



NISHAT
Nishat Mills Limited

Interim financial report

For the period ended 31 March 2012

50 Years
of listing on KSE



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Company Information

BOARD OF DIRECTORS:	Mian Umer Mansha Mian Hassan Mansha Mr. Khalid Qadeer Qureshi Mr. Muhammad Azam Syed Zahid Hussain Ms. Nabiha Shahnawaz Cheema Mr. Maqsood Ahmad	Chairman/CEO
AUDIT COMMITTEE:	Mr. Khalid Qadeer Qureshi Mr. Muhammad Azam Ms. Nabiha Shahnawaz Cheema	Chairman/Member Member Member
CHIEF FINANCIAL OFFICER:	Mr. Badar-ul-Hassan	
COMPANY SECRETARY:	Mr. Khalid Mahmood Chohan	
AUDITORS:	Riaz Ahmad & Company	Chartered Accountants
LEGAL ADVISOR:	Mr. M. Aurangzeb Khan, Advocate, Chamber No. 6, District Court, Faisalabad.	



BANKERS TO THE COMPANY:	Albarka Islamic Bank Allied Bank Limited Askari Bank Limited Bank Alfalah Limited Bank Islami Pakistan Limited Barclays Bank PLC Burj Bank Limited Citibank N.A. Deutsche Bank AG Dubai Islamic Bank Pakistan Limited Faysal Bank Limited Habib Bank Limited Habib Metropolitan Bank Limited HSBC Bank Middle East Limited JS Bank Limited KASB Bank Limited Meezan Bank Limited	National Bank of Pakistan NIB Bank Limited Pak Brunei Investment Company Limited Pak Oman Investment Company Limited Pakistan Kuwait Investment Company (Pvt) Limited Samba Bank Limited Saudi Pak Industrial & Agricultural Investment Company Limited Silk Bank Limited Soneri Bank Limited Standard Chartered Bank (Pakistan) Limited The Bank of Punjab United Bank Limited
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MILLS:	Nishatabad, Faisalabad.	(Spinning units, Yarn Dyeing & Power plant)
	12 K.M. Faisalabad Road, Sheikhupura.	(Weaving units & Power plant)
	21 K.M. Ferozepur Road, Lahore.	(Stitching unit & Power plant)
	5 K.M. Nishat Avenue Off 22 K.M. Ferozepur Road, Lahore.	(Weaving, Dyeing & Finishing unit, Processing unit, Stitching unit and Power plant)
	7 K.M. East Hadiara Drain Off: 22 K.M. Ferozepur Road, Lahore.	(Apparel Unit)
	20 K.M. Sheikhupura Faisalabad Road, Feroze Watwan.	(Spinning unit & Power plant)

**REGISTERED OFFICE &
SHARES DEPARTMENT:**

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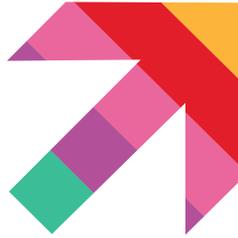
Directors' Report

Directors of Nishat Mills Limited “Company” are pleased to present the interim financial report of the company for the nine months ended March 31, 2012 “current period” along with the condensed interim financial information.

A large graphic on the right side of the page consists of several overlapping triangles in shades of red, pink, purple, and green. The text "50 Years of listing on KSE" is centered within a white triangular area.

50 Years
of listing on KSE

The Company has completed 50 years of listing on Karachi Stock Exchange on 27 November 2011. This achievement is a sparkling manifestation of professionalism embedded in the culture of the Company. **“Growth through professional Management”** has always been the driving force. Textile industry has the biggest share of total exports of our country. The Company contributes a substantial portion to achieve these exports. We are proud to have contributed to economic growth of the country throughout these 50 years.



Operating Financial Results

Company's profit after tax in this period has been on a lower side compared to the corresponding period. The primary reason for decrease in profit is fall in profitability of spinning division and increase in power generation cost and finance cost of the company.

Profitability of Spinning division has declined in the current period as compared to the corresponding period owing to reduction in gross margins on yarn sales. Yarn sale prices were sky high in the third quarter of corresponding period due to the highest ever cotton prices in that quarter. Nishat spinning division reaped the benefit of timely buying of cotton at low prices which resulted in low cotton consumption rates as against high yarn sale rates and hence yielded high gross margins for our Spinning division in the third quarter of corresponding period.

Power generation cost has increased mainly due to increase in usage of diesel and furnace oil during the gas load shedding for generating electricity. Furnace oil and diesel consumption has increased by Rs. 432 million (March 2012 Rs. 1,175 million, March 2011 Rs. 743 million).

Financial Highlights	Period Ended 31 March		Increase/ (Decrease) %
	2012	2011	
Net Sales (Rs. '000')	32,513,517	34,864,381	(6.74)
Gross Profit (Rs. '000')	4,820,311	5,739,314	(16.01)
Profit before tax (Rs. '000')	2,926,250	3,943,382	(25.79)
Profit after tax (Rs. '000')	2,526,250	3,481,882	(27.45)
Gross Profit (%)	14.83	16.46	
Profit after tax (%)	7.77	9.98	
Earnings per share (Rs.)	7.19	9.90	

Finance cost of the company increased in the current period due to increase in average borrowing costs. Long term loans had been obtained to finance fixed capital expenditure, major portion of which related to establishment of power generation facilities using cheap alternative fuels. This strategic initiative will ease the financial pressure which is being caused by the use of expensive traditional fuels i.e. furnace oil and diesel for power generation and affecting the company's profitability.

General Market Review and Future Prospects

Over the nine months period, textile industry has spent time and money tackling the energy crisis. Had this problem not posed this bigger challenge, we would have seen a rise in textile industry's contribution to the GDP. Problem has been so grave that businesses have closed and jobs have been lost. Those who survived, achieved it at the expense of their profitability. High energy cost means high unit price which, in the current highly competitive business environment, means less profits.

Pakistan as a country is becoming expensive compared to other countries. Huge greige fabric business has already moved outside. WTO's decision of abolition of import duties on different textile products has not yet been adopted and implemented by the European Union, preventing the industry from tapping the European markets. Industry's target of just to maintain the USD 13 billion export mark of financial year 2011, speaks to the challenges faced by industry.

We reiterate our commitment to overcome this energy crisis by exploration of alternative fuels e.g. coal, bio-mass and LNG. To cover the high energy cost, our multidimensional strategy includes consolidation and broadening of customer base.

Spinning

Profitability in spinning division depends on how the cotton and yarn prices fluctuate in the market. Cotton prices reached their peak in March last year and then started to decline.

Yarn prices remained somewhat steady throughout the nine months period. A small rise in price was observed towards the end of second quarter. However, the severe outage of power did not let us enjoy this rise in yarn prices. Spinning division made extraordinary profits in the corresponding nine months period owing to highest ever margins in yarn prices. However, in the current period, key variables have moved negatively. Sale prices have reduced resulting in profit reductions.

Yarn	Nine months ended March 31		Increase/(Decrease)	
	2012	2011	Value	% age
Sale - '000' Kgs	19,781	27,809	(8,028)	(28.87)
Rate / Kg	319.12	379.04	(59.92)	(15.81)
Sale - '000' Rs.	6,312,426	10,540,723	(4,228,297)	(40.11)

The demand of carded yarn increased as compared to combed yarn. For exports, Hong Kong and China remained the main markets whereas demand of cotton yarn from Europe and USA was negligible. Research and development is underway to further increase efficiencies through machinery up-gradation and replacements.

Weaving

Weaving division's performance was better in comparison to the corresponding period as evidenced by increase in sales. Pakistan as a country is becoming expensive in greige fabric business as compared to other countries and the non-implementation of import duties abolition decision of WTO by European Union put us at a disadvantage for business from Europe. This was partially compensated by increasing business with Far Eastern clients.

It has not been a smooth sailing. Massive power and gas shut downs caused reduction in supply of good quality yarn prompting a little surge in price toward the end of the second quarter. This increase halted the business activity a little. Some of the customers had decided to wait further as these price levels were too high for them. Work wear business, which was depressive during the first two quarters of the year owing to expensive inventories carried by customers, picked up a little in the third quarter.

Grey Cloth	Nine months ended March 31		Increase/(Decrease)	
	2012	2011	Value	% age
Sale - '000' Mtrs	41,448	39,833	1,615	4.05
Rate / Mtr	162.63	163.01	(0.38)	(0.23)
Sale - '000' Rs.	6,740,740	6,493,177	247,563	3.81

Spring/Summer 2013 season has also started and we are expecting rise in business activity with our European customers, as traditionally we have always been strong in summer rather than winter. Machinery up-gradation has always been on our radar. Thirty (30) new Airjet Looms are being purchased during the period and these are expected to become operational partly in April 2012 and partly in July 2012. These machines will replace old Sulzer and Jacquard looms and give us more flexibility in running new and complex designs.

Processing and Home Textile

Global economic conditions remained grim during this period. The euro crisis in Europe and the continued recession in the US slowed down consumption of textile products, as purchasing power of consumers in both these regions took a hit and demand for textiles and apparels decreased.

Our processing division performed extremely well and achieved high sales figures. Biggest success was to utilize additional one million meters production capacity created and to attain better profit margins. Customer base was efficiently expanded to achieve this extraordinary feat.

