



Nishat Mills Limited

**Interim Financial Report for the Nine Months Ended  
March 31, 2022**

**Growing Inclusively**

# CONTENTS

## Nishat Mills Limited

|  |    |
|--|----|
| Company Information.....   | 02 |
| Directors' Report.....   | 04 |
| Unconsolidated Condensed Interim Statement<br>of Financial Position .....            | 10 |
| Unconsolidated Condensed Interim Statement of Profit or Loss .....                   | 12 |
| Unconsolidated Condensed Interim Statement of<br>Comprehensive Income .....          | 13 |
| Unconsolidated Condensed Interim Statement of<br>Changes in Equity .....             | 14 |
| Unconsolidated Condensed Interim Statement of Cash Flows .....                       | 15 |
| Selected Notes to the Unconsolidated Condensed Interim<br>Financial Statements ..... | 16 |

## Nishat Mills Limited and its Subsidiary Companies

|  |    |
|--|----|
| Consolidated Condensed Interim Statement of Financial Position .....               | 34 |
| Consolidated Condensed Interim Statement of Profit or Loss .....                   | 36 |
| Consolidated Condensed Interim Statement of Comprehensive<br>Income.....           | 37 |
| Consolidated Condensed Interim Statement of Changes in Equity.....                 | 38 |
| Consolidated Condensed Interim Statement of Cash Flows.....                        | 39 |
| Selected Notes to the Consolidated Condensed Interim<br>Financial Statements ..... | 40 |
| Directors' Report in Urdu .....  | 66 |

## 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 nine months ended 31 March 2022.

### Operating Financial Results

Earnings per share of the Company increased by Rs. 15.38 per share from Rs. 10.37 per share in the corresponding nine-month period of financial year 2021 to Rs. 25.75 per share in current nine-month period of financial year 2022. The reason of these remarkable results was increase in gross profit by 124.79% from Rs. 6.092 billion to Rs. 13.696 billion. The main reason for increase in gross profit was 63.57% increase in top line of the Company due to both favorable volume and rate variances. The Company achieved this unprecedented growth in revenue despite many challenges such as huge increase in raw cotton prices, increase in RLNG rate, shutdown of gas supply, disruption in global supply chain and Covid-19 pandemic. Being an export-oriented entity, the company also benefitted from 16.75% depreciation of PAK Rupee against USD during the nine-month period.

| Financial Highlights         | Nine months ended 31 March |            | Increase /<br>(decrease) % |
|------------------------------|----------------------------|------------|----------------------------|
|                              | 2022                       | 2021       |                            |
| Revenue (Rs. '000')          | 84,252,725                 | 51,507,344 | 63.57                      |
| Gross Profit (Rs. '000')     | 13,696,146                 | 6,092,841  | 124.79                     |
| Profit after tax (Rs. '000') | 9,054,317                  | 3,644,929  | 148.41                     |
| Gross Profit (%)             | 16.26                      | 11.83      |                            |
| Profit after tax (%)         | 10.75                      | 7.08       |                            |
| Earnings per share – (Rs.)   | 25.75                      | 10.37      |                            |

Dividend income increased by Rs. 773 million from Rs. 2.088 billion to Rs. 2.861 billion. Finance cost of the Company increased in the current period due to increase in average borrowing cost and short term loans which were obtained to finance increased working capital requirements.

### General Market Review and Future Prospects

Gradual recovery of global economy from Covid-19 pandemic was a good sign for textile sector during the nine months ended 31 March 2022. However, the period was overshadowed by rising cotton and polyester fiber prices, increase in RLNG rate and shutdown of gas supply. All these factors severely affected the performance of textile sector. Another challenge that value-added segment particularly faced, was highly disturbed vessel schedule, which increased transit times for export and import shipments. This problem has not only affected global supply chain but also significantly increased shipping cost.

Depreciation of Pak Rupee against U.S. Dollar by 16.75% in first nine months of financial year 2021-2022 gave temporary relief to textile exporters, as they got benefit of rupee depreciation on shipments against which raw material was already procured. However, for subsequent orders input cost also shot up.

State Bank of Pakistan ("SBP") has increased mark-up rate for financing under Export Finance Scheme (EFS) by 2.5% with effect from 08 April 2022. Accordingly, the mark-up rate for EFS is now 5.5% p.a. which is a cause of concern for textile sector because it has increased cost of doing business.

### Segment Analysis

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



### Spinning

During nine months period ended 31 March 2022, raw cotton prices continued to rise in international market due to US-China trade commitments and opening up of markets after improvement in Covid-19 situation. Local cotton prices also recorded increasing trend due to global short supply and hasty buying by spinners. The Company planned to cover annual raw cotton requirements with the 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.

Local yarn prices increased in tandem with raw cotton prices, but export yarn prices remained steady despite rising demand in foreign markets. Yarn supply in international market at low rates from India, Vietnam, Indonesia made it difficult for us to export at competitive prices. However, local market remained supportive during the period. 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 the nine months of the financial year.

| Yarn               | Nine months ended 31 March |           | Increase / (Decrease) |        |
|--------------------|----------------------------|-----------|-----------------------|--------|
|                    | 2022                       | 2021      | Value                 | % age  |
| Sale – (kgs '000') | 27,878                     | 17,005    | 10,873                | 63.94  |
| Rate / kg          | 641.58                     | 417.72    | 223.86                | 53.59  |
| Sale – (Rs. '000') | 17,885,936                 | 7,103,339 | 10,782,597            | 151.80 |

Keeping in view international & local cotton scenario, new COVID wave in China, high level of inflation around the world, it is expected that rest of the year will remain challenging for cotton yarn export and local yarn prices will remain high. The management has planned to offer finer counts instead of coarser counts to mitigate the impact of these challenges.

### Weaving

During the first nine months of the financial year 2022, greige cloth prices spiraled up due to the increase in raw material cost. However, greige cloth market somehow slowed down in the third quarter. Main factors were adequate availability of stocks with buyers and Russia / Ukraine war. Most steady product segment during this period was technical fabrics (abrasives / sun protectors). Workwear and fashion segments were on slow track. Greige cloth sales for home textile saw a big down turn owing to the fact that people are now out of lock downs in most part of the West which has reduced the need for home textile products.

| Grey Cloth            | Nine months ended 31 March |            | Increase / (Decrease) |       |
|-----------------------|----------------------------|------------|-----------------------|-------|
|                       | 2022                       | 2021       | Value                 | % age |
| Sale – (meters '000') | 72,985                     | 65,788     | 7,197                 | 10.94 |
| Rate / meter          | 265.44                     | 184.39     | 81.05                 | 43.96 |
| Sale – (Rs. '000')    | 19,373,214                 | 12,130,814 | 7,242,400             | 59.70 |

The Company commissioned 130 Tsudakoma NEO 001 wider width looms in production during the first week of October 2021. The management is further considering to replace Seventy 190 CM looms with 210 / 230 CM looms due to increased demand of wider width fabric for fashion / technical segments.

### Dyeing

Despite rising raw material cost and uncertain market dynamics, Dyeing Division was able to increase its sales by 89.96% from Rs. 8.616 billion to Rs. 16.368 billion. The management was able to utilize production capacity in full after the recovery of global economy from the effects of Covid-19.

| Processed Cloth       | Nine months ended 31 March |           | Increase / (Decrease) |       |
|-----------------------|----------------------------|-----------|-----------------------|-------|
|                       | 2022                       | 2021      | Value                 | % age |
| Sale – (meters '000') | 34,859                     | 23,913    | 10,946                | 45.77 |
| Rate / meter          | 469.54                     | 360.32    | 109.22                | 30.31 |
| Sale – (Rs. '000')    | 16,367,589                 | 8,616,344 | 7,751,245             | 89.96 |

Final quarter of the financial year 2022 has started, but raw material prices and cost of production is expected to remain high in coming months due to current global situation. The management is taking all possible measures to mitigate the impact of these challenges. We are confident that we will be able to keep our positive performance momentum in the last quarter of financial year.

### Home Textile

Financial performance of the Division was satisfactory during nine months ended 31 March 2022. Sales of Home Textile products increased by Rs. 330.829 million (3.02%) during the current period as compared to the corresponding period of the last year.

| Processed Cloth and Made-ups | Nine months ended 31 March |            | Increase / (Decrease) |         |
|------------------------------|----------------------------|------------|-----------------------|---------|
|                              | 2022                       | 2021       | Value                 | % age   |
| Sale – (meters '000')        | 20,720                     | 24,272     | (3,552)               | (14.63) |
| Rate / meter                 | 544.04                     | 450.79     | 93.25                 | 20.69   |
| Sale – (Rs. '000')           | 11,272,426                 | 10,941,597 | 330,829               | 3.02    |

Unprecedented surge in raw material and shipping costs increased the cost of production of our finished goods. However, we were able to pass on only a small portion of that additional cost to our customers which affected the profitability of the Division.

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 products     | Nine months ended 31 March |         | Increase / (Decrease) |        |
|--------------------|----------------------------|---------|-----------------------|--------|
|                    | 2022                       | 2021    | Value                 | % age  |
| Sale – (kgs '000') | 1,912                      | 360     | 1,552                 | 431.11 |
| Rate / kg          | 1,116.57                   | 876.64  | 239.93                | 27.37  |
| Sale – (Rs. '000') | 2,134,878                  | 315,590 | 1,819,288             | 576.47 |

## Garments

The Division recorded tremendous financial performance during nine months of the financial year 2021-22. Garments sales of the Division increased remarkably by Rs. 4.169 billion (73.93%) during the current period as compared to the corresponding period of the last year. Considering the increase in demand of our products, the management has expanded production capacity, updated research and development mechanism and invested in new technologies.

| Garments                | Nine months ended 31 March |           | Increase / (Decrease) |       |
|-------------------------|----------------------------|-----------|-----------------------|-------|
|                         | 2022                       | 2021      | Value                 | % age |
| Sale – (garments '000') | 7,753                      | 6,153     | 1,600                 | 26.00 |
| Rate / garment          | 1,265.22                   | 916.61    | 348.61                | 38.03 |
| Sale – (Rs. '000')      | 9,809,288                  | 5,639,899 | 4,169,389             | 73.93 |

The Division is also committed to sustainable growth and development and has taken a number of initiatives. The management has made sustainable achievements as part of employees' KPIs in order to involve everyone in sustainability drive. We have cut down our water and energy consumption and have increased our reliance on renewable energy resources.

## Power Generation

All fuel costs such as coal and furnace oil significantly increased during the current nine months of financial year 2022. 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. 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

28 April 2022  
Lahore

Unconsolidated Condensed Interim  
Financial Statements of

# **Nishat Mills Limited**

For the nine months ended 31 March 2022



## Unconsolidated Condensed Interim Statement of Financial Position

As at 31 March 2022

|  | Note | Un-audited<br>31 March<br>2022<br>(Rupees in thousand) | Audited<br>30 June<br>2021 |
|--|------|--|----------------------------|
| <b>EQUITY AND LIABILITIES</b>  |      |  |                            |
| <b>SHARE CAPITAL AND RESERVES</b>  |      |  |                            |
| <b>Authorized share capital</b>  |      |  |                            |
| 1,100,000,000 (30 June 2021: 1,100,000,000)<br>ordinary shares of Rupees 10 each |      | 11,000,000   | 11,000,000                 |
| <b>Issued, subscribed and paid-up share capital</b>                              |      |  |                            |
| 351,599,848 (30 June 2021: 351,599,848)<br>ordinary shares of Rupees 10 each     |      | 3,515,999  | 3,515,999                  |
| <b>Reserves</b>  |      | 81,450,888   | 82,231,780                 |
| <b>Total equity</b>  |      | 84,966,887   | 85,747,779                 |
| <b>LIABILITIES</b>   |      |  |                            |
| <b>NON-CURRENT LIABILITIES</b>   |      |  |                            |
| Long term financing - secured  | 5    | 12,501,997   | 11,577,915                 |
| Deferred liabilities   |      | 781,810  | 1,055,992                  |
|  |      | 13,283,807   | 12,633,907                 |
| <b>CURRENT LIABILITIES</b>   |      |  |                            |
| Trade and other payables   |      | 11,627,971   | 9,512,304                  |
| Accrued mark-up  |      | 266,493  | 196,382                    |
| Short term borrowings  |      | 35,368,216   | 18,718,262                 |
| Current portion of non-current liabilities                                       |      | 4,518,854  | 4,206,123                  |
| Unclaimed dividend   |      | 102,247  | 97,617                     |
|  |      | 51,883,781   | 32,730,688                 |
| <b>TOTAL LIABILITIES</b>   |      | 65,167,588   | 45,364,595                 |
| <b>CONTINGENCIES AND COMMITMENTS</b>   | 6    |  |                            |
| <b>TOTAL EQUITY AND LIABILITIES</b>  |      | 150,134,475  | 131,112,374                |

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



CHIEF EXECUTIVE OFFICER

|                                     | Note | Un-audited<br>31 March<br>2022<br>(Rupees in thousand) | Audited<br>30 June<br>2021 |
|-------------------------------------|------|--|----------------------------|
| <b>ASSETS</b>                       |      |  |                            |
| <b>NON-CURRENT ASSETS</b>           |      |  |                            |
| Property, plant and equipment       | 7    | 39,607,422   | 35,926,594                 |
| Investment properties               |      | 476,180  | 479,506                    |
| Long term investments               |      | 41,330,355   | 48,620,695                 |
| Long term loans                     |      | 391,804  | 468,377                    |
| Long term deposits                  |      | 245,183  | 156,984                    |
|                                     |      | 82,050,944   | 85,652,156                 |
| <b>CURRENT ASSETS</b>               |      |  |                            |
| Stores, spare parts and loose tools |      | 3,672,989  | 2,605,602                  |
| Stock-in-trade                      |      | 34,961,205   | 17,972,691                 |
| Trade debts                         |      | 12,308,591   | 6,549,252                  |
| Loans and advances                  |      | 7,826,792  | 7,675,599                  |
| Advance income tax - net            |      | 416,692  | 572,307                    |
| Short term deposits and prepayments |      | 69,291   | 80,828                     |
| Other receivables                   |      | 8,679,749  | 4,702,709                  |
| Accrued interest                    |      | 29,826   | 28,885                     |
| Cash and bank balances              |      | 118,396  | 5,272,345                  |
|                                     |      | 68,083,531   | 45,460,218                 |
| <b>TOTAL ASSETS</b>                 |      | <b>150,134,475</b>                                     | <b>131,112,374</b>         |

