

NISHAT MILLS LIMITED



NML-PSX/

February 28, 2023

The General Manager,
Pakistan Stock Exchange Limited,
Stock Exchange Building,
Stock Exchange Road,
KARACHI.

SUB: **SUBMISSION OF FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

Dear Sir,

We have to inform you that the Financial Statements of Nishat Mills Limited for the half year ended December 31, 2022 are being transmitted through PUCARS and is also available on Company's website.

You may please inform the TRE Certificate Holders of the Exchange accordingly.

Thanking you,

Yours truly,


KHALID MAHMOOD CHOCHAN
COMPANY SECRETARY



Nishat Mills Limited

**Interim Financial Report for the Half Year Ended
December 31, 2022**

**PROVEN PERFORMANCE
PROMISING POTENTIAL**

CONTENTS

Nishat Mills Limited

Company Information	02
Directors' Report	04
Independent Auditors' Review Report to the Members on Unconsolidated Condensed Interim Financial Statements	09
Unconsolidated Condensed Interim Statement of Financial Position	12
Unconsolidated Condensed Interim Statement of Profit or Loss	14
Unconsolidated Condensed Interim Statement of Comprehensive Income	15
Unconsolidated Condensed Interim Statement of Changes in Equity	16
Unconsolidated Condensed Interim Statement of Cash Flows	17
Selected Notes to the Unconsolidated Condensed Interim Financial Statements	18

Nishat Mills Limited and its Subsidiaries

Consolidated Condensed Interim Statement of Financial Position	36
Consolidated Condensed Interim Statement of Profit or Loss	38
Consolidated Condensed Interim Statement of Comprehensive Income	39
Consolidated Condensed Interim Statement of Changes in Equity	40
Consolidated Condensed Interim Statement of Cash Flows	41
Selected Notes to the Consolidated Condensed Interim Financial Statements	42
Directors' Report in Urdu	70

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
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, Denim unit & 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. Ferozpur Road, Lahore.

Terry Unit

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

Apparel Unit

2 K.M. Nishat Avenue Off 22 K.M. Ferozpur 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

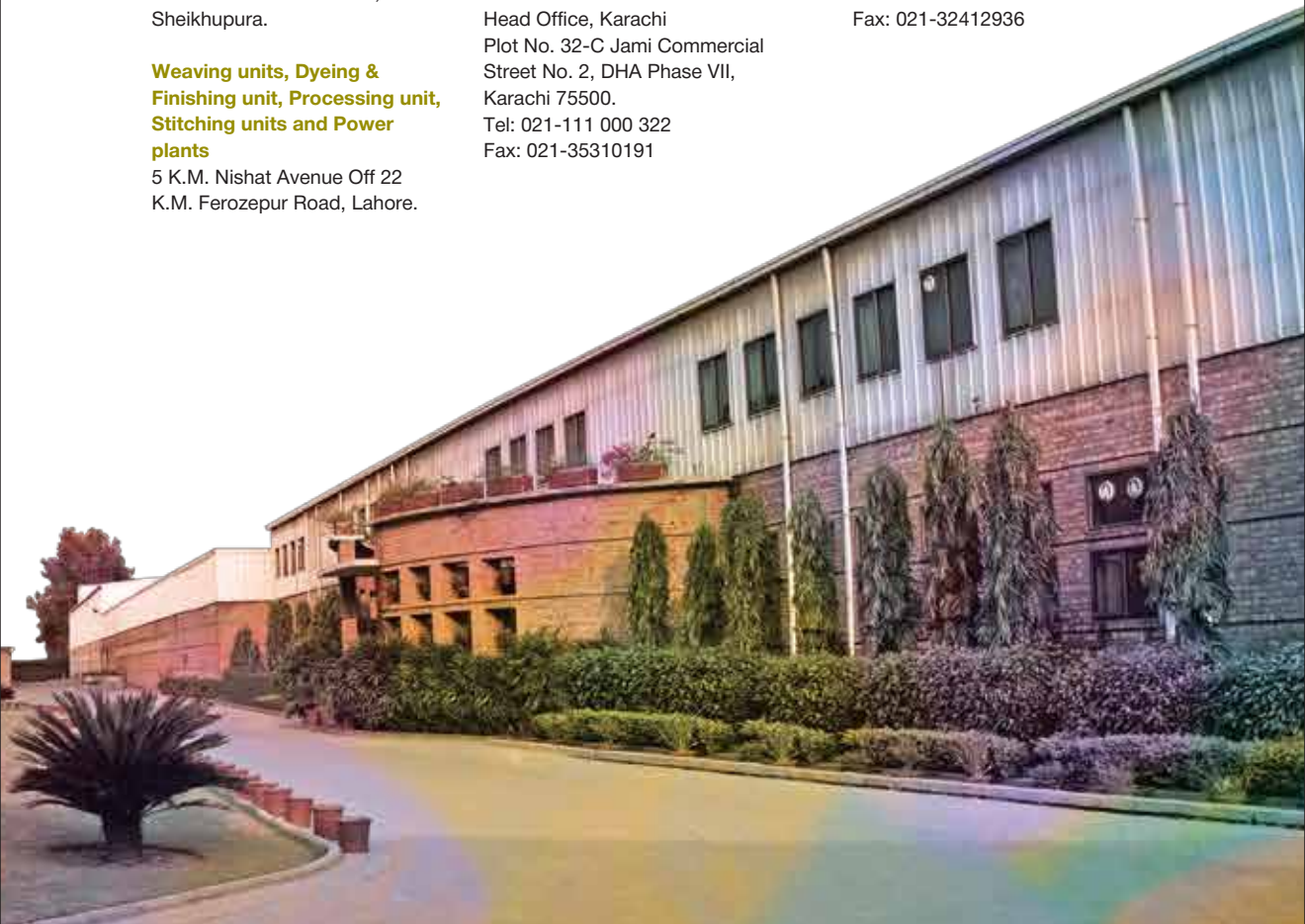
Branch Office, Lahore
Office No. 309, 3rd Floor,
North Tower, LSE building,
19-Sharah-e-Aiwan-e-Iqbal
Lahore.
Tel: 042-36302044

Head Office

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

Liaison Office

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



DIRECTORS' REPORT

Directors of Nishat Mills Limited ("the Company") are pleased to present the Directors' Report for the half year ended 31 December 2022.

Operating Financial Results

Financial performance of the Company was remarkable during the half year ended 31 December 2022 as compared to the corresponding half of the last year. Profit after tax of the Company increased by Rs. 2.230 billion (39.79%). The main reason for increase in profitability was increase in revenue by Rs. 14.615 billion (27.63%). Gross profit increased by Rs. 3.060 billion (36.63%) despite unprecedented rise in raw material and energy costs. Other income also contributed significantly to the bottom line which increased by Rs. 2.214 billion from Rs. 2.544 billion to Rs. 4.758 billion.

Financial Highlights	Half Year Ended 31 December		Increase / (decrease) %
	2022	2021	
Revenue (Rs. '000')	67,507,201	52,891,961	27.63
Gross Profit (Rs. '000')	11,415,977	8,355,647	36.63
Profit after tax (Rs. '000')	7,835,468	5,605,367	39.79
Gross Profit (%)	16.91	15.80	
Profit after tax (%)	11.61	10.60	
Earnings per share – (Rs.)	22.29	15.94	

The company recorded this exceptional performance in spite of significant increase in finance cost by Rs. 1.620 billion in the current half year 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

Textile industry's performance declined during the first half of financial year 2022-23 due to slump in global demand for textile products. The reasons for low demand are high inflation, increase in interest rates and reduction in Covid-19 subsidies that affected consumers' purchasing power.

The cost of production has increased due to the energy crisis and shortage of raw materials, particularly cotton. The textile industry in Pakistan is also facing rapid currency fluctuations and unprecedented government taxation, which has resulted in capacity underutilization and the closure of several small to medium-sized units. Only the large and vertically integrated production facilities remained resilient and sustained in the face of unfavorable circumstances.

Segment Analysis

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

Spinning

The financial year 2022-23 started with high local raw cotton prices due to factors such as a short crop as a result of floods in the country. However, international cotton prices declined because of the fear of recession and other negative economic factors. Still, imported cotton for Pakistani spinners is also very expensive in the context of rapidly falling Rupee. The Company purchased raw cotton as soon as it became

available in the market to cover its annual requirements making an optimal mix of local and imported cotton.

The demand of yarn in both local and international markets declined due to global recession during the period under review. High production cost along with low demand made our products uncompetitive in the export market; therefore, the Division focused on local market which created favorable results for us.

The Cotton yarn business is expected to remain under pressure during the remaining year. The Division has diversified its product portfolio and is offering both finer and coarser counts to its customers.

Yarn	Half Year Ended 31 December		Increase / (Decrease)	
	2022	2021	Value	% age
Sale – (kgs '000')	13,360	18,252	(4,892)	(26.80)
Rate / kg	801.62	608.78	192.84	31.68
Sale – (Rs. '000')	10,709,474	11,111,537	(402,063)	(3.62)

Weaving

Economic slowdown in Europe which is our primary market adversely affected the demand of greige cloth, but the Division performed remarkably well during the half year ended 31 December 2022 as a result of effective marketing strategies. Grey cloth sales grew by Rs. 4.701 billion (38.68%) in the current half year as compared to the corresponding half of the last year.

Grey Cloth	Half Year Ended 31 December		Increase / (Decrease)	
	2022	2021	Value	% age
Sale – (meters '000')	50,706	47,863	2,843	5.94
Rate / meter	332.45	253.97	78.48	30.90
Sale – (Rs. '000')	16,857,057	12,155,658	4,701,399	38.68

The Division expects that these economic difficulties will persist in the second half of the financial year. Therefore, management is carefully observing the market dynamics and has strategize to increase sales. We have identified opportunities in local grey cloth market as some European customers are buying finished fabrics from Pakistani manufactures due to the ongoing gas shortage and high energy costs in Europe. We are also continuously seeking new opportunities in the specialized greige cloth for technical and industrial usage in accordance with our long-standing strategy of product and market diversification. This approach has been quite helpful to maintain business growth and stability in challenging market conditions.

Dyeing

Despite the unfavorable global and local economic situations, Dyeing Division achieved outstanding results in the first half of FY 2022-23. We fully utilized our production capacities and recorded an unprecedented increase of Rs. 6.222 billion (58.63%) in revenue. The Division earned the highest ever profits during first six months of any financial year since its establishment.

Processed Cloth	Half Year Ended 31 December		Increase / (Decrease)	
	2022	2021	Value	% age
Sale – (meters '000')	24,088	23,477	611	2.60
Rate / meter	698.85	452.03	246.82	54.60
Sale – (Rs. '000')	16,834,187	10,612,371	6,221,816	58.63

The Division is implementing various strategies to minimize the impact of ongoing uncertain conditions in the latter half of the financial year. Despite the difficulties, we are optimistic and confident that we will be able to achieve positive results in the second half of the fiscal year.

Home Textile and Terry

The Division's performance remained satisfactory during the first half of the financial year 2022-23. Processed cloth and made-ups sales grew by Rs. 1.791 billion (23.14%). The Division achieved this growth despite a slowdown in buying patterns in Europe and USA. Our focus was on cost management, diversifying product offerings, and anticipating market trends in order to maintain profitability.

Processed Cloth and Made-ups	Half Year Ended 31 December		Increase / (Decrease)	
	2022	2021	Value	% age
Sale – (meters '000')	13,642	14,907	(1,265)	(8.48)
Rate / meter	698.65	519.22	179.43	34.56
Sale – (Rs. '000')	9,531,084	7,740,013	1,791,071	23.14

Towel and bath robe sales have also grown by Rs. 686.546 million (55.50%). The plan to enhance the production capacity of the Terry project is in process.

Terry	Half Year Ended 31 December		Increase / (Decrease)	
	2022	2021	Value	% age
Sale – (kgs '000')	1,326	1,049	277	26.41
Rate / kg	1,450.67	1,179.26	271.41	23.02
Sale – (Rs. '000')	1,923,592	1,237,046	686,546	55.50

Garments

The Garments Division also achieved its targets despite the challenges posed by the global energy crisis and economic recession in the target market. This was due to the Company's efficient management of production capacities and effective management of adverse factors. The Division's success in these challenging conditions highlights its resilience and ability to adapt to changing market conditions. The Division was able to sustain its sales in the current half year as compared to the corresponding half of the last year.

Garments	Half Year Ended 31 December		Increase / (Decrease)	
	2022	2021	Value	% age
Sale – (garments '000')	3,367	4,707	(1,340)	(28.47)
Rate / garment	1,817.22	1,279.42	537.80	42.03
Sale – (Rs. '000')	6,118,594	6,022,245	96,349	1.60

The Division is committed on improving production methods, implementing cutting-edge technologies and enhancing overall efficiency to ensure the sustainability of our business and meet the ever-changing demands of the market.

Power Generation

There has been a substantial increase in energy costs during the current half year as compared to the corresponding half of the last year. This can be attributed to the unprecedented rise in prices of furnace oil and coal, as well as a substantial hike in the subsidized rate of RLNG by the Government of Pakistan, which was USD 9 per mmbtu in the current half year as compared to USD 6.5 per mmbtu in first half of financial year 2021-22.

The government provided some relief to the textile sector and other export-oriented industries by announcing a supply of electricity at a rate of Rs. 19.99 per unit from October 1, 2022 to June 30, 2023. This decision somehow mitigated the impact of energy cost hike, but there is significant uncertainty surrounding the continuation of subsidized gas and electricity tariffs under the current economic circumstances.

The Company is keeping an eye on the evolving energy situation in Pakistan in order to develop strategies to manage these cost increases and maintain competitiveness of our textile products in the market.

Subsidiary Companies and Consolidated Financial Statements

Nishat Power Limited, Nishat Linen (Private) Limited, Nishat Hospitality (Private) Limited, Nishat Commodities (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 (HR&R) 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

20 February 2023
Lahore

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Nishat Mills Limited

Report on review of Unconsolidated Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of NISHAT MILLS LIMITED as at 31 December 2022 and the related unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity, and unconsolidated condensed interim statement of cash flows, and notes to the unconsolidated condensed interim financial statements for the half year then ended (here-in-after referred to as the "unconsolidated condensed interim financial statements"). Management is responsible for the preparation and presentation of these unconsolidated condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these unconsolidated condensed interim financial statements based on our review. The figures of the unconsolidated condensed interim statement of profit or loss and unconsolidated condensed interim statement of comprehensive income for the quarters ended 31 December 2022 and 31 December 2021 have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the half year ended 31 December 2022.

