



Nishat Mills Limited

**Interim Financial Report for the Half Year Ended
December 31, 2021**

Growing Inclusively

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COMPANY INFORMATION

Board of Directors

Mian Umer Mansha
Chief Executive Officer

Mian Hassan Mansha
Chairman

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

Audit Committee

Mrs. Mehak Adil
Chairperson / Member

Syed Zahid Hussain
Member

Mr. Mahmood Akhtar
Member

Human Resource & Remuneration (HR & R) Committee

Mrs. Sara Aqeel
Chairperson / Member

Mian Umer Mansha
Member

Mr. Mahmood Akhtar
Member

Chief Financial Officer

Mr. Mohammad 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 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.

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
Plot No. 32-C Jami Commercial
Street No. 2, DHA Phase VII,
Karachi 75500.
Tel: 021-111 000 322
Fax: 021-35310191

Branch Office, Lahore
Siddique Trade Centre,
Office No. PL-29, PL Floor,
72 Main Boulevard Gulberg II,
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.nishatmillsLtd.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 half year ended 31 December 2021.

Operating Financial Results

Financial performance of the Company was remarkable during the current half year in comparison to the corresponding half year of 31 December 2020. The primary reason for unprecedented increase in profitability was increase in revenue by 59.62% on account of both favorable rate and volume variances. Despite increase in raw material and energy costs, gross profit to sales percentage increased by 4.41% from 11.39% to 15.80% mainly due to better marketing strategies. Another reason for increase in gross profit was depreciation of Pak Rupee against US Dollar by 13.26% during the half year. Profit after tax of the Company also increased by 216.06% in the current half year as compared to the corresponding half of the last year due to increase in dividend income by Rs. 1,190.971 million from Rs. 767.788 million in the corresponding half year to Rs. 1,958.759 million in the current half year. Following is the summary of key profitability measures:

Financial Highlights	Half Year Ended 31 December		Increase / (decrease) %
	2021	2020	
Revenue (Rs. '000')	52,891,961	33,135,777	59.62
Gross Profit (Rs. '000')	8,355,647	3,775,182	121.33
Profit after tax (Rs. '000')	5,605,367	1,773,515	216.06
Gross Profit (%)	15.80	11.39	
Profit after tax (%)	10.60	5.35	
Earnings per share – (Rs.)	15.94	5.04	

General Market Review and Future Prospects

Pakistan's textile industry performed very well in the first half of the financial year 2021-22 despite increase in cotton and polyester fiber prices, shutdown in gas supply, increase in RLNG rate, disruption in global supply chain and adverse impact of depreciation of Pak Rupee against USD on imported raw materials. Exports significantly increased during the current half year in comparison to export in the corresponding half year.

Covid-19 vaccination process showed positive results and world economy came out of crises as lockdowns across the world ended. Demand of textile products increased substantially from U.S. and European markets during this period due to which most of the textile units were able to utilize their full capacities. Textile exports grew both in volume and value. Depreciation of PKR against USD also contributed towards increase in export sales.

Segment Analysis

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

Spinning

Cotton prices recorded increasing trend throughout the half year due to US-China trade commitments, improvement in COVID-19 situation, forecast of crop shortage in local and international cotton markets. The Company planned to cover annual raw cotton requirements with mix of local and imported cotton by closely

watching market dynamics. Therefore, the Company started buying raw cotton at prevailing prices as soon as it became available in markets.

Yarn	Half Year Ended 31 December		Increase / (Decrease)	
	2021	2020	Value	% age
Sale – (kgs '000')	18,252	9,984	8,268	82.81
Rate / kg	608.78	369.70	239.08	64.67
Sale – (Rs. '000')	11,111,537	3,691,133	7,420,404	201.03

Local yarn prices increased in tandem with raw cotton prices, but export yarn prices remained under pressure and did not move along with cotton prices despite rising demand in foreign markets. Yarn supply at low rates from India, Vietnam, Indonesia made it difficult for us to export at competitive prices. However, local market remained supportive during the half year. Reviewing the yarn market dynamics, the Company sold major portion of its production in local market instead of foreign market. This strategy resulted in good profits for first half of the financial year.

Nishat Mills Limited's new open-end yarn unit comprising of 4,320 rotors has been commissioned in production on November 01, 2021.

Weaving

Unprecedented surge in raw material cost pushed the greige cloth prices upward which was fiercely resisted by our foreign customers. However, fabric demand remained steady in both export and local markets. Workwear / Abrasive / Technical fabric segments performed well in terms of business growth. Home textile segment of grey fabric remained steady. Fashion business also improved somehow because demand revived as both US and European brands tried to fill up their supply chain after improvement in Covid-19 situation.

Grey Cloth	Half Year Ended 31 December		Increase / (Decrease)	
	2021	2020	Value	% age
Sale – (meters '000')	47,863	44,426	3,437	7.74
Rate / meter	253.97	176.98	76.99	43.50
Sale – (Rs. '000')	12,155,658	7,862,492	4,293,166	54.60

In the first week of October 2021, our new project comprising of 130 brand new Tsudakoma NEO 001 wider width looms was commissioned into production which has significantly enhanced our production capacity. The Division is now planning in the next phase to replace some 2005 / 2006 model Tsudakoma looms. We believe that to be cost competitive and more efficient we need to keep on bringing latest technologies that help us cater our customers in accordance with market trends.

Dyeing

Dyeing division performed well due to increase in the demand of fashion apparel during the first half of the

financial year 2021-22. Despite skyrocketing input cost, extremely volatile market situation and disrupted supply chain, the Division registered positive growth. Sales increased by Rs. 4,968.758 million (88.04%) in the current half year as compared to the corresponding half of the last year.

Processed Cloth	Half Year Ended 31 December		Increase / (Decrease)	
	2021	2020	Value	% age
Sale – (meters '000')	23,477	15,748	7,729	49.08
Rate / meter	452.03	358.37	93.66	26.14
Sale – (Rs. '000')	10,612,371	5,643,613	4,968,758	88.04

The Division has entered into the second half of the financial year with more challenges ahead. Raw material prices are likely to remain high in coming months due to high demand and expected shortage of cotton production in the country. Besides, it appears that we will keep facing longer lead times in the procurement of griegie cloth (raw material) in the second half of the year as well. We are taking all possible measures, to mitigate the impact of these challenges. We are hopeful that we will be able to register positive performance in the second half of fiscal year too.

Home Textile

Financial performance of the Division was satisfactory during the half year ended 31 December 2021. Sales of Home Textile products increased by Rs. 199.318 million (2.64%) during the current half year as compared to the corresponding half of the last year.

Processed Cloth and Made-ups	Half Year Ended 31 December		Increase / (Decrease)	
	2021	2020	Value	% age
Sale – (meters '000')	14,907	16,825	(1,918)	(11.40)
Rate / meter	519.22	448.18	71.04	15.85
Sale – (Rs. '000')	7,740,013	7,540,695	199,318	2.64

Hopefully, exports would continue its growth momentum in the coming months as the restrictions are easing worldwide and markets are opening up.

Terry unit was commissioned into production during the last financial year and it is showing promising results. The plan to enhance the production capacity of the unit is underway.

Terry	Half Year Ended 31 December		Increase / (Decrease)	
	2021	2020	Value	% age
Sale – (kgs '000')	1,049	172	877	509.88
Rate / kg	1,179.26	830.64	348.62	41.97
Sale – (Rs. '000')	1,237,046	142,870	1,094,176	765.85

Garments

The Division recorded tremendous financial performance during the first half of the financial year 2021-22. Garments sales of the Division increased remarkably by Rs. 2,552.145 million (73.55%) during the current half year as compared to the corresponding half of the last year.

Garments	Half Year Ended 31 December		Increase / (Decrease)	
	2021	2020	Value	% age
Sale – (garments '000')	4,707	3,743	964	25.75
Rate / garment	1,279.42	927.09	352.33	38.00
Sale – (Rs. '000')	6,022,245	3,470,100	2,552,145	73.55

The Division is in expansion phase and its production capacity will double by the end of the financial year. It will generate a lot of employment opportunities and enhance the profitability of the Company.

Environmental sustainability is key focus area of the management. The Division has adopted innovative methods for optimum utilization of water and energy. Moreover, it has increased its reliance on renewable energy sources.

Power Generation

All fuel costs such as coal and furnace oil significantly increased during the current half year. Similarly, Government of Pakistan has revised subsidized rate of gas for Captive power plants of export-oriented sector from USD 6.5 per mmbtu to USD 9 per mmbtu which will remain effective from 15 November 2021 to 31 March 2022. Furthermore, limited supply of the gas is available for captive power plants. The Company is receiving RLNG approximately half of its gas consumption requirement for its captive power plants.

Environmental sustainability and cheap energy are the top priorities of the Company; therefore, the Division is committed to acquire more solar power plants. Currently, 4.34 MW of electricity is generated from solar power plants and projects of 9.86 MW are under acquisition and installation phase.

Energy requirements of Spinning Division, Sahianwala has grown after the commissioning of new open-end yarn unit, therefore, plan for acquisition of 5.8 MW Wartsila dual fuel power engine is under consideration. Likewise, acquisition of two gas engines having total capacity of 4 MW with waste heat recovery boiler and air compressor and a 1 MW Diesel Engine is underway to cater the increased demand of towel manufacturing facility of Home Textile Division after increase in its capacity. Garments Division's expansion is in process; management has planned to acquire a 1 MW Diesel Engine.

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 and China Guangzhou Nishat Global Co., Ltd. form portfolio of subsidiary companies of the Company. Therefore, the Company has annexed consolidated condensed interim financial statements in addition to its separate condensed interim financial statements, in accordance with the requirements of International Financial Reporting Standards.

Composition of the Board

The composition of the Board is as follows:

Total number of Directors:

a)	Male	5
b)	Female	2

Composition

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

Committees of the Board**Audit Committee:****Sr. No. Name of Director**

1	Mrs. Mehak Adil	Chairperson / Member
2	Syed Zahid Hussain	Member
3	Mr. Mahmood Akhtar	Member

Human Resource and Remuneration Committee:**Sr. No. Name of Director**

1	Mian Umer Mansha	Member
2	Mrs. Sara Aqeel	Chairperson / 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 meetings 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



Farid Noor Ali Fazal
Director

21 February 2022
Lahore

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Nishat Mills Limited

Report on review of Unconsolidated Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of NISHAT MILLS LIMITED as at 31 December 2021 and the related unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity, and unconsolidated condensed interim statement of cash flows, and notes to the unconsolidated condensed interim financial statements for the half year then ended (here-in-after referred to as the "unconsolidated condensed interim financial statements"). Management is responsible for the preparation and presentation of these unconsolidated condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these unconsolidated condensed interim financial statements based on our review. The figures of the unconsolidated condensed interim statement of profit or loss and unconsolidated condensed interim statement of comprehensive income for the quarters ended 31 December 2021 and 31 December 2020 have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the half year ended 31 December 2021.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of unconsolidated condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated condensed interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's review report is Syed Mustafa Ali.



RIAZ AHMAD & COMPANY

Chartered Accountants

Lahore

21 February 2022

UDIN: RR202110168zYHJntjf1



Unconsolidated Condensed Interim
Financial Statements of

Nishat Mills Limited

For the half year ended 31 December 2021



Unconsolidated Condensed Interim Statement of Financial Position

As at 31 December 2021

	Note	Un-audited 31 December 2021 (Rupees in thousand)	Audited 30 June 2021
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
1,100,000,000 (30 June 2021: 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 2021: 351,599,848) ordinary shares of Rupees 10 each		3,515,999	3,515,999
Reserves		79,877,657	82,231,780
Total equity		83,393,656	85,747,779
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing - secured	5	12,856,848	11,577,915
Deferred liabilities		794,053	1,055,992
		13,650,901	12,633,907
CURRENT LIABILITIES			
Trade and other payables		10,654,141	9,512,304
Accrued mark-up		325,115	196,382
Short term borrowings		36,867,871	18,718,262
Current portion of non-current liabilities		4,609,535	4,206,123
Unclaimed dividend		104,736	97,617
		52,561,398	32,730,688
TOTAL LIABILITIES		66,212,299	45,364,595
CONTINGENCIES AND COMMITMENTS	6		
TOTAL EQUITY AND LIABILITIES		149,605,955	131,112,374

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



CHIEF EXECUTIVE OFFICER

	Note	Un-audited 31 December 2021 (Rupees in thousand)	Audited 30 June 2021
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	39,244,813	35,926,594
Investment properties		477,273	479,506
Long term investments		42,714,249	48,620,695
Long term loans		440,457	468,377
Long term deposits		210,413	156,984
		83,087,205	85,652,156
CURRENT ASSETS			
Stores, spare parts and loose tools		3,554,243	2,605,602
Stock-in-trade		33,595,611	17,972,691
Trade debts		10,048,195	6,549,252
Loans and advances		10,574,967	7,675,599
Advance income tax - net		491,430	572,307
Short term deposits and prepayments		76,600	80,828
Other receivables		6,426,472	4,702,709
Accrued interest		47,715	28,885
Cash and bank balances		1,703,517	5,272,345
		66,518,750	45,460,218
TOTAL ASSETS		149,605,955	131,112,374

Said Iqbal

DIRECTOR

[Signature]

CHIEF FINANCIAL OFFICER

Unconsolidated Condensed Interim Statement of Profit or Loss

For the half year ended 31 December 2021 (Un-audited)

