

NISHAT MILLS LIMITED



N I S H A T

NML-PSX/

February 29, 2024

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

SUB: **SUBMISSION OF FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2023**

Dear Sir,

We have to inform you that the Financial Statements of Nishat Mills Limited for the half year ended December 31, 2023 are being transmitted through PUCARS and is also available on Company's website.

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

Thanking you,

Yours truly,


**KHALID MAHMOOD CHOCHAN
COMPANY SECRETARY**



Nishat Mills Limited

**Interim Financial Report for the Half Year Ended
December 31, 2023**

**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

Al Baraka 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 unit, 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 half year ended 31 December 2023.

Operating Financial Results

The Company's revenue significantly increased by Rs. 9.464 billion (14.02%) from Rs. 67.507 billion in the corresponding half of the last year to Rs. 76.971 billion in the current half year. However, the gross profit decreased by Rs. 2.111 billion (18.49%) due to an unprecedented rise in cost of production and low demand for textile products in the international market.

Dividend income significantly compensated for this fall in profitability, increasing by Rs. 2.923 billion (115.26%) from Rs. 2.536 billion in the corresponding half of the last year to Rs. 5.459 billion in the current half year. However, finance cost recorded an unprecedented rise of Rs. 2.689 billion (112.22%) due to an increase in the average borrowing rate. The increase in the provision for tax, due to the imposition of the higher rate of super tax in the current year as compared to the previous year, also negatively affected the profitability of the company.

Financial Highlights	Half Year Ended 31 December		Increase / (decrease) %
	2023	2022	
Revenue (Rs. '000')	76,970,895	67,507,201	14.02
Gross Profit (Rs. '000')	9,304,971	11,415,977	(18.49)
Profit after tax (Rs. '000')	5,633,456	7,835,468	(28.10)
Gross Profit (%)	12.09	16.91	
Profit after tax (%)	7.32	11.61	
Earnings per share – (Rs.)	16.02	22.29	

General Market Review and Future Prospects

The performance of Pakistan's textile sector during the first half of the financial year 2023-24 was weak. The sector is facing numerous challenges such as soaring raw material costs, high energy rates, expensive financing and imposition of unprecedented government taxation. These factors have collectively dampened the profitability and overall efficiency of the textile industry. Moreover, unpredictable fluctuations in foreign exchange rates have also added an element of uncertainty to pricing strategies.

Ocean freight rates from Asia and the Middle East to Europe and the U.S. East Coast have approximately doubled due to concerns about disruptions in the Red Sea. Container ships are being rerouted around Africa to avoid attacks, increasing transit time from 7 days to around 20 days. This situation has further increased the cost of doing business.

Another significant factor contributing to the challenges is the weakened demand for textile goods in international markets because of the global economic slowdown. This decline is projected to persist throughout the second half of the financial year 2023-24.

Segment Analysis

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

Spinning

Raw cotton prices remained high in the local market due to speedy purchasing by spinners as soon as the new cotton crop arrived. Cotton prices in the international market also followed this trend. The company initiated the procurement of raw cotton to fulfill its production requirements for the financial year 2023-24 promptly at the start of the harvesting season. The company's cotton inventory consists mostly of local cotton with a small portion of imported cotton.

The Division faced intense competition from regional competitors, intensified by subdued demand of cotton yarn in the international market and the high cost of production. While demand in the local market was also sluggish, it fared relatively better in comparison to the export market.

Yarn	Half Year Ended 31 December		Increase / (Decrease)	
	2023	2022	Value	% age
Sale – (kgs '000')	21,312	13,360	7,952	59.52
Rate / kg	857.17	801.61	55.56	6.93
Sale – (Rs. '000')	18,268,004	10,709,474	7,558,530	70.58

Weaving

The demand for greige cloth in Europe, our major market, has declined due to high inflation and interest rates. Consumers are prioritizing essential spending on food and utilities over clothing purchases. In response to these economic conditions, the Division has adjusted its product portfolio, increasing the proportion of technical fabric over fashion fabric to sustain profitability. However, there remains sufficient demand for fashion fabric in the local market.

Grey Cloth	Half Year Ended 31 December		Increase / (Decrease)	
	2023	2022	Value	% age
Sale – (meters '000')	45,901	50,706	(4,805)	(9.48)
Rate / meter	337.04	332.45	4.59	1.38
Sale – (Rs. '000')	15,470,597	16,857,057	(1,386,460)	(8.22)

Despite the challenging business conditions, our strategic focus remains on diversifying our product range and expanding into new markets, with exports remaining our top priority. To align with this strategy, the Division plans to further invest in its back processes to support the production of technical fabrics, primarily composed of 100% polyester filament yarn. Additionally, in response to increasing demand for wider width fabric both in the local fashion wear market and the international technical fabric market, the Division plans to upgrade its 80 conventional 190 cm looms to 210/230 cm looms in order to enhance production flexibility.

Dyeing

The Dyeing Division faced challenging economic conditions in global and local markets during the first half

of the financial year 2023-24. Despite a 7.12% decline in the division's top line, it successfully utilized its production capacities and achieved satisfactory profits during this period.

As the second half of the financial year has started which traditionally is a lean period in textile business cycle, the management is closely monitoring the market situation and taking proactive measures to address the challenges ahead.

Processed Cloth	Half Year Ended 31 December		Increase / (Decrease)	
	2023	2022	Value	% age
Sale – (meters '000')	22,599	24,088	(1,489)	(6.18)
Rate / meter	691.85	698.86	(7.01)	(1.00)
Sale – (Rs. '000')	15,635,069	16,834,187	(1,199,118)	(7.12)

Product diversification is a fundamental aspect of the Division's strategy. The projects for setting up workwear and denim units are in progress. These initiatives aim to foster long-term growth and profitability by expanding our product portfolio with new products.

Home Textile and Terry

The Division started its financial year with healthy sales pipeline and promising order projections but the first six months of the financial year were very difficult. However, the Division recorded a growth of 13.42% in the sale of home textile products.

Processed Cloth and Made-ups	Half Year Ended 31 December		Increase / (Decrease)	
	2023	2022	Value	% age
Sale – (meters '000')	13,602	13,642	(40)	(0.29)
Rate / meter	794.77	698.66	96.11	13.76
Sale – (Rs. '000')	10,810,508	9,531,084	1,279,424	13.42

The performance of terry unit was outstanding. Its topline grew by 152.98% in the current half year as compared to the corresponding half of the last year.

Terry	Half Year Ended 31 December		Increase / (Decrease)	
	2023	2022	Value	% age
Sale – (kgs '000')	2,933	1,326	1,607	121.19
Rate / kg	1,659.14	1,450.67	208.47	14.37
Sale – (Rs. '000')	4,866,254	1,923,592	2,942,662	152.98

Garments

During the 1st half of financial year 2023-24, Garments Division has made significant progress due to its firm commitment towards customer satisfaction and responsible manufacturing practices. By prioritizing customer needs, the Division has proudly added premium products to its portfolio which has facilitated a 14.65% increase in revenue during the half-year.

Apart from dedication to customer satisfaction, Garments Division stands as a leading advocate for the UN Sustainability Goals. It has actively collaborated with environmental partners to implement water stewardship initiatives, ensuring clean water access for surrounding communities and showcasing our commitment to water conservation. Furthermore, it has heavily invested in human capital development over the last six months to develop future leadership for the textile industry.

Garments	Half Year Ended 31 December		Increase / (Decrease)	
	2023	2022	Value	% age
Sale – (garments '000')	2,953	3,367	(414)	(12.30)
Rate / garment	2,375.44	1,817.22	558.22	30.72
Sale – (Rs. '000')	7,014,680	6,118,594	896,086	14.65

Power Generation

Government of Pakistan has discontinued providing subsidies to textile sector despite its status as an export-oriented sector. Therefore, rising energy cost has become a major issue for the sector.

The Company's strategy under the present circumstances is to invest in renewable energy sources to counteract the rising energy cost. Currently, we have the capacity to produce 14.2 MW of electricity via solar power plants, and we are in the process of acquiring and installing an additional 2.562 MW through multiple projects. Furthermore, 8.96 MW solar projects are in planning phase. We firmly believe that this shift to renewable energy will not only help us address the financial strain caused by increasing energy expenses but also demonstrate our commitment to sustainable practices and environmental responsibility.

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.

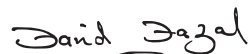
Acknowledgement

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 February 2024
Lahore

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Nishat Mills Limited

Report on review of Unconsolidated Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of NISHAT MILLS LIMITED as at 31 December 2023 and the related unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity, and unconsolidated condensed interim statement of cash flows, and notes to the unconsolidated condensed interim financial statements for the half year then ended (here-in-after referred to as the "unconsolidated condensed interim financial statements"). Management is responsible for the preparation and presentation of these unconsolidated condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these unconsolidated condensed interim financial statements based on our review. The figures of the unconsolidated condensed interim statement of profit or loss and unconsolidated condensed interim statement of comprehensive income for the quarters ended 31 December 2023 and 31 December 2022 have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the half year ended 31 December 2023.

Scope of Review

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

Conclusion

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

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



RIAZ AHMAD & COMPANY

Chartered Accountants

Lahore

28 February 2024

UDIN: RR202310168oEluXUdrk



Unconsolidated Condensed Interim
Financial Statements of
Nishat Mills Limited

For the half year ended 31 December 2023

Unconsolidated Condensed Interim Statement of Financial Position

As at 31 December 2023

	Note	Un-audited 31 December 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		99,858,508	86,248,120
Total equity		103,374,507	89,764,119
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing - secured Deferred liabilities	5	19,803,751 3,036,698 22,840,449	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	14,255,259 2,486,951 56,559,307 4,042,018 116,953 1,942,810 79,403,298	13,969,278 1,831,194 45,753,793 4,142,057 108,247 1,012,961 66,817,530
TOTAL LIABILITIES		102,243,747	80,521,591
CONTINGENCIES AND COMMITMENTS	7		
TOTAL EQUITY AND LIABILITIES		205,618,254	170,285,710

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



CHIEF EXECUTIVE OFFICER

	Note	Un-audited 31 December 2023 (Rupees in thousand)	Audited 30 June 2023
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	51,556,600	45,265,066
Investment properties		469,287	471,091
Long term investments		53,191,237	38,642,705
Long term loans		296,577	285,639
Long term deposits		157,821	153,320
		105,671,522	84,817,821
CURRENT ASSETS			
Stores, spare parts and loose tools		7,288,677	5,955,945
Stock in trade		46,722,973	34,801,627
Trade debts		17,768,758	13,208,722
Loans and advances		14,589,862	17,347,672
Short term deposits and prepayments		299,652	227,942
Other receivables		10,744,508	11,242,564
Accrued interest		253,431	272,851
Cash and bank balances		2,278,871	2,410,566
		99,946,732	85,467,889
TOTAL ASSETS		205,618,254	170,285,710

Said Fazal

DIRECTOR

[Signature]

CHIEF FINANCIAL OFFICER

Unconsolidated Condensed Interim Statement of Profit or Loss


For the half year ended 31 December 2023 (Un-audited)

	Note	Half year ended		Quarter ended	
		31 December 2023	31 December 2022	31 December 2023	31 December 2022
		(Rupees in thousand)			
REVENUE	9	76,970,895	67,507,201	36,942,911	33,170,614
COST OF SALES	10	(67,665,924)	(56,091,224)	(32,596,589)	(28,406,327)
GROSS PROFIT		9,304,971	11,415,977	4,346,322	4,764,287
DISTRIBUTION COST		(2,988,140)	(3,104,958)	(1,522,050)	(1,322,551)
ADMINISTRATIVE EXPENSES		(1,283,907)	(1,081,682)	(683,308)	(509,841)
OTHER EXPENSES		(128,184)	(326,377)	(28,760)	(127,417)
		(4,400,231)	(4,513,017)	(2,234,118)	(1,959,809)
		4,904,740	6,902,960	2,112,204	2,804,478
OTHER INCOME		8,217,675	4,758,521	2,613,702	3,245,453
PROFIT FROM OPERATIONS		13,122,415	11,661,481	4,725,906	6,049,931
FINANCE COST		(5,085,059)	(2,396,118)	(2,705,266)	(1,564,472)
PROFIT BEFORE TAXATION		8,037,356	9,265,363	2,020,640	4,485,459
TAXATION		(2,403,900)	(1,429,895)	(935,900)	(802,395)
PROFIT AFTER TAXATION		5,633,456	7,835,468	1,084,740	3,683,064
EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)	11	16.02	22.29	3.09	10.48