*Said Iqbal*

DIRECTOR

*[Signature]*

CHIEF FINANCIAL OFFICER

## Unconsolidated Condensed Interim Statement of Profit or Loss

For the nine months ended 31 March 2022 (Un-audited)

|                            | Note | Period ended         |                  | Quarter ended    |                  |
|----------------------------|------|----------------------|------------------|------------------|------------------|
|                            |      | 31 March<br>2022     | 31 March<br>2021 | 31 March<br>2022 | 31 March<br>2021 |
|                            |      | (Rupees in thousand) |                  |                  |                  |
| REVENUE                    | 8    | 84,252,725           | 51,507,344       | 31,360,764       | 18,371,567       |
| COST OF SALES              | 9    | (70,556,579)         | (45,414,503)     | (26,020,265)     | (16,053,908)     |
| GROSS PROFIT               |      | 13,696,146           | 6,092,841        | 5,340,499        | 2,317,659        |
| DISTRIBUTION COST          |      | (4,163,001)          | (2,240,102)      | (1,600,375)      | (822,827)        |
| ADMINISTRATIVE EXPENSES    |      | (1,226,519)          | (991,411)        | (410,241)        | (339,586)        |
| OTHER EXPENSES             |      | (531,785)            | (273,056)        | (200,740)        | (98,420)         |
|                            |      | (5,921,305)          | (3,504,569)      | (2,211,356)      | (1,260,833)      |
|                            |      | 7,774,841            | 2,588,272        | 3,129,143        | 1,056,826        |
| OTHER INCOME               |      | 3,989,129            | 2,826,727        | 1,444,958        | 1,556,613        |
| PROFIT FROM OPERATIONS     |      | 11,763,970           | 5,414,999        | 4,574,101        | 2,613,439        |
| FINANCE COST               |      | (1,461,653)          | (955,070)        | (685,151)        | (346,025)        |
| PROFIT BEFORE TAXATION     |      | 10,302,317           | 4,459,929        | 3,888,950        | 2,267,414        |
| TAXATION                   |      | (1,248,000)          | (815,000)        | (440,000)        | (396,000)        |
| PROFIT AFTER TAXATION      |      | 9,054,317            | 3,644,929        | 3,448,950        | 1,871,414        |
| EARNINGS PER SHARE - BASIC |      |                      |                  |                  |                  |
| AND DILUTED (RUPEES)       | 10   | 25.75                | 10.37            | 9.81             | 5.32             |

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

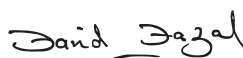
For the nine months ended 31 March 2022 (Un-audited)

|  | Period ended         |                  | Quarter ended    |                  |
|--|----------------------|------------------|------------------|------------------|
|  | 31 March<br>2022     | 31 March<br>2021 | 31 March<br>2022 | 31 March<br>2021 |
|  | (Rupees in thousand) |                  |                  |                  |
| <b>PROFIT AFTER TAXATION</b>   | 9,054,317            | 3,644,929        | 3,448,950        | 1,871,414        |
| <b>OTHER COMPREHENSIVE (LOSS) / INCOME</b>   |                      |                  |                  |                  |
| Items that will not be reclassified<br>to profit or loss:  |                      |                  |                  |                  |
| (Deficit) / Surplus arising on remeasurement<br>of investments at fair value through other<br>comprehensive income | (8,607,922)          | 8,793,404        | (1,884,058)      | 1,389,981        |
| Deferred income tax relating to this item  | 179,112              | (22,187)         | 8,339            | -                |
|  | (8,428,810)          | 8,771,217        | (1,875,719)      | 1,389,981        |
| Items that may be reclassified subsequently<br>to profit or loss   | -                    | -                | -                | -                |
| <b>Other comprehensive (loss) / income for<br/>the period - net of tax</b>   | (8,428,810)          | 8,771,217        | (1,875,719)      | 1,389,981        |
| <b>TOTAL COMPREHENSIVE INCOME<br/>FOR THE PERIOD</b>   | 625,507              | 12,416,146       | 1,573,231        | 3,261,395        |

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

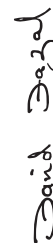
For the nine months ended 31 March 2022 (Un-audited)

|  | Reserves                         |                                       |             |                  |                       |             | Total Equity |             |
|--|----------------------------------|---------------------------------------|-------------|------------------|-----------------------|-------------|--------------|-------------|
|  | Capital Reserves                 |                                       |             | Revenue Reserves |                       |             | Total        |             |
|  | Premium on Issue of Right Shares | Fair Value Reserve FY/OCI Investments | Sub Total   | General Reserve  | Unappropriated Profit | Sub Total   |              |             |
|  |                                  |                                       |             |                  |                       |             |              |             |
| <b>Balance as at 30 June 2020 - (audited)</b>  | 3,515,999                        | 5,499,530                             | 13,739,158  | 19,238,688       | 45,165,028            | 3,508,145   | 48,673,173   | 67,911,861  |
| 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) |
| Transferred to general reserve   | -                                | -                                     | -           | 2,101,000        | (2,101,000)           | -           | -            | -           |
| Profit for the period  | -                                | -                                     | -           | -                | 3,644,929             | 3,644,929   | 3,644,929    | 3,644,929   |
| Other comprehensive income for the period  | -                                | 8,771,217                             | 8,771,217   | -                | -                     | -           | 8,771,217    | 8,771,217   |
| Total comprehensive income for the period  | -                                | 8,771,217                             | 8,771,217   | -                | 3,644,929             | 3,644,929   | 12,416,146   | 12,416,146  |
| <b>Balance as at 31 March 2021 - (un-audited)</b>  | 3,515,999                        | 5,499,530                             | 22,510,375  | 28,009,905       | 47,266,028            | 3,645,675   | 50,911,703   | 78,921,608  |
| Profit for the period  | -                                | -                                     | -           | -                | 2,277,541             | 2,277,541   | 2,277,541    | 2,277,541   |
| Other comprehensive income for the period  | -                                | 1,032,631                             | 1,032,631   | -                | -                     | -           | 1,032,631    | 1,032,631   |
| Total comprehensive income for the period  | -                                | 1,032,631                             | 1,032,631   | -                | 2,277,541             | 2,277,541   | 3,310,172    | 3,310,172   |
| <b>Balance as at 30 June 2021 - (audited)</b>  | 3,515,999                        | 5,499,530                             | 23,543,006  | 29,042,536       | 47,266,028            | 5,923,216   | 53,189,244   | 82,231,780  |
| 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) |
| Transferred to general reserve   | -                                | -                                     | -           | 4,516,000        | (4,516,000)           | -           | -            | -           |
| Profit for the period  | -                                | -                                     | -           | -                | 9,054,317             | 9,054,317   | 9,054,317    | 9,054,317   |
| Other comprehensive loss for the period  | -                                | (8,428,810)                           | (8,428,810) | -                | -                     | -           | (8,428,810)  | (8,428,810) |
| Total comprehensive (loss) / income for the period   | -                                | (8,428,810)                           | (8,428,810) | -                | 9,054,317             | 9,054,317   | 625,507      | 625,507     |
| <b>Balance as at 31 March 2022 - (un-audited)</b>  | 3,515,999                        | 5,499,530                             | 15,114,196  | 20,613,726       | 51,782,028            | 9,055,134   | 60,837,162   | 81,450,888  |
|  |                                  |                                       |             |                  |                       |             |              | 84,966,887  |

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 nine months ended 31 March 2022 (Un-audited)

|   |      | Period ended         |                  |
|---|------|----------------------|------------------|
|   |      | 31 March<br>2022     | 31 March<br>2021 |
|   | Note | (Rupees in thousand) |                  |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                     |      |                      |                  |
| <b>Cash (used in) / generated from operations</b>               | 11   | (14,891,385)         | 6,233,994        |
| Finance cost paid   |      | (1,359,444)          | (967,349)        |
| Income tax paid   |      | (1,092,385)          | (750,289)        |
| Net exchange difference on forward exchange contracts received  |      | 5,412                | 1,843            |
| Net decrease / (increase) in long term loans                    |      | 88,260               | (153,080)        |
| Net increase in long term deposits                              |      | (88,199)             | (49,908)         |
| <b>Net cash (used in) / generated from operating activities</b> |      | (17,337,741)         | 4,315,211        |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                     |      |                      |                  |
| Capital expenditure on property, plant and equipment            |      | (6,149,135)          | (2,622,049)      |
| Proceeds from sale of property, plant and equipment             |      | 83,682               | 61,950           |
| Investments made  |      | (1,317,582)          | (211,328)        |
| Loans and advances to subsidiary companies                      |      | (37,785,188)         | (34,337,958)     |
| Repayment of loans from subsidiary companies                    |      | 37,858,177           | 33,451,034       |
| Interest received   |      | 274,819              | 250,729          |
| Dividends received  |      | 2,861,189            | 2,088,057        |
| <b>Net cash used in investing activities</b>                    |      | (4,174,038)          | (1,319,565)      |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                     |      |                      |                  |
| Proceeds from long term financing                               |      | 3,317,581            | 2,498,162        |
| Repayment of long term financing                                |      | (2,207,936)          | (279,923)        |
| Short term borrowings - net                                     |      | 16,649,954           | (3,844,071)      |
| Dividend paid   |      | (1,401,769)          | (1,398,968)      |
| <b>Net cash from / (used in) financing activities</b>           |      | 16,357,830           | (3,024,800)      |
| <b>Net decrease in cash and cash equivalents</b>                |      | (5,153,949)          | (29,154)         |
| <b>Cash and cash equivalents at the beginning of the period</b> |      | 5,272,345            | 128,241          |
| <b>Cash and cash equivalents at the end of the period</b>       |      | 118,396              | 99,087           |

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 nine months ended 31 March 2022 (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 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<br>31 March<br>2022<br>(Rupees in thousand) | Audited<br>30 June<br>2021 |
|---|------|--|----------------------------|
| <b>5 LONG TERM FINANCING - SECURED</b>                    |      |  |                            |
| Opening balance   |      | 14,576,825   | 9,925,813                  |
| Add: Obtained during the period / year                    |      | 3,317,581  | 6,421,187                  |
| Less: Repaid during the period / year                     |      | (2,207,936)  | (1,610,173)                |
| Less: Deferred income recognised during the period / year |      | (1,885)  | (253,819)                  |
| Add: Amortised during the period / year                   |      | 63,641   | 93,817                     |
| Net impact  | 5.1  | 61,756   | (160,002)                  |
|   |      | 15,748,226   | 14,576,825                 |
| Less: Current portion shown under current liabilities     |      | (3,246,229)  | (2,998,910)                |
|   |      | 12,501,997   | 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 3,723.214 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 nine months ended 31 March 2022 (Un-audited)

- ii) Post dated cheques of Rupees 12,839.972 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 2,351.084 million (30 June 2021: Rupees 3,469.028 million).
- ii) Letters of credit other than for capital expenditure are of Rupees 5,786.803 million (30 June 2021: Rupees 4,219.586 million).
- iii) Outstanding foreign currency forward contracts of Rupees 6,334.935 million (30 June 2021: Rupees 6,400.041 million).

## 7 PROPERTY, PLANT AND EQUIPMENT

|  |       | Un-audited<br>31 March<br>2022<br>(Rupees in thousand) | Audited<br>30 June<br>2021 |
|--|-------|--|----------------------------|
|  | Note  |  |                            |
| Operating fixed assets                                 | 7.1   | 34,496,848   | 29,713,681                 |
| Capital work-in-progress                               | 7.2   | 5,110,574  | 6,212,913                  |
|  |       | 39,607,422   | 35,926,594                 |
| <b>7.1 Operating fixed assets</b>                      |       |  |                            |
| Opening book value                                     |       | 29,713,681   | 28,834,861                 |
| Add: Cost of additions during the period / year        | 7.1.1 | 7,251,572  | 3,969,189                  |
| Less: Reversal of provision                            |       | -  | (98,528)                   |
| Less: Transferred to investment properties             |       | -  | (28,796)                   |
|  |       | 36,965,253   | 32,676,726                 |
| Less: Book value of deletions during the period / year | 7.1.2 | (71,151)   | (119,454)                  |
|  |       | 36,894,102   | 32,557,272                 |
| Less: Depreciation charged during the period / year    |       | (2,397,254)  | (2,843,591)                |
|  |       | 34,496,848   | 29,713,681                 |

|   | Un-audited<br>31 March<br>2022 | Audited<br>30 June<br>2021 |
|---|--------------------------------|----------------------------|
|   | (Rupees in thousand)           |                            |
| <b>7.1.1 Cost of additions</b>                            |                                |                            |
| Freehold land   | 22,432                         | 20,823                     |
| Buildings on freehold land                                | 824,756                        | 515,129                    |
| Plant and machinery                                       | 5,896,598                      | 3,135,514                  |
| Electric installations                                    | 220,368                        | 31,570                     |
| Factory equipment   | 54,138                         | 17,196                     |
| Furniture, fixtures and office equipment                  | 104,393                        | 38,765                     |
| Computer equipment  | 21,064                         | 23,453                     |
| Vehicles  | 107,823                        | 186,739                    |
|   | 7,251,572                      | 3,969,189                  |
| <b>7.1.2 Book value of deletions</b>                      |                                |                            |
| Freehold land   | -                              | 62,001                     |
| Plant and machinery                                       | 39,701                         | 24,760                     |
| Furniture, fixtures and office equipment                  | 14                             | -                          |
| Computer equipment  | 442                            | 403                        |
| Vehicles  | 30,994                         | 32,290                     |
|   | 71,151                         | 119,454                    |
| <b>7.2 Capital work-in-progress</b>                       |                                |                            |
| Buildings on freehold land                                | 1,853,693                      | 1,490,620                  |
| Plant and machinery                                       | 3,086,267                      | 4,626,845                  |
| Electric installations                                    | 800                            | 17,568                     |
| Unallocated capital expenditures                          | 39,290                         | 3,986                      |
| Advances against purchase of freehold land                | 35,593                         | 26,493                     |
| Advances against furniture, fixtures and office equipment | 11,024                         | 12,619                     |
| Advances against purchase of vehicles                     | 83,907                         | 34,782                     |
|   | 5,110,574                      | 6,212,913                  |



