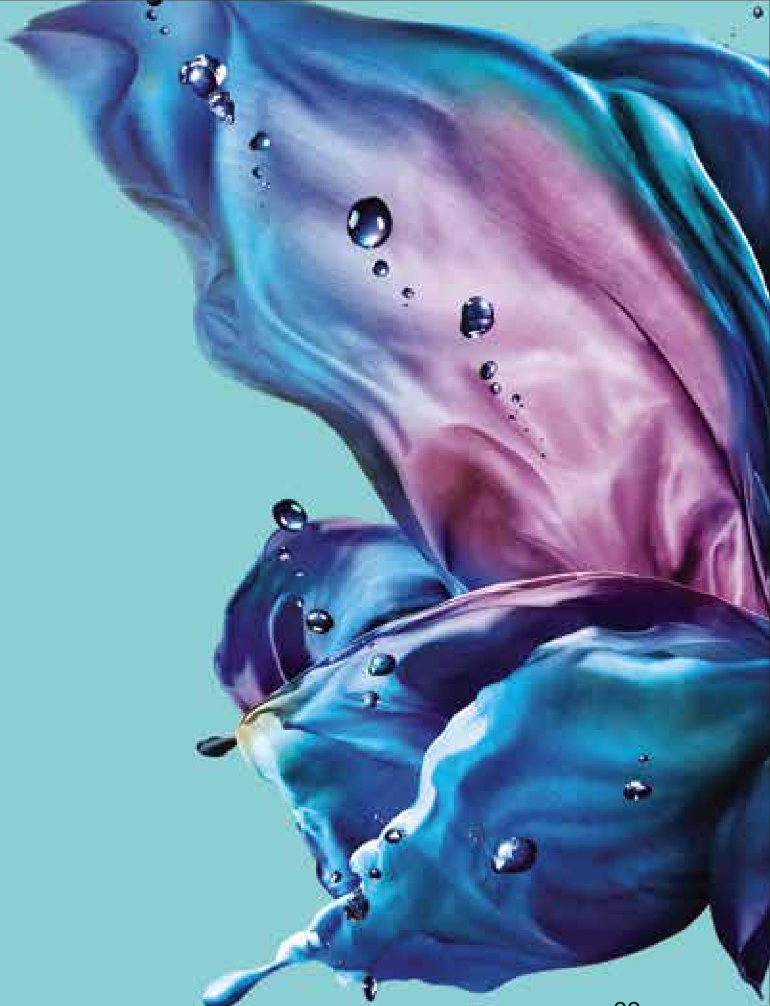
Interim Financial Report of Nishat Mills Limited for the period ended 31 March 2019

NISHAT

Nishat Mills Limited

A great fly,
a great future



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Nishat Mills Limited

Nishat Mills Limited and its Subsidiary Companies

Company Information

Board of Directors
Mian Umer Mansha
Chief Executive Officer

Mian Hassan Mansha
Chairman

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

Audit Committee
Syed Zahid Hussain
Chairman / Member

Mr. Mahmood Akhtar
Member

Mr. Farid Noor Ali Fazal
Member

Human Resource & Remuneration (HR & R) Committee

Syed Zahid Hussain
Chairman / Member

Mian Umer Mansha
Member

Mr. Mahmood Akhtar
Member

Chief Financial Officer
Mr. Muhammad Azam

Company Secretary
Mr. Khalid Mahmood Chohan

Auditors
Riaz Ahmad & Company
Chartered Accountants

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

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

Mills

Spinning units, Yarn Dyeing & Power plant
Nishatabad, Faisalabad.

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

Spinning units & Power plant
20 K.M. Sheikhupura Faisalabad Road, Feroze Watwan.

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

Weaving units, Dyeing & Finishing unit,Processing unit, Stitching units and Power plants
5 K.M. Nishat Avenue Off 22 K.M.
Ferozepur Road, Lahore.

Stitching unit
21 K.M. Ferozepur Road, Lahore.

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

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

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

Shares Registrar
THK Associates (Private) Limited

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

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

Head Office
7, Main Gulberg, Lahore.
Tel: 042-35716351-59,
042-111 332 200
Fax: 042-35716349-50
E-mail: nishat@nishatmills.com
Website: www.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 2019.

Operating Financial Results

Financial performance of the Company was remarkable during the current nine month period in comparison to the corresponding nine month period ended 31 March 2018. The primary reason for increase in profitability was increase in revenue by 22.05% on account of favorable rate variances both in export and local sales. Cost of sales increased by 17.98% which was less than the growth in sales due to effective cost management despite significant increase in raw material prices. Another reason for unprecedented increase in gross profit by 59.46% is rapid depreciation of Pak Rupee against US Dollar in the current nine months under review. Following is the summary of key profitability measures:

Financial Highlights	Nine months ended 31 March		Increase /
	2019	2018	(decrease) %
Revenue (Rs. '000')	47,159,409	38,640,534	22.05
Gross Profit (Rs. '000')	6,038,776	3,786,987	59.46
Profit before tax (Rs. '000')	4,687,694	3,241,962	44.59
Profit after tax (Rs. '000')	4,136,694	2,764,962	49.61
Gross Profit (%)	12.81	9.80	
Profit after tax (%)	8.77	7.16	
Earnings per share – (Rs.)	11.77	7.86	

Finance cost of the Company increased in the current period due to increase in average borrowing cost. Short term loans also increased which were obtained to finance procurement of cotton in bulk and disbursement of working capital loans to Subsidiary Companies.

General Market Review and Future Prospects

Uncertain economic conditions dominated during the first nine months of financial year 2018-19 due to slow world economic growth, unconcluded Brexit and trade dispute between USA and China over tariff policy. Such unpredictable situations created a state of confusion among buyers which negatively affected economic activity. However, Government of Pakistan provided gas and electricity to export oriented sectors at subsidized rates of USD 6.5 per mmbtu and 7.5 cents per KWH w.e.f. 27 September 2018 and 01 January 2019 respectively in an effort to boost exports by reducing cost of production of five export oriented sectors including textile. These steps have provided much needed relief to the exporters and enhanced their competitiveness in the international market.

Segment Analysis

Following is the brief overview on segmental performance of the Company which highlights unprecedented performance of Weaving, Dyeing and Home Textile Divisions.

Spinning

Spinning industry faced a number of challenges throughout nine months ended 31 March 2019 such as high rate of local cotton due to shortfall in local cotton crop and slow world economic growth. On the other hand, rate of cotton was low in the international market due to availability of abundant cotton supply. Therefore, yarn prices witnessed a downward trend in international market which made difficult for export-oriented companies to sell yarn at competitive rates.

Yarn	Nine months ended 31 March		Increase / (Decrease)	
	2019	2018	Value	% age
Sale – (kgs '000')	19,177	17,254	1,923	11.15
Rate / kg	378.01	290.44	87.57	30.15
Sale – (Rs. '000')	7,249,069	5,011,285	2,237,784	44.65

Expensive local cotton and persistent fall in yarn prices in export market adversely affected the profitability of the Division despite increase in sales. A delayed increase in international cotton prices somehow pushed the yarn prices upward during the third quarter but this did not produce favorable results because increase was not enough to cover the cost of expensive cotton already in stock. The new open-end yarn manufacturing unit located at Feroze Watwan has been commissioned into production on 01 February 2019 which has shown good results.

The Company in accordance with its risk management policy to mitigate cotton supply and purchase risk completed the procurement of raw cotton in bulk by the end of 31 March 2019.

Weaving

Performance of the Division was exceptional during the nine month period ended 31 March 2019 due to specialized product mix which the Division offered after extensive market research. Moreover, after the prolonged uncertainty, raw cotton and polyester prices witnessed stability during the third quarter of financial year 2018-19 which helped marketing department to offer the products with relatively better forecast.

Grey Cloth	Nine months ended 31 March		Increase / (Decrease)	
	2019	2018	Value	% age
Sale – (meters '000')	62,086	68,358	(6,272)	(9.18)
Rate / meter	174.30	143.70	30.60	21.29
Sale – (Rs. '000')	10,821,553	9,822,803	998,750	10.17

The Division plans to acquire Twelve Tsudakoma 230 CM Airjet Dobby looms for its manufacturing facility located at Bhikki to cater the increased demand of its fashion fabric customers who require special weaves and trendy designs. The plan also includes the acquisition of Ten 210 CM tappet looms. All these 22 looms will be commissioned into production by the start of June 2019 and will provide us more flexibility to run our operations.

Dyeing

Profitability of Dyeing division was outstanding during the nine month period ended 31 March 2019 as compared to corresponding period of the previous year. Although, performance in the first quarter was slow but the Division performed remarkably well during the next two quarters.

Processed Cloth	Nine months ended 31 March		Increase / (Decrease)	
	2019	2018	Value	% age
Sale – (meters '000')	36,397	34,115	2,282	6.69
Rate / meter	331.45	261.01	70.44	26.99
Sale – (Rs. '000')	12,063,849	8,904,353	3,159,496	35.48

Last quarter of financial year 2018-19 is expected to be tough for the Division as low worldwide demand of textile products is expected during this period. Moreover, this period has always been slow in business cycle and we always face fierce competition from our domestic and international competitors during the period.

Management of the Division is closely monitoring the market situation and taking all required measures to alleviate the impact of above-mentioned challenges. We hope that the Division will be able to close current financial year with notable profits.

Home Textile

The Division performed satisfactorily despite significant increase in the cost of imported raw materials as a result of repeated devaluation of Pak Rupee against US Dollar. It is worth noting that imported raw materials form the major part of production cost of the Division.

Processed Cloth and Made-ups	Nine months ended 31 March		Increase / (Decrease)	
	2019	2018	Value	% age
Sale – (meters '000')	19,746	18,256	1,490	8.16
Rate / meter	375.54	326.95	48.59	14.86
Sale – (Rs. '000')	7,415,411	5,968,861	1,446,550	24.23

Presently, the Division has sufficient orders in the pipeline and management of the Division is planning to enhance its embroidery and quilting capacity to meet the increased demand of its customers. We are confident that the Division will close financial year at better profit margins.

Garments

Garments Division comprises of two purpose built, state of the art garments manufacturing facilities of the Company. The Division is committed and focused to offer quality products in line with the latest fashion trends according to customers' demand. The Division has successfully achieved significant milestones in enhancing productivity and efficiency in its operations along with effective cost management.

Garments	Nine months ended 31 March		Increase / (Decrease)	
	2019	2018	Value	% age
Sale – (garments '000')	4,280	5,096	(816)	(16.01)
Rate / garment	880.20	784.74	95.46	12.16
Sale – (Rs. '000')	3,767,265	3,999,025	(231,760)	(5.80)

The Division is also putting its efforts to introduce best practices for human resource development in order to ensure sustainable profitability. Taking all these initiatives into account we are confident that the Division would surely achieve tremendous growth in the coming years.

Power Generation

The Division has completed the procurement of a Wartsila Solar Power Plant having capacity of 3 MW which will be installed at Power Division located at Sahianwala, Faisalabad. Since the Company is committed to invest in alternate and environment friendly technologies, plans to acquire two more Solar Power Plants for Power Divisions located at Bhikki and Ferozewatwan are under consideration.

Acquisition of 3.2 MW Steam Turbine, for Power plant located at Lahore, is also under process and expected to be commissioned during December 2019. The turbine will utilize high pressure / temperature steam generated from 9 MW Combined Heat and Power Plant to generate electricity before the transmission of this steam at required low pressure / temperature to production halls of Dyeing and Home Textile Divisions. Thus, installation of this turbine will enable the Company to utilize extra pressure / heat which presently goes into waste.

Subsidiary Companies and Consolidated Financial Statements

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

Acknowledgement

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

For and on behalf of the Board of Directors

Mian Umer Mansha
Chief Executive Officer

Maqsood Ahmed
Director

Lahore
26 April 2019

Unconsolidated Condensed Interim

Financial Statements of Nishat Mills Limited

For the period ended 31 March 2019

Unconsolidated Condensed Interim Statement of Financial Position

As at 31 March 2019

	Note	Un-audited 31 March 2019	Audited 30 June 2018
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
1,100,000,000 (30 June 2018: 1,100,000,000) ordinary shares of Rupees 10 each		11,000,000	11,000,000
Issued, subscribed and paid-up share capital			
351,599,848 (30 June 2018: 351,599,848) ordinary shares of Rupees 10 each		3,515,999	3,515,999
Reserves		68,245,482	72,197,146
Total equity		71,761,481	75,713,145
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing - secured	4	5,470,274	5,190,839
Deferred income tax liability		219,122	571,833
		5,689,396	5,762,672
CURRENT LIABILITIES			
Trade and other payables		8,035,162	6,416,602
Accrued mark-up		195,111	109,378
Short term borrowings		25,548,236	12,507,590
Current portion of non-current liabilities		1,752,760	2,144,900
Unclaimed dividend		94,263	81,746
		35,625,532	21,260,216
TOTAL LIABILITIES		41,314,928	27,022,888
CONTINGENCIES AND COMMITMENTS	5		
TOTAL EQUITY AND LIABILITIES		113,076,409	102,736,033

The annexed notes form an integral part of these unconsolidated condensed interim financial statements.

