

# NISHAT MILLS LIMITED



NML-PSX/

April 28, 2023

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

SUB: **TRANSMISSION OF QUARTERLY REPORT  
FOR THE PERIOD ENDED MARCH 31, 2023**

Dear Sir,

We have to inform you the Quarterly Report of Nishat Mills Limited for the period ended March 31, 2023 have been 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 Nine Months Ended  
March 31, 2023**

**PROVEN PERFORMANCE  
PROMISING POTENTIAL**

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## COMPANY INFORMATION

### Board of Directors

Mian Umer Mansha  
Chief Executive Officer

Mian Hassan Mansha  
Chairman

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

### Audit Committee

Mrs. Mehak Adil  
Chairperson / Member

Syed Zahid Hussain  
Member

Mr. Farid Noor Ali Fazal  
Member

### Human Resource & Remuneration (HR & R) Committee

Mrs. Sara Aqeel  
Chairperson / Member

Mian Umer Mansha  
Member

Mr. Mahmood Akhtar  
Member

### Chief Financial Officer

Mr. 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 Nine-month period ended 31 March 2023.

### Operating Financial Results

The Company's exceptional profitability during the nine-month period, as compared to the corresponding period, can be attributed to a significant increase in revenue and an improved product mix. The topline saw a remarkable increase of Rs. 20.356 billion (24.16%), out of which Rs. 14.729 billion was due to higher export sales. Resultantly, gross profit increased by Rs. 2.567 billion (18.74%). However, the gross profit margin decreased slightly from 16.26% in the corresponding period to 15.55% in the current nine months period. This was primarily due to the notable rise in raw material and energy costs.

Profit after tax showed a significant increase of Rs. 2.082 billion (22.99%) to reach Rs. 11.136 billion during the current nine-month period as compared to Rs. 9.054 billion in the corresponding period of the previous year. This excellent growth was mainly driven by a substantial increase in other income which rose by Rs. 4.195 billion (105.16%). However, the finance cost also increased by Rs. 3.034 billion (207.56%) largely due to an unprecedented rise in average borrowing costs, which adversely impacted the Company's bottom-line. Despite this, the Earnings per Share (EPS) saw a significant increase of Rs. 5.92, reflecting the positive performance of the Company.

Financial Highlights	Nine months ended 31 March		Increase / (decrease) %
	2023	2022	
Revenue (Rs. '000')	104,609,259	84,252,725	24.16
Gross Profit (Rs. '000')	16,263,010	13,696,146	18.74
Profit after tax (Rs. '000')	11,135,934	9,054,317	22.99
Gross Profit (%)	15.55	16.26	
Profit after tax (%)	10.65	10.75	
Earnings per share – (Rs.)	31.67	25.75	

### General Market Review and Future Prospects

The Pakistani textile industry is currently facing significant challenges due to various factors, including the global economic slowdown, higher costs of raw materials, unavailability of energy at competitive rates, rapid currency fluctuations and increased government taxation. As a result, textile exports have declined by 12.40% during the current nine-month period as compared to the corresponding period of the previous year. These challenging circumstances have posed serious difficulties for sustainable growth of the industry.

### Segment Analysis

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

#### Spinning

During first nine months of financial year 2022-23, local cotton prices in Pakistan remained high due to a short crop and floods while international prices were low because of global economic and political factors. Since the Pakistani spinners wanted to replenish their stocks for their annual spinning requirements, prices

in local cotton market remain elevated. The Division had to purchase local cotton at whatever prices available in the market, therefore, planned to use a combination of local and imported cotton to meet annual production requirements.

Pakistani yarn sellers faced challenges in international market due to a global recession, high inflation, and currency fluctuations. Despite the support of the weak Pakistani rupee, the company faced severe competition from other countries like India, Vietnam, and Indonesia. The Division responded by focusing on the local market which generated favorable results. The management anticipates that the situation of cotton yarn business would remain under pressure in near future and is simultaneously promoting open-end and value-added yarn in both local and international markets.

Yarn	Nine months ended 31 March		Increase / (Decrease)	
	2023	2022	Value	% age
Sale – (kgs '000')	21,639	27,878	(6,239)	(22.38)
Rate / kg	790.60	641.58	149.02	23.23
Sale – (Rs. '000')	17,107,717	17,885,936	(778,219)	(4.35)

### Weaving

The Division delivered a remarkable performance during the first nine months of the financial year 2023. While the market remained sluggish for fashion and home textiles; there was an increase in demand for fabrics in industrial and technical applications. Consequently, the Division is looking into new opportunities in this particular niche market.

The dyeing houses in Pakistan are facing a shortage of orders, resulting in an unprecedentedly low rates and sales pressure in the local market of greige cloth. To tackle this issue, the division is implementing a successful strategy to increase its exports, which is advantageous considering the weakening Pakistani Rupee against US Dollar.

Grey Cloth	Nine months ended 31 March		Increase / (Decrease)	
	2023	2022	Value	% age
Sale – (meters '000')	75,272	72,985	2,287	3.13
Rate / meter	333.99	265.44	68.55	25.83
Sale – (Rs. '000')	25,139,983	19,373,214	5,766,769	29.77

### Dyeing

Dyeing Division achieved outstanding results during the first nine months of the financial year 2022-23. Sales increased by Rs. 8.728 billion (53.33%) in the current nine months period as compared to corresponding nine months of the last year. The Division not only utilized its production capacities to the fullest, but also generated the highest profits ever recorded during this period.

Processed Cloth	Nine months ended 31 March		Increase / (Decrease)	
	2023	2022	Value	% age
Sale – (meters '000')	36,708	34,859	1,849	5.30
Rate / meter	683.66	469.54	214.12	45.60
Sale – (Rs. '000')	25,095,908	16,367,589	8,728,319	53.33

As we have entered the lean period of our business calendar, we are anticipating a more challenging business environment in the last quarter of the current fiscal year.

### Home Textile and Terry

Despite the prevailing economic and financial challenges, Home Textile Division has displayed remarkable resilience by maintaining a steady order pipeline and keeping capacity utilization rates high. This accomplishment is an evidence of the Division's commitment to excellence and efficiency. We are confident that our exceptional product quality, longstanding reputation, and professional approach will position us as a preferred choice for any orders related to our product categories in Pakistan.

Processed Cloth and Made-ups	Nine months ended 31 March		Increase / (Decrease)	
	2023	2022	Value	% age
Sale – (meters '000')	19,618	20,720	(1,102)	(5.32)
Rate / meter	719.59	544.04	175.55	32.27
Sale – (Rs. '000')	14,116,870	11,272,426	2,844,444	25.23

Towel and bath sales have also increased by Rs. 1,552.242 million (72.71%). The plan to enhance the production capacity of the Terry project is in process.

Terry products	Nine months ended 31 March		Increase / (Decrease)	
	2023	2022	Value	% age
Sale – (kgs '000')	2,442	1,912	530	27.72
Rate / kg	1,509.88	1,116.57	393.31	35.22
Sale – (Rs. '000')	3,687,120	2,134,878	1,552,242	72.71

### Garments

The Garments Division has made good progress despite facing tough economic conditions and intense competition from other market players. However, the division's profitability was impacted by rising input and energy costs.



Garments	Nine months ended 31 March		Increase / (Decrease)	
	2023	2022	Value	% age
Sale – (garments '000')	5,737	7,753	(2,016)	(26.00)
Rate / garment	1,839.80	1,265.22	574.58	45.41
Sale – (Rs. '000')	10,554,947	9,809,288	745,659	7.60

To maintain its position in the global market, the Division is fully prepared to adapt to evolving consumer preferences and market trends, while also addressing sustainability concerns. The Division is taking steps to improve its production methods, integrate cutting-edge technologies, and enhance overall efficiency.

### Power Generation

The Company faced significant challenges in managing its energy costs during the current nine-month period as compared to the corresponding period of the last financial year. The primary cause of concern was the unprecedented rise in the prices of furnace oil and coal which put a strain on the Company's bottom line. Additionally, the subsidized rate of RLNG has increased substantially from USD 6.5 per mmbtu to USD 9 per mmbtu as determined by the Government of Pakistan. Furthermore, due to the rapidly depreciating value of the Pak Rupee against the US Dollar, this Dollar-denominated rate has proven even more expensive to the Company. Government of Pakistan has stopped providing electricity at subsidized rate. From 01 March 2023, the Company has to pay the NEPRA notified tariff rate instead of the subsidized rate of Rs. 19.99 per unit that was provided from October 1, 2022 onward to support the textile sector and other export-oriented industries.

The Company recognizes the impact of these energy cost increases on its operations and is working diligently to explore cost-saving measures to mitigate their impact. Despite these challenges, the Company remains committed to maintaining its high standards of quality and customer service.

### 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. Farid Noor Ali Fazal	Member

### Human Resource and Remuneration Committee:

Sr. No.	Name of Director	
1	Mian Umer Mansha	Member
2	Mrs. Sara Aqeel	Chairperson / Member
3	Mr. Mahmood Akhtar	Member

### Directors' Remuneration

The Board of Directors has approved the 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 the meeting fee for attending meetings of the Board and its Committees.
- The Company will reimburse or incur expenses of travelling and accommodation of Directors in relation to attending meetings of the Board and its Committees.
- The Directors' Remuneration Policy will be reviewed and approved by the Board of Directors from time to time.

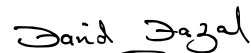
### Acknowledgement

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

### For and on behalf of the Board of Directors



**Mian Umer Mansha**  
Chief Executive Officer



**Farid Noor Ali Fazal**  
Director

28 April 2023  
Lahore

Unconsolidated Condensed Interim  
Financial Statements of

# **Nishat Mills Limited**

For the nine months ended 31 March 2023



## Unconsolidated Condensed Interim Statement of Financial Position

As at 31 March 2023

	Note	Un-audited 31 March 2023 (Rupees in thousand)	Audited 30 June 2022
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorized share capital</b>			
1,100,000,000 (30 June 2022: 1,100,000,000) ordinary shares of Rupees 10 each		11,000,000	11,000,000
<b>Issued, subscribed and paid-up share capital</b>			
351,599,848 (30 June 2022: 351,599,848) ordinary shares of Rupees 10 each		3,515,999	3,515,999
<b>Reserves</b>		84,143,103	75,684,944
<b>Total equity</b>		87,659,102	79,200,943
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Long term financing - secured Deferred liabilities	5	12,395,691 2,169,597 14,565,288	12,284,112 2,191,059 14,475,171
<b>CURRENT LIABILITIES</b>			
Trade and other payables		13,777,027	11,997,292
Accrued mark-up		1,249,517	376,723
Short term borrowings		50,234,446	26,730,048
Current portion of non-current liabilities		4,044,360	4,302,449
Unclaimed dividend		108,934	101,928
Taxation - net		714,859	350,023
		70,129,143	43,858,463
<b>TOTAL LIABILITIES</b>		84,694,431	58,333,634
<b>CONTINGENCIES AND COMMITMENTS</b>	6		
<b>TOTAL EQUITY AND LIABILITIES</b>		172,353,533	137,534,577

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



CHIEF EXECUTIVE OFFICER

	Note	Un-audited 31 March 2023 (Rupees in thousand)	Audited 30 June 2022
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	43,891,915	39,766,323
Investment properties		472,085	475,077
Long term investments		37,303,844	35,720,224
Long term loans		300,498	392,423
Long term deposits		200,782	177,196
		82,169,124	76,531,243
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools		5,843,625	3,999,710
Stock-in-trade		39,316,596	31,826,616
Trade debts		12,735,806	10,366,408
Loans and advances		19,937,473	4,800,356
Short term deposits and prepayments		69,595	137,383
Other receivables		10,171,582	9,401,466
Accrued interest		302,205	379,668
Cash and bank balances		1,807,527	91,727
		90,184,409	61,003,334
<b>TOTAL ASSETS</b>		172,353,533	137,534,577

