



Nishat Mills Limited

Interim Financial Report of Nishat Mills Limited
for the quarter ended September 30, 2019

A large, 3D-rendered green box with a white shadow underneath, positioned diagonally across the lower half of the page. The box is open at the top, and the text "Accelerating focussed growth" is written on its right side.

Accelerating
focussed growth

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Company Information

Board of Directors

Mian Umer Mansha
Chief Executive Officer

Mian Hassan Mansha
Chairman

Syed Zahid Hussain
Mr. Mahmood Akhtar
Mr. Farid Noor Ali Fazal
Mr. Ghazanfar Husain Mirza
Mr. Maqsood Ahmad

Audit Committee

Syed Zahid Hussain
Chairman / Member

Mr. Mahmood Akhtar
Member

Mr. Farid Noor Ali Fazal
Member

Human Resource & Remuneration (HR & R) Committee

Syed Zahid Hussain
Chairman / Member

Mian Umer Mansha
Member

Mr. Mahmood Akhtar
Member

Chief Financial Officer

Mr. Muhammad Azam

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
Faysal Bank Limited - Islamic
Banking
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
The Bank of Punjab - Taqwa
Islamic Banking
The Bank of Khyber
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. Sheikhpura Faisalabad
Road, Feroze Watwan.

Weaving units & Power plant
12 K.M. Faisalabad Road,
Sheikhpura.

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.nishatmillsLtd.com

Liaison Office

1st 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 2019.

Operating Financial Results

Gross profit of the Company increased by Rs. 355.689 million (19.74%) in the current quarter as compared to corresponding quarter of the last year. The main reason for increase in gross profit was increase in revenue by 11.44% and less than proportionate increase in cost of sales by 10.24%. However, profit after tax decreased by 7.16% in the current quarter as compared to the corresponding quarter of the last year due to increase in other expenses and finance cost by Rs. 158.365 million and Rs. 111.643 million respectively. Other expenses increased on account of exchange loss due to appreciation of Pak Rupee against USD by 5% from 01 July 2019 to 30 September 2019. Finance cost increased due to increase in the bank borrowing rate of the Company.

Financial Highlights	Quarter ended 30 September		Increase / (decrease) %
	2019	2018	
Revenue (Rs. '000')	15,933,130	14,297,798	11.44
Gross Profit (Rs. '000')	2,157,282	1,801,593	19.74
Profit after tax (Rs. '000')	923,702	994,889	(7.16)
Gross Profit (%)	13.54	12.60	
Profit after tax (%)	5.80	6.96	
Earnings per share – (Rs.)	2.63	2.83	

General Market Review and Future Prospects

Financial performance of the textile sector did not improve during the first quarter of the current financial year. Economic slowdown in the country, global stagnation of demand and increased cost of doing business were the main reasons for the dismal performance of textile sector.

Currently, the biggest challenge for the sector is the shortage of 5 million cotton bales due to expected reduction of cotton production by approximately 35%. The country will have to import cotton in order to fill this gap which will further increase the cost of production of textile manufacturers.

Segment Analysis

Following is the brief overview on segmental performance of the Company.

Spinning

Reduction in demand and prices of yarn in international market affected the sales volume of Spinning Division. However, profitability of the Division remained steady due to efficient and better use of resources. The newly established open-end yarn manufacturing facility having 1,200 Rotors showed positive results. A plan is underway to double the capacity of open-end yarn production.

Yarn	Quarter ended 30 September		Increase / (Decrease)	
	2019	2018	Value	% age
Sale – (kgs '000')	6,172	6,568	(396)	(6.03)
Rate / kg	402.95	384.32	18.63	4.85
Sale – (Rs. '000')	2,487,031	2,524,210	(37,179)	(1.47)

International yarn market dynamics remained challenging throughout the quarter despite improvements in local market. Demand in Hong Kong / China and other far eastern countries remained low during the quarter. We foresee that remaining part of the year will be tough for yarn business due to US-China economic trade war and weak Chinese currency.

Weaving

Sales volume of the Division decreased during the first quarter ended 30 September 2019 because many customers of fashion wear / workwear fabric have requested to postpone or delay shipments of their orders in line with change in the forecast of their sales. This has created pressure on prices of griege cloth.

Most of the customers are demanding incorporation of the idea of environmental sustainability in our products with the usage of organic and recycled materials (cotton and polyester). Some of our European customers have already placed orders for greige cloth made of pure organic cotton. This trend is expected to continue in future. Our strategy as always will be to follow the demand of our customers and venture upon new products and markets. Also, we are planning to buy four new state of the art rapier machines which shall replace our old machines.

Grey Cloth	Quarter ended 30 September		Increase / (Decrease)	
	2019	2018	Value	% age
Sale – (meters '000')	20,416	20,680	(264)	(1.28)
Rate / meter	186.08	169.28	16.80	9.92
Sale – (Rs. '000')	3,798,967	3,500,665	298,302	8.52

Dyeing

A balanced product mix comprising of core and fashion fabric enabled the Division to maintain its profitability despite steady sales volume during the quarter ended 30 September 2019. The Division has already sold its capacities for the second quarter and marketing department is working on booking for third quarter. Rising cost of production and trade suspension with India are the biggest challenges for the Division which may adversely affect the sale in the remaining part of the financial year 2019-20.

Processed Cloth	Quarter ended 30 September		Increase / (Decrease)	
	2019	2018	Value	% age
Sale – (meters '000')	9,214	9,125	89	0.98
Rate / meter	375.02	316.18	58.84	18.61
Sale – (Rs. '000')	3,455,437	2,885,100	570,337	19.77

Home Textile

The momentum of increased sales volume built during the last half of financial year 2018-19 continued during the quarter ended 30 September 2019. Resultantly, production lines of the Division are running at full capacity. The management expects this trend will continue in the next quarter as well. The Division foresees more exports opportunities in the second half of financial year 2019-20 due to expected rise in demand of Pakistani textile products as a result of recent tariffs imposed by USA on Chinese products including many home textile categories.

The Division is also planning to establish a towel manufacturing unit with project cost of approximately Rs. 1.5 billion which is the last missing link in our Home Textile product mix. First phase of our Towel section is expected to be operational by June 2020 that will give a massive support to enhance export sales volume in the following years. Initial capacity of the project will be 10 Tons per day.

Processed Cloth and Made-ups	Quarter ended 30 September		Increase / (Decrease)	
	2019	2018	Value	% age
Sale – (meters '000')	6,415	6,613	(198)	(2.99)
Rate / meter	445.82	357.98	87.84	24.54
Sale – (Rs. '000')	2,859,944	2,367,347	492,597	20.81

Garments

Financial results of the Division improved during the quarter ended 30 September 2019 as compared to corresponding quarter of the last year. Evolution in fashion industry is pivot in formulation of marketing and customer management strategies of the Division. The management of the Division in pursuance of mission of the Company has adopted all contemporary techniques to conceive customers' aspiration in real essence so that the same may be translated in the best quality products as per modern trends.

The Division has also revamped its customer management processes due to which response time to customers' queries and accuracy in product demand forecast has improved. Now the management is able to make quick decisions in accordance with the needs of customers which would foster sustainable relationship.

Garments	Quarter ended 30 September		Increase / (Decrease)	
	2019	2018	Value	% age
Sale – (garments '000')	1,363	1,414	(51)	(3.61)
Rate / garment	1,072.24	816.54	255.70	31.32
Sale – (Rs. '000')	1,461,463	1,154,583	306,880	26.58

Power Generation

Since the Company operates in a very competitive industry where energy cost is a substantial part of production cost, the management has installed efficient plants for the supply of electricity, steam, hot water, heating / cooling and compressed air. Apart from efficiency, the Company is also focused on cost effectiveness. Therefore, a small steam turbine which operates on waste heat is under installation at Sahianwala, Faisalabad. Installation of a 3MW Wartsila Solar Power Plant is also in process at Sahianwala, Faisalabad. A further plan to acquire two more Solar Power Plants for Power Division located at Bhikki and Ferozewatwan is underway.

The project for installation of 3.2 MW Steam Turbine for power plant located at Lahore is near to completion. The turbine will be commissioned in December 2019 which will generate electricity from high pressure / temperature steam produced by 9MW coal power plant before this steam is transferred at low pressure / temperature to production halls of Dyeing and Home Textile Divisions. Completion of this project will provide additional benefit from high pressure / temperature of steam which currently remains unutilized as steam at low pressure / temperature is required in fabric dyeing and finishing process.

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 Concepts 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.

Composition of Board

Total number of Directors:

a)	Male	7
b)	Female	0

Composition

i)	Independent Director	1
ii)	Non-executive Directors	4
iii)	Executive Directors	2

Committees of the Board

Audit Committee of the Board:

Sr. No. Name of Directors

1	Syed Zahid Hussain	Chairman / Member
2	Mr. Mahmood Akhtar	Member
3	Mr. Farid Noor Ali Fazal	Member

Human Resource and Remuneration Committee:

Sr. No. Name of Directors

1	Syed Zahid Hussain	Chairman / Member
2	Mian Umer Mansha	Member
3	Mr. Mahmood Akhtar	Member

Directors' Remuneration

The Board of Directors has approved Directors' Remuneration Policy. The main features of the policy are as follows:

- The Company shall not pay remuneration to its non-executive directors including independent directors except for meeting fee for attending Board and its Committees meetings.
- The Company will reimburse or incur expenses of travelling and accommodation of Directors in relation to attending of Board and its Committees meetings.
- The Directors' Remuneration Policy will be reviewed and approved by the Board of Directors from time to time.