Scope of Review

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

Conclusion

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

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



RIAZ AHMAD & COMPANY

Chartered Accountants

Lahore

20 February 2023

UDIN: RR202210168j6UhEPxA3

Unconsolidated Condensed Interim
Financial Statements of

Nishat Mills Limited

For the half year ended 31 December 2022



Unconsolidated Condensed Interim Statement of Financial Position

As at 31 December 2022

	Note	Un-audited 31 December 2022 (Rupees in thousand)	Audited 30 June 2022
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
1,100,000,000 (30 June 2022 : 1,100,000,000) ordinary shares of Rupees 10 each		11,000,000	11,000,000
Issued, subscribed and paid-up share capital			
351,599,848 (30 June 2022 : 351,599,848) ordinary shares of Rupees 10 each		3,515,999	3,515,999
Reserves		80,470,753	75,684,944
Total equity		83,986,752	79,200,943
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing - secured Deferred liabilities	5	12,410,747 1,751,408 14,162,155	12,284,112 2,191,059 14,475,171
CURRENT LIABILITIES			
Trade and other payables Accrued mark-up Short term borrowings Current portion of non-current liabilities Unclaimed dividend Taxation - net	6	12,000,093 984,374 51,085,411 3,945,244 109,075 705,312 68,829,509	11,997,292 376,723 26,730,048 4,302,449 101,928 350,023 43,858,463
TOTAL LIABILITIES		82,991,664	58,333,634
CONTINGENCIES AND COMMITMENTS	7		
TOTAL EQUITY AND LIABILITIES		166,978,416	137,534,577

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



CHIEF EXECUTIVE OFFICER

	Note	Un-audited 31 December 2022 (Rupees in thousand)	Audited 30 June 2022
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	42,939,209	39,766,323
Investment properties		473,066	475,077
Long term investments		36,251,037	35,720,224
Long term loans		308,839	392,423
Long term deposits		221,044	177,196
		80,193,195	76,531,243
CURRENT ASSETS			
Stores, spare parts and loose tools		6,204,312	3,999,710
Stock-in-trade		36,176,965	31,826,616
Trade debts		11,713,806	10,366,408
Loans and advances		22,128,131	4,800,356
Short term deposits and prepayments		118,039	137,383
Other receivables		8,712,141	9,401,466
Accrued interest		343,682	379,668
Cash and bank balances		1,388,145	91,727
		86,785,221	61,003,334
TOTAL ASSETS		166,978,416	137,534,577



DIRECTOR



CHIEF FINANCIAL OFFICER

Unconsolidated Condensed Interim Statement of Profit or Loss


For the half year ended 31 December 2022 (Un-audited)

	Note	Half year ended		Quarter ended	
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
		(Rupees in thousand)			
REVENUE	9	67,507,201	52,891,961	33,170,614	28,500,078
COST OF SALES	10	(56,091,224)	(44,536,314)	(28,406,327)	(24,889,482)
GROSS PROFIT		11,415,977	8,355,647	4,764,287	3,610,596
DISTRIBUTION COST		(3,104,958)	(2,562,626)	(1,322,551)	(1,365,930)
ADMINISTRATIVE EXPENSES		(1,081,682)	(816,278)	(509,841)	(417,852)
OTHER EXPENSES		(326,377)	(331,045)	(127,417)	(139,354)
		(4,513,017)	(3,709,949)	(1,959,809)	(1,923,136)
		6,902,960	4,645,698	2,804,478	1,687,460
OTHER INCOME		4,758,521	2,544,171	3,245,453	1,550,900
PROFIT FROM OPERATIONS		11,661,481	7,189,869	6,049,931	3,238,360
FINANCE COST		(2,396,118)	(776,502)	(1,564,472)	(487,793)
PROFIT BEFORE TAXATION		9,265,363	6,413,367	4,485,459	2,750,567
TAXATION		(1,429,895)	(808,000)	(802,395)	(436,000)
PROFIT AFTER TAXATION		7,835,468	5,605,367	3,683,064	2,314,567
EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)	11	22.29	15.94	10.48	6.58

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

Unconsolidated Condensed Interim Statement of Comprehensive Income


For the half year ended 31 December 2022 (Un-audited)

	Half year ended		Quarter ended	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	(Rupees in thousand)			
PROFIT AFTER TAXATION	7,835,468	5,605,367	3,683,064	2,314,567
OTHER COMPREHENSIVE (LOSS) / INCOME				
Items that will not be reclassified to profit or loss:				
Deficit arising on remeasurement of investments at fair value through other comprehensive income	(2,075,260)	(6,723,864)	(1,556,352)	(1,562,582)
Deferred income tax relating to this item	432,000	170,773	378,631	152,169
	(1,643,260)	(6,553,091)	(1,177,721)	(1,410,413)
Items that may be reclassified subsequently to profit or loss	-	-	-	-
Other comprehensive loss for the period - net of tax	(1,643,260)	(6,553,091)	(1,177,721)	(1,410,413)
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD	6,192,208	(947,724)	2,505,343	904,154

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

Unconsolidated Condensed Interim Statement of Changes in Equity

For the half year ended 31 December 2022 (Un-audited)

	Reserves							Total	Total Equity
	Capital Reserves			Revenue Reserves					
	Premium on Issue of Right Shares	Fair Value Reserve FYTD/ Investments	Sub Total	General Reserve	Unappropriated Profit	Sub Total	Total		
Balance as at 30 June 2021 - (audited)	3,515,999	5,499,530	23,543,006	29,042,536	47,266,028	5,923,216	53,189,244	82,231,780	85,747,779
Transaction with owners - Final dividend for the year ended 30 June 2021 @ Rupees 4.00 per share	-	-	-	-	-	(1,406,399)	(1,406,399)	(1,406,399)	(1,406,399)
Transferred to general reserve	-	-	-	-	4,516,000	(4,516,000)	-	-	-
Profit for the period	-	-	-	-	-	5,605,367	5,605,367	5,605,367	5,605,367
Other comprehensive loss for the period	-	-	(6,553,091)	(6,553,091)	-	-	-	(6,553,091)	(6,553,091)
Total comprehensive loss for the period	-	-	(6,553,091)	(6,553,091)	-	5,605,367	5,605,367	(947,724)	(947,724)
Balance as at 31 December 2021 - (un-audited)	3,515,999	5,499,530	16,989,915	22,489,445	51,782,028	5,606,184	57,388,212	79,877,657	83,393,656
Profit for the period	-	-	-	-	-	4,706,307	4,706,307	4,706,307	4,706,307
Other comprehensive loss for the period	-	-	(8,899,020)	(8,899,020)	-	-	-	(8,899,020)	(8,899,020)
Total comprehensive loss for the period	-	-	(8,899,020)	(8,899,020)	-	4,706,307	4,706,307	(4,192,713)	(4,192,713)
Balance as at 30 June 2022 - (audited)	3,515,999	5,499,530	8,090,895	13,590,425	51,782,028	10,312,491	62,094,519	75,684,944	79,200,943
Transaction with owners - Final dividend for the year ended 30 June 2022 @ Rupees 4.00 per share	-	-	-	-	-	(1,406,399)	(1,406,399)	(1,406,399)	(1,406,399)
Transferred to general reserve	-	-	-	-	8,906,000	(8,906,000)	-	-	-
Profit for the period	-	-	-	-	-	7,835,468	7,835,468	7,835,468	7,835,468
Other comprehensive loss for the period	-	-	(1,643,260)	(1,643,260)	-	-	-	(1,643,260)	(1,643,260)
Total comprehensive income for the period	-	-	(1,643,260)	(1,643,260)	-	7,835,468	7,835,468	6,192,208	6,192,208
Balance as at 31 December 2022 - (un-audited)	3,515,999	5,499,530	6,447,635	11,947,165	60,688,028	7,835,560	68,523,588	80,470,753	83,986,752

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

Um Nisha

CHIEF EXECUTIVE OFFICER

Daud Ezzal

DIRECTOR

[Signature]

CHIEF FINANCIAL OFFICER

Unconsolidated Condensed Interim Statement of Cash Flows


For the half year ended 31 December 2022 (Un-audited)

	Note	Half year ended	
		31 December 2022	31 December 2021
(Rupees in thousand)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (used in) operations	12	2,033,922	(14,123,991)
Finance cost paid		(1,787,694)	(622,957)
Income tax paid		(1,074,606)	(727,123)
Net exchange difference on forward exchange contracts received		47,801	1,656
Net decrease in long term loans		91,616	27,077
Net increase in long term deposits		(43,848)	(53,429)
Net cash used in operating activities		(732,809)	(15,498,767)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(4,915,996)	(4,917,824)
Proceeds from sale of property, plant and equipment		51,409	69,188
Investments made		(2,145,886)	(817,418)
Loans and advances to subsidiary companies		(41,773,177)	(26,968,292)
Repayment of loans from subsidiary companies		24,486,224	24,145,031
Interest received		1,073,793	143,797
Dividends received		2,535,742	1,958,761
Net cash used in investing activities		(20,687,891)	(6,386,757)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		1,538,544	3,000,052
Repayment of long term financing		(1,777,537)	(1,433,685)
Short term borrowings - net		24,355,363	18,149,609
Dividend paid		(1,399,252)	(1,399,280)
Net cash from financing activities		22,717,118	18,316,696
Net increase / (decrease) in cash and cash equivalents		1,296,418	(3,568,828)
Cash and cash equivalents at the beginning of the period		91,727	5,272,345
Cash and cash equivalents at the end of the period		1,388,145	1,703,517

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

Selected Notes to the Unconsolidated Condensed Interim Financial Statements

For the half year ended 31 December 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 2022. These unconsolidated condensed interim financial statements are un-audited, however, have been subjected to limited scope review by the auditors and are being submitted to the shareholders as required by the Listed Companies (Code of Corporate Governance) Regulations, 2019 and Section 237 of the Companies Act, 2017.

3 ACCOUNTING POLICIES

The accounting policies and methods of computations adopted for the preparation of these unconsolidated condensed interim financial statements are the same as applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended 30 June 2022.

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 2022.

	Note	Un-audited 31 December 2022 (Rupees in thousand)	Audited 30 June 2022
5 LONG TERM FINANCING - SECURED			
Opening balance		15,320,725	14,576,825
Add: Obtained during the period / year		1,538,544	3,707,601
Less: Repaid during the period / year		(1,777,537)	(3,040,165)
Less: Deferred income recognised during the period / year		-	(5,406)
Add: Amortised during the period / year		17,688	81,870
Net impact	5.1	17,688	76,464
		15,099,420	15,320,725
Less: Current portion shown under current liabilities		(2,688,673)	(3,036,613)
		12,410,747	12,284,112

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.

	Note	Un-audited 31 December 2022 (Rupees in thousand)	Audited 30 June 2022
6 SHORT TERM BORROWINGS			
From banking companies - secured	6.1, 6.2 & 6.3	43,585,411	26,730,048
From others:			
Privately placed sukuks	6.4	7,500,000	-
		51,085,411	26,730,048

Selected Notes to the Unconsolidated Condensed Interim Financial Statements

For the half year ended 31 December 2022 (Un-audited)

- 6.1** These finances are obtained from banking companies under mark up arrangements and are secured against joint pari passu hypothecation charge on all present and future current assets, other instruments and ranking hypothecation charge on plant and machinery of the Company.
- 6.2** Short term borrowings include balance of Rupees 752.504 million (30 June 2022: Rupees 928.127 million) with MCB Bank Limited – associated company, which has been utilized for working capital requirements.
- 6.3** The rates of mark up range from 1.00% to 17.61% (30 June 2022: 1.00% to 15.31%) per annum during the year on the balance outstanding.
- 6.4** This represents privately placed, unsecured, non-convertible and shariah compliant short term sukuk having maturity period of 6 months and carrying profit at the rate of 3 months KIBOR plus 0.90% per annum. The effective rate of mark up charged during the period was 16.67% per annum.

7 CONTINGENCIES AND COMMITMENTS

a) Contingencies

- i)** Guarantees of Rupees 4,507.837 million (30 June 2022: Rupees 4,045.687 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, 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, Federal Board of Revenue (FBR) in pursuance of order of Lahore High Court, Lahore in the matter of super tax, Faisalabad Electric Supply Company Limited (FESCO) against installation of grid station 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 2022: Rupees 1,173.333 million), Rupees 41.600 million (30 June 2022: Rupees 41.600 million) and Rupees 1,750 million (30 June 2022: 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 15,830.622 million (30 June 2022: Rupees 13,356.688 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.

- iii) Post dated cheques of Rupees 122.180 million (30 June 2022: Rupees 122.180 million) are issued to Sui Northern Gas Pipeline Limited in pursuance of order of Lahore High Court, Lahore in the case of gas infrastructure development cess. Further, post dated cheques of Rupees 2.140 million (30 June 2022: Rupees 2.140 million) are issued to Lahore Electric Supply Company Limited in pursuance of order of Lahore High Court, Lahore in the case of income tax on electricity bills for the month of July 2021.

b) Commitments

- i) Contracts for capital expenditure are approximately of Rupees 4,416.056 million (30 June 2022: Rupees 2,277.395 million).
- ii) Letters of credit other than for capital expenditure are of Rupees 9,637.209 million (30 June 2022: Rupees 2,788.575 million).
- iii) Outstanding foreign currency forward contracts of Rupees 762.000 million (30 June 2022: Rupees 1,332.998 million).

	Note	Un-audited 31 December 2022 (Rupees in thousand)	Audited 30 June 2022
8 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	8.1	35,490,584	34,938,589
Capital work-in-progress	8.2	7,448,625	4,827,734
		42,939,209	39,766,323
8.1 Operating fixed assets			
Opening book value		34,938,589	29,713,681
Add: Cost of additions during the period / year	8.1.1	2,295,869	8,588,851
		37,234,458	38,302,532
Less: Book value of deletions during the period / year	8.1.2	(39,185)	(77,544)
		37,195,273	38,224,988
Less: Depreciation charged during the period / year		(1,704,689)	(3,286,399)
		35,490,584	34,938,589

Selected Notes to the Unconsolidated Condensed Interim Financial Statements

For the half year ended 31 December 2022 (Un-audited)

	Un-audited 31 December 2022	Audited 30 June 2022
	(Rupees in thousand)	
8.1.1 Cost of additions		
Freehold land	16,659	134,933
Buildings on freehold land	50,723	1,135,497
Plant and machinery	2,013,471	6,606,176
Electric installations	12,049	267,315
Factory equipment	7,293	67,796
Furniture, fixtures and office equipment	29,783	155,713
Computer equipment	18,271	27,115
Vehicles	147,620	194,306
	2,295,869	8,588,851
8.1.2 Book value of deletions		
Plant and machinery	8,973	41,358
Furniture, fixtures and office equipment	-	14
Computer equipment	234	529
Vehicles	29,978	35,643
	39,185	77,544
8.2 Capital work-in-progress		
Buildings on freehold land	2,988,939	1,657,183
Plant and machinery	4,201,735	2,969,867
Electric installations	156,064	92,502
Unallocated capital expenditures	36,388	10,762
Advances against purchase of freehold land	-	1,153
Advances against furniture, fixtures and office equipment	3,974	7,835
Advances against purchase of vehicles	61,525	88,432
	7,448,625	4,827,734

