

NISHAT MILLS LIMITED



NML-PSX/

October 28, 2023

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

SUB: **SUBMISSION OF QUARTERLY ACCOUNTS
FOR THE PERIOD ENDED SEPTEMBER 30, 2023**

Dear Sir,

We have to inform you that the Quarterly Report of Nishat Mills Limited the Company for the period Ended September 30, 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 Quarter Ended
September 30, 2023**

The background of the page is a complex, abstract geometric pattern composed of various colored polygons (triangles, squares, hexagons) in shades of blue, yellow, orange, green, and purple, creating a sense of depth and movement. The bottom of the page is dominated by a large, solid blue shape that frames the slogan.

**STRONG TODAY
BRIGHT TOMORROW**

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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

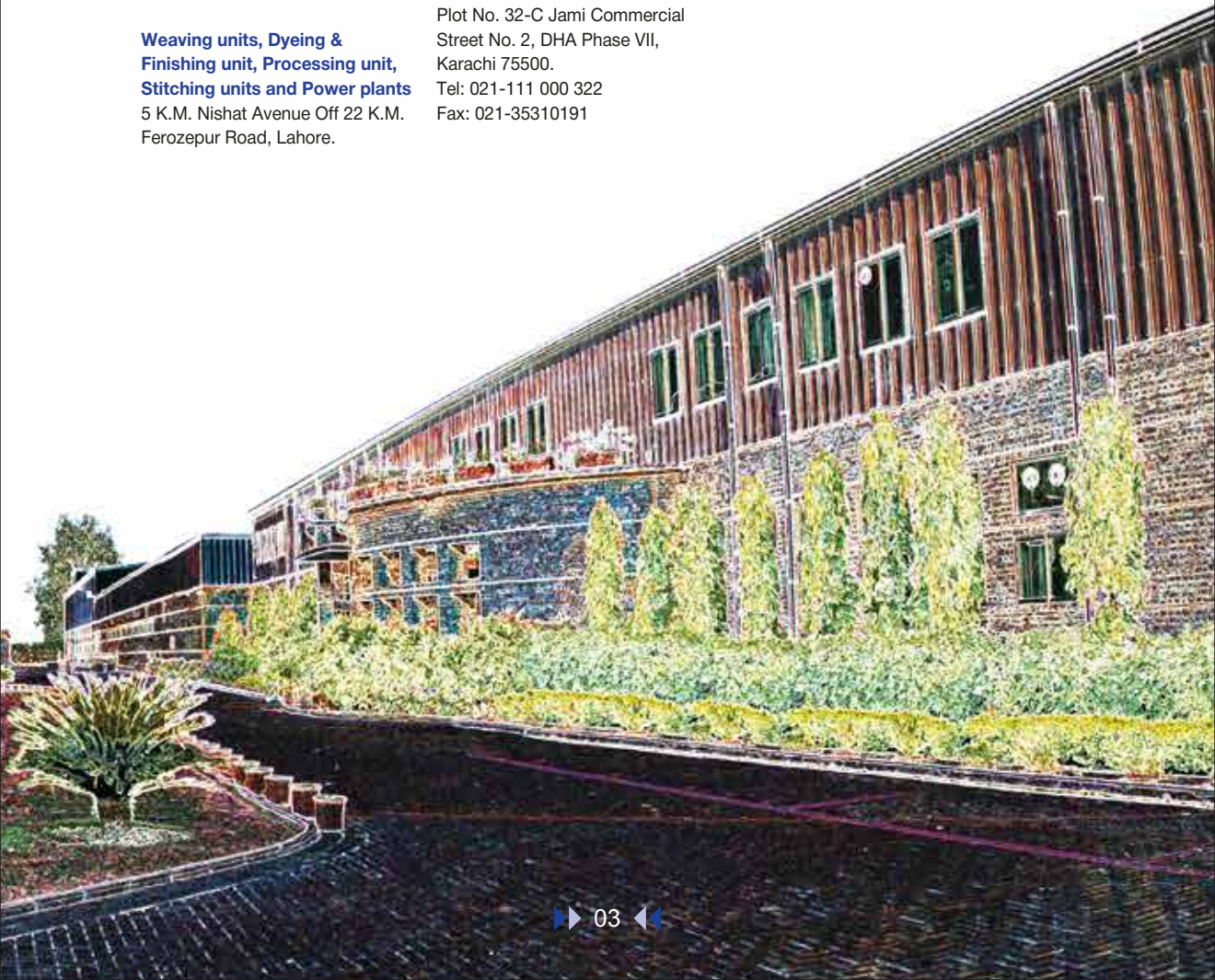
Branch Office, Lahore
Office No. 309, 3rd Floor,
North Tower, LSE building,
19-Sharah-e-Aiwan-e-Iqbal
Lahore.
Tel: 042-36302044

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.nishatmillsd.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 quarter ended 30 September 2023.

Operating Financial Results

The profitability of the company improved in the quarter ended on 30 September 2023 as compared to the corresponding quarter ended on 30 September 2022. Earnings per share (EPS) increased by Rs. 1.13, rising from Rs. 11.81 to Rs. 12.94.

The topline increased by Rs. 5.691 billion (16.58%) from Rs. 34.337 billion in the corresponding quarter of the last year to Rs. 40.028 billion in the current quarter. However, the gross profit decreased by 25.45% due to an unprecedented increase in raw materials and energy costs, along with low demand for textile products in the international market. Nevertheless, the increase in other income by Rs. 4.091 billion compensated for the reduction in gross profit margin.

Despite an unprecedented 186.15% increase in finance costs due to a rise in the average borrowing rate and a 133.94% increase in provisions for tax because of the imposition of the super tax, the company was able to record an increase of Rs. 396.312 million (9.54%) in profit after tax.

Financial Highlights	Quarter ended 30 September		Increase / (decrease) %
	2023	2022	
Revenue (Rs. '000')	40,027,984	34,336,587	16.58
Gross Profit (Rs. '000')	4,958,649	6,651,690	(25.45)
Profit after tax (Rs. '000')	4,548,716	4,152,404	9.54
Gross Profit (%)	12.39	19.37	
Profit after tax (%)	11.36	12.09	
Earnings per share – (Rs.)	12.94	11.81	

General Market Review and Future Prospects

The textile sector in Pakistan has displayed a weak performance in the first quarter of financial year 2023-24. The reason is primarily attributed to a subdued demand for textile products in the U.S.A and European markets. Additionally, the textile sector in Pakistan is facing several challenges such as high raw material costs, expensive energy, costly bank financing, and delayed sales tax refunds. These factors have negatively impacted the profitability and overall performance of the textile sector. Moreover, unexpected fluctuations in the foreign exchange rate have introduced uncertainty into pricing strategies.

Looking ahead, the remaining part of financial year 2023-24 is expected to be even more challenging. Tough competition from neighboring countries is anticipated due to declining demand for textile products in international markets.

Segment Analysis

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

Spinning

In the first quarter of the financial year 2023-24, raw cotton prices remained high in both the local and international markets. The company has commenced the procurement of raw cotton to create a blend of local and imported cotton to meet its raw cotton requirements for the financial year.

The demand for yarn in the export market remained under pressure, with competition from regional suppliers making it challenging to sell our yarn in international market. On the other hand, the local market experienced a surge in demand. Notably, the Division achieved a remarkable 70.13% increase in revenue from yarn sales during the quarter.

Yarn	Quarter ended 30 September		Increase / (Decrease)	
	2023	2022	Value	% age
Sale – (kgs '000')	12,243	7,615	4,628	60.77
Rate / kg	853.30	806.38	46.92	5.82
Sale – (Rs. '000')	10,446,965	6,140,603	4,306,362	70.13

Weaving

The first quarter of FY 2023-24 witnessed a decrease in demand of grey cloth, resulting in a 4.35% drop the Division's revenue. This decline can be attributed to reduced demand in the UK and Europe, primarily due to high inflation and interest rates. Additionally, the appreciation of the PKR against the USD hampered our competitiveness in the global market. Our high production costs due to elevated energy cost and high interest rates along with subdued demand for grey cloth negatively impacted on our profitability for the quarter.

Despite the challenging business conditions, our strategic focus remains on diversifying our product range and expanding into new markets, with exports continuing to be our top priority. To align with this strategy, the Division in Bhikki is planning to invest further in its back-end processes to support the production of technical fabrics, primarily composed of 100% polyester filament yarns.

Grey Cloth	Quarter ended 30 September		Increase / (Decrease)	
	2023	2022	Value	% age
Sale – (meters '000')	23,857	24,463	(606)	(2.48)
Rate / meter	341.19	347.88	(6.69)	(1.92)
Sale – (Rs. '000')	8,139,853	8,510,284	(370,431)	(4.35)

Dyeing

The Dyeing Division experienced a slight dip in revenue by 2.63% during the current quarter ended on 30 September 2023 as compared to the corresponding quarter in the last year. However, it managed to sustain its profitability, demonstrating resilience amidst the challenges that the textile sector is currently facing. The Division achieved this remarkable performance because of offering right product mix at competitive rates.

Processed Cloth	Quarter ended 30 September		Increase / (Decrease)	
	2023	2022	Value	% age
Sale – (meters '000')	10,946	11,572	(626)	(5.41)
Rate / meter	702.64	682.60	20.04	2.94
Sale – (Rs. '000')	7,691,066	7,899,048	(207,982)	(2.63)

As part of the Division's strategy for diversification, the plans for setting up workwear and denim units are in progress. The aim of these units is to drive long term growth and profitability in future by adding new products in the portfolio.

Home Textile and Terry

The financial performance of the Home Textile and Terry Division showed significant improvement in the current quarter ended on September 30, 2023 as compared to the same period in the previous year. This growth was primarily driven by a substantial increase in the sales of terry products, which increased by Rs. 1.895 billion (242.43%) from Rs. 782 million in the corresponding quarter of the last year to Rs. 2.677 billion in the current quarter.

Terry	Quarter ended 30 September		Increase / (Decrease)	
	2023	2022	Value	% age
Sale – (kgs '000')	1,589	540	1,049	194.26
Rate / kg	1,685.01	1,447.97	237.04	16.37
Sale – (Rs. '000')	2,677,480	781,906	1,895,574	242.43

The outstanding performance of terry unit has compensated decrease in the sale of home textile and processed cloth products.

Processed Cloth and Made-ups	Quarter ended 30 September		Increase / (Decrease)	
	2023	2022	Value	% age
Sale – (meters '000')	6,530	7,427	(897)	(12.08)
Rate / meter	763.70	687.06	76.64	11.15
Sale – (Rs. '000')	4,986,938	5,102,828	(115,890)	(2.27)

Garments

The Garments Division performed well in the current quarter due to its diverse and innovative product portfolio, even in the face of the global economic slowdown and changing customer preferences. However, the Division's profitability took a hit due to rising input and energy costs.

The Division has proactively embraced evolving consumer preferences and market trends to maintain its status as the preferred choice for its customers. Furthermore, it places a strong emphasis on environmental sustainability, implementing eco-friendly practices to reduce energy consumption, minimize waste, and align with the UN Sustainable Development Goals. These initiatives have been complemented by substantial investments in employee development and welfare.

Through diversification, sustainability efforts, strategic partnerships, and an unwavering commitment to innovation and employee growth, the Division stands as a shining example of resilience and adaptability in the face of industry challenges.

Garments	Quarter ended 30 September		Increase / (Decrease)	
	2023	2022	Value	% age
Sale – (garments '000')	1,518	1,802	(284)	(15.76)
Rate / garment	2,599.75	1,902.28	697.47	36.66
Sale – (Rs. '000')	3,946,427	3,427,914	518,513	15.13

Power Generation

Energy costs have seen a significant increase during the current quarter of the financial year 2023-24 as compared to the corresponding quarter of the financial year 2022-23. This surge can be attributed to the Government of Pakistan's decision to discontinue subsidies to the textile sector, despite its crucial role in the Pakistani economy as the largest foreign exchange earner and employer.

In response to this challenge, the Company has shifted its focus towards harnessing renewable energy sources to mitigate the rising energy costs. Presently, we are capable of generating 14.2 MW of electricity through solar power plants, with an additional 2.562 MW in the process of being acquired and installed through various projects.

We are confident that this transition to renewable energy not only will enable us to tackle the financial burden posed by escalating energy costs but also will underscore our dedication to sustainable practices and environmental stewardship.