		Half year ended		Quarter ended	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
	Note	(Rupees in thousand)			
REVENUE	8	52,891,961	33,135,777	28,500,078	17,156,563
COST OF SALES	9	(44,536,314)	(29,360,595)	(24,889,482)	(15,207,391)
GROSS PROFIT		8,355,647	3,775,182	3,610,596	1,949,172
DISTRIBUTION COST		(2,562,626)	(1,417,275)	(1,365,930)	(751,573)
ADMINISTRATIVE EXPENSES		(816,278)	(651,825)	(417,852)	(327,287)
OTHER EXPENSES		(331,045)	(174,636)	(139,354)	(96,132)
		(3,709,949)	(2,243,736)	(1,923,136)	(1,174,992)
		4,645,698	1,531,446	1,687,460	774,180
OTHER INCOME		2,544,171	1,270,114	1,550,900	596,475
PROFIT FROM OPERATIONS		7,189,869	2,801,560	3,238,360	1,370,655
FINANCE COST		(776,502)	(609,045)	(487,793)	(310,486)
PROFIT BEFORE TAXATION		6,413,367	2,192,515	2,750,567	1,060,169
TAXATION		(808,000)	(419,000)	(436,000)	(233,000)
PROFIT AFTER TAXATION		5,605,367	1,773,515	2,314,567	827,169
EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)	10	15.94	5.04	6.58	2.35

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

Unconsolidated Condensed Interim Statement of Comprehensive Income

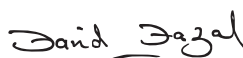
For the half year ended 31 December 2021 (Un-audited)

	Half year ended		Quarter ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	(Rupees in thousand)			
PROFIT AFTER TAXATION	5,605,367	1,773,515	2,314,567	827,169
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	(6,723,864)	7,403,423	(1,562,582)	2,889,159
Deferred income tax relating to this item	170,773	(22,187)	152,169	(16,403)
	(6,553,091)	7,381,236	(1,410,413)	2,872,756
Items that may be reclassified subsequently to profit or loss	-	-	-	-
Other comprehensive (loss) / income for the period - net of tax	(6,553,091)	7,381,236	(1,410,413)	2,872,756
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE PERIOD	(947,724)	9,154,751	904,154	3,699,925

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

Unconsolidated Condensed Interim Statement of Changes in Equity

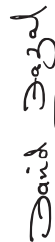
For the half year ended 31 December 2021 (Un-audited)

	Share Capital	Reserves						Total	Total Equity
		Capital Reserves		Revenue Reserves					
		Premium on Issue of Right Shares	Fair Value Reserve FVTOCI Investments	Sub Total	General Reserve	Unappropriated Profit	Sub Total		
		(Rupees in thousand)							
Balance as at 30 June 2020 - (audited)	3,515,999	5,499,530	13,739,158	19,238,688	45,165,028	3,508,145	48,673,173	67,911,861	71,427,860
Transaction with owners - Final dividend for the year ended 30 June 2020 @ Rupees 4.00 per share	-	-	-	-	-	(1,406,399)	(1,406,399)	(1,406,399)	(1,406,399)
Transferred to general reserve	-	-	-	-	2,101,000	(2,101,000)	-	-	-
Profit for the period	-	-	-	-	-	1,773,515	1,773,515	1,773,515	1,773,515
Other comprehensive income for the period	-	-	7,381,236	7,381,236	-	-	7,381,236	7,381,236	7,381,236
Total comprehensive income for the period	-	-	7,381,236	7,381,236	-	1,773,515	1,773,515	9,154,751	9,154,751
Balance as at 31 December 2020 - (un-audited)	3,515,999	5,499,530	21,120,394	26,619,924	47,266,028	1,774,261	49,040,289	75,660,213	79,176,212
Profit for the period	-	-	-	-	-	4,148,955	4,148,955	4,148,955	4,148,955
Other comprehensive income for the period	-	-	2,422,612	2,422,612	-	-	-	2,422,612	2,422,612
Total comprehensive income for the period	-	-	2,422,612	2,422,612	-	4,148,955	4,148,955	6,571,567	6,571,567
Balance as at 30 June 2021 - (audited)	3,515,999	5,499,530	23,543,006	29,042,536	47,266,028	5,923,216	53,189,244	82,231,780	85,747,779
Transaction with owners - Final dividend for the year ended 30 June 2021 @ Rupees 4.00 per share	-	-	-	-	-	(1,406,399)	(1,406,399)	(1,406,399)	(1,406,399)
Transferred to general reserve	-	-	-	-	4,516,000	(4,516,000)	-	-	-
Profit for the period	-	-	-	-	-	5,605,367	5,605,367	5,605,367	5,605,367
Other comprehensive loss for the period	-	-	(6,553,091)	(6,553,091)	-	-	-	(6,553,091)	(6,553,091)
Total comprehensive loss for the period	-	-	(6,553,091)	(6,553,091)	-	5,605,367	5,605,367	(947,724)	(947,724)
Balance as at 31 December 2021 - (un-audited)	3,515,999	5,499,530	16,989,915	22,489,445	51,782,028	5,606,184	57,388,212	79,877,657	83,393,656

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 half year ended 31 December 2021 (Un-audited)

		Half year ended	
		31 December 2021	31 December 2020
	Note	(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	11	(14,123,991)	4,108,766
Finance cost paid		(622,957)	(592,026)
Income tax paid		(727,123)	(360,512)
Net exchange difference on forward exchange contracts received / (paid)		1,656	(4,313)
Net decrease / (increase) in long term loans		27,077	(119,195)
Net increase in long term deposits		(53,429)	(15,936)
Net cash (used in) / generated from operating activities		(15,498,767)	3,016,784
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(4,917,824)	(1,152,064)
Proceeds from sale of property, plant and equipment		69,188	40,420
Investments made		(817,418)	(211,328)
Loans and advances to subsidiary companies		(26,968,292)	(27,367,493)
Repayment of loans from subsidiary companies		24,145,031	23,465,099
Interest received		143,797	134,630
Dividends received		1,958,761	767,788
Net cash used in investing activities		(6,386,757)	(4,322,948)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		3,000,052	1,814,108
Repayment of long term financing		(1,433,685)	(29,907)
Short term borrowings - net		18,149,609	957,233
Dividend paid		(1,399,280)	(1,398,831)
Net cash from financing activities		18,316,696	1,342,603
Net (decrease) / increase in cash and cash equivalents		(3,568,828)	36,439
Cash and cash equivalents at the beginning of the period		5,272,345	128,241
Cash and cash equivalents at the end of the period		1,703,517	164,680

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 half year ended 31 December 2021 (Un-audited)

1 THE COMPANY AND ITS OPERATIONS

Nishat Mills Limited (the Company) 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 2021. These unconsolidated condensed interim financial statements are un-audited, however, have been subjected to limited scope review by the auditors 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 2021.

4 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 2021.

	Note	Un-audited 31 December 2021 (Rupees in thousand)	Audited 30 June 2021
5 LONG TERM FINANCING - SECURED			
Opening balance		14,576,825	9,925,813
Add: Obtained during the period / year		3,000,052	6,421,187
Less: Repaid during the period / year		(1,433,685)	(1,610,173)
Less: Deferred income recognised during the period / year		(5,412)	(253,819)
Add: Amortised during the period / year		48,823	93,817
Net impact	5.1	43,411	(160,002)
		16,186,603	14,576,825
Less: Current portion shown under current liabilities		(3,329,755)	(2,998,910)
		12,856,848	11,577,915

5.1 This represents net impact of benefit of loans obtained under the schemes of State Bank of Pakistan at below market rate of interest.

6 CONTINGENCIES AND COMMITMENTS

a) Contingencies

- i) Guarantees of Rupees 3,110.614 million (30 June 2021: Rupees 3,438.360 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, Directorate of Cotton Cess Management against cotton cess, Collector of Customs against regulatory duty, State Bank of Pakistan against mark-up subsidy, Inspector General Frontier Corps KP (South) and The President of Islamic Republic of Pakistan through the Controller of Military Accounts (Defence Purchase) against fulfillment of sales orders, High Court of Sindh, Karachi against the matter of importation of LED lights and to the bank of Hyundai Nishat Motor (Private) Limited (associated company) to secure financial assistance to the associated company. Further, the Company has issued cross corporate guarantees of Rupees 1,173.333 million (30 June 2021: Rupees 1,173.333 million), Rupees 41.600 million (30 June 2021: Rupees 41.600 million) and Rupees 1,750 million (30 June 2021: Rupees 1,750 million) on behalf of Nishat Linen (Private) Limited - wholly owned subsidiary company, Nishat Hospitality (Private) Limited - wholly owned subsidiary company and Nishat Sutas Dairy Limited - associated company respectively to secure the obligations of subsidiary companies and associated company towards their lenders.

Selected Notes to the Unconsolidated Condensed Interim Financial Statements

For the half year ended 31 December 2021 (Un-audited)

- ii) Post dated cheques of Rupees 12,084.264 million (30 June 2021: Rupees 10,758.912 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 2,712.259 million (30 June 2021: Rupees 3,469.028 million).
- ii) Letters of credit other than for capital expenditure are of Rupees 5,466.300 million (30 June 2021: Rupees 4,219.586 million).
- iii) Outstanding foreign currency forward contracts of Rupees 7,396.324 million (30 June 2021: Rupees 6,400.041 million).

	Note	Un-audited 31 December 2021 (Rupees in thousand)	Audited 30 June 2021
7 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	7.1	34,683,669	29,713,681
Capital work-in-progress	7.2	4,561,144	6,212,913
		39,244,813	35,926,594
7.1 Operating fixed assets			
Opening book value		29,713,681	28,834,861
Add: Cost of additions during the period / year	7.1.1	6,569,676	3,969,189
Less: Reversal of provision		-	(98,528)
Less: Transferred to investment properties		-	(28,796)
		36,283,357	32,676,726
Less: Book value of deletions during the period / year	7.1.2	(56,811)	(119,454)
		36,226,546	32,557,272
Less: Depreciation charged during the period / year		(1,542,877)	(2,843,591)
		34,683,669	29,713,681

	Un-audited 31 December 2021 (Rupees in thousand)	Audited 30 June 2021
7.1.1 Cost of additions		
Freehold land	22,432	20,823
Buildings on freehold land	800,444	515,129
Plant and machinery	5,392,862	3,135,514
Electric installations	187,718	31,570
Factory equipment	46,945	17,196
Furniture, fixtures and office equipment	41,028	38,765
Computer equipment	14,585	23,453
Vehicles	63,662	186,739
	6,569,676	3,969,189
7.1.2 Book value of deletions		
Freehold land	-	62,001
Plant and machinery	39,701	24,760
Furniture, fixtures and office equipment	14	-
Computer equipment	347	403
Vehicles	16,749	32,290
	56,811	119,454
7.2 Capital work-in-progress		
Buildings on freehold land	1,542,814	1,490,620
Plant and machinery	2,909,656	4,626,845
Electric installations	-	17,568
Unallocated capital expenditures	36,062	3,986
Advances against purchase of freehold land	35,593	26,493
Advances against furniture, fixtures and office equipment	3,489	12,619
Advances against purchase of vehicles	33,530	34,782
	4,561,144	6,212,913

Selected Notes to the Unconsolidated Condensed Interim Financial Statements

For the half year ended 31 December 2021 (Un-audited)

8 REVENUE

8.1 In the following table, revenue from contracts with customers is disaggregated by primary geographical market, major products and service lines and timing of revenue recognition.

Description	Spinning						Weaving						Dyeing						Home Textile and Terry					
	Half year ended		Quarter ended		Half year ended		Quarter ended		Half year ended		Quarter ended		Half year ended		Quarter ended		Half year ended		Quarter ended		Half year ended		Quarter ended	
	Dec 2021	Dec 2020	Dec 2021	Dec 2020	Dec 2021	Dec 2020	Dec 2021	Dec 2020	Dec 2021	Dec 2020	Dec 2021	Dec 2020	Dec 2021	Dec 2020	Dec 2021	Dec 2020	Dec 2021	Dec 2020	Dec 2021	Dec 2020	Dec 2021	Dec 2020	Dec 2021	Dec 2020
Region																								
Europe	137,057	108,590	104,929	61,328	7,449,112	3,669,887	4,078,613	1,694,383	265,017	202,259	117,387	118,765	5,789,760	4,460,344	3,148,723	2,296,858								
United States of America and Canada	176,462	43,389	99,909	25,632	281,312	197,675	145,649	77,275	1,161	-	-	-	1,914,014	1,933,011	926,717	771,210								
Asia, Africa, Australia	3,021,617	2,814,090	1,363,410	1,408,826	12,141,127	1,254,899	670,501	497,494	7,687,709	4,006,008	4,238,616	2,199,709	811,659	788,738	407,417	382,481								
Pakistan	9,914,476	3,845,081	5,175,328	2,049,676	3,499,202	2,933,217	1,930,625	1,670,262	2,849,702	1,662,861	1,883,828	937,949	1,667,829	1,599,169	699,302	1,005,433								
	13,249,612	6,811,150	6,743,576	3,545,262	12,443,753	8,055,658	6,825,388	3,939,414	10,803,589	5,871,128	6,249,811	3,256,423	10,183,262	8,782,262	5,182,159	4,465,982								
Timing of revenue recognition																								
Products and services transferred at a point in time	13,249,612	6,811,150	6,743,576	3,545,262	12,443,753	8,055,658	6,825,388	3,939,414	10,803,589	5,871,128	6,249,811	3,256,423	10,183,262	8,782,262	5,182,159	4,465,982								
Products and services transferred over time	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
External revenue as reported																								
13,249,612	6,811,150	6,743,576	3,545,262	12,443,753	8,055,658	6,825,388	3,939,414	10,803,589	5,871,128	6,249,811	3,256,423	10,183,262	8,782,262	5,182,159	4,465,982									
Major products / service lines																								
Yarn	13,103,717	6,719,712	6,659,427	3,495,615	-	-	-	-	-	-	-	-	-	-	-	-	-							
Comber Nall	145,895	91,438	84,149	49,647	-	-	-	-	-	-	-	-	-	-	-	-	-							
Grey Cloth	-	-	-	-	12,443,753	8,055,658	6,825,388	3,939,414	-	-	-	-	-	-	-	-	-							
Processed Cloth	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
Made Ups	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
Garments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
Towels and Bath Robe	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
Electricity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
	13,249,612	6,811,150	6,743,576	3,545,262	12,443,753	8,055,658	6,825,388	3,939,414	10,803,589	5,871,128	6,249,811	3,256,423	10,183,262	8,782,262	5,182,159	4,465,982								

