

Interim Financial Report of Nishat Mills Limited
for the period ended March 31, 2014

PASSION
POTENTIAL
POSSIBILITY

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Company Information

Board of Directors

Mian Umer Mansha
Chief Executive Officer
Mian Hassan Mansha
Chairman

Mr. Khalid Qadeer Qureshi
Syed Zahid Hussain
Mr. Saeed Ahmad Alvi
Ms. Nabiha Shahnawaz Cheema
Mr. Maqsood Ahmad

Audit Committee

Mr. Khalid Qadeer Qureshi
Chairman/Member
Syed Zahid Hussain
Member
Ms. Nabiha Shahnawaz Cheema
Member

Human Resource & Remuneration (HR & R) Committee

Mian Hassan Mansha
Chairman/Member
Mian Umer Mansha
Member
Mr. Khalid Qadeer Qureshi
Member
Ms. Nabiha Shahnawaz Cheema
Member

Chief Financial Officer

Mr. Badar-ul-Hassan

Company Secretary

Mr. Khalid Mahmood Chohan

Auditors

Riaz Ahmad & Company
Chartered Accountants

Legal Advisor

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

Bankers to the Company

Albaraka Bank (Pakistan) Limited
Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Islami Pakistan Limited
Barclays Bank PLC
Burj Bank Limited
Citibank N.A.
Deutsche Bank AG
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
HSBC Bank Middle East Limited
JS Bank Limited
KASB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
NIB Bank Limited
Pak Brunei Investment Company Limited
Pak Oman Investment Company Limited
Pakistan Kuwait Investment
Company (Private) Limited
Samba Bank Limited
Saudi Pak Industrial & Agricultural
Investment Company Limited
Silk Bank Limited
Soneri Bank Limited
Summit Bank Limited
Standard Chartered Bank
(Pakistan) Limited
The Bank of Punjab
United Bank Limited

Mills

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

Spinning unit & Power plant

20 K.M. Sheikhpura Faisalabad Road,
Feroze Watwan.

Weaving units & Power plant

12 K.M. Faisalabad Road, Sheikhpura.

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

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

Stitching unit

21 K.M. Ferozepur Road, Lahore.

Apparel Unit

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

Registered Office & Shares Department

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

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

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

Directors' Report

Directors of Nishat Mills Limited ("the Company") are pleased to present the Directors' Report for the nine month ended 31 March 2014.

Operating Financial Results

The Company earned a profit after tax of Rs. 4.623 billion in the current nine month period which is an increase of 12.46% over the profit after tax of the corresponding nine month period of last year. Gross profit increased by Rs. 371 million (5.60%) which was due to favourable rate variances both in local and export sales in the current nine month period as compared to corresponding nine month period. However, there is a slight decrease in gross profit percentage from 17.03% in the corresponding nine month to 16.78% in the current nine months under review which is attributable to the rapid appreciation of Pak Rupee in the third quarter of the current nine months. Pak Rupee strengthened from Rs. 104.70 per US\$ as at 01 March 2014 to Rs. 97.70 per US\$ as at 31 March 2014 which resulted in exchange losses for the Company and adversely affected the gross profit percentage.

Financial Highlights	Nine month ended 31 March		Increase/ (decrease) %
	2014	2013	
Net Sales (Rs. '000')	41,687,474	38,895,854	7.18
Gross Profit (Rs. '000')	6,993,398	6,622,309	5.60
Profit before tax (Rs. '000')	5,102,207	4,510,154	13.13
Profit after tax (Rs. '000')	4,623,207	4,111,154	12.46
Gross Profit (%)	16.78	17.03	
Profit after tax (%)	11.09	10.57	
Earnings per share – (Rs.)	13.15	11.69	

Dividend income is a significant contributor towards profitability which is Rs. 2 billion in the nine month period; an increase of 29.86% over the dividend income received in the corresponding nine month period.

General Market Review and Future Prospects

Export sales of Pakistani products are declining in the stagnant global economy due to weak demand and unsold cotton stocks worldwide especially in China. A stronger Rupee against US Dollar has further put pressure on exporters belonging to textile industry. The industry's exports suffered losses due to the depreciation of US Dollar against the Pak Rupee in the quarter ended March 2014. The last quarter of the year will remain difficult till the imbalance created by exchange rate is normalized. The upsurge in overhead costs due to high fuel and power costs has also lead to increased pressure on the textile industry.

Spinning

Cotton prices increased in the nine month period of financial year 2013-14 as compared to corresponding nine month period of financial year 2012-13 by 15.83%. However, the trend in cotton prices was relatively stable at this increased level throughout the first nine months of the financial year 2013-14. In order to fulfill the production needs, the Company started buying cotton as soon as new crop arrived in the market and completed its procurement at the start of third quarter.

Cotton	Nine month ended 31 March		Increase / (Decrease)	
	2014	2013	Value	% age
Purchase rate / Maund	6,791	5,863	928	15.83

The prices of yarn were under pressure due to stiff competition both in local and export market as a result of availability of cheaper Indian yarn in International market and decision of China to use previously accumulated huge cotton stocks. However, due to efforts of our marketing team, the Company was able to secure 12.94% increase in sale of yarn.

Directors' Report

Yarn	Nine month ended 31 March		Increase / (Decrease)	
	2014	2013	Value	% age
Sale – (kgs '000')	21,470	21,050	420	2.00
Rate / kg	379.36	342.59	36.77	10.73
Sale – (Rs. '000')	8,144,863	7,211,507	933,356	12.94

Weaving

Grey fabric market especially in Far Eastern Countries such as China and Hong Kong has remained extremely bearish over last three to four months. European markets remained quite as always in January and February but in March we have seen some activity. Due to depreciation of Dollar against Rupee, Pakistani exports have become expensive by around 5% to 6% and Europeans customers are not prepared to give rise of a single cent. This scenario has made the realization of benefit of GSP Plus status somewhat difficult.

Our short term strategy during this difficult period is to maintain our market share. Stiff competition is really driving the grey cloth prices downward but we have to counter it in order to keep our leading position. Long term policy as always is to keep our division product wise and market wise diversified.

Our new 100 Toyota Air Jet looms have arrived and gradual commissioning of these looms has started. Our plan is to make this new unit fully operational by the end of April 2014.

Grey Cloth	Nine month ended 31 March		Increase / (Decrease)	
	2014	2013	Value	% age
Sale – (meters '000')	54,700	50,026	4,674	9.34
Rate / meter	172.23	161.04	11.19	6.95
Sale – (Rs. '000')	9,421,142	8,056,354	1,364,788	16.94

Processing and Home Textile

Processing division performed remarkably well during the nine months period from July 2013 to March 2014. The division achieved its target despite the vociferous economic conditions. We were able to achieve our sales target only due to our broad customer base and proactive marketing strategy.

The performance of Home Textile division in third quarter remained stable as was expected though production capacity allocated for export orders remained slightly underutilized. Last month of the quarter was especially tough because devaluation of Dollar negatively affected the expected profit margins. Despite the declining trends in prices, we have received appropriate number of orders in the last month which have occupied our capacity in full. The benefit of these orders will be realized in the next quarter.

Due to recent GSP Plus status awarded by European Union, we have been able to receive some significant volume based projects in Europe, which has given a valuable boost to our already stable business line. Whole expansion process of increasing our production capacity during past one year has really played an imperative role to take care of increased business inflow after the declaration of GSP Plus status for Pakistan.

Other than Europe, the USA and Australian markets are also showing positive growth in whole product mix from basic to high confectioned and fashion bedding. All these markets are growing with an energetic pace and are generating substantial opportunities for us.

Processed Cloth and Made-ups	Nine month ended 31 March		Increase / (Decrease)	
	2014	2013	Value	% age
Sale – (meters '000')	53,187	59,710	(6,523)	(10.92)
Rate / meter	304.04	267.23	36.81	13.77
Sale – (Rs. '000')	16,171,031	15,956,041	214,990	1.35

Garments

Garments division showed the decrease in sales by 4.78% during nine month period of financial year 2013-14 as compared to corresponding nine month period of financial year 2012-13.

First nine months were very challenging for Garments Division. The first quarter remained slow in terms of market demand. Sales and production activity picked up in the second quarter of the Financial Year 2013-14 and healthy results were witnessed. The third quarter though started well but a stronger rupee had a negative effect on bottom line. Garments division imports substantial amount of raw material which has benefited it to some extent. Because of expected increase in demand of apparel products and our plan of doubling up of our production capacity through a brand new state of the art plant in the next financial year, Garments division is poised to generate good results.

The effects of GSP Plus status are still to show its benefits. There is an increased activity from Europe with larger volumes which is complemented by an aggressive marketing drive to have better businesses. All this with heavy investments going into value addition, Garments division is expected to perform better in near future.

