

Riaz Ahmad & Company
Chartered Accountants

Legal Advisor

Mr. M. Aurangzeb Khan,
Advocate, Chamber No. 6, District Court, Faisalabad.

Bankers to the Company

Albaraka Bank (Pakistan) Limited
Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Al Habib Limited
Bank Islami Pakistan Limited
Citibank N.A.
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
Industrial and Commercial Bank of China Limited
JS Bank Limited
Meezan Bank Limited
MCB Bank Limited
MCB Islamic Bank Limited
National Bank of Pakistan
Pak Brunei Investment Company Limited
Pakistan Kuwait Investment Company (Private) Limited
Samba Bank Limited
Silk Bank Limited
Soneri Bank Limited
Summit Bank Limited
Standard Chartered Bank (Pakistan) Limited
The Bank of Punjab
United Bank Limited

Mills

Spinning units, Yarn Dyeing & Power plant

Nishatabad, Faisalabad.

Spinning units & Power plant

Plot No. 172-180 & 188-197,
M-3 Industrial City, Sahianwala,
FIEDMC, 2 K.M. Jhumra Chiniot
Road, Chak Jhumra, Faisalabad.

Spinning units & Power plant

20 K.M. Sheikhupura Faisalabad
Road, Feroze Watwan.

Weaving units & Power plant

12 K.M. Faisalabad Road,
Sheikhupura.

Weaving units, Dyeing & Finishing unit, Processing unit, Stitching units and Power plants

5 K.M. Nishat Avenue Off 22 K.M.
Ferozepur Road, Lahore.

Stitching unit

21 K.M. Ferozepur Road, Lahore.

Apparel Units

7 K.M. Nishat Avenue Off 22 K.M.
Ferozepur Road, Lahore.

2 K.M. Nishat Avenue Off 22 K.M.
Ferozepur Road, Lahore.

Registered office

Nishat House,
53 - A, Lawrence Road, Lahore.
Tel: 042-36360154, 042-111 113 333
Fax: 042-36367414

Shares Registrar

THK Associates (Private) Limited

Head Office, Karachi
1st Floor, 40-C, Block-6,
P.E.C.H.S, Karachi-75400
Tel: 021-34168270,
021-111 000 322
Fax: 021-34168271

Branch Office, Lahore
1st Floor, DYL Motorcycles Limited
Office, 147-Q Block, behind
Emporium Mall,
Johar Town, Lahore
Tel: 0303-4444795, 0323-8999514

Head Office

7, Main Gulberg, Lahore.
Tel: 042-35716351-59,
042-111 332 200
Fax: 042-35716349-50
E-mail: nishat@nishatmills.com
Website: www.nishatmillsd.com

Liaison Office

Ist Floor, Karachi Chambers, Hasrat
Mohani Road, Karachi.
Tel: 021-32414721-23
Fax: 021-32412936



Directors' Report

Directors of Nishat Mills Limited ("the Company") are pleased to present the Directors' Report for the quarter ended 30 September 2018.

Operating Financial Results

Profit after tax of the Company increased significantly by 40.72% in the quarter ended 30 September 2018 as compared to the corresponding quarter ended 30 September 2017. The main reason for this exceptional increase in profitability was a remarkable increase of Rs. 2,019 million (16.45%) in top line due to which gross profit increased by 40.45% in the current quarter as compared to corresponding quarter of the last year. The Company was able to achieve this unprecedented profitability despite substantial increase in raw material cost and fuel prices.

Financial Highlights	Quarter ended 30 September		Increase / (decrease) %
	2018	2017	
Revenue (Rs. '000')	14,297,798	12,278,413	16.45
Gross Profit (Rs. '000')	1,801,593	1,282,721	40.45
Profit after tax (Rs. '000')	994,889	706,998	40.72
Gross Profit (%)	12.60	10.45	
Profit after tax (%)	6.96	5.76	
Earnings per share – (Rs.)	2.83	2.01	

General Market Review and Future Prospects

Textile sector in Pakistan exhibited relatively better performance in the first quarter of fiscal year 2018-19, as exports marginally increased during this period in comparison to exports in the corresponding quarter of the last fiscal year. Mainly value added segment of the industry contributed to this growth of exports. Apparel, bedwear and towel exports considerably increased in this period because of appreciation of US Dollar against Pak Rupee. However, textile sector in Pakistan could not take full advantage of this favorable situation due to huge increase in raw material cost.

Segment Analysis

Spinning

Start of financial year 2018-19 was marked with the volatility in cotton prices due to which increase in yarn prices remained at a lower level as compared to the increase in cotton prices during the first quarter ended 30 September 2018.

Yarn	Quarter ended 30 September		Increase / (Decrease)	
	2018	2017	Value	% age
Sale – (kgs '000')	6,568	5,272	1,296	24.58
Rate / kg	384.32	289.46	94.86	32.77
Sale – (Rs. '000')	2,524,210	1,526,039	998,171	65.41



Local and international cotton / yarn market scenarios remained challenging throughout the period. Cotton yarn demand and market prices passed through many ups and downs. Marketing department of the Division made extra efforts to move with market and maintain the flow of business. Due to these efforts, profitability of Spinning Division increased during the quarter ended 30 September 2018 as compared to profitability of the corresponding quarter ended 30 September 2017. Customers in Hong Kong / China kept changing their demand of cotton yarn throughout the period. The Division gained a good business volume in Taiwan during the first quarter. However, Korea and Japan remained reluctant in improving any cotton yarn business volume. The Division has finalized its plan to diversify its business by commissioning an open-end yarn unit at Ferozewan by the end of financial year 2019. The Division also started procurement of cotton in September 2018 to replenish its cotton stock.

Weaving

Financial performance of Weaving Division was exceptional during the quarter ended 30 September 2018. Our profits improved in this quarter mainly due to our diversified product mix and well established customer portfolio. Timely procurement of yarn, which is the main raw material of the Division, also contributed to increase in profitability.

Grey Cloth	Quarter ended 30 September		Increase / (Decrease)	
	2018	2017	Value	% age
Sale – (meters '000')	20,680	25,430	(4,750)	(18.68)
Rate / meter	169.28	134.76	34.52	25.62
Sale – (Rs. '000')	3,500,665	3,426,992	73,673	2.15

The Division also benefitted from our decision of product mix shift from narrow to wider width fabrics. This shift has given us more leverage in negotiating with our customers for more specialized items which consequently enhanced our sales value both in export and domestic market. Our major export market is now Germany with strong demand in fashion wear, technical and workwear fabric. Our marketing strategy is to maintain a strong presence in European market.

Dyeing

The profitability of the Dyeing Division increased significantly in the quarter ended 30 September 2018 despite skyrocketing input costs and extremely volatile market situation. Although first quarter is the lean period in the business cycle of the Division, still we were able to make fairly decent profits which eventually helped us to close first quarter on a positive note.

Processed Cloth	Quarter ended 30 September		Increase / (Decrease)	
	2018	2017	Value	% age
Sale – (meters '000')	9,125	9,420	(295)	(3.13)
Rate / meter	316.18	258.28	57.90	22.42
Sale – (Rs. '000')	2,885,100	2,432,992	452,108	18.58



We have now entered in peak season of our business cycle and capacities for the second quarter have already been sold. Smooth execution and capacity management would be our major challenges during this period. We are hopeful of excellent results in the second quarter.

Home Textile

Home Textile Division maintained its profitability by managing the full utilization of its production capacities despite prevailing difficult economic situation. The Division is hopeful to find out favorable opportunities in the USA market as a result of enhanced competition and a level playing field which is expected to be available after the implementation of new US tariff policy for Chinese goods.

Processed Cloth and Made-ups	Quarter ended 30 September		Increase / (Decrease)	
	2018	2017	Value	% age
Sale – (meters '000')	6,613	6,204	409	6.59
Rate / meter	357.98	335.05	22.93	6.84
Sale – (Rs. '000')	2,367,347	2,078,645	288,702	13.89

Change in the strategy of major US buyers and their preference for Pakistani suppliers is already evident as they are in the search of good alternative sources. Discussions of the Company's marketing team with many US customers are at initial stage at the level of product development and price negotiations. If this momentum goes on during the next quarter, we definitely expect better results for the Division. The Division has already established and enhanced its manufacturing capacities during the past couple of years due to which we are well prepared to acquire larger market share.

Garments

The Garments Division of the Company has achieved a unique milestone in cost reduction due to which cost per garment is now very low. During the current year, the Division is rigorously working at process improvements, intensive labor training and increased automation to further reduce the cost of production to be more competitive and profitable. Great focus has also been put on research and development to offer novelty in product and process. Another area where, we are paying great attention this year, is implementation of refined / best practices and alignment of the Division with global sustainability initiatives to enhance human development and environment protection index. Marketing and sales strategies are also very important areas where enhanced efforts are being put in place and also the foundations being laid to increase international presence which is eventually increasing our exports volume and profits in a sustainable way. Taking all these initiatives into account we are confident that the Division would surely achieve tremendous growth in coming years.

Garments	Quarter ended 30 September		Increase / (Decrease)	
	2018	2017	Value	% age
Sale – (garments '000')	1,414	1,218	196	16.09
Rate / garment	816.54	832.11	(15.57)	(1.87)
Sale – (Rs. '000')	1,154,583	1,013,508	141,075	13.92



Power Generation

The Company has installed the most modern state of art power plants at its manufacturing facilities to provide uninterrupted supply of electricity and steam to its textile production processes. Highly efficient power plants with enough capacity enables the management to generate low cost electricity by using the most favorable fuel mix in order to remain competitive in local and international textile markets.

The plan has been finalized for the efficient utilization of already available resources by acquisition of a 3.2 MW steam turbine which will generate electricity from the steam produced by 9MW Combined Heat and Power Plant which is installed at Nishat Dyeing and Finishing unit of the Company. The pressure / temperature of this steam which is presently transmitted to production halls of Dyeing and Home Textile Divisions is very high while steam at low pressure / temperature can fulfill the requirements of these Divisions. Therefore, extra pressure / heat go into waste. The proposed steam turbine will use present high pressure / temperature steam to generate electricity and transmit the steam at low temperature / pressure to production halls. Letter of Credit for the import of the steam turbine will be opened during the first half of November 2018.

Subsidiary Companies and Consolidated Financial Statements

Nishat Power Limited, Nishat Linen (Private) Limited, Nishat Hospitality (Private) Limited, Nishat Commodities (Private) Limited, Lalpir Solar Power (Private) Limited, Nishat USA Inc., Nishat Linen Trading LLC, Nishat International FZE, Nishat Global China Company Limited, Nishat UK (Private) Limited and Concept Garments and Textile Trading FZE form portfolio of subsidiary companies of the Company. Therefore, the Company has annexed consolidated condensed interim financial information in addition to its separate condensed interim financial information, in accordance with the requirements of International Financial Reporting Standards.

Acknowledgement

The Board is pleased about the efforts of the management, staff and workers.