*Said Fazal*

DIRECTOR



CHIEF FINANCIAL OFFICER



## Unconsolidated Condensed Interim Statement of Profit or Loss

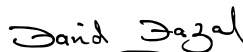
For the nine months ended 31 March 2023 (Un-audited)

	Note	Period ended		Quarter ended	
		31 March	31 March	31 March	31 March
		2023	2022	2023	2022
		(Rupees in thousand)			
REVENUE	8	104,609,259	84,252,725	37,102,058	31,360,764
COST OF SALES	9	(88,346,249)	(70,556,579)	(32,255,025)	(26,020,265)
GROSS PROFIT		16,263,010	13,696,146	4,847,033	5,340,499
DISTRIBUTION COST		(4,614,581)	(4,163,001)	(1,509,623)	(1,600,375)
ADMINISTRATIVE EXPENSES		(1,615,415)	(1,226,519)	(533,733)	(410,241)
OTHER EXPENSES		(481,608)	(531,785)	(155,231)	(200,740)
		(6,711,604)	(5,921,305)	(2,198,587)	(2,211,356)
		9,551,406	7,774,841	2,648,446	3,129,143
OTHER INCOME		8,183,931	3,989,129	3,425,410	1,444,958
PROFIT FROM OPERATIONS		17,735,337	11,763,970	6,073,856	4,574,101
FINANCE COST		(4,495,403)	(1,461,653)	(2,099,285)	(685,151)
PROFIT BEFORE TAXATION		13,239,934	10,302,317	3,974,571	3,888,950
TAXATION		(2,104,000)	(1,248,000)	(674,105)	(440,000)
<b>PROFIT AFTER TAXATION</b>		11,135,934	9,054,317	3,300,466	3,448,950
<b>EARNINGS PER SHARE - BASIC</b>					
<b>AND DILUTED (RUPEES)</b>	10	31.67	25.75	9.39	9.81

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

**Unconsolidated Condensed Interim Statement of Comprehensive Income**

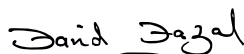
For the nine months ended 31 March 2023 (Un-audited)

	Period ended		Quarter ended	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	(Rupees in thousand)			
<b>PROFIT AFTER TAXATION</b>	11,135,934	9,054,317	3,300,466	3,448,950
<b>OTHER COMPREHENSIVE (LOSS) / INCOME</b>				
Items that will not be reclassified to profit or loss:				
(Deficit) / surplus arising on remeasurement of investments at fair value through other comprehensive income	(1,281,611)	(8,607,922)	793,649	(1,884,058)
Deferred income tax relating to this item	10,235	179,112	(421,765)	8,339
	(1,271,376)	(8,428,810)	371,884	(1,875,719)
Items that may be reclassified subsequently to profit or loss	-	-	-	-
<b>Other comprehensive (loss) / income for the period - net of tax</b>	(1,271,376)	(8,428,810)	371,884	(1,875,719)
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	9,864,558	625,507	3,672,350	1,573,231

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



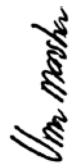
CHIEF FINANCIAL OFFICER

## Unconsolidated Condensed Interim Statement of Changes in Equity

For the nine months ended 31 March 2023 (Un-audited)

	Reserves						Total	Total Equity
	Capital Reserves			Revenue Reserves				
	Premium on Issue of Right Shares	Fair Value Reserve FYTOC Investments	Sub Total	General Reserve	Unappropriated Profit	Sub Total		
Share Capital								
	3,515,999	23,543,006	29,042,536	47,266,028	5,923,216	53,189,244	85,747,779	
<b>Balance as at 30 June 2021 - (audited)</b>								
Transaction with owners - Final dividend for the year ended 30 June 2021 @ Rupees 4.00 per share	-	-	-	-	(1,406,399)	(1,406,399)	(1,406,399)	
Transferred to general reserve	-	-	-	4,516,000	(4,516,000)	-	-	
Profit for the period	-	-	-	-	9,054,317	9,054,317	9,054,317	
Other comprehensive loss for the period	-	(8,428,810)	(8,428,810)	-	-	-	(8,428,810)	
Total comprehensive (loss) / income for the period	-	(8,428,810)	(8,428,810)	-	9,054,317	9,054,317	625,507	
<b>Balance as at 31 March 2022 - (un-audited)</b>	3,515,999	15,114,196	20,613,726	51,782,028	9,055,134	60,837,162	84,966,887	
Profit for the period	-	-	-	-	1,257,357	1,257,357	1,257,357	
Other comprehensive loss for the period	-	(7,023,301)	(7,023,301)	-	-	-	(7,023,301)	
Total comprehensive (loss) / income for the period	-	(7,023,301)	(7,023,301)	-	1,257,357	1,257,357	(5,765,944)	
<b>Balance as at 30 June 2022 - (audited)</b>	3,515,999	8,090,895	13,590,425	51,782,028	10,312,491	62,094,519	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)	
Transferred to general reserve	-	-	-	8,906,000	(8,906,000)	-	-	
Profit for the period	-	-	-	-	11,135,934	11,135,934	11,135,934	
Other comprehensive loss for the period	-	(1,271,376)	(1,271,376)	-	-	-	(1,271,376)	
Total comprehensive (loss) / income for the period	-	(1,271,376)	(1,271,376)	-	11,135,934	11,135,934	9,864,558	
<b>Balance as at 31 March 2023 - (un-audited)</b>	3,515,999	6,819,519	12,319,049	60,688,028	11,136,026	71,824,054	87,659,102	

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

**Unconsolidated Condensed Interim Statement of Cash Flows**

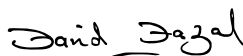
For the nine months ended 31 March 2023 (Un-audited)

	Note	Period ended	
		31 March 2023	31 March 2022
		(Rupees in thousand)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash generated from / (used in) operations</b>	11	2,538,600	(14,891,385)
Finance cost paid		(3,621,836)	(1,359,444)
Income tax paid		(1,739,164)	(1,092,385)
Net exchange difference on forward exchange contracts received		28,977	5,412
Net decrease in long term loans		107,697	88,260
Net increase in long term deposits		(23,586)	(88,199)
<b>Net cash used in operating activities</b>		(2,709,312)	(17,337,741)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure on property, plant and equipment		(6,773,376)	(6,149,135)
Proceeds from sale of property, plant and equipment		65,168	83,682
Investments made		(2,405,044)	(1,317,582)
Loans and advances to subsidiary companies		(53,952,001)	(37,785,188)
Repayment of loans from subsidiary companies		40,122,328	37,858,177
Interest received		1,953,180	274,819
Dividends received		3,468,362	2,861,189
<b>Net cash used in investing activities</b>		(17,521,383)	(4,174,038)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from long term financing		2,300,333	3,317,581
Repayment of long term financing		(2,458,843)	(2,207,936)
Short term borrowings - net		23,504,398	16,649,954
Dividend paid		(1,399,393)	(1,401,769)
<b>Net cash from financing activities</b>		21,946,495	16,357,830
<b>Net increase / (decrease) in cash and cash equivalents</b>		1,715,800	(5,153,949)
<b>Cash and cash equivalents at the beginning of the period</b>		91,727	5,272,345
<b>Cash and cash equivalents at the end of the period</b>		1,807,527	118,396

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

## Selected Notes to the Unconsolidated Condensed Interim Financial Statements

For the nine months ended 31 March 2023 (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 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 March 2023 (Rupees in thousand)	Audited 30 June 2022
<b>5 LONG TERM FINANCING - SECURED</b>			
Opening balance		15,320,725	14,576,825
Add: Obtained during the period / year		2,300,333	3,707,601
Less: Repaid during the period / year		(2,458,843)	(3,040,165)
Less: Deferred income recognised during the period / year		-	(5,406)
Add: Amortised during the period / year		21,592	81,870
Net impact	5.1	21,592	76,464
		15,183,807	15,320,725
Less: Current portion shown under current liabilities		(2,788,116)	(3,036,613)
		12,395,691	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.

## 6 CONTINGENCIES AND COMMITMENTS

### a) Contingencies

- i) Guarantees of Rupees 4,666.340 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

## Selected Notes to the Unconsolidated Condensed Interim Financial Statements

For the nine months ended 31 March 2023 (Un-audited)

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 16,684.537 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 6,324.591 million (30 June 2022: Rupees 2,277.395 million).
- ii) Letters of credit other than for capital expenditure are of Rupees 5,603.069 million (30 June 2022: Rupees 2,788.575 million).
- iii) Outstanding foreign currency forward contracts of Rupees 1,174.074 million (30 June 2022: Rupees 1,332.998 million).

## 7 PROPERTY, PLANT AND EQUIPMENT

		Un-audited 31 March 2023 (Rupees in thousand)	Audited 30 June 2022
	Note		
Operating fixed assets	7.1	36,390,619	34,938,589
Capital work-in-progress	7.2	7,501,296	4,827,734
		43,891,915	39,766,323
<b>7.1 Operating fixed assets</b>			
Opening book value		34,938,589	29,713,681
Add: Cost of additions during the period / year	7.1.1	4,101,155	8,588,851
		39,039,744	38,302,532
Less: Book value of deletions during the period / year	7.1.2	(48,683)	(77,544)
		38,991,061	38,224,988
Less: Depreciation charged during the period / year		(2,600,442)	(3,286,399)
		36,390,619	34,938,589

	Un-audited 31 March 2023 (Rupees in thousand)	Audited 30 June 2022
<b>7.1.1 Cost of additions</b>		
Freehold land	16,659	134,933
Buildings on freehold land	208,012	1,135,497
Plant and machinery	3,561,589	6,606,176
Electric installations	12,755	267,315
Factory equipment	19,096	67,796
Furniture, fixtures and office equipment	40,016	155,713
Computer equipment	26,524	27,115
Vehicles	216,504	194,306
	4,101,155	8,588,851
<b>7.1.2 Book value of deletions</b>		
Plant and machinery	12,989	41,358
Furniture, fixtures and office equipment	-	14
Computer equipment	351	529
Vehicles	35,343	35,643
	48,683	77,544
<b>7.2 Capital work-in-progress</b>		
Buildings on freehold land	4,287,012	1,657,183
Plant and machinery	2,915,183	2,969,867
Electric installations	209,468	92,502
Unallocated capital expenditures	52,931	10,762
Advances against purchase of freehold land	6,397	1,153
Advances against furniture, fixtures and office equipment	24,333	7,835
Advances against purchase of vehicles	5,972	88,432
	7,501,296	4,827,734

## Selected Notes to the Unconsolidated Condensed Interim Financial Statements

For the nine months ended 31 March 2023 (Un-audited)