Garments	Nine month ended 31 March		Increase / (Decrease)	
	2014	2013	Value	% age
Sale – (garments '000')	4,631	5,033	(402)	(7.99)
Rate / garment	797.69	770.84	26.85	3.48
Sale – (Rs. '000')	3,694,086	3,879,646	(185,560)	(4.78)

Power Generation

The energy crises in the country are still unresolved and the Company has to use electricity generated from expensive energy sources such as furnace oil and diesel which makes our products uncompetitive in the international market. However, the Company is taking many steps to find alternate energy sources to keep production units operating at full capacity as well as to cater ongoing expansion projects in future.

The performance of already installed coal and bio-mass plant is encouraging and consistent. These kind of plants are planned to be installed at other locations of the company as well. Letter of credit has been established for import of coal fired boiler to be installed at Bhikki.

A high efficiency Wartsila dual fuel generator having a capacity of 8.6 MW is being set up at Bhikki which will be operational in April 2014. For Lahore and Feroze Watwaan plants, these types of generators shall be installed in July 2014 and August 2014 respectively. These Engines can change directly and conveniently from gas to HFO and vice versa, therefore, eliminating the need of having two different generators for two different fuels.

Directors' Report

Subsidiary Companies and Consolidated Financial Statements

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

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

25 April 2014
Lahore

Unconsolidated Condensed Interim
Financial Information of
Nishat Mills Limited

For the period ended 31 March 2014

Unconsolidated Condensed Interim Balance Sheet

As at 31 March 2014

	Note	Un-audited 31 March 2014 (Rupees in thousand)	Audited 30 June 2013
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
1,100,000,000 (30 June 2013: 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 2013: 351,599,848)			
ordinary shares of Rupees 10 each		3,515,999	3,515,999
Reserves		61,335,136	55,401,036
Total equity		64,851,135	58,917,035
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	5	4,890,647	3,083,410
Liabilities against assets subject to finance lease	6	10,814	66,322
Deferred income tax liability		578,071	499,415
		5,479,532	3,649,147
CURRENT LIABILITIES			
Trade and other payables		4,387,705	3,785,501
Accrued mark-up		247,355	300,755
Short term borrowings		12,871,240	11,939,028
Current portion of non-current liabilities		1,391,278	1,310,769
Provision for taxation		781,393	732,359
		19,678,971	18,068,412
TOTAL LIABILITIES		25,158,503	21,717,559
CONTINGENCIES AND COMMITMENTS	7		
TOTAL EQUITY AND LIABILITIES		90,009,638	80,634,594

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



Chief Executive Officer

	Note	Un-audited 31 March 2014 (Rupees in thousand)	Audited 30 June 2013
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	20,660,385	15,530,320
Investment properties		388,741	394,745
Long term investments		41,341,963	37,378,224
Long term loans		98,322	84,997
Long term deposits and prepayments		43,336	41,748
		62,532,747	53,430,034
CURRENT ASSETS			
Stores, spare parts and loose tools		1,435,278	1,285,371
Stock in trade		14,453,395	10,945,439
Trade debts		2,217,834	6,243,535
Loans and advances		4,205,027	1,898,334
Short term deposits and prepayments		16,772	40,018
Other receivables		1,341,017	1,019,164
Accrued interest		18,032	13,550
Short term investments		3,571,206	4,362,880
Cash and bank balances		218,330	1,128,862
		27,476,891	26,937,153
Non-current assets held for sale		-	267,407
		27,476,891	27,204,560
TOTAL ASSETS		90,009,638	80,634,594



Director

Unconsolidated Condensed Interim Profit and Loss Account

For the period ended 31 March 2014 (Un-audited)

	Note	Period ended		Quarter ended	
		31 March 2014	31 March 2013	31 March 2014	31 March 2013
SALES		41,687,474	38,895,854	13,599,638	12,578,848
COST OF SALES	9	(34,694,076)	(32,273,545)	(11,835,549)	(10,341,293)
GROSS PROFIT		6,993,398	6,622,309	1,764,089	2,237,555
DISTRIBUTION COST		(1,953,381)	(1,862,606)	(638,918)	(586,019)
ADMINISTRATIVE EXPENSES		(779,828)	(712,555)	(259,500)	(277,045)
OTHER EXPENSES		(335,857)	(243,689)	(49,930)	(77,014)
		(3,069,066)	(2,818,850)	(948,348)	(940,078)
		3,924,332	3,803,459	815,741	1,297,477
OTHER INCOME		2,470,643	1,937,394	539,334	543,390
PROFIT FROM OPERATIONS		6,394,975	5,740,853	1,355,075	1,840,867
FINANCE COST		(1,292,768)	(1,230,699)	(463,516)	(399,294)
PROFIT BEFORE TAXATION		5,102,207	4,510,154	891,559	1,441,573
TAXATION		(479,000)	(399,000)	(121,000)	(188,000)
PROFIT AFTER TAXATION		4,623,207	4,111,154	770,559	1,253,573
EARNINGS PER SHARE-BASIC AND DILUTED (RUPEES)	10	13.15	11.69	2.19	3.57

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



Chief Executive Officer



Director

Unconsolidated Condensed Interim Statement of Comprehensive Income For the period ended 31 March 2014 (Un-audited)

	Period ended		Quarter ended	
	31 March 2014	31 March 2013 (Rupees in thousand)	31 March 2014	31 March 2013
PROFIT AFTER TAXATION	4,623,207	4,111,154	770,559	1,253,573
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss	-	-	-	-
Items that may be reclassified subsequently to profit or loss:				
Surplus / (deficit) arising on remeasurement of available for sale investments to fair value	2,795,948	8,777,321	(171,763)	2,173,113
Deferred income tax relating to surplus on available for sale investments	(78,656)	(76,397)	-	-
Other comprehensive income/(loss) for the period - net of tax	2,717,292	8,700,924	(171,763)	2,173,113
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	7,340,499	12,812,078	598,796	3,426,686

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



Chief Executive Officer



Director

Unconsolidated Condensed Interim Cash Flow Statement

For the period ended 31 March 2014 (Un-audited)

	Note	Period ended 31 March 2014 (Rupees in thousand)	Period ended 31 March 2013 (Rupees in thousand)
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	11	5,743,972	820,483
Finance cost paid		(1,346,168)	(1,302,893)
Income tax paid		(620,519)	(480,679)
Net increase in long term loans to employees		(18,591)	(36,922)
Net increase in long term deposits and prepayments		(1,588)	(3,526)
Net cash generated from / (utilized in) operating activities		3,757,106	(1,003,537)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(6,404,900)	(1,891,073)
Proceeds from sale of property, plant and equipment		226,728	167,434
Loans and advances to subsidiary companies		(7,004,998)	(5,426,485)
Repayment of loans from subsidiary companies		5,036,073	4,780,810
Interest received		121,823	66,774
Dividends received		2,005,976	1,544,690
Proceeds from sale of investment		910,297	-
Proceeds from sale of non-current asset held for sale		267,407	-
Investments made		(1,191,033)	(687,147)
Net cash used in investing activities		(6,032,627)	(1,444,997)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		3,708,365	1,490,000
Repayment of long term financing		(1,823,828)	(1,568,945)
Repayment of liabilities against assets subject to finance lease		(52,299)	(48,773)
Short term borrowings - net		932,212	2,143,774
Dividend paid		(1,399,461)	(1,221,343)
Net cash from financing activities		1,364,989	794,713
Net decrease in cash and cash equivalents		(910,532)	(1,653,821)
Cash and cash equivalents at the beginning of the period		1,128,862	2,358,556
Cash and cash equivalents at the end of the period		218,330	704,735

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



Chief Executive Officer



Director

Unconsolidated Condensed Interim Statement of Changes in Equity

For the period ended 31 March 2014 (Un-audited)

	(Rupees in thousand)										
	Share capital	Capital reserves					Reserves			Total	Total equity
		Premium on issue of right shares	Fair value reserve	Sub total	General reserve	Revenue reserves		Sub total			
						Unappropriated profit	profit				
Balance as at 30 June 2012 - Audited	3,515,999	5,499,530	5,704,588	11,204,118	19,511,028	3,531,604	23,042,632	34,246,750	37,762,749		
Transaction with owners - Final dividend for the year ended 30 June 2012 @ Rupees 3.50 per share	-	-	-	-	-	(1,230,599)	(1,230,599)	(1,230,599)	(1,230,599)		
Transferred to general reserve	-	-	-	-	2,297,000	(2,297,000)	-	-	-		
Profit for the period ended 31 March 2013	-	-	-	-	-	4,111,154	4,111,154	4,111,154	4,111,154		
Other comprehensive income for the period ended 31 March 2013	-	-	8,700,924	8,700,924	-	-	-	8,700,924	8,700,924		
Total comprehensive income for the period ended 31 March 2013	-	-	8,700,924	8,700,924	-	4,111,154	4,111,154	12,812,078	12,812,078		
Balance as at 31 March 2013 - Un-audited	3,515,999	5,499,530	14,405,512	19,905,042	21,808,028	4,115,159	25,923,187	45,828,229	49,344,228		
Profit for the period ended 30 June 2013	-	-	-	-	-	1,735,699	1,735,699	1,735,699	1,735,699		
Other comprehensive income for the period ended 30 June 2013	-	-	7,837,108	7,837,108	-	-	-	7,837,108	7,837,108		
Total comprehensive income for the period ended 30 June 2013	-	-	7,837,108	7,837,108	-	1,735,699	1,735,699	9,572,807	9,572,807		
Balance as at 30 June 2013 - Audited	3,515,999	5,499,530	22,242,620	27,742,150	21,808,028	5,850,858	27,658,886	55,401,036	58,917,035		
Transaction with owners - Final dividend for the year ended 30 June 2013 @ Rupees 4.00 per share	-	-	-	-	-	(1,406,399)	(1,406,399)	(1,406,399)	(1,406,399)		
Transferred to general reserve	-	-	-	-	4,440,000	(4,440,000)	-	-	-		
Profit for the period ended 31 March 2014	-	-	-	-	-	4,623,207	4,623,207	4,623,207	4,623,207		
Other comprehensive income for the period ended 31 March 2014	-	-	2,717,292	2,717,292	-	-	-	2,717,292	2,717,292		
Total comprehensive income for the period ended 31 March 2014	-	-	2,717,292	2,717,292	-	4,623,207	4,623,207	7,340,499	7,340,499		
Balance as at 31 March 2014 - Un-audited	3,515,999	5,499,530	24,959,912	30,459,442	26,248,028	4,627,666	30,875,694	61,335,136	64,851,135		

