



Growing Sustainably

Interim Financial Report of **Nishat Mills Limited**
for the period ended March 31, 2015



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Company Information

Board of Directors

Mian Umer Mansha

Chief Executive Officer

Mian Hassan Mansha

Chairman

Syed Zahid Hussain

Mr. Khalid Qadeer Qureshi

Ms. Nabiha Shahnawaz Cheema

Mr. Maqsood Ahmad

Mr. Saeed Ahmad Alvi

Audit Committee

Mr. Khalid Qadeer Qureshi

Chairman/Member

Syed Zahid Hussain

Member

Ms. Nabiha Shahnawaz Cheema

Member

Human Resource & Remuneration (HR & R) Committee

Mian Hassan Mansha

Chairman/Member

Mian Umer Mansha

Member

Mr. Khalid Qadeer Qureshi

Member

Ms. Nabiha Shahnawaz Cheema

Member

Chief Financial Officer

Mr. Badar-ul-Hassan

Company Secretary

Mr. Khalid Mahmood Chohan

Auditors

Riaz Ahmad & Company

Chartered Accountants

Legal Advisor

Mr. M. Aurangzeb Khan, Advocate,

Chamber No. 6, District Court,

Faisalabad.

Bankers to the Company

Albaraka Bank (Pakistan) Limited
Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank 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
Industrial and Commercial Bank of China Limited
JS Bank Limited
KASB Bank Limited
Meezan Bank Limited
MCB Bank Limited
National Bank of Pakistan
NIB Bank Limited
Pak Brunei Investment Company Limited
Pakistan Kuwait Investment
Company (Private) Limited
Samba Bank Limited
Silk Bank Limited
Soneri Bank Limited
Summit Bank Limited
Standard Chartered Bank (Pakistan) Limited
The Bank of Punjab
United Bank Limited

Mills

Spinning units, Yarn Dyeing & Power plant

Nishatabad, Faisalabad.

Spinning unit & 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 Unit

7 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
Ground Floor, State Life Building No. 3,
Dr. Zia Uddin Ahmed Road, Karachi
Tel : (021) 111 000 322
Fax : (021) 35655595

Branch Office, Lahore
2nd Floor, DYL Motorcycles Limited
Office Building, Plot No. 346
Block No. G-III, Khokar Chowk,
Main Boulevard, Johar Town, Lahore
Tel: (042) 35290577
Fax (042) 35290667

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

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

Directors' Report

Directors of Nishat Mills Limited ("the Company") are pleased to present the Directors' Report for the nine month period ended 31 March 2015.

Operating Financial Results

Profit after tax of the Company has decreased significantly in the current nine month period as compared to profit after tax of the corresponding nine month period. The main reasons for decline in this profitability are the low demand of textile products, strengthening of Pak Rupee against US\$, increase in depreciation expense due to commissioning of new units, increase in minimum wages of workers from Rs. 10,000 to Rs. 12,000 per month and increase in finance cost in order to finance the new projects as well as to provide working capital loan to subsidiary companies.

Other income remained almost the same during the current nine month period as compared to corresponding nine months of the last year. Main contributors towards other income were dividend income from investee companies and interest income from subsidiary companies on working capital loans. Dividend income has decreased by 11.16% in the current period as compared to corresponding period of last year.

Financial Highlights	Nine month ended 31 March		Increase/ (decrease) %
	2015	2014	
Net Sales (Rs. '000')	39,281,737	41,687,474	(5.77)
Gross Profit (Rs. '000')	4,683,060	6,993,398	(33.04)
Profit before tax (Rs. '000')	2,805,058	5,102,207	(45.02)
Profit after tax (Rs. '000')	2,679,058	4,623,207	(42.05)
Gross Profit (%)	11.92	16.78	
Profit after tax (%)	6.82	11.09	
Earnings per share – (Rs.)	7.62	13.15	

General Market Review and Future Prospects

First three quarters of the fiscal year 2014-15 were very hard for the textile industry in Pakistan. Both internal and external factors contributed towards the dismal performance of textile industry. Most significant factors were the lackluster demand of textile products in international market and the strengthening of Pak Rupee against US\$.

On domestic front, poor performance of textile industry is mainly attributed to persistent power and gas shutdowns and commodity price crash. Textile industry has started exporting products under the European Union GSP Plus status granted to Pakistan but export volume has so far been much less than expectations mainly because of above mentioned reasons.

Spinning

As a result of bumper cotton crop locally and internationally, cotton prices fell sharply within first half of the financial year 2014-15. In fact, during the period under review, trading of cotton in international markets was done at the rates which were the lowest in the past four years.

Cotton prices had a bearish sentiment throughout this period. Polyester fiber prices also decreased due to sharp dip in oil prices. China played a key role in keeping cotton prices low as their international cotton buying had reduced.

Yarn	Nine month ended 31 March		Increase / (Decrease)	
	2015	2014	Value	% age
Sale – (kgs '000')	24,383	21,470	2,913	13.57
Rate / kg	306.89	379.36	(72.47)	(19.10)
Sale – (Rs. '000')	7,482,780	8,144,863	(662,083)	(8.13)

Price of cotton yarn also witnessed a fall which was relatively greater than the decrease in cotton rates as the customers were aware of the cotton market scenario. Hong Kong and China once again remained main markets for our Company's yarn while our marketing team worked very hard to get business from Malaysia, Japan and Korea as well. Demand of cotton yarn from Europe and the USA remained negligible. The company also procured its cotton inventory during the first two quarters of the financial year at a good price mix.

Weaving

Grey fabric business also faced a difficult time during the current nine months under review. Our primary export market has always been Europe but due to strengthening of US Dollar against Euro, our cloth sales volumes decreased. Economic slowdown of some major European nations such as Italy and Spain also worsened the situation. This year, winter season in Europe was mild and short. Most of the big retailers in Europe had their shops full of winter clothes and even some of them offered discounts during the season. Corduroy, which has always been our major product in winters, experienced a sharp decrease in volume.

Our business in Japan also decreased. The reason for decline was again the decrease in the value of Japanese Yen against US Dollar during these nine months.

Grey Cloth	Nine month ended 31 March		Increase / (Decrease)	
	2015	2014	Value	% age
Sale – (meters '000')	61,539	54,700	6,839	12.50
Rate / meter	149.05	172.23	(23.18)	(13.46)
Sale – (Rs. '000')	9,172,485	9,421,142	(248,657)	(2.64)

Turmoil in Middle East and war between Ukraine and Russia caused our work wear business to slow down. Most of our customers for work wear were selling their products in these markets. However, as always, we have tried to diversify our product mix further by venturing into new product range like abrasive and technical fabrics. We are hopeful that by the end of this financial year, we shall be doing bulk business in these products.

Processing and Home Textile

Value added sector of our textile industry experienced more challenges during this period because of diminishing demand of textile products worldwide. Historically, USA and Europe have been our main markets but due to unfavorable market conditions, our exports to both these regions declined.

Despite all these internal and external factors, Processing Division performed well and depicted positive growth in one of the toughest periods in decades. We were able to sell our capacities at reasonable profit margins in highly adverse market conditions mainly because of our marketing strategy and right product mix.

Processed Cloth and Made-ups	Nine month ended 31 March		Increase / (Decrease)	
	2015	2014	Value	% age
Sale – (meters '000')	54,872	53,187	1,685	3.17
Rate / meter	289.67	304.04	(14.37)	(4.73)
Sale – (Rs. '000')	15,894,792	16,171,031	(276,239)	(1.71)

In order to mitigate the impact of adverse factors, we have devised two pronged strategy where we will be selling more to existing customers and at the same time we are broadening our customer base by adding new buyers in different regions.

Due to economic slowdown, overall scenario was also not great for Home Textile business. However, we expect a relatively better future as reduction in prices of oil and other commodities will result in a higher disposable income in the hands of consumers which will cause a reversal in the contracting demand trend. In the meantime, we are also focusing on implementing better strategies to improve productivity and to reduce the cost of production to attain an optimum level.

Garments

The Garments Division showed a decrease in sales by 19.61 % during the nine months ended as at March 31, 2015 as compared to the nine months period of corresponding last year.

Garments	Nine month ended 31 March		Increase / (Decrease)	
	2015	2014	Value	% age
Sale – (garments '000')	3,943	4,631	(688)	(14.86)
Rate / garment	753.15	797.69	(44.54)	(5.58)
Sale – (Rs. '000')	2,969,685	3,694,086	(724,401)	(19.61)

The unrealistic exchange rate conversions for export oriented companies and increase in minimum wage rates and compensations squeezed the profits of the division. However, the increasing costs were controlled through a managed decline in administrative and selling expenses for the period. The availability of power which is essential to run our operations smoothly remained challenging and continued to hurt our bottom line.