### 8 REVENUE

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

Description	Spinning						Weaving						Dyeing						Home Textile and Terry					
	Period ended		Quarter ended		Period ended		Quarter ended		Period ended		Quarter ended		Period ended		Quarter ended		Period ended		Quarter ended					
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23					
<b>Region</b>																								
Europe	696,394	257,176	223,102	120,119	13,777,066	11,734,898	4,573,769	4,285,766	418,599	379,025	114,717	114,008	12,879,761	8,871,066	4,384,681	3,081,306								
America	631,147	308,334	66,731	131,872	970,421	653,489	306,684	372,177	8,253	2,471	-	1,310	2,573,381	2,885,903	1,013,237	771,889								
Asia, Africa, Australia	4,515,128	5,066,439	1,361,789	2,044,822	2,036,281	1,655,039	1,022,103	441,912	18,042,082	11,789,086	5,913,893	4,101,377	1,524,010	1,195,711	597,982	384,682								
Pakistan	15,955,117	16,516,034	6,655,856	6,601,568	8,346,214	5,801,026	2,585,581	2,301,824	7,261,449	4,643,744	2,508,389	1,794,042	3,359,065	2,563,161	1,166,650	885,932								
	21,797,786	22,147,983	8,307,478	8,898,371	25,699,982	19,845,452	8,488,147	7,401,699	25,730,383	16,814,326	8,536,999	6,010,737	20,336,217	15,315,841	7,162,520	5,132,579								
<b>Timing of revenue recognition</b>																								
Products and services transferred at a point in time	21,797,786	22,147,983	8,307,478	8,898,371	25,699,982	19,845,452	8,488,147	7,401,699	25,730,383	16,814,326	8,536,999	6,010,737	20,336,217	15,315,841	7,162,520	5,132,579								
Products and services transferred over time	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
	21,797,786	22,147,983	8,307,478	8,898,371	25,699,982	19,845,452	8,488,147	7,401,699	25,730,383	16,814,326	8,536,999	6,010,737	20,336,217	15,315,841	7,162,520	5,132,579								
<b>Major products / service lines</b>																								
Yarn	21,797,786	21,975,623	8,307,478	8,871,906	-	-	-	-	-	-	-	-	-	-	-	-	-							
Comber Noli	-	172,380	-	26,465	-	-	-	-	-	-	-	-	-	-	-	-	-							
Grey Cloth	-	-	-	-	25,699,982	19,845,452	8,488,147	7,401,699	-	-	-	-	-	-	-	-	-							
Processed Cloth	-	-	-	-	-	-	-	-	25,730,383	16,814,326	8,536,999	6,010,737	-	-	-	-	-							
Made Ups	-	-	-	-	-	-	-	-	-	-	-	-	16,152,162	12,891,224	5,232,955	4,132,379	-							
Garments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
Towels and Bath Robe	-	-	-	-	-	-	-	-	-	-	-	-	4,184,055	2,424,617	1,925,585	1,000,200	-							
Electricity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
	21,797,786	22,147,983	8,307,478	8,898,371	25,699,982	19,845,452	8,488,147	7,401,699	25,730,383	16,814,326	8,536,999	6,010,737	20,336,217	15,315,841	7,162,520	5,132,579								

Continued on next page

Description	(Rupees in thousands)					
	Garments		Power Generation		Total - Company	
	Period ended 31-Mar-23	Quarter ended 31-Mar-23	Period ended 31-Mar-23	Quarter ended 31-Mar-23	Period ended 31-Mar-23	Quarter ended 31-Mar-23
<b>Region</b>						
Europe	2,645,686	3,443,623	598,197	864,710	-	-
America	7,836,088	6,062,678	3,785,988	2,892,785	-	-
Asia, Africa, Australia	185,060	408,883	101,983	69,926	-	-
Pakistan	303,453	148,274	107,002	70,431	74,584	65,665
	10,970,307	10,063,468	4,592,550	3,897,852	74,584	65,665
<b>Timing of revenue recognition</b>						
Products and services transferred at a point in time	10,970,307	10,063,468	4,592,550	3,897,852	74,584	65,665
Products and services transferred over time	-	-	-	-	-	-
	10,970,307	10,063,468	4,592,550	3,897,852	74,584	65,665
<b>Major products / service lines</b>						
Yarn	-	-	-	-	-	-
Comber Noil	-	-	-	-	-	-
Grey Cloth	-	-	-	-	-	-
Processed Cloth	-	-	-	-	-	-
Made Ups	-	-	-	-	-	-
Garments	10,970,307	10,063,468	4,592,550	3,897,852	-	-
Towels and Bath Robe	-	-	-	-	-	-
Electricity	10,970,307	10,063,468	4,592,550	3,897,852	74,584	65,665
	10,970,307	10,063,468	4,592,550	3,897,852	19,526	14,364
					19,526	14,364
					84,252,725	84,252,725
					37,102,058	37,102,058
					8,307,478	8,307,478
					172,360	172,360
					25,689,982	19,845,452
					25,730,383	16,814,326
					16,182,162	12,881,224
					10,970,307	10,063,468
					4,184,055	2,424,617
					74,584	65,665
					84,252,725	84,252,725
					37,102,058	37,102,058
					8,307,478	8,307,478
					26,465	26,465
					8,488,147	7,401,699
					8,538,989	6,010,737
					5,232,955	4,132,379
					4,592,550	3,897,852
					1,929,585	1,000,200
					14,364	14,364
					31,360,764	31,360,764

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



## Selected Notes to the Unconsolidated Condensed Interim Financial Statements

For the nine months ended 31 March 2023 (Un-audited)

	Period ended		Quarter ended	
	31 March	31 March	31 March	31 March
	2023	2022	2023	2022
(Rupees in thousand)				
<b>9 COST OF SALES</b>				
Raw materials consumed	53,493,597	48,806,205	18,934,413	17,000,949
Processing charges	229,786	402,248	83,888	173,255
Salaries, wages and other benefits	8,139,729	6,788,142	2,547,593	2,379,780
Stores, spare parts and loose tools consumed	9,213,792	7,498,165	3,376,520	2,741,808
Packing materials consumed	1,982,513	1,764,025	710,330	631,907
Repair and maintenance	613,697	464,336	169,978	179,479
Fuel and power	13,093,156	7,379,406	4,225,273	2,928,514
Insurance	62,183	46,134	21,793	16,903
Other factory overheads	987,878	589,276	348,784	233,762
Depreciation	2,514,186	2,328,813	864,640	829,957
	90,330,517	76,066,750	31,283,212	27,116,314
Work-in-process:				
Opening stock	6,049,041	2,814,471	7,237,140	4,071,056
Closing stock	(7,576,822)	(4,602,793)	(7,576,822)	(4,602,793)
	(1,527,781)	(1,788,322)	(339,682)	(531,737)
Cost of goods manufactured	88,802,736	74,278,428	30,943,530	26,584,577
Finished goods:				
Opening stock	8,172,559	5,874,465	9,940,541	9,032,002
Closing stock	(8,629,046)	(9,596,314)	(8,629,046)	(9,596,314)
	(456,487)	(3,721,849)	1,311,495	(564,312)
	88,346,249	70,556,579	32,255,025	26,020,265

		Period ended	
		31 March	31 March
		2023	2022
<b>10 EARNINGS PER SHARE - BASIC AND DILUTED</b>			
There is no dilutive effect on the basic earnings per share which is based on:			
Profit attributable to ordinary shareholders	(Rupees in thousand)	11,135,934	9,054,317
Weighted average number of ordinary shares	(Numbers)	351,599,848	351,599,848
Earnings per share	(Rupees)	31.67	25.75

	Note	Period ended	
		31 March 2023	31 March 2022
(Rupees in thousand)			
<b>11 CASH GENERATED FROM / (USED IN) OPERATIONS</b>			
<b>Profit before taxation</b>		13,239,934	10,302,317
<b>Adjustments for non-cash charges and other items:</b>			
Depreciation		2,602,093	2,400,482
Gain on sale of property, plant and equipment		(16,485)	(12,531)
Dividend income		(3,468,362)	(2,861,189)
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		(1,751,960)	(330,945)
Interest income on loan to subsidiary company		(1,875,717)	(287,003)
Finance cost		4,495,403	1,461,653
Reversal of provision for slow moving, obsolete and damaged store items		(34)	-
Working capital changes	11.1	(10,227,760)	(25,564,571)
		2,538,600	(14,891,385)
<b>11.1 Working capital changes</b>			
(Increase) / decrease in current assets:			
- Stores, spare parts and loose tools		(1,843,881)	(1,067,387)
- Stock in trade		(7,489,980)	(16,988,514)
- Trade debts		(538,793)	(5,411,506)
- Loans and advances		(1,323,216)	(235,869)
- Short term deposits and prepayments		67,788	11,537
- Other receivables		(827,634)	(3,954,039)
		(11,955,716)	(27,645,778)
Increase in trade and other payables		1,727,956	2,081,207
		(10,227,760)	(25,564,571)

## Selected Notes to the Unconsolidated Condensed Interim Financial Statements

For the nine months ended 31 March 2023 (Un-audited)

### 12 SEGMENT INFORMATION

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

Spinning:	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.

	Spinning		Weaving		Dyeing		Home Textile and Terry		Garments		Power Generation		Elimination of inter-segment transactions		Total Company	
	Un-audited 31 Mar 2023	Audited 31 Mar 2022	Un-audited 31 Mar 2023	Audited 31 Mar 2022	Un-audited 31 Mar 2023	Audited 31 Mar 2022	Un-audited 31 Mar 2023	Audited 31 Mar 2022	Un-audited 31 Mar 2023	Audited 31 Mar 2022	Un-audited 31 Mar 2023	Audited 31 Mar 2022	Un-audited 31 Mar 2023	Audited 31 Mar 2022	Un-audited 31 Mar 2023	Audited 31 Mar 2022
Revenue	21,797,786	22,147,983	25,699,982	19,845,452	25,730,383	16,814,326	20,338,217	15,315,841	10,970,307	10,063,458	74,584	65,665	-	-	104,699,259	84,252,725
External Intersgment	11,689,571	7,892,844	17,178,405	12,554,284	1,941,464	1,251,683	367,790	278,631	1,726	476	13,207,015	7,710,607	-	-	-	-
Cost of sales	32,887,357	30,040,827	42,876,387	32,399,746	27,671,847	18,066,209	20,704,007	15,594,472	10,972,033	10,063,834	13,281,599	7,776,272	(43,868,971)	(29,688,739)	104,699,259	84,252,725
Gross profit	(1,876,228)	5,038,843	5,051,772	3,743,311	5,447,214	1,824,649	2,350,978	1,485,648	1,519,642	1,473,887	17,776	33,208	-	-	(89,346,249)	(70,556,579)
Distribution cost	(494,680)	(498,485)	(1,225,489)	(1,190,458)	(967,888)	(828,394)	(1,259,889)	(1,015,957)	(686,875)	(628,137)	-	-	-	-	(4,614,981)	(4,163,001)
Administrative expenses	(403,716)	(340,209)	(935,558)	(259,609)	(224,012)	(182,825)	(345,285)	(260,201)	(250,197)	(161,322)	(56,847)	(42,357)	-	-	(1,615,415)	(1,226,519)
Profit / (loss) before taxation and unallocated income and expenses	(898,398)	(839,664)	(1,581,027)	(1,450,063)	(1,191,910)	(991,819)	(1,604,944)	(1,276,158)	(917,072)	(789,459)	(56,647)	(42,357)	-	-	(6,229,996)	(5,389,520)
Income and expenses	977,882	4,197,179	3,460,745	2,293,248	4,255,304	932,830	745,434	298,890	692,570	683,828	(88,871)	(8,149)	-	-	10,933,014	8,306,626
Unallocated income and expenses:																
Other expenses																
Other income																
Finance cost																
Taxation																
Profit after taxation																