For and on behalf of the Board of Directors



Mian Umer Mansha
Chief Executive Officer



Maqsood Ahmed
Director

26 October 2018
Lahore



Unconsolidated Condensed Interim

Financial Information of Nishat Mills Limited

For the quarter ended 30 September 2018

Unconsolidated Condensed Interim Statement of Financial Position

As at 30 September 2018

	Note	Un-audited 30 September 2018 (Rupees in thousand)	Audited 30 June 2018
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
1,100,000,000 (30 June 2018: 1,100,000,000) ordinary shares of Rupees 10 each		11,000,000	11,000,000
Issued, subscribed and paid-up share capital			
351,599,848 (30 June 2018: 351,599,848) ordinary shares of Rupees 10 each		3,515,999	3,515,999
Reserves		70,844,888	72,197,146
Total equity		74,360,887	75,713,145
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing - secured	5	4,850,821	5,190,839
Deferred income tax liability		571,833	571,833
		5,422,654	5,762,672
CURRENT LIABILITIES			
Trade and other payables		7,995,271	6,416,602
Accrued mark-up		95,916	109,378
Short term borrowings		15,125,870	12,507,590
Current portion of non-current liabilities		2,019,129	2,144,900
Unclaimed dividend		81,587	81,746
		25,317,773	21,260,216
TOTAL LIABILITIES		30,740,427	27,022,888
CONTINGENCIES AND COMMITMENTS	6		
TOTAL EQUITY AND LIABILITIES		105,101,314	102,736,033

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



CHIEF EXECUTIVE OFFICER



	Note	Un-audited 30 September 2018 (Rupees in thousand)	Audited 30 June 2018
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	28,094,226	28,180,049
Investment properties		463,655	464,896
Long term investments		42,350,720	44,757,279
Long term loans		226,391	221,481
Long term deposits		86,586	69,643
		71,221,578	73,693,348
CURRENT ASSETS			
Stores, spare parts and loose tools		2,199,022	1,714,031
Stock in trade		11,862,568	12,243,652
Trade debts		5,653,451	4,029,789
Loans and advances		7,610,994	4,848,088
Short term deposits and prepayments		97,424	90,616
Other receivables		3,650,244	3,420,370
Accrued interest		16,031	9,792
Short term investments		2,700,932	2,581,520
Cash and bank balances		89,070	104,827
		33,879,736	29,042,685
TOTAL ASSETS		105,101,314	102,736,033



DIRECTOR



CHIEF FINANCIAL OFFICER

Unconsolidated Condensed Interim Statement of Profit or Loss

For the quarter ended 30 September 2018 (Un-audited)

	Note	Quarter ended 30 September 2018 (Rupees in thousand)	30 September 2017
REVENUE		14,297,798	12,278,413
COST OF SALES	8	(12,496,205)	(10,995,692)
GROSS PROFIT		1,801,593	1,282,721
DISTRIBUTION COST		(627,592)	(587,821)
ADMINISTRATIVE EXPENSES		(268,070)	(264,069)
OTHER EXPENSES		(56,892)	(33,544)
		(952,554)	(885,434)
		849,039	397,287
OTHER INCOME		511,269	667,569
PROFIT FROM OPERATIONS		1,360,308	1,064,856
FINANCE COST		(212,419)	(215,858)
PROFIT BEFORE TAXATION		1,147,889	848,998
TAXATION		(153,000)	(142,000)
PROFIT AFTER TAXATION		994,889	706,998
EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)	9	2.83	2.01

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER



Unconsolidated Condensed Interim Statement of Comprehensive Income

For the quarter ended 30 September 2018 (Un-audited)

	Quarter ended	
	30 September 2018	30 September 2017
	(Rupees in thousand)	
PROFIT AFTER TAXATION	994,889	706,998
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to profit or loss	-	-
Items that may be reclassified subsequently to profit or loss:		
Deficit arising on remeasurement of available for sale investments to fair value	(2,347,147)	(8,762,032)
Other comprehensive loss for the period	(2,347,147)	(8,762,032)
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD	(1,352,258)	(8,055,034)

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

Unconsolidated Condensed Interim Statement of Changes in Equity

For the quarter ended 30 September 2018 (Un-audited)

	(Rupees in thousand)							
	Share capital	Reserves					Total equity	
		Capital reserves		Revenue reserves				Total
		Premium on issue of right shares	Fair value reserve	Sub total	General reserve	Unappropriated profit		
3,515,999	5,499,530	39,631,520	45,131,050	35,848,028	4,267,719	40,115,747	85,246,797	
-	-	-	-	-	706,998	706,998	706,998	
-	-	(8,762,032)	(8,762,032)	-	-	-	(8,762,032)	
-	-	(8,762,032)	(8,762,032)	-	706,998	706,998	(8,055,034)	
Balance as at 30 June 2017 - Audited	3,515,999	30,869,488	36,369,018	35,848,028	4,974,717	40,822,745	77,191,763	
Transaction with owners- Final dividend for the year ended 30 June 2017 @ Rupees 5.00 per share	-	-	-	-	(1,757,999)	(1,757,999)	(1,757,999)	
Transferred to general reserve	-	-	-	2,504,000	(2,504,000)	-	-	
Profit for the period	-	-	-	-	3,390,129	3,390,129	3,390,129	
Other comprehensive loss for the period	-	(6,626,747)	(6,626,747)	-	-	-	(6,626,747)	
Total comprehensive (loss) / income for the period	-	(6,626,747)	(6,626,747)	-	3,390,129	3,390,129	(3,236,618)	
Balance as at 30 June 2018 - Audited	3,515,999	24,242,741	29,742,271	38,352,028	4,102,847	42,454,875	75,713,145	
Profit for the period	-	-	-	-	994,889	994,889	994,889	
Other comprehensive loss for the period	-	(2,347,147)	(2,347,147)	-	-	-	(2,347,147)	
Total comprehensive (loss) / income for the period	-	(2,347,147)	(2,347,147)	-	994,889	994,889	(1,352,258)	
Balance as at 30 September 2018 - Un-audited	3,515,999	21,895,594	27,395,124	38,352,028	5,097,736	43,449,764	74,360,887	

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



CHIEF EXECUTIVE OFFICER



DIRECTOR

CHIEF FINANCIAL OFFICER



Unconsolidated Condensed Interim Statement of Cash Flows

For the quarter ended 30 September 2018 (Un-audited)

	Note	Quarter ended	
		30 September 2018	30 September 2017
		(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	10	1,238,600	3,444,766
Finance cost paid		(225,881)	(249,343)
Income tax refund received		69,250	84,151
Net exchange difference on forward exchange contracts received / (paid)		1,111	(13,355)
Net decrease / (increase) in long term loans		650	(10,373)
Net (increase) / decrease in long term deposits		(16,943)	34,683
Net cash generated from operating activities		1,066,787	3,290,529
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(567,456)	(756,536)
Proceeds from sale of property, plant and equipment		25,172	11,378
Investments made		(60,000)	(180,285)
Loans and advances to subsidiary companies		(9,423,994)	(7,306,764)
Repayment of loans from subsidiary companies		6,412,277	8,271,597
Interest received		27,064	35,344
Dividends received		352,061	561,322
Net cash (used in) / from investing activities		(3,234,876)	636,056
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		89,437	170,324
Repayment of long term financing		(555,226)	(499,308)
Short term borrowings - net		2,618,280	(3,261,975)
Dividend paid		(159)	(2,138)
Net cash from / (used in) financing activities		2,152,332	(3,593,097)
Net (decrease) / increase in cash and cash equivalents		(15,757)	333,488
Cash and cash equivalents at the beginning of the period		104,827	43,945
Cash and cash equivalents at the end of the period		89,070	377,433

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

Selected Notes to the Unconsolidated Condensed Interim Financial Information

For the quarter ended 30 September 2018 (Un-audited)

1 THE COMPANY AND ITS OPERATIONS

Nishat Mills Limited is a public limited Company incorporated in Pakistan under the Companies Act, 1913 (Now Companies Act, 2017) and listed on Pakistan Stock Exchange Limited. Its registered office is situated at 53-A, Lawrence Road, Lahore. The Company is engaged in the business of textile manufacturing and of spinning, combing, weaving, bleaching, dyeing, printing, stitching, apparel, buying, selling and otherwise dealing in yarn, linen, cloth and other goods and fabrics made from raw cotton, synthetic fibre and cloth, and to generate, accumulate, distribute, supply and sell electricity.

2 BASIS OF PREPARATION

These unconsolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and Provisions of and directives issued under the Companies Act, 2017. Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed. This unconsolidated condensed interim financial information should be read in conjunction with the preceding audited annual published financial statements of the Company for the year ended 30 June 2018.

3 ACCOUNTING POLICIES

The accounting policies and methods of computations adopted for the preparation of this unconsolidated condensed interim financial information are the same as applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended 30 June 2018.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of this unconsolidated condensed interim financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During preparation of this unconsolidated condensed interim financial information, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Company for the year ended 30 June 2018.



	Un-audited 30 September 2018	Audited 30 June 2018
	(Rupees in thousand)	
5 LONG TERM FINANCING - SECURED		
Opening balance	7,335,739	7,338,653
Add: Obtained during the period / year	89,437	2,090,111
Less: Repaid during the period / year	555,226	2,093,025
	6,869,950	7,335,739
Less: Current portion shown under current liabilities	2,019,129	2,144,900
	4,850,821	5,190,839

6 CONTINGENCIES AND COMMITMENTS

a) Contingencies

- i) The Company is contingently liable for Rupees 0.631 million (30 June 2018: Rupees 0.631 million) on account of central excise duty not acknowledged as debt as the case is pending before Court since year 1993.
- ii) Guarantees of Rupees 1,571.588 million (30 June 2018: Rupees 1,531.364 million) are given by the banks of the Company to Sui Northern Gas Pipelines Limited against gas connections, Shell Pakistan Limited and Pakistan State Oil Limited against purchase of furnace oil, Director Excise and Taxation, Karachi against infrastructure cess, Chairman Punjab Revenue Authority, Lahore against infrastructure cess and Government of Punjab against fulfillment of sales orders.
- iii) Post dated cheques of Rupees 5,589.797 million (30 June 2018: Rupees 4,716.276 million) are issued to customs authorities in respect of duties on imported items availed on the basis of consumption and export plans. If documents of exports are not provided on due dates, cheques issued as security shall be encashable.
- iv) On 24 July 2015, the Company has challenged, before Honourable Lahore High Court, Lahore, the vires of clauses (h) and (i) to sub-section (1) of section 8 of the Sales Tax Act, 1990 whereby claim of input sales tax in respect of building materials, electrical and gas appliances, pipes, fittings, wires, cables and ordinary electrical fittings and sanitary fittings have been disallowed. The Honourable Lahore High Court has issued stay order in favour of the Company and has allowed the Company to claim input sales tax paid on such goods in its monthly sales tax returns. Consequently, the Company has claimed input sales tax amounting to Rupees 94.932 million (30 June 2018: Rupees 92.624 million) paid on such goods in its respective monthly sales tax returns. The management, based on advice of the legal counsel, is confident of favorable outcome of its appeal.



Selected Notes to the Unconsolidated Condensed Interim Financial Information

For the quarter ended 30 September 2018 (Un-audited)

- v) On 19 January 2017, the Company has challenged, before Honourable Lahore High Court, Lahore, the vires of first proviso to sub-clause (x) of clause (4) of SRO 491(1)/2016 dated 30 June 2016 issued under sections 3 and 4 read with sections 8 and 71 of the Sales Tax Act, 1990 whereby through amendment in the earlier SRO 1125(1)/2011 dated 31 December 2011 adjustment of input sales tax on packing material of all sorts was disallowed. The Honourable Lahore High Court has issued stay order in favour of the Company. Consequently, the Company has claimed input sales tax amounting to Rupees 157.982 million (30 June 2018: Rupees 157.982 million) paid on packing material in its respective monthly sales tax returns. The management, based on advice of the legal counsel, is confident of favorable outcome of its appeal.

b) Commitments

- i) Contracts for capital expenditure are approximately of Rupees 1,630.268 million (30 June 2018: Rupees 1,609.582 million).
- ii) Letters of credit other than for capital expenditure are of Rupees 444.280 million (30 June 2018: Rupees 1,194.707 million).
- iii) Outstanding foreign currency forward contracts of Rupees 314.470 million (30 June 2018: Rupees 358.060 million).