New unit of the Garments Division is in the final stages of its construction and commissioning. This will double the existing capacity of our garments production and will cater for the increased demand from European Union as a result of GSP Plus status of Pakistan.

A brand new RFID technology is at the final stages of completion at the existing unit of the Division. This cutting edge technology is first of its kind in Pakistan and will give enormous control over garments production to our managers. Advantages of this technology will be seen in times to come in terms of higher efficiencies, lower wastages, decreased cost of production and eventually higher margins.

Power Generation

The Company invested in many projects in Power Division during the financial year 2014-15 to achieve key strategic objective of cost efficiency. Three dual fuel and highly efficient Wartsila Generators were commissioned at Bhikki, Ferozewatwan and Lahore. The 9 MW extension of coal fired power plants is in progress and will be completed soon. In addition to electricity, it will also produce 25 tons of steam per hour.

Subsidiary Companies and Consolidated Financial Statements

Nishat Power Limited, Nishat Linen (Private) Limited, Nishat Hospitality (Private) Limited, Nishat Spinning (Private) Limited, Nishat USA Inc., Nishat Linen Trading LLC, Nishat International FZE and Nishat Global China Company Limited 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.

Acknowledgment

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
24 April 2015
Lahore



Unconsolidated Condensed Interim
Financial Information of
Nishat Mills Limited
for the period ended 31 March 2015

Unconsolidated Condensed Interim Balance Sheet

As at 31 March 2015

	Note	Un-audited 31 March 2015 (Rupees in thousand)	Audited 30 June 2014
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
1,100,000,000 (30 June 2014: 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 2014: 351,599,848) ordinary shares of Rupees 10 each		3,515,999	3,515,999
Reserves		67,243,102	65,073,177
Total equity		70,759,101	68,589,176
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing-secured	5	6,001,440	6,431,304
Deferred income tax liability		456,760	474,878
		6,458,200	6,906,182
CURRENT LIABILITIES			
Trade and other payables		5,000,074	4,428,996
Accrued mark-up		235,486	295,054
Short term borrowings		15,690,925	14,468,124
Current portion of non-current liabilities		1,654,172	1,595,652
Provision for taxation		428,393	765,393
		23,009,050	21,553,219
TOTAL LIABILITIES		29,467,250	28,459,401
CONTINGENCIES AND COMMITMENTS	6		
TOTAL EQUITY AND LIABILITIES		100,226,351	97,048,577

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



Chief Executive Officer

	Note	Un-audited 31 March 2015 (Rupees in thousand)	Audited 30 June 2014
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	24,327,316	22,964,388
Investment properties		1,045,492	386,748
Long term investments		46,251,456	44,771,715
Long term loans		104,026	102,726
Long term deposits		47,433	48,008
		71,775,723	68,273,585
CURRENT ASSETS			
Stores, spare parts and loose tools		1,514,938	1,316,479
Stock in trade		12,707,228	12,752,495
Trade debts		2,822,897	2,929,054
Loans and advances		6,269,215	4,184,485
Short term deposits and prepayments		19,778	42,893
Other receivables		1,518,906	1,504,538
Accrued interest		22,046	15,172
Short term investments		3,011,890	3,227,560
Cash and bank balances		563,730	2,802,316
		28,450,628	28,774,992
TOTAL ASSETS		100,226,351	97,048,577


Director

Unconsolidated Condensed Interim Profit and Loss Account For the period ended 31 March 2015 (Un-audited)

	Note	Period ended		Quarter ended	
		31 March 2015	31 March 2014 (Rupees in thousand)	31 March 2015	31 March 2014
SALES		39,281,737	41,687,474	12,572,181	13,599,638
COST OF SALES	8	(34,598,677)	(34,694,076)	(10,898,844)	(11,835,549)
GROSS PROFIT		4,683,060	6,993,398	1,673,337	1,764,089
DISTRIBUTION COST		(1,865,657)	(1,953,381)	(618,881)	(638,918)
ADMINISTRATIVE EXPENSES		(853,962)	(779,828)	(277,170)	(259,500)
OTHER EXPENSES		(199,775)	(335,857)	(58,736)	(49,930)
		(2,919,394)	(3,069,066)	(954,787)	(948,348)
		1,763,666	3,924,332	718,550	815,741
OTHER INCOME		2,513,889	2,470,643	514,981	539,334
PROFIT FROM OPERATIONS		4,277,555	6,394,975	1,233,531	1,355,075
FINANCE COST		(1,472,497)	(1,292,768)	(468,142)	(463,516)
PROFIT BEFORE TAXATION		2,805,058	5,102,207	765,389	891,559
TAXATION		(126,000)	(479,000)	(26,000)	(121,000)
PROFIT AFTER TAXATION		2,679,058	4,623,207	739,389	770,559
EARNINGS PER SHARE -BASIC AND DILUTED (RUPEES)	9	7.62	13.15	2.10	2.19

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 2015 (Un-audited)

	Period ended		Quarter ended	
	31 March 2015	31 March 2014 (Rupees in thousand)	31 March 2015	31 March 2014
PROFIT AFTER TAXATION	2,679,058	4,623,207	739,389	770,559
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss	-	-	-	-
Items that may be reclassified subsequently to profit or loss:				
Surplus / (deficit) arising on remeasurement of available for sale investments to fair value	883,033	2,887,944	(4,809,906)	(171,763)
Reclassification adjustment for gain included in profit or loss	(3,885)	(91,996)	-	-
Deferred income tax relating to surplus on available for sale investments	18,118	(78,656)	-	-
Other comprehensive income / (loss) for the period - net of tax	897,266	2,717,292	(4,809,906)	(171,763)
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD	3,576,324	7,340,499	(4,070,517)	598,796

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 2015 (Un-audited)

	Note	Period ended	
		31 March 2015	31 March 2014
		(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	10	4,365,859	5,743,972
Finance cost paid		(1,532,065)	(1,346,168)
Income tax paid		(540,701)	(620,519)
Net increase in long term loans to employees		(3,354)	(18,591)
Net decrease / (increase) in long term deposits		575	(1,588)
Net cash generated from operating activities		2,290,314	3,757,106
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(3,630,160)	(6,404,900)
Proceeds from sale of property, plant and equipment		58,523	226,728
Loans and advances to subsidiary companies		(9,604,263)	(7,004,998)
Repayment of loans from subsidiary companies		7,629,261	5,036,073
Interest received		159,638	121,823
Dividends received		1,782,207	2,005,976
Proceeds from sale of investment		67,081	910,297
Proceeds from sale of non-current asset held for sale		-	267,407
Investments made		(443,086)	(1,191,033)
Net cash used in investing activities		(3,980,799)	(6,032,627)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		1,379,000	3,708,365
Repayment of long term financing		(1,694,784)	(1,823,828)
Repayment of liabilities against assets subject to finance lease		(55,560)	(52,299)
Short term borrowings - net		1,222,801	932,212
Dividend paid		(1,399,558)	(1,399,461)
Net cash (used in) / generated from financing activities		(548,101)	1,364,989
Net decrease in cash and cash equivalents		(2,238,586)	(910,532)
Cash and cash equivalents at the beginning of the period		2,802,316	1,128,862
Cash and cash equivalents at the end of the period		563,730	218,330

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 2015 (Un-audited)

	(Rupees in thousand)								
	Share capital	Capital reserves			Reserves			Total equity	
		Premium on issue of right shares	Fair value reserve	Sub total	General reserve	Revenue reserves			Total
						Unappropriated profit	Sub total		
Balance as at 30 June 2013 - (Audited)	3,515,999	5,499,530	22,242,620	27,742,150	21,808,028	5,850,858	27,658,886	55,401,036	58,917,035
Transaction with owners - Final dividend for the year ended 30 June 2013 @ Rupees 4.00 per share	-	-	-	-	-	(1,406,399)	(1,406,399)	(1,406,399)	(1,406,399)
Transferred to general reserve	-	-	-	-	4,440,000	(4,440,000)	-	-	-
Profit for the period ended 31 March 2014	-	-	-	-	-	4,623,207	4,623,207	4,623,207	4,623,207
Other comprehensive income for the period ended 31 March 2014	-	2,717,292	2,717,292	2,717,292	-	-	-	2,717,292	2,717,292
Total comprehensive income for the period ended 31 March 2014	-	2,717,292	2,717,292	2,717,292	-	4,623,207	4,623,207	7,340,499	7,340,499
Balance as at 31 March 2014 - (Un-audited)	3,515,999	5,499,530	24,959,912	30,459,442	26,248,028	4,627,666	30,875,694	61,335,136	64,851,135
Profit for the period ended 30 June 2014	-	-	-	-	-	889,345	889,345	889,345	889,345
Other comprehensive income for the period ended 30 June 2014	-	-	2,848,696	2,848,696	-	-	-	2,848,696	2,848,696
Total comprehensive income for the period ended 30 June 2014	-	-	2,848,696	2,848,696	-	889,345	889,345	3,738,041	3,738,041
Balance as at 30 June 2014 - (Audited)	3,515,999	5,499,530	27,808,608	33,308,138	26,248,028	5,517,011	31,765,039	65,073,177	68,589,176
Transaction with owners - Final dividend for the year ended 30 June 2014 @ Rupees 4.00 per share	-	-	-	-	-	(1,406,399)	(1,406,399)	(1,406,399)	(1,406,399)
Transferred to general reserve	-	-	-	-	4,106,000	(4,106,000)	-	-	-
Profit for the period ended 31 March 2015	-	-	-	-	-	2,679,058	2,679,058	2,679,058	2,679,058
Other comprehensive income for the period ended 31 March 2015	-	-	897,266	897,266	-	-	-	897,266	897,266
Total comprehensive income for the period ended 31 March 2015	-	-	897,266	897,266	-	2,679,058	2,679,058	3,576,324	3,576,324
Balance as at 31 March 2015 - (Un-audited)	3,515,999	5,499,530	28,705,874	34,205,404	30,354,028	2,683,670	33,037,698	67,243,102	70,759,101