12.3 Reconciliation of reportable segment assets and liabilities

	Spinning		Weaving		Dyeing		Home Textile and Terry		Garments		Power Generation		Total Company	
	Un-audited 31 Mar 2023	Audited 30 Jun 2022	Un-audited 31 Mar 2023	Audited 30 Jun 2022	Un-audited 31 Mar 2023	Audited 30 Jun 2022	Un-audited 31 Mar 2023	Audited 30 Jun 2022	Un-audited 31 Mar 2023	Audited 30 Jun 2022	Un-audited 31 Mar 2023	Audited 30 Jun 2022	Un-audited 31 Mar 2023	Audited 30 Jun 2022
Total assets for reportable segments	30,731,200	25,386,936	15,850,433	13,984,643	15,361,374	13,436,058	19,536,391	16,471,284	11,544,372	9,529,041	10,963,157	8,061,122	103,986,927	86,371,094
Unallocated assets:														
Long term investments													37,308,844	35,720,224
Other receivables													10,171,582	9,401,486
Cash and bank balances													1,807,527	91,727
Other corporate assets													19,083,653	5,450,076
Total assets as per unconsolidated condensed interim statement of financial position	2,529,214	2,306,434	2,559,698	1,933,567	1,722,027	1,402,605	1,749,198	1,505,888	1,319,487	1,153,996	2,214,210	1,920,791	12,093,634	10,222,971
Unallocated liabilities:														
Deferred liabilities														
Other corporate liabilities													2,169,597	2,191,059
Total liabilities as per unconsolidated condensed interim statement of financial position													84,694,431	58,333,634

## Selected Notes to the Unconsolidated Condensed Interim Financial Statements

For the nine months ended 31 March 2023 (Un-audited)

### 13 RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

#### i) Fair value hierarchy

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

Recurring fair value measurements At 31 March 2023 - Un-audited	Level 1	Level 2	Level 3	Total
(Rupees in thousand)				
<b>Financial assets</b>				
Fair value through other comprehensive income	23,194,452	-	9,455,388	32,649,840
Derivative financial assets	-	-	-	-
<b>Total financial assets</b>	23,194,452	-	9,455,388	32,649,840
<b>Financial liabilities</b>				
Derivative financial liabilities	-	61,374	-	61,374
<b>Total financial liabilities</b>	-	61,374	-	61,374

Recurring fair value measurements At 30 June 2022 - Audited	Level 1	Level 2	Level 3	Total
(Rupees in thousand)				
<b>Financial assets</b>				
Fair value through other comprehensive income	24,271,003	-	6,917,218	31,188,221
Derivative financial assets	-	57,518	-	57,518
<b>Total financial assets</b>	24,271,003	57,518	6,917,218	31,245,739
<b>Financial liabilities</b>				
Derivative financial liabilities	-	9,595	-	9,595
<b>Total financial liabilities</b>	-	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 period ended 31 March 2023. 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.

**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 March 2023:

		<b>Unlisted equity securities (Rupees in thousand)</b>
<b>Balance as on 30 June 2021 - Audited</b>		7,603,461
Add: Investment made during the period		776,085
Less: Deficit recognized in other comprehensive income		(709,553)
<b>Balance as on 31 March 2022 - Un-audited</b>		7,669,993
Add: Investment made during the period		500,164
Less: Deficit recognized in other comprehensive income		(1,252,939)
<b>Balance as on 30 June 2022 - Audited</b>		6,917,218
Add: Investment made during the period		1,318,825
Add : Surplus recognized in other comprehensive income		1,219,345
<b>Balance as on 31 March 2023 - Un-audited</b>		9,455,388

**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 March 2023	30 June 2022		31 March 2023	

(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	6,178,556	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 + 727.718 million / - 596.259 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.

## Selected Notes to the Unconsolidated Condensed Interim Financial Statements

For the nine months ended 31 March 2023 (Un-audited)

### Valuation processes

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

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

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

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

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

### 14 TRANSACTIONS WITH RELATED PARTIES

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

#### i) Transactions

	Period ended		Quarter ended	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	(Rupees in thousand)			
<b>Subsidiary companies</b>				
Dividend income	1,227,920	713,241	361,266	361,266
Short term loans made	53,952,001	37,785,188	12,178,824	10,816,896
Repayment of short term loans made	40,122,328	37,858,177	15,636,104	13,713,146
Interest income	1,875,717	287,003	837,910	113,661
Rental income	69,200	63,034	23,844	21,682
Sale of goods and services	9,184,985	7,657,488	3,184,322	3,773,183
Purchase of goods and services	672,465	509,157	379,763	237,617
<b>Associated companies</b>				
Investment made	2,405,044	1,276,249	259,158	500,164
Purchase of goods and services	16,009	116,997	4,534	5,816
Sale of goods and services	29,771	42,888	17,646	16,929
Purchase of operating fixed assets	54,297	66,789	-	33,454
Rental income	5,509	5,140	1,836	1,705
Dividend income	1,850,584	1,880,804	570,754	440,077
Dividend paid	123,372	123,047	-	-
Insurance premium paid	162,390	110,765	30,798	24,712
Insurance claims received	58,128	35,529	18,843	7,954
Interest income	7,472	65,249	12	2
Finance cost	44,746	13,675	18,596	6,603
<b>Other related parties</b>				
Dividend income	386,133	261,515	-	98,068
Gain on initial recognition of ordinary shares transferred under Scheme of Compromises, Arrangement and Reconstruction amongst Nishat (Chunian) Limited and its members	460,187	-	-	-
Purchase of goods and services	4,168,527	3,834,590	1,431,347	1,261,072
Sale of goods and services	353,736	217,180	231,364	70,217
Company's contribution to provident fund trust	319,647	243,952	108,574	84,220
Remuneration paid to Chief Executive Officer and Executives	1,456,900	1,091,069	432,026	363,809
Dividend paid	354,670	354,670	-	-

## ii) Period end balances

	As at 31 March 2023			Total
	Subsidiary companies	Associated companies	Other related parties	
	(Rupees in thousand)			
Trade and other payables	126,050	26,067	228,031	380,148
Accrued markup	-	10,633	-	10,633
Short term borrowings	-	912,161	-	912,161
Long term loans	-	-	228,354	228,354
Trade debts	955,840	1,093	-	956,933
Loans and advances	18,194,864	-	90,089	18,284,953
Accrued interest	299,356	-	-	299,356
Cash and bank balances	-	18,901	59,783	78,684

	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

## 15 FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the Company for the year ended 30 June 2022.

## 16 DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were approved by the Board of Directors and authorized for issue on 28 April 2023.

## Selected Notes to the Unconsolidated Condensed Interim Financial Statements

For the nine months ended 31 March 2023 (Un-audited)

### 17 DISCLOSURES BY COMPANY LISTED ON ISLAMIC INDEX

	Un-audited 31 March 2023 (Rupees in thousand)	Audited 30 June 2022
<b>Description</b>		
<b>Loans / advances obtained as per Islamic mode:</b>		
Loans	9,182,716	7,394,470
Advances	565,611	944,335
<b>Shariah compliant bank deposits / bank balances</b>		
Bank balances	33,435	23,285
	<b>Period ended</b>	
	<b>31 March</b>	<b>31 March</b>
	<b>2023</b>	<b>2022</b>
	<b>(Rupees in thousand)</b>	
<b>Profit earned from shariah compliant bank deposits / bank balances</b>		
Profit on deposits with banks	-	-
<b>Revenue earned from shariah compliant business</b>	104,609,259	84,252,725
<b>Gain / (loss) or dividend earned from shariah compliant investments</b>		
Dividend income	138,474	139,674
Unrealized loss on remeasurement of investment at FVTOCI	(2,559,634)	(5,768,650)
<b>Exchange gain earned</b>	1,380,306	330,945
<b>Mark-up paid on Islamic mode of financing</b>	348,257	179,457
<b>Profits earned or interest paid on any conventional loan / advances</b>		
Profit earned on loan to subsidiary company	1,875,717	287,003
Interest paid on loans	2,817,361	952,513
Profit earned on deposits with banks	96,504	68,946
Interest income on loans to employees	3,608	6,859
<b>Relationship with shariah compliant banks</b>		

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

**18 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.

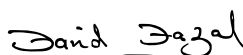
Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However, no significant re-arrangements have been made.

**19 GENERAL**

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



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Consolidated Condensed Interim  
Financial Statements of

**Nishat Mills Limited  
and its Subsidiaries**

For the nine months ended 31 March 2023



**Consolidated Condensed Interim Statement of Financial Position**

As at 31 March 2023

	Note	Un-audited 31 March 2023 (Rupees in thousand)	Audited 30 June 2022
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorized share capital</b>			
1,100,000,000 (30 June 2022: 1,100,000,000) ordinary shares of Rupees 10 each		11,000,000	11,000,000
<b>Issued, subscribed and paid-up share capital</b>			
351,599,848 (30 June 2022: 351,599,848) ordinary shares of Rupees 10 each		3,515,999	3,515,999
<b>Reserves</b>		118,448,658	109,678,786
<b>Equity attributable to equity holders of the Holding Company</b>		121,964,657	113,194,785
<b>Non-controlling interest</b>		14,044,010	13,762,616
<b>Total equity</b>		136,008,667	126,957,401
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Long term financing - secured	6	12,412,868	12,304,450
Lease liabilities		1,453,928	1,858,072
Long term security deposits		275,610	258,410
Retirement benefit obligation		54,161	35,747
Deferred liabilities		4,020,983	4,339,086
		18,217,550	18,795,765
<b>CURRENT LIABILITIES</b>			
Trade and other payables		17,172,738	14,820,644
Accrued mark-up		1,276,121	460,206
Short term borrowings		51,963,880	31,692,994
Current portion of non-current liabilities		4,752,456	5,175,398
Unclaimed dividend		132,968	122,072
Taxation - net		335,501	-
		75,633,664	52,271,314
<b>TOTAL LIABILITIES</b>		93,851,214	71,067,079
<b>CONTINGENCIES AND COMMITMENTS</b>	7		
<b>TOTAL EQUITY AND LIABILITIES</b>		229,859,881	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 March 2023 (Rupees in thousand)	Audited 30 June 2022
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	55,190,353	51,047,970
Right-of-use assets		1,771,855	2,196,882
Long term investments		55,184,341	52,382,499
Long term loans		401,712	471,140
Long term deposits		366,052	310,461
		112,914,313	106,408,952
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools		6,973,180	4,961,761
Stock-in-trade		58,793,781	43,167,440
Trade debts		30,116,142	23,326,877
Loans and advances		2,157,185	1,319,242
Taxation - net		-	175,731
Short term deposits and prepayments		339,319	352,165
Other receivables		12,838,694	10,815,393
Accrued interest		17,590	4,394
Short term investments		43,110	5,733,709
Cash and bank balances		5,666,567	1,758,816
		116,945,568	91,615,528
<b>TOTAL ASSETS</b>		229,859,881	198,024,480

*Daid Dajal*

DIRECTOR



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**Consolidated Condensed Interim Statement of Profit or Loss**

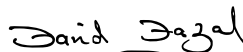
For the nine months ended 31 March 2023 (Un-audited)