CHIEF EXECUTIVE OFFICER

	Note	Un-audited 31 March 2019	Audited 30 June 2018
		(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	28,864,908	28,180,049
Investment properties		461,200	464,896
Long term investments		40,933,096	44,757,279
Long term loans		241,201	221,481
Long term deposits		107,024	69,643
		70,607,429	73,693,348
CURRENT ASSETS			
Stores, spare parts and loose tools		2,678,463	1,714,031
Stock in trade		20,593,624	12,243,652
Trade debts		6,668,825	4,029,789
Loans and advances		8,807,069	4,848,088
Short term deposits and prepayments		28,595	90,616
Other receivables		3,518,559	3,420,370
Accrued interest		40,539	9,792
Short term investments		-	2,581,520
Cash and bank balances		133,306	104,827
		42,468,980	29,042,685
TOTAL ASSETS		113,076,409	102,736,033

DIRECTOR

CHIEF FINANCIAL OFFICER

Unconsolidated Condensed Interim Statement of Profit or Loss

For the period ended 31 March 2019 (Un-audited)

		Period ended		Quarter ended	
		31 March 2019	31 March 2018	31 March 2019	31 March 2018
	Note	(Rupees in thousand)			
REVENUE		47,159,409	38,640,534	16,444,921	13,120,455
COST OF SALES	7	(41,120,633)	(34,853,547)	(14,167,464)	(11,910,199)
GROSS PROFIT		6,038,776	3,786,987	2,277,457	1,210,256
DISTRIBUTION COST		(2,027,770)	(1,797,731)	(659,572)	(633,758)
ADMINISTRATIVE EXPENSES		(832,903)	(801,161)	(277,841)	(270,950)
OTHER EXPENSES		(227,714)	(132,116)	(47,643)	3,526
		(3,088,387)	(2,731,008)	(985,056)	(901,182)
		2,950,389	1,055,979	1,292,401	309,074
OTHER INCOME		2,925,835	2,927,159	287,290	182,374
PROFIT FROM OPERATIONS		5,876,224	3,983,138	1,579,691	491,448
FINANCE COST		(1,188,530)	(741,176)	(531,562)	(290,650)
PROFIT BEFORE TAXATION		4,687,694	3,241,962	1,048,129	200,798
TAXATION		(551,000)	(477,000)	(75,000)	(104,000)
PROFIT AFTER TAXATION		4,136,694	2,764,962	973,129	96,798
EARNINGS PER SHARE- BASIC AND DILUTED (RUPEES)	8	11.77	7.86	2.77	0.28

The annexed notes form an integral part of these unconsolidated condensed interim financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

Unconsolidated Condensed Interim Statement of Comprehensive Income

For the period ended 31 March 2019 (Un-audited)

	Period ended		Quarter ended	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	(Rupees in thousand)			
PROFIT AFTER TAXATION	4,136,694	2,764,962	973,129	96,798
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to profit or loss:				
(Deficit) / surplus arising on remeasurement of investments at fair value through other comprehensive income	(6,705,703)	-	647,183	-
Deferred income tax relating to this item	352,711	-	-	-
	(6,352,992)	-	647,183	-
Items that may be reclassified subsequently to profit or loss:				
(Deficit) / surplus arising on remeasurement of available for sale investments to fair value	-	(6,136,899)	-	4,702,255
Deferred income tax relating to this item	-	76,115	-	-
	-	(6,060,784)	-	4,702,255
Other comprehensive (loss) / income for the period - net of tax	(6,352,992)	(6,060,784)	647,183	4,702,255
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE PERIOD	(2,216,298)	(3,295,822)	1,620,312	4,799,053

The annexed notes form an integral part of these unconsolidated condensed interim financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

Unconsolidated Condensed Interim Statement of Changes in Equity

For the period ended 31 March 2019 (Un-audited)

(Rupees in thousand)

	Note	Share capital	Reserves							Total	Total equity
			Capital reserves				Revenue reserves				
			Premium on issue of right shares	Fair value reserve AFS investments	Fair value reserve FVTOCI investments	Sub total	General reserve	Unappropriated profit	Sub total		
Balance as at 30 June 2017 - Audited		3,515,999	5,499,530	39,631,520	-	45,131,050	35,848,028	4,267,719	40,115,747	85,246,797	88,762,796
Transaction with owners - Final dividend for the year ended 30 June 2017 @ Rupees 5.00 per share		-	-	-	-	-	-	(1,757,999)	(1,757,999)	(1,757,999)	(1,757,999)
Transferred to general reserve		-	-	-	-	-	2,504,000	(2,504,000)	-	-	-
Profit for the period		-	-	-	-	-	-	2,764,962	2,764,962	2,764,962	2,764,962
Other comprehensive loss for the period		-	-	(6,060,784)	-	(6,060,784)	-	-	-	(6,060,784)	(6,060,784)
Total comprehensive (loss) / income for the period		-	-	(6,060,784)	-	(6,060,784)	-	2,764,962	2,764,962	(3,295,822)	(3,295,822)
Balance as at 31 March 2018 - Un-audited		3,515,999	5,499,530	33,570,736	-	39,070,266	38,352,028	2,770,682	41,122,710	80,192,976	83,708,975
Profit for the period		-	-	-	-	-	-	1,332,165	1,332,165	1,332,165	1,332,165
Other comprehensive loss for the period		-	-	(9,327,995)	-	(9,327,995)	-	-	-	(9,327,995)	(9,327,995)
Total comprehensive (loss) / income for the period		-	-	(9,327,995)	-	(9,327,995)	-	1,332,165	1,332,165	(7,995,830)	(7,995,830)
Balance as at 30 June 2018 - Audited		3,515,999	5,499,530	24,242,741	-	29,742,271	38,352,028	4,102,847	42,454,875	72,197,146	75,713,145
Adjustment on adoption of IFRS 9	3.2.1	-	-	(24,242,741)	24,242,741	-	-	-	-	-	-
Adjustment on adoption of IFRS 15	3.2.2	-	-	-	-	-	-	(65,267)	(65,267)	(65,267)	(65,267)
Adjusted total equity as at 01 July 2018		3,515,999	5,499,530	-	24,242,741	29,742,271	38,352,028	4,037,580	42,389,608	72,131,879	75,647,878
Transaction with owners - Final dividend for the year ended 30 June 2018 @ Rupees 4.75 per share		-	-	-	-	-	-	(1,670,099)	(1,670,099)	(1,670,099)	(1,670,099)
Transferred to general reserve		-	-	-	-	-	2,427,000	(2,427,000)	-	-	-
Profit for the period		-	-	-	-	-	-	4,136,694	4,136,694	4,136,694	4,136,694
Other comprehensive loss for the period		-	-	-	(6,352,992)	(6,352,992)	-	-	-	(6,352,992)	(6,352,992)
Total comprehensive (loss) / income for the period		-	-	-	(6,352,992)	(6,352,992)	-	4,136,694	4,136,694	(2,216,298)	(2,216,298)
Balance as at 31 March 2019 - Un-audited		3,515,999	5,499,530	-	17,889,749	23,389,279	40,779,028	4,077,175	44,856,203	68,245,482	71,761,481

The annexed notes form an integral part of these unconsolidated condensed interim financial statements.

CHIEF EXECUTIVE OFFICER | DIRECTOR | CHIEF FINANCIAL OFFICER

Unconsolidated Condensed Interim Statement of Cash Flows

For the period ended 31 March 2019 (Un-audited)

	Note	Period ended 31 March 2019	31 March 2018
		(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	9	(4,700,540)	2,884,602
Finance cost paid		(1,102,797)	(731,830)
Income tax paid		(491,006)	(441,812)
Net exchange difference on forward exchange contracts received / (paid)		7,474	(9,538)
Net increase in long term loans to employees		(25,493)	(62,989)
Net (increase) / decrease in long term deposits		(37,381)	51,973
Net cash (used in) / generated from operating activities		(6,349,743)	1,690,406
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(2,698,557)	(2,281,390)
Proceeds from sale of property, plant and equipment		88,791	52,052
Investments made		(300,000)	(274,742)
Loans and advances to subsidiary companies		(25,699,471)	(23,889,427)
Repayment of loans from subsidiary companies		21,765,753	22,888,000
Interest received		234,507	126,977
Dividends received		1,716,840	2,447,949
Net cash used in investing activities		(4,892,137)	(930,581)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		1,524,979	1,787,000
Repayment of long term financing		(1,637,684)	(1,541,136)
Short term borrowings - net		13,040,646	780,107
Dividend paid		(1,657,582)	(1,747,065)
Net cash from / (used in) financing activities		11,270,359	(721,094)
Net increase in cash and cash equivalents		28,479	38,731
Cash and cash equivalents at the beginning of the period		104,827	43,945
Cash and cash equivalents at the end of the period		133,306	82,676

The annexed notes form an integral part of these unconsolidated condensed interim financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

Selected Notes to the Unconsolidated Condensed Interim Financial Statements
For the period ended 31 March 2019 (Un-audited)

1 THE COMPANY AND ITS OPERATIONS

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

2 BASIS OF PREPARATION

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 These unconsolidated condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended 30 June 2018. These unconsolidated condensed interim financial statements are un-audited and are being submitted to the shareholders as required by the Listed Companies (Code of Corporate Governance) Regulations, 2017 and Section 237 of the Companies Act, 2017.

3 ACCOUNTING POLICIES

The accounting policies and methods of computations adopted for the preparation of these unconsolidated condensed interim financial statements are the same as applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended 30 June 2018 except for the changes in accounting policies as stated in note 3.2 to these unconsolidated condensed interim financial statements.

3.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

3.2 CHANGES IN ACCOUNTING POLICIES DUE TO APPLICABILITY OF CERTAIN INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

The following changes in accounting policies have taken place effective from 01 July 2018:

3.2.1 IFRS 9 "Financial Instruments"

The Company has adopted IFRS 9 "Financial Instruments" from 01 July 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the Company makes an irrevocable election on initial recognition to present gains and losses on equity instruments in other comprehensive income. Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the Company's own credit risk to be presented in other comprehensive income (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the Company. New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

The Company has adopted IFRS 9 without restating the prior year results.

Key changes in accounting policies resulting from application of IFRS 9

i) Classification and measurement of financial instruments

IFRS 9 largely retains the existing requirements in IAS 39 "Financial Instruments: Recognition and Measurement" for the classification and measurement of financial liabilities. However, it replaces the previous IAS 39 categories for financial assets i.e. loans and receivables, fair value through profit or loss (FVTPL), available for sale and held to maturity with the categories such as amortised cost, fair value through profit or loss (FVTPL) and fair value through other comprehensive income (FVTOCI).

Investments and other financial assets

a) Classification

From 01 July 2018, the Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

- those to be measured at amortised cost

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

b) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortised cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other income / (other expenses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

Fair value through other comprehensive income (FVTOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment losses (and reversal of impairment losses), interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised in other income / (other expenses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other income / (other expenses) and impairment losses are presented as separate line item in the statement of profit or loss.

Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other income / (other expenses) in the period in which it arises.

Equity instruments

The Company subsequently measures all equity investments at fair value for financial instruments quoted in an active market, the fair value corresponds to a market price (level 1). For financial instruments that are not quoted in an active market, the fair value is determined using valuation techniques including reference to recent arm's length market transactions or transactions involving financial instruments which are substantially the same (level 2), or discounted cash flow analysis including, to the greatest possible extent, assumptions consistent with observable market data (level 3).

Fair value through other comprehensive income (FVTOCI)

Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

Fair value through profit or loss

Changes in the fair value of equity investments at fair value through profit or loss are recognised in other income / (other expenses) in the statement of profit or loss as applicable.

Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

ii) Impairment

From 01 July 2018, the Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade debts and other receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

iii) Hedge accounting

IFRS 9 requires that hedge accounting relationships are aligned with its risk management objectives and strategy and to apply a more qualitative and forward-looking approach to assessing hedge effectiveness.

There is no impact of the said change on these unconsolidated condensed interim financial statements as there is no hedge activity carried on by the Company during the period ended 31 March 2019.

iv) Impacts of adoption of IFRS 9 on these unconsolidated condensed interim financial statements as on 01 July 2018

On 01 July 2018, the Company's management has assessed which business models apply to the financial assets held by the Company at the date of initial application of IFRS 9 (01 July 2018) and has classified its financial instruments into appropriate IFRS 9 categories. The main effects resulting from this reclassification are as follows:

Financial assets (01 July 2018)

	Available for sale (AFS)	Other financial assets (held at amortised cost)	FVTOCI	Total financial assets
	(Rupees in thousand)			
Opening balance (before reclassification)	43,306,796	-	-	43,306,796
Adjustment on adoption of IFRS 9 reclassification of equity investments from available for sale to FVTOCI	(43,306,796)	-	43,306,796	-
Opening balance (after reclassification)	-	-	43,306,796	43,306,796

The impact of these changes on the Company's reserves and equity is as follows:

Reserves and equity (01 July 2018)

	Effect on fair value reserve of AFS investments	Effect on fair value reserve of FVTOCI investments	Effect on total equity
		(Rupees in thousand)	
Opening balance (before reclassification)	24,242,741	-	24,242,741
Adjustment on adoption of IFRS 9 reclassification of fair value reserve of AFS investments to fair value reserve of FVTOCI investments	(24,242,741)	24,242,741	-
Opening balance (after reclassification)	-	24,242,741	24,242,741

Equity investments previously classified as available-for-sale

The Company elected to present in other comprehensive income changes in the fair value of all its equity investments previously classified as available-for-sale, as these investments are not held for trading. As a result, assets with a fair value of Rupees 43,306.796 million were reclassified from available-for-sale financial assets to financial assets at fair value through other comprehensive income (FVTOCI) and fair value gains of Rupees 24,242.741 million were reclassified from the available-for-sale financial assets reserve to the financial assets at fair value through other comprehensive income reserve on 01 July 2018.

Reclassifications of financial instruments on adoption of IFRS 9

As on 01 July 2018, the classification and measurement of financial instruments of the Company were as follows:

	Measurement category		Carrying amounts		
	Original	New	Original	New	Difference
	(IAS 39)	(IFRS 9)	(Rupees in thousand)		
Non-current financial assets					
Long term investments	Available for sale	FVTOCI	40,725,276	43,306,796	2,581,520
Long term loans	Loans and receivables	Amortised cost	221,481	221,481	-
Long term deposits	Loans and receivables	Amortised cost	69,643	69,643	-
Current financial assets					
Trade debts	Loans and receivables	Amortised cost	4,029,789	4,029,789	-
Loans and advances	Loans and receivables	Amortised cost	3,992,087	3,992,087	-
Short term deposits	Loans and receivables	Amortised cost	26,751	26,751	-
Other receivables	Loans and receivables	Amortised cost	46,960	46,960	-
Accrued interest	Loans and receivables	Amortised cost	9,792	9,792	-
Short term investments	Available for sale	FVTOCI	2,581,520	-	(2,581,520)
Cash and bank balances	Loans and receivables	Amortised cost	104,827	104,827	-
Non-current financial liabilities					
Long term financing	Amortised cost	Amortised cost	5,190,839	5,190,839	-
Current financial liabilities					
Trade and other payable	Amortised cost	Amortised cost	5,700,293	5,700,293	-
Accrued mark-up	Amortised cost	Amortised cost	109,378	109,378	-
Short term borrowings	Amortised cost	Amortised cost	12,507,590	12,507,590	-
Current portion of long term financing	Amortised cost	Amortised cost	2,144,900	2,144,900	-
Unclaimed dividend	Amortised cost	Amortised cost	81,746	81,746	-

3.2.2 IFRS 15 'Revenue from Contracts with Customers'

The Company has adopted IFRS 15 from 01 July 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an Company's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the Company's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

The Company has adopted IFRS 15 by applying the modified retrospective approach according to which the Company is not required to restate the prior year results.

i) Key changes in accounting policies resulting from application of IFRS 15

The Company recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are initially recognised as deferred revenue in the form of a separate refund liability.

a) Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery. Otherwise, control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Compnay's performance as the Company performs;

- the Company's performance creates and enhances an asset that the customer controls as the Company performs; or

- the Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

b) Rendering of services

Revenue from a contract to provide services is recognised over time as the services are rendered.

c) **Interest**

Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

d) **Other revenue**

Other revenue is recognised when it is received or when the right to receive payment is established.

ii) **Impacts of adoption of IFRS 15 on these unconsolidated condensed interim financial statements as on 01 July 2018**

The following adjustments were made to the amounts recognized in the unconsolidated condensed interim financial statements at 01 July 2018.

