



Nishat Mills Limited

Interim Financial Report of Nishat Mills Limited
for the period ended 31 March 2020

A 3D graphic consisting of a series of green bars of varying heights, arranged in a perspective view. The bars are rendered with a gradient from light green to dark green, giving them a three-dimensional appearance. They are set against a white background with a subtle shadow beneath them.

Accelerating
focussed growth

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Company Information

Board of Directors

Mian Umer Mansha
Chief Executive Officer

Mian Hassan Mansha
Chairman

Mr. Mahmood Akhtar
Syed Zahid Hussain
Mr. Farid Noor Ali Fazal
Mrs. Sara Aqeel
Mrs. Mehak Adil

Audit Committee

Mrs. Mehak Adil
Chairperson / Member

Syed Zahid Hussain
Member

Mr. Farid Noor Ali Fazal
Member

Human Resource & Remuneration (HR & R) Committee

Mrs. Sara Aqeel
Chairperson / Member

Mian Umer Mansha
Member

Mr. Mahmood Akhtar
Member

Chief Financial Officer

Mr. Muhammad Azam

Company Secretary

Mr. Khalid Mahmood Chohan

Auditors

Riaz Ahmad & Company
Chartered Accountants

Legal Advisor

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

Bankers to the Company

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

Mills

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

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

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.

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

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

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

Stitching unit

21 K.M. Ferozepur Road, Lahore.

Terry Unit

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

Apparel Unit

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

Siddique Trade Centre,
Office No. PL-29, PL Floor,
72 Main Boulevard Gulberg 2,
Lahore.
Tel: 042-35781682

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.nishatmills.com

Liaison Office

1st Floor, Karachi Chambers,
Hasrat Mohani Road, Karachi.
Tel: 021-32414721-23
Fax: 021-32412936

Directors' Report

Directors of Nishat Mills Limited ("the Company") are pleased to present the Directors' Report for the nine month period ended 31 March 2020.

Operating Financial Results

Gross profit recorded a marginal decrease of 0.66% in the current nine month period ended 31 March 2020 as compared to corresponding period of the last year. Top line increased by 6.13% mainly because of favourable rate variances both in local and export sales. However, growth in revenue was not enough to setoff the increase of 7.13% in cost of sales due to increase in the cost of raw materials. Profit after tax recorded a decrease of 29.52% as a result of decrease in exchange gain on foreign currency and decrease in dividend income.

Financial Highlights	Nine months ended 31 March		Increase / (decrease) %
	2020	2019	
Revenue (Rs. '000')	50,052,054	47,159,409	6.13
Gross Profit (Rs. '000')	5,998,881	6,038,776	(0.66)
Profit after tax (Rs. '000')	2,915,415	4,136,694	(29.52)
Gross Profit (%)	11.99	12.81	
Profit after tax (%)	5.82	8.77	
Earnings per share – (Rs.)	8.29	11.77	

General Market Review and Future Prospects

Textile industry especially value added sector performed reasonably well during the period ended 31 March 2020 despite global stagnation of demand, increase in cost of doing business and trade suspension with India. The biggest challenge to Pakistani textile industry came during the third quarter in the form of outbreak of Covid-19 pandemic in China due to which most of the Chinese manufacturing facilities were shut down at the start of third quarter. Pakistan textile sector depends a lot on raw materials from China. Therefore, supplies of textile input such as dyes & chemicals, accessories and special fibers were disrupted and recorded an unprecedented increase in prices. Following the supply side shock, the global retailers started closing down their stores in an attempt to curtail the spread of coronavirus by the end of February. This further affected the entire production cycle of textile sector. The textile manufacturing facilities in Pakistan have also been shutdown after the lockdown announced by authorities on 24 March 2020.

Segment Analysis

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

Spinning

Profitability of the Spinning division improved during the current nine month period as compared to the corresponding nine month period despite continuous reduction in the demand and prices of cotton yarn in international market. Local market dynamics were good, therefore, both demand and prices increased. The

fourth quarter of the financial year is expected to be difficult due to Covid-19 pandemic. Although, Pak-China Free Trade Agreement has been finalized but its benefit have yet to be realized because of delay in the implementation.

Yarn	Nine months ended 31 March		Increase / (Decrease)	
	2020	2019	Value	% age
Sale – (kgs '000')	15,772	19,177	(3,405)	(17.76)
Rate / kg	404.06	378.01	26.05	6.89
Sale – (Rs. '000')	6,372,904	7,249,069	(876,165)	(12.09)

Weaving

Third quarter of FY 2019-20 experienced a rapid fall in both cotton and polyester fiber prices in international market which pushed downward the prices of greige cloth. Consequently, Weaving division is facing stiff competition for its export business which is the major part of our revenue. Moreover, both local and export markets have slowed down towards the end of this period due to outbreak of Covid-19. The Division may face cancellation or putting on hold of its orders for fashion and home textile fabric. However, business volume of workwear and technical fabric is expected to increase.

Grey Cloth	Nine months ended 31 March		Increase / (Decrease)	
	2020	2019	Value	% age
Sale – (meters '000')	62,950	62,086	864	1.39
Rate / meter	182.35	174.30	8.05	4.62
Sale – (Rs. '000')	11,479,182	10,821,553	657,629	6.08

Since the demand for wider width cloth business had been growing in the past, the Division had finalized its plan to add a new weaving shed of 132 wider width looms. This plan is expected to be postponed till the prospects of export-oriented textile industry are improved.

Dyeing

Financial performance of the Division was quite well during the nine month period ended on 31 March 2020. Normally, fourth quarter of a financial year is a slow period of business cycle, but this year we don't see much business activity in the last quarter of current fiscal year due to Covid-19 worldwide pandemic.

Processed Cloth	Nine months ended 31 March		Increase / (Decrease)	
	2020	2019	Value	% age
Sale – (meters '000')	33,956	36,397	(2,441)	(6.71)
Rate / meter	365.11	331.45	33.66	10.16
Sale – (Rs. '000')	12,397,587	12,063,849	333,738	2.77

Orders for the next two seasons from all of our major customers have either been cancelled or put on hold for indefinite period of time. At the moment, situation is quite fluid and it is very difficult to predict when things will get back to normal. It all depends on how Coronavirus situation evolves worldwide in coming weeks. We are in touch with all of our customers and keeping close eye on this unexpected and unusual situation.

Home Textile

Despite the negative effects of Covid-19 outbreak on demand of home textile products in third quarter, the Division was able to operate at optimum capacity level because there were plenty of orders in the pipeline, therefore, sales did not fall drastically. However, fourth quarter will be tough because of production shutdown and suspension of new orders placement. During fourth quarter we intend to modify our strategy to include the health care sector which is going to be a much bigger focus for textile products moving forward. Our hypothesis is that even if everything normalizes in next few months, health care sector will remain at the forefront of the new investment in the country as well as in the world so we are going to permanently dedicate our marketing and part of our capacity towards this sector. The Division already does some business in this segment but with new focus we intend to expand this line in coming months.

Processed Cloth and Made-ups	Nine months ended 31 March		Increase / (Decrease)	
	2020	2019	Value	% age
Sale – (meters '000')	19,342	19,746	(404)	(2.05)
Rate / meter	441.81	375.54	66.27	17.65
Sale – (Rs. '000')	8,545,465	7,415,411	1,130,054	15.24

The Company is planning to establish a towel manufacturing unit with project cost of approximately Rs. 1.5 billion which is the last missing link in our Home Textile product mix. Initial capacity of the project will be 10 Tons per day.

Garments

Financial results of Garments division significantly improved during the current nine month period as compared to the corresponding period of the last year. Profitability of the Division increased due to increase in customer base as a result of selling better quality products. During the period under review, the Division increased its focus on R&D, acquisition of advanced manufacturing techniques and indigenous training programs for the workforce. This has considerably increased the profitability of the Company by translating the enhanced skillset of workers into high quality products.

Garments	Nine months ended 31 March		Increase / (Decrease)	
	2020	2019	Value	% age
Sale – (garments '000')	4,686	4,280	406	9.49
Rate / garment	1,075.20	880.20	195.00	22.15
Sale – (Rs. '000')	5,038,386	3,767,265	1,271,121	33.74

Although the growth of the Division was remarkable during the period under review, the Covid-19 pandemic has severely affected the business of the Division. However, management believes that its proactive approach will again put the Division on growth trajectory as soon as pandemic is over.

Power Generation

The Company completed another environmentally friendly project by commissioning a 3 MW Wartsila Solar Power Plant at Sahianwala, Faisalabad during November 2019. The plans to acquire two more Solar Power Plants for Power Divisions located at Bhikki and Ferozwatwan are under process.

The project of 3.2 MW Steam Turbine for power plant located at Lahore has also completed in December 2019. This turbine generates electricity from high pressure / temperature steam produced by 9MW coal power plant before this steam is transferred at low pressure / temperature to production halls of Dyeing and Home Textile Divisions. Completion of this project has provided additional benefit from high pressure / temperature of steam which was previously wasted as steam at low pressure / temperature is required in fabric dyeing and finishing process.

Subsidiary Companies and Consolidated Financial Statements

Nishat Power Limited, Nishat Linen (Private) Limited, Nishat Hospitality (Private) Limited, Nishat Commodities (Private) Limited, Lalpir Solar Power (Private) Limited, Nishat USA Inc., Nishat Linen Trading LLC, Nishat International FZE, Nishat Global China Company Limited, Nishat UK (Private) Limited (dissolved on 23 July 2019) and Concepts Garments and Textile Trading FZE (dissolved on 26 December 2019) form portfolio of subsidiary companies of the Company. Therefore, the Company has annexed consolidated condensed interim financial information in addition to its separate condensed interim financial information, in accordance with the requirements of International Financial Reporting Standards.

Composition of Board of Directors

Shareholders of the Company in Extraordinary General Meeting held on 31 March 2020 elected new Board of Directors. The composition of the Board is as follows:

Total number of Directors:

a) Male	5
b) Female	2

Composition

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

Committees of the Board

Audit Committee of the Board:

Sr. No. Name of Directors

1	Mrs. Mehak Adil	Chairperson / Member
2	Syed Zahid Hussain	Member
3	Mr. Farid Noor Ali Fazal	Member

Human Resource and Remuneration Committee:

Sr. No. Name of Directors

1	Mrs. Sara Aqeel	Chairperson / Member
2	Mian Umer Mansha	Member
3	Mr. Mahmood Akhtar	Member

Directors' Remuneration

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

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

Acknowledgement

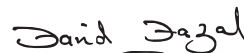
The Board is pleased about the efforts of the management, staff and workers.