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 (HR&R) Committee:

Sr. No. Name of Director

1	Mian Umer Mansha	Member
2	Mrs. Sara Aqeel	Chairperson / Member
3	Mr. Mahmood Akhtar	Member

Directors' Remuneration

The Board of Directors has approved 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 October 2023
Lahore



Unconsolidated Condensed Interim
Financial Statements of
Nishat Mills Limited

For the quarter ended 30 September 2023

Unconsolidated Condensed Interim Statement of Financial Position

As at 30 September 2023

	Note	Un-audited 30 September 2023 (Rupees in thousand)	Audited 30 June 2023
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
1,100,000,000 (30 June 2023: 1,100,000,000) ordinary shares of Rupees 10 each		11,000,000	11,000,000
Issued, subscribed and paid-up share capital			
351,599,848 (30 June 2023: 351,599,848) ordinary shares of Rupees 10 each		3,515,999	3,515,999
Reserves		90,026,754	86,248,120
Total equity		93,542,753	89,764,119
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing- secured Deferred liabilities	5	11,384,309 1,771,704 13,156,013	11,898,220 1,805,841 13,704,061
CURRENT LIABILITIES			
Trade and other payables Accrued mark-up Short term borrowings Current portion of non-current liabilities Unclaimed dividend Taxation - net	6	16,375,593 1,114,142 44,108,616 4,093,721 108,102 1,728,917 67,529,091	13,969,278 1,831,194 45,753,793 4,142,057 108,247 1,012,961 66,817,530
TOTAL LIABILITIES		80,685,104	80,521,591
CONTINGENCIES AND COMMITMENTS	7		
TOTAL EQUITY AND LIABILITIES		174,227,857	170,285,710

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



CHIEF EXECUTIVE OFFICER

	Note	Un-audited 30 September 2023 (Rupees in thousand)	Audited 30 June 2023
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	48,472,341	45,265,066
Investment properties		470,188	471,091
Long term investments		40,831,141	38,642,705
Long term loans		272,061	285,639
Long term deposits		154,048	153,320
		90,199,779	84,817,821
CURRENT ASSETS			
Stores, spare parts and loose tools		6,534,959	5,955,945
Stock in trade		36,836,470	34,801,627
Trade debts		13,032,895	13,208,722
Loans and advances		14,949,176	17,347,672
Short term deposits and prepayments		252,722	227,942
Other receivables		9,024,950	11,242,564
Accrued interest		256,617	272,851
Cash and bank balances		3,140,289	2,410,566
		84,028,078	85,467,889
TOTAL ASSETS		174,227,857	170,285,710



DIRECTOR



CHIEF FINANCIAL OFFICER

Unconsolidated Condensed Interim Statement of Profit or Loss

For the quarter ended 30 September 2023 (Un-audited)

	Note	Quarter ended	
		30 September 2023	30 September 2022
		(Rupees in thousand)	
REVENUE	9	40,027,984	34,336,587
COST OF SALES	10	(35,069,335)	(27,684,897)
GROSS PROFIT		4,958,649	6,651,690
DISTRIBUTION COST		(1,466,090)	(1,782,407)
ADMINISTRATIVE EXPENSES		(600,599)	(571,841)
OTHER EXPENSES		(99,424)	(198,960)
		(2,166,113)	(2,553,208)
		2,792,536	4,098,482
OTHER INCOME		5,603,973	1,513,068
PROFIT FROM OPERATIONS		8,396,509	5,611,550
FINANCE COST		(2,379,793)	(831,646)
PROFIT BEFORE TAXATION		6,016,716	4,779,904
TAXATION		(1,468,000)	(627,500)
PROFIT AFTER TAXATION		4,548,716	4,152,404
EARNINGS PER SHARE- BASIC AND DILUTED (RUPEES)	11	12.94	11.81

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

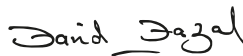
For the quarter ended 30 September 2023 (Un-audited)

	Quarter ended	
	30 September 2023	30 September 2022
	(Rupees in thousand)	
PROFIT AFTER TAXATION	4,548,716	4,152,404
OTHER COMPREHENSIVE INCOME / (LOSS)		
Items that will not be reclassified to profit or loss:		
Deficit arising on remeasurement of investments at fair value through other comprehensive income	(800,885)	(518,908)
Deferred income tax relating to this item	30,803	53,369
	(770,082)	(465,539)
Items that may be reclassified subsequently to profit or loss		
Other comprehensive loss for the period - net of tax	(770,082)	(465,539)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	3,778,634	3,686,865

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

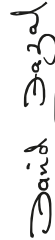
For the quarter ended 30 September 2023 (Un-audited)

	RESERVES						TOTAL	TOTAL EQUITY
	CAPITAL RESERVES			REVENUE RESERVES				
	Premium on Issue of Right Shares	Fair Value Reserve FVTOCI Investments	Sub Total	General Reserve	Unappropriated Profit	Sub Total		
	(Rupees in thousand)							
Balance as at 30 June 2022 - (audited)	3,515,999	5,499,530	8,090,895	13,590,425	51,782,028	10,312,491	62,094,519	79,200,943
Profit for the period	-	-	-	-	-	4,152,404	4,152,404	4,152,404
Other comprehensive loss for the period	-	-	(465,539)	(465,539)	-	-	-	(465,539)
Total comprehensive (loss) / income for the period	-	-	(465,539)	(465,539)	-	4,152,404	4,152,404	3,686,865
Balance as at 30 September 2022 - (un-audited)	3,515,999	5,499,530	7,625,356	13,124,886	51,782,028	14,464,895	66,246,923	82,887,808
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	-	-	-	-	-	8,013,618	8,013,618	8,013,618
Other comprehensive income for the period	-	-	269,092	269,092	-	-	-	269,092
Total comprehensive income for the period	-	-	269,092	269,092	-	8,013,618	8,013,618	8,282,710
Balance as at 30 June 2023 - (audited)	3,515,999	5,499,530	7,894,448	13,393,978	60,688,028	12,166,114	72,854,142	89,764,119
Profit for the period								
	-	-	-	-	-	4,548,716	4,548,716	4,548,716
Other comprehensive loss for the period	-	-	(770,082)	(770,082)	-	-	-	(770,082)
Total comprehensive (loss) / income for the period	-	-	(770,082)	(770,082)	-	4,548,716	4,548,716	3,778,634
Balance as at 30 September 2023 - (un-audited)	3,515,999	5,499,530	7,124,366	12,623,896	60,688,028	16,714,830	77,402,858	93,542,753

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

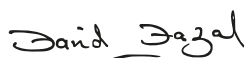
For the quarter ended 30 September 2023 (Un-audited)

	Note	Quarter ended	
		30 September 2023	30 September 2022
		(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	12	6,816,561	2,371,106
Finance cost paid		(3,096,845)	(843,412)
Income tax - net		(752,044)	(462,931)
Exchange gain on forward exchange contracts received		19,188	31,772
Net decrease in long term loans		14,453	40,856
Net increase in long term deposits		(728)	(40,307)
Net cash generated from operating activities		3,000,585	1,097,084
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(4,154,215)	(2,721,494)
Proceeds from sale of property, plant and equipment		21,043	35,907
Investments made		(2,989,321)	(129,000)
Loan to Nishat Linen (Private) Limited - subsidiary company		(12,879,513)	(19,801,284)
Repayment of loan by Nishat Linen (Private) Limited - subsidiary company		15,003,314	11,927,165
Interest received		909,447	524,588
Dividends received		4,042,170	947,333
Net cash used in investing activities		(47,075)	(9,216,785)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		177,746	1,141,528
Repayment of long term financing		(743,327)	(900,221)
Short term borrowings - net		(1,645,177)	8,536,856
Dividend paid		(145)	(261)
Net cash (used in) / from financing activities		(2,210,903)	8,777,902
Net increase in cash and cash equivalents		742,607	658,201
Net foreign exchange difference on translating cash and bank balances		(12,884)	2,424
Cash and cash equivalents at the beginning of the period		2,410,566	91,727
Cash and cash equivalents at the end of the period		3,140,289	752,352

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 quarter ended 30 September 2023 (Un-audited)

1 THE COMPANY AND ITS OPERATIONS

Nishat Mills Limited is a public limited Company incorporated in Pakistan under the Companies Act, 1913 (Now Companies 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 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 Company for the year ended 30 June 2023.

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 2023.

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 2023.

	Note	Un-audited 30 September 2023 (Rupees in thousand)	Audited 30 June 2023
5 LONG TERM FINANCING - SECURED			
Opening balance		14,784,510	15,320,725
Add: Obtained during the period / year		177,746	2,476,845
Less: Repaid during the period / year		(743,327)	(3,038,566)
Less: Government grant recognized during the period / year		-	-
Add: Amortized during the period / year		3,894	25,506
Net impact	5.1	3,894	25,506
		14,222,823	14,784,510
Less: Current portion shown under current liabilities		(2,838,514)	(2,886,290)
		11,384,309	11,898,220

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

	Note	Un-audited 30 September 2023 (Rupees in thousand)	Audited 30 June 2023
6 SHORT TERM BORROWINGS			
From banking companies and development financial institution - secured	6.1, 6.2 & 6.3	41,108,616	41,753,793
From other			
Privately placed sukuks	6.4	3,000,000	4,000,000
		44,108,616	45,753,793

6.1 These finances are obtained from banking companies and development financial institution under mark up arrangements and are secured against joint pari passu hypothecation charge on all present and future current assets and other instruments.

6.2 These finances includes balance of short term borrowings of Rupees 2,034.932 million (30 June 2023: 680.858 million) payable to MCB Bank Limited – associated company, which has been utilized for working capital requirements.

6.3 The rates of mark up range from 2.00% to 23.97% (30 June 2023: 0.94% to 23.19%) per annum during the period on the balance outstanding.

6.4 These represent privately placed, unsecured, non-convertible and shariah compliant short term sukuks having maturity period of 6 months and carrying profit at the rate of 3 months KIBOR plus 0.25% per annum. The rate of mark up ranges from 22.30% to 22.98% (30 June 2023: 16.66% to 22.95%) per annum.

Selected Notes to the Unconsolidated Condensed Interim Financial Statements

For the quarter ended 30 September 2023 (Un-audited)

7 CONTINGENCIES AND COMMITMENTS

a) Contingencies

- i) Guarantees of Rupees 5,076.444 million (30 June 2023: Rupees 5,766.720 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), The President of Islamic Republic of Pakistan through the Controller of Military Accounts (Defence Purchase), Airport Security Force, Director General (Purchase and Disposal) WAPDA Sunny View Lahore, Provincial Police Officer, Office of Inspector General of Police KPK and Inspector General of Punjab Police against fulfillment of sales orders, High Court of Sindh, Karachi against the matter of importation of LED lights, 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 666.667 million (30 June 2023: Rupees 666.667 million) and Rupees 1,750 million (30 June 2023: Rupees 1,750 million) on behalf of Nishat Linen (Private) Limited - wholly owned subsidiary company and Nishat Sutas Dairy Limited - associated company respectively to secure the obligations of subsidiary company and associated company towards their lenders.
- ii) Post dated cheques of Rupees 40,784.250 million (30 June 2023: Rupees 41,132.481 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 365.192 million (30 June 2023: 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 and in the case of providing blend of RLNG and Gas tariff to new Co-generation Captive connections instead of charging full RLNG notified tariff, post dated cheques of Rupees 315.406 million (30 June 2023: Rupees 2.140 million) are issued to Lahore Electric Supply Company Limited and Faisalabad 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 and in the case where DISCOs have charged full NEPRA notified tariff with effect from March 01, 2023 instead of reduced rate of Rs. 19.99 per KWh and post dated cheque of Rupees 697.461 million (30 June 2023: Rupees 697.461 million) is issued to Federal Board of Revenue (FBR) in pursuance of order of Lahore High Court, Lahore in the matter of super tax.

b) Commitments

- i) Contracts for capital expenditure are approximately of Rupees 9,140.273 million (30 June 2023: Rupees 6,767.974 million).
- ii) Letters of credit other than for capital expenditure are of Rupees 3,266.854 million (30 June 2023: Rupees 3,201.029 million).
- iii) Outstanding foreign currency forward contracts of Rupees 4,966.949 million (30 June 2023: Rupees 838.241 million).