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

29 October 2019
Lahore

Unconsolidated Condensed Interim
Financial Information of Nishat Mills Limited
For the quarter ended 30 September 2019

Unconsolidated Condensed Interim Statement of Financial Position

As at 30 September 2019

	Note	Un-audited 30 September 2019 (Rupees in thousand)	Audited 30 June 2019
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
1,100,000,000 (30 June 2019: 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 2019: 351,599,848) ordinary shares of Rupees 10 each		3,515,999	3,515,999
Reserves		61,987,205	63,099,271
Total equity		65,503,204	66,615,270
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing - secured	5	5,427,406	5,259,927
Deferred income tax liability		215,440	215,440
		5,642,846	5,475,367
CURRENT LIABILITIES			
Trade and other payables		9,001,387	8,359,680
Accrued mark-up		126,779	235,337
Short term borrowings		18,128,076	17,982,262
Current portion of non-current liabilities		1,793,458	1,784,470
Unclaimed dividend		92,779	93,006
		29,142,479	28,454,755
TOTAL LIABILITIES		34,785,325	33,930,122
CONTINGENCIES AND COMMITMENTS	6		
TOTAL EQUITY AND LIABILITIES		100,288,529	100,545,392

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



	Note	Un-audited 30 September 2019 (Rupees in thousand)	Audited 30 June 2019
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	29,477,142	28,968,219
Investment properties		458,860	459,974
Long term investments		33,356,179	34,930,333
Long term loans		278,550	275,246
Long term deposits		93,711	114,360
		63,664,442	64,748,132
CURRENT ASSETS			
Stores, spare parts and loose tools		3,030,363	3,102,988
Stock in trade		14,616,848	17,008,459
Trade debts		4,231,815	4,711,061
Loans and advances		7,809,738	8,040,700
Short term deposits and prepayments		67,011	74,969
Other receivables		2,909,271	2,253,678
Accrued interest		44,470	28,780
Cash and bank balances		3,914,571	576,625
		36,624,087	35,797,260
TOTAL ASSETS		100,288,529	100,545,392



DIRECTOR



CHIEF FINANCIAL OFFICER

Unconsolidated Condensed Interim Statement of Profit or Loss

For the quarter ended 30 September 2019 (Un-audited)

	Note	Quarter ended	
		30 September 2019	30 September 2018
(Rupees in thousand)			
REVENUE		15,933,130	14,297,798
COST OF SALES	8	(13,775,848)	(12,496,205)
GROSS PROFIT		2,157,282	1,801,593
DISTRIBUTION COST		(738,316)	(627,592)
ADMINISTRATIVE EXPENSES		(306,662)	(268,070)
OTHER EXPENSES		(215,257)	(56,892)
		(1,260,235)	(952,554)
		897,047	849,039
OTHER INCOME		596,717	511,269
PROFIT FROM OPERATIONS		1,493,764	1,360,308
FINANCE COST		(324,062)	(212,419)
PROFIT BEFORE TAXATION		1,169,702	1,147,889
TAXATION		(246,000)	(153,000)
PROFIT AFTER TAXATION		923,702	994,889
EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)	9	2.63	2.83

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 2019 (Un-audited)

	Quarter ended	
	30 September 2019	30 September 2018
	(Rupees in thousand)	
PROFIT AFTER TAXATION	923,702	994,889
OTHER COMPREHENSIVE LOSS		
Items that will not be reclassified to profit or loss		
Deficit arising on remeasurement of investments at fair value through other comprehensive income	(2,035,768)	(2,347,147)
	(2,035,768)	(2,347,147)
Items that may be reclassified subsequently to profit or loss	-	-
Other comprehensive loss for the period	(2,035,768)	(2,347,147)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(1,112,066)	(1,352,258)

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 2019 (Un-audited)

Share Capital	Reserves						Total Equity			
	Capital Reserves			Revenue Reserves						
	Premium on Issue of Right Shares	Fair value reserve AFS investments	Fair value reserve FVTOCI investments	Sub Total	General Reserve	Unappropriated Profit		Sub Total		
3,515,999	5,499,530	24,242,741	-	29,742,271	38,352,028	4,102,847	42,454,875	72,197,146	75,713,145	
-	-	(24,242,741)	24,242,741	-	-	(5,269)	(5,269)	(5,269)	(5,269)	(5,269)
-	-	-	-	-	-	(65,267)	(65,267)	(65,267)	(65,267)	(65,267)
3,515,999	5,499,530	24,242,741	-	29,742,271	38,352,028	4,032,311	42,384,339	72,126,610	75,642,609	
-	-	-	-	-	-	994,889	994,889	994,889	994,889	994,889
-	-	(2,347,147)	(2,347,147)	(2,347,147)	-	-	-	(2,347,147)	(2,347,147)	(2,347,147)
-	-	(2,347,147)	(2,347,147)	(2,347,147)	-	994,889	994,889	(1,352,258)	(1,352,258)	(1,352,258)
3,515,999	5,499,530	-	21,895,594	27,395,124	38,352,028	5,027,200	43,379,228	70,774,352	74,290,351	
-	-	-	-	-	-	(1,670,099)	(1,670,099)	(1,670,099)	(1,670,099)	(1,670,099)
-	-	-	-	-	2,427,000	(2,427,000)	-	-	-	-
-	-	-	-	-	-	4,864,159	4,864,159	4,864,159	4,864,159	4,864,159
-	-	(10,869,141)	(10,869,141)	(10,869,141)	-	-	-	(10,869,141)	(10,869,141)	(10,869,141)
-	-	(10,869,141)	(10,869,141)	(10,869,141)	-	4,864,159	4,864,159	(6,004,982)	(6,004,982)	(6,004,982)
3,515,999	5,499,530	-	11,026,453	16,525,983	40,779,028	5,794,260	46,573,288	63,099,271	66,615,270	
-	-	-	(2,035,768)	(2,035,768)	-	923,702	923,702	923,702	923,702	923,702
-	-	-	-	(2,035,768)	-	-	-	(2,035,768)	(2,035,768)	(2,035,768)
-	-	-	(2,035,768)	(2,035,768)	-	923,702	923,702	(1,112,066)	(1,112,066)	(1,112,066)
3,515,999	5,499,530	-	8,990,685	14,490,215	40,779,028	6,717,962	47,496,990	61,987,205	65,503,204	

(Rupees in thousand)

Profit for the period

Other comprehensive loss for the period

Total comprehensive (loss) / income for the period

Balance as at 30 September 2018 - (un-audited)

Transaction with owners - Final dividend for the year ended 30 June 2018 @ Rupees 4.75 per share

Transferred to general reserve

Profit for the period

Other comprehensive loss for the period

Total comprehensive (loss) / income for the period

Balance as at 30 June 2019 - (audited)

Profit for the period

Other comprehensive loss for the period

Total comprehensive income / (loss) for the period

Balance as at 30 September 2019 - (un-audited)

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 2019 (Un-audited)

	Note	Quarter ended	
		30 September 2019	30 September 2018
(Rupees in thousand)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	10	4,409,601	1,238,600
Finance cost paid		(432,620)	(225,881)
Income tax (paid) / refund received		(177,468)	69,250
Net exchange difference on forward exchange contracts received		1,832	1,111
Net (increase) / decrease in long term loans		(13,641)	650
Net decrease / (increase) in long term deposits		20,649	(16,943)
Net cash generated from operating activities		3,808,353	1,066,787
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(1,185,515)	(567,456)
Proceeds from sale of property, plant and equipment		16,419	25,172
Investment made		(230,000)	(60,000)
Loans and advances to subsidiary companies		(8,648,519)	(9,423,994)
Repayment of loans from subsidiary companies		8,799,651	6,412,277
Interest received		77,876	27,064
Dividends received		377,627	352,061
Net cash used in investing activities		(792,461)	(3,234,876)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		591,894	89,437
Repayment of long term financing		(415,427)	(555,226)
Short term borrowings - net		145,814	2,618,280
Dividend paid		(227)	(159)
Net cash from financing activities		322,054	2,152,332
Net increase / (decrease) in cash and cash equivalents		3,337,946	(15,757)
Cash and cash equivalents at the beginning of the period		576,625	104,827
Cash and cash equivalents at the end of the period		3,914,571	89,070

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

Accelerating
focussed growth

Unconsolidated Condensed Interim Financial Information
for the quarter ended September 30, 2019

13

Selected Notes to the Unconsolidated Condensed Interim Financial Information

For the quarter ended 30 September 2019 (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

2.1 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.

2.2 These unconsolidated condensed interim financial statements are unaudited and do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended 30 June 2019.

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 2019.

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 2019.

	Un-audited 30 September 2019 (Rupees in thousand)	Audited 30 June 2019
5 LONG TERM FINANCING - SECURED		
Opening balance	7,044,397	7,335,739
Add: Obtained during the period / year	591,894	1,870,497
Less: Repaid during the period / year	(415,427)	(2,161,839)
	7,220,864	7,044,397
Less: Current portion shown under current liabilities	(1,793,458)	(1,784,470)
	5,427,406	5,259,927

6 CONTINGENCIES AND COMMITMENTS

a) Contingencies

- i) The Company is contingently liable for Rupees 0.631 million (30 June 2019: 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 2,463.211 million (30 June 2019: Rupees 2,255.144 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, Government of Punjab against fulfillment of sales orders and to the bank of Hyundai Nishat Motor (Private) Limited ("the Associated Company") to secure financial assistance to the Associated Company.
- iii) Post dated cheques of Rupees 7,303.076 million (30 June 2019: Rupees 6,695.544 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

Selected Notes to the Unconsolidated Condensed Interim Financial Information

For the quarter ended 30 September 2019 (Un-audited)

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 108.345 million (30 June 2019: Rupees 106.312 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.

b) Commitments

- i) Contracts for capital expenditure are approximately of Rupees 1,890.593 million (30 June 2019: Rupees 970.420 million).
- ii) Letters of credit other than for capital expenditure are of Rupees 869.304 million (30 June 2019: Rupees 874.187 million).
- iii) Outstanding foreign currency forward contracts of Rupees 1,547.162 million (30 June 2019: Rupees 463.868 million).