Last quarter of the year is generally considered to be slow in terms of business activity in the processing business. However, contrary to the general market situation, our processing division has already sold its production capacity for the next quarter and is now pushing to fill in capacities for the first quarter of next financial year. We are very hopeful to close current financial year with high profits.

Processed Cloth and Home Textile	Nine months ended March 31		Increase/(Decrease)	
	2012	2011	Value	% age
Sale - '000' Mtrs	51,798	54,866	(3,068)	(5.59)
Rate / Mtr	269.35	235.36	33.99	14.44
Sale - '000' Rs.	13,951,579	12,913,262	1,038,317	8.04

Times were tough for our home textile division. High cotton prices coupled with deteriorating American economy resulted in lower demand. Despite the fact, we remained a key player in home textile business due to our commitment towards quality, product and in-time deliveries. In addition to the regular production runs, special confectioned and designer articles have also become our strength now. Not only up-market designer articles, but high tech hospital theatre drapes and military uniform fabric with stringent quality specifications, is being produced. This business line has grown from its modest start and shows great growth opportunities. Our strategy to engage with more retailers in Europe for direct sales is moving forward very well.

While Europe remains our strength, we have maintained our share in North America. We have become a preferred choice of several clients due to our record of uninterrupted supplies, particularly in the scenario where many other companies in Pakistan are not being able to keep up their commitments.

We proudly speak of our huge success of Nishat Linen (NISHA). Our textile and home fashion retail chain has redefined the industry with acute attention paid to quality, design and affordability. Our retail sales have reached Rs. 700 million in the current period. Aggressive and effective marketing campaign has exponentially increased our market share and customer base. We are already in a position to compete with the seasoned textile retailers of the country. Immense efforts are being put in to make this retail chain the market leader and we expect our dream to come true in the near future.

Garments

At the end of nine months period, results of apparel division speak to the strength of this value added business. Results are better than expected in this challenging business environment. Businesses are suffering due to unsold inventories, higher debts and economic woes. At domestic front, major costs are being incurred on fuel and power due to power outages and gas curtailments. Despite these challenging circumstances, our garment division emerged stronger than before. The fundamental core of business gained further momentum through research, development and technological innovation. Focus remained on meeting and exceeding clients' demands.

Continuous investments are being made in Plant and Machinery and Human Resources. In addition to already available 20 production lines, 2 new lines have been added during the period. This will facilitate the ever increasing demand of our customers. Simultaneously, investments are being made in automation of processes to enhance the quality of products and speed of delivery to the market. As cotton prices have now stabilized in the market, we expect to finish the year on a strong note in terms of increased sales.

Garments	Nine months ended March 31		Increase/(Decrease)	
	2012	2011	Value	% age
Sale - '000' PCs	3,697	4,610	(913)	(19.80)
Rate / PC	761.64	578.35	183.29	31.69
Sale - '000' Rs.	2,815,794	2,666,193	149,601	5.61

Power Generation

Energy crisis have increased exponentially in the country. Gas supply and demand gap is widening consistently and resulting in shortages to the tune of 5 billion Cubic feet per day. Industrial growth in the textile sector shows negative signs compared to the preceding years as most of the textile industry is shutting down due to power and gas supply shortages.

Nishat Mills Limited has lived up to its promise to be a vanguard in use of alternative fuels for energy requirements in the absence of fossil fuels. We have put up a new Combined Heat and Power plant at our site in Lahore which will produce 6 M.W. of electricity and 65 tons/hour of steam. Coal will be the primary fuel but special aspect of this plant is its flexibility to use alternative input mix upto 70% of bio-mass with 30% of coal. The plant is expected to be commissioned by May/June 2012. Two high performance, high efficiency, low pressure steam generating boilers are already in operation using rice husk, wood chips and corn cobs etc. as main source of locally available agri-waste fuels at two sites of our company.

Having studied the expected viability and success of the project generating electricity and steam from coal and bio-mass, we are now planning to establish similar projects for our spinning division at Faisalabad and our weaving division at Sheikhpura. These plants will have the production capacity to cater for entire power and energy requirements of these divisions.

Installation of Synthetic Natural Gas (SNG) Plant is nearing its completion phase. This plant will use LPG as raw material to produce synthetic gas. This synthetic gas will be used to run processing machines which are solely dependent on natural gas for their running and are non operational during gas load shedding days. A sizeable storage of LPG has also been established in the Company.

At the same time, a watchful attention is also being paid to the idea of utilizing solar energy to produce power for stitching and finishing facilities against their online standardized day light requirement.

Subsidiary Companies and Consolidated Financial Statements

Nishat Power Limited, Nishat USA Inc., Nishat Linen Trading L.L.C, Nishat Linen (Private) Limited and Nishat Hospitality (Private) Limited form portfolio of subsidiary companies of the Company. Therefore, the Company has annexed consolidated condensed interim financial statements to its unconsolidated condensed interim financial statements, in accordance with the requirements of International Accounting Standard-27 "Consolidated and Separate Financial Statements" and International Accounting Standard-34 "Interim Financial Reporting".

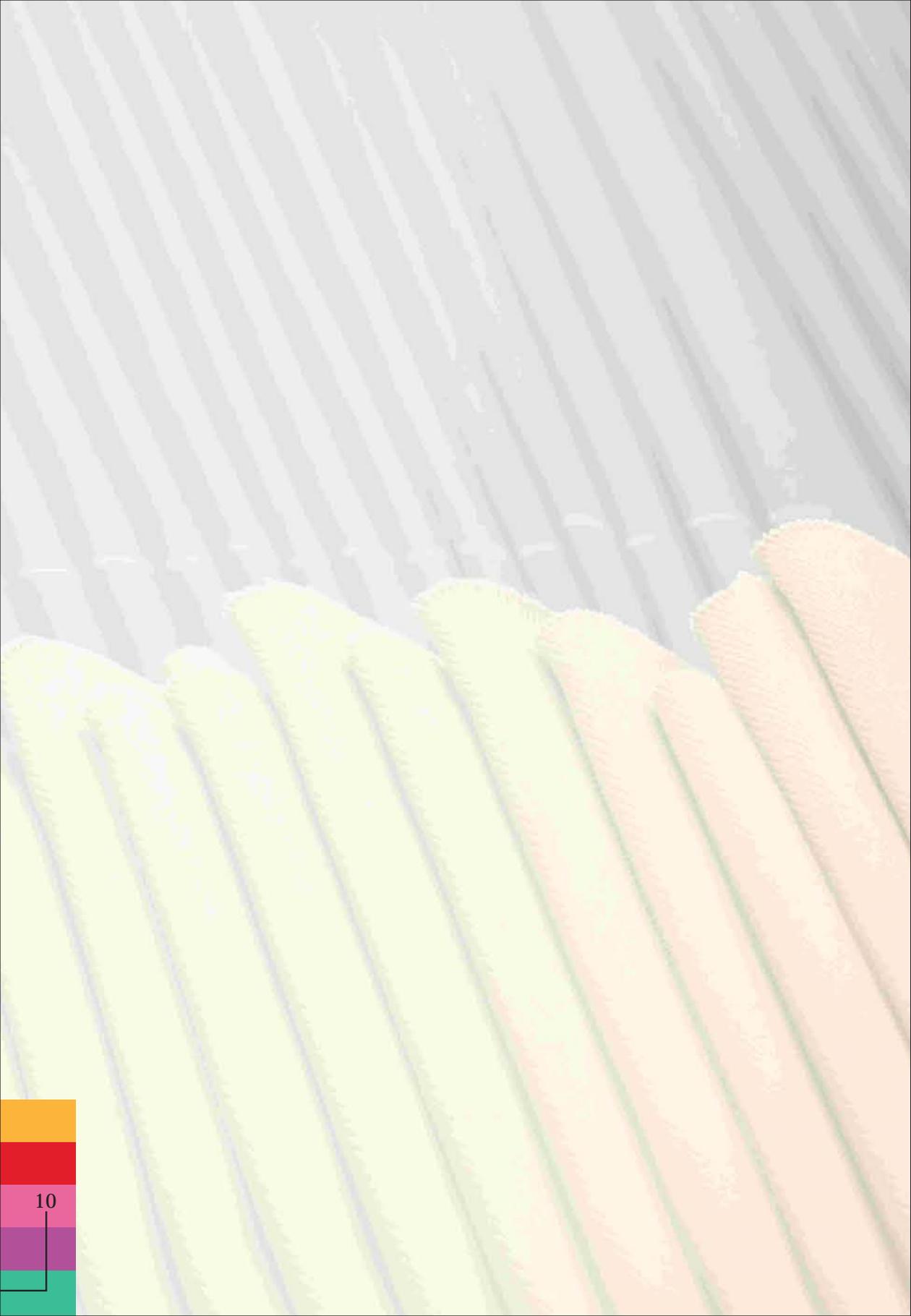
Acknowledgement

The Board is pleased about the efforts of the management.