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							
	Half year ended		Quarter ended		Half year ended		Quarter ended		Half year ended		Quarter ended		Half year ended		Quarter ended					
	31-Dec-22	13,490,308	31-Dec-21	6,162,220	31-Dec-21	6,743,576	31-Dec-22	17,211,835	31-Dec-21	6,825,388	31-Dec-22	17,193,384	31-Dec-21	6,249,811	31-Dec-22	10,183,262	31-Dec-21	6,531,923		
Region																				
Europe	473,292	137,057	301,057	104,929	9,203,297	7,449,112	4,246,544	4,078,613	303,882	265,017	179,168	117,367	8,495,080	5,789,760	4,157,316	3,148,723				
America	584,416	176,462	140,548	99,909	663,727	281,312	341,497	145,649	8,253	1,161	6,911	-	1,560,144	1,914,014	767,474	926,717				
Asia, Africa, Australia	3,153,339	3,021,617	1,181,910	1,363,410	1,584,178	1,214,127	813,735	670,501	12,128,189	7,687,709	6,505,273	4,238,616	926,056	811,659	367,483	407,417				
Pakistan	9,299,261	9,914,476	4,538,705	5,175,928	5,760,633	3,499,202	3,123,958	1,930,625	4,753,060	2,849,702	2,403,624	1,893,828	2,192,415	1,667,829	1,199,650	689,302				
	13,490,308	13,249,612	6,162,220	6,743,576	17,211,835	12,443,753	8,527,734	6,825,388	17,193,384	10,803,589	9,094,976	6,249,811	13,173,697	10,183,262	6,531,923	5,182,159				
Timing of revenue recognition																				
Products and services transferred at a point in time	13,490,308	13,249,612	6,162,220	6,743,576	17,211,835	12,443,753	8,527,734	6,825,388	17,193,384	10,803,589	9,094,976	6,249,811	13,173,697	10,183,262	6,531,923	5,182,159				
Products and services transferred over time	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
	13,490,308	13,249,612	6,162,220	6,743,576	17,211,835	12,443,753	8,527,734	6,825,388	17,193,384	10,803,589	9,094,976	6,249,811	13,173,697	10,183,262	6,531,923	5,182,159				
Major products / service lines																				
Yarn	13,490,308	13,103,717	6,162,220	6,659,427	-	-	-	-	-	-	-	-	-	-	-	-	-			
Comber Noli	-	145,895	-	84,149	-	-	-	-	-	-	-	-	-	-	-	-	-			
Grey Cloth	-	-	-	-	17,211,835	12,443,753	8,527,734	6,825,388	-	-	-	-	-	-	-	-	-			
Processed Cloth	-	-	-	-	-	-	-	-	17,193,384	10,803,589	9,094,976	6,249,811	-	-	-	-	-			
Made Ups	-	-	-	-	-	-	-	-	-	-	-	-	10,919,207	8,738,845	5,044,354	4,367,759				
Garments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Towels and Bath Robe	-	-	-	-	-	-	-	-	-	-	-	-	2,254,480	1,424,417	1,467,569	794,400				
Electricity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
	13,490,308	13,249,612	6,162,220	6,743,576	17,211,835	12,443,753	8,527,734	6,825,388	17,193,384	10,803,589	9,094,976	6,249,811	13,173,697	10,183,262	6,531,923	5,182,159				

Continued on next page

Selected Notes to the Unconsolidated Condensed Interim Financial Statements

For the half year ended 31 December 2022 (Un-audited)

Description	(Rupees in thousand)									
	Garments		Power Generation			Total - Company				
	Half year ended 31-Dec-22	Quarter ended 31-Dec-22	Half year ended 31-Dec-22	Quarter ended 31-Dec-22	Half year ended 31-Dec-22	Quarter ended 31-Dec-22	Half year ended 31-Dec-21	Quarter ended 31-Dec-21	Half year ended 31-Dec-21	Quarter ended 31-Dec-21
Region										
Europe	2,047,489	2,578,913	687,423	1,117,460	-	-	20,523,050	16,219,559	9,573,508	8,567,082
America	4,050,110	3,169,893	1,998,584	2,213,566	-	-	6,846,650	5,542,842	3,274,994	3,386,131
Asia, Africa, Australia	83,697	338,957	28,319	116,097	-	-	17,875,461	13,074,089	8,916,720	6,796,041
Pakistan	196,451	77,843	119,993	30,976	60,220	46,139	22,262,040	18,055,191	11,405,392	9,750,814
	6,377,757	6,165,606	2,834,299	3,478,389	60,220	46,139	67,507,201	52,891,961	33,170,614	28,500,078
Timing of revenue recognition										
Products and services transferred at a point in time	6,377,757	6,165,606	2,834,299	3,478,389	60,220	46,139	67,507,201	52,891,961	33,170,614	28,500,078
Products and services transferred over time	-	-	-	-	-	-	-	-	-	-
	6,377,757	6,165,606	2,834,299	3,478,389	60,220	46,139	67,507,201	52,891,961	33,170,614	28,500,078
Major products / service lines										
Yarn	-	-	-	-	-	-	13,490,308	13,103,717	6,162,220	6,659,427
Comber Nool	-	-	-	-	-	-	-	145,895	-	84,149
Grey Cloth	-	-	-	-	-	-	17,211,835	12,443,753	8,527,734	6,825,388
Processed Cloth	-	-	-	-	-	-	17,193,384	10,803,589	9,094,976	6,249,811
Made Ups	-	-	-	-	-	-	10,919,207	8,758,845	5,044,354	4,387,759
Garments	6,377,757	6,165,606	2,834,299	3,478,389	-	-	6,377,757	6,165,606	2,834,299	3,478,389
Towels and Bath Robe	-	-	-	-	-	-	2,254,430	1,424,417	1,487,569	794,400
Electricity	-	-	-	-	60,220	46,139	60,220	46,139	19,462	20,755
	6,377,757	6,165,606	2,834,299	3,478,389	60,220	46,139	67,507,201	52,891,961	33,170,614	28,500,078

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

	Half year ended		Quarter ended	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
(Rupees in thousand)				
10 COST OF SALES				
Raw materials consumed	34,559,184	31,805,256	17,358,819	18,541,592
Processing charges	145,898	228,993	83,259	122,651
Salaries, wages and other benefits	5,592,136	4,408,362	2,836,352	2,259,427
Stores, spare parts and loose tools consumed	5,837,272	4,756,357	2,989,318	2,625,593
Packing materials consumed	1,272,183	1,132,118	655,863	613,896
Repair and maintenance	443,719	284,857	267,391	151,026
Fuel and power	8,867,883	4,450,892	4,179,727	2,403,184
Insurance	40,390	29,231	20,195	15,451
Other factory overheads	639,094	355,514	322,198	196,478
Depreciation	1,649,546	1,498,856	840,174	774,105
	59,047,305	48,950,436	29,553,296	27,703,403
Work-in-process:				
Opening stock	6,049,041	2,814,471	7,014,844	3,699,353
Closing stock	(7,237,140)	(4,071,056)	(7,237,140)	(4,071,056)
	(1,188,099)	(1,256,585)	(222,296)	(371,703)
Cost of goods manufactured	57,859,206	47,693,851	29,331,000	27,331,700
Finished goods:				
Opening stock	8,172,559	5,874,465	9,015,868	6,589,784
Closing stock	(9,940,541)	(9,032,002)	(9,940,541)	(9,032,002)
	(1,767,982)	(3,157,537)	(924,673)	(2,442,218)
	56,091,224	44,536,314	28,406,327	24,889,482

		Half year ended	
		31 December 2022	31 December 2021
11 EARNINGS PER SHARE - BASIC AND DILUTED			
There is no dilutive effect on the basic earnings per share which is based on:			
Profit attributable to ordinary shareholders	(Rupees in thousand)	7,835,468	5,605,367
Weighted average number of ordinary shares	(Numbers)	351,599,848	351,599,848
Earnings per share	(Rupees)	22.29	15.94

Selected Notes to the Unconsolidated Condensed Interim Financial Statements

For the half year ended 31 December 2022 (Un-audited)

	Note	Half year ended	
		31 December 2022	31 December 2021
		(Rupees in thousand)	
12 CASH GENERATED FROM / (USED IN) OPERATIONS			
Profit before taxation		9,265,363	6,413,367
Adjustments for non-cash charges and other items:			
Depreciation		1,705,936	1,545,027
Gain on sale of property, plant and equipment		(12,224)	(12,377)
Dividend income		(2,535,742)	(1,958,761)
Gain on initial recognition of ordinary shares transferred under Scheme of Compromises, Arrangement and Reconstruction amongst Nishat (Chunian) Limited and its members		(460,187)	-
Allowance for expected credit losses		1,675	402
Net exchange gain		(310,973)	(66,510)
Interest income on loan to subsidiary company		(1,037,807)	(173,342)
Finance cost		2,396,118	776,502
Reversal of provision for slow moving, obsolete and damaged store items		(34)	-
Working capital changes	12.1	(6,978,203)	(20,648,299)
		2,033,922	(14,123,991)
12.1 Working capital changes			
(Increase) / decrease in current assets:			
- Stores, spare parts and loose tools		(2,204,568)	(948,641)
- Stock in trade		(4,350,349)	(15,622,920)
- Trade debts		(1,025,618)	(3,405,687)
- Loans and advances		(48,854)	(75,264)
- Short term deposits and prepayments		19,344	4,228
- Other receivables		640,663	(1,687,204)
		(6,969,382)	(21,735,488)
(Decrease) / increase in trade and other payables		(8,821)	1,087,189
		(6,978,203)	(20,648,299)

13 SEGMENT INFORMATION

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

Spinning:	Producing different qualities of yarn including dyed yarn and sewing thread using natural and artificial fibers
Weaving:	Producing different qualities of greige fabric using yarn.
Dyeing:	Producing dyed fabric using different qualities of greige fabric.
Home Textile and Terry:	Manufacturing of home textile articles using processed fabric produced from greige fabric and manufacturing of terry and bath products.
Garments:	Manufacturing of garments using processed fabric.
Power Generation:	Generation and distribution of power using gas, oil, steam, coal, solar and biomass.

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

Selected Notes to the Unconsolidated Condensed Interim Financial Statements

For the half year ended 31 December 2022 (Un-audited)

	Spinning		Weaving		Dyeing		Home Textile and Terry		Garments		Power Generation		Elimination of inter-segment transactions		Total - Company	
	Un-audited 31 Dec 2022	Audited 31 Dec 2021	Un-audited 31 Dec 2022	Audited 31 Dec 2021	Un-audited 31 Dec 2022	Audited 31 Dec 2021	Un-audited 31 Dec 2022	Audited 31 Dec 2021	Un-audited 31 Dec 2022	Audited 31 Dec 2021	Un-audited 31 Dec 2022	Audited 31 Dec 2021	Un-audited 31 Dec 2022	Audited 31 Dec 2021	Un-audited 31 Dec 2022	Audited 31 Dec 2021
Revenue	13,460,308	13,249,612	17,211,835	12,443,753	17,193,384	10,803,589	13,173,897	10,193,262	6,377,757	6,165,866	60,220	46,139	-	-	67,507,201	52,891,961
External Intersgment	6,610,053	4,306,074	11,302,805	8,005,054	1,500,229	692,337	261,806	202,169	1,169	131	8,916,602	4,686,712	(28,594,664)	(18,495,477)	-	-
Cost of sales	20,100,381	18,158,686	28,514,640	20,448,807	18,693,613	11,495,926	13,435,603	10,385,431	6,378,926	6,165,737	8,976,822	4,732,851	(28,594,664)	(18,495,477)	67,507,201	52,891,961
Gross profit	(1,890,316)	2,403,616	3,484,754	2,429,860	3,635,601	1,416,330	1,400,041	1,077,072	987,363	999,541	17,902	29,228	18,495,477	18,495,477	(56,091,224)	(44,536,314)
Distribution cost	(370,675)	(270,506)	(978,836)	(733,902)	(682,577)	(512,268)	(786,290)	(643,386)	(408,390)	(401,354)	-	-	-	-	(3,104,959)	(2,562,656)
Administrative expenses	(272,050)	(220,474)	(237,204)	(176,219)	(146,308)	(108,937)	(222,469)	(179,823)	(164,071)	(101,892)	(37,536)	(28,933)	-	-	(1,081,682)	(816,278)
Profit / (loss) before taxation and unallocated income and expenses	(642,970)	(490,980)	(1,116,040)	(910,121)	(830,885)	(621,205)	(988,749)	(823,819)	(570,461)	(503,846)	(37,535)	(28,933)	-	-	(4,186,640)	(3,378,904)
Income and expenses	1,247,346	1,912,638	2,365,714	1,519,739	2,804,716	796,125	411,292	283,253	416,902	495,895	(19,653)	296	-	-	7,229,337	4,976,743
Unallocated income and expenses:																
Other expenses															(326,377)	(331,045)
Other income															4,756,521	2,544,171
Finance cost															(2,396,118)	(776,502)
Taxation															(1,429,895)	(806,000)
Profit after taxation															7,835,468	5,805,367

13.3 Reconciliation of reportable segment assets and liabilities

	Spinning		Weaving		Dyeing		Home Textile and Terry		Garments		Power Generation		Elimination of inter-segment transactions		Total - Company	
	Un-audited 31 Dec 2022	Audited 30 Jun 2022	Un-audited 31 Dec 2022	Audited 30 Jun 2022	Un-audited 31 Dec 2022	Audited 30 Jun 2022	Un-audited 31 Dec 2022	Audited 30 Jun 2022	Un-audited 31 Dec 2022	Audited 30 Jun 2022	Un-audited 31 Dec 2022	Audited 30 Jun 2022	Un-audited 31 Dec 2022	Audited 30 Jun 2022	Un-audited 31 Dec 2022	Audited 30 Jun 2022
Total assets for reportable segments	27,853,121	25,386,936	13,984,643	13,430,058	15,569,346	13,430,058	16,471,284	10,411,293	9,529,041	11,147,440	8,061,122	98,007,882	86,871,084			
Unallocated assets:																
Long term investments												36,251,037	35,720,224			
Other receivables												8,712,141	9,401,466			
Cash and bank balances												1,388,145	91,727			
Other corporate assets												22,619,211	5,450,076			
Total assets as per unconsolidated condensed interim statement of financial position												166,978,416	137,534,577			
Total liabilities for reportable segments	2,084,751	2,306,434	2,297,202	1,933,567	1,563,513	1,402,605	1,185,424	1,505,588	1,157,140	1,153,996	1,848,412	10,136,442	10,222,971			
Unallocated liabilities:																
Deferred liabilities																
Other corporate liabilities																
Total liabilities as per unconsolidated condensed interim statement of financial position												1,175,148	2,191,059			
												71,103,814	45,919,604			
												82,991,664	58,333,634			

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

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

**Recurring fair value measurements
At 31 December 2022 - Un-audited****Level 1****Level 2****Level 3****Total****(Rupees in thousand)**

	Level 1	Level 2	Level 3	Total
Financial assets				
Fair value through other comprehensive income	24,026,206	-	6,612,829	30,639,035
Derivative financial assets	-	8,856	-	8,856
Total financial assets	24,026,206	8,856	6,612,829	30,647,891
Financial liabilities				
Derivative financial liabilities	-	21,216	-	21,216
Total financial liabilities	-	21,216	-	21,216

**Recurring fair value measurements
At 30 June 2022 - Audited****Level 1****Level 2****Level 3****Total****(Rupees in thousand)**

	Level 1	Level 2	Level 3	Total
Financial assets				
Fair value through other comprehensive income	24,271,003	-	6,917,218	31,188,221
Derivative financial assets	-	57,518	-	57,518
Total financial assets	24,271,003	57,518	6,917,218	31,245,739
Financial liabilities				
Derivative financial liabilities	-	9,595	-	9,595
Total financial liabilities	-	9,595	-	9,595

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

There were no transfers between levels 1 and 2 for recurring fair value measurements during the half year ended 31 December 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 trading and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which 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.

