



Dream
Diversify
Deliver

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Nishat Mills Limited

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Company Information

Board of Directors

Mian Umer Mansha
Chairman/CEO

Mian Hassan Mansha
Mr. Khalid Qadeer Qureshi
Syed Zahid Hussain
Mr. Muhammad Azam
Ms. Nabiha Shahnawaz Cheema
Mr. Maqsood Ahmad

Audit Committee

Mr. Khalid Qadeer Qureshi
Chairman/Member

Mr. Muhammad Azam
Member
Ms. Nabiha Shahnawaz Cheema
Member

Human Resource & Remuneration (HR & R) Committee

Mian Hassan Mansha
Chairman/Member

Mian Umer Mansha
Member
Mr. Khalid Qadeer Qureshi
Member

Chief Financial Officer

Mr. Badar-ul-Hassan

Company Secretary

Mr. Khalid Mahmood Chohan

Auditors

Riaz Ahmad & Company
Chartered Accountants

Legal Advisor

Mr. M. Aurangzeb Khan, Advocate,
Chamber No. 6, District Court,
Faisalabad.

Bankers to the Company

Albaraka Bank (Pakistan) Limited
Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Islami Pakistan Limited
Barclays Bank PLC
Burj Bank Limited
Citibank N.A.
Deutsche Bank AG
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
HSBC Bank Middle East Limited
JS Bank Limited
KASB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
NIB Bank Limited
Pak Brunei Investment Company
Limited
Pak Oman Investment Company
Limited
Pakistan Kuwait Investment
Company (Private) Limited
Samba Bank Limited
Saudi Pak Industrial & Agricultural
Investment Company Limited
Silk Bank Limited
Soneri Bank Limited
Summit Bank Limited
Standard Chartered Bank (Pakistan)
Limited
The Bank of Punjab
United Bank Limited

Mills

**Spinning units, Yarn Dyeing
& Power plant**
Nishatabad, Faisalabad.

Spinning unit & Power plant
20 K.M. Sheikhpura Faisalabad Road,
Feroze Watwan.

Weaving units & Power plant
12 K.M. Faisalabad Road, Sheikhpura.

**Weaving units, Dyeing & Finishing unit,
Processing unit, Stitching unit and
Power plant**

5 K.M. Nishat Avenue
Off 22 K.M. Ferozepur Road,
Lahore.

Stitching unit
21 K.M. Ferozepur Road, Lahore.

Apparel Unit
7 K.M. Nishat Avenue
Off 22 K.M. Ferozepur Road,
Lahore.

Registered office & Shares Department

Nishat House,
53 - A, Lawrence Road, Lahore.
Tel: 042-36360154, 042-111 113 333
Fax: 042-36367414

Head Office

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

Liaison Office

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

Directors' Report

Directors of Nishat Mills Limited ("the Company") are pleased to present the Directors' Report for the nine months ended 31 March 2013.

Operating Financial Results

Company's financial performance has seen tremendous growth in comparison to the corresponding nine months period. This is mainly on account of increase in sales and better cost control. Sales have increased by 19.63% i.e. Rs. 6.4 billion out of which Rs. 5.2 billion is attributable to increase in quantity sold. Cost of sales has been effectively controlled which has increased by 16.54% only. Raw material consumption cost as a percentage to sales has been reduced from 19.34% in the corresponding period to 16.90% in the current nine months period. Resultantly, gross profit margin has increased by 37.38%. The same trend is reflected in key profitability measures presented below.

Financial Highlights	Period ended 31 March		Increase/ (decrease) %
	2013	2012	
Net Sales (Rs. '000')	38,895,854	32,513,517	19.63
Gross Profit (Rs. '000')	6,622,309	4,820,311	37.38
Profit before tax (Rs. '000')	4,510,154	2,926,250	54.13
Profit after tax (Rs. '000')	4,111,154	2,526,250	62.74
Gross Profit (%)	17.03	14.83	14.83
Profit after tax (%)	10.57	7.77	36.04
Earnings per share (Rs.)	11.69	7.19	62.59

Dividend income (Rs. 1.5 billion for the current period) is providing consistent support to the profitability. Substantial savings have been made in finance cost through better working capital management and reduction in borrowing rates, allowing the profit before tax to jump by 54.13%.

General Market Review and Future Prospects

Global economic conditions have been a little better this year than last year but the recovery is slow and fragile. Some good policy decisions have been taken in various parts of the world last year and they are expected to keep the momentum in 2013. The International Monetary Fund has predicted 3.5% GDP growth for the global economy in 2013. In this global village, what happens in Europe, United States and China affects Asian and Pakistani Textile Industry.

United States is making significant progress on its path to recovery. Similarly Chinese economy is heading up in last quarter after showing slow growth in last one and a half year. Domestic consumption of textile products in China is becoming more important driver of growth, which will directly or indirectly raise demand of raw material in Pakistan. This is the reason that yarn and greige fabric export from Pakistan to China is growing at rapid pace and we have seen this factor in last two quarters.

Textile industry in Pakistan is not able to take full advantage of this emerging situation because of energy crises, political uncertainty and poor law & order situation. Most of the textile units are running at 50-60 percent production capacity which is escalating unemployment day by day.

Spinning

During the first and second quarter of year 2012-2013, cotton prices moved only within a 10% limit. Favorable weather conditions, timely arrival of new crop and last year's stocks with spinners were the major factors resistant to cotton prices. In the third quarter cotton prices have increased by 15%. Cotton prices increased in third quarter due to shortage of raw cotton in local and international markets but calmed down as soon as China and India released some stocks. At Nishat Mills, we had bought cotton in the first half of year providing us coverage till October 2013. This allowed us to keep our cotton consumption rates in control and avoid the increase in cotton prices in third quarter.

Yarn	Nine months ended 31 March		Increase / (Decrease)	
	2013	2012	Value	% age
Sale - (kgs '000')	21,050	19,781	1,269	6.42
Rate / Kg	342.59	319.12	23.47	7.35
Sale - (Rs. '000')	7,211,507	6,312,426	899,081	14.24

For export sales, yarn prices do not generally follow the trend of movements in cotton prices. For local sales, yarn prices were supportive in first quarter only. In the second and third quarters, severe shortage of power created extreme difficulties for spinners to honor the export and local commitments. It resulted in shortage of yarn in local market. At Nishat Mills, we managed the situation by using alternate but expensive sources of power generation. Expensive sources of power generation increased our cost of production and resultantly affected profitability especially in the third quarter.

Towards the end of this quarter though, buyers have realized the scenario and shortage of yarn has induced them to pay the market price. Carded yarn was demanded more than combed yarn. Hong Kong and China remained our main markets for export sales.

Weaving

First nine months of financial year 2013 have witnessed relative stability in cotton prices. Polyester fiber prices have also become stable recently. Customers on the other hand forecasted at least 10% decrease in yarn / fabric prices after the start of Chinese New Year. That did not happen because China was keeping huge stocks of cotton to keep a check on the market. Till mid third quarter most of the spinners / weavers were having good sales positions. By the end of the third quarter, business slowed down considerably specially from Chinese customers just to bring down the prices.