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



Chief Executive Officer



Director

Selected Notes to the Unconsolidated Condensed Interim Financial Information For the period ended 31 March 2015 (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.

The Shareholders of the Company in their meeting held on 21 April 2015 have approved the Scheme of Compromises, Arrangements and Reconstruction under sections 284 to 288 of the Companies Ordinance, 1984 between Nishat Spinning (Private) Limited and its Members and Nishat Linen (Private) Limited and its Members and Nishat Mills Limited and its Members subject to approval and any modification by the Honourable Lahore High Court.

The main objects of the Scheme of Compromises, Arrangements and Reconstruction are: to effect merger of Nishat Spinning (Private) Limited "NSPL" with and into Nishat Linen (Private) Limited "NLPL" and Nishat Mills Limited "NML" through the transfer and vesting in "NLPL" and "NML" of Undertaking of "NSPL"; and to separate the Sewing Undertaking (comprising of building, plant and machinery, related assets and inventory of Sewing Unit of "NML") from "NML" and transfer and vest the same with and into "NLPL".

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. This unconsolidated condensed interim financial information of the Company for the period ended 31 March 2015 has been prepared in accordance with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail. 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 2014.

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 2014.

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 2014.

	Un-audited 31 March 2015	Audited 30 June 2014
	(Rupees in thousand)	
5 LONG TERM FINANCING- SECURED		
Opening balance	7,960,588	4,323,909
Add: Obtained during the period / year	1,379,000	5,839,202
Less: Repaid during the period / year	1,694,784	2,202,523
	7,644,804	7,960,588
Less: Current portion shown under current liabilities	1,643,364	1,529,284
	6,001,440	6,431,304

6 CONTINGENCIES AND COMMITMENTS

a) Contingencies

- i) The Company is contingently liable for Rupees 0.631 million (30 June 2014: Rupees 0.631 million) on account of central excise duty not acknowledged as debt as the case is pending before Court.
- ii) Guarantees of Rupees 755.816 million (30 June 2014: Rupees 765.990 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, Pakistan Army against fulfillment of sales order and Punjab Power Development Board for issuance of letter of interest to set up an electricity generation facility.
- iii) Post dated cheques of Rupees 4,376.581 million (30 June 2014: Rupees 3,548.838 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) The Company has challenged, before Honourable Lahore High Court, Lahore, the vires of SRO 450(1)/2013 dated 27 May 2013 issued under section 8(1)(b) of the Sales Tax Act, 1990 whereby through amendment in the earlier SRO 490(1)/2004 dated 12 June 2004 claim of input sales tax in respect of building materials, electrical and gas appliances, pipes, fittings, wires, cables and ordinary electrical fittings and sanitary fittings have been disallowed. The Honourable Lahore High Court has issued stay order in favour of the Company and has allowed the Company to claim input sales tax paid on such goods in its monthly sales tax returns. Consequently, the Company has claimed input sales tax amounting to Rupees 63.758 million (30 June 2014: Rupees 45.150 million) paid on such goods in its respective monthly sales tax returns.

b) Commitments

- i) Contracts for capital expenditure are approximately of Rupees 615.399 million (30 June 2014: Rupees 2,547.532 million).
- ii) Letters of credit other than for capital expenditure are Rupees 766.715 million (30 June 2014: Rupees 564.550 million).
- iii) Outstanding foreign currency forward contracts of Rupees 4,253.063 million (30 June 2014: Rupees 2,888.142 million).

Selected Notes to the Unconsolidated Condensed Interim Financial Information For the period ended 31 March 2015 (Un-audited)

7 PROPERTY, PLANT AND EQUIPMENT

	Note	Un-audited 31 March 2015 (Rupees in thousand)	Audited 30 June 2014
Operating fixed assets			
Owned	7.1	21,003,045	17,984,923
Leased	7.2	186,049	200,675
Capital work-in-progress	7.3	3,138,222	4,778,790
		24,327,316	22,964,388
7.1 Operating fixed assets - Owned			
Opening book value		17,984,923	14,086,039
Add: Cost of additions during the period / year	7.1.1	5,270,728	5,578,924
		23,255,651	19,664,963
Less: Book value of deletions during the period / year	7.1.2	46,870	169,099
Less: Book value of assets transferred to investment properties during the period		710,390	-
		757,260	169,099
		22,498,391	19,495,864
Less: Depreciation charged during the period / year		1,495,346	1,510,941
		21,003,045	17,984,923
7.1.1 Cost of additions			
Freehold land		16,566	447,379
Buildings on freehold land		815,558	621,845
Plant and machinery		4,272,287	4,249,525
Electric installations		60,035	11,340
Factory equipment		10,073	65,493
Furniture, fixtures and office equipment		30,148	27,124
Computer equipment		9,017	14,545
Vehicles		57,044	141,673
		5,270,728	5,578,924

	Un-audited 31 March 2015	Audited 30 June 2014
	(Rupees in thousand)	
7.1.2 Book value of deletions		
Building	3,664	-
Plant and machinery	28,393	150,046
Factory equipment	161	-
Furniture, fixtures and office equipment	952	390
Computer equipment	72	86
Vehicles	13,628	18,577
	46,870	169,099
7.2 Operating fixed assets - Leased		
Opening book value	200,675	222,324
Less: Depreciation charged during the period / year	14,626	21,649
	186,049	200,675
7.3 Capital work-in-progress		
Buildings on freehold land	1,646,910	1,354,050
Plant and machinery	1,343,091	3,337,261
Electric Installations	-	3,882
Unallocated expenses	71,247	62,328
Letters of credit against machinery	547	469
Advances against factory equipment	2,332	-
Advance against purchase of land	34,251	13,606
Advances against furniture, fixtures and office equipment	1,308	6,511
Advances against vehicles	38,536	683
	3,138,222	4,778,790

Selected Notes to the Unconsolidated Condensed Interim Financial Information For the period ended 31 March 2015 (Un-audited)

	Period ended		Quarter ended	
	31 March 2015	31 March 2014 (Rupees in thousand)	31 March 2015	31 March 2014
8 COST OF SALES				
Raw materials consumed	21,099,660	22,462,245	6,642,343	7,308,697
Processing charges	357,823	178,811	143,324	81,584
Salaries, wages and other benefits	3,079,691	2,670,656	1,035,096	889,713
Stores, spare parts and loose tools consumed	3,386,536	3,462,991	1,076,420	1,228,963
Packing materials consumed	760,000	682,101	252,142	234,651
Repair and maintenance	272,358	283,305	93,157	96,746
Fuel and power	4,034,755	4,038,853	1,112,302	1,409,307
Insurance	28,429	27,013	9,626	9,027
Other factory overheads	361,185	375,089	107,490	130,102
Depreciation	1,436,895	1,044,702	503,455	359,497
	34,817,332	35,225,766	10,975,355	11,748,287
Work-in-process				
Opening stock	2,013,520	1,720,313	1,916,338	1,912,315
Closing stock	(1,879,590)	(1,949,407)	(1,879,590)	(1,949,407)
	133,930	(229,094)	36,748	(37,092)
Cost of goods manufactured	34,951,262	34,996,672	11,012,103	11,711,195
Finished goods				
Opening stock	2,907,268	2,720,906	3,146,594	3,147,856
Closing stock	(3,259,853)	(3,023,502)	(3,259,853)	(3,023,502)
	(352,585)	(302,596)	(113,259)	124,354
	34,598,677	34,694,076	10,898,844	11,835,549
	Period ended		Quarter ended	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
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)	2,679,058	4,623,207	739,389	770,559
Weighted average number of ordinary shares (Numbers)	351,599,848	351,599,848	351,599,848	351,599,848
Earnings per share (Rupees)	7.62	13.15	2.10	2.19