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

Unconsolidated Condensed Interim Statement of Comprehensive Income

For the half year ended 31 December 2023 (Un-audited)

	Half year ended		Quarter ended	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	(Rupees in thousand)			
PROFIT AFTER TAXATION	5,633,456	7,835,468	1,084,740	3,683,064
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	10,972,311	(2,075,260)	11,773,196	(1,556,352)
Deferred income tax relating to this item	(1,237,380)	432,000	(1,268,183)	378,631
	9,734,931	(1,643,260)	10,505,013	(1,177,721)
Items that may be reclassified subsequently to profit or loss	-	-	-	-
Other comprehensive income / (loss) for the period - net of tax	9,734,931	(1,643,260)	10,505,013	(1,177,721)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	15,368,387	6,192,208	11,589,753	2,505,343

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

Unconsolidated Condensed Interim Statement of Changes in Equity


For the half year ended 31 December 2023 (Un-audited)

	Reserves						Total	Total Equity	
	Capital Reserves			Revenue Reserves					
	Share Capital	Premium on Issue of Right Shares	Fair Value Reserve FY2021 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	75,684,944	79,200,943
Transaction with owners- Final dividend for the year ended 30 June 2022 @ Rupees 4.00 per share	-	-	-	-	-	(1,406,399)	(1,406,399)	(1,406,399)	(1,406,399)
Transferred to general reserve	-	-	-	-	8,906,000	(8,906,000)	-	-	-
Profit for the period	-	-	-	-	-	7,835,468	7,835,468	7,835,468	7,835,468
Other comprehensive loss for the period	-	-	(1,643,260)	(1,643,260)	-	-	-	(1,643,260)	(1,643,260)
Total comprehensive income for the period	-	-	(1,643,260)	(1,643,260)	-	7,835,468	7,835,468	6,192,208	6,192,208
Balance as at 31 December 2022 - (un-audited)	3,515,999	5,499,530	6,447,635	11,947,165	60,888,028	7,835,560	68,523,588	80,470,753	83,986,752
Profit for the period	-	-	-	-	-	4,330,554	4,330,554	4,330,554	4,330,554
Other comprehensive income for the period	-	-	1,446,813	1,446,813	-	-	-	1,446,813	1,446,813
Total comprehensive income for the period	-	-	1,446,813	1,446,813	-	4,330,554	4,330,554	5,777,367	5,777,367
Balance as at 30 June 2023 - (audited)	3,515,999	5,499,530	7,894,448	13,393,978	60,888,028	12,166,114	72,854,142	86,248,120	89,764,119
Transaction with owners- Final dividend for the year ended 30 June 2023 @ Rupees 5.00 per share	-	-	-	-	-	(1,757,999)	(1,757,999)	(1,757,999)	(1,757,999)
Transferred to general reserve	-	-	-	-	10,408,000	(10,408,000)	-	-	-
Profit for the period	-	-	-	-	-	5,633,456	5,633,456	5,633,456	5,633,456
Other comprehensive income for the period	-	-	9,734,931	9,734,931	-	-	-	9,734,931	9,734,931
Total comprehensive income for the period	-	-	9,734,931	9,734,931	-	5,633,456	5,633,456	15,368,387	15,368,387
Balance as at 31 December 2023 - (un-audited)	3,515,999	5,499,530	17,629,379	23,128,909	71,096,028	5,633,571	76,729,599	99,858,508	103,374,507

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

Unconsolidated Condensed Interim Statement of Cash Flows

For the half year ended 31 December 2023 (Un-audited)

	Note	Half year ended	
		31 December 2023	31 December 2022
(Rupees in thousand)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	12	(8,461,753)	2,027,630
Finance cost paid		(4,429,302)	(1,787,694)
Income tax - net		(1,474,051)	(1,074,606)
Exchange gain on forward exchange contracts received		144,984	47,801
Net (increase) / decrease in long term loans		(7,646)	91,616
Net increase in long term deposits		(4,501)	(43,848)
Net cash used in operating activities		(14,232,269)	(739,101)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(8,226,185)	(4,915,996)
Proceeds from sale of property, plant and equipment		62,704	51,409
Investments made		(3,576,221)	(2,145,886)
Loan to Nishat Linen (Private) Limited - subsidiary company		(25,413,033)	(41,773,177)
Repayment of loan by Nishat Linen (Private) Limited - subsidiary company		27,303,956	24,486,224
Interest received		1,668,250	1,073,793
Dividends received		5,458,617	2,535,742
Net cash used in investing activities		(2,721,912)	(20,687,891)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		9,239,145	1,538,544
Repayment of long term financing		(1,440,176)	(1,777,537)
Short term borrowings - net		10,805,514	24,355,363
Dividend paid		(1,749,293)	(1,399,252)
Net cash from financing activities		16,855,190	22,717,118
Net (decrease) / increase in cash and cash equivalents		(98,991)	1,290,126
Net foreign exchange difference on translating cash and bank balances		(32,704)	6,292
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		2,278,871	1,388,145

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

Selected Notes to the Unconsolidated Condensed Interim Financial Statements

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

3 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information 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 31 December 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		9,239,145	2,476,845
Less: Repaid during the period / year		(1,440,176)	(3,038,566)
Add: Deferred income amortized during the period / year	5.1	7,650	25,506
		22,591,129	14,784,510
Less: Current portion shown under current liabilities		(2,787,378)	(2,886,290)
		19,803,751	11,898,220

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

	Note	Un-audited 31 December 2023 (Rupees in thousand)	Audited 30 June 2023
6 SHORT TERM BORROWINGS			
From banking companies and development financial institution - secured			
State Bank of Pakistan (SBP) refinance	6.1, 6.2 & 6.3	22,126,410	21,409,980
Other short term finances	6.1 & 6.4	15,927,160	5,612,000
Temporary bank overdrafts	6.1, 6.2 & 6.5	8,505,737	14,731,813
From other			
Privately placed sukuks	6.6	10,000,000	4,000,000
		56,559,307	45,753,793

Selected Notes to the Unconsolidated Condensed Interim Financial Statements

For the half year ended 31 December 2023 (Un-audited)

- 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. Markup is payable quarterly or at maturity. In certain short term borrowings, total mark up is deducted at the time of disbursement.
- 6.2** These finances includes balance of short term borrowings of Rupees 1,804.544 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 19.00% (30 June 2023: 0.94% to 18.00%) per annum during the period / year on the balance outstanding.
- 6.4** The rates of mark up range from 5.40% to 23.42% (30 June 2023: 14.16% to 22.49%) per annum during the period / year on the balance outstanding.
- 6.5** The rates of mark up range from 21.80% to 23.97% (30 June 2023: 11.94% to 23.19%) per annum during the period / year on the balance outstanding.
- 6.6** These represent privately placed, unsecured, non-convertible and shariah compliant short term sukuk having maturity period of 6 months and carrying profit at the rate of 3 months KIBOR plus 0.15% per annum. The rate of mark up ranges from 21.55% to 22.98% (30 June 2023: 16.66% to 22.95%) per annum.

7 CONTINGENCIES AND COMMITMENTS

a) Contingencies

- i)** Guarantees of Rupees 5,074.158 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 735.417 million (30 June 2023: Rupees 666.667 million) and Rupees 1,777.500 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 40,937.779 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 446.897 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 01 March 2023 instead of reduced rate of Rupees 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 8,430.667 million (30 June 2023: Rupees 6,767.974 million).
- ii) Letters of credit other than for capital expenditure are of Rupees 2,757.214 million (30 June 2023: Rupees 3,201.029 million).
- iii) Outstanding foreign currency forward contracts of Rupees 2,933.693 million (30 June 2023: Rupees 838.241 million).
- iv) Commitment arises 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 31 December 2023 (Rupees in thousand)	Audited 30 June 2023
Not later than one year		139,621	133,101
8 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	8.1	38,086,787	38,987,142
Capital work-in-progress	8.2	13,469,813	6,277,924
		51,556,600	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	1,037,674	7,653,136
		40,024,816	42,591,725
Less: Book value of deletions during the period / year	8.1.2	(54,833)	(54,637)
		39,969,983	42,537,088
Less: Depreciation charged during the period / year		(1,883,196)	(3,549,946)
		38,086,787	38,987,142

Selected Notes to the Unconsolidated Condensed Interim Financial Statements

For the half year ended 31 December 2023 (Un-audited)

	Un-audited 31 December 2023	Audited 30 June 2023
	(Rupees in thousand)	
8.1.1 Cost of additions		
Freehold land	-	22,285
Buildings on freehold land	34,268	1,628,418
Plant and machinery	789,438	5,504,890
Electric installations	6,404	126,262
Factory equipment	28,154	37,886
Furniture, fixtures and office equipment	39,796	50,044
Computer equipment	24,626	37,394
Vehicles	114,988	245,957
	1,037,674	7,653,136
8.1.2 Book value of deletions		
Plant and machinery	32,559	12,989
Electric installations	2,881	-
Computer equipment	457	466
Vehicles	18,936	41,182
	54,833	54,637
8.2 Capital work-in-progress		
Buildings on freehold land	6,265,881	4,207,963
Plant and machinery	6,381,860	1,733,664
Electric installations	560,384	220,082
Unallocated capital expenditures	171,620	73,385
Advances against purchase of freehold land	942	942
Advances against furniture, fixtures and office equipment	5,264	7,724
Advances against purchase of vehicles	83,862	34,164
	13,469,813	6,277,924

Selected Notes to the Unconsolidated Condensed Interim Financial Statements

For the half year ended 31 December 2023 (Un-audited)

Description	(Rupees in thousand)												
	Garments			Power Generation			Total - Company						
	Half year ended 31-Dec-23	Quarter ended 31-Dec-23	Half year ended 31-Dec-22	Half year ended 31-Dec-23	Quarter ended 31-Dec-23	Quarter ended 31-Dec-22	Half year ended 31-Dec-23	Half year ended 31-Dec-22	Quarter ended 31-Dec-23	Quarter ended 31-Dec-22	Half year ended 31-Dec-23	Half year ended 31-Dec-22	
Region													
Europe	1,061,715	2,047,499	385,187	-	-	-	19,364,355	20,523,060	9,245,528	9,573,508	-	-	-
America	5,906,977	4,030,110	2,669,670	1,998,564	-	-	9,680,230	6,846,650	4,690,003	3,274,994	-	-	-
Asia, Africa, Australia	114,290	83,697	41,825	28,319	-	-	17,025,305	17,875,461	8,098,740	8,916,720	-	-	-
Pakistan	127,306	196,451	67,003	119,993	52,058	60,220	30,701,005	22,262,040	14,908,640	11,405,392	-	-	-
	7,210,288	6,377,757	3,163,685	2,834,299	52,058	60,220	76,970,895	67,507,201	36,942,911	33,170,614	-	-	-
Timing of revenue recognition													
Products and services transferred at a point in time	7,210,288	6,377,757	3,163,685	2,834,299	52,058	60,220	19,462	76,970,895	67,507,201	36,942,911	33,170,614	-	-
Products and services transferred over time	-	-	-	-	-	-	-	-	-	-	-	-	-
	7,210,288	6,377,757	3,163,685	2,834,299	52,058	60,220	19,462	76,970,895	67,507,201	36,942,911	33,170,614	-	-
Major products / service lines													
Yarn	-	-	-	-	-	-	20,389,396	13,490,308	9,135,406	6,162,220	-	-	-
Grey Cloth	-	-	-	-	-	-	15,896,325	17,211,895	7,523,941	8,627,734	-	-	-
Processed Cloth	-	-	-	-	-	-	15,910,856	17,193,384	8,102,954	9,094,976	-	-	-
Made Ups	-	-	-	-	-	-	12,195,941	10,919,207	6,585,001	5,044,354	-	-	-
Garments	7,210,288	6,377,757	3,163,685	2,834,299	-	-	7,210,288	6,377,757	3,163,685	2,834,299	-	-	-
Towels and Bath Robes	-	-	-	-	-	-	5,316,031	2,254,490	2,493,202	1,467,569	-	-	-
Electricity	-	-	-	-	52,058	60,220	19,462	52,058	60,220	18,722	19,462	-	-
	7,210,288	6,377,757	3,163,685	2,834,299	52,058	60,220	19,462	76,970,895	67,507,201	36,942,911	33,170,614	-	-