For and on behalf of the Board of Directors



Mian Umer Mansha
Chairman/Chief Executive officer
April 27, 2012
Lahore



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NISHAT

Interim financial
report

Nishat Mills Limited
Unconsolidated Condensed
Interim Financial Information
for the period ended 31 March 2012



UNCONSOLIDATED CONDENSED INTERIM BALANCE SHEET AS AT 31 MARCH 2012

	Note	Un-audited 31 March 2012 (Rupees in thousand)	Audited 30 June 2011
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
1,100,000,000 (30 June 2011: 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 2011: 351,599,848)			
ordinary shares of Rupees 10 each		3,515,999	3,515,999
Reserves		33,379,169	31,877,960
Total equity		36,895,168	35,393,959
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	5	3,632,660	2,659,328
Liabilities against assets subject to finance lease	6	153,773	202,628
Deferred income tax liability		244,779	510,640
		4,031,212	3,372,596
CURRENT LIABILITIES			
Trade and other payables		2,938,974	2,577,020
Accrued mark-up		224,401	358,454
Short term borrowings		9,656,824	10,471,685
Current portion of non-current liabilities		992,301	1,283,865
Provision for taxation		1,031,325	631,325
		14,843,825	15,322,349
TOTAL LIABILITIES		18,875,037	18,694,945
CONTINGENCIES AND COMMITMENTS	7		
TOTAL EQUITY AND LIABILITIES		55,770,205	54,088,904

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



CHIEF EXECUTIVE OFFICER

	Note	Un-audited 31 March 2012 (Rupees in thousand)	Audited 30 June 2011
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	13,934,444	13,303,514
Investment properties		243,248	126,834
Long term investments		22,108,900	21,337,889
Long term loans	9	263,658	849,206
Long term deposits and prepayments		31,613	29,502
		36,581,863	35,646,945
CURRENT ASSETS			
Stores, spare parts and loose tools		1,066,115	955,136
Stock in trade		11,976,398	9,846,680
Trade debts		2,011,265	2,481,259
Loans and advances		1,472,113	756,351
Short term deposits and prepayments		40,467	47,211
Other receivables		970,754	1,406,890
Accrued interest		10,402	34,260
Short term investments		1,402,822	1,781,471
Cash and bank balances		238,006	1,132,701
		19,188,342	18,441,959
TOTAL ASSETS		55,770,205	54,088,904



DIRECTOR

**UNCONSOLIDATED CONDENSED INTERIM
PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 31 MARCH 2012 (UN-AUDITED)**

	Note	PERIOD ENDED		QUARTER ENDED	
		31 March 2012	31 March 2011	31 March 2012	31 March 2011
----- (Rupees in thousand) -----					
SALES		32,513,517	34,864,381	10,895,376	13,519,630
COST OF SALES	10	(27,693,206)	(29,125,067)	(9,162,714)	(11,062,776)
GROSS PROFIT		4,820,311	5,739,314	1,732,662	2,456,854
DISTRIBUTION COST		(1,670,292)	(1,483,322)	(576,950)	(558,781)
ADMINISTRATIVE EXPENSES		(540,421)	(479,904)	(178,767)	(163,791)
OTHER OPERATING EXPENSES	11	(222,402)	(308,217)	(57,410)	(119,178)
		(2,433,115)	(2,271,443)	(813,127)	(841,750)
OTHER OPERATING INCOME		2,387,196	3,467,871	919,535	1,615,104
		1,896,526	1,684,644	305,905	477,541
PROFIT FROM OPERATIONS		4,283,722	5,152,515	1,225,440	2,092,645
FINANCE COST		(1,357,472)	(1,209,133)	(468,074)	(503,632)
PROFIT BEFORE TAXATION		2,926,250	3,943,382	757,366	1,589,013
PROVISION FOR TAXATION		(400,000)	(461,500)	(133,000)	(165,500)
PROFIT AFTER TAXATION		2,526,250	3,481,882	624,366	1,423,513
EARNINGS PER SHARE-BASIC AND DILUTED (RUPEES)	14	7.19	9.90	1.78	4.05

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


CHIEF EXECUTIVE OFFICER


DIRECTOR



UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2012 (UN-AUDITED)

PERIOD ENDED		QUARTER ENDED	
31 March 2012	31 March 2011	31 March 2012	31 March 2011

----- (Rupees in thousand) -----

PROFIT AFTER TAXATION	2,526,250	3,481,882	624,366	1,423,513
OTHER COMPREHENSIVE INCOME / (LOSS)				
Surplus / (deficit) on remeasurement of available for sale investments	(130,623)	(737,833)	6,138,681	(1,497,131)
Deferred income tax relating to surplus on available for sale investments	265,861	672,641	-	(1,782)
Other comprehensive income / (loss) for the period - net of tax	135,238	(65,192)	6,138,681	(1,498,913)
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD	2,661,488	3,416,690	6,763,047	(75,400)

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


CHIEF EXECUTIVE OFFICER


DIRECTOR

**UNCONSOLIDATED CONDENSED INTERIM
CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 MARCH 2012 (UN-AUDITED)**

	Note	PERIOD ENDED	
		31 March 2012	31 March 2011
(Rupees in thousand)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (utilized in) operations	12	2,177,812	(2,510,532)
Finance cost paid		(1,491,525)	(1,142,357)
Income tax paid		(460,989)	(286,270)
Exchange gain on forward exchange contracts received		264,031	708,813
Net increase in long term loans		(16,830)	(7,452)
Net increase in long term deposits and prepayments		(2,111)	(2,144)
Net cash generated from / (utilized in) operating activities		470,388	(3,239,942)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		45,494	251,818
Proceeds from sale of investment		-	301,281
Loan to subsidiary companies		(2,966,674)	(345,335)
Repayment of loans from subsidiary companies		3,370,825	-
Interest received		201,545	113,588
Dividends received		1,550,937	536,290
Investments made		(518,881)	(194,076)
Capital expenditure on property, plant and equipment		(1,712,887)	(2,224,933)
Net cash used in investing activities		(29,641)	(1,561,367)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		1,941,842	832,246
Repayment of long term financing		(1,263,910)	(744,682)
Repayment of liabilities against assets subject to finance lease		(45,019)	(22,564)
Short term borrowings - net		(814,861)	5,759,586
Dividend paid		(1,153,494)	(874,240)
Net cash (used in) / from financing activities		(1,335,442)	4,950,346
Net increase / (decrease) in cash and cash equivalents		(894,695)	149,037
Cash and cash equivalents at the beginning of the period		1,132,701	110,585
Cash and cash equivalents at the end of the period		238,006	259,622

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


CHIEF EXECUTIVE OFFICER


DIRECTOR

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2012 (UN-AUDITED)

(RUPEES IN THOUSAND)

	RESERVES							TOTAL EQUITY	
	CAPITAL RESERVES		REVENUE RESERVES			Total			
	Premium on issue of right shares	Fair value reserve	Sub total	General reserve	Unappropri- ated profit		Sub total		
Balance as at 30 June 2010 - Audited	3,515,999	5,499,530	5,651,352	11,150,882	13,792,028	2,917,404	16,709,432	27,860,314	31,376,313
Final dividend for the year ended 30 June 2010 @ Rupees 2.5 per share	-	-	-	-	-	(879,000)	(879,000)	(879,000)	(879,000)
Transfer to general reserve	-	-	-	-	2,036,000	(2,036,000)	-	-	-
Total comprehensive income for the period ended 31 March 2011	-	-	(65,192)	(65,192)	-	3,481,882	3,481,882	3,416,690	3,416,690
Balance as at 31 March 2011 – Un-audited	3,515,999	5,499,530	5,586,160	11,085,690	15,828,028	3,484,286	19,312,314	30,398,004	33,914,003
Total comprehensive income for the quarter ended 30 June 2011	-	-	117,926	117,926	-	1,362,030	1,362,030	1,479,956	1,479,956
Balance as at 30 June 2011 - Audited	3,515,999	5,499,530	5,704,086	11,203,616	15,828,028	4,846,316	20,674,344	31,877,960	35,393,959
Final dividend for the year ended 30 June 2011 @ Rupees 3.30 per share	-	-	-	-	-	(1,160,279)	(1,160,279)	(1,160,279)	(1,160,279)
Transfer to general reserve	-	-	-	-	3,683,000	(3,683,000)	-	-	-
Total comprehensive income for the period ended 31 March 2012	-	-	135,238	135,238	-	2,526,250	2,526,250	2,661,488	2,661,488
Balance as at 31 March 2012 - Un-audited	3,515,999	5,499,530	5,839,324	11,338,854	19,511,028	2,529,287	22,040,315	33,379,169	36,895,168

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

Uma Mankar

CHIEF EXECUTIVE OFFICER

W. S. D. S.

DIRECTOR

SELECTED NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION FOR THE PERIOD ENDED 31 MARCH 2012 (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 Ordinance, 1984) and listed on all Stock Exchanges in Pakistan. 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

This unconsolidated condensed interim financial information is un-audited and is being submitted to shareholders as required by section 245 of the Companies Ordinance, 1984 and the listing regulations of the Islamabad, Karachi and Lahore stock exchanges. This unconsolidated condensed interim financial information of the Company for the period ended 31 March 2012 has been prepared in accordance with the requirements of International Accounting Standard – 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. This unconsolidated condensed interim financial information should be read in conjunction with the preceding audited annual published financial statements of the Company for the year ended 30 June 2011.