Selected Notes to the Unconsolidated Condensed Interim Financial Statements

For the half year ended 31 December 2022 (Un-audited)

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 2022 and for the period ended 31 December 2022:

		Unlisted equity securities (Rupees in thousand)
Balance as on 30 June 2021 - Audited		7,603,461
Add: Investment made during the period		766,085
Less : Deficit recognized in other comprehensive income		(709,553)
Balance as on 31 December 2021 - Un-audited		7,659,993
Add: Investment made during the period		510,164
Less : Deficit recognized in other comprehensive income		(1,252,939)
Balance as on 30 June 2022 - Audited		6,917,218
Add: Investment made during the period		238,825
Less: Deficit recognized in other comprehensive income		(543,214)
Balance as on 31 December 2022 - Un-audited		6,612,829

iv) Valuation inputs and relationships to fair value

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

Description	Fair value at		Unobservable inputs	Range of inputs (probability-weighted average)	Relationship of unobservable inputs to fair value
	Un-Audited	Audited			
	31 December 2022	30 June 2022			
(Rupees in thousand)					

Fair value through other comprehensive income

Nishat Paper Products Company Limited	427,673	621,034	Terminal growth factor	2.00%	Increase / decrease in terminal growth factor by 1% and decrease / increase in discount rate by 1% would increase / decrease fair value by Rupees +132.165 million / - 103.312 million.
			Risk adjusted discount rate	18.12%	
Nishat Dairy (Private) Limited	429,600	485,400	Terminal growth factor	2.00%	Increase / decrease in terminal growth factor by 1% and decrease / increase in discount rate by 1% would increase / decrease fair value by Rupees +46.800 million / -38.400 million.
			Risk adjusted discount rate	20.07%	
Security General Insurance Company Limited	334,194	372,235	Terminal growth factor	2.00%	Increase / decrease in terminal growth factor by 1% and decrease / increase in discount rate by 1% would increase / decrease fair value by Rupees +30.576 million / -24.440 million.
			Risk adjusted discount rate	18.42%	
Nishat Hotels and Properties Limited	1,315,387	1,364,983	Terminal growth factor	2.00%	Increase / decrease in terminal growth factor by 1% and decrease / increase in discount rate by 1% would increase / decrease fair value by Rupees + 273.884 million / - 204.303 million.
			Risk adjusted discount rate	15.08%	
Hyundai Nishat Motor (Private) Limited	3,335,997	2,863,267	Terminal growth factor	2.00%	Increase / decrease in terminal growth factor by 1% and decrease / increase in discount rate by 1% would increase / decrease fair value by Rupees + 392.918 million / - 321.939 million.
			Risk adjusted discount rate	21.64%	
Nishat Sutas Diary Limited	769,978	1,210,299	Terminal growth factor	2.00%	Increase / decrease in terminal growth factor by 1% and decrease / increase in discount rate by 1% would increase / decrease fair value by Rupees + 310.475 million / - 235.961 million.
			Risk adjusted discount rate	15.60%	

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

Valuation processes

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

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.

15 TRANSACTIONS WITH RELATED PARTIES

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

i) Transactions

	Half year ended		Quarter ended	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	(Rupees in thousand)			
Subsidiary companies				
Dividend income	866,654	351,975	866,654	351,975
Short term loans made	41,773,177	26,968,292	21,971,893	13,649,698
Repayment of short term loans made	24,486,224	24,145,031	12,559,059	13,797,899
Interest income	1,037,807	173,342	778,726	118,154
Rental income	45,356	41,352	22,878	20,805
Sale of goods and services	6,000,663	3,884,305	3,034,214	2,268,250
Purchase of goods and services	292,702	271,540	121,896	178,056
Associated companies				
Investment made	2,145,886	776,085	2,016,886	418,860
Purchase of goods and services	11,475	111,181	8,221	64,404
Sale of goods and services	12,125	25,959	2,188	2,388
Purchase of operating fixed assets	54,297	33,335	15,931	17,276
Rental income	3,673	3,435	1,837	1,704
Dividend income	1,279,830	1,440,727	589,285	1,000,651
Dividend paid	123,372	123,047	123,372	123,047
Insurance premium paid	131,592	86,053	78,607	55,685
Insurance claims received	39,285	27,575	23,861	16,557
Interest income	7,460	65,247	1,239	817
Finance cost	26,150	7,072	17,478	5,318
Other related parties				
Dividend income	386,133	163,447	130,757	163,447
Gain on initial recognition of ordinary shares transferred under Scheme of Compromises, Arrangement and Reconstruction amongst Nishat (Chunian) Limited and its members	460,187	-	460,187	-
Purchase of goods and services	2,737,180	2,573,518	1,583,728	1,524,972
Sale of goods and services	122,372	146,963	46,832	99,938
Company's contribution to provident fund trust	211,073	159,732	106,987	80,308
Remuneration paid to Chief Executive Officer and Executives	1,024,874	727,260	429,017	342,961
Dividend paid	354,670	354,670	354,670	354,670

Selected Notes to the Unconsolidated Condensed Interim Financial Statements

For the half year ended 31 December 2022 (Un-audited)

ii) Period end balances

	As at 31 December 2022			Total
	Subsidiary companies	Associated companies	Other related parties	
	(Rupees in thousand)			
Trade and other payables	27,999	34,431	262,592	325,022
Accrued markup	-	16,917	-	16,917
Short term borrowings	-	752,504	-	752,504
Advance for purchase of vehicles	-	7,104	-	7,104
Long term loans	-	-	231,605	231,605
Trade debts	631,433	165	-	631,598
Loans and advances	21,651,131	-	95,769	21,746,900
Accrued interest	338,893	-	-	338,893
Cash and bank balances	-	2,398	628	3,026

	As at 30 June 2022 (Audited)			Total
	Subsidiary companies	Associated companies	Other related parties	
	(Rupees in thousand)			
Trade and other payables	173,160	69,985	84,092	327,237
Accrued markup	-	6,044	-	6,044
Short term borrowings	-	928,127	-	928,127
Advance for purchase of vehicles	-	6,414	-	6,414
Long term loans	-	-	267,024	267,024
Trade debts	480,753	1,659	-	482,412
Loans and advances	4,364,178	44	85,035	4,449,257
Accrued interest	379,668	-	-	379,668
Cash and bank balances	-	5,707	166	5,873

16 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 2022.

17 DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were approved by the Board of Directors and authorized for issue on 20 February 2023.

18 DISCLOSURES BY COMPANY LISTED ON ISLAMIC INDEX

Description	Un-audited	Audited
	31 December 2022 (Rupees in thousand)	30 June 2022 (Rupees in thousand)
Loans / advances obtained as per Islamic mode:		
Loans	14,788,511	7,394,470
Advances	615,618	944,335
Shariah compliant bank deposits / bank balances		
Bank balances	180,002	23,285
	Half year ended	
	31 December 2022 (Rupees in thousand)	31 December 2021 (Rupees in thousand)
Profit earned from shariah compliant bank deposits / bank balances		
Profit on deposits with banks	-	-
Revenue earned from shariah compliant business	67,507,201	52,891,961
Gain / (loss) or dividend earned from shariah compliant investments		
Dividend income	728,819	138,774
Unrealized loss on remeasurement of investments at FVTOCI	(2,276,587)	(4,817,020)
Exchange gain earned	106,590	66,510
Mark-up paid on Islamic mode of financing	180,430	80,510
Profits earned or interest paid on any conventional loans / advances		
Profit earned on loan to subsidiary company	1,037,807	173,342
Interest paid on loans	1,288,300	408,037
Profit earned on deposits with banks	54,422	65,776
Interest income on loans to employees	2,787	4,701

Relationship with shariah compliant banks

Name	Relationship
Habib Bank Limited - 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 borrowings and long term financing
The Bank of Punjab (Taqwa Islamic Banking)	Bank balance and short term borrowings

Selected Notes to the Unconsolidated Condensed Interim Financial Statements

For the half year ended 31 December 2022 (Un-audited)

19 CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting", the unconsolidated condensed interim 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.

20 GENERAL

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

Consolidated Condensed Interim
Financial Statements of

**Nishat Mills Limited
and its Subsidiaries**

For the half year ended 31 December 2022



Consolidated Condensed Interim Statement of Financial Position

As at 31 December 2022

	Note	Un-audited 31 December 2022 (Rupees in thousand)	Audited 30 June 2022
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
1,100,000,000 (30 June 2022: 1,100,000,000) ordinary shares of Rupees 10 each		11,000,000	11,000,000
Issued, subscribed and paid-up share capital			
351,599,848 (30 June 2022: 351,599,848) ordinary shares of Rupees 10 each		3,515,999	3,515,999
Reserves		114,566,718	109,678,786
Equity attributable to equity holders of the Holding Company		118,082,717	113,194,785
Non-controlling interest		13,983,458	13,762,616
Total equity		132,066,175	126,957,401
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing - secured	6	12,428,907	12,304,450
Lease liabilities		1,619,115	1,858,072
Long term security deposits		268,610	258,410
Retirement benefit obligation		45,769	35,747
Deferred liabilities		3,980,041	4,339,086
		18,342,442	18,795,765
CURRENT LIABILITIES			
Trade and other payables		15,329,545	14,820,644
Accrued mark-up		1,016,331	460,206
Short term borrowings	7	52,424,833	31,692,994
Current portion of non-current liabilities		4,700,317	5,175,398
Unclaimed dividend		130,711	122,072
Taxation - net		250,560	-
		73,852,297	52,271,314
TOTAL LIABILITIES		92,194,739	71,067,079
CONTINGENCIES AND COMMITMENTS	8		
TOTAL EQUITY AND LIABILITIES		224,260,914	198,024,480

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



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	Note	Un-audited 31 December 2022 (Rupees in thousand)	Audited 30 June 2022
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	9	54,267,168	51,047,970
Right-of-use assets		1,946,585	2,196,882
Long term investments		53,977,226	52,382,499
Long term loans		392,331	471,140
Long term deposits		379,328	310,461
		110,962,638	106,408,952
CURRENT ASSETS			
Stores, spare parts and loose tools		7,197,920	4,961,761
Stock-in-trade		60,855,611	43,167,440
Trade debts		29,515,885	23,326,877
Loans and advances		875,830	1,319,242
Taxation - net		-	175,731
Short term deposits and prepayments		352,771	352,165
Other receivables		11,084,985	10,815,393
Accrued interest		17,302	4,394
Short term investments		37,110	5,733,709
Cash and bank balances		3,360,862	1,758,816
		113,298,276	91,615,528
TOTAL ASSETS		224,260,914	198,024,480

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DIRECTOR



CHIEF FINANCIAL OFFICER

Consolidated Condensed Interim Statement of Profit or Loss

For the half year ended 31 December 2022 (Un-audited)

	Note	Half year ended		Quarter ended	
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
		(Rupees in thousand)			
REVENUE	10	94,041,807	75,932,198	41,933,921	39,987,780
COST OF SALES	11	(77,638,802)	(61,578,416)	(34,330,834)	(33,025,490)
GROSS PROFIT		16,403,005	14,353,782	7,603,087	6,962,290
DISTRIBUTION COST		(5,187,103)	(4,290,097)	(2,410,808)	(2,277,363)
ADMINISTRATIVE EXPENSES		(1,686,444)	(1,274,834)	(821,200)	(657,437)
OTHER EXPENSES		(395,037)	(407,623)	(126,412)	(185,790)
		(7,268,584)	(5,972,554)	(3,358,420)	(3,120,590)
		9,134,421	8,381,228	4,244,667	3,841,700
OTHER INCOME		2,423,594	1,436,918	1,483,032	472,852
PROFIT FROM OPERATIONS		11,558,015	9,818,146	5,727,699	4,314,552
FINANCE COST		(2,632,000)	(1,068,676)	(1,682,501)	(654,846)
		8,926,015	8,749,470	4,045,198	3,659,706
SHARE OF PROFIT FROM ASSOCIATES		1,111,025	670,246	807,183	659,638
PROFIT BEFORE TAXATION		10,037,040	9,419,716	4,852,381	4,319,344
TAXATION		(1,536,265)	(1,308,624)	(896,762)	(844,404)
PROFIT AFTER TAXATION		8,500,775	8,111,092	3,955,619	3,474,940
SHARE OF PROFIT ATTRIBUTABLE TO:					
EQUITY HOLDERS OF HOLDING COMPANY		7,499,383	7,297,175	3,416,688	3,109,314
NON-CONTROLLING INTEREST		1,001,392	813,917	538,931	365,626
		8,500,775	8,111,092	3,955,619	3,474,940
EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)	12	21.33	20.75	9.72	8.84

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



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Consolidated Condensed Interim Statement of Comprehensive Income

For the half year ended 31 December 2022 (Un-audited)

	Half year ended		Quarter ended	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	(Rupees in thousand)			
PROFIT AFTER TAXATION	8,500,775	8,111,092	3,955,619	3,474,940
OTHER COMPREHENSIVE INCOME / (LOSS)				
Items that will not be reclassified to profit or loss:				
Remeasurement of retirement benefits of associates - net of tax	8,272	-	8,272	-
(Deficit) / Surplus arising on remeasurement of investments at fair value through other comprehensive income	(1,477,881)	(724,073)	(1,214,728)	113,704
Share of (deficit) / surplus on remeasurement of investments at fair value through other comprehensive income of associates - net of tax	(165,225)	(132,745)	16,305	246,117
Deferred income tax relating to investments at fair value through other comprehensive income	243,803	16,445	200,387	(2,159)
	(1,391,031)	(840,373)	(989,764)	357,662
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	185,979	69,520	102,439	11,930
Other comprehensive (loss) / income for the period- net of tax	(1,205,052)	(770,853)	(887,325)	369,592
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	7,295,723	7,340,239	3,068,294	3,844,532
SHARE OF TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Equity holders of holding company	6,294,331	6,526,322	2,529,363	3,478,906
Non-controlling interest	1,001,392	813,917	538,931	365,626
	7,295,723	7,340,239	3,068,294	3,844,532

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



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Consolidated Condensed Interim Statement of Changes in Equity

For the half year ended 31 December 2022 (Un-audited)