For and on behalf of the Board of Directors



Mian Umer Mansha
Chief Executive Officer

29 April 2020
Lahore



Farid Noor Ali Fazal
Director



Unconsolidated Condensed Interim

Financial Statements of Nishat Mills Limited

For the period ended 31 March 2020

Unconsolidated Condensed Interim Statement of Financial Position

As at 31 March 2020

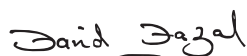
	Note	Un-audited 31 March 2020 (Rupees in thousand)	Audited 30 June 2019
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
1,100,000,000 (30 June 2019: 1,100,000,000) ordinary shares of Rupees 10 each		11,000,000	11,000,000
Issued, subscribed and paid-up share capital			
351,599,848 (30 June 2019: 351,599,848) ordinary shares of Rupees 10 each		3,515,999	3,515,999
Reserves		61,913,232	63,099,271
Total equity		65,429,231	66,615,270
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing - secured	4	8,080,904	5,259,927
Deferred income tax liability		215,440	215,440
		8,296,344	5,475,367
CURRENT LIABILITIES			
Trade and other payables		8,786,904	8,359,680
Accrued mark-up		205,814	235,337
Short term borrowings		21,900,072	17,982,262
Current portion of long term financing		65,958	1,784,470
Unclaimed dividend		90,755	93,006
		31,049,503	28,454,755
TOTAL LIABILITIES		39,345,847	33,930,122
CONTINGENCIES AND COMMITMENTS	5		
TOTAL EQUITY AND LIABILITIES		104,775,078	100,545,392

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



CHIEF EXECUTIVE OFFICER

	Note	Un-audited 31 March 2020 (Rupees in thousand)	Audited 30 June 2019
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	30,646,370	28,968,219
Investment properties		456,645	459,974
Long term investments		32,317,672	34,930,333
Long term loans		309,203	275,246
Long term deposits		100,634	114,360
		63,830,524	64,748,132
CURRENT ASSETS			
Stores, spare parts and loose tools		2,554,128	3,102,988
Stock in trade		18,540,391	17,008,459
Trade debts		4,961,097	4,711,061
Loans and advances		10,257,987	8,040,700
Short term deposits and prepayments		31,580	74,969
Other receivables		3,941,252	2,253,678
Accrued interest		45,041	28,780
Cash and bank balances		613,078	576,625
		40,944,554	35,797,260
TOTAL ASSETS		104,775,078	100,545,392



DIRECTOR



CHIEF FINANCIAL OFFICER

Unconsolidated Condensed Interim Statement of Profit or Loss


For the period ended 31 March 2020 (Un-audited)

	Note	Period ended		Quarter ended	
		31 March 2020	31 March 2019	31 March 2020	31 March 2019
(Rupees in thousand)					
REVENUE		50,052,054	47,159,409	17,184,367	16,444,921
COST OF SALES	7	(44,053,173)	(41,120,633)	(15,217,593)	(14,167,464)
GROSS PROFIT		5,998,881	6,038,776	1,966,774	2,277,457
DISTRIBUTION COST		(2,304,914)	(2,027,770)	(803,898)	(659,572)
ADMINISTRATIVE EXPENSES		(938,086)	(832,903)	(309,847)	(277,841)
OTHER EXPENSES		(282,669)	(227,714)	(31,915)	(47,643)
		(3,525,669)	(3,088,387)	(1,145,660)	(985,056)
		2,473,212	2,950,389	821,114	1,292,401
OTHER INCOME		2,342,681	2,925,835	928,742	287,290
PROFIT FROM OPERATIONS		4,815,893	5,876,224	1,749,856	1,579,691
FINANCE COST		(1,119,478)	(1,188,530)	(471,767)	(531,562)
PROFIT BEFORE TAXATION		3,696,415	4,687,694	1,278,089	1,048,129
TAXATION		(781,000)	(551,000)	(254,000)	(75,000)
PROFIT AFTER TAXATION		2,915,415	4,136,694	1,024,089	973,129
EARNINGS PER SHARE- BASIC AND DILUTED (RUPEES)	8	8.29	11.77	2.91	2.77

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



12 CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

Unconsolidated Condensed Interim Statement of Comprehensive Income

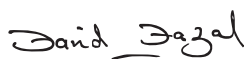
For the period ended 31 March 2020 (Un-audited)

	Period ended		Quarter ended	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	(Rupees in thousand)			
PROFIT AFTER TAXATION	2,915,415	4,136,694	1,024,089	973,129
OTHER COMPREHENSIVE (LOSS) / INCOME				
Items that will not be reclassified to profit or loss:				
(Deficit) / surplus arising on remeasurement of investments at fair value through other comprehensive income	(2,695,055)	(6,705,703)	(8,669,488)	647,183
Deferred income tax relating to this item	-	352,711	-	-
	(2,695,055)	(6,352,992)	(8,669,488)	647,183
Items that may be reclassified subsequently to profit or loss	-	-	-	-
Other comprehensive (loss) / income for the period - net of tax	(2,695,055)	(6,352,992)	(8,669,488)	647,183
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD	220,360	(2,216,298)	(7,645,399)	1,620,312

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 2020 (Un-audited)

	Note	Period ended	
		31 March 2020 (Rupees in thousand)	31 March 2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (used in) operations	9	2,930,291	(4,700,540)
Finance cost paid		(1,149,001)	(1,102,797)
Income tax paid		(683,078)	(491,006)
Net exchange difference on forward exchange contracts received		124,291	7,474
Net increase in long term loans to employees		(54,583)	(25,493)
Net decrease / (increase) in long term deposits		13,726	(37,381)
Net cash generated from / (used in) operating activities		1,181,646	(6,349,743)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(3,771,758)	(2,698,557)
Proceeds from sale of property, plant and equipment		74,624	88,791
Investments made		(642,000)	(300,000)
Loans and advances to subsidiary companies		(33,514,297)	(25,699,471)
Repayment of loans from subsidiary companies		31,253,631	21,765,753
Interest received		264,604	234,507
Dividends received		1,578,378	1,716,840
Net cash used in investing activities		(4,756,818)	(4,892,137)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		2,387,229	1,524,979
Repayment of long term financing		(1,284,764)	(1,637,684)
Short term borrowings - net		3,917,810	13,040,646
Dividend paid		(1,408,650)	(1,657,582)
Net cash from financing activities		3,611,625	11,270,359
Net increase in cash and cash equivalents		36,453	28,479
Cash and cash equivalents at the beginning of the period		576,625	104,827
Cash and cash equivalents at the end of the period		613,078	133,306

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 2020 (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 2019. 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, 2019 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 2019. The Company has adopted IFRS 16 from 01 July 2019. The new standard eliminates the classification of leases as either operating leases or finance leases and instead introduces a single lessee accounting model. IFRS 16 is not applicable on short-term leases and leases of low-value assets. The Company has only short-term operating leases, hence, the adoption of IFRS 16 does not have any impact on the amounts recognized in prior periods and is not expected to significantly affect the current or future periods.

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 2019.

	Un-audited 31 March 2020 (Rupees in thousand)	Audited 30 June 2019
4 LONG TERM FINANCING - SECURED		
Opening balance	7,044,397	7,335,739
Add: Obtained during the period / year	2,387,229	1,870,497
Less: Repaid during the period / year	(1,284,764)	(2,161,839)
	8,146,862	7,044,397
Less: Current portion shown under current liabilities	(65,958)	(1,784,470)
	8,080,904	5,259,927

5 CONTINGENCIES AND COMMITMENTS

a) Contingencies

- i) Guarantees of Rupees 2,745.037 million (30 June 2019: Rupees 2,255.144 million) are given by the banks of the Company to Sui Northern Gas Pipelines Limited against gas connections, Shell Pakistan Limited and Pakistan State Oil Limited against purchase of furnace oil, Director Excise and Taxation, Karachi against infrastructure cess, Chairman Punjab Revenue Authority, Lahore against infrastructure cess, Government of Punjab against fulfillment of sales orders and to the bank of Hyundai Nishat Motor (Private) Limited ("the associated company") to secure financial assistance to the associated company.
- ii) Post dated cheques of Rupees 7,613.855 million (30 June 2019: Rupees 6,695.544 million) are issued to customs authorities in respect of duties on imported items availed on the basis of consumption and export plans. If documents of exports are not provided on due dates, cheques issued as security shall be encashable.

b) Commitments

- i) Contracts for capital expenditure are approximately of Rupees 1,293.335 million (30 June 2019: Rupees 970.420 million).
- ii) Letters of credit other than for capital expenditure are of Rupees 3,632.447 million (30 June 2019: Rupees 874.187 million).
- iii) Outstanding foreign currency forward contracts of Rupees 2,443.944 million (30 June 2019: Rupees 463.868 million).

Selected Notes to the Unconsolidated Condensed Interim Financial Statements

For the period ended 31 March 2020 (Un-audited)

6 PROPERTY, PLANT AND EQUIPMENT

	Note	Un-audited 31 March 2020 (Rupees in thousand)	Audited 30 June 2019
Operating fixed assets - owned	6.1	28,052,155	28,450,899
Capital work-in-progress	6.2	2,594,215	517,320
		30,646,370	28,968,219
6.1 Operating fixed assets - Owned			
Opening book value		28,450,899	26,026,033
Add: Cost of additions during the period / year	6.1.1	1,707,083	5,194,332
		30,157,982	31,220,365
Less: Book value of deletions during the period / year	6.1.2	(57,948)	(113,648)
Less: Book value of assets written off during the year		-	(14,513)
		30,100,034	31,092,204
Less: Depreciation charged during the period / year		(2,047,879)	(2,641,305)
		28,052,155	28,450,899
6.1.1 Cost of additions			
Freehold land		9,729	681,669
Buildings on freehold land		45,611	1,149,589
Plant and machinery		1,482,248	3,188,288
Electric installations		8,927	26,873
Factory equipment		5,087	16,458
Furniture, fixtures and office equipment		16,731	26,937
Computer equipment		16,847	13,669
Vehicles		121,903	90,849
		1,707,083	5,194,332
6.1.2 Book value of deletions			
Buildings on freehold land		998	2,594
Plant and machinery		28,343	85,480
Electric installations		573	2,607
Factory equipment		-	144
Furniture, fixtures and office equipment		-	55
Computer equipment		689	269
Vehicles		27,345	22,499
		57,948	113,648