Our selling prices in third quarter have increased slightly in comparison to first and second quarter owing to rise in yarn prices as compared to the yarn prices of first and second quarter. European customers have started placing spring / summer orders and we expect this trend to continue in the coming weeks. Work-wear business has also picked up recently and we have booked long term orders from one of our main client.

Grey Cloth	Nine months ended 31 March		Increase / (Decrease)	
	2013	2012	Value	% age
Sale - (Meters '000')	50,026	41,448	8,578	20.70
Rate / Meter	161.04	162.63	(1.59)	(0.98)
Sale - (Rs. '000')	8,056,354	6,740,740	1,315,614	19.52

At present, our weaving division is in the process of BMR. We have sold some of our older looms due to which our production capacity has decreased by 7% in Bhikki during the last month of third quarter of financial year 2013. These looms will be replaced by new Picanol airjet looms. We are also replacing back process along with the looms. We are also working on installation of a new shed with 100 looms for which land purchase is in process.

Processing and Home Textile

Processing division performed remarkably well during the nine months period from July 2012 to March 2013. The division achieved record sales figures. The most incredible feat is to pull this off during this vociferous economic and social crisis. We are confident that we will be able to maintain our performance momentum in last quarter of this fiscal year also, as we have already sold our capacities till June 2013.

Processed Cloth and Made-ups	Nine months ended 31 March		Increase / (Decrease)	
	2013	2012	Value	% age
Sale - (Meters '000')	59,710	51,798	7,912	15.27
Rate / Meter	267.22	269.35	(2.13)	(0.79)
Sale - (Rs. '000')	15,956,041	13,951,579	2,004,462	14.37

In the home textile division, our diversified strategy for American and European markets and our strong presence in both regions is an important reason for our unflagging standing even during the worst economic crisis. We, being the market leader, keep developing new products and diversifying our product mix to attract a large number of clientele. Part of our strategy, that was established few months earlier is to penetrate in the top upper segments with value added products, has started paying off and our developments during this period have started converting into tangible orders. Moreover our strategy to serve the top retailers with direct shipments instead of orthodox strategy of going through importers is also delivering better results and we have been able to amplify our direct sales to retailers with better quality and service levels and swiftly acquire business from world leading brands.

In view of above, production capacity is being increased in processing as well as in stitching units to cater for the growing demand. We are on the right track to meet our sales targets and will close this financial year with much improved figures than last year.

Garments

Nishat Apparel produced healthy results for first three quarters of the financial year 2013. Compared to the corresponding period of financial year 2012, sales grew by 37.78%, with increase in quantity of 36.14% and in price 1.21%, thus resulting increase in our profit margins. These results are overwhelmingly positive and have fueled the need for further expansions.

China's increasing cost of production has forced major retailers and brands to actively seek larger production capacities in South East Asian countries. Pakistan can largely benefit from this shift coupled with Generalized Scheme of Preferences (GSP) Plus status due for next year which will allow bulk of its products to have duty free access to European Union, resultantly increase the rate of export growth in EU member states. Pakistan makes one of the best fabrics in the world in both Denim and Piece Dyed categories. Pakistan has the potential of becoming one of the best sourcing hubs for Apparel.

Garments	Nine months ended 31 March		Increase / (Decrease)	
	2013	2012	Value	% age
Sale - (Garments '000')	5,033	3,697	1,336	36.14
Rate / Garment	770.84	761.64	9.20	1.21
Sale - (Rs. '000')	3,879,646	2,815,794	1,063,852	37.78

Nishat Apparel is poised to be a beneficiary of this increased activity through product development and its great customer base. Our future plans include a major production expansion with emphasis on buying specialized machinery for newer products.

Power Generation

Our first Combined Heat and Power (CHP) Plant started its commercial operations from 1st December 2012 at our premises in Lahore. Second phase of the strategy is underway and the planning has been completed to double the production capacity of this CHP Plant. In line with our strategy to eliminate dependence on traditional fuels (diesel and furnace oil) our team of experienced professionals is working aggressively in analysing possibility of other innovative and alternate sources of energy (power and steam) generation which will not only help the Company but will also pave a new way of hope for the ailing textile industry across the country.

Subsidiary Companies and Consolidated Financial Statements

Nishat Power Limited, Nishat Linen (Private) Limited, Nishat Hospitality (Private) Limited, Nishat USA Inc., Nishat Linen Trading L.L.C and Nishat International FZE form portfolio of subsidiary companies of the Company. Therefore, the Company has annexed consolidated condensed interim financial information in addition to its separate condensed interim financial information, in accordance with the requirements of International Accounting Standard-27 (Consolidated and Separate Financial Statements) and International Accounting Standard-34 (Interim Financial Reporting).

Other Matters

Further equity investment up to USD 3 million in Nishat International FZE

A wholly owned company in the name of Nishat International FZE was incorporated with the approval of the board of directors in Jabel Ali Free Zone Dubai, UAE as a Free Zone Establishment (FZE) with an equity investment approval of USD 2 million.

The management is now planning to open retail outlets in Gulf Cooperation Council (GCC) countries. These investments will be made by Nishat International, FZE in the companies to be incorporated in these GCC countries.

The management of Nishat Mills Limited anticipates that investments in GCC countries will help in increasing the export sales of Nishat Mills Limited as all the stock to be sold in these retail outlets will be produced in the manufacturing units of the Nishat Mills Limited in Pakistan.

In order to implement the above proposal, Nishat International, FZE will need a cash flow of USD 3 million which has been approved by the Board of Directors of Nishat Mills Limited to be funded by further equity investment of an equal amount by Nishat Mills Limited, subject to the necessary approval of State Bank of Pakistan.

It is expected that the return on this additional investment will have a payback period of approximately four years and Nishat Mills Limited expects significant returns on its equity investment in Nishat International, FZE which will eventually enhance the return on investment of the shareholders of Nishat Mills Limited.

Further equity investment up to Rs. 200 million in Nishat Hospitality (Private) Limited

Nishat Hospitality (Private) Limited ("subsidiary company") was incorporated on July 1, 2011 as a wholly owned subsidiary of the Company. The principle objective of Nishat Hospitality (Private) Limited is to carry on the hotel business in Pakistan. The subsidiary company is currently building a 4 star hotel in Lahore. The Board of Directors of Nishat Mills Limited have already approved equity investment of Rs. 600 million and working capital loan of Rs 500 million in the subsidiary company.

To cater for the increase in project cost due to US dollar appreciation and change in project plan, the Board of Directors of Nishat Mills Limited has approved further equity investment up to Rs. 200 million in the subsidiary company.

It is expected that the payback period of the project will be at four and a half years. Nishat Mills Limited expects significant returns on its equity investment in Nishat Hospitality (Private) Limited which will eventually enhance the return on investment of the shareholders of Nishat Mills Limited.

Acknowledgement

The board is pleased about the efforts of the management and workers.