- iv) Commitment arising from short-term leases recognized on a straight-line basis as expense under the practical expedients applied by the Company with respect to IFRS 16. The amount of future payments under these leases and the period in which these payments will become due are as follows:

	Note	Un-audited 30 September 2023 (Rupees in thousand)	Audited 30 June 2023
Not later than one year		136,450	133,101
8 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	8.1	38,428,192	38,987,142
Capital work-in-progress	8.2	10,044,149	6,277,924
		48,472,341	45,265,066
8.1 Operating fixed assets			
Opening book value		38,987,142	34,938,589
Add: Cost of additions during the period / year	8.1.1	389,290	7,653,136
		39,376,432	42,591,725
Less: Book value of deletions during the period / year	8.1.2	(16,348)	(54,637)
		39,360,084	42,537,088
Less: Depreciation charged during the period / year		(931,892)	(3,549,946)
		38,428,192	38,987,142
8.1.1 Cost of additions			
Freehold land		-	22,285
Buildings on freehold land		-	1,628,418
Plant and machinery		287,316	5,504,890
Electric installations		3,393	126,262
Factory equipment		26,320	37,886
Furniture, fixtures and office equipment		23,279	50,044
Computer equipment		16,377	37,394
Vehicles		32,605	245,957
		389,290	7,653,136

Selected Notes to the Unconsolidated Condensed Interim Financial Statements

For the quarter ended 30 September 2023 (Un-audited)

	Un-audited 30 September 2023	Audited 30 June 2023
	(Rupees in thousand)	
8.1.2 Book value of deletions		
Plant and machinery	10,055	12,989
Electric installations	2,881	-
Computer equipment	172	466
Vehicles	3,240	41,182
	16,348	54,637
8.2 Capital work-in-progress		
Buildings on freehold land	5,103,525	4,207,963
Plant and machinery	4,367,948	1,733,664
Electric installations	384,295	220,082
Unallocated capital expenditures	106,112	73,385
Advances against purchase of freehold land	942	942
Advances against furniture, fixtures and office equipment	7,608	7,724
Advances against purchase of vehicles	73,719	34,164
	10,044,149	6,277,924

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		Power Generation		Total - Company	
	Quarter ended 30-Sep-23	30-Sep-22	Quarter ended 30-Sep-23	30-Sep-22	Quarter ended 30-Sep-23	30-Sep-22	Quarter ended 30-Sep-23	30-Sep-22	Quarter ended 30-Sep-23	30-Sep-22	Quarter ended 30-Sep-23	Quarter ended 30-Sep-22	Quarter ended 30-Sep-23	
Region														
Europe	185,081	172,235	3,987,409	4,954,753	169,198	124,714	5,100,611	4,337,764	676,528	1,360,076	-	-	10,118,827	10,949,542
America	137,669	423,868	202,744	322,230	3,830	1,342	1,608,677	772,670	3,237,307	2,051,546	-	-	5,190,227	3,571,656
Asia, Africa, Australia	2,425,139	1,971,429	1,107,329	770,443	4,692,874	5,622,916	628,758	538,575	72,465	55,378	-	-	8,926,565	8,958,741
Pakistan	8,506,101	4,760,556	3,074,902	2,636,675	2,942,000	2,349,436	1,175,723	992,765	60,303	76,458	33,336	40,758	15,792,365	10,856,648
	11,253,990	7,326,088	8,372,384	8,684,101	7,807,902	8,098,408	8,513,769	6,641,774	4,046,603	3,543,458	33,336	40,758	40,027,984	34,336,587
Timing of revenue recognition														
Products and services transferred at a point in time	11,253,990	7,326,088	8,372,384	8,684,101	7,807,902	8,098,408	8,513,769	6,641,774	4,046,603	3,543,458	33,336	40,758	40,027,984	34,336,587
Products and services transferred over time	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	11,253,990	7,326,088	8,372,384	8,684,101	7,807,902	8,098,408	8,513,769	6,641,774	4,046,603	3,543,458	33,336	40,758	40,027,984	34,336,587
Major products / service lines														
Yarn	11,253,990	7,326,088	-	-	-	-	-	-	-	-	-	-	11,253,990	7,326,088
Grey Cloth	-	-	8,372,384	8,684,101	-	-	-	-	-	-	-	-	8,372,384	8,684,101
Processed Cloth	-	-	-	-	7,807,902	8,098,408	-	-	-	-	-	-	7,807,902	8,098,408
Made Ups	-	-	-	-	-	-	954,921	5,874,853	-	-	-	-	954,921	5,874,853
Garments	-	-	-	-	-	-	-	-	4,046,603	3,543,458	-	-	4,046,603	3,543,458
Towels and Bath Robes	-	-	-	-	-	-	7,556,848	766,921	-	-	-	-	7,556,848	766,921
Electricity	-	-	-	-	-	-	-	-	-	-	33,336	40,758	33,336	40,758
	11,253,990	7,326,088	8,372,384	8,684,101	7,807,902	8,098,408	8,513,769	6,641,774	4,046,603	3,543,458	33,336	40,758	40,027,984	34,336,587

9.2 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 quarter ended 30 September 2023 (Un-audited)

	Quarter Ended	
	30 September 2023	30 September 2022
	(Rupees in thousand)	
10 COST OF SALES		
Raw materials consumed	20,809,919	17,200,365
Processing charges	90,143	62,639
Salaries, wages and other benefits	3,116,566	2,755,784
Stores, spare parts and loose tools consumed	3,470,746	2,847,954
Packing materials consumed	870,700	616,320
Repair and maintenance	237,636	176,328
Fuel and power	4,962,237	4,688,156
Insurance	21,200	20,195
Other factory overheads	357,030	316,896
Depreciation	901,111	809,372
	34,837,288	29,494,009
Work-in-process		
Opening stock	7,994,358	6,049,041
Closing stock	(7,894,000)	(7,014,844)
	100,358	(965,803)
Cost of goods manufactured	34,937,646	28,528,206
Finished goods		
Opening stock	10,390,983	8,172,559
Closing stock	(10,259,294)	(9,015,868)
	131,689	(843,309)
	35,069,335	27,684,897

	Quarter Ended	
	30 September 2023	30 September 2022
11 EARNINGS PER SHARE - BASIC AND DILUTED		
There is no dilutive effect on the basic earnings per share which is based on:		
Profit attributable to ordinary shareholders (Rupees in thousand)	4,548,716	4,152,404
Weighted average number of ordinary shares (Numbers)	351,599,848	351,599,848
Earnings per share (Rupees)	12.94	11.81

	Note	Quarter Ended	
		30 September 2023	30 September 2022
(Rupees in thousand)			
12 CASH GENERATED FROM OPERATIONS			
Profit before taxation		6,016,716	4,779,904
Adjustments for non-cash charges and other items:			
Depreciation		931,495	836,283
Gain on sale of property, plant and equipment		(4,695)	(11,278)
Dividend income		(4,042,170)	(947,333)
Net exchange gain		(415,244)	(104,185)
Interest income on loans and advances to subsidiary company		(894,979)	(259,081)
Finance cost		2,379,793	831,646
Working capital changes	12.1	2,845,645	(2,754,850)
		6,816,561	2,371,106
12.1 Working capital changes			
(Increase) / decrease in current assets:			
- Stores, spare parts and loose tools		(579,014)	(1,818,666)
- Stock in trade		(2,034,843)	2,055,640
- Trade debts		377,143	(3,286,596)
- Loans and advances		273,820	(50,486)
- Short term deposits and prepayments		(24,780)	16,654
- Other receivables		2,413,870	652,917
		426,196	(2,430,537)
Increase / (Decrease) in trade and other payables		2,419,449	(324,313)
		2,845,645	(2,754,850)

Selected Notes to the Unconsolidated Condensed Interim Financial Statements

For the quarter ended 30 September 2023 (Un-audited)

13 SEGMENT INFORMATION

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

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

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

	Spinning		Weaving		Dyeing		Home Textile and Terry		Garments		Power Generation		Elimination of inter-segment transactions		Total - Company	
	Quarter ended Sep 2023	Quarter ended Sep 2022	Quarter ended Sep 2023	Quarter ended Sep 2022	Quarter ended Sep 2023	Quarter ended Sep 2022	Quarter ended Sep 2023	Quarter ended Sep 2022	Quarter ended Sep 2023	Quarter ended Sep 2022	Quarter ended Sep 2023	Quarter ended Sep 2022	Quarter ended Sep 2023	Quarter ended Sep 2022	Quarter ended Sep 2023	Quarter ended Sep 2022
Revenue from contracts with customers																
External	11,250,990	7,268,088	8,372,384	6,684,101	7,607,902	6,098,108	5,513,789	6,641,774	4,046,683	3,543,158	30,336	40,758	-	-	40,027,984	34,336,587
Intersegment	5,494,784	3,041,072	7,051,953	5,789,249	481,978	458,115	824,416	87,792	811	531	5,154,616	4,697,000	(16,266,558)	(14,073,859)	-	-
Cost of sales	16,748,774	10,389,160	15,424,337	14,473,450	8,288,880	6,556,523	8,586,185	6,729,566	4,047,414	3,543,889	5,187,932	4,737,758	(18,266,558)	(14,073,859)	40,027,984	34,336,587
Gross profit	1,926,227	1,820,518	697,549	2,244,867	1,508,554	2,038,214	512,846	270,361	307,038	264,689	8,435	15,061	-	-	(35,069,359)	(27,684,897)
Distribution cost	(180,187)	(28,305)	(271,968)	(537,224)	(265,990)	(383,676)	(494,455)	(388,434)	(25,492)	(222,668)	-	-	-	-	(1,486,090)	(1,782,407)
Administrative expenses	(167,792)	(147,004)	(126,414)	(153,898)	(88,829)	(74,589)	(135,286)	(113,097)	(79,026)	(87,279)	(6,452)	(20,249)	-	-	(600,589)	(671,841)
Profit/(loss) before taxation and unallocated income and expenses	(847,979)	(386,593)	(393,300)	(667,520)	(374,619)	(488,271)	(629,741)	(501,351)	(309,518)	(319,648)	(6,452)	(20,249)	-	-	2,066,699	(2,354,248)
	1,578,248	1,483,579	299,169	1,577,547	1,151,935	1,577,943	(116,895)	(231,170)	(2,480)	(65,839)	1,983	(5,188)	-	-	2,891,990	4,297,442
Unallocated income and expenses:																
Other expenses															(69,424)	(186,900)
Other income															5,003,973	1,515,066
Finance cost															(2,379,793)	(831,646)
Taxation															(1,488,000)	(827,500)
Profit after taxation															4,548,718	4,152,404

133 Reconciliation of reportable segment assets and liabilities

	Spinning		Weaving		Dyeing		Home Textile and Terry		Garments		Power Generation		Total - Company	
	Un-audited Sep 2023	Audited Jun 2023	Un-audited Sep 2023	Audited Jun 2023	Un-audited Sep 2023	Audited Jun 2023	Un-audited Sep 2023	Audited Jun 2023	Un-audited Sep 2023	Audited Jun 2023	Un-audited Sep 2023	Audited Jun 2023	Un-audited Sep 2023	Audited Jun 2023
Total assets for reportable segments	26,289,971	25,664,344	17,082,871	16,429,296	23,483,245	18,842,412	21,115,381	20,945,741	7,364,643	8,571,547	11,272,657	10,881,716	106,628,768	101,235,095
Unallocated assets:														
Long term investments													40,831,141	38,642,705
Other receivables													9,024,950	11,242,564
Cash and bank balances													3,140,289	2,410,586
Other corporate assets													14,602,709	16,754,819
Total assets as per unconsolidated condensed interim statement of financial position													174,227,657	170,265,710
Total liabilities for reportable segments	3,182,651	2,275,945	2,622,095	2,829,338	3,843,854	1,617,530	1,643,628	2,637,067	1,030,668	805,316	2,097,241	2,134,075	14,828,727	12,095,291
Unallocated liabilities:														
Deferred liabilities													1,771,704	1,805,841
Other corporate liabilities													64,284,673	66,616,459
Total liabilities as per unconsolidated condensed interim statement of financial position													80,885,104	80,527,591

Selected Notes to the Unconsolidated Condensed Interim Financial Statements

For the quarter ended 30 September 2023 (Un-audited)

14 RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

i) Fair value hierarchy

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

Recurring fair value measurements At 30 September 2023

Level 1

Level 2

Level 3

Total

(Rupees in thousand)

	Level 1	Level 2	Level 3	Total
Financial assets				
Fair value through other comprehensive income	24,988,714	-	8,321,102	33,309,816
Derivative financial assets	-	194,521	-	194,521
Total financial assets	24,988,714	194,521	8,321,102	33,504,337
Financial liabilities				
Derivative financial liabilities	-	5,158	-	5,158
Total financial liabilities	-	5,158	-	5,158

Recurring fair value measurements At 30 June 2023 - Audited

Level 1

Level 2

Level 3

Total

(Rupees in thousand)

	Level 1	Level 2	Level 3	Total
Financial assets				
Fair value through other comprehensive income	25,789,600	-	8,321,102	34,110,702
Derivative financial assets	-	31	-	31
Total financial assets	25,789,600	31	8,321,102	34,110,733
Financial liabilities				
Derivative financial liabilities	-	18,292	-	18,292
Total financial liabilities	-	18,292	-	18,292

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 quarter ended 30 September 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 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 2023 and for the quarter ended 30 September 2023:

Unlisted equity securities	
(Rupees in thousand)	
Balance as on 30 June 2022 - Audited	6,917,218
Add: Investment made during the period	129,000
Add : Surplus recognized in other comprehensive income	195,435
Balance as on 30 September 2022 - Unaudited	7,241,653
Add: Investment made during the period	1,725,325
Less : Deficit recognized in other comprehensive income	(645,876)
Balance as on 30 June 2023 - Audited	8,321,102
Add: Investment made during the period	-
Add : Surplus recognized in other comprehensive income	-
Balance as on 30 September 2023 - Unaudited	8,321,102

Selected Notes to the Unconsolidated Condensed Interim Financial Statements

For the quarter ended 30 September 2023 (Un-audited)

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
	30 September 2023	30 June 2023		30 September 2023	

(Rupees in thousand)