Attributable to Equity Holders of the Holding Company														
Share Capital	Premium on Issue of Right Shares	Fair Value Reserve FVOCI Investments	Exchange Translation Reserve	Capital Reserves		Capital Redemption Reserve Fund	Maintenance Reserve	Sub Total	General Reserve	Revenue Reserves		Non-controlling Interest	Total Equity	
				Satutory Reserve	Reserve					Unappropriated Profit	Sub Total			Total Reserves
3,515,999	5,499,530	9,020,528	186,757	4,182	111,002	1,608,668	16,430,667	76,653,214	11,930,950	87,994,064	104,414,731	107,930,730	12,741,966	120,672,696
-	-	-	-	-	-	-	-	-	(1,406,399)	(1,406,399)	(1,406,399)	(1,406,399)	-	(1,406,399)
-	-	-	-	-	-	-	-	-	-	-	(2,113)	-	(260,184)	(660,184)
-	-	-	-	-	-	-	-	10,524,000	(2,113)	(2,113)	-	-	-	-
-	-	-	-	-	-	-	-	-	7,297,175	7,297,175	7,297,175	7,297,175	813,917	8,111,092
-	-	(640,373)	69,520	-	-	-	(770,853)	-	-	(770,853)	(770,853)	(770,853)	-	(770,853)
-	-	(640,373)	69,520	-	-	-	(770,853)	-	7,297,175	6,526,322	6,526,322	6,526,322	813,917	7,340,239
3,515,999	5,499,530	8,180,155	256,277	6,295	111,002	1,608,668	15,661,927	86,577,214	7,295,513	93,872,727	109,534,654	113,050,653	13,295,699	126,346,352
-	-	-	-	-	-	-	-	-	-	-	-	-	(346,911)	(346,911)
-	-	-	-	-	-	-	4,751	(4,751)	-	-	-	-	-	-
-	-	(4,938,887)	94,684	-	-	-	(4,844,203)	-	5,007,608	5,007,608	5,007,608	5,007,608	813,828	5,821,436
-	-	(4,938,887)	94,684	-	-	-	(4,844,203)	-	(19,273)	(19,273)	(4,863,476)	(4,863,476)	-	(4,863,476)
3,515,999	5,499,530	3,241,268	350,961	11,046	111,002	1,608,668	10,822,475	86,577,214	12,279,097	98,856,311	109,678,786	113,194,785	13,762,616	126,957,401
-	-	-	-	-	-	-	-	-	-	-	-	-	(780,550)	(780,550)
-	-	-	-	-	-	-	-	-	(1,406,399)	(1,406,399)	(1,406,399)	(1,406,399)	-	(1,406,399)
-	-	-	-	-	-	-	(92,101)	92,101	92,101	92,101	-	-	-	-
-	-	-	-	-	-	-	-	10,872,000	(10,872,000)	-	-	-	-	-
-	-	-	-	-	-	-	-	-	7,499,383	7,499,383	7,499,383	7,499,383	1,001,392	8,500,775
-	-	(1,399,303)	165,979	-	-	-	(1,213,324)	-	8,272	8,272	(1,205,052)	(1,205,052)	-	(1,205,052)
-	-	(1,399,303)	165,979	-	-	-	(1,213,324)	-	7,507,655	7,507,655	6,294,331	6,294,331	1,001,392	7,295,723
3,515,999	5,499,530	1,841,965	536,940	11,046	111,002	1,516,667	9,517,050	97,449,214	7,600,454	105,049,668	114,566,718	118,082,717	13,983,458	132,066,175

Balance as at 30 June 2021 - (Audited)

Transaction with owners - Final dividend for the year

ended 30 June 2021 @ Rupees 4.00 per share

Transaction with owners - Dividend relating to year

2021 paid to non-controlling interest

Transferred to statutory reserve

Transferred to general reserve

Profit for the period

Other comprehensive income / (loss) for the period

Total comprehensive income / (loss) for the period

Balance as at 31 December 2021 - (Un-Audited)

Transaction with owners - Dividend relating to year 2021

paid to non-controlling interest

Transferred to statutory reserve

Profit for the period

Other comprehensive (loss) / income for the period

Total comprehensive (loss) / income for the period

Balance as at 30 June 2022 - (Audited)

Transaction with owners - Dividend relating to year 2022

paid to non-controlling interest

Transaction with owners - Final dividend for the year

ended 30 June 2022 @ Rupees 4.00 per share

Transfer of maintenance reserve

Transferred to general reserve

Profit for the period

Other comprehensive income / (loss) for the period

Total comprehensive income / (loss) for the period

Balance as at 31 December 2022 - (Un-audited)

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

Umm Masha

CHIEF EXECUTIVE OFFICER

Daud Dagal

DIRECTOR



CHIEF FINANCIAL OFFICER

Consolidated Condensed Interim Statement of Cash Flows

For the half year ended 31 December 2022 (Un-audited)

	Note	Half year ended	
		31 December 2022	31 December 2021
(Rupees in thousand)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations	13	(12,955,769)	(17,092,166)
Finance cost paid		(2,075,102)	(897,583)
Income tax paid		(1,217,187)	(890,414)
Long term security deposits received / (paid)		10,200	(19,718)
Net exchange difference on forward exchange contracts received		47,801	1,656
Net increase in retirement benefit obligation		9,645	5,513
Net decrease in long term loans		84,428	26,815
Net increase in long term deposits		(68,867)	(58,135)
Net cash used in operating activities		(16,164,851)	(18,924,032)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(5,559,253)	(5,163,660)
Proceeds from sale of property, plant and equipment		59,112	113,395
Dividends received		1,669,087	1,606,786
Loans and advances to associated company		(20,000)	(76,300)
Interest received		88,305	81,623
Proceeds from sale of short term investments		5,662,639	-
Investments made		(2,182,396)	(817,418)
Net cash used in investing activities		(282,506)	(4,255,574)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		1,539,419	3,027,820
Repayment of long term financing		(1,909,472)	(1,562,953)
Repayment of lease liabilities		(320,052)	(352,053)
Exchange differences on translation of net investments in foreign subsidiaries		185,979	69,520
Short term borrowings - net		20,731,839	19,892,552
Dividend paid		(2,178,310)	(1,658,509)
Net cash from financing activities		18,049,403	19,416,377
Net increase / (decrease) in cash and cash equivalents		1,602,046	(3,763,229)
Cash and cash equivalents at the beginning of the period		1,758,816	6,397,998
Cash and cash equivalents at the end of the period		3,360,862	2,634,769

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

Selected Notes to the Consolidated Condensed Interim Financial Statements

For the half year ended 31 December 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

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 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 2022: 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 09 June 2010. On 12 February 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 8 June 2021 was extended by sixty eight (68) days to 15 August 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 15 August 2035.

NISHAT LINEN (PRIVATE) LIMITED

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

NISHAT HOSPITALITY (PRIVATE) LIMITED

Nishat Hospitality (Private) Limited, a wholly owned subsidiary of Nishat Mills Limited, is a private limited company incorporated in Pakistan under the repealed Companies Ordinance, 1984 (Now Companies Act, 2017) on 01 July 2011. The registered office of Nishat Hospitality (Private) Limited is situated at 1-B Aziz Avenue, Canal Bank, Gulberg-V, Lahore. The principal business place of the Company is situated at 9-A, Mian Mehmood Ali Kasuri Road, Gulberg-III, Lahore. The principal activity of the Company is to carry on the business of hotels, cafes, restaurants and lodging or apartment houses, bakers and confectioners in Pakistan and outside Pakistan.

NISHAT USA, INC.

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

NISHAT LINEN TRADING LLC

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

NISHAT INTERNATIONAL FZE

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

Selected Notes to the Consolidated Condensed Interim Financial Statements

For the half year ended 31 December 2022 (Un-audited)

CHINA GUANGZHOU NISHAT GLOBAL CO., LTD.

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

NISHAT COMMODITIES (PRIVATE) LIMITED

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

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 2022.

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 2022.

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 that control ceases.

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

Intragroup balances and transactions have been eliminated.

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

b) Associates

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

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

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

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

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

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

Selected Notes to the Consolidated Condensed Interim Financial Statements

For the half year ended 31 December 2022 (Un-audited)

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 2022.

	Note	Un-audited 31 December 2022 (Rupees in thousand)	Audited 30 June 2022
6 LONG TERM FINANCING - SECURED			
Opening balance		15,473,631	14,948,301
Add: Obtained during the period / year		1,539,419	3,734,958
Less: Repaid during the period / year		(1,909,472)	(3,300,234)
Less: Deferred income recognized during the period / year		-	(5,406)
Add: Amortized during the period / year		20,132	96,012
Net impact	6.1	20,132	90,606
		15,123,710	15,473,631
Less: Current portion shown under current liabilities		(2,694,803)	(3,169,181)
		12,428,907	12,304,450

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.

	Note	Un-audited 31 December 2022 (Rupees in thousand)	Audited 30 June 2022
7 SHORT TERM BORROWINGS			
Nishat Mills Limited - Holding Company			
From banking companies - secured	7.1, 7.2 & 7.3	43,585,411	26,730,048
From others:			
Privately placed sukuks	7.4	7,500,000	-
		51,085,411	26,730,048
Nishat Power Limited - Subsidiary Company			
From banking companies - secured	7.5	844,422	4,487,946
Nishat Linen (Private) Limited - Subsidiary Company			
Other short term finances	7.6	495,000	475,000
		52,424,833	31,692,994

- 7.1** These finances are obtained from banking companies under mark up arrangements and are secured against joint pari passu hypothecation charge on all present and future current assets, other instruments and ranking hypothecation charge on plant and machinery of the Holding Company.
- 7.2** Short term borrowings include balance of Rupees 752.504 million (30 June 2022: Rupees 928.127 million) with MCB Bank Limited – associated company, which has been utilized for working capital requirements.
- 7.3** The rates of mark up range from 1.00% to 17.61% (30 June 2022: 1.00% to 15.31%) per annum during the year on the balance outstanding.
- 7.4** This represents privately placed, unsecured, non-convertible and shariah compliant short term sukuk of the Holding Company having maturity period of 6 months and carrying profit at the rate of 3 months KIBOR plus 0.90% per annum. The effective rate of mark up charged during the period was 16.67% per annum.
- 7.5** These finances are obtained from banking companies under markup arrangements and are secured against charge on present and future current assets of Nishat Power Limited - Subsidiary Company. The mark-up rate charged during the year on the outstanding balance ranged from 14.41% to 17.08% (30 June 2022: 7.54% to 15.52%) per annum.
- 7.6** This finance is obtained under mark up arrangement and is secured against first pari passu hypothecation charge over all present and future current assets of Nishat Linen (Private) Limited - Subsidiary Company and corporate guarantee from Nishat Mills Limited - Holding Company. The rate of mark up ranges from 16.41% to 17.02% (30 June 2022: 8.70% to 13.90%) per annum during the year on the balance outstanding.

8 CONTINGENCIES AND COMMITMENTS

a) Contingencies

- i)** Guarantees of Rupees 4,507.837 million (30 June 2022: Rupees 4,045.687 million) are given by the banks of 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, 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, Federal Board of Revenue (FBR) in pursuance of order of Lahore High Court, Lahore in the matter of super tax, Faisalabad Electric Supply Company Limited (FESCO) against installation of grid station and to the bank of Hyundai Nishat Motor (Private) Limited (associated company) to secure financial assistance to the associated company. Further, the Holding Company has issued cross corporate guarantees of Rupees 1,173.333 million (30 June 2022: Rupees 1,173.333 million), Rupees 41.600 million (30 June 2022: Rupees 41.600 million) and Rupees 1,750 million (30 June 2022: 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 Consolidated Condensed Interim Financial Statements

For the half year ended 31 December 2022 (Un-audited)

- ii) Post dated cheques of Rupees 15,830.622 million (30 June 2022: Rupees 13,356.688 million) are issued by the 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) Post dated cheques of Rupees 122.180 million (30 June 2022: Rupees 122.180 million) are issued by the Holding Company to Sui Northern Gas Pipeline Limited in pursuance of order of Lahore High Court, Lahore in the case of gas infrastructure development cess. Further, post dated cheques of Rupees 2.140 million (30 June 2022: Rupees 2.140 million) are issued by the Holding Company to Lahore Electric Supply Company Limited in pursuance of order of Lahore High Court, Lahore in the case of income tax on electricity bills for the month of July 2021.
- iv) The Holding Company's share in contingencies of associates accounted for under equity method is Rupees 8,439.648 million (30 June 2022: Rupees 10,446.560 million).
- v) Guarantees of Rupees 167.350 million (30 June 2022: Rupees 157.350 million) are given by the 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.
- vi) The deemed assessment for the tax year 2017 was amended by Deputy Commissioner Inland Revenue (DCIR) through order dated 31 May 2021 issued under sections 122(5) / 214C of the Income Tax Ordinance, 2001, whereby tax demand of Rupees 2,436.967 million was raised on various grounds. Being aggrieved by the order of DCIR, the Nishat Linen (Private) Limited - Subsidiary Company filed an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] who vide order dated 13 September 2021 granted significant relief to the Nishat Linen (Private) Limited - Subsidiary Company. Against the order of CIR(A), both the Nishat Linen (Private) Limited - Subsidiary Company and the department have filed cross appeals before Appellate Tribunal Inland Revenue (ATIR) which are pending for adjudication. Based on the advice of the legal counsel, Nishat Linen (Private) Limited - Subsidiary Company is hopeful for the favourable outcome of the matter, hence, no provision has been made in these consolidated condensed interim financial statements.
- vii) A sales tax demand of Rupees 1,218.132 million was raised against Nishat Power Limited - Subsidiary Company through order dated 11 December 2013, passed by the Assistant Commissioner Inland Revenue ('ACIR') disallowing input sales tax for the tax periods of July 2010 through June 2012. The disallowance was primarily made on the grounds that since revenue derived by 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'). On 02 August 2022, the Subsidiary company has received favourable decision from ATIR.

Moreover, the above explained issue was taken up by department for tax periods of July 2009 to June 2013 (involving input sales tax of Rupees 1,722.811 million), however, the Subsidiary Company assailed the underlying proceedings before Lahore High Court ('LHC') directly and in this respect, through order dated 31 October 2016, LHC accepted

the Subsidiary Company's stance and annulled the proceedings. The department has challenged the decision of LHC before Supreme Court of Pakistan and has also preferred an Intra Court Appeal against such order which are pending adjudication.

Similarly, for financial year 2014, Nishat Power Limited - 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 completion. On 26 January 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. Later, CIR(A) through its order dated 24 September 2021, has removed the demand in favour of the Nishat Power Limited - Subsidiary Company.

Similarly, during the year June 2022 in respect of tax periods July 2016 to June 2017, Nishat Power Limited - Subsidiary Company's case was selected for 'audit' and such issue again formed the core of audit proceedings (involving input sales tax of Rupees 541.486 million). During the year June 2022, the Subsidiary company received favourable decision from CIR(A) and ATIR, against which the department has filed appeal in ATIR which is in pending adjudication.

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

- viii) On 16 April 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 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.
- ix) On 13 February 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 18 March 2019. The Subsidiary Company challenged the authority of NEPRA to take suo moto action before the Islamabad High Court (IHC) wherein, on 01 April 2019, IHC provided interim relief by suspending the suo moto proceedings. The case is currently pending adjudication before IHC. Management is confident that based on the facts and law, there will be no adverse implications for the Subsidiary Company.
- x) On 16 March 2020, Committee for the Power Sector Audit, Circular Debt Resolution and Future Roadmap constituted by Ministry of Energy issued a report through which it was

Selected Notes to the Consolidated Condensed Interim Financial Statements

For the half year ended 31 December 2022 (Un-audited)

alleged that savings were made by the Independent Power Producers ('IPPs'), including Nishat Power Limited - Subsidiary Company, in the tariff components. The Subsidiary Company rejected such claims, and discussions were made with Government of Pakistan ("GoP") to resolve the dispute. On 12 February 2021, the Subsidiary Company and CPPA-G have signed 'Master Agreement' and 'PPA Amendment Agreement' wherein it has been agreed that the abovementioned dispute will be resolved through arbitration under the 'Arbitration Submission Agreement' between the Subsidiary Company and GoP. On 15 June 2022, the Subsidiary Company and GoP have signed the Arbitration Submission Agreement. During the half year ended 31 December 2022, Arbitration Tribunal has been constituted under the terms of 'Arbitration Submission Agreement'. Management believes that there are strong grounds that the matter will ultimately be decided in Subsidiary Company's favour. 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.