7 PROPERTY, PLANT AND EQUIPMENT

	Note	Un-audited 30 September 2019 (Rupees in thousand)	Audited 30 June 2019
Operating fixed assets - owned	7.1	28,000,370	28,450,899
Capital work-in-progress	7.2	1,476,772	517,320
		29,477,142	28,968,219
7.1 Operating fixed assets - Owned			
Opening book value		28,450,899	26,026,033
Add: Cost of additions during the period / year	7.1.1	227,460	5,194,332
		28,678,359	31,220,365
Less: Book value of deletions during the period / year	7.1.2	(11,454)	(113,648)
Less: Book value of assets written off during the year		-	(14,513)
		28,666,905	31,092,204
Less: Depreciation charged during the period / year		(666,535)	(2,641,305)
		28,000,370	28,450,899

	Un-audited 30 September 2019 (Rupees in thousand)	Audited 30 June 2019
7.1.1 Cost of additions		
Freehold land	-	681,669
Buildings on freehold land	-	1,149,589
Plant and machinery	208,115	3,188,288
Electric installations	687	26,873
Factory equipment	1,063	16,458
Furniture, fixtures and office equipment	4,387	26,937
Computer equipment	5,934	13,669
Vehicles	7,274	90,849
	227,460	5,194,332
7.1.2 Book value of deletions		
Buildings on freehold land	-	2,594
Plant and machinery	-	85,480
Electric installations	573	2,607
Factory equipment	-	144
Furniture, fixtures and office equipment	-	55
Computer equipment	322	269
Vehicles	10,559	22,499
	11,454	113,648
7.2 Capital work-in-progress		
Buildings on freehold land	212,643	86,916
Plant and machinery	1,160,647	369,312
Electric installations	3,861	1,163
Unallocated expenses	26,225	21,881
Letters of credit against machinery	3,114	1,159
Advances against purchase of land	23,658	23,658
Advances against furniture, fixtures and office equipment	1,656	1,948
Advances against purchase of vehicles	44,968	11,283
	1,476,772	517,320

Selected Notes to the Unconsolidated Condensed Interim Financial Information

For the quarter ended 30 September 2019 (Un-audited)

	Quarter ended	
	30 September 2019	30 September 2018
	(Rupees in thousand)	
8 COST OF SALES		
Raw materials consumed	8,115,876	7,698,069
Processing charges	71,349	50,985
Salaries, wages and other benefits	1,629,534	1,364,605
Staff retirement benefits	44,748	41,675
Stores, spare parts and loose tools consumed	1,726,922	1,316,936
Packing materials consumed	326,624	277,434
Repair and maintenance	96,987	70,199
Fuel and power	1,704,022	1,726,314
Insurance	12,303	11,705
Other factory overheads	156,417	135,697
Depreciation	643,342	604,896
	14,528,124	13,298,515
Work-in-process		
Opening stock	2,015,512	2,022,712
Closing stock	(2,129,956)	(2,056,449)
	(114,444)	(33,737)
Cost of goods manufactured	14,413,680	13,264,778
Finished goods		
Opening stock	3,857,431	3,229,351
Closing stock	(4,495,263)	(3,997,924)
	(637,832)	(768,573)
	13,775,848	12,496,205

	Quarter ended	
	30 September 2019	30 September 2018
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)	923,702	994,889
Weighted average number of ordinary shares (Numbers)	351,599,848	351,599,848
Earnings per share (Rupees)	2.63	2.83

	Note	Quarter ended	
		30 September 2019	30 September 2018
		(Rupees in thousand)	
10 CASH GENERATED FROM OPERATIONS			
Profit before taxation		1,169,702	1,147,889
Adjustments for non-cash charges and other items:			
Depreciation		666,252	627,449
(Gain) / loss on sale of property, plant and equipment		(4,965)	1,899
Dividend income		(377,627)	(352,061)
Net exchange loss / (gain)		160,300	(58,818)
Interest income on loans and advances to subsidiary companies		(66,828)	(33,303)
Interest income on sales tax refund bonds		(14,814)	-
Finance cost		324,062	212,419
Working capital changes	10.1	2,553,519	(306,874)
		4,409,601	1,238,600
10.1 Working capital changes			
(Increase) / decrease in current assets:			
- Stores, spare parts and loose tools		72,625	(484,991)
- Stock in trade		2,391,611	381,084
- Trade debts		306,888	(1,563,356)
- Loans and advances		21,635	21,001
- Short term deposits and prepayments		7,958	(6,808)
- Other receivables		(891,554)	(232,197)
		1,909,163	(1,885,267)
Increase in trade and other payables		644,356	1,578,393
		2,553,519	(306,874)

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.

Selected Notes to the Unconsolidated Condensed Interim Financial Information

For the quarter ended 30 September 2019 (Un-audited)

(In thousand)

	Spinning				Weaving				Dyeing *		Home Textile *		Comments		Power Generation		Elimination of inter-segment transactions		Total - Company				
	Faisalabad I	Faisalabad II	Feroze Wathwan I	Feroze Wathwan II	Bhikki	Lahore *	Quarter ended	Quarter ended	Quarter ended	Quarter ended	Quarter ended	Quarter ended	Quarter ended	Quarter ended	Quarter ended	Quarter ended	Quarter ended	Quarter ended	Quarter ended	Quarter ended	Quarter ended		
	Sep 2019	Sep 2018	Sep 2019	Sep 2018	Sep 2019	Sep 2018	Sep 2019	Sep 2018	Sep 2019	Sep 2018	Sep 2019	Sep 2018	Sep 2019	Sep 2018	Sep 2019	Sep 2018	Sep 2019	Sep 2018	Sep 2019	Sep 2018	Sep 2019		
Revenue	126,329	140,795	153,299	163,698	154,465	163,654	107,741	120,822	1,03,094	2,46,638	759,095	1,015,392	3,28,042	2,85,544	3,38,091	3,03,228	93,646	89,629	56,754	17,945	13,328	15,831.03	14,277.98
Cost of sales	(19,427)	(22,249)	(23,590)	(24,934)	(25,862)	(27,067)	(28,304)	(29,824)	(30,872)	(32,081)	(33,315)	(34,535)	(35,767)	(37,002)	(38,237)	(39,471)	(40,704)	(41,937)	(43,171)	(44,404)	(45,637)	(46,870)	(48,103)
Gross profit / (loss)	106,902	118,546	129,709	138,764	128,183	136,587	79,437	91,018	72,222	113,617	725,780	979,857	300,275	248,542	300,858	263,757	52,942	47,692	13,583	3,508	2,691	6,961.00	5,170.00
Depreciation	(14,823)	(15,226)	(15,720)	(16,214)	(16,708)	(17,202)	(17,696)	(18,190)	(18,684)	(19,178)	(19,676)	(20,174)	(20,672)	(21,170)	(21,668)	(22,166)	(22,664)	(23,162)	(23,660)	(24,158)	(24,656)	(25,154)	(25,652)
Finance cost	(9,727)	(9,908)	(10,089)	(10,270)	(10,451)	(10,632)	(10,813)	(11,000)	(11,187)	(11,374)	(11,561)	(11,748)	(11,935)	(12,122)	(12,309)	(12,496)	(12,683)	(12,870)	(13,057)	(13,244)	(13,431)	(13,618)	(13,805)
Profit/(loss) before taxation and unallocated income and expenses	97,725	10,124	(7,006)	(10,428)	(12,323)	(13,322)	(14,321)	(15,320)	(16,319)	(17,318)	(18,317)	(19,316)	(20,315)	(21,314)	(22,313)	(23,312)	(24,311)	(25,310)	(26,309)	(27,308)	(28,307)	(29,306)	(30,305)
Unallocated income and expenses																							
Other expenses																							
Other income																							
Finance cost																							
Taxation																							
Profit/(loss) taxation																							

11.3 Reconciliation of reportable segment assets and liabilities

	Spinning				Weaving				Dyeing *		Home Textile *		Comments		Power Generation		Total - Company						
	Faisalabad I	Faisalabad II	Feroze Wathwan I	Feroze Wathwan II	Bhikki	Lahore *	Quarter ended	Quarter ended	Quarter ended	Quarter ended	Quarter ended	Quarter ended	Quarter ended	Quarter ended	Quarter ended	Quarter ended	Quarter ended	Quarter ended					
	Sep 2019	June 2019	Sep 2019	June 2019	Sep 2019	June 2019	Sep 2019	June 2019	Sep 2019	June 2019	Sep 2019	June 2019	Sep 2019	June 2019	Sep 2019	June 2019	Sep 2019	June 2019					
Total assets for reportable segments	3,462,053	5,407,264	5,773,026	5,271,220	478,240	471,654	6,035,548	7,206,081	772,206	772,206	658,070	658,070	772,206	772,206	772,206	772,206	772,206	772,206	772,206	772,206	772,206	772,206	
Unallocated assets:																							
Long term investments																							
Other receivables																							
Cash and bank balances																							
Other corporate assets																							
Total assets as per statement of financial position																							
Total liabilities for reportable segments	877,940	739,888	288,808	342,220	35,779	37,115	143,526	110,223	147,824	150,824	150,824	150,824	150,824	150,824	150,824	150,824	150,824	150,824	150,824	150,824	150,824	150,824	
Unallocated liabilities:																							
Deferred income tax liability																							
Other corporate liabilities																							
Total liabilities as per statement of financial position																							

(Rupees in thousand)

	Spinning				Weaving				Dyeing *		Home Textile *		Comments		Power Generation		Total - Company						
	Faisalabad I	Faisalabad II	Feroze Wathwan I	Feroze Wathwan II	Bhikki	Lahore *	Quarter ended	Quarter ended	Quarter ended	Quarter ended	Quarter ended	Quarter ended	Quarter ended	Quarter ended	Quarter ended	Quarter ended	Quarter ended	Quarter ended					
	Sep 2019	June 2019	Sep 2019	June 2019	Sep 2019	June 2019	Sep 2019	June 2019	Sep 2019	June 2019	Sep 2019	June 2019	Sep 2019	June 2019	Sep 2019	June 2019	Sep 2019	June 2019					
Total assets for reportable segments	3,462,053	5,407,264	5,773,026	5,271,220	478,240	471,654	6,035,548	7,206,081	772,206	772,206	658,070	658,070	772,206	772,206	772,206	772,206	772,206	772,206	772,206	772,206	772,206	772,206	
Unallocated assets:																							
Long term investments																							
Other receivables																							
Cash and bank balances																							
Other corporate assets																							
Total assets as per statement of financial position																							
Total liabilities for reportable segments	877,940	739,888	288,808	342,220	35,779	37,115	143,526	110,223	147,824	150,824	150,824	150,824	150,824	150,824	150,824	150,824	150,824	150,824	150,824	150,824	150,824	150,824	
Unallocated liabilities:																							
Deferred income tax liability																							
Other corporate liabilities																							
Total liabilities as per statement of financial position																							

* Figures of these segments include tax on tax / O&E.