For and on behalf of the Board of Directors



Mian Umer Mansha
Chairman/Chief Executive Officer

25 April 2013
Lahore

Unconsolidated Condensed Interim
Financial Information

For the period ended 31 March 2013

Unconsolidated Condensed Interim Balance Sheet
As at 31 March 2013

	Note	Un-audited 31 March 2013 (Rupees in thousand)	Audited 30 June 2012
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
1,100,000,000 (30 June 2012: 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 2012: 351,599,848) ordinary shares of Rupees 10 each		3,515,999	3,515,999
Reserves		45,828,229	34,246,750
Total equity		49,344,228	37,762,749
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	5	2,952,296	3,289,538
Liabilities against assets subject to finance lease	6	84,281	137,040
Deferred income tax liability		386,702	310,305
		3,423,279	3,736,883
CURRENT LIABILITIES			
Trade and other payables		3,853,483	3,397,640
Accrued mark-up		197,385	269,579
Short term borrowings		11,809,623	9,665,849
Current portion of non-current liabilities		1,369,185	1,106,902
Provision for taxation		621,359	686,781
		17,851,035	15,126,751
TOTAL LIABILITIES		21,274,314	18,863,634
CONTINGENCIES AND COMMITMENTS	7		
TOTAL EQUITY AND LIABILITIES		70,618,542	56,626,383

The annexed notes form an integral part of this unconsolidated condensed interim financial information.



Chief Executive Officer

	Note	Un-audited 31 March 2013 (Rupees in thousand)	Audited 30 June 2012
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	15,097,289	14,318,639
Investment properties		238,493	241,969
Long term investments		30,281,782	21,912,790
Long term loans		80,882	268,330
Long term deposits and prepayments		41,740	36,984
		45,740,186	36,778,712
CURRENT ASSETS			
Stores, spare parts and loose tools		1,401,327	1,019,041
Stock in trade		12,419,946	9,695,133
Trade debts		4,906,063	3,489,070
Loans and advances		1,801,308	867,631
Short term deposits and prepayments		16,743	41,008
Other receivables		935,304	758,077
Accrued interest		8,361	30,062
Short term investments		2,684,569	1,589,093
Cash and bank balances		704,735	2,358,556
		24,878,356	19,847,671
TOTAL ASSETS		70,618,542	56,626,383



Director

Unconsolidated Condensed Interim Profit and Loss Account
For the period ended 31 March 2013 (Un-audited)

	Note	Period ended		Quarter ended	
		31 March 2013	31 March 2012 (Rupees in thousand)	31 March 2013	31 March 2012
SALES		38,895,854	32,513,517	12,578,848	10,895,376
COST OF SALES	9	(32,273,545)	(27,693,206)	(10,341,293)	(9,162,714)
GROSS PROFIT		6,622,309	4,820,311	2,237,555	1,732,662
DISTRIBUTION COST		(1,862,606)	(1,670,292)	(586,019)	(576,950)
ADMINISTRATIVE EXPENSES		(712,555)	(540,421)	(277,045)	(178,767)
OTHER OPERATING EXPENSES		(243,689)	(222,402)	(77,014)	(57,410)
		(2,818,850)	(2,433,115)	(940,078)	(813,127)
		3,803,459	2,387,196	1,297,477	919,535
OTHER OPERATING INCOME		1,937,394	1,896,526	543,390	305,905
PROFIT FROM OPERATIONS		5,740,853	4,283,722	1,840,867	1,225,440
FINANCE COST		(1,230,699)	(1,357,472)	(399,294)	(468,074)
PROFIT BEFORE TAXATION		4,510,154	2,926,250	1,441,573	757,366
TAXATION		(399,000)	(400,000)	(188,000)	(133,000)
PROFIT AFTER TAXATION		4,111,154	2,526,250	1,253,573	624,366
EARNINGS PER SHARE-BASIC AND DILUTED (RUPEES)	10	11.69	7.19	3.57	1.78

The annexed notes form an integral part of this unconsolidated condensed interim financial information.



Chief Executive Officer



Director

Unconsolidated Condensed Interim Statement of Profit or loss and other Comprehensive Income
For the period ended 31 March 2013 (Un-audited)

	Period ended		Quarter ended	
	31 March 2013	31 March 2012 (Rupees in thousand)	31 March 2013	31 March 2012
PROFIT AFTER TAXATION	4,111,154	2,526,250	1,253,573	624,366
OTHER COMPREHENSIVE INCOME / (LOSS)				
Items that will not be reclassified to profit or loss	-	-	-	-
Items that may be reclassified subsequently to profit or loss:				
Surplus / (deficit) on remeasurement of available for sale investments	8,777,321	(130,623)	2,173,113	6,138,681
Deferred income tax relating to surplus on available for sale investment	(76,397)	265,861	-	-
Other comprehensive income for the period - net of tax	8,700,924	135,238	2,173,113	6,138,681
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	12,812,078	2,661,488	3,426,686	6,763,047

The annexed notes form an integral part of this unconsolidated condensed interim financial information.



Chief Executive Officer



Director

Unconsolidated Condensed Interim Cash Flow Statement
For the period ended 31 March 2013 (Un-audited)

	Note	Period ended	
		31 March 2013	31 March 2012
(Rupees in thousand)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	11	788,702	2,177,812
Finance cost paid		(1,302,893)	(1,491,525)
Income tax paid		(480,679)	(460,989)
Exchange gain on forward contracts received		23,416	264,031
Net increase in long term loans		(36,922)	(16,830)
Net increase in long term deposits and prepayments		(3,526)	(2,111)
Net cash (utilized in) / from operating activities		(1,011,902)	470,388
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(1,891,073)	(1,712,887)
Proceeds from sale of property, plant and equipment		167,434	45,494
Loans and advances to subsidiary companies		(5,426,485)	(2,966,674)
Repayment of loans from subsidiary companies		4,780,810	3,370,825
Interest received		66,774	201,545
Dividends received		1,544,690	1,550,937
Investments made		(678,782)	(518,881)
Net cash used in investing activities		(1,436,632)	(29,641)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		1,490,000	1,941,842
Repayment of long term financing		(1,568,945)	(1,263,910)
Repayment of liabilities against assets subject to finance lease		(48,773)	(45,019)
Short term borrowings - net		2,143,774	(814,861)
Dividend paid		(1,221,343)	(1,153,494)
Net cash from / (used in) financing activities		794,713	(1,335,442)
Net decrease in cash and cash equivalents		(1,653,821)	(894,695)
Cash and cash equivalents at the beginning of the period		2,358,556	1,132,701
Cash and cash equivalents at the end of the period		704,735	238,006

The annexed notes form an integral part of this unconsolidated condensed interim financial information.