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 2011.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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 2011.

	Un-audited 31 March 2012 (Rupees in thousand)	Audited 30 June 2011
5. LONG TERM FINANCING - SECURED		
Opening balance	3,882,849	4,109,326
Add: Obtained during the period / year	1,941,842	1,152,151
Less: Repaid during the period / year	1,263,910	1,078,628
Less: Transferred to liabilities against assets subject to finance lease	-	300,000
	4,560,781	3,882,849
Less: Current portion shown under current liabilities	928,121	1,223,521
	3,632,660	2,659,328

6. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

Future minimum lease payments	264,856	337,928
Less: Un-amortized finance charge	46,903	74,956
Present value of future minimum lease payments	217,953	262,972
Less: Current portion shown under current liabilities	64,180	60,344
	153,773	202,628

6.1 This represents sale and leaseback arrangement with Pak Kuwait Investment Company (Private) Limited. According to the lease agreement, leasing company has contributed Rupees 150.021 million from its own sources and the remaining amount of Rupees 149.979 million has been financed under Long Term Finance Facility (LTFF) scheme of State Bank of Pakistan. Minimum lease payments have been discounted using implicit interest rate ranging from 9.70% to 14.02% (31 March 2011: 9.70% to 15.62%) per annum. Balance rentals are payable in quarterly installments. Taxes, repairs and insurance costs are borne by the Company. These are secured against the leased assets and demand promissory notes.

7. CONTINGENCIES AND COMMITMENTS

a) Contingencies

- i) The Company is contingently liable for Rupees 0.631 million (30 June 2011: Rupees 0.631 million) on account of central excise duty not acknowledged as debt as the cases are pending before Court.
- ii) Guarantees of Rupees 655.938 million (30 June 2011: Rupees 590.321 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 and Director Excise and Taxation, Karachi against infrastructure cess.
- iii) Post dated cheques of Rupees 1,441.803 million (30 June 2011: Rupees 911.545 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.

b) Commitments

- i) Contracts for capital expenditure are approximately of Rupees 356.981 million (30 June 2011: Rupees 65.057 million).
- ii) Letters of credit other than for capital expenditure are Rupees 341.532 million (30 June 2011: Rupees 401.140 million).

	Un-audited 31 March 2012 (Rupees in thousand)	Audited 30 June 2011
8. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets		
Owned (Note 8.1)	12,018,454	12,107,389
Leased (Note 8.2)	253,023	273,105
Capital work-in-progress (Note 8.3)	1,662,967	923,020
	13,934,444	13,303,514
8.1 Operating fixed assets - Owned		
Opening book value	12,107,389	11,476,005
Add: Cost of additions during the period / year (Note 8.1.1)	972,940	2,290,828
	13,080,329	13,766,833
Less: Book value of deletions during the period / year (Note 8.1.2)	27,915	217,970
Less: Book value of assets transferred to investment properties during the period	120,279	-
Less: Transferred to operating fixed assets - leased (Note 8.2)	-	300,000
	148,194	517,970
	12,932,135	13,248,863
Less: Depreciation charged during the period / year	913,681	1,141,474
	12,018,454	12,107,389
8.1.1 Cost of additions		
Freehold land	36,602	13,206
Buildings on freehold land	7,736	183,719
Plant and machinery	819,761	1,932,168
Electric installations	11,178	10,206
Factory equipment	21,476	16,461
Furniture, fixtures and office equipment	8,514	25,362
Computer equipment	5,688	9,042
Vehicles	61,985	100,664
	972,940	2,290,828

	Un-audited 31 March 2012 (Rupees in thousand)	Audited 30 June 2011
8.1.2 Book value of deletions		
Plant and machinery	16,810	194,326
Electric installations	-	211
Factory equipment	-	128
Furniture, fixtures and office equipment	401	114
Computer equipment	22	28
Vehicles	10,682	23,163
	27,915	217,970

8.2 Operating fixed assets - Leased

Opening book value	273,105	-
Add: Transferred from operating fixed assets - owned (Note 8.1)	-	300,000
Less: Depreciation charged during the period / year	20,082	26,895
	253,023	273,105

8.3 Capital work-in-progress

Buildings on freehold land	701,438	219,295
Plant and machinery	938,887	691,655
Electric installations	1,702	-
Unallocated expenditure	9,075	1,964
Letters of credit against machinery	675	144
Advances for purchase of furniture and office equipment	644	-
Advances for purchase of vehicles	10,546	9,962
	1,662,967	923,020

9. LONG TERM LOANS

These include subordinated long term loan of Rupees 218.220 million (30 June 2011: Rupees 818.220 million) given to Nishat Power Limited - subsidiary company. The loan is unsecured and carries markup at the rate of 3 months KIBOR plus 2% per annum payable on quarterly basis. During the current period, the subsidiary company has repaid Rupees 600 million. The balance amount will be repaid in bullet payment on 29 July 2015.

(UN-AUDITED)

PERIOD ENDED		QUARTER ENDED	
31 March 2012	31 March 2011	31 March 2012	31 March 2011

----- (Rupees in thousand) -----

10. COST OF SALES

Raw materials consumed	6,289,124	10,025,409	1,968,289	3,658,898
Cloth and yarn purchased / used	10,623,498	14,512,623	3,661,073	6,560,481
Processing charges	133,542	160,952	46,943	43,286
Salaries, wages and other benefits	1,779,923	1,691,787	581,871	568,160
Staff retirement benefits	49,904	45,840	16,436	15,522
Stores, spare parts and loose tools	2,437,202	2,562,969	913,011	886,187
Packing materials	557,479	560,189	196,530	194,999
Repair and maintenance	240,279	192,513	83,884	66,537
Fuel and power	3,032,259	2,258,628	1,196,072	818,327
Insurance	27,170	23,959	9,056	8,782
Other factory overheads	203,024	186,230	69,674	64,548
Depreciation	874,234	804,697	294,233	271,570
	26,247,638	33,025,796	9,037,072	13,157,297
Work-in-process:				
Opening stock	5,432,669	2,921,946	4,593,527	4,102,049
Closing stock	(4,400,391)	(5,582,685)	(4,400,391)	(5,582,685)
	1,032,278	(2,660,739)	193,136	(1,480,636)
Cost of goods manufactured	27,279,916	30,365,057	9,230,208	11,676,661
Finished goods:				
Opening stock	2,802,898	1,545,610	2,322,114	2,171,715
Closing stock	(2,389,608)	(2,785,600)	(2,389,608)	(2,785,600)
	413,290	(1,239,990)	(67,494)	(613,885)
	27,693,206	29,125,067	9,162,714	11,062,776

11. OTHER OPERATING EXPENSES

Workers' profit participation fund	157,496	206,942	40,675	85,339
Workers' welfare fund	59,719	80,477	15,456	32,429
Provision for doubtful debts	-	11,207	-	-
Impairment loss on equity investment	672	-	-	-
Depreciation on investment properties	3,865	4,291	1,279	1,410
Donations (Note 11.1)	650	5,300	-	-
	222,402	308,217	57,410	119,178

11.1 There is no interest of any director or his spouse in donees' fund.

(UN-AUDITED)

PERIOD ENDED	
31 March 2012	31 March 2011

(Rupees in thousand)
12. CASH GENERATED FROM / (UTILIZED) IN OPERATIONS

Profit before taxation	2,926,250	3,943,382
Adjustments for non-cash charges and other items:		
Depreciation	937,628	858,216
Provision for doubtful debts	-	11,207
Impairment loss on equity investment	672	-
Gain on sale of property, plant and equipment	(17,579)	(48,675)
Gain on sale of investments	-	(94,726)
Dividend Income	(1,550,937)	(536,290)
Exchange difference on investments in foreign subsidiaries	(4,776)	(230)
Net exchange gain including loss on forward contracts	(20,523)	(1,039,957)
Interest income	(177,687)	(127,874)
Finance cost	1,357,472	1,209,133
Working capital changes (Note 12.1)	(1,272,708)	(6,684,718)
	2,177,812	(2,510,532)

12.1 Working capital changes

(Increase) / decrease in current assets:		
- Stores, spare parts and loose tools	(110,979)	(213,788)
- Stock in trade	(2,129,718)	(6,603,364)
- Trade debts	469,994	(637,695)
- Loans and advances	(56,546)	(110,663)
- Short term deposits and prepayments	6,744	(5,838)
- Other receivables	192,628	(10,743)
	(1,627,877)	(7,582,091)
Increase in trade and other payables	355,169	897,373
	(1,272,708)	(6,684,718)

13. SEGMENT INFORMATION

13.1 The company has five reportable business segments. The following summary describes the operation in each of the company's reportable segments:

- Spinning: Production of different qualities of yarn using natural and artificial fibers.
- Weaving: Production of different qualities of greige fabric using yarn.
- Processing & Home Textile: Processing of greige fabric for production of printed and dyed fabric and its further use in manufacturing variety of home textile articles.
- Garments: Manufacturing of garments using processed fabric.
- Power Generation: Generation and distribution of power using gas, oil and steam.