	Note	Period ended	
		31 March 2015	31 March 2014
		(Rupees in thousand)	
10 CASH GENERATED FROM OPERATIONS			
Profit before taxation		2,805,058	5,102,207
Adjustments for non-cash charges and other items:			
Depreciation		1,561,618	1,115,885
Gain on sale of property, plant and equipment		(11,653)	(61,774)
Gain on sale of investments		(8,918)	(10,297)
Gain on sale of non-current asset held for sale		-	(85,084)
Dividend Income		(1,782,207)	(2,005,976)
Interest income on loans and advances to subsidiary companies		(166,263)	(133,583)
Finance cost		1,472,497	1,292,768
Working capital changes	10.1	495,727	529,826
		4,365,859	5,743,972
10.1 Working capital changes			
(Increase) / decrease in current assets:			
- Stores, spare parts and loose tools		(198,459)	(149,907)
- Stock in trade		45,267	(3,507,956)
- Trade debts		106,157	4,025,701
- Loans and advances		(29,973)	(141,949)
- Short term deposits and prepayments		23,115	23,246
- Other receivables		(14,617)	(314,575)
		(68,510)	(65,440)
Increase in trade and other payables		564,237	595,266
		495,727	529,826

11 SEGMENT INFORMATION

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

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

Weaving: Producing 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, steam, coal and biomass.

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

Selected Notes to the Unconsolidated Condensed Interim Financial Information For the period ended 31 March 2015 (Un-audited)

11.2

		Spinning		Weaving		Processing & Home Textile		Garments		Power Generation		Elimination of inter-segment transactions		Total - Company	
		Period ended	31 Mar 2014	31 Mar 2015	31 Mar 2014	31 Mar 2015	31 Mar 2014	31 Mar 2015	31 Mar 2014	31 Mar 2015	31 Mar 2014	31 Mar 2015	31 Mar 2014	31 Mar 2015	31 Mar 2014
(Rupees in thousand)															
Sales	10,430,459	9,422,276	9,842,661	17,402,156	17,627,299	3,042,918	3,763,495	21,029	23,560	-	-	-	-	39,281,737	41,687,474
External Intersegment	2,350,295	5,281,645	5,317,193	571,353	705,131	93	72	4,283,707	4,186,958	(12,457,093)	(12,710,744)	-	-	-	-
Cost of sales	11,713,653	12,931,849	15,159,854	17,973,509	18,332,430	3,043,011	3,763,567	4,304,736	4,210,518	(12,457,093)	(12,710,744)	39,281,737	41,687,474	39,281,737	41,687,474
	(10,849,360)	(10,872,126)	(13,669,375)	(15,431,584)	(15,623,495)	(2,715,737)	(3,039,770)	(4,239,036)	(4,200,054)	12,457,093	12,710,744	(34,598,677)	(34,694,076)	(34,598,677)	(34,694,076)
Gross profit	864,273	2,059,723	1,490,479	2,541,925	2,708,935	327,274	723,797	5,680	10,464	-	-	4,683,060	6,993,398	4,683,060	6,993,398
Distribution cost	(306,302)	(336,797)	(478,641)	(888,465)	(873,322)	(213,681)	(258,622)	(47,903)	(5,999)	-	-	(1,865,657)	(1,953,381)	(1,865,657)	(1,953,381)
Administrative expenses	(201,996)	(199,696)	(182,773)	(334,947)	(298,956)	(61,343)	(61,077)	(47,903)	(37,662)	-	-	(853,962)	(779,828)	(853,962)	(779,828)
Profit / (loss) before taxation and unallocated income and expenses	(508,298)	(536,493)	(664,982)	(1,223,412)	(1,172,278)	(275,024)	(319,699)	(47,903)	(43,661)	-	-	(2,719,619)	(2,733,209)	(2,719,619)	(2,733,209)
	355,975	1,523,230	279,926	1,318,513	1,536,657	52,250	404,098	(42,223)	(33,197)	-	-	1,963,441	4,260,189	1,963,441	4,260,189

Unallocated income and expenses:

Other expenses	(199,775)	(335,857)
Other income	2,513,889	2,470,643
Finance cost	(1,472,497)	(1,292,768)
Taxation	(126,000)	(479,000)
Profit after taxation	2,679,058	4,623,207

11.3 Reconciliation of reportable segment assets and liabilities

	Spinning		Weaving		Processing & Home Textile		Garments		Power Generation		Total - Company	
	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited
	30 Jun 2014	31 Mar 2014	30 Jun 2014	31 Mar 2014	30 Jun 2014	31 Mar 2014	30 Jun 2014	31 Mar 2014	30 Jun 2014	31 Mar 2014	30 Jun 2014	31 Mar 2014
	12,792,066	12,352,139	6,931,952	7,255,451	11,743,796	13,428,366	3,266,694	2,533,784	7,371,907	5,244,376	42,106,415	40,814,116
Total assets for reportable segments												
Unallocated assets:												
Long term investments											46,251,456	44,771,715
Other receivables											1,518,906	1,504,538
Cash and bank balances											563,730	2,802,316
Other corporate assets											9,785,844	7,155,892
Total assets as per balance sheet											100,226,351	97,048,577
	955,294	515,400	490,013	627,650	982,698	1,110,986	392,934	298,491	1,433,510	992,112	4,254,449	3,544,639
Total liabilities for reportable segments												
Unallocated liabilities:												
Deferred income tax liability											456,760	474,878
Provision for taxation											428,393	765,393
Other corporate liabilities											24,327,648	23,674,491
Total liabilities as per balance sheet											29,467,250	28,459,401

12 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:

	Period ended		Quarter ended	
	31 March 2015	31 March 2014 (Rupees in thousand)	31 March 2015	31 March 2014
i) Transactions				
Subsidiary companies				
Investment made	-	891,033	-	208,595
Interest income	166,264	133,583	62,465	54,347
Short term loans made	9,604,263	7,004,998	2,284,263	1,739,471
Repayment of short term loans made	7,629,261	5,036,073	2,918,771	1,932,381
Rental income	237,748	23,935	82,588	8,178
Dividend income	677,374	541,899	316,108	180,633
Purchase of goods and services	1,335,429	287,035	797,951	130,859
Sale of goods and services	3,166,062	2,495,723	1,142,032	969,377
Associated companies				
Investment made	447,870	300,000	227,918	-
Purchase of goods and services	59,662	133,081	13,563	55,255
Sale of operating fixed assets	-	1,475	-	-
Sale of goods and services	2,054	542	732	119
Rental income	505	636	93	189
Dividend income	1,074,331	1,414,547	-	256,454
Dividend paid	126,193	126,194	-	-
Insurance premium paid	90,168	87,658	12,338	15,820
Insurance claims received	21,170	28,753	10,822	3,139
Profit on term deposit receipt	18,518	3,149	-	2,901
Other related parties				
Dividend income	27,241	49,530	-	-
Purchase of goods and services	646,814	208,208	220,537	127,427
Sale of goods and services	2,179	4,839	245	-
Company's contribution to provident fund trust	124,052	102,239	42,140	34,337
Remuneration paid to Chief Executive Officer, Directors and Executives	605,882	482,933	188,856	147,387
ii) Period end balances			As at 31 March 2015	
	Subsidiary companies	Associated companies	Other related parties	Total
	(Rupees in thousand)			
Short term borrowings	-	33,397	-	33,397
Trade and other payables	188,595	7,753	12,069	208,417
Long term loans	-	-	92,729	92,729
Trade debts	635,793	-	-	635,793
Loans and advances	4,541,718	-	37,887	4,579,605
Accrued interest	19,054	-	-	19,054
Cash and bank balances	-	1,370	-	1,370

Selected Notes to the Unconsolidated Condensed Interim Financial Information For the period ended 31 March 2015 (Un-audited)

	As at 30 June 2014 (Audited)			
	Subsidiary companies	Associated companies (Rupees in thousand)	Other related parties	Total
Trade and other payables	8,386	49,915	19,441	77,742
Long term loans	-	-	87,980	87,980
Trade debts	127,176	-	-	127,176
Loans and advances	2,556,585	-	34,007	2,590,592
Accrued interest	12,429	278	-	12,707
Cash and bank balances	-	1,005,014	-	1,005,014

13 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 2014.

14 DATE OF AUTHORIZATION FOR ISSUE

This unconsolidated condensed interim financial information was approved by the Board of Directors and authorized for issue on 24 April 2015.

15 CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting", the unconsolidated condensed interim balance sheet 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 profit and loss account, unconsolidated condensed interim statement of comprehensive income and unconsolidated condensed interim cash flow statement 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.