	Un-audited 31 March 2020 (Rupees in thousand)	Audited 30 June 2019
6.2 Capital work-in-progress		
Buildings on freehold land	530,834	86,916
Plant and machinery	1,910,508	369,312
Electric installations	1,170	1,163
Unallocated expenses	71,319	21,881
Letters of credit against machinery	1,426	1,159
Advances against purchase of land	46,541	23,658
Advances against furniture, fixtures and office equipment	1,701	1,948
Advances against purchase of vehicles	30,716	11,283
	2,594,215	517,320

	Period ended		Quarter ended	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	(Rupees in thousand)			
7 COST OF SALES				
Raw materials consumed	25,645,434	24,671,145	8,426,389	7,853,879
Processing charges	303,006	179,524	123,505	77,098
Salaries, wages and other benefits	4,940,519	4,195,817	1,634,360	1,365,902
Stores, spare parts and loose tools consumed	5,568,290	4,532,709	1,814,399	1,614,204
Packing materials consumed	1,053,443	927,344	351,950	318,951
Repair and maintenance	301,494	239,870	104,400	97,574
Fuel and power	5,023,377	4,808,575	1,565,694	1,453,363
Insurance	36,706	36,177	12,207	12,768
Other factory overheads	459,632	407,374	138,281	136,163
Depreciation	1,966,153	1,874,412	669,829	644,779
	45,298,054	41,872,947	14,841,014	13,574,681
Work-in-process				
Opening stock	2,015,512	2,022,712	2,182,193	2,264,837
Closing stock	(1,897,604)	(2,043,068)	(1,897,604)	(2,043,068)
	117,908	(20,356)	284,589	221,769
Cost of goods manufactured	45,415,962	41,852,591	15,125,603	13,796,450
Finished goods				
Opening stock	3,857,431	3,541,232	5,312,210	4,644,204
Closing stock	(5,220,220)	(4,273,190)	(5,220,220)	(4,273,190)
	(1,362,789)	(731,958)	91,990	371,014
	44,053,173	41,120,633	15,217,593	14,167,464

Selected Notes to the Unconsolidated Condensed Interim Financial Statements

For the period ended 31 March 2020 (Un-audited)

		Period ended	
		31 March 2020	31 March 2019
8	EARNINGS PER SHARE - BASIC AND DILUTED		
	There is no dilutive effect on the basic earnings per share which is based on:		
	Profit attributable to ordinary shareholders (Rupees in thousand)	2,915,415	4,136,694
	Weighted average number of ordinary shares (Numbers)	351,599,848	351,599,848
	Earnings per share (Rupees)	8.29	11.77

		Period ended	
		31 March 2020	31 March 2019
		(Rupees in thousand)	
	Note		
9	CASH GENERATED FROM / (USED IN) OPERATIONS		
	Profit before taxation	3,696,415	4,687,694
	Adjustments for non-cash charges and other items:		
	Depreciation	2,038,988	1,945,664
	Gain on sale of property, plant and equipment	(16,676)	(17,061)
	Dividend income	(1,578,378)	(1,716,840)
	Allowance for expected credit losses	227	-
	Impact of de-recognition of financial instrument carried at amortized cost	31,858	-
	Net exchange gain	(63,284)	(687,092)
	Interest income on loans and advances to subsidiary companies	(281,687)	(265,254)
	Interest income on sales tax refund bonds	(27,752)	-
	Finance cost	1,119,478	1,188,530
	Working capital changes 9.1	(1,988,898)	(9,836,181)
		2,930,291	(4,700,540)

9.1 Working capital changes

(Increase) / decrease in current assets:		
- Stores, spare parts and loose tools	548,860	(964,432)
- Stock in trade	(1,531,932)	(8,038,091)
- Trade debts	(217,128)	(2,332,045)
- Loans and advances	(33,917)	(79,484)
- Short term deposits and prepayments	43,389	62,021
- Other receivables	(1,129,547)	(102,149)
	(2,320,275)	(11,454,180)
Increase in trade and other payables	331,377	1,617,999
	(1,988,898)	(9,836,181)

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 and II) 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.
Terry:	Manufacturing of terry and bath products.
Garments:	Manufacturing of garments using processed fabric.
Power Generation:	Generation and distribution of power using gas, oil, steam, coal, solar and biomass.

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

11 RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS**i) Fair value hierarchy**

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

**Recurring fair value measurements
At 31 March 2020 - Un-audited**

Level 1

Level 2

Level 3

Total

(Rupees in thousand)

	Level 1	Level 2	Level 3	Total
Financial assets				
Fair value through other comprehensive income	24,543,718	-	3,181,950	27,725,668
Derivative financial assets	-	2,663	-	2,663
Total financial assets	24,543,718	2,663	3,181,950	27,728,331
Financial liabilities				
Derivative financial liabilities	-	103,431	-	103,431
Total financial liabilities	-	103,431	-	103,431

**Recurring fair value measurements
At 30 June 2019 - Audited**

Level 1

Level 2

Level 3

Total

(Rupees in thousand)

	Level 1	Level 2	Level 3	Total
Financial assets				
Fair value through other comprehensive income	27,238,774	-	3,004,950	30,243,724
Derivative financial assets	-	958	-	958
Total financial assets	27,238,774	958	3,004,950	30,244,682
Financial liabilities				
Derivative financial liabilities	-	7,583	-	7,583
Total financial liabilities	-	7,583	-	7,583

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

There were no transfers between levels 1 and 2 for recurring fair value measurements during the period ended 31 March 2020. Further there was no transfer out of level 3 measurements.

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

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

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

Selected Notes to the Unconsolidated Condensed Interim Financial Statements

For the period ended 31 March 2020 (Un-audited)

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

ii) Valuation techniques used to determine fair values

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

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

The following table presents the changes in level 3 items for the period ended 31 March 2020:

	Unlisted equity securities (Rupees in thousand)
Balance as on 30 June 2018 - Audited	4,228,528
Less: Deficit recognized in other comprehensive income	(1,749,227)
Balance as on 31 December 2018 - Unaudited	2,479,301
Add: Investment made during the period	29,609
Less: Deficit recognized in other comprehensive income	(163,960)
Balance as on 30 June 2019 - Audited	2,344,950
Add: Surplus recognized in other comprehensive income	-
Balance as on 31 March 2020 - Unaudited	2,344,950

iv) Valuation inputs and relationships to fair value

The following table summarizes 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 2020	30 June 2019		31 March 2020	

(Rupees in thousand)

Fair value through other comprehensive income

Nishat Paper Products Company Limited	168,231	168,231	Revenue growth factor	9.55%	Increase / decrease in revenue growth factor by 0.05% and decrease / increase in discount rate by 1% would increase / decrease fair value by Rupees + 72.481 million / - 63.639 million.
			Risk adjusted discount rate	15.34%	
Nishat Dairy (Private) Limited	481,800	481,800	Terminal growth factor	4%	Increase / decrease in terminal growth factor by 1% and decrease / increase in discount rate by 1% would increase / decrease fair value by Rupees + 60.000 million / - 46.200 million.
			Risk adjusted discount rate	18.70%	
Security General Insurance Company Limited	676,364	676,364	Net premium revenue growth factor	8.66%	Increase / decrease in net premium revenue growth factor by 0.05% and decrease / increase in discount rate by 1% would increase / decrease fair value by Rupees + 32.519 million / - 29.656 million.
			Risk adjusted discount rate	22.08%	
Nishat Hotels and Properties Limited	1,018,555	1,018,555	Terminal growth factor	4%	Increase / decrease in terminal growth factor by 1% and decrease / increase in discount rate by 1% would increase / decrease fair value by Rupees + 386.400 million / - 271.664 million.
			Risk adjusted discount rate	14.82%	

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

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:

i) Transactions

	Period ended		Quarter ended	
	31 March	31 March	31 March	31 March
	2020	2019	2020	2019
	(Rupees in thousand)			
Subsidiary companies				
Investment made	405,000	-	-	-
Short term loans made	33,514,297	25,699,471	8,248,950	6,955,675
Repayment of short term loans made	31,253,631	21,765,753	9,346,943	8,325,112
Interest income	281,687	265,254	140,373	126,874
Rental income	45,611	41,588	15,882	14,333
Dividend income	188,213	270,949	188,213	-
Purchase of goods and services	318,094	317,119	117,491	82,889
Sale of goods and services	6,122,560	5,193,720	2,238,343	1,846,407
Associated companies				
Investment made	237,000	300,000	60,000	120,000
Purchase of goods and services	63,827	65,897	44,912	31,063
Sale of operating fixed assets	819	1,453	-	-
Sale of goods and services	11,920	14,456	3,159	4,034
Rental income	868	942	240	314
Dividend income	1,307,441	1,314,481	440,076	-
Dividend paid	121,487	143,886	-	-
Insurance premium paid	116,155	90,064	26,818	20,383
Insurance claims received	38,668	43,238	11,539	27,214
Finance cost	11,925	8,770	4,975	3,917
Other related parties				
Dividend income	81,723	130,757	-	-
Purchase of goods and services	2,227,335	1,878,437	792,775	613,584
Sale of goods and services	171,789	26,753	23,661	8,419
Company's contribution to provident fund trust	185,872	168,137	63,605	55,382
Remuneration paid to Chief Executive Officer, Director and Executives	697,359	614,419	221,311	205,502

Selected Notes to the Unconsolidated Condensed Interim Financial Statements

For the period ended 31 March 2020 (Un-audited)

ii) Period end balances	As at 31 March 2020			
	Subsidiary companies	Associated companies	Other related parties	Total
	(Rupees in thousand)			
Trade and other payables	32,346	29,143	73,936	135,425
Accrued markup	-	4,975	-	4,975
Short term borrowings	-	201,252	-	201,252
Long term loans	-	-	159,400	159,400
Trade debts	669,269	7,397	-	676,666
Loans and advances	9,402,303	-	61,114	9,463,417
Accrued interest	45,041	-	-	45,041
Cash and bank balances	-	2,879	53,757	56,636

	As at 30 June 2019 (Audited)			
	Subsidiary companies	Associated companies	Other related parties	Total
	(Rupees in thousand)			
Trade and other payables	23,309	50,548	51,768	125,625
Accrued markup	-	2,779	-	2,779
Short term borrowings	-	120,307	-	120,307
Long term loans	-	-	131,762	131,762
Trade debts	378,871	-	-	378,871
Loans and advances	7,144,060	-	43,772	7,187,832
Accrued interest	27,958	-	-	27,958
Cash and bank balances	-	2,871	1,331	4,202

13 FINANCIAL RISK MANAGEMENT

- i The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the Company for the year ended 30 June 2019.
- ii The outbreak of pandemic Coronavirus (COVID-19) has wide ranging economic and financial implications for global and Pakistani economy. On the advice of World Health Organization, the governments all over the world have responded to this health crisis by taking measures such as social distancing, border closure and domestic & international travel restrictions. The management of the Company is closely monitoring the situation and is in touch with its customers. The Company has already undertaken specific measures to ensure the health and safety of its employees. Government of Pakistan and State Bank of Pakistan ("SBP") are responding to the adverse economic impact by providing various financial stimulus and relaxations. The Company has availed the relaxations on offer vide following SBP circulars:

SBP has issued BPRD circular letter No. 13 of 2020 as on March 26, 2020. The circular allows to defer the repayment of principal loan by one year. SBP has also issued IH&SMEFD Circular No. 5 / 2020 as

on March 20, 2020, in which SBP has granted relaxations to exporters under Export Finance Scheme (EFS) / Islamic Export Refinance Scheme (IERS) and Long Term Financing Facility (LTFF) / Islamic Long Term Financing Facility (ILTFF).