Continued on next page

(Rupees in thousand)

Description	Garments				Power Generation				Total - Company			
	Half year ended		Quarter ended		Half year ended		Quarter ended		Half year ended		Quarter ended	
	Dec 2021	Dec 2020	Dec 2021	Dec 2020	Dec 2021	Dec 2020	Dec 2021	Dec 2020	Dec 2021	Dec 2020	Dec 2021	Dec 2020
Region												
Europe	2,578,913	1,461,944	1,117,460	1,188,312	-	-	-	-	16,219,859	9,903,004	8,587,092	5,359,646
United States of America and Canada	3,169,893	1,747,995	2,213,856	579,773	-	-	-	-	5,542,842	3,922,070	3,386,131	1,453,890
Asia, Africa, Australia	338,957	283,270	116,097	111,042	-	-	-	-	13,074,069	9,148,005	6,796,041	4,609,352
Pakistan	77,843	100,228	30,976	60,742	46,139	22,142	20,755	9,613	18,055,191	10,162,698	9,750,814	5,733,675
	6,165,606	3,593,437	3,478,389	1,939,869	46,139	22,142	20,755	9,613	52,891,961	33,135,777	28,500,078	17,156,563
Timing of revenue recognition												
Products and services transferred at a point in time	6,165,606	3,593,437	3,478,389	1,939,869	46,139	22,142	20,755	9,613	52,891,961	33,135,777	28,500,078	17,156,563
Products and services transferred over time	-	-	-	-	-	-	-	-	-	-	-	-
External revenue as reported	6,165,606	3,593,437	3,478,389	1,939,869	46,139	22,142	20,755	9,613	52,891,961	33,135,777	28,500,078	17,156,563
Major products / service lines												
Yarn	-	-	-	-	-	-	-	-	13,103,717	6,719,712	6,659,427	3,495,615
Comber Noll	-	-	-	-	-	-	-	-	145,895	91,438	84,149	49,647
Grey Cloth	-	-	-	-	-	-	-	-	12,443,753	8,055,658	8,825,388	3,893,414
Processed Cloth	-	-	-	-	-	-	-	-	10,803,589	5,871,128	6,249,811	3,256,423
Made Ups	-	-	-	-	-	-	-	-	8,758,845	8,465,026	4,387,759	4,148,746
Garments	6,165,606	3,593,437	3,478,389	1,939,869	-	-	-	-	6,165,606	3,593,437	3,478,389	1,839,869
Towels and Bath Robe	-	-	-	-	-	-	-	-	1,424,417	317,266	794,400	317,236
Electricity	-	-	-	-	46,139	22,142	20,755	9,613	46,139	22,142	20,755	9,613
	6,165,606	3,593,437	3,478,389	1,939,869	46,139	22,142	20,755	9,613	52,891,961	33,135,777	28,500,078	17,156,563

8.2 Revenue is recognised at point in time as per the terms and conditions of underlying contracts with customers.

Selected Notes to the Unconsolidated Condensed Interim Financial Statements

For the half year ended 31 December 2021 (Un-audited)

		Half year ended		Quarter ended	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
		(Rupees in thousand)			
9	COST OF SALES				
	Raw materials consumed	31,805,256	15,698,888	18,541,592	8,477,302
	Processing charges	228,993	177,979	122,651	91,716
	Salaries, wages and other benefits	4,408,362	3,411,879	2,259,427	1,753,432
	Stores, spare parts and loose tools consumed	4,756,357	3,441,818	2,625,593	1,919,694
	Packing materials consumed	1,132,118	824,760	613,896	437,791
	Repair and maintenance	284,857	211,930	151,026	112,095
	Fuel and power	4,450,892	3,003,303	2,403,184	1,521,151
	Insurance	29,231	21,530	15,451	10,977
	Other factory overheads	355,514	250,831	196,478	131,694
	Depreciation	1,498,856	1,313,033	774,105	660,494
		48,950,436	28,355,951	27,703,403	15,116,346
	Work-in-process:				
	Opening stock	2,814,471	2,032,268	3,699,353	2,163,479
	Closing stock	(4,071,056)	(2,283,358)	(4,071,056)	(2,283,358)
		(1,256,585)	(251,090)	(371,703)	(119,879)
	Cost of goods manufactured	47,693,851	28,104,861	27,331,700	14,996,467
	Finished goods:				
	Opening stock	5,874,465	5,899,507	6,589,784	4,854,697
	Closing stock	(9,032,002)	(4,643,773)	(9,032,002)	(4,643,773)
		(3,157,537)	1,255,734	(2,442,218)	210,924
		44,536,314	29,360,595	24,889,482	15,207,391
		Half year ended		Half year ended	
		31 December		31 December	
		2021		2020	
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)			5,605,367	1,773,515
	Weighted average number of ordinary shares (Numbers)			351,599,848	351,599,848
	Earnings per share (Rupees)			15.94	5.04

		Half year ended	
		31 December 2021	31 December 2020
	Note	(Rupees in thousand)	
11 CASH (USED IN) / GENERATED FROM OPERATIONS			
Profit before taxation		6,413,367	2,192,515
Adjustments for non-cash charges and other items:			
Depreciation		1,545,027	1,353,832
Gain on sale of property, plant and equipment		(12,377)	(10,769)
Dividend income		(1,958,761)	(767,788)
Allowance for expected credit losses recognised / (reversed)		402	(1,282)
Net exchange (gain) / loss		(66,510)	74,703
Interest income on loans and advances to subsidiary companies		(173,342)	(138,209)
Finance cost		776,502	609,045
Reversal of provision for slow moving, obsolete and damaged store items		-	(13)
Gain on initial recognition of GIDC payable at amortised cost		-	(110,431)
Working capital changes	11.1	(20,648,299)	907,163
		(14,123,991)	4,108,766
11.1 Working capital changes			
(Increase) / decrease in current assets:			
- Stores, spare parts and loose tools		(948,641)	(557,498)
- Stock in trade		(15,622,920)	3,351,013
- Trade debts		(3,405,687)	(2,045,604)
- Loans and advances		(75,264)	(53,015)
- Short term deposits and prepayments		4,228	25,003
- Other receivables		(1,687,204)	333,680
		(21,735,488)	1,053,579
Increase / (decrease) in trade and other payables		1,087,189	(146,416)
		(20,648,299)	907,163

Selected Notes to the Unconsolidated Condensed Interim Financial Statements

For the half year ended 31 December 2021 (Un-audited)

12 SEGMENT INFORMATION

- 12.1** 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 and Terry:	Manufacturing of home textile articles using processed fabric produced from greige fabric and 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.

Spinning													Weaving				Dyeing				Home Textile and Terry				Garments				Power Generation				Elimination of inter-segment transactions				Total - Company	
Faisalabad I				Faisalabad II				Feroze Wadhwan I				Feroze Wadhwan II				Bhikki		Lahore		Home Textile		Terry		Half year ended		Half year ended		Half year ended		Half year ended		Half year ended		Half year ended		Half year ended		
Dec-2021	Dec-2020	Dec-2019	Dec-2018	Dec-2021	Dec-2020	Dec-2019	Dec-2018	Dec-2021	Dec-2020	Dec-2019	Dec-2018	Dec-2021	Dec-2020	Dec-2019	Dec-2018	Dec-2021	Dec-2020	Dec-2019	Dec-2018	Dec-2021	Dec-2020	Dec-2019	Dec-2018	Dec-2021	Dec-2020	Dec-2019	Dec-2018	Dec-2021	Dec-2020	Dec-2019	Dec-2018	Dec-2021	Dec-2020	Dec-2019	Dec-2018			
5,005,005	2,738,062	1,720,000	1,546,900	4,402,240	1,735,575	1,899,436	733,000	9,929,395	6,972,545	2,514,300	1,443,113	10,800,529	5,971,128	6,739,846	4,645,027	1,424,416	317,235	6,165,606	3,395,437	48,139	4,088,712	22,143	-	-	-	-	-	-	-	-	-	-	52,891,361	33,153,777				
2,303,971	1,250,875	1,112,251	665,107	1,112,251	1,075,124	526,391	299,324	5,093,574	3,029,538	2,749,000	2,070,944	462,327	356,000	16,367	17,158	46,162	317,406	151	940	1	4,088,712	3,333,359	18,465,477	17,343,846	-	-	-	-	-	-	-	-	52,891,361	33,153,777				
7,338,723	4,246,940	3,288,177	2,150,000	5,519,365	2,897,533	2,027,187	962,343	13,038,767	9,942,003	3,410,400	3,327,357	11,465,336	6,223,138	6,344,633	3,906,865	1,448,398	338,643	6,165,727	3,594,277	47,225	4,722,511	3,553,141	18,465,477	17,343,846	-	-	-	-	-	-	-	-	52,891,361	33,153,777				
8,462,228	5,387,003	2,988,562	2,332,271	6,815,627	2,917,222	2,027,187	962,343	13,038,767	9,942,003	3,410,400	3,327,357	11,465,336	6,223,138	6,344,633	3,906,865	1,448,398	338,643	6,165,727	3,594,277	47,225	4,722,511	3,553,141	18,465,477	17,343,846	-	-	-	-	-	-	-	-	52,891,361	33,153,777				
87,465	261,138	362,238	179,794	648,668	35,894	50,074	49,307	1,368,538	753,023	302,922	186,263	1,436,330	786,546	978,634	1,256,645	97,448	23,047	999,341	596,325	29,228	10,946	-	-	-	-	-	-	-	-	-	-	-	-	8,333,847	3,715,162			
97,400	92,731	256,653	172,597	133,400	86,378	133,071	22,658	552,497	255,320	151,411	153,191	612,286	393,127	617,300	515,371	129,662	12,759	401,554	283,176	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,362,626	1,417,275			
97,400	92,731	256,653	172,597	133,400	86,378	133,071	22,658	552,497	255,320	151,411	153,191	612,286	393,127	617,300	515,371	129,662	12,759	401,554	283,176	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,362,626	1,417,275			
97,400	92,731	256,653	172,597	133,400	86,378	133,071	22,658	552,497	255,320	151,411	153,191	612,286	393,127	617,300	515,371	129,662	12,759	401,554	283,176	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,362,626	1,417,275			
97,400	92,731	256,653	172,597	133,400	86,378	133,071	22,658	552,497	255,320	151,411	153,191	612,286	393,127	617,300	515,371	129,662	12,759	401,554	283,176	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,362,626	1,417,275			
97,400	92,731	256,653	172,597	133,400	86,378	133,071	22,658	552,497	255,320	151,411	153,191	612,286	393,127	617,300	515,371	129,662	12,759	401,554	283,176	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,362,626	1,417,275			
97,400	92,731	256,653	172,597	133,400	86,378	133,071	22,658	552,497	255,320	151,411	153,191	612,286	393,127	617,300	515,371	129,662	12,759	401,554	283,176	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,362,626	1,417,275			
97,400	92,731	256,653	172,597	133,400	86,378	133,071	22,658	552,497	255,320	151,411	153,191	612,286	393,127	617,300	515,371	129,662	12,759	401,554	283,176	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,362,626	1,417,275			
97,400	92,731	256,653	172,597	133,400	86,378	133,071	22,658	552,497	255,320	151,411	153,191	612,286	393,127	617,300	515,371	129,662	12,759	401,554	283,176	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,362,626	1,417,275			
97,400	92,731	256,653	172,597	133,400	86,378	133,071	22,658	552,497	255,320	151,411	153,191	612,286	393,127	617,300	515,371	129,662	12,759	401,554	283,176	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,362,626	1,417,275			
97,400	92,731	256,653	172,597	133,400	86,378	133,071	22,658	552,497	255,320	151,411	153,191	612,286	393,127	617,300	515,371	129,662	12,759	401,554	283,176	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,362,626	1,417,275			
97,400	92,731	256,653	172,597	133,400	86,378	133,071	22,658	552,497	255,320	151,411	153,191	612,286	393,127	617,300	515,371	129,662	12,759	401,554	283,176	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,362,626	1,417,275			
97,400	92,731	256,653	172,597	133,400	86,378	133,071	22,658	552,497	255,320	151,411	153,191	612,286	393,127	617,300	515,371	129,662	12,759	401,554	283,176	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,362,626	1,417,275			
97,400	92,731	256,653	172,597	133,400	86,378	133,071	22,658	552,497	255,320	151,411	153,191	612,286	393,127	617,300	515,371	129,662	12,759	401,554	283,176	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,362,626	1,417,275			
97,400	92,731	256,653	172,597	133,400	86,378	133,071	22,658	552,497	255,320	151,411	153,191	612,286	393,127	617,300	515,371	129,662	12,759	401,554	283,176	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,362,626	1,417,275			
97,400	92,731	256,653	172,597	133,400	86,378	133,071	22,658	552,497	255,320	151,411	153,191	612,286	393,127	617,300	515,371	129,662	12,759	401,554	283,176	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,362,626	1,417,275			
97,400	92,731	256,653	172,597	133,400	86,378	133,071	22,658	552,497	255,320	151,411	153,191	612,286	393,127	617,300	515,371	129,662	12,759	401,554	283,176	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,362,626	1,417,275			
97,400	92,731	256,653	172,597	133,400	86,378	133,071	22,658	552,497	255,320	151,411	153,191	612,286	393,127	617,300	515,371	129,662	12,759	401,554	283,176	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,362,626	1,417,275			
97,400	92,731	256,653	172,597	133,400	86,378	133,071	22,658	552,497	255,320	151,411	153,191	612,286	393,127	617,300	515,371	129,662	12,759	401,554	283,176	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,362,626	1,417,275			
97,400	92,731	256,653	172,597	133,400	86,378	133,071	22,658	552,497	255,320	151,411	153,191	612,286	393,127	617,300	515,371	129,662	12,759	401,554	283,176	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,362,626	1,417,275			
97,400	92,731	256,653	172,597	133,400	86,378	133,071	22,658	552,497	255,320	151,411	153,191	612,286	393,127	617,300	515,371	129,662	12,759	401,554	283,176	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,362,626	1,417,275			
97,400	92,731	256,653	172,597	133,400	86,378	133,071	22,658	552,497	255,320	151,411	153,191	612,286	393,127	617,300	515,371	129,662	12,759	401,554	283,176	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,362,626	1,417,275			
97,400	92,731	256,653	172,597	133,400	86,378	133,071	22,658	552,497	255,320	151,411	153,191	612,286	393,127	617,300	515,371	129,662	12,759	401,554	283,176	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,362,626	1,417,275			
97,400	92,731	256,653	172,597	133,400	86,378	133,071	22,658	552,497	255,320	151,411	153,191	612,286	393,127	617,300	515,371	129,662	12,759	401,554	283,176	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,362,626	1,417,275			
97,400	92,731	256,653	172,597	133,400	86,378	133,071	22,658	552,497	255,320	151,411	153,191	612,286	393,127	617,300	515,371	129,662	12,759	401,554	283,176	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,362,626	1,417,275			
97,400	92,731	256,653	172,597	133,400	86,378	133,071	22,658	552,497	255,320	151,411	153,191	612,286	393,127	617,300	515,371	129,662	12,759	401,554	283,176	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,362,626	1,417,275			
97,400	92,731	256,653	172,597	133,400	86,378	133,071	22,658	552,497	255,320	151,411	153,191	612,286	393,127	617,300	515,371	129,662	12,759	401,554	283,176	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,362,626	1,417,275			
97,400	92,731	256,653	172,597	133,400	86,378	133,071	22,658	552,497	255,320	151,411	153,191	612,286	393,127	617,300	515,371	129,662	12,759	401,554	283,176	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,362,626	1,417,275			
97,400	92,731	256,653	172,597	133,400	86,378	133,071	22,658	552,497	255,320	151,411	153,191	612,286	393,127	617,300	515,371	129,662	12,759	401,554	283,176	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,362,626	1,417,275			
97,400	92,731	256,653	172,597	133,400	86,378	133,071	22,658	552,497	255,320	151,411	153,191	612,286	393,127	617,300	515,371	129,662	12,759	401,554	283,176	-	-	-	-	-	-	-	-	-	-	-	-</							