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



Chief Executive Officer

Director

Selected Notes to the Unconsolidated Condensed Interim Financial Information For the period ended 31 March 2014 (Un-audited)

1 THE COMPANY AND ITS OPERATIONS

Nishat Mills Limited is a public limited Company incorporated in Pakistan under the Companies Act, 1913 (Now Companies Ordinance, 1984) and listed on all Stock Exchanges in Pakistan. Its registered office is situated at 53-A, Lawrence Road, Lahore. The Company is engaged in the business of textile manufacturing and of spinning, combing, weaving, bleaching, dyeing, printing, stitching, apparel, buying, selling and otherwise dealing in yarn, linen, cloth and other goods and fabrics made from raw cotton, synthetic fibre and cloth, and to generate, accumulate, distribute, supply and sell electricity.

2 BASIS OF PREPARATION

This unconsolidated condensed interim financial information is un-audited and is being submitted to shareholders as required by section 245 of the Companies Ordinance, 1984. This unconsolidated condensed interim financial information of the Company for the period ended 31 March 2014 has been prepared in accordance with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. This unconsolidated condensed interim financial information should be read in conjunction with the audited annual published financial statements of the Company for the year ended 30 June 2013.

3 ACCOUNTING POLICIES

The accounting policies and methods of computations adopted for the preparation of this unconsolidated condensed interim financial information are the same as applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended 30 June 2013.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of this unconsolidated condensed interim financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During preparation of this unconsolidated condensed interim financial information, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Company for the year ended 30 June 2013.

	Un-audited 31 March 2014	Audited 30 June 2013
	(Rupees in thousand)	
5 LONG TERM FINANCING- SECURED		
Opening balance	4,323,909	4,331,178
Add: Obtained during the period / year	3,708,365	1,838,049
Less: Repaid during the period / year	1,823,828	1,845,318
	6,208,446	4,323,909
Less: Current portion shown under current liabilities	1,317,799	1,240,499
	4,890,647	3,083,410

	Un-audited 31 March 2014 (Rupees in thousand)	Audited 30 June 2013
6 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE		
Future minimum lease payments	90,957	152,545
Less: Un-amortized finance charge	6,664	15,953
Present value of future minimum lease payments	84,293	136,592
Less: Current portion shown under current liabilities	73,479	70,270
	10,814	66,322

6.1 This represents sale and leaseback arrangement with Pak Kuwait Investment Company (Private) Limited. According to the lease agreement, leasing company has contributed Rupees 150.047 million from its own sources and the remaining amount of Rupees 149.953 million has been financed under Long Term Finance Facility (LTFF) scheme of State Bank of Pakistan. Minimum lease payments have been discounted using implicit interest rate ranging from 9.70 % to 12.15 % (31 March 2013: 9.70% to 14.06%) per annum. Balance rentals are payable in quarterly installments. Taxes, repairs and insurance costs are borne by the Company. These are secured against the leased assets and demand promissory notes.

7 CONTINGENCIES AND COMMITMENTS

a) Contingencies

- i) The Company is contingently liable for Rupees 0.631 million (30 June 2013: Rupees 0.631 million) on account of central excise duty not acknowledged as debt as the cases are pending before Court.
- ii) Guarantees of Rupees 638.395 million (30 June 2013: Rupees 635.607 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 and Pakistan Army against fulfillment of sales order.
- iii) Post dated cheques of Rupees 3,080.288 million (30 June 2013: Rupees 1,816.775 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 1,964.589 million (30 June 2013: Rupees 4,500.169 million).
- ii) Letters of credit other than for capital expenditure are Rupees 659.520 million (30 June 2013: Rupees 493.340 million).
- iii) Outstanding foreign currency forward contracts of Rupees 1,902.472 million (30 June 2013: Rupees 827.520 million).

Selected Notes to the Unconsolidated Condensed Interim Financial Information
For the period ended 31 March 2014 (Un-audited)

	Note	Un-audited 31 March 2014 (Rupees in thousand)	Audited 30 June 2013
8 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets			
Owned	8.1	15,385,448	14,086,039
Leased	8.2	206,072	222,324
Capital work-in-progress	8.3	5,068,865	1,221,957
		20,660,385	15,530,320
8.1 Operating fixed assets- Owned			
Opening book value		14,086,039	12,250,991
Add: Cost of additions during the period / year	8.1.1	2,557,992	3,497,088
		16,644,031	15,748,079
Less: Book value of deletions during the period / year	8.1.2	164,954	173,063
Less: Book value of assets transferred to investment properties during the year		-	161,662
		164,954	334,725
Less: Depreciation charged during the period / year		16,479,077	15,413,354
		1,093,629	1,327,315
		15,385,448	14,086,039
8.1.1 Cost of additions			
Freehold land		217,718	211,740
Buildings on freehold land		104,169	767,381
Plant and machinery		2,084,323	2,327,787
Electric installations		11,279	10,667
Factory equipment		26,502	45,620
Furniture, fixtures and office equipment		10,629	17,623
Computer equipment		9,500	7,795
Vehicles		93,872	108,475
		2,557,992	3,497,088

	Un-audited 31 March 2014	Audited 30 June 2013
	(Rupees in thousand)	
8.1.2 Book value of deletions		
Plant and machinery	147,609	158,131
Electric installations	-	562
Factory equipment	-	3
Furniture, fixtures and office equipment	239	134
Computer equipment	78	69
Vehicles	17,028	14,164
	164,954	173,063
8.2 Operating fixed assets- Leased		
Opening book value	222,324	246,378
Less: Depreciation charged during the period / year	16,252	24,054
	206,072	222,324
8.3 Capital work-in-progress		
Buildings on freehold land	1,543,430	378,626
Plant and machinery	3,415,964	829,950
Unallocated expenses	81,327	692
Letters of credit against machinery	4,192	7,522
Advances against furniture and office equipment	7,871	-
Advances against vehicles	16,081	5,167
	5,068,865	1,221,957

Selected Notes to the Unconsolidated Condensed Interim Financial Information For the period ended 31 March 2014 (Un-audited)

	Period ended		Quarter ended	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
(Rupees in thousand)				
9 COST OF SALES				
Raw materials consumed	22,462,245	21,397,602	7,308,697	6,820,071
Processing charges	178,811	225,501	81,584	67,069
Salaries, wages and other benefits	2,670,656	2,285,732	889,713	755,025
Stores, spare parts and loose tools consumed	3,462,991	2,978,488	1,228,963	996,834
Packing materials consumed	682,101	656,783	234,651	217,402
Repair and maintenance	283,305	255,647	96,746	120,843
Fuel and power	4,038,853	3,538,730	1,409,307	1,253,029
Insurance	27,013	25,673	9,027	8,675
Other factory overheads	375,089	262,728	130,102	98,828
Depreciation	1,044,702	925,547	359,497	329,561
	35,225,766	32,552,431	11,748,287	10,667,337
Work-in-process				
Opening stock	1,720,313	1,757,058	1,912,315	1,829,323
Closing stock	(1,949,407)	(1,731,713)	(1,949,407)	(1,731,713)
	(229,094)	25,345	(37,092)	97,610
Cost of goods manufactured	34,996,672	32,577,776	11,711,195	10,764,947
Finished goods				
Opening stock	2,720,906	2,307,777	3,147,856	2,188,354
Closing stock	(3,023,502)	(2,612,008)	(3,023,502)	(2,612,008)
	(302,596)	(304,231)	124,354	(423,654)
	34,694,076	32,273,545	11,835,549	10,341,293
	Period ended		Quarter ended	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
10 EARNINGS PER SHARE - BASIC AND DILUTED				
There is no dilutive effect on the basic earnings per share which is based on:				
Profit attributable to ordinary shareholders (Rupees in thousand)	4,623,207	4,111,154	770,559	1,253,573
Weighted average number of ordinary shares (Numbers)	351,599,848	351,599,848	351,599,848	351,599,848
Earnings per share (Rupees)	13.15	11.69	2.19	3.57