## Selected Notes to the Unconsolidated Condensed Interim Financial Statements

For the nine months ended 31 March 2022 (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 |           |              |           |               |           |
|--|--------------|------------|---------------|-----------|--------------|------------|---------------|-----------|--------------|-----------|---------------|-----------|--------------|-----------|---------------|-----------|--------------|------------|------------------------|-----------|--------------|-----------|---------------|-----------|
|  | Period ended |            | Quarter ended |           | Period ended |            | Quarter ended |           | Period ended |           | Quarter ended |           | Period ended |           | Quarter ended |           | Period ended |            | Quarter ended          |           | Period ended |           | Quarter ended |           |
|  | 31-Mar-22    | 31-Mar-21  | 31-Mar-22     | 31-Mar-21 | 31-Mar-22    | 31-Mar-21  | 31-Mar-22     | 31-Mar-21 | 31-Mar-22    | 31-Mar-21 | 31-Mar-22     | 31-Mar-21 | 31-Mar-22    | 31-Mar-21 | 31-Mar-22     | 31-Mar-21 | 31-Mar-22    | 31-Mar-21  | 31-Mar-22              | 31-Mar-21 | 31-Mar-22    | 31-Mar-21 | 31-Mar-22     | 31-Mar-21 |
| <b>Region</b>  |              |            |               |           |              |            |               |           |              |           |               |           |              |           |               |           |              |            |                        |           |              |           |               |           |
| Europe   | 257,176      | 184,717    | 120,119       | 76,127    | 11,734,898   | 5,755,164  | 4,285,786     | 2,085,297 |              |           | 379,025       | 309,849   |              |           | 114,008       | 107,590   | 8,871,066    | 7,106,930  |                        |           | 3,081,306    | 2,646,586 |               |           |
| United States of America and Canada                  | 308,334      | 60,086     | 131,872       | 16,697    | 653,489      | 475,822    | 372,177       | 278,147   |              |           | 2,471         | -         |              |           | 1,310         | -         | 2,685,903    | 2,501,306  |                        |           | 771,889      | 568,285   |               |           |
| Asia, Africa, Australia                              | 5,066,439    | 4,168,063  | 2,044,822     | 1,353,973 | 1,656,039    | 1,611,551  | 441,912       | 356,652   |              |           | 11,789,086    | 6,083,236 |              |           | 4,101,377     | 2,077,228 | 1,195,711    | 1,006,800  |                        |           | 384,052      | 217,062   |               |           |
| Pakistan   | 16,516,034   | 6,794,199  | 6,601,558     | 2,949,118 | 5,801,026    | 4,586,795  | 2,301,824     | 1,653,578 |              |           | 4,643,744     | 2,646,294 |              |           | 1,794,042     | 983,433   | 2,563,161    | 2,383,143  |                        |           | 895,332      | 733,974   |               |           |
|  | 22,147,983   | 11,207,065 | 8,898,371     | 4,395,915 | 19,845,452   | 12,429,332 | 7,401,689     | 4,373,674 |              |           | 16,814,326    | 9,039,379 |              |           | 6,010,737     | 3,168,251 | 15,315,841   | 12,948,179 |                        |           | 5,132,579    | 4,165,917 |               |           |
| <b>Timing of revenue recognition</b>                 |              |            |               |           |              |            |               |           |              |           |               |           |              |           |               |           |              |            |                        |           |              |           |               |           |
| Products and services transferred at a point in time | 22,147,983   | 11,207,065 | 8,898,371     | 4,395,915 | 19,845,452   | 12,429,332 | 7,401,689     | 4,373,674 |              |           | 16,814,326    | 9,039,379 |              |           | 6,010,737     | 3,168,251 | 15,315,841   | 12,948,179 |                        |           | 5,132,579    | 4,165,917 |               |           |
| Products and services transferred over time          | -            | -          | -             | -         | -            | -          | -             | -         |              |           | -             | -         |              |           | -             | -         | -            | -          |                        |           | -            | -         |               |           |
| <b>External revenue as reported</b>                  | 22,147,983   | 11,207,065 | 8,898,371     | 4,395,915 | 19,845,452   | 12,429,332 | 7,401,689     | 4,373,674 |              |           | 16,814,326    | 9,039,379 |              |           | 6,010,737     | 3,168,251 | 15,315,841   | 12,948,179 |                        |           | 5,132,579    | 4,165,917 |               |           |
| <b>Major products / service lines</b>                |              |            |               |           |              |            |               |           |              |           |               |           |              |           |               |           |              |            |                        |           |              |           |               |           |
| Yarn   | 21,975,623   | 11,057,152 | 8,871,906     | 4,337,440 | -            | -          | -             | -         |              |           | -             | -         |              |           | -             | -         | -            | -          |                        |           | -            | -         |               |           |
| Comber Noll  | 172,360      | 149,913    | 26,465        | 58,475    | -            | -          | -             | -         |              |           | -             | -         |              |           | -             | -         | -            | -          |                        |           | -            | -         |               |           |
| Grey Cloth   | -            | -          | -             | -         | 19,845,452   | 12,429,332 | 7,401,689     | 4,373,674 |              |           | -             | -         |              |           | -             | -         | -            | -          |                        |           | -            | -         |               |           |
| Processed Cloth                                      | -            | -          | -             | -         | -            | -          | -             | -         |              |           | 16,814,326    | 9,039,379 |              |           | 6,010,737     | 3,168,251 | -            | -          |                        |           | -            | -         |               |           |
| Made Ups   | -            | -          | -             | -         | -            | -          | -             | -         |              |           | -             | -         |              |           | -             | -         | 12,891,224   | 12,374,801 |                        |           | 4,132,379    | 3,909,775 |               |           |
| Garments   | -            | -          | -             | -         | -            | -          | -             | -         |              |           | -             | -         |              |           | -             | -         | -            | -          |                        |           | -            | -         |               |           |
| Towels and Bath Robe                                 | -            | -          | -             | -         | -            | -          | -             | -         |              |           | -             | -         |              |           | -             | -         | 2,424,617    | 573,378    |                        |           | 1,000,200    | 256,142   |               |           |
| Electricity  | -            | -          | -             | -         | -            | -          | -             | -         |              |           | -             | -         |              |           | -             | -         | -            | -          |                        |           | -            | -         |               |           |
|  | 22,147,983   | 11,207,065 | 8,898,371     | 4,395,915 | 19,845,452   | 12,429,332 | 7,401,689     | 4,373,674 |              |           | 16,814,326    | 9,039,379 |              |           | 6,010,737     | 3,168,251 | 15,315,841   | 12,948,179 |                        |           | 5,132,579    | 4,165,917 |               |           |

Continued on next page

| Description  | (Rupees in thousand)      |           |                            |                            |                           |                            |                           |                            |                            |            |
|--|---------------------------|-----------|----------------------------|----------------------------|---------------------------|----------------------------|---------------------------|----------------------------|----------------------------|------------|
|  | Garments                  |           |                            | Power Generation           |                           |                            | Total - Company           |                            |                            |            |
|  | Period ended<br>31-Mar-22 | 31-Mar-21 | Quarter ended<br>31-Mar-22 | Quarter ended<br>31-Mar-21 | Period ended<br>31-Mar-22 | Quarter ended<br>31-Mar-21 | Period ended<br>31-Mar-22 | Quarter ended<br>31-Mar-21 | Quarter ended<br>31-Mar-21 |            |
| <b>Region</b>  |                           |           |                            |                            |                           |                            |                           |                            |                            |            |
| Europe   | 3,443,623                 | 3,264,755 | 864,710                    | 1,802,811                  | -                         | -                          | -                         | 24,685,788                 | 16,621,415                 | 8,465,929  |
| United States of America and Canada                  | 6,062,678                 | 2,158,743 | 2,892,785                  | 410,748                    | -                         | -                          | -                         | 9,712,875                  | 5,195,957                  | 4,170,033  |
| Asia, Africa, Australia                              | 408,883                   | 283,270   | 69,926                     | -                          | -                         | -                          | -                         | 20,116,158                 | 13,152,920                 | 7,042,089  |
| Pakistan   | 149,274                   | 141,780   | 70,431                     | 41,552                     | 65,665                    | 34,841                     | 19,526                    | 12,699                     | 29,737,904                 | 11,682,713 |
|  | 10,063,458                | 5,848,548 | 3,897,852                  | 2,255,111                  | 65,665                    | 34,841                     | 19,526                    | 12,699                     | 84,252,725                 | 31,360,764 |
| <b>Timing of revenue recognition</b>                 |                           |           |                            |                            |                           |                            |                           |                            |                            |            |
| Products and services transferred at a point in time | 10,063,458                | 5,848,548 | 3,897,852                  | 2,255,111                  | 65,665                    | 34,841                     | 19,526                    | 12,699                     | 84,252,725                 | 31,360,764 |
| Products and services transferred over time          | -                         | -         | -                          | -                          | -                         | -                          | -                         | -                          | -                          | -          |
| <b>External revenue as reported</b>                  | 10,063,458                | 5,848,548 | 3,897,852                  | 2,255,111                  | 65,665                    | 34,841                     | 19,526                    | 12,699                     | 84,252,725                 | 31,360,764 |
| <b>Major products / service lines</b>                |                           |           |                            |                            |                           |                            |                           |                            |                            |            |
| Yarn   | -                         | -         | -                          | -                          | -                         | -                          | -                         | -                          | 21,975,623                 | 8,871,906  |
| Comber Nail  | -                         | -         | -                          | -                          | -                         | -                          | -                         | -                          | 172,380                    | 26,465     |
| Grey Cloth   | -                         | -         | -                          | -                          | -                         | -                          | -                         | -                          | 19,845,452                 | 7,401,699  |
| Processed Cloth                                      | -                         | -         | -                          | -                          | -                         | -                          | -                         | -                          | 16,814,326                 | 6,010,737  |
| Made Ups   | -                         | -         | -                          | -                          | -                         | -                          | -                         | -                          | 12,891,224                 | 4,132,379  |
| Garments   | 10,063,458                | 5,848,548 | 3,897,852                  | 2,255,111                  | -                         | -                          | -                         | -                          | 10,063,458                 | 3,897,852  |
| Towels and Bath Robe                                 | -                         | -         | -                          | -                          | -                         | -                          | -                         | -                          | 2,424,617                  | 1,000,200  |
| Electricity  | -                         | -         | -                          | -                          | 65,665                    | 34,841                     | 19,526                    | 12,699                     | 65,665                     | 19,526     |
|  | 10,063,458                | 5,848,548 | 3,897,852                  | 2,255,111                  | 65,665                    | 34,841                     | 19,526                    | 12,699                     | 84,252,725                 | 31,360,764 |

**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 nine months ended 31 March 2022 (Un-audited)

|  | Period ended     |                  | Quarter ended    |                  |
|--|------------------|------------------|------------------|------------------|
|  | 31 March<br>2022 | 31 March<br>2021 | 31 March<br>2022 | 31 March<br>2021 |
| (Rupees in thousand)                         |                  |                  |                  |                  |
| <b>9 COST OF SALES</b>                       |                  |                  |                  |                  |
| Raw materials consumed                       | 48,806,205       | 25,278,101       | 17,000,949       | 9,579,213        |
| Processing charges                           | 402,248          | 273,141          | 173,255          | 95,162           |
| Salaries, wages and other benefits           | 6,788,142        | 5,412,229        | 2,379,780        | 2,000,350        |
| Stores, spare parts and loose tools consumed | 7,498,165        | 5,634,021        | 2,741,808        | 2,192,203        |
| Packing materials consumed                   | 1,764,025        | 1,297,303        | 631,907          | 472,543          |
| Repair and maintenance                       | 464,336          | 315,791          | 179,479          | 103,861          |
| Fuel and power                               | 7,379,406        | 4,524,384        | 2,928,514        | 1,521,081        |
| Insurance                                    | 46,134           | 33,160           | 16,903           | 11,630           |
| Other factory overheads                      | 589,276          | 398,152          | 233,762          | 147,321          |
| Depreciation                                 | 2,328,813        | 2,015,453        | 829,957          | 702,420          |
|  | 76,066,750       | 45,181,735       | 27,116,314       | 16,825,784       |
| Work-in-process:                             |                  |                  |                  |                  |
| Opening stock                                | 2,814,471        | 2,032,268        | 4,071,056        | 2,283,358        |
| Closing stock                                | (4,602,793)      | (2,786,788)      | (4,602,793)      | (2,786,788)      |
|  | (1,788,322)      | (754,520)        | (531,737)        | (503,430)        |
| Cost of goods manufactured                   | 74,278,428       | 44,427,215       | 26,584,577       | 16,322,354       |
| Finished goods:                              |                  |                  |                  |                  |
| Opening stock                                | 5,874,465        | 5,899,507        | 9,032,002        | 4,643,773        |
| Closing stock                                | (9,596,314)      | (4,912,219)      | (9,596,314)      | (4,912,219)      |
|  | (3,721,849)      | 987,288          | (564,312)        | (268,446)        |
|  | 70,556,579       | 45,414,503       | 26,020,265       | 16,053,908       |

|  |                      | Period ended     |                  |
|--|----------------------|------------------|------------------|
|  |                      | 31 March<br>2022 | 31 March<br>2021 |
| <b>10 EARNINGS PER SHARE - BASIC AND DILUTED</b>                               |                      |                  |                  |
| There is no dilutive effect on the basic earnings per share which is based on: |                      |                  |                  |
| Profit attributable to ordinary shareholders                                   | (Rupees in thousand) | 9,054,317        | 3,644,929        |
| Weighted average number of ordinary shares                                     | (Numbers)            | 351,599,848      | 351,599,848      |
| Earnings per share   | (Rupees)             | 25.75            | 10.37            |

|   |      | Period ended         |                  |
|---|------|----------------------|------------------|
|   |      | 31 March<br>2022     | 31 March<br>2021 |
|   | Note | (Rupees in thousand) |                  |
| <b>11 CASH (USED IN) / GENERATED FROM OPERATIONS</b>                    |      |                      |                  |
| <b>Profit before taxation</b>   |      | 10,302,317           | 4,459,929        |
| <b>Adjustments for non-cash charges and other items:</b>                |      |                      |                  |
| Depreciation  |      | 2,400,482            | 2,078,121        |
| Gain on sale of property, plant and equipment                           |      | (12,531)             | (19,288)         |
| Dividend income   |      | (2,861,189)          | (2,088,057)      |
| Allowance for expected credit losses recognised / (reversed)            |      | 402                  | (1,282)          |
| Net exchange (gain) / loss  |      | (330,945)            | 59,388           |
| Interest income on loans and advances to subsidiary companies           |      | (287,003)            | (250,514)        |
| Finance cost  |      | 1,461,653            | 955,070          |
| 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 | (25,564,571)         | 1,151,071        |
|   |      | (14,891,385)         | 6,233,994        |
| <b>11.1 Working capital changes</b>                                     |      |                      |                  |
| (Increase) / decrease in current assets:                                |      |                      |                  |
| - Stores, spare parts and loose tools                                   |      | (1,067,387)          | (401,325)        |
| - Stock in trade  |      | (16,988,514)         | 2,987,748        |
| - Trade debts   |      | (5,411,506)          | (2,266,568)      |
| - Loans and advances  |      | (235,869)            | 20,182           |
| - Short term deposits and prepayments                                   |      | 11,537               | (507)            |
| - Other receivables   |      | (3,954,039)          | (142,633)        |
|   |      | (27,645,778)         | 196,897          |
| Increase in trade and other payables                                    |      | 2,081,207            | 954,174          |
|   |      | (25,564,571)         | 1,151,071        |