7 PROPERTY, PLANT AND EQUIPMENT

	Note	Un-audited 30 September 2018 (Rupees in thousand)	Audited 30 June 2018
Operating fixed assets - owned	7.1	25,845,889	26,026,033
Capital work-in-progress	7.2	2,248,337	2,154,016
		28,094,226	28,180,049
7.1 Operating fixed assets - Owned			
Opening book value		26,026,033	23,481,153
Add: Cost of additions during the period / year	7.1.1	473,135	5,097,065
		26,499,168	28,578,218
Less: Book value of deletions during the period / year	7.1.2	27,071	87,643
Less: Book value of assets transferred to investment properties during the year		-	3,272
		26,472,097	28,487,303
Less: Depreciation charged during the period / year		626,208	2,461,270
		25,845,889	26,026,033



Un-audited **Audited**
30 September **30 June**
2018 **2018**
(Rupees in thousand)

7.1.1 Cost of additions

Buildings on freehold land	-	1,950,434
Plant and machinery	443,993	2,802,516
Electric installations	149	175,282
Factory equipment	13,857	16,782
Furniture, fixtures and office equipment	5,239	20,661
Computer equipment	4,171	14,838
Vehicles	5,726	116,552
	473,135	5,097,065

7.1.2 Book value of deletions

Buildings on freehold land	-	1,813
Plant and machinery	21,920	54,441
Electric installations	214	108
Factory equipment	2	-
Furniture, fixtures and office equipment	55	77
Computer equipment	-	220
Vehicles	4,880	30,984
	27,071	87,643

7.2 Capital work-in-progress

Buildings on freehold land	772,303	606,719
Plant and machinery	1,050,626	1,173,073
Electric installations	3,128	-
Unallocated expenses	29,208	21,015
Letters of credit against machinery	1,809	1,824
Advances against purchase of land	360,819	337,555
Advances against furniture, fixtures and office equipment	9,279	1,171
Advances against purchase of vehicles	21,165	12,659
	2,248,337	2,154,016



Selected Notes to the Unconsolidated Condensed Interim Financial Information

For the quarter ended 30 September 2018 (Un-audited)

	Quarter ended	
	30 September 2018	30 September 2017
	(Rupees in thousand)	
8 COST OF SALES		
Raw materials consumed	7,698,069	6,300,890
Processing charges	50,985	53,035
Salaries, wages and other benefits	1,364,605	1,281,200
Staff retirement benefits	41,675	39,292
Stores, spare parts and loose tools consumed	1,316,936	1,075,888
Packing materials consumed	277,434	249,711
Repair and maintenance	70,199	75,906
Fuel and power	1,726,314	1,268,305
Insurance	11,705	11,015
Other factory overheads	135,697	120,215
Depreciation	604,896	542,601
	13,298,515	11,018,058
Work-in-process		
Opening stock	2,022,712	1,992,931
Closing stock	(2,056,449)	(1,923,042)
	(33,737)	69,889
Cost of goods manufactured	13,264,778	11,087,947
Finished goods		
Opening stock	3,229,351	3,295,907
Closing stock	(3,997,924)	(3,388,162)
	(768,573)	(92,255)
	12,496,205	10,995,692

	Quarter ended	
	30 September 2018	30 September 2017
9 EARNINGS PER SHARE - BASIC AND DILUTED		
There is no dilutive effect on the basic earnings per share which is based on:		
Profit attributable to ordinary shareholders (Rupees in thousand)	994,889	706,998
Weighted average number of ordinary shares (Numbers)	351,599,848	351,599,848
Earnings per share (Rupees)	2.83	2.01



	Note	Quarter ended	
		30 September 2018	30 September 2017
(Rupees in thousand)			
10 CASH GENERATED FROM OPERATIONS			
Profit before taxation		1,147,889	848,998
Adjustments for non-cash charges and other items:			
Depreciation		627,449	564,262
Loss / (Gain) on sale of property, plant and equipment		1,899	(4,018)
Dividend income		(352,061)	(561,322)
Net exchange gain		(58,818)	(12,861)
Interest income on loans and advances to subsidiary companies		(33,303)	(32,650)
Finance cost		212,419	215,858
Working capital changes	10.1	(306,874)	2,426,499
		1,238,600	3,444,766
10.1 Working capital changes			
(Increase) / decrease in current assets:			
- Stores, spare parts and loose tools		(484,991)	236,166
- Stock in trade		381,084	1,426,271
- Trade debts		(1,563,356)	171,239
- Loans and advances		21,001	(70,638)
- Short term deposits and prepayments		(6,808)	(2,305)
- Other receivables		(232,197)	340,058
		(1,885,267)	2,100,791
Increase in trade and other payables		1,578,393	325,708
		(306,874)	2,426,499

11 SEGMENT INFORMATION

11.1 The Company has following reportable business segments. The following summary describes the operation in each of the Company's reportable segments:

Spinning Faisalabad (I, II and yarn dyeing) and Feroze Wattwan (I and II):	Producing different qualities of yarn including dyed yarn and sewing thread using natural and artificial fibers.
Weaving Bhikki and Lahore: Dyeing:	Producing different qualities of greige fabric using yarn. Producing dyed fabric using different qualities of greige fabric.
Home Textile:	Manufacturing of home textile articles using processed fabric produced from greige fabric.
Garments I and II:	Manufacturing of garments using processed fabric.
Power Generation:	Generation and distribution of power using gas, oil, steam, coal and biomass.

Transactions among the business segments are recorded at cost. Inter segment sales and purchases have been eliminated from the total.



12 RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

i) Fair value hierarchy

Judgments and estimates are made in determining the fair values of the financial instruments that are recognised and measured at fair value in this unconsolidated condensed interim financial information. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the following three levels. An explanation of each level follows underneath the table.

**Recurring fair value measurements
At 30 September 2018**

	Level 1	Level 2	Level 3	Total
--	---------	---------	---------	-------

(Rupees in thousand)

Financial assets				
Available for sale financial assets	36,551,121	-	4,408,528	40,959,649
Derivative financial assets	-	7,155	-	7,155
Total financial assets	36,551,121	7,155	4,408,528	40,966,804
Financial liabilities				
Derivative financial liabilities	-	817	-	817
Total financial liabilities	-	817	-	817

**Recurring fair value measurements
At 30 June 2018 - Audited**

	Level 1	Level 2	Level 3	Total
--	---------	---------	---------	-------

(Rupees in thousand)

Financial assets				
Available for sale financial assets	38,898,268	-	4,408,528	43,306,796
Derivative financial assets	-	9,478	-	9,478
Total financial assets	38,898,268	9,478	4,408,528	43,316,274
Financial liabilities				
Derivative financial liabilities	-	541	-	541
Total financial liabilities	-	541	-	541

The above table does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the quarter ended 30 September 2018. Further there was no transfer in and out of level 3 measurements.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.



Selected Notes to the Unconsolidated Condensed Interim Financial Information

For the quarter ended 30 September 2018 (Un-audited)

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

ii) Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include the use of quoted market prices or dealer quotes for similar instruments and the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

iii) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the period ended 30 September 2018:

Unlisted equity securities (Rupees in thousand)	
Balance as on 30 June 2017 - Audited	4,806,106
Add: Transfer on loss of control over subsidiary company	180,000
Less: Deficit recognized in other comprehensive income	(757,578)
Balance as on 30 June 2018 - Audited	4,228,528
Add: Surplus recognized in other comprehensive income	-
Balance as on 30 September 2018 - Un-audited	4,228,528

iv) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

Description	Fair value at		Unobservable inputs	Range of inputs (probability-weighted average)	Relationship of unobservable inputs to fair value
	30 September 2018	30 June 2018			
(Rupees in thousand)					

Available for sale financial assets:

Nishat Paper Products Company Limited	466,415	466,415	Revenue growth factor	13.02%	Increase / decrease in revenue growth factor by 0.05% and decrease / increase in discount rate by 1% would increase / decrease fair value by Rupees +100.054 million / - 85.279 million.
			Risk adjusted discount rate	12.16%	
Nishat Dairy (Private) Limited	534,240	534,240	Terminal growth factor	4%	Increase / decrease in terminal growth factor by 1% and decrease / increase in discount rate by 1% would increase / decrease fair value by Rupees +91.440 million / - 65.520 million.
			Risk adjusted discount rate	15.64%	
Security General Insurance Company Limited	924,043	924,043	Net premium revenue growth factor	5.27%	Increase / decrease in net premium revenue growth factor by 0.05% and decrease / increase in discount rate by 1% would increase / decrease fair value by Rupees +63.300 million / - 56.142 million.
			Risk adjusted discount rate	17.50%	
Nishat Hotels and Properties Limited	2,303,830	2,303,830	Terminal growth factor	4%	Increase / decrease in terminal growth factor by 1% and decrease / increase in discount rate by 1% would increase / decrease fair value by Rupees +1,796 million / - 838.532 million.
			Risk adjusted discount rate	9.41%	

There were no significant inter-relationships between unobservable inputs that materially affect fair values.



Valuation processes

Independent valuers perform the valuations of non-property items required for financial reporting purposes, including level 3 fair values. The independent valuers report directly to the Chief Financial Officer. Discussions of valuation processes and results are held between the Chief Financial Officer and the valuation team at least once every six months, in line with the Company's half yearly reporting periods.

The main level 3 inputs used by the Company are derived and evaluated as follows:

Discount rates for financial instruments are determined using a capital asset pricing model to calculate a rate that reflects current market assessments of the time value of money and the risk specific to the asset.

Earnings growth factor for unlisted equity securities are estimated based on market information for similar types of companies.

Changes in level 2 and 3 fair values are analysed at the end of each reporting period during the half yearly valuation discussion between the Chief Financial Officer and the independent valuers. As part of this discussion the independent valuers present a report that explains the reason for the fair value movements.

13 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise subsidiary companies, associated undertakings, other related parties, key management personnel and provident fund trust. The Company in the normal course of business carries out transactions with various related parties. Detail of transactions with related parties are as follows:

	Quarter ended	
	30 September 2018	30 September 2017
	(Rupees in thousand)	
i) Transactions		
Subsidiary companies		
Short term loans made	9,423,994	7,306,764
Repayment of short term loans made	6,412,277	8,271,597
Interest income	33,303	32,650
Rental income	13,499	12,350
Sale of goods and services	1,654,992	1,728,695
Purchase of goods and services	70,090	46,536
Associated companies		
Investment made	60,000	180,285
Purchase of goods and services	11,725	40,533
Sale of goods and services	92	1,247
Rental income	314	526
Dividend income	352,061	561,322
Insurance premium paid	39,771	31,807
Insurance claims received	5,332	5,353
Finance cost	2,380	2,079
Other related parties		
Purchase of goods and services	481,740	388,128
Sale of goods and services	6,334	598
Company's contribution to provident fund trust	55,273	53,176
Remuneration paid to Chief Executive Officer, Director and Executives	177,448	178,037

Selected Notes to the Unconsolidated Condensed Interim Financial Information

For the quarter ended 30 September 2018 (Un-audited)

ii) **Period end balances**

	As at 30 September 2018			Total
	Subsidiary companies	Associated companies	Other related parties	
(Rupees in thousand)				
Trade and other payables	4,155	28,494	76,443	109,092
Accrued markup	-	2,428	-	2,428
Short term borrowings	-	73,712	-	73,712
Long term loans	-	-	112,603	112,603
Trade debts	270,859	3	-	270,862
Loans and advances	6,834,543	-	33,514	6,868,057
Accrued interest	16,031	-	-	16,031
Cash and bank balances	-	2,023	206	2,229

	As at 30 June 2018 (Audited)			Total
	Subsidiary companies	Associated companies	Other related parties	
(Rupees in thousand)				
Trade and other payables	6,209	48,683	9,541	64,433
Accrued markup	-	1,678	-	1,678
Short term borrowings	-	145,342	-	145,342
Long term loans	-	-	109,686	109,686
Trade debts	1,389,274	-	-	1,389,274
Loans and advances	3,822,826	-	44,731	3,867,557
Accrued interest	9,792	-	-	9,792
Cash and bank balances	-	56,650	117	56,767

14 FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the Company for the year ended 30 June 2018.

15 DATE OF AUTHORIZATION FOR ISSUE

This unconsolidated condensed interim financial information was approved by the Board of Directors and authorized for issue on 26 October 2018.