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

	Half year ended		Quarter ended	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
(Rupees in thousand)				
10 COST OF SALES				
Raw materials consumed	41,180,278	34,559,184	20,370,359	17,358,819
Processing charges	209,640	145,898	119,497	83,259
Salaries, wages and other benefits	6,674,801	5,592,136	3,558,235	2,836,352
Stores, spare parts and loose tools consumed	7,343,125	5,837,272	3,872,379	2,989,318
Packing materials consumed	1,824,501	1,272,183	953,801	655,863
Repair and maintenance	459,820	443,719	222,184	267,391
Fuel and power	10,040,487	8,867,883	5,078,250	4,179,727
Insurance	43,784	40,390	22,584	20,195
Other factory overheads	723,334	639,094	366,304	322,198
Depreciation	1,818,546	1,649,546	917,435	840,174
	70,318,316	59,047,305	35,481,028	29,553,296
Work-in-process:				
Opening stock	7,994,358	6,049,041	7,894,000	7,014,844
Closing stock	(9,215,615)	(7,237,140)	(9,215,615)	(7,237,140)
	(1,221,257)	(1,188,099)	(1,321,615)	(222,296)
Cost of goods manufactured	69,097,059	57,859,206	34,159,413	29,331,000
Finished goods:				
Opening stock	10,390,983	8,172,559	10,259,294	9,015,868
Closing stock	(11,822,118)	(9,940,541)	(11,822,118)	(9,940,541)
	(1,431,135)	(1,767,982)	(1,562,824)	(924,673)
	67,665,924	56,091,224	32,596,589	28,406,327

		Half year ended	
		31 December 2023	31 December 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)	5,633,456	7,835,468
Weighted average number of ordinary shares	(Numbers)	351,599,848	351,599,848
Earnings per share	(Rupees)	16.02	22.29

Selected Notes to the Unconsolidated Condensed Interim Financial Statements

For the half year ended 31 December 2023 (Un-audited)

	Note	Half year ended	
		31 December 2023	31 December 2022
(Rupees in thousand)			
12 CASH (USED IN) / GENERATED FROM OPERATIONS			
Profit before taxation		8,037,356	9,265,363
Adjustments for non-cash charges and other items:			
Depreciation		1,881,622	1,705,936
Gain on sale of property, plant and equipment		(7,871)	(12,224)
Dividend income		(5,458,617)	(2,535,742)
Gain on initial recognition of ordinary shares transferred under Scheme of Compromises, Arrangement and Reconstruction amongst Nishat (Chunian) Limited and its members		-	(460,187)
Allowance for expected credit losses		1,376	1,675
Net exchange gain		(557,651)	(317,265)
Interest income on loans and advances to subsidiary company		(1,649,969)	(1,037,807)
Finance cost		5,085,059	2,396,118
Reversal of provision for slow moving, obsolete and damaged store items		-	(34)
Working capital changes	12.1	(15,793,058)	(6,978,203)
		(8,461,753)	2,027,630
12.1 Working capital changes			
(Increase) / decrease in current assets:			
- Stores, spare parts and loose tools		(1,332,732)	(2,204,568)
- Stock in trade		(11,921,346)	(4,350,349)
- Trade debts		(4,168,312)	(1,025,618)
- Loans and advances		863,596	(48,854)
- Short term deposits and prepayments		(71,710)	19,344
- Other receivables		558,780	640,663
		(16,071,724)	(6,969,382)
Increase / (decrease) in trade and other payables		278,666	(8,821)
		(15,793,058)	(6,978,203)

13 SEGMENT INFORMATION

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

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

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

Selected Notes to the Unconsolidated Condensed Interim Financial Statements

For the half year ended 31 December 2023 (Un-audited)

	Spinning		Weaving		Dyeing		Home Textile and Terry		Garments		Power Generation		Elimination of inter-segment transactions		Total - Company	
	Un-audited 31 Dec 2023	Audited 31 Dec 2022	Un-audited 31 Dec 2023	Audited 31 Dec 2022	Un-audited 31 Dec 2023	Audited 31 Dec 2022	Un-audited 31 Dec 2023	Audited 31 Dec 2022	Un-audited 31 Dec 2023	Audited 31 Dec 2022	Un-audited 31 Dec 2023	Audited 31 Dec 2022	Un-audited 31 Dec 2023	Audited 31 Dec 2022	Un-audited 31 Dec 2023	Audited 31 Dec 2022
Revenue	20,389,396	13,490,308	15,896,325	17,211,835	15,910,856	17,183,384	17,511,972	13,173,697	7,210,288	6,377,757	52,058	60,220	-	-	76,970,995	67,507,201
External Intersgment	8,864,352	6,610,653	14,363,933	11,532,805	1,782,452	1,500,229	203,013	281,606	1,682	1,169	10,366,827	8,918,602	(35,552,259)	(28,394,664)	-	-
Cost of sales	29,253,748	20,100,361	30,260,258	28,514,640	17,673,308	18,693,613	17,714,895	13,435,503	7,211,970	6,378,926	10,408,885	8,978,822	(35,552,259)	(28,394,664)	76,970,995	67,507,201
Gross profit	2,518,149	1,890,316	2,445,440	3,484,754	2,423,378	3,635,601	1,127,766	1,400,041	780,668	987,863	9,570	17,902	35,552,259	28,594,664	(8,304,971)	11,415,977
Distribution cost	(888,975)	(370,815)	(524,687)	(678,636)	(559,081)	(682,577)	(1,019,208)	(766,280)	(516,189)	(406,390)	-	-	-	-	(2,988,140)	(3,104,958)
Administrative expenses	(345,003)	(672,095)	(259,647)	(237,204)	(174,243)	(148,308)	(290,107)	(222,469)	(183,808)	(164,071)	(51,099)	(67,535)	-	-	(1,283,907)	(1,081,682)
Profit / (loss) before taxation and unallocated income and expenses	(713,979)	(642,970)	(784,334)	(1,116,040)	(753,324)	(830,885)	(1,369,315)	(888,749)	(679,997)	(670,461)	(51,099)	(67,535)	-	-	(4,272,047)	(4,186,640)
Finance cost	1,824,171	1,247,346	1,661,106	2,368,714	1,690,054	2,804,716	(81,549)	411,592	100,671	416,802	(41,529)	(93,633)	-	-	5,032,324	7,229,337
Other expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(128,184)	(326,377)
Taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,217,675	4,758,521
Profit after taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(6,085,059)	(2,396,118)
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,403,900)	(1,428,895)
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,633,456	7,835,468

13.3 Reconciliation of reportable segment assets and liabilities

	Spinning		Weaving		Dyeing		Home Textile and Terry		Garments		Power Generation		Total - Company	
	Un-audited 31 Dec 2023	Audited 30 Jun 2023	Un-audited 31 Dec 2023	Audited 30 Jun 2023	Un-audited 31 Dec 2023	Audited 30 Jun 2023	Un-audited 31 Dec 2023	Audited 30 Jun 2023	Un-audited 31 Dec 2023	Audited 30 Jun 2023	Un-audited 31 Dec 2023	Audited 30 Jun 2023	Un-audited 31 Dec 2023	Audited 30 Jun 2023
Total assets for reportable segments	35,383,779	25,664,344	16,743,338	16,429,296	27,155,405	18,842,412	22,982,076	20,845,741	9,303,283	8,571,547	13,086,788	10,081,716	124,654,668	101,235,056
Unallocated assets:														
Long term investments	-	-	-	-	-	-	-	-	-	-	-	-	53,191,237	38,642,705
Other receivables	-	-	-	-	-	-	-	-	-	-	-	-	10,744,508	11,242,564
Cash and bank balances	-	-	-	-	-	-	-	-	-	-	-	-	2,278,871	2,410,566
Other corporate assets	-	-	-	-	-	-	-	-	-	-	-	-	14,748,970	16,754,819
Total assets as per unconsolidated condensed interim statement of financial position	35,383,779	25,664,344	16,743,338	16,429,296	27,155,405	18,842,412	22,982,076	20,845,741	9,303,283	8,571,547	13,086,788	10,081,716	205,616,264	170,285,710
Total liabilities for reportable segments	3,217,102	2,275,945	2,399,553	2,629,358	2,211,671	1,617,530	1,659,136	2,637,067	1,209,535	805,316	2,408,489	2,134,075	13,304,686	12,099,291
Unallocated liabilities:														
Deferred liabilities	-	-	-	-	-	-	-	-	-	-	-	-	3,036,698	1,895,841
Other corporate liabilities	-	-	-	-	-	-	-	-	-	-	-	-	85,902,363	66,616,459
Total liabilities as per unconsolidated condensed interim statement of financial position	3,217,102	2,275,945	2,399,553	2,629,358	2,211,671	1,617,530	1,659,136	2,637,067	1,209,535	805,316	2,408,489	2,134,075	102,243,747	80,321,491

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

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

Recurring fair value measurements At 31 December 2023 - Un-audited	Level 1	Level 2	Level 3	Total
(Rupees in thousand)				
Financial assets				
Fair value through other comprehensive income	36,991,270	-	8,678,643	45,669,913
Derivative financial assets	-	59,616	-	59,616
Total financial assets	36,991,270	59,616	8,678,643	45,729,529
Financial liabilities				
Derivative financial liabilities	-	25,607	-	25,607
Total financial liabilities	-	25,607	-	25,607

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	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 half year ended 31 December 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.

Selected Notes to the Unconsolidated Condensed Interim Financial Statements

For the half year ended 31 December 2023 (Un-audited)

ii) Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include the use of quoted market prices or dealer quotes for similar instruments and the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

iii) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the year ended 30 June 2023 and for the period ended 31 December 2023:

	Unlisted equity securities (Rupees in thousand)
Balance as on 30 June 2022 - Audited	6,917,218
Add: Investment made during the period	238,825
Less: Deficit recognized in other comprehensive income	(543,214)
Balance as on 31 December 2022 - Un-audited	6,612,829
Add: Investment made during the period	1,615,500
Add: Surplus recognized in other comprehensive income	92,773
Balance as on 30 June 2023 - Audited	8,321,102
Add: Investment made during the period	586,900
Less: Deficit recognized in other comprehensive income	(229,359)
Balance as on 31 December 2023 - Un-audited	8,678,643

iv) Valuation inputs and relationships to fair value

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

Description	Fair value at		Unobservable inputs	Range of inputs (probability-weighted average)	Relationship of unobservable inputs to fair value
	Un-Audited	Audited			
	31 December 2023	30 June 2023			
(Rupees in thousand)					

Fair value through other comprehensive income

Nishat Paper Products Company Limited	216,978	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 +144.613 million / -111.921 million.
			Risk adjusted discount rate	17.56%	
Security General Insurance Company Limited	394,016	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 +38.042 million / -30.781 million.
			Risk adjusted discount rate	19.39%	
Nishat Dairy (Private) Limited	549,600	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 +42.600 million / -34.800 million.
			Risk adjusted discount rate	22.37%	
Nishat Hotels and Properties Limited	1,636,647	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 + 288.689 million / - 219.848 million.
			Risk adjusted discount rate	15.95%	
Hyundai Nishat Motor (Private) Limited	4,089,303	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 +307.519 million / -262.917 million.
			Risk adjusted discount rate	24.14%	
Nishat Sutas Diary Limited	1,792,099	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 +462.736 million / -363.769 million.
			Risk adjusted discount rate	18.77%	