Chief Executive Officer



Director

Unconsolidated Condensed Interim Statement of Changes in Equity For the period ended 31 March 2013 (Un-audited)

	Reserves						Total equity
	Capital reserves		Revenue reserves			Total	
	Premium on issue of right shares	Fair value reserve	Sub total	General reserve	Unappropriated profit		
	(Rupees in thousand)						
Balance as at 30 June 2011 - (Audited)	5,499,530	5,704,086	11,203,616	15,828,028	4,846,316	20,674,344	35,393,959
Transaction with owners - Final dividend for the year ended 30 June 2011 @ Rupees 3.30 per share	-	-	-	-	(1,160,279)	(1,160,279)	(1,160,279)
Transfer to general reserve	-	-	-	3,683,000	(3,683,000)	-	-
Profit for the period ended 31 March 2012	-	-	-	-	2,526,250	2,526,250	2,526,250
Other comprehensive income for the period ended 31 March 2012	-	135,238	135,238	-	-	-	135,238
Total comprehensive income for the period ended 31 March 2012	-	135,238	135,238	-	2,526,250	2,526,250	2,661,488
Balance as at 31 March 2012 - (Un-audited)	5,499,530	5,839,324	11,338,854	19,511,028	2,529,287	22,040,315	36,895,168
Profit for the period ended 30 June 2012	-	-	-	-	1,002,317	1,002,317	1,002,317
Other comprehensive income for the period ended 30 June 2012	-	(134,736)	(134,736)	-	-	-	(134,736)
Total comprehensive income for the period ended 30 June 2012	-	(134,736)	(134,736)	-	1,002,317	1,002,317	867,581
Balance as at 30 June 2012 - (Audited)	5,499,530	5,704,588	11,204,118	19,511,028	3,531,604	23,042,632	37,762,749
Transaction with owners - Final dividend for the year ended 30 June 2012 @ Rupees 3.50 per share	-	-	-	-	(1,230,599)	(1,230,599)	(1,230,599)
Transfer to general reserve	-	-	-	2,297,000	(2,297,000)	-	-
Profit for the period ended 31 March 2013	-	-	-	-	4,111,154	4,111,154	4,111,154
Other comprehensive income for the period ended 31 March 2013	-	8,700,924	8,700,924	-	-	-	8,700,924
Total comprehensive income for the period ended 31 March 2013	-	8,700,924	8,700,924	-	4,111,154	4,111,154	12,812,078
Balance as at 31 March 2013 - (Un-audited)	5,499,530	14,405,512	19,905,042	21,808,028	4,115,159	25,923,187	49,344,228

The annexed notes form an integral part of this unconsolidated condensed interim financial information.



Chief Executive Officer



Director

Selected Notes to the Unconsolidated Condensed Interim Financial Information

For the period ended 31 March 2013 (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 Ordinance, 1984) and listed on all Stock Exchanges in Pakistan. 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

This unconsolidated condensed interim financial information is un-audited and is being submitted to shareholders as required by section 245 of the Companies Ordinance, 1984. This unconsolidated condensed interim financial information of the Company for the period ended 31 March 2013 has been prepared in accordance with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. This unconsolidated condensed interim financial information should be read in conjunction with the audited annual published financial statements of the Company for the year ended 30 June 2012.

3 ACCOUNTING POLICIES

The accounting policies and methods of computations adopted for the preparation of this unconsolidated condensed interim financial information 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 2012.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of this unconsolidated condensed interim financial information 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 this unconsolidated condensed interim financial information, 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 2012.

	Un-audited 31 March 2013	Audited 30 June 2012
(Rupees in thousand)		
5 LONG TERM FINANCING- SECURED		
Opening balance	4,331,178	3,882,849
Add: Obtained during the period / year	1,490,000	1,941,842
Less: Repaid during the period / year	1,568,945	1,493,513
	4,252,233	4,331,178
Less: Current portion shown under current liabilities	1,299,937	1,041,640
	2,952,296	3,289,538

	Un-audited 31 March 2013 (Rupees in thousand)	Audited 30 June 2012
6 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE		
Future minimum lease payments	173,601	242,580
Less: Un-amortized finance charge	20,072	40,278
Present value of future minimum lease payments	153,529	202,302
Less: Current portion shown under current liabilities	69,248	65,262
	84,281	137,040

6.1 This represents sale and leaseback arrangement with Pak Kuwait Investment Company (Private) Limited. According to the lease agreement, leasing company has contributed Rupees 150.047 million from its own sources and the remaining amount of Rupees 149.953 million has been financed under Long Term Finance Facility (LTFF) scheme of State Bank of Pakistan. Minimum lease payments have been discounted using implicit interest rate ranging from 9.70 % to 14.06 % (31 March 2012: 9.70% to 14.02%) per annum. Balance rentals are payable in quarterly installments. Taxes, repairs and insurance costs are borne by the Company. These are secured against the leased assets and demand promissory notes.

7 CONTINGENCIES AND COMMITMENTS

a) Contingencies

- i) The Company is contingently liable for Rupees 0.631 million (30 June 2012: Rupees 0.631 million) on account of central excise duty not acknowledged as debt as the cases are pending before Court.
- ii) Guarantees of Rupees 625.607 million (30 June 2012: Rupees 539.902 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 and Pakistan Army against fulfillment of sales order.
- iii) Post dated cheques of Rupees 1,597.423 million (30 June 2012: Rupees 1,591.201 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 will not be provided on due dates, cheques issued as security shall be encashable.
- iv) The Company has not recognised fuel adjustment charges for the period from August 2012 to March 2013, as the Company has obtained stay against payment of such charges from Honorable Islamabad High Court, Islamabad. Amount of fuel adjustment charges relating to this period is not quantifiable as the rates of fuel adjustment charges are not notified by National Electric Power Regulatory Authority. The management based on advice of the legal counsel, believes that it has strong grounds of appeal and payment / accrual of such charges will not be required.

b) Commitments

- i) Contracts for capital expenditure are approximately of Rupees 1,537.927 million (30 June 2012: Rupees 639.874 million).
- ii) Letters of credit other than for capital expenditure are Rupees 467.137 million (30 June 2012: Rupees 613.976 million).

Selected Notes to the Unconsolidated Condensed Interim Financial Information
For the period ended 31 March 2013 (Un-audited)

8 PROPERTY, PLANT AND EQUIPMENT

	Note	Un-audited 31 March 2013 (Rupees in thousand)	Audited 30 June 2012
Operating fixed assets			
Owned	8.1	13,612,894	12,250,991
Leased	8.2	228,321	246,378
Capital work-in-progress	8.3	1,256,074	1,821,270
		15,097,289	14,318,639
8.1 Operating fixed assets - Owned			
Opening book value		12,250,991	12,107,389
Add: Cost of additions during the period / year	8.1.1	2,456,269	1,573,932
		14,707,260	13,681,321
Less: Book value of deletions during the period / year	8.1.2	127,044	82,737
Less: Book value of assets transferred to investment properties during the year		-	120,279
		127,044	203,016
		14,580,216	13,478,305
Less: Depreciation charged during the period / year		967,322	1,227,314
		13,612,894	12,250,991
8.1.1 Cost of additions			
Freehold land		123,546	44,433
Buildings on freehold land		634,851	381,732
Plant and machinery		1,587,469	995,021
Electric installations		6,765	18,883
Factory equipment		39,219	30,193
Furniture, fixtures and office equipment		13,712	14,990
Computer equipment		4,627	7,530
Vehicles		46,080	81,150
		2,456,269	1,573,932

	Un-audited 31 March 2013 (Rupees in thousand)	Audited 30 June 2012
8.1.2 Book value of deletions		
Plant and machinery	123,857	66,579
Factory equipment	3	-
Furniture, fixtures and office equipment	133	431
Computer equipment	14	47
Vehicles	3,037	15,680
	127,044	82,737
8.2 Operating fixed assets - Leased		
Opening book value	246,378	273,105
Less: Depreciation charged during the period / year	18,057	26,727
	228,321	246,378
8.3 Capital work-in-progress		
Buildings on freehold land	217,556	533,345
Plant and machinery	990,424	1,246,125
Electric installations	-	912
Unallocated expenditure	-	33,619
Letters of credit against machinery	3,510	1,048
Advances against furniture and office equipment	184	448
Advances against vehicles	44,400	5,773
	1,256,074	1,821,270