- xi)** On 28 April 2022, National Electric Power Regulatory Authority (NEPRA) issued a notice of hearing to all the RFO based IPPs under the 2002 Power Policy regarding application of highest lab tested Calorific Value (CV) for calculation of CV adjustment instead of average CV as per existing mechanism. Nishat Power Limited - Subsidiary Company vide its letter dated 16 May 2022 replied to NEPRA to refrain from re-initiating the subject proceedings which has already been finalized and implemented by NEPRA vide its letter dated 01 September 2021. Contrary to the reply of the Subsidiary Company, NEPRA held its hearing on 17 May 2022 and verbally directed to the Subsidiary Company to provide its comments in 15 days failing which the proceedings would be concluded on ex-parte basis. Against the directions of NEPRA, the Subsidiary Company filed a petition in Honourable Lahore High Court, Lahore (LHC) on 06 June 2022, for restraining NEPRA to take any adverse action in this regard, which is pending adjudication. LHC vide its interim order dated 06 June 2022, suspended the impugned notice of hearing. On 18 November 2022, NEPRA determined that although CV adjustment is computed on the basis of average of two CV results, the said CV adjustment shall be subject to the final outcome of the suit pending before LHC. The management based on the advice of its legal counsel, has strong grounds to believe that the case will be decided in favour of the Subsidiary Company. Further, its financial impact cannot be reasonably estimated at this stage, therefore, no provision has been made in these consolidated condensed interim financial statements.
- xii)** Nishat Power Limited - Subsidiary Company has issued post dated cheques ('PDC') amounting to Rupees 14.69 million (30 June 2022: Rupees 13.43 million) in favour of Collector of Customs, Lahore on orders of Lahore High Court with respect to differential custom duties case. These PDCs may become encashable if Lahore High Court decides against the Subsidiary Company. Based upon the advice of Subsidiary Company's legal counsel, the management is confident that Lahore High Court will decide in favour of the Subsidiary Company.
- xiii)** The banks have issued the following on behalf of Nishat Power Limited - Subsidiary Company:

 - (a)** Letter of guarantee of Rupees 11.5 million (30 June 2022: Rupees 11.5 million) and Rupees 12.4 million (30 June 2022: Rupees 6.9 million) in favour of Director Excise and Taxation, Karachi, under direction of Sindh High Court and Supreme Court of Pakistan respectively, in respect of suit filed for levy of infrastructure cess.
 - (b)** Letters of guarantee of Rupees 500 million (30 June 2022: Rupees 500 million) in favour of fuel suppliers.

- (c) Letter of guarantee of Rupees 1.5 million (30 June 2022: Rupees 1.5 million) in favour of Punjab Revenue Authority, Lahore.
- (d) Letter of guarantee of Rupees Nil (30 June 2022: Rupees 1 million) in favour of Collector of Customs, Lahore and Rupees 31.61 million (30 June 2022: Rupees 31.61 million) in favour of 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.
- xiv) Proceedings under section 122 of the Income Tax Ordinance, 2001 for the tax year 2014 were initiated by Deputy Commissioner Inland Revenue ('DCIR'), who through order dated 31 October 2017, raised a demand of Rupees 1.474 million in respect minimum tax under section 113 on account of disallowances in the light of sections 111 and 174 and disallowed income tax refund amounting to Rupees 14.14 million under section 148 of the Income Tax Ordinance, 2001. Being aggrieved with the impugned order, Nishat Hospitality (Private) Limited - Subsidiary Company preferred an appeal before the Commissioner Inland Revenue (Appeals) ['CIR(A)'] who via its order dated 13 February 2020, upheld the imposition of minimum tax. Consequently, Nishat Hospitality (Private) Limited - Subsidiary Company has preferred an appeal against the order of CIR(A) before the Appellate Tribunal Inland Revenue ('ATIR') which is pending adjudication. No provision has been recognised in these consolidated condensed interim financial statements in this respect as, based on the view of legal counsel, the management of the Subsidiary Company is confident of the favourable resolution of this matter.

Simultaneously Nishat Hospitality (Private) Limited - Subsidiary Company also filed a rectification application with the DCIR as a result of which an income tax refund of Rupees 474,557 was created. However, while passing the rectification order dated 13 December 2017, the DCIR disallowed adjustment of income tax collected of Rupees 14.14 million under section 148 of the Ordinance. The Subsidiary Company feeling aggrieved by the order, filed a rectification application before the CIR(A). CIR(A) through order dated 28 January 2022 accepted Nishat Hospitality (Private) Limited - Subsidiary Company's rectification application, however, upheld the treatment of the assessing officer of disallowing adjustment of income tax deducted under section 148 of the Ordinance. The Subsidiary Company has preferred an appeal against the aforementioned appellate order before the ATIR and the appeal has not been fixed for hearing till date. Based on the view of legal counsel, the management of the Subsidiary Company is confident of the favourable resolution of this matter.

- xv) Proceedings under section 122 of the Income Tax Ordinance, 2001 for the tax year 2015 were initiated by Deputy Commissioner Inland Revenue ('DCIR'), who through order dated 27 December 2018, disallowed certain expenses amounting to Rupees 100.117 million under section 174 and ordered an addition of Rupees 165.902 million to 'income from other sources' under section 39 of the Income Tax Ordinance, 2001. Being aggrieved with the impugned order, Nishat Hospitality (Private) Limited - Subsidiary Company preferred an appeal before the Commissioner Inland Revenue (Appeals) ['CIR(A)']. The CIR(A) via its order dated 2 December 2021, has confirmed the disallowance under section 174 to the extent of Rupees 60.385 million whereas the issue under section 39 has been remanded back to the DCIR for re-examination in the light of evidence provided by the Subsidiary Company. The Subsidiary Company further preferred an appeal against the said order before the Appellate Tribunal Inland Revenue which is pending adjudication. No provision has been recognised in these consolidated condensed interim financial statements in this

Selected Notes to the Consolidated Condensed Interim Financial Statements

For the half year ended 31 December 2022 (Un-audited)

respect as, based on the view of its legal counsel, the management of the Subsidiary company is confident of the favourable resolution of this matter.

- xvi)** The bank has issued the following guarantees on Nishat Hospitality (Private) Limited - Subsidiary Company's behalf in favor of Director, Excise and Taxation, Karachi under direction of Sindh High Court in respect of suit filed for levy of infrastructure cess amounting to Rupees 1.27 million (30 June 2022: Rupees 1.27 million).
- xvii)** Bank guarantee of Rupees 1.900 million (30 June 2022: Rupees 1.900 million) is given by the bank of Nishat Commodities (Private) Limited - Subsidiary Company in favour of Director, Excise and Taxation, Karachi to cover the disputed amount of Sindh infrastructure cess.

b) Commitments

- i)** Contracts for capital expenditure of the Group are approximately of Rupees 4,416.056 million (30 June 2022: Rupees 2,277.395 million).
- ii)** Letters of credit other than for capital expenditure of the Group are of Rupees 10,185.079 million (30 June 2022: Rupees 2,973.904 million).
- iii)** Outstanding foreign currency forward contracts of the Group are Rupees 762.000 million (30 June 2022: Rupees 1,332.998 million).

	Note	Un-audited 31 December 2022 (Rupees in thousand)	Audited 30 June 2022
9	PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets	9.1	46,525,386	45,766,365
Capital work in progress	9.2	7,470,672	4,859,326
Major spare parts and standby equipment		271,110	422,279
		54,267,168	51,047,970
9.1	Operating fixed assets		
Opening book value		45,766,365	41,256,832
Add: Cost of additions during the period / year	9.1.1	3,004,045	8,896,562
		48,770,410	50,153,394
Less: Book value of deletions during the period / year	9.1.2	(43,976)	(87,620)
		48,726,434	50,065,774
Less: Depreciation charged for the period / year		(2,221,496)	(4,324,770)
Add: Currency translation		20,448	25,361
		46,525,386	45,766,365

	Un-audited 31 December 2022 (Rupees in thousand)	Audited 30 June 2022
9.1.1 Cost of additions		
Freehold land	174,219	254,390
Buildings on freehold land	50,890	1,141,683
Plant and machinery	2,454,725	6,693,695
Electric installations	27,481	277,767
Factory equipment	7,293	67,846
Furniture, fixtures and office equipment	43,091	174,725
Computer equipment	42,113	51,409
Vehicles	204,216	235,047
Kitchen equipment and crockery items	17	-
	3,004,045	8,896,562
9.1.2 Book value of deletions		
Plant and machinery	8,973	41,358
Furniture, fixtures and office equipment	-	3,000
Computer equipment	271	1,339
Vehicles	34,732	41,923
	43,976	87,620
9.2 Capital work-in-progress		
Buildings on freehold land	2,991,540	1,661,582
Plant and machinery	4,202,280	2,967,360
Unallocated capital expenditures	36,388	17,180
Electric installations	156,064	92,502
Advance against purchase of freehold land	-	1,153
Advances for purchase of furniture, fixtures and office equipment	3,975	8,368
Advances for purchase of vehicles	80,425	111,181
	7,470,672	4,859,326

Selected Notes to the Consolidated Condensed Interim Financial Statements

For the half year ended 31 December 2022 (Un-audited)

10 REVENUE

10.1 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	(Rupees in thousand)																				
	Spinning			Weaving			Dyeing			Home Textile and Terry			Garments								
	Half year ended Dec 2022	Quarter ended Dec 2022	Dec 2021	Half year ended Dec 2022	Quarter ended Dec 2022	Dec 2021	Half year ended Dec 2022	Quarter ended Dec 2022	Dec 2021	Half year ended Dec 2022	Quarter ended Dec 2022	Dec 2021	Half year ended Dec 2022	Quarter ended Dec 2022	Dec 2021						
Region																					
Europe	473,292	137,657	104,929	9,203,297	7,449,112	4,245,544	4,076,613	303,882	265,077	179,168	117,867	8,495,080	5,769,770	4,157,316	3,148,729	2,047,499	2,579,913	687,423	1,117,460		
America	584,416	176,462	140,548	98,909	683,727	281,312	341,497	145,649	8,253	1,161	6,911	1,560,144	1,914,014	787,474	926,717	4,050,110	3,169,883	1,988,664	2,213,856		
Asia, Africa, Australia	3,153,339	3,021,617	1,619,910	1,353,410	1,584,178	1,214,127	813,735	670,501	12,128,169	7,687,709	6,526,273	4,238,816	1,837,896	1,129,383	1,516,840	666,239	63,697	338,357	28,319	116,097	
Pakistan	17,691,042	18,240,258	8,593,633	10,048,361	4,443,821	2,871,374	2,529,391	1,450,003	4,724,374	2,949,702	2,402,782	1,893,828	6,942,425	6,578,479	2,948,223	3,219,022	196,451	77,843	119,993	30,976	
	27,682,089	21,575,394	10,217,148	11,616,609	15,894,823	11,815,925	7,932,167	6,354,766	17,164,688	10,903,399	9,094,134	6,249,811	18,835,535	15,411,636	9,409,863	7,990,701	6,377,757	6,165,606	2,834,299	3,478,389	
Timing of revenue recognition																					
Products and services transferred at a point in time	27,682,089	21,575,394	10,217,148	11,616,609	15,894,823	11,815,925	7,932,167	6,354,766	17,164,688	10,903,399	9,094,134	6,249,811	18,835,535	15,411,636	9,409,863	7,990,701	6,377,757	6,165,606	2,834,299	3,478,389	
Products and services transferred over time	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	27,682,089	21,575,394	10,217,148	11,616,609	15,894,823	11,815,925	7,932,167	6,354,766	17,164,688	10,903,399	9,094,134	6,249,811	18,835,535	15,411,636	9,409,863	7,990,701	6,377,757	6,165,606	2,834,299	3,478,389	
Major products / service lines																					
Yarn	27,505,542	21,182,340	10,216,565	11,398,720	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Comber Noil	-	145,895	-	84,149	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grey Cloth	-	-	-	15,894,823	11,815,925	7,932,167	6,354,766	-	-	-	-	-	-	7,474	-	5,650	-	-	-	-	-
Processed Cloth	-	-	-	-	-	-	-	17,164,688	10,903,399	9,094,134	6,249,811	4,233,861	3,876,434	2,114,305	2,033,385	-	-	-	-	-	-
Cosmetics	-	-	-	-	-	-	-	-	-	-	-	69,304	91,469	27,069	56,301	-	-	-	-	-	-
Waste	176,547	267,159	583	133,740	-	-	-	-	-	-	-	115,105	116,494	75,158	60,655	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	89,419	84,667	52,008	41,025	-	-	-	-	-	-
Male Lips	-	-	-	-	-	-	-	-	-	-	-	12,073,356	9,910,661	5,653,744	4,999,295	-	-	-	-	-	-
Garments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,377,757	6,165,606	2,834,299	3,478,389	
Towels and Bath Robe	-	-	-	-	-	-	-	-	-	-	-	2,254,490	1,424,417	1,487,569	794,400	-	-	-	-	-	-
Electricity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Room Rentals Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Hotel Ancillary Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	27,682,089	21,575,394	10,217,148	11,616,609	15,894,823	11,815,925	7,932,167	6,354,766	17,164,688	10,903,399	9,094,134	6,249,811	18,835,535	15,411,636	9,409,863	7,990,701	6,377,757	6,165,606	2,834,299	3,478,389	

Continued on next page

(Rupees in thousand)

Description	Region	Power Generation				Room Rental Services				Other Hotel Ancillary Services				Total - Group				
		Half year ended		Quarter ended		Half year ended		Quarter ended		Half year ended		Quarter ended		Half year ended		Quarter ended		
		Dec 2022	Dec 2021	Dec 2022	Dec 2021	Dec 2022	Dec 2021	Dec 2022	Dec 2021	Dec 2022	Dec 2021	Dec 2022	Dec 2021	Dec 2022	Dec 2021	Dec 2022	Dec 2021	
Europe		-	-	-	-	-	-	-	-	-	-	-	-	-	20,520,050	16,218,859	9,573,536	8,967,092
America		-	-	-	-	-	-	-	-	-	-	-	-	-	6,846,650	5,542,842	3,274,994	3,986,131
Asia, Africa, Australia		-	-	-	-	-	-	-	-	-	-	-	-	-	18,787,299	13,391,793	10,046,077	7,074,863
Pakistan		13,750,086	9,917,135	2,261,730	4,162,335	271,677	188,060	148,830	109,629	65,142	50,853	35,760	35,540	47,884,818	40,777,704	19,039,542	20,969,694	
		13,750,086	9,917,135	2,261,730	4,162,335	271,677	188,060	148,830	109,629	65,142	50,853	35,760	35,540	94,041,807	75,932,198	41,933,921	39,987,760	
Timing of revenue recognition																		
Products and services transferred at a point in time		13,750,086	9,917,135	2,261,730	4,162,335	271,677	188,060	148,830	109,629	65,142	50,853	35,760	35,540	94,041,807	75,932,198	41,933,921	39,987,760	
Products and services transferred over time		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		13,750,086	9,917,135	2,261,730	4,162,335	271,677	188,060	148,830	109,629	65,142	50,853	35,760	35,540	94,041,807	75,932,198	41,933,921	39,987,760	
Major products / service lines																		
Yam		-	-	-	-	-	-	-	-	-	-	-	-	-	21,505,542	21,182,340	10,216,565	11,398,720
Combar Nail		-	-	-	-	-	-	-	-	-	-	-	-	-	14,895	-	-	84,149
Grey Cloth		-	-	-	-	-	-	-	-	-	-	-	-	-	15,884,823	11,828,399	7,932,167	6,980,416
Processed Cloth		-	-	-	-	-	-	-	-	-	-	-	-	-	21,398,559	14,650,023	11,208,439	8,283,195
Cosmetics		-	-	-	-	-	-	-	-	-	-	-	-	-	69,304	91,489	27,069	56,301
Waste		-	-	-	-	-	-	-	-	-	-	-	-	-	291,652	383,653	75,741	194,395
Others		-	-	-	-	-	-	-	-	-	-	-	-	-	89,419	84,667	52,008	41,025
Masks Lips		-	-	-	-	-	-	-	-	-	-	-	-	-	12,073,356	9,810,661	5,653,744	4,989,285
Garments		-	-	-	-	-	-	-	-	-	-	-	-	-	6,377,757	6,165,606	2,834,299	3,478,389
Towels and Bath Robe		-	-	-	-	-	-	-	-	-	-	-	-	-	2,254,490	1,424,417	1,467,569	794,400
Electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	13,750,086	9,917,135	2,261,730	4,162,335
Room Rental Services		-	-	-	-	271,677	188,060	148,830	109,629	65,142	50,853	35,760	35,540	271,677	188,060	148,830	109,629	
Other Hotel Ancillary Services		-	-	-	-	-	-	-	-	-	-	-	-	-	65,142	50,853	35,760	35,540
		13,750,086	9,917,135	2,261,730	4,162,335	271,677	188,060	148,830	109,629	65,142	50,853	35,760	35,540	94,041,807	75,932,198	41,933,921	39,987,760	