Fair value through other comprehensive income

Nishat Paper Products Company Limited	171,023	171,023	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 +131.815 million / -102.846 million.
			Risk adjusted discount rate	18.17%	
Nishat Dairy (Private) Limited	484,200	484,200	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 +36.600 million / -30.000 million.
			Risk adjusted discount rate	22.49%	
Security General Insurance Company Limited	375,303	375,303	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 +34.053 million / -27.918 million.
			Risk adjusted discount rate	20.26%	
Nishat Hotels and Properties Limited	1,418,279	1,418,279	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 +245.756 million / -190.238 million.
			Risk adjusted discount rate	16.68%	
Hyundai Nishat Motor (Private) Limited	4,617,485	4,617,485	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 +366.206 million / -312.214 million.
			Risk adjusted discount rate	23.80%	
Nishat Sutas Dairy Limited	1,254,812	1,254,812	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 +325.708 million / -258.896 million.
			Risk adjusted discount rate	19.41%	

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

15 TRANSACTIONS WITH RELATED PARTIES

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

i) Transactions

	Quarter Ended	
	30 September 2023	30 September 2022
	(Rupees in thousand)	
Subsidiary companies		
Investment made	2,989,321	-
Short term loan given	12,879,513	19,801,284
Repayment of short term loan	15,003,314	11,927,165
Interest income	894,979	259,081
Rental income	24,718	22,478
Sale of goods and services	2,477,530	2,966,449
Purchase of goods and services	214,381	170,806
Associated companies		
Investment made	-	129,000
Purchase of goods and services	6,250	3,254
Sale of goods and services	8,152	9,937
Purchase of operating fixed assets	25,350	38,366
Rental income	2,017	1,836
Dividend income	4,038,287	690,545
Insurance premium paid	56,995	52,985
Insurance claims received	18,959	15,424
Interest income	11,727	6,221
Finance cost	24,791	8,672
Other related parties		
Dividend income	-	255,376
Company's contribution to provident fund trust	111,523	104,086
Remuneration paid to Chief Executive Officer and Executives	434,736	595,857

Selected Notes to the Unconsolidated Condensed Interim Financial Statements

For the quarter ended 30 September 2023 (Un-audited)

ii) Period end balances

As at 30 September 2023			
Subsidiary companies	Associated companies	Other related parties	Total

(Rupees in thousand)

Trade and other payables	93,564	54,951	-	148,515
Accrued markup	-	14,294	-	14,294
Short term borrowings	-	2,034,932	-	2,034,932
Property, plant and equipment	-	25,150	-	25,150
Long term loans	-	-	211,899	211,899
Trade debts	1,053,408	4,242	-	1,057,650
Loans and advances	13,695,672	-	103,057	13,798,729
Accrued interest	255,990	-	-	255,990
Cash and bank balances	-	89,662	1,690	91,352

As at 30 June 2023 (Audited)			
Subsidiary companies	Associated companies	Other related parties	Total

(Rupees in thousand)

Trade and other payables	35,910	71,751	-	107,661
Accrued markup	-	23,414	-	23,414
Short term borrowings	-	680,858	-	680,858
Property, plant and equipment	-	19,851	-	19,851
Long term loans	-	-	222,006	222,006
Trade debts	520,198	1,918	-	522,116
Loans and advances	15,817,934	4	93,990	15,911,928
Accrued interest	270,458	-	-	270,458
Cash and bank balances	-	166,030	128,647	294,677

16 FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the Company for the year ended 30 June 2023.

17 DATE OF AUTHORIZATION FOR ISSUE

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

18 DISCLOSURES BY COMPANY LISTED ON ISLAMIC INDEX

Description	Un-audited	Audited
	30 September 2023	30 June 2023
	(Rupees in thousand)	
Loan / advances obtained as per Islamic mode:		
Loans	12,173,219	13,748,795
Advances	1,239,629	1,730,996
Shariah compliant bank deposits / bank balances		
Bank balances	104,414	569,921
	Quarter ended	
	30 September 2023	30 September 2022
	(Rupees in thousand)	
Profit earned from shariah compliant bank deposits / bank balances		
Profit on deposits with banks	-	-
Revenue earned from shariah compliant business	40,027,984	34,336,587
Gain / (loss) or dividend earned from shariah compliant investments		
Dividend income	-	-
Unrealized loss on remeasurement of investments at FVTOCI	(1,075,127)	(262,275)
Exchange gain earned	131,570	131,950
Mark-up paid on Islamic mode of financing	622,811	73,641
Profits earned or interest paid on any conventional loan / advance		
Profit earned on loan to subsidiary company	894,979	259,081
Interest paid on loans	2,309,939	637,052
Profit earned on deposits with banks	69,511	16,484
Interest income on loans to employees	653	1,621

Selected Notes to the Unconsolidated Condensed Interim Financial Statements

For the quarter ended 30 September 2023 (Un-audited)

Relationship with shariah compliant banks

Name	Relationship
Habib Bank Limited - Islamic Banking	Bank balance
Standard Chartered Bank (Pakistan) Limited (Saadiq Islamic Banking)	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)	Bank balance, short term borrowings and long term financing
The Bank of Punjab (Taqwa Islamic Banking)	Bank balance and short term borrowings
Al-Baraka Bank Pakistan Limited	Bank balance and short term borrowings

19 CORRESPONDING FIGURES

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

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

20 GENERAL

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

Consolidated Condensed Interim
Financial Statements of

**Nishat Mills Limited
and its Subsidiaries**

For the quarter ended 30 September 2023



Consolidated Condensed Interim Statement of Financial Position

As at 30 September 2023

	Note	Un-audited 30 September 2023 (Rupees in thousand)	Audited 30 June 2023
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
1,100,000,000 (30 June 2023: 1,100,000,000) ordinary shares of Rupees 10 each		11,000,000	11,000,000
Issued, subscribed and paid-up share capital			
351,599,848 (30 June 2023: 351,599,848) ordinary shares of Rupees 10 each		3,515,999	3,515,999
Reserves		123,563,570	118,011,073
Equity attributable to equity holders of the Holding Company		127,079,569	121,527,072
Non-controlling interest		15,353,641	14,639,269
Total equity		142,433,210	136,166,341
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing- secured	6	11,398,887	11,913,819
Lease liabilities		1,692,767	1,769,657
Long term security deposits		270,110	265,610
Retirement benefit obligation		56,802	54,852
Deferred liabilities		4,810,231	5,069,383
		18,228,797	19,073,321
CURRENT LIABILITIES			
Trade and other payables		20,619,477	17,464,024
Accrued mark-up		1,119,208	1,843,179
Short term borrowings	7	45,152,907	46,246,793
Current portion of non-current liabilities		5,036,399	4,919,417
Unclaimed dividend		130,094	130,485
Provision for taxation - net		1,394,794	652,879
		73,452,879	71,256,777
TOTAL LIABILITIES		91,681,676	90,330,098
CONTINGENCIES AND COMMITMENTS	8		
TOTAL EQUITY AND LIABILITIES		234,114,886	226,496,439

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



CHIEF EXECUTIVE OFFICER

	Note	Un-audited 30 September 2023 (Rupees in thousand)	Audited 30 June 2023
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	9	59,956,993	56,760,506
Right-of-use assets		2,171,106	2,081,373
Long term investments		54,425,420	54,469,968
Long term loans		393,994	403,613
Long term deposits		324,055	323,729
		117,271,568	114,039,189
CURRENT ASSETS			
Stores, spare parts and loose tools		7,692,278	7,014,286
Stock-in-trade		57,070,974	51,487,576
Trade debts		31,736,895	28,573,197
Loans and advances		1,524,163	2,052,958
Short term deposits and prepayments		496,364	471,727
Other receivables		11,131,641	13,667,116
Accrued interest		34,213	30,762
Short term investments		810,713	-
Cash and bank balances		6,346,077	9,159,628
		116,843,318	112,457,250
TOTAL ASSETS		234,114,886	226,496,439



DIRECTOR



CHIEF FINANCIAL OFFICER

Consolidated Condensed Interim Statement of Profit or Loss

For the quarter ended 30 September 2023 (Un-audited)

	Note	Quarter ended	
		30 September 2023	30 September 2022
		(Rupees in thousand)	
REVENUE	10	56,421,143	52,107,886
COST OF SALES	11	(47,485,495)	(43,307,968)
GROSS PROFIT		8,935,648	8,799,918
DISTRIBUTION COST		(2,615,433)	(2,776,295)
ADMINISTRATIVE EXPENSES		(984,652)	(865,244)
OTHER EXPENSES		(100,319)	(268,625)
		(3,700,404)	(3,910,164)
		5,235,244	4,889,754
OTHER INCOME		1,538,375	940,562
PROFIT FROM OPERATIONS		6,773,619	5,830,316
FINANCE COST		(2,505,403)	(949,499)
		4,268,216	4,880,817
SHARE OF NET PROFIT OF ASSOCIATES ACCOUNTED FOR USING THE EQUITY METHOD		1,054,944	303,842
PROFIT BEFORE TAXATION		5,323,160	5,184,659
TAXATION		(1,088,816)	(639,503)
PROFIT AFTER TAXATION		4,234,344	4,545,156
SHARE OF PROFIT ATTRIBUTABLE TO:			
EQUITY HOLDERS OF HOLDING COMPANY		3,519,972	4,082,695
NON-CONTROLLING INTEREST		714,372	462,461
		4,234,344	4,545,156
EARNINGS PER SHARE- BASIC AND DILUTED (RUPEES)	12	10.01	11.61

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

Consolidated Condensed Interim Statement of Comprehensive Income

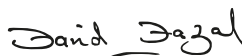
For the quarter ended 30 September 2023 (Un-audited)

	Quarter ended	
	30 September 2023	30 September 2022
	(Rupees in thousand)	
PROFIT AFTER TAXATION	4,234,344	4,545,156
OTHER COMPREHENSIVE INCOME / (LOSS)		
Items that will not be reclassified to profit or loss:		
Surplus / (Deficit) arising on remeasurement of investments at fair value through other comprehensive income	1,585,777	(263,153)
Share of surplus / (deficit) on remeasurement of investments at fair value through other comprehensive income of associates - net of tax	686,984	(181,530)
Deferred income tax relating to investments at fair value through other comprehensive income	(226,059)	43,416
	2,046,702	(401,267)
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translating foreign operations	(14,177)	83,540
Other comprehensive income / (loss) for the period - net of tax	2,032,525	(317,727)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	6,266,869	4,227,429
SHARE OF TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
Equity holders of holding company	5,552,497	3,764,968
Non-controlling interest	714,372	462,461
	6,266,869	4,227,429

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

Consolidated Condensed Interim Statement of Changes in Equity

For the quarter ended 30 September 2023 (Un-audited)

	Attributable to Equity Holders of the Holding Company													Non-controlling Interest	Total Equity		
	Capital Reserves			Revenue Reserves				Shareholders' Equity		Total Reserves	Shareholders' Equity						
	Share Capital	Premium on Issue of Right Shares	Fair Value Reserve FVTOC Investments	Exchange Translation Reserve	Statutory Reserve	Capital Redemption Reserve Fund	Maintenance Reserve	Sub Total	General Reserve			Unappropriated Profit	Sub Total				
Balance as at 30 June 2022 - (Audited)	3,515,989	5,499,530	3,241,268	350,961	11,046	111,002	1,608,668	10,822,475	86,577,214	12,279,897	98,856,311	109,678,786	113,194,795	13,762,616	126,957,401		
Profit for the period	-	-	-	-	-	-	-	-	-	4,082,695	4,082,695	4,082,695	4,082,695	482,461	4,565,156		
Other comprehensive (loss) / income for the period	-	-	(401,267)	83,540	-	-	-	(317,727)	-	-	(317,727)	(317,727)	(317,727)	-	(317,727)		
Total comprehensive (loss) / income for the period	-	-	(401,267)	83,540	-	-	-	(317,727)	-	4,082,695	4,082,695	3,764,968	3,764,968	482,461	4,227,429		
Balance as at 30 September 2022 - (Un-audited)	3,515,989	5,499,530	2,840,001	434,501	11,046	111,002	1,608,668	10,504,748	86,577,214	16,361,792	102,939,006	113,443,754	116,959,753	14,225,077	131,184,830		
Transaction with owners - Final dividend for the year ended 30 June 2022 @ Rupees 4.00 per share	-	-	-	-	-	-	-	-	-	(1,406,399)	(1,406,399)	(1,406,399)	(1,406,399)	-	(1,406,399)		
Transferred to general reserve	-	-	-	-	-	-	-	10,872,000	-	-	10,872,000	-	-	-	-		
Transfer of maintenance reserve	-	-	-	-	-	-	(263,805)	(263,805)	-	263,805	263,805	-	-	-	-		
Transferred to statutory reserve	-	-	-	-	2,378	-	-	2,378	-	-	(2,378)	-	-	-	-		
Transaction with owners - Dividend relating to year 2022 paid to non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,127,542)	(1,127,542)		
Profit for the period	-	-	(1,533,884)	292,090	-	-	-	(1,241,794)	-	7,212,432	7,212,432	7,212,432	7,212,432	1,541,734	8,754,166		
Other comprehensive (loss) / income for the period	-	-	(1,533,884)	292,090	-	-	-	(1,241,794)	-	3,080	3,080	(1,238,714)	(1,238,714)	-	(1,238,714)		
Total comprehensive (loss) / income for the period	-	-	(1,533,884)	292,090	-	-	-	(1,241,794)	-	7,215,512	7,215,512	5,973,718	5,973,718	1,541,734	7,515,452		
Balance as at 30 June 2023 - (Audited)	3,515,989	5,499,530	1,306,117	726,591	13,424	111,002	1,344,863	9,001,527	97,449,214	11,560,332	109,009,546	118,011,073	121,527,072	14,639,269	136,166,341		
Profit for the period	-	-	-	-	-	-	-	-	-	3,519,972	3,519,972	3,519,972	3,519,972	714,372	4,234,344		
Other comprehensive income / (loss) for the period	-	-	2,046,702	(14,177)	-	-	-	2,032,525	-	-	2,032,525	2,032,525	2,032,525	-	2,032,525		
Total comprehensive income / (loss) for the period	-	-	2,046,702	(14,177)	-	-	-	2,032,525	-	3,519,972	3,519,972	5,552,497	5,552,497	714,372	6,266,869		
Transfer of maintenance reserve	-	-	-	-	-	-	(15,263)	(15,263)	-	15,263	15,263	-	-	-	-		
Balance as at 30 September 2023 - (Un-audited)	3,515,989	5,499,530	3,352,819	712,414	13,424	111,002	1,329,600	11,018,789	97,449,214	15,086,567	112,544,781	123,563,570	127,079,569	15,935,641	142,433,210		