12.3 Reconciliation of reportable segment assets and liabilities

[illegible]

Selected Notes to the Unconsolidated Condensed Interim Financial Statements

For the half year ended 31 December 2021 (Un-audited)

13 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 unconsolidated condensed interim financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the following three levels. An explanation of each level follows underneath the table.

Recurring fair value measurements At 31 December 2021 - Un-audited	Level 1	Level 2	Level 3	Total
(Rupees in thousand)				
Financial assets				
Fair value through other comprehensive income	30,512,253	-	7,669,993	38,182,246
Derivative financial assets	-	34,516	-	34,516
Total financial assets	30,512,253	34,516	7,669,993	38,216,762
Financial liabilities				
Derivative financial liabilities	-	112,077	-	112,077
Total financial liabilities	-	112,077	-	112,077
Recurring fair value measurements At 30 June 2021 - Audited	Level 1	Level 2	Level 3	Total
(Rupees in thousand)				
Financial assets				
Fair value through other comprehensive income	36,485,231	-	7,603,461	44,088,692
Derivative financial assets	-	8,672	-	8,672
Total financial assets	36,485,231	8,672	7,603,461	44,097,364
Financial liabilities				
Derivative financial liabilities	-	57,429	-	57,429
Total financial liabilities	-	57,429	-	57,429

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 half year ended 31 December 2021. 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.

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 year ended 30 June 2021 and for the period ended 31 December 2021:

	Unlisted equity securities (Rupees in thousand)
Balance as on 30 June 2020 - Audited	3,809,318
Add: Investment made during the period	211,328
Add: Surplus recognized in other comprehensive income	102,009
Balance as on 31 December 2020 - Un-audited	4,122,655
Add: Investment made during the period	30,148
Add: Surplus recognized in other comprehensive income	3,450,658
Balance as on 30 June 2021 - Audited	7,603,461
Add: Investment made during the period	776,085
Less: Deficit recognized in other comprehensive income	(709,553)
Balance as on 31 December 2021 - Un-audited	7,669,993

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
	Un-Audited	Audited			
	31 December 2021	30 June 2021		31 December 2021	
	(Rupees in thousand)				

Fair value through other comprehensive income

Nishat Paper Products Company Limited	367,990	491,661	Terminal growth factor	4.00%	Increase / decrease in terminal growth factor by 1% and decrease / increase in discount rate by 1% would increase / decrease fair value by Rupees +99.472 million / - 76.669 million.
			Risk adjusted discount rate	18.82%	
Nishat Dairy (Private) Limited	352,200	437,400	Terminal growth factor	4.00%	Increase / decrease in terminal growth factor by 1% and decrease / increase in discount rate by 1% would increase / decrease fair value by Rupees + 51.000 million / - 38.400 million.
			Risk adjusted discount rate	17.64%	
Security General Insurance Company Limited	574,817	673,603	Terminal growth factor	4.00%	Increase / decrease in terminal growth factor by 1% and decrease / increase in discount rate by 1% would increase / decrease fair value by Rupees +113.102 million / - 80.787 million.
			Risk adjusted discount rate	15.70%	
Nishat Hotels and Properties Limited	1,221,378	1,460,472	Terminal growth factor	4.00%	Increase / decrease in terminal growth factor by 1% and decrease / increase in discount rate by 1% would increase / decrease fair value by Rupees + 571.456 million / - 324.960 million.
			Risk adjusted discount rate	11.06%	
Hyundai Nishat Motor (Private) Limited	4,211,223	4,374,025	Terminal growth factor	4.00%	Increase / decrease in terminal growth factor by 1% and decrease / increase in discount rate by 1% would increase / decrease fair value by Rupees + 570.376 million / - 439.452 million.
			Risk adjusted discount rate	18.52%	

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

Valuation processes

Independent valuer performs the valuations of non-property items required for financial reporting purposes, including level 3 fair values. The independent valuer reports directly to the Chief Financial Officer. Discussions of valuation processes and results are held between the Chief Financial Officer and the valuation team at least once in every six months.

Selected Notes to the Unconsolidated Condensed Interim Financial Statements

For the half year ended 31 December 2021 (Un-audited)

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

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

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

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

14 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise subsidiary companies, associated undertakings, other related parties, post employment benefit plan and key management personnel. 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

	Half year ended		Quarter ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	(Rupees in thousand)			
Subsidiary companies				
Dividend income	351,975	231,991	351,975	51,358
Short term loans made	26,968,292	27,367,493	13,649,698	17,748,227
Repayment of short term loans made	24,145,031	23,465,099	13,797,899	13,080,451
Interest income	173,342	138,209	118,154	78,574
Rental income	41,352	37,714	20,805	19,024
Sale of goods and services	3,884,305	4,386,335	2,268,250	2,141,895
Purchase of goods and services	271,540	300,622	178,056	191,194
Associated companies				
Investment made	776,085	211,328	418,860	90,442
Purchase of goods and services	111,181	21,044	64,404	10,000
Sale of goods and services	25,959	23,913	2,388	5,692
Purchase of operating fixed assets	33,335	12,129	17,276	6,517
Rental income	3,435	2,687	1,704	1,531
Dividend income	1,440,727	502,508	1,000,651	212,046
Dividend paid	123,047	122,105	123,047	122,105
Insurance premium paid	86,053	82,662	55,685	32,046
Insurance claims received	27,575	35,872	16,557	24,918
Interest income	65,247	2,131	817	1,270
Finance cost	7,072	4,332	5,318	2,486
Other related parties				
Dividend income	163,447	32,689	163,447	32,689
Purchase of goods and services	2,573,518	1,268,531	1,524,972	479,864
Sale of goods and services	146,963	90,435	99,938	74,036
Company's contribution to provident fund trust	159,732	124,931	80,308	61,864
Remuneration paid to Chief Executive Officer, Director and Executives	727,260	528,380	342,961	248,907
Dividend paid	354,670	354,670	354,670	354,670

ii) Period end balances

	As at 31 December 2021			Total
	Subsidiary companies	Associated companies	Other related parties	
	(Rupees in thousand)			
Trade and other payables	53,619	77,145	47,848	178,612
Accrued markup	-	5,266	-	5,266
Short term borrowings	-	503,753	-	503,753
Property, plant and equipment	-	12,441	-	12,441
Long term loans	-	-	296,479	296,479
Trade debts	541,801	2,536	-	544,337
Loans and advances	10,125,245	-	96,098	10,221,343
Accrued interest	47,187	-	-	47,187
Cash and bank balances	-	89,527	5,221	94,748

	As at 30 June 2021 (Audited)			Total
	Subsidiary companies	Associated companies	Other related parties	
	(Rupees in thousand)			
Trade and other payables	169,270	31,132	46,540	246,942
Accrued markup	-	1,637	-	1,637
Short term borrowings	-	278,182	-	278,182
Property, plant and equipment	-	2,878	-	2,878
Long term loans	-	-	315,773	315,773
Trade debts	364,538	619	-	365,157
Loans and advances	7,302,089	3,533	94,069	7,399,691
Other receivables	41,677	-	-	41,677
Accrued interest	17,642	11,243	-	28,885
Cash and bank balances	-	5,078,906	443	5,079,349

15 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 2021.

16 DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were approved by the Board of Directors and authorized for issue on 21 February 2022.

Selected Notes to the Unconsolidated Condensed Interim Financial Statements

For the half year ended 31 December 2021 (Un-audited)

17 DISCLOSURES BY COMPANY LISTED ON ISLAMIC INDEX

	Un-audited 31 December 2021 (Rupees in thousand)	Audited 30 June 2021 (Rupees in thousand)
Description		
Loan / advances obtained as per Islamic mode:		
Loans	7,615,589	6,885,008
Advances	-	1,173,749
Shariah compliant bank deposits / bank balances		
Bank balances	11,478	37,722
	Half year ended 31 December 2021 (Rupees in thousand)	31 December 2020 (Rupees in thousand)
Profit earned from shariah compliant bank deposits / bank balances		
Profit on deposits with banks	-	-
Revenue earned from shariah compliant business	52,891,961	33,135,777
Gain / (loss) or dividend earned from shariah compliant investments		
Dividend income	138,774	600
Unrealized (loss) / gain on remeasurement of investment at FVTOCI	(4,817,020)	4,026,175
Exchange gain / (loss) earned	66,510	(89,750)
Mark-up paid on Islamic mode of financing	80,510	93,721
Profits earned or interest paid on any conventional loan / advances		
Profit earned on loans to subsidiary companies	173,342	138,209
Interest paid on loans	408,037	367,790
Profit earned on deposits with banks	65,776	75,549
Interest income on loans to employees	4,701	5,001
Relationship with shariah compliant banks		

Name	Relationship
Habib Bank Limited	Bank balance
Standard Chartered Bank (Pakistan) Limited (Saadiq Islamic Banking)	Bank balance
Al-Baraka Bank (Pakistan) Limited	Bank balance
Bank Islami Pakistan Limited	Bank balance and short term borrowings
Meezan Bank Limited	Bank balance and short term borrowings
Dubai Islamic Bank Pakistan Limited	Bank balance and short term borrowings
MCB Islamic Bank Limited	Bank balance
Faysal Bank Limited (Barkat Islami)	Short term and long term borrowings
The Bank of Punjab (Taqwa Islamic Banking)	Bank balance

18 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.