## Selected Notes to the Unconsolidated Condensed Interim Financial Statements

For the nine months ended 31 March 2022 (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)<br>and Feroze Wattwan (I and II): | Producing different qualities of yarn including dyed yarn<br>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<br>fabric produced from greige fabric and manufacturing<br>of terry and bath products. |
| Garments:  | Manufacturing of garments using processed fabric.   |
| Power Generation:  | Generation and distribution of power using gas, oil, steam,<br>coal, solar and biomass.   |

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

## 12.2

[illegible]

### 12.3 Reconciliation of reportable segment assets and liabilities

[illegible]



## Selected Notes to the Unconsolidated Condensed Interim Financial Statements

For the nine months ended 31 March 2022 (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<br>At 31 March 2022 - Un-audited | Level 1           | Level 2       | Level 3          | Total             |
|--|-------------------|---------------|------------------|-------------------|
| (Rupees in thousand)   |                   |               |                  |                   |
| <b>Financial assets</b>  |                   |               |                  |                   |
| Fair value through other comprehensive income                      | 28,628,196        | -             | 7,669,993        | 36,298,189        |
| Derivative financial assets  | -                 | 20,430        | -                | 20,430            |
| <b>Total financial assets</b>                                      | <b>28,628,196</b> | <b>20,430</b> | <b>7,669,993</b> | <b>36,318,619</b> |
| <b>Financial liabilities</b>                                       |                   |               |                  |                   |
| Derivative financial liabilities                                   | -                 | 91,889        | -                | 91,889            |
| <b>Total financial liabilities</b>                                 | <b>-</b>          | <b>91,889</b> | <b>-</b>         | <b>91,889</b>     |

| Recurring fair value measurements<br>At 30 June 2021 - Audited | Level 1           | Level 2       | Level 3          | Total             |
|--|-------------------|---------------|------------------|-------------------|
| (Rupees in thousand)   |                   |               |                  |                   |
| <b>Financial assets</b>  |                   |               |                  |                   |
| Fair value through other comprehensive income                  | 36,485,231        | -             | 7,603,461        | 44,088,692        |
| Derivative financial assets                                    | -                 | 8,672         | -                | 8,672             |
| <b>Total financial assets</b>                                  | <b>36,485,231</b> | <b>8,672</b>  | <b>7,603,461</b> | <b>44,097,364</b> |
| <b>Financial liabilities</b>                                   |                   |               |                  |                   |
| Derivative financial liabilities                               | -                 | 57,429        | -                | 57,429            |
| <b>Total financial liabilities</b>                             | <b>-</b>          | <b>57,429</b> | <b>-</b>         | <b>57,429</b>     |

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 nine months period ended 31 March 2022. 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 March 2022:

|  |  | Unlisted equity securities<br>(Rupees in thousand) |
|--|--|--|
| <b>Balance as on 30 June 2020 - Audited</b>            |  | 3,809,318  |
| Add: Investment made during the period                 |  | 211,328  |
| Add: Surplus recognized in other comprehensive income  |  | 102,009  |
| <b>Balance as on 31 March 2021 - Un-audited</b>        |  | 4,122,655  |
| Add: Investment made during the period                 |  | 30,148   |
| Add: Surplus recognized in other comprehensive income  |  | 3,450,658  |
| <b>Balance as on 30 June 2021 - Audited</b>            |  | 7,603,461  |
| Add: Investment made during the period                 |  | 776,085  |
| Less: Deficit recognized in other comprehensive income |  | (709,553)  |
| <b>Balance as on 31 March 2022 - Un-audited</b>        |  | 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<br>(probability-weighted average) | Relationship of unobservable inputs to fair value |
|-------------|---------------|--------------|---------------------|---|---|
|             | Un-audited    | Audited      |                     |   |   |
|             | 31 March 2022 | 30 June 2021 |                     | 31 March 2022                                     |   |

(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.

## Selected Notes to the Unconsolidated Condensed Interim Financial Statements

For the nine months ended 31 March 2022 (Un-audited)

### 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.

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

|   | Period ended         |            | Quarter ended |           |
|---|----------------------|------------|---------------|-----------|
|   | 31 March             | 31 March   | 31 March      | 31 March  |
|   | 2022                 | 2021       | 2022          | 2021      |
|   | (Rupees in thousand) |            |               |           |
| <b>Subsidiary companies</b>   |                      |            |               |           |
| Dividend income   | 713,241              | 232,031    | 361,266       | 40        |
| Short term loans made   | 37,785,188           | 34,337,958 | 10,816,896    | 6,970,465 |
| Repayment of short term loans made                                    | 37,858,177           | 33,451,034 | 13,713,146    | 9,985,935 |
| Interest income   | 287,003              | 250,514    | 113,661       | 112,305   |
| Rental income   | 63,034               | 57,538     | 21,682        | 19,824    |
| Sale of goods and services  | 7,657,488            | 6,210,158  | 3,773,183     | 1,823,823 |
| Purchase of goods and services  | 509,157              | 537,795    | 237,617       | 237,173   |
| <b>Associated companies</b>   |                      |            |               |           |
| Investment made   | 1,276,249            | 211,328    | 500,164       | -         |
| Purchase of goods and services  | 116,997              | 85,949     | 5,816         | 64,905    |
| Sale of goods and services  | 42,888               | 25,538     | 16,929        | 1,625     |
| Purchase of operating fixed assets                                    | 66,789               | 15,129     | 33,454        | 3,000     |
| Rental income   | 5,140                | 4,359      | 1,705         | 1,672     |
| Dividend income   | 1,880,804            | 1,822,737  | 440,077       | 1,320,229 |
| Dividend paid   | 123,047              | 122,105    | -             | -         |
| Insurance premium paid  | 110,765              | 98,020     | 24,712        | 15,358    |
| Insurance claims received   | 35,529               | 47,123     | 7,954         | 11,251    |
| Interest income   | 65,249               | 2,270      | 2             | 139       |
| Finance cost  | 13,675               | 6,451      | 6,603         | 2,119     |
| <b>Other related parties</b>  |                      |            |               |           |
| Dividend income   | 261,515              | 32,689     | 98,068        | -         |
| Purchase of goods and services  | 3,834,590            | 1,705,129  | 1,261,072     | 436,598   |
| Sale of goods and services  | 217,180              | 253,341    | 70,217        | 162,906   |
| Company's contribution to provident fund trust                        | 243,952              | 194,263    | 84,220        | 69,332    |
| Remuneration paid to Chief Executive Officer, Director and Executives | 1,091,069            | 837,413    | 363,809       | 309,033   |
| Dividend paid   | 354,670              | 354,670    | -             | -         |

ii) Period end balances

|                               | As at 31 March 2022     |                         |                          | Total     |
|-------------------------------|-------------------------|-------------------------|--------------------------|-----------|
|                               | Subsidiary<br>companies | Associated<br>companies | Other related<br>parties |           |
|                               | (Rupees in thousand)    |                         |                          |           |
| Trade and other payables      | 102,231                 | 9,887                   | 179,578                  | 291,696   |
| Accrued markup                | -                       | 4,498                   | -                        | 4,498     |
| Short term borrowings         | -                       | 1,106,608               | -                        | 1,106,608 |
| Property, plant and equipment | -                       | 38,701                  | -                        | 38,701    |
| Long term loans               | -                       | -                       | 268,668                  | 268,668   |
| Trade debts                   | 950,154                 | 1,483                   | -                        | 951,637   |
| Loans and advances            | 7,228,995               | -                       | 95,170                   | 7,324,165 |
| Accrued interest              | 29,826                  | -                       | -                        | 29,826    |
| Cash and bank balances        | -                       | 3,825                   | 426                      | 4,251     |

|                               | As at 30 June 2021 (Audited) |                         |                          | Total     |
|-------------------------------|------------------------------|-------------------------|--------------------------|-----------|
|                               | Subsidiary<br>companies      | Associated<br>companies | Other related<br>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 28 April 2022.

## Selected Notes to the Unconsolidated Condensed Interim Financial Statements

For the nine months ended 31 March 2022 (Un-audited)

### 17 DISCLOSURES BY COMPANY LISTED ON ISLAMIC INDEX

|  | Un-audited<br>31 March<br>2022<br>(Rupees in thousand) | Audited<br>30 June<br>2021<br>(Rupees in thousand) |
|--|--|--|
| <b>Description</b>   |  |  |
| <b>Loans / advances obtained as per Islamic mode:</b>                      |  |  |
| Loans  | 7,615,589  | 6,885,008  |
| Advances   | -  | 1,173,749  |
| <b>Shariah compliant bank deposits / bank balances</b>                     |  |  |
| Bank balances  | 15,857   | 37,722   |
|  | <b>Period ended</b>                                    | <b>Period ended</b>                                |
|  | <b>31 March<br/>2022<br/>(Rupees in thousand)</b>      | <b>31 March<br/>2021<br/>(Rupees in thousand)</b>  |
| <b>Profit earned from shariah compliant bank deposits / bank balances</b>  |  |  |
| Profit on deposits with banks  | -  | -  |
| <b>Revenue earned from shariah compliant business</b>                      | 84,252,725   | 51,507,344   |
| <b>Gain / (loss) or dividend earned from shariah compliant investments</b> |  |  |
| Dividend income  | 139,674  | -  |
| Unrealized loss on remeasurement of investment at FVTOCI                   | (5,768,650)  | (813,685)  |
| <b>Exchange gain / (loss) earned</b>                                       | 330,945  | 75,456   |
| <b>Mark-up paid on Islamic mode of financing</b>                           | 179,457  | 114,233  |
| <b>Profits earned or interest paid on any conventional loan / advances</b> |  |  |
| Profit earned on loans to subsidiary companies                             | 287,003  | 250,514  |
| Interest paid on loans   | 952,513  | 590,597  |
| Profit earned on deposits with banks                                       | 68,946   | 75,688   |
| Interest income on loans to employees                                      | 6,859  | 7,542  |
| <b>Relationship with shariah compliant banks</b>                           |  |  |
| <b>Name</b>  | <b>Relationship</b>                                    |  |
| Habib Bank Limited   | Bank balance   |  |
| Standard Chartered Bank (Pakistan) Limited<br>(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.

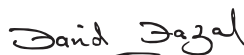
Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However, no significant re-arrangements have been made.

## 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 nine months ended 31 March 2022



## Consolidated Condensed Interim Statement of Financial Position

As at 31 March 2022

|  | Note | Un-audited<br>31 March<br>2022<br>(Rupees in thousand) | Audited<br>30 June<br>2021 |
|--|------|--|----------------------------|
| <b>EQUITY AND LIABILITIES</b>  |      |  |                            |
| <b>SHARE CAPITAL AND RESERVES</b>  |      |  |                            |
| <b>Authorized share capital</b>  |      |  |                            |
| 1,100,000,000 (30 June 2021: 1,100,000,000)<br>ordinary shares of Rupees 10 each |      | 11,000,000   | 11,000,000                 |
| <b>Issued, subscribed and paid-up share capital</b>                              |      |  |                            |
| 351,599,848 (30 June 2021: 351,599,848)<br>ordinary shares of Rupees 10 each     |      | 3,515,999  | 3,515,999                  |
| <b>Reserves</b>  |      | 113,206,402  | 104,414,731                |
| <b>Equity attributable to equity holders of<br/>the Holding Company</b>          |      | 116,722,401  | 107,930,730                |
| <b>Non-controlling interest</b>  |      | 13,507,507   | 12,741,966                 |
| <b>Total equity</b>  |      | 130,229,908  | 120,672,696                |
| <b>LIABILITIES</b>   |      |  |                            |
| <b>NON-CURRENT LIABILITIES</b>   |      |  |                            |
| Long term financing - secured  | 6    | 12,529,527   | 11,705,985                 |
| Lease liabilities  |      | 1,255,517  | 1,368,868                  |
| Long term security deposit   |      | 245,410  | 269,078                    |
| Retirement benefit obligation  |      | 30,416   | 23,008                     |
| Deferred liabilities   |      | 2,918,516  | 2,572,634                  |
|  |      | 16,979,386   | 15,939,573                 |
| <b>CURRENT LIABILITIES</b>   |      |  |                            |
| Trade and other payables   |      | 14,196,271   | 11,390,058                 |
| Accrued mark-up  |      | 276,289  | 269,569                    |
| Short term borrowings  |      | 35,368,216   | 22,385,156                 |
| Current portion of non-current liabilities                                       |      | 5,244,760  | 5,144,607                  |
| Unclaimed dividend   |      | 122,888  | 115,497                    |
|  |      | 55,208,424   | 39,304,887                 |
| <b>TOTAL LIABILITIES</b>   |      | 72,187,810   | 55,244,460                 |
| <b>CONTINGENCIES AND COMMITMENTS</b>   | 7    |  |                            |
| <b>TOTAL EQUITY AND LIABILITIES</b>  |      | 202,417,718  | 175,917,156                |

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



CHIEF EXECUTIVE OFFICER

|                                     | Note | Un-audited<br>31 March<br>2022<br>(Rupees in thousand) | Audited<br>30 June<br>2021 |
|-------------------------------------|------|--|----------------------------|
| <b>ASSETS</b>                       |      |  |                            |
| <b>NON-CURRENT ASSETS</b>           |      |  |                            |
| Property, plant and equipment       | 8    | 50,798,299   | 47,644,512                 |
| Right-of-use assets                 |      | 1,496,576  | 1,739,404                  |
| Long term investments               |      | 56,082,478   | 55,330,247                 |
| Long term loans                     |      | 460,333  | 532,541                    |
| Long term deposits                  |      | 378,643  | 277,579                    |
|                                     |      | 109,216,329  | 105,524,283                |
| <b>CURRENT ASSETS</b>               |      |  |                            |
| Stores, spare parts and loose tools |      | 4,394,821  | 3,307,714                  |
| Stock-in-trade                      |      | 44,445,452   | 25,795,008                 |
| Trade debts                         |      | 30,034,023   | 27,111,194                 |
| Loans and advances                  |      | 1,120,342  | 1,089,975                  |
| Advance income tax - net            |      | 1,116,121  | 1,054,299                  |
| Short term deposits and prepayments |      | 236,604  | 191,671                    |
| Other receivables                   |      | 10,002,591   | 5,431,355                  |
| Accrued interest                    |      | 10,973   | 13,659                     |
| Cash and bank balances              |      | 1,840,462  | 6,397,998                  |
|                                     |      | 93,201,389   | 70,392,873                 |
| <b>TOTAL ASSETS</b>                 |      | <b>202,417,718</b>                                     | <b>175,917,156</b>         |