16 CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting", the unconsolidated condensed interim financial position and unconsolidated condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding financial year, whereas, the unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income and unconsolidated condensed interim statement of cash flows have been compared with the balances of comparable period of immediately preceding financial year.

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However, no significant re-arrangements have been made.

17 GENERAL

Figures have been rounded off to the nearest thousand of Rupees unless otherwise stated.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER



Consolidated Condensed Interim

**Financial Information of Nishat Mills Limited
and its Subsidiaries**

For the quarter ended 30 September 2018

Consolidated Condensed Interim Statement of Financial Position

As at 30 September 2018

	Note	Un-audited 30 September 2018 (Rupees in thousand)	Audited 30 June 2018
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
1,100,000,000 (30 June 2018: 1,100,000,000) ordinary shares of Rupees 10 each		11,000,000	11,000,000
Issued, subscribed and paid-up share capital			
351,599,848 (30 June 2018: 351,599,848) ordinary shares of Rupees 10 each		3,515,999	3,515,999
Reserves		90,136,065	88,084,666
Equity attributable to equity holders of the Holding Company		93,652,064	91,600,665
Non-controlling interest		8,516,667	8,034,658
Total equity		102,168,731	99,635,323
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing - secured	6	7,328,851	8,232,086
Long term security deposits		200,480	193,510
Retirement benefit obligation		12,126	12,244
Deferred liability - accumulating compensated absences		2,257	2,447
Deferred income tax liability		2,514,682	2,484,368
		10,058,396	10,924,655
CURRENT LIABILITIES			
Trade and other payables		9,478,762	7,798,486
Accrued mark-up		304,529	291,864
Short term borrowings		20,739,096	17,086,481
Current portion of non-current liabilities		4,150,480	4,197,526
Unclaimed dividend		96,917	96,747
		34,769,784	29,471,104
TOTAL LIABILITIES		44,828,180	40,395,759
CONTINGENCIES AND COMMITMENTS	7		
TOTAL EQUITY AND LIABILITIES		146,996,911	140,031,082

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



CHIEF EXECUTIVE OFFICER



	Note	Un-audited 30 September 2018 (Rupees in thousand)	Audited 30 June 2018
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	41,086,747	41,268,747
Intangible assets		8,715	10,477
Long term investments		52,460,074	51,825,352
Long term loans		256,910	248,711
Long term deposits		185,062	163,387
		93,997,508	93,516,674
CURRENT ASSETS			
Stores, spare parts and loose tools		3,064,616	2,678,108
Stock-in-trade		19,592,470	18,102,550
Trade debts		20,981,083	16,225,912
Loans and advances		1,027,554	1,171,546
Short term deposits and prepayments		353,190	284,609
Other receivables		4,585,968	4,637,441
Accrued interest		708	1,034
Short term investments		2,700,932	2,581,520
Cash and bank balances		692,882	831,688
		52,999,403	46,514,408
TOTAL ASSETS		146,996,911	140,031,082



DIRECTOR



CHIEF FINANCIAL OFFICER

Consolidated Condensed Interim Statement of Profit or Loss

For the quarter ended 30 September 2018 (Un-audited)

		Quarter ended	
		30 September 2018	30 September 2017
	Note	(Rupees in thousand)	
REVENUE		23,311,732	19,958,131
COST OF SALES	9	(19,572,819)	(16,647,526)
GROSS PROFIT		3,738,913	3,310,605
DISTRIBUTION COST		(1,232,454)	(1,188,641)
ADMINISTRATIVE EXPENSES		(433,529)	(418,040)
OTHER EXPENSES		(57,373)	(46,082)
		(1,723,356)	(1,652,763)
		2,015,557	1,657,842
OTHER INCOME		500,056	412,506
PROFIT FROM OPERATIONS		2,515,613	2,070,348
FINANCE COST		(442,793)	(407,972)
		2,072,820	1,662,376
SHARE OF PROFIT FROM ASSOCIATES		189,778	714,175
PROFIT BEFORE TAXATION		2,262,598	2,376,551
TAXATION		(242,857)	(301,343)
PROFIT AFTER TAXATION		2,019,741	2,075,208
SHARE OF PROFIT ATTRIBUTABLE TO:			
EQUITY HOLDERS OF HOLDING COMPANY		1,537,732	1,654,837
NON-CONTROLLING INTEREST		482,009	420,371
		2,019,741	2,075,208
EARNINGS PER SHARE- BASIC AND DILUTED (RUPEES)	10	4.37	4.71

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER



Consolidated Condensed Interim Statement of Comprehensive Income

For the quarter ended 30 September 2018 (Un-audited)

	Quarter ended	
	30 September 2018	30 September 2017
	(Rupees in thousand)	
PROFIT AFTER TAXATION	2,019,741	2,075,208
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to profit or loss	-	-
Items that may be reclassified subsequently to profit or loss:		
Surplus / (Deficit) arising on remeasurement of available for sale investments	421,797	(7,005)
Share of other comprehensive income / (loss) of associates	82,559	(210,068)
Exchange differences on translating foreign operations	9,311	2,067
Other comprehensive income / (loss) for the period	513,667	(215,006)
	513,667	(215,006)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	2,533,408	1,860,202
SHARE OF TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
Equity holders of holding company	2,051,399	1,439,831
Non-controlling interest	482,009	420,371
	2,533,408	1,860,202

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

Consolidated Condensed Interim Statement of Changes in Equity

For the quarter ended 30 September 2018 (Un-audited)

Attributable to equity holders of the holding company											Total equity		
Share capital	Capital reserves			Revenue reserves			Shareholders' equity	Non-controlling interest	Total equity				
	Premium on issue of right shares	Fair value reserve	Exchange translation reserve	Statutory reserve	Capital redemption reserve fund	Sub total				General Reserve		Unappropriated Profit	Sub Total
(Rupees in thousand)													
Balance as at 30 June 2017 - Audited	5,499,530	16,356,684	3,539	371	111,002	21,971,126	56,343,882	6,316,151	62,660,033	84,631,159	88,147,158	6,808,446	94,955,604
Change in ownership interest in subsidiary company	-	-	-	-	-	-	-	-	-	-	-	16,751	16,751
Loss of control over subsidiary company	-	-	-	-	-	-	-	-	-	-	-	2,196	2,196
Profit for the period	-	-	-	-	-	-	-	1,654,837	1,654,837	1,654,837	1,654,837	420,371	2,075,208
Other comprehensive (loss) / income for the period	-	(217,073)	2,067	-	-	(215,006)	-	-	-	(215,006)	(215,006)	-	(215,006)
Total comprehensive (loss) / income for the period	-	(217,073)	2,067	-	-	(215,006)	-	1,654,837	1,654,837	1,439,831	1,439,831	420,371	1,860,202
Balance as at 30 September 2017 - Un-audited	5,499,530	16,139,611	5,606	371	111,002	21,756,120	56,343,882	7,970,988	64,314,870	86,070,990	89,566,989	7,247,764	96,834,753
Transaction with owners - Final dividend for the year ended 30 June 2017 @ Rupees 5.00 per share	-	-	-	-	-	-	-	(1,757,999)	(1,757,999)	(1,757,999)	(1,757,999)	-	(1,757,999)
Loss of control over subsidiary company	-	-	-	-	-	-	-	-	-	-	-	10	10
Transferred to general reserve	-	-	-	-	-	-	4,412,000	(4,412,000)	-	-	-	-	-
Transferred to statutory reserve	-	-	-	464	-	464	-	(464)	(464)	-	-	-	-
Transaction with owners - Dividend relating to year 2017 paid to non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	(346,912)	(346,912)
Profit for the period	-	-	-	-	-	-	-	5,631,802	5,631,802	5,631,802	5,631,802	1,133,796	6,765,598
Other comprehensive (loss) / income for the period	-	(1,896,416)	54,968	-	-	(1,841,848)	-	(18,279)	(18,279)	(1,860,127)	(1,860,127)	-	(1,860,127)
Total comprehensive (loss) / income for the period	-	(1,896,416)	54,968	-	-	(1,841,848)	-	5,613,523	5,613,523	3,771,675	3,771,675	1,133,796	4,905,471
Balance as at 30 June 2018 - Audited	5,499,530	14,243,195	60,774	835	111,002	19,914,736	60,755,882	7,414,048	68,169,930	88,084,686	91,600,685	8,034,658	99,635,323
Profit for the period	-	-	-	-	-	-	-	1,537,732	1,537,732	1,537,732	1,537,732	482,009	2,019,741
Other comprehensive income / (loss) for the period	-	504,356	9,311	-	-	513,667	-	-	-	513,667	513,667	-	513,667
Total comprehensive income / (loss) for the period	-	504,356	9,311	-	-	513,667	-	1,537,732	1,537,732	2,051,399	2,051,399	482,009	2,533,408
Balance as at 30 September 2018 - Un-audited	5,499,530	14,747,551	69,485	835	111,002	20,428,403	60,755,882	8,951,780	69,707,682	90,136,085	93,652,084	8,516,667	102,168,731

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER



Consolidated Condensed Interim Statement of Cash Flows

For the quarter ended 30 September 2018 (Un-audited)

	Note	Quarter ended	
		30 September 2018	30 September 2017
		(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	11	(1,972,781)	4,720,699
Finance cost paid		(430,128)	(451,750)
Income tax refund received		16,923	41,601
Long term security deposits received		6,970	-
Net exchange difference on forward exchange contracts received / (paid)		1,111	(13,355)
Net (decrease) / increase in retirement benefit obligation		(118)	810
Net increase in long term loans		(3,228)	(9,243)
Net (increase) / decrease in long term deposits		(21,675)	33,406
Net cash (used in) / generated from operating activities		(2,402,926)	4,322,168
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		26,405	11,412
Dividends received		352,061	561,322
Interest received		1,145	1,805
Investments made		(60,000)	(180,285)
Capital expenditure on property, plant and equipment		(766,958)	(795,485)
Net cash used in investing activities		(447,347)	(401,231)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		89,437	170,324
Repayment of long term financing		(1,039,718)	(1,348,956)
Exchange differences on translation of net investments in foreign subsidiaries		9,311	2,067
Short term borrowings - net		3,652,615	(2,426,641)
Dividend paid		(178)	(2,179)
Net cash generated from / (used in) financing activities		2,711,467	(3,605,385)
Net (decrease) / increase in cash and cash equivalents		(138,806)	315,552
Cash and cash equivalents at the beginning of the period		831,688	587,917
Cash and cash equivalents at the end of the period		692,882	903,469

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

Selected Notes to the Consolidated Condensed Interim Financial Information

For the quarter ended 30 September 2018 (Un-audited)

1 THE GROUP AND ITS OPERATIONS

The Group consists of:

Holding Company

-Nishat Mills Limited

Subsidiary Companies

- Nishat Power Limited
- Nishat Linen (Private) Limited
- Nishat Hospitality (Private) Limited
- Nishat USA, Inc.
- Nishat Linen Trading LLC
- Nishat International FZE
- Nishat Global China Company Limited
- Nishat UK (Private) Limited
- Nishat Commodities (Private) Limited
- Lalpir Solar Power (Private) Limited
- Concept Garments and Textile Trading FZE

NISHAT MILLS LIMITED

Nishat Mills Limited is a public limited Company incorporated in Pakistan under the Companies Act, 1913 (Now Companies Act, 2017) and listed on Pakistan Stock Exchange Limited. Its registered office is situated at 53-A, Lawrence Road, Lahore. The Company is engaged in the business of textile manufacturing and of spinning, combing, weaving, bleaching, dyeing, printing, stitching, apparel, buying, selling and otherwise dealing in yarn, linen, cloth and other goods and fabrics made from raw cotton, synthetic fibre and cloth and to generate, accumulate, distribute, supply and sell electricity.