19 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 half year ended 31 December 2021



Consolidated Condensed Interim Statement of Financial Position

As at 31 December 2021

	Note	Un-audited 31 December 2021 (Rupees in thousand)	Audited 30 June 2021
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
1,100,000,000 (30 June 2021: 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 2021: 351,599,848) ordinary shares of Rupees 10 each		3,515,999	3,515,999
Reserves		109,534,654	104,414,731
Equity attributable to equity holders of the Holding Company		113,050,653	107,930,730
Non-controlling interest		13,295,699	12,741,966
Total equity		126,346,352	120,672,696
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing - secured	6	12,885,867	11,705,985
Lease liabilities		1,351,031	1,368,868
Long term security deposit		249,360	269,078
Retirement benefit obligation		28,675	23,008
Deferred liabilities		2,813,138	2,572,634
		17,328,071	15,939,573
CURRENT LIABILITIES			
Trade and other payables		13,136,246	11,390,058
Accrued mark-up		415,850	269,569
Short term borrowings		42,277,708	22,385,156
Current portion of non-current liabilities		5,463,743	5,144,607
Unclaimed dividend		123,571	115,497
		61,417,118	39,304,887
TOTAL LIABILITIES		78,745,189	55,244,460
CONTINGENCIES AND COMMITMENTS	7		
TOTAL EQUITY AND LIABILITIES		205,091,541	175,917,156

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



CHIEF EXECUTIVE OFFICER

	Note	Un-audited 31 December 2021 (Rupees in thousand)	Audited 30 June 2021
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	50,650,833	47,644,512
Right-of-use assets		1,659,189	1,739,404
Long term investments		55,356,665	55,330,247
Long term loans		506,803	532,541
Long term deposits		335,714	277,579
		108,509,204	105,524,283
CURRENT ASSETS			
Stores, spare parts and loose tools		4,266,491	3,307,714
Stock-in-trade		47,316,797	25,795,008
Trade debts		31,970,821	27,111,194
Loans and advances		1,091,678	1,089,975
Advance income tax - net		986,432	1,054,299
Short term deposits and prepayments		220,192	191,671
Other receivables		8,088,582	5,431,355
Accrued interest		6,575	13,659
Cash and bank balances		2,634,769	6,397,998
		96,582,337	70,392,873
TOTAL ASSETS		205,091,541	175,917,156

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DIRECTOR

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CHIEF FINANCIAL OFFICER

Consolidated Condensed Interim Statement of Profit or Loss

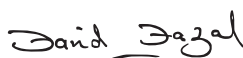
For the half year ended 31 December 2021 (Un-audited)

		Half year ended		Quarter ended	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
	Note	(Rupees in thousand)			
REVENUE	9	75,932,198	50,045,866	39,987,780	24,490,919
COST OF SALES	10	(61,578,416)	(41,810,326)	(33,025,490)	(20,264,090)
GROSS PROFIT		14,353,782	8,235,540	6,962,290	4,226,829
DISTRIBUTION COST		(4,290,097)	(3,174,360)	(2,277,363)	(1,727,888)
ADMINISTRATIVE EXPENSES		(1,274,834)	(1,055,235)	(657,437)	(532,464)
OTHER EXPENSES		(407,623)	(197,025)	(185,790)	(115,261)
		(5,972,554)	(4,426,620)	(3,120,590)	(2,375,613)
		8,381,228	3,808,920	3,841,700	1,851,216
OTHER INCOME		1,436,918	523,002	472,852	365,604
PROFIT FROM OPERATIONS		9,818,146	4,331,922	4,314,552	2,216,820
FINANCE COST		(1,068,676)	(973,422)	(654,846)	(487,956)
		8,749,470	3,358,500	3,659,706	1,728,864
SHARE OF PROFIT FROM ASSOCIATES		670,246	1,295,185	659,638	939,283
PROFIT BEFORE TAXATION		9,419,716	4,653,685	4,319,344	2,668,147
TAXATION		(1,308,624)	(788,766)	(844,404)	(494,299)
PROFIT AFTER TAXATION		8,111,092	3,864,919	3,474,940	2,173,848
SHARE OF PROFIT ATTRIBUTABLE TO:					
EQUITY HOLDERS OF HOLDING COMPANY		7,297,175	3,143,830	3,109,314	1,906,434
NON-CONTROLLING INTEREST		813,917	721,089	365,626	267,414
		8,111,092	3,864,919	3,474,940	2,173,848
EARNINGS PER SHARE - BASIC					
AND DILUTED (RUPEES)	11	20.75	8.94	8.84	5.42

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

Consolidated Condensed Interim Statement of Comprehensive Income

For the half year ended 31 December 2021 (Un-audited)

	Half year ended		Quarter ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	(Rupees in thousand)			
PROFIT AFTER TAXATION	8,111,092	3,864,919	3,474,940	2,173,848
OTHER COMPREHENSIVE (LOSS) / INCOME				
Items that will not be reclassified to profit or loss:				
Remeasurement of retirement benefits of associates - net of tax	-	1,792	-	1,792
(Deficit) / surplus arising on remeasurement of investments at fair value through other comprehensive income	(724,073)	2,363,150	113,704	1,096,482
Share of (deficit) / surplus on remeasurement of investments at fair value through other comprehensive income of associates - net of tax	(132,745)	1,084,265	246,117	398,833
Deferred income tax relating to deficit / (surplus) on investments at fair value through other comprehensive income	16,445	-	(2,159)	-
	(840,373)	3,449,207	357,662	1,497,107
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	69,520	(28,811)	11,930	(20,835)
Other comprehensive (loss) / income for the period- net of tax	(770,853)	3,420,396	369,592	1,476,272
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	7,340,239	7,285,315	3,844,532	3,650,120
SHARE OF TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Equity holders of holding company	6,526,322	6,564,226	3,478,906	3,382,706
Non-controlling interest	813,917	721,089	365,626	267,414
	7,340,239	7,285,315	3,844,532	3,650,120

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

Consolidated Condensed Interim Statement of Changes in Equity

Attributable to Equity Holders of the Holding Company														
Share Capital	Premium on Issue of Right Shares	Capital Reserves				Revenue Reserves				Shareholders' Equity	Non-controlling Interest	Total Equity		
		Fair Value Reserve FY(202) Investments	Exchange Translation Reserve	Statutory Reserve	Capital Redemption Reserve Fund	Maintenance Reserve	Sub Total	General Reserve	Unappropriated Profit				Sub Total	
(Rupees in thousand)														
3,515,999	5,499,530	7,930,684	224,659	835	111,002	1,608,668	15,375,368	71,163,214	6,238,146	77,461,360	92,836,718	96,352,717	11,606,574	107,959,291
Balance as at 30 June 2020 - (Audited)														
Transaction with owners - Frial dividend for the year ended 30 June 2020 @ Rupees 4.00 per share														
-	-	-	-	-	-	-	-	-	(1,406,399)	(1,406,399)	(1,406,399)	(1,406,399)	-	(1,406,399)
Transaction with owners - Dividend relating to year 2020 paid to non-controlling interest														
-	-	-	-	-	-	-	-	-	-	-	-	-	(173,456)	(173,456)
Transferred to general reserve														
-	-	-	-	-	-	-	-	4,890,000	(4,890,000)	-	-	-	-	-
Profit for the period														
-	-	3,447,415	(28,611)	-	-	-	3,418,604	-	1,792	1,792	3,420,396	3,420,396	721,089	3,864,919
Other comprehensive income / (loss) for the period														
-	-	3,447,415	(28,611)	-	-	-	3,418,604	-	3,145,622	3,145,622	6,564,226	6,564,226	721,089	7,285,313
Total comprehensive income / (loss) for the period														
3,515,999	5,499,530	11,378,079	195,848	835	111,002	1,608,668	18,793,982	76,053,214	3,147,369	79,200,583	97,994,545	101,503,544	12,154,207	113,664,751
Balance as at 31 December 2020 - (Un-Audited)														
Adjustments due to equity accounted investee companies														
-	-	(579,789)	-	-	-	(579,789)	-	-	2,015,263	2,015,263	1,435,474	1,435,474	-	1,435,474
Transferred to statutory reserve														
-	-	-	-	3,347	-	-	3,347	-	(3,347)	(3,347)	-	-	-	-
Profit for the period														
-	-	(1,777,762)	(9,091)	-	-	-	(1,786,853)	-	6,752,918	6,752,918	6,752,918	6,752,918	587,759	7,340,677
Other comprehensive (loss) / income for the period														
-	-	(1,777,762)	(9,091)	-	-	(1,786,853)	-	-	18,647	(1,768,206)	(1,768,206)	(1,768,206)	-	(1,768,206)
Total comprehensive (loss) / income for the period														
-	-	(1,777,762)	(9,091)	-	-	(1,786,853)	-	-	6,771,565	6,771,565	4,984,712	4,984,712	587,759	5,572,471
Balance as at 30 June 2021 - (Audited)														
3,515,999	5,499,530	9,020,528	196,757	4,182	111,002	1,608,668	16,430,667	76,053,214	11,930,650	87,984,064	104,414,731	107,930,730	12,741,966	120,672,696
Transaction with owners - Dividend relating to year 2021 paid to non-controlling interest														
-	-	-	-	-	-	-	-	-	-	-	-	-	(260,184)	(260,184)
Transaction with owners - Frial dividend for the year ended 30 June 2021 @ Rupees 4.00 per share														
-	-	-	-	-	-	-	-	-	(1,406,399)	(1,406,399)	(1,406,399)	(1,406,399)	-	(1,406,399)
Transferred to statutory reserve														
-	-	-	-	2,113	-	-	2,113	-	(2,113)	(2,113)	-	-	-	-
Transferred to general reserve														
-	-	-	-	-	-	-	-	-	10,524,000	(10,524,000)	-	-	-	-
Profit for the period														
-	-	(840,373)	69,520	-	-	-	(770,853)	-	7,297,175	7,297,175	7,297,175	7,297,175	813,917	8,111,092
Other comprehensive (loss) / income for the period														
-	-	-	-	-	-	-	-	-	-	-	-	-	(770,853)	(770,853)
Total comprehensive (loss) / income for the period														
-	-	(840,373)	69,520	-	-	-	(770,853)	-	7,297,175	7,297,175	6,526,322	6,526,322	813,917	7,340,239
Balance as at 31 December 2021 - (Un-audited)														
3,515,999	5,499,530	8,180,155	256,277	6,295	111,002	1,608,668	15,661,927	86,577,214	7,295,513	93,872,727	108,534,854	113,050,653	13,956,669	126,346,352

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

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CHIEF EXECUTIVE OFFICER

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DIRECTOR



CHIEF FINANCIAL OFFICER

Consolidated Condensed Interim Statement of Cash Flows

For the half year ended 31 December 2021 (Un-audited)

		Half year ended	
		31 December 2021	31 December 2020
	Note	(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	12	(17,092,166)	1,924,947
Finance cost paid		(897,583)	(1,037,935)
Income tax paid		(890,414)	(521,437)
Long term security deposits paid		(19,718)	(26,823)
Net exchange difference on forward exchange contracts received / (paid)		1,656	(4,313)
Net increase in retirement benefit obligation		5,513	820
Net decrease / (increase) in long term loans		26,815	(127,047)
Net increase in long term deposits		(58,135)	(16,081)
Net cash (used in) / generated from operating activities		(18,924,032)	192,131
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(5,163,660)	(1,298,689)
Proceeds from sale of property, plant and equipment		113,395	228,915
Dividends received		1,606,786	535,797
Loans and advances to associated company		(76,300)	(51,300)
Repayment of loan from associated company		-	10,000
Interest received		81,623	83,827
Proceeds from sale of investments		-	17,990
Investments made		(817,418)	(229,672)
Net cash used in investing activities		(4,255,574)	(703,132)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		3,027,820	2,136,930
Repayment of long term financing		(1,562,953)	(45,418)
Repayment of lease liabilities		(352,053)	(211,513)
Exchange differences on translation of net investments in foreign subsidiaries		69,520	(28,811)
Short term borrowings - net		19,892,552	385,453
Dividend paid		(1,658,509)	(1,575,027)
Net cash from financing activities		19,416,377	661,614
Net (decrease) / increase in cash and cash equivalents		(3,763,229)	150,613
Cash and cash equivalents at the beginning of the period		6,397,998	758,727
Cash and cash equivalents at the end of the period		2,634,769	909,340

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 half year ended 31 December 2021 (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
 -China Guangzhou Nishat Global Co., Ltd.
 -Nishat Commodities (Private) Limited
 -Lalpir Solar Power (Private) Limited

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 2021: 48.99%).

The Subsidiary Company had a Power Purchase Agreement ('PPA') with its sole customer, National Transmission and Despatch Company Limited ('NTDC') for twenty five years which commenced from June 09, 2010. On February 12, 2021, the Subsidiary Company entered into a Novation Agreement to the PPA with NTDC and Central Power Purchasing Agency (Guarantee) Limited ('CPPA-G' and also referred to as the 'Power Purchaser'), whereby, NTDC irrevocably transferred all of its rights, obligations and liabilities under the PPA to CPPA-G and thereafter, NTDC ceased to be a party to the PPA, and CPPA-G became a party to the PPA in place of NTDC. Further, on the same day, the Subsidiary Company entered into the PPA Amendment Agreement, whereby the Agreement Year that was ending on June 8, 2021 was extended by sixty eight (68) days to August 15, 2021. Therefore, the existing term of the PPA Agreement has been extended by sixty eight days to twenty five years and sixty eight days ending on August 15, 2035.

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 business place of the Company is situated at 9-A, Mian Mehmood Ali Kasuri Road, Gulberg-III, 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 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 Jebel 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, Jebel Ali Free Zone, Dubai. The principal business of the Company is trading in textile and related products.

Selected Notes to the Consolidated Condensed Interim Financial Statements

For the half year ended 31 December 2021 (Un-audited)

CHINA GUANGZHOU NISHAT GLOBAL CO., LTD.

China Guangzhou Nishat Global Co., Ltd. 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 China Guangzhou Nishat Global Co., Ltd. is to competitively source products for the retail outlets operated by Group companies in Pakistan and the UAE. The registered office of China Guangzhou Nishat Global Co., Ltd. is situated at N801, No. 371-375 East Huanshi Road, Yuexiu District, Guangzhou City, China.