*Said Fazal*

DIRECTOR

*[Signature]*

CHIEF FINANCIAL OFFICER

## Consolidated Condensed Interim Statement of Profit or Loss

For the nine months ended 31 March 2022 (Un-audited)

|  | Note | Period ended         |                  | Quarter ended    |                  |
|--|------|----------------------|------------------|------------------|------------------|
|  |      | 31 March<br>2022     | 31 March<br>2021 | 31 March<br>2022 | 31 March<br>2021 |
|  |      | (Rupees in thousand) |                  |                  |                  |
| REVENUE  | 9    | 118,748,597          | 75,943,678       | 42,816,399       | 25,897,812       |
| COST OF SALES                                      | 10   | (96,686,168)         | (62,820,617)     | (35,107,752)     | (21,010,291)     |
| GROSS PROFIT                                       |      | 22,062,429           | 13,123,061       | 7,708,647        | 4,887,521        |
| DISTRIBUTION COST                                  |      | (6,844,758)          | (4,810,443)      | (2,554,661)      | (1,636,083)      |
| ADMINISTRATIVE EXPENSES                            |      | (1,931,971)          | (1,603,453)      | (657,137)        | (548,218)        |
| OTHER EXPENSES                                     |      | (635,405)            | (328,034)        | (227,782)        | (131,009)        |
|  |      | (9,412,134)          | (6,741,930)      | (3,439,580)      | (2,315,310)      |
|  |      | 12,650,295           | 6,381,131        | 4,269,067        | 2,572,211        |
| OTHER INCOME                                       |      | 2,417,991            | 1,990,120        | 981,073          | 1,467,118        |
| PROFIT FROM OPERATIONS                             |      | 15,068,286           | 8,371,251        | 5,250,140        | 4,039,329        |
| FINANCE COST                                       |      | (1,823,958)          | (1,476,447)      | (755,282)        | (503,025)        |
|  |      | 13,244,328           | 6,894,804        | 4,494,858        | 3,536,304        |
| SHARE OF PROFIT FROM ASSOCIATES                    |      | 1,628,899            | 2,585,145        | 958,653          | 1,289,960        |
| PROFIT BEFORE TAXATION                             |      | 14,873,227           | 9,479,949        | 5,453,511        | 4,826,264        |
| TAXATION   |      | (1,777,902)          | (1,286,575)      | (469,278)        | (497,809)        |
| PROFIT AFTER TAXATION                              |      | 13,095,325           | 8,193,374        | 4,984,233        | 4,328,455        |
| SHARE OF PROFIT ATTRIBUTABLE TO:                   |      |                      |                  |                  |                  |
| EQUITY HOLDERS OF HOLDING COMPANY                  |      | 11,722,689           | 7,149,779        | 4,425,514        | 4,005,949        |
| NON-CONTROLLING INTEREST                           |      | 1,372,636            | 1,043,595        | 558,719          | 322,506          |
|  |      | 13,095,325           | 8,193,374        | 4,984,233        | 4,328,455        |
| EARNINGS PER SHARE - BASIC<br>AND DILUTED (RUPEES) | 11   | 33.34                | 20.33            | 12.59            | 11.39            |

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**

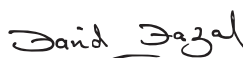
For the nine months ended 31 March 2022 (Un-audited)

|  | Period ended         |                  | Quarter ended    |                  |
|--|----------------------|------------------|------------------|------------------|
|  | 31 March<br>2022     | 31 March<br>2021 | 31 March<br>2022 | 31 March<br>2021 |
|  | (Rupees in thousand) |                  |                  |                  |
| <b>PROFIT AFTER TAXATION</b>   | 13,095,325           | 8,193,374        | 4,984,233        | 4,328,455        |
| <b>OTHER COMPREHENSIVE (LOSS) / INCOME</b>   |                      |                  |                  |                  |
| Items that will not be reclassified to profit or loss:   |                      |                  |                  |                  |
| Remeasurement of retirement benefits of associates - net of tax  | (2,256)              | 1,792            | (2,256)          | -                |
| (Deficit) / surplus arising on remeasurement of investments at fair value through other comprehensive income                             | (1,195,988)          | 1,336,964        | (471,915)        | (1,026,186)      |
| Share of (deficit) / surplus on remeasurement of investments at fair value through other comprehensive income of associates - net of tax | (441,578)            | 578,676          | (308,833)        | (505,589)        |
| Deferred income tax relating to deficit on investments at fair value through other comprehensive income                                  | 24,784               | -                | 8,339            | -                |
|  | (1,615,038)          | 1,917,432        | (774,665)        | (1,531,775)      |
| Items that may be reclassified subsequently to profit or loss:   |                      |                  |                  |                  |
| Exchange differences on translating foreign operations   | 90,419               | (48,728)         | 20,899           | (19,917)         |
| Other comprehensive (loss) / income for the period- net of tax   | (1,524,619)          | 1,868,704        | (753,766)        | (1,551,692)      |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>   | 11,570,706           | 10,062,078       | 4,230,467        | 2,776,763        |
| <b>SHARE OF TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>  |                      |                  |                  |                  |
| Equity holders of holding company  | 10,198,070           | 9,018,483        | 3,671,748        | 2,454,257        |
| Non-controlling interest   | 1,372,636            | 1,043,595        | 558,719          | 322,506          |
|  | 11,570,706           | 10,062,078       | 4,230,467        | 2,776,763        |

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

## Consolidated Condensed Interim Statement of Changes in Equity

For the nine months ended 31 March 2022 (Un-audited)

| Attributable to Equity Holders of the Holding Company  |                                  |                                      |                             |                   |                                 |                     |                  |                 |                       |                      |                          |              |             |                |
|--|----------------------------------|--------------------------------------|-----------------------------|-------------------|---------------------------------|---------------------|------------------|-----------------|-----------------------|----------------------|--------------------------|--------------|-------------|----------------|
| Share Capital  | Premium on Issue of Right Shares | Fair Value Reserve FY200 Investments | Exchange Transition Reserve | Capital Reserves  |                                 |                     | Revenue Reserves |                 |                       | Shareholders' Equity | Non-controlling Interest | Total Equity |             |                |
|  |                                  |                                      |                             | Statutory Reserve | Capital Redemption Reserve Fund | Maintenance Reserve | Sub Total        | General Reserve | Unappropriated Profit |                      |                          |              | Sub Total   | Total Reserves |
| (Rupees in thousand)   |                                  |                                      |                             |                   |                                 |                     |                  |                 |                       |                      |                          |              |             |                |
| 3,515,999  | 5,499,330                        | 7,930,664                            | 224,659                     | 835               | 111,002                         | 1,608,668           | 15,375,358       | 71,163,214      | 62,948,146            | 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 - 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)  | (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   |                                  |                                      |                             |                   |                                 |                     |                  |                 |                       |                      |                          |              |             |                |
| -  | -                                | -                                    | -                           | -                 | -                               | -                   | -                | -               | -                     | -                    | -                        | -            | -           | -              |
| -  | -                                | 1,915,640                            | (48,728)                    | -                 | -                               | -                   | 1,866,912        | -               | 1,792                 | 7,149,779            | 7,149,779                | 7,149,779    | 1,043,595   | 8,193,374      |
| Other comprehensive income / (loss) for the period   |                                  |                                      |                             |                   |                                 |                     |                  |                 |                       |                      |                          |              |             |                |
| -  | -                                | 1,915,640                            | (48,728)                    | -                 | -                               | -                   | 1,866,912        | -               | 7,151,571             | 9,018,483            | 9,018,483                | 9,018,483    | 1,043,595   | 10,062,078     |
| Total comprehensive income / (loss) for the period   |                                  |                                      |                             |                   |                                 |                     |                  |                 |                       |                      |                          |              |             |                |
| 3,515,999  | 5,499,330                        | 9,846,304                            | 175,931                     | 835               | 111,002                         | 1,608,668           | 17,242,270       | 76,653,214      | 83,206,532            | 100,448,802          | 103,964,801              | 12,676,713   | 116,641,514 | 116,641,514    |
| Balance as at 31 March 2021 - (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  |                                  |                                      |                             |                   |                                 |                     |                  |                 |                       |                      |                          |              |             |                |
| -  | -                                | -                                    | -                           | -                 | -                               | -                   | -                | -               | 2,746,969             | 2,746,969            | 2,746,969                | 265,253      | 3,012,222   | 3,012,222      |
| Other comprehensive (loss) / income for the period   |                                  |                                      |                             |                   |                                 |                     |                  |                 |                       |                      |                          |              |             |                |
| -  | -                                | (245,987)                            | 10,826                      | -                 | -                               | -                   | (235,161)        | -               | 18,647                | (18,647)             | (216,514)                | (216,514)    | -           | (216,514)      |
| Total comprehensive (loss) / income for the period   |                                  |                                      |                             |                   |                                 |                     |                  |                 |                       |                      |                          |              |             |                |
| -  | -                                | (245,987)                            | 10,826                      | -                 | -                               | -                   | (235,161)        | -               | 2,765,616             | 2,530,455            | 2,530,455                | 265,253      | 2,795,708   | 2,795,708      |
| Balance as at 30 June 2021 - (Audited)   |                                  |                                      |                             |                   |                                 |                     |                  |                 |                       |                      |                          |              |             |                |
| 3,515,999  | 5,499,330                        | 9,020,528                            | 186,757                     | 4,182             | 111,002                         | 1,608,668           | 16,430,667       | 76,653,214      | 11,930,850            | 87,584,064           | 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        |                                  |                                      |                             |                   |                                 |                     |                  |                 |                       |                      |                          |              |             |                |
| -  | -                                | -                                    | -                           | -                 | -                               | -                   | -                | -               | -                     | -                    | -                        | -            | (607,095)   | (607,095)      |
| 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)  | -           | (1,406,399)    |
| Transferred to statutory reserve   |                                  |                                      |                             |                   |                                 |                     |                  |                 |                       |                      |                          |              |             |                |
| -  | -                                | -                                    | -                           | -                 | -                               | -                   | 1,366            | -               | (1,366)               | (1,366)              | -                        | -            | -           | -              |
| Transferred to general reserve   |                                  |                                      |                             |                   |                                 |                     |                  |                 |                       |                      |                          |              |             |                |
| -  | -                                | -                                    | -                           | -                 | -                               | -                   | -                | 10,524,000      | (10,524,000)          | -                    | -                        | -            | -           | -              |
| Profit for the period  |                                  |                                      |                             |                   |                                 |                     |                  |                 |                       |                      |                          |              |             |                |
| -  | -                                | -                                    | -                           | -                 | -                               | -                   | -                | -               | 11,722,669            | 11,722,669           | 11,722,669               | 1,372,636    | 13,095,325  | 13,095,325     |
| Other comprehensive (loss) / income for the period   |                                  |                                      |                             |                   |                                 |                     |                  |                 |                       |                      |                          |              |             |                |
| -  | -                                | (1,612,782)                          | 90,419                      | -                 | -                               | -                   | (1,522,363)      | -               | (2,256)               | (2,256)              | (1,524,619)              | -            | (1,524,619) | (1,524,619)    |
| Total comprehensive (loss) / income for the period   |                                  |                                      |                             |                   |                                 |                     |                  |                 |                       |                      |                          |              |             |                |
| -  | -                                | (1,612,782)                          | 90,419                      | -                 | -                               | -                   | (1,522,363)      | -               | 11,720,433            | 10,198,070           | 10,198,070               | 1,372,636    | 11,570,706  | 11,570,706     |
| Balance as at 31 March 2022 - (Un-audited)   |                                  |                                      |                             |                   |                                 |                     |                  |                 |                       |                      |                          |              |             |                |
| 3,515,999  | 5,499,330                        | 7,407,746                            | 277,176                     | 5,548             | 111,002                         | 1,608,668           | 14,909,670       | 86,377,214      | 11,719,518            | 98,296,732           | 113,206,432              | 116,722,401  | 13,307,507  | 130,239,908    |

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

Uma Marsh

CHIEF EXECUTIVE OFFICER

David  
D. 2024

DIRECTOR

CHIEF FINANCIAL OFFICER

## Consolidated Condensed Interim Statement of Cash Flows

For the nine months ended 31 March 2022 (Un-audited)

|   |      | Period ended         |                  |
|---|------|----------------------|------------------|
|   |      | 31 March<br>2022     | 31 March<br>2021 |
|   | Note | (Rupees in thousand) |                  |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                       |      |                      |                  |
| <b>Cash (used in) / generated from operations</b>                                 | 12   | (7,406,743)          | 8,406,756        |
| Finance cost paid   |      | (1,785,140)          | (1,585,131)      |
| Income tax paid   |      | (1,371,958)          | (1,041,544)      |
| Long term security deposits paid  |      | (23,668)             | (26,823)         |
| Net exchange difference on forward exchange contracts received                    |      | 5,412                | 1,843            |
| Net increase in retirement benefit obligation                                     |      | 7,169                | 973              |
| Net decrease / (increase) in long term loans                                      |      | 85,217               | (159,876)        |
| Net increase in long term deposits  |      | (101,064)            | (49,091)         |
| <b>Net cash (used in) / generated from operating activities</b>                   |      | (10,590,775)         | 5,547,107        |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                       |      |                      |                  |
| Capital expenditure on property, plant and equipment                              |      | (6,437,430)          | (2,860,717)      |
| Proceeds from sale of property, plant and equipment                               |      | 128,614              | 286,560          |
| Dividends received  |      | 2,147,948            | 1,856,027        |
| Loans and advances to associated company  |      | (76,300)             | (51,300)         |
| Repayment of loan from associated company   |      | 50,100               | 10,000           |
| Interest received   |      | 104,282              | 83,934           |
| Proceeds from sale of investments   |      | -                    | 36,979           |
| Investments made  |      | (1,367,582)          | (229,672)        |
| <b>Net cash used in investing activities</b>                                      |      | (5,450,368)          | (868,189)        |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                       |      |                      |                  |
| Proceeds from long term financing   |      | 3,345,472            | 2,817,626        |
| Repayment of long term financing  |      | (2,403,055)          | (356,919)        |
| Repayment of lease liabilities  |      | (526,186)            | (423,863)        |
| Exchange differences on translation of net investments<br>in foreign subsidiaries |      | 90,419               | (48,728)         |
| Short term borrowings - net   |      | 12,983,060           | (5,113,709)      |
| Dividend paid   |      | (2,006,103)          | (1,571,910)      |
| <b>Net cash from / (used in) financing activities</b>                             |      | 11,483,607           | (4,697,503)      |
| <b>Net decrease in cash and cash equivalents</b>                                  |      | (4,557,536)          | (18,585)         |
| <b>Cash and cash equivalents at the beginning of the period</b>                   |      | 6,397,998            | 758,727          |
| <b>Cash and cash equivalents at the end of the period</b>                         |      | 1,840,462            | 740,142          |

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 nine months ended 31 March 2022 (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.