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

(UN-AUDITED)

	Spinning		Weaving		Processing & Home Textile		Garments		Power generation		Elimination of inter-segment transactions		Total Company	
	Period ended		Period ended		Period ended		Period ended		Period ended		Period ended		Period ended	
	Mar 12	Mar 11	Mar 12	Mar 11	Mar 12	Mar 11	Mar 12	Mar 11	Mar 12	Mar 11	Mar 12	Mar 11	Mar 12	Mar 11
Sales	8,003,403	11,689,679	7,009,834	6,659,233	14,581,356	13,657,883	2,894,345	2,807,445	24,579	50,641	-	-	32,513,517	34,864,381
External Intersegment	2,526,722	2,404,233	5,344,899	5,620,565	553,770	395,603	1,449	5,994	3,010,532	2,134,538	(11,437,372)	(10,561,933)	-	-
Cost of sales	10,530,125	14,093,912	12,354,733	12,279,298	15,135,126	14,053,986	2,895,794	2,813,439	3,035,111	2,185,179	(11,437,372)	(10,561,933)	32,513,517	34,864,381
	(9,490,749)	(11,804,384)	(11,339,289)	(11,056,954)	(12,990,190)	(12,265,009)	(2,260,945)	(2,336,599)	(3,049,399)	(2,224,054)	11,437,372	10,561,933	(27,693,206)	(29,125,067)
Gross profit/ (loss)	1,039,376	2,289,528	1,015,444	1,222,844	2,144,930	1,788,977	634,849	476,840	(14,288)	(38,875)	-	-	4,820,311	5,739,314
Distribution cost	(285,677)	(172,622)	(548,853)	(328,301)	(614,157)	(787,015)	(170,841)	(150,744)	(2,689)	(4,889)	-	-	(1,670,292)	(1,483,222)
Administrative expenses	(144,895)	(141,452)	(339,934)	(116,574)	(206,492)	(169,291)	(43,218)	(39,334)	(17,822)	(13,253)	-	-	(540,423)	(479,304)
Profit / (loss) before taxation and unallocated income and expenses	(377,612)	(358,714)	(477,759)	(444,875)	(1,120,649)	(956,306)	(214,182)	(190,078)	(20,511)	(13,253)	-	-	(2,210,713)	(1,963,226)
	661,764	1,930,814	537,685	777,969	1,024,281	832,671	420,667	286,762	(34,799)	(52,128)	-	-	2,609,598	3,776,088

Unallocated income and expenses:

- Other operating expenses (222,402)
- Finance cost (308,317)
- Provision for taxation 1,896,526
- 1,684,644
- (1,209,133)
- (1,357,472)
- (400,000)
- (461,500)

2,526,250

3,481,882

13.3 Reconciliation of reportable segment assets

	Spinning		Weaving		Processing & Home Textile		Garments		Power generation		Total Company	
	Audited		Audited		Audited		Audited		Audited		Audited	
	Mar 12	Jun 11	Mar 12	Jun 11	Mar 12	Jun 11	Mar 12	Jun 11	Mar 12	Jun 11	Mar 12	Jun 11
Total assets of reportable segments	10,354,431	7,072,828	4,484,779	4,617,050	9,600,157	10,628,062	2,213,594	2,106,078	3,453,118	2,379,218	30,106,079	26,805,236

Unallocated assets:

- Long term investments 22,108,900
- Other receivables 970,754
- Cash and bank balances 238,006
- Other corporate assets 2,346,466
- 3,406,188

Total assets as per balance sheet

55,770,205

54,088,504

14. EARNINGS PER SHARE - BASIC AND DILUTED

There is no dilutive effect on the basic earnings per share.

15. 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:

(UN-AUDITED)

PERIOD ENDED		QUARTER ENDED	
31 March 2012	31 March 2011	31 March 2012	31 March 2011

----- (Rupees in thousand) -----

Subsidiary companies

Investment made	218,960	27,304	27,750	27,304
Long term loan given	-	345,335	-	-
Repayment of long term loan	600,000	-	-	-
Interest on loans	87,769	89,247	18,231	31,191
Short term loan given	2,966,674	-	1,131,812	-
Repayment of short term loan	2,770,825	-	1,318,609	-
Rental income	7,573	-	3,496	-
Purchase of goods and services	143,698	14,005	73,709	5,037
Sale of goods and services	977,882	2,357	550,714	2,357

Associated companies

Investment made	-	166,772	-	-
Purchase of goods and services	37,366	15,432	21,001	3,546
Purchase of operating fixed assets	-	23,187	-	-
Sale of operating fixed assets	587	2,057	50	-
Sale of goods and services	3,567	8,397	2,255	2,323
Rental income	2,948	-	54	-
Dividend received	1,505,910	501,944	181,668	-
Dividend paid	104,115	78,870	-	-
Insurance premium paid	71,180	69,740	7,909	13,012
Insurance claims received	13,128	6,070	4,581	553
Profit on saving accounts	-	7	-	-
Subscription paid	1,000	750	-	-

Other related parties

Dividend received	45,026	33,770	-	-
Purchase of goods and services	16,249	81,743	11,922	2,855
Sale of goods and services	7,073	90,395	5,918	19,578
Company's contribution to provident fund trust	71,213	63,328	23,628	21,414
Remuneration paid to Chief Executive Officer, Directors and Executives	235,143	167,190	74,077	46,288

16. 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 2011.

17. DATE OF AUTHORIZATION FOR ISSUE

This unconsolidated condensed interim financial information was approved by the Board of Directors and authorized for issue on 27 April 2012.

18. CORRESPONDING FIGURES

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

19. GENERAL

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



Nishat Mills Limited and its Subsidiary Companies
**Consolidated Condensed
Interim Financial Information**
for the period ended 31 March 2012

CONSOLIDATED CONDENSED INTERIM BALANCE SHEET AS AT 31 MARCH 2012

	Note	Un-audited 31 March 2012 (Rupees in thousand)	Audited 30 June 2011
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
1,100,000,000 (30 June 2011: 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 2011: 351,599,848)			
ordinary shares of Rupees 10 each		3,515,999	3,515,999
Reserves		44,882,775	43,718,037
Equity attributable to equity holders of the Holding Company		48,398,774	47,234,036
Non-controlling interest		3,389,462	2,691,679
Total equity		51,788,236	49,925,715
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	6	15,715,133	15,264,443
Liabilities against assets subject to finance lease	7	153,773	202,628
Long term security deposit		6,000	3,000
Deferred income tax liability		244,779	331,807
		16,119,685	15,801,878
CURRENT LIABILITIES			
Trade and other payables		3,281,989	2,947,934
Accrued mark-up		880,153	971,414
Short term borrowings		14,307,332	13,665,483
Current portion of non-current liabilities		1,704,028	1,900,853
Provision for taxation		1,099,801	658,893
		21,273,303	20,144,577
TOTAL LIABILITIES		37,392,988	35,946,455
CONTINGENCIES AND COMMITMENTS	8		
TOTAL EQUITY AND LIABILITIES		89,181,224	85,872,170

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


CHIEF EXECUTIVE OFFICER

	Note	Un-audited 31 March 2012 (Rupees in thousand)	Audited 30 June 2011
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	9	29,255,401	29,136,666
Investment properties		243,248	126,834
Long term investments		29,811,163	30,168,316
Long term loans		45,438	30,986
Long term deposits and prepayments		35,363	30,127
		59,390,613	59,492,929
CURRENT ASSETS			
Stores, spare parts and loose tools		1,464,504	1,377,790
Stock-in-trade		13,065,334	10,906,622
Trade debts		10,982,877	8,809,977
Loans and advances		1,198,958	768,836
Short term deposits and prepayments		74,106	66,136
Other receivables		1,147,938	1,506,773
Accrued interest		13,977	2,690
Short term investments		1,402,822	1,781,471
Cash and bank balances		440,095	1,158,946
		29,790,611	26,379,241
TOTAL ASSETS		89,181,224	85,872,170


DIRECTOR

CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31 MARCH 2012 (UN-AUDITED)

	Note	PERIOD ENDED		QUARTER ENDED	
		31 March 2012	31 March 2011	31 March 2012	31 March 2011
----- (Rupees in thousand) -----					
SALES		50,115,413	50,059,648	16,926,732	19,043,186
COST OF SALES	10	(41,400,073)	(40,272,169)	(13,792,851)	(15,214,778)
GROSS PROFIT		8,715,340	9,787,479	3,133,881	3,828,408
DISTRIBUTION COST		(1,764,840)	(1,483,293)	(633,804)	(558,792)
ADMINISTRATIVE EXPENSES		(640,928)	(509,384)	(211,513)	(172,815)
OTHER OPERATING EXPENSES	11	(229,845)	(310,216)	(60,821)	(119,177)
		(2,635,613)	(2,302,893)	(906,138)	(850,784)
		6,079,727	7,484,586	2,227,743	2,977,624
OTHER OPERATING INCOME		865,040	3,795,842	288,613	361,523
PROFIT FROM OPERATIONS		6,944,767	11,280,428	2,516,356	3,339,147
FINANCE COST		(3,483,806)	(3,327,039)	(1,144,153)	(1,222,018)
		3,460,961	7,953,389	1,372,203	2,117,129
SHARE OF PROFIT FROM ASSOCIATED COMPANIES		1,172,461	1,452,520	573,593	396,592
PROFIT BEFORE TAXATION		4,633,422	9,405,909	1,945,796	2,513,721
PROVISION FOR TAXATION		(444,919)	(472,088)	(151,439)	(167,986)
PROFIT AFTER TAXATION		4,188,503	8,933,821	1,794,357	2,345,735
SHARE OF PROFIT ATTRIBUTABLE TO:					
EQUITY HOLDERS OF HOLDING COMPANY		3,490,720	8,042,242	1,512,425	2,043,366
NON-CONTROLLING INTEREST		697,783	891,579	281,932	302,369
		4,188,503	8,933,821	1,794,357	2,345,735
EARNINGS PER SHARE- BASIC AND DILUTED (RUPEES)					
	14	11.91	25.41	5.10	6.67