16 GENERAL

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



Chief Executive Officer



Director



Consolidated Condensed Interim
Financial Information of
Nishat Mills Limited
for the period ended 31 March 2015

Consolidated Condensed Interim Balance Sheet

As at 31 March 2015

	Note	Un-audited 31 March 2015 (Rupees in thousand)	Audited 30 June 2014
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
1,100,000,000 (30 June 2014: 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 2014: 351,599,848) ordinary shares of Rupees 10 each		3,515,999	3,515,999
Reserves		77,104,135	79,822,306
Equity attributable to equity holders of the Holding Company		80,620,134	83,338,305
Non-controlling interest		5,656,692	5,073,073
Total equity		86,276,826	88,411,378
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing-secured	6	14,725,080	16,118,393
Long term security deposit		167,974	145,483
Retirement benefit obligation		6,305	4,087
Deferred income tax liability		436,153	435,748
		15,335,512	16,703,711
CURRENT LIABILITIES			
Trade and other payables		6,267,431	6,809,030
Accrued mark-up		549,996	695,880
Short term borrowings		15,917,697	17,510,155
Current portion of non-current liabilities		2,616,699	2,721,375
Provision for taxation		531,651	843,728
		25,883,474	28,580,168
TOTAL LIABILITIES		41,218,986	45,283,879
CONTINGENCIES AND COMMITMENTS	7		
TOTAL EQUITY AND LIABILITIES		127,495,812	133,695,257

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



Chief Executive Officer

	Note	Un-audited 31 March 2015 (Rupees in thousand)	Audited 30 June 2014
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	38,392,826	37,861,875
Investment properties		1,045,492	386,748
Intangible assets		16,029	18,571
Long term investments		47,999,350	52,252,042
Long term loans		105,665	104,428
Long term deposits		91,771	77,770
		87,651,133	90,701,434
CURRENT ASSETS			
Stores, spare parts and loose tools		2,250,108	1,881,375
Stock-in-trade		18,764,958	16,029,817
Trade debts		10,635,653	13,816,667
Loans and advances		2,000,377	1,964,922
Short term deposits and prepayments		124,063	116,500
Other receivables		2,143,870	1,843,044
Accrued interest		13,213	5,431
Short term investments		3,011,890	3,227,560
Cash and bank balances		900,547	4,108,507
		39,844,679	42,993,823
TOTAL ASSETS		127,495,812	133,695,257



Director

Consolidated Condensed Interim Profit and Loss Account

For the period ended 31 March 2015 (Un-audited)

	Note	Period ended		Quarter ended	
		31 March 2015	31 March 2014 (Rupees in thousand)	31 March 2015	31 March 2014
SALES		61,268,247	66,030,323	18,517,816	21,844,218
COST OF SALES	9	(50,848,301)	(54,331,526)	(15,168,051)	(18,358,057)
GROSS PROFIT		10,419,946	11,698,797	3,349,765	3,486,161
DISTRIBUTION COST		(2,774,005)	(2,772,881)	(940,157)	(977,532)
ADMINISTRATIVE EXPENSES		(1,242,685)	(1,033,576)	(410,336)	(358,172)
OTHER EXPENSES		(227,829)	(355,508)	(82,341)	(49,510)
		(4,244,519)	(4,161,965)	(1,432,834)	(1,385,214)
		6,175,427	7,536,832	1,916,931	2,100,947
OTHER INCOME		996,581	1,094,485	84,172	304,413
PROFIT FROM OPERATIONS		7,172,008	8,631,317	2,001,103	2,405,360
FINANCE COST		(2,648,806)	(2,491,072)	(794,082)	(888,936)
		4,523,202	6,140,245	1,207,021	1,516,424
SHARE OF PROFIT FROM ASSOCIATED COMPANIES		2,178,174	1,395,095	975,299	563,803
PROFIT BEFORE TAXATION		6,701,376	7,535,340	2,182,320	2,080,227
TAXATION		(240,149)	(541,704)	(77,141)	(128,979)
PROFIT AFTER TAXATION		6,461,227	6,993,636	2,105,179	1,951,248
SHARE OF PROFIT ATTRIBUTABLE TO:					
EQUITY HOLDERS OF HOLDING COMPANY		5,227,149	5,943,610	1,803,199	1,555,401
NON-CONTROLLING INTEREST		1,234,078	1,050,026	301,980	395,847
		6,461,227	6,993,636	2,105,179	1,951,248
EARNINGS PER SHARE- BASIC AND DILUTED (RUPEES)	10	14.87	16.90	5.13	4.42

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 2015 (Un-audited)

	Period ended		Quarter ended	
	31 March 2015	31 March 2014 (Rupees in thousand)	31 March 2015	31 March 2014
PROFIT AFTER TAXATION	6,461,227	6,993,636	2,105,179	1,951,248
OTHER COMPREHENSIVE INCOME / (LOSS) :				
Items that will not be reclassified subsequently to profit or loss	(2,514)	-	-	-
Items that may be reclassified subsequently to profit or loss:				
Surplus / (deficit) arising on remeasurement of available for sale investments to fair value	(4,643,869)	2,584,300	(5,070,540)	(700,524)
Reclassification adjustment for gain included in profit or loss	(3,885)	-	-	-
Share of other comprehensive income / (loss) of associates	(1,902,181)	1,247,042	(2,140,798)	(236,619)
Exchange differences on translation of foreign operations	13,528	(4,488)	5,375	(29,851)
Deferred income tax relating to surplus on available for sale investments	-	(77,083)	-	-
	(6,536,407)	3,749,771	(7,205,963)	(966,994)
Other comprehensive income / (loss) for the period- net of tax	(6,538,921)	3,749,771	(7,205,963)	(966,994)
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD	(77,694)	10,743,407	(5,100,784)	984,254
SHARE OF TOTAL COMPREHENSIVE INCOME / (LOSS) ATTRIBUTABLE TO:				
Equity holders of holding company	(1,311,772)	9,693,381	(5,402,764)	588,407
Non-controlling interest	1,234,078	1,050,026	301,980	395,847
	(77,694)	10,743,407	(5,100,784)	984,254

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 2015 (Un-audited)

	Note	Period ended	
		31 March 2015	31 March 2014
		(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	11	8,198,803	3,920,950
Finance cost paid		(2,794,690)	(2,624,879)
Income tax paid		(613,908)	(715,947)
Long term security deposits received		22,491	35,000
Net increase in retirement benefit obligation		2,218	1,831
Net increase in long term loans to employees		(3,363)	(18,410)
Net increase in long term deposits		(14,001)	(7,787)
Net cash generated from operating activities		4,797,550	590,758
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(3,716,801)	(7,503,460)
Proceeds from sale of property, plant and equipment		62,154	227,095
Proceeds from sale of investment		67,081	910,297
Proceeds from sale of non-current asset held for sale		-	267,407
Interest received		62,949	47,086
Dividends received		1,104,834	1,464,077
Investments made		(445,586)	(300,000)
Net cash used in investing activities		(2,865,369)	(4,887,498)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		1,379,186	3,711,787
Repayment of long term financing		(2,821,614)	(2,536,344)
Repayment of liabilities against assets subject to finance lease		(55,560)	(52,299)
Exchange difference on translation of net investments in foreign subsidiaries		13,528	(4,423)
Short term borrowings - net		(1,592,458)	324,555
Dividend paid		(2,063,223)	(1,918,809)
Net cash used in financing activities		(5,140,141)	(475,533)
Net decrease in cash and cash equivalents		(3,207,960)	(4,772,273)
Cash and cash equivalents at the beginning of the period		4,108,507	5,202,124
Cash and cash equivalents at the end of the period		900,547	429,851

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 2015 (Un-audited)