Selected Notes to the Unconsolidated Condensed Interim Financial Information
For the period ended 31 March 2013 (Un-audited)

	Period ended		Quarter ended	
	31 March 2013	31 March 2012 (Rupees in thousand)	31 March 2013	31 March 2012
9 COST OF SALES				
Raw materials consumed	6,571,671	6,289,124	1,923,208	1,968,289
Cloth and yarn purchased / used	15,112,524	10,623,498	5,279,562	3,661,073
Processing charges	225,501	133,542	67,069	46,943
Salaries, wages and other benefits	2,225,713	1,779,923	734,687	581,871
Staff retirement benefits	60,019	49,904	20,338	16,436
Stores, spare parts and loose tools consumed	2,978,488	2,437,202	996,834	913,011
Packing materials consumed	656,783	557,479	217,402	196,530
Repair and maintenance	255,647	240,279	120,843	83,884
Fuel and power	3,538,730	3,032,259	1,253,029	1,196,072
Insurance	25,673	27,170	8,675	9,056
Other factory overheads	262,728	203,024	98,828	69,674
Depreciation	925,547	874,234	329,561	294,233
	32,839,024	26,247,638	11,050,036	9,037,072
Work-in-process				
Opening stock	4,405,629	5,432,669	4,381,788	4,593,527
Closing stock	(4,666,877)	(4,400,391)	(4,666,877)	(4,400,391)
	(261,248)	1,032,278	(285,089)	193,136
Cost of goods manufactured	32,577,776	27,279,916	10,764,947	9,230,208
Finished goods				
Opening stock	2,307,777	2,802,898	2,188,354	2,322,114
Closing stock	(2,612,008)	(2,389,608)	(2,612,008)	(2,389,608)
	(304,231)	413,290	(423,654)	(67,494)
	32,273,545	27,693,206	10,341,293	9,162,714

	Period ended		Quarter ended	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
10 EARNINGS FOR SHARE - BASIC AND DILUTED				
There is no dilutive effect on the basic earnings per share which is based on:				
Profit attributable to ordinary shares (Rupees in thousand)	4,111,154	2,526,250	1,253,573	624,366
Weighted average number of ordinary shares (Numbers)	351,599,848	351,599,848	351,599,848	351,599,848
Earnings per share (Rupees)	11.69	7.19	3.57	1.78

	Note	Period ended	
		31 March 2013	31 March 2012
(Rupees in thousand)			
11 CASH GENERATED FROM OPERATIONS			
Profit before taxation		4,510,154	2,926,250
Adjustments for non-cash charges and other items:			
Depreciation		988,855	937,628
Impairment loss on equity investment		-	672
Gain on sale of property, plant and equipment		(40,390)	(17,579)
Dividend Income		(1,544,690)	(1,550,937)
Exchange difference on translation of investments in foreign subsidiaries		(8,365)	(4,776)
Net exchange gain on forward contracts		(39,770)	(20,523)
Interest income on loans and advances to subsidiary companies		(65,750)	(177,687)
Finance cost		1,230,699	1,357,472
Working capital changes	11.1	(4,242,041)	(1,272,708)
		788,702	2,177,812
11.1 Working capital changes			
(Increase) / decrease in current assets			
- Stores, spare parts and loose tools		(382,286)	(110,979)
- Stock in trade		(2,724,813)	(2,129,718)
- Trade debts		(1,416,993)	469,994
- Loans and advances		(47,375)	(56,546)
- Short term deposits and prepayments		23,035	6,744
- Other receivables		(156,550)	192,628
		(4,704,982)	(1,627,877)
Increase in trade and other payables		462,941	355,169
		(4,242,041)	(1,272,708)

12 SEGMENT INFORMATION

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

Spinning: Production of different qualities of yarn using natural and artificial fibers.

Weaving: Production of different qualities of greige fabric using yarn.

Processing & Home Textile: Processing of greige fabric for production of printed and dyed fabric and its further use in manufacturing variety of home textile articles.

Garments: Manufacturing of garments using processed fabric.

Power Generation: Generation and distribution of power using gas, oil, steam, coal and biomass.

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

Selected Notes to the Unconsolidated Condensed Interim Financial Information
For the period ended 31 March 2013 (Un-audited)

	(Un-audited)													
	Spinning		Weaving		Processing & Home Textile		Garments		Power Generation		Elimination of inter-segment transactions		Total- Company	
	Period ended	31 Mar 2012	31 Mar 2012	31 Mar 2012	31 Mar 2012	31 Mar 2012	31 Mar 2012	31 Mar 2012	31 Mar 2012	31 Mar 2012	31 Mar 2012	31 Mar 2012	31 Mar 2012	31 Mar 2012
Sales	9,259,744	8,003,403	7,009,836	17,217,512	14,581,356	3,956,075	2,894,345	23,727	24,579	-	-	-	-	3,251,351
External Intersegment	2,273,887	2,526,722	5,344,859	588,033	553,770	1,449	3,470,056	3,010,532	3,010,532	(11,573,189)	(11,437,372)	-	-	-
Cost of sales	11,533,631	10,530,125	12,354,733	17,835,545	15,135,126	3,954,075	2,895,794	3,493,783	3,035,111	(11,573,189)	(11,437,372)	30,885,654	32,513,517	32,513,517
Gross profit / (loss)	1,992,745	1,039,376	1,015,444	2,457,052	2,144,930	889,392	634,849	11,981	(14,288)	-	-	6,622,309	4,820,311	4,820,311
Distribution cost	(260,887)	(418,468)	(34,682)	(885,988)	(914,157)	(291,963)	(170,944)	(4,290)	(2,688)	-	-	(1,862,606)	(1,670,292)	(1,670,292)
Administrative expenses	(184,484)	(141,955)	(130,934)	(278,616)	(206,692)	(51,475)	(4,328)	(27,588)	(17,822)	-	-	(712,555)	(540,421)	(540,421)
Profit / (loss) before taxation and unallocated income and expenses	(445,371)	(588,959)	(477,759)	(1,165,614)	(1,120,649)	(343,438)	(214,182)	(31,879)	(20,511)	-	-	(2,575,161)	(2,210,713)	(2,210,713)
Unallocated income and expenses	1,547,374	661,764	537,685	1,291,438	1,024,281	545,954	420,667	(19,898)	(34,799)	-	-	4,047,148	2,609,598	2,609,598
Other operating expenses														(243,688)
Finance cost														1,937,304
Taxation														(1,230,698)
Profit after taxation														(399,000)
Reconciliation of reportable segment assets														4,111,154
														2,526,250

	(Rupees in thousand)													
	Spinning		Weaving		Processing & Home Textile		Garments		Power Generation		Total- Company			
	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited		
Total assets for reportable segments	11,187,631	8,301,318	5,796,083	5,072,193	11,515,052	9,850,474	1,910,444	2,290,564	3,975,025	3,563,078	34,384,235	29,077,627	29,077,627	
Unallocated assets:														
Long term investments														30,281,782
Other receivables														935,304
Cash and bank balances														704,735
Other corporate assets														4,312,486
Total assets as per balance sheet														70,618,542