Statement of financial position

	30 June 2018 Reported	Adjustment	30 June 2018 Restated
	(Rupees in thousand)		
Current assets			
Stock in trade	12,243,652	311,881	12,555,533
Trade debts	4,029,789	(380,583)	3,649,206
Current liabilities			
Trade and other payables	6,416,602	(3,435)	6,413,167
Equity			
Reserves	72,197,146	(65,267)	72,131,879

3.2.3 Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables generally do not include amounts over due by 365 days.

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

	Un-audited 31 March 2019	Audited 30 June 2018
	(Rupees in thousand)	

4 LONG TERM FINANCING - SECURED

Opening balance	7,335,739	7,338,653
Add: Obtained during the period / year	1,524,979	2,090,111
Less: Repaid during the period / year	1,637,684	2,093,025
	7,223,034	7,335,739
Less: Current portion shown under current liabilities	1,752,760	2,144,900
	5,470,274	5,190,839

5 CONTINGENCIES AND COMMITMENTS

a) Contingencies

i) The Company is contingently liable for Rupees 0.631 million (30 June 2018: Rupees 0.631 million) on account of central excise duty not acknowledged as debt as the case is pending before Court since year 1993.

ii) Guarantees of Rupees 1,497.589 million (30 June 2018: Rupees 1,531.364 million) are given by the banks of the Company to Sui Northern Gas Pipelines Limited against gas connections, Shell Pakistan Limited and Pakistan State Oil Limited against purchase of furnace oil, Director Excise and Taxation, Karachi against infrastructure cess, Chairman Punjab Revenue Authority, Lahore against infrastructure cess and Meezan Bank Limited against duty drawback of taxes order 2016-17.

iii) Post dated cheques of Rupees 6,373.815 million (30 June 2018: Rupees 4,716.276 million) are issued to customs authorities in respect of duties on imported items availed on the basis of consumption and export plans. If documents of exports are not provided on due dates, cheques issued as security shall be encashable.

iv) On 24 July 2015, the Company has challenged, before Honourable Lahore High Court, Lahore, the vires of clauses (h) and (i) to sub-section (1) of section 8 of the Sales Tax Act, 1990 whereby claim of input sales tax in respect of building materials, electrical and gas appliances, pipes, fittings, wires, cables and ordinary electrical fittings and sanitary fittings have been disallowed. The Honourable Lahore High Court has issued stay order in favour of the Company and has allowed the Company to claim input sales tax paid on such goods in its monthly sales tax returns. Consequently, the Company has claimed input sales tax amounting to Rupees 103.324 million (30 June 2018: Rupees 92.624 million) paid on such goods in its respective monthly sales tax returns. The management, based on advice of the legal counsel, is confident of favorable outcome of its appeal.

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

b) Commitments

i) Contracts for capital expenditure are approximately of Rupees 1,619.866 million (30 June 2018: Rupees 1,609.582 million).

ii) Letters of credit other than for capital expenditure are of Rupees 1,014.625 million (30 June 2018: Rupees 1,194.707 million).

iii) Outstanding foreign currency forward contracts of Rupees 462.667 million (30 June 2018: Rupees 358.060 million).

6 PROPERTY, PLANT AND EQUIPMENT

	Note	Un-audited 31 March 2019	Audited 30 June 2018
		(Rupees in thousand)	
Operating fixed assets - owned	6.1	26,811,401	26,026,033
Capital work-in-progress	6.2	2,053,507	2,154,016
		28,864,908	28,180,049

6.1 Operating fixed assets - Owned

	Note	Un-audited 31 March 2019	Audited 30 June 2018
Opening book value		26,026,033	23,481,153
Add: Cost of additions during the period / year	6.1.1	2,799,066	5,097,065
		28,825,099	28,578,218
Less: Book value of deletions during the period / year	6.1.2	71,730	87,643
Less: Book value of assets transferred to investment properties during the year		-	3,272
		28,753,369	28,487,303
Less: Depreciation charged during the period / year		1,941,968	2,461,270
		26,811,401	26,026,033

	Un-audited 31 March 2019	Audited 30 June 2018
	(Rupees in thousand)	

6.1.1 Cost of additions

Freehold land	18,906	-
Buildings on freehold land	259,288	1,950,434
Plant and machinery	2,402,627	2,802,516
Electric installations	11,760	175,282
Factory equipment	14,522	16,782
Furniture, fixtures and office equipment	21,991	20,661
Computer equipment	12,376	14,838
Vehicles	57,596	116,552
	2,799,066	5,097,065

6.1.2 Book value of deletions

Buildings on freehold land	314	1,813
Plant and machinery	55,649	54,441
Electric installations	214	108
Factory equipment	141	-
Furniture, fixtures and office equipment	55	77
Computer equipment	126	220
Vehicles	15,231	30,984
	71,730	87,643

6.2 Capital work-in-progress

Buildings on freehold land	901,256	606,719
Plant and machinery	718,880	1,173,073
Electric installations	528	-
Unallocated expenses	21,886	21,015
Letters of credit against machinery	1,766	1,824
Advances against purchase of land	397,072	337,555
Advances against furniture, fixtures and office equipment	3,872	1,171
Advances against purchase of vehicles	8,247	12,659
	2,053,507	2,154,016

Selected Notes to the Unconsolidated Condensed Interim Financial Statements

For the period ended 31 March 2019 (Un-audited)

	Period ended		Quarter ended	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	(Rupees in thousand)			
7 COST OF SALES				
Raw materials consumed	24,671,145	20,420,097	7,853,879	6,817,328
Processing charges	179,524	164,490	77,098	65,719
Salaries, wages and other benefits	4,195,817	4,139,337	1,365,902	1,424,406
Stores, spare parts and loose tools consumed	4,532,709	3,499,324	1,614,204	1,219,243
Packing materials consumed	927,344	787,140	318,951	277,126
Repair and maintenance	239,870	273,775	97,574	101,009
Fuel and power	4,808,575	4,151,351	1,453,363	1,598,243
Insurance	36,177	34,475	12,768	12,444
Other factory overheads	407,374	371,081	136,163	132,217
Depreciation	1,874,412	1,711,241	644,779	618,734
	41,872,947	35,552,311	13,574,681	12,266,469
Work-in-process				
Opening stock	2,022,712	1,992,931	2,264,837	2,140,344
Closing stock	(2,043,068)	(2,236,064)	(2,043,068)	(2,236,064)
	(20,356)	(243,133)	221,769	(95,720)
Cost of goods manufactured	41,852,591	35,309,178	13,796,450	12,170,749
Finished goods				
Opening stock	3,541,232	3,295,907	4,644,204	3,490,988
Closing stock	(4,273,190)	(3,751,538)	(4,273,190)	(3,751,538)
	(731,958)	(455,631)	371,014	(260,550)
	41,120,633	34,853,547	14,167,464	11,910,199

		Period ended 31 March 2019	Period ended 31 March 2018

8 EARNINGS PER SHARE - BASIC AND DILUTED

There is no dilutive effect on the basic earnings per share which is based on:

		31 March 2019	31 March 2018
Profit attributable to ordinary shareholders	(Rupees in thousand)	4,136,694	2,764,962
Weighted average number of ordinary shares	(Numbers)	351,599,848	351,599,848
Earnings per share	(Rupees)	11.77	7.86

	Note	Period ended 31 March 2019 (Rupees in thousand)	Period ended 31 March 2018 (Rupees in thousand)

9 CASH (USED IN) / GENERATED FROM OPERATIONS

	Note	31 March 2019	31 March 2018
Profit before taxation		4,687,694	3,241,962
Adjustments for non-cash charges and other items:			
Depreciation		1,945,664	1,779,814
Gain on sale of property, plant and equipment		(17,061)	(10,586)
Dividend income		(1,716,840)	(2,447,949)
Net exchange gain		(687,092)	(132,668)
Interest income on loans and advances to subsidiary companies		(265,254)	(137,744)
Finance cost		1,188,530	741,176
Working capital changes	9.1	(9,836,181)	(149,403)
		(4,700,540)	2,884,602

9.1 Working capital changes

	31 March 2019	31 March 2018
(Increase) / decrease in current assets:		
- Stores, spare parts and loose tools	(964,432)	1,911
- Stock in trade	(8,038,091)	(747,625)
- Trade debts	(2,332,045)	(159,797)
- Loans and advances	(79,484)	19,027
- Short term deposits and prepayments	62,021	27,103
- Other receivables	(102,149)	(305,391)
	(11,454,180)	(1,164,772)
Increase in trade and other payables	1,617,999	1,015,369
	(9,836,181)	(149,403)

10 SEGMENT INFORMATION

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

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

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

10.2

(Un-audited)

	Spinning										Weaving				Dyeing *		Home Textile *		Garments				Power Generation		Elimination of inter-segment transactions		Total - Company	
	Faisalabad I		Faisalabad II		Faisalabad Yarn Dyeing		Feroze Wattwan I		Feroze Wattwan II		Bhikki		Lahore *						I		II							
	Period ended		Period ended		Period ended		Period ended		Period ended		Period ended		Period ended		Period ended		Period ended		Period ended		Period ended		Period ended		Period ended		Period ended	
	Mar 2019	Mar 2018	Mar 2019	Mar 2018	Mar 2019	Mar 2018	Mar 2019	Mar 2018	Mar 2019	Mar 2018	Mar 2019	Mar 2018	Mar 2019	Mar 2018	Mar 2019	Mar 2018	Mar 2019	Mar 2018	Mar 2019	Mar 2018	Mar 2019	Mar 2018	Mar 2019	Mar 2018	Mar 2019	Mar 2018	Mar 2019	Mar 2018
	(Rupees in thousand)																											
Revenue																												
External	4,727,663	4,081,772	1,875,843	224,847	323,182	301,745	3,396,970	3,163,096	70,052	-	8,118,131	7,667,345	2,888,596	2,351,232	12,420,174	9,335,084	9,314,954	7,324,335	2,099,005	2,453,897	1,891,801	1,723,099	33,038	14,082	-	-	47,159,409	38,640,534
Intersegment	1,506,664	1,950,265	450,891	45,717	213,568	128,577	1,192,831	563,888	5,962	-	5,695,220	4,181,522	2,488,887	1,992,669	327,607	443,586	317,680	376,007	37,272	133,708	175,398	19,254	5,103,370	4,312,780	(17,515,350)	(14,147,973)	-	-
	6,234,327	6,032,037	2,326,734	270,564	536,750	430,322	4,589,801	3,726,984	76,014	-	13,813,351	11,848,867	5,377,483	4,343,901	12,747,781	9,778,670	9,632,634	7,700,342	2,136,277	2,587,605	2,067,199	1,742,353	5,136,408	4,326,862	(17,515,350)	(14,147,973)	47,159,409	38,640,534
Cost of sales	(5,858,335)	(5,779,324)	(2,499,269)	(349,591)	(481,419)	(403,533)	(4,163,046)	(3,434,404)	(73,846)	-	(12,443,976)	(10,832,208)	(4,998,322)	(4,078,635)	(10,800,507)	(8,507,488)	(8,231,481)	(6,989,890)	(2,014,672)	(2,472,643)	(1,947,297)	(1,828,729)	(5,123,813)	(4,325,075)	17,515,350	14,147,973	(41,120,633)	(34,853,547)
Gross profit / (loss)	375,992	252,713	(172,535)	(79,027)	55,331	26,789	426,755	292,580	2,168	-	1,369,375	1,016,659	379,161	265,266	1,947,274	1,271,182	1,401,153	710,452	121,605	114,962	119,902	(86,376)	12,595	1,787	-	-	6,038,776	3,786,987
Distribution cost	(166,903)	(150,659)	(10,903)	(2,029)	(15,366)	(12,491)	(77,269)	(56,379)	(59)	-	(362,350)	(330,849)	(107,985)	(95,733)	(517,145)	(468,908)	(443,057)	(357,476)	(150,099)	(223,328)	(176,620)	(99,861)	(14)	(18)	-	-	(2,027,770)	(1,797,731)
Administrative expenses	(131,973)	(143,196)	(35,939)	(7,787)	(6,144)	(5,304)	(56,762)	(53,938)	-	-	(126,468)	(130,990)	(61,843)	(60,579)	(142,727)	(134,916)	(157,947)	(140,607)	(46,368)	(61,476)	(51,406)	(26,437)	(15,326)	(35,931)	-	-	(832,903)	(801,161)
	(298,876)	(293,855)	(46,842)	(9,816)	(21,510)	(17,795)	(134,031)	(110,317)	(59)	-	(488,818)	(461,839)	(169,828)	(156,312)	(659,872)	(603,824)	(601,004)	(498,083)	(196,467)	(284,804)	(228,026)	(126,298)	(15,340)	(35,949)	-	-	(2,860,673)	(2,598,892)
Profit / (loss) before taxation and unallocated income and expenses	77,116	(41,142)	(219,377)	(88,843)	33,821	8,994	292,724	182,263	2,109	-	880,557	554,820	209,333	108,954	1,287,402	667,358	800,149	212,369	(74,862)	(169,842)	(108,124)	(212,674)	(2,745)	(34,162)	-	-	3,178,103	1,188,095
Unallocated income and expenses:																												
Other expenses																											(227,714)	(132,116)
Other income																											2,925,835	2,927,159
Finance cost																											(1,188,530)	(741,176)
Taxation																											(551,000)	(477,000)
Profit after taxation																											4,136,694	2,764,962

10.3 Reconciliation of reportable segment assets and liabilities

	Spinning										Weaving				Dyeing *		Home Textile *		Garments				Power Generation		Total - Company	
	Faisalabad I		Faisalabad II		Faisalabad Yarn Dyeing		Feroze Wattwan I		Feroze Wattwan II		Bhikki		Lahore *						I		II					
	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited
	Mar 2019	June 2018	Mar 2019	June 2018	Mar 2019	June 2018	Mar 2019	June 2018	Mar 2019	June 2018	Mar 2019	June 2018	Mar 2019	June 2018	Mar 2019	June 2018	Mar 2019	June 2018	Mar 2019	June 2018	Mar 2019	June 2018	Mar 2019	June 2018	Mar 2019	June 2018
	(Rupees in thousand)																									
Total assets for reportable segments	7,685,863	5,105,867	6,304,600	3,964,945	495,243	402,637	8,010,767	5,180,403	769,690	21,236	6,557,754	5,604,815	1,345,809	1,148,629	9,272,502	6,275,402	7,431,790	8,382,819	1,374,894	1,940,532	3,126,871	2,807,732	7,343,804	6,830,589	59,719,587	47,665,606
Unallocated assets:																										
Long term investments																									40,933,096	44,757,279
Short term investments																									-	2,581,520
Other receivables																									3,518,559	3,420,370
Cash and bank balances																									133,306	104,827
Other corporate assets																									8,771,861	4,206,431
Total assets as per unconsolidated condensed interim statement of financial position																									113,076,409	102,736,033
Total liabilities for reportable segments	755,131	576,063	188,031	184,394	16,204	10,018	213,020	101,800	8,711	3,292	735,158	421,130	222,910	138,557	742,637	551,300	748,183	771,234	165,581	291,951	479,595	327,496	3,108,104	2,459,476	7,383,265	5,836,711
Unallocated liabilities:																										
Deferred income tax liability																									219,122	571,833
Other corporate liabilities																									33,712,541	20,614,344
Total liabilities as per unconsolidated condensed interim statement of financial position																									41,314,928	27,022,888

* Figures of these segments include extension / BMR.