14 DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were approved by the Board of Directors and authorized for issue on 29 April 2020.

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.

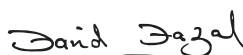
Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However, no significant re-arrangements have been made.

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 2020

Consolidated Condensed Interim Statement of Financial Position

As at 31 March 2020

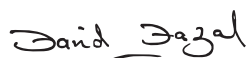
	Note	Un-audited 31 March 2020 (Rupees in thousand)	Audited 30 June 2019
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
1,100,000,000 (30 June 2019: 1,100,000,000) ordinary shares of Rupees 10 each		11,000,000	11,000,000
Issued, subscribed and paid-up share capital			
351,599,848 (30 June 2019: 351,599,848) ordinary shares of Rupees 10 each		3,515,999	3,515,999
Reserves		89,490,227	89,745,467
Equity attributable to equity holders of the Holding Company		93,006,226	93,261,466
Non-controlling interest		11,041,525	9,361,028
Total equity		104,047,751	102,622,494
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing - secured	5	8,082,539	5,915,226
Long term security deposit		255,360	217,030
Retirement benefit obligation		18,101	17,857
Deferred liability - accumulating compensated absences		1,259	2,321
Deferred income tax liability		2,445,550	2,399,735
		10,802,809	8,552,169
CURRENT LIABILITIES			
Trade and other payables		10,654,533	9,449,179
Accrued mark-up		477,867	469,245
Short term borrowings		27,951,732	24,402,574
Current portion of non-current liabilities		1,352,273	4,170,795
Unclaimed dividend		111,498	114,673
		40,547,903	38,606,466
TOTAL LIABILITIES		51,350,712	47,158,635
CONTINGENCIES AND COMMITMENTS	6		
TOTAL EQUITY AND LIABILITIES		155,398,463	149,781,129

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



CHIEF EXECUTIVE OFFICER

	Note	Un-audited 31 March 2020 (Rupees in thousand)	Audited 30 June 2019
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	43,270,809	41,697,384
Intangible assets		1,634	3,739
Long term investments		47,574,910	51,348,430
Long term loans		366,836	323,476
Long term deposits		224,248	213,901
		91,438,437	93,586,930
CURRENT ASSETS			
Stores, spare parts and loose tools		3,291,795	3,908,091
Stock-in-trade		27,379,313	24,368,886
Trade debts		25,207,838	21,795,191
Loans and advances		1,350,110	1,433,533
Short term deposits and prepayments		361,336	321,890
Other receivables		5,041,309	3,143,324
Accrued interest		3,503	2,862
Cash and bank balances		1,324,822	1,220,422
		63,960,026	56,194,199
TOTAL ASSETS		155,398,463	149,781,129



DIRECTOR



CHIEF FINANCIAL OFFICER

Consolidated Condensed Interim Statement of Profit or Loss


For the period ended 31 March 2020 (Un-audited)

	Note	Period ended		Quarter ended	
		31 March 2020	31 March 2019	31 March 2020	31 March 2019
(Rupees in thousand)					
REVENUE		73,260,529	70,277,201	23,341,028	23,583,187
COST OF SALES	8	(58,873,885)	(57,921,211)	(18,752,771)	(19,121,783)
GROSS PROFIT		14,386,644	12,355,990	4,588,257	4,461,404
DISTRIBUTION COST		(4,799,216)	(4,106,520)	(1,581,120)	(1,365,616)
ADMINISTRATIVE EXPENSES		(1,561,259)	(1,341,032)	(510,041)	(448,217)
OTHER EXPENSES		(304,174)	(225,468)	(26,088)	(46,105)
		(6,664,649)	(5,673,020)	(2,117,249)	(1,859,938)
		7,721,995	6,682,970	2,471,008	2,601,466
OTHER INCOME		1,713,531	1,823,865	591,093	161,019
PROFIT FROM OPERATIONS		9,435,526	8,506,835	3,062,101	2,762,485
FINANCE COST		(2,106,854)	(1,922,319)	(762,366)	(795,209)
		7,328,672	6,584,516	2,299,735	1,967,276
SHARE OF PROFIT FROM ASSOCIATES		481,650	1,347,133	53,389	596,868
PROFIT BEFORE TAXATION		7,810,322	7,931,649	2,353,124	2,564,144
TAXATION		(1,012,588)	(806,084)	(306,120)	(181,399)
PROFIT AFTER TAXATION		6,797,734	7,125,565	2,047,004	2,382,745
SHARE OF PROFIT ATTRIBUTABLE TO:					
EQUITY HOLDERS OF HOLDING COMPANY		4,943,781	5,689,076	1,416,143	1,876,402
NON-CONTROLLING INTEREST		1,853,953	1,436,489	630,861	506,343
		6,797,734	7,125,565	2,047,004	2,382,745
EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)	9	14.06	16.18	4.03	5.34

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



32 CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

Consolidated Condensed Interim Statement of Comprehensive Income

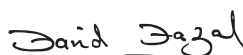
For the period ended 31 March 2020 (Un-audited)

	Period ended		Quarter ended	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	(Rupees in thousand)			
PROFIT AFTER TAXATION	6,797,734	7,125,565	2,047,004	2,382,745
OTHER COMPREHENSIVE (LOSS) / INCOME				
Items that will not be reclassified to profit or loss:				
(Deficit) / surplus arising on remeasurement of investments at fair value through other comprehensive income	(2,549,966)	(162,229)	(5,495,571)	381,708
Share of other comprehensive (loss) / income of associates	(1,254,524)	(631,213)	(2,446,070)	163,966
Deferred income tax relating to deficit on investments at fair value through other comprehensive income	-	62,935	-	-
	(3,804,490)	(730,507)	(7,941,641)	545,674
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	11,868	59,221	48,368	1,964
Other comprehensive (loss) / income for the period - net of tax	(3,792,622)	(671,286)	(7,893,273)	547,638
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD	3,005,112	6,454,279	(5,846,269)	2,930,383
SHARE OF TOTAL COMPREHENSIVE INCOME / (LOSS) ATTRIBUTABLE TO:				
Equity holders of holding company	1,151,159	5,017,790	(6,477,130)	2,424,040
Non-controlling interest	1,853,953	1,436,489	630,861	506,343
	3,005,112	6,454,279	(5,846,269)	2,930,383

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 2020 (Un-audited)

	Note	Period ended	
		31 March 2020 (Rupees in thousand)	31 March 2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (used in) operations	10	4,762,322	(3,402,181)
Finance cost paid		(2,098,232)	(1,769,668)
Income tax paid		(930,130)	(725,758)
Long term security deposits received		38,330	28,470
Net exchange difference on forward exchange contracts received		124,291	7,474
Net (decrease) / increase in retirement benefit obligation		(818)	2,036
Net increase in long term loans to employees		(68,747)	(45,056)
Net increase in long term deposits		(10,347)	(34,409)
Net cash generated from / (used in) operating activities		1,816,669	(5,939,092)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(4,366,742)	(3,235,663)
Proceeds from sale of property, plant and equipment		78,374	96,495
Dividends received		1,390,165	1,445,891
Interest received		106,596	4,260
Investments made		(246,500)	(315,000)
Net cash used in investing activities		(3,038,107)	(2,004,017)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		2,389,281	1,525,215
Repayment of long term financing		(3,040,490)	(3,147,887)
Exchange differences on translation of net investments in foreign subsidiaries		11,868	59,221
Short term borrowings - net		3,549,158	11,292,035
Dividend paid		(1,583,979)	(1,916,486)
Net cash generated from financing activities		1,325,838	7,812,098
Net increase / (decrease) in cash and cash equivalents		104,400	(131,011)
Cash and cash equivalents at the beginning of the period		1,220,422	831,688
Cash and cash equivalents at the end of the period		1,324,822	700,677

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 2020 (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 2019: 48.99%).

NISHAT LINEN (PRIVATE) LIMITED

Nishat Linen (Private) Limited, a wholly owned subsidiary of Nishat Mills Limited, is a private limited company incorporated in Pakistan under the 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 sell the textile products by processing the textile goods in own and outside manufacturing facility.

NISHAT HOSPITALITY (PRIVATE) LIMITED

Nishat Hospitality (Private) Limited, a wholly owned subsidiary of Nishat Mills Limited, is a private limited company incorporated in Pakistan under the 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. The management of Nishat International FZE, pursuant to resolution of board of directors of Nishat Mills Limited dated 26 February 2019, decided to liquidate Nishat UK (Private) Limited as Nishat UK (Private)

Selected Notes to the Consolidated Condensed Interim Financial Statements

For the period ended 31 March 2020 (Un-audited)

Limited never commenced its primary operations, therefore, Nishat UK (Private) Limited's financial statements have been prepared using the non-going concern basis of accounting. No adjustments to the assets or liabilities of Nishat UK (Private) Limited was considered necessary and Nishat UK (Private) Limited was dissolved on 23 July 2019.