12 RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

i) Fair value hierarchy

Judgements and estimates are made in determining the fair values of the financial instruments that are recognized and measured at fair value in these financial statements. 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 2019	Level 1	Level 2	Level 3	Total
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(Rupees in thousand)

Financial assets				
Fair value through other comprehensive income	25,203,006	-	3,004,950	28,207,956
Derivative financial assets	-	8,535	-	8,535
Total financial assets	25,203,006	8,535	3,004,950	28,216,491
Financial liabilities				
Derivative financial liabilities	-	4,934	-	4,934
Total financial liabilities	-	4,934	-	4,934

Recurring fair value measurements At 30 June 2019 - Audited	Level 1	Level 2	Level 3	Total
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(Rupees in thousand)

Financial assets				
Fair value through other comprehensive income	27,238,774	-	3,004,950	30,243,724
Derivative financial assets	-	958	-	958
Total financial assets	27,238,774	958	3,004,950	30,244,682
Financial liabilities				
Derivative financial liabilities	-	7,583	-	7,583
Total financial liabilities	-	7,583	-	7,583

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 2019. Further there was no transfer out of level 3 measurements.

The Company's policy is to recognize 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 equity 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 maximize 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 2019 (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 2019:

Unlisted equity securities (Rupees in thousand)	
Balance as on 01 July 2018 - Audited	4,228,528
Add : Investment made during the year	29,609
Less : Deficit recognized in other comprehensive income	(1,913,187)
Balance as on 30 June 2019 - Audited	2,344,950
Less : Deficit recognized in other comprehensive income	-
Balance as on 30 September 2019 - Unaudited	2,344,950

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 2019	30 June 2019			
(Rupees in thousand)					

Fair value through other comprehensive income

Nishat Paper Products Company Limited	168,231	168,231	Revenue growth factor	9.55%	Increase / decrease in revenue growth factor by 0.05% and decrease / increase in discount rate by 1% would increase / decrease fair value by Rupees + 72.481 million / - 63.639 million.
			Risk adjusted discount rate	15.34%	
Nishat Dairy (Private) Limited	481,800	481,800	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 + 60.000 million / - 46.200 million.
			Risk adjusted discount rate	18.70%	
Security General Insurance Company Limited	676,364	676,364	Net premium revenue growth factor	8.66%	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 +32.519 million / - 29.656 million.
			Risk adjusted discount rate	22.08%	
Nishat Hotels and Properties Limited	1,018,555	1,018,555	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 +386.400 million / -271.664 million.
			Risk adjusted discount rate	14.82%	

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 month, 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 analyzed at the end of each half yearly reporting period during the 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 companies, 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:

i) Transactions

	Quarter ended	
	30 September 2019	30 September 2018
	(Rupees in thousand)	
Subsidiary companies		
Investment made	230,000	-
Short term loans made	8,648,519	9,423,994
Repayment of short term loans made	8,799,651	6,412,277
Interest income	66,828	33,303
Rental income	14,574	13,499
Sale of goods and services	1,749,063	1,654,992
Purchase of goods and services	57,186	70,090
Associated companies		
Investment made	-	60,000
Purchase of goods and services	6,347	11,725
Sale of goods and services	3,956	92
Sale of operating fixed assets	819	-
Rental income	10,081	314
Dividend income	377,627	352,061
Insurance premium paid	37,591	39,771
Insurance claims received	11,819	5,332
Finance cost	3,436	2,380
Other related parties		
Purchase of goods and services	616,619	481,740
Sale of goods and services	104,369	6,334
Company's contribution to provident fund trust	59,850	55,273
Remuneration paid to Chief Executive Officer, Director and Executives	245,894	177,448

Selected Notes to the Unconsolidated Condensed Interim Financial Information

For the quarter ended 30 September 2019 (Un-audited)

ii) Period end balances	As at 30 September 2019			
	Subsidiary companies	Associated companies	Other related parties	Total
	(Rupees in thousand)			
Trade and other payables	36,356	38,181	72,570	147,107
Accrued markup	-	3,375	-	3,375
Short term borrowings	-	172,385	-	172,385
Long term loans	-	-	141,081	141,081
Trade debts	266,313	-	-	266,313
Loans and advances	6,994,730	-	55,781	7,050,511
Accrued interest	16,910	-	-	16,910
Cash and bank balances	-	4,416	52	4,468
	As at 30 June 2019 (Audited)			
	Subsidiary companies	Associated companies	Other related parties	Total
	(Rupees in thousand)			
Trade and other payables	23,309	49,759	51,768	124,836
Accrued markup	-	2,779	-	2,779
Short term borrowings	-	120,307	-	120,307
Long term loans	-	-	131,762	131,762
Trade debts	378,871	-	-	378,871
Loans and advances	7,144,060	-	43,772	7,187,832
Accrued interest	27,958	-	-	27,958
Cash and bank balances	-	2,871	1,331	4,202

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 2019.

15 DATE OF AUTHORIZATION FOR ISSUE

This unconsolidated condensed interim financial information was approved by the Board of Directors and authorized for issue on 29 October 2019.

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.

Consolidated Condensed Interim

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

For the quarter ended 30 September 2019

Consolidated Condensed Interim Statement of Financial Position

As at 30 September 2019

	Note	Un-audited 30 September 2019 (Rupees in thousand)	Audited 30 June 2019
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
1,100,000,000 (30 June 2019: 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 2019: 351,599,848) ordinary shares of Rupees 10 each		3,515,999	3,515,999
Reserves		90,554,808	89,745,467
Equity attributable to equity holders of the Holding Company		94,070,807	93,261,466
Non-controlling interest		10,016,514	9,361,028
Total equity		104,087,321	102,622,494
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing - secured	6	5,427,959	5,915,226
Long term security deposit		228,505	217,030
Retirement benefit obligation		16,340	17,857
Deferred liability - accumulating compensated absences		1,957	2,321
Deferred income tax liability		2,365,315	2,399,735
		8,040,076	8,552,169
CURRENT LIABILITIES			
Trade and other payables		10,343,673	9,449,179
Accrued mark-up		465,593	469,245
Short term borrowings		24,485,276	24,402,574
Current portion of non-current liabilities		4,271,153	4,170,795
Unclaimed dividend		111,960	114,673
		39,677,655	38,606,466
TOTAL LIABILITIES		47,717,731	47,158,635
CONTINGENCIES AND COMMITMENTS	7		
TOTAL EQUITY AND LIABILITIES		151,805,052	149,781,129

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



CHIEF EXECUTIVE OFFICER

	Note	Un-audited 30 September 2019 (Rupees in thousand)	Audited 30 June 2019
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	42,124,783	41,697,384
Intangible assets		2,473	3,739
Long term investments		50,669,675	51,348,430
Long term loans		328,194	323,476
Long term deposits		214,189	213,901
		93,339,314	93,586,930
CURRENT ASSETS			
Stores, spare parts and loose tools		3,779,912	3,908,091
Stock-in-trade		20,522,959	24,368,886
Trade debts		24,533,220	21,795,191
Loans and advances		1,266,832	1,433,533
Short term deposits and prepayments		379,811	321,890
Other receivables		3,429,427	3,143,324
Accrued interest		28,879	2,862
Cash and bank balances		4,524,698	1,220,422
		58,465,738	56,194,199
TOTAL ASSETS		151,805,052	149,781,129



DIRECTOR



CHIEF FINANCIAL OFFICER

Consolidated Condensed Interim Statement of Profit or Loss

For the quarter ended 30 September 2019 (Un-audited)

	Note	Quarter ended	
		30 September 2019	30 September 2018
(Rupees in thousand)			
REVENUE		25,477,386	23,311,732
COST OF SALES	9	(20,316,100)	(19,572,819)
GROSS PROFIT		5,161,286	3,738,913
DISTRIBUTION COST		(1,548,121)	(1,232,454)
ADMINISTRATIVE EXPENSES		(502,624)	(433,529)
OTHER EXPENSES		(237,655)	(57,373)
		(2,288,400)	(1,723,356)
		2,872,886	2,015,557
OTHER INCOME		521,367	500,056
PROFIT FROM OPERATIONS		3,394,253	2,515,613
FINANCE COST		(673,640)	(442,793)
		2,720,613	2,072,820
SHARE OF (LOSS) / PROFIT FROM ASSOCIATES		(118,447)	189,778
PROFIT BEFORE TAXATION		2,602,166	2,262,598
TAXATION		(304,526)	(242,857)
PROFIT AFTER TAXATION		2,297,640	2,019,741
SHARE OF PROFIT ATTRIBUTABLE TO:			
EQUITY HOLDERS OF HOLDING COMPANY		1,642,154	1,537,732
NON-CONTROLLING INTEREST		655,486	482,009
		2,297,640	2,019,741
EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)	10	4.67	4.37