NISHAT POWER LIMITED

Nishat Power Limited is a public limited Company incorporated in Pakistan under the repealed Companies Ordinance, 1984 (Now Companies Act, 2017) and listed on Pakistan Stock Exchange Limited. The Company is a subsidiary of Nishat Mills Limited. The principal activity of the Company is to build, own, operate and maintain a fuel fired power station having gross capacity of 200 MW ISO in Jamber Kalan, Tehsil Pattoki, District Kasur, Punjab, Pakistan. Its registered office is situated at 53-A, Lawrence Road, Lahore. Ownership interest held by non-controlling interests in Nishat Power Limited is 48.99% (30 June 2018: 48.99%)

NISHAT LINEN (PRIVATE) LIMITED

Nishat Linen (Private) Limited, a wholly owned subsidiary of Nishat Mills Limited, is a private limited company incorporated in Pakistan under the repealed Companies Ordinance, 1984 (Now Companies Act, 2017) on 15 March 2011. The registered office of Nishat Linen (Private) Limited is situated at 7-Main Gulberg, Lahore. The principal objects of the Company are to operate retail outlets for sale of textile and other products and to sale the textile products by processing the textile goods in own and outside manufacturing facility.

NISHAT HOSPITALITY (PRIVATE) LIMITED

Nishat Hospitality (Private) Limited, a wholly owned subsidiary of Nishat Mills Limited, is a private



limited company incorporated in Pakistan under the repealed Companies Ordinance, 1984 (Now Companies Act, 2017) on 01 July 2011. The registered office of Nishat Hospitality (Private) Limited is situated at 1-B Aziz Avenue, Canal Bank, Gulberg-V, Lahore. The principal activity of the Company is to carry on the business of hotels, cafes, restaurants and lodging or apartment houses, bakers and confectioners in Pakistan and outside Pakistan.

NISHAT USA, INC.

Nishat USA, Inc. is a foreign subsidiary incorporated under the Business Corporation Laws of the State of New York. The registered office of Nishat USA, Inc. is situated at 676 Broadway, New York, NY 10012, U.S.A. The principal business of the Subsidiary Company is to provide marketing services to Nishat Mills Limited - Holding Company. Nishat Mills Limited acquired 100% shareholding of Nishat USA, Inc. on 01 October 2008.

NISHAT LINEN TRADING LLC

Nishat Linen Trading LLC is a limited liability company formed in pursuance to statutory provisions of the United Arab Emirates (UAE) Federal Law No. (8) of 1984 as amended and registered with the Department of Economic Development, Government of Dubai. Nishat Linen Trading LLC is a subsidiary of Nishat Mills Limited as Nishat Mills Limited, through the powers given to it under Article 11 of the Memorandum of Association, exercise full control on the management of Nishat Linen Trading LLC. Date of incorporation of the Company was 29 December 2010. The registered office of Nishat Linen Trading LLC is situated at P.O. Box 28189 Dubai, UAE. The principal business of Nishat Linen Trading LLC is to operate retail outlets in UAE for sale of textile and related products. The registered address of Nishat Linen Trading LLC in U.A.E. is located at Shop No. SC 128, Dubai Festival City, P.O. Box 28189 Dubai, United Arab Emirates.

NISHAT INTERNATIONAL FZE

Nishat International FZE is incorporated as free zone establishment with limited liability in accordance with the Law No. 9 of 1992 and Licensed by the Registrar of Jabel Ali Free Zone Authority. Nishat International FZE is a wholly owned subsidiary of Nishat Mills Limited. Date of incorporation of the Company was 07 February 2013. The registered office of Nishat International FZE is situated at P.O. Box 114622, Jabel Ali Free Zone, Dubai. The principal business of the Company is trading in textile and related products.

NISHAT GLOBAL CHINA COMPANY LIMITED

Nishat Global China Company Limited is a Company incorporated in People's Republic of China on 25 November 2013. It is a wholly owned subsidiary of Nishat International FZE which is a wholly owned subsidiary of Nishat Mills Limited. The primary function of Nishat Global China Company Limited is to competitively source products for the retail outlets operated by Group companies in Pakistan and the UAE. The registered office of Nishat Global China Company Limited is situated at N801, No. 371-375 East Huanshi Road, Yuexiu District, Guangzhou City, China.

NISHAT UK (PRIVATE) LIMITED

Nishat UK (Private) Limited is a private limited Company incorporated in England and Wales on 8 June 2015. It is a wholly owned subsidiary of Nishat International FZE which is a wholly owned subsidiary of Nishat Mills Limited. The primary function of Nishat UK (Private) Limited is sale of textile and related products in England and Wales through retail outlets and wholesale operations. The registered office of Nishat UK (Private) Limited is situated at 71 Queen Victoria Street, London EC4V 4BE.



Selected Notes to the Consolidated Condensed Interim Financial Information

For the quarter ended 30 September 2018 (Un-audited)

NISHAT COMMODITIES (PRIVATE) LIMITED

Nishat Commodities (Private) Limited is a private limited Company incorporated in Pakistan on 16 July 2015 under the repealed Companies Ordinance, 1984 (Now Companies Act, 2017). It is a wholly owned subsidiary of Nishat Mills Limited. Its registered office is situated at 53-A, Lawrence Road, Lahore. The principal objects of the Company are to carry on the business of trading of commodities including fuels, coals, building material in any form or shape manufactured, semi-manufactured, raw materials and their import and sale in Pakistan.

LALPIR SOLAR POWER (PRIVATE) LIMITED

Lalpir Solar Power (Private) Limited is a private limited Company incorporated in Pakistan on 09 November 2015 under the repealed Companies Ordinance, 1984 (Now Companies Act, 2017). It is a wholly owned subsidiary of Nishat Power limited which is a subsidiary of Nishat Mills Limited. Its registered office is situated at 53-A, Lawrence Road, Lahore. The principal activity of the company will be to build, own, operate and maintain or invest in a solar power project.

CONCEPT GARMENTS AND TEXTILE TRADING FZE

Concept Garments and Textile Trading FZE is incorporated as a free zone establishment with limited liability in accordance with the Law No. 9 of 1992 and licensed by the Registrar of Jabel Ali Free Zone Authority. It is a wholly owned subsidiary of Nishat International FZE which is a wholly owned subsidiary of Nishat Mills Limited. Date of incorporation of the Company was 11 October 2016. The registered office of Concept Garments and Textile Trading FZE is situated at Jabel Ali Free Zone, Dubai. The principal business of the Company is trading in readymade garments and textile products.

2 BASIS OF PREPARATION

These consolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and Provisions of and directives issued under the Companies Act, 2017. Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed. This consolidated condensed interim financial information should be read in conjunction with the preceding audited annual published consolidated financial statements of the Group for the year ended 30 June 2018.

3 ACCOUNTING POLICIES

The accounting policies and methods of computations adopted for the preparation of this consolidated condensed interim financial information are the same as applied in the preparation of the preceding audited annual published consolidated financial statements of the Group for the year ended 30 June 2018.



4 CONSOLIDATION

a) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The assets and liabilities of Subsidiary Companies have been consolidated on a line by line basis and carrying value of investments held by the Holding Company is eliminated against Holding Company's share in paid up capital of the Subsidiary Companies.

Intragroup balances and transactions have been eliminated.

Non-controlling interests are that part of net results of the operations and of net assets of Subsidiary Companies attributable to interest which are not owned by the Holding Company. Non-controlling interests are presented as separate item in the consolidated financial statements.

b) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

Investments in equity method accounted for associates are tested for impairment in accordance with the provision of IAS 36 'Impairment of Assets'.



Selected Notes to the Consolidated Condensed Interim Financial Information

For the quarter ended 30 September 2018 (Un-audited)

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of this consolidated condensed interim financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During preparation of this consolidated condensed interim financial information, the significant judgments made by the management in applying the accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published consolidated financial statements of the Group for the year ended 30 June 2018.

	Un-audited 30 September 2018	Audited 30 June 2018
	(Rupees in thousand)	
6 LONG TERM FINANCING - SECURED		
Opening balance	12,429,612	14,198,137
Add: Obtained during the period / year	89,437	2,090,111
Less: Repaid during the period / year	1,039,752	3,858,920
Add: Currency translation	34	284
	11,479,331	12,429,612
Less: Current portion shown under current liabilities	4,150,480	4,197,526
	7,328,851	8,232,086

7 CONTINGENCIES AND COMMITMENTS

a) Contingencies

- i) Nishat Mills Limited - Holding Company is contingently liable for Rupees 0.631 million (30 June 2018: Rupees 0.631 million) on account of central excise duty not acknowledged as debt as the case is pending before Court since year 1993.
- ii) Guarantees of Rupees 1,571.588 million (30 June 2018: Rupees 1,531.364 million) are given by the banks of Nishat Mills Limited - Holding Company to Sui Northern Gas Pipelines Limited against gas connections, Shell Pakistan Limited and Pakistan State Oil Limited against purchase of furnace oil, Director Excise and Taxation, Karachi against infrastructure cess, Chairman Punjab Revenue Authority, Lahore against infrastructure cess and Government of Punjab against fulfillment of sales orders.
- iii) Post dated cheques of Rupees 5,589.797 million (30 June 2018: Rupees 4,716.276 million) are issued by Nishat Mills Limited - Holding Company to customs authorities in respect of duties on imported items availed on the basis of consumption and export plans. If documents of exports are not provided on due dates, cheques issued as



security shall be encashable.

- iv) On 24 July 2015, the Holding Company has challenged, before Honourable Lahore High Court, Lahore, the vires of clauses (h) and (i) to sub-section (1) of section 8 of the Sales Tax Act, 1990 whereby claim of input sales tax in respect of building materials, electrical and gas appliances, pipes, fittings, wires, cables and ordinary electrical fittings and sanitary fittings have been disallowed. The Honourable Lahore High Court has issued stay order in favour of the Holding Company and has allowed the Holding Company to claim input sales tax paid on such goods in its monthly sales tax returns. Consequently, the Holding Company has claimed input sales tax amounting to Rupees 94.932 million (30 June 2018: Rupees 92.624 million) paid on such goods in its respective monthly sales tax returns. The management of the Holding Company, based on advice of the legal counsel, is confident of favorable outcome of its appeal.
- v) On 19 January 2017, the Holding Company has challenged, before Honourable Lahore High Court, Lahore, the vires of first proviso to sub-clause (x) of clause (4) of SRO 491(1)/2016 dated 30 June 2016 issued under sections 3 and 4 read with sections 8 and 71 of the Sales Tax Act, 1990 whereby through amendment in the earlier SRO 1125(I)/2011 dated 31 December 2011 adjustment of input sales tax on packing material of all sorts was disallowed. The Honourable Lahore High Court has issued stay order in favour of the Holding Company. Consequently, the Holding Company has claimed input sales tax amounting to Rupees 157.982 million (30 June 2018: Rupees 157.982 million) paid on packing material in its respective monthly sales tax returns. The management of the Holding Company, based on advice of the legal counsel, is confident of favorable outcome of its appeal.
- vi) Holding Company's share in contingencies of associates accounted for under equity method is Rupees 6,084 million (30 June 2018: Rupees 6,075 million).
- vii) In financial year 2014, a sales tax demand of Rupees 1,218.132 million was raised against Nishat Power Limited - Subsidiary Company through order dated 11 December 2013, passed by the Assistant Commissioner Inland Revenue ('ACIR') disallowing input sales tax for the tax periods of July 2010 through June 2012. The disallowance was primarily made on the grounds that since revenue derived by the Subsidiary Company on account of 'capacity purchase price' was not chargeable to sales tax, input sales tax claimed by the Subsidiary Company was required to be apportioned with only the input sales tax attributable to other revenue stream i.e. 'energy purchase price' admissible to the Subsidiary Company. Upon appeal before Commissioner Inland Revenue (Appeals) ['CIR(A)'], such issue was decided in Subsidiary Company's favour, however, certain other issues agitated by the Subsidiary Company were not adjudicated. Both the Subsidiary Company and department have filed appeals against the order of CIR(A) before Appellate Tribunal Inland Revenue ('ATIR'), which have not been adjudicated.