13 TRANSACTIONS WITH RELATED PARTIES

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

i) Transactions	Period ended		Quarter ended	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
(Rupees in thousand)				
Subsidiary companies				
Investment made	378,782	218,960	252,497	27,750
Long term loan payment received	218,220	600,000	-	-
Interest income	65,750	87,769	19,935	18,231
Short term loans made	5,426,485	2,966,674	2,141,843	1,131,812
Short term loans payment received	4,562,590	2,770,825	2,249,046	1,318,609
Rental income	19,336	7,573	6,391	3,496
Dividend income	180,633	-	-	-
Purchase of goods and services	123,854	143,698	55,504	73,709
Sale of goods and services	2,879,449	977,882	1,019,821	550,714
Associated companies				
Investment made	300,000	-	71,130	-
Purchase of goods and services	13,780	37,366	4,091	21,001
Sale of operating fixed assets	1,349	587	22	50
Sale of goods and services	212	3,567	65	2,255
Rental income	251	2,948	84	54
Dividend income	1,319,030	1,505,910	412,858	181,668
Dividend paid	110,419	104,115	-	-
Insurance premium paid	79,842	71,180	9,040	7,909
Insurance claims received	12,839	13,128	3,459	4,581
Profit on term deposit receipt	5,035	-	-	-
Subscription paid	1,250	1,000	-	-
Other related parties				
Dividend income	45,027	45,026	-	-
Purchase of goods and services	64,452	16,249	52,978	11,922
Sale of goods and services	26,052	7,073	83	5,918
Company's contribution to provident fund trust	84,562	71,213	28,493	23,628
Remuneration paid to Chief Executive Officer, Directors and Executives	326,471	235,143	100,096	74,077
ii) Period end balances				
As at 31 March 2013				
	Subsidiary companies	Associated companies	Other related parties	Total
(Rupees in thousand)				
Trade and other payables	18,702	5,959	5,861	30,522
Long term loans	-	-	71,842	71,842
Trade debts	493,742	43	-	493,785
Loans and advances	876,163	-	23,086	899,249
Other receivables	490	-	-	490
Accrued interest	6,700	-	-	6,700
Cash and bank balances	-	91,102	-	91,102

Selected Notes to the Unconsolidated Condensed Interim Financial Information
For the period ended 31 March 2013 (Un-audited)

	As at 30 June 2012 (Audited)			Total
	Subsidiary companies	Associated companies	Other related parties	
Trade and other payables	2,737	36,065	21	38,823
Long term loans	218,220	-	40,593	258,813
Trade debts	80,818	-	-	80,818
Loans and advances	4,628	-	17,178	21,806
Other receivables	30	-	-	30
Accrued interest	7,724	2,945	-	10,669
Cash and bank balances	-	301,855	-	301,855

14 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 2012.

15 DATE OF AUTHORIZATION FOR ISSUE

This unconsolidated condensed interim financial information was approved by the Board of Directors and authorized for issue on 25 April 2013.

16 CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting", the unconsolidated condensed interim balance sheet 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 profit and loss account, unconsolidated condensed interim statement of profit or loss and other comprehensive income and unconsolidated condensed interim cash flow statement 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.

17 GENERAL

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



Chief Executive Officer



Director

Consolidated Condensed Interim
Financial Information

For the period ended 31 March 2013

Consolidated Condensed Interim Balance Sheet
As at 31 March 2013

	Note	Un-audited 31 March 2013 (Rupees in thousand)	Audited 30 June 2012
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
1,100,000,000 (30 June 2012: 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 2012: 351,599,848) ordinary shares of Rupees 10 each		3,515,999	3,515,999
Reserves			
		56,693,843	46,187,508
Equity attributable to equity holders of the Holding Company			
		60,209,842	49,703,507
Non-controlling Interest			
		4,352,260	3,516,083
Total equity			
		64,562,102	53,219,590
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing-secured	6	14,014,437	15,062,966
Liabilities against assets subject to finance lease	7	85,876	137,040
Long term security deposit		50,950	11,000
Retirement benefit obligation		2,410	730
Deferred income tax liability		386,852	310,455
		14,540,525	15,522,191
CURRENT LIABILITIES			
Trade and other payables		5,476,898	4,346,047
Accrued mark-up		646,582	908,865
Short term borrowings		17,406,162	16,289,529
Current portion of non-current liabilities		2,300,657	1,938,589
Provision for taxation		731,350	746,726
		26,561,649	24,229,756
TOTAL LIABILITIES			
		41,102,174	39,751,947
CONTINGENCIES AND COMMITMENTS			
	8		
TOTAL EQUITY AND LIABILITIES			
		105,664,276	92,971,537

The annexed notes form an integral part of this consolidated condensed interim financial information.



Chief Executive Officer

	Note	Un-audited 31 March 2013 (Rupees in thousand)	Audited 30 June 2012
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	9	29,656,966	29,469,622
Investment properties		238,493	241,969
Long term investments		35,872,186	29,853,657
Long term loans		81,772	50,110
Long term deposits and prepayments		51,403	42,645
		65,900,820	59,658,003
CURRENT ASSETS			
Stores, spare parts and loose tools		2,177,835	1,424,420
Stock-in-trade		14,643,600	10,549,271
Trade debts		17,095,837	14,196,364
Loans and advances		1,015,851	1,958,525
Short term deposits and prepayments		78,876	75,324
Other receivables		1,232,260	969,638
Accrued interest		2,048	50,233
Short term investments		2,684,569	1,589,093
Cash and bank balances		832,580	2,500,666
		39,763,456	33,313,534
TOTAL ASSETS		105,664,276	92,971,537



Director

Consolidated Condensed Interim Profit and Loss Account
For the period ended 31 March 2013 (Un-audited)

	Note	Period ended		Quarter ended	
		31 March 2013	31 March 2012 (Rupees in thousand)	31 March 2013	31 March 2012
SALES		59,502,298	50,115,413	19,786,392	16,926,732
COST OF SALES	10	(48,301,760)	(41,400,073)	(15,919,126)	(13,792,851)
GROSS PROFIT		11,200,538	8,715,340	3,867,266	3,133,881
DISTRIBUTION COST		(2,355,684)	(1,764,840)	(815,302)	(633,804)
ADMINISTRATIVE EXPENSES		(843,387)	(640,928)	(323,875)	(211,513)
OTHER OPERATING EXPENSES		(252,657)	(229,845)	(70,902)	(60,821)
		(3,451,728)	(2,635,613)	(1,210,079)	(906,138)
		7,748,810	6,079,727	2,657,187	2,227,743
OTHER OPERATING INCOME		1,057,276	865,040	307,827	288,613
PROFIT FROM OPERATIONS		8,806,086	6,944,767	2,965,014	2,516,356
FINANCE COST		(2,942,539)	(3,483,806)	(906,953)	(1,144,153)
		5,863,547	3,460,961	2,058,061	1,372,203
SHARE OF PROFIT FROM ASSOCIATED COMPANIES		2,021,258	1,172,461	676,099	573,593
PROFIT BEFORE TAXATION		7,884,805	4,633,422	2,734,160	1,945,796
TAXATION		(488,365)	(444,919)	(244,600)	(151,439)
PROFIT AFTER TAXATION		7,396,440	4,188,503	2,489,560	1,794,357
SHARE OF PROFIT ATTRIBUTABLE TO:					
EQUITY HOLDERS OF HOLDING COMPANY		6,386,808	3,490,720	2,134,850	1,512,425
NON-CONTROLLING INTEREST		1,009,632	697,783	354,710	281,932
		7,396,440	4,188,503	2,489,560	1,794,357
EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)	11	18.16	9.93	6.07	4.30

The annexed notes form an integral part of this consolidated condensed interim financial information.