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



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CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

Consolidated Condensed Interim Statement of Comprehensive Income

For the quarter ended 30 September 2019 (Un-audited)

	Quarter ended	
	30 September 2019	30 September 2018
	(Rupees in thousand)	
PROFIT AFTER TAXATION	2,297,640	2,019,741
OTHER COMPREHENSIVE (LOSS) / INCOME		
Items that will not be reclassified to profit or loss:		
(Deficit) / Surplus arising on remeasurement of investments at fair value through other comprehensive income	(486,096)	421,797
Share of other comprehensive (loss) / income of associates	(315,326)	82,559
	(801,422)	504,356
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translating foreign operations	(31,391)	9,311
Other comprehensive (loss) / income for the period	(832,813)	513,667
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	1,464,827	2,533,408
SHARE OF TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
Equity holders of holding company	809,341	2,051,399
Non-controlling interest	655,486	482,009
	1,464,827	2,533,408

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

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Consolidated Condensed Interim Financial Information
for the quarter ended September 30, 2019

Accelerating
focused growth

Consolidated Condensed Interim Statement of Changes in Equity

For the quarter ended 30 September 2019 (Un-audited)

Share capital	Attributable to equity holders of the holding company											Non-controlling interest	Total equity	
	Capital reserves			Revenue reserves		Total Reserves	Shareholders' equity	Non-controlling interest	Total equity					
	Premium on issue of right shares	Fair value reserve AFS investments	Fair value reserve FVTOCI in investments	Exchange translation reserve	Statutory reserve					Capital redemption reserve fund	Sub Total			General Reserve
3,515,999	5,499,530	14,243,195	-	60,174	835	111,002	19,914,736	60,755,882	7,414,048	68,169,930	88,084,666	91,600,665	8,034,658	99,635,323
-	-	(14,243,195)	14,243,195	-	-	-	-	(30,687)	(30,687)	(30,687)	(30,687)	(30,687)	-	(30,687)
-	-	-	-	-	-	-	-	(58,502)	(58,502)	(58,502)	(58,502)	(58,502)	-	(58,502)
3,515,999	5,499,530	-	14,243,195	60,174	835	111,002	19,914,736	60,755,882	7,324,859	68,080,741	87,995,477	91,511,476	8,034,658	99,546,134
-	-	-	-	-	-	-	-	-	1,537,732	1,537,732	1,537,732	1,537,732	482,009	2,019,741
-	-	-	504,356	9,311	-	-	513,667	-	-	513,667	513,667	513,667	-	513,667
-	-	-	504,356	9,311	-	-	513,667	-	-	513,667	2,051,399	2,051,399	482,009	2,533,408
3,515,999	5,499,530	-	14,747,551	69,485	835	111,002	20,428,403	60,755,882	8,862,591	69,618,473	90,046,876	93,562,875	8,516,667	102,079,542
-	-	-	-	-	-	-	-	-	(1,670,099)	(1,670,099)	(1,670,099)	(1,670,099)	-	(1,670,099)
-	-	-	-	-	-	-	-	5,617,000	(5,617,000)	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	(520,367)	(520,367)
-	-	-	(5,020,503)	149,683	-	-	(4,870,820)	-	6,288,825	6,288,825	6,288,825	6,288,825	1,364,728	7,653,553
-	-	-	(5,020,503)	149,683	-	-	(4,870,820)	-	(29,115)	(29,115)	(4,899,935)	(4,899,935)	-	(4,899,935)
-	-	-	(5,020,503)	149,683	-	-	(4,870,820)	-	6,239,510	6,239,510	1,368,690	1,368,690	1,364,728	2,733,418
3,515,999	5,499,530	-	9,727,048	219,168	835	111,002	15,557,583	66,372,882	7,815,002	74,187,884	89,745,467	93,261,466	9,361,028	102,622,494
-	-	-	-	-	-	-	-	-	1,642,154	1,642,154	1,642,154	1,642,154	655,486	2,297,640
-	-	-	(801,422)	(31,391)	-	-	(832,813)	-	(832,813)	(832,813)	(832,813)	(832,813)	-	(832,813)
-	-	-	(801,422)	(31,391)	-	-	(832,813)	-	1,642,154	1,642,154	809,341	809,341	655,486	1,464,827
3,515,999	5,499,530	-	8,925,626	187,777	835	111,002	14,724,770	66,372,882	9,457,156	75,830,038	90,554,808	94,070,807	10,016,514	104,087,321

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 2019 (Un-audited)

	Note	Quarter ended	
		30 September 2019	30 September 2018
(Rupees in thousand)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (utilized in) operations	11	5,530,682	(1,972,781)
Finance cost paid		(677,292)	(430,128)
Income tax (paid) / refund received		(245,563)	16,923
Long term security deposits received		11,475	6,970
Net exchange difference on forward exchange contracts received		1,832	1,111
Net decrease in retirement benefit obligation		(1,881)	(118)
Net increase in long term loans		(15,320)	(3,228)
Net increase in long term deposits		(288)	(21,675)
Net cash generated from / (used in) operating activities		4,603,645	(2,402,926)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(1,360,806)	(766,958)
Proceeds from sale of property, plant and equipment		18,305	26,405
Dividends received		377,627	352,061
Interest received		13,773	1,145
Investment made		(9,500)	(60,000)
Net cash used in investing activities		(960,601)	(447,347)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		591,829	89,437
Repayment of long term financing		(978,738)	(1,039,718)
Exchange differences on translation of net investments in foreign subsidiaries		(31,391)	9,311
Short term borrowings - net		82,702	3,652,615
Dividend paid		(3,170)	(178)
Net cash (used in) / from financing activities		(338,768)	2,711,467
Net increase / (decrease) in cash and cash equivalents		3,304,276	(138,806)
Cash and cash equivalents at the beginning of the period		1,220,422	831,688
Cash and cash equivalents at the end of the period		4,524,698	692,882

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

Accelerating
focussed growth

Consolidated Condensed Interim Financial Information
for the quarter ended September 30, 2019

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Selected Notes to the Consolidated Condensed Interim Financial Information

For the quarter ended 30 September 2019 (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 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 2019: 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 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 manufacture and to sell 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 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. The management of Nishat International FZE, pursuant to resolution of board of directors of Nishat Mills Limited dated 26 February 2019, decided to liquidate Nishat UK (Private) Limited as Nishat UK (Private) Limited never commenced its primary operations, therefore, Nishat UK (Private) Limited's financial statements have been prepared using the non-going concern basis of accounting. No adjustments to the assets or liabilities of Nishat UK (Private) Limited was considered necessary and Nishat UK (Private) Limited was dissolved on 23 July 2019.

NISHAT COMMODITIES (PRIVATE) LIMITED

Nishat Commodities (Private) Limited is a private limited Company incorporated in Pakistan on 16 July 2015 under the 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.

Selected Notes to the Consolidated Condensed Interim Financial Information

For the quarter ended 30 September 2019 (Un-audited)

LALPIR SOLAR POWER (PRIVATE) LIMITED

Lalpir Solar Power (Private) Limited is a private limited Company incorporated in Pakistan on 19 November 2015 under the 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 is to build, own, operate and maintain or invest in a solar power project having gross capacity upto 20 MWp with net estimated generation capacity of approximate 19 MWp. The Company achieved various milestones like approval of feasibility study, No Objection Certificate (NOC) from Environmental Protection Agency (EPA), approval of Grid Interconnection Study (GIS) from Multan Electric Power Company Limited (MEPCO) and has obtained the approval (NOC) from NTDC for GIS. Further, consent for purchasing power from the project and power evacuation certificate have also been provided by MEPCO and NTDC respectively. Generation Licence No. SPGL/26/2018 has been granted by National Electric Power Regulatory Authority (NEPRA) to the Company for its 11.120 MW Solar Power Plant located at Mauza Verar, Sipra Mehmood Kot, District Muzaffargarh, in the province of Punjab, pursuant to Section 14(B) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 / Amendment Act, 2018. The upfront solar tariff announced by NEPRA expired on 30 June 2016. However, the Company will now pursue with Power Acquisition Request (PAR) pending at Central Power Purchasing Agency (Guarantee) Limited and after getting required consents for Energy Purchase Agreement, the management shall try to get suitable tariff through new regime of competitive bidding, recently announced by NEPRA or as amended from time to time.

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 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. The management of Nishat International FZE, pursuant to resolution of board of directors of Nishat Mills Limited dated 26 April 2019, has decided to liquidate Concept Garments and Textile Trading FZE as Concept Garments and Textile Trading FZE do not intend to carry further operations, therefore Concept Garments and Textile Trading FZE's financial statements have been prepared using the non-going concern basis of accounting. No adjustments to the assets or liabilities of Concept Garments and Textile Trading FZE is considered necessary as the remaining cash and cash equivalents of AED 1,566,178 are being held as reserve by Concept Garments and Textile Trading FZE to pay for the remaining liabilities of AED 29,806, operating expenses and unforeseen expenses until the dissolution of Concept Garments and Textile Trading FZE, at which time a final distribution will be made by Concept Garments and Textile Trading FZE.

2 BASIS OF PREPARATION

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

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

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

2.2 These consolidated condensed interim financial statements are un-audited and do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Group for the year ended 30 June 2019.

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 financial statements of the Group for the year ended 30 June 2019.

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.

Selected Notes to the Consolidated Condensed Interim Financial Information

For the quarter ended 30 September 2019 (Un-audited)

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

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 2019.