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

Valuation processes

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

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

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

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

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

15 TRANSACTIONS WITH RELATED PARTIES

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

i) Transactions

	Half year ended		Quarter ended	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	(Rupees in thousand)			
Subsidiary companies				
Investment made	2,989,321	-	-	-
Dividend income	619,979	866,654	619,979	866,654
Short term loan given	25,413,033	41,773,177	12,533,520	21,971,893
Repayment of short term loan made	27,303,956	24,486,224	12,300,642	12,559,059
Interest income	1,649,969	1,037,807	754,990	778,726
Rental income	49,875	45,356	25,157	22,878
Sale of goods and services	5,575,112	6,000,663	3,097,582	3,034,214
Purchase of goods and services	537,319	292,702	322,938	121,896
Associated companies				
Investment made	586,900	2,145,886	586,900	2,016,886
Purchase of goods and services	12,914	11,475	6,664	8,221
Sale of goods and services	8,373	12,125	221	2,188
Purchase of operating fixed assets	39,876	54,297	14,526	15,931
Rental income	4,035	3,673	2,018	1,837
Dividend income	4,829,971	1,279,830	791,684	589,285
Dividend paid	154,265	123,372	154,265	123,372
Insurance premium paid	139,305	131,592	82,310	78,607
Insurance claims received	36,383	39,285	17,424	23,861
Interest income	11,732	7,460	5	1,239
Finance cost	47,133	26,150	22,342	17,478
Other related parties				
Dividend income	-	255,376	-	-
Company's contribution to provident fund trust	258,810	211,073	147,287	106,987
Remuneration paid to Chief Executive Officer and Executives	1,142,213	1,024,874	707,477	429,017
Dividend paid	443,338	354,670	443,338	354,670

Selected Notes to the Unconsolidated Condensed Interim Financial Statements

For the half year ended 31 December 2023 (Un-audited)

ii) Period end balances

	As at 31 December 2023			Total
	Subsidiary companies	Associated companies	Other related parties	
	(Rupees in thousand)			
Trade and other payables	168,834	24,019	-	192,853
Accrued markup	-	23,899	-	23,899
Short term borrowings	-	1,804,544	-	1,804,544
Property, plant and equipment	-	14,448	-	14,448
Long term loans	-	-	248,394	248,394
Trade debts	1,082,226	4,943	-	1,087,169
Loans and advances	13,929,213	-	105,565	14,034,778
Accrued interest	252,177	-	-	252,177
Cash and bank balances	-	33,645	721,645	755,290

As at 30 June 2023 (Audited)

	As at 30 June 2023 (Audited)			Total
	Subsidiary companies	Associated companies	Other related parties	
	(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 February 2024.

18 DISCLOSURES BY COMPANY LISTED ON ISLAMIC INDEX

Description	Un-audited	Audited
	31 December 2023 (Rupees in thousand)	30 June 2023 (Rupees in thousand)
Loan / advances obtained as per Islamic mode:		
Loans	24,630,222	13,748,795
Advances	793,111	1,730,996
Shariah compliant bank deposits / bank balances		
Bank balances	826,954	569,921
	Half year ended	
	31 December 2023 (Rupees in thousand)	31 December 2022 (Rupees in thousand)
Profit earned from shariah compliant bank deposits / bank balances		
Profit on deposits with banks	-	-
Revenue earned from shariah compliant business	76,970,895	67,507,201
Gain / (loss) or dividend earned from shariah compliant investments		
Dividend income	1,649,138	728,819
Unrealized gain / (loss) on remeasurement of investments at FVTOCI	4,462,624	(2,276,587)
Exchange gain earned	278,842	106,590
Mark-up paid on Islamic mode of financing	1,036,366	180,430
Profits earned or interest paid on any conventional loan / advance		
Profit earned on loan to subsidiary company	1,649,969	1,037,807
Interest paid on loans	3,279,770	1,288,300
Profit earned on deposits with banks	127,186	54,422
Interest income on loans to employees	1,233	2,787
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, short term borrowings and long term financing	
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	
Askari Bank Limited	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	

Selected Notes to the Unconsolidated Condensed Interim Financial Statements

For the half year ended 31 December 2023 (Un-audited)

19 CORRESPONDING FIGURES

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

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

20 GENERAL

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

Consolidated Condensed Interim
Financial Statements of

**Nishat Mills Limited
and its Subsidiaries**

For the half year ended 31 December 2023



Consolidated Condensed Interim Statement of Financial Position

As at 31 December 2023

	Note	Un-audited 31 December 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		128,849,149	118,011,073
Equity attributable to equity holders of the Holding Company		132,365,148	121,527,072
Non-controlling interest		15,253,781	14,639,269
Total equity		147,618,929	136,166,341
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing- secured	6	19,816,773	11,913,819
Lease liabilities		1,512,574	1,769,657
Long term security deposits		273,960	265,610
Retirement benefit obligation		55,730	54,852
Deferred liabilities		5,388,206	5,069,383
		27,047,243	19,073,321
CURRENT LIABILITIES			
Trade and other payables		17,619,133	17,464,024
Accrued mark-up		2,507,258	1,843,179
Short term borrowings	7	60,224,260	46,246,793
Current portion of non-current liabilities		4,961,948	4,919,417
Unclaimed dividend		140,408	130,485
Provision for taxation - net		1,697,992	652,879
		87,150,999	71,256,777
TOTAL LIABILITIES		114,198,242	90,330,098
CONTINGENCIES AND COMMITMENTS	8		
TOTAL EQUITY AND LIABILITIES		261,817,171	226,496,439

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



CHIEF EXECUTIVE OFFICER

	Note	Un-audited 31 December 2023 (Rupees in thousand)	Audited 30 June 2023
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	9	62,997,792	56,760,506
Right-of-use assets		1,951,569	2,081,373
Long term investments		61,949,815	54,469,968
Long term loans		421,533	403,613
Long term deposits		344,118	323,729
		127,664,827	114,039,189
CURRENT ASSETS			
Stores, spare parts and loose tools		8,287,148	7,014,286
Stock-in-trade		65,097,507	51,487,576
Trade debts		33,482,606	28,573,197
Loans and advances		1,063,892	2,052,958
Short term deposits and prepayments		524,904	471,727
Other receivables		12,955,658	13,667,116
Accrued interest		15,984	30,762
Short term investments		5,164,822	-
Cash and bank balances		7,559,823	9,159,628
		134,152,344	112,457,250
TOTAL ASSETS		261,817,171	226,496,439

Said Fazal

DIRECTOR

[Signature]

CHIEF FINANCIAL OFFICER

Consolidated Condensed Interim Statement of Profit or Loss

For the half year ended 31 December 2023 (Un-audited)

	Note	Half year ended		Quarter ended	
		31 December 2023	31 December 2022	31 December 2023	31 December 2022
		(Rupees in thousand)			
REVENUE	10	102,842,669	94,041,807	46,421,526	41,933,921
COST OF SALES	11	(86,152,063)	(77,638,802)	(38,666,568)	(34,330,834)
GROSS PROFIT		16,690,606	16,403,005	7,754,958	7,603,087
DISTRIBUTION COST		(5,679,164)	(5,187,103)	(3,063,731)	(2,410,808)
ADMINISTRATIVE EXPENSES		(2,035,512)	(1,686,444)	(1,050,860)	(821,200)
OTHER EXPENSES		(126,380)	(395,037)	(26,061)	(126,412)
		(7,841,056)	(7,268,584)	(4,140,652)	(3,358,420)
		8,849,550	9,134,421	3,614,306	4,244,667
OTHER INCOME		2,984,149	2,423,594	1,445,774	1,483,032
PROFIT FROM OPERATIONS		11,833,699	11,558,015	5,060,080	5,727,699
FINANCE COST		(5,347,372)	(2,632,000)	(2,841,969)	(1,682,501)
		6,486,327	8,926,015	2,218,111	4,045,198
SHARE OF NET PROFIT OF ASSOCIATES ACCOUNTED FOR USING THE EQUITY METHOD		1,669,354	1,111,025	614,410	807,183
PROFIT BEFORE TAXATION		8,155,681	10,037,040	2,832,521	4,852,381
TAXATION		(2,198,322)	(1,536,265)	(1,109,506)	(896,762)
PROFIT AFTER TAXATION		5,957,359	8,500,775	1,723,015	3,955,619
SHARE OF PROFIT ATTRIBUTABLE TO: EQUITY HOLDERS OF HOLDING COMPANY		4,822,480	7,499,383	1,302,508	3,416,688
NON-CONTROLLING INTEREST		1,134,879	1,001,392	420,507	538,931
		5,957,359	8,500,775	1,723,015	3,955,619
EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)	12	13.72	21.33	3.70	9.72

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

Consolidated Condensed Interim Statement of Comprehensive Income

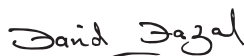
For the half year ended 31 December 2023 (Un-audited)

	Half year ended		Quarter ended	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	(Rupees in thousand)			
PROFIT AFTER TAXATION	5,957,359	8,500,775	1,723,015	3,955,619
OTHER COMPREHENSIVE INCOME / (LOSS)				
Items that will not be reclassified to profit or loss:				
Remeasurement of retirement benefits of associates - net of tax	(295)	8,272	(295)	8,272
Surplus / (Deficit) arising on remeasurement of investments at fair value through other comprehensive income	6,059,025	(1,477,881)	4,473,248	(1,214,728)
Share of surplus / (deficit) on remeasurement of investments at fair value through other comprehensive income of associates - net of tax	2,567,795	(165,225)	1,880,811	16,305
Deferred income tax relating to investments at fair value through other comprehensive income	(802,550)	243,803	(576,491)	200,387
	7,823,975	(1,391,031)	5,777,273	(989,764)
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	(50,380)	185,979	(36,203)	102,439
Other comprehensive income / (loss) for the period - net of tax	7,773,595	(1,205,052)	5,741,070	(887,325)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	13,730,954	7,295,723	7,464,085	3,068,294
SHARE OF TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Equity holders of holding company	12,596,075	6,294,331	7,043,578	2,529,363
Non-controlling interest	1,134,879	1,001,392	420,507	538,931
	13,730,954	7,295,723	7,464,085	3,068,294

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 half year ended 31 December 2023 (Un-audited)