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


CHIEF EXECUTIVE OFFICER


DIRECTOR



**CONSOLIDATED CONDENSED INTERIM STATEMENT
OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2012 (UN-AUDITED)**

PERIOD ENDED		QUARTER ENDED	
31 March 2012	31 March 2011	31 March 2012	31 March 2011

----- (Rupees in thousand) -----

PROFIT AFTER TAXATION **4,188,503** 8,933,821 **1,794,357** 2,345,735

OTHER COMPREHENSIVE INCOME/ (LOSS)

Surplus/ (deficit) arising on remeasurement of available for sale investments	(709,806)	(812,786)	3,539,894	(988,105)
Reclassification adjustment on loss of significant influence on associated company	-	(191,771)	-	-
Share of other comprehensive income of associates	(543,088)	624,124	1,139,594	(458,019)
Exchange differences on translating foreign operation	163	242	2,858	226
Deferred income tax relating to surplus on available for sale investments	87,028	28,375	-	22,872
Other comprehensive income/ (loss) for the period- net of tax	(1,165,703)	(351,816)	4,682,346	(1,423,026)

TOTAL COMPREHENSIVE INCOME FOR THE PERIOD **3,022,800** 8,582,005 **6,476,703** 922,709

SHARE OF PROFIT ATTRIBUTABLE TO:

EQUITY HOLDERS OF HOLDING COMPANY	2,325,017	7,690,426	6,194,771	620,340
NON-CONTROLLING INTEREST	697,783	891,579	281,932	302,369
	3,022,800	8,582,005	6,476,703	922,709

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


CHIEF EXECUTIVE OFFICER


DIRECTOR

CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 MARCH 2012 (UN-AUDITED)

	Note	PERIOD ENDED	
		31 March 2012	31 March 2011
(Rupees in thousand)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (utilized in) operations	12	3,931,861	(3,475,286)
Finance cost paid		(3,575,067)	(3,120,626)
Income tax paid		(472,169)	(289,792)
Long term security deposit received		3,000	-
Exchange gain on forward exchange contracts received		264,031	708,813
Net increase in long term loans		(16,830)	(7,452)
Net increase in long term deposits and prepayments		(6,466)	(5,774)
Net cash generated from / (utilized in) operating activities		128,360	(6,190,117)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		47,193	249,461
Proceeds from sale of investments		-	301,281
Interest received		105,915	62,560
Dividends received		1,550,937	536,290
Investments made		(299,921)	(166,772)
Capital expenditure on property, plant and equipment		(1,944,863)	(2,571,037)
Net cash used in investing activities		(540,739)	(1,588,217)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		1,941,842	832,246
Repayment of long term financing		(1,691,813)	(1,284,134)
Repayment of liabilities against assets subject to finance lease		(45,019)	(22,564)
Exchange difference on translation of net investments in foreign subsidiaries		163	242
Short term borrowings - net		641,849	7,636,565
Dividend paid		(1,153,494)	(874,240)
Net cash (used in) / from financing activities		(306,472)	6,288,115
Net decrease in cash and cash equivalents		(718,851)	(1,490,219)
Cash and cash equivalents at the beginning of the period		1,158,946	1,886,326
Cash and cash equivalents at the end of the period		440,095	396,107

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


CHIEF EXECUTIVE OFFICER


DIRECTOR

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2012 (UN-AUDITED)

(RUPEES IN THOUSAND)

	ATTRIBUTABLE TO EQUITY HOLDERS OF THE HOLDING COMPANY											Non-Controlling Interest	TOTAL EQUITY	
	SHARE CAPITAL		CAPITAL RESERVES				REVENUE RESERVES			TOTAL RESERVES				SHARE-HOLDERS' EQUITY
	Premium on issue of Right Shares	Fair value reserve	Exchange translation reserve	Capital redemption reserve fund	Statutory reserve	Sub total	General reserve	Unappropriated profit	Sub total	TOTAL RESERVES	SHARE-HOLDERS' EQUITY			
Balance as at 30 June 2010 - audited	3,515,999	5,499,530	9,051	111,002	133,573	10,868,364	15,723,882	8,170,043	23,893,925	34,762,289	38,278,288	1,559,986	39,838,274	
Final dividend for the year ended 30 June 2010 @ Rupees 2.50 per share	-	-	-	-	-	-	-	(879,000)	(879,000)	(879,000)	(879,000)	-	(879,000)	
Transfer to general reserve	-	-	-	-	-	-	7,335,000	(7,335,000)	-	-	-	-	-	
Share in reserves of associated companies under equity method	-	-	-	-	62,556	62,556	-	(75,949)	(75,949)	(75,949)	(14,393)	-	(14,393)	
Share in surplus on revaluation of fixed assets relating to transfer of business under equity method	-	-	-	-	-	-	-	-	763	763	763	-	763	
Transfer to unappropriated profit on loss of significant influence on an associate	-	-	-	-	(196,129)	(196,129)	-	196,129	196,129	86,127	86,127	-	86,127	
Disposal of interest to non-controlling interest	-	-	-	-	-	-	-	86,127	86,127	86,127	86,127	-	86,127	
Total comprehensive income for the period ended 31 March 2011	-	-	(343,276)	(8,540)	-	(351,816)	-	8,042,242	8,042,242	7,690,426	7,690,426	891,579	8,582,005	
Balance as at 31 March 2011 - un-audited	3,515,999	5,499,530	4,771,932	511	111,002	10,382,975	23,058,882	8,204,355	31,263,237	41,646,212	45,162,211	2,666,719	47,828,930	
Share in reserves of associated companies under equity method	-	-	-	-	-	-	-	-	1,122	1,122	1,122	-	1,122	
Disposal of interest to non-controlling interest	-	-	-	-	-	-	-	(19,005)	(19,005)	(19,005)	(19,005)	-	(19,005)	
Total comprehensive income for the period ended 30 June 2011	-	-	1,124,198	749	-	1,124,947	-	964,761	964,761	2,088,708	2,088,708	5,955	2,095,663	
Balance as at 30 June 2011 - audited	3,515,999	5,499,530	5,896,130	1,260	111,002	11,507,922	23,058,882	9,151,233	32,210,115	43,718,037	47,234,036	2,691,679	49,925,715	
Final dividend for the year ended 30 June 2011 @ Rupees 3.30 per share	-	-	-	-	-	-	-	(1,160,279)	(1,160,279)	(1,160,279)	(1,160,279)	-	(1,160,279)	
Transfer to general reserve	-	-	-	-	-	-	7,846,000	(7,846,000)	-	-	-	-	-	
Total comprehensive income for the period ended 31 March 2012	-	-	(1,165,866)	163	-	(1,165,703)	-	3,490,720	3,490,720	2,325,017	2,325,017	697,783	3,022,800	
Balance as at 31 March 2012 - un-audited	3,515,999	5,499,530	4,730,264	1,423	111,002	10,342,219	30,904,882	3,635,674	34,540,556	44,882,775	48,398,774	3,389,462	51,788,236	

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

Chirag Mehta

CHIEF EXECUTIVE OFFICER

Wade

DIRECTOR



SELECTED NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION FOR THE PERIOD ENDED 31 MARCH 2012 (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 USA, INC.
- Nishat Linen Trading L.L.C
- Nishat Hospitality (Private) Limited

NISHAT MILLS LIMITED

Nishat Mills Limited is a public limited Company incorporated in Pakistan under the Companies Act, 1913 (Now Companies Ordinance, 1984) and listed on all Stock Exchanges in Pakistan. 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 and listed on Karachi Stock Exchange (Guarantee) Limited and Lahore Stock Exchange (Guarantee) Limited in Pakistan. 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.

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 on 15 March 2011. The registered office of Nishat Linen (Private) Limited is situated at 3-Yahya Block Nishatabad, Faisalabad. The principal objects of the Company are to operate retail outlets for sale of textile and other products and to manufacture and sale the textile products by processing the textile goods in own or outside manufacturing facility.

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 L.L.C

Nishat Linen Trading L.L.C 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 L.L.C 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 L.L.C. Date of incorporation of the Company was 29 December 2010. The registered office of Nishat Linen Trading L.L.C is situated at P.O. Box 28189 Dubai, UAE. The principal business of the Subsidiary Company is to operate retail outlets in UAE for sale of textile and related products.