Subsequently, the above explained issue was taken up by department for tax periods of July 2009 to June 2013 (involving input sales tax of Rupees 1,722.811 million), however, the Subsidiary Company assailed the underlying proceedings before Lahore High Court ('LHC') directly and in this respect, through order dated 31 October 2016, LHC accepted the Subsidiary Company's stance and annulled the proceedings. The



Selected Notes to the Consolidated Condensed Interim Financial Information

For the quarter ended 30 September 2018 (Un-audited)

department has challenged the decision of LHC before Supreme Court of Pakistan and has also preferred an Intra Court Appeal against such order which are pending adjudication.

Similarly, for financial year 2014, Subsidiary Company's case was selected for 'audit' and such issue again formed the core of audit proceedings (involving input sales tax of Rupees 596.091 million). Subsidiary Company challenged the jurisdiction in respect of audit proceedings before LHC and while LHC directed the management to join the subject proceedings, department was debarred from passing the adjudication order and thus such litigation too is pending as of now.

Since, the issue has already been decided in Subsidiary Company's favour on merits by LHC, no provision on these accounts has been made in this consolidated condensed interim financial information.

- viii) The banks have issued the following on behalf of Nishat Power Limited - Subsidiary Company:
- a) Letter of guarantee of Rupees 11 million (30 June 2018: Rupees 11 million) in favour of Director Excise and Taxation, Karachi, under direction of Sindh High Court in respect of suit filed for levy of infrastructure cess.
 - b) Letters of guarantee of Rupees 100.198 million (30 June 2018: Rupees 190.484 million) in favour of fuel suppliers.
 - c) Letter of guarantee of Rupees 1.5 million (30 June 2018: Rupees 1.5 million) in favour of Punjab Revenue Authority, Lahore.
- ix) Nishat Hospitality (Private) Limited - Subsidiary Company has issued letter of guarantees of Rs 1.085 million (30 June 2018: Rs 1.085 million) in favour of Director, Excise and Taxation, Karachi under the order of Sindh High Court in respect of the suit filed for levy of infrastructure cess.
- x) Guarantees of Rupees 72.481 million (30 June 2018: Rupees 62.481 million) are given by Nishat Linen (Private) Limited - Subsidiary Company to Director Excise and Taxation, Karachi against infrastructure cess, Chairman Punjab Revenue Authority, Lahore against infrastructure cess and Collectors of Customs against import consignments.
- xi) Nishat Linen (Private) Limited - Subsidiary Company has challenged, before Honourable Lahore High Court, Lahore, the vires of clauses (h) and (i) to sub-section (1) of section 8 of the Sales Tax Act, 1990 whereby claim of input sales tax in respect of building materials, electrical and gas appliances, pipes, fittings, wires, cables and ordinary electrical fittings and sanitary fittings have been disallowed. The Honourable Lahore High Court has issued stay order in favour of the Subsidiary Company and has allowed the Subsidiary Company to claim input sales tax paid on such goods in its monthly sales tax returns. Consequently, the Subsidiary Company has claimed input sales tax amounting to Rupees 3.607 million (30 June 2018: Rupees 3.464 million) paid on such goods in its respective monthly sales tax returns.



- xii) Through orders, the deemed assessments for tax years 2016, 2015, 2014, 2013 and 2012 were amended by Additional Commissioner Inland Revenue (ACIR) and Commissioner Inland Revenue (CIR) under section 122(5A) of the Income Tax Ordinance, 2001. Nishat Linen (Private) Limited - Subsidiary Company's appeals before Commissioner Inland Revenue [CIR(A)] were successful except for the legal issue of treating the Subsidiary Company as a manufacturer with relation to toll-manufactured goods. Appeals on this point have been filed before the Appellate Tribunal Inland Revenue which are pending adjudication. The Subsidiary Company is confident of favorable outcome of its appeals based on advice of the tax advisor and has carry forward minimum tax paid in tax years 2016, 2015 and 2014.
- xiii) Through notice dated 25 January 2018, issued by the Deputy Commissioner Inland Revenue (DCIR) under sections 161/205 of the Ordinance, Nishat Linen (Private) Limited - Subsidiary Company had been called upon to demonstrate its compliance with various withholding provisions of the Income Tax Ordinance, 2001. The subject proceedings have been finalized through order dated 03 August 2018, whereby, aggregate default amounting to Rupees 2.551 million has been adjudged against the Subsidiary Company. Appeal against the subject order has been filed before the learned CIR(A) on 28 August 2018 which is pending adjudication.
- xiv) Bank guarantee of Rupees 1.9 million (30 June 2018: Rupees 1.9 million) is given by the bank of Nishat Commodities (Private) Limited - Subsidiary Company in favour of Director, Excise and Taxation to cover the disputed amount of infrastructure cess.

b) Contingent asset

During the year on August 07, 2017, Nishat Power Limited - Subsidiary Company instituted arbitration proceedings against NTDC/Government of Pakistan by filing a Request for Arbitration ('RFA') with the London Court of International Arbitration ('LCIA') (the 'Arbitration Proceedings') for disallowing an amount of Rs 1,084.748 million relating to delayed payment charges on outstanding delayed payment invoices. The Subsidiary Company believes it is entitled to claim delayed payment charges on outstanding delayed payments receivables from NTDC as per terms of the PPA. However, NTDC has denied this liability and objected on the maintainability of the Arbitration Proceedings, terming it against the PPA and refused to pay delayed payment charges on outstanding delayed payments receivables.

The LCIA appointed a sole Arbitrator and a hearing was also held in March 2018. Subsequent to year end 30 June 2018, the Arbitrator has issued Partial Final Award in which he has rejected the NTDC's objection to the maintainability of the Arbitration Proceedings.

While the Arbitration Proceedings on merits of the case are underway, Subsidiary Company has submitted the Partial Final Award before LHC and obtained interim relief from honorable LHC, whereby, LHC has restrained NTDC from taking steps for delaying the arbitration proceedings and challenging the award in Civil Courts of Pakistan. As the above amount is disputed, therefore, on prudence basis, the Subsidiary Company has not accounted for these amounts as receivable in this consolidated condensed interim financial information.



Selected Notes to the Consolidated Condensed Interim Financial Information

For the quarter ended 30 September 2018 (Un-audited)

c) Commitments

- i) Contracts for capital expenditure of the Group are approximately of Rupees 1,718.139 million (30 June 2018: Rupees 1,650.464 million).
- ii) Letters of credit other than for capital expenditure of the Group are of Rupees 1,005.425 million (30 June 2018: Rupees 1,415.120 million).
- iii) Outstanding foreign currency forward contracts of Rupees 314.470 million (30 June 2018: Rupees 358.060 million).
- iv) The amount of future payments under operating lease and the period in which these payments will become due from Nishat Power Limited - Subsidiary Company are as follows:

	Note	Un-audited 30 September 2018 (Rupees in thousand)	Audited 30 June 2018
Not later than one year		3,894	3,894
Later than one year and not later than five years		-	-
		3,894	3,894

8 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets - owned	8.1	38,473,355	38,812,949
Capital work in progress	8.2	2,429,024	2,262,971
Major spare parts and standby equipments		184,368	192,827
		41,086,747	41,268,747

8.1 Operating fixed assets- Owned

Opening book value		38,812,949	37,204,401
Add: Cost of additions during the period / year	8.1.1	606,946	5,310,421
		39,419,895	42,514,822
Less: Book value of deletions during the period / year	8.1.2	27,855	88,691
		39,392,040	42,426,131
Less: Depreciation charged for the period / year		921,103	3,629,102
Add: Currency translation		2,418	15,920
		38,473,355	38,812,949



	Un-audited 30 September 2018 (Rupees in thousand)	Audited 30 June 2018
8.1.1 Cost of additions		
Freehold land	-	1,360
Buildings on freehold land	1,003	1,962,685
Plant and machinery	551,948	2,927,135
Electric installations	8,066	180,715
Factory equipment	13,951	16,853
Furniture, fixtures and office equipment	16,466	50,974
Computer equipment	5,843	31,013
Vehicles	9,669	138,282
Kitchen equipment and crockery items	-	1,404
	606,946	5,310,421
8.1.2 Book value of deletions		
Buildings on freehold land	-	1,813
Plant and machinery	21,920	54,441
Electric installations	214	108
Factory equipment	2	-
Furniture, fixtures and office equipment	55	77
Computer equipment	62	220
Vehicles	5,602	32,032
	27,855	88,691
8.2 Capital work-in-progress		
Buildings on freehold land	905,032	701,619
Plant and machinery	1,051,172	1,173,618
Electric installations	8,858	-
Unallocated expenses	34,396	26,203
Letters of credit against machinery	1,809	1,824
Advance against purchase of land	360,819	337,555
Advances against furniture and office equipment	10,779	2,822
Advances against vehicles	56,159	19,330
	2,429,024	2,262,971



Selected Notes to the Consolidated Condensed Interim Financial Information

For the quarter ended 30 September 2018 (Un-audited)

	Quarter ended	
	30 September 2018	30 September 2017
	(Rupees in thousand)	
9 COST OF SALES		
Raw materials consumed	13,920,801	11,477,391
Processing charges	114,715	117,624
Salaries, wages and other benefits	1,588,330	1,480,415
Staff retirement benefits	41,675	39,292
Stores, spare parts and loose tools consumed	1,417,747	1,142,431
Packing materials consumed	304,542	279,313
Repair and maintenance	83,713	86,453
Fuel and power	1,739,470	1,278,612
Insurance	64,861	53,538
Royalty	2,967	3,450
Other factory overheads	188,129	157,133
Depreciation and amortization	878,495	817,441
	20,345,445	16,933,093
Work-in-process		
Opening stock	2,517,792	2,610,154
Closing stock	(2,633,108)	(2,457,098)
	(115,316)	153,056
Cost of goods manufactured	20,230,129	17,086,149
Finished goods		
Opening stock	5,495,485	5,045,917
Closing stock	(6,152,795)	(5,484,540)
	(657,310)	(438,623)
	19,572,819	16,647,526

	Quarter ended	
	30 September 2018	30 September 2017
10 EARNINGS PER SHARE - BASIC AND DILUTED		
There is no dilutive effect on the basic earnings per share which is based on:		
Profit attributable to ordinary shareholders of Holding Company (Rupees in thousand)	1,537,732	1,654,837
Weighted average number of ordinary shares of Holding Company (Numbers)	351,599,848	351,599,848
Earnings per share (Rupees)	4.37	4.71



Quarter ended
30 September 30 September
2018 2017
(Rupees in thousand)

	Note	30 September 2018	30 September 2017
11 CASH GENERATED FROM OPERATIONS			
Profit before taxation		2,262,598	2,376,551
Adjustments for non-cash charges and other items:			
Depreciation and amortization		922,865	859,241
Loss / (Gain) on sale of property, plant and equipment		1,450	(4,047)
Dividend income		(352,061)	(349,405)
Profit on deposits with banks		(471)	(1,693)
Share of profit from associates		(189,778)	(714,175)
Reversal of provision for accumulated compensated absences		(190)	(215)
Change in ownership interest in subsidiary company		-	18,947
Net exchange gain		(58,412)	(10,381)
Finance cost		442,793	407,972
Working capital changes	11.1	(5,001,575)	2,137,904
		(1,972,781)	4,720,699
11.1 Working capital changes			
(Increase) / decrease in current assets:			
- Stores, spare parts and loose tools		(386,508)	79,394
- Stock in trade		(1,489,920)	864,198
- Trade debts		(4,695,271)	(222,251)
- Loans and advances		(90,445)	38,215
- Short term deposits and prepayments		(68,581)	(42,647)
- Other receivables		49,150	162,775
		(6,681,575)	879,684
Increase in trade and other payables		1,680,000	1,258,220
		(5,001,575)	2,137,904

12 SEGMENT INFORMATION

12.1 The Group has following reportable business segments. The following summary describes the operation in each of the Group's reportable segments:

Spinning Faisalabad (I, II and Yarn Dyeing), Feroze Wattwan (I and II) and Lahore:	Producing different qualities of yarn including dyed yarn and sewing thread using natural and artificial fibers.
Weaving Bhikhi and Lahore:	Producing different qualities of greige fabric using yarn.
Dyeing:	Producing dyed fabric using different qualities of grey fabric.
Home Textile:	Manufacturing of home textile articles using processed fabric produced from greige fabric.
Garments I and II :	Manufacturing of garments using processed fabric.
Power Generation:	Generation, transmission and distribution of power using gas, oil, steam, coal and biomass.
Hotel :	Carrying on the business of hotel and allied services.