#### **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.

## Selected Notes to the Consolidated Condensed Interim Financial Statements

For the nine months ended 31 March 2022 (Un-audited)

### 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.

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.

## Selected Notes to the Consolidated Condensed Interim Financial Statements

For the nine months ended 31 March 2022 (Un-audited)

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<br>31 March<br>2022<br>(Rupees in thousand) | Audited<br>30 June<br>2021 |
|---|------|--|----------------------------|
| <b>6 LONG TERM FINANCING - SECURED</b>                    |      |  |                            |
| Opening balance   |      | 14,948,301   | 10,136,154                 |
| Add: Obtained during the period / year                    |      | 3,345,472  | 6,744,988                  |
| Less: Repaid during the period / year                     |      | (2,403,055)  | (1,756,252)                |
| Less: Deferred Income recognised during the period / year |      | (21,448)   | (291,514)                  |
| Add: Amortised during the period / year                   |      | 94,327   | 114,925                    |
| Net impact  | 6.1  | 72,879   | (176,589)                  |
|   |      | 15,963,597   | 14,948,301                 |
| Less: Current portion shown under current liabilities     |      | (3,434,070)  | (3,242,316)                |
|   |      | 12,529,527   | 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 3,723.214 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, 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 12,839.972 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 6,930 million (30 June 2021: Rupees 4,137 million).
- 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

## Selected Notes to the Consolidated Condensed Interim Financial Statements

For the nine months ended 31 March 2022 (Un-audited)

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.
- vi) 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.
- vii) 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 12.30 million (30 June 2021: Rupees 11.50 million) in favour of Director Excise and Taxation, Karachi, under directions of Sindh High Court and Supreme Court in respect of suit filed for levy of infrastructure cess.
  - b) Letters of guarantee of Rupees Nil (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.
  - d) Letters of guarantee of Rs 1.6 million (2021: Nil) in favour of Collector of Customs Lahore and Collector of Customs Karachi under directions of Lahore High Court and Sindh High Court respectively, in respect of suit filed for concessionary rate of duty under Customs Act, 1969.
- ix) Guarantees of Rupees 147.350 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 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.



## Selected Notes to the Consolidated Condensed Interim Financial Statements

For the nine months ended 31 March 2022 (Un-audited)

### b) Commitments

- i) Contracts for capital expenditure of the Group are approximately of Rupees 2,351.084 million (30 June 2021: Rupees 3,469.028 million).
- ii) Letters of credit other than for capital expenditure of the Group are of Rupees 6,666.693 million (30 June 2021: Rupees 4,451.831 million).
- iii) Outstanding foreign currency forward contracts of the Group are Rupees 6,334.935 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<br>31 March<br>2022<br>(Rupees in thousand) | Audited<br>30 June<br>2021 |
|--|-------|--|----------------------------|
| Not later than one year                                |       | 3,894  | 3,894                      |
| <b>8 PROPERTY, PLANT AND EQUIPMENT</b>                 |       |  |                            |
| Operating fixed assets                                 | 8.1   | 45,533,590   | 41,256,832                 |
| Capital work in progress                               | 8.2   | 5,164,718  | 6,283,283                  |
| Major spare parts and standby equipment                |       | 99,991   | 104,397                    |
|  |       | 50,798,299   | 47,644,512                 |
| <b>8.1 Operating fixed assets</b>                      |       |  |                            |
| Opening book value                                     |       | 41,256,832   | 41,076,157                 |
| Add: Cost of additions during the period / year        | 8.1.1 | 7,499,010  | 4,313,595                  |
| Less: Reversal of provision                            |       | -  | (98,528)                   |
|  |       | 48,755,842   | 45,291,224                 |
| Less: Book value of deletions during the period / year | 8.1.2 | (76,694)   | (192,930)                  |
|  |       | 48,679,148   | 45,098,294                 |
| Less: Depreciation charged during the period / year    |       | (3,161,559)  | (3,834,678)                |
| Add / (Less) : Currency retranslation                  |       | 16,001   | (6,784)                    |
|  |       | 45,533,590   | 41,256,832                 |

|   | Un-audited<br>31 March<br>2022<br>(Rupees in thousand) | Audited<br>30 June<br>2021 |
|---|--|----------------------------|
| <b>8.1.1 Cost of additions</b>                            |  |                            |
| Freehold land   | 120,578  | 20,823                     |
| Buildings on freehold land                                | 830,474  | 585,474                    |
| Plant and machinery                                       | 5,981,295  | 3,148,475                  |
| Electric installations                                    | 228,970  | 43,114                     |
| Factory equipment   | 54,138   | 18,010                     |
| Furniture, fixtures and office equipment                  | 116,562  | 61,356                     |
| Computer equipment  | 37,680   | 37,682                     |
| Vehicles  | 129,313  | 398,603                    |
| Kitchen equipment and crockery items                      | -  | 58                         |
|   | 7,499,010  | 4,313,595                  |
| <b>8.1.2 Book value of deletions</b>                      |  |                            |
| 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  | 630  | 693                        |
| Vehicles  | 36,349   | 38,797                     |
|   | 76,694   | 192,930                    |
| <b>8.2 Capital work-in-progress</b>                       |  |                            |
| Buildings on freehold land                                | 1,857,159  | 1,491,950                  |
| Plant and machinery                                       | 3,089,450  | 4,668,353                  |
| Unallocated capital expenditures                          | 39,290   | 9,675                      |
| Electric installations                                    | 800  | 17,567                     |
| Advances against purchase of freehold land                | 56,904   | 47,804                     |
| Advances against furniture, fixtures and office equipment | 11,024   | 13,152                     |
| Advances for purchase of vehicles                         | 110,091  | 34,782                     |
|   | 5,164,718  | 6,283,283                  |

**Selected Notes to the Consolidated Condensed Interim Financial Statements**  
For the nine months ended 31 March 2022 (Un-audited)

For the nine months ended 31 March 2022 (Un-audited)

## 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.

| Description  | Spinning     |            |               |           | Weaving      |            |               |           | Dyeing       |            |               |           | Home Textile and Terry |            |               |            | (Rupees in thousands) |           |           |            |           |           |
|--|--------------|------------|---------------|-----------|--------------|------------|---------------|-----------|--------------|------------|---------------|-----------|------------------------|------------|---------------|------------|-----------------------|-----------|-----------|------------|-----------|-----------|
|  | Period ended |            | Quarter ended |           | Period ended |            | Quarter ended |           | Period ended |            | Quarter ended |           | Period ended           |            | Quarter ended |            | Period ended          |           |           |            |           |           |
|  | 31-Mar-22    | 31-Mar-21  | 31-Mar-22     | 31-Mar-21 | 31-Mar-22    | 31-Mar-21  | 31-Mar-22     | 31-Mar-21 | 31-Mar-22    | 31-Mar-21  | 31-Mar-22     | 31-Mar-21 | 31-Mar-22              | 31-Mar-21  | 31-Mar-22     | 31-Mar-21  | 31-Mar-22             | 31-Mar-21 |           |            |           |           |
| Region   | 257,176      | 184,717    | 120,119       | 76,127    | 11,734,888   | 5,755,164  | 4,285,786     | 2,085,297 |              |            |               |           | 114,008                | 107,590    | 8,871,066     | 7,106,930  | 3,081,306             | 2,646,586 | 3,443,623 | 3,354,755  | 864,710   | 1,802,811 |
|  | 308,334      | 60,096     | 131,872       | 16,697    | 693,489      | 475,822    | 372,177       | 278,147   | -            | -          | -             | -         | 1,310                  | -          | 2,685,903     | 2,501,306  | 771,689               | 598,295   | 6,062,678 | 2,193,743  | 2,692,765 | 410,748   |
|  | 5,066,639    | 4,168,063  | 2,044,822     | 1,353,973 | 1,656,039    | 1,611,551  | 441,912       | 356,652   | 11,789,086   | 6,083,226  | 4,101,377     | 2,077,228 | 1,268,438              | 1,637,173  | 137,655       | 394,888    | 408,883               | 283,270   | 68,926    |            |           |           |
|  | 29,833,821   | 17,121,282 | 11,593,363    | 6,190,796 | 4,605,799    | 4,186,172  | 1,734,425     | 1,533,014 | 4,643,744    | 2,646,294  | 1,794,042     | 983,433   | 10,158,909             | 8,107,208  | 3,578,430     | 2,980,333  | 148,274               | 141,780   | 70,431    | 41,552     |           |           |
|  | 35,465,570   | 21,534,128 | 13,890,176    | 7,637,563 | 18,650,225   | 12,028,709 | 6,834,300     | 4,253,110 | 16,814,326   | 9,039,379  | 6,010,737     | 3,168,251 | 22,960,316             | 19,932,617 | 7,588,680     | 6,000,112  | 10,063,458            | 5,846,548 | 3,697,692 | 2,255,111  |           |           |
| Timing of revenue recognition                        |              |            |               |           |              |            |               |           |              |            |               |           |                        |            |               |            |                       |           |           |            |           |           |
| Products and services transferred at a point in time |              |            |               |           |              |            |               |           |              |            |               |           |                        |            |               |            |                       |           |           |            |           |           |
| Products and services transferred over time          |              |            |               |           |              |            |               |           |              |            |               |           |                        |            |               |            |                       |           |           |            |           |           |
| External revenue as reported                         |              |            |               |           |              |            |               |           |              |            |               |           |                        |            |               |            |                       |           |           |            |           |           |
| Major products / service lines                       |              |            |               |           |              |            |               |           |              |            |               |           |                        |            |               |            |                       |           |           |            |           |           |
| Yarn   | 35,026,051   | 20,993,204 | 13,863,711    | 7,340,760 | -            | -          | -             | -         | -            | -          | -             | -         | -                      | -          | -             | -          | -                     | -         | -         | -          | -         | -         |
| Comer Nail   | 172,360      | 149,913    | 26,465        | 58,475    | -            | -          | -             | -         | -            | -          | -             | -         | -                      | -          | -             | -          | -                     | -         | -         | -          | -         | -         |
| Grey Cloth   | -            | -          | -             | -         | 18,650,225   | 12,028,709 | 6,834,300     | 4,253,110 | -            | 16,814,326 | 9,039,379     | 6,010,737 | 3,168,251              | 5,868,892  | 4,650,096     | 2,020,458  | 1,183,049             | -         | -         | -          | -         | -         |
| Processed Cloth                                      | -            | -          | -             | -         | -            | -          | -             | -         | -            | -          | -             | -         | -                      | -          | 131,144       | 135,234    | 39,655                | 43,860    | -         | -          | -         | -         |
| Cosmetics  | -            | -          | -             | -         | -            | -          | -             | -         | -            | -          | -             | -         | -                      | -          | 148,039       | 151,616    | 31,545                | 16,485    | -         | -          | -         | -         |
| Waste  | 267,159      | 391,011    | -             | 238,328   | -            | -          | -             | -         | -            | -          | -             | -         | -                      | -          | 131,334       | 184,240    | 46,667                | 67,652    | -         | -          | -         | -         |
| Others   | -            | -          | -             | -         | -            | -          | -             | -         | -            | -          | -             | -         | -                      | -          | 14,231,141    | 13,656,388 | 4,420,480             | 4,432,924 | -         | -          | -         | -         |
| Mixe Ups   | -            | -          | -             | -         | -            | -          | -             | -         | -            | -          | -             | -         | -                      | -          | -             | -          | -                     | -         | -         | 10,063,458 | 5,846,548 | 3,697,692 |
| Garments   | -            | -          | -             | -         | -            | -          | -             | -         | -            | -          | -             | -         | -                      | -          | 2,421,835     | 573,378    | 997,718               | 256,142   | -         | -          | -         | -         |
| Towels and Bath Robe                                 | -            | -          | -             | -         | -            | -          | -             | -         | -            | -          | -             | -         | -                      | -          | -             | -          | -                     | -         | -         | -          | -         | -         |
| Electricity  | -            | -          | -             | -         | -            | -          | -             | -         | -            | -          | -             | -         | -                      | -          | -             | -          | -                     | -         | -         | -          | -         | -         |
| Room Rental Services                                 | -            | -          | -             | -         | -            | -          | -             | -         | -            | -          | -             | -         | -                      | -          | -             | -          | -                     | -         | -         | -          | -         | -         |
| Other Hotel Ancillary Services                       | 35,465,570   | 21,534,128 | 13,890,176    | 7,637,563 | 18,650,225   | 12,028,709 | 6,834,300     | 4,253,110 | 16,814,326   | 9,039,379  | 6,010,737     | 3,168,251 | 22,960,316             | 19,932,617 | 7,588,680     | 6,000,112  | 10,063,458            | 5,846,548 | 3,697,692 | 2,255,111  |           |           |