11 RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

i) Fair value hierarchy

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

Recurring fair value measurements At 31 March 2019	Level 1	Level 2	Level 3	Total
	(Rupees in thousand)			
Financial assets				
Investments at fair value through other comprehensive income	33,941,792	-	2,839,241	36,781,033
Derivative financial assets	-	5,518	-	5,518
Total financial assets	33,941,792	5,518	2,839,241	36,786,551
Financial liabilities				
Derivative financial liabilities	-	4,537	-	4,537
Total financial liabilities	-	4,537	-	4,537

Recurring fair value measurements At 30 June 2018 - Audited	Level 1	Level 2	Level 3	Total
	(Rupees in thousand)			
Financial assets				
Available for sale financial assets	38,898,268	-	4,408,528	43,306,796
Derivative financial assets	-	9,478	-	9,478
Total financial assets	38,898,268	9,478	4,408,528	43,316,274
Financial liabilities				
Derivative financial liabilities	-	541	-	541
Total financial liabilities	-	541	-	541

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

There were no transfers between levels 1 and 2 for recurring fair value measurements during the period ended 31 March 2019. Further there was no transfer in and out of level 3 measurements.

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

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

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

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

ii) Valuation techniques used to determine fair values

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

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

The following table presents the changes in level 3 items for the period ended 31 March 2019:

	Unlisted equity securities (Rupees in thousand)
Balance as on 30 June 2017 - Audited	4,806,106
Add: Transfer on loss of control over subsidiary company	180,000
Less: Deficit recognized in other comprehensive income	(757,578)
Balance as on 30 June 2018 - Audited	4,228,528
Less: Deficit recognized in other comprehensive income	(1,749,227)
Balance as on 31 March 2019 - Un-audited	2,479,301

iv) Valuation inputs and relationships to fair value

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

Description	Fair value at		Unobservable inputs	Range of inputs (probability-weighted average)	Relationship of unobservable inputs to fair value
	31 March 2019	30 June 2018		31 March 2019	
	(Rupees in thousand)				
FVTOCI financial assets:					
Nishat Paper Products Company Limited	234,545	466,415	Revenue growth factor	13.02%	Increase / decrease in revenue growth factor by 0.05% and decrease / increase in discount rate by 1% would increase / decrease fair value by Rupees +61.778 million / - 54.332 million.
			Risk adjusted discount rate	16.23%	
Nishat Dairy (Private) Limited	482,040	534,240	Terminal growth factor	4%	Increase / decrease in terminal growth factor by 1% and decrease / increase in discount rate by 1% would increase / decrease fair value by Rupees +58.500 million / - 45.420 million.
			Risk adjusted discount rate	19.05%	
Security General Insurance Company Limited	734,449	924,043	Net premium revenue growth factor	5.27%	Increase / decrease in net premium revenue growth factor by 0.05% and decrease / increase in discount rate by 1% would increase / decrease fair value by Rupees +41.007 million / - 37.326 million.
			Risk adjusted discount rate	21.45%	
Nishat Hotels and Properties Limited	1,028,267	2,303,830	Terminal growth factor	4%	Increase / decrease in terminal growth factor by 1% and decrease / increase in discount rate by 1% would increase / decrease fair value by Rupees +575.60 million / - 360.99 million.
			Risk adjusted discount rate	12.37%	

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

Valuation processes

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

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

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

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

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

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 2019	31 March 2018	31 March 2019	31 March 2018
	(Rupees in thousand)			
i) Transactions				
Subsidiary companies				
Short term loans made	25,699,471	23,889,427	6,955,675	6,881,067
Repayment of short term loans made	21,765,753	22,888,000	8,325,112	7,370,227
Interest income	265,254	137,744	126,874	63,880
Rental income	41,588	37,992	14,333	13,059
Dividend income	270,949	361,266	-	-
Purchase of goods and services	317,119	230,120	82,889	102,410
Sale of goods and services	5,193,720	3,866,158	1,846,407	882,291
Associated companies				
Investment made	300,000	274,742	120,000	-
Purchase of goods and services	65,897	86,009	31,063	16,135
Purchase of operating fixed assets	-	9,000	-	-
Sale of operating fixed assets	1,453	2,000	-	-
Sale of goods and services	14,456	20,955	4,034	2,165
Rental income	942	1,166	314	313
Dividend income	1,314,481	1,994,179	-	-
Dividend paid	143,886	151,459	-	-
Insurance premium paid	90,064	79,915	20,383	23,093
Insurance claims received	43,238	30,826	27,214	18,525
Finance cost	8,770	5,298	3,917	1,396
Other related parties				
Dividend income	130,757	89,896	-	-
Purchase of goods and services	1,878,437	1,407,873	613,584	630,767
Sale of goods and services	26,753	7,215	8,419	3,744
Company's contribution to provident fund trust	168,137	159,332	55,382	53,248
Remuneration paid to Chief Executive Officer, Director and Executives	614,419	546,545	205,502	165,009

ii) **Period end balances**

	As at 31 March 2019			
	Subsidiary companies	Associated companies	Other related parties	Total
	(Rupees in thousand)			
Trade and other payables	22,726	46,529	69,709	138,964
Accrued markup	-	3,951	-	3,951
Short term borrowings	-	12,983	-	12,983
Property, plant and equipment	-	6,399	-	6,399
Long term loans	-	-	123,529	123,529
Trade debts	288,980	-	-	288,980
Loans and advances	7,757,042	-	41,098	7,798,140
Accrued interest	40,539	-	-	40,539
Cash and bank balances	-	2,433	470	2,903

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

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 2018.

14 DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were approved by the Board of Directors and authorized for issue on 26 April 2019.

15 CORRESPONDING FIGURES

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

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

16 GENERAL

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

CHIEF EXECUTIVE OFFICER DIRECTOR CHIEF FINANCIAL OFFICER

Consolidated Condensed Interim

Financial Statements of Nishat Mills Limited and its Subsidiaries

For the period ended 31 March 2019

Consolidated Condensed Interim Statement of Financial Position

As at 31 March 2019

	Note	Un-audited 31 March 2019	Audited 30 June 2018
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
1,100,000,000 (30 June 2018: 1,100,000,000) ordinary shares of Rupees 10 each		11,000,000	11,000,000
Issued, subscribed and paid-up share capital			
351,599,848 (30 June 2018: 351,599,848) ordinary shares of Rupees 10 each		3,515,999	3,515,999
Reserves		91,367,090	88,084,666
Equity attributable to equity holders of the Holding Company		94,883,089	91,600,665
Non-controlling interest		9,210,963	8,034,658
Total equity		104,094,052	99,635,323
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing - secured	5	6,756,186	8,232,086
Long term security deposit		221,980	193,510
Retirement benefit obligation		14,563	12,244
Deferred liability - accumulating compensated absences		2,164	2,447
Deferred income tax liability		2,451,360	2,484,368
		9,446,253	10,924,655
CURRENT LIABILITIES			
Trade and other payables		9,424,329	7,798,486
Accrued mark-up		444,515	291,864
Short term borrowings		28,378,516	17,086,481
Current portion of non-current liabilities		4,050,754	4,197,526
Unclaimed dividend		111,366	96,747
		42,409,480	29,471,104
TOTAL LIABILITIES		51,855,733	40,395,759
CONTINGENCIES AND COMMITMENTS	6		
TOTAL EQUITY AND LIABILITIES		155,949,785	140,031,082

The annexed notes form an integral part of these consolidated condensed interim financial statements.

CHIEF EXECUTIVE OFFICER

	Note	Un-audited 31 March 2019	Audited 30 June 2018
		(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	41,715,328	41,268,747
Intangible assets		5,222	10,477
Long term investments		54,690,873	51,825,352
Long term loans		284,232	248,711
Long term deposits		197,796	163,387
		96,893,451	93,516,674
CURRENT ASSETS			
Stores, spare parts and loose tools		3,497,371	2,678,108
Stock-in-trade		28,024,529	18,102,550
Trade debts		20,420,614	16,225,912
Loans and advances		1,866,598	1,171,546
Short term deposits and prepayments		315,317	284,609
Other receivables		4,228,658	4,637,441
Accrued interest		2,570	1,034
Short term investments		-	2,581,520
Cash and bank balances		700,677	831,688
		59,056,334	46,514,408
TOTAL ASSETS		155,949,785	140,031,082

DIRECTOR

CHIEF FINANCIAL OFFICER

Consolidated Condensed Interim Statement of Profit or Loss

For the period ended 31 March 2019 (Un-audited)

	Note	Period ended 31 March 2019	Period ended 31 March 2018	Quarter ended 31 March 2019	Quarter ended 31 March 2018
		(Rupees in thousand)			
REVENUE		70,277,201	61,411,210	23,583,187	21,307,166
COST OF SALES	8	(57,921,211)	(51,453,846)	(19,121,783)	(18,095,437)
GROSS PROFIT		12,355,990	9,957,364	4,461,404	3,211,729
DISTRIBUTION COST		(4,106,520)	(3,690,308)	(1,365,616)	(1,277,124)
ADMINISTRATIVE EXPENSES		(1,341,032)	(1,394,723)	(448,217)	(516,559)
OTHER EXPENSES		(225,468)	(169,324)	(46,105)	(4,342)
		(5,673,020)	(5,254,355)	(1,859,938)	(1,798,025)
		6,682,970	4,703,009	2,601,466	1,413,704
OTHER INCOME		1,823,865	1,175,962	161,019	117,368
PROFIT FROM OPERATIONS		8,506,835	5,878,971	2,762,485	1,531,072
FINANCE COST		(1,922,319)	(1,318,431)	(795,209)	(489,711)
		6,584,516	4,560,540	1,967,276	1,041,361
SHARE OF PROFIT FROM ASSOCIATES		1,347,133	2,010,993	596,868	498,571
PROFIT BEFORE TAXATION		7,931,649	6,571,533	2,564,144	1,539,932
TAXATION		(806,084)	(782,806)	(181,399)	(419,338)
PROFIT AFTER TAXATION		7,125,565	5,788,727	2,382,745	1,120,594
SHARE OF PROFIT ATTRIBUTABLE TO:					
EQUITY HOLDERS OF HOLDING COMPANY		5,689,076	4,621,803	1,876,402	763,862
NON-CONTROLLING INTEREST		1,436,489	1,166,924	506,343	356,732
		7,125,565	5,788,727	2,382,745	1,120,594
EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)	9	16.18	13.15	5.34	2.17

The annexed notes form an integral part of these consolidated condensed interim financial statements.

CHIEF EXECUTIVE OFFICER　　DIRECTOR　　CHIEF FINANCIAL OFFICER

Consolidated Condensed Interim Statement of Comprehensive Income

For the period ended 31 March 2019 (Un-audited)

	Period ended		Quarter ended	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	(Rupees in thousand)			
PROFIT AFTER TAXATION	7,125,565	5,788,727	2,382,745	1,120,594
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to profit or loss:				
(Deficit) / surplus arising on remeasurement of investments at fair value through other comprehensive income	(162,229)	-	381,708	-
Share of other comprehensive (loss) / income of associates	(631,213)	(7,773)	163,966	(7,773)
Deferred income tax relating to deficit on investments at fair value through other comprehensive income	62,935	-	-	-
	(730,507)	(7,773)	545,674	(7,773)
Items that may be reclassified subsequently to profit or loss:				
Surplus arising on remeasurement of available for sale investments to fair value	-	964,269	-	887,213
Share of other comprehensive income of associates	-	241,222	-	409,309
Exchange differences on translating foreign operations	59,221	47,782	1,964	33,565
Deferred income tax relating to surplus on available for sale investments	-	(14,564)	-	-
	59,221	1,238,709	1,964	1,330,087
Other comprehensive (loss) / income for the period - net of tax	(671,286)	1,230,936	547,638	1,322,314
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	6,454,279	7,019,663	2,930,383	2,442,908
SHARE OF TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Equity holders of holding company	5,017,790	5,852,739	2,424,040	2,086,176
Non-controlling interest	1,436,489	1,166,924	506,343	356,732
	6,454,279	7,019,663	2,930,383	2,442,908

The annexed notes form an integral part of these consolidated condensed interim financial statements.