	Un-audited 30 September 2019 (Rupees in thousand)	Audited 30 June 2019
6 LONG TERM FINANCING - SECURED		
Opening balance	10,086,021	12,429,612
Add: Obtained during the period / year	591,894	1,870,498
Less: Repaid during the period / year	(978,738)	(4,214,625)
(Less) / Add: Currency translation	(65)	536
	9,699,112	10,086,021
Less: Current portion shown under current liabilities	(4,271,153)	(4,170,795)
	5,427,959	5,915,226

7 CONTINGENCIES AND COMMITMENTS

a) Contingencies

- i) Nishat Mills Limited - Holding Company is contingently liable for Rupees 0.631 million (30 June 2019: 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 2,463.211 million (30 June 2019: Rupees 2,255.144 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 and to the bank of Hyundai Nishat Motor (Private) Limited (associated company) to secure financial assistance to the associated company.

- iii) Post dated cheques of Rupees 7,303.076 million (30 June 2019: Rupees 6,695.544 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 108.345 million (30 June 2019: Rupees 106.312 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.
- v) Holding Company's share in contingencies of associates accounted for under equity method is Rupees 6,346 million (30 June 2019: Rupees 6,346 million).
- vi) A sales tax demand of Rs 1,218.132 million was raised against Nishat Power Limited - Subsidiary Company through order dated December 11, 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 revenue' 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 revenue' 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 are pending adjudication.

Subsequently, the above explained issue was taken up by department for tax periods of July 2009 to June 2013 (involving input sales tax of Rs 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 October 31, 2016, LHC accepted the Subsidiary Company's stance and annulled the proceedings. The 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 Rs 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. During the year 2019, LHC has dismissed the petition in favour of the department, by allowing the department to complete the audit proceedings that are pending completion.

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

Selected Notes to the Consolidated Condensed Interim Financial Information

For the quarter ended 30 September 2019 (Un-audited)

- vii) During the year 2019, the Commissioner Inland Revenue has raised a demand of Rs 179.046 million against Nishat Power Limited - Subsidiary Company through his order dated April 16, 2019, mainly on account of input tax claimed on inadmissible expenses in sales tax return for the tax periods of July 2014 to June 2017 and sales tax default on account of suppression of sales related to tax period June 2016. The Subsidiary Company filed application for grant of stay before the ATIR against recovery of the aforesaid demand that was duly granted. Further, the Subsidiary Company has filed appeals before CIR(A) and ATIR against the order which is pending adjudication. Management of the Subsidiary Company has strong grounds to believe that the case will be decided in Subsidiary Company's favour. Therefore, no provision has been made on this account in this consolidated condensed interim financial information.
- viii) During the year 2019, National Electric Power Regulatory Authority (NEPRA) issued a show cause notice dated February 13, 2019, to Nishat Power Limited - Subsidiary Company along with other Independent Power Producers to provide rationale of abnormal profits earned since commercial operation date (COD) that eventually led to initiation of proceedings against the Subsidiary Company by NEPRA on March 18, 2019. The Subsidiary Company has challenged the authority of NEPRA to take suo moto action before the Islamabad High Court (IHC) wherein IHC has provided interim relief by suspending the suo moto proceedings. The case is currently pending adjudication before IHC. Management of the Subsidiary Company is confident that based on the facts and law, there will be no adverse implications for the Subsidiary Company.
- ix) The banks have issued the following on behalf of Nishat Power Limited - Subsidiary Company:
- a) Letter of guarantee of Rupees 11 million (30 June 2019: 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 million (30 June 2019: Rupees 100 million) in favour of fuel suppliers.
 - c) Letter of guarantee of Rupees 1.5 million (30 June 2019: Rupees 1.5 million) in favour of Punjab Revenue Authority, Lahore.
- x) Guarantees of Rupees 89.350 million (30 June 2019: Rupees 89.350 million) are given by the banks of 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 4.241 million (30 June 2019: Rupees 4.241 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. The Subsidiary Company's appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] was successful except for the legal issue amounting to Rupees 1.419 million. Appeal on this point has been filed before the Appellate Tribunal Inland Revenue which is pending adjudication. The Subsidiary Company is confident of favorable outcome of its appeal based on advice of the tax advisor.
- xiv) Bank guarantee of Rupees 1.9 million (30 June 2019: 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

- i) 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. During the year 2019, 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, the Subsidiary Company has submitted the Partial Final Award before LHC and obtained interim relief from honourable 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 recognised the income and corresponding asset for such amount in this consolidated condensed interim financial information.

Selected Notes to the Consolidated Condensed Interim Financial Information

For the quarter ended 30 September 2019 (Un-audited)

c) Commitments

- i) Contracts for capital expenditure of the Group are approximately of Rupees 1,925.638 million (30 June 2019: Rupees 1,005.666 million).
- ii) Letters of credit other than for capital expenditure of the Group are of Rupees 960.121 million (30 June 2019: Rupees 1,040.985 million).
- iii) Outstanding foreign currency forward contracts of Rupees 1,547.162 million (30 June 2019: Rupees 463.868 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 2019 (Rupees in thousand)	Audited 30 June 2019
Not later than one year		3,894	3,894
8	PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets - owned	8.1	40,222,783	40,835,226
Capital work in progress	8.2	1,792,312	687,957
Major spare parts and standby equipments		109,688	174,201
		42,124,783	41,697,384
8.1	Operating fixed assets - Owned		
Opening book value		40,835,226	38,812,949
Add: Cost of additions during the period / year	8.1.1	328,007	5,886,104
		41,163,233	44,699,053
Less: Book value of deletions during the period / year	8.1.2	(13,228)	(226,463)
Less: Book value of assets written off during the year		-	(14,910)
		41,150,005	44,457,680
Less: Depreciation charged for the period / year		(921,576)	(3,655,960)
(Less) / Add: Currency translation		(5,646)	33,506
		40,222,783	40,835,226

	Un-audited 30 September 2019 (Rupees in thousand)	Audited 30 June 2019
8.1.1 Cost of additions		
Freehold land	-	681,669
Buildings on freehold land	2,589	1,395,389
Plant and machinery	294,371	3,364,189
Electric installations	983	48,267
Factory equipment	1,098	16,645
Furniture, fixtures and office equipment	9,608	140,689
Computer equipment	9,559	31,198
Vehicles	9,799	208,058
	328,007	5,886,104
8.1.2 Book value of deletions		
Buildings on freehold land	-	2,594
Plant and machinery	1,425	194,541
Electric installations	573	2,607
Factory equipment	-	144
Furniture, fixtures and office equipment	-	542
Computer equipment	322	462
Vehicles	10,908	24,987
Kitchen equipment and crockery items	-	586
	13,228	226,463
8.2 Capital work-in-progress		
Buildings on freehold land	435,575	199,825
Plant and machinery	1,182,300	376,033
Electric installations	31,043	38,103
Unallocated expenses	31,413	27,069
Letters of credit against machinery	3,114	1,159
Advance against purchase of land	24,970	23,658
Advances against furniture and office equipment	36,878	8,776
Advances against vehicles	47,019	13,334
	1,792,312	687,957

	Note	Quarter ended	
		30 September 2019	30 September 2018
(Rupees in thousand)			
11 CASH GENERATED FROM OPERATIONS			
Profit before taxation		2,602,166	2,262,598
Adjustments for non-cash charges and other items:			
Depreciation and amortization		921,445	922,865
(Gain) / Loss on sale of property, plant and equipment		(5,077)	1,450
Dividend income		(377,627)	(352,061)
Profit on deposits with banks		(39,333)	(471)
Share of loss / (profit) from associates		118,447	(189,778)
Reversal of provision for accumulated compensated absences		-	(190)
Net exchange loss / (gain)		160,250	(58,412)
Interest income on sales tax refund bonds		(14,814)	-
Finance cost		673,640	442,793
Working capital changes	11.1	1,491,585	(5,001,575)
		5,530,682	(1,972,781)
11.1 Working capital changes			
(Increase) / decrease in current assets:			
- Stores, spare parts and loose tools		128,179	(386,508)
- Stock in trade		3,845,927	(1,489,920)
- Trade debts		(2,910,337)	(4,695,271)
- Loans and advances		83,920	(90,445)
- Short term deposits and prepayments		(57,921)	(68,581)
- Other receivables		(495,326)	49,150
		594,442	(6,681,575)
Increase in trade and other payables		897,143	1,680,000
		1,491,585	(5,001,575)

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 these consolidated financial statements. 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 2019	Level 1	Level 2	Level 3	Total
(Rupees in thousand)				
Financial assets				
Fair value through other comprehensive income	16,098,318	-	676,361	16,774,679
Derivative financial assets	-	8,535	-	8,535
Total financial assets	16,098,318	8,535	676,361	16,783,214
Financial liabilities				
Derivative financial liabilities	-	4,934	-	4,934
Total financial liabilities	-	4,934	-	4,934
Recurring fair value measurements At 30 June 2019 - Audited				
(Rupees in thousand)				
Financial assets				
Fair value through other comprehensive income	16,584,412	-	676,361	17,260,773
Derivative financial assets	-	958	-	958
Total financial assets	16,584,412	958	676,361	17,261,731
Financial liabilities				
Derivative financial liabilities	-	7,583	-	7,583
Total financial liabilities	-	7,583	-	7,583

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. Further there was no transfer 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 equity 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 2019 (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 2019:

		Unlisted equity securities (Rupees in thousand)
Balance as on 30 June 2018 - Audited		924,043
Less: Deficit recognized in other comprehensive income		(247,679)
Balance as on 30 June 2019 - Audited		676,364
Less: Deficit recognized in other comprehensive income		-
Balance as on 30 September 2019 - Unaudited		676,364

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 2019	30 June 2019		30 September 2019	
(Rupees in thousand)					

Fair value through other comprehensive income

Security General Insurance Company Limited	676,364	676,364	Net premium revenue growth factor	8.66%	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 +32.519 million / - 29.656 million.
			Risk adjusted discount rate	22.08%	

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

Valuation processes

Independent valuer performs the valuations of non-property items required for financial reporting purposes, including level 3 fair values. The independent valuer 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 month, 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 half yearly reporting period during the valuation discussion between the Chief Financial Officer of the Holding Company and the independent valuer. As part of this discussion the independent valuer presents a report that explains the reason for the fair value movements.