Chief Executive Officer



Director

Consolidated Condensed Interim Statement of Profit or Loss and Other Comprehensive Income
For the period ended 31 March 2013 (Un-audited)

	Period ended		Quarter ended	
	31 March 2013	31 March 2012 (Rupees in thousand)	31 March 2013	31 March 2012
PROFIT AFTER TAXATION	7,396,440	4,188,503	2,489,560	1,794,357
OTHER COMPREHENSIVE INCOME / (LOSS) :				
Items that will not be reclassified to profit or loss	-	-	-	-
Items that may be reclassified subsequently to profit or loss:				
Surplus/ (deficit) arising on remeasurement of available for sale investments	3,892,193	(709,806)	224,940	3,539,894
Share of other comprehensive income/(loss) of associates	1,532,962	(543,088)	178,738	1,139,594
Exchange differences on translating foreign operations	1,368	163	1,556	2,858
Deferred income tax relating to surplus on available for sale investments	(76,397)	87,028	-	-
Other comprehensive income/ (loss) for the period- net of tax	5,350,126	(1,165,703)	405,234	4,682,346
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	12,746,566	3,022,800	2,894,794	6,476,703
SHARE OF TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Equity holders of holding company	11,736,934	2,325,017	2,540,084	6,194,771
Non-controlling interest	1,009,632	697,783	354,710	281,932
	12,746,566	3,022,800	2,894,794	6,476,703

The annexed notes form an integral part of this consolidated condensed interim financial information.



Chief Executive Officer



Director

Consolidated Condensed Interim Cash Flow Statement
For the period ended 31 March 2013 (Un-audited)

	Note	Period ended	
		31 March 2013	31 March 2012
(Rupees in thousand)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	12	3,770,912	3,931,861
Finance cost paid		(3,204,822)	(3,575,067)
Income tax paid		(524,202)	(472,169)
Long term security deposit received		39,950	3,000
Exchange gain on forward exchange contracts received		23,416	264,031
Net increase in retirement benefit obligation		1,680	-
Net increase in long term loans		(38,223)	(16,830)
Net increase in long term deposits and prepayments		(7,528)	(6,466)
Net cash generated from operating activities		61,183	128,360
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(2,098,302)	(1,944,863)
Proceeds from sale of property, plant and equipment		168,572	47,193
Interest received		153,429	105,915
Dividends received		1,364,057	1,550,937
Investments made		(300,000)	(299,921)
Net cash used in investing activities		(712,244)	(540,739)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		1,490,000	1,941,842
Repayment of long term financing		(2,180,830)	(1,691,813)
Repayment of liabilities against assets subject to finance lease		(48,773)	(45,019)
Exchange difference on translation of net investments in foreign subsidiaries		1,368	163
Short term borrowings - net		1,116,633	641,849
Dividend paid		(1,395,423)	(1,153,494)
Net cash used in financing activities		(1,017,025)	(306,472)
Net decrease in cash and cash equivalents		(1,668,086)	(718,851)
Cash and cash equivalents at the beginning of the period		2,500,666	1,158,946
Cash and cash equivalents at the end of the period		832,580	440,095

The annexed notes form an integral part of this consolidated condensed interim financial information.



Chief Executive Officer



Director

Consolidated Condensed Interim Statement of Changes in Equity

For the period ended 31 March 2013 (Un-audited)

Share capital	Attributable to equity holders of the holding company										Non-controlling interest	Total equity
	Capital reserve		Revenue reserve		Shareholders' equity		Total reserves	Shareholders' equity	Non-controlling interest	Total equity		
	Premium on issue of right shares	Fair value reserve	Exchange transaction reserve	Capital redemption reserve fund	Sub total	General reserve						
3,515,999	5,499,530	5,896,130	1,260	111,002	11,507,922	23,059,882	9,151,233	32,210,115	43,718,037	47,234,036	2,691,679	49,925,715
-	-	-	-	-	-	(1,160,279)	(1,160,279)	(1,160,279)	(1,160,279)	(1,160,279)	-	(1,160,279)
-	-	-	-	-	-	7,846,000	(7,846,000)	-	-	-	-	-
-	-	(1,165,866)	163	-	(1,165,703)	-	-	-	3,490,720	3,490,720	697,783	4,188,503
-	-	(1,165,866)	163	-	(1,165,703)	-	-	-	3,490,720	3,490,720	697,783	(1,165,703)
3,515,999	5,499,530	4,730,264	1,423	111,002	10,342,219	30,904,882	36,356,674	34,540,556	44,882,775	48,398,774	3,389,462	51,788,236
-	-	-	-	-	-	-	-	-	-	-	(173,455)	(173,455)
-	-	-	-	-	-	-	745,632	745,632	745,632	745,632	300,076	1,045,708
-	-	557,034	2,067	-	559,101	-	-	-	559,101	559,101	-	559,101
-	-	557,034	2,067	-	559,101	-	-	-	745,632	1,304,733	300,076	1,604,809
3,515,999	5,499,530	5,287,298	3,490	111,002	10,901,320	30,904,882	4,381,306	35,286,188	46,187,508	49,703,507	3,516,083	53,219,590
-	-	-	-	-	-	-	(1,230,599)	(1,230,599)	(1,230,599)	(1,230,599)	-	(1,230,599)
-	-	-	-	-	-	-	-	-	-	-	(173,455)	(173,455)
-	-	-	-	-	-	3,005,000	(3,005,000)	-	-	-	-	-
-	-	-	-	-	-	-	6,386,808	6,386,808	6,386,808	6,386,808	1,009,632	7,396,440
-	-	5,348,758	1,368	-	5,350,126	-	-	-	5,350,126	5,350,126	-	5,350,126
-	-	5,348,758	1,368	-	5,350,126	-	-	-	6,386,808	11,736,934	1,009,632	12,746,566
3,515,999	5,499,530	10,636,056	4,858	111,002	16,251,446	33,909,882	6,532,515	40,442,357	56,693,843	60,209,842	4,352,260	64,562,102

The annexed notes form an integral part of this consolidated condensed interim financial information.