CHIEF EXECUTIVE OFFICER | DIRECTOR | CHIEF FINANCIAL OFFICER

Consolidated Condensed Interim Statement of Changes in Equity

For the period ended 31 March 2019 (Un-audited)

	Note	Attributable to equity holders of the holding company													Non-controlling interest	Total equity
		Share capital	Capital reserves							Revenue reserves			Total Reserves	Shareholders' equity		
			Premium on issue of right shares	Fair value reserve AFS investments	Fair value reserve FVTOCI investments	Exchange translation reserve	Statutory reserve	Capital redemption reserve fund	Sub Total	General Reserve	Unappropriated Profit	Sub Total				
		(Rupees in thousand)														
Balance as at 30 June 2017 - Audited		3,515,999	5,499,530	16,356,684	-	3,539	371	111,002	21,971,126	56,343,882	6,316,151	62,660,033	84,631,159	88,147,158	6,808,446	94,955,604
Transaction with owners - Final dividend for the year ended 30 June 2017 @ Rupees 5.00 per share		-	-	-	-	-	-	-	-	-	(1,757,999)	(1,757,999)	(1,757,999)	(1,757,999)	-	(1,757,999)
Transaction with owners - Dividend relating to year 2017 paid to non-controlling interest		-	-	-	-	-	-	-	-	-	-	-	-	-	(346,912)	(346,912)
Transferred to general reserve		-	-	-	-	-	-	-	-	4,412,000	(4,412,000)	-	-	-	-	-
Change in ownership interest in subsidiary company		-	-	-	-	-	-	-	-	-	-	-	-	-	16,751	16,751
Loss of control over subsidiary company		-	-	-	-	-	-	-	-	-	-	-	-	-	2,197	2,197
Profit for the period		-	-	-	-	-	-	-	-	-	4,621,803	4,621,803	4,621,803	4,621,803	1,166,924	5,788,727
Other comprehensive income for the period		-	-	1,183,154	-	47,782	-	-	1,230,936	-	-	-	1,230,936	1,230,936	-	1,230,936
Total comprehensive income for the period		-	-	1,183,154	-	47,782	-	-	1,230,936	-	4,621,803	4,621,803	5,852,739	5,852,739	1,166,924	7,019,663
Balance as at 31 March 2018 - Un-audited		3,515,999	5,499,530	17,539,838	-	51,321	371	111,002	23,202,062	60,755,882	4,767,955	65,523,837	88,725,899	92,241,898	7,647,406	99,889,304
Loss of control over subsidiary company		-	-	-	-	-	-	-	-	-	-	-	-	-	9	9
Transferred to statutory reserve		-	-	-	-	-	464	-	464	-	(464)	(464)	-	-	-	-
Profit for the period		-	-	-	-	-	-	-	-	-	2,664,836	2,664,836	2,664,836	2,664,836	387,243	3,052,079
Other comprehensive (loss) / income for the period		-	-	(3,296,643)	-	8,853	-	-	(3,287,790)	-	(18,279)	(18,279)	(3,306,069)	(3,306,069)	-	(3,306,069)
Total comprehensive (loss) / income for the period		-	-	(3,296,643)	-	8,853	-	-	(3,287,790)	-	2,646,557	2,646,557	(641,233)	(641,233)	387,243	(253,990)
Balance as at 30 June 2018 - Audited		3,515,999	5,499,530	14,243,195	-	60,174	835	111,002	19,914,736	60,755,882	7,414,048	68,169,930	88,084,666	91,600,665	8,034,658	99,635,323
Adjustment on adoption of IFRS 9	4.2.1	-	-	(14,243,195)	14,243,195	-	-	-	-	-	-	-	-	-	-	-
Adjustment on adoption of IFRS 15	4.2.2	-	-	-	-	-	-	-	-	-	(65,267)	(65,267)	(65,267)	(65,267)	-	(65,267)
Adjusted total equity as at 01 July 2018		3,515,999	5,499,530	-	14,243,195	60,174	835	111,002	19,914,736	60,755,882	7,348,781	68,104,663	88,019,399	91,535,398	8,034,658	99,570,056
Transaction with owners - Final dividend for the year ended 30 June 2018 @ Rupees 4.75 per share		-	-	-	-	-	-	-	-	-	(1,670,099)	(1,670,099)	(1,670,099)	(1,670,099)	-	(1,670,099)
Transaction with owners - Dividend relating to year 2018 paid to non-controlling interest		-	-	-	-	-	-	-	-	-	-	-	-	-	(260,184)	(260,184)
Transferred to general reserve		-	-	-	-	-	-	-	-	5,617,000	(5,617,000)	-	-	-	-	-
Profit for the period		-	-	-	-	-	-	-	-	-	5,689,076	5,689,076	5,689,076	5,689,076	1,436,489	7,125,565
Other comprehensive income / (loss) for the period		-	-	-	(730,507)	59,221	-	-	(671,286)	-	-	-	(671,286)	(671,286)	-	(671,286)
Total comprehensive income / (loss) for the period		-	-	-	(730,507)	59,221	-	-	(671,286)	-	5,689,076	5,689,076	5,017,790	5,017,790	1,436,489	6,454,279
Balance as at 31 March 2019 - Un-audited		3,515,999	5,499,530	-	13,512,688	119,395	835	111,002	19,243,450	66,372,882	5,750,758	72,123,640	91,367,090	94,883,089	9,210,963	104,094,052

The annexed notes form an integral part of these consolidated condensed interim financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

Consolidated Condensed Interim Statement of Cash Flows

For the period ended 31 March 2019 (Un-audited)

	Note	Period ended 31 March 2019	Period ended 31 March 2018
		(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	10	(3,402,181)	3,189,339
Finance cost paid		(1,769,668)	(1,310,627)
Income tax paid		(725,758)	(611,928)
Long term security deposits received		28,470	7,347
Net exchange difference on forward exchange contracts received / (paid)		7,474	(9,538)
Net increase in retirement benefit obligation		2,036	2,211
Net increase in long term loans to employees		(45,056)	(67,596)
Net (increase) / decrease in long term deposits		(34,409)	48,845
Net cash (used in) / generated from operating activities		(5,939,092)	1,248,053
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(3,235,663)	(2,786,892)
Proceeds from sale of property, plant and equipment		96,495	52,643
Dividends received		1,445,891	2,086,683
Interest received		4,260	3,974
Investments made		(315,000)	(289,742)
Net cash used in investing activities		(2,004,017)	(933,334)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		1,525,215	1,787,000
Repayment of long term financing		(3,147,887)	(2,840,159)
Exchange differences on translation of net investments in foreign subsidiaries		59,221	47,782
Short term borrowings - net		11,292,035	3,254,092
Dividend paid		(1,916,486)	(2,093,417)
Net cash generated from financing activities		7,812,098	155,298
Net (decrease) / increase in cash and cash equivalents		(131,011)	470,017
Cash and cash equivalents at the beginning of the period		831,688	587,917
Cash and cash equivalents at the end of the period		700,677	1,057,934

The annexed notes form an integral part of these consolidated condensed interim financial statements.

CHIEF EXECUTIVE OFFICER | DIRECTOR | CHIEF FINANCIAL OFFICER

Selected Notes to the Consolidated Condensed Interim Financial Statements
For the period ended 31 March 2019 (Un-audited)

1 THE GROUP AND ITS OPERATIONS

The Group consists of:

Holding Company
-Nishat Mills Limited

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

NISHAT MILLS LIMITED

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

NISHAT POWER LIMITED

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

NISHAT LINEN (PRIVATE) LIMITED

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

NISHAT HOSPITALITY (PRIVATE) LIMITED

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

NISHAT USA, INC.

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

NISHAT LINEN TRADING LLC

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

NISHAT INTERNATIONAL FZE

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

NISHAT GLOBAL CHINA COMPANY LIMITED

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

NISHAT UK (PRIVATE) LIMITED

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

NISHAT COMMODITIES (PRIVATE) LIMITED

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

LALPIR SOLAR POWER (PRIVATE) LIMITED

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

CONCEPT GARMENTS AND TEXTILE TRADING FZE

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

2 CONSOLIDATION

a) Subsidiaries

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

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

Intragroup balances and transactions have been eliminated.

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

b) Associates

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

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

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

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

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

3 BASIS OF PREPARATION

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3.2 These consolidated condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended 30 June 2018. These consolidated condensed interim financial statements are un-audited.

4 ACCOUNTING POLICIES

The accounting policies and methods of computations adopted for the preparation of these consolidated condensed interim financial statements are the same as applied in the preparation of the preceding audited annual published financial statements of the Group for the year ended 30 June 2018 except for the changes in accounting policies as stated in note 4.2 to these consolidated condensed interim financial statements.

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

4.2 CHANGES IN ACCOUNTING POLICIES DUE TO APPLICABILITY OF CERTAIN INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

The following changes in accounting policies have taken place effective from 01 July 2018:

4.2.1 IFRS 9 “Financial Instruments”

The Group has adopted IFRS 9 “Financial Instruments” from 01 July 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the Group makes an irrevocable election on initial recognition to present gains and losses on equity instruments in other comprehensive income. Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the Group's own credit risk to be presented in other comprehensive income (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the Group. New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

The Group has adopted IFRS 9 without restating the prior year results.

Key changes in accounting policies resulting from application of IFRS 9

i) Classification and measurement of financial instruments

IFRS 9 largely retains the existing requirements in IAS 39 "Financial Instruments: Recognition and Measurement" for the classification and measurement of financial liabilities. However, it replaces the previous IAS 39 categories for financial assets i.e. loans and receivables, fair value through profit or loss (FVTPL), available for sale and held to maturity with the categories such as amortised cost, fair value through profit or loss (FVTPL) and fair value through other comprehensive income (FVTOCI).

Investments and other financial assets

a) Classification

From 01 July 2018, the Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortised cost

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Group reclassifies debt investments when and only when its business model for managing those assets changes.

b) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

Amortised cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other income / (other expenses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

Fair value through other comprehensive income (FVTOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment losses (and reversal of impairment losses), interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised in other income / (other expenses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other income / (other expenses) and impairment losses are presented as separate line item in the statement of profit or loss.

Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other income / (other expenses) in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value for financial instruments quoted in an active market, the fair value corresponds to a market price (level 1). For financial instruments that are not quoted in an active market, the fair value is determined using valuation techniques including reference to recent arm's length market transactions or transactions involving financial instruments which are substantially the same (level 2), or discounted cash flow analysis including, to the greatest possible extent, assumptions consistent with observable market data (level 3).

Fair value through other comprehensive income (FVTOCI)

Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

Fair value through profit or loss

Changes in the fair value of equity investments at fair value through profit or loss are recognised in other income / (other expenses) in the statement of profit or loss as applicable.

Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

ii) Impairment

From 01 July 2018, the Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade debts and other receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

iii) Hedge accounting

IFRS 9 requires that hedge accounting relationships are aligned with its risk management objectives and strategy and to apply a more qualitative and forward-looking approach to assessing hedge effectiveness.

There is no impact of the said change on these unconsolidated condensed interim financial statements as there is no hedge activity carried on by the Group during the period ended 31 March 2019.

iv) Impacts of adoption of IFRS 9 on these consolidated condensed interim financial statements as on 01 July 2018

On 01 July 2018, the Group's management has assessed which business models apply to the financial assets held by the Group at the date of initial application of IFRS 9 (01 July 2018) and has classified its financial instruments into appropriate IFRS 9 categories. The main effects resulting from this reclassification are as follows:

Financial assets (01 July 2018)

	Available for sale (AFS)	Other financial assets (held at amortised cost)	FVTOCI	Total financial assets
	(Rupees in thousand)			
Opening balance (before reclassification)	19,899,879	-	-	19,899,879
Adjustment on adoption of IFRS 9 reclassification of equity investments from available for sale to FVTOCI	(19,899,879)	-	19,899,879	-
Opening balance (after reclassification)	-	-	19,899,879	19,899,879

The impact of these changes on the Group's reserves and equity is as follows:

Reserves and equity (01 July 2018)

	Effect on fair value reserve of AFS investments	Effect on fair value reserve of FVTOCI investments	Effect on total equity
	(Rupees in thousand)		
Opening balance (before reclassification)	14,243,195	-	14,243,195
Adjustment on adoption of IFRS 9 reclassification of fair value reserve of AFS investments to fair value reserve of FVTOCI investments	(14,243,195)	14,243,195	-
Opening balance (after reclassification)	-	14,243,195	14,243,195

Equity investments previously classified as available-for-sale

The Group elected to present in other comprehensive income changes in the fair value of all its equity investments previously classified as available-for-sale, as these investments are not held for trading. As a result, assets with a fair value of Rupees 19,899.879 million were reclassified from available-for-sale financial assets to financial assets at fair value through other comprehensive income (FVTOCI) and fair value gains of Rupees 14,243.195 million were reclassified from the available-for-sale financial assets reserve to the financial assets at fair value through other comprehensive income reserve on 01 July 2018.

Reclassifications of financial instruments on adoption of IFRS 9

As on 01 July 2018, the classification and measurement of financial instruments of the Group were as follows:

	Measurement category		Carrying amounts		
	Original	New	Original	New	Difference
	(IAS 39)	(IFRS 9)	(Rupees in thousand)		
Non-current financial assets					
Long term investments	Available for sale	FVTOCI	17,411,794	19,899,879	2,488,085
Long term loans	Loans and receivables	Amortised cost	248,711	248,711	-
Long term deposits	Loans and receivables	Amortised cost	163,387	163,387	-
Current financial assets					
Trade debts	Loans and receivables	Amortised cost	16,225,912	16,225,912	-
Loans and advances	Loans and receivables	Amortised cost	206,724	206,724	-
Short term deposits	Loans and receivables	Amortised cost	70,492	70,492	-
Other receivables	Loans and receivables	Amortised cost	64,299	64,299	-
Accrued interest	Loans and receivables	Amortised cost	1,034	1,034	-
Short term investments	Available for sale	FVTOCI	2,488,085	-	(2,488,085)
Cash and bank balances	Loans and receivables	Amortised cost	831,688	831,688	-
Non-current financial liabilities					
Long term financing	Amortised cost	Amortised cost	8,232,086	8,232,086	-
Long term security deposit	Loans and receivables	Amortised cost	193,510	193,510	-
Current financial liabilities					
Trade and other payable	Amortised cost	Amortised cost	6,776,745	6,776,745	-
Accrued mark-up	Amortised cost	Amortised cost	291,864	291,864	-
Short term borrowings	Amortised cost	Amortised cost	17,086,481	17,086,481	-
Current portion of long term financing	Amortised cost	Amortised cost	4,197,526	4,197,526	-
Unclaimed dividend	Amortised cost	Amortised cost	96,747	96,747	-

4.2.2 IFRS 15 'Revenue from Contracts with Customers'

The Group has adopted IFRS 15 from 01 July 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an Group's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the Group's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

The Group has adopted IFRS 15 by applying the modified retrospective approach according to which the Group is not required to restate the prior year results.

i) Key changes in accounting policies resulting from application of IFRS 15

The Group recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are initially recognised as deferred revenue in the form of a separate refund liability.

a) Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery. Otherwise, control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs;

- the Group’s performance creates and enhances an asset that the customer controls as the Group performs; or

- the Group’s performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Revenue from the sale of electricity to NTDC, the sole customer of the company, is recorded on the following basis:

- Capacity revenue is recognised based on the capacity made available to NTDC; and

- Energy revenue is recognised based on the Net Electrical Output (NEO) delivered to NTDC.

Capacity and Energy revenue is recognised based on the rates determined under the mechanism laid down in the PPA. Interest income on bank deposits and delayed payment income on amounts due under the PPA is accrued on a time proportion basis by reference to the principal / amount outstanding and the applicable rate of return.

b) Rendering of services

Revenue from a contract to provide services is recognised over time as the services are rendered.

c) Interest

Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

d) Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

ii) Impacts of adoption of IFRS 15 on these consolidated condensed interim financial statements as on 01 July 2018

The following adjustments were made to the amounts recognized in the consolidated condensed interim financial statements at 01 July 2018.