NISHAT COMMODITIES (PRIVATE) LIMITED

Nishat Commodities (Private) Limited is a private limited Company incorporated in Pakistan on 16 July 2015 under the 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 19 November 2015 under the Companies Ordinance, 1984 (Now Companies Act, 2017). It is a wholly owned subsidiary of Nishat Power limited which is a subsidiary of Nishat Mills Limited. Its registered office is situated at 53-A, Lawrence Road, Lahore. The principal activity of the Company is to build, own, operate and maintain or invest in a solar power project having gross capacity upto 20 MWp with net estimated generation capacity of approximate 19 MWp. The Company achieved various milestones like approval of feasibility study, No Objection Certificate (NOC) from Environmental Protection Agency (EPA), approval of Grid Interconnection Study (GIS) from Multan Electric Power Company Limited (MEPCO) and has obtained the approval (NOC) from NTDC for GIS. Further, consent for purchasing power from the project and power evacuation certificate have also been provided by MEPCO and NTDC respectively. Generation Licence No. SPGL/26/2018 has been granted by National Electric Power Regulatory Authority (NEPRA) to the Company for its 11.120 MW Solar Power Plant located at Mauza Verar, Sipra Mehmood Kot, District Muzaffargarh, in the province of Punjab, pursuant to Section 14(B) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 / Amendment Act, 2018. The upfront solar tariff announced by NEPRA expired on 30 June 2016. However, the Company will now pursue with Power Acquisition Request (PAR) pending at Central Power Purchasing Agency (Guarantee) Limited and after getting required consents for Energy Purchase Agreement, the management shall try to get suitable tariff through new regime of competitive bidding, recently announced by NEPRA or as amended from time to time.

CONCEPT GARMENTS AND TEXTILE TRADING FZE

Concept Garments and Textile Trading FZE is incorporated as a free zone establishment with limited liability in accordance with the Law No. 9 of 1992 and licensed by the Registrar of Jabel Ali Free Zone Authority. It is wholly owned subsidiary of Nishat International FZE which is a wholly owned subsidiary of Nishat Mills Limited. Date of incorporation of the Company was 11 October 2016. The registered office of Concept Garments and Textile Trading FZE is situated at Jabel Ali Free Zone, Dubai. The principal business of the Company is trading in readymade garments and textile products. The management of Nishat International FZE, pursuant to resolution of board of directors of Nishat Mills Limited dated 26 April 2019, has decided to liquidate Concept Garments and Textile Trading FZE as Concept Garments and Textile Trading FZE do not intend to carry further operations, therefore Concept Garments and Textile Trading FZE's financial statements have been prepared using the non-going concern basis of accounting. It was dissolved on 26 December 2019.

2 BASIS OF PREPARATION

2.1 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.

2.2 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 group for the year ended 30 June 2019. These consolidated 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, 2019 and Section 237 of the Companies Act, 2017.

3 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 2019. The group has adopted IFRS 16 from 01 July 2019. The new standard eliminates the classification of leases as either operating leases or finance leases and instead introduces a single lessee accounting model. IFRS 16 is not applicable on short-term leases and leases of low-value assets. Further, as per SRO 431(I)/2007 dated 22 May 2007, the Securities and Exchange Commission of Pakistan directed that the Islamic Financial Accounting Standard 2 (IFAS 2), issued by the Institute of Chartered Accountants of Pakistan, shall be followed in regard to the financial statements by companies while accounting for Ijarah (Lease) transactions as defined in IFAS 2. As stated in Note 2.1 (statement of compliance), where provisions of and directives issued under the Companies Act, 2017 differ from the IFRSs, the provisions of and directives issued under the Companies Act, 2017 have been followed. Therefore, the group is not required to account for operating leases (Ijarah) under IFRS 16 'Leases'. Hence, the adoption of IFRS 16 does not have any impact on the amounts recognized in prior periods and is not expected to significantly affect the current or future periods.

4 CONSOLIDATION

a) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the

Selected Notes to the Consolidated Condensed Interim Financial Statements

For the period ended 31 March 2020 (Un-audited)

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'.

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 the Group'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 consolidated condensed interim financial statements, the significant judgments made by the management in applying the Group's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published consolidated financial statements of the Group for the year ended 30 June 2019.

	Un-audited 31 March 2020	Audited 30 June 2019
	(Rupees in thousand)	
5 LONG TERM FINANCING - SECURED		
Opening balance	10,086,021	12,429,612
Add: Obtained during the period / year	2,389,256	1,870,498
Less: Repaid during the period / year	(3,040,490)	(4,214,625)
Add: Currency translation	25	536
	9,434,812	10,086,021
Less: Current portion shown under current liabilities	(1,352,273)	(4,170,795)
	8,082,539	5,915,226

6 CONTINGENCIES AND COMMITMENTS

a) Contingencies

- i) Guarantees of Rupees 2,745.037 million (30 June 2019: Rupees 2,255.144 million) are given by the banks of Nishat Mills Limited - Holding Company to Sui Northern Gas Pipelines Limited against gas connections, Shell Pakistan Limited and Pakistan State Oil Limited against purchase of furnace oil, Director Excise and Taxation, Karachi against infrastructure cess, Chairman Punjab Revenue Authority, Lahore against infrastructure cess, Government of Punjab against fulfillment of sales orders and to the bank of Hyundai Nishat Motor (Private) Limited ('the associated company') to secure financial assistance to the associated company.
- ii) Post dated cheques of Rupees 7,613.855 million (30 June 2019: Rupees 6,695.544 million) are issued by Nishat Mills Limited - Holding Company to customs authorities in respect of duties on imported items availed on the basis of consumption and export plans. If documents of exports are not provided on due dates, cheques issued as security shall be encashable.
- iii) Holding Company's share in contingencies of associates accounted for under equity method is Rupees 5,950 million (30 June 2019: Rupees 6,346 million).
- iv) A sales tax demand of Rs 1,218.132 million was raised against Nishat Power Limited - Subsidiary Company through order dated December 11, 2013, passed by the Assistant Commissioner Inland Revenue ('ACIR') disallowing input sales tax for the tax periods of July 2010 through June 2012. The disallowance was primarily made on the grounds that since revenue derived by the Subsidiary Company on account of 'capacity revenue' was

Selected Notes to the Consolidated Condensed Interim Financial Statements

For the period ended 31 March 2020 (Un-audited)

not chargeable to sales tax, input sales tax claimed by the Subsidiary Company was required to be apportioned with only the input sales tax attributable to other revenue stream i.e. 'energy revenue' admissible to the Subsidiary Company. Upon appeal before Commissioner Inland Revenue (Appeals) ['CIR(A)'], such issue was decided in Subsidiary Company's favour, however, certain other issues agitated by the Subsidiary Company were not adjudicated. Both the Subsidiary Company and department have filed appeals against the order of CIR(A) before Appellate Tribunal Inland Revenue ('ATIR'), which are pending adjudication.

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

Similarly, for financial year 2014, Subsidiary Company's case was selected for 'audit' and such issue again formed the core of audit proceedings (involving input sales tax of Rs 596.091 million). Subsidiary Company challenged the jurisdiction in respect of audit proceedings before LHC and while LHC directed the management to join the subject proceedings, department was debarred from passing the adjudication order. During the year 2019, LHC has dismissed the petition in favour of the department, by allowing the department to complete the audit proceedings that are pending completion.

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

- v) During the year 2019, the Commissioner Inland Revenue has raised a demand of Rs 179.046 million against Nishat Power Limited - Subsidiary Company through his order dated April 16, 2019, mainly on account of input tax claimed on inadmissible expenses in sales tax return for the tax periods of July 2014 to June 2017 and sales tax default on account of suppression of sales related to tax period June 2016. The Subsidiary Company filed application for grant of stay before the ATIR against recovery of the aforesaid demand that was duly granted. Further, the Subsidiary Company has filed appeals before CIR(A) and ATIR against the order which is pending adjudication. Management of the Subsidiary Company has strong grounds to believe that the case will be decided in Subsidiary Company's favour. Therefore, no provision has been made on this account in this consolidated condensed interim financial information.
- vi) During the year 2019, National Electric Power Regulatory Authority (NEPRA) issued a show cause notice dated February 13, 2019, to Nishat Power Limited - Subsidiary Company along with other Independent Power Producers to provide rationale of abnormal profits earned since commercial operation date (COD) that eventually led to initiation of proceedings against the Subsidiary Company by NEPRA on March 18, 2019. The Subsidiary Company has challenged the authority of NEPRA to take suo moto action before the Islamabad High Court (IHC) wherein IHC has provided interim relief by suspending the suo moto proceedings. The case is currently pending adjudication before

IHC. Management of the Subsidiary Company is confident that based on the facts and law, there will be no adverse implications for the Subsidiary Company.

- vii) The banks have issued the following on behalf of Nishat Power Limited - Subsidiary Company:
 - a) Letter of guarantee of Rupees 11 million (30 June 2019: Rupees 11 million) in favour of Director Excise and Taxation, Karachi, under direction of Sindh High Court in respect of suit filed for levy of infrastructure cess.
 - b) Letters of guarantee of Rupees 100 million (30 June 2019: Rupees 100 million) in favour of fuel suppliers.
 - c) Letter of guarantee of Rupees 1.5 million (30 June 2019: Rupees 1.5 million) in favour of Punjab Revenue Authority, Lahore.
- viii) Guarantees of Rupees 90.350 million (30 June 2019: Rupees 89.350 million) are given by the banks of Nishat Linen (Private) Limited - Subsidiary Company to Director Excise and Taxation, Karachi against infrastructure cess, Chairman Punjab Revenue Authority, Lahore against infrastructure cess and Collectors of Customs against import consignments.
- ix) Through orders, the deemed assessments for tax years 2016, 2015, 2014, 2013 and 2012 were amended by Additional Commissioner Inland Revenue (ACIR) and Commissioner Inland Revenue (CIR) under section 122(5A) of the Income Tax Ordinance, 2001. Nishat Linen (Private) Limited - Subsidiary Company's appeals before Commissioner Inland Revenue [CIR(A)] were successful except for the legal issue of treating the Subsidiary Company as a manufacturer with relation to toll-manufactured goods. Appeals on this point have been filed before the Appellate Tribunal Inland Revenue which are pending adjudication. The Subsidiary Company is confident of favorable outcome of its appeals based on advice of the tax advisor and has carry forward minimum tax paid in tax years 2016, 2015 and 2014.
- x) Through notice dated 25 January 2018, issued by the Deputy Commissioner Inland Revenue (DCIR) under sections 161/205 of the Ordinance, Nishat Linen (Private) Limited - Subsidiary Company had been called upon to demonstrate its compliance with various withholding provisions of the Income Tax Ordinance, 2001. The subject proceedings have been finalized through order dated 03 August 2018, whereby, aggregate default amounting to Rupees 2.551 million has been adjudged against the Subsidiary Company. The Subsidiary Company's appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] was successful except for the legal issue amounting to Rupees 1.419 million. Appeal on this point has been filed before the Appellate Tribunal Inland Revenue which is pending adjudication. The Subsidiary Company is confident of favorable outcome of its appeal based on advice of the tax advisor.
- xi) Bank guarantee of Rupees 1.9 million (30 June 2019: Rupees 1.9 million) is given by the bank of Nishat Commodities (Private) Limited - Subsidiary Company in favour of Director, Excise and Taxation to cover the disputed amount of infrastructure cess.