NISHAT HOSPITALITY (PRIVATE) LIMITED

Nishat Hospitality (Private) Limited, incorporated under the Companies Ordinance, 1984 on 01 July 2011, is a wholly owned subsidiary of Nishat Mills Limited. The principal business of the subsidiary company is to construct and operate a four star hotel in Lahore under the name of "Nishat Botique Hotel". The hotel is expected to start its operations in 2013. Its registered office is situated at 1-B, Aziz Avenue, Canal Bank, Gulberg V , Lahore.

2. BASIS OF PREPARATION

This consolidated condensed interim financial information is un-audited and is being submitted to share holders as required by section 245 of the Companies Ordinance, 1984 and the listing regulations of the Islamabad, Karachi and Lahore stock exchanges. This consolidated condensed interim financial information has been prepared in accordance with the requirements of International Accounting Standard-34 "Interim Financial Reporting" and International Accounting Standard-27 "Consolidated and separate financial statements" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of and directives issued under the Companies Ordinance, 1984 have been followed. This consolidated condensed interim financial information should be read in conjunction with the preceding audited annual published consolidated financial statements of the Group for the year ended 30 June 2011.

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 preceding audited annual published consolidated financial statements of the Group for the year ended 30 June 2011.

4 CONSOLIDATION

a) Subsidiaries

Subsidiaries are those entities in which Holding Company directly or indirectly controls, beneficially owns or holds more than 50% of the voting securities or otherwise has power to elect and appoint more than 50% of its directors. The condensed interim financial information of the subsidiary companies is included in this consolidated condensed interim financial information from the date control commences until 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 this consolidated condensed interim financial information.

b) Associates

Associates are the entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in these associates are accounted for using the equity method of accounting and are initially recognized at cost. The Group's investment in associate includes goodwill identified on acquisition, net of any accumulated impairment loss, if any.

The Group's share of its associate's post-acquisition profits or losses, movement in other comprehensive income, and its share of post-acquisition movements in reserves is recognized in the consolidated profit and loss account, consolidated statement of comprehensive income and reserves respectively. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Distributions received from an associate reduce the carrying amount of the investment.

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 2011.

	Un-audited 31 March 2012 (Rupees in thousand)	Audited 30 June 2011
6. LONG TERM FINANCING - SECURED		
Opening balance	17,104,952	18,272,867
Add: Obtained during the period / year	1,941,842	1,152,150
Less: Repaid during the period / year	1,691,813	2,020,065
Less: Transferred to liabilities against assets subject to finance lease	-	300,000
	17,354,981	17,104,952
Less: Current portion shown under current liabilities	1,639,848	1,840,509
	15,715,133	15,264,443

Un-audited	Audited
31 March	30 June
2012	2011
(Rupees in thousand)	

7. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

Future minimum lease payments	264,856	337,928
Less: Un-amortized finance charge	46,903	74,956
Present value of future minimum lease payments	217,953	262,972
Less: Current portion shown under current liabilities	64,180	60,344
	153,773	202,628

7.1 Holding Company has entered into a sale and leaseback arrangement with Pak Kuwait Investment Company (Private) Limited. According to the lease agreement, leasing company has contributed Rupees 150.021 million from its own sources and the remaining amount of Rupees 149.979 million has been financed under Long Term Finance Facility (LTFF) scheme of State Bank of Pakistan. Minimum lease payments have been discounted using implicit interest rate ranging from 9.70% to 14.02% (31 March 2011: 9.70% to 15.62%) per annum. Balance rentals are payable in quarterly installments. Taxes, repairs and insurance costs are borne by the holding Company. These are secured against the leased assets and demand promissory notes.

8. CONTINGENCIES AND COMMITMENTS

8.1 Contingencies

- i) Nishat Mills Limited - Holding Company is contingently liable for Rupees 0.631 million (30 June 2011: Rupees 0.631 million) on account of central excise duty not acknowledged as debt as the cases are pending before Court.
- ii) Guarantees of Rupees 655.938 million (30 June 2011: Rupees 590.321 million) are given by the banks of the 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 and Director Excise and Taxation, Karachi against infrastructure cess.
- iii) Post dated cheques of Rupees 1,441.803 million (30 June 2011: Rupees 911.545 million) are issued by the 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) Nishat Mills Limited's share in contingencies of associated companies' accounted for under equity method is Rupees 1,435 million (30 June 2011: Rupees 1,435 million).
- v) The banks of Nishat Power Limited – Subsidiary Company have issued following on behalf of Subsidiary Company:
 - a) Irrevocable standby letter of credit in favour of Wartsila Pakistan (Private) Limited for Rupees 45 million (30 June 2011: Rupees 45 million) as required under the terms of the Operation and Maintenance agreement.
 - b) Letter of guarantee of Rs 0.5 million (30 June 2011: Nil) in favour of Director, Excise and Taxation, Karachi under direction of Sindh High Court in respect of suit filed for levy of infrastructure cess.

- c) Letters of guarantee aggregating Rs 500 million (30 June 2011: Nil) in favour of Pak Arab Refinery Limited ('PARCO') for procurement of multiple fuel/oils.
- d) Letters of guarantee aggregating Rs 100 million (30 June 2011: Nil) in favour of Chevron Pakistan Limited for procurement of multiple fuel/oils.
- vi) Included in sales of Subsidiary Company - Nishat Power Limited is an amount of Rs 326.602 million, deducted by the Power Purchaser from the Capacity Purchase Invoices for the months of January and February, 2012. The said deduction was made owing to under-utilization of plant capacity due to non-availability of Fuel on account of non-payment by the Power Purchaser. The management of the Subsidiary Company is taking up the matter at appropriate forums and believes that there are enough grounds to understand that these deductions will be reversed. Had this deduction accounted for, the revenue for the period would have been lower by Rs 326.602 million.

8.2 Commitments

- i) Contracts for capital expenditure of the Group are approximately of Rupees 356.981 million (30 June 2011: Rupees 65.057 million).
- ii) Letters of credit other than for capital expenditure of the Group are of Rupees 350.432 million (30 June 2011: Rupees 440.468 million).
- iii) Nishat Power Limited - Subsidiary Company has also commitments in respect of other contractors of Rupees 4.167 million (30 June 2011: Rupees 2.670 million)
- iv) Nishat Power Limited - Subsidiary Company has entered into a contract for purchase of fuel oil from Shell Pakistan Limited (SPL) for a period of ten years starting from the commercial operations date of the power station i.e. 09 June 2010. Under the terms of the Fuel Supply Agreement, the Subsidiary Company is not required to buy any minimum quantity of oil from SPL.
- v) Nishat Power Limited - Subsidiary Company has also entered into an agreement with Wartsila Pakistan (Private) Limited for the operations and maintenance (O&M) of the power station for a five years period starting from the commercial operations date of the power station i.e. 09 June 2010. Under the terms of the O&M agreement, the Subsidiary Company is required to pay a monthly fixed O&M fee and a variable O&M fee depending on the net electrical output, both of which are adjustable according to the Wholesale Price Index.

Un-audited	Audited
31 March	30 June
2012	2011
(Rupees in thousand)	

9. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets		
Owned (Note 9.1)	27,167,651	27,938,481
Leased (Note 9.2)	253,023	273,105
Capital work-in-progress (Note 9.3)	1,834,727	925,080
	29,255,401	29,136,666

	Un-audited 31 March 2012 (Rupees in thousand)	Audited 30 June 2011
9.1 Operating fixed assets- Owned		
Opening book value	27,938,481	28,108,212
Add: Cost of additions during the period/ year (Note 9.1.1)	1,035,216	2,695,901
	28,973,697	30,804,113
Less: Book value of deletions during the period/ year (Note 9.1.2)	29,560	217,180
Less: Book value of assets transferred to investment properties during the period	120,279	-
Less: Transferred to operating fixed assets - leased (Note 9.2)	-	300,000
	149,839	517,180
	28,823,858	30,286,933
Less: Depreciation charged during the period/ year	1,656,207	2,348,452
	27,167,651	27,938,481

9.1.1 Cost of additions

Freehold land	36,602	13,206
Buildings on freehold land	28,411	245,002
Plant and machinery	849,894	2,236,659
Electric installations	11,178	10,712
Factory equipment	21,476	16,461
Furniture, fixtures and office equipment	16,098	55,430
Computer equipment	6,935	10,118
Vehicles	64,622	108,313
	1,035,216	2,695,901

9.1.2 Book value of deletions

Plant and machinery	16,810	194,326
Electric installations	-	211
Factory equipment	-	128
Furniture, fixtures and office equipment	401	114
Computer equipment	22	14
Vehicles	12,327	22,387
	29,560	217,180

	Un-audited 31 March 2012 (Rupees in thousand)	Audited 30 June 2011
Opening book value	273,105	-
Add: Transferred from operating fixed assets - owned (Note 9.1)	-	300,000
Less: Depreciation charged during the period / year	20,082	26,895
	253,023	273,105

9.3 Capital work-in-progress

Buildings on freehold land	859,921	219,676
Plant and machinery	938,887	691,655
Electric installations	1,702	-
Unallocated expenditure	9,075	1,964
Letters of credit against machinery	675	144
Advances for purchase of furniture and office equipment	2,504	-
Advances for purchase of vehicles	10,546	9,962
Advances to contractors	11,417	1,679
	1,834,727	925,080

(UN-AUDITED)

PERIOD ENDED		QUARTER ENDED	
31 March 2012	31 March 2011	31 March 2012	31 March 2011