Director

	Attributable to equity holders of the holding company												
	Share capital		Capital reserves		Revenue reserves			Total reserves	Shareholders' equity	Non-controlling interest	Total equity		
												Premium on issue of rights shares	Fair value reserve
	Share capital	Reserve	Total	Shareholders' equity	Non-controlling interest	Total equity							
	(Rupees in thousand)												
Balance as at 30 June 2013 - (audited)	3,515,999	5,499,530	16,883,338	(10,027)	111,002	22,483,843	33,909,882	8,679,116	42,588,998	65,072,841	68,588,840	4,511,212	73,100,052
Transaction with owners - Final dividend for the year ended 30 June 2013 @ Rupees 4.00 per share	-	-	-	-	-	-	-	(1,406,399)	(1,406,399)	(1,406,399)	(1,406,399)	-	(1,406,399)
Transaction with owners - Dividend relating to year 2013 paid to non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	(520,367)	(520,367)
Transferred to general reserve	-	-	-	-	-	-	7,127,000	(7,127,000)	-	-	-	-	-
Profit for the period ended 31 March 2014	-	-	-	-	-	-	-	5,943,610	5,943,610	5,943,610	5,943,610	1,050,026	6,993,636
Other comprehensive income for the period ended 31 March 2014	-	-	3,754,259	(4,488)	-	3,749,771	-	-	-	3,749,771	3,749,771	-	3,749,771
Total comprehensive income for the period ended 31 March 2014	-	-	3,754,259	(4,488)	-	3,749,771	-	5,943,610	9,693,381	9,693,381	9,693,381	1,050,026	10,743,407
Balance as at 31 March 2014 - (un-audited)	3,515,999	5,499,530	20,637,597	(14,515)	111,002	26,233,614	41,036,882	6,089,327	47,126,209	73,359,823	76,875,822	5,040,871	81,916,693
Transaction with owners - Dividend relating to year 2014 paid to non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	(346,911)	(346,911)
Profit for the period ended 30 June 2014	-	-	-	-	-	-	-	1,276,158	1,276,158	1,276,158	1,276,158	379,113	1,655,271
Other comprehensive income for the period ended 30 June 2014	-	-	5,185,826	499	-	5,186,325	-	-	-	5,186,325	5,186,325	-	5,186,325
Total comprehensive income for the period ended 30 June 2014	-	-	5,185,826	499	-	5,186,325	-	1,276,158	6,462,483	6,462,483	6,462,483	379,113	6,841,596
Balance as at 30 June 2014 - (audited)	3,515,999	5,499,530	25,823,423	(14,016)	111,002	31,419,939	41,036,882	7,365,485	48,402,367	79,822,306	83,338,305	5,073,073	88,411,378
Transaction with owners - Final dividend for the year ended 30 June 2014 @ Rupees 4.00 per share	-	-	-	-	-	-	-	(1,406,399)	(1,406,399)	(1,406,399)	(1,406,399)	-	(1,406,399)
Transaction with owners - Dividend relating to year 2014 paid to non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	(173,456)	(173,456)
Transaction with owners - Dividend relating to year 2015 paid to non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	(477,003)	(477,003)
Transferred to general reserve	-	-	-	-	-	-	5,813,000	(5,813,000)	-	-	-	-	-
Profit for the period ended 31 March 2015	-	-	-	-	-	-	-	5,227,149	5,227,149	5,227,149	5,227,149	1,234,078	6,461,227
Other comprehensive income / (loss) for the period ended 31 March 2015	-	-	(6,552,449)	13,528	-	(6,538,921)	-	-	-	(6,538,921)	(6,538,921)	-	(6,538,921)
Total comprehensive income / (loss) for the period ended 31 March 2015	-	-	(6,552,449)	13,528	-	(6,538,921)	-	5,227,149	1,311,772	1,311,772	1,311,772	1,234,078	(77,694)
Balance as at 31 March 2015 - (un-audited)	3,515,999	5,499,530	19,270,974	(488)	111,002	24,881,018	46,849,882	5,979,235	52,223,117	77,104,135	80,820,134	5,656,692	86,276,826

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



Chief Executive Officer

Selected Notes to the Consolidated Condensed Interim Financial Information For the period ended 31 March 2015 (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 Spinning (Private) Limited
-Nishat USA, Inc.
-Nishat Linen Trading LLC
-Nishat International FZE
-Nishat Global China Company 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 Limited and Lahore Stock Exchange 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 7-Main Gulburg, Lahore. The principal objects of the Company are to operate retail outlets for sale of textile and other products and to sale the textile products by processing the textile goods in 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 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 hotel, cafes, restaurants and lodging or apartment houses, bakers and confectioners in Pakistan and outside Pakistan.

NISHAT SPINNING (PRIVATE) LIMITED

Nishat Spinning (Private) Limited is a private limited Company incorporated in Pakistan on 20 February 2014 under the Companies Ordinance, 1984. 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 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 facilities.

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 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 the Company is to operate retail outlets in UAE for sale of textile and related products.

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.

2 BASIS OF PREPARATION

This consolidated 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 Karachi, Lahore and Islamabad 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 provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail. 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 2014.

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 2014.

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.

Selected Notes to the Consolidated Condensed Interim Financial Information For the period ended 31 March 2015 (Un-audited)

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 associates' 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 JUDGMENTS

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 the 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 2014.

	Un-audited 31 March 2015	Audited 30 June 2014
	(Rupees in thousand)	
6 LONG TERM FINANCING- SECURED		
Opening balance	18,773,400	16,101,639
Add: Obtained during the period / year	1,379,000	5,842,656
Less: Repaid during the period / year	2,821,614	3,170,998
Add: Currency translation	186	103
	17,330,972	18,773,400
Less: Current portion shown under current liabilities	2,605,892	2,655,007
	14,725,080	16,118,393

7 CONTINGENCIES AND COMMITMENTS

a) Contingencies

- i) Nishat Mills Limited - Holding Company is contingently liable for Rupees 0.631 million (30 June 2014: Rupees 0.631 million) on account of central excise duty not acknowledged as debt as the case is pending before Court.
- ii) Guarantees of Rupees 755.816 million (30 June 2014: Rupees 765.990 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, Director Excise and Taxation, Karachi against infrastructure cess, Pakistan Army against fulfillment of sales order and Punjab Power Development Board for issuance of Letter of Interest to set up an electricity generation facility.
- iii) Post dated cheques of Rupees 4,376.581 million (30 June 2014: Rupees 3,548.838 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) The Holding Company has challenged, before Honourable Lahore High Court, Lahore, the vires of SRO 450(1)/2013 dated 27 May 2013 issued under section 8(1)(b) of the Sales Tax Act, 1990 whereby through amendment in the earlier SRO 490(1)/2004 dated 12 June 2004 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 63.758 million (30 June 2014: Rupees 45.150 million) paid on such goods in its respective monthly sales tax returns.
- v) Holding Company's share in contingencies of associated companies' accounted for under equity method is Rupees 5,042 million (30 June 2014: Rupees 3,786 million).
- vi) National Electric Power Regulatory Authority (NEPRA) issued an order dated 8 February 2013 to Nishat Power Limited - Subsidiary Company through which it raised a demand of Rupees 290.423 million payable by the Subsidiary Company to National Transmission and Dispatch Company Limited (NTDCL) for the period upto 30 June 2011 in respect of Calorific Value ('CV') adjustment on fuel consumed for power generation as per the terms of the Power Purchase Agreement (PPA) and various CV adjustment mechanisms prescribed by NEPRA. The first such CV adjustment mechanism was announced by NEPRA in March 2009 and as per this mechanism, the Subsidiary Company has already made a provision of Rupees 20.332 million in its financial statements for the above CV adjustment. In July 2011, NEPRA revised its CV adjustment mechanism and directed all Independent Power Producers ('IPPs') to maintain consignment-wise CV record of the fuel received and consumed for power generation. Consequently, the Subsidiary Company started maintaining such CV record after such direction was received from NEPRA.

NEPRA directed the Subsidiary Company to submit consignment-wise record of CV for the period upto 30 June 2011. The Subsidiary Company disputed such direction as it was not required to maintain consignment-wise record prior to July 2011. However, NEPRA computed retrospectively and determined Rupees 290.423 million payable by the Subsidiary Company to NTDCL for the period upto 30 June 2011 in respect of CV adjustment on the basis of the mechanism directed by it in July 2011. The Subsidiary Company filed a Motion for Leave for

Selected Notes to the Consolidated Condensed Interim Financial Information For the period ended 31 March 2015 (Un-audited)

Review before NEPRA requesting it to reconsider its decision, which was decided against the Subsidiary Company. Consequently, the Subsidiary Company filed a writ petition before the Islamabad High Court against NEPRA's decision on the grounds that change in CV adjustment mechanism in July 2011 cannot be applied retrospectively and credible information is also not available from any source upon which CV adjustment computations can be made. The case is pending adjudication before Islamabad High Court.

Based on the advice of the Subsidiary Company's legal counsel, management of the Subsidiary Company feels that there are meritorious grounds to support the Subsidiary Company's stance and the aforesaid NEPRA's decision is likely to be revoked. Under these circumstances, no provision of the balance amount of Rupees 270.092 million has been made in this consolidated condensed interim financial information.

- vii) During the previous year, a sales tax demand of Rupees 1,218.132 million was raised against Nishat Power Limited- Subsidiary Company through order dated 11 December 2013 by the Assistant Commissioner Inland Revenue ('ACIR') by disallowing input sales tax for the tax periods from July 2010 to June 2012. Such amount was disallowed on the grounds that the revenue derived by the Subsidiary Company on account of 'capacity purchase price' was against a non-taxable supply and thus, the entire amount of input sales tax claimed by the Subsidiary Company was required to be apportioned with only the input sales tax attributable to other revenue stream i.e. 'energy purchase price' admissible to the Subsidiary Company. Against the aforesaid order, the Subsidiary Company preferred an appeal before the Commissioner Inland Revenue (Appeals) ['CIR(A)'] who vacated the ACIR's order on the issue regarding apportionment of input sales tax. However, the CIR(A) did not adjudicate upon the Subsidiary Company's other grounds of appeal. Consequently, the Subsidiary Company preferred an appeal before the Appellate Tribunal Inland Revenue ('ATIR') on the issues not adjudicated upon by the CIR(A) and the Department also preferred a second appeal before the ATIR against the CIR(A)'s order, which are both pending adjudication.