14 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated undertakings, other related companies, 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:

i) Transactions

	Quarter ended	
	30 September 2019	30 September 2018
	(Rupees in thousand)	
Associated companies		
Investment made	9,500	60,000
Purchase of goods and services	47,438	42,111
Sharing of expenses	414	-
Sale of goods and services	22,140	1,248
Sale of operating fixed assets	819	-
Rental income	10,081	314
Rent paid	19,987	18,453
Insurance premium paid	112,342	97,087
Insurance claims received	12,550	6,146
Interest income	162	405
Finance cost	8,563	6,521
Other related parties		
Purchase of goods and services	636,733	487,841
Sale of goods and services	149,274	6,445
Finance cost	170	107
Group's contribution to provident fund trust	75,784	68,771
Remuneration paid to Chief Executive Officer, Director and Executives of the Holding Company	245,894	177,448

ii) Period end balances

	As at 30 September 2019		
	Associated companies	Other related parties	Total
	(Rupees in thousand)		
Trade and other payables	73,202	80,956	154,158
Accrued markup	3,375	-	3,375
Short term borrowings	172,385	-	172,385
Long term loans	-	159,394	159,394
Trade debts	10,451	34,902	45,353
Loans and advances	285	58,862	59,147
Accrued interest	526	-	526
Cash and bank balances	98,696	21,516	120,212

Selected Notes to the Consolidated Condensed Interim Financial Information

For the quarter ended 30 September 2019 (Un-audited)

	As at 30 June 2019 (Audited)		
	Associated companies	Other related parties	Total
	(Rupees in thousand)		
Trade and other payables	75,526	49,156	124,682
Accrued markup	2,779	-	2,779
Short term borrowings	120,307	-	120,307
Long term loans	-	150,901	150,901
Trade debts	3,382	15,344	18,726
Loans and advances	-	47,416	47,416
Accrued interest	674	-	674
Cash and bank balances	45,759	1,544	47,303

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 2019.

16 DATE OF AUTHORIZATION FOR ISSUE

This consolidated condensed interim financial information was approved by the Board of Directors and authorized for issue on 29 October 2019.

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.



48 CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

تفصیل

1	(i) آزاد ڈائریکٹرز
4	(ii) نان ایگزیکٹو ڈائریکٹرز
2	(iii) ایگزیکٹو ڈائریکٹرز

بورڈ کی کمیٹیاں
بورڈ کی آڈٹ کمیٹی:

نمبر شمار	نام ڈائریکٹرز	
1	جناب سید زاہد حسین (چیئر مین / رکن)	
2	جناب محمود اختر (رکن)	
3	جناب فرید نور علی فضل (رکن)	

ہیومن ریسورس اینڈ ریمینٹیشن (HR&R) کمیٹی:

نمبر شمار	نام ڈائریکٹرز	
1	جناب سید زاہد حسین (چیئر مین / رکن)	
2	جناب میاں عمر رضا (رکن)	
3	جناب محمود اختر (رکن)	

ڈائریکٹرز کا مشاہرہ۔

- بورڈ آف ڈائریکٹرز نے ڈائریکٹرز کے معاوضہ کی پالیسی کی منظوری دی ہے۔ پالیسی کی بنیادی خصوصیات مندرجہ ذیل ہیں:
- کمپنی بورڈ اور اس کی کمیٹیوں کے اجلاسوں میں شرکت کی فیس کے سوائے آزاد ڈائریکٹرز سمیت اپنے نان ایگزیکٹو ڈائریکٹرز کو معاوضہ ادا نہیں کرے گی۔
 - کمپنی بورڈ اور اس کی کمیٹیوں کے اجلاسوں میں شرکت کے سلسلے میں ڈائریکٹرز کے سفر اور رہائش کے اخراجات ادا کرے گی۔
 - بورڈ آف ڈائریکٹرز، ڈائریکٹرز کو معاوضہ پالیسی کا جائزہ اور اس کی منظوری دیں گے۔

اظہار تشکر

مجلس نظامہ انتظامیہ، عملہ اور کارکنوں کی کوششوں کو سراہتی ہے۔

منجانب بورڈ آف ڈائریکٹرز



مقتصد احمد
ڈائریکٹر



میاں عمر رضا
چیف ایگزیکٹو آفیسر
12 اکتوبر 2019ء
لاہور

اشافہ / (کمی)		30 ستمبر تک تہہ سرمایہ		پروسیسڈ کاکا تھائیٹ میڈ ایٹس
فیصد	قدر	2018	2019	
(2.99)	(198)	6,613	6,415	فروخت - (میلرز '000)
24.54	87.84	357.98	445.82	قیمت فی میٹر
20.81	492,597	2,367,347	2,859,944	فروخت - (000 روپے)

گارمنٹس

گزشتہ سال کی اسی سرمایہ کے مقابلے 30 ستمبر 2019 کی پہلی سرمایہ کے دوران گارمنٹس ڈویژن نے مالی نتائج میں بہتری کا مظاہرہ کیا ہے۔ فیشن انڈسٹری میں کساد گئی مارکیٹنگ اور ڈویژن کی کسٹمر منجمنٹ حکمت عملیوں کی تکمیل کا محور ہے۔ کپنی کے مشن کے مطابق ڈویژن کی انتظامیہ نے صارفین کی خواہش کو حقیقی معنوں میں قبول کرنے کے لئے ضروری تکنیکوں کو اپنایا ہے تاکہ جدید رجحانات کے مطابق بہترین معیار کی مصنوعات تیار کی جاسکیں۔

ڈویژن نے اپنے کسٹمر منجمنٹ کے عمل کو بھی بہتر بنایا ہے جس کے باعث صارفین کے استفسارات کے بروقت جواب اور مصنوعات کی طلب کی پیش گوئی میں درستگی میں بہتری آئی ہے۔ اب انتظامیہ صارفین کی ضروریات کے مطابق فوری فیصلے کرنے کے قابل ہے جس سے پائیدار تعلقات کو فروغ ملے گا۔

اشافہ / (کمی)		30 ستمبر تک تہہ سرمایہ		گارمنٹس
فیصد	قدر	2018	2019	
(3.61)	(51)	1,414	1,363	فروخت - (گارمنٹس '000)
31.32	255.70	816.54	1,072.24	قیمت فی گارمنٹ
26.58	306,880	1,154,583	1,461,463	فروخت - (000 روپے)

پاور جنریشن

چونکہ کپنی بہت ہی مسابقتی صنعت میں کاروبار کرتی ہے جہاں بجلی کی لاگت پیداواری لاگت کا اہم حصہ ہے، انتظامیہ نے بجلی، بھاپ، گرم پانی، گرم / ٹھنڈی اور کھیر ریسیڈ ہوا کی فراہمی کے لئے بہت ہی سستے پلائس نصب کئے ہیں۔ لہذا، ویسٹ حرارت پر چلنے والی ایک چھوٹی اسٹیم ٹربائن ساہیاناوالہ فیصل آباد میں نصب کی جارہی ہے۔ ساہیاناوالہ فیصل آباد میں 3MW وارٹسٹا سولر پاور پلانٹ کی تنصیب کا عمل بھی جاری ہے۔ چھوٹی اور فیروز ٹوواں میں واقع پاور ڈویژن کے لئے دو مزید سولر پاور پلائس حاصل کرنے کا منصوبہ زیر غور ہے۔

لاہور میں واقع پاور پلانٹ کے لئے 3.2 میگا واٹ کی بھاپ ٹربائن کی تنصیب کا منصوبہ مکمل ہونے کے قریب ہے۔ ٹربائن دسمبر 2019 میں کھین ہو جائے گی جو ڈائنگ اور فنڈنگ پونٹ میں نصب شدہ 9 میگا واٹ کے کمبائنڈ ہیٹ اینڈ پاور پلانٹ سے پیدا شدہ بھاپ سے بجلی پیدا کرے گی اس سے قبل بھاپ کا پریشر / ٹمبر پچر جوئی احوال ڈائنگ اور ہوم ٹیکسٹائل ڈویژن کے پیداواری ہالوں میں خارج کیا گیا بہت زیادہ ہے جبکہ کم پریشر / ٹمبر پچر بھاپ / ٹمبر پچر فیکٹ ڈائنگ اور فنڈنگ عمل کی ضروریات کو پورا کر سکتے ہیں۔

ذیلی کمپنیاں اور کنسولیدیشن مالیاتی حسابات

نشاط پاور لمیٹڈ، نشاط لینن (پرائیویٹ) لمیٹڈ، نشاط پائپٹھائی (پرائیویٹ) لمیٹڈ، نشاط کموڈیٹیز (پرائیویٹ) لمیٹڈ، الال جی سولر پاور (پرائیویٹ) لمیٹڈ، نشاط یو ایٹس اے انکارپوریٹڈ، نشاط لینن ٹریڈنگ L.L.C، نشاط انٹرنیشنل F.Z.E، نشاط گلوبل چائے کھینی لمیٹڈ، نشاط UK (پرائیویٹ) لمیٹڈ اور کنسپٹ گارمنٹس اینڈ ٹیکسٹائل ٹریڈنگ F.Z.E کپنی کی ذیلی کمپنیوں کی پورٹ فولیو میں شامل ہیں۔ لہذا، کپنی نے انٹرنیشنل کنٹریٹس رپورٹنگ سٹینڈرڈز کی ضروریات کے مطابق اپنی سچھٹ کنڈر سڈ عبوری مالیاتی معلومات کے علاوہ کنسولیدیشن کنڈر سڈ عبوری مالیاتی معلومات منسلک کی ہیں۔