	Note	Period ended		Quarter ended	
		31 March	31 March	31 March	31 March
		2023	2022	2023	2022
		(Rupees in thousand)			
REVENUE	9	143,229,022	118,748,597	49,187,215	42,816,399
COST OF SALES	10	(119,035,763)	(96,686,168)	(41,396,961)	(35,107,752)
GROSS PROFIT		24,193,259	22,062,429	7,790,254	7,708,647
DISTRIBUTION COST		(7,893,833)	(6,844,758)	(2,706,730)	(2,554,661)
ADMINISTRATIVE EXPENSES		(2,553,352)	(1,931,971)	(866,908)	(657,137)
OTHER EXPENSES		(549,285)	(635,405)	(154,248)	(227,782)
		(10,996,470)	(9,412,134)	(3,727,886)	(3,439,580)
		13,196,789	12,650,295	4,062,368	4,269,067
OTHER INCOME		4,655,359	2,417,991	2,231,765	981,073
PROFIT FROM OPERATIONS		17,852,148	15,068,286	6,294,133	5,250,140
FINANCE COST		(4,830,102)	(1,823,958)	(2,198,102)	(755,282)
		13,022,046	13,244,328	4,096,031	4,494,858
SHARE OF PROFIT FROM ASSOCIATES		2,211,284	1,628,899	1,100,259	958,653
PROFIT BEFORE TAXATION		15,233,330	14,873,227	5,196,290	5,453,511
TAXATION		(2,408,970)	(1,777,902)	(872,705)	(469,278)
<b>PROFIT AFTER TAXATION</b>		12,824,360	13,095,325	4,323,585	4,984,233
SHARE OF PROFIT ATTRIBUTABLE TO:					
EQUITY HOLDERS OF HOLDING COMPANY		11,415,505	11,722,689	3,916,122	4,425,514
NON-CONTROLLING INTEREST		1,408,855	1,372,636	407,463	558,719
		12,824,360	13,095,325	4,323,585	4,984,233
<b>EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)</b>	11	32.47	33.34	11.14	12.59

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



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**Consolidated Condensed Interim Statement of Comprehensive Income**

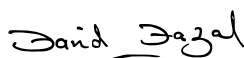
For the nine months ended 31 March 2023 (Un-audited)

	Period ended		Quarter ended	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	(Rupees in thousand)			
<b>PROFIT AFTER TAXATION</b>	12,824,360	13,095,325	4,323,585	4,984,233
<b>OTHER COMPREHENSIVE INCOME / (LOSS)</b>				
Items that will not be reclassified to profit or loss:				
Remeasurement of retirement benefits of associates - net of tax	4,707	(2,256)	(3,565)	(2,256)
Deficit arising on remeasurement of investments at fair value through other comprehensive income	(1,587,240)	(1,195,988)	(109,359)	(471,915)
Share of deficit on remeasurement of investments at fair value through other comprehensive income of associates - net of tax	(210,013)	(441,578)	(44,788)	(308,833)
Reclassification adjustment for net gain on sale of available-for-sale investments included in profit and loss account - net of tax	(230)	-	(230)	-
Reclassification adjustment for impairment loss against available-for-sale investments charged to profit and loss account - net of tax	5,640	-	5,640	-
Reclassification adjustment for impairment loss against available-for-sale investments charged to profit and loss account - net of tax	261,855	24,784	18,052	8,339
	(1,525,281)	(1,615,038)	(134,250)	(774,665)
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	286,047	90,419	100,068	20,899
Other comprehensive loss for the period- net of tax	(1,239,234)	(1,524,619)	(34,182)	(753,766)
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	11,585,126	11,570,706	4,289,403	4,230,467
<b>SHARE OF TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>				
Equity holders of holding company	10,176,271	10,198,070	3,881,940	3,671,748
Non-controlling interest	1,408,855	1,372,636	407,463	558,719
	11,585,126	11,570,706	4,289,403	4,230,467

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



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**Consolidated Condensed Interim Statement of Cash Flows**

For the nine months ended 31 March 2023 (Un-audited)

	Note	Period ended	
		31 March 2023	31 March 2022
		(Rupees in thousand)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash used in operations</b>	12	(5,423,653)	(7,406,743)
Finance cost paid		(4,013,414)	(1,785,140)
Income tax paid		(1,942,195)	(1,371,958)
Long term security deposits received / (paid)		17,200	(23,668)
Net exchange difference on forward exchange contracts received		28,977	5,412
Net increase in retirement benefit obligation		17,852	7,169
Net decrease in long term loans		78,445	85,217
Net increase in long term deposits		(55,591)	(101,064)
<b>Net cash used in operating activities</b>		(11,292,379)	(10,590,775)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure on property, plant and equipment		(7,672,422)	(6,437,430)
Proceeds from sale of property, plant and equipment		77,372	128,614
Dividends received		2,240,441	2,147,948
Loans and advances to associated company		(35,200)	(76,300)
Repayment of loan from associated company		-	50,100
Interest received		175,276	104,282
Proceeds from sale of short term investments		5,668,739	-
Investments made		(2,453,654)	(1,367,582)
<b>Net cash used in investing activities</b>		(1,999,448)	(5,450,368)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from long term financing		2,301,677	3,345,472
Repayment of long term financing		(2,592,345)	(2,403,055)
Repayment of lease liabilities		(543,723)	(526,186)
Exchange differences on translation of net investments in foreign subsidiaries		286,047	90,419
Short term borrowings - net		20,270,886	12,983,060
Dividend paid		(2,522,964)	(2,006,103)
<b>Net cash from financing activities</b>		17,199,578	11,483,607
<b>Net increase / (decrease) in cash and cash equivalents</b>		3,907,751	(4,557,536)
<b>Cash and cash equivalents at the beginning of the period</b>		1,758,816	6,397,998
<b>Cash and cash equivalents at the end of the period</b>		5,666,567	1,840,462

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

## Selected Notes to the Consolidated Condensed Interim Financial Statements

For the nine months ended 31 March 2023 (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.

#### **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

## Selected Notes to the Consolidated Condensed Interim Financial Statements

For the nine months ended 31 March 2023 (Un-audited)

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.

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.

## Selected Notes to the Consolidated Condensed Interim Financial Statements

For the nine months ended 31 March 2023 (Un-audited)

		Un-audited 31 March 2023	Audited 30 June 2022
	Note	(Rupees in thousand)	
<b>6</b>	<b>LONG TERM FINANCING - SECURED</b>		
Opening balance		15,473,631	14,948,301
Add: Obtained during the period / year		2,301,677	3,734,958
Less: Repaid during the period / year		(2,592,345)	(3,300,234)
Less: Deferred income recognized during the period / year		-	(5,406)
Add: Amortized during the period / year		24,037	96,012
Net impact	6.1	24,037	90,606
		15,207,000	15,473,631
Less: Current portion shown under current liabilities		(2,794,132)	(3,169,181)
		12,412,868	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.

## 7 CONTINGENCIES AND COMMITMENTS

### a) Contingencies

- i)** Guarantees of Rupees 4,666.340 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.
- ii)** Post dated cheques of Rupees 16,684.537 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 8,588.321 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

## Selected Notes to the Consolidated Condensed Interim Financial Statements

For the nine months ended 31 March 2023 (Un-audited)

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 has 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 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 period ended 31 March 2023, 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:

## Selected Notes to the Consolidated Condensed Interim Financial Statements

For the nine months ended 31 March 2023 (Un-audited)

- (a) Letter of guarantee of Rupees 11.5 million (30 June 2022: Rupees 11.5 million) and Rupees 18.4 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 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 6,324.591 million (30 June 2022: Rupees 2,277.395 million).
- ii) Letters of credit other than for capital expenditure of the Group are of Rupees 6,200.275 million (30 June 2022: Rupees 2,973.904 million).
- iii) Outstanding foreign currency forward contracts of the Group are Rupees 1,174.074 million (30 June 2022: Rupees 1,332.998 million).

		Un-audited 31 March 2023	Audited 30 June 2022
	Note	(Rupees in thousand)	
<b>8</b>	<b>PROPERTY, PLANT AND EQUIPMENT</b>		
Operating fixed assets	8.1	47,570,115	45,766,365
Capital work in progress	8.2	7,505,748	4,859,326
Major spare parts and standby equipment		114,490	422,279
		55,190,353	51,047,970

**Selected Notes to the Consolidated Condensed Interim Financial Statements**

For the nine months ended 31 March 2023 (Un-audited)

	Note	Un-audited 31 March 2023 (Rupees in thousand)	Audited 30 June 2022
<b>8.1 Operating fixed assets</b>			
Opening book value		45,766,365	41,256,832
Add: Cost of additions during the period / year	8.1.1	5,197,531	8,896,562
		50,963,896	50,153,394
Less: Book value of deletions during the period / year	8.1.2	(56,521)	(87,620)
		50,907,375	50,065,774
Less: Depreciation charged for the period / year		(3,367,049)	(4,324,770)
Add : Currency translation		29,789	25,361
		47,570,115	45,766,365
<b>8.1.1 Cost of additions</b>			
Freehold land		174,219	254,390
Buildings on freehold land		209,081	1,141,683
Plant and machinery		4,331,800	6,693,695
Electric installations		28,999	277,767
Factory equipment		19,096	67,846
Furniture, fixtures and office equipment		77,413	174,725
Computer equipment		60,565	51,409
Vehicles		296,341	235,047
Kitchen equipment and crockery items		17	-
		5,197,531	8,896,562
<b>8.1.2 Book value of deletions</b>			
Plant and machinery		12,942	41,358
Furniture, fixtures and office equipment		-	3,000
Computer equipment		437	1,339
Vehicles		43,142	41,923
		56,521	87,620
<b>8.2 Capital work-in-progress</b>			
Buildings on freehold land		4,289,652	1,661,582
Plant and machinery		2,915,728	2,967,360
Unallocated capital expenditures		52,931	17,180
Electric installations		209,468	92,502
Advance against purchase of freehold land		6,397	1,153
Advances for purchase of furniture, fixtures and office equipment		24,333	8,368
Advances for purchase of vehicles		7,239	111,181
		7,505,748	4,859,326

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	(Rupees in thousand)																			
	Spinning			Weaving			Dyeing			Home Textile and Terry			Garments							
	Period ended 31-Mar-23	Quarter ended 31-Mar-22	31-Mar-23	Period ended 31-Mar-23	Quarter ended 31-Mar-22	31-Mar-23	Period ended 31-Mar-23	Quarter ended 31-Mar-22	31-Mar-23	Period ended 31-Mar-23	Quarter ended 31-Mar-22	31-Mar-23	Period ended 31-Mar-23	Quarter ended 31-Mar-22	31-Mar-23					
<b>Region</b>																				
Europe	686,994	257,176	223,102	13,777,696	11,734,698	4,573,769	4,265,796	418,599	379,025	114,717	114,008	12,879,761	8,871,066	4,384,681	3,881,306	2,645,686	3,443,823	598,197	864,710	
America	631,148	308,834	66,732	131,872	633,489	306,694	372,177	8,253	2,471	-	1,310	2,573,381	2,685,903	1,013,237	771,888	7,838,098	6,062,678	3,195,888	2,882,785	
Asia, Africa, Australia	4,515,128	5,086,439	1,367,789	2,044,622	2,886,281	1,650,039	1,022,103	441,912	16,942,082	11,789,086	5,913,893	4,101,377	2,770,407	1,256,438	932,521	137,055	165,060	408,893	69,926	
Pakistan	29,170,470	28,833,821	11,679,428	11,593,363	6,524,977	4,695,799	2,081,956	1,734,425	7,213,978	4,643,744	2,489,693	11,719,293	10,158,909	4,769,869	3,578,430	303,453	148,274	107,002	70,431	
	35,013,140	35,465,570	13,331,051	13,890,176	23,878,745	18,650,225	7,983,922	6,834,300	25,682,912	16,814,326	8,518,213	6,010,737	29,935,842	22,980,316	11,100,308	7,588,680	10,970,307	10,063,458	4,592,550	3,897,852
<b>Timing of revenue recognition</b>																				
Products and services transferred at a point in time	35,013,140	35,465,570	13,331,051	13,890,176	23,878,745	18,650,225	7,983,922	6,834,300	25,682,912	16,814,326	8,518,213	6,010,737	29,935,842	22,980,316	11,100,308	7,588,680	10,970,307	10,063,458	4,592,550	3,897,852
Products and services transferred over time	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	35,013,140	35,465,570	13,331,051	13,890,176	23,878,745	18,650,225	7,983,922	6,834,300	25,682,912	16,814,326	8,518,213	6,010,737	29,935,842	22,980,316	11,100,308	7,588,680	10,970,307	10,063,458	4,592,550	3,897,852
<b>Major products/ service lines</b>																				
Yarn	34,788,747	35,026,051	13,283,205	13,883,711	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Comber Nall	-	172,260	-	26,465	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grey Cloth	-	-	-	23,878,745	18,650,225	7,983,922	6,834,300	-	-	-	-	-	-	19,931	-	12,457	-	-	-	-
Processed Cloth	-	-	-	-	-	-	-	-	25,682,912	16,814,326	8,518,213	6,010,737	7,300,730	5,886,882	3,066,869	2,020,458	-	-	-	-
Cosmetics	-	-	-	-	-	-	-	-	-	-	-	-	-	117,144	131,144	47,840	39,655	-	-	-
Waste	224,330	267,159	47,846	-	-	-	-	-	-	-	-	160,870	148,039	45,766	31,545	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	137,340	131,334	47,921	46,867	-	-	-	-	-
Male Ups	-	-	-	-	-	-	-	-	-	-	-	18,120,824	14,231,141	6,047,468	4,420,480	-	-	-	-	-
Garments	-	-	-	-	-	-	-	-	-	-	-	4,068,934	2,421,835	1,814,444	997,418	-	-	-	-	-
Towels and Bath Robe	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Electricity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Room Rentals Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Hotel Ancillary Services	35,013,140	35,465,570	13,331,051	13,890,176	23,878,745	18,650,225	7,983,922	6,834,300	25,682,912	16,814,326	8,518,213	6,010,737	29,935,842	22,980,316	11,100,308	7,588,680	10,970,307	10,063,458	4,592,550	3,897,852