Furthermore, during the current period, the Deputy Commissioner Inland Revenue ('DCIR') has issued a show cause notice dated 19 August 2014 whereby intentions have been shown to raise a sales tax demand of Rupees 1,722.811 million by disallowing input sales tax claimed by the Subsidiary Company for the tax periods from July 2009 to June 2013 on the abovementioned grounds of the ACIR. Aggrieved by this show cause notice, the Subsidiary Company filed a writ petition before the Lahore High Court ('LHC'), whereby the LHC has provided interim relief to the Subsidiary Company to the extent that no final order shall be passed by the DCIR until the next hearing.

Based on the advice of the Subsidiary Company's legal counsel, management of the Subsidiary Company believes that there are meritorious grounds to defend the Subsidiary Company's stance in respect of the abovementioned input sales tax claimed by the Subsidiary Company. Consequently, no provision has been made in this consolidated condensed interim financial information.

- viii) The bank of Nishat Power Limited - Subsidiary Company has issued an irrevocable standby letter of credit on behalf of Subsidiary Company in favour of Wartsila Pakistan (Private) Limited for Rupees 45 million (30 June 2014: Rupees 45 million) as required under the terms of the Operation and Maintenance agreement.
- ix) Guarantees of Rupees 5.5 million (30 June 2014: Rupees 3.5 million) are given by the banks of Nishat Power Limited - Subsidiary Company to Director, Excise and Taxation, Karachi under direction of Sindh High Court in respect of suit filed for levy of infrastructure cess.

- x) The bank of Nishat Power Limited - Subsidiary Company has issued an irrevocable standby letter of credit on behalf of the Subsidiary Company in favour of a fuel supplier for Rupees Nil (30 June 2014: Rupees 781.357 million).
- xi) Guarantee of Rupees 350 million (30 June 2014: Rupees Nil) is given by the bank of Nishat Power Limited - Subsidiary Company in favour of fuel supplier.
- xii) Post dated cheque has been furnished by Nishat Power Limited - Subsidiary Company in favour of the Collector of Customs to cover import levies against imports aggregating to Rupees Nil (30 June 2014: Rupees 8.220 million).
- xiii) Nishat Hospitality (Private) Limited - Subsidiary Company has issued letter of guarantees of Rupees 1.806 million (30 June 2014: Rupees 1.806 million) in favour of Director, Excise and Taxation, Karachi under the order of Sindh High Court in respect of the suit filed for levy of infrastructure cess.
- xiv) Post dated cheques furnished by Nishat Hospitality (Private) Limited - Subsidiary Company in favour of the Collector of Customs to cover import levies against imports aggregating to Rupees 2.945 million (30 June 2014: Rupees 2.945 million).
- xv) Guarantee of Rupees 3 million (30 June 2014: Rupees 1 million) is given by the bank of Nishat Linen (Private) Limited - Subsidiary Company to Director Excise and Taxation, Karachi against infrastructure cess.
- xvi) Commissioner Inland Revenue (CIR) made certain additions to taxable income of Nishat Linen (Private) Limited - Subsidiary Company for the tax year 2012 assessing the taxable income at Rupees 188.772 million against declared taxable income of Rupees 6.934 million. The Subsidiary Company filed an appeal before the Commissioner Inland Revenue (Appeals) against the order of CIR which was partially allowed. The Subsidiary Company has filed an appeal before Appellate Tribunal Inland Revenue (ATIR) against the order of CIR (Appeals) and expects a favourable outcome of the appeal as it has strong grounds of appeal. Hence, no provision there against has been made in this consolidated condensed interim financial information.
- xvii) Nishat Linen (Private) Limited - Subsidiary Company is contesting sales tax demands of Rupees 4.084 million (30 June 2014: Rupees 5.230 million) before CIR (Appeals) and ATIR. No provision against these demands has been made in this consolidated condensed interim financial information as the legal advisor of the Subsidiary Company expects a favourable outcome of appeals.

b) Commitments

- i) Contracts for capital expenditure of the Group are approximately of Rupees 664.084 million (30 June 2014: Rupees 2,548.232 million).
- ii) Letters of credit other than for capital expenditure of the Group are of Rupees 1,005.213 million (30 June 2014: Rupees 945.142 million).
- iii) Outstanding foreign currency forward contracts of Rupees 4,253.063 million (30 June 2014: Rupees 2,888.142 million)

Selected Notes to the Consolidated Condensed Interim Financial Information For the period ended 31 March 2015 (Un-audited)

- 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:

	Un-audited 31 March 2015	Audited 30 June 2014
	(Rupees in thousand)	
Not later than one year	15,577	15,577
Later than one year and not later than five years	75,450	71,718
	91,027	87,295

- v) Nishat Power Limited - Subsidiary Company has extended the agreement with Wartsila Pakistan (Private) Limited for the operations and maintenance (O&M) of the power station, effective from November 01, 2014, until the earlier of December 31, 2015 or the last day of the month in which running hours of the first Generator Set reach 42,500 hours. 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.

	Note	Un-audited 31 March 2015	Audited 30 June 2014
		(Rupees in thousand)	
8 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets			
Owned	8.1	34,944,778	32,792,667
Leased	8.2	186,049	200,675
Capital work in progress	8.3	3,235,204	4,847,255
Major spare parts and standby equipments		26,795	21,278
		38,392,826	37,861,875
8.1 Operating fixed assets- Owned			
Opening book value		32,792,667	28,096,224
Add: Cost of additions during the period / year	8.1.1	5,321,625	7,547,107
		38,114,292	35,643,331
Less: Book value of deletions during the period / year	8.1.2	50,323	196,446
Less: Book value of assets transferred to investment properties during the period		710,390	-
		760,713	196,446
		37,353,579	35,446,885
Less: Depreciation charged during the period / year		2,413,053	2,658,891
Add: Currency translation		4,252	4,673
		34,944,778	32,792,667

	Un-audited 31 March 2015	Audited 30 June 2014
	(Rupees in thousand)	
8.1.1 Cost of additions		
Freehold land	16,566	466,508
Buildings on freehold land	827,959	1,568,796
Plant and machinery	4,278,415	4,865,581
Electric installations	63,353	212,895
Factory equipment	10,073	65,493
Furniture, fixtures and office equipment	41,100	141,793
Computer equipment	15,303	32,482
Vehicles	68,844	160,800
Kitchen equipments and crockery items	12	32,759
	5,321,625	7,547,107
8.1.2 Book value of deletions		
Building	3,664	-
Plant and machinery	28,393	176,372
Factory equipment	161	-
Furniture, fixtures and office equipment	969	390
Computer equipment	145	86
Vehicles	16,991	19,598
	50,323	196,446
8.2 Operating fixed assets- Leased		
Opening book value	200,675	222,324
Less: Depreciation charged during the period / year	14,626	21,649
	186,049	200,675
8.3 Capital work-in-progress		
Buildings on freehold land	1,702,143	1,404,331
Plant and machinery	1,346,893	3,337,261
Electric installations	-	3,882
Unallocated expenses	71,247	79,837
Letters of credit against machinery	547	469
Advances against factory equipment	2,332	-
Advances against purchase of land	34,251	13,606
Advances against furniture, fixtures and office equipment	7,526	6,511
Advances against vehicles	70,265	1,358
	3,235,204	4,847,255

Selected Notes to the Consolidated Condensed Interim Financial Information For the period ended 31 March 2015 (Un-audited)