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

Um Nishat

CHIEF EXECUTIVE OFFICER

David Bagal

DIRECTOR

[Signature]

CHIEF FINANCIAL OFFICER

Consolidated Condensed Interim Statement of Cash Flows

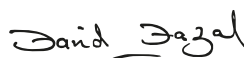
For the quarter ended 30 September 2023 (Un-audited)

	Note	Quarter ended	
		30 September 2023	30 September 2022
		(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (used in) operations	13	4,073,973	(5,813,256)
Finance cost paid		(3,229,374)	(1,017,368)
Income tax paid		(828,492)	(541,799)
Long term security deposits - net		4,500	3,200
Exchange gain on forward exchange contracts received		19,188	31,772
Net increase in retirement benefit obligation		1,663	6,224
Net decrease in long term loans		8,941	41,272
Net increase in long term deposits		(326)	(47,814)
Net cash generated from / (used in) operating activities		50,073	(7,337,699)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(4,431,339)	(2,829,709)
Proceeds from sale of property, plant and equipment		22,978	40,553
Dividends received		4,042,170	947,333
Loans and advances to associated company		(25,280)	-
Interest received		267,190	33,302
Proceeds from sale of investments		32,873,330	5,631,629
Investments made		(33,684,043)	(129,000)
Net cash (used in) / from investing activities		(934,994)	3,694,108
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		177,746	1,141,943
Repayment of long term financing		(744,904)	(966,171)
Repayment of lease liabilities		(240,134)	(152,818)
Exchange differences on translation of net investments in foreign subsidiaries		(14,177)	83,540
Short term borrowings - net		(1,093,886)	4,051,679
Dividend paid		(391)	(265)
Net cash (used in) / from financing activities		(1,915,746)	4,157,908
Net (decrease) / increase in cash and cash equivalents		(2,800,667)	514,247
Net foreign exchange difference on translating cash and bank balances		(12,884)	2,424
Cash and cash equivalents at the beginning of the period		9,159,628	1,758,816
Cash and cash equivalents at the end of the period		6,346,077	2,275,487

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 quarter ended 30 September 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 2023: 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 08 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 230 5th Avenue, Suite 600, New York, NY 10001, 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 Nishat Global China Company Limited 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

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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 2023.

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 2023.

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 2023.

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For the quarter ended 30 September 2023 (Un-audited)

	Note	Un-audited 30 September 2023 (Rupees in thousand)	Audited 30 June 2023
6 LONG TERM FINANCING - SECURED			
Opening balance		14,806,282	15,473,631
Add: Obtained during the period / year		177,746	2,476,845
Less: Repaid during the period / year		(744,904)	(3,172,144)
Less: Deferred income recognized during the period / year		-	-
Add: Amortized during the period / year		3,894	27,950
Net impact	6.1	3,894	27,950
		14,243,018	14,806,282
Less: Current portion shown under current liabilities		(2,844,131)	(2,892,463)
		11,398,887	11,913,819

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

	Note	Un-audited 30 September 2023 (Rupees in thousand)	Audited 30 June 2023
7 SHORT TERM BORROWINGS			
Nishat Mills Limited - Holding Company			
From banking companies and development financial institution - secured	7.1, 7.2 & 7.3	41,108,615	41,753,793
From other			
Privately placed sukuks	7.4	3,000,000	4,000,000
		44,108,615	45,753,793
Nishat Power Limited - Subsidiary Company			
From banking companies - secured	7.5, 7.6 & 7.7	549,292	-
Nishat Linen (Private) Limited - Subsidiary Company			
From banking companies - secured	7.8	495,000	493,000
		45,152,907	46,246,793

7.1 These finances are obtained from banking companies and development financial institution under mark up arrangements and are secured against joint pari passu hypothecation charge on all present and future current assets and other instruments.

- 7.2** These finances includes balance of short term borrowings of Rupees 2,034.932 million (30 June 2023: 680.858 million) payable to MCB Bank Limited – associated company, which has been utilized for working capital requirements.
- 7.3** The rates of mark up range from 2.00% to 23.97% (30 June 2023: 0.94% to 23.19%) per annum during the year on the balance outstanding.
- 7.4** These represent privately placed, unsecured, non-convertible and shariah compliant short term sukuks having maturity period of 6 months and carrying profit at the rate of 3 months KIBOR plus 0.25% per annum. The rate of mark up ranges from 22.30% to 22.98% (30 June 2023: 16.66% to 22.95%) per annum.
- 7.5** These running finance facilities obtained from banking companies under mark-up arrangements. These facilities are secured against first joint parri passu hypothecation charge on present and future current assets of the Company including fuel stock, inventory and energy price payments receivable from CPPA-G. The mark-up rate charged during the period on the outstanding balance ranged from 22.87% to 24.90% (30 June 2023: 13.89% to 23.98%) per annum.
- 7.6** These running musharaka facilities obtained from banking companies under profit arrangements. These facilities are secured against first joint parri passu hypothecation charge on present and future current assets of the Company including fuel stock, inventory and energy price payments receivable from CPPA-G. The profit rate charged during the period on the outstanding balance ranges from 22.62% to 23.11% (30 June 2023:12.09% to 22.48%) per annum.
- 7.7** These term finance facilities are utilized from banking companies as sub-limits of running finance facilities under mark-up arrangements. These facilities are secured against first joint parri passu charge on present and future current assets of the Company including fuel stock, inventory and energy price payments receivable from CPPA-G. The mark-up rate charged during the period on the outstanding balance was 22.80% (30 June 2023: 14.46% to 16.45%) per annum.
- 7.8** These finances are obtained from banking companies under mark-up arrangements. The rates of mark up range from 21.59% to 24.16% (30 June 2023: 13.90% to 21.74%) per annum during the period on the balance outstanding.

8 CONTINGENCIES AND COMMITMENTS

a) Contingencies

- i)** Guarantees of Rupees 5,076.444 million (30 June 2023: Rupees 5,766.720 million) are given by the banks of the 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), The President of Islamic Republic of Pakistan through the Controller of Military Accounts (Defence Purchase), Airport Security Force, Director General (Purchase and Disposal) WAPDA Sunny View Lahore, Provincial

Selected Notes to the Consolidated Condensed Interim Financial Statements

For the quarter ended 30 September 2023 (Un-audited)

Police Officer, Office of Inspector General of Police KPK and Inspector General of Punjab Police against fulfilment of sales orders, High Court of Sindh, Karachi against the matter of importation of LED lights, 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 666.667 million (30 June 2023: Rupees 666.667 million) and Rupees 1,750 million (30 June 2023: Rupees 1,750 million) on behalf of Nishat Linen (Private) Limited - Subsidiary Company and Nishat Sutas Dairy Limited - associated company respectively to secure the obligations of subsidiary company and associated company towards their lenders.

- ii) Post dated cheques of Rupees 40,784.250 million (30 June 2023: Rupees 41,132.481 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 365.192 million (30 June 2023: 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 and in the case of providing blend of RLNG and Gas tariff to new Co-generation Captive connections instead of charging full RLNG notified tariff, post dated cheques of Rupees 315.406 million (30 June 2023: Rupees 2.140 million) are issued to Lahore Electric Supply Company Limited and Faisalabad 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 and in the case where DISCOs have charged full NEPRA notified tariff with effect from March 01, 2023 instead of reduced rate of Rs. 19.99 per KWh and post dated cheque of Rupees 697.461 million (30 June 2023 : Rupees 697.461 million) is issued to Federal Board of Revenue (FBR) in pursuance of order of Lahore High Court, Lahore in the matter of super tax.
- iv) Holding Company's share in contingencies of associates accounted for under equity method is Rupees 8,975.010 million (30 June 2023: Rupees 9,066.250 million).
- v) Bank guarantee of Rupees 1.900 million (30 June 2023: 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.
- vi) Deputy Commissioner Inland Revenue (DCIR) passed order against Nishat Commodities (Private) Limited - Subsidiary Company under Sections 161 and 205 under the Income Tax Ordinance, 2001 and raised a demand of Rupees 2.549 million (including default surcharge of Rupees 1.116 million) in respect of non deduction of withholding tax at source against various payments for the tax year 2017. Being aggrieved, Nishat Commodities (Private) Limited - Subsidiary Company has filed an appeal which is pending for adjudication. Based on the advice of the legal counsel, Nishat Commodities (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) Guarantees of Rupees 167.350 million (30 June 2023: Rupees 167.350 million) are given by Nishat Linen (Private) Limited - Subsidiary Company to Director Excise and Taxation,

Karachi against infrastructure cess, Chairman Punjab Revenue Authority, Lahore against infrastructure cess and Collectors of Customs against import consignments.

- viii) The deemed assessment for the tax year 2017 of Nishat Linen (Private) Limited - Subsidiary Company 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, 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 Nishat Linen (Private) Limited - Subsidiary Company. Against the order of CIR(A), both 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.
- ix) Proceedings under section 122 of the Income Tax Ordinance, 2001 for the tax year 2014 against Nishat Hospitality (Private) Limited - Subsidiary Company were initiated by Deputy Commissioner Inland Revenue (DCIR), who vide order dated 31 October 2017, raised a demand of Rupees 2.172 million in respect minimum tax under section 113 on account of disallowances in the light of sections 111 and 174 of the Income Tax Ordinance, 2001 and disallowed income tax refund amounting to Rupees 14.141 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 and remanded back the remaining points to DCIR for fresh consideration. Consequently, Nishat Hospitality (Private) Limited - Subsidiary Company has preferred an appeal against the order of CIR(A) to the extent of points confirmed by CIR(A) before the Appellate Tribunal Inland Revenue (ATIR) which is pending adjudication.

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 14.141 million under section 148 of the Income Tax Ordinance, 2001. Nishat Hospitality (Private) Limited - Subsidiary Company feeling aggrieved by the order, filed a rectification application before the CIR(A). The CIR(A) through order dated 28 January 2022 upheld the treatment of the assessing officer of disallowing adjustment of income tax deducted under section 148 of the Income Tax Ordinance, 2001. Nishat Hospitality (Private) Limited - Subsidiary Company has preferred an appeal against the aforementioned appellate order before the ATIR which is pending for adjudication.

In compliance with the remand-back directions of CIR(A), contained in appellate order dated 13 February 2020, the learned DCIR passed an appeal effect order dated 30 May 2023 under section 124 of the Income Tax Ordinance, 2001 and increasing the earlier income tax refund of Rupees 474,557 to Rupees 771,633. Against this order, Nishat Hospitality (Private) Limited - Subsidiary Company has filed an appeal before CIR(A) which is not fixed for hearing till date.

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Based on the view of its legal counsel, the management of Nishat Hospitality (Private) Limited - Subsidiary Company is confident of the favourable resolution of this matter.