		Period ended	
	Note	31 March 2014	31 March 2013
(Rupees in thousand)			
11 CASH GENERATED FROM OPERATIONS			
Profit before taxation		5,102,207	4,510,154
Adjustments for non-cash charges and other items:			
Depreciation		1,115,885	988,855
Gain on sale of property, plant and equipment		(61,774)	(40,390)
Gain on sale of investments		(10,297)	-
Gain on sale of non-current asset held for sale		(85,084)	-
Dividend Income		(2,005,976)	(1,544,690)
Interest income on loans and advances to subsidiary companies		(133,583)	(65,750)
Finance cost		1,292,768	1,230,699
Working capital changes	11.1	529,826	(4,258,395)
		5,743,972	820,483
11.1 Working capital changes			
(Increase) / decrease in current assets:			
- Stores, spare parts and loose tools		(149,907)	(382,286)
- Stock in trade		(3,507,956)	(2,724,813)
- Trade debts		4,025,701	(1,416,993)
- Loans and advances		(141,949)	(47,375)
- Short term deposits and prepayments		23,246	23,035
- Other receivables		(314,575)	(172,904)
		(65,440)	(4,721,336)
Increase in trade and other payables		595,266	462,941
		529,826	(4,258,395)

12 SEGMENT INFORMATION

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

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

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

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

Garments: Manufacturing of garments using processed fabric.

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

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

Selected Notes to the Unconsolidated Condensed Interim Financial Information For the period ended 31 March 2014 (Un-audited)

12.2

		(Un-audited)																
		Spinning						Weaving		Processing & Home Textile		Garments		Power Generation		Elimination of inter-segment transactions		Total-Company
Period ended	31 Mar 2013	31 Mar 2014	31 Mar 2013	31 Mar 2014	31 Mar 2013	31 Mar 2014	31 Mar 2013	31 Mar 2014	31 Mar 2013	31 Mar 2014	31 Mar 2013	31 Mar 2014	31 Mar 2013	31 Mar 2014	31 Mar 2013	31 Mar 2014	31 Mar 2013	31 Mar 2014

(Rupees in thousand)

Sales	10,430,459	9,259,744	8,400,796	1,762,299	17,247,512	3,763,495	3,964,075	23,560	23,727	-	-	-	-	-	-	41,668,474	38,895,854	-
External Intersegment	2,501,390	2,273,887	5,241,213	705,131	588,033	72	-	4,186,958	3,470,056	-	-	(12,710,744)	(11,573,189)	-	-	-	-	-
Cost of sales	12,931,849	11,533,631	13,642,009	18,332,430	17,835,545	3,763,567	3,964,075	4,210,518	3,493,783	41,668,474	38,895,854	12,710,744	11,573,189	12,710,744	11,573,189	34,694,076	32,273,545	-
Gross profit	2,059,723	1,992,745	1,490,479	1,271,139	2,708,935	2,457,052	723,797	889,392	10,464	11,981	-	-	-	-	-	6,993,398	6,622,309	-
Distribution cost	(336,797)	(260,887)	(418,468)	(873,322)	(886,988)	(258,622)	(291,963)	(5,999)	(4,200)	(1,953,381)	(1,862,606)	-	-	-	-	(779,828)	(712,555)	-
Administrative expenses	(199,696)	(184,484)	(170,391)	(298,956)	(278,616)	(61,077)	(51,475)	(37,662)	(27,589)	(779,828)	(712,555)	-	-	-	-	-	-	-
Profit/ (loss) before taxation and unallocated income and expenses	(536,493)	(445,371)	(661,078)	(588,859)	(1,172,278)	(1,165,614)	(319,699)	(43,661)	(31,879)	(2,733,209)	(2,575,161)	-	-	-	-	4,623,207	4,111,154	-
	1,523,230	1,547,374	829,401	682,280	1,536,657	1,291,438	404,098	545,954	(33,197)	(19,898)	-	-	-	-	-	4,260,189	4,047,148	-

Unallocated income and expenses:

Other expenses	(335,857)	(243,689)
Other income	2,470,643	1,937,394
Finance cost	(1,292,768)	(1,230,689)
Taxation	(479,000)	(399,000)
Profit after taxation	4,623,207	4,111,154

12.3 Reconciliation of reportable segment assets and liabilities

	Spinning		Weaving		Processing & Home Textile		Garments		Power Generation		Total-Company		
	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	
31 Mar 2014	30 Jun 2013	31 Mar 2014	30 Jun 2013	31 Mar 2014	30 Jun 2013	31 Mar 2014	30 Jun 2013	31 Mar 2014	30 Jun 2013	31 Mar 2014	30 Jun 2013	31 Mar 2014	30 Jun 2013

(Rupees in thousand)

Total assets for reportable segments	13,412,140	10,471,924	6,949,451	6,269,776	12,036,168	12,072,743	2,368,787	2,076,044	4,743,547	39,510,093	34,626,866		
Unallocated assets:													
Long term investments												41,341,963	37,378,224
Other receivables												1,341,017	1,019,164
Cash and bank balances												218,330	1,128,862
Other corporate assets												7,598,235	6,481,478
Total assets as per balance sheet												90,009,638	80,634,594
Total liabilities for reportable segments	627,362	538,922	552,389	402,874	1,171,957	1,131,971	320,389	218,501	920,822	3,592,919	2,933,374		
Unallocated liabilities:													
Deferred income tax liability												578,071	498,415
Provision for taxation												781,393	732,359
Other corporate liabilities												20,206,120	17,552,411
Total liabilities as per balance sheet												25,158,503	21,717,559

13 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise subsidiary companies, associated undertakings, other related companies, key management personnel and provident fund trust. The Company in the normal course of business carries out transactions with various related parties. Detail of transactions with related parties are as follows:

i) Transactions	Period ended		Quarter ended	
	31 March 2014	31 March 2013 (Rupees in thousand)	31 March 2014	31 March 2013
Subsidiary companies				
Investment made	891,033	378,782	208,595	252,497
Long term loan payment received	-	218,220	-	-
Interest income	133,583	65,750	54,347	19,935
Short term loans made	7,004,998	5,426,485	1,739,471	2,141,843
Short term loans payment received	5,036,073	4,562,590	1,932,381	2,249,046
Rental income	23,935	19,336	8,178	6,391
Dividend income	541,899	180,633	180,633	-
Purchase of goods and services	287,035	123,854	130,859	55,504
Sale of goods and services	2,495,723	2,879,449	969,377	1,019,821
Associated companies				
Investment made	300,000	300,000	-	71,130
Purchase of goods and services	133,081	13,780	55,255	4,091
Sale of operating fixed assets	1,475	1,349	-	22
Sale of goods and services	542	212	119	65
Rental income	636	251	189	84
Dividend income	1,414,547	1,319,030	256,454	412,858
Dividend paid	126,194	110,419	-	-
Insurance premium paid	87,658	79,842	15,820	9,040
Insurance claims received	28,753	12,839	3,139	3,459
Profit on term deposit receipt	3,149	5,035	2,901	-
Subscription paid	-	1,250	-	-
Other related parties				
Dividend income	49,530	45,027	-	-
Purchase of goods and services	208,208	64,452	127,427	52,978
Sale of goods and services	4,839	26,052	-	83
Company's contribution to provident fund trust	102,239	84,562	34,337	28,493
Remuneration paid to Chief Executive Officer, Directors and Executives	482,933	326,471	147,387	100,096
ii) Period end balances				
	As at 31 March 2014 (Un-audited)			
	Subsidiary companies	Associated companies	Other related parties	Total
	(Rupees in thousand)			
Trade and other payables	22,385	28,630	16,285	67,300
Long term loans	-	-	81,128	81,128
Trade debts	250,021	-	-	250,021
Loans and advances	2,767,016	-	29,387	2,796,403
Other receivables	32	-	-	32
Accrued interest	17,200	-	-	17,200
Cash and bank balances	-	3,890	-	3,890

Selected Notes to the Unconsolidated Condensed Interim Financial Information For the period ended 31 March 2014 (Un-audited)

	As at 30 June 2013 (Audited)			Total
	Subsidiary companies	Associated companies (Rupees in thousand)	Other related parties	
Trade and other payables	8,293	37,744	11	46,048
Long term loans	-	-	77,055	77,055
Trade debts	254,694	34	-	254,728
Loans and advances	788,787	-	28,409	817,196
Other receivables	30	-	-	30
Accrued interest	5,440	-	-	5,440
Cash and bank balances	-	6,633	-	6,633

14 FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the Company for the year ended 30 June 2013.

15 DATE OF AUTHORIZATION FOR ISSUE

This unconsolidated condensed interim financial information was approved by the Board of Directors and authorized for issue on 25 April 2014.