Statement of financial position

	30 June 2018 Reported	Adjustment	30 June 2018 Restated
	(Rupees in thousand)		
Current assets			
Stock in trade	12,243,652	311,881	12,555,533
Trade debts	4,029,789	(380,583)	3,649,206
Current liabilities			
Trade and other payables	6,416,602	(3,435)	6,413,167
Equity			
Reserves	72,197,146	(65,267)	72,131,879

4.2.3 Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables generally do not include amounts over due by 365 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

	Un-audited 31 March 2019	Audited 30 June 2018
	(Rupees in thousand)	
5 LONG TERM FINANCING - SECURED		
Opening balance	12,429,612	14,198,137
Add: Obtained during the period / year	1,524,979	2,090,111
Less: Repaid during the period / year	3,147,887	3,858,920
Add: Currency translation	236	284
	10,806,940	12,429,612
Less: Current portion shown under current liabilities	4,050,754	4,197,526
	6,756,186	8,232,086

6 CONTINGENCIES AND COMMITMENTS

a) Contingencies

i) Nishat Mills Limited - Holding Company is contingently liable for Rupees 0.631 million (30 June 2018: Rupees 0.631 million) on account of central excise duty not acknowledged as debt as the case is pending before Court since year 1993.

ii) Guarantees of Rupees 1,497.589 million (30 June 2018: Rupees 1,531.364 million) are given by the banks of Nishat Mills Limited - Holding Company to Sui Northern Gas Pipelines Limited against gas connections, Shell Pakistan Limited and Pakistan State Oil Limited against purchase of furnace oil, Director Excise and Taxation, Karachi against infrastructure cess, Chairman Punjab Revenue Authority, Lahore against infrastructure cess and Meezan Bank Limited against duty drawback of taxes order 2016-17.

iii) Post dated cheques of Rupees 6,373.815 million (30 June 2018: Rupees 4,716.276 million) are issued by Nishat Mills Limited - Holding Company to customs authorities in respect of duties on imported items availed on the basis of consumption and export plans. If documents of exports are not provided on due dates, cheques issued as security shall be encashable.

iv) On 24 July 2015, the Holding Company has challenged, before Honourable Lahore High Court, Lahore, the vires of clauses (h) and (i) to sub-section (1) of section 8 of the Sales Tax Act, 1990 whereby claim of input sales tax in respect of building materials, electrical and gas appliances, pipes, fittings, wires, cables and ordinary electrical fittings and sanitary fittings have been disallowed. The Honourable Lahore High Court has issued stay order in favour of the Holding Company and has allowed the Holding Company to claim input sales tax paid on such goods in its monthly sales tax returns. Consequently, the Holding Company has claimed input sales tax amounting to Rupees 103.324 million (30 June 2018: Rupees 92.624 million) paid on such goods in its respective monthly sales tax returns. The management, based on advice of the legal counsel, is confident of favorable outcome of its appeal.

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

vi) Holding Company's share in contingencies of associates accounted for under equity method is Rupees 5,903 million (30 June 2018: Rupees 6,075 million).

vii) In financial year 2014, a sales tax demand of Rupees 1,218.132 million was raised against Nishat Power Limited - Subsidiary Company through order dated 11 December 2013, passed by the Assistant Commissioner Inland Revenue ('ACIR') disallowing input sales tax for the tax periods of July 2010 through June 2012. The disallowance was primarily made on the grounds that since revenue derived by the Subsidiary Company on account of 'capacity purchase price' was not chargeable to sales tax, input sales tax claimed by the Subsidiary Company was required to be apportioned with only the input sales tax attributable to other revenue stream i.e. 'energy purchase price' admissible to the Subsidiary Company. Upon appeal before Commissioner Inland Revenue (Appeals) ['CIR(A)'], such issue was decided in Subsidiary Company's favour, however, certain other issues agitated by the Subsidiary Company were not adjudicated. Both the Subsidiary Company and department have filed appeals against the order of CIR(A) before Appellate Tribunal Inland Revenue ('ATIR'), which have not been adjudicated.

Subsequently, the above explained issue was taken up by department for tax periods of July 2009 to June 2013 (involving input sales tax of Rupees 1,722.811 million), however, the Subsidiary Company assailed the underlying proceedings before Lahore High Court ('LHC') directly and in this respect, through order dated 31 October 2016, LHC accepted the Subsidiary Company's stance and annulled the proceedings. The department has challenged the decision of LHC before Supreme Court of Pakistan and has also preferred an Intra Court Appeal against such order which are pending adjudication.

Similarly, for financial year 2014, Subsidiary Company's case was selected for 'audit' and such issue again formed the core of audit proceedings (involving input sales tax of Rupees 596.091

million). Subsidiary Company challenged the jurisdiction in respect of audit proceedings before LHC and while LHC directed the management to join the subject proceedings, department was debarred from passing the adjudication order and thus such litigation too is pending as of now.

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

viii) The banks have issued the following on behalf of Nishat Power Limited - Subsidiary Company:

a) Letter of guarantee of Rupees 11 million (30 June 2018: Rupees 11 million) in favour of Director Excise and Taxation, Karachi, under direction of Sindh High Court in respect of suit filed for levy of infrastructure cess.

b) Letters of guarantee of Rupees 100.198 million (30 June 2018: Rupees 190.484 million) in favour of fuel suppliers.

c) Letter of guarantee of Rupees 1.5 million (30 June 2018: Rupees 1.5 million) in favour of Punjab Revenue Authority, Lahore.

ix) Nishat Hospitality (Private) Limited - Subsidiary Company has issued letter of guarantees of Rs 1.085 million (30 June 2018: Rs 1.085 million) in favour of Director, Excise and Taxation, Karachi under the order of Sindh High Court in respect of the suit filed for levy of infrastructure cess.

x) Guarantees of Rupees 78.350 million (30 June 2018: Rupees 62.481 million) are given by Nishat Linen (Private) Limited - Subsidiary Company to Director Excise and Taxation, Karachi against infrastructure cess, Chairman Punjab Revenue Authority, Lahore against infrastructure cess and Collectors of Customs against import consignments.

xi) Nishat Linen (Private) Limited - Subsidiary Company has challenged, before Honourable Lahore High Court, Lahore, the vires of clauses (h) and (i) to sub-section (1) of section 8 of the Sales Tax Act, 1990 whereby claim of input sales tax in respect of building materials, electrical and gas appliances, pipes, fittings, wires, cables and ordinary electrical fittings and sanitary fittings have been disallowed. The Honourable Lahore High Court has issued stay order in favour of the Subsidiary Company and has allowed the Subsidiary Company to claim input sales tax paid on such goods in its monthly sales tax returns. Consequently, the Subsidiary Company has claimed input sales tax amounting to Rupees 3.907 million (30 June 2018: Rupees 3.464 million) paid on such goods in its respective monthly sales tax returns.

xii) Through orders, the deemed assessments for tax years 2016, 2015, 2014, 2013 and 2012 were amended by Additional Commissioner Inland Revenue (ACIR) and Commissioner Inland Revenue (CIR) under section 122(5A) of the Income Tax Ordinance, 2001. Nishat Linen (Private) Limited - Subsidiary Company's appeals before Commissioner Inland Revenue (Appeals) [CIR(A)] were successful except for the legal issue of treating the Subsidiary Company as a manufacturer with relation to toll-manufactured goods. Appeals on this point have been filed before the Appellate Tribunal Inland Revenue which are pending adjudication.

The Subsidiary Company is confident of favorable outcome of its appeals based on advice of the tax advisor and has carry forward minimum tax paid in tax years 2016, 2015 and 2014.

xiii) Through notice dated 25 January 2018, issued by the Deputy Commissioner Inland Revenue (DCIR) under sections 161/205 of the Ordinance, Nishat Linen (Private) Limited - Subsidiary Company had been called upon to demonstrate its compliance with various withholding provisions of the Income Tax Ordinance, 2001. The subject proceedings have been finalized through order dated 03 August 2018, whereby, aggregate default amounting to Rupees 2.551 million was adjudged against the Subsidiary Company. Nishat Linen (Private) Limited - Subsidiary Company's appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] was successful except for the legal issue amounting to Rs 1.419 million. Appeal on this point has been filed before the Appellate Tribunal Inland Revenue which is pending adjudication. The Subsidiary Company is confident of favorable outcome of its appeal based on advice of the tax advisor.

xiv) Bank guarantee of Rupees 1.9 million (30 June 2018: Rupees 1.9 million) is given by the bank of Nishat Commodities (Private) Limited - Subsidiary Company in favour of Director, Excise and Taxation to cover the disputed amount of infrastructure cess.

b) Contingent asset

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

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

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

c) Commitments

i) Contracts for capital expenditure of the Group are approximately of Rupees 1,619.866 million (30 June 2018: Rupees 1,650.464 million).

ii) Letters of credit other than for capital expenditure of the Group are of Rupees 1,123.406 million (30 June 2018: Rupees 1,415.120 million).

iii) Outstanding foreign currency forward contracts of Rupees 462.667 million (30 June 2018: Rupees 358.060 million).

iv) The amount of future payments under operating lease and the period in which these payments will become due from Nishat Power Limited - Subsidiary Company are as follows:

	Note	Un-audited 31 March 2019	Audited 30 June 2018
		(Rupees in thousand)	
Not later than one year		3,894	3,894
Later than one year and not later than five years		-	-
		3,894	3,894

7 PROPERTY, PLANT AND EQUIPMENT

	Note	Un-audited 31 March 2019	Audited 30 June 2018
Operating fixed assets - owned	7.1	39,226,901	38,812,949
Capital work in progress	7.2	2,322,555	2,262,971
Major spare parts and standby equipments		165,872	192,827
		41,715,328	41,268,747

7.1 Operating fixed assets - Owned

	Note	Un-audited 31 March 2019	Audited 30 June 2018
Opening book value		38,812,949	37,204,401
Add: Cost of additions during the period / year	7.1.1	3,187,166	5,310,421
		42,000,115	42,514,822
Less: Book value of deletions during the period / year	7.1.2	77,124	88,691
		41,922,991	42,426,131
Less: Depreciation charged for the period / year		2,711,958	3,629,102
Add: Currency translation		15,868	15,920
		39,226,901	38,812,949

	Un-audited 31 March 2019	Audited 30 June 2018
	(Rupees in thousand)	

7.1.1 Cost of additions

Freehold land	18,906	1,360
Buildings on freehold land	279,430	1,962,685
Plant and machinery	2,576,913	2,927,135
Electric installations	28,941	180,715
Factory equipment	14,689	16,853
Furniture, fixtures and office equipment	74,010	50,974
Computer equipment	24,742	31,013
Vehicles	169,535	138,282
Kitchen equipment and crockery items	-	1,404
	3,187,166	5,310,421

7.1.2 Book value of deletions

Buildings on freehold land	314	1,813
Plant and machinery	57,966	54,441
Electric installations	214	108
Factory equipment	141	-
Furniture, fixtures and office equipment	543	77
Computer equipment	280	220
Vehicles	17,666	32,032
	77,124	88,691

7.2 Capital work-in-progress

Buildings on freehold land	1,123,637	701,619
Plant and machinery	740,074	1,173,618
Electric installations	17,989	-
Unallocated expenses	27,214	26,203
Letters of credit against machinery	1,766	1,824
Advance against purchase of land	397,072	337,555
Advances against furniture and office equipment	4,505	2,822
Advances against vehicles	10,298	19,330
	2,322,555	2,262,971

	Period ended		Quarter ended	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	(Rupees in thousand)			
8 COST OF SALES				
Raw materials consumed	40,006,004	34,684,370	12,834,474	11,771,422
Processing charges	428,749	454,291	240,931	164,186
Salaries, wages and other benefits	4,842,360	4,735,942	1,583,966	1,627,015
Stores, spare parts and loose tools consumed	4,830,058	3,811,035	1,706,470	1,381,599
Packing materials consumed	1,034,952	880,047	359,998	304,439
Repair and maintenance	304,256	300,129	129,363	109,032
Fuel and power	4,845,292	4,162,507	1,465,199	1,590,700
Insurance	199,524	161,702	67,096	54,799
Royalty	10,165	11,654	3,513	4,176
Other factory overheads	576,435	490,172	191,830	173,301
Depreciation and amortization	2,574,900	2,478,117	847,335	865,930
	59,652,695	52,169,966	19,430,175	18,046,599
Work-in-process				
Opening stock	2,517,792	2,610,154	2,984,643	2,563,594
Closing stock	(2,932,496)	(2,473,093)	(2,932,496)	(2,473,093)
	(414,704)	137,061	52,147	90,501
Cost of goods manufactured	59,237,991	52,307,027	19,482,322	18,137,100
Finished goods				
Opening stock	5,807,366	5,045,917	6,763,607	5,857,435
Closing stock	(7,124,146)	(5,899,098)	(7,124,146)	(5,899,098)
	(1,316,780)	(853,181)	(360,539)	(41,663)
	57,921,211	51,453,846	19,121,783	18,095,437

		Period ended 31 March 2019	Period ended 31 March 2018
9 EARNINGS PER SHARE - BASIC AND DILUTED			
There is no dilutive effect on the basic earnings per share which is based on:			
Profit attributable to ordinary shareholders of Holding Company	(Rupees in thousand)	5,689,076	4,621,803
Weighted average number of ordinary shares of Holding Company	(Numbers)	351,599,848	351,599,848
Earnings per share	(Rupees)	16.18	13.15

	Note	Period ended 31 March 2019 (Rupees in thousand)	Period ended 31 March 2018 (Rupees in thousand)
10 CASH (USED IN) / GENERATED FROM OPERATIONS			
Profit before taxation		7,931,649	6,571,533
Adjustments for non-cash charges and other items:			
Depreciation and amortization		2,717,213	2,616,143
Gain on sale of property, plant and equipment		(19,371)	(10,615)
Dividend income		(861,201)	(819,690)
Profit on deposits with banks		(4,974)	(3,800)
Share of profit from associates		(1,347,133)	(2,010,993)
Change in ownership interest in subsidiary company		-	18,947
Net exchange gain		(687,305)	(131,493)
Finance cost		1,922,319	1,318,431
Working capital changes	10.1	(13,053,378)	(4,359,124)
		(3,402,181)	3,189,339
10.1 Working capital changes			
(Increase) / decrease in current assets:			
- Stores, spare parts and loose tools		(819,263)	(83,002)
- Stock in trade		(9,610,098)	(2,445,704)
- Trade debts		(3,887,498)	(2,909,546)
- Loans and advances		(735,916)	139,924
- Short term deposits and prepayments		(30,708)	20,580
- Other receivables		404,823	(552,584)
		(14,678,660)	(5,830,332)
Increase in trade and other payables		1,625,282	1,471,208
		(13,053,378)	(4,359,124)

Selected Notes to the Consolidated Condensed Interim Financial Statements
For the period ended 31 March 2019 (Un-audited)

11 SEGMENT INFORMATION

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

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

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

11.2

(Un-audited)