- x) Proceedings under section 122 of the Income Tax Ordinance, 2001 for the tax year 2015 were initiated by Deputy Commissioner Inland Revenue (DCIR) against Nishat Hospitality (Private) Limited - Subsidiary Company, who vide order dated 27 December 2018, disallowed certain expenses amounting to Rupees 100.117 million under section 174 of the Income Tax Ordinance, 2001 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) vide 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 of the Income Tax Ordinance, 2001 has been remanded back to the DCIR for re-examination in the light of evidence provided by Nishat Hospitality (Private) Limited - Subsidiary Company. Nishat Hospitality (Private) Limited - Subsidiary Company further preferred an appeal against the said order before the Appellate Tribunal Inland Revenue which was decided in favour of Nishat Hospitality (Private) Limited - Subsidiary Company. Against the order of Appellate Tribunal Inland Revenue, the department has filed an appeal before Honourable Lahore High Court, Lahore which is pending for adjudication. Based on the view of its legal counsel, the management of Nishat Hospitality (Private) Limited - Subsidiary Company is confident of the favourable resolution of this matter.
- xi) The Deputy Commissioner Inland Revenue (DCIR) passed order against Nishat Hospitality (Private) Limited - Subsidiary Company under section 161/205 of the Income Tax Ordinance, 2001 for non-deduction of withholding income tax for the tax year 2017 and raised demand of Rupees 13.615 million. Being aggrieved, Nishat Hospitality (Private) Limited - Subsidiary Company has filed an appeal before Commissioner Inland Revenue Appeals [CIR(A)]. Subsequent to reporting period, the CIR(A) has set-aside the order, thereby, vacating the impugned tax demand, with directions to the assessing officer to re-consider the matter. Based on the view of its legal counsel, the management of Nishat Hospitality (Private) Limited - Subsidiary Company is confident of the favourable resolution of this matter.
- xii) The Deputy Commissioner Inland Revenue (DCIR) passed order under section 161/205 of the Income Tax Ordinance, 2001 against Nishat Hospitality (Private) Limited - Subsidiary Company for the tax year 2019 and raised demand of Rupees 3.459 million (including default surcharge of Rupees 0.284 million). Being aggrieved, Nishat Hospitality (Private) Limited - Subsidiary Company has filed an appeal before Commissioner Inland Revenue Appeals [CIR(A)] who vide order dated 10 October 2022 has set-aside the order, thereby, vacating the impugned tax demand, with directions to the assessing officer to re-consider the matter. Nishat Hospitality (Private) Limited - Subsidiary Company has further challenged the order passed by CIR(A) before Appellate Tribunal Inland Revenue (ATIR) on the grounds that the impugned assessment should have been annulled without any directions for re-consideration. The appeal is pending for adjudication. Based on the view of its legal counsel, the management of Nishat Hospitality (Private) Limited - Subsidiary Company is confident of the favourable resolution of this matter.
- xiii) Guarantee of Rupees 1.270 million (30 June 2023: Rupees 1.270 million) is given by the

bank of Nishat Hospitality (Private) Limited - Subsidiary Company in favour of Director, Excise and Taxation, Karachi under direction of Sindh High Court in respect of levy of infrastructure cess.

- xiv)** On 19 August 2014, the department raised a demand of Rupees 1,722.811 million against Nishat Power Limited - Subsidiary Company relating to apportionment of input sales tax under section 8 of the Sales Tax Act, 1990 for tax years 2010 to 2013. The disallowance was primarily made on the grounds that since revenue derived by Nishat Power Limited - Subsidiary Company on account of 'capacity revenue' was not chargeable to sales tax, input sales tax claimed by Nishat Power Limited - Subsidiary Company was required to be apportioned with only the input sales tax attributable to other revenue stream i.e. 'energy revenue' admissible to Nishat Power Limited - Subsidiary Company. Nishat Power Limited - Subsidiary Company assailed the underlying proceedings before Honourable Lahore High Court, Lahore ('LHC') directly and in this respect, vide order dated 31 October 2016, LHC accepted Nishat Power Limited - 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.

In respect of tax periods from July 2016 to June 2017, Nishat Power Limited - Subsidiary Company's case was selected for 'audit' involving input sales tax amounting to Rupees 541.091 million, on the same grounds as explained above and Rupees 49.774 million on other matters. Being aggrieved, Nishat Power Limited - Subsidiary Company filed an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)]. On 25 February 2022, CIR(A) passed an order and provided partial relief to the Nishat Power Limited - Subsidiary Company. Being aggrieved with the order of CIR(A), Nishat Power Limited - Subsidiary Company preferred an appeal before Appellate Tribunal Inland Revenue (ATIR) who vide order dated 15 April 2022 decided the matter in favour of Nishat Power Limited - Subsidiary Company. Against the order of CIR(A), the department has also filed an appeal in ATIR which is pending adjudication.

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

- xv)** On 16 April 2019, the Commissioner Inland Revenue (CIR) through an order raised a demand of Rupees 179.046 million against Nishat Power Limited - Subsidiary Company, mainly on account of input sales 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 of June 2016. Being aggrieved with the order of CIR, Nishat Power Limited - Subsidiary Company filed an appeal before CIR(A). On 07 May 2020, the CIR(A) declared that the admissible forum of appeal against the order of CIR is ATIR. Nishat Power Limited - Subsidiary Company filed application for grant of stay before the ATIR against recovery of the aforesaid demand that was duly granted on 28 January 2021. Further, Nishat Power Limited - Subsidiary Company has filed appeal before ATIR against the order of CIR which is pending adjudication. Management has strong grounds to believe that the case will be decided in Nishat Power Limited - Subsidiary Company's favour. Therefore, no provision has been made in these consolidated condensed interim financial statements.

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- xvi)** On 27 February 2015, Additional Commissioner Inland Revenue (ACIR) created a demand of Rupees 282.377 million against Nishat Power Limited - Subsidiary Company for tax year 2013 under section 122(5A) of the Income Tax Ordinance, 2001. Aggrieved with the order of the ACIR, Nishat Power Limited - Subsidiary Company preferred an appeal before CIR(A) who granted partial relief to Nishat Power Limited - Subsidiary Company, while upheld the decision of ACIR in certain matters aggregating to Rupees 31.355 million inter-alia on tax credit claimed by Nishat Power Limited - Subsidiary Company under section 65B of the Income Tax Ordinance, 2001. Nishat Power Limited - Subsidiary Company and tax department filed appeals before ATIR against the order of CIR(A). On 02 November 2017, ATIR restated the demand to Rupees 14.072 million. Aggrieved with the order of ATIR, Nishat Power Limited - Subsidiary Company and tax department have filed appeals before Honourable Lahore High Court, Lahore which are pending for adjudication. Management has strong grounds to believe that the case will be decided in Nishat Power Limited - Subsidiary Company's favour. Therefore, no provision has been made in these consolidated condensed interim financial statements.
- xvii)** On 13 February 2019, National Electric Power Regulatory Authority ('NEPRA') issued a show cause notice 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 Nishat Power Limited - Subsidiary Company by NEPRA on 18 March 2019. Nishat Power Limited - 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 Nishat Power Limited - Subsidiary Company. Therefore, no provision has been made in these consolidated condensed interim financial statements.
- xviii)** On 16 March 2020, Government of Pakistan ('GoP') issued a report through which it was alleged that savings were made by the Independent Power Producers ('IPPs'), including Nishat Power Limited - Subsidiary Company, in the tariff components in violation of applicable GoP Policies, tariff determined by National Electric Power Regulatory Authority ('NEPRA') and the relevant Project Agreements. Nishat Power Limited - Subsidiary Company rejected such claims, and discussions were made with the GoP to resolve the dispute. On 12 February 2021, Nishat Power Limited - Subsidiary Company under the 'Master Agreement', agreed that the above mentioned dispute will be resolved through arbitration under the 'Arbitration Submission Agreement' between Nishat Power Limited - Subsidiary Company and GoP. On 15 June 2022, Nishat Power Limited - Subsidiary Company and the GoP signed the 'Arbitration Submission Agreement'. During the year ended 30 June 2023, Arbitration Tribunal has been constituted under the terms of 'Arbitration Submission Agreement', however formal adaptation of mutually agreed Terms of Reference is still pending. Management believes that there are strong grounds that the matter will ultimately be decided in Nishat Power Limited - 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.
- xix)** 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 Nishat Power Limited - Subsidiary Company, NEPRA held its hearing on 17 May 2022 and verbally directed to Nishat Power Limited - 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, Nishat Power Limited - 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 Nishat Power Limited - 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.

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

- a)** Guarantees of Rupees 11.5 million (30 June 2023: Rupees 11.5 million) and Rupees 25.3 million (30 June 2023: Rupees 22.4 million) are given by the bank of Nishat Power Limited - Subsidiary Company in favour of Director Excise and Taxation, Karachi, under directions of Sindh High Court and Supreme Court of Pakistan respectively, in respect of suit filed for levy of infrastructure cess.
- b)** Guarantee of Rupees 500 million (30 June 2023: Rupees 500 million) is given by the bank of Nishat Power Limited - Subsidiary Company in favour of Pakistan State Oil against purchase of fuel.
- c)** Guarantee of Rupees 1.5 million (30 June 2023: Rupees 1.5 million) is given by the bank of Nishat Power Limited - Subsidiary Company in favour of Punjab Revenue Authority, Lahore under the direction of Honourable Lahore High Court, Lahore in respect of suit filed for levy of infrastructure cess.
- d)** Guarantees of Rupees 31.61 million (30 June 2023: Rupees 31.61 million) are given by the banks of Nishat Power Limited - Subsidiary Company in favour of Collector of Customs, Karachi under directions of Sindh High Court, in respect of suit filed for concessionary rate of duty under Customs Act, 1969.

b) Commitments

- i)** Contracts for capital expenditure of the Group are approximately of Rupees 9,140.273 million (30 June 2023: Rupees 6,767.974 million).
- ii)** Letters of credit other than for capital expenditure of the Group are of Rupees 4,160.893 million (30 June 2023: Rupees 3,734.104 million).
- iii)** Outstanding foreign currency forward contracts of the Group are Rupees 4,966.949 million (30 June 2023: Rupees 838.241 million).

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- iv) This represents commitment recognized on a straight-line basis as expense under the practical expedients applied by the Group with respect to IFRS 16. The amount of future payments under this lease and the period in which these payments will become due are as follows:

	Note	Un-audited 30 September 2023 (Rupees in thousand)	Audited 30 June 2023
Not later than one year		136,651	133,302
9 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	9.1	49,735,961	49,980,400
Capital work in progress	9.2	10,129,178	6,359,839
Major spare parts and standby equipments		91,854	420,267
		59,956,993	56,760,506
9.1 Operating fixed assets			
Opening book value		49,980,400	45,766,365
Add: Cost of additions during the period / year	9.1.1	994,690	8,832,165
		50,975,090	54,598,530
Less: Book value of deletions during the period / year	9.1.2	(17,907)	(62,584)
		50,957,183	54,535,946
Less: Depreciation charged for the period / year		(1,222,370)	(4,587,861)
Add: Currency retranslation		1,148	32,315
		49,735,961	49,980,400
9.1.1 Cost of additions			
Freehold land		-	179,845
Buildings		369	1,630,448
Plant and machinery		835,458	6,288,875
Electric installations		10,844	143,416
Factory equipment		26,320	37,886
Furniture, fixtures and office equipment		51,800	125,868
Computer equipment		36,400	87,364
Vehicles		32,927	336,659
Kitchen equipment and crockery items		572	1,804
		994,690	8,832,165

Un-audited 30 September 2023 (Rupees in thousand)	Audited 30 June 2023
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9.1.2 Book value of deletions

Plant and machinery	10,055	12,989
Electric installations	2,881	-
Factory equipment	112	-
Computer equipment	207	552
Vehicles	4,652	49,043
	17,907	62,584

9.2 Capital work-in-progress

Buildings on freehold land	5,105,496	4,211,920
Plant and machinery	4,368,504	1,731,972
Unallocated capital expenditures	106,112	78,003
Electric installations	384,295	218,542
Advances for purchase of freehold land	1,808	942
Advances for purchase of furniture, fixtures and office equipment	7,608	8,831
Advances for purchase of vehicles	155,355	109,629
	10,129,178	6,359,839

Selected Notes to the Consolidated Condensed Interim Financial Statements

For the quarter ended 30 September 2023 (Un-audited)