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 object of the Company is 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 repealed Companies Ordinance, 1984 (Now Companies Act, 2017). It is a wholly owned subsidiary of Nishat Power Limited which is a subsidiary of Nishat Mills Limited. Its registered office is situated at 53-A, Lawrence Road, Lahore. The principal activity of the Company is to build, own, operate and maintain or invest in a solar PV power project having gross capacity upto 20 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 from National Transmission and Despatch Company Limited (NTDCL). Further, consent for purchasing power from the project have also been provided by MEPCO. 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 PV Power Project 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.

The management of the Company continuously tried its best to get Power Acquisition Request and Consent to Procure Power from Central Power Purchasing Agency (Guarantee) Limited (CPPA-G) so that development of the project can be moved forward. However, CPPA-G informed the Company that Ministry of Energy has conveyed the Cabinet Committee on Energy (CCoE) decision to CPPA-G and further sent a list of 145 projects as approved by the Cabinet for necessary action. The CPPA-G stated that power project of the Company is not included in the list of 145 projects, therefore, CPPA-G is of the view that request of the Company cannot be entertained. Furthermore, during the prior year Alternate Energy Development Board (AEDB) informed that Solar PV Power Project of the Company is placed under category III of the decision of the Cabinet Committee on Energy (CCoE). All category-III projects are allowed by the CCoE to proceed ahead subject to becoming successful in the competitive bidding process to be undertaken by AEDB, based on the quantum ascertained for each technology by Indicative Generation Capacity Expansion Plan (IGCEP) by NTDCL.

The management understand that to-date, no such competitive bidding process has been undertaken

even the IGCEP has not been finalized to-date. The response of CPPA-G and AEDB have made the Solar PV Power Project of the Company more complicated. During the prior year, on request of the Company, the Letter of Intent had been cancelled by AEDB. On request of the Company, NEPRA has cancelled the Generation License of the Company. Hence, voluntary winding up of the Company under the Companies Act, 2017 is being considered.

In view of the aforesaid reasons, the Company is not considered a going concern.

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 are unaudited and 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 2021.

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 2021.

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 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.

Selected Notes to the Consolidated Condensed Interim Financial Statements

For the half year ended 31 December 2021 (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 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'.

5 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 2021.

	Note	Un-audited 31 December 2021 (Rupees in thousand)	Audited 30 June 2021
6 LONG TERM FINANCING - SECURED			
Opening balance		14,948,301	10,136,154
Add: Obtained during the period / year		3,027,820	6,744,988
Less: Repaid during the period / year		(1,562,953)	(1,756,252)
Less: Deferred Income recognised during the period / year		(24,975)	(291,514)
Add: Amortised during the period / year		76,682	114,925
Net impact	6.1	51,707	(176,589)
		16,464,875	14,948,301
Less: Current portion shown under current liabilities		(3,579,008)	(3,242,316)
		12,885,867	11,705,985

6.1 This represents net impact of benefit of loans obtained under the schemes of State Bank of Pakistan at below market rate of interest.

7 CONTINGENCIES AND COMMITMENTS

a) Contingencies

- i) Guarantees of Rupees 3,110.614 million (30 June 2021: Rupees 3,438.360 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, Directorate of Cotton Cess Management against cotton cess, Collector of Customs against regulatory duty, State Bank of Pakistan against mark-up subsidy, Inspector General Frontier Corps KP (South) and The President of Islamic Republic of Pakistan through the Controller of Military Accounts (Defence Purchase) against fulfillment of sales orders, High Court of Sindh, Karachi against the matter of importation of LED lights and to the bank of Hyundai Nishat Motor (Private) Limited (associated company) to secure financial assistance to the associated company. Further, the Holding Company has issued cross corporate guarantees of Rupees 1,173.333 million (30 June 2021: Rupees 1,173.333 million), Rupees 41.600 million (30 June 2021: Rupees 41.600 million) and Rupees 1,750 million (30 June 2021: Rupees 1,750 million) on behalf of Nishat Linen (Private) Limited - wholly owned subsidiary company, Nishat Hospitality (Private) Limited - wholly owned subsidiary company and Nishat Sutas Dairy Limited - associated company respectively to secure the obligations of subsidiary companies and associated company towards their lenders.
- ii) Post dated cheques of Rupees 12,084.264 million (30 June 2021: Rupees 10,758.912 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) Nishat Mills Limited - Holding Company's share in contingencies of associates accounted for under equity method is Rupees 7,242 million (30 June 2021: Rupees 4,137 million).

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- iv) A sales tax demand of Rupees 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 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 Rupees 1,722.811 million), however, the Subsidiary Company assailed the underlying proceedings before Lahore High Court ('LHC') directly and in this respect, through order dated 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 Rupees 596.091 million). The 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 dismissed the petition in favour of the department, by allowing the department to complete the audit proceedings that are pending for completion. On January 26, 2021, the department raised demand against such proceedings, however, Subsidiary Company obtained interim relief from Appellate Tribunal Inland Revenue by applying stay against such demand. The matter is currently pending adjudication.

Similarly, in preceding year in respect of tax periods July 2016 to June 2017, Subsidiary Company's case was selected for 'audit' and such issue again formed the core of audit proceedings (involving input sales tax of Rs. 541.486 million). The proceedings are underway, however, matter is currently pending adjudication before ACIR.

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 these consolidated condensed interim financial statements.

- v) On April 16, 2019, the Commissioner Inland Revenue through an order raised a demand of Rupees 179.046 million against Nishat Power Limited - Subsidiary Company, 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 are pending adjudication. Management of 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 these consolidated condensed interim financial statements.

vii) On February 13, 2019, National Electric Power Regulatory Authority ('NEPRA') issued a show cause 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 challenged the authority of NEPRA to take suo moto action before the Islamabad High Court (IHC) wherein, on April 1, 2019, IHC provided interim relief by suspending the suo moto proceedings. The case is currently pending adjudication before IHC. Management of Subsidiary Company is confident that based on the facts and law, there will be no adverse implications for the Subsidiary Company.

viii) On March 16, 2020, Government of Pakistan ('GoP') issued a report through which it was alleged that savings were made by the Independent Power Producers ('IPPs'), including Nishat Power Limited - Subsidiary Company, in the tariff components in violation of applicable GoP Policies, tariff determined by National Electric Power Regulatory Authority ('NEPRA') and the relevant Project Agreements. The Subsidiary Company rejected such claims, and discussions were made with the GoP to resolve the dispute.

On 12 February 2021, the Subsidiary Company under the Agreements agreed that the abovementioned dispute will be resolved through arbitration under the Arbitration Submission Agreement between the Subsidiary Company and GoP.

Management of the Subsidiary Company believes that there are strong grounds that the matter will ultimately be decided in Subsidiary Company's favor. Furthermore, its financial impact cannot be reasonably estimated at this stage, hence, no provision in this respect has been made in these consolidated condensed interim financial statements.

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

(a) Letter of guarantee of Rupees 11.50 million (30 June 2021: Rupees 11.50 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 500 million (30 June 2021: Rupees 600 million) in favour of fuel suppliers.

(c) Letter of guarantee of Rupees 1.5 million (30 June 2021: Rupees 1.5 million) in favour of Punjab Revenue Authority, Lahore.

ix) Guarantees of Rupees 137.350 million (30 June 2021: Rupees 107.350 million) are given by Nishat Linen (Private) Limited - Subsidiary Company to Director Excise and Taxation, Karachi against infrastructure cess, Chairman Punjab Revenue Authority, Lahore against infrastructure cess and Collectors of Customs against import consignments.

x) Through notice dated 25 January 2018, issued by the Deputy Commissioner Inland Revenue (DCIR) under sections 161/205 of the Income Tax Ordinance, 2001, 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. Subsidiary Company's appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] was successful except for the legal issue amounting to

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Rupees 1.419 million. Appeal on this point has been filed before the Appellate Tribunal Inland Revenue which is pending adjudication. Subsidiary Company is confident of favorable outcome of its appeal based on advice of the tax advisor.

- xi) Bank guarantee of Rupees 1.900 million (30 June 2021: Rupees 1.900 million) is given by the bank of Nishat Commodities (Private) Limited - Subsidiary Company in favour of Director, Excise and Taxation, Karachi to cover the disputed amount of Sindh infrastructure cess.

b) Commitments

- i) Contracts for capital expenditure of the Group are approximately of Rupees 2,712.259 million (30 June 2021: Rupees 3,469.028 million).
- ii) Letters of credit other than for capital expenditure of the Group are of Rupees 5,866.061 million (30 June 2021: Rupees 4,451.831 million).
- iii) Outstanding foreign currency forward contracts of the Group are Rupees 7,396.324 million (30 June 2021: Rupees 6,400.041 million).
- iv) The amount of future payments under non-cancellable operating lease and the period in which these payments will become due from Nishat Power Limited - Subsidiary Company is as follows:

	Note	Un-audited 31 December 2021 (Rupees in thousand)	Audited 30 June 2021
Not later than one year		3,894	3,894
8 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	8.1	45,892,256	41,256,832
Capital work in progress	8.2	4,656,103	6,283,283
Major spare parts and standby equipment		102,474	104,397
		50,650,833	47,644,512
8.1 Operating fixed assets			
Opening book value		41,256,832	41,076,157
Add: Cost of additions during the period / year	8.1.1	6,742,283	4,313,595
Less: Reversal of provision		-	(98,528)
		47,999,115	45,291,224
Less: Book value of deletions during the period / year	8.1.2	(61,677)	(192,930)
		47,937,438	45,098,294
Less: Depreciation charged during the period / year		(2,057,964)	(3,834,678)
Add / (Less): Currency retranslation		12,782	(6,784)
		45,892,256	41,256,832

	Un-audited 31 December 2021 (Rupees in thousand)	Audited 30 June 2021
8.1.1 Cost of additions		
Freehold land	120,578	20,823
Buildings on freehold land	805,393	585,474
Plant and machinery	5,417,045	3,148,475
Electric installations	194,916	43,114
Factory equipment	46,945	18,010
Furniture, fixtures and office equipment	46,727	61,356
Computer equipment	25,652	37,682
Vehicles	85,027	398,603
Kitchen equipment and crockery items	-	58
	6,742,283	4,313,595
8.1.2 Book value of deletions		
Freehold land	-	107,722
Buildings on freehold land	-	20,656
Plant and machinery	39,701	24,760
Electric installations	-	45
Furniture, fixtures and office equipment	14	257
Computer equipment	446	693
Vehicles	21,516	38,797
	61,677	192,930
8.2 Capital work-in-progress		
Buildings on freehold land	1,545,792	1,491,950
Plant and machinery	2,968,038	4,668,353
Unallocated capital expenditures	36,062	9,675
Electric installations	-	17,567
Advances against purchase of freehold land	56,904	47,804
Advances against furniture, fixtures and office equipment	4,023	13,152
Advances for purchase of vehicles	45,284	34,782
	4,656,103	6,283,283

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9 REVENUE

9.1 In the following table, revenue from contracts with customers is disaggregated by primary geographical market, major products and service lines and timing of revenue recognition.

[illegible]

Continued on next page

(Rupees in thousand)

Description	Power Generation				Room Rental Services				Other Hotel Ancillary Services				Total - Group			
	Half year ended Dec 2021	5,429,215	4,162,335	1,298,584	Half year ended Dec 2020	106,850	106,850	106,850	Half year ended Dec 2021	Dec 2020	Dec 2021	Dec 2020	Half year ended Dec 2021	Dec 2020	Dec 2021	Dec 2020
Region																
Europe	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
United States of America and Canada	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Asia, Africa, Australia	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pakistan	9,917,135	5,429,215	4,162,335	1,298,584	189,060	106,850	106,850	106,850	53,853	67,513	20,567	35,540	13,982	40,777,704	26,620,220	20,559,684
	9,917,135	5,429,215	4,162,335	1,298,584	189,060	106,850	106,850	106,850	53,853	67,513	20,567	35,540	13,982	75,932,198	50,045,866	39,987,780
Timing of revenue recognition																
Products and services transferred at a point in time	9,917,135	5,429,215	4,162,335	1,298,584	189,060	106,850	106,850	106,850	53,853	67,513	20,567	35,540	13,982	75,932,198	50,045,866	39,987,780
Products and services transferred over time	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	9,917,135	5,429,215	4,162,335	1,298,584	189,060	106,850	106,850	106,850	53,853	67,513	20,567	35,540	13,982	75,932,198	50,045,866	39,987,780
External revenue as reported																
Major products/ service lines																
Yarn	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Combed Nail	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grey Cloth	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Processed Cloth	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cosmetics	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Male Lips	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Garments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Towels and Bath Robe	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Electricity	9,917,135	5,429,215	4,162,335	1,298,584	-	-	-	-	-	-	-	-	-	-	-	-
Room Rental Services	-	-	-	-	189,060	106,850	106,850	106,850	-	-	-	-	-	-	-	-
Other Hotel Ancillary Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	9,917,135	5,429,215	4,162,335	1,298,584	189,060	106,850	106,850	106,850	53,853	67,513	20,567	35,540	13,982	75,932,198	50,045,866	39,987,780