Attributable to Equity Holders of the Holding Company														
Share Capital	Premium on Issue of Right Shares	Fair Value Reserve FVTOCI Investments	Capital Reserves			Capital Redemption Reserve Fund	Maintenance Reserve	Sub Total	Revenue Reserves			Shareholders' Equity	Non-controlling Interest	Total Equity
			Statutory Reserve	Exchange Translation Reserve	Reserve				General Reserve	Unappropriated Profit	Sub Total			
(Rupees in thousand)														
3,515,999	5,499,530	3,241,268	350,961	11,046	111,002	1,698,668	10,822,475	86,577,214	12,279,997	88,856,311	109,878,786	113,194,785	13,762,616	126,957,401
-	-	-	-	-	-	-	-	-	-	-	-	-	(780,550)	(780,550)
-	-	-	-	-	-	-	-	-	(1,406,399)	(1,406,399)	(1,406,399)	(1,406,399)	-	(1,406,399)
-	-	-	-	-	-	(92,101)	(92,101)	92,101	92,101	92,101	92,101	92,101	-	92,101
-	-	-	-	-	-	-	10,872,000	10,872,000	10,872,000	10,872,000	10,872,000	10,872,000	-	10,872,000
-	-	-	-	-	-	-	-	-	7,499,393	7,499,393	7,499,393	7,499,393	1,001,392	8,500,775
-	-	(1,399,303)	185,979	-	-	-	(1,213,324)	8,272	8,272	8,272	(1,205,052)	(1,205,052)	-	(1,205,052)
-	-	(1,399,303)	185,979	-	-	-	(1,213,324)	7,507,655	7,507,655	7,507,655	6,294,331	6,294,331	1,001,392	7,295,723
3,515,999	5,499,530	1,841,965	536,940	11,046	111,002	1,516,567	9,517,050	97,449,214	7,600,454	105,049,668	114,566,718	119,062,717	13,983,458	132,066,175
-	-	-	-	-	-	-	-	171,704	171,704	171,704	171,704	171,704	-	171,704
-	-	-	-	-	-	(171,704)	2,378	(2,378)	(2,378)	(2,378)	(2,378)	(2,378)	-	(2,378)
-	-	-	-	-	-	-	-	-	-	-	-	-	(346,992)	(346,992)
-	-	-	-	-	-	-	-	-	3,795,744	3,795,744	3,795,744	3,795,744	1,002,803	4,798,547
-	-	(535,848)	189,051	-	-	-	(346,197)	(346,197)	(5,192)	(5,192)	(351,389)	(351,389)	-	(351,389)
-	-	(535,848)	189,051	-	-	-	(346,197)	3,790,552	3,790,552	3,790,552	3,444,355	3,444,355	1,002,803	4,447,158
3,515,999	5,499,530	1,306,117	726,391	13,424	111,002	1,344,883	9,001,527	97,449,214	11,560,332	109,009,546	118,011,073	121,527,072	14,639,269	136,166,341
-	-	-	-	-	-	-	-	-	-	-	-	-	(520,367)	(520,367)
-	-	-	-	-	-	-	-	-	(1,757,999)	(1,757,999)	(1,757,999)	(1,757,999)	-	(1,757,999)
-	-	-	-	-	-	-	-	9,802,000	9,802,000	9,802,000	9,802,000	9,802,000	-	9,802,000
-	-	-	-	-	-	-	-	-	4,822,480	4,822,480	4,822,480	4,822,480	1,134,879	5,957,359
-	-	7,824,270	(50,380)	-	-	-	7,773,890	-	(295)	(295)	7,773,595	7,773,595	-	7,773,595
-	-	7,824,270	(50,380)	-	-	(189,156)	(7,773,890)	7,773,890	4,822,185	4,822,185	12,596,075	12,596,075	1,134,879	13,730,954
3,515,999	5,499,530	9,130,387	676,211	13,424	111,002	1,155,707	16,586,261	107,251,214	5,011,674	112,262,888	128,849,149	132,365,148	15,253,781	147,618,929

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

Um Nishat

CHIEF EXECUTIVE OFFICER

Daud Dazal

DIRECTOR

[Signature]

CHIEF FINANCIAL OFFICER

Consolidated Condensed Interim Statement of Cash Flows

For the half year ended 31 December 2023 (Un-audited)

	Note	Half year ended	
		31 December 2023	31 December 2022
(Rupees in thousand)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations	13	(5,363,921)	(12,962,061)
Finance cost paid		(4,683,293)	(2,075,102)
Income tax paid		(1,629,867)	(1,217,187)
Long term security deposits - net		8,350	10,200
Exchange gain on forward exchange contracts received		144,985	47,801
Net increase in retirement benefit obligation		332	9,645
Net (increase) / decrease in long term loans		(16,555)	84,428
Net increase in long term deposits		(20,389)	(68,867)
Net cash used in operating activities		(11,560,358)	(16,171,143)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(8,698,262)	(5,559,253)
Proceeds from sale of property, plant and equipment		73,119	59,112
Dividends received		4,838,637	1,669,087
Loans and advances to associated company		(25,280)	(20,000)
Interest received		365,870	88,305
Proceeds from sale of investments		151,507,427	5,662,639
Investments made		(157,039,774)	(2,182,396)
Net cash used in investing activities		(8,978,263)	(282,506)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		9,239,145	1,539,419
Repayment of long term financing		(1,443,423)	(1,909,472)
Repayment of lease liabilities		(482,846)	(320,052)
Exchange differences on translation of net investments in foreign subsidiaries		(50,380)	185,979
Short term borrowings - net		13,977,467	20,731,839
Dividend paid		(2,268,443)	(2,178,310)
Net cash from financing activities		18,971,520	18,049,403
Net (decrease) / increase in cash and cash equivalents		(1,567,101)	1,595,754
Net foreign exchange difference on translating cash and bank balances		(32,704)	6,292
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		7,559,823	3,360,862

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

Selected Notes to the Consolidated Condensed Interim Financial Statements

For the half year ended 31 December 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.

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.

Selected Notes to the Consolidated Condensed Interim Financial Statements

For the half year ended 31 December 2023 (Un-audited)

CHINA GUANGZHOU NISHAT GLOBAL CO., LTD.

China Guangzhou Nishat Global Co., Ltd. is a Company incorporated in People's Republic of China on 25 November 2013. It is a wholly owned subsidiary of Nishat International FZE which is a wholly owned subsidiary of Nishat Mills Limited. The primary function of China Guangzhou Nishat Global Co., Ltd. is to competitively source products for the retail outlets operated by Group companies in Pakistan and the UAE. The registered office of 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 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 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information 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.

Selected Notes to the Consolidated Condensed Interim Financial Statements

For the half year ended 31 December 2023 (Un-audited)

During preparation of these consolidated condensed interim financial statements, the significant judgments made by the management in applying the Group's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published consolidated financial statements of the Group for the year ended 30 June 2023.

	Note	Un-audited 31 December 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		9,239,145	2,476,845
Less: Repaid during the period / year		(1,443,423)	(3,172,144)
Less: Deferred income recognized during the period / year		-	-
Add: Amortized during the period / year		7,650	27,950
Net impact	6.1	7,650	27,950
		22,609,654	14,806,282
Less: Current portion shown under current liabilities		(2,792,881)	(2,892,463)
		19,816,773	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 31 December 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			
State Bank of Pakistan (SBP) refinance	7.1, 7.2 & 7.3	22,126,410	21,409,980
Other short term finances	7.1 & 7.4	15,927,160	5,612,000
Temporary bank overdrafts	7.1, 7.2 & 7.5	8,505,737	14,731,813
From other			
Privately placed sukuks	7.6	10,000,000	4,000,000
		56,559,307	45,753,793
Nishat Power Limited - Subsidiary Company			
From banking companies - secured	7.7, 7.8 & 7.9	3,169,953	-
Nishat Linen (Private) Limited - Subsidiary Company			
From banking companies - secured	7.10	495,000	493,000
		60,224,260	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. Markup is payable quarterly or at maturity. In certain short term borrowings, total markup is deducted at the time of disbursement.
- 7.2** These finances includes balance of short term borrowings of Rupees 1,804.544 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 19.00% (30 June 2023: 0.94% to 18.00%) per annum during the year on the balance outstanding.
- 7.4** The rates of mark up range from 5.40% to 23.42% (30 June 2023: 14.16% to 22.49%) per annum during the period / year on the balance outstanding.
- 7.5** The rates of mark up range from 21.80% to 23.97% (30 June 2023: 11.94% to 23.19%) per annum during the period / year on the balance outstanding.
- 7.6** 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 0.15% per annum. The rate of mark up ranges from 21.55% to 22.98% (30 June 2023: 16.66% to 22.95%) per annum.
- 7.7** These running finance facilities obtained from banking companies under mark-up arrangements. These facilities are secured against first joint pari 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 22.64% to 24.90% (30 June 2023: 13.89% to 23.98%) per annum.
- 7.8** These running musharaka facilities obtained from banking companies under profit arrangements. These facilities are secured against first joint pari 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 22.39% to 23.16% (30 June 2023:12.09% to 22.48%) per annum.
- 7.9** 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 pari 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 ranged from 21.48% to 22.80% (30 June 2023: 14.46% to 16.45%) per annum.
- 7.10** These finances are obtained from banking companies under mark-up arrangements. The rates of mark up range from 21.29% to 24.16% (30 June 2023: 13.90% to 21.74%) per annum during the period on the balance outstanding.

Selected Notes to the Consolidated Condensed Interim Financial Statements

For the half year ended 31 December 2023 (Un-audited)

8 CONTINGENCIES AND COMMITMENTS

a) Contingencies

- i) Guarantees of Rupees 5,074.158 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 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 735.417 million (30 June 2023: Rupees 666.667 million) and Rupees 1,777.500 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 companies and associated company towards their lenders.
- ii) Post dated cheques of Rupees 40,937.779 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 446.897 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 9,269.533 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 179.350 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.

Selected Notes to the Consolidated Condensed Interim Financial Statements

For the half year ended 31 December 2023 (Un-audited)

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.

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 abovementioned 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. NEPRA has set out further amendment (change of one of the labs) in methodology for CV adjustment, however Nishat Power Limited - Subsidiary Company, during the reporting period, has replied to NEPRA that aforementioned matter, being similar in nature, is sub judice before LHC. The management of the Subsidiary Company 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)** On 31 August 2016, Additional Commissioner Inland Revenue (ACIR) passed an amendment order under section 122(5A) of the Income Tax Ordinance, 2001 relating to tax year 2014 whereby tax demand aggregating to Rupees 107.822 million has been raised on various issues. Being aggrieved with the order of ACIR, Nishat Power Limited - Subsidiary Company preferred an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] on 23 September 2016. CIR(A) passed an order on 29 November 2016 whereby relief was granted on various issues whereas matter relating to disallowance of tax credit under section 65B of the Income Tax Ordinance, 2001 was decided against the Subsidiary Company. Being aggrieved with the order of CIR(A), both department and the Subsidiary Company preferred appeals before Appellate Tribunal Inland Revenue (ATIR) on 11 December 2016 and 18 January 2017 respectively. On 12 October 2023, ATIR dismissed the department appeal on the issues taken up by the department. Whereas, on 14 September 2023, ATIR passed an order on Subsidiary Company's appeal and remanded back the case to assessing officer for fresh consideration. Department has not initiated the remand back proceedings as there were certain apparent factual/legal omissions in the order dated 14 September 2023. The Subsidiary Company has filed a rectification application before ATIR, however, the rectification application has not been taken up for hearing by ATIR to-date. Based on the advice of tax advisor, the management of the Subsidiary Company is confident of favorable outcome the matter. Therefore, no provision has been made in these consolidated condensed interim financial statements.
- xxi)** 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 27.5 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 Nil (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)** Guarantees of Rupees 0.6 million (30 June 2023: Rupees 31.61 million) are given by the banks of Nishat Power Limited - Subsidiary Company in favour of Collector of

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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 8,430.667 million (30 June 2023: Rupees 6,767.974 million).
- ii) Letters of credit other than for capital expenditure of the Group are of Rupees 2,813.134 million (30 June 2023: Rupees 3,734.104 million).
- iii) Outstanding foreign currency forward contracts of the Group are Rupees 2,933.693 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:

		Un-audited 31 December 2023 (Rupees in thousand)	Audited 30 June 2023
	Not later than one year	139,822	133,302
	Note	Un-audited 31 December 2023 (Rupees in thousand)	Audited 30 June 2023
9	PROPERTY, PLANT AND EQUIPMENT		
	Operating fixed assets	49,367,926	49,980,400
	Capital work in progress	13,491,936	6,359,839
	Major spare parts and standby equipments	137,930	420,267
		62,997,792	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	1,873,657	8,832,165
		51,854,057	54,598,530
	Less: Book value of deletions during the period / year	(61,699)	(62,584)
		51,792,358	54,535,946
	Less: Depreciation charged for the period / year	(2,423,572)	(4,587,861)
	(Less) / Add: Currency retranslation	(860)	32,315
		49,367,926	49,980,400