	Spinning											
	Faisalabad-I		Faisalabad-II		Faisalabad Yarn Dyeing		Feroze Wattwan I		Feroze Wattwan II		Lahore	
	Period ended		Period ended		Period ended		Period ended		Period ended		Period ended	
	Mar 2019	Mar 2018	Mar 2019	Mar 2018	Mar 2019	Mar 2018	Mar 2019	Mar 2018	Mar 2019	Mar 2018	Mar 2019	Mar 2018
	(Rupees in thousand)											
Revenue												
External	3,269,156	2,805,651	1,449,239	47,418	62,828	299,130	2,807,384	2,452,511	19,750	-	9,712,628	7,961,401
Intersegment	2,965,171	3,226,386	877,495	223,146	473,922	131,192	1,782,417	1,274,473	56,264	-	4,045	19,223
	6,234,327	6,032,037	2,326,734	270,564	536,750	430,322	4,589,801	3,726,984	76,014	-	9,716,673	7,980,624
Cost of sales	(5,862,030)	(5,779,324)	(2,499,269)	(349,591)	(481,419)	(403,533)	(4,163,046)	(3,434,404)	(73,846)	-	(9,754,350)	(7,579,054)
Gross profit / (loss)	372,297	252,713	(172,535)	(79,027)	55,331	26,789	426,755	292,580	2,168	-	(37,677)	401,570
Distribution cost	(166,903)	(150,659)	(10,903)	(2,029)	(15,366)	(12,491)	(77,269)	(56,379)	(59)	-	(121,298)	(96,458)
Administrative expenses	(131,973)	(143,196)	(35,939)	(7,787)	(6,144)	(5,304)	(56,762)	(53,938)	-	-	(2,051)	(1,149)
	(298,876)	(293,855)	(46,842)	(9,816)	(21,510)	(17,795)	(134,031)	(110,317)	(59)	-	(123,349)	(97,607)
Profit / (loss) before taxation and unallocated income and expenses	73,421	(41,142)	(219,377)	(88,843)	33,821	8,994	292,724	182,263	2,109	-	(161,026)	303,963

	Weaving				Dyeing *		Home Textile *		Garments			
	Bhikki		Lahore *						I		II	
	Period ended		Period ended		Period ended		Period ended		Period ended		Period ended	
	Mar 2019	Mar 2018	Mar 2019	Mar 2018	Mar 2019	Mar 2018	Mar 2019	Mar 2018	Mar 2019	Mar 2018	Mar 2019	Mar 2018
	(Rupees in thousand)											
Revenue												
External	7,466,248	7,311,223	2,792,863	2,262,613	12,420,174	9,335,084	14,419,144	12,337,903	2,098,958	2,453,632	1,890,137	1,722,619
Intersegment	6,347,103	4,537,644	2,584,620	2,081,288	327,607	443,586	324,041	376,876	37,319	133,973	177,062	19,734
	13,813,351	11,848,867	5,377,483	4,343,901	12,747,781	9,778,670	14,743,185	12,714,779	2,136,277	2,587,605	2,067,199	1,742,353
Cost of sales	(12,443,976)	(10,832,208)	(4,998,322)	(4,078,635)	(10,800,507)	(8,507,488)	(10,866,094)	(9,570,095)	(2,014,672)	(2,472,643)	(1,947,297)	(1,828,729)
Gross profit / (loss)	1,369,375	1,016,659	379,161	265,266	1,947,274	1,271,182	3,877,091	3,144,684	121,605	114,962	119,902	(86,376)
Distribution cost	(362,350)	(330,849)	(107,985)	(95,733)	(521,670)	(471,748)	(2,398,386)	(2,154,451)	(148,014)	(220,073)	(176,303)	(99,326)
Administrative expenses	(126,468)	(130,990)	(61,843)	(60,579)	(142,727)	(134,916)	(434,505)	(350,043)	(46,368)	(61,476)	(51,406)	(26,437)
	(488,818)	(461,839)	(169,828)	(156,312)	(664,397)	(606,664)	(2,832,891)	(2,504,494)	(194,382)	(281,549)	(227,709)	(125,763)
Profit / (loss) before taxation and unallocated income and expenses	880,557	554,820	209,333	108,954	1,282,877	664,518	1,044,200	640,190	(72,777)	(166,587)	(107,807)	(212,139)

	Power Generation		Hotel		Automobile **		Elimination of inter-segment transactions		Total - Group	
	Period ended		Period ended		Period ended		Period ended		Period ended	
	Mar 2019	Mar 2018	Mar 2019	Mar 2018	Mar 2019	Mar 2018	Mar 2019	Mar 2018	Mar 2019	Mar 2018
	(Rupees in thousand)									
Revenue										
External	11,618,289	12,143,869	250,403	278,156	-	-	-	-	70,277,201	61,411,210
Intersegment	5,103,370	4,312,780	62	82	-	-	(21,060,498)	(16,780,383)	-	-
	16,721,659	16,456,649	250,465	278,238	-	-	(21,060,498)	(16,780,383)	70,277,201	61,411,210
Cost of sales	(12,888,772)	(13,221,356)	(188,109)	(177,169)	-	-	21,060,498	16,780,383	(57,921,211)	(51,453,846)
Gross profit / (loss)	3,832,887	3,235,293	62,356	101,069	-	-	-	-	12,355,990	9,957,364
Distribution cost	(14)	(112)	-	-	-	-	-	-	(4,106,520)	(3,690,308)
Administrative expenses	(209,402)	(302,110)	(35,444)	(43,429)	-	(73,369)	-	-	(1,341,032)	(1,394,723)
	(209,416)	(302,222)	(35,444)	(43,429)	-	(73,369)	-	-	(5,447,552)	(5,085,031)
Profit / (loss) before taxation and unallocated income and expenses	3,623,471	2,933,071	26,912	57,640	-	(73,369)	-	-	6,908,438	4,872,333
Unallocated income and expenses:										
Other expenses									(225,468)	(169,324)
Other income									1,823,865	1,175,962
Finance cost									(1,922,319)	(1,318,431)
Share of profit from associates									1,347,133	2,010,993
Taxation									(806,084)	(782,806)
Profit after taxation									7,125,565	5,788,727

11.3 Reconciliation of reportable segment assets and liabilities

	Spinning												Weaving			
	Faisalabad-I		Faisalabad-II		Faisalabad Yarn Dyeing		Feroze Wattwan I		Feroze Wattwan II		Lahore		Bhikki		Lahore *	
	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited
	Mar 2019	June 2018	Mar 2019	June 2018	Mar 2019	June 2018	Mar 2019	June 2018	Mar 2019	June 2018	Mar 2019	June 2018	Mar 2019	June 2018	Mar 2019	June 2018
	(Rupees in thousand)															
Total assets for reportable segments	7,587,361	4,884,566	6,304,600	3,964,945	485,095	402,637	8,010,767	5,180,403	769,690	21,236	2,240,180	1,191,358	6,542,109	5,604,815	1,342,898	1,148,629
Total liabilities for reportable segments	755,131	575,117	188,031	184,394	16,204	10,018	212,899	101,800	8,711	3,292	315,402	172,285	734,943	421,130	222,663	138,557

	Dyeing *		Home Textile *		Garments				Power Generation		Hotel		Automobile		Total - Group	
					I		II									
	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited
	Mar 2019	June 2018	Mar 2019	June 2018	Mar 2019	June 2018	Mar 2019	June 2018	Mar 2019	June 2018	Mar 2019	June 2018	Mar 2019	June 2018	Mar 2019	June 2018
	(Rupees in thousand)															
Total assets for reportable segments	9,273,242	6,282,245	15,030,473	12,939,478	1,374,869	1,940,524	3,126,716	2,807,465	32,257,943	32,375,249	1,018,608	1,047,687	-	-	95,364,551	79,791,237
Unallocated assets:																
Long term investments															54,690,873	51,825,352
Short term investments															-	2,581,520
Other receivables															4,228,658	4,637,441
Cash and bank balances															700,677	831,688
Other corporate assets															965,026	363,844
Total assets as per consolidated condensed interim statement of financial position															155,949,785	140,031,082
Total liabilities for reportable segments	753,266	557,165	1,812,503	1,480,966	158,829	289,616	472,098	327,496	10,001,783	12,972,192	31,309	23,956	-	-	15,683,772	17,257,984
Unallocated liabilities:																
Deferred income tax liability															2,451,360	2,484,368
Other corporate liabilities															33,720,601	20,653,407
Total liabilities as per consolidated condensed interim statement of financial position															51,855,733	40,395,759

* Figures of these segments include extension / BMR.

** It ceased to be an operating segment on loss of control over Hyundai Nishat Motor (Private) Limited - Subsidiary Company during last year.

12 RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

i) Fair value hierarchy

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

Recurring fair value measurements At 31 March 2019	Level 1	Level 2	Level 3	Total
	(Rupees in thousand)			
Financial assets				
Investments at fair value through other comprehensive income	19,096,636	-	734,449	19,831,085
Derivative financial assets	-	5,518	-	5,518
Total financial assets	19,096,636	5,518	734,449	19,836,603
Financial liabilities				
Derivative financial liabilities	-	4,537	-	4,537
Total financial liabilities	-	4,537	-	4,537

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

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

There were no transfers between levels 1 and 2 for recurring fair value measurements during the period ended 31 March 2019. Further there was no transfer in and out of level 3 measurements.

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

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

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

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

ii) Valuation techniques used to determine fair values

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

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

The following table presents the changes in level 3 items for the period ended 31 March 2019:

	Unlisted equity securities (Rupees in thousand)
Balance as on 30 June 2017 - Audited	780,365
Add: Surplus recognized in other comprehensive income	143,678
Balance as on 30 June 2018 - Audited	924,043
Less: Deficit recognized in other comprehensive income	(189,594)
Balance as on 31 March 2019 - Un-audited	734,449

iv) Valuation inputs and relationships to fair value

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

Description	Fair value at		Unobservable inputs	Range of inputs (probability-weighted average)	Relationship of unobservable inputs to fair value
	31 March 2019	30 June 2018		31 March 2019	
	(Rupees in thousand)				
FVTOCI financial assets:					
Security General Insurance Company Limited	734,449	924,043	Net premium revenue growth factor	5.27%	Increase / decrease in net premium revenue growth factor by 0.05% and decrease / increase in discount rate by 1% would increase / decrease fair value by Rupees +41.007 million / - 37.326 million.
			Risk adjusted discount rate	21.45%	

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

Valuation processes

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

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

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

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

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

13 TRANSACTIONS WITH RELATED PARTIES

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

	Period ended		Quarter ended	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	(Rupees in thousand)			
i) Transactions				
Associated companies				
Investment made	300,000	274,742	120,000	-
Purchase of goods and services	159,673	164,987	67,128	42,990
Purchase of operating fixed assets	-	9,000	-	-
Sale of operating fixed assets	1,453	2,000	-	-
Sale of goods and services	33,103	38,184	11,071	15,901
Rental income	942	1,166	314	313
Rent paid	55,431	51,005	18,506	17,807
Dividend paid	143,886	151,459	-	-
Insurance premium paid	262,176	223,595	77,460	68,146
Interest income	1,412	2,029	378	463
Insurance claims received	46,482	35,325	28,627	20,768
Finance cost	25,853	19,473	11,410	7,001
Other related parties				
Purchase of goods and services	1,930,701	1,415,800	638,192	638,694
Sale of goods and services	27,278	17,011	8,585	6,548
Finance cost	571	291	205	291
Group's contribution to provident fund trust	210,912	196,937	70,097	66,930
Remuneration paid to Chief Executive Officer, Director and Executives of the Holding Company	614,419	546,545	205,502	165,009

ii) **Period end balances**

	As at 31 March 2019		
	Associated companies	Other related parties	Total
	(Rupees in thousand)		
Trade and other payables	67,574	69,709	137,283
Accrued markup	3,951	-	3,951
Short term borrowings	12,983	-	12,983
Property, plant and equipment	6,399	-	6,399
Long term loans	-	135,331	135,331
Trade debts	639	75	714
Loans and advances	-	43,072	43,072
Other receivables	2,657	-	2,657
Accrued interest	352	-	352
Cash and bank balances	26,019	8,937	34,956

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

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 2018.

15 DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial information were approved by the Board of Directors and authorized for issue 26 April 2019.

16 CORRESPONDING FIGURES

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

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

17 GENERAL

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

CHIEF EXECUTIVE OFFICER | DIRECTOR | CHIEF FINANCIAL OFFICER

ڈویژن پائیدار منافع کو یقینی بنانے کی خاطر ہیومن ریسورس ڈویلپمنٹ کے بہترین طریقوں کو متعارف کرنے کی بھی کوششیں کر رہی ہے۔ یہ تمام بنیادی اقدامات اُٹھانے کے بعد ہم پُر امید ہیں کہ ڈویژن یقیناً آئندہ سالوں میں بہت زیادہ نمو حاصل کرے گا۔

پاور جنریشن

ڈویژن نے 3 میگاواٹ صلاحیت کے وارٹسیلا سولر پاور پلانٹ کی خریداری مکمل کر لی ہے جو ساہیانوالہ فیصل آباد میں واقع پاور ڈویژن میں نصب کیا جائے گا۔ چنانچہ کمپنی متبادل اور ماحول دوستانہ ٹیکنالوجیز میں سرمایہ کاری کے لئے پُر عزم ہے، بھکی اور فیروز وٹواں میں واقع پاور ڈویژن کے لئے دو مزید سولر پاور پلانٹس کے حصول کی منصوبہ بندی پر غور کر رہی ہے۔

لاہور میں واقع پاور پلانٹ کے لئے 3.2 میگاواٹ کی ایک بھاپ ٹربائن کا حصول بھی زیرِ غور ہے اور دسمبر 2019 کے دوران کمشن ہونے کی توقع ہے۔ ٹربائن ڈائنگ اور ہوم ٹیکسٹائل ڈویژنز کے پیداواری ہالوں کو مطلوبہ کم پریشر / ٹمپریچر پر بھاپ ترسیل کرنے سے قبل بجلی پیدا کرنے کے لئے 9 میگاواٹ کے کمبائنڈ ہیٹ اینڈ پاور پلانٹ سے پیدا شدہ اعلیٰ پریشر / ٹمپریچر استعمال کرے گی۔ چنانچہ اس ٹربائن کی تنصیب کمپنی کو اضافی پریشر / ہیٹ جو فی الحال ضائع ہو جاتی ہے کو استعمال کرنے کے قابل بنائے گی۔

ذیلی کمپنیاں اور کنسولیڈیٹڈ مالیاتی حسابات

نشاط پاور لمیٹڈ، نشاط لینن (پرائیویٹ) لمیٹڈ، نشاط ہاسپٹیلٹی (پرائیویٹ) لمیٹڈ، نشاط کموڈیٹیز (پرائیویٹ) لمیٹڈ، لال پیر سولر پاور (پرائیویٹ) لمیٹڈ، نشاط یو ایس اے انکارپوریٹڈ، نشاط لینن ٹریڈنگ LLC، نشاط انٹرنیشنل FZE، نشاط گلوبل چائنا کمپنی لمیٹڈ، نشاط UK (پرائیویٹ) لمیٹڈ اور کنسیپٹ گارمنٹس اینڈ ٹیکسٹائل ٹریڈنگ FZE کمپنی کی ذیلی کمپنیوں کی پورٹ فولیو میں شامل ہیں۔ لہٰذا، کمپنی نے انٹرنیشنل فنانشل رپورٹنگ سٹینڈرڈز کی ضروریات کے مطابق اپنی سپیرٹ کنڈنسڈ عبوری مالیاتی معلومات کے علاوہ کنسولیڈیٹڈ کنڈنسڈ عبوری مالیاتی معلومات منسلک کی ہیں۔