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## Selected Notes to the Consolidated Condensed Interim Financial Statements

For the nine months ended 31 March 2023 (Un-audited)

Description	(Rupees in thousand)																
	Power Generation			Room Rental Services			Other Hotel Ancillary Services			Total - Group							
	Period ended 31-Mar-23	Quarter ended 31-Mar-23	Quarter ended 31-Mar-22	Period ended 31-Mar-23	Quarter ended 31-Mar-23	Quarter ended 31-Mar-22	Period ended 31-Mar-23	Quarter ended 31-Mar-23	Quarter ended 31-Mar-22	Period ended 31-Mar-23	Quarter ended 31-Mar-23	Quarter ended 31-Mar-22					
<b>Region</b>																	
Europe	-	-	-	-	-	-	-	-	-	30,417,516	24,685,788	9,584,466	8,465,929				
America	-	-	-	-	-	-	-	-	-	12,019,301	9,712,875	5,172,651	4,170,033				
Asia, Africa, Australia	-	-	-	-	-	-	-	-	-	28,118,958	20,186,885	9,331,689	6,795,082				
Pakistan	17,233,626	14,369,382	3,483,540	4,452,227	422,827	315,634	150,950	126,574	91,823	88,706	26,681	35,653	72,673,247	54,153,049	24,788,429	23,365,945	
	17,233,626	14,369,382	3,483,540	4,452,227	422,827	315,634	150,950	126,574	91,823	88,706	26,681	35,653	143,229,022	118,748,597	48,187,215	42,816,399	
<b>Timing of revenue recognition</b>																	
Products and services transferred at a point in time	17,233,626	14,369,382	3,483,540	4,452,227	422,827	315,634	150,950	126,574	91,823	88,706	26,681	35,653	143,229,022	118,748,597	48,187,215	42,816,399	
Products and services transferred over time	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	17,233,626	14,369,382	3,483,540	4,452,227	422,827	315,634	150,950	126,574	91,823	88,706	26,681	35,653	143,229,022	118,748,597	48,187,215	42,816,399	
<b>Major products / service lines</b>																	
Yarn	-	-	-	-	-	-	-	-	-	-	-	-	-	94,783,747	35,026,051	13,283,205	13,863,711
Combed Nali	-	-	-	-	-	-	-	-	-	-	-	-	-	12,360	-	26,465	-
Grey Cloth	-	-	-	-	-	-	-	-	-	-	-	-	-	23,878,745	18,670,156	7,983,922	6,846,757
Processed Cloth	-	-	-	-	-	-	-	-	-	-	-	-	-	33,013,642	22,711,218	11,615,082	8,031,195
Cosmetics	-	-	-	-	-	-	-	-	-	-	-	-	-	117,144	131,144	47,840	39,655
Waste	-	-	-	-	-	-	-	-	-	-	-	-	-	382,263	415,198	83,612	31,545
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	137,340	131,334	47,921	46,667
Masks Ups	-	-	-	-	-	-	-	-	-	-	-	-	-	18,120,824	14,231,141	6,047,468	4,420,480
Garments	-	-	-	-	-	-	-	-	-	-	-	-	-	10,970,307	10,083,458	4,592,550	3,897,852
Towels and Bath Robe	-	-	-	-	-	-	-	-	-	-	-	-	-	4,068,934	2,421,835	1,814,444	997,416
Electricity	17,233,626	14,369,382	3,483,540	4,452,227	-	-	-	-	-	-	-	-	-	17,233,626	14,369,382	3,483,540	4,452,227
Room Rental Services	-	-	-	-	422,827	315,634	150,950	126,574	-	-	-	-	-	422,827	315,634	150,950	126,574
Other Hotel Ancillary Services	-	-	-	-	-	-	-	-	91,823	88,706	26,681	35,653	91,823	88,706	26,681	35,653	
	17,233,626	14,369,382	3,483,540	4,452,227	422,827	315,634	150,950	126,574	91,823	88,706	26,681	35,653	143,229,022	118,748,597	48,187,215	42,816,399	

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

	Period ended		Quarter ended	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
(Rupees in thousand)				
<b>10 COST OF SALES</b>				
Raw materials consumed	82,993,944	73,172,301	26,643,477	24,819,902
Processing charges	1,011,394	730,568	351,397	208,588
Salaries, wages and other benefits	9,314,433	7,643,532	2,971,728	2,680,953
Stores, spare parts and loose tools consumed	9,930,770	7,625,134	3,718,868	2,793,216
Packing materials consumed	2,169,988	1,888,757	780,649	674,631
Repair and maintenance	723,443	522,496	199,108	188,434
Fuel and power	13,205,194	7,444,748	4,258,813	2,951,095
Insurance	341,435	261,433	116,010	89,230
Other factory overheads	1,309,244	805,861	466,506	313,583
Depreciation and amortization	3,130,394	2,962,801	1,060,208	1,034,464
	124,130,239	103,057,631	40,566,764	35,754,096
Work-in-process				
Opening stock	6,364,578	3,044,441	8,017,590	4,575,652
Closing stock	(8,173,691)	(5,094,407)	(8,173,691)	(5,094,407)
	(1,809,113)	(2,049,966)	(156,101)	(518,755)
Cost of goods manufactured	122,321,126	101,007,665	40,410,663	35,235,341
Finished goods				
Opening stock	12,514,128	9,641,809	16,785,789	13,835,717
Closing stock	(15,799,491)	(13,963,306)	(15,799,491)	(13,963,306)
	(3,285,363)	(4,321,497)	986,298	(127,589)
	119,035,763	96,686,168	41,396,961	35,107,752
			<b>Period ended</b>	
			<b>31 March</b>	<b>31 March</b>
			<b>2023</b>	<b>2022</b>
<b>11 EARNINGS PER SHARE - BASIC AND DILUTED</b>				
There is no dilutive effect on the basic earnings per share which is based on:				
Profit attributable to ordinary shareholders of Holding Company	(Rupees in thousand)		11,415,505	11,722,689
Weighted average number of ordinary shares of Holding Company	(Numbers)		351,599,848	351,599,848
Earnings per share	(Rupees)		32.47	33.34

**Selected Notes to the Consolidated Condensed Interim Financial Statements**

For the nine months ended 31 March 2023 (Un-audited)

	Note	Period ended	
		31 March 2023	31 March 2022
		(Rupees in thousand)	
<b>12 CASH GENERATED FROM OPERATIONS</b>			
<b>Profit before taxation</b>		15,233,330	14,873,227
<b>Adjustments for non-cash charges and other items:</b>			
Depreciation and amortization		3,365,708	3,161,461
Depreciation on right-of-use assets		636,558	549,844
Gain on sale of property, plant and equipment		(20,851)	(51,920)
Dividend income		(1,752,904)	(1,543,520)
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		(188,472)	(101,596)
Share of profit from associates		(2,211,284)	(1,628,899)
Loss on sale of short term investments		70,470	-
Net exchange gain		(1,698,584)	(331,749)
Finance cost		4,830,102	1,823,958
Reversal of provision for slow moving, obsolete and damaged store items		(34)	-
Loss on termination of leases		-	3,626
Working capital changes	12.1	(23,229,180)	(24,161,577)
		(5,423,653)	(7,406,743)
<b>12.1 Working capital changes</b>			
(Increase) / decrease in current assets:			
- Stores, spare parts and loose tools		(2,011,385)	(1,087,107)
- Stock in trade		(15,626,341)	(18,650,444)
- Trade debts		(5,012,036)	(2,574,192)
- Loans and advances		(811,760)	(17,176)
- Short term deposits and prepayments		12,846	(44,933)
- Other receivables		(2,080,819)	(4,559,478)
		(25,529,495)	(26,933,330)
Increase in trade and other payables		2,300,315	2,771,753
		(23,229,180)	(24,161,577)

**13 SEGMENT INFORMATION**

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

Spinning:	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.