9.2 Revenue is recognised at point in time as per the terms and conditions of underlying contracts with customers.

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	Half year ended		Quarter ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	(Rupees in thousand)			
10 COST OF SALES				
Raw materials consumed	48,352,399	26,153,805	26,141,165	12,423,561
Processing charges	521,980	362,206	340,434	192,878
Salaries, wages and other benefits	4,962,579	3,875,512	2,548,191	1,989,928
Stores, spare parts and loose tools consumed	4,831,918	3,501,097	2,665,206	1,945,805
Packing materials consumed	1,214,126	882,726	661,035	472,282
Repair and maintenance	334,062	230,955	177,351	123,625
Fuel and power	4,493,653	3,031,388	2,422,330	1,535,783
Insurance	172,203	169,426	86,898	85,012
Royalty	-	5,394	-	3,416
Other factory overheads	492,278	349,635	276,415	192,069
Depreciation and amortization	1,928,337	1,726,707	980,114	849,517
	67,303,535	40,288,851	36,299,139	19,813,876
Work-in-process				
Opening stock	3,044,441	2,244,439	4,121,866	2,375,526
Closing stock	(4,575,652)	(2,555,569)	(4,575,652)	(2,555,569)
	(1,531,211)	(311,130)	(453,786)	(180,043)
Cost of goods manufactured	65,772,324	39,977,721	35,845,353	19,633,833
Finished goods				
Opening stock	9,641,809	9,393,252	11,015,854	8,190,904
Closing stock	(13,835,717)	(7,560,647)	(13,835,717)	(7,560,647)
	(4,193,908)	1,832,605	(2,819,863)	630,257
	61,578,416	41,810,326	33,025,490	20,264,090

		Half year ended	
		31 December 2021	31 December 2020
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 Holding Company	(Rupees in thousand)	7,297,175	3,143,830
Weighted average number of ordinary shares of Holding Company	(Numbers)	351,599,848	351,599,848
Earnings per share	(Rupees)	20.75	8.94
		Half year ended	
		31 December 2021	31 December 2020
	Note	(Rupees in thousand)	
12 CASH (USED IN) / GENERATED FROM OPERATIONS			
Profit before taxation		9,419,716	4,653,685
Adjustments for non-cash charges and other items:			
Depreciation and amortization		2,057,881	1,842,210
Depreciation on right-of-use assets		368,311	366,431
Gain on sale of property, plant and equipment		(51,718)	(127,117)
Dividend income		(1,002,358)	(58,983)
Allowance for expected credit losses recognised / (reversed)		402	(1,283)
Profit on deposits with banks and associated Company		(74,539)	(84,615)
Share of profit from associates		(670,246)	(1,295,185)
Net exchange (gain) / loss		(66,955)	76,951
Finance cost		1,068,676	973,422
Reversal of provision for slow moving, obsolete and damaged store items		-	(13)
Gain on initial recognition of GIDC payable at amortised cost		-	(110,431)
Working capital changes	12.1	(28,141,336)	(4,310,125)
		(17,092,166)	1,924,947
12.1 Working capital changes			
(Increase) / decrease in current assets:			
- Stores, spare parts and loose tools		(958,777)	(533,306)
- Stock in trade		(21,521,789)	(2,183,210)
- Trade debts		(4,765,926)	(2,224,126)
- Loans and advances		73,520	125,248
- Short term deposits and prepayments		(28,521)	(86,196)
- Other receivables		(2,631,383)	353,779
		(29,832,876)	(4,547,811)
Increase in trade and other payables		1,691,540	237,686
		(28,141,336)	(4,310,125)

Selected Notes to the Consolidated Condensed Interim Financial Statements

For the half year ended 31 December 2021 (Un-audited)

13 SEGMENT INFORMATION

13.1 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 and Terry:	Manufacturing of home textile articles using processed fabric produced from greige fabric and 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:	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.

Total assets for reportable segments
 Unallocated assets:
 Long term investments
 Other receivables
 Cash and bank balances
 Other corporate assets
 Total assets as per consolidated condensed
 interim statement of financial position
 Total liabilities for reportable segments
 Unallocated liabilities:
 Deferred liabilities
 Other corporate liabilities
 Total liabilities as per consolidated condensed

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14 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 December 2021

Level 1

Level 2

Level 3

Total

(Rupees in thousand)

Financial assets				
Fair value through other comprehensive income	15,097,713	-	-	15,097,713
Derivative financial assets	-	34,516	-	34,516
Total financial assets	15,097,713	34,516	-	15,132,229
Financial liabilities				
Derivative financial liabilities	-	112,077	-	112,077
Total financial liabilities	-	112,077	-	112,077

Recurring fair value measurements At 30 June 2021 - Audited

Level 1

Level 2

Level 3

Total

(Rupees in thousand)

Financial assets				
Fair value through other comprehensive income	15,780,453	-	-	15,780,453
Derivative financial assets	-	8,672	-	8,672
Total financial assets	15,780,453	8,672	-	15,789,125
Financial liabilities				
Derivative financial liabilities	-	57,429	-	57,429
Total financial liabilities	-	57,429	-	57,429

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 half year ended 31 December 2021. 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.

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.

Valuation processes

Independent valuer performs the valuations of non-property items required for financial reporting purposes, including level 3 fair values. The independent valuer reports directly to the Chief Financial Officer of the Holding Company. Discussions of valuation processes and results are held between the Chief Financial Officer of the Holding Company and the valuation team at least once in every six months.

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

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

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

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

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15 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated undertakings, other related parties, post employment benefit plan and key management personnel. 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

	Half year ended		Quarter ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	(Rupees in thousand)			
Associated companies				
Investment made	776,085	211,328	418,860	90,442
Short term loans made	76,300	51,300	60,600	35,000
Repayment of short term loans	-	10,000	-	-
Purchase of goods and services	196,530	171,244	108,605	121,378
Sharing of expenses	592	6,760	170	2,708
Sale of goods and services	44,763	25,942	13,932	7,081
Purchase of operating fixed assets	38,337	12,129	22,278	6,517
Sale of operating fixed assets	-	270	-	-
Rental income	3,435	2,687	1,704	1,531
Rent paid	45,284	40,500	22,815	21,965
Dividend income	836,299	25,694	396,223	128
Dividend Paid	123,047	122,105	123,047	122,105
Insurance premium paid	247,484	254,159	134,983	115,314
Insurance claims received	42,847	44,682	31,375	28,238
Interest income	72,187	6,279	4,798	3,470
Finance cost	22,913	15,646	14,465	9,026
Other related parties				
Dividend income	163,447	32,689	163,447	32,689
Purchase of goods and services	2,946,015	1,387,568	1,743,103	535,888
Sale of goods and services	155,418	289,589	103,165	158,459
Finance cost	361	327	168	95
Group's contribution to provident fund trust	199,218	160,440	100,568	79,241
Remuneration paid to Chief Executive Officer, Director and Executives of the Holding Company	727,260	528,380	342,961	248,907
Dividend paid	354,670	354,670	354,670	354,670

ii) Period end balances

	As at 31 December 2021		
	Associated companies	Other related parties	Total
	(Rupees in thousand)		
Trade and other payables	89,789	59,148	148,937
Accrued markup	5,266	-	5,266
Short term borrowings	503,753	-	503,753
Long term loans	-	317,918	317,918
Property, plant and equipment	18,222	-	18,222
Trade debts	7,774	1,307	9,081
Loans and advances	181,954	100,011	281,965
Accrued interest	6,047	-	6,047
Cash and bank balances	153,807	15,171	168,978

	As at 30 June 2021 (Audited)		
	Associated companies	Other related parties	Total
	(Rupees in thousand)		
Trade and other payables	40,969	75,060	116,029
Accrued markup	1,637	-	1,637
Short term borrowings	278,182	-	278,182
Property, plant and equipment	2,878	-	2,878
Long term loans	-	343,184	343,184
Trade debts	3,577	3,274	6,851
Loans and advances	107,833	98,841	206,674
Accrued interest	13,659	-	13,659
Cash and bank balances	5,128,271	705	5,128,976

16 FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published consolidated financial statements of the Group for the year ended 30 June 2021.

17 DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial statements were approved by the Board of Directors and authorized for issue on 21 February 2022.

18 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.

19 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 ڈائریکٹر
1	میاں عمر فشا (رکن)
2	مسز سارہ عقیل (چیئر پرسن / 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 وقتاً فوقتاً، ڈائریکٹرز معاوضہ پالیسی کا جائزہ اور اس کی منظوری دے گا۔

اعلہٰ تشکر

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

منجانب بورڈ آف ڈائریکٹرز

David Jagan

فرید نور علی فضل

ڈائریکٹر

Uma Mansha

میاں عمر فشا

چیف ایگزیکٹو آفیسر

21 فروری 2022ء

لاہور

ذیلی کمپنیاں اور کنسولیڈیٹڈ مالیاتی گوشوارے

نشاط پاور لمیٹڈ، نشاط لینن (پرائیویٹ) لمیٹڈ، نشاط ہاسٹیلٹی (پرائیویٹ) لمیٹڈ، نشاط کموڈٹی (پرائیویٹ) لمیٹڈ، لال پیرسولر پاور (پرائیویٹ) لمیٹڈ، نشاط یو ایس اے انکارپوریٹڈ، نشاط لینن ٹریڈنگ ایل سی، نشاط انٹرنیشنل FZE اور چائنا گوانگ ژو نشاط گلوبل کمپنی لمیٹڈ کمپنی کے ضمنی ادارے ہیں۔ اس لیے کمپنی نے انٹرنیشنل فنانشل رپورٹنگ سٹینڈرڈز کی مطابقت سے علیحدہ جامع فنانشل اسٹیٹمنٹس کے ساتھ، یکجا جامع فنانشل اسٹیٹمنٹس کو بھی تسلیم کیا ہے۔

بورڈ کی ساخت

بورڈ کی ساخت درج ذیل ہے:

ڈائریکٹرز کی کل تعداد

5	(ا) مرد
2	(ب) خواتین

تفصیل

2	(i) آزاد ڈائریکٹرز
4	(ii) نان ایگزیکٹو ڈائریکٹرز
1	(iii) ایگزیکٹو ڈائریکٹر

بورڈ کی کمپنیاں

آڈٹ کمیٹی

نمبر شمار نام ڈائریکٹر

1	مسز مہک عادل (چیئر پرسن / رکن)
2	سید زاہد حسین (رکن)
3	جناب محمود اختر (رکن)

درواں ششماہی کے دوران ڈویژن نے گارمنٹس کی فروخت میں 2,552.145 ملین روپے (73.55%) کا نمایاں اضافہ حاصل کیا۔

گارمنٹس	31 دسمبر کو اختتام شدہ ششماہی		اضافہ (کی)	
	2020	2021	قدر	فیصد
فروخت - (گارمنٹس '000)	3,743	4,707	964	25.75
قیمت فی گارمنٹ	927.09	1,279.42	352.33	38.00
فروخت - (روپے '000)	3,470,100	6,022,245	2,552,145	73.55

ڈویژن توسیعی مرحلے میں ہے اور اس کی پیداواری صلاحیت اس مالی سال کے آخر تک دوگنی ہو جائے گی۔ اس سے روزگار کے بہت سے مواقع پیدا ہوں گے اور کمپنی کا منافع مزید بڑھ سکے گا۔

منجیٹ کی توجہ ماحول کو بہتر بنانے پر مرکوز ہے۔ ڈویژن نے پانی اور توانائی جیسے وسائل کو بہتر طریقے سے استعمال کرنے کے لیے جدید طریقے اپنائے ہیں۔ مزید یہ کہ کمپنی نے قابل تجدید توانائی کے ذرائع پر اپنا انحصار بڑھا دیا ہے۔

پاور جنریشن

اس نصف سال کے دوران کونکہ اور فرنس آئل جیسے تمام ایندھن کی قیمتوں میں نمایاں اضافہ ہوا۔ اسی طرح حکومت پاکستان نے Export Oriented سیکٹر کے کمپنیوں کو پاور پلانٹس کے لیے گیس کی رعایتی شرح کو 6.5 امریکی ڈالر فی ایم ایم بی ٹی یو سے بڑھا کر 9 امریکی ڈالر فی ایم ایم بی ٹی یو کیا جو کہ 15 نومبر 2021 سے 31 مارچ 2022 تک موثر رہے گی۔ مزید برآں، کمپنی پاور پلانٹس کے لیے گیس کی فراہمی محدود کر دی گئی۔ کمپنی کو کمپنی پاور پلانٹس کے لیے جتنی RLNG درکار ہے اس کی ضرورت کا تقریباً نصف میسر ہے۔

ماحولیاتی پائیداری اور سستی توانائی کمپنی کی اولین ترجیحات ہیں۔ لہذا، ڈویژن مزید سولر پاور پلانٹس حاصل کرنے کے لیے پرعزم ہے۔ اس وقت سولر پاور پلانٹس سے 4.34 میگا واٹ بجلی پیدا کی جا رہی ہے اور 9.86 میگا واٹ کے مزید منصوبے حصول اور تہیہ کے مراحل میں ہیں۔

تیا اوپن اینڈ یارن یونٹ شروع ہونے کے بعد سپنگ ڈویژن، ساہیالوالہ کی توانائی کی ضروریات بڑھ گئیں ہیں جس وجہ سے 5.8 میگا واٹ وارٹسلا ڈوئل فیول پاور انجن کے حصول کا منصوبہ زیر غور ہے۔ اسی طرح 4 میگا واٹ کے دو گیس انجنوں کے ساتھ ویسٹ ہیٹ ریکوری بوائلر، ایگزیکٹو اور ایک میگا واٹ ڈیزل انجن کا حصول بھی جاری ہے تاکہ ہوم ٹیکسٹائل ڈویژن کی تولیہ تیار کرنے کی پیداواری صلاحیت میں اضافے کے بعد بڑھتی ہوئی طلب کو پورا کیا جاسکے۔ گارمنٹس ڈویژن کی توسیع کا عمل جاری ہے اور انتظامیہ نے ایک میگا واٹ ڈیزل انجن حاصل کرنے کا بھی منصوبہ بنایا ہے۔