10 REVENUE

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

Description	(Rupees in thousand)																		
	Spinning		Weaving		Dyeing		Home Textile and Terry		Garments		Power Generation		Room Rental Services		Hotel/Ancillary Services		Total - Group		
	Quarter ended	30-Sep-23	Quarter ended	30-Sep-23	Quarter ended	30-Sep-23	Quarter ended	30-Sep-23	Quarter ended	30-Sep-23	Quarter ended	30-Sep-23	Quarter ended	30-Sep-23	Quarter ended	30-Sep-23	Quarter ended	30-Sep-23	
Region	185,081	172,235	3,987,409	4,954,753	165,198	124,714	5,100,611	4,337,764	676,528	1,360,076	-	-	-	-	-	-	10,118,827	10,948,542	
Europe	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
America	137,669	423,868	202,744	322,230	3,830	1,342	1,608,677	772,670	3,237,307	2,051,546	-	-	-	-	-	-	5,190,227	3,571,656	
Asia, Africa, Australia	2,425,139	1,371,429	1,107,329	770,443	4,692,874	5,622,916	901,846	321,046	72,465	55,378	-	-	-	-	-	-	9,199,653	8,714,121	
Pakistan	11,911,783	8,687,409	2,322,110	1,915,230	2,842,000	2,321,592	4,687,018	3,994,202	60,303	76,458	9,821,255	11,488,356	136,669	122,847	31,298	29,382	31,912,436	28,845,476	
	14,659,672	11,464,941	7,619,592	7,962,656	7,807,902	8,070,564	12,288,152	9,425,682	4,046,603	3,543,458	9,821,255	11,488,356	136,669	122,847	31,298	29,382	56,421,143	52,107,886	
Timing of revenue recognition																			
Products and services transferred at a point in time	14,659,672	11,464,941	7,619,592	7,962,656	7,807,902	8,070,564	12,288,152	9,425,682	4,046,603	3,543,458	8,805,273	10,945,601	136,669	119,750	31,298	29,382	55,405,461	51,562,034	
Products and services transferred over time	-	-	-	-	-	-	-	-	-	-	1,015,682	542,755	3,097	-	-	-	1,016,682	545,832	
	14,659,672	11,464,941	7,619,592	7,962,656	7,807,902	8,070,564	12,288,152	9,425,682	4,046,603	3,543,458	9,821,255	11,488,356	136,669	122,847	31,298	29,382	56,421,143	52,107,886	
Major products / service lines																			
Yarn	14,659,672	11,288,977	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14,659,672	11,288,977
Grey Cloth	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Processed Cloth	-	-	7,619,592	7,962,656	-	-	-	-	-	-	-	-	-	-	-	-	-	7,619,592	7,962,656
Cosmetics	-	-	-	-	7,807,902	8,070,564	84,225	2,116,556	-	-	-	-	-	-	-	-	-	7,892,127	10,190,120
Waste	-	-	-	-	-	-	25,124	42,235	-	-	-	-	-	-	-	-	25,124	42,235	
Others	-	175,964	-	-	-	-	9,516	39,947	-	-	-	-	-	-	-	-	9,516	215,911	
Made Ups	-	-	-	-	-	-	62,278	37,411	-	-	-	-	-	-	-	-	62,278	37,411	
Garments	-	-	-	-	-	-	4,558,161	6,419,612	-	-	-	-	-	-	-	-	4,558,161	6,419,612	
Towel and Bath Robe	-	-	-	-	-	-	7,558,648	766,921	4,046,603	3,543,458	-	-	-	-	-	-	4,046,603	3,543,458	
Electricity	-	-	-	-	-	-	-	-	-	-	9,821,255	11,488,356	-	-	-	-	9,821,255	11,488,356	
Room Rental Services	-	-	-	-	-	-	-	-	-	-	-	-	136,669	122,847	-	-	136,669	122,847	
Other Hotel Ancillary Services	-	-	-	-	-	-	-	-	-	-	-	-	-	31,298	-	-	31,298	28,382	
	14,659,672	11,464,941	7,619,592	7,962,656	7,807,902	8,070,564	12,288,152	9,425,682	4,046,603	3,543,458	9,821,255	11,488,356	136,669	122,847	31,298	29,382	56,421,143	52,107,886	

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

	Quarter Ended	
	30 September 2023	30 September 2022
(Rupees in thousand)		
11 COST OF SALES		
Raw materials consumed	33,800,976	33,026,054
Processing charges	313,709	265,888
Salaries, wages and other benefits	3,571,548	3,129,768
Stores, spare parts and loose tools consumed	3,838,679	3,089,604
Packing materials consumed	949,412	666,345
Repair and maintenance	283,998	214,324
Fuel and power	5,013,662	4,735,931
Insurance	137,879	112,352
Depreciation on operating fixed assets	1,144,700	1,051,935
Depreciation on right-of-use assets	8,490	-
Other factory overheads	457,572	404,337
	49,520,625	46,696,538
Work-in-process		
Opening stock	8,640,997	6,364,578
Closing stock	(8,541,392)	(7,626,777)
	99,605	(1,262,199)
Cost of goods manufactured	49,620,230	45,434,339
Finished goods		
Opening stock	15,015,877	12,514,128
Closing stock	(17,150,612)	(14,640,499)
	(2,134,735)	(2,126,371)
	47,485,495	43,307,968

	Quarter Ended	
	30 September 2023	30 September 2022
12 EARNINGS PER SHARE - BASIC AND DILUTED		
There is no dilutive effect on the basic earnings per share which is based on:		
Profit attributable to ordinary shareholders of Holding Company (Rupees in thousand)	3,519,972	4,082,695
Weighted average number of ordinary shares of Holding Company (Numbers)	351,599,848	351,599,848
Earnings per share (Rupees)	10.01	11.61

Selected Notes to the Consolidated Condensed Interim Financial Statements

For the quarter ended 30 September 2023 (Un-audited)

	Note	Quarter Ended	
		30 September 2023	30 September 2022
		(Rupees in thousand)	
13 CASH GENERATED FROM / (USED IN) OPERATIONS			
Profit before taxation		5,323,160	5,184,659
Adjustments for non-cash charges and other items:			
Depreciation on operating fixed assets		1,221,070	1,124,484
Depreciation on right-of-use assets		235,261	205,619
Gain on sale of property, plant and equipment		(5,071)	(13,224)
Dividend income		(669,917)	(609,004)
Profit on deposits with banks		(131,672)	(32,654)
Interest income on advance to associated company		(19,642)	(5,117)
(Gain) / loss on disposal of short term investments		(119,327)	70,470
Share of profit from associates		(1,054,944)	(303,842)
Net exchange gain		(424,536)	(104,245)
Finance cost		2,505,403	949,499
Working capital changes	13.1	(2,785,812)	(12,279,901)
		4,073,973	(5,813,256)
13.1 Working capital changes			
(Increase) / decrease in current assets:			
- Stores, spare parts and loose tools		(677,992)	(1,661,229)
- Stock in trade		(5,583,398)	(3,303,144)
- Trade debts		(2,953,090)	(9,250,024)
- Loans and advances		554,753	394,821
- Short term deposits and prepayments		(24,637)	(19,040)
- Other receivables		2,729,965	520,578
		(5,954,399)	(13,318,038)
Increase in trade and other payables		3,168,587	1,038,137
		(2,785,812)	(12,279,901)

14 SEGMENT INFORMATION

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

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

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

15 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 30 September 2023	Level 1	Level 2	Level 3	Total
---	---------	---------	---------	-------

(Rupees in thousand)

Financial assets				
Fair value through other comprehensive income	13,654,299	-	-	13,654,299
Derivative financial assets	-	194,521	-	194,521
Total financial assets	13,654,299	194,521	-	13,848,820
Financial liabilities				
Derivative financial liabilities	-	5,158	-	5,158
Total financial liabilities	-	5,158	-	5,158

Recurring fair value measurements At 30 June 2023 - Audited	Level 1	Level 2	Level 3	Total
--	---------	---------	---------	-------

(Rupees in thousand)

Financial assets				
Fair value through other comprehensive income	12,068,521	-	-	12,068,521
Derivative financial assets	-	31	-	31
Total financial assets	12,068,521	31	-	12,068,552
Financial liabilities				
Derivative financial liabilities	-	18,292	-	18,292
Total financial liabilities	-	18,292	-	18,292

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. 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.

Selected Notes to the Consolidated Condensed Interim Financial Statements

For the quarter ended 30 September 2023 (Un-audited)

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.

16 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated undertakings, other related companies, 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

	Quarter ended	
	30 September 2023	30 September 2022
	(Rupees in thousand)	
Associated companies		
Investment made	-	129,000
Short term loans made	25,280	-
Purchase of goods and services	74,291	55,263
Sharing of expenses	500	389
Sale of goods and services	13,084	20,037
Purchase of operating fixed assets	25,350	38,366
Rental income	2,017	1,836
Rent paid	25,040	23,625
Dividend income	666,034	352,215
Insurance premium paid	188,694	158,285
Insurance claims received	24,993	20,056
Interest income	53,239	19,634
Finance cost	40,940	16,105
Other related parties		
Dividend income	-	255,376
Sale of goods and services	249	-
Interest income	55,678	-
Finance cost	95	232
Group's contribution to provident fund trust	140,207	128,236
Remuneration paid to Chief Executive Officer and Executives of the Holding Company	434,736	595,857

ii) **Period end balances**

As at 30 September 2023		
Associated companies	Other related parties	Total

(Rupees in thousand)

Trade and other payables	83,222	-	83,222
Accrued markup	14,294	-	14,294
Short term borrowings	2,034,932	-	2,034,932
Property, plant and equipment	25,150	-	25,150
Long term loans	-	275,163	275,163
Trade debts	4,950	43	4,993
Loans and advances	193,720	113,074	306,794
Other receivables	3,033	-	3,033
Accrued interest	36,141	3,766	39,907
Cash and bank balances	1,340,852	826,970	2,167,822

As at 30 June 2023 (Audited)		
Associated companies	Other related parties	Total

(Rupees in thousand)

Trade and other payables	100,586	-	100,586
Accrued markup	23,414	-	23,414
Short term borrowings	680,858	-	680,858
Property, plant and equipment	19,851	-	19,851
Long term loans	-	282,614	282,614
Trade debts	24,563	1,169	25,732
Loans and advances	132	104,507	104,639
Other receivables	4,306	-	4,306
Accrued interest	28,018	-	28,018
Cash and bank balances	2,158,102	1,547,204	3,705,306

17 FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published consolidated financial statements of the Group for the year ended 30 June 2023.

18 DATE OF AUTHORIZATION FOR ISSUE

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

Selected Notes to the Consolidated Condensed Interim Financial Statements

For the quarter ended 30 September 2023 (Un-audited)

19 CORRESPONDING FIGURES

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

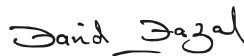
Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However, no significant re-arrangement have been made.

20 GENERAL

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

ہیومن ریسورس اور مشاہرہ (HR&R) کمیٹی

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

ڈائریکٹرز کا مشاہرہ

- بورڈ آف ڈائریکٹرز نے ڈائریکٹرز کے معاوضہ کی پالیسی کی منظوری دی ہے۔ پالیسی کی بنیادی خصوصیات مندرجہ ذیل ہیں:
- ☆ کمیٹی بورڈ اور اس کی کمیٹیوں کے اجلاسوں میں شرکت کی فیس کے سوائے آزاد ڈائریکٹرز سمیت اپنے نان ایگزیکٹو ڈائریکٹرز کو معاوضہ ادا نہیں کرے گی۔
 - ☆ کمیٹی بورڈ اور اس کی کمیٹیوں کے اجلاسوں میں شرکت کے سلسلے میں ڈائریکٹرز کے سفر اور رہائش کے اخراجات ادا کرے گی۔
 - ☆ بورڈ آف ڈائریکٹرز وقتاً فوقتاً، ڈائریکٹرز معاوضہ پالیسی کا جائزہ اور اس کی منظوری دے گا۔

اظہار تشکر

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

منجانب بورڈ آف ڈائریکٹرز

David Jazal

قریب تو رعلی فضل
ڈائریکٹر

Umm Mansha

میاں عمر شفا
چیف ایگزیکٹو آفیسر
28 اکتوبر 2023ء
لاہور

اس چیلنج سے نمٹنے کے لیے کمپنی نے اپنی توجہ قابل تجدید توانائی کے ذرائع کو استعمال کرنے کی طرف مرکوز کی ہے۔ تاکہ توانائی کے بڑھتے ہوئے اخراجات کو کم کیا جاسکے۔ اس وقت ہم سولر پاور پلانٹس کے ذریعے 14.2 میگا واٹ بجلی پیدا کرنے کی صلاحیت رکھتے ہیں، جبکہ مزید 2.562 میگا واٹ بجلی حاصل کرنے کے مختلف منصوبوں پر کام جاری ہے۔

یقین ہے کہ قابل تجدید توانائی کی طرف یہ منتقلی نہ صرف توانائی کی قیمتوں میں اضافے سے لاحق مالی بوجھ سے نمٹنے کے قابل بنائے گی بلکہ پائیدار طریقوں اور ماحولیاتی انتظام کے لیے ہماری کوششوں کو بھی اجاگر کرے گی۔

ذیلی کمپنیاں اور کنسولیڈیٹڈ مالیاتی گوشوارے

نشاط پاور لمیٹڈ، نشاط لینن (پرائیویٹ) لمیٹڈ، نشاط ہاسٹیلٹی (پرائیویٹ) لمیٹڈ، نشاط کموڈیٹیز (پرائیویٹ) لمیٹڈ، نشاط یو ایس اے انکارپوریٹڈ، نشاط لینن ٹریڈنگ ایل ایل سی، نشاط انٹرنیشنل FZE اور جائیوا گوانگ ٹرونشاط گلوبل کمپنی لمیٹڈ کمپنی کے ضمنی ادارے ہیں۔ اس لیے کمپنی نے انٹرنیشنل فی فنشل رپورٹنگ سٹینڈرڈز کی مطابقت سے علیحدہ جامع فی فنشل اسٹیٹمنٹس کے ساتھ، یکجا جامع فی فنشل 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

تفصیل

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

بورڈ کی کمپنیاں

آڈٹ کمیٹی

نمبر شمار	نام ڈائریکٹر
1	مسز مہک عادل (چئیر پرسن ارکن)
2	سید زاہد حسین (رکن)
3	جناب فرید نور علی فضل (رکن)

میری پونٹ کی شاندار کارکردگی نے گھریلو ٹیکسٹائل اور پرائیس شدہ کپڑے کی مصنوعات کی فروخت میں کمی کو پورا کیا ہے۔

اضافہ/(کمی)		30 ستمبر کو اختتام شدہ سہ ماہی		پروسیسڈ کلا تھا اینڈ میڈ ایبلز
فیصد	قدر	2022	2023	
(12.08)	(897)	7,427	6,530	فروخت - (میٹرز '000)
11.15	76.64	687.06	763.70	قیمت فی میٹر
(2.27)	(115,890)	5,102,828	4,986,938	فروخت - ('000 روپے)