	Un-audited 31 December 2023 (Rupees in thousand)	Audited 30 June 2023
9.1.1 Cost of additions		
Freehold land	-	179,845
Buildings	38,673	1,630,448
Plant and machinery	1,441,044	6,288,875
Electric installations	20,736	143,416
Factory equipment	28,154	37,886
Furniture, fixtures and office equipment	85,087	125,868
Computer equipment	51,996	87,364
Vehicles	207,112	336,659
Kitchen equipment and crockery items	855	1,804
	1,873,657	8,832,165
9.1.2 Book value of deletions		
Plant and machinery	32,559	12,989
Electric installations	2,881	-
Factory equipment	112	-
Furniture, fixtures and office equipment	669	-
Computer equipment	726	552
Vehicles	24,752	49,043
	61,699	62,584
9.2 Capital work-in-progress		
Buildings on freehold land	6,268,634	4,211,920
Plant and machinery	6,381,861	1,731,972
Unallocated capital expenditures	171,620	78,003
Electric installations	560,384	218,542
Advances for purchase of freehold land	1,808	942
Advances for purchase of furniture, fixtures and office equipment	5,264	8,831
Advances for purchase of vehicles	102,365	109,629
	13,491,936	6,359,839

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For the half year ended 31 December 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								
	Half year ended 31-Dec-2023	Quarter ended 31-Dec-2023	Half year ended 31-Dec-2022	Half year ended 31-Dec-2023	Quarter ended 31-Dec-2023	Half year ended 31-Dec-2022	Half year ended 31-Dec-2023	Quarter ended 31-Dec-2023	Half year ended 31-Dec-2022	Half year ended 31-Dec-2023	Quarter ended 31-Dec-2023	Half year ended 31-Dec-2022	Half year ended 31-Dec-2023	Quarter ended 31-Dec-2023	Half year ended 31-Dec-2022						
Region																					
Europe	241,981	473,292	56,000	301,057	7,451,574	9,203,297	3,464,165	4,248,544	304,942	303,882	135,744	179,168	10,305,043	8,495,090	5,204,432	4,157,916	1,051,715	2,047,499	385,167	687,423	
America	339,820	584,416	202,151	140,548	390,692	663,727	187,908	341,497	3,830	8,253	-	6,811	3,238,951	1,500,144	1,630,274	787,474	5,906,977	4,050,110	2,669,670	1,998,564	
Asia, Africa, Australia	4,82,416	3,153,339	2,067,277	1,181,910	1,574,024	1,584,178	769,695	813,735	9,308,557	12,128,189	4,615,683	6,305,273	2,143,415	1,837,886	1,241,569	15,616,940	114,290	83,697	41,925	28,319	
Pakistan	22,464,129	17,491,042	10,552,346	6,593,633	4,680,312	4,443,821	2,359,202	2,593,391	6,293,475	4,724,374	3,351,475	2,402,782	9,448,705	6,942,405	4,761,687	2,948,223	127,306	198,451	67,003	119,993	
	27,537,446	21,682,089	12,877,774	10,217,148	14,396,562	15,894,623	6,776,970	7,932,167	15,910,604	17,164,698	8,102,902	9,094,134	25,136,114	18,835,535	12,837,962	9,409,853	7,210,288	6,377,757	3,163,885	2,834,299	
Timing of revenue recognition																					
Products and services transferred at a point in time	27,537,446	21,682,089	12,877,774	10,217,148	14,396,562	15,894,623	6,776,970	7,932,167	15,910,604	17,164,698	8,102,902	9,094,134	25,136,114	18,835,535	12,837,962	9,409,853	7,210,288	6,377,757	3,163,885	2,834,299	
Products and services transferred over time	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Major products/ service lines																					
Yarn	27,537,446	21,505,542	12,877,774	10,216,565	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grey Cloth	-	-	-	-	14,396,562	15,894,623	6,776,970	7,932,167	-	-	-	-	-	-	-	-	-	-	-	-	-
Processed Cloth	-	-	-	-	-	-	-	-	15,910,604	17,164,698	8,102,902	9,094,134	111,113	4,233,861	26,866	2,114,305	-	-	-	-	
Cosmetics	-	-	-	-	-	-	-	-	-	-	-	-	51,730	68,304	26,606	27,069	-	-	-	-	
Waste	-	176,547	-	583	-	-	-	-	-	-	-	-	92,347	115,105	82,831	75,158	-	-	-	-	
Others	-	-	-	-	-	-	-	-	-	-	-	-	130,682	89,419	68,404	52,008	-	-	-	-	
Make Ups	-	-	-	-	-	-	-	-	-	-	-	-	19,438,955	12,073,356	10,204,775	5,653,744	-	-	-	-	
Garments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,210,288	6,377,757	3,163,885	2,834,299	
Towels and Bath Robes	-	-	-	-	-	-	-	-	-	-	-	-	5,311,297	2,254,490	1,487,569	-	-	-	-	-	
Electrinity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Room Rental Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other Hotel Ancillary Services	27,537,446	21,682,089	12,877,774	10,217,148	14,396,562	15,894,623	6,776,970	7,932,167	15,910,604	17,164,698	8,102,902	9,094,134	25,136,114	18,835,535	12,837,962	9,409,853	7,210,288	6,377,757	3,163,885	2,834,299	

Continued on next page



(Rupees in thousand)

Description	Power Generation			Room Rental Services			Other Hotel Ancillary Services			Total - Group						
	Half year ended	Quarter ended	Quarter ended	Half year ended	Quarter ended	Quarter ended	Half year ended	Quarter ended	Quarter ended	Half year ended	Quarter ended	Quarter ended				
	31-Dec-2023	31-Dec-2022	31-Dec-2022	31-Dec-2023	31-Dec-2022	31-Dec-2022	31-Dec-2023	31-Dec-2022	31-Dec-2022	31-Dec-2023	31-Dec-2022	31-Dec-2022				
Region																
Europe	-	-	-	-	-	-	-	-	-	-	-	19,364,355	20,523,050	9,245,328	9,573,508	
America	-	-	-	-	-	-	-	-	-	-	-	9,880,230	6,846,650	4,690,003	3,274,994	
Asa, Africa, Australia	-	-	-	-	-	-	-	-	-	-	-	17,832,702	18,787,289	8,733,049	10,046,077	
Pakistan	12,273,405	13,750,086	2,452,150	2,261,730	307,238	271,677	170,569	148,830	70,812	65,142	38,514	35,760	55,665,362	47,854,618	23,752,346	19,038,342
	12,273,405	13,750,086	2,452,150	2,261,730	307,238	271,677	170,569	148,830	70,812	65,142	38,514	35,760	102,842,668	94,041,807	46,421,526	41,933,921
Timing of revenue recognition																
Products and services transferred at a point in time	10,407,426	12,110,127	1,601,653	1,164,526	307,238	271,677	170,569	148,830	70,812	65,142	38,514	35,760	100,976,696	92,401,848	46,571,229	40,638,717
Products and services transferred over time	1,865,979	1,639,959	850,297	1,097,204	-	-	-	-	-	-	-	-	1,865,979	1,638,959	850,297	1,097,204
	12,273,405	13,750,086	2,452,150	2,261,730	307,238	271,677	170,569	148,830	70,812	65,142	38,514	35,760	102,842,668	94,041,807	46,421,526	41,933,921
Major products/ service lines																
Yarn	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grey Cloth	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Processed Cloth	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Textiles	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cosmetics	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Hotel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Metal Lips	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Garments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Towels and Bath Robes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Electricity	12,273,405	13,750,086	2,452,150	2,261,730	-	-	-	-	-	-	-	-	-	-	-	-
Room Rental Services	-	-	-	-	307,238	271,677	170,569	148,830	-	-	-	-	-	-	-	-
Other Hotel Ancillary Services	-	-	-	-	-	-	-	-	70,812	65,142	38,514	35,760	70,812	65,142	38,514	35,760
	12,273,405	13,750,086	2,452,150	2,261,730	307,238	271,677	170,569	148,830	70,812	65,142	38,514	35,760	102,842,668	94,041,807	46,421,526	41,933,921

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

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	Half year ended		Quarter ended	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
(Rupees in thousand)				
11 COST OF SALES				
Raw materials consumed	59,527,242	56,350,467	25,726,266	23,324,413
Processing charges	651,568	659,997	337,859	394,109
Salaries, wages and other benefits	7,680,224	6,342,705	4,108,676	3,212,937
Stores, spare parts and loose tools consumed	7,905,505	6,211,902	4,066,826	3,122,298
Packing materials consumed	1,970,917	1,389,339	1,021,505	722,994
Repair and maintenance	563,520	524,335	279,522	310,011
Fuel and power	10,142,982	8,946,381	5,129,320	4,210,450
Insurance	277,203	225,425	139,324	113,073
Depreciation on operating fixed assets	2,260,904	2,070,186	1,116,204	1,018,251
Depreciation on right-of-use assets	16,980	-	8,490	-
Other factory overheads	962,200	842,738	504,628	438,401
	91,959,245	83,563,475	42,438,620	36,866,937
Work-in-process				
Opening stock	8,640,997	6,364,578	8,541,392	7,626,777
Closing stock	(10,012,218)	(8,017,590)	(10,012,218)	(8,017,590)
	(1,371,221)	(1,653,012)	(1,470,826)	(390,813)
Cost of goods manufactured	90,588,024	81,910,463	40,967,794	36,476,124
Finished goods				
Opening stock	15,015,877	12,514,128	17,150,612	14,640,499
Closing stock	(19,451,838)	(16,785,789)	(19,451,838)	(16,785,789)
	(4,435,961)	(4,271,661)	(2,301,226)	(2,145,290)
	86,152,063	77,638,802	38,666,568	34,330,834

	Half year ended	
	31 December 2023	31 December 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)	4,822,480	7,499,383
Weighted average number of ordinary shares of Holding Company (Numbers)	351,599,848	351,599,848
Earnings per share (Rupees)	13.72	21.33

	Note	Half year ended	
		31 December 2023	31 December 2022
(Rupees in thousand)			
13 CASH GENERATED FROM / (USED IN) OPERATIONS			
Profit before taxation		8,155,681	10,037,040
Adjustments for non-cash charges and other items:			
Depreciation on operating fixed assets		2,420,194	2,220,732
Depreciation on right-of-use assets		477,890	417,743
Gain on sale of property, plant and equipment		(11,420)	(15,136)
Dividend income		(1,435,705)	(1,181,550)
Gain on initial recognition of ordinary shares transferred under Scheme of Compromises, Arrangement and Reconstruction amongst Nishat (Chunian) Limited and its members		-	(460,187)
Allowance for expected credit losses		1,376	1,675
Profit on deposits with banks		(319,872)	(96,309)
Interest income on advance to associated company		(31,220)	(11,196)
(Gain) / loss on disposal of short term investments		(219,375)	70,470
Share of profit from associates		(1,669,354)	(1,111,025)
Net exchange gain		(566,077)	(316,219)
Finance cost		5,347,372	2,632,000
Reversal of provision for slow moving, obsolete and damaged store items		-	(34)
Working capital changes	13.1	(17,513,411)	(25,150,065)
		(5,363,921)	(12,962,061)
13.1 Working capital changes			
(Increase) / decrease in current assets:			
- Stores, spare parts and loose tools		(1,272,862)	(2,236,125)
- Stock in trade		(13,609,931)	(17,688,171)
- Trade debts		(4,509,259)	(5,861,982)
- Loans and advances		1,012,981	457,793
- Short term deposits and prepayments		(53,177)	(606)
- Other receivables		771,043	(318,254)
		(17,661,205)	(25,647,345)
Increase in trade and other payables		147,794	497,280
		(17,513,411)	(25,150,065)

Selected Notes to the Consolidated Condensed Interim Financial Statements

For the half year ended 31 December 2023 (Un-audited)