Continued on next page

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

## Selected Notes to the Consolidated Condensed Interim Financial Statements

For the nine months ended 31 March 2022 (Un-audited)

|  | Period ended         |                  | Quarter ended    |                  |
|--|----------------------|------------------|------------------|------------------|
|  | 31 March<br>2022     | 31 March<br>2021 | 31 March<br>2022 | 31 March<br>2021 |
|  | (Rupees in thousand) |                  |                  |                  |
| <b>10 COST OF SALES</b>                      |                      |                  |                  |                  |
| Raw materials consumed                       | 73,172,301           | 40,009,444       | 24,819,902       | 13,855,639       |
| Processing charges                           | 730,568              | 548,454          | 208,588          | 186,248          |
| Salaries, wages and other benefits           | 7,643,532            | 6,132,757        | 2,680,953        | 2,257,245        |
| Stores, spare parts and loose tools consumed | 7,625,134            | 5,718,710        | 2,793,216        | 2,217,613        |
| Packing materials consumed                   | 1,888,757            | 1,388,035        | 674,631          | 505,309          |
| Repair and maintenance                       | 522,496              | 345,584          | 188,434          | 114,629          |
| Fuel and power                               | 7,444,748            | 4,569,878        | 2,951,095        | 1,538,490        |
| Insurance                                    | 261,433              | 255,571          | 89,230           | 86,145           |
| Royalty                                      | -                    | 6,565            | -                | 1,171            |
| Other factory overheads                      | 805,861              | 557,196          | 313,583          | 207,561          |
| Depreciation and amortization                | 2,962,801            | 2,633,939        | 1,034,464        | 907,232          |
|  | 103,057,631          | 62,166,133       | 35,754,096       | 21,877,282       |
| Work-in-process                              |                      |                  |                  |                  |
| Opening stock                                | 3,044,441            | 2,244,439        | 4,575,652        | 2,555,569        |
| Closing stock                                | (5,094,407)          | (3,052,745)      | (5,094,407)      | (3,052,745)      |
|  | (2,049,966)          | (808,306)        | (518,755)        | (497,176)        |
| Cost of goods manufactured                   | 101,007,665          | 61,357,827       | 35,235,341       | 21,380,106       |
| Finished goods                               |                      |                  |                  |                  |
| Opening stock                                | 9,641,809            | 9,393,252        | 13,835,717       | 7,560,647        |
| Closing stock                                | (13,963,306)         | (7,930,462)      | (13,963,306)     | (7,930,462)      |
|  | (4,321,497)          | 1,462,790        | (127,589)        | (369,815)        |
|  | 96,686,168           | 62,820,617       | 35,107,752       | 21,010,291       |

|  |                      | Period ended     |                  |
|--|----------------------|------------------|------------------|
|  |                      | 31 March<br>2022 | 31 March<br>2021 |
| <b>11 EARNINGS PER SHARE - BASIC AND DILUTED</b>                               |                      |                  |                  |
| 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) | 11,722,689       | 7,149,779        |
| Weighted average number of ordinary shares of Holding Company                  | (Numbers)            | 351,599,848      | 351,599,848      |
| Earnings per share   | (Rupees)             | 33.34            | 20.33            |

|   |      | Period ended         |                  |
|---|------|----------------------|------------------|
|   |      | 31 March<br>2022     | 31 March<br>2021 |
| Note  |      | (Rupees in thousand) |                  |
| <b>12 CASH (USED IN) / GENERATED FROM OPERATIONS</b>                    |      |                      |                  |
| <b>Profit before taxation</b>   |      | 14,873,227           | 9,479,949        |
| <b>Adjustments for non-cash charges and other items:</b>                |      |                      |                  |
| Depreciation and amortization   |      | 3,161,461            | 3,368,703        |
| Depreciation on right-of-use assets                                     |      | 549,844              | -                |
| Gain on sale of property, plant and equipment                           |      | (51,920)             | (170,929)        |
| Dividend income   |      | (1,543,520)          | (1,379,213)      |
| Allowance for expected credit losses recognised / (reversed)            |      | 402                  | (1,283)          |
| Profit on deposits with banks and associated Company                    |      | (101,596)            | (88,119)         |
| Share of profit from associates   |      | (1,628,899)          | (2,585,145)      |
| Net exchange (gain) / loss  |      | (331,749)            | 60,301           |
| Finance cost  |      | 1,823,958            | 1,476,447        |
| Reversal of provision for slow moving, obsolete and damaged store items |      | -                    | (13)             |
| Gain on initial recognition of GIDC payable at amortized cost           |      | -                    | (110,431)        |
| Loss on termination of leases   |      | 3,626                | -                |
| Working capital changes   | 12.1 | (24,161,577)         | (1,643,511)      |
|   |      | (7,406,743)          | 8,406,756        |

### 12.1 Working capital changes

|  |              |             |
|--|--------------|-------------|
| (Increase) / decrease in current assets: |              |             |
| - Stores, spare parts and loose tools    | (1,087,107)  | (421,261)   |
| - Stock in trade                         | (18,650,444) | (156,430)   |
| - Trade debts                            | (2,574,192)  | (2,747,001) |
| - Loans and advances                     | (17,176)     | 150,534     |
| - Short term deposits and prepayments    | (44,933)     | (60,831)    |
| - Other receivables                      | (4,559,478)  | 1,655       |
|  | (26,933,330) | (3,233,334) |
| Increase in trade and other payables     | 2,771,753    | 1,589,823   |
|  | (24,161,577) | (1,643,511) |

## Selected Notes to the Consolidated Condensed Interim Financial Statements

For the nine months ended 31 March 2022 (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),<br>Feroze Wattwan (I and II)<br>and Lahore: | Producing different qualities of yarn including dyed yarn<br>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<br>fabric produced from greige fabric and manufacturing<br>of terry and bath products. |
| Garments:   | Manufacturing of garments using processed fabric.   |
| Power Generation:   | Generation, transmission and distribution of power using<br>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  
 Discontinued 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  
 Discontinued liabilities  
 Deferred liabilities  
 Other corporate liabilities  
 Total liabilities as per consolidated condensed  
 interim statement of financial position



## Selected Notes to the Consolidated Condensed Interim Financial Statements

For the nine months ended 31 March 2022 (Un-audited)

### 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

|         |         |         |       |
|---------|---------|---------|-------|
| Level 1 | Level 2 | Level 3 | Total |
|---------|---------|---------|-------|

At 31 March 2022 - Un-audited

(Rupees in thousand)

|   |                   |               |          |                   |
|---|-------------------|---------------|----------|-------------------|
| <b>Financial assets</b>                       |                   |               |          |                   |
| Fair value through other comprehensive income | 14,625,798        | -             | -        | 14,625,798        |
| Derivative financial assets                   | -                 | 20,430        | -        | 20,430            |
| <b>Total financial assets</b>                 | <b>14,625,798</b> | <b>20,430</b> | <b>-</b> | <b>14,646,228</b> |
| <b>Financial liabilities</b>                  |                   |               |          |                   |
| Derivative financial liabilities              | -                 | 91,889        | -        | 91,889            |
| <b>Total financial liabilities</b>            | <b>-</b>          | <b>91,889</b> | <b>-</b> | <b>91,889</b>     |

#### Recurring fair value measurements

|         |         |         |       |
|---------|---------|---------|-------|
| Level 1 | Level 2 | Level 3 | Total |
|---------|---------|---------|-------|

At 30 June 2021 - Audited

(Rupees in thousand)

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

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

There were no transfers between levels 1 and 2 for recurring fair value measurements during the period ended 31 March 2022. 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.

## Selected Notes to the Consolidated Condensed Interim Financial Statements

For the nine months ended 31 March 2022 (Un-audited)

### 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

|  | Period ended         |                  | Quarter ended    |                  |
|--|----------------------|------------------|------------------|------------------|
|  | 31 March<br>2022     | 31 March<br>2021 | 31 March<br>2022 | 31 March<br>2021 |
|  | (Rupees in thousand) |                  |                  |                  |
| <b>Associated companies</b>  |                      |                  |                  |                  |
| Investment made  | 1,326,249            | 211,328          | 550,164          | -                |
| Short term loans made  | 76,300               | 51,300           | -                | -                |
| Repayment of short term loans  | 50,100               | 10,000           | 50,100           | -                |
| Purchase of goods and services   | 245,160              | 273,075          | 48,630           | 101,831          |
| Sharing of expenses  | 646                  | 6,926            | 54               | 166              |
| Sale of goods and services   | 68,905               | 29,228           | 24,142           | 3,286            |
| Purchase of operating fixed assets   | 71,791               | 15,129           | 33,454           | 3,000            |
| Sale of operating fixed assets   | -                    | 270              | -                | -                |
| Rental income  | 5,140                | 4,359            | 1,705            | 1,672            |
| Rent paid  | 67,750               | 62,491           | 22,466           | 21,991           |
| Dividend income  | 1,276,376            | 1,345,923        | 440,077          | 1,320,229        |
| Dividend paid  | 123,047              | 122,105          | -                | -                |
| Insurance premium paid   | 345,636              | 344,966          | 98,152           | 90,807           |
| Insurance claims received  | 77,384               | 57,427           | 34,537           | 12,745           |
| Interest income  | 93,974               | 9,150            | 21,787           | 2,871            |
| Finance cost   | 34,002               | 24,209           | 11,089           | 8,563            |
| <b>Other related parties</b>   |                      |                  |                  |                  |
| Dividend income  | 261,515              | 32,689           | 98,068           | -                |
| Purchase of goods and services   | 4,287,125            | 1,977,329        | 1,341,110        | 589,761          |
| Sale of goods and services   | 225,813              | 483,623          | 70,395           | 194,034          |
| Finance cost   | 626                  | 361              | 265              | 34               |
| Group's contribution to provident fund trust   | 303,406              | 248,061          | 104,188          | 87,621           |
| Remuneration paid to Chief Executive Officer, Director and Executives of the Holding Company | 1,091,069            | 837,413          | 363,809          | 309,033          |
| Dividend paid  | 354,670              | 354,670          | -                | -                |

#### ii) Period end balances

|                               | As at 31 March 2022  |                       |           |
|-------------------------------|----------------------|-----------------------|-----------|
|                               | Associated companies | Other related parties | Total     |
|                               | (Rupees in thousand) |                       |           |
| Trade and other payables      | 15,375               | 201,236               | 216,611   |
| Accrued markup                | 4,498                | -                     | 4,498     |
| Short term borrowings         | 1,106,608            | -                     | 1,106,608 |
| Long term loans               | -                    | 289,068               | 289,068   |
| Property, plant and equipment | 44,482               | -                     | 44,482    |
| Trade debts                   | 3,631                | -                     | 3,631     |
| Loans and advances            | 131,172              | 98,738                | 229,910   |
| Accrued interest              | 6,048                | -                     | 6,048     |
| Cash and bank balances        | 886,635              | 26,141                | 912,776   |

|                               | As at 30 June 2021 (Audited) |               |           |
|-------------------------------|------------------------------|---------------|-----------|
|                               | Associated                   | Other related | Total     |
|                               | companies                    | parties       |           |
|                               | (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 28 April 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

### ڈائریکٹرز کا مشاہرہ

یورڈ آف ڈائریکٹرز نے ڈائریکٹرز کے معاوضہ کی پالیسی کی منظوری دی ہے۔ پالیسی کی بنیادی خصوصیات مندرجہ ذیل ہیں:

☆ کمپنی 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۔

☆ کمپنی بورڈ اور اس کی کمیٹیوں کے اجلاسوں میں شرکت کے سلسلے میں ڈائریکٹرز کے سفر اور رہائش کے اخراجات ادا کرے گی۔

☆ یورڈ آف ڈائریکٹرز وقتاً فوقتاً، ڈائریکٹرز معاوضہ پالیسی کا جائزہ اور اس کی منظوری دے گا۔

### اظہار تشکر

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

### منجانب بورڈ آف ڈائریکٹرز

David Jazal

فرید نور علی فضل

ڈائریکٹر

Uma Mansha

میاں عمر منشا

چیف ایگزیکٹو آفیسر

28 اپریل 2022ء

لاہور

### یورڈ کی ساخت

یورڈ 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     |

### یورڈ کی کمیٹیاں

#### آڈٹ کمیٹی

| نمبر شمار | نام ڈائریکٹر                  |
|-----------|-------------------------------|
| 1         | مسز مہک عادل (چیئر پرسن ارکن) |
| 2         | سید زاہد حسین (رکن)           |
| 3         | جناب محمود اختر (رکن)         |

### ہیومن ریسورس اور مشاہرہ (HR&R) کمیٹی

| نمبر شمار | نام ڈائریکٹر                   |
|-----------|--------------------------------|
| 1         | میاں عرفشا (رکن)               |
| 2         | مسز سارہ عقیل (چیئر پرسن ارکن) |
| 3         | جناب محمود اختر (رکن)          |

| گارمنٹس               | 31 مارچ کو اختتام شدہ نو ماہی |           | اضافہ/(کمی) |       |
|-----------------------|-------------------------------|-----------|-------------|-------|
|                       | 2021                          | 2022      | قدر         | فیصد  |
| فروخت- (گارمنٹس '000) | 6,153                         | 7,753     | 1,600       | 26.00 |
| قیمت فی گارمنٹ        | 916.61                        | 1,265.22  | 348.61      | 38.03 |
| فروخت- ('000 روپے)    | 5,639,899                     | 9,809,288 | 4,169,389   | 73.93 |

ڈویژن پائیدار ترقی کے لیے پرعزم ہے اور اس کے لیے متعدد اقدامات کر رہی ہے۔ انتظامیہ نے پائیدار کامیابیوں کو ملازمین کے KPIs کا حصہ بنایا ہے تاکہ پائیدار ترقی کی مہم میں سب کو شامل کیا جاسکے۔ ہم نے پانی اور توانائی کے استعمال کو کم کر دیا ہے اور قابل تجدید توانائی کے وسائل پر اپنا انحصار بڑھا دیا ہے۔

### پاور جنریشن

مالی سال 2022 کے موجودہ نو ماہی کے دوران کوئلہ اور فرنس آئل جیسے تمام ایندھن کی قیمتوں میں نمایاں اضافہ ہوا۔ اسی طرح حکومت پاکستان نے Export Oriented سیکٹر کے کینٹین پاور پلانٹس کے لیے گیس کی رعایتی شرح کو 6.5 امریکی ڈالر فی ایم بی ٹی یو سے بڑھا کر 9 امریکی ڈالر فی ایم بی ٹی یو کیا۔ مزید برآں، کینٹین پاور پلانٹس کے لیے گیس کی فراہمی محدود کر دی گئی۔ کمپنی کو کینٹین پاور پلانٹس کے لیے جتنی RLNG ورکار 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 تنصیب کے مراحل میں ہیں۔ نیا اوپن اینڈ یارن یونٹ شروع ہونے کے بعد سپنگ ڈویژن، ساہیانوالہ کی توانائی کی ضروریات بڑھ گئیں ہیں جس وجہ سے 5.8 میگا واٹ وارنٹیل 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 یونٹ، ایئر کپریٹر اور 1 میگا واٹ ڈیزل انجن کا حصول بھی جاری ہے تاکہ ہوم ٹیکسٹائل ڈویژن کی تولیہ تیار کرنے کی پیداواری صلاحیت میں اضافے کے بعد برقی ہوئی طلب کو پورا کیا جاسکے۔ گارمنٹس ڈویژن کی توسیع کا عمل جاری ہے اور انتظامیہ نے 1 میگا واٹ کا ڈیزل انجن حاصل کرنے کا بھی منصوبہ بنایا ہے۔

### ذیلی کمپنیاں اور کنسولیدٹڈ مالیاتی گوشوارے

نشاط پاور لمیٹڈ، نشاط لینن (پرائیویٹ) لمیٹڈ، نشاط ہاسٹیلٹی (پرائیویٹ) لمیٹڈ، نشاط کموڈٹیز (پرائیویٹ) لمیٹڈ، لال پیر سولر پاور (پرائیویٹ) لمیٹڈ، نشاط یو ایس اے انکارپوریٹڈ، نشاط لینن ٹریڈنگ ایل ایل سی، نشاط انٹرنیشنل FZE اور چائنا گوانگ ژو نشاط گلوبل کمپنی لمیٹڈ کمپنی کے ضمنی ادارے ہیں۔ اس لیے کمپنی نے انٹرنیشنل فی نفل رپورٹنگ سٹینڈرڈ کی مطابقت سے علیحدہ جامع فی نفل اسٹیٹمنٹس کے ساتھ، سبجا جامع فی نفل اسٹیٹمنٹس کو بھی منسلک کیا ہے۔