16 CORRESPONDING FIGURES

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

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

17 GENERAL

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



Chief Executive Officer



Director

Consolidated Condensed Interim
Financial Information of
Nishat Mills Limited
For the period ended 31 March 2014

Consolidated Condensed Interim Balance Sheet

As at 31 March 2014

	Note	Un-audited 31 March 2014 (Rupees in thousand)	Audited 30 June 2013
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
1,100,000,000 (30 June 2013: 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 2013: 351,599,848) ordinary shares of Rupees 10 each		3,515,999	3,515,999
Reserves		73,359,823	65,072,841
Equity attributable to equity holders of the Holding Company		76,875,822	68,588,840
Non-controlling interest		5,040,871	4,511,212
Total equity		81,916,693	73,100,052
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	6	14,875,248	13,893,405
Liabilities against assets subject to finance lease	7	10,814	66,322
Long term security deposit		109,950	74,950
Retirement benefit obligation		3,677	1,846
Deferred income tax liability		577,271	500,188
		15,576,960	14,536,711
CURRENT LIABILITIES			
Trade and other payables		6,674,575	5,616,917
Accrued mark-up		646,015	779,822
Short term borrowings		14,721,868	14,397,313
Current portion of non-current liabilities		2,475,378	2,278,504
Provision for taxation		844,417	815,722
		25,362,253	23,888,278
TOTAL LIABILITIES		40,939,213	38,424,989
CONTINGENCIES AND COMMITMENTS	8		
TOTAL EQUITY AND LIABILITIES		122,855,906	111,525,041

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



Chief Executive Officer

	Note	Un-audited 31 March 2014 (Rupees in thousand)	Audited 30 June 2013
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	9	35,590,616	30,201,092
Investment properties		388,741	394,745
Long term investments		46,211,549	41,418,080
Long term loans		98,731	85,659
Long term deposits and prepayments		68,442	60,655
		82,358,079	72,160,231
CURRENT ASSETS			
Stores, spare parts and loose tools		2,054,825	1,815,361
Stock-in-trade		18,027,475	12,808,140
Trade debts		12,870,822	12,020,528
Loans and advances		1,805,610	1,527,570
Short term deposits and prepayments		119,593	85,603
Other receivables		1,616,143	1,265,896
Accrued interest		2,302	9,302
Short term investments		3,571,206	4,362,879
Cash and bank balances		429,851	5,202,124
Non-current asset held for sale		40,497,827	39,097,403
		-	267,407
		40,497,827	39,364,810
TOTAL ASSETS		122,855,906	111,525,041



Director

Consolidated Condensed Interim Profit and Loss Account

For the period ended 31 March 2014 (Un-audited)

	Note	Period ended		Quarter ended	
		31 March 2014	31 March 2013 (Rupees in thousand)	31 March 2014	31 March 2013
SALES		66,030,323	59,502,298	21,844,218	19,786,392
COST OF SALES	10	(54,331,526)	(48,301,760)	(18,358,057)	(15,919,126)
GROSS PROFIT		11,698,797	11,200,538	3,486,161	3,867,266
DISTRIBUTION COST		(2,772,881)	(2,355,684)	(977,532)	(815,302)
ADMINISTRATIVE EXPENSES		(1,033,576)	(843,387)	(358,172)	(323,875)
OTHER EXPENSES		(355,508)	(252,657)	(49,510)	(70,902)
		(4,161,965)	(3,451,728)	(1,385,214)	(1,210,079)
		7,536,832	7,748,810	2,100,947	2,657,187
OTHER INCOME		1,094,485	1,057,276	304,413	307,827
PROFIT FROM OPERATIONS		8,631,317	8,806,086	2,405,360	2,965,014
FINANCE COST		(2,491,072)	(2,942,539)	(888,936)	(906,953)
		6,140,245	5,863,547	1,516,424	2,058,061
SHARE OF PROFIT FROM ASSOCIATED COMPANIES		1,395,095	2,021,258	563,803	676,099
PROFIT BEFORE TAXATION		7,535,340	7,884,805	2,080,227	2,734,160
TAXATION		(541,704)	(488,365)	(128,979)	(244,600)
PROFIT AFTER TAXATION		6,993,636	7,396,440	1,951,248	2,489,560
SHARE OF PROFIT ATTRIBUTABLE TO:					
EQUITY HOLDERS OF HOLDING COMPANY		5,943,610	6,386,808	1,555,401	2,134,850
NON-CONTROLLING INTEREST		1,050,026	1,009,632	395,847	354,710
		6,993,636	7,396,440	1,951,248	2,489,560
EARNINGS PER SHARE- BASIC AND DILUTED (RUPEES)	11	16.90	18.16	4.42	6.07

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



Chief Executive Officer



Director

Consolidated Condensed Interim Statement of Comprehensive Income For the period ended 31 March 2014 (Un-audited)

	Period ended		Quarter ended	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
PROFIT AFTER TAXATION	6,993,636	7,396,440	1,951,248	2,489,560
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss	-	-	-	-
Items that may be reclassified subsequently to profit or loss:				
Surplus / (deficit) arising on remeasurement of available for sale investments	2,584,300	3,892,193	(700,524)	224,940
Share of other comprehensive income / (loss) of associates	1,247,042	1,532,962	(236,619)	178,738
Exchange differences on translating foreign operations	(4,488)	1,368	(29,851)	1,556
Deferred income tax relating to surplus on available for sale investments	(77,083)	(76,397)	-	-
Other comprehensive income / (loss) for the period- net of tax	3,749,771	5,350,126	(966,994)	405,234
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	10,743,407	12,746,566	984,254	2,894,794
SHARE OF TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Equity holders of holding company	9,693,381	11,736,934	588,407	2,540,084
Non-controlling interest	1,050,026	1,009,632	395,847	354,710
	10,743,407	12,746,566	984,254	2,894,794

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



Chief Executive Officer



Director

Consolidated Condensed Interim Cash Flow Statement

For the period ended 31 March 2014 (Un-audited)

	Note	Period ended 31 March 2014 (Rupees in thousand)	Period ended 31 March 2013
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	12	3,920,950	3,794,328
Finance cost paid		(2,624,879)	(3,204,822)
Income tax paid		(715,947)	(524,202)
Long term security deposit received		35,000	39,950
Net increase in retirement benefit obligation		1,831	1,680
Net increase in long term loans to employees		(18,410)	(38,223)
Net increase in long term deposits and prepayments		(7,787)	(7,528)
Net cash generated from operating activities		590,758	61,183
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(7,503,460)	(2,098,302)
Proceeds from sale of property, plant and equipment		227,095	168,572
Proceeds from sale of investment		910,297	-
Proceeds from sale of non-current asset held for sale		267,407	-
Interest received		47,086	153,429
Dividends received		1,464,077	1,364,057
Investments made		(300,000)	(300,000)
Net cash used in investing activities		(4,887,498)	(712,244)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		3,711,787	1,490,000
Repayment of long term financing		(2,536,344)	(2,180,830)
Repayment of liabilities against assets subject to finance lease		(52,299)	(48,773)
Exchange difference on translation of net investments in foreign subsidiaries		(4,423)	1,368
Short term borrowings - net		324,555	1,116,633
Dividend paid		(1,918,809)	(1,395,423)
Net cash used in financing activities		(475,533)	(1,017,025)
Net decrease in cash and cash equivalents		(4,772,273)	(1,668,086)
Cash and cash equivalents at the beginning of the period		5,202,124	2,500,666
Cash and cash equivalents at the end of the period		429,851	832,580

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



Chief Executive Officer



Director

Consolidated Condensed Interim Statement of Changes in Equity

For the period ended 31 March 2014 (Un-audited)

Attributable to equity holders of the holding company												Non-controlling interest	Total equity
Share capital	Capital reserves				Revenue reserves				Shareholders' equity	Total reserves			
	Premium on issue of right shares	Fair value reserve	Exchange translation reserve	Capital redemption reserve fund	Sub total	General reserve	Unappropriated profit	Sub total					
3515999	5499530	5287298	3490	111002	10301320	30904882	4381306	35286188	46187508	49703507	3516083	55219590	
(Rupees in thousand)													
-	-	-	-	-	-	-	(1,230,599)	(1,230,599)	(1,230,599)	(1,230,599)	-	(1,230,599)	
-	-	-	-	-	-	-	-	-	-	-	(173,455)	(173,455)	
-	-	-	-	-	-	3,005,000	(3,005,000)	-	-	-	-	-	
-	-	-	-	-	-	-	6,386,808	6,386,808	6,386,808	6,386,808	1,009,632	7,396,440	
-	-	5,348,758	1,368	-	5,350,126	-	-	-	5,350,126	5,350,126	-	5,350,126	
-	-	5,348,758	1,368	-	5,350,126	-	-	-	5,350,126	5,350,126	-	5,350,126	
-	-	10,636,056	4,898	111,002	16,251,446	33,909,882	6,532,515	40,442,397	56,659,843	60,209,842	4,352,260	64,562,102	
-	-	-	-	-	-	-	-	-	-	-	(173,455)	(173,455)	
-	-	-	-	-	-	-	-	-	2,146,601	2,146,601	332,407	2,479,008	
-	-	6,247,282	(14,885)	-	6,232,397	-	-	-	6,232,397	6,232,397	-	6,232,397	
-	-	6,247,282	(14,885)	-	6,232,397	-	-	-	6,232,397	6,232,397	-	6,232,397	
-	-	16,883,338	(10,027)	111,002	22,483,843	33,909,882	8,679,116	42,568,998	65,072,841	68,588,840	4,511,212	73,100,052	
-	-	-	-	-	-	-	(1,406,399)	(1,406,399)	(1,406,399)	(1,406,399)	-	(1,406,399)	
-	-	-	-	-	-	-	-	-	-	-	(520,367)	(520,367)	
-	-	-	-	-	-	7,127,000	(7,127,000)	-	-	-	-	-	
-	-	-	-	-	-	-	5,943,610	5,943,610	5,943,610	5,943,610	1,050,026	6,993,636	
-	-	3,754,259	(4,488)	-	3,749,771	-	-	-	3,749,771	3,749,771	-	3,749,771	
-	-	3,754,259	(4,488)	-	3,749,771	-	-	-	3,749,771	3,749,771	-	3,749,771	
-	-	20,637,597	(14,515)	111,002	26,233,614	41,036,682	6,089,327	47,126,209	73,359,823	76,875,822	5,040,871	81,916,693	