14 SEGMENT INFORMATION

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

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

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

	Spinning		Weaving		Dyeing		Home Textile and Terry		Garments		Power Generation		Hotel		Elimination of inter-segment transactions		Total - Group	
	Half year ended		Half year ended		Half year ended		Half year ended		Half year ended		Half year ended		Half year ended		Half year ended		Half year ended	
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
Revenue	27,537,446	21,692,089	14,366,662	15,894,823	15,910,804	17,164,638	25,136,114	18,835,535	7,210,288	6,377,757	12,273,405	13,750,006	376,050	336,819	-	-	102,842,669	94,041,807
External Intersegment	8,674,726	6,616,350	15,893,666	12,619,617	1,762,504	1,528,915	205,242	262,591	1,682	1,169	10,358,827	8,918,602	-	336,819	(37,064,777)	(29,947,444)	-	-
Cost of sales	(36,412,172)	(28,298,139)	(30,820,258)	(28,514,640)	(17,676,338)	(18,663,613)	(25,347,456)	(19,064,126)	(7,211,970)	(6,376,626)	(22,630,232)	(22,668,688)	(376,050)	(336,819)	(97,064,777)	(29,947,444)	(102,842,669)	(94,041,807)
Gross profit	3,766,779	4,401,183	2,445,440	3,484,754	2,423,378	3,635,601	4,906,066	4,442,218	786,688	987,383	2,222,444	2,824,438	145,831	127,447	-	-	16,890,668	16,402,005
Distribution cost	(600,600)	(52,100)	(524,687)	(678,339)	(532,167)	(691,829)	(3,605,677)	(2,677,998)	(616,024)	(406,250)	-	-	-	-	-	-	(6,679,164)	(5,187,103)
Administrative expenses	(845,303)	(873,327)	(259,647)	(237,204)	(174,243)	(146,263)	(784,450)	(609,943)	(183,898)	(164,071)	(246,980)	(218,988)	(41,081)	(64,778)	-	-	(2,035,512)	(1,886,444)
Profit / (loss) before taxation and unallocated income and expenses	(845,912)	(605,517)	(794,534)	(1,116,040)	(705,410)	(840,082)	(4,390,327)	(3,287,941)	(679,832)	(670,321)	(246,980)	(218,988)	(41,081)	(64,778)	-	-	(7,714,678)	(6,973,547)
Unallocated income and expenses:	2,820,867	595,666	1,681,106	2,363,714	1,716,988	2,795,519	515,939	1,154,277	100,836	417,042	1,935,464	2,105,571	104,750	92,669	-	-	8,975,930	9,529,458
Other expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(126,890)
Other income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,894,149
Finance cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(6,347,272)
Share of net profit of associates accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,832,000)
Taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,669,354
Profit after taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,198,322)
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,957,586
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,600,775

14.3 Reconciliation of reportable segment assets and liabilities

	Spinning		Weaving		Dyeing		Home Textile and Terry		Garments		Power Generation		Hotel		Total - Group	
	Half year ended		Half year ended		Half year ended		Half year ended		Half year ended		Half year ended		Half year ended		Half year ended	
	31-Dec-23	30-Jun-23	31-Dec-23	30-Jun-23	31-Dec-23	30-Jun-23	31-Dec-23	30-Jun-23	31-Dec-23	30-Jun-23	31-Dec-23	30-Jun-23	31-Dec-23	30-Jun-23	31-Dec-23	30-Jun-23
Total assets for reportable segments	43,926,709	34,703,014	16,685,668	16,429,296	27,169,514	18,842,212	36,242,977	14,448,602	9,302,283	8,571,547	39,042,742	37,497,275	1,096,431	1,304,106	172,236,624	131,794,262
Unallocated assets:																
Long term investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	61,948,815	54,469,898
Short term investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,164,822	5,169,899
Other receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12,905,669	13,667,116
Cash and bank balances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,559,823	9,159,628
Other corporate assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,950,429	17,405,475
Total assets as per consolidated condensed interim statement of financial position	43,926,709	34,703,014	16,685,668	16,429,296	27,169,514	18,842,212	36,242,977	14,448,602	9,302,283	8,571,547	39,042,742	37,497,275	1,096,431	1,304,106	172,236,624	131,794,262
Total liabilities for reportable segments	3,765,240	2,815,311	2,389,553	2,620,358	2,178,444	1,617,530	4,328,555	5,403,123	1,208,535	605,316	6,778,323	3,684,618	72,778	746,110	20,732,428	17,651,266
Unallocated liabilities:																
Deferred liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,388,206	5,069,383
Other corporate liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	88,077,608	67,609,349
Total liabilities as per consolidated condensed interim statement of financial position	3,765,240	2,815,311	2,389,553	2,620,358	2,178,444	1,617,530	4,328,555	5,403,123	1,208,535	605,316	6,778,323	3,684,618	72,778	746,110	20,732,428	17,651,266

Selected Notes to the Consolidated Condensed Interim Financial Statements

For the half year ended 31 December 2023 (Un-audited)

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 31 December 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	18,127,547	-	-	18,127,547
Derivative financial assets	-	59,616	-	59,616
Total financial assets	18,127,547	59,616	-	18,187,163
Financial liabilities				
Derivative financial liabilities	-	25,607	-	25,607
Total financial liabilities	-	25,607	-	25,607

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	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.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

ii) Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include the use of quoted market prices or dealer quotes for similar instruments.

Selected Notes to the Consolidated Condensed Interim Financial Statements

For the half year ended 31 December 2023 (Un-audited)

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

	Half year ended		Quarter ended	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	(Rupees in thousand)			
Associated companies				
Investment made	586,900	2,145,886	586,900	2,016,886
Short term loans made	25,280	20,000	-	20,000
Purchase of goods and services	150,965	121,034	76,674	65,771
Sharing of expenses	1,054	891	554	502
Sale of goods and services	17,891	36,830	4,807	16,793
Purchase of operating fixed assets	55,912	73,050	30,562	34,684
Rental income	4,035	3,673	2,018	1,837
Rent paid	50,080	46,412	25,040	22,787
Dividend income	1,427,039	792,292	761,005	440,077
Dividend paid	154,265	123,372	154,265	123,372
Insurance premium paid	403,015	350,880	214,321	192,595
Insurance claims received	43,339	48,849	18,346	28,793
Interest income	126,563	28,972	73,324	9,338
Finance cost	84,098	47,784	43,158	31,679
Other related parties				
Dividend income	-	255,376	-	-
Sale of goods and services	317	1,773	68	1,773
Interest income	87,434	8,754	31,756	8,754
Finance cost	456	332	361	100
Group's contribution to provident fund trust	324,099	257,179	183,892	128,943
Remuneration paid to Chief Executive Officer and Executives of the Holding Company	1,142,213	1,024,874	707,477	429,017
Dividend Paid	443,338	354,670	443,338	354,670

ii) Period end balances

	As at 31 December 2023		
	Associated companies	Other related parties	Total
	(Rupees in thousand)		
Trade and other payables	44,842	-	44,842
Accrued markup	23,899	-	23,899
Short term borrowings	1,804,544	-	1,804,544
Property, plant and equipment	14,448	-	14,448
Long term loans	-	308,612	308,612
Trade debts	6,942	20	6,962
Loans and advances	198,611	114,442	313,053
Other receivables	3,242	-	3,242
Accrued interest	23,600	2,888	26,488
Cash and bank balances	3,140,214	1,658,801	4,799,015

	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 February 2024.

19 CORRESPONDING FIGURES

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

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

20 GENERAL

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

ڈائریکٹرز کا مشاعرہ

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

☆ کمپنی بورڈ اور اس کی کمیٹیوں کے اجلاسوں میں شرکت کی فیس کے سوائے آزاد ڈائریکٹرز سمیت اپنے نان ایگزیکٹو ڈائریکٹرز کو معاوضہ ادا نہیں کرے گی۔

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

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

اظہار تشکر۔

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

منجانب بورڈ آف ڈائریکٹرز

David Jozal

فرید نور علی فضل
ڈائریکٹر

Ummamasha

میاں عمر منشا
چیف ایگزیکٹو آفیسر

28 فروری 2024ء

لاہور

ذیلی کمپنیاں اور کنسولیڈیٹڈ مالیاتی گوشوارے

نشاط پاور لمیٹڈ، نشاط لینن (پرائیویٹ) لمیٹڈ، نشاط ہاسٹیلٹی (پرائیویٹ) لمیٹڈ، نشاط کموڈٹیز (پرائیویٹ) لمیٹڈ، نشاط پوائس اے انکار پور لمیٹڈ، نشاط لینن ٹریڈنگ ایل ایل سی، نشاط انٹرنیشنل FZE اور چائنا گوانگ ژو نشاط گلوبل کمپنی لمیٹڈ کمپنی کے ضمنی ادارے ہیں۔ اس لیے کمپنی نے انٹرنیشنل فنانشل رپورٹنگ سٹینڈرڈز کی مطابقت سے علیحدہ جامع فنانشل اسٹیٹمنٹس کے ساتھ، یکجا جامع فنانشل اسٹیٹمنٹس کو بھی منسلک کیا ہے۔

بورڈ کی ساخت

بورڈ کی ساخت درج ذیل ہے:

ڈائریکٹرز کی کل تعداد

5	(ا) مرد
2	(ب) خواتین

تشکیل

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

بورڈ کی کمیٹیاں

آڈٹ کمیٹی

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

ہیومن ریسورس اور معاوضہ (HR&R) کمیٹی

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

گارمنٹس

مالی سال 2023-24 کی پہلی ششماہی کے دوران، گارمنٹس ڈویژن نے صارفین کی پسند اور ذمہ دارانہ مینوفیکچرنگ طریقوں کے تحت اپنے پختہ عزم کی وجہ سے نمایاں پیش رفت کی ہے۔ صارفین کی ضروریات کو ترجیح دیتے ہوئے، ڈویژن نے فخر کے ساتھ اپنے پورٹ فولیو میں پریمیئم مصنوعات شامل کی ہیں جس سے ششماہی کے دوران آمدنی میں 14.65 فیصد اضافہ ہوا ہے۔

گا ہک کے اطمینان کے لیے لگن کے علاوہ، گارمنٹس ڈویژن اقوام متحدہ کے پائیداری کے اہداف کے لیے ایک سرکردہ وکیل کے طور پر کھڑا ہے۔ اس نے ماحولیاتی شراکت داروں کے ساتھ فعال طور پر پانی کی نگرانی کے اقدامات کو نافذ کرنے، ارد گرد کے معاشرہ کے لیے صاف پانی کی رسائی کو یقینی بنانے اور پانی کے تحفظ کے لیے ہمارے عزم کو ظاہر کرنے کے لیے فعال طور پر تعاون کیا ہے۔ مزید برآں، اس نے ٹیکسٹائل شعبہ کے لیے مستقبل کی قیادت کو فروغ دینے کے لیے گزشتہ چھ ماہ کے دوران انسانی سرمائے کی ترقی میں بہت زیادہ سرمایہ کاری کی ہے۔

اضافہ / (کمی)		31 دسمبر کو اختتام شدہ ششماہی		گارمنٹس
		2022	2023	
فیصد	قدر			
(12.30)	(414)	3,367	2,953	فروخت - (گارمنٹس '000)
30.72	558.22	1,817.22	2,375.44	قیمت فی گارمنٹ
14.65	896,086	6,118,594	7,014,680	فروخت - ('000 روپے)

پاور جنریشن

حکومت پاکستان نے ٹیکسٹائل سیکٹر کو برآمدات پر مبنی شعبے کی حیثیت کے باوجود مالی رعایت کی فراہمی بند کر دی ہے۔ اس لیے توانائی کی بڑھتی ہوئی قیمت اس شعبے کے لیے ایک بڑا مسئلہ بن گئی ہے۔

موجودہ حالات میں کمپنی کی حکمت عملی توانائی کی بڑھتی ہوئی لاگت کا مقابلہ کرنے کے لیے قابل تجدید توانائی کے ذرائع میں سرمایہ کاری کرنا ہے۔ فی الحال، ہمارے پاس شمسی توانائی پلانٹس کے ذریعے 14.2 میگا واٹ بجلی پیدا کرنے کی صلاحیت ہے، اور ہم متعدد منصوبوں کے ذریعے اضافی 2.562 میگا واٹ کے حصول اور تنصیب کے عمل میں ہیں۔ مزید برآں، 8.96 میگا واٹ کے شمسی توانائی کے منصوبے زیر غور ہیں۔ ہمیں پختہ یقین ہے کہ قابل تجدید توانائی کی طرف یہ تبدیلی نہ صرف توانائی کے بڑھتے ہوئے اخراجات کی وجہ سے پیدا ہونے والے مالی دباؤ سے نمٹنے میں ہماری مدد کرے گی بلکہ پائیدار طریقوں اور ماحولیاتی ذمہ داری کے لیے ہماری وابستگی کو بھی ظاہر کرے گی۔