	Period ended		Quarter ended	
	31 March 2015	31 March 2014 (Rupees in thousand)	31 March 2015	31 March 2014
9 COST OF SALES				
Raw materials consumed	35,901,049	40,902,457	10,298,139	13,431,677
Processing charges	312,149	181,161	152,721	83,934
Salaries, wages and other benefits	3,238,297	2,706,319	1,094,137	901,528
Stores, spare parts and loose tools consumed	3,795,067	3,820,754	1,298,453	1,364,455
Packing materials consumed	790,490	682,933	271,860	235,483
Repair and maintenance	430,920	527,591	179,333	170,994
Fuel and power	4,199,246	4,040,161	1,096,922	1,410,473
Insurance	153,476	154,688	50,682	50,973
Other factory overheads	421,064	396,465	127,133	138,707
Depreciation	2,313,604	1,855,697	790,255	637,064
	51,555,362	55,268,226	15,359,635	18,425,288
Work-in-process				
Opening stock	2,013,520	1,604,239	1,939,265	1,912,315
Closing stock	(1,904,769)	(1,949,407)	(1,904,769)	(1,949,407)
	108,751	(345,168)	34,496	(37,092)
Cost of goods manufactured	51,664,113	54,923,058	15,394,131	18,388,196
Finished goods				
Opening stock	4,022,360	3,338,107	4,612,092	3,899,500
Closing stock	(4,838,172)	(3,929,639)	(4,838,172)	(3,929,639)
	(815,812)	(591,532)	(226,080)	(30,139)
	50,848,301	54,331,526	15,168,051	18,358,057
	Period ended		Quarter ended	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
10 EARNINGS PER SHARE - BASIC AND DILUTED				
There is no dilutive effect on the basic earnings per share which is based on:				
Profit attributable to ordinary shareholders of Holding Company (Rupees in thousand)	5,227,149	5,943,610	1,803,199	1,555,401
Weighted average number of ordinary shares of Holding Company (Numbers)	351,599,848	351,599,848	351,599,848	351,599,848
Earnings per share (Rupees)	14.87	16.90	5.13	4.42

	Note	Period ended	
		31 March 2015	31 March 2014
		(Rupees in thousand)	
11 CASH GENERATED FROM OPERATIONS			
Profit before taxation		6,701,376	7,535,340
Adjustments for non-cash charges and other items:			
Depreciation		2,479,325	1,954,619
Gain on sale of property, plant and equipment		(11,831)	(61,774)
Gain on sale of investments		(8,918)	(10,297)
Dividend income		(623,324)	(839,436)
Interest income		(70,731)	(40,086)
Share of profit from associated companies		(2,178,174)	(1,395,095)
Finance cost		2,648,806	2,491,072
Working capital changes	11.1	(737,726)	(5,713,393)
		8,198,803	3,920,950
11.1 Working capital changes			
(Increase) / decrease in current assets:			
- Stores, spare parts and loose tools		(368,733)	(239,464)
- Stock-in-trade		(2,735,141)	(5,219,335)
- Trade debts		3,181,014	(850,294)
- Loans and advances		28,758	(69,764)
- Short term deposits and prepayments		(7,563)	(33,990)
- Other receivables		(300,826)	(350,247)
		(202,491)	(6,763,094)
Increase / (decrease) in trade and other payables		(535,235)	1,049,701
		(737,726)	(5,713,393)

12 SEGMENT INFORMATION

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

Spinning:	Producing different qualities of yarn using natural and artificial fibers.
Weaving:	Producing 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, steam, coal and biomass.
Hotel:	Carrying on the business of hotel and allied services.

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

Selected Notes to the Consolidated Condensed Interim Financial Information For the period ended 31 March 2015 (Un-audited)

12.2

	(Un-audited)																
	Spinning		Weaving		Processing & Home textile		Garments		Power Generation		Hotel		Elimination of inter-segment transactions		Total- Group		
	Period ended	31 Mar 2015	31 Mar 2014	Period ended	31 Mar 2015	31 Mar 2014	Period ended	31 Mar 2015	31 Mar 2014	Period ended	31 Mar 2015	31 Mar 2014	Period ended	31 Mar 2015	31 Mar 2014	Period ended	31 Mar 2015
Sales	11,739,204	12,271,905	19,341,449	19,716,627	3,042,918	3,763,495	18,138,201	20,763,275	189,265	7,743	-	-	61,268,247	66,030,323	-	-	-
External Intersegment	2,691,647	5,886,711	5,652,576	571,353	93	72	4,283,707	4,186,958	688	52	(13,434,199)	(13,046,349)	(1,242,685)	(1,033,576)	-	-	-
Cost of sales	14,430,851	14,775,295	19,912,802	20,421,928	3,043,011	3,765,567	22,421,908	24,950,233	189,953	7,795	(13,434,199)	(13,046,349)	61,268,247	66,030,323	-	-	-
	(1,032,178)	(12,574,174)	(13,669,375)	(15,900,625)	(16,538,746)	(2,715,737)	(3,037,770)	(18,631,068)	(22,627,999)	(20,247)	(13,434,199)	(13,046,349)	(54,331,526)	(54,331,526)	-	-	-
Gross profit / (loss)	1,378,673	2,199,121	943,908	1,490,479	4,011,977	3,883,182	327,274	3,790,840	3,414,670	(32,726)	(12,452)	-	10,419,946	11,698,797	-	-	-
Distribution cost	(324,285)	(351,237)	(457,209)	(478,641)	(213,681)	(258,622)	(185,252)	(15,999)	(17,611)	(7,253)	-	-	(2,774,005)	(2,774,881)	-	-	-
Administrative expenses	(210,113)	(202,021)	(182,437)	(182,437)	(61,343)	(454,607)	(61,343)	(535,250)	(454,607)	(126,181)	(7,253)	-	(1,242,685)	(1,033,576)	-	-	-
Profit / (loss) before taxation and unallocated income and expenses	(534,398)	(553,258)	(664,982)	(661,078)	(2,312,319)	(2,132,889)	(275,024)	(319,699)	(185,252)	(132,180)	(44,715)	(7,253)	(4,016,690)	(3,806,457)	-	-	-
	844,275	1,645,863	278,926	829,401	1,699,658	1,750,193	52,250	404,098	3,605,568	3,282,490	(77,441)	(19,705)	6,403,256	7,892,340	-	-	-

Unallocated income and expenses:

Other expenses	(227,829)	(355,508)
Other income	996,581	1,094,485
Finance cost	(2,648,806)	(2,491,072)
Share of profit from associated companies	2,178,174	1,395,095
Taxation	(240,149)	(541,704)

Profit after taxation

12.3 Reconciliation of reportable segment assets and liabilities

	(Rupees in thousand)													
	Spinning		Weaving		Processing & Home Textile		Garments		Power Generation		Hotel		Total- Group	
	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited
31 Mar 2015	13,450,124	13,073,646	6,914,157	7,243,277	15,648,026	16,045,877	3,266,798	2,533,784	29,302,406	30,397,859	1,392,462	1,474,111	69,973,973	70,768,554
31 Mar 2014	10,103,070	549,260	457,503	627,633	1,397,846	1,440,634	389,448	295,647	12,610,201	17,159,356	43,495	235,059	15,911,563	20,307,989
Long term investments														
Other receivables														
Cash and bank balances														
Other corporate assets														
Total assets as per balance sheet														
Deferred income tax liability														
Provision for taxation														
Other corporate liabilities														
Total liabilities as per balance sheet														

13 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:

	Period ended		Quarter ended	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
(Rupees in thousand)				
i) Transactions				
Associated companies				
Investment made	447,870	300,000	227,918	-
Purchase of goods and services	118,089	147,737	34,038	65,103
Sale of operating fixed assets	-	1,475	-	-
Sale of goods and services	8,852	1,197	2,317	682
Rental income	505	636	93	189
Rent paid	9,346	9,865	3,115	3,584
Dividend paid	126,193	126,194	-	-
Insurance premium paid	224,303	216,036	56,245	57,900
Insurance claim received	40,067	28,753	11,201	3,139
Profit on term deposit receipts	18,518	3,149	-	2,901
Other related parties				
Purchase of goods and services	646,814	208,208	217,737	127,427
Sale of goods and services	2,179	4,839	245	-
Group's contribution to provident fund trust	136,505	107,380	46,376	36,148
Remuneration paid to Chief Executive Officer, Directors and Executives of the Holding Company	605,882	482,933	188,856	147,387
ii) Period end balances			As at 31 March 2015	
			Associated companies	Other related parties
			(Rupees in thousand)	
				Total
Short term borrowings			33,397	-
Trade and other payables			2,086	12,069
Long term loans			-	96,187
Trade debts			10,744	-
Loans and advances			-	39,926
Cash and bank balances			90,479	-
				90,479

Selected Notes to the Consolidated Condensed Interim Financial Information For the period ended 31 March 2015 (Un-audited)

	As at 30 June 2014 (Audited)		
	Associated companies	Other related parties	Total
	(Rupees in thousand)		
Trade and other payables	53,641	22,089	75,730
Long term loans	–	88,695	88,695
Trade debts	1,912	–	1,912
Loans and advances	66	34,121	34,187
Other receivables	8,675	–	8,675
Cash and bank balances	1,199,378	–	1,199,378

14 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 2014.

15 DATE OF AUTHORIZATION FOR ISSUE

This consolidated condensed interim financial information was approved by the Board of Directors and authorized for issue on 24 April 2015.

16 CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting", the consolidated condensed interim balance sheet 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 profit and loss account, consolidated condensed interim statement of other comprehensive income and consolidated condensed interim cash flow statement have been compared with the balances of comparable period of immediately preceding financial year.

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

17 GENERAL

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



Chief Executive Officer



Director



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