Balance as at 30 June 2012 - Audited

Transaction with owners- Final dividend for the year ended 30 June 2012 @ Rupees 3.50 per share

Transaction with owners- Dividend relating to year 2012 paid to non-controlling interest Transferred to general reserve

Profit for the period ended 31 March 2013
Other comprehensive income for the period ended 31 March 2013

Total comprehensive income for the period ended 31 March 2013

Balance as at 31 March 2013 - Un-audited

Transaction with owners- Dividend relating to year 2012 paid to non-controlling interest

Profit for the period ended 30 June 2013
Other comprehensive income for the period ended 30 June 2013

Total comprehensive income for the period ended 30 June 2013

Balance as at 30 June 2013 - Audited

Transaction with owners- Final dividend for the year ended 30 June 2013 @ Rupees 4.00 per share

Transaction with owners- Dividend relating to year 2013 paid to non-controlling interest Transferred to general reserve

Profit for the period ended 31 March 2014
Other comprehensive income for the period ended 31 March 2014

Total comprehensive income for the period ended 31 March 2014

Balance as at 31 March 2014 - Un-audited

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

Uma Shankar

Chief Executive Officer

[Signature]
Director

Selected Notes to the Consolidated Condensed Interim Financial Information For the period ended 31 March 2014 (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 L.L.C
-Nishat International FZE
-Nishat Spinning (Private) Limited
-Nishat Global China Company Limited

NISHAT MILLS LIMITED

Nishat Mills Limited is a public limited Company incorporated in Pakistan under the Companies Act, 1913 (Now Companies Ordinance, 1984) and listed on all Stock Exchanges in Pakistan. Its registered office is situated at 53-A, Lawrence Road, Lahore. The Company is engaged in the business of textile manufacturing and of spinning, combing, weaving, bleaching, dyeing, printing, stitching, apparel, buying, selling and otherwise dealing in yarn, linen, cloth and other goods and fabrics made from raw cotton, synthetic fibre and cloth and to generate, accumulate, distribute, supply and sell electricity.

NISHAT POWER LIMITED

Nishat Power Limited is a public limited Company incorporated in Pakistan under the Companies Ordinance, 1984 and listed on Karachi Stock Exchange Limited and Lahore Stock Exchange Limited in Pakistan. The Company is a subsidiary of Nishat Mills Limited. The principal activity of the Company is to build, own, operate and maintain a fuel fired power station having gross capacity of 200 MW ISO in Jamber Kalan, Tehsil Pattoki, District Kasur, Punjab, Pakistan. Its registered office is situated at 53-A, Lawrence Road, Lahore.

NISHAT LINEN (PRIVATE) LIMITED

Nishat Linen (Private) Limited, a wholly owned subsidiary of Nishat Mills Limited, is a private limited company incorporated in Pakistan under the Companies Ordinance, 1984 on 15 March 2011. The registered office of Nishat Linen (Private) Limited is situated at 3-Yahya Block Nishatabad, Faisalabad. The principal objects of the Company are to operate retail outlets for sale of textile and other products and to manufacture and sale the textile products by processing the textile goods in own or outside manufacturing facility.

NISHAT HOSPITALITY (PRIVATE) LIMITED

Nishat Hospitality (Private) Limited, a wholly owned subsidiary of Nishat Mills Limited, is a private limited company incorporated in Pakistan under the Companies Ordinance, 1984 on 01 July 2011. The registered office of Nishat Hospitality (Private) Limited is situated at 1-B Aziz Avenue, Canal Bank, Gulberg-V, Lahore. The principal activity of the Company is to carry on the business of 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 L.L.C

Nishat Linen Trading L.L.C is a limited liability company formed in pursuance to statutory provisions of the United Arab Emirates (UAE) Federal Law No. (8) of 1984 as amended and registered with the Department of Economic Development, Government of Dubai. Nishat Linen Trading L.L.C is a subsidiary of Nishat Mills Limited as Nishat Mills Limited, through the powers given to it under Article 11 of the

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

NISHAT 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 SPINNING (PRIVATE) LIMITED

Nishat Spinning (Private) Limited, a wholly owned subsidiary of Nishat Mills Limited, is a private limited company incorporated in Pakistan under the Companies Ordinance, 1984 on 20 February 2014. The registered office of Nishat Spinning (Private) Limited is situated at 53-A, Lawrence Road, Lahore. The principal business of the Company is to manufacture and sale the textile products in local market by processing the textile goods in its own or outside manufacturing facility.

NISHAT GLOBAL CHINA COMPANY LIMITED

Nishat Global China Company Limited is incorporated in Yuexiu District, Guangzhou, China, as Foreign Invested Commercial Enterprises "FICE", in accordance with the Law of Peoples Republic of China on Foreign-Capital enterprises and other relevant Laws and Regulations. The registered office of Nishat Global China Company Limited is situated at N801, 371-375 Huanshi East Road, Yuexiu District, Guangzhou. Nishat Global China Company Limited is a wholly owned subsidiary of Nishat International FZE which is a wholly owned subsidiary of Nishat Mills Limited. Date of incorporation of Nishat Global China Company Limited was November 04, 2013. The principal business of the Company is wholesale, commission agency (excluding auction), import and export of textile goods and women fashion accessories.

2 BASIS OF PREPARATION

This consolidated condensed interim financial information is un-audited and is being submitted to shareholders as required by section 245 of the Companies Ordinance, 1984 and the listing regulations of the Islamabad, Karachi and Lahore stock exchanges. This consolidated condensed interim financial information has been prepared in accordance with the requirements of International Accounting Standard-34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of and directives issued under the Companies Ordinance, 1984 have been followed. This consolidated condensed interim financial information should be read in conjunction with the preceding audited annual published consolidated financial statements of the Group for the year ended 30 June 2013.

3 ACCOUNTING POLICIES

The accounting policies and methods of computations adopted for the preparation of this consolidated condensed interim financial information are the same as applied in the preparation of preceding audited annual published consolidated financial statements of the Group for the year ended 30 June 2013.

4 CONSOLIDATION

a) Subsidiaries

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

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

Selected Notes to the Consolidated Condensed Interim Financial Information For the period ended 31 March 2014 (Un-audited)

Intragroup balances and transactions have been eliminated.

Non-controlling interests are that part of net results of the operations and of net assets of subsidiary companies attributable to interest which are not owned by the Holding Company. Non-controlling interests are presented as separate item in this consolidated condensed interim financial information.

b) Associates

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

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

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of this consolidated condensed interim financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During preparation of this consolidated condensed interim financial information, the significant judgments made by the management in applying the accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published consolidated financial statements of the Group for the year ended 30 June 2013.

	Un-audited 31 March 2014	Audited 30 June 2013
	(Rupees in thousand)	
6 LONG TERM FINANCING- SECURED		
Opening balance	16,101,639	16,936,293
Add: Obtained during the period / year	3,711,787	1,842,352
Less: Repaid during the period / year	2,536,344	2,677,006
Add: Currency translation	65	-
	17,277,147	16,101,639
Less: Current portion shown under current liabilities	2,401,899	2,208,234
	14,875,248	13,893,405
7 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE		
Future minimum lease payments	90,957	152,545
Less: Un-amortized finance charge	6,664	15,953
Present value of future minimum lease payments	84,293	136,592
Less: Current portion shown under current liabilities	73,479	70,270
	10,814	66,322

7.1 This includes sale and leaseback arrangement between the Holding Company and Pak Kuwait Investment Company (Private) Limited. According to the lease agreement, leasing company has

contributed Rupees 150.047 million from its own sources and the remaining amount of Rupees 149.953 million has been financed under Long Term Finance Facility (LTFF) scheme of State Bank of Pakistan. Minimum lease payments have been discounted using implicit interest rate ranging from 9.70 % to 12.15 % (31 March 2013: 9.70% to 14.06%) per annum. Balance rentals are payable in quarterly installments. Taxes, repairs and insurance costs are borne by the Holding Company. These are secured against the leased assets and demand promissory notes.