10.2 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 half year ended 31 December 2022 (Un-audited)

	Half year ended		Quarter ended	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
(Rupees in thousand)				
11 COST OF SALES				
Raw materials consumed	56,350,467	48,352,399	23,324,413	26,141,165
Processing charges	659,997	521,980	394,109	340,434
Salaries, wages and other benefits	6,342,705	4,962,579	3,212,937	2,548,191
Stores, spare parts and loose tools consumed	6,211,902	4,831,918	3,122,298	2,665,206
Packing materials consumed	1,389,339	1,214,126	722,994	661,035
Repair and maintenance	524,335	334,062	310,011	177,351
Fuel and power	8,946,381	4,493,653	4,210,450	2,422,330
Insurance	225,425	172,203	113,073	86,898
Other factory overheads	842,738	492,278	438,401	276,415
Depreciation and amortization	2,070,186	1,928,337	1,018,251	980,114
	83,563,475	67,303,535	36,866,937	36,299,139
Work-in-process				
Opening stock	6,364,578	3,044,441	7,626,777	4,121,866
Closing stock	(8,017,590)	(4,575,652)	(8,017,590)	(4,575,652)
	(1,653,012)	(1,531,211)	(390,813)	(453,786)
Cost of goods manufactured	81,910,463	65,772,324	36,476,124	35,845,353
Finished goods				
Opening stock	12,514,128	9,641,809	14,640,499	11,015,854
Closing stock	(16,785,789)	(13,835,717)	(16,785,789)	(13,835,717)
	(4,271,661)	(4,193,908)	(2,145,290)	(2,819,863)
	77,638,802	61,578,416	34,330,834	33,025,490
			Half year ended	
			31 December	31 December
			2022	2021
12 EARNINGS PER SHARE - BASIC AND DILUTED				
There is no dilutive effect on the basic earnings per share which is based on:				
Profit attributable to ordinary shareholders of Holding Company	(Rupees in thousand)		7,499,383	7,297,175
Weighted average number of ordinary shares of Holding Company	(Numbers)		351,599,848	351,599,848
Earnings per share	(Rupees)		21.33	20.75

	Note	Half year ended	
		31 December 2022	31 December 2021
(Rupees in thousand)			
13 CASH GENERATED FROM OPERATIONS			
Profit before taxation		10,037,040	9,419,716
Adjustments for non-cash charges and other items:			
Depreciation and amortization		2,220,732	2,057,881
Depreciation on right-of-use assets		417,743	368,311
Gain on sale of property, plant and equipment		(15,136)	(51,718)
Dividend income		(1,181,550)	(1,002,358)
Gain on initial recognition of ordinary shares transferred under Scheme of Compromises, Arrangement and Reconstruction amongst Nishat (Chunian) Limited and its members		(460,187)	-
Allowance for expected credit losses		1,675	402
Profit on deposits with banks and associated Company		(101,213)	(74,539)
Share of profit from associates		(1,111,025)	(670,246)
Loss on sale of short term investments		70,470	-
Net exchange gain		(316,219)	(66,955)
Finance cost		2,632,000	1,068,676
Reversal of provision for slow moving, obsolete and damaged store items		(34)	-
Working capital changes	13.1	(25,150,065)	(28,141,336)
		(12,955,769)	(17,092,166)
13.1 Working capital changes			
(Increase) / decrease in current assets:			
- Stores, spare parts and loose tools		(2,236,125)	(958,777)
- Stock in trade		(17,688,171)	(21,521,789)
- Trade debts		(5,861,982)	(4,765,926)
- Loans and advances		457,793	73,520
- Short term deposits and prepayments		(606)	(28,521)
- Other receivables		(318,254)	(2,631,383)
		(25,647,345)	(29,832,876)
Increase in trade and other payables		497,280	1,691,540
		(25,150,065)	(28,141,336)

Selected Notes to the Consolidated Condensed Interim Financial Statements

For the half year ended 31 December 2022 (Un-audited)

14 SEGMENT INFORMATION

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

Spinning:	Producing different qualities of yarn including dyed yarn and sewing thread using natural and artificial fibers.
Weaving:	Producing different qualities of greige fabric using yarn.
Dyeing:	Producing dyed fabric using different qualities of grey fabric.
Home Textile and Terry:	Manufacturing of home textile articles using processed fabric produced from greige fabric and manufacturing of terry and bath products.
Garments :	Manufacturing of garments using processed fabric.
Power Generation:	Generation, transmission and distribution of power using gas, oil, steam, coal, solar and biomass.
Hotel:	Carrying on the business of hotel and allied services.

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

	Spinning		Weaving		Dyeing		Home Textile and Terry		Garments		Power Generation		Hotel		Elimination of inter-segment transactions		Total - Group	
	Half year ended Dec 2022	Dec 2021	Half year ended Dec 2022	Dec 2021	Half year ended Dec 2022	Dec 2021	Half year ended Dec 2022	Dec 2021	Half year ended Dec 2022	Dec 2021	Half year ended Dec 2022	Dec 2021	Half year ended Dec 2022	Dec 2021	Half year ended Dec 2022	Dec 2021	Half year ended Dec 2022	Dec 2021
Revenue	21,682,089	21,573,394	15,894,823	11,815,925	17,164,688	10,300,389	18,855,335	15,411,636	6,377,757	6,165,686	13,750,086	9,917,135	336,819	242,913	-	-	94,041,807	75,302,198
External	6,616,350	6,600,327	12,819,817	8,652,882	1,526,915	682,337	282,391	202,636	1,169	131	9,916,802	4,686,712	-	-	(29,947,444)	(20,816,025)	-	-
Intersegment	28,298,439	28,175,721	28,514,640	20,448,807	18,693,613	11,495,362	19,088,128	15,615,272	6,376,826	6,165,737	22,668,888	14,603,847	338,819	242,913	(29,947,444)	(20,816,025)	94,041,807	75,302,198
Cost of sales	(6,897,258)	(24,348,477)	(25,029,868)	(18,018,947)	(15,058,012)	(10,076,586)	(14,655,028)	(11,866,300)	(5,391,563)	(5,166,196)	(20,344,249)	(12,655,339)	(209,372)	(159,478)	29,947,444	20,816,025	(77,638,802)	(61,578,418)
Gross profit	1,401,183	3,827,244	3,484,754	2,429,860	3,653,601	1,416,330	4,442,218	3,648,882	987,363	999,541	2,254,469	1,948,468	127,447	83,437	-	-	16,403,005	14,353,762
Distribution cost	(352,190)	(443,331)	(678,658)	(733,902)	(691,829)	(521,101)	(2,877,938)	(2,193,967)	(408,250)	(397,798)	-	-	-	-	-	-	(51,871,103)	(42,930,097)
Administrative expenses	(273,327)	(22,002)	(297,204)	(176,219)	(148,233)	(108,937)	(609,843)	(463,283)	(164,071)	(101,882)	(218,868)	(183,009)	(34,779)	(29,434)	-	-	(1,686,444)	(1,274,834)
Administrative expenses	(805,517)	(665,393)	(1,116,040)	(910,121)	(840,082)	(630,038)	(9,257,841)	(2,487,252)	(670,321)	(499,868)	(218,868)	(183,009)	(34,779)	(29,434)	-	-	6,873,547	(5,564,931)
Profit before taxation and unallocated income and expenses	585,666	3,161,851	2,388,714	1,519,739	2,795,519	786,282	1,154,277	1,001,630	417,042	499,683	2,165,571	1,765,483	92,669	54,003	-	-	9,529,458	8,788,851
Unallocated income and expenses:																		
Other expenses																		(95,037)
Other income																		2,423,564
Finance cost																		(2,632,000)
Share of profit from associates																		1,111,025
Taxation																		670,246
Profit after taxation																		(1,536,265)
																		8,800,775
																		8,111,082

14.3 Reconciliation of reportable segment assets and liabilities

	Spinning		Weaving		Dyeing		Home Textile and Terry		Garments		Power Generation		Hotel		Total - Group	
	Un-audited Dec 2022	Audited Jun 2022	Un-audited Dec 2022	Audited Jun 2022	Un-audited Dec 2022	Audited Jun 2022	Un-audited Dec 2022	Audited Jun 2022	Un-audited Dec 2022	Audited Jun 2022	Un-audited Dec 2022	Audited Jun 2022	Un-audited Dec 2022	Audited Jun 2022	Un-audited Dec 2022	Audited Jun 2022
Total assets for reportable segments	44,098,717	20,053,215	16,217,191	13,984,643	15,578,573	13,438,068	27,976,890	24,988,263	10,411,293	9,529,041	39,224,789	8,098,846	1,113,574	1,820,648	153,591,427	100,903,914
Unallocated assets:																
Long term investments															53,977,226	52,382,499
Short term investments															37,110	5,733,709
Other receivables															11,084,985	10,815,393
Cash and bank balances															3,360,682	1,758,616
Other corporate assets															2,246,304	26,400,549
Total assets as per consolidated condensed interim statement of financial position	31,689,341	3,129,938	2,597,202	1,933,567	1,575,377	1,402,605	3,392,900	4,365,108	1,155,081	1,155,986	3,777,574	1,927,982	52,479	703,630	150,169,954	146,616,837
Unallocated liabilities:																
Deferred liabilities															3,980,041	4,339,086
Other corporate liabilities															73,195,744	52,111,156
Total liabilities as per consolidated condensed interim statement of financial position	92,194,739	7,107,079													224,260,914	198,024,480

Selected Notes to the Consolidated Condensed Interim Financial Statements

For the half year ended 31 December 2022 (Un-audited)

15 RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

i) Fair value hierarchy

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

Recurring fair value measurements At 31 December 2022

Level 1

Level 2

Level 3

Total

(Rupees in thousand)

	Level 1	Level 2	Level 3	Total
Financial assets				
Fair value through other comprehensive income	12,183,609	-	-	12,183,609
Derivative financial assets	-	8,856	-	8,856
Total financial assets	12,183,609	8,856	-	12,192,465
Financial liabilities				
Derivative financial liabilities	-	21,216	-	21,216
Total financial liabilities	-	21,216	-	21,216

Recurring fair value measurements At 30 June 2022 - Audited

Level 1

Level 2

Level 3

Total

(Rupees in thousand)

	Level 1	Level 2	Level 3	Total
Financial assets				
Fair value through other comprehensive income	12,382,166	-	-	12,382,166
Derivative financial assets	-	57,518	-	57,518
Total financial assets	12,382,166	57,518	-	12,439,684
Financial liabilities				
Derivative financial liabilities	-	9,595	-	9,595
Total financial liabilities	-	9,595	-	9,595

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

There were no transfers between levels 1 and 2 for recurring fair value measurements during the half year. 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.

Selected Notes to the Consolidated Condensed Interim Financial Statements

For the half year ended 31 December 2022 (Un-audited)

16 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated undertakings, other related parties, post employment benefit plan and key management personnel. The Group in the normal course of business carries out transactions with various related parties. Detail of transactions with related parties is as follows:

i) Transactions

	Half year ended		Quarter ended	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	(Rupees in thousand)			
Associated companies				
Investment made	2,145,886	776,085	2,016,886	418,860
Short term loans made	20,000	76,300	20,000	60,600
Purchase of goods and services	121,034	196,530	65,771	108,605
Sharing of expenses	891	592	502	170
Sale of goods and services	36,830	44,763	16,793	13,932
Purchase of operating fixed assets	73,050	38,337	34,684	22,278
Rental income	3,673	3,435	1,837	1,704
Rent paid	46,412	45,284	22,787	22,815
Dividend Paid	123,372	123,047	123,372	123,047
Insurance premium paid	350,880	247,484	192,595	134,983
Insurance claims received	48,849	42,847	28,793	31,375
Interest income	28,972	72,187	9,338	4,798
Finance cost	47,784	22,913	31,679	14,465
Other related parties				
Dividend Income	386,133	163,447	130,757	163,447
Gain on initial recognition of ordinary shares transferred under Scheme of Compromises, Arrangement and Reconstruction amongst Nishat (Chunian) Limited and its members	460,187	-	460,187	-
Purchase of goods and services	2,780,136	2,946,015	1,590,706	1,743,103
Sale of goods and services	129,972	155,418	52,530	103,165
Finance cost	332	361	100	168
Interest income	8,754	-	8,754	-
Group's contribution to provident fund trust	257,179	199,218	128,943	100,568
Remuneration paid to Chief Executive Officer and Executives of the Holding Company	1,024,874	727,260	429,017	342,961
Dividend Paid	354,670	354,670	354,670	354,670

ii) Period end balances

	As at 31 December 2022		
	Associated companies	Other related parties	Total
	(Rupees in thousand)		
Trade and other payables	53,746	262,592	316,338
Accrued markup	16,917	-	16,917
Short term borrowings	752,504	-	752,504
Advance for purchase of vehicles	21,342	-	21,342
Long term loans	-	261,191	261,191
Trade debts	14,992	1,313	16,305
Loans and advances	142,179	100,970	243,149
Accrued interest	6,079	-	6,079
Cash and bank balances	304,661	558,202	862,863

	As at 30 June 2022 (Audited)		
	Associated companies	Other related parties	Total
	(Rupees in thousand)		
Trade and other payables	87,817	87,225	175,042
Accrued markup	6,044	-	6,044
Short term borrowings	928,127	-	928,127
Advance for purchase of vehicles	6,414	-	6,414
Long term loans	-	303,094	303,094
Trade debts	3,552	1,626	5,178
Loans and advances	121,844	90,946	212,790
Other receivables	23,960	-	23,960
Accrued interest	4,089	-	4,089
Cash and bank balances	1,343,317	227	1,343,544

17 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 2022.

18 DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial information were approved by the Board of Directors and authorized for issue on 20 February 2023.

19 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.