گارمنٹس

گارمنٹس ڈویژن نے موجودہ سہ ماہی میں اپنے متنوع اور اختراعی پروڈکٹ پورٹ فولیو کی وجہ سے اچھی کارکردگی کا مظاہرہ کیا، یہاں تک کہ عالمی اقتصادی سست روی اور صارفین کی بدلتی ترجیحات کا سامنا بھی رہا۔ تاہم، خام مال اور توانائی کے بڑھتے ہوئے اخراجات کی وجہ سے ڈویژن کا منافع متاثر ہوا۔

ڈویژن نے اپنے صارفین کے لیے ترجیحی انتخاب کے طور پر اپنی حیثیت کو برقرار رکھنے کے لیے صارفین کی ترقی پذیر ترجیحات اور مارکیٹ کے رجحانات کو فعال طور پر قبول کیا۔ مزید برآں، ماحولیاتی پائیداری، توانائی کی کھپت اور فضلہ کم کرنے والے ماحول دوست طرز عمل اور اتومم متحدہ کے پائیدار ترقی کے اہداف پر زور دیتی ہے۔ یہ اقدامات ملازمین کی ترقی اور بہبود کے لیے خاطر خواہ سرمایہ کاری کے ساتھ ساتھ مکمل کیے گئے۔

سڑیلنگ شراکت داری، تنوع پائیداری کی کوششوں، جدت طرازی اور ملازمین کی ترقی کے لیے غیر متزلزل وابستگی کے ذریعے، ڈویژن صنعتی چینلوں کے مقابلے میں استحکام اور موافقت کی ایک روشن مثال کے طور پر کھڑا ہے۔

اضافہ/(کمی)		30 ستمبر کو اختتام شدہ سہ ماہی		گارمنٹس
فیصد	قدر	2022	2023	
(15.76)	(284)	1,802	1,518	فروخت - (گارمنٹس '000)
36.66	697.47	1,902.28	2,599.75	قیمت فی گارمنٹ
15.13	518,513	3,427,914	3,946,427	فروخت - ('000 روپے)

پاور جنریشن

مالی سال 2022-23 کی اسی سہ ماہی کے مقابلے میں مالی سال 2023-24 کی موجودہ سہ ماہی کے دوران توانائی کے اخراجات میں نمایاں اضافہ دیکھا گیا ہے۔ اس اضافے کو حکومت پاکستان کے ٹیکسٹائل سیکٹر پر سبسڈی بند کرنے کے فیصلے سے منسوب کیا جاسکتا ہے، اس کے باوجود کہ یہ پاکستانی معیشت میں سب سے زیادہ زرمبادلہ کمانے والے اور آجر کے طور پر اہم کردار ادا کر رہا ہے۔

اضافہ/(کمی)		30 ستمبر کو اختتام شدہ سہ ماہی		گرے کلاتھ
فیصد	قدر	2022	2023	
(2.48)	(606)	24,463	23,857	فروخت - (میٹرز '000)
(1.92)	(6.69)	347.88	341.19	قیمت فی میٹر
(4.35)	(370,431)	8,510,284	8,139,853	فروخت - ('000 روپے)

رنگائی (Dyeing)

ڈائنگ ڈویژن نے 30 ستمبر 2023 کو ختم ہونے والی موجودہ سہ ماہی کے دوران گزشتہ سال کی اسی سہ ماہی کے مقابلے آمدنی میں 2.63% کی معمولی کمی کا سامنا کیا۔ تاہم، یہ ٹیکسٹائل سیکٹر کو درپیش چیلنجوں کے درمیان استحکام کا مظاہرہ کرتے ہوئے اپنے منافع کو برقرار رکھنے میں کامیاب رہی۔ ڈویژن نے یہ شامدار کارکردگی مسابقتی نرخوں پر صحیح پروڈکٹس پیش کرنے کی وجہ سے حاصل کی۔

اضافہ/(کمی)		30 ستمبر کو اختتام شدہ سہ ماہی		پروسیسڈ کلاتھ
فیصد	قدر	2022	2023	
(5.41)	(626)	11,572	10,946	فروخت - (میٹرز '000)
2.94	20.04	682.60	702.64	قیمت فی میٹر
(2.63)	(207,982)	7,899,048	7,691,066	فروخت - ('000 روپے)

ڈویژن کی تنوع کی حکمت عملی کے مطابق، ورک ویئر اور ڈینیم یونٹس کے قیام کے منصوبے جاری ہیں۔ ان یونٹس کا مقصد پورٹ فولیو میں نئی مصنوعات شامل کر کے مستقبل میں طویل مدتی ترقی اور منافع کو بڑھانا ہے۔

گھریلو ٹیکسٹائل اور ٹیری (Home Textile and Terry)

ہوم ٹیکسٹائل اور ٹیری ڈویژن نے 30 ستمبر 2023 کو ختم ہونے والی موجودہ سہ ماہی میں گزشتہ سال کی اسی مدت کے مقابلے میں نمایاں بہتری دکھائی۔ یہ ترقی بنیادی طور پر ٹیری مصنوعات کی فروخت میں خاطر خواہ اضافے کے باعث ہوئی، جس کی آمدنی میں 1.896 بلین روپے (24.43%) کا اضافہ ہوا۔ جو کہ گزشتہ سال کی اسی سہ ماہی میں 782 بلین روپے تھی جبکہ موجودہ سہ ماہی میں 2.677 بلین روپے ہے۔

اضافہ/(کمی)		30 ستمبر کو اختتام شدہ سہ ماہی		ٹیری
فیصد	قدر	2022	2023	
194.26	1,049	540	1,589	فروخت - (کلوگرام '000)
16.37	237.04	1,447.97	1,685.01	قیمت فی کلوگرام
242.43	1,895,574	781,906	2,677,480	فروخت - ('000 روپے)

موجودہ مالی سال 2023-24 کا بقیہ حصہ اور بھی زیادہ چیلنجنگ ہوتا ہوا نظر آ رہا ہے۔ بین الاقوامی منڈیوں میں نیکسٹا ایل مصنوعات کی مانگ میں کمی کی وجہ سے پڑوسی ممالک سے سخت مقابلہ متوقع ہے۔

سپننگ تجزیہ

سپننگ کی طبعاتی کارکردگی کا مختصر جائزہ درج ذیل ہے:

کٹائی (Spinning)

مالی سال 2023-24 کی پہلی سہ ماہی میں، مقامی اور بین الاقوامی دونوں منڈیوں میں خام روئی کی قیمتیں بلند رہیں۔ سپننگ نے مالی سال 2023-24 کے لیے اپنی خام کپاس کی ضروریات کو پورا کرنے کے لیے خام کپاس کی خریداری کا آغاز کر دیا ہے تاکہ مقامی اور درآمدی روئی کا مرکب بنا کر مالی سال کے لیے اپنی خام کپاس کی ضروریات پوری کی جاسکیں۔

برآمدی منڈی میں دھاگے کی مانگ دباؤ میں رہی، علاقائی سپلائرز کے ساتھ مسابقت نے بین الاقوامی منڈی میں ہمارے دھاگے کی فروخت مشکل بنا دی۔ دوسری جانب مقامی مارکیٹ میں دھاگے کی طلب میں اضافہ دیکھا گیا۔ قابل ذکر بات یہ ہے، کہ ڈومیشن نے سہ ماہی کے دوران یارن کی فروخت سے آمدنی میں 70.13% کا نمایاں اضافہ حاصل کیا۔

اضافہ/(کمی)	قدر	30 ستمبر کو اختتام شدہ سہ ماہی		یارن
		2022	2023	
فیصد				
60.77	4,628	7,615	12,243	فروخت - (کلوگرام '000)
5.82	46.92	806.38	853.30	قیمت فی کلوگرام
70.13	4,306,362	6,140,603	10,446,965	فروخت - ('000 روپے)

بٹائی (Weaving)

مالی سال 2023-24 کی پہلی سہ ماہی میں گرنے کپڑے کی مانگ میں کمی دیکھی گئی، جس کے نتیجے میں ڈومیشن کی آمدنی میں 4.35% کمی واقع ہوئی۔ اس کمی کی وجہ برطانیہ اور یورپ میں مانگ میں کمی کو قرار دیا جاسکتا ہے، جس کی بنیادی وجہ بلند افراط زر اور شرح سود ہیں۔ مزید برآں، PKR کی USD کے مقابلے میں قدر نے عالمی مارکیٹ میں ہماری مسابقت کو متاثر کیا۔ توانائی کی بلند قیمت اور بلند شرح سود کی وجہ سے زیادہ پیداواری لاگت کے ساتھ ساتھ گرنے کپڑے کی مانگ میں کمی نے اس سہ ماہی میں ہمارے منافع پر منفی اثر ڈالا ہے۔

مشکل کاروباری حالات کے باوجود، ہماری مٹر-ٹچنگ توجہ ہماری مصنوعات کی رینج کو متنوع بنانے اور نئی منڈیوں تک پھیلائے پر مرکوز ہے، جس میں برآمدات ہماری اولین ترجیح ہیں۔ اس حکمت عملی کو پایا تکمیل کو پہنچانے کے لیے بجلی میں ڈومیشن تکمیلی کپڑوں کی تیاری میں مدد کے لیے اپنے بیک اینڈ پرائیس میں مزید سرمایہ کاری کرنے کا منصوبہ بنا رہی ہے، جو بنیادی طور پر 100% پلےسٹر فلامینٹ یارن پر مشتمل ہوگا۔

ڈائریکٹرز کی رپورٹ

تشاطہ ملز لمیٹڈ ("کمپنی") کے ڈائریکٹرز 30 ستمبر 2023 کو اختتام شدہ سہ ماہی کے لیے ڈائریکٹرز کی رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

آپریٹنگ مالی نتائج

30 ستمبر 2022 کو ختم ہونے والی اسی سہ ماہی کے مقابلے 30 ستمبر 2023 کو ختم ہونے والی سہ ماہی میں کمپنی کے منافع میں بہتری آئی۔ فی شیئر آمدنی (EPS) 1.13 روپے کے اضافے کے ساتھ 11.81 روپے سے بڑھ کر 12.94 روپے ہوگی۔

آمدنی 5.691 بلین روپے (16.58%) اضافے کے ساتھ 34.337 بلین روپے سے بڑھ کر 40.028 بلین روپے ہوگی۔ تاہم، بین الاقوامی مارکیٹ میں ٹیکسٹائل مصنوعات کی کم مانگ کے ساتھ ساتھ مقامی خام مال اور توانائی کی قیمتوں میں غیر معمولی اضافے کی وجہ سے مجموعی منافع میں 25.45% کمی واقع ہوئی۔ دیگر آمدنی میں 4.091 بلین روپے کے اضافے نے مجموعی منافع کی شرح میں کمی کا ازالہ کیا۔

مالی لاگت میں اوسط شرح سود میں اضافہ کی وجہ سے 186.15% کے غیر معمولی اضافے اور سپر ٹیکس کے نفاذ کی وجہ سے ٹیکس میں 133.94% اضافے کے باوجود کمپنی 396.312 بلین روپے (9.54%) بعد از ٹیکس منافع کا اضافہ ریکارڈ کرنے میں کامیاب رہی۔

اضافہ/(کمی) فیصد	30 ستمبر کو اختتام شدہ سہ ماہی		مالی جھلکیاں
	2022	2023	
16.58	34,336,587	40,027,984	آمدنی (روپے '000)
(25.45)	6,651,690	4,958,649	مجموعی منافع (روپے '000)
9.54	4,152,404	4,548,716	بعد از ٹیکس منافع (روپے '000)
	19.37	12.39	مجموعی منافع (فیصد)
	12.09	11.36	بعد از ٹیکس منافع (فیصد)
	11.81	12.94	منافع فی حصص - (روپے)

مارکیٹ کا عمومی جائزہ اور مستقبل کے امکانات

پاکستان میں ٹیکسٹائل سیکٹر نے مالی سال 2023-24 کی پہلی سہ ماہی میں سست کارکردگی کا مظاہرہ کیا ہے۔ اس کی بنیادی وجہ امریکی اور یورپی منڈیوں میں ٹیکسٹائل مصنوعات کی مانگ میں کمی ہے۔ مزید برآں، پاکستان میں ٹیکسٹائل سیکٹر کو کئی چیلنجز کا سامنا ہے جس میں خام مال کی زیادہ قیمت، مہنگی توانائی، مہنگی بینک فنانسنگ، اور اس کے ساتھ ساتھ تاخیر سے سیلز ٹیکس ریفرنڈ کی واپسی ہے۔ ان عوامل نے ٹیکسٹائل سیکٹر کے منافع اور مجموعی کارکردگی کو منفی طور پر متاثر کیا ہے۔ مزید برآں، زرمبادلہ کی شرح میں غیر متوقع اتار چڑھاؤ نے قیمتوں کے تعین کی حکمت عملیوں کو غیر یقینی بنا دیا ہے۔



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