8 CONTINGENCIES AND COMMITMENTS

a) Contingencies

- i) Nishat Mills Limited - Holding Company is contingently liable for Rupees 0.631 million (30 June 2013: Rupees 0.631 million) on account of central excise duty not acknowledged as debt as the cases are pending before Court.
- ii) Guarantees of Rupees 638.395 million (30 June 2013: Rupees 635.607 million) are given by the banks of the Nishat Mills Limited - Holding Company to Sui Northern Gas Pipelines Limited against gas connections, Shell Pakistan Limited and Pakistan State Oil Limited against purchase of furnace oil, Director Excise and Taxation, Karachi against infrastructure cess and Pakistan Army against fulfillment of sales order.
- iii) Post dated cheques of Rupees 3,080.288 million (30 June 2013: Rupees 1,816.775 million) are issued by the Nishat Mills Limited - Holding Company to customs authorities in respect of duties on imported items availed on the basis of consumption and export plans. If documents of exports are not provided on due dates, cheques issued as security shall be encashable.
- iv) Holding Company's share in contingencies of associated companies' accounted for under equity method is Rupees 2,130 million (30 June 2013: Rupees 1,929 million).
- v) National Electric Power Regulatory Authority (NEPRA) issued an order dated 8 February 2013 to Nishat Power Limited - Subsidiary Company through which it has raised a demand of Rupees 290.423 million payable by the Subsidiary Company to National Transmission and Dispatch Company Limited (NTDCL) for the period upto 30 June 2011 in respect of Calorific Value (CV) adjustment on fuel consumed for power generation as per the terms of the Power Purchase Agreement (PPA) and various CV adjustment mechanisms prescribed by NEPRA. The first such CV adjustment mechanism was announced by NEPRA in March 2009 and as per this mechanism, the Subsidiary Company has already made a provision of Rupees 20.332 million in its financial statements for the above CV adjustment. In July 2011, NEPRA revised its CV adjustment mechanism and directed all Independent Power Producers (IPPs) to maintain consignment-wise CV record of the fuel received and consumed for power generation. Consequently, the Subsidiary Company started maintaining such CV record after such direction was received from NEPRA.

NEPRA directed the Subsidiary Company to submit consignment-wise record of CV for the period upto 30 June 2011. The Subsidiary Company disputed such direction as it was not required to maintain consignment-wise record prior to July 2011. However, NEPRA computed retrospectively and determined Rupees 290.423 million payable by the Subsidiary Company to NTDCL for the period upto 30 June 2011 in respect of CV adjustment on the basis of the mechanism directed by it in July 2011. The Subsidiary Company filed a Motion for Leave for Review before NEPRA requesting it to reconsider its decision, which was decided against the Subsidiary Company. Consequently, the Subsidiary Company filed a writ petition before the Islamabad High Court against NEPRA's decision on the grounds that change in CV adjustment mechanism in July 2011 cannot be applied retrospectively and credible information is also not available from any source upon which CV adjustment computations can be made. The case is pending adjudication before Islamabad High Court.

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

Selected Notes to the Consolidated Condensed Interim Financial Information For the period ended 31 March 2014 (Un-audited)

- vi) The banks of Nishat Power Limited - Subsidiary Company have issued an irrevocable standby letter of credit on behalf of Subsidiary Company in favour of Wartsila Pakistan (Private) Limited for Rupees 45 million (30 June 2013: Rupees 45 million) as required under the terms of the Operation and Maintenance agreement.
- vii) Guarantees of Rupees 3.5 million (30 June 2013: Rupees 1.5 million) are given by the banks of Nishat Power Limited - Subsidiary Company to Director Excise and Taxation, Karachi under direction of Sindh High Court in respect of suit filed for levy of infrastructure cess.
- viii) Nishat Hospitality (Private) Limited - Subsidiary Company has issued letter of guarantees of Rupees 1.035 million (30 June 2013: Rupees 0.153 million) in favour of Director Excise and Taxation, Karachi under the order of Sindh High Court in respect of the suit filed for levy of infrastructure cess.
- ix) Post dated cheques furnished by Nishat Hospitality (Private) Limited - Subsidiary Company in favour of the Collector of Customs to cover import levies against imports aggregating to Rupees Nil (30 June 2013: Rupees 2.002 million).

b) Commitments

- i) Contracts for capital expenditure of the Group are approximately of Rupees 2,111.197 million (30 June 2013: Rupees 4,751.285 million).
- ii) Letters of credit other than for capital expenditure of the Group are of Rupees 659.520 million (30 June 2013: Rupees 723.986 million).
- iii) Outstanding foreign currency forward contracts of Rupees 1,902.472 million (30 June 2013: Rupees 827.520 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 2014	Audited 30 June 2013
	(Rupees in thousand)	
Not later than one year	15,577	13,500
Later than one year and not later than five years	70,744	67,500
	86,321	81,000

- v) Nishat Power Limited - Subsidiary Company has also entered into an agreement with Wartsila Pakistan (Private) Limited for the operations and maintenance (O&M) of the power station for a period of five years starting from the commercial operations date of the power station i.e. 09 June 2010. Under the terms of the O&M agreement, the Subsidiary Company is required to pay a monthly fixed O&M fee and a variable O&M fee depending on the net electrical output, both of which are adjustable according to the Wholesale Price Index.

9 PROPERTY, PLANT AND EQUIPMENT

	Note	Un-audited 31 March 2014	Audited 30 June 2013
		(Rupees in thousand)	
Operating fixed assets			
Owned	9.1	30,257,228	28,096,224
Leased	9.2	206,072	222,324
Capital work-in-progress	9.3	5,127,316	1,882,544
		35,590,616	30,201,092

	Note	Un-audited 31 March 2014	Audited 30 June 2013
(Rupees in thousand)			
9.1 Operating fixed assets- Owned			
Opening book value		28,096,224	27,187,410
Add: Cost of additions during the period / year	9.1.1	4,255,171	3,811,168
		32,351,395	30,998,578
Less: Book value of deletions during the period / year	9.1.2	165,321	173,518
Less: Book value of assets transferred to investment properties during the year		-	161,662
		165,321	335,180
		32,186,074	30,663,398
Less: Depreciation and amortization charged during the period / year		1,932,363	2,407,280
Less: Impairment charge		-	162,601
Add: Currency translation		3,517	2,707
		30,257,228	28,096,224
9.1.1 Cost of additions			
Freehold land		236,789	257,461
Buildings on freehold land		883,015	872,570
Plant and machinery		2,721,943	2,459,082
Electric installations		174,410	11,582
Factory equipment		26,502	45,620
Furniture, fixtures and office equipment		76,909	30,194
Computer equipment		19,321	10,577
Vehicles		109,254	124,082
Intangibles		7,028	-
		4,255,171	3,811,168
9.1.2 Book value of deletions			
Plant and machinery		147,609	158,131
Electric Installations		-	562
Factory equipment		-	3
Furniture, fixtures and office equipment		239	134
Computer equipment		78	69
Vehicles		17,395	14,619
		165,321	173,518
9.2 Operating fixed assets- Leased			
Opening book value		222,324	246,378
Less: Depreciation charged during the period / year		16,252	24,054
		206,072	222,324
9.3 Capital work-in-progress			
Buildings on freehold land		1,601,881	726,231
Plant and machinery		3,415,964	1,025,001
Unallocated expenses		81,327	4,010
Letters of credit against machinery		4,192	7,522
Advances against furniture and office equipment		7,871	-
Advances against vehicles		16,081	5,167
Advances to contractors		-	114,613
		5,127,316	1,882,544

Selected Notes to the Consolidated Condensed Interim Financial Information
For the period ended 31 March 2014 (Un-audited)

	Period ended		Quarter ended	
	31 March 2014	31 March 2013 (Rupees in thousand)	31 March 2014	31 March 2013
10 COST OF SALES				
Raw material consumed	40,902,457	36,555,982	13,431,677	11,794,860
Processing charges	181,161	225,501	83,934	67,069
Salaries, wages and other benefits	2,706,319	2,311,535	901,528	763,608
Stores, spare parts and loose tools consumed	3,820,754	3,051,030	1,364,455	1,022,054
Packing materials consumed	682,933	659,212	235,483	219,674
Repair and maintenance	527,591	487,750	170,994	193,030
Fuel and power	4,040,161	3,539,227	1,410,473	1,253,242
Insurance	154,688	140,482	50,973	46,397
Other factory overheads	396,465	276,116	138,707	105,255
Depreciation	1,855,697	1,710,202	637,064	585,367
	55,268,226	48,957,037	18,425,288	16,050,556
Work-in-process				
Opening stock	1,604,239	1,757,058	1,912,315	1,829,323
Closing stock	(1,949,407)	(1,731,713)	(1,949,407)	(1,731,713)
	(345,168)	25,345	(37,092)	97,610
Cost of goods manufactured	54,923,058	48,982,382	18,388,196	16,148,166
Finished goods				
Opening stock	3,338,107	2,451,771	3,899,500	2,903,353
Closing stock	(3,929,639)	(3,132,393)	(3,929,639)	(3,132,393)
	(591,532)	(680,622)	(30,139)	(229,040)
	54,331,526	48,301,760	18,358,057	15,919,126
	Period ended		Quarter ended	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
11 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 the Holding Company (Rupees in thousand)	5,943,610	6,386,808	1,555,401	2,134,850
Weighted average number of ordinary shares (Numbers)	351,599,848	351,599,848	351,599,848	351,599,848
Earnings per share (Rupees)	16.90	18.16	4.42	6.07