## Selected Notes to the Consolidated Condensed Interim Financial Statements

For the nine months ended 31 March 2023 (Un-audited)

	Spinning		Weaving		Dyeing		Home Textile and Terry		Garments		Power Generation		Hotel		Elimination of inter-segment transactions		Total - Group	
	Period ended Mar 2023	Mar 2022	Period ended Mar 2023	Mar 2022	Period ended Mar 2023	Mar 2022	Period ended Mar 2023	Mar 2022	Period ended Mar 2023	Mar 2022	Period ended Mar 2023	Mar 2022	Period ended Mar 2023	Mar 2022	Period ended Mar 2023	Mar 2022	Period ended Mar 2023	Mar 2022
Revenue	35,013,140	35,465,570	23,878,745	18,650,225	25,652,912	16,814,326	29,935,542	22,860,316	10,970,307	10,053,458	17,253,626	14,339,382	514,450	405,340	-	-	143,229,022	118,748,597
External	11,811,020	11,549,357	18,987,642	13,748,521	1,966,936	1,251,883	368,673	282,659	1,726	476	13,207,015	7,710,697	-	-	(45,744,914)	(34,538,733)	-	-
Intersegment	46,194,160	47,009,157	42,676,387	32,399,746	27,671,848	18,006,209	30,304,417	23,262,975	10,972,033	10,053,354	33,440,641	22,079,899	514,450	405,340	(45,744,914)	(34,538,733)	143,229,022	118,748,597
Cost of sales	(44,829,774)	(39,739,018)	(37,834,615)	(28,656,435)	(22,224,633)	(16,141,561)	(22,980,994)	(18,975,955)	(9,452,391)	(8,590,847)	(27,156,129)	(18,878,130)	(312,144)	(243,955)	45,744,914	34,538,733	(119,635,783)	(96,686,168)
Gross profit	1,364,366	7,271,129	5,051,772	3,743,311	5,447,215	1,924,648	7,233,043	4,297,020	1,519,642	1,473,067	3,264,515	3,291,639	202,306	161,385	-	-	24,190,259	22,062,429
Distribution cost	(748,941)	(755,901)	(1,225,469)	(1,190,458)	(979,897)	(841,227)	(4,272,191)	(3,433,445)	(666,735)	(620,727)	-	-	(63,467)	(45,086)	-	-	(7,893,833)	(6,944,758)
Administrative expenses	(406,432)	(845,144)	(335,516)	(259,605)	(223,956)	(162,825)	(947,021)	(881,028)	(250,197)	(161,322)	(336,721)	(279,861)	(63,467)	(45,086)	-	-	(2,483,352)	(1,831,971)
Profit after taxation and unallocated income and expenses	(1,155,373)	(1,098,045)	(1,591,027)	(1,450,083)	(1,203,853)	(1,004,052)	6,218,812	(4,114,473)	(916,832)	(785,049)	(336,721)	(279,861)	(63,467)	(45,086)	-	-	(10,447,185)	(8,776,729)
Unallocated income and expenses:																		
Other expenses																		(549,285)
Other income																		4,655,359
Finance cost																		(4,830,102)
Share of profit from associates																		2,211,284
Taxation																		1,628,869
Profit after taxation																		(2,408,970)
																		13,085,325

### 13.3 Reconciliation of reportable segment assets and liabilities

	Spinning		Weaving		Dyeing		Home Textile and Terry		Garments		Power Generation		Hotel		Total - Group	
	Un-audited Mar 2023	Audited Jun 2022	Un-audited Mar 2023	Audited Jun 2022	Un-audited Mar 2023	Audited Jun 2022	Un-audited Mar 2023	Audited Jun 2022	Un-audited Mar 2023	Audited Jun 2022	Un-audited Mar 2023	Audited Jun 2022	Un-audited Mar 2023	Audited Jun 2022	Un-audited Mar 2023	Audited Jun 2022
Total assets for reportable segments	42,823,132	29,055,215	15,809,440	13,984,643	15,930,116	13,436,038	29,256,350	24,895,263	11,544,972	9,829,041	38,532,557	8,088,646	1,101,634	1,820,646	154,076,603	100,903,514
Unallocated assets:																
Long term investments															55,184,341	52,382,499
Short term investments															43,110	5,733,709
Other receivables															12,838,684	10,815,393
Cash and bank balances															5,686,567	1,739,816
Other corporate assets															2,090,586	26,430,549
Total assets as per consolidated condensed interim statement of financial position															229,859,861	198,024,430
Total liabilities for reportable segments	3,127,653	3,125,039	2,559,689	1,933,967	1,736,436	1,402,605	4,395,697	4,365,108	1,317,428	1,153,996	4,220,601	1,927,992	86,633	700,650	17,495,146	14,676,837
Unallocated liabilities:																
Deferred liabilities															4,020,363	4,339,086
Other corporate liabilities															72,400,085	52,111,156
Total liabilities as per consolidated condensed interim statement of financial position															93,851,214	71,067,079



## 14 RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

## i) Fair value hierarchy

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

**Recurring fair value measurements**  
**At 31 March 2023 - Un-audited**

Level 1

Level 2

Level 3

Total

(Rupees in thousand)

	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Fair value through other comprehensive income	12,074,251	-	-	12,074,251
Derivative financial assets	-	-	-	-
<b>Total financial assets</b>	<b>12,074,251</b>	<b>-</b>	<b>-</b>	<b>12,074,251</b>
<b>Financial liabilities</b>				
Derivative financial liabilities	-	61,374	-	61,374
<b>Total financial liabilities</b>	<b>-</b>	<b>61,374</b>	<b>-</b>	<b>61,374</b>

**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
<b>Financial assets</b>				
Fair value through other comprehensive income	12,382,166	-	-	12,382,166
Derivative financial assets	-	57,518	-	57,518
<b>Total financial assets</b>	<b>12,382,166</b>	<b>57,518</b>	<b>-</b>	<b>12,439,684</b>
<b>Financial liabilities</b>				
Derivative financial liabilities	-	9,595	-	9,595
<b>Total financial liabilities</b>	<b>-</b>	<b>9,595</b>	<b>-</b>	<b>9,595</b>

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

## Selected Notes to the Consolidated Condensed Interim Financial Statements

For the nine months ended 31 March 2023 (Un-audited)

There were no transfers between levels 1 and 2 for recurring fair value measurements during the period ended 31 March 2023. 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.

### 15 TRANSACTIONS WITH RELATED PARTIES

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

## i) Transactions

	Period ended		Quarter ended	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	(Rupees in thousand)			
<b>Associated companies</b>				
Investment made	2,405,044	1,326,249	259,158	550,164
Short term loans made	35,200	76,300	15,200	-
Repayment of short term loans made	-	50,100	-	50,100
Purchase of goods and services	185,792	245,160	64,758	48,630
Sharing of expenses	1,373	646	482	54
Sale of goods and services	62,214	68,905	25,384	24,142
Purchase of operating fixed assets	73,050	71,791	-	33,454
Rental income	5,509	5,140	1,836	1,705
Rent paid	69,198	67,750	22,786	22,466
Dividend Paid	123,372	123,047	-	-
Insurance premium paid	479,311	345,636	128,431	98,152
Insurance claims received	72,954	77,384	24,105	34,537
Interest income	37,542	93,974	8,570	21,787
Finance cost	79,284	34,002	31,500	11,089
<b>Other related parties</b>				
Dividend Income	386,133	261,515	-	98,068
Gain on initial recognition of ordinary shares transferred under Scheme of Compromises, Arrangement and Reconstruction amongst Nishat (Chunian) Limited and its members	460,187	-	-	-
Purchase of goods and services	4,211,483	4,287,125	1,431,347	1,341,110
Sale of goods and services	362,021	225,813	232,049	70,395
Finance cost	603	626	271	265
Interest income	30,066	-	21,312	-
Group's contribution to provident fund trust	390,036	303,406	132,857	104,188
Remuneration paid to Chief Executive Officer and Executives of the Holding Company	1,456,900	1,091,069	432,026	363,809
Dividend Paid	354,670	354,670	-	-

## ii) Period end balances

	As at 31 March 2023		
	Associated companies	Other related parties	Total
	(Rupees in thousand)		
Trade and other payables	40,967	228,031	268,998
Accrued markup	10,633	-	10,633
Short term borrowings	912,161	-	912,161
Long term loans	-	274,401	274,401
Trade debts	6,615	1,183	7,798
Loans and advances	150,532	97,167	247,699
Other receivables	4,304	-	4,304
Accrued interest	7,587	6,828	14,415
Cash and bank balances	409,416	788,476	1,197,892

**Selected Notes to the Consolidated Condensed Interim Financial Statements**

For the nine months ended 31 March 2023 (Un-audited)

	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

**16 FINANCIAL RISK MANAGEMENT**

The Group's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published consolidated financial statements of the Group for the year ended 30 June 2022.

**17 DATE OF AUTHORIZATION FOR ISSUE**

These consolidated condensed interim financial information were approved by the Board of Directors and authorized for issue on 28 April 2023.

**18 CORRESPONDING FIGURES**

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

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

**19 GENERAL**

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

ہیومن ریسورس اور مشاہرہ (HR&R) کمیٹی

نمبر شمار نام ڈائریکٹرز

- |   |                                 |
|---|---------------------------------|
| 1 | میاں عمر منشا (رکن)             |
| 2 | مسز سارہ عقیل (چیئر پرسن / رکن) |
| 3 | جناب محمود اختر (رکن)           |

ڈائریکٹرز کا مشاہرہ

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

- ☆ 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 Ezzal

فرید زور علی فضل  
ڈائریکٹر

Um masha

میاں عمر منشا  
چیئر ایگزیکٹو آفیسر

28 اپریل 2023ء

لاہور

کمپنی اپنے آپریٹرز پر توانائی کی لاگت میں اضافے کے اثرات کو سمجھتی ہے اور ان کے اثرات کو کم کرنے کے لیے لاگت کی بچت کے اقدامات کے لیے تندی سے کام کر رہی ہے۔ ان چیلنجوں کے باوجود، کمپنی اپنے معیار اور کسٹمر سروس کے اعلیٰ معیار کو برقرار رکھنے کے لیے پرعزم ہے۔

### ذیلی کمپنیاں اور کنسولیدیشن 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 سٹیڈی رڈ کی مطابقت سے علیحدہ جامع فنانشل اسٹیٹمنٹس کے ساتھ، جامع فنانشل اسٹیٹمنٹس کو بھی منسلک کیا ہے۔

### 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 / رکن)
2	سید زاہد حسین (رکن)
3	جناب فرید نور علی فضل (رکن)

تولیوں اور نہانے کی اشیاء کی فروخت میں 1,552.242 ملین روپے (72.71%) کا اضافہ ہوا ہے۔ اس وقت ٹیری پروجیکٹ کی پیداواری صلاحیت کو بڑھانے کی کوششیں جاری ہیں۔

اضافہ/(کمی)		31 مارچ کو اختتام شدہ نو ماہی		ٹیری مصنوعات
فیصد	قدر	2022	2023	
27.72	530	1,912	2,442	فروخت - (کلوگرام '000)
35.22	393.31	1,116.57	1,509.88	قیمت فی کلوگرام
72.71	1,552,242	2,134,878	3,687,120	فروخت - ('000 روپے)

### گارمنٹس

گارمنٹس ڈویژن نے سخت معاشی حالات اور مارکیٹ کے دیگر شرکاء سے شدید مقابلے کے باوجود اچھی پیش رفت کی ہے۔ تاہم، خام مال اور توانائی کے بڑھتے ہوئے اخراجات سے ڈویژن کا منافع متاثر ہوا۔

اضافہ/(کمی)		31 مارچ کو اختتام شدہ نو ماہی		گارمنٹس
فیصد	قدر	2022	2023	
(26.00)	(2,016)	7,753	5,737	فروخت - (گارمنٹس '000)
45.41	574.58	1,265.22	1,839.80	قیمت فی گارمنٹ
7.60	745,659	9,809,288	10,554,947	فروخت - ('000 روپے)

عالمی منڈی میں اپنی پوزیشن کو برقرار رکھنے کے لیے، ڈویژن اپنے آپ کو صارفین کی ترجیحات اور ماحولیاتی عدم استحکام کے خدشات کو دور کرتے ہوئے مارکیٹ کے رجحانات کے مطابق ڈھالنے کے لیے پوری طرح تیار ہے۔ ڈویژن اپنے پیداواری طریقوں کو بہتر بنانے، جدید ترین ٹیکنالوجی کو مربوط کرنے اور مجموعی کارکردگی کو بڑھانے کے لیے اقدامات کر رہی ہے۔