بورڈ کی تشکیل

ڈائریکٹرز کی کل تعداد

(a) مرد	7
(b) خاتون	0

مقامی منڈی میں بہتری کے باوجود بین الاقوامی یارن مارکیٹ منظر نامہ پوری مدت میں دشوار ترین رہا۔ ہانگ کانگ / چین اور دیگر مشرقی ممالک میں طلب سرمایہ کے دوران کم رہی۔ ہم امید کر رہے ہیں کہ امریکہ - چین اقتصادی تجارتی جنگ اور کمزور چینی کرنسی کے باعث یارن کاروبار کے لئے سال کا باقی عرصہ دشوار ہوگا۔

ڈویونگ

ڈویونگ کا فروخت حجم 30 ستمبر 2019 کو ختم ہونے والی پہلی سرمایہ کے دوران کم ہو گیا کیونکہ فیشن ویز اور ویز فیر کے کئی صارفین نے ان کی فروخت کی پیش گوئی میں تبدیلی کے مطابق ان کے آرڈرز کو معطل یا کمٹنس کو مؤخر کرنے کی درخواست کی ہے۔ اس سے کورے کپڑے کی قیمتوں پر دباؤ بڑھ گیا ہے۔

اکثر صارفین آرکینک اور ری سائیکلڈ (کاٹن اور پولی ایسٹر) کی بنی ہوئی مصنوعات میں انوائس منسلک اسٹیکام کے آئیڈیا کے قیام کا مطالبہ کر رہے ہیں۔ ہمارے چند یورپی صارفین نے خالصتاً آرکینک کاٹن کے بننے کو رے کپڑے کے لئے پہلے ہی آرڈر دے چکے ہیں۔ مستقبل میں بھی یہ رجحان جاری رہنے کی امید ہے۔ ہمیشہ کی طرح ہم صارفین کی طلب اور مصنوعات میں نئے رجحانات کو مد نظر رکھتے ہوئے منڈیوں کی رسائی حاصل کرنے کی حکمت عملی تیار کریں گے۔ ہم چارٹی جدید ریپرٹس مشینیں خریدنے کی منصوبہ بندی کر رہے ہیں جو ہماری پرانی مشینوں کی جگہ تبدیل کی جائیں گی۔

گرے کا تھ	30 ستمبر ختم شدہ سرمایہ		اشافہ / (کمی)
	2018	2019	
فروخت - (میٹرز '000)	20,680	20,416	(1.28)
قیمت فی میٹر	169.28	186.08	9.92
فروخت - ('000 روپے)	3,500,665	3,798,967	8.52

ڈانگ

بنیادی اور فیشن فیرک پر مشتمل متوازن پراڈکٹس نے ڈویونگ کو 30 ستمبر 2019 کو ختم ہونے والی سرمایہ کے دوران مجدد فروخت حجم کے باوجود اپنے منافع کو برقرار رکھنے کے قابل بنایا ہے۔ ڈویونگ دوسری سرمایہ کے لئے پیداواری صلاحیتیں پہلے ہی فروخت کر چکا ہے اور مارکیٹنگ ڈیپارٹمنٹ تیسری سرمایہ کے لئے جنگ پر کام کر رہا ہے۔ پیداواری اخراجات میں اضافہ اور بھارت کے ساتھ تجارت کی معطلی ڈویونگ کے لئے سب سے بڑے چیلنجز ہیں جو مالی سال 2019-20 کے باقی عرصہ میں فروخت کو نئی طرح متاثر کر سکتے ہیں۔

پروسیڈ کا تھ	30 ستمبر ختم شدہ سرمایہ		اشافہ / (کمی)
	2018	2019	
فروخت - (میٹرز '000)	9,125	9,214	0.98
قیمت فی میٹر	316.18	375.02	18.61
فروخت - ('000 روپے)	2,885,100	3,455,437	19.77

ہوم ٹیکسٹائل

مالی سال 2018-19 کی آخری ششماہی کے دوران تعمیر شدہ زیادہ فروخت حجم کی رفتار 30 ستمبر 2019 کو ختم ہونے والی سرمایہ کے دوران جاری رہی۔ جس کے نتیجے، ڈویونگ کی پیداواری لائنیں مکمل صلاحیت پر چل رہی ہیں۔ انتظامیہ توقع کرتی ہے کہ یہ رجحان اگلے سرمایہ میں بھی جاری رہے گا۔ ڈویونگ کی ہوم ٹیکسٹائل اقسام سمیت چینی مصنوعات پر امریکہ کی طرف سے حالیہ ٹریف کے نفاذ کے نتیجے پاکستانی ٹیکسٹائل مصنوعات کی طلب میں متوقع اضافہ کے باعث مالی سال 2019-20 کی دوسری ششماہی میں مزید برآمدات کے مواقعے میسر آنے کی پیش گوئی کرتا ہے۔

ڈویونگ تقریباً 1.5 بلین روپے کی لاگت کے ساتھ ایک ڈائل مینوفیکچرنگ پلانٹ قائم کرنے کی بھی منصوبہ بندی کر رہا ہے جو ہمارے ہوم ٹیکسٹائل پراڈکٹس میں آخری کڑی ہے۔ ہمارے ڈائل سیکشن کا پہلا فیٹر جون 2020 تک آپریشن ہونے کی توقع ہے جو آئندہ سالوں میں برآمدی فروخت حجم کو بڑھانے میں بہت زیادہ مدد کرے گا۔ منصوبہ کی بنیادی صلاحیت 10 ٹن یومیہ ہوگی۔

ڈائریکٹرز رپورٹ

نیشنل ملز لمیٹڈ ("کمپنی") کی مجلس نفعیہ 30 ستمبر 2019ء کو منعقد ہونے والی سرمایہ کے لئے مجلس نفعیہ کی رپورٹ پیش کرتے ہوئے خوشی محسوس کرتی ہے۔

آپریٹنگ مالیاتی نتائج

کمپنی کا مجموعی منافع گزشتہ سال کی اسی سرمایہ کے مقابلے رواں سرمایہ میں 355.689 ملین روپے (19.74 فیصد) سے بڑھ گیا۔ مجموعی منافع میں اضافے کی بنیادی وجہ آمدنی میں 11.44 فیصد اضافہ اور مناسب اضافے سے کم فروخت کی لاگت میں 10.24 فیصد اضافہ ہے۔ تاہم، گزشتہ سال کی اسی سرمایہ کے مقابلے رواں سرمایہ میں بعد از ٹیکس منافع کی 7.16 فیصد کمی دیگر اخراجات اور مالی لاگت میں بازلتیبیب 158.365 ملین روپے اور 111.643 ملین روپے اضافہ کے باعث ہوئی۔ کم جولائی 2019 سے 30 ستمبر 2019ء سے امریکی ڈالر کے برعکس پاکستانی روپیہ کی قدر میں 5 فیصد تک اضافہ کے باعث تبادلہ نقصان کی مد میں دیگر اخراجات بڑھ گئے۔ کمپنی کے بینک قرضہ کی شرح زیادہ ہونے کے باعث مالی لاگت میں اضافہ ہوا۔

مالی ہیکلیاں	30 ستمبر تختہ سرمایہ		اضافہ/(کمی) فیصد
	2018	2019	
آمدنی (روپے '000)	14,297,798	15,933,130	11.44
مجموعی منافع (روپے '000)	1,801,593	2,157,282	19.74
بعد از ٹیکس منافع (روپے '000)	994,889	923,702	(7.16)
مجموعی منافع (فیصد)	12.60	13.54	
بعد از ٹیکس منافع (فیصد)	6.96	5.80	
فی شیئر آمدنی - (روپے)	2.83	2.63	

عام مارکیٹ کا جائزہ اور مستقبل کے امکانات

ٹیکسٹائل شعبہ کی مالی کارکردگی رواں مالی سال کی پہلی سرمایہ کے دوران بہتر نہیں رہی۔ ملک میں اقتصادی سست روی، طلب کا عالمی انجماد اور کاروبار کرنے کے زیادہ اخراجات ٹیکسٹائل شعبہ کی ناقص کارکردگی کی اہم وجوہات تھیں۔

اس وقت شعبہ کے لئے سب سے بڑا چیلنج کپاس کی پیداوار میں تقریباً 35 فیصد متوقع کمی کے باعث 5 ملین کپاس کٹھنوں کی قلت ہے۔ ملک کو یہ خلا پُر کرنے کے لئے کپاس درآمد کرنا پڑے گی جس سے ٹیکسٹائل مینوفیکچررز کے پیداواری اخراجات مزید بڑھ جائیں گے۔

شعبہ دار تجزیہ

کمپنی شعبہ دار کارکردگی کا مختصر جائزہ حسب ذیل ہے:

سپننگ

بین الاقوامی منڈی میں یارن کی طلب اور قیمتوں میں کمی نے سپننگ ڈویژن کے فروخت حجم کو متاثر کیا ہے۔ تاہم، ڈویژن کا منافع ذرائع کے موثر اور بہتر استعمال کے باعث مستحکم رہا۔ 1,200 روٹرز کی حامل نئی قائم شدہ اوپن انڈیا یارن مینوفیکچرنگ سہولت نے مثبت نتائج ظاہر کئے ہیں۔ اوپن انڈیا یارن پیداوار کی گنجائش ڈگننا کرنے کی منصوبہ بندی کی جارہی ہے۔

یارن	30 ستمبر تختہ سرمایہ		اضافہ/(کمی) فیصد	
	2018	2019	قدر	فیصد
فروخت - (کلوگرام '000)	6,172	6,568	(396)	(6.03)
قیمت فی کلو	402.95	384.32	18.63	4.85
فروخت - ('000 روپے)	2,487,031	2,524,210	(37,179)	(1.47)



REGISTERED OFFICE:

Nishat House, 53-A, Lawrence Road, Lahore

Tel: 042-36360154, 042-111 113 333

nishat@nishatmills.com

www.nishatmillsltd.com