20 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

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

اظہار تشکر

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

منجانب بورڈ آف ڈائریکٹرز

David Jazal

فرید زور علی فضل
ڈائریکٹر

Umm maisha

میاں عمر مینشا
چیف ایگزیکٹو آفیسر
20 فروری 2023ء

لاہور

بورڈ کی ساخت

بورڈ کی ساخت درج ذیل ہے:

ڈائریکٹرز کی کل تعداد

5	(ا) مرد
2	(ب) خواتین

تشکیل

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

بورڈ کی کمیٹیاں

آڈٹ کمیٹی

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

اضافہ (کمی)		31 دسمبر کو اختتام شدہ ششماہی		گارمنٹس
فیصد	قدر	2021	2022	
(28.47)	(1,340)	4,707	3,367	فروخت - (گارمنٹس '000)
42.03	537.80	1,279.42	1,817.22	قیمت فی گارمنٹ
1.60	96,349	6,022,245	6,118,594	فروخت - ('000 روپے)

ڈویژن پیداواری طریقوں کو بہتر بنانے، جدید ترین ٹیکنالوجیز کو لاگو کرنے اور مجموعی کارکردگی کو بڑھانے کے لیے پرعزم ہے تاکہ ہمارے کاروبار کی پائیداری کو یقینی بنایا جاسکے اور مارکیٹ کے بدلتے ہوئے مطالبات کو پورا کیا جاسکے۔

پاور جزیشن

گزشتہ سال کی اسی ششماہی کے مقابلے موجودہ ششماہی کے دوران توانائی کی لاگت میں خاطر خواہ اضافہ ہوا ہے۔ اس کی وجہ فرنس آئل اور کولے کی قیمتوں میں غیر معمولی اضافے کے ساتھ ساتھ حکومت پاکستان کی جانب سے RLNG کی سبسڈی والے نرخ میں خاطر خواہ اضافے کو بھی قرار دیا جاسکتا ہے جو کہ مالی سال 2021-22 کی پہلی ششماہی میں 16.5 امریکی ڈالر فی mmbtu کے مقابلے موجودہ ششماہی میں 9 امریکی ڈالر فی mmbtu تھا۔

حکومت نے یکم اکتوبر 2022 سے 30 جون 2023 تک 19.99 روپے فی یونٹ کے حساب سے بجلی کی فراہمی کا اعلان کر کے ٹیکسٹائل سیکٹر اور دیگر برآمدی صنعتوں کو کچھ ریلیف فراہم کیا۔ اس فیصلے نے کسی نہ کسی طرح توانائی کی قیمتوں میں اضافے کے اثرات کو کم کیا، لیکن موجودہ معاشی حالات میں سبسڈی والے گیس اور بجلی کے نرخوں کو جاری رکھنے کے ارد گرد اہم غیر یقینی صورتحال ہے۔

کمپنی پاکستان میں توانائی کی بدلتی ہوئی صورتحال پر نظر رکھے ہوئے ہے تاکہ لاگت میں اضافے کے اثرات کو منظم کرنے اور مارکیٹ میں ہماری ٹیکسٹائل مصنوعات کی مسابقت کو برقرار رکھنے کے لیے حکمت عملی تیار کی جاسکے۔

ذیلی کمپنیاں اور کنسولیڈیٹڈ مالیاتی گوشوارے

نشاط پاور لمیٹڈ، نشاط لینن (پرائیویٹ) لمیٹڈ، نشاط ہاسٹیلٹی (پرائیویٹ) لمیٹڈ، نشاط کموڈیٹیز (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 فنانشل رپورٹنگ سٹینڈرڈز کی مطابقت سے علیحدہ جامع فنانشل اسٹیٹمنٹس کے ساتھ، یکجا جامع فنانشل اسٹیٹمنٹس کو بھی منسلک کیا ہے۔

ڈویژن مالی سال کے آخری نصف میں جاری غیر یقینی حالات کے اثرات کو کم کرنے کے لیے مختلف حکمت عملیوں پر عمل پیرا ہے۔ مشکلات کے باوجود، ہم پر امید اور پر اعتماد ہیں کہ ہم مالی سال کی دوسری ششماہی میں مثبت نتائج حاصل کرنے میں کامیاب ہو جائیں گے۔

گھریلو ٹیکسٹائل اور ٹیری (Home Textile and Terry)

مالی سال 2022-23 کی پہلی ششماہی کے دوران ڈویژن کی کارکردگی تسلی بخش رہی۔ پراسیس شدہ کپڑے اور میڈا ایس کی فروخت میں 1.791 ارب روپے (23.14%) اضافہ ہوا۔ یورپ اور امریکہ میں خریداری کے رویوں میں سست روی کے باوجود ڈویژن نے یہ ترقی حاصل کی۔ ہماری توجہ لاگت کے انتظام، مصنوعات کی پیداوار کو متنوع بنانے، اور منافع کو برقرار رکھنے کے لیے مارکیٹ کے رجحانات کی پیش گوئی کرنے پر تھی۔

اضافہ / (کمی)		31 دسمبر کو اختتام شدہ ششماہی		پروسیسڈ کلا تھا اینڈ میڈا ایس
فیصد	قدر	2021	2022	
(8.48)	(1,265)	14,907	13,642	فروخت - (میٹرز '000)
34.56	179.43	519.22	698.65	قیمت فی میٹر
23.14	1,791,071	7,740,013	9,531,084	فروخت - ('000 روپے)

تولید اور با تھروپ کی فروخت میں بھی 686.546 ملین روپے (55.50%) کا اضافہ ہوا ہے۔ ٹیری پروجیکٹ کی پیداواری صلاحیت کو بڑھانے کا منصوبہ عمل میں ہے۔

اضافہ / (کمی)		31 دسمبر کو اختتام شدہ ششماہی		ٹیری
فیصد	قدر	2021	2022	
26.41	277	1,049	1,326	فروخت - (کلوگرام '000)
23.02	271.41	1,179.26	1,450.67	قیمت فی کلوگرام
55.50	686,546	1,237,046	1,923,592	فروخت - ('000 روپے)

گارمنٹس

گارمنٹس ڈویژن نے توانائی کے عالمی بحران اور ٹارگٹ مارکیٹ میں معاشی کساد بازاری کی وجہ سے درپیش چیلنجوں کے باوجود اپنے اہداف حاصل کر لیے۔ یہ کمپنی کی پیداواری صلاحیتوں کے موثر انتظام اور منفی عوامل کے موثر انتظام کی وجہ سے تھا۔ ان مشکل حالات میں ڈویژن کی کامیابی اس کی مقابلہ کرنے کی اور بدلتی ہوئی مارکیٹ کے حالات کے مطابق ڈھلنے کی صلاحیت کو نمایاں کرتی ہے۔ ڈویژن گزشتہ سال کی اسی ششماہی کے مقابلے موجودہ ششماہی میں اپنی فروخت کو برقرار رکھنے میں کامیاب رہا۔

بنائی (Weaving)

یورپ جو ہماری بنیادی منڈی ہے، اس میں معاشی سست روی نے گرتج کپڑے کی مانگ کو بری طرح متاثر کیا۔ لیکن موثر مارکیٹنگ کی حکمت عملیوں کے نتیجے میں 31 دسمبر 2022 کو ختم ہونے والی ششماہی کے دوران ڈویژن نے نمایاں کارکردگی کا مظاہرہ کیا۔ موجودہ ششماہی میں گرے کپڑے کی فروخت میں گزشتہ سال کی اسی ششماہی کے مقابلے میں 4.701 ارب روپے (38.68%) کا اضافہ ہوا۔

اضافہ / (کمی)		31 دسمبر کو اختتام شدہ ششماہی		گرے کلاٹھ
فیصد	قدر	2021	2022	
5.94	2,843	47,863	50,706	فروخت - (میٹرز '000)
30.90	78.48	253.97	332.45	قیمت فی میٹر
38.68	4,701,399	12,155,658	16,857,057	فروخت - ('000 روپے)

ڈویژن کو توقع ہے کہ یہ معاشی مشکلات مالی سال کی دوسری ششماہی میں بھی برقرار رہیں گی۔ لہذا، انتظامیہ مارکیٹ کی حرکیات کا بغور مشاہدہ کر رہی ہے اور اس نے فروخت میں اضافہ کرنے کے لیے حکمت عملی بنائی ہے۔ ہم نے مقامی گرے کپڑے کی مارکیٹ میں مواقع کی نشاندہی کی ہے کیونکہ یورپ میں گیس کی جاری قلت اور توانائی کی بلند قیمتوں کی وجہ سے کچھ یورپی صارفین پاکستانی مینوفیکچررز سے تیار شدہ کپڑے خرید رہے ہیں۔ ہم تکنیکی اور صنعتی استعمال کے لیے مخصوص خام کپڑے کے کاروبار کو بڑھانے کی کوشش کر رہے ہیں، جو کہ مصنوعات اور مارکیٹ کے تنوع حاصل کرنے کی ہماری دیرینہ حکمت عملی کے عین مطابق ہے۔ یہ نقطہ نظر مارکیٹ کے چیلنجز حالات میں کاروبار کی ترقی اور استحکام کو برقرار رکھنے کے لیے کافی مددگار ثابت ہوا ہے۔

رنگائی (Dyeing)

ناموافق عالمی اور مقامی معاشی حالات کے باوجود، ڈائینگ ڈویژن نے مالی سال 2022-23 کی پہلی ششماہی میں شاندار نتائج حاصل کیے۔ ہم نے اپنی پیداواری صلاحیتوں کو مکمل طور پر استعمال کیا اور آمدنی میں 6.222 ارب روپے (58.63%) کا غیر معمولی اضافہ ریکارڈ کیا۔ ڈویژن نے اپنے قیام کے بعد کسی بھی مالی سال کے پہلے چھ ماہ کے دوران اب تک کا سب سے زیادہ منافع کمایا۔

اضافہ / (کمی)		31 دسمبر کو اختتام شدہ ششماہی		پروسیسڈ کلاٹھ
فیصد	قدر	2021	2022	
2.60	611	23,477	24,088	فروخت - (میٹرز '000)
54.60	246.82	452.03	698.85	قیمت فی میٹر
58.63	6,221,816	10,612,371	16,834,187	فروخت - ('000 روپے)

توانائی کے بحران اور خام مال، بالخصوص کپاس کی کمی کی وجہ سے پیداواری لاگت میں اضافہ ہوا ہے۔ پاکستان میں ٹیکسٹائل کی صنعت کو کرنسی میں تیزی سے اتار چڑھاؤ اور بے مثال حکومتی ٹیکسوں کا بھی سامنا ہے، جس کے نتیجے میں پیداواری صلاحیت کم ہو گئی ہے اور کئی چھوٹے اور درمیانے درجے کے پونٹس بند ہو گئے ہیں۔ صرف بڑے اور عمومی طور پر مربوط پیداواری ادارے ہی ان ناموافق حالات میں پر مقابل اور قائم رہے۔

سیگمنٹ تجزیہ

کمپنی کی طبقاتی کارکردگی کا مختصر جائزہ درج ذیل ہے:

کٹائی (Spinning)

مالی سال 2022-23 کا آغاز کم فصل جیسے عوامل کی وجہ سے مقامی کچی کپاس کی بلند قیمت کے ساتھ ہوا جس کی وجہ ملک میں سیلاب تھا۔ تاہم، کساد بازاری کے خوف اور دیگر منفی اقتصادی عوامل کی وجہ سے بین الاقوامی مارکیٹ میں کپاس کی قیمتیں گر گئیں۔ پھر بھی تیزی سے گرتے ہوئے روپے کے تناظر میں پاکستانی اسپنرز کے لیے درآمدی روٹی بہت مہنگی ہے۔ کمپنی نے اپنی سالانہ ضروریات کو پورا کرنے کے لیے مارکیٹ میں کچی روٹی دستیاب ہوتے ہی خریداری کر لی جس سے مقامی اور درآمد شدہ کپاس کا بہترین مرکب بن گیا۔

زیر جائزہ مدت کے دوران عالمی کساد بازاری کی وجہ سے مقامی اور بین الاقوامی دونوں منڈیوں میں یارن کی مانگ میں کمی واقع ہوئی۔ کم مانگ کے ساتھ بھاری پیداواری لاگت نے ہماری مصنوعات کو برآمدی منڈی میں غیر مسابقتی بنا دیا۔ لہذا، ڈویژن نے مقامی مارکیٹ پر توجہ مرکوز کی جس نے ہمارے لیے سازگار نتائج پیدا کیے۔

اضافہ/ (کمی)		31 دسمبر کو اختتام شدہ ششماہی		یارن
		2021	2022	
فیصد	قدر			
(26.80)	(4,892)	18,252	13,360	فروخت - (کلوگرام '000)
31.68	192.84	608.78	801.62	قیمت فی کلوگرام
(3.62)	(402,063)	11,111,537	10,709,474	فروخت - ('000 روپے)

توقع ہے کہ سوتی دھاگے کا کاروبار باقی سال کے دوران بھی دباؤ میں رہے گا۔ ڈویژن نے اپنے پروڈکٹ پورٹ فولیو کو متنوع بنایا ہے اور اپنے صارفین کو باریک اور موٹا دونوں طرح کے دھاگے پیش کر رہی ہے۔

ڈائریکٹرز کی رپورٹ

نشاٹ ملز لمیٹڈ ("کمپنی") کے ڈائریکٹرز 31 دسمبر 2022 کو ختم ہونے والی ششماہی کے لیے ڈائریکٹرز کی رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

آپریٹنگ مالی نتائج

31 دسمبر 2022 کو ختم ہونے والی ششماہی کے دوران کمپنی کی مالی کارکردگی گزشتہ سال کی اسی ششماہی کے مقابلے میں قابل ذکر رہی۔ کمپنی کے بعد از ٹیکس منافع میں 2.230 ارب روپے (39.79%) کا اضافہ ہوا۔ منافع میں اضافے کی بڑی وجہ آمدنی میں 14.615 ارب روپے (27.63%) کا اضافہ تھا۔ خام مال اور توانائی کی قیمتوں میں غیر معمولی اضافے کے باوجود مجموعی منافع میں 3.060 ارب روپے (36.63%) کا اضافہ ہوا۔ دیگر آمدنی نے بھی بعد از ٹیکس منافع میں نمایاں حصہ ڈالا جو 2.214 ارب روپے کے اضافے کے ساتھ 2.544 ارب روپے سے بڑھ کر 4.758 ارب روپے تک پہنچ گئی۔

اضافہ / (کمی) فیصد	31 دسمبر کو اختتام شدہ ششماہی		مالی جھلکیاں
	2021	2022	
27.63	52,891,961	67,507,201	آمدنی (روپے '000)
36.63	8,355,647	11,415,977	مجموعی منافع (روپے '000)
39.79	5,605,367	7,835,468	بعد از ٹیکس منافع (روپے '000)
	15.80	16.91	مجموعی منافع (فیصد)
	10.60	11.61	بعد از ٹیکس منافع (فیصد)
	15.94	22.29	منافع فی حصص - (روپے)

کمپنی کی یہ غیر معمولی کارکردگی موجودہ ششماہی میں مالیاتی لاگت میں 1.620 ارب روپے کے نمایاں اضافے کے باوجود ہے جو کہ قرض کی اوسط لاگت میں اضافہ اور مزید قلیل مدتی قرضے ہیں، جو ورکنگ کپٹل کی بڑھتی ہوئی ضروریات کو پورا کرنے کے لیے حاصل کیے گئے تھے۔

مارکیٹ کا عمومی جائزہ اور مستقبل کے امکانات

مالی سال 2022-23 کی پہلی ششماہی کے دوران ٹیکسٹائل کی صنعت کی کارکردگی میں تنزلی ٹیکسٹائل مصنوعات کی عالمی مانگ میں کمی کی وجہ سے ہوئی۔ کم طلب کی وجوہات میں بلند افراط زر، شرح سود میں اضافہ اور کوویڈ 19 سبسڈی میں کمی ہے جس نے صارفین کی قوت خرید کو متاثر کیا۔



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