### پاور جنریشن

کمپنی کو گزشتہ مالی سال کی اسی مدت کے مقابلے میں موجودہ نو ماہ کی مدت کے دوران اپنی توانائی کی لاگت کو سنبھالنے میں اہم چیلنجوں کا سامنا کرنا پڑا۔ تشویش کی بنیادی وجہ فرانس آئل اور کونکے کی قیمتوں میں غیر معمولی اضافہ تھا جس نے کمپنی کی آمدن پر دباؤ ڈالا۔ مزید برآں، RLNG کی رعایتی شرح 6.5 امریکی ڈالر فی ایم ایم بی ٹی سے بڑھ کر 9 امریکی ڈالر فی ایم ایم بی ٹی یو ہو گئی ہے جیسا کہ حکومت پاکستان نے طے کیا ہے۔ مزید برآں، امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں تیزی سے گراؤ کی وجہ سے، ڈالر میں طے کی گئی قیمت ملکی کرنسی میں اور بھی مہنگی ثابت ہوئی ہے۔ حکومت پاکستان نے رعایتی نرخوں پر بجلی کی فراہمی بند کر دی ہے۔ 01 مارچ 2023 سے، کمپنی کو نیپرا کے نو ٹیفائیڈ ٹیرف کے مطابق ادائیگی کرنی پڑے گی جو کہ رعایتی قیمت سے کہیں زیادہ ہے جسے یکم اکتوبر 2022 سے 19.99 روپے فی یونٹ ٹیکسٹائل سیکٹر اور دیگر برآمدی صنعتوں کی مدد کے لیے فراہم کیا گیا تھا۔

اضافہ/(کمی)		31 مارچ کو اختتام شدہ نو ماہی		گرے کلاتھ
فیصد	قدر	2022	2023	
3.13	2,287	72,985	75,272	فروخت - (میٹرز '000)
25.83	68.55	265.44	333.99	قیمت فی میٹر
29.77	5,766,769	19,373,214	25,139,983	فروخت - ('000 روپے)

### رنگائی (Dyeing)

ڈائنگ ڈویژن نے مالی سال 2022-23 کے پہلے نو مہینوں کے دوران شاندار نتائج حاصل کئے۔ گزشتہ سال کے اسی نو مہینوں کے مقابلے موجودہ نو مہینوں کے دوران فروخت میں 8.728 بلین روپے (53.33%) کا اضافہ ہوا۔ ڈویژن نے نہ صرف اپنی پیداواری صلاحیتوں کو بھرپور طریقے سے استعمال کیا بلکہ اس عرصے کے دوران اب تک کا سب سے زیادہ منافع بھی کمایا۔

اضافہ/(کمی)		31 مارچ کو اختتام شدہ نو ماہی		پروسیسڈ کلاتھ
فیصد	قدر	2022	2023	
5.30	1,849	34,859	36,708	فروخت - (میٹرز '000)
45.60	214.12	469.54	683.66	قیمت فی میٹر
53.33	8,728,319	16,367,589	25,095,908	فروخت - ('000 روپے)

کیونکہ اب ہم اپنے کاروباری کیلنڈر کے کمزور دور میں داخل ہو چکے ہیں، ہم رواں مالی سال کی آخری سہ ماہی میں مزید مشکل کاروباری ماحول کی توقع کر رہے ہیں۔

### گھریلو ٹیکسٹائل اور ٹیری (Home Textile and Terry)

موجودہ اقتصادی اور مالیاتی چیلنجوں کے باوجود، ہوم ٹیکسٹائل ڈویژن نے ایک مستحکم آرڈر پائپ لائن کو برقرار رکھتے ہوئے اور صلاحیت کے استعمال کی شرح کو بلند رکھ کر مقابلہ کرنے کی قابل ذکر قابلیت کا مظاہرہ کیا ہے۔ یہ کامیابی ڈویژن کے امتیاز اور کارکردگی کے عزم کا ثبوت ہے۔ ہمیں یقین ہے کہ ہماری مصنوعات کا غیر معمولی معیار، دیرینہ ساکھ اور پیشہ ورانہ نقطہ نظر ہمیں پاکستان میں ہماری مصنوعات کے زمرے سے متعلق کسی بھی آرڈر کے لیے ترجیحی انتخاب کے طور پر جگہ دے گا۔

اضافہ/(کمی)		31 مارچ کو اختتام شدہ نو ماہی		پروسیسڈ کلاتھ اینڈ میڈ ایپس
فیصد	قدر	2022	2023	
(5.32)	(1,102)	20,720	19,618	فروخت - (میٹرز '000)
32.27	175.55	544.04	719.59	قیمت فی میٹر
25.23	2,844,444	11,272,426	14,116,870	فروخت - ('000 روپے)



برآمدات میں گزشتہ سال کی اسی مدت کے مقابلے میں 12.40 فیصد کمی واقع ہوئی ہے۔ ان مشکل حالات نے صنعت کی پائیدار ترقی کے لیے سنگین مشکلات کھڑی کر دی ہیں۔

## سپننگ تجزیہ

کمپنی کی طبقاتی کارکردگی کا مختصر جائزہ درج ذیل ہے:

### کستائی (Spinning)

مالی سال 2022-23 کے پہلے نو مہینوں کے دوران، پاکستان میں مقامی کپاس کی قیمتیں مختصر فصل اور سیلاب کی وجہ سے بلند رہیں جبکہ عالمی اقتصادی اور سیاسی عوامل کی وجہ سے بین الاقوامی مارکیٹ میں قیمتیں کم تھیں۔ چونکہ پاکستانی اسپنرز اپنی سالانہ اسپننگ ضروریات کے لیے اپنے اسٹاک کو پورا کرنا چاہتے تھے، اس لیے مقامی کاٹن مارکیٹ میں قیمتیں بلند سطح پر برقرار رہیں۔ ڈویژن کو مارکیٹ میں دستیاب قیمتوں پر مقامی کپاس خریدنی پڑی تھی اس لیے سالانہ پیداواری ضروریات کو پورا کرنے کے لیے مقامی اور درآمدی کپاس کے امتزاج کو استعمال کرنے کا منصوبہ بنایا گیا۔

پاکستانی یارن بیچنے والوں کو عالمی کساد بازاری، بلند افراط زر، اور کرنسی کے اتار چڑھاؤ کی وجہ سے بین الاقوامی منڈی میں چیلنجز کا سامنا کرنا پڑا۔ کمزور پاکستانی روپے کے باوجود، کمپنی کو دوسرے ممالک جیسے بھارت، ویت نام، اور انڈونیشیا سے سخت مقابلے کا سامنا کرنا پڑا۔ اس لیے ڈویژن نے مقامی مارکیٹ پر توجہ مرکوز کر لی جس کے مثبت نتائج برآمد ہوئے۔ انتظامیہ کو توقع ہے کہ مستقبل قریب میں سوتی دھاگے کے کاروبار کی صورتحال دباؤ میں ہی رہے گی اس لیے بیک وقت مقامی اور بین الاقوامی منڈیوں میں اوپن اینڈ اور پلیٹو ایڈڈ یارن کو فروغ دے رہی ہے۔

اضافہ / (کمی)		31 مارچ کو اختتام شدہ نو ماہی		یارن
فیصد	قدر	2022	2023	
(22.38)	(6,239)	27,878	21,639	فروخت - (کلوگرام '000)
23.23	149.02	641.58	790.60	قیمت فی کلوگرام
(4.35)	(778,219)	17,885,936	17,107,717	فروخت - ('000 روپے)

### بائی (Weaving)

ڈویژن نے مالی سال 2023 کے پہلے نو مہینوں کے دوران شاندار کارکردگی کا مظاہرہ کیا۔ جہاں فیشن اور گھریلو ٹیکسٹائل کے لیے مارکیٹ سست رہی، وہیں صنعتی اور ٹیکنیکل استعمال کے کپڑوں کی مانگ میں اضافہ ہوا۔ نتیجتاً، ڈویژن اس مخصوص مارکیٹ میں نئے مواقع کی تلاش میں ہے۔

پاکستان میں ڈائینگ ہاؤسز کو آرڈرز کی کمی کا سامنا ہے، جس کے نتیجے میں گریج کلاتھ کی مقامی مارکیٹ میں قیمت غیر معمولی طور پر کم رہی اور فروخت پر دباؤ رہا۔ اس مسئلے سے نمٹنے کے لیے، ڈویژن اپنی برآمدات بڑھانے کے لیے ایک کامیاب حکمت عملی پر عمل پیرا ہے، جو کہ امریکی ڈالر کے مقابلے پاکستانی روپے کی کمزوری کے پیش نظر فائدہ مند ہے۔

## ڈائریکٹرز کی رپورٹ

نشاط ملز لمیٹڈ ("کمپنی") کے ڈائریکٹرز 31 مارچ 2023 کو ختم ہونے والے نو ماہی کے لیے ڈائریکٹرز کی رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

## آپریٹنگ مالی نتائج

نو ماہ کی مدت کے دوران، کمپنی کا منافع اسی مدت کے دوران منافع کے مقابلے میں غیر معمولی تھا۔ اس کی وجہ ریونیو میں نمایاں اضافہ اور پروڈکٹ کا ایک بہتر مرکب تھا۔ فروخت میں 20.356 بلین روپے (24.16%) کا متاثر کن اضافہ دیکھا گیا، جس میں 14.729 بلین روپے کی برآمدات کا اضافہ تھا۔ نتیجتاً، مجموعی منافع میں 2.567 بلین روپے (18.74%) کا اضافہ ہوا۔ تاہم، مجموعی منافع کا مارجن پچھلے سال کی اسی مدت کے 16.26 فیصد سے تھوڑا کم ہو کر موجودہ نو ماہ کی مدت میں 15.55 فیصد ہو گیا۔ یہ بنیادی طور پر خام مال اور توانائی کے اخراجات میں قابل ذکر اضافے کی وجہ سے تھا۔

بعد از ٹیکس کے منافع میں 2.082 بلین روپے (22.99%) کا نمایاں اضافہ ظاہر کیا گیا جو پچھلے سال کی اسی مدت میں 9.054 بلین روپے کے مقابلے میں موجودہ نو ماہ کی مدت کے دوران 11.136 بلین روپے تک پہنچ گیا۔ نو ماہ کی مدت کے دوران کمپنی کے منافع میں غیر معمولی اضافہ بنیادی طور پر دیگر آمدنی میں خاطر خواہ اضافے کی وجہ سے تھا، جس میں 4.195 بلین روپے (105.16%) کا اضافہ ہوا۔ تاہم، قرض کی اوسط لاگت میں غیر معمولی اضافے کی وجہ سے مالیاتی لاگت میں بھی 3.034 بلین روپے (207.56%) کا نمایاں اضافہ ہوا، جس کا کمپنی کے منافع پر منفی اثر پڑا۔ اس کے باوجود، فی شیئر آمدنی (EPS) میں 5.92 روپے کا نمایاں اضافہ دیکھا گیا، جو کمپنی کی مثبت کارکردگی کو ظاہر کرتا ہے۔

مالی جھلکیاں	31 مارچ کو اختتام شدہ نو ماہی	
	2022	2023
آمدنی (روپے '000)	84,252,725	104,609,259
مجموعی منافع (روپے '000)	13,696,146	16,263,010
بعد از ٹیکس منافع (روپے '000)	9,054,317	11,135,934
مجموعی منافع (فیصد)	16.26	15.55
بعد از ٹیکس منافع (فیصد)	10.75	10.65
منافع فی حصص - (روپے)	25.75	31.67

## مارکیٹ کا عمومی جائزہ اور مستقبل کے امکانات

پاکستانی ٹیکسٹائل انڈسٹری کو اس وقت عالمی اقتصادی سست روی، خام مال کی زیادہ قیمتیں، مسابقتی زرخوں پر توانائی کی عدم دستیابی، کرنسی میں تیزی سے اتار چڑھاؤ اور حکومتی ٹیکسوں میں اضافہ سمیت مختلف عوامل کی وجہ سے اہم چیلنجز کا سامنا ہے۔ نتیجتاً، موجودہ نو ماہ کی مدت کے دوران ٹیکسٹائل کی



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