اضافہ/(کمی)		31 دسمبر کو اختتام شدہ ششماہی		پروسیسڈ کلاٹھ
فیصد	قدر	2022	2023	
(6.18)	(1,489)	24,088	22,599	فروخت - (میٹرز '000)
(1.00)	(7.01)	698.86	691.85	قیمت فی میٹر
(7.12)	(1,199,118)	16,834,187	15,635,069	فروخت - ('000 روپے)

مصنوعات کی تنوع ڈویژن کی حکمت عملی کا ایک بنیادی پہلو ہے۔ ورک ویئر اور ڈینم یونٹس کے قیام کے منصوبے جاری ہیں۔ ان اقدامات کا مقصد نئی مصنوعات کے ساتھ ہمارے پروڈکٹ پورٹ فولیو کو بڑھا کر طویل مدتی ترقی اور منافع کو فروغ دینا ہے۔

گھریلو ٹیکسٹائل اور ٹیری (Home Textile and Terry)

ڈویژن نے اپنے مالی سال کا آغاز بڑھتی ہوئی سیلز اور امید افزا آرڈر کے ساتھ کیا لیکن مالی سال کے پہلے چھ ماہ بہت مشکل تھے۔ تاہم، ڈویژن میں گھریلو ٹیکسٹائل مصنوعات کی فروخت میں 13.42 فیصد اضافہ ریکارڈ کیا گیا۔

اضافہ/(کمی)		31 دسمبر کو اختتام شدہ ششماہی		پروسیسڈ کلاٹھ اینڈ میڈ ایٹس
فیصد	قدر	2022	2023	
(0.29)	(40)	13,642	13,602	فروخت - (میٹرز '000)
13.76	96.11	698.66	794.77	قیمت فی میٹر
13.42	1,279,424	9,531,084	10,810,508	فروخت - ('000 روپے)

ٹیری یونٹ کی کارکردگی شاندار رہی۔ پچھلے سال کے اسی نصف کے مقابلے میں موجودہ ششماہی میں اس کی ٹاپ لائن میں 152.98 فیصد اضافہ ہوا۔

اضافہ/(کمی)		31 دسمبر کو اختتام شدہ ششماہی		ٹیری
فیصد	قدر	2022	2023	
121.19	1,607	1,326	2,933	فروخت - (کلوگرام '000)
14.37	208.47	1,450.67	1,659.14	قیمت فی کلوگرام
152.98	2,942,662	1,923,592	4,866,254	فروخت - ('000 روپے)

بنائی (Weaving)

ہماری، بنیادی مارکیٹ یورپ میں گرے کپڑے کی مانگ بلند افراط زر اور شرح سود کی وجہ سے کم ہو گئی ہے۔ صارفین خوراک اور بنیادی ضروریات کے اخراجات کو کپڑوں کی خریداری پر ترجیح دے رہے ہیں۔ ان معاشی حالات کے جواب میں، ڈویژن نے اپنے پروڈکٹ پورٹ فولیو کو ایڈجسٹ کیا ہے، جس سے منافع کو برقرار رکھنے کے لیے فیشن فیبرک کے مقابلے تکنیکی فیبرک کا تناسب بڑھایا گیا ہے۔ تاہم، مقامی مارکیٹ میں فیشن فیبرک کی کافی مانگ موجود ہے۔

اضافہ (کمی)		31 دسمبر کو اختتام شدہ ششماہی		گرے کا تھ
فیصد	قدر	2022	2023	
(9.48)	(4,805)	50,706	45,901	فروخت - (میٹرز '000)
1.38	4.59	332.45	337.04	قیمت فی میٹر
(8.22)	(1,386,460)	16,857,057	15,470,597	فروخت - ('000 روپے)

مشکل کاروباری حالات کے باوجود، کمپنی کی حکمت عملی مصنوعات کی رینج کو متنوع بنانے اور نئی منڈیوں تک پھیلانے پر ہے، جس میں برآمدات ہماری اولین ترجیح ہیں۔ اس حکمت عملی کے ساتھ ہم آہنگ ہونے کے لیے ڈویژن کا منصوبہ ہے کہ وہ تکنیکی فیبرک کی تیاری میں معاونت کے لیے اپنے بیک پراسیسرز میں مزید سرمایہ کاری کرے، جو بنیادی طور پر 100% پولیسٹر فلامنٹ یارن پر مشتمل ہے۔ مزید برآں، مقامی فیشن ویئر مارکیٹ اور بین الاقوامی تکنیکی فیبرک مارکیٹ دونوں میں وسیع چوڑائی والے تکنیکی فیبرک کی بڑھتی ہوئی مانگ کے لیے ڈویژن اپنے 80 روایتی 190 سینٹی میٹر والے لومز کو 210/230 سینٹی میٹر لومز میں اپ گریڈ کرنے کا ارادہ رکھتا ہے تاکہ پیداواری کچک کو بڑھایا جاسکے۔

رنگائی (Dyeing)

ڈائنگ ڈویژن کو مالی سال 2023-24 کی پہلی ششماہی کے دوران عالمی اور مقامی منڈیوں میں مشکل معاشی حالات کا سامنا کرنا پڑا۔ ڈویژن کی ٹاپ لائن میں 7.12 فیصد کمی کے باوجود، اس نے اپنی پیداواری صلاحیتوں کو کامیابی سے استعمال کیا اور اس عرصے کے دوران تسلی بخش منافع حاصل کیا۔

چونکہ مالی سال کی دوسری ششماہی شروع ہو چکی ہے جو کہ روایتی طور پر ٹیکسٹائل کے کاروباری چکر میں ایک کمزور دور ہوتا ہے، اس لیے انتظامیہ مارکیٹ کی صورتحال پر گہری نظر رکھے ہوئے ہے اور آنے والے مشکلات سے نمٹنے کے لیے فعال اقدامات کر رہی ہے۔

قیمتوں کے تعین کی حکمت عملیوں میں غیر یقینی صورتحال کا عنصر بھی شامل کر دیا ہے۔

بحیرہ احمر میں رکاوٹوں کی وجہ سے ایشیا اور مشرق وسطیٰ سے لے کر یورپ اور امریکی مشرقی ساحل تک سمندری مال برداری کے اخراجات تقریباً دو گنا ہو گئے ہیں۔ حملوں سے بچنے کے لیے کنٹینر بحری جہاز افریقہ کے گرد روٹ کیے جا رہے ہیں، ٹرانزٹ ٹائم 7 دن سے بڑھ کر 20 دن ہو گیا ہے۔ اس صورتحال نے کاروبار کرنے کی لاگت کو مزید بڑھا دیا ہے۔

مشکلات میں اضافہ کرنے والا ایک اور اہم عنصر عالمی معاشی سست روی کی وجہ سے بین الاقوامی منڈیوں میں ٹیکسٹائل کے سامان کی مانگ میں کمی ہے۔ یہ کمی مالی سال 2023-24 کی دوسری ششماہی کے دوران برقرار رہنے کا امکان ہے۔

سیگمنٹ تجزیہ

کمپنی کی طبقاتی کارکردگی کا مختصر جائزہ درج ذیل ہے:

کٹائی (Spinning)

کپاس کی نئی فصل آتے ہی مقامی خریداروں کی جانب سے تیزی سے خریداری کے باعث مقامی مارکیٹ میں خام روئی کی قیمتیں بلند رہیں۔ بین الاقوامی منڈی میں کپاس کی قیمتوں میں بھی اسی رجحان کی پیروی کی گئی۔ کمپنی نے فصل کی کٹائی کے موسم کے آغاز پر فوری طور پر مالی سال 2023-24 کے لیے اپنی پیداواری ضروریات کو پورا کرنے کے لیے خام کپاس کی خریداری کا آغاز کیا۔ کمپنی کا کٹن اسٹاک زیادہ تر مقامی روئی پر مشتمل ہوتا ہے جس میں درآمد شدہ کپاس کا ایک تھوڑا حصہ ہوتا ہے۔

ڈویژن کو علاقائی حریفوں سے سخت مقابلے کا سامنا کرنا پڑا، بین الاقوامی منڈی میں سوتی دھاگے کی کم مانگ اور زیادہ پیداواری لاگت کی وجہ سے اس میں شدت آئی۔ مقامی مارکیٹ میں بھی مانگ سست تھی، لیکن برآمدی منڈی کے مقابلے میں اس کی کارکردگی نسبتاً بہتر رہی۔

اضافہ (کمی)		31 دسمبر کو اختتام شدہ ششماہی		یارن
فیصد	قدر	2022	2023	
59.52	7,952	13,360	21,312	فروخت - (کلوگرام '000)
6.93	55.56	801.61	857.17	قیمت فی کلوگرام
70.58	7,558,530	10,709,474	18,268,004	فروخت - ('000 روپے)

ڈائریکٹرز کی رپورٹ

نشاط ملز لمیٹڈ ("کمپنی") کے ڈائریکٹرز 31 دسمبر 2023 کو اختتام شدہ ششماہی کے لیے ڈائریکٹرز کی رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

آپریٹنگ مالی نتائج

کمپنی کی آمدنی 9.464 ارب (14.02%) روپے کے اضافہ کے ساتھ 76.971 ارب روپے پر پہنچ گئی، جو کہ گزشتہ سال اسی ششماہی میں 67.507 ارب روپے تھی۔ تاہم مجموعی منافع میں 2.111 ارب (18.49%) روپے کی کمی واقع ہوئی جس کی بنیادی وجہ پیداواری لاگت میں غیر معمولی اضافے اور بین الاقوامی مارکیٹ میں ٹیکسٹائل مصنوعات کی کم مانگ ہے۔

ڈیویڈنڈ آمدنی نے منافع میں کمی کی نمایاں طور پر تلافی کی، جو کہ گزشتہ سال کی پہلی ششماہی کے دوران 2.536 ارب روپے تھی، اس سے بڑھ کر موجودہ ششماہی کے دوران 2.923 ارب (115.26%) کے نمایاں اضافے کے ساتھ 5.459 ارب روپے پر پہنچ گئی ہے۔ تاہم، مالیاتی لاگت میں 2.689 ارب (112.22%) روپے کا غیر معمولی اضافہ ریکارڈ کیا گیا۔ جسکی بنیادی وجہ قرض کی اوسط شرح میں اضافہ ہے۔ پچھلے سال کے مقابلے میں موجودہ سال سپر ٹیکس کے اضافی ریٹ نے بھی کمپنی کے منافع پر منفی اثر ڈالا۔

اضافہ / (کمی) فیصد	31 دسمبر کو اختتام شدہ ششماہی		مالی جھلکیاں
	2022	2023	
14.02	67,507,201	76,970,895	آمدنی (روپے '000)
(18.49)	11,415,977	9,304,971	مجموعی منافع (روپے '000)
(28.10)	7,835,468	5,633,456	بعد از ٹیکس منافع (روپے '000)
	16.91	12.09	مجموعی منافع (فیصد)
	11.61	7.32	بعد از ٹیکس منافع (فیصد)
	22.29	16.02	منافع فی حصص - (روپے)

مارکیٹ کا عمومی جائزہ اور مستقبل کے امکانات۔

مالی سال 2023-24 کی پہلی ششماہی کے دوران پاکستان کے ٹیکسٹائل شعبہ کی کارکردگی کمزور رہی۔ اس شعبے کو بے شمار مشکلات کا سامنا رہا جیسے کہ خام مال کی بڑھتی ہوئی لاگت، توانائی کے زیادہ اخراجات، مہنگی فنائنگ اور حکومتی ٹیکسوں میں بے پناہ اضافہ۔ ان عوامل نے مجموعی طور پر ٹیکسٹائل انڈسٹری کے منافع اور مجموعی کارکردگی کو کم کر دیا ہے۔ مزید برآں، زرمبادلہ کی شرحوں میں غیر متوقع اتار چڑھاؤ نے



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