Selected Notes to the Consolidated Condensed Interim Financial Statements

For the period ended 31 March 2020 (Un-audited)

b) Contingent asset

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

The LCIA appointed a sole Arbitrator and a hearing was also held in March 2018. During the year 2019, the Arbitrator has issued Partial Final Award in which he has rejected the NTDC's objection to the maintainability of the Arbitration Proceedings.

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

c) Commitments

- i) Contracts for capital expenditure of the Group are approximately of Rupees 1,314.603 million (30 June 2019: Rupees 1,005.666 million).
- ii) Letters of credit other than for capital expenditure of the Group are of Rupees 4,002.846 million (30 June 2019: Rupees 1,040.985 million).
- iii) Outstanding foreign currency forward contracts of Rupees 2,443.944 million (30 June 2019: Rupees 463.868 million)
- iv) The amount of future payments under operating lease and the period in which these payments will become due from Nishat Power Limited - Subsidiary Company are as follows:

	Un-audited 31 March 2020	Audited 30 June 2019
	(Rupees in thousand)	
Not later than one year	3,894	3,894

	Note	Un-audited 31 March 2020 (Rupees in thousand)	Audited 30 June 2019
7 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets - owned	7.1	40,430,835	40,835,226
Capital work in progress	7.2	2,735,627	687,957
Major spare parts and standby equipments		104,347	174,201
		43,270,809	41,697,384
7.1 Operating fixed assets - Owned			
Opening book value		40,835,226	38,812,949
Add: Cost of additions during the period / year	7.1.1	2,400,281	5,886,104
		43,235,507	44,699,053
Less: Book value of deletions during the period / year	7.1.2	(60,929)	(226,463)
Less: Book value of assets written off during the year		-	(14,910)
		43,174,578	44,457,680
Less: Depreciation charged for the period / year		(2,744,608)	(3,655,960)
Add: Currency translation		865	33,506
		40,430,835	40,835,226
7.1.1 Cost of additions			
Freehold land		9,729	681,669
Buildings on freehold land		300,579	1,395,389
Plant and machinery		1,624,394	3,364,189
Electric installations		126,944	48,267
Factory equipment		9,400	16,645
Furniture, fixtures and office equipment		136,396	140,689
Computer equipment		43,749	31,198
Vehicles		147,956	208,058
Kitchen equipment and crockery items		1,134	-
		2,400,281	5,886,104

Selected Notes to the Consolidated Condensed Interim Financial Statements

For the period ended 31 March 2020 (Un-audited)

	Un-audited 31 March 2020	Audited 30 June 2019
	(Rupees in thousand)	
7.1.2 Book value of deletions		
Buildings on freehold land	998	2,594
Plant and machinery	29,029	194,541
Electric installations	573	2,607
Factory equipment	-	144
Furniture, fixtures and office equipment	-	542
Computer equipment	689	462
Vehicles	29,640	24,987
Kitchen equipment and crockery items	-	586
	60,929	226,463
7.2 Capital work-in-progress		
Buildings on freehold land	563,566	199,825
Plant and machinery	1,933,662	376,033
Electric installations	20,694	38,103
Unallocated expenses	76,092	27,069
Letters of credit against machinery	1,426	1,159
Advance against purchase of land	67,852	23,658
Advances against furniture and office equipment	1,701	8,776
Advances against vehicles	70,634	13,334
	2,735,627	687,957

	Period ended		Quarter ended	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	(Rupees in thousand)			
8 COST OF SALES				
Raw materials consumed	38,646,369	40,006,004	11,900,103	12,834,474
Processing charges	584,295	428,749	206,169	240,931
Salaries, wages and other benefits	5,616,680	4,842,360	1,871,830	1,583,966
Stores, spare parts and loose tools consumed	5,730,442	4,830,058	1,841,333	1,706,470
Packing materials consumed	1,158,914	1,034,952	384,404	359,998
Repair and maintenance	344,689	304,256	112,678	129,363
Fuel and power	5,062,472	4,845,292	1,580,666	1,465,199
Insurance	244,244	199,524	81,468	67,096
Royalty	7,291	10,165	3,557	3,513
Other factory overheads	637,494	576,435	201,131	191,830
Depreciation and amortization	2,564,327	2,574,900	854,883	847,335
	60,597,217	59,652,695	19,038,222	19,430,175
Work-in-process				
Opening stock	2,218,560	2,517,792	2,301,385	2,984,643
Closing stock	(2,195,505)	(2,932,496)	(2,195,505)	(2,932,496)
	23,055	(414,704)	105,880	52,147
Cost of goods manufactured	60,620,272	59,237,991	19,144,102	19,482,322
Finished goods				
Opening stock	6,909,811	5,807,366	8,264,867	6,763,607
Closing stock	(8,656,198)	(7,124,146)	(8,656,198)	(7,124,146)
	(1,746,387)	(1,316,780)	(391,331)	(360,539)
	58,873,885	57,921,211	18,752,771	19,121,783

Selected Notes to the Consolidated Condensed Interim Financial Statements

For the period ended 31 March 2020 (Un-audited)

		Period ended	
		31 March 2020	31 March 2019
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)	4,943,781	5,689,076
	Weighted average number of ordinary shares of Holding Company (Numbers)	351,599,848	351,599,848
	Earnings per share (Rupees)	14.06	16.18

		Period ended	
		31 March 2020	31 March 2019
		(Rupees in thousand)	
	Note		
10	CASH GENERATED FROM OPERATIONS		
	Profit before taxation	7,810,322	7,931,649
	Adjustments for non-cash charges and other items:		
	Depreciation and amortization	2,734,493	2,717,213
	Gain on sale of property, plant and equipment	(17,445)	(19,371)
	Dividend income	(1,252,591)	(861,201)
	Allowance for expected credit losses	227	-
	Impact of de-recognition of financial instrument carried at amortized cost	31,858	-
	Profit on deposits with banks	(106,288)	(4,974)
	Share of profit from associates	(481,650)	(1,347,133)
	Net exchange gain	(62,797)	(687,305)
	Interest income on sales tax refund bonds	(27,752)	-
	Finance cost	2,106,854	1,922,319
	Working capital changes 10.1	(5,972,909)	(13,053,378)
		4,762,322	(3,402,181)
10.1	Working capital changes		
	(Increase) / decrease in current assets:		
	- Stores, spare parts and loose tools	616,296	(819,263)
	- Stock in trade	(3,010,427)	(9,610,098)
	- Trade debts	(3,380,226)	(3,887,498)
	- Loans and advances	71,934	(735,916)
	- Short term deposits and prepayments	(39,446)	(30,708)
	- Other receivables	(1,340,780)	404,823
		(7,082,649)	(14,678,660)
	Increase in trade and other payables	1,109,740	1,625,282
		(5,972,909)	(13,053,378)

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 and II) 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.
Terry:	Manufacturing of terry and bath products.
Garments:	Manufacturing of garments using processed fabric.
Power Generation:	Generation, transmission and distribution of power using gas, oil, steam, coal, solar 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.

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 consolidated 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 2020 - Un-audited	Level 1	Level 2	Level 3	Total
--	---------	---------	---------	-------

(Rupees in thousand)

(Rupees in thousand)				
Financial assets				
Investments at fair value through other comprehensive income	14,034,446	-	676,364	14,710,810
Derivative financial assets	-	2,663	-	2,663
Total financial assets	14,034,446	2,663	676,364	14,713,473
Financial liabilities				
Derivative financial liabilities	-	103,431	-	103,431
Total financial liabilities	-	103,431	-	103,431

Recurring fair value measurements At 30 June 2019 - Audited	Level 1	Level 2	Level 3	Total
--	---------	---------	---------	-------

(Rupees in thousand)

(Rupees in thousand)				
Financial assets				
Investments at fair value through other comprehensive income	16,584,412	-	676,364	17,260,776
Derivative financial assets	-	958	-	958
Total financial assets	16,584,412	958	676,364	17,261,734
Financial liabilities				
Derivative financial liabilities	-	7,583	-	7,583
Total financial liabilities	-	7,583	-	7,583

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

There were no transfers between levels 1 and 2 for recurring fair value measurements during the period ended on 31 March 2020. Further there was no transfer out of level 3 measurements.

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

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

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

Selected Notes to the Consolidated Condensed Interim Financial Statements

For the period ended 31 March 2020 (Un-audited)

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

ii) Valuation techniques used to determine fair values

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

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

The following table presents the changes in level 3 items for the period ended 31 March 2020:

		Unlisted equity securities (Rupees in thousand)
Balance as on 30 June 2018 - Audited		924,043
Less: Deficit recognized in other comprehensive income		(189,594)
Balance as on 31 December 2018 - Un-audited		734,449
Less: Deficit recognized in other comprehensive income		(58,085)
Balance as on 30 June 2019 - Audited		676,364
Less: Deficit recognized in other comprehensive income		-
Balance as on 31 March 2020 - Un-audited		676,364

iv) Valuation inputs and relationships to fair value

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

Description	Fair value at		Unobservable inputs	Range of inputs (probability-weighted average)	Relationship of unobservable inputs to fair value
	31 March 2020	30 June 2019		31 March 2020	
(Rupees in thousand)					
Fair value through other comprehensive income					
Security General Insurance Company Limited	676,364	676,364	Net premium revenue growth factor	8.66%	Increase / decrease in net premium revenue growth factor by 0.05% and decrease / increase in discount rate by 1% would increase / decrease fair value by Rupees +32.519 million / - 29.656 million.
			Risk adjusted discount rate	22.08%	