Transactions among the business segments are recorded at cost. Inter segment sales and purchases have been eliminated from the total.



13 RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

i) Fair value hierarchy

Judgments and estimates are made in determining the fair values of the financial instruments that are recognised and measured at fair value in this consolidated condensed interim financial information. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the following three levels. An explanation of each level follows underneath the table.

Recurring fair value measurements At 30 September 2018	Level 1	Level 2	Level 3	Total
(Rupees in thousand)				
Financial assets				
Available for sale financial assets	19,491,067	-	924,043	20,415,110
Derivative financial assets	-	7,155	-	7,155
Total financial assets	19,491,067	7,155	924,043	20,422,265
Financial liabilities				
Derivative financial liabilities	-	817	-	817
Total financial liabilities	-	817	-	817

Recurring fair value measurements At 30 June 2018 - Audited	Level 1	Level 2	Level 3	Total
(Rupees in thousand)				
Financial assets				
Available for sale financial assets	19,069,271	-	924,043	19,993,314
Derivative financial assets	-	9,478	-	9,478
Total financial assets	19,069,271	9,478	924,043	20,002,792
Financial liabilities				
Derivative financial liabilities	-	541	-	541
Total financial liabilities	-	541	-	541

The above table does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the period ended 30 September 2018. Further there was no transfer in and out of level 3 measurements.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

Selected Notes to the Consolidated Condensed Interim Financial Information

For the quarter ended 30 September 2018 (Un-audited)

ii) Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include the use of quoted market prices or dealer quotes for similar instruments and the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

iii) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the period ended 30 September 2018:

		Unlisted equity securities (Rupees in thousand)
Balance as on 30 June 2017 - Audited		780,365
Add: Surplus recognized in other comprehensive income		143,678
Balance as on 30 June 2018 - Audited		924,043
Add: Surplus recognized in other comprehensive income		-
Balance as on 30 September 2018 - Unaudited		924,043

iv) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

Description	Fair value at		Unobservable inputs	Range of inputs (probability-weighted average)	Relationship of unobservable inputs to fair value
	30 September 2018	30 June 2018			
(Rupees in thousand)					

Available for sale financial assets:

Security General Insurance Company Limited	924,043	924,043	Net premium revenue growth factor	5.27%	Increase / decrease in net premium revenue growth factor by 0.05% and decrease / increase in discount rate by 1% would increase / decrease fair value by Rupees +63.300 million / - 56.142 million.
			Risk adjusted discount rate	17.50%	

There were no significant inter-relationships between unobservable inputs that materially affect fair values.

Valuation processes

Independent valuers perform the valuations of non-property items required for financial reporting purposes, including level 3 fair values. The independent valuers report directly to the Chief Financial Officer of the Holding Company. Discussions of valuation processes and results are held between the Chief Financial Officer of the Holding Company and the valuation team at least once every six months, in line with the Group's half yearly reporting periods.

The main level 3 inputs used by the Group are derived and evaluated as follows:

Discount rates for financial instruments are determined using a capital asset pricing model to calculate a rate that reflects current market assessments of the time value of money and the risk specific to the asset.

Earnings growth factor for unlisted equity securities are estimated based on market information for similar types of companies.

Changes in level 2 and 3 fair values are analysed at the end of each reporting period during the half yearly valuation discussion between the Chief Financial Officer of the Holding Company and the independent valuers. As part of this discussion the independent valuers present a report that explains the reason for the fair value movements.



14 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated undertakings, other related parties, key management personnel and provident fund trust. The Group in the normal course of business carries out transactions with various related parties. Detail of transactions with related parties is as follows:

	Quarter ended		
	30 September 2018	30 September 2017	
(Rupees in thousand)			
i) Transactions			
Associated companies			
Investment made	60,000	180,285	
Purchase of goods and services	42,111	67,099	
Sale of goods and services	1,248	3,143	
Rental income	314	526	
Rent paid	18,453	16,582	
Insurance premium paid	97,087	85,569	
Insurance claims received	6,146	6,286	
Interest income	405	-	
Finance cost	6,521	7,210	
Other related parties			
Purchase of goods and services	487,841	388,128	
Sale of goods and services	6,445	598	
Finance cost	107	-	
Group's contribution to provident fund trust	68,771	64,933	
Remuneration paid to Chief Executive Officer, Director and Executives of the Holding Company	177,448	178,037	
ii) Period end balances			
	As at 30 September 2018		
	Associated companies	Other related parties	Total
	(Rupees in thousand)		
Trade and other payables	66,033	82,573	148,606
Accrued markup	2,428	-	2,428
Short term borrowings	73,712	-	73,712
Long term loans	-	124,825	124,825
Trade debts	781	58	839
Loans and advances	-	36,168	36,168
Cash and bank balances	156,042	533	156,575

Selected Notes to the Consolidated Condensed Interim Financial Information

For the quarter ended 30 September 2018 (Un-audited)

	As at 30 June 2018 (Audited)		
	Associated companies	Other related parties	Total
	(Rupees in thousand)		
Trade and other payables	61,748	9,563	71,311
Accrued markup	1,678	-	1,678
Short term borrowings	145,342	-	145,342
Long term loans	-	120,467	120,467
Trade debts	322	38	360
Loans and advances	-	48,210	48,210
Cash and bank balances	190,468	182	190,650

15 FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published consolidated financial statements of the Group for the year ended 30 June 2018.

16 DATE OF AUTHORIZATION FOR ISSUE

This consolidated condensed interim financial information was approved by the Board of Directors and authorized for issue on 26 October 2018.

17 CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting", the consolidated condensed interim statement of financial position and consolidated condensed interim statement of changes in equity have been compared with the balances of annual audited consolidated financial statements of preceding financial year, whereas, the consolidated condensed interim statement of profit or loss, consolidated condensed interim statement of comprehensive income and consolidated condensed interim statement of cash flows have been compared with the balances of comparable period of immediately preceding financial year.

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However, no significant re-arrangement have been made.

18 GENERAL

Figures have been rounded off to the nearest thousand of Rupees unless otherwise stated.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER



3.2 میگا واٹ کی ایک بھاپ ٹربائن کے حصول کے منصوبہ کو حتمی شک دی گئی ہے جو پہلے سے دستیاب ذرائع کا موثر استعمال کرے گی۔ جو کمپنی کے نشاط ڈانگ اور فٹنگ یونٹ میں نصب شدہ 9 میگا واٹ کے کمانڈ ہیٹ اینڈ پاور پلانٹ سے پیدا شدہ بھاپ سے بجلی پیدا کرے گا۔ اس بھاپ کا پریشر / ٹمپرچر جو فی الحال ڈانگ اور ہوم ٹیکسٹائل ڈویژن کے پیداواری ہالوں میں خارج کیا گیا بہت زیادہ ہے جبکہ کم پریشر پر بھاپ / ٹمپرچر ان ڈویژنوں کی ضروریات کو پورا کر سکتے ہیں۔ اس لئے، اضافی پریشر ٹمپرچر ضائع ہو رہا ہے۔ مجوزہ بھاپ ٹربائن موجودہ زیادہ پریشر / ٹمپرچر بھاپ کو بجلی پیدا کرنے اور پیداواری ہالوں میں کم پریشر / ٹمپرچر بھاپ خارج کرنے کے لئے استعمال کرے گی۔ بھاپ ٹربائن کی درآمد کے لئے کریڈٹ کا خط نومبر 2018 کے پہلے پندرہ دنوں کے اندر کھولا جائے گا۔

ذیلی کمپنیاں اور کنسولیڈیٹڈ مالیاتی حسابات

نشاط پاور لمیٹڈ، نشاط لینن (پرائیویٹ) لمیٹڈ، نشاط ہاسٹیلٹی (پرائیویٹ) لمیٹڈ، نشاط کموڈیٹیز (پرائیویٹ) لمیٹڈ، لال بیروسولر پاور (پرائیویٹ) لمیٹڈ، نشاط یو ایس اے انکارپوریٹڈ، نشاط لینن ٹریڈنگ LLC، نشاط انٹرنیشنل FZE، نشاط گلوبل چائنہ کمپنی لمیٹڈ، نشاط UK (پرائیویٹ) لمیٹڈ اور کنسپٹ گارمنٹس اینڈ ٹیکسٹائل ٹریڈنگ FZE کمپنی کی ذیلی کمپنیوں کی پورٹ فولیو میں شامل ہیں۔ لہذا، کمپنی نے انٹرنیشنل فنانشل رپورٹنگ سٹینڈرڈز کی ضروریات کے مطابق اپنی سپر بیٹ کنڈنسڈ عبوری مالیاتی معلومات کے علاوہ کنسولیڈیٹڈ کنڈنسڈ مالیاتی معلومات منسلک کی ہیں۔

انتہا تشکر

مجلس نظماً انتظامیہ عملہ اور کارکنوں کی کوششوں کو سراہتی ہے۔

منجانب بورڈ آف ڈائریکٹرز



مقصود احمد

ڈائریکٹر

Umm Mansha

میلا عمر نشا

چیف ایگزیکٹو آفیسر

126 اکتوبر 2018ء

لاہور

ہوم ٹیکسٹائل

ہوم ٹیکسٹائل ڈویژن نے موجودہ مشکل اقتصادی حالات کے باوجود اپنی پیداواری صلاحیتوں کے کئی استعمال کو منظم کر کے اپنے منافع کو برقرار رکھا۔ ڈویژن زیادہ مسابقت اور لیول پلیننگ فیبلڈ کے نتیجے میں امریکی مارکیٹ میں موزوں مواقع تلاش کرنے کے لئے پُر امید ہے جو چینی اشیاء کے لئے نئی امریکی ٹیرف پالیسی کے نفاذ کے بعد دستیاب ہونے کی توقع ہے۔

اضافہ / (کمی)		30 ستمبر تختہ سہ ماہی		پروسیڈ کا تھا اینڈ میڈ ایٹس
فیصد	قدر	2017	2018	
6.59	409	6,204	6,613	فروخت - (میٹرز '000)
6.84	22.93	335.05	357.98	قیمت فی میٹر
13.89	288,702	2,078,645	2,367,347	فروخت - ('000 روپے)

اہم امریکی خریداروں کی حکمت عملی اور پاکستانی سپلائرز کے لئے ان کی ترجیح میں تبدیلی پہلے ہی واضح ہو رہی ہے کیونکہ وہ اچھے متبادل ذرائع کی تلاش میں ہیں۔ بہت سے امریکی کسٹمرز کے ساتھ کمپنی کی مارکیٹنگ ٹیم کے مزاحرات مصنوعات کی بہتری اور قیمت کے تعین کی سطح پر ابتدائی مراحل میں ہیں۔ اگر یہ رفتار اگلی سہ ماہی میں بھی جاری رہی تو ہم ڈویژن کے لئے یقینی طور پر بہتر نتائج کی توقع کر سکتے ہیں۔ ڈویژن نے گزشتہ سالوں کے دوران اپنی مینوفیکچرنگ صلاحیتوں کو پہلے ہی بڑھایا اور بہتر بنایا ہے جس کی بدولت ہم مارکیٹ میں اپنا بڑا شیئر حاصل کرنے کے لئے اچھی طرح تیار ہیں۔