اظہارِ تشکر

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

منجانب بورڈ آف ڈائریکٹرز

میاں عمر منشا	**مقصود احمد**
چیف ایگزیکٹو آفیسر	ڈائریکٹر
لاہور	
26 اپریل 2019ء	

پروسیسڈ کلاتھ	31 مارچ مختتمہ نوماہی		اضافہ / (کمی)	
	2019	2018	قدر	فیصد
فروخت - ('000 میٹرز)	36,397	34,115	2,282	6.69
قیمت فی میٹر	331.45	261.01	70.44	26.99
فروخت - ('000 روپے)	12,063,849	8,904,353	3,159,496	35.48

مالی سال 2018-19 کی آخری سہ ماہی ڈویژن کے لئے مشکل ہونے کی توقع ہے کیونکہ اس مدت کے دوران ٹیکسٹائل مصنوعات کی عالمی طلب میں ریکارڈ کمی متوقع ہے۔ اس کے علاوہ، یہ مدت ہمیشہ بزنس سائیکل میں سست رہی ہے اور ہم ہمیشہ اپنے مقامی اور بین الاقوامی حریفوں سے شدید مقابلہ کا سامنا کرتے ہیں۔

ڈویژن کی انتظامیہ مارکیٹنگ حالات کی قریب سے نگرانی کر رہی ہے اور مذکورہ بالا مشکلات کے اثرات کو کم کرنے کے لئے مطلوبہ اقدامات کر رہی ہے۔ ہم امید کرتے ہیں کہ ڈویژن قابل ذکر منافع کے ساتھ موجودہ مالی سال کو ختم کرنے کے قابل ہوگی۔

ہوم ٹیکسٹائل

ڈویژن نے امریکی ڈالر کے برعکس پاکستانی روپیہ کی قدر میں بار بار کمی کے نتیجہ میں درآمدہ خام مال کی قیمت میں نمایاں اضافہ کے باوجود اچھی کارکردگی کا مظاہرہ کیا۔ یہ بہت ہی قابل ذکر بات ہے کیونکہ درآمدہ خام مال ڈویژن کی پیداواری لاگت کا بہت اہم حصہ ہوتا ہے۔

پروسیسڈ کلاتھ اینڈ میڈاپس	31 مارچ مختتمہ نوماہی		اضافہ / (کمی)	
	2019	2018	قدر	فیصد
فروخت - ('000 میٹرز)	19,746	18,256	1,490	8.16
قیمت فی میٹر	375.54	326.95	48.59	14.86
فروخت - ('000 روپے)	7,415,411	5,968,861	1,446,550	24.23

فی الوقت، ڈویژن کے پاس کافی آرڈرز پائپ لائن میں ہیں اور ڈویژن کی انتظامیہ اپنے صارفین کی بڑھتی ہوئی طلب کو پورا کرنے کے لئے اپنی ایمبرائیڈری اور quilting صلاحیت کو بڑھانے کی منصوبہ بندی کر رہی ہے۔ ہم پُراعتماد ہیں کہ ڈویژن بہتر منافع مارجن پر مالی سال کا اختتام کرے گی۔

گارمنٹس

گارمنٹس ڈویژن کمپنی کی دو پر مقصد، جدید ترین گارمنٹس مینوفیکچرنگ سہولیات پر مشتمل ہے۔ ڈویژن جدید رجحانات کے مطابق صارفین کی طلب پوری کرنے کے لیے کوالٹی مصنوعات پیش کرنے کے لئے پُرعزم اور توجہ مرکوز کئے ہوئے ہے۔ ڈویژن مؤثر لاگت مینجمنٹ کے ساتھ اپنے آپریشنز میں پیداوار اور کارکردگی بڑھانے میں کامیابی سے اہم سنگ میل حاصل کر چکا ہے۔

گارمنٹس	31 مارچ مختتمہ نوماہی		اضافہ / (کمی)	
	2019	2018	قدر	فیصد
فروخت - ('000 گارمنٹس)	4,280	5,096	(816)	(16.01)
قیمت فی گارمنٹ	880.20	784.74	95.46	12.16
فروخت - ('000 روپے)	3,767,265	3,999,025	(231,760)	(5.80)

یارن	31 مارچ مختتمہ نوماہی 2019	31 مارچ مختتمہ نوماہی 2018	اضافہ/(کمی) قدر	اضافہ/(کمی) فیصد
فروخت-(کلوگرام '000')	19,177	17,254	1,923	11.15
قیمت فی کلو	378.01	290.44	87.57	30.15
فروخت-('000' روپے)	7,249,069	5,011,285	2,237,784	44.65

مقامی مہنگی کپاس اور بین الاقوامی مارکیٹ میں یارن کی قیمتوں میں مسلسل کمی نے فروخت میں اضافہ کے باوجود سپننگ ڈویژن کے منافع کو بُری طرح متاثر کیا ہے۔ بین الاقوامی کپاس قیمتوں میں تاخیری اضافہ نے کسی نہ کسی طرح تیسری سہ ماہی کے دوران یارن کی قیمتوں کو بڑھادیا لیکن اس کے موزوں نتائج حاصل نہیں ہوئے کیونکہ اسٹاک میں پہلے سے موجود مہنگی کپاس کی قیمت کا احاطہ کرنے کے لئے یہ اضافہ ناکافی تھا۔ فیروزوٹواں میں واقع نیا اوپن انڈ یارن مینوفیکچرنگ یونٹ نے یکم فروری 2019ء کو پیداوار شروع کردی ہے جس نے اچھے نتائج دکھائے ہیں۔

کمپنی نے کپاس سپلائی اور خریداری رسک کم کرنے کے لئے اپنی رسک مینجمنٹ پالیسی کے مطابق 31 مارچ 2019 کے اختتام تک کثیر حجم میں خام کپاس کی خریداری مکمل کرلی ہے۔

ویونگ

31 مارچ 2019 کو ختم ہونے والی نوماہی مدت کے دوران ڈویژن کی کارکردگی خصوصی پراڈکٹ مکس جو ڈویژن نے کافی مارکیٹ ریسرچ کے بعد پیش کی ہے کی بدولت غیر معمولی تھی۔ اس کے علاوہ، طویل غیر یقینی کے بعد، خام کپاس اور پولیسٹر کی قیمتیں مالی سال 19-2018 کی تیسری سہ ماہی کے دوران مستحکم ہوئی ہیں جس نے نسبتاً بہتر تخمینوں کے ساتھ ہماری مصنوعات کی پیشکش کے لئے مارکیٹنگ ڈیپارٹمنٹ کی مدد کی ہے۔

گرے کلاتھ	31 مارچ مختتمہ نوماہی 2019	31 مارچ مختتمہ نوماہی 2018	اضافہ/(کمی) قدر	اضافہ/(کمی) فیصد
فروخت-(میٹرز '000')	62,086	68,358	(6,272)	(9.18)
قیمت فی میٹر	174.30	143.70	30.60	21.29
فروخت-('000' روپے)	10,821,553	9,822,803	998,750	10.17

ڈویژن نے اپنے فیشن فیبرک صارفین کی طلب کو پورا کرنے کے لئے بھکی میں واقع مینوفیکچرنگ سہولت کے لئے بارہ Tsudakoma کی 230CM ائیر جیٹ ڈوبی لومز خریدنے کی منصوبہ بندی کی ہے جو خصوصی ویوز اور ٹرینڈی ڈیزائن کے لئے ضروری ہے۔ منصوبہ بندی میں دس 210CM ٹیپٹ لومز کی خریداری بھی شامل ہے۔ یہ تمام 22 لومز جون 2019 کے آغاز تک پیداوار شروع کردیں گی اور ہمارے آپریٹرز کو چلانے کے لئے ہمیں مزید آسانی فراہم کریں گی۔

ڈائنگ

ڈائنگ ڈویژن کا منافع گزشتہ سال کی اسی مدت کے مقابلے 31 مارچ 2019 کو ختم ہونے والی نوماہی مدت کے دوران شاندار تھا۔ اگرچہ، مالی سال کی پہلی سہ ماہی میں کارکردگی کم تھی، لیکن اگلی دو سہ ماہیوں میں ڈویژن نے نمایاں کارکردگی کا مظاہرہ کیا۔

ڈائریکٹرز رپورٹ

نشاط ملز لمیٹڈ ("کمپنی") کی مجلس نظماء 31 مارچ 2019ء کو ختم ہونے والی نوماہی کے لئے مجلس نظماء کی رپورٹ پیش کرتے ہوئے خوشی محسوس کرتی ہے۔

آپریٹنگ مالیاتی نتائج

کمپنی کی مالیاتی کارکردگی 31 مارچ 2018 کو ختم ہونے والی اسی نوماہی کے مقابلے موجودہ نوماہی کے دوران قابل ذکر طور پر نمایاں رہی۔ منافع میں اضافہ کی بنیادی وجہ قیمتوں میں سازگار اضافے کی بدولت ملکی اور غیرملکی آمدنی میں 22.05% اضافہ ہے۔ فروخت لاگت 17.98% تک زیادہ ہوگئی جو خام مواد کی قیمتوں میں نمایاں اضافہ کے باوجود مؤثر لاگت انتظامات کے باعث فروخت میں اضافہ سے کم ہے۔ مجموعی منافع میں 59.46% کے غیر معمولی اضافہ کی ایک وجہ پاکستانی روپے کی ڈالر کے مقابلہ میں تیز رفتار فرسودگی ہے۔ منافع کی پیائش کا کلیدی خلاصہ حسب ذیل ہے:

مالی جھلکیاں	31 مارچ مختتمہ نوماہی		اضافہ / (کمی) فیصد
	2019	2018	
آمدنی (روپے '000)	47,159,409	38,640,534	22.05
مجموعی منافع (روپے '000)	6,038,776	3,786,987	59.46
قبل از ٹیکس منافع (روپے '000)	4,687,694	3,241,962	44.59
بعد از ٹیکس منافع (روپے '000)	4,136,694	2,764,962	49.61
مجموعی منافع (فیصد)	12.81	9.80	
بعد از ٹیکس منافع (فیصد)	8.77	7.16	
فی شیئر آمدنی- (روپے)	11.77	7.86	

کمپنی کے مالی اخراجات نمایاں طور پر زیادہ ہوگئے جس کی بنیادی وجہ کمپنی کی اوسط قرض کی شرح میں اضافہ ہے۔ مختصر مدتی قرضوں میں بھی کپاس کی خریداری اور ذیلی کمپنیوں کو ورکنگ کیپٹل قرضوں کی وجہ سے اضافہ ہوا۔

عام مارکیٹ کا جائزہ اور مستقبل کے امکانات

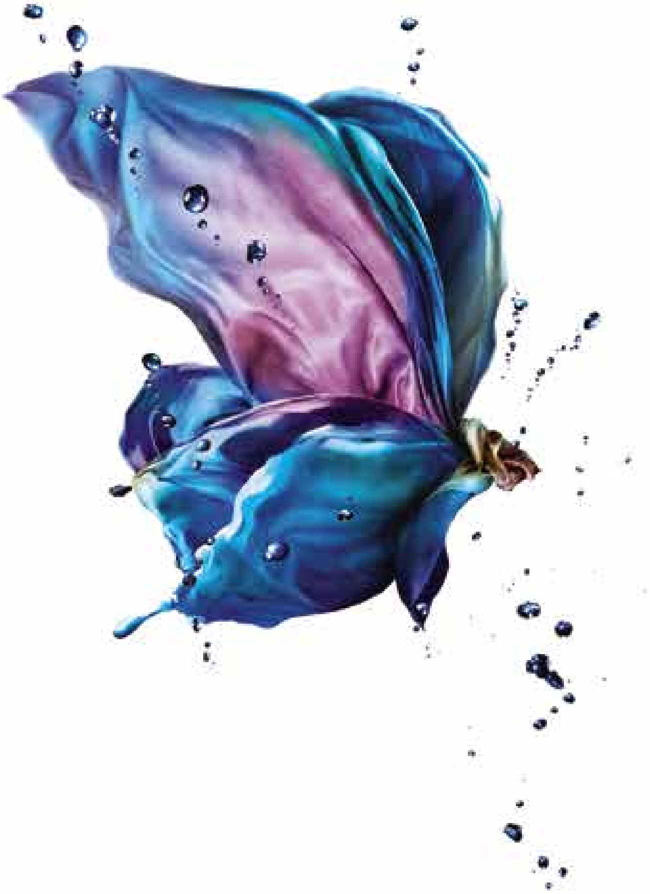
سست عالمی اقتصادی ترقی، امریکی ڈالر کے برعکس پاکستانی روپیہ کی قدر میں مسلسل کمی، ٹیرف پالیسی پر امریکہ اور چین کے مابین بے نتیجہ بریگزٹ اور تجارتی تنازعہ کے باعث مالی سال 19-2018 کے پہلے نوماہ کے دوران غیر یقینی معاشی حالات غالب رہے۔ اس طرح کی غیر متوقع صورتحال نے خریداروں کو الجھن میں ڈال دیا جس کے اقتصادی سرگرمی پر منفی اثرات مرتب ہوئے۔ تاہم حکومت پاکستان برآمد کنندہ شعبوں کی پیداواری لاگت کم کرکے برآمدات کو فروغ دینے کے لیے بشمول ٹیکسٹائل پانچ برآمد کنندہ شعبوں کو 27 ستمبر 2018 سے گیس اور 1 جنوری 2019 سے بجلی کم نرخوں 6.5 ڈالر فی mmbtu اور 7.5 سینٹ فی KWh فراہم کرے گی۔ ان اقدامات نے برآمد کنندان کی بہت مدد کی ہے اور ان کی بین الاقوامی منڈی میں مقابلہ کرنے کی استطاعت میں اضافہ کیا ہے۔

شعبہ وار تجزیہ

شعبہ وارانہ کارکردگی کا تجزیہ درج ذیل ہے جس کے مطابق ویونگ، ڈائنگ اور ہوم ٹیکسٹائیل کے شعبوں کی کارکردگی انتہائی شاندار رہی۔

سپننگ

31 مارچ 2019 کو ختم ہونے والی نوماہی میں سپننگ صنعت کو مقامی فصل کپاس میں شارٹ فال کی وجہ سے کپاس کی بلند قیمتیں اور سست عالمی اقتصادی نمو جیسی کئی مشکلات کا سامنا رہا ہے۔ دوسری طرف، کپاس کی وافر فراہمی کی دستیابی کی وجہ سے بین الاقوامی مارکیٹ میں کپاس کی قیمتیں کم تھی۔ اس لئے، بین الاقوامی مارکیٹ میں یارن کی قیمتوں نے کمی کا رجحان ظاہر کیا جس نے برآمد کنندگان کمپنیوں کے لئے یارن کو مسابقتی شرحوں پر فروخت کرنا مشکل بنا دیا۔



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