مالی سال 2022 کی آخری سہ ماہی شروع ہو چکی ہے لیکن موجودہ عالمی صورتحال کی وجہ سے آنے والے مہینوں میں خام مال کی قیمتیں اور پیداواری لاگت زیادہ رہنے کی توقع ہے۔ انتظامیہ ان چیلنجز کے اثرات کو کم کرنے کے لیے تمام ممکنہ اقدامات کر رہی ہے۔ ہمیں یقین ہے کہ ہم مالی سال کی آخری سہ ماہی میں بھی اپنی مثبت کارکردگی کی رفتار کو برقرار رکھنے میں کامیاب ہو جائیں گے۔

### گھریلو ٹیکسٹائل (Home Textile)

ڈویژن نے 31 مارچ 2022 کو ختم ہونے والے نو ماہ کے دوران تسلی بخش کارکردگی کا مظاہرہ کیا۔ گزشتہ سال کی اسی نو ماہی کے مقابلے میں رواں نو ماہی کے دوران، ہوم ٹیکسٹائل مصنوعات کی فروخت میں 330.829 ملین روپے (3.02%) کا نمایاں اضافہ ہوا۔

| پروسیسڈ کلا تھا اینڈ میڈ ایپس | 31 مارچ کو اختتام شدہ نو ماہی |            | اضافہ/(کمی) |         |
|-------------------------------|-------------------------------|------------|-------------|---------|
|                               | 2021                          | 2022       | قدر         | فیصد    |
| فروخت - (میٹرز '000)          | 24,272                        | 20,720     | (3,552)     | (14.63) |
| قیمت فی میٹر                  | 450.79                        | 544.04     | 93.25       | 20.69   |
| فروخت - ('000 روپے)           | 10,941,597                    | 11,272,426 | 330,829     | 3.02    |

خام مال اور شپنگ کے اخراجات میں بے مثال اضافے نے ہمارے تیار شدہ سامان کی پیداواری لاگت میں اضافہ کیا۔ تاہم، ہم اس اضافی لاگت کا صرف ایک چھوٹا سا حصہ اپنے صارفین کو منتقل کرنے میں کامیاب رہے جس نے ڈویژن کے منافع کو متاثر کیا۔

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 مصنوعات           | 31 مارچ کو اختتام شدہ نو ماہی |           | اضافہ/(کمی) |        |
|------------------------|-------------------------------|-----------|-------------|--------|
|                        | 2021                          | 2022      | قدر         | فیصد   |
| فروخت - (کلوگرام '000) | 360                           | 1,912     | 1,552       | 431.11 |
| قیمت فی کلوگرام        | 876.64                        | 1,116.57  | 239.93      | 27.37  |
| فروخت - ('000 روپے)    | 315,590                       | 2,134,878 | 1,819,288   | 576.47 |

### گارمنٹس

ڈویژن نے مالی سال 2021-22 کی اسی نو ماہی کے دوران زبردست مالی کارکردگی کا مظاہرہ کیا۔ گزشتہ سال کی اسی نو ماہی کے مقابلے میں رواں نو ماہی کے دوران ڈویژن نے گارمنٹس کی فروخت میں 4.169 ملین روپے (73.93%) کا نمایاں اضافہ حاصل کیا۔ ہماری مصنوعات کی مانگ میں اضافے کو دیکھتے ہوئے، انتظامیہ نے پیداواری صلاحیت کو بڑھایا، تحقیق اور ترقی کے طریقہ کار کو اپ ڈیٹ کیا اور نئی ٹیکنالوجیز میں سرمایہ کاری کی۔



بین الاقوامی اور مقامی کپاس کے منظر نامے، چین میں نئی Covid لہر میں اضافے کے باعث اور دنیا بھر میں اعلیٰ سطح کی مہنگائی کو مد نظر رکھتے ہوئے، توقع ہے کہ سال کا باقی حصہ دھماگے کی برآمد کے لیے چیلنجنگ رہے گا اور مقامی دھماگے کی قیمتیں بھی بلند رہیں گی۔ انتظامیہ نے ان چیلنجز کے اثرات کو کم کرنے کے لیے coarser counts کے بجائے finer counts پیش کرنے کا منصوبہ بنایا ہے۔

### بائی (Weaving)

مالی سال 2022 کے پہلے نو مہینوں کے دوران، خام مال کی لاگت میں اضافے کی وجہ سے گرینچ کپڑے کی قیمتوں میں اضافہ ہوا۔ خریداروں کے پاس اسٹاک کی مناسب دستیابی اور روس/یوکرین جنگ کے باعث تیسری سہ ماہی میں گرینچ کلاتھ مارکیٹ سست رہی۔ اس عرصے کے دوران سب سے زیادہ مستحکم مصنوعات، تکنیکی کپڑا (Abrasive/Sun protectors) تھا۔ ورک ویئر اور فیشن کے شعبے سست روی پر تھے۔ ہوم ٹیکسٹائل کے گرینچ کپڑوں کی فروخت میں بڑی کمی دیکھنے میں آئی جب مغرب کے بیشتر حصوں میں لاک ڈاؤن میں نرمی کے بعد لوگ گھروں سے باہر نکلے اور اس وجہ نے گھریلو ٹیکسٹائل مصنوعات کی ضرورت کو کم کر دیا۔

| گرے کلاتھ           | 31 مارچ کو اختتام شدہ نو ماہی |            | اضافہ/(کمی) |       |
|---------------------|-------------------------------|------------|-------------|-------|
|                     | 2021                          | 2022       | قدر         | فیصد  |
| فروخت - (میٹر '000) | 65,788                        | 72,985     | 7,197       | 10.94 |
| قیمت فی میٹر        | 184.39                        | 265.44     | 81.05       | 43.96 |
| فروخت - ('000 روپے) | 12,130,814                    | 19,373,214 | 7,242,400   | 59.70 |

کمپنی نے اکتوبر 2021 کے پہلے ہفتے کے دوران نئی سوڈا کو مائین ای او 001 وسیع چوڑائی والی لومز کو پروڈکشن میں شامل کیا۔ فیشن/تکنیکی سگمینز کے لیے وسیع چوڑائی والے کپڑے کی مانگ میں اضافے کی وجہ سے انتظامیہ نے ستر 190CM لومز کو 210/230CM لومز سے تبدیل کرنے پر مزید غور کر رہی ہے۔

### رنگائی (Dyeing)

خام مال کی بڑھتی ہوئی قیمت اور مارکیٹ کی غیر یقینی صورتحال کے باوجود، ڈائنگ ڈویژن اپنی آمدنی میں 89.96% اضافہ حاصل کرنے میں کامیاب رہی جو 8.616 بلین روپے سے بڑھ کر 16.368 بلین روپے تک جا پہنچی۔ Covid-19 کے اثرات سے عالمی معیشت کی بحالی کے بعد انتظامیہ پیداواری صلاحیت کو مکمل طور پر استعمال کرنے میں کامیاب رہی۔

| پروسیسڈ کلاتھ       | 31 مارچ کو اختتام شدہ نو ماہی |            | اضافہ/(کمی) |       |
|---------------------|-------------------------------|------------|-------------|-------|
|                     | 2021                          | 2022       | قدر         | فیصد  |
| فروخت - (میٹر '000) | 23,913                        | 34,859     | 10,946      | 45.77 |
| قیمت فی میٹر        | 360.32                        | 469.54     | 109.22      | 30.31 |
| فروخت - ('000 روپے) | 8,616,344                     | 16,367,589 | 7,751,245   | 89.96 |

مالی سال 2021-2022 کے پہلے نو مہینوں میں امریکی ڈالر کے مقابلے میں پاک روپیہ کی قدر میں 16.75% کمی نے ٹیکسٹائل Exporters کو عارضی ریلیف دیا، کیونکہ انہیں کچھوں پر روپے کی قدر میں کمی کا فائدہ ملا جس کے لیے خام مال پہلے سے خرید لیا گیا تھا۔ تاہم، بعد میں آنے والے آڈرز کے لیے خام مال کی لاگت بھی بڑھ گئی۔

اسٹیٹ بینک آف پاکستان ("SBP") نے 08 اپریل 2022 سے ایکسپورٹ فنانس سکیم (EFS) کے تحت فنانسنگ کے لیے مارک اپ کی شرح میں 2.5% اضافہ کیا۔ اس کے مطابق، EFS کے لیے مارک اپ کی شرح اب 5.5% p.a ہے۔ جو کہ ٹیکسٹائل سیکٹر کے لیے تشویش کا باعث ہے کیونکہ اس سے کاروبار کرنے کی لاگت میں اضافہ ہوگا۔

### سیکٹ تجربہ

کمپنی کی طبقاتی کارکردگی کا مختصر جائزہ درج ذیل ہے:

### کٹائی (Spinning)

امریکہ اور چین کے تجارتی وعدوں اور Covid-19 کی صورتحال میں بہتری کے باعث 31 مارچ 2022 کو ختم ہونے والے نو ماہ کے دوران، بین الاقوامی مارکیٹ میں خام کپاس کی قیمتوں میں مسلسل اضافہ جاری رہا۔ عالمی سطح پر شارٹ سپلائی اور اسپنرز کی جانب سے جلد بازی میں خریداری کے باعث مقامی کپاس کی قیمتوں میں بھی اضافہ 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 خام کپاس مارکیٹ میں دستیاب ہوتے ہی مربوط قیمتوں پر خریدنا شروع کر دیا۔

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، اسی نو ماہ 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 کے نو مہینوں میں اچھا منافع ہوا۔

| یارن                   | 31 مارچ کو اختتام شدہ نو ماہی |            | اضافہ/(کمی) |        |
|------------------------|-------------------------------|------------|-------------|--------|
|                        | 2021                          | 2022       | قدر         | فیصد   |
| فروخت - (کلوگرام '000) | 17,005                        | 27,878     | 10,873      | 63.94  |
| قیمت فی کلوگرام        | 417.72                        | 641.58     | 223.86      | 53.59  |
| فروخت - ('000 روپے)    | 7,103,339                     | 17,885,936 | 10,782,597  | 151.80 |

### ڈائریکٹرز کی رپورٹ

نشاط ملز لمیٹڈ ("کمپنی") کے ڈائریکٹرز 31 مارچ 2022 کو اختتام شدہ نو ماہی کے لیے ڈائریکٹرز رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

### آپریٹنگ مالی نتائج

کمپنی کی فی حصص آمدنی میں 15.38 روپے فی شیئر کا اضافہ ہوا جو مالی سال 2021 کی اسی نو ماہی میں 10.37 روپے فی حصص سے بڑھ کر مالی سال 2022 کی موجودہ نو ماہی میں 25.75 روپے فی حصص تک جا پہنچی۔ ان شاندار نتائج کی وجہ مجموعی منافع میں 124.79% کا اضافہ تھا جو 6.092 بلین روپے سے بڑھ کر 13.696 بلین روپے تک جا پہنچا۔ مجموعی منافع میں اضافے کی بنیادی وجہ کمپنی کی آمدنی میں 63.57% کا اضافہ تھا جو حجم اور شرح میں موافق فرق کے باعث ہوا۔ خام کپاس کی قیمتوں میں اضافہ، RLNG کی شرح میں اضافہ، گیس سپلائی کی بندش، عالمی سپلائی چین میں خلل اور Covid-19 وبائی مرض جیسے چیلنجز کے باوجود کمپنی نے آمدنی میں یہ بے مثال اضافہ حاصل کیا۔ برآمدات پر مبنی ادارہ ہونے کے ناطے، کمپنی نے نو ماہ کے دوران امریکی ڈالر کے مقابلے پاک روپیہ کی قدر میں 16.75% کمی سے بھی فائدہ اٹھایا۔

| اضافہ/(کمی) فیصد | 31 مارچ کو اختتام شدہ نو ماہی |            | مالی جھلکیاں                  |
|------------------|-------------------------------|------------|-------------------------------|
|                  | 2021                          | 2022       |                               |
| 63.57            | 51,507,344                    | 84,252,725 | آمدنی (روپے '000)             |
| 124.79           | 6,092,841                     | 13,696,146 | مجموعی منافع (روپے '000)      |
| 148.41           | 3,644,929                     | 9,054,317  | بعد از ٹیکس منافع (روپے '000) |
|                  | 11.83                         | 16.26      | مجموعی منافع (فیصد)           |
|                  | 7.08                          | 10.75      | بعد از ٹیکس منافع (فیصد)      |
|                  | 10.37                         | 25.75      | منافع فی حصص - (روپے)         |

ڈیویڈنڈ آمدنی میں 773 بلین روپے کا اضافہ ہوا جو 2.088 بلین روپے سے بڑھ کر 2.861 بلین روپے تک جا پہنچی۔ اوسط قرض لینے کی لاگت اور قلیل مدتی قرضوں میں اضافے کی وجہ سے موجودہ مدت میں کمپنی کی مالیاتی لاگت میں اضافہ ہوا جو رکنگ کنٹینر کی بڑھتی ہوئی ضروریات کو پورا کرنے کے لیے حاصل کیے گئے تھے۔

### مارکیٹ کا عمومی جائزہ اور مستقبل کے امکانات

31 مارچ 2022 کو ختم ہونے والے نو مہینوں کے دوران Covid-19 وبائی مرض سے عالمی معیشت کی بتدریج بحالی ٹیکسٹائل سیکٹر کے لیے اچھی علامت تھی۔ تاہم، اس مدت میں کپاس اور پالیسٹر فائبر کی بڑھتی ہوئی قیمتوں، RLNG کی شرح میں اضافے اور گیس سپلائی کی بندش کے مسائل چھائے رہے۔ ان تمام عوامل نے ٹیکسٹائل سیکٹر کی کارکردگی کو بری طرح متاثر کیا۔ ایک اور چیلنج جس کا وٹیلو ایڈڈ وٹیک کو خاص طور پر سامنا کرنا پڑا، وہ جہازوں کا انتہائی پریشان کن شیڈول تھا، جس نے برآمدی اور درآمدی ترسیل کے لیے ٹرانزٹ اوقات میں اضافہ کیا۔ اس مسئلہ نے نہ صرف عالمی سطح پر سپلائی چین کو متاثر کیا بلکہ شپنگ لاگت میں بھی نمایاں اضافہ کیا۔



**REGISTERED OFFICE:**

Nishat House, 53-A, Lawrence Road, Lahore

Tel: 042-36360154, 042-111 113 333

[nishat@nishatmills.com](mailto:nishat@nishatmills.com)

[www.nishatmillsltd.com](http://www.nishatmillsltd.com)