گارمنٹس

کمپنی کے گارمنٹس ڈویژن نے اخراجات کو کم کرنے میں ایک منفرد سنگ میل حاصل کیا ہے جس کی بدولت فی گارمنٹ لاگت اب بہت ہی کم ہو گئی ہے۔ موجودہ سال کے دوران، ڈویژن پیداواری عمل کی بہتری، پھر پورے مٹا بلے اور مزید منافع کمانے کے لئے پیداوار کے اخراجات کو مزید کم کرنے کے لئے زیادہ خود کار نظام کے نفاذ اور موثر لیبر ٹیننگ پر توجہ دے رہا ہے۔ پیداوار اور پیداواری عمل میں نیا پن لانے کے لئے تحقیق اور ڈویلپمنٹ پر بھی بہت زیادہ توجہ دی جا رہی ہے۔ ایک دوسرا شعبہ جہاں ہم اس سال بہت زیادہ توجہ دے رہے ہیں، ڈویژن کے ہیومن ڈویلپمنٹ اور ماحولیاتی تحفظ انڈیکس کو بہتر بنا کر عالمی معیارات کے مطابق لانا ہے۔ مارکیٹنگ اور فروخت کی حکمت عملیاں بھی بہت اہم شعبے ہیں جہاں بہتری کی کوششیں جاری ہیں اور بین الاقوامی سطح پر نمایاں موجودگی کے لئے کوششیں بھی جاری ہیں جو پائیدار طریقہ سے ہمارے برآمدی حجم اور منافع کو بالآخر بڑھا رہی ہیں۔ یہ تمام بنیادی اقدامات اٹھانے سے ہم پُر امید ہیں کہ ڈویژن یقیناً آئندہ سالوں میں بہت زیادہ نمو حاصل کرے گی۔

اضافہ / (کمی)		30 ستمبر تختہ سہ ماہی		گارمنٹس
فیصد	قدر	2017	2018	
16.09	196	1,218	1,414	فروخت - (گارمنٹس '000)
(1.87)	(15.57)	832.11	816.54	قیمت فی گارمنٹ
13.92	141,075	1,013,508	1,154,583	فروخت - ('000 روپے)

پاور ٹریڈیشن

کمپنی نے اپنے ٹیکسٹائل کے کارخانوں کو بجلی اور بھاپ کی بلا تعطل فراہمی مہیا کرنے کے لئے اپنی مینوفیکچرنگ سہولیات میں بہت ہی جدید پاور پلانٹس نصب کئے ہیں۔ اچھی صلاحیت والے اعلیٰ اور موثر پاور پلانٹس انتظامیہ کو مقامی اور بین الاقوامی ٹیکسٹائل مارکیٹوں میں مقابلے کیلئے بہت ہی موزوں فیول کس استعمال کر کے سستی بجلی پیدا کرنے کے قابل بناتے ہیں۔



مقامی اور بین الاقوامی کپاس / یارن مارکیٹ منظر نامہ پوری مدت میں دشوار ترین رہا۔ کپاس سے بنے یارن کی طلب اور قیمتیں بہت اتار چڑھاؤ کا شکار ہیں۔ ڈویژن کے مارکیٹنگ ڈیپارٹمنٹ نے مارکیٹ میں داخل ہونے اور کاروبار کے فلو کو برقرار رکھنے کے لئے اضافی کوششیں کیں۔ ان کوششوں کی بدولت، 30 ستمبر 2017 کو ختم ہونے والی اسی سہ ماہی کے منافع کے مقابلے 30 ستمبر 2018 کو ختم ہونے والی سہ ماہی کے دوران سپینک ڈویژن کا منافع بڑھ گیا۔ ہانگ کانگ / چین میں صارفین نے تمام مدت میں کاشن یارن کی اپنی طلب کو تبدیل کرنا جاری رکھا۔ ڈویژن نے پہلی سہ ماہی کے دوران تائیوان میں اچھا کاروباری حجم حاصل کیا۔ تاہم، کوریا اور جاپان کسی کاشن یارن کے کاروباری حجم کو بہتر بنانے میں گریزاں رہے۔ ڈویژن نے مئی سال 2019 کے اختتام تک فیروز ٹوواں میں ایک اوپن انڈیا یارن یونٹ کی کمشننگ کے ذریعے اپنے کاروبار کو متنوع بنانے کے لئے اپنی منصوبہ بندی کو حتمی شکل دے دی ہے۔ ڈویژن نے اپنے کاشن اسٹاک کو دوبارہ پُر کرنے کے لئے ستمبر 2018 سے کپاس کی خریداری بھی شروع کر دی ہے۔

ویونگ

ویونگ ڈویژن کی مالیاتی کارکردگی 30 ستمبر 2018 کو ختم ہونے والی سہ ماہی کے دوران غیر معمولی تھی۔ اس سہ ماہی میں ہمارا منافع بنیادی طور پر ہماری متنوع پراڈکٹس اور اچھی طرح سے قائم شدہ کسٹمر پورٹ فولیو کی وجہ سے بہتر ہوا۔ یارن کی بروقت خریداری، جو کہ ڈویژن کا اہم خام مال ہے، بھی بہتر منافع کی وجہ ہے۔

گرے کا تھ	30 ستمبر ختم شدہ سہ ماہی		اضافہ / (کمی)	
	2017	2018	قدر	فیصد
فروخت - (میلرز '000)	25,430	20,680	(4,750)	(18.68)
قیمت فی میٹر	134.76	169.28	34.52	25.62
فروخت - ('000 روپے)	3,426,992	3,510,665	73,673	2.15

ڈویژن کو تنگ چوڑائی سے وسیع چوڑائی کے کپڑے میں پراڈکٹس کی تبدیلی کے ہمارے فیصلے سے فائدہ ہوا ہے۔ اس تبدیلی نے خصوصی آئٹمز کی فروخت کے لئے ہمارے صارفین کے ساتھ لین دین میں ہمیں مزید فائدہ دیا ہے، جس کے نتیجے میں غیر ملکی اور مقامی مارکیٹ دونوں میں ہماری فروخت کی قدر بڑھ گئی۔ فیشن ویئر، میکینیکل اور ورک ویئر کپڑے میں مستحکم طلب کے ساتھ جرمی اب ہماری اہم برآمدی مارکیٹ ہے۔ ہماری مارکیٹنگ حکمت عملی یورپی مارکیٹ میں نمایاں موجودگی کو برقرار رکھنا ہے۔

ڈانگ

ڈانگ ڈویژن کا منافع لاگت میں تیزی سے اضافے اور بہت زیادہ کشیدہ مارکیٹ حالات کے باوجود 30 ستمبر 2018 کو ختم ہونے والی سہ ماہی میں نمایاں طور پر بڑھا۔ اگرچہ پہلی سہ ماہی ڈویژن کے کاروباری سائیکل میں مندی کا عرصہ ہوتا ہے پھر بھی ہم تسلی بخش منافع کمانے کے قابل تھے جس نے بالآخر پہلی سہ ماہی کو مثبت نوٹ پر بند کرنے پر ہماری مدد کی۔

پروسیڈ کا تھ	30 ستمبر ختم شدہ سہ ماہی		اضافہ / (کمی)	
	2017	2018	قدر	فیصد
فروخت - (میلرز '000)	9,420	9,125	(295)	(3.13)
قیمت فی میٹر	258.28	316.18	57.90	22.42
فروخت - ('000 روپے)	2,432,992	2,885,100	452,108	18.58

ہم اب اپنے کاروباری سائیکل کے اچھے سیزن میں داخل ہو گئے ہیں اور دوسری سہ ماہی کے لئے اپنی پیداواری صلاحیتیں (capacities) پہلے ہی فروخت کر چکے ہیں۔ ہم دوسری سہ ماہی میں شاندار نتائج کے لئے پُر امید ہیں۔

نشاٹ ملز لمیٹڈ ("کمپنی") کی مجلسِ نضمام 30 ستمبر 2018ء کو ختم ہونے والی سہ ماہی کے لئے مجلسِ نضمام کی رپورٹ پیش کرتے ہوئے خوشی محسوس کرتی ہے۔

آپریٹنگ مالیاتی نتائج

کمپنی کا بعد از ٹیکس منافع 30 ستمبر 2017 کو ختم ہونے والی اسی سہ ماہی کے مقابلے 30 ستمبر 2018 کو ختم ہونے والی سہ ماہی میں 40.72 فیصد تک نمایاں طور پر زیادہ ہو گیا۔ منافع میں اس غیر معمولی اضافے کی بڑی وجہ فروخت میں 2,019 ملین روپے (16.45 فیصد) کا قابل ذکر اضافہ تھا جس کے باعث مجموعی منافع گزشتہ سال کی اسی سہ ماہی کے موازنہ میں موجودہ سہ ماہی میں 40.45 فیصد تک بڑھا۔ کمپنی خام مال کی لاگت اور ایندھن کی قیمتوں میں انتہائی اضافے کے باوجود یہ غیر معمولی منافع حاصل کرنے کے قابل ہوئی۔

اضافہ/(کمی) فیصد	30 ستمبر ختم شدہ سہ ماہی		مالی جھلکیاں
	2017	2018	
16.45	12,278,413	14,297,798	آمدنی (روپے '000)
40.45	1,282,721	1,801,593	مجموعی منافع (روپے '000)
40.72	706,998	994,889	بعد از ٹیکس منافع (روپے '000)
	10.45	12.60	مجموعی منافع (فیصد)
	5.76	6.96	بعد از ٹیکس منافع (فیصد)
	2.01	2.83	ٹی شیئر آمدنی - (روپے)

عام مارکیٹ کا جائزہ اور مستقبل کے امکانات

پاکستان میں ٹیکسٹائل شعبہ نے مالی سال 2018-19 کی پہلی سہ ماہی میں نسبتاً اچھی کارکردگی کا مظاہرہ کیا، کیونکہ گزشتہ مالی سال کی اسی سہ ماہی میں برآمدات کے مقابلے موجودہ مدت کے دوران برآمدات کسی حد تک بڑھ گئیں۔ بنیادی طور پر انڈسٹری کے ویلیو ایڈڈ سیگمنٹ نے برآمدات کی اس نمو میں حصہ شامل کیا ہے۔ ایپریل، بیڈویزا اور ٹاول کی برآمدات میں پاکستانی روپیہ کے برعکس امریکی ڈالر کی قدر میں اضافے کی وجہ سے موجودہ مدت میں کافی اضافہ ہوا۔ تاہم، پاکستان میں ٹیکسٹائل سیکٹر خام مال کی لاگت میں غیر معمولی اضافے کی وجہ سے اس موزوں حالت سے مکمل فائدہ حاصل نہیں کر سکا۔

شعبہ وار تجزیہ

سپننگ

مالی سال 2018-19 کے آغاز میں ہی کپاس کی قیمتوں میں عدم استحکام واضح ہو گیا جس کی وجہ سے بارن کی قیمتیں 30 ستمبر 2018 کو ختم ہونے والی پہلی سہ ماہی کے دوران کپاس کی قیمتوں میں اضافہ کے مقابلے کم برہیں۔

اضافہ/(کمی) فیصد	قدر	30 ستمبر ختم شدہ سہ ماہی		بارن
		2017	2018	
24.58	1,296	5,272	6,568	فروخت - (کلوگرام '000)
32.77	94.86	289.46	384.32	قیمت فی کلو
65.41	998,171	1,526,039	2,524,210	فروخت - ('000 روپے)





*A great fly,
a great future*



REGISTERED OFFICE:

Nishat House, 53-A, Lawrence Road, Lahore

Tel: 042-36360154, 042-111 113 333

nishat@nishatmills.com

www.nishatmillsLtd.com