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

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:

i) Transactions

	Period ended		Quarter ended	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	(Rupees in thousand)			
Associated companies				
Investment made	246,500	300,000	60,000	120,000
Short term loans made	45,000	-	-	-
Purchase of goods and services	242,840	159,673	145,886	67,128
Purchase of operating fixed assets	8,113	-	8,113	-
Sharing of expenses	11,449	-	6,585	-
Sale of operating fixed assets	819	1,453	-	-
Sale of goods and services	73,035	33,103	9,296	11,071
Rental income	868	942	240	314
Rent paid	60,565	55,431	20,552	18,506
Dividend paid	121,487	143,886	-	-
Insurance premium paid	334,810	262,176	95,886	77,460
Insurance claims received	42,434	46,482	12,422	28,627
Interest income	6,268	1,412	5,029	378
Finance cost	30,639	25,853	10,074	11,410
Other related parties				
Purchase of goods and services	2,453,138	1,930,701	851,258	638,192
Sale of goods and services	307,298	27,278	81,634	8,585
Finance cost	616	571	129	205
Group's contribution to provident fund trust	236,578	210,912	80,744	70,097
Remuneration paid to Chief Executive Officer, Director and Executives of the Holding Company	697,359	614,419	221,311	205,502

Selected Notes to the Consolidated Condensed Interim Financial Statements

For the period ended 31 March 2020 (Un-audited)

ii) Period end balances	As at 31 March 2020		
	Associated companies	Other related parties	Total
	(Rupees in thousand)		
Trade and other payables	59,994	79,827	139,821
Accrued markup	4,975	-	4,975
Short term borrowings	201,252	-	201,252
Long term loans	-	176,894	176,894
Trade debts	9,112	10,307	19,419
Loans and advances	45,000	64,185	109,185
Other receivables	6,586	-	6,586
Accrued interest	1,566	-	1,566
Cash and bank balances	161,368	54,324	215,692
	As at 30 June 2019 (Audited)		
	Associated companies	Other related parties	Total
	(Rupees in thousand)		
Trade and other payables	76,315	49,156	125,471
Accrued markup	2,779	-	2,779
Short term borrowings	120,307	-	120,307
Long term loans	-	150,901	150,901
Trade debts	3,382	15,344	18,726
Loans and advances	-	47,416	47,416
Accrued interest	674	-	674
Cash and bank balances	45,759	1,544	47,303

14 FINANCIAL RISK MANAGEMENT

- i The Group's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published consolidated financial statements of the Group for the year ended 30 June 2019.
- ii The outbreak of pandemic Coronavirus (COVID-19) has wide ranging economic and financial implications for global and Pakistani economy. On the advice of World Health Organization, the governments all over the world have responded to this health crisis by taking measures such as social distancing, border closure and domestic & international travel restrictions. The management of the Group is closely monitoring the situation and is in touch with its customers. The Group has already undertaken specific measures to ensure the health and safety of its employees. Government of Pakistan and State Bank of Pakistan ("SBP") are responding to the adverse economic impact by providing various financial stimulus and relaxations. The Group has availed the relaxations on offer vide following SBP circulars:

SBP has issued BPRD circular letter No. 13 of 2020 as on March 26, 2020. The circular allows to defer the repayment of principal loan by one year. SBP has also issued IH&SMEFD Circular No. 5 / 2020 as on March 20, 2020, in which SBP has granted relaxations to exporters under Export Finance Scheme

(EFS) / Islamic Export Refinance Scheme (IERS) and Long Term Financing Facility (LTFF) / Islamic Long Term Financing Facility (ILTFF).

15 DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial information were approved by the Board of Directors and authorized for issue on 29 April 2020.

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

ہیومن ریسورس اور مشاہرہ (HR&R) کمیٹی:

نمبر شمار	نام ڈائریکٹرز
1	مسز سارہ عقیل (چیئر پرسن ارکن)
2	میاں عمر نیکا (رکن)
3	جناب محمود اختر (رکن)

ڈائریکٹرز کا مشاہرہ۔

بورڈ آف ڈائریکٹرز نے ڈائریکٹرز کے معاوضہ کی پالیسی کی منظوری دی ہے۔

پالیسی کی بنیادی خصوصیات مندرجہ ذیل ہیں:

- کمیٹی بورڈ اور اس کی کمیٹیوں کے اجلاسوں میں شرکت کی فیس کے سوائے آزاد ڈائریکٹرز سمیت اپنے نان ایگزیکٹو ڈائریکٹرز کو معاوضہ ادا نہیں کرے گی۔
- کمیٹی بورڈ اور اس کی کمیٹیوں کے اجلاسوں میں شرکت کے سلسلے میں ڈائریکٹرز کے سفر اور رہائش کے اخراجات ادا کرے گی۔
- بورڈ آف ڈائریکٹرز و تقاضا، ڈائریکٹرز معاوضہ پالیسی کا جائزہ اور اس کی منظوری دیں گے۔

انکھارنگ

بورڈ انتظامیہ، عملہ اور کارکنوں کی کوششوں کو سراہتا ہے۔

منجانب بورڈ آف ڈائریکٹرز

David Jozal

فریڈ ٹورٹی فضل
ڈائریکٹر

Umm Mansha

میاں عمر نیکا
چیف ایگزیکٹو آفیسر
129 اپریل 2020ء
لاہور

پاور جنریشن

کمپنی نے نومبر 2019 کے دوران ساہیانوالا، فیصل آباد میں 3 میگا واٹ کا دارسیلا سولر پاور پلانٹ لگا کر ایک اور ماحول دوست منصوبہ مکمل کیا۔ بجلی اور فیروز واٹوان میں واقع پاور ڈویژنوں کے لئے مزید دو سولر پاور پلانٹس حاصل کرنے کے منصوبے زیر عمل ہیں۔

لاہور میں واقع پاور پلانٹ کے لئے 3.2 میگا واٹ کے سٹیم ٹربائن کی تنصیب کا منصوبہ بھی دسمبر 2019 میں مکمل کیا گیا۔ یہ ٹربائن ڈانگ اور ہوم بیکنسٹائل ڈویژنوں کے پروڈکشن پائلوں کو کم پریشر/درجہ حرارت پر بھاپ منتقل کرنے سے قبل 9MW کوئلہ سے چلنے والے بجلی گھر سے پیدا ہونے والی ہائی پریشر/درجہ حرارت کی بھاپ سے بجلی پیدا کرتی ہے۔ اس پروجیکٹ کی تکمیل سے پہلے ضائع ہو جانے والی بھاپ کے ہائی پریشر/درجہ حرارت سے اضافی فائدہ حاصل ہوا ہے، کیونکہ ڈانگ اور اختتامی عوامل میں کم پریشر/درجہ حرارت پر بھاپ کی ضرورت ہوتی ہے۔

ذیلی کمپنیاں اور مستحکم مالی گوشوارے

نشاط پاور لمیٹڈ، نشاط لینن (پرائیویٹ) لمیٹڈ، نشاط ہاسٹیلٹی (پرائیویٹ) لمیٹڈ، نشاط کموڈٹیجز (پرائیویٹ) لمیٹڈ، لال پیرو سولر پاور (پرائیویٹ) لمیٹڈ، نشاط یو ایس اے انکارپوریٹڈ، نشاط لینن ٹریڈنگ LLC، نشاط انٹرنیشنل FZE، نشاط گلوبل چائنہ کمپنی لمیٹڈ، نشاط UK (پرائیویٹ) لمیٹڈ (23 جولائی 2019 کو اختتام شدہ) اور کنسپٹ گارمنٹس اینڈ ٹیکسٹائل ٹریڈنگ FZE (26 دسمبر 2019 کو اختتام شدہ) کمپنی کی ذیلی کمپنیوں کے پورٹ فولیو میں شامل ہیں۔ لہذا، کمپنی نے بین الاقوامی اقتصادی رپورٹنگ کے معیارات کے تقاضوں کے مطابق اپنی الگ الگ کنڈسڈ عبوری اقتصادی معلومات کے علاوہ اجتماعی متناسب عبوری مالی معلومات کو بھی منسلک کیا ہے۔

بورڈ کی تشکیل:

کمپنی کے حصہ داران نے 31 مارچ 2020 کو منعقد ہونے والی EOGM میں نئے ڈائریکٹرز کا انتخاب کیا۔ بورڈ کی تشکیل مندرجہ ذیل ہے۔

ڈائریکٹرز کی کل تعداد

5	(ا) مرد
2	(ب) خواتین
	تشکیل
2	(i) آڈٹرز/یکٹرز
4	(ii) نان ایگزیکٹو ڈائریکٹرز
1	(iii) ایگزیکٹو ڈائریکٹر

بورڈ کی کمپنیاں:

بورڈ کی آڈٹ کمیٹی:

نمبر شمار	نام ڈائریکٹرز
1	مسز مہک عادل (چیئر پرسن/رکن)
2	جناب سید زاہد حسین (رکن)
3	جناب فرید نور علی فضل (رکن)

تمام اہم کسٹمرز کے آرڈرز اگلے 2 مہینوں کیلئے منسوخ یا غیر معینہ مدت کیلئے منسوخ کر دیے گئے ہیں۔ تا حال صورتحال نازک ہے اور معاملات کے بہتر ہونے کے وقت کا تعین کرنا مشکل ہے۔ سب دارو مدار اس امر پر ہے کہ آنے والے ہفتوں میں عالمی طور پر کوہنہ وائرس صورتحال کیا رخ اختیار کرتی ہے۔ ہم اپنے کسٹمرز سے رابطے میں ہیں اور غیر متوقع ونامساعد صورتحال پر نظر رکھے ہوئے ہیں۔

ہوم ٹیکسٹائل

تیسری سہ ماہی میں ہوم ٹیکسٹائل پروڈکشن کی طلب میں COVID-19 وبا کے منفی اثرات کے باوجود ڈویژن ہذا مناسب استعدادی حد پر چلنے کے قابل رہی ہے جس کی وجہ پائپ لائن میں دستیاب آرڈرز تھے لہذا فروخت میں کمی نہ ہو سکی۔ تاہم پروڈکشن بند ہونے اور نئے آرڈرز کی دستیابی معطل ہونے کے باعث چوتھی سہ ماہی مشکل ہوئی۔ چوتھی سہ ماہی میں ہماری خواہش ہے کہ ہیلتھ کیئر کیلئے کوٹائل کیا جائے جو آئندہ ٹیکسٹائل پروڈکشن میں اچھے فوکس کا حامل ہوگا۔ ہمارا ماننا ہے کہ اگر کچھ مہینوں میں صورتحال نارمل ہو بھی جائے تو بھی ہیلتھ کیئر سیکٹر دنیا بھر میں سرمایہ کاری کا نیا مرکز ثابت ہوگا لہذا اہم مارکیٹنگ سمیت تمام استعدادیں سیکٹر ہذا کی جانب مبذول کر رہے ہیں۔ اس شعبہ میں ڈویژن ہذا پچھلے کچھ کام کر رہی ہے لیکن ہم آئندہ کچھ ماہ میں اس سمت میں توسیع کے خواہاں ہیں۔