----- (Rupees in thousand) -----

10. COST OF SALES

Raw materials consumed	18,784,288	20,291,304	6,250,531	7,514,311
Cloth and yarn purchased / used	10,627,820	14,512,623	3,665,345	6,560,480
Processing charges	133,542	160,952	46,943	43,286
Salaries, wages and other benefits	1,799,268	1,708,573	587,676	573,191
Staff retirement benefits	49,904	45,840	16,436	15,522
Stores, spare parts and loose tools	2,598,390	2,601,417	928,152	900,014
Packing materials	557,479	560,189	196,530	194,999
Repair and maintenance	468,793	389,378	166,244	137,848
Fuel and power	3,035,467	2,260,174	1,196,646	818,422
Insurance	143,067	133,819	48,238	43,745
Other factory overheads	213,223	195,059	73,843	68,979
Depreciation	1,603,525	1,313,570	527,823	438,503
	40,014,766	44,172,898	13,704,407	17,309,300
Work-in-process:				
Opening stock	5,432,669	2,921,946	4,593,527	4,102,048
Closing stock	(4,400,391)	(5,582,685)	(4,400,391)	(5,582,685)
	1,032,278	(2,660,739)	193,136	(1,480,637)
Cost of goods manufactured	41,047,044	41,512,159	13,897,543	15,828,663
Finished goods:				
Opening stock	2,850,493	1,545,610	2,392,772	2,171,715
Closing stock	(2,497,464)	(2,785,600)	(2,497,464)	(2,785,600)
	353,029	(1,239,990)	(104,692)	(613,885)
	41,400,073	40,272,169	13,792,851	15,214,778

(UN-AUDITED)

PERIOD ENDED		QUARTER ENDED	
31 March 2012	31 March 2011	31 March 2012	31 March 2011

----- (Rupees in thousand) -----

11. OTHER OPERATING EXPENSES

Workers' profit participation fund	162,890	206,942	43,147	85,339
Workers' welfare fund	61,768	80,477	16,395	32,429
Provision for doubtful debts	-	11,207	-	-
Impairment loss on equity investment	672	-	-	-
Depreciation on investment properties	3,865	4,291	1,279	1,409
Donations (Note 11.1)	650	7,299	-	-
	229,845	310,216	60,821	119,177

11.1 There is no interest of any director or his spouse in donee's fund.

(UN-AUDITED)

PERIOD ENDED	
31 March 2012	31 March 2011

(Rupees in thousand)

12. CASH GENERATED FROM / (UTILIZED IN) OPERATIONS

Profit before taxation	4,633,422	9,405,909
Adjustments for non-cash charges and other items:		
Depreciation	1,680,154	1,367,942
Provision for doubtful debts	-	11,207
Gain on loss of significant influence over investee company	-	(3,062,140)
Impairment loss on equity investment	672	-
Gain on sale of property, plant and equipment	(17,633)	(48,310)
Loss on disposal of investment in associate	-	304,952
Dividend income	(596,319)	(44,609)
Interest income	(117,202)	(62,282)
Share of profit from associated companies	(1,172,461)	(1,452,520)
Net exchange gain including loss on forward exchange contracts	(20,523)	(1,039,958)
Finance cost	3,483,806	3,327,039
Working capital changes (Note 12.1)	(3,942,055)	(12,182,516)
	3,931,861	(3,475,286)

12.1 Working capital changes

(Increase) / decrease in current assets:

- Stores, spare parts and loose tools
- Stock-in-trade
- Trade debts
- Loans and advances
- Short term deposits and prepayments
- Other receivables

(86,714)	(264,313)
(2,158,712)	(6,928,878)
(2,172,900)	(5,783,688)
40,414	467,087
(6,740)	(15,018)
115,327	(202,394)
(4,269,325)	(12,727,204)

Increase in trade and other payables **327,270** 544,688**(3,942,055)** (12,182,516)

13. SEGMENT INFORMATION

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

Spinning: Production of different qualities of yarn using natural and artificial fibers.

Weaving: Production of different qualities of greige fabric using yarn.

Processing & Home Textile: Processing of greige fabric for production of printed and dyed fabric and its further use in manufacturing variety of home textile articles.

Garments: Manufacturing of garments using processed fabric.

Power Generation: Generation and distribution of power using gas, oil and steam.

Hotel Business: To carry on the business of hotels.

13.2 Transactions among the business segments are recorded at cost basis. Intersegment sales and purchases have been eliminated from the total.

	(UN-AUDITED)															
	Spinning		Weaving		Processing & home textile		Garments		Power generation		Hotel business		Elimination of inter-segment transactions		Total-Group	
	Period ended	Mar 11	Period ended	Mar 11	Period ended	Mar 11	Period ended	Mar 11	Period ended	Mar 11	Period ended	Mar 11	Period ended	Mar 11	Period ended	Mar 11
Sales	9,770,026	11,689,679	7,009,834	6,659,233	14,713,700	13,657,383	2,894,245	2,807,445	15,718,710	15,245,938	8,788	-	-	-	50,115,413	50,059,648
External Intersegment	2,526,722	2,494,233	5,344,899	5,620,565	553,770	396,603	1,449	5,994	3,010,532	2,134,538	123	-	-	-	(10,550,933)	-
Cost of sales	12,296,748	14,093,912	12,354,733	12,279,796	15,267,470	14,055,986	2,895,794	2,813,439	18,729,242	17,380,446	8,921	-	-	-	(10,561,933)	50,115,413
Gross profit	1,229,939	2,289,528	1,015,444	1,222,844	2,198,792	1,788,977	634,849	476,890	3,631,300	4,009,290	5,016	-	-	-	11,437,495	50,059,648
Distribution cost	(246,508)	(217,262)	(346,825)	(338,301)	(997,874)	(786,986)	(170,844)	(150,744)	(2,689)	(2,689)	-	-	-	-	(11,437,495)	(1,767,890)
Administrative expenses	(441,666)	(441,452)	(330,934)	(116,574)	(246,637)	(169,291)	(39,334)	(39,334)	(75,605)	(42,733)	(4,848)	-	-	-	(10,561,933)	(593,384)
Profit before taxation and unallocated income and expenses	(388,174)	(358,714)	(477,759)	(444,875)	(1,244,511)	(956,277)	(214,182)	(190,078)	(76,294)	(42,733)	(4,848)	-	-	-	(2,405,768)	(1,992,677)
Profit after taxation	841,765	1,930,814	537,685	777,969	954,281	832,700	420,667	286,762	3,555,006	3,966,557	168	-	-	-	6,309,572	7,794,802
Unallocated income and expenses:																
Other operating income																(229,845)
Finance cost																865,040
Share of profit from associated companies																3,795,842
Provision for taxation																(3,483,806)
Profit after taxation																1,172,461
																1,452,520
																(444,919)
																(472,088)
																4,188,503
																8,933,821

13.3 Reconciliation of reportable segment assets

	(Rupees in thousand)													
	Spinning		Weaving		Processing & Home Textile		Garments		Power generation		Hotel business		Total-Group	
	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited
Total assets of reportable segments	10,452,897	7,074,788	4,484,779	4,617,050	9,764,074	10,679,109	2,213,594	2,108,076	28,577,183	26,002,802	157,679	-	55,650,206	50,481,825

Unallocated assets:

Long term investments	29,811,163	30,168,316
Other receivables	1,147,938	1,506,773
Cash and bank balances	440,095	1,258,946
Other corporate assets	2,134,822	2,586,310
Total assets as per balance sheet	89,181,224	85,872,170

14. EARNINGS PER SHARE - BASIC AND DILUTED

There is no dilutive effect on the basic earnings per share.

15. 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. Details of transactions with related parties are as follows:

(UN-AUDITED)

PERIOD ENDED		QUARTER ENDED	
31 March 2012	31 March 2011	31 March 2012	31 March 2011

(Rupees in thousand)

Associated companies

Investment made	-	166,772	-	-
Purchase of goods and services	51,388	18,329	23,779	5,194
Purchase of operating fixed assets	-	23,187	-	-
Sale of operating fixed assets	587	2,057	50	-
Sale of goods and services	4,813	8,397	3,501	2,323
Rental income	2,948	-	54	-
Dividend received	551,292	10,263	181,668	-
Dividend paid	104,115	78,870	-	-
Insurance premium paid	210,705	202,642	47,193	48,278
Insurance claims received	13,130	6,230	4,581	713
Profit on saving accounts	20,563	35	13,976	28
Subscription paid	1,000	750	-	-

Other related parties

Dividend received	45,026	33,770	-	-
Purchase of goods and services	16,249	81,743	11,922	2,855
Sale of goods and services	7,073	90,395	5,918	19,578
Group's contribution to provident fund trust	72,585	64,462	24,117	21,800
Remuneration paid to Chief Executive Officer, Directors and Executives of the Holding Company	235,143	167,190	74,077	46,288

16. 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 2011.

17. DATE OF AUTHORIZATION FOR ISSUE

This consolidated condensed interim financial information was approved by the Board of Directors and authorized for issue on 27 April 2012.

18. CORRESPONDING FIGURES

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

19. GENERAL

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



CHIEF EXECUTIVE OFFICER



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