		Period ended	
	Note	31 March 2014	31 March 2013
(Rupees in thousand)			
12 CASH GENERATED FROM OPERATIONS			
Profit before taxation		7,535,340	7,884,805
Adjustments for non-cash charges and other items:			
Depreciation		1,954,619	1,788,914
Gain on sale of property, plant and equipment		(61,774)	(41,074)
Gain on sale of investments		(10,297)	-
Dividend income		(839,436)	(731,649)
Interest income		(40,086)	(105,244)
Share of profit from associated companies		(1,395,095)	(2,021,258)
Finance cost		2,491,072	2,942,539
Working capital changes	12.1	(5,713,393)	(5,922,705)
		3,920,950	3,794,328
12.1 Working capital changes			
(Increase) / decrease in current assets:			
- Stores, spare parts and loose tools		(239,464)	(753,415)
- Stock-in-trade		(5,219,335)	(4,094,329)
- Trade debts		(850,294)	(2,899,473)
- Loans and advances		(69,764)	969,696
- Short term deposits and prepayments		(33,990)	(4,782)
- Other receivables		(350,247)	(278,976)
		(6,763,094)	(7,061,279)
Increase in trade and other payables		1,049,701	1,138,574
		(5,713,393)	(5,922,705)

13 SEGMENT INFORMATION

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

Spinning:	Production of different qualities of yarn using natural and artificial fibers.
Weaving:	Production of different qualities of greige fabric using yarn.
Processing & Home Textile:	Processing of greige fabric for production of printed and dyed fabric and its further use in manufacturing variety of home textile articles.
Garments:	Manufacturing of garments using processed fabric.
Power Generation:	Generation and distribution of power using gas, oil, steam, coal and biomass.
Hotel:	To carry on the business of hotel and allied services.

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

Selected Notes to the Consolidated Condensed Interim Financial Information For the period ended 31 March 2014 (Un-audited)

13.2

		(Un-audited)															
		Spinning		Weaving		Processing & Home textile		Garments		Power Generation		Hotel		Elimination of inter-segment transactions		Total-Group	
Period ended	31 Mar 2014	31 Mar 2013	Period ended	31 Mar 2014	31 Mar 2013	Period ended	31 Mar 2014	31 Mar 2013	Period ended	31 Mar 2014	31 Mar 2013	Period ended	31 Mar 2014	31 Mar 2013	Period ended	31 Mar 2014	31 Mar 2013
Sales	11,146,437	9,507,278	8,157,597	19,716,627	17,605,681	3,763,495	3,964,075	20,763,275	18,611,893	7,743	14,615	-	-	-	66,030,323	59,502,298	
External Intersegment	2,501,390	5,652,576	5,484,412	705,301	588,033	72	72	4,186,958	3,470,056	52	2,232	-	(13,046,349)	(11,818,620)	66,030,323	59,502,298	
Cost of sales	14,773,295	13,422,324	15,159,854	13,642,009	20,427,128	18,935,714	3,763,367	3,964,075	24,950,233	22,081,949	7,795	16,887	(13,046,349)	(11,818,620)	66,030,323	59,502,298	
	(1,254,174)	(11,291,053)	(13,669,375)	(12,370,871)	(16,538,746)	(15,140,568)	(3,093,770)	(3,074,683)	(21,535,563)	(18,235,196)	(20,247)	(8,009)	15,046,349	11,818,620	(54,331,526)	(46,301,760)	
Gross profit / (loss)	2,199,121	2,131,271	1,490,479	1,271,138	3,883,182	3,053,146	723,797	889,392	3,414,670	3,846,753	(12,452)	8,838	-	-	11,698,797	11,200,538	
Distribution cost	(351,237)	(278,115)	(478,641)	(418,468)	(1,678,382)	(1,362,848)	(258,622)	(291,963)	(5,999)	(4,290)	-	-	-	-	(2,772,881)	(2,355,684)	
Administrative expenses	(202,021)	(184,324)	(182,437)	(170,391)	(454,607)	(340,963)	(61,077)	(51,475)	(1,261,811)	(94,383)	(7,253)	(1,851)	-	-	(1,033,576)	(843,387)	
	(553,258)	(462,439)	(661,078)	(588,859)	(2,132,989)	(1,703,811)	(319,699)	(343,438)	(132,180)	(98,673)	(7,253)	(1,851)	-	-	(3,806,457)	(3,199,071)	
Profit / (loss) before taxation and unallocated income and expenses	1,645,863	1,668,832	829,401	682,279	1,750,193	1,349,335	404,098	545,954	3,282,490	3,748,080	(19,705)	6,987	-	-	7,892,340	8,001,467	
Unallocated income and expenses:																	
Other expenses															(355,508)	(252,657)	
Other income															1,094,485	1,057,276	
Finance cost															(2,491,072)	(2,942,539)	
Share of profit from associated companies															1,395,095	2,021,258	
Taxation															(541,704)	(488,365)	
Profit after taxation															6,993,636	7,396,440	

13.3 Reconciliation of reportable segment assets and liabilities

	Spinning		Weaving		Processing & Home Textile		Garments		Power Generation		Hotel		Total-Group	
	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited
	31 Mar 2014	30 Jun 2013	31 Mar 2014	30 Jun 2013	31 Mar 2014	30 Jun 2013	31 Mar 2014	30 Jun 2013	31 Mar 2014	30 Jun 2013	31 Mar 2014	30 Jun 2013	31 Mar 2014	30 Jun 2013
Total assets for reportable segments	14,641,259	10,609,692	6,932,867	6,244,741	14,651,962	13,413,578	2,388,787	2,076,043	29,853,014	25,020,952	1,244,858	502,698	69,692,747	57,867,904
Unallocated assets:														
Long term investments														
Other receivables														
Cash and bank balances														
Other corporate assets														
Total assets as per balance sheet	690,510	591,260	551,987	402,874	1,542,828	1,354,680	310,737	215,212	16,152,807	16,941,373	55,613	33,369	19,904,482	19,538,768
Total liabilities for reportable segments														
Unallocated liabilities:														
Deferred income tax liability														
Provision for taxation														
Other corporate liabilities														
Total liabilities as per balance sheet														

14 TRANSACTIONS WITH RELATED PARTIES

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

i) Transactions	Period ended		Quarter ended	
	31 March 2014	31 March 2013 (Rupees in thousand)	31 March 2014	31 March 2013
Associated companies				
Investment made	300,000	300,000	-	71,130
Purchase of goods and services	147,737	23,230	65,103	7,123
Sale of operating fixed assets	1,475	1,349	-	22
Sale of goods and services	1,197	1,435	682	719
Rental income	636	251	189	84
Rent paid	9,865	-	3,584	-
Dividend paid	126,194	110,419	-	-
Insurance premium paid	216,036	80,008	57,900	9,193
Insurance claim received	28,753	12,839	3,139	3,459
Profit on saving accounts and term deposit receipts	3,149	5,035	2,901	-
Subscription paid	-	1,250	-	-
Other related parties				
Purchase of goods and services	208,208	64,452	127,427	52,978
Sale of goods and services	4,839	26,052	-	83
Group's contribution to provident fund trust	107,380	88,193	36,148	29,882
Remuneration paid to Chief Executive Officer, Directors and Executives of the Holding Company	482,933	326,471	147,387	100,096

ii) Period end balances

	As at 31 March 2014 (Un-audited)		
	Associated companies	Other related parties	Total
	(Rupees in thousand)		
Trade and other payables	39,546	16,285	55,831
Long term loans	-	81,130	81,130
Trade debts	659	-	659
Loans and advances	-	29,496	29,496
Cash and bank balances	96,747	-	96,747

	As at 30 June 2013 (Audited)		
	Associated companies	Other related parties	Total
	(Rupees in thousand)		
Trade and other payables	38,725	11	38,736
Long term loans	-	77,096	77,096
Trade debts	201	-	201
Loans and advances	-	28,792	28,792
Cash and bank balances	3,720,101	-	3,720,101

Selected Notes to the Consolidated Condensed Interim Financial Information For the period ended 31 March 2014 (Un-audited)

15 FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published consolidated financial statements of the Group for the year ended 30 June 2013.

16 DATE OF AUTHORIZATION FOR ISSUE

This consolidated condensed interim financial information was approved by the Board of Directors and authorized for issue on 25 April 2014.

17 CORRESPONDING FIGURES

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

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

18 GENERAL

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

Chief Executive Officer

Director