اضافہ (کمی)		31 مارچ کو اختتام شدہ نو ماہی		پروسیڈر کلا تھا اینڈ میڈ ایس
فیصد	قدر	2019	2020	
(2.05)	(404)	19,746	19,342	فروخت - (میٹرز 1000)
17.65	66.27	375.54	441.81	قیمت فی میٹر
15.24	1,130,054	7,415,411	8,545,465	فروخت - (1000 روپے)

ڈویژن ہذا نے تقریباً 1.5 ارب روپے لاگت سے تولیہ تیار کرنے کا پونٹ قائم کرنے کی بھی منصوبہ بندی کی ہے جو ہمارے ہوم ٹیکسٹائل پروڈکٹ کے مجموعے میں آخری بچ جانے والی کڑی ہے۔ اس منصوبے کی ابتدائی گنجائش 10 مین یومیہ ہوگی۔

گارمنٹس

گزشتہ سال کے اسی دورانیہ کے مقابل موجودہ نو ماہیکے دورانیہ میں گارمنٹس ڈویژن کے مالیاتی نتائج میں نمایاں بہتری آئی ہے۔ بہتر معیاری پروڈکشن فروخت کرنے کے نتیجے میں کسٹمرز میں اضافہ ڈویژن ہذا کے منافع کا باعث ہے۔ مذکورہ بالا دورانیہ میں ڈویژن نے آر اینڈ ڈی، مالدیوائس مینوفیکچرنگ ٹیکنیک کے حصول اور کارکنوں کیلئے خصوصی تربیتی پروگرامز پر توجہ مرکوز ہے۔ اس طرح کارکنوں کی مہارت میں اضافے سے اعلیٰ معیاری پروڈکشن کے ذریعے کئی منافع میں خاطر خواہ اضافہ ہوا ہے۔

اضافہ (کمی)		31 مارچ کو اختتام شدہ نو ماہی		گارمنٹس
فیصد	قدر	2019	2020	
9.49	406	4,280	4,686	فروخت - (گارمنٹس 1000)
22.15	195.00	880.20	1,075.20	قیمت فی گارمنٹ
33.74	1,271,121	3,767,265	5,038,386	فروخت - (1000 روپے)

اگرچہ مذکورہ دورانیہ میں ڈویژن ہذا کی ترقی نمایاں رہی لیکن COVID-19 وبائی اس کو بھی متاثر کیا ہے۔ تاہم انتظامیہ پر یقین ہے کہ وبا کے خاتمے کے ساتھ ہی فعال نقطہ نظر کے ذریعے ڈویژن ہذا دوبارہ ترقی کی راہ پر گامزن ہوگی۔

مالی سال کی چوتھی سہ ماہی میں مشکلات متوقع ہیں تاہم پاک چین فری ٹریڈ معاہدے کی عملی تکمیل کے باوجود مل درآمد میں تاخیر کے باعث اس کے فوائد ابھی نہیں مل سکے۔

یارن	31 مارچ کو اختتام شدہ نو ماہی		2019	2020
	اضافہ/ (کمی)	قدر		
فروخت - (کلوگرام 1000)			19,177	15,772
قیمت فی کلو			378.01	404.06
فروخت - (1000 روپے)			7,249,069	6,372,904
	فیصد	قدر		
	(17.76)	(3,405)		
	6.89	26.05		
	(12.09)	(876,165)		

ڈیونگ

مالی سال 2019-20 کی تیسری سہ ماہی کے دوران بین الاقوامی مارکیٹ میں کائن اور پولیسٹر فائبر کی قیمتوں میں تیزی سے کمی کی وجہ سے گرنج کاتھ کی قیمت بھی نیچے گری ہے۔ نتیجہ کے طور پر ڈیونگ ڈویژن، جو ہمارے ریونیو کا بڑا حصہ ہے، مشکل حالات سے گزر رہی ہے۔ مزید برآں COVID-19 وبا کی وجہ سے مقامی اور برآمدی منڈیاں سست رہی کا شکار ہیں۔ فیشن اور ہوم ٹیکسٹائل فیکٹری سے متعلقہ آرڈرز منسوخ ہونے یا تاخیر کا امکان ہے تاہم ورک ویئر اور ٹیکنیکل فائبر کے کاروباری حجم میں اضافہ متوقع ہے۔

گرے کاتھ	31 مارچ کو اختتام شدہ نو ماہی		2019	2020
	اضافہ/ (کمی)	قدر		
فروخت - (میٹر 1000)			62,086	62,950
قیمت فی میٹر			174.30	182.35
فروخت - (1000 روپے)			10,821,553	11,479,182
	فیصد	قدر		
	1.39	864		
	4.62	8.05		
	6.08	657,629		

جیسا کہ ماضی میں Wider width کاتھ بزنس ترقی کر رہا تھا، ڈویژن نے 132 عدد Wider width لومز کے نئے ویونگ شیلڈ کے اضافے کا حتمی منصوبہ بنالیا تھا جو کہ برآمدے متعلقہ ٹیکسٹائل انڈسٹری کے معاملات بہتر ہونے تک مؤخر کیا گیا ہے۔

ڈائنگ

31 مارچ 2020 کو اختتام پذیر دورانیہ میں ڈویژن کی مالی کارکردگی تسلی بخش رہی۔ عمومی طور پر مالی سال کی چوتھی سہ ماہی کا رو باری سائیکل میں سست ہوتی ہے لیکن موجودہ سال کی آخری سہ ماہی میں COVID-19 وبا پھیلنے کے باعث کاروباری سرگرمی میں کمی متوقع ہے۔

پروسیڈ کاتھ	31 مارچ کو اختتام شدہ نو ماہی		2019	2020
	اضافہ/ (کمی)	قدر		
فروخت - (میٹر 1000)			36,397	33,956
قیمت فی میٹر			331.45	365.11
فروخت - (1000 روپے)			12,063,849	12,397,587
	فیصد	قدر		
	(6.71)	(2,441)		
	10.16	33.66		
	2.77	333,738		

نشاہ ملز لمیٹڈ ("کمپنی") کے ڈائریکٹرز 31 مارچ 2020ء کو اختتام شدہ نو ماہی کیلئے ڈائریکٹرز رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

آپریٹنگ مالی نتائج

گزشتہ سال کی اسی نو ماہی کے مقابل 31 مارچ 2020ء کو اختتام شدہ موجودہ نو ماہی کے دوران کمپنی کے مجموعی منافع میں 0.66 فیصد کی معمولی کمی ہوئی ہے۔ مقامی اور برآمدی فروخت دونوں میں سائز گارڈ شرح کے رد و بدل کے باعث ناپ لائن میں 6.13 فیصد کی شرح سے اضافہ ہوا ہے۔ تاہم خام مال کی لاگت میں اضافے کی وجہ سے ریونیو کی ترقی اس کے اضافے کو 7.13 فیصد کی شرح تک لے جانے کیلئے ناکافی رہی۔ ٹیکس کٹوتی، فارن کرنسی میں آنکھنچ ریٹ اور ڈیویڈنڈ آمدنی میں کمی کے باعث منافع میں 29.52 فیصد کی کمی ہوئی ہے۔

اضافہ / (کمی) فیصد	31 مارچ کو اختتام شدہ نو ماہی		مالی جھلکیاں
	2019	2020	
6.13	47,159,409	50,052,054	آمدنی (روپے 000)
(0.66)	6,038,776	5,998,881	مجموعی منافع (روپے 000)
(29.52)	4,136,694	2,915,415	بعد از ٹیکس منافع (روپے 000)
	12.81	11.99	مجموعی منافع (فیصد)
	8.77	5.82	بعد از ٹیکس منافع (فیصد)
	11.77	8.29	منافع فی حصص - (روپے)

عام مارکیٹ کا جائزہ اور مستقبل کے امکانات

طلب کے عالمی جمود، کاروبار کرنے کی لاگت میں اضافہ اور بھارت کے ساتھ تجارتی معطلی کے باوجود 31 مارچ 2020ء کو اختتام شدہ نو ماہی کے دوران ٹیکسٹائل کے شعبے بالخصوص ویلیو ایڈڈ ٹیکسٹائل نے خاطر خواہ کارکردگی کا مظاہرہ کیا ہے۔ پاکستانی ٹیکسٹائل انڈسٹری کو درپیش سب سے بڑا چیلنج تیسری سہ ماہی میں سامنے آیا جب COVID-19 وبا کے پھیلنے کی وجہ سے چین کی مینوفیکچرنگ سہولیات کی بندش ہوئی۔ پاکستانی ٹیکسٹائل سیکٹر چین سے درآمدہ خام مال پر انحصار کرتا ہے لہذا ٹیکسٹائل سے متعلق ایشیا، جیسیا کہ ڈائیز، کیمیکلز، ماسینریز اور خصوصی دھالے کی ترسیل متاثر ہوئی اور قیمتوں میں غیر متوقع اضافہ دیکھا گیا۔ سپلائی متاثر ہونے کے ساتھ ساتھ کورونا وائرس کے پھیلاؤ کو روکنے کیلئے عالمی ریٹھیز سے فروری کے آخر تک اپنے سٹورز بند کرنا شروع کر دیے۔ اس وجہ سے ٹیکسٹائل سیکٹر کی پیداواری صلاحیت مزید متاثر ہوگی پاکستان میں بھی 24 مارچ 2020ء کو حکومت کی جانب سے اعلان کردہ لاک ڈاؤن کے باعث ٹیکسٹائل مینوفیکچرنگ سہولیات بند ہیں۔

شعبہ دار تجزیہ

کمپنی کے شعبہ دار کارکردگی کا مختصر جائزہ مندرجہ ذیل ہے۔

سپننگ

عالمی مارکیٹ میں کپاس (یارن) کی طلب اور قیمتوں میں مسلسل کمی کے باوجود موجودہ نو ماہی کے دوران یہی میں گزشتہ سال کی اسی دورانیے کے مقابل سپننگ ڈویژن کے منافع میں بہتری آئی ہے۔ دوسری طرف مقامی مارکیٹ کافی مددگار رہی لہذا طلب اور قیمت دونوں میں اضافہ ہوا ہے۔ COVID-19 وبا کے باعث موجودہ



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