ڈویژن مالی سال کی دوسری ششماہی میں داخل ہو چکی ہے جس میں مزید چیلنجز کا سامنا ہوگا۔ ملک میں زیادہ مانگ اور کپاس کی پیداوار میں متوقع کمی کی وجہ سے آنے والے مہینوں میں خام مال کی قیمتیں بلند رہنے کا امکان ہے۔ اس کے علاوہ، ایسا لگتا ہے کہ ہمیں سال کے دوسرے نصف حصے میں بھی گرتج کپڑے کی خریداری میں طویل لیڈ ٹائم کے مسئلے کا سامنا کرنا پڑے گا۔ ان چیلنجز کے اثرات کو کم کرنے کے لیے، ہم تمام ممکنہ اقدامات کر رہے ہیں۔ امید ہے کہ ہم، اس مالی سال کی دوسری ششماہی میں بھی مثبت کارکردگی کا مظاہرہ کرنے میں کامیاب رہیں گے۔

گھریلو ٹیکسٹائل (Home Textile)

ڈویژن نے 31 دسمبر 2021 کو ختم ہونے والے ششماہی کے دوران تسلی بخش کارکردگی کا مظاہرہ کیا۔ گزشتہ سال کی اسی ششماہی کے مقابلے میں دواں ششماہی کے دوران، ہوم ٹیکسٹائل مصنوعات کی فروخت میں 199.318 ملین روپے (2.64%) کا اضافہ ہوا۔

میسسڈ کلا تھ اینڈ میڈ ایپس	31 دسمبر کو اختتام شدہ ششماہی		اضافہ/(کمی)	
	2021	2020	قدر	فیصد
فروخت - (میٹرز '000)	14,907	16,825	(1,918)	(11.40)
قیمت فی میٹر	519.22	448.18	71.04	15.85
فروخت - ('000 روپے)	7,740,013	7,540,695	199,318	2.64

توقع ہے کہ آنے والے مہینوں میں برآمدات اپنی ترقی کی رفتار برقرار رکھیں گی کیونکہ دنیا بھر میں پابندیاں کم ہو رہی ہیں اور بازار کھل رہے ہیں۔

گزشتہ سال ٹیری یونٹ نے اپنی پروڈکشن شروع کی تھی اور اس کے نتائج حوصلہ افزا رہے۔ یونٹ کی پیداواری صلاحیت کو بڑھانے کا منصوبہ بھی جاری ہے۔

ٹیری	31 دسمبر کو اختتام شدہ ششماہی		اضافہ/(کمی)	
	2021	2020	قدر	فیصد
فروخت - (کلوگرام '000)	1,049	172	877	509.88
قیمت فی کلوگرام	1,179.26	830.64	348.62	41.97
فروخت - ('000 روپے)	1,237,046	142,870	1,094,176	765.85

کارمنش

ڈویژن نے مالی سال 2021-22 کی پہلی ششماہی کے دوران زبردست مالی کارکردگی کا مظاہرہ کیا۔ گزشتہ سال کی اسی ششماہی کے مقابلے میں

بائی (Weaving)

خام مال کی قیمت میں غیر معمولی اضافے کے باعث گریج کپڑے کی قیمتوں میں مزید اضافہ ہوا جس کی ہمارے غیر ملکی صارفین نے سخت مزاحمت کی۔ تاہم، برآمدی اور مقامی منڈیوں میں کپڑے کی مانگ مستحکم رہی۔ کاروباری نمو کے لحاظ سے ورک ویئر/گھریلو/تکنیکی کپڑے کے سیگمنٹ نے اچھی کارکردگی کا مظاہرہ کیا۔ ہوم ٹیکسٹائل مارکیٹ کے لیے گریج فیکر کی مانگ بھی مستحکم رہی۔ Covid-19 کی صورتحال میں بہتری کے بعد امریکہ اور یورپین برانڈز نے طلب کو بڑھانے کی کوشش کی جس وجہ سے فیشن کا کاروبار بھی کسی حد تک بحال ہوا۔

گرے کلا تھ	31 دسمبر کو اختتام شدہ ششماہی		اضافہ/(کی)	
	2020	2021	قدر	فیصد
فروخت - (میٹر 1000)	44,426	47,863	3,437	7.74
قیمت فی میٹر	176.98	253.97	76.99	43.50
فروخت - (1000 روپے)	7,862,492	12,155,658	4,293,166	54.60

اکتوبر 2021 کے پہلے ہفتے میں ہمارا نیا پروجیکٹ جو 130 نئی سوڈا کو مائن ای او 001 وسیع چوڑائی والی لومز پر مشتمل ہے، پروڈکشن میں شامل کیا گیا جس سے ہماری پیداواری صلاحیت میں نمایاں اضافہ ہوا۔ ڈویژن اب اگلے مرحلے میں 2005/2006 کے ماڈل والی سوڈا کو مالم کوڈ بولنے کا منصوبہ بنا رہی ہے۔ ہمیں یقین ہے کہ مسابقتی لاگت اور بہتر کارکردگی کے لیے ہمیں جدید ترین ٹیکنالوجیز لانے کی ضرورت ہے جو ہمیں مارکیٹ کے رجحانات کے مطابق اپنے صارفین کی ضرورت کو پورا کرنے میں مدد دیں گی۔

رنگائی (Dyeing)

مالی سال 2021-22 کی پہلی ششماہی کے دوران فیشن ملبوسات کی مانگ میں اضافے کی وجہ سے ڈائنگ ڈویژن نے اچھی کارکردگی کا مظاہرہ کیا۔ خام مال کی آسمان کو چھوٹی ہوئی قیمتیں، مارکیٹ کی انتہائی غیر مستحکم صورتحال اور سپلائی چین میں خلل کے باوجود، ڈویژن نے مثبت کارکردگی دکھائی۔ گزشتہ سال کی اسی ششماہی کے مقابلے میں رواں ششماہی کی فروخت میں 4,968,758 ملین روپے (88.04%) کا اضافہ ہوا۔

پروسیسڈ کلا تھ	31 دسمبر کو اختتام شدہ ششماہی		اضافہ/(کی)	
	2020	2021	قدر	فیصد
فروخت - (میٹر 1000)	15,748	23,477	7,729	49.08
قیمت فی میٹر	358.37	452.03	93.66	26.14
فروخت - (1000 روپے)	5,643,613	10,612,371	4,968,758	88.04

vaccination Covid-19 عمل کے مثبت نتائج نکلے اور دنیا بھر میں لاک ڈاؤن ختم ہونے کے بعد عالمی معیشت بحرانوں سے نکلے۔ اس عرصے کے دوران امریکی اور یورپین مارکیٹ سے ٹیکسٹائل مصنوعات کی مانگ میں خاطر خواہ اضافہ ہوا جس کی وجہ سے زیادہ تر ٹیکسٹائل یونٹس اپنی پوری صلاحیت کو بروئے کار لانے میں کامیاب رہے۔ ٹیکسٹائل برآمدات حجم اور قدر دونوں میں بڑھیں۔ امریکی ڈالر کے مقابلے پاک روپیہ کی قدر میں کمی نے بھی برآمدی فروخت کے اضافے میں اہم کردار ادا کیا۔

سپننگ تجربہ

کمپنی کی طبقاتی کارکردگی کا مختصر جائزہ درج ذیل ہے:

کٹائی (Spinning)

امریکہ اور چین کے تجارتی وعدوں، Covid-19 کی صورتحال میں بہتری، مقامی اور بین الاقوامی کپاس کی منڈیوں میں فصل کی کمی کی پیش گوئی کی وجہ سے کپاس کی قیمتوں میں پورے نصف سال کے دوران اضافے کا رجحان ریکارڈ کیا گیا۔ کمپنی نے مارکیٹ کی صورتحال کا جائزہ لیتے ہوئے سالانہ خام کپاس کی ضرورت کو پورا کرنے کے لیے مقامی اور بین الاقوامی منڈیوں سے کپاس کی خریداری کرنے کا منصوبہ بنایا۔ اس لیے، کمپنی نے مارکیٹ میں دستیاب ہوتے ہی خام کپاس کو مرہجہ قیمتوں پر خریدنا شروع کر دیا۔

یارن	31 دسمبر کو اختتام شدہ ششماہی		اضافہ / (کمی)	
	2020	2021	قدر	فیصد
فروخت - (کلوگرام 1000)	9,984	18,252	8,268	82.81
قیمت فی کلوگرام	369.70	608.78	239.08	64.67
فروخت - (1000 روپے)	3,691,133	11,111,537	7,420,404	201.03

مقامی دھاگے کی قیمتیں خام کپاس کی قیمتوں کے ساتھ ساتھ بڑھیں، لیکن برآمدی دھاگے کی قیمتیں دباؤ میں رہیں اور بین الاقوامی مارکیٹ میں بڑھتی ہوئی مانگ کے باوجود کپاس کی قیمتوں کے ساتھ نہیں بڑھیں۔ بھارت، ویتنام اور انڈونیشیا سے کم قیمتوں پر دھاگے کی فراہمی نے ہمارے لیے مسابقتی قیمتوں پر ایکسپورٹ مارکیٹ میں فروخت کرنا مشکل بنایا۔ تاہم، نصف سال کے دوران مقامی مارکیٹ معاون رہی۔ یارن مارکیٹ کی صورتحال کا جائزہ لیتے ہوئے، کمپنی نے ایکسپورٹ مارکیٹ کے مقابلے میں اپنی پیداوار کا بڑا حصہ مقامی مارکیٹ میں فروخت کیا۔ اس حکمت عملی کے نتیجے میں مالی سال کی پہلی ششماہی میں اچھا منافع ہوا۔

تشاطہ ملٹریلینڈ کا نیا اوپن اینڈ یارن یونٹ، جو 4,320 روٹرز پر مشتمل ہے، نے 01 نومبر 2021 کو پروڈکشن شروع کی۔

ڈائریکٹرز کی رپورٹ

نشاط ملز لمیٹڈ ("کمپنی") کے ڈائریکٹرز 31 دسمبر 2021 کو اختتام شدہ ششماہی کے لیے ڈائریکٹرز رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

آپریٹنگ مالی نتائج

31 دسمبر 2020 کی اسی ششماہی کے مقابلے میں موجودہ ششماہی کے دوران کمپنی کی مالی کارکردگی نمایاں رہی۔ منافع میں غیر معمولی اضافے کی بنیادی وجہ آمدنی میں %59.62 کا اضافہ تھا جو شرح اور حجم کے تغیرات کے باعث ہوا۔ خام مال اور توانائی کی لاگت میں اضافے کے باوجود مجموعی منافع %4.4 سے بڑھا جو %11.39 سے بڑھ کر %15.80 تک جا پہنچا اور اس اضافے کی بنیادی وجہ مارکیٹنگ کی بہتر حکمت عملی تھی۔ مجموعی منافع میں اضافے کی ایک اور وجہ امریکی ڈالر کے مقابلے میں پاک روپیہ کی قدر میں ششماہی کے دوران %13.26 کمی کے باعث تھا۔ ڈیویڈنڈ آمدنی میں 1,190.971 ملین روپے کا اضافہ ہوا جس وجہ سے کمپنی کے بعد از ٹیکس منافع میں بھی گزشتہ سال کی اسی ششماہی کے مقابلے میں رواں ششماہی میں %216.06 کا اضافہ ہوا اور ڈیویڈنڈ آمدنی 767.788 ملین روپے سے بڑھ کر موجودہ ششماہی میں 1,958.759 ملین روپے تک جا پہنچا۔ چند اہم منافع بخش اقدامات کا خلاصہ مندرجہ ذیل ہے:

مالی جھلکیاں	31 دسمبر کو اختتام شدہ ششماہی		اضافہ / (کمی) فیصد
	2020	2021	
آمدنی (روپے '000)	33,135,777	52,891,961	59.62
مجموعی منافع (روپے '000)	3,775,182	8,355,647	121.33
بعد از ٹیکس منافع (روپے '000)	1,773,515	5,605,367	216.06
مجموعی منافع (فیصد)	11.39	15.80	
بعد از ٹیکس منافع (فیصد)	5.35	10.60	
منافع فی حصص - (روپے)	5.04	15.94	

مارکیٹ کا عمومی جائزہ اور مستقبل کے امکانات

سپاس اور پالیسٹرفا بھر کی قیمتوں میں اضافے، گیس سپلائی میں بندش، آرائل این جی کی شرح میں اضافہ، عالمی سپلائی چین میں خلل اور درآمدی خام مال پر امریکی ڈالر کے مقابلے میں پاک روپیہ کی قدر میں کمی کے منفی اثرات کے باوجود، پاکستان ٹیکسٹائل انڈسٹری نے مالی سال 2021-22 کی پہلی ششماہی میں بہت اچھی کارکردگی کا مظاہرہ کیا۔ گزشتہ ششماہی کے مقابلے میں رواں ششماہی کے دوران برآمدات میں نمایاں اضافہ ہوا۔



REGISTERED OFFICE:

Nishat House, 53-A, Lawrence Road, Lahore

Tel: 042-36360154, 042-111 113 333

nishat@nishatmills.com

www.nishatmillsltd.com