Uma Menon

Chief Executive Officer

[Signature]
Director

Balance as at 30 June 2011 - (audited)

Transaction with owners- Final dividend for the year ended 30 June 2011 @ Rupees 3.30 per share
Transferred to general reserve
Profit for the period ended 31 March 2012
Other comprehensive loss for the period ended 31 March 2012
Total comprehensive income/ (loss) for the period ended 31 March 2012

Balance as at 31 March 2012 - (un-audited)

Transactions with owners- Dividend relating to year 2011 paid to non-controlling interest
Profit for the period ended 30 June 2012
Other comprehensive income for the period ended 30 June 2012
Total comprehensive income for the period ended 30 June 2012

Balance as at 30 June 2012 - (audited)

Transaction with owners- Final dividend for the year ended 30 June 2012 @ Rupees 3.50 per share
Transaction with owners- Dividend relating to year 2012 paid to non-controlling interest
Transferred to general reserve
Profit for the period ended 31 March 2013
Other comprehensive income for the period ended 31 March 2013
Total comprehensive income for the period ended 31 March 2013

Balance as at 31 March 2013 - (un-audited)

Selected Notes to the Consolidated Condensed Interim Financial Information For the period ended 31 March 2013 (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 L.L.C.
-Nishat International FZE

NISHAT MILLS LIMITED

Nishat Mills Limited is a public limited Company incorporated in Pakistan under the Companies Act, 1913 (Now Companies Ordinance, 1984) and listed on all Stock Exchanges in Pakistan. 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 and listed on Karachi Stock Exchange Limited and Lahore Stock Exchange Limited in Pakistan. 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.

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 Companies Ordinance, 1984 on 15 March 2011. The registered office of Nishat Linen (Private) Limited is situated at 3-Yahya Block Nishatabad, Faisalabad. The principal objects of the Company are to operate retail outlets for sale of textile and other products and to manufacture and sale the textile products by processing the textile goods in own or 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 Companies Ordinance, 1984 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 activity of the Company is to carry on the business of hotels, cafes, restaurants and lodging or apartment houses, bakers and confectioners in Pakistan and outside Pakistan.

NISHAT USA, INC.

Nishat USA, Inc. is a foreign subsidiary incorporated under the Business Corporation Laws of the State of New York. The registered office of Nishat USA, Inc. is situated at 676 Broadway, New York, NY 10012, U.S.A. The principal business of the Subsidiary 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 L.L.C

Nishat Linen Trading L.L.C 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 L.L.C 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 L.L.C. Date of incorporation of the Company was 29 December 2010. The registered office of Nishat Linen Trading L.L.C is situated at P.O. Box 28189 Dubai, UAE. The principal business of the Subsidiary Company is to operate retail outlets in UAE for sale of textile and related products.

NISHAT INTERNATIONAL FZE

Nishat International FZE is a wholly owned subsidiary of Nishat Mills Limited. It has been formed as a Free Zone Establishment limited liability company pursuant to Law No. 9 of 1992 and implementing Regulations issued there under by the Jebel Ali Free Zone. It has been registered in the FZE register on February 7, 2013. The registered office of Nishat International FZE is situated at Plot No. MO0741, Jebel Ali Free Zone Dubai, UAE. The principal activity of the Subsidiary Company is trading in textiles, blankets, towels, linens, ready-made garments, garments accessories, leather products such as shoes & Handbags and all such ancillaries thereto.

2 BASIS OF PREPARATION

This consolidated condensed interim financial information is un-audited and is being submitted to share holders as required by section 245 of the Companies Ordinance, 1984 and the listing regulations of the Islamabad, Karachi and Lahore stock exchanges. This consolidated condensed interim financial information has been prepared in accordance with the requirements of International Accounting Standard-34 "Interim Financial Reporting" and International Accounting Standard-27 "Consolidated and separate financial statements" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of and directives issued under the Companies Ordinance, 1984 have been followed. This consolidated condensed interim financial information should be read in conjunction with the preceding audited annual published consolidated financial statements of the Group for the year ended 30 June 2012.

3 ACCOUNTING POLICIES

The accounting policies and methods of computations adopted for the preparation of this consolidated condensed interim financial information are the same as applied in the preparation of preceding audited annual published consolidated financial statements of the Group for the year ended 30 June 2012.

4 CONSOLIDATION

a) Subsidiaries

Subsidiaries are those entities in which Holding Company directly or indirectly controls, beneficially owns or holds more than 50% of the voting securities or otherwise has power to elect and appoint more than 50% of its directors. The condensed interim financial information of the subsidiary companies is included in this consolidated condensed interim financial information from the date control commences until 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 this consolidated condensed interim financial information.

Selected Notes to the Consolidated Condensed Interim Financial Information

For the period ended 31 March 2013 (Un-audited)

b) Associates

Associates are the entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in these associates are accounted for using the equity method of accounting and are initially recognized at cost. The Group's investment in associate includes goodwill identified on acquisition, net of any accumulated impairment loss, if any.

The Group's share of its associate's post-acquisition profits or losses, movement in other comprehensive income, and its share of post-acquisition movements in reserves is recognized in the consolidated profit and loss account, consolidated statement of comprehensive income and reserves respectively. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Distributions received from an associate reduce the carrying amount of the investment.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

During preparation of this consolidated condensed interim financial information, 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 2012.

	Un-audited 31 March 2013	Audited 30 June 2012
	(Rupees in thousand)	
6 LONG TERM FINANCING- SECURED		
Opening balance	16,936,293	17,104,952
Add: Obtained during the period / year	1,490,000	1,941,842
Less: Repaid during the period / year	2,180,830	2,110,501
	16,245,463	16,936,293
Less: Current portion shown under current liabilities	2,231,026	1,873,327
	14,014,437	15,062,966
7 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE		
Future minimum lease payments	175,992	242,580
Less: Un-amortized finance charge	20,485	40,278
	155,507	202,302
Less: Current portion shown under current liabilities	69,631	65,262
	85,876	137,040

- 7.1 This includes sale and leaseback arrangement between the Holding Company and Pak Kuwait Investment Company (Private) Limited. According to the lease agreement, leasing company has contributed Rupees 150.047 million from its own sources and the remaining amount of Rupees 149.953 million has been financed under Long Term Finance Facility (LTFF) scheme of State Bank of Pakistan. Minimum lease payments have been discounted using implicit interest rate ranging from 9.70 % to 14.06 % (31 March 2012: 9.70% to 14.02%) per annum. Balance rentals are payable in quarterly installments. Taxes, repairs and insurance costs are borne by the Holding Company. These are secured against the leased assets and demand promissory notes.

8 CONTINGENCIES AND COMMITMENTS

a) Contingencies

- i) Nishat Mills Limited - Holding Company is contingently liable for Rupees 0.631 million (30 June 2012: Rupees 0.631 million) on account of central excise duty not acknowledged as debt as the cases are pending before Court.
- ii) Guarantees of Rupees 625.607 million (30 June 2012: Rupees 539.902 million) are given by the banks of the Nishat Mills Limited - Holding Company to Sui Northern Gas Pipelines Limited against gas connections, Shell Pakistan Limited and Pakistan State Oil Limited against purchase of furnace oil, Director Excise and Taxation, Karachi against infrastructure cess and Pakistan Army against fulfillment of sales order.
- iii) Post dated cheques of Rupees 1,597.423 million (30 June 2012: Rupees 1,591.201 million) are issued by the Nishat Mills Limited - Holding Company to customs authorities in respect of duties on imported items availed on the basis of consumption and export plans. If documents of exports are not provided on due dates, cheques issued as security shall be encashable.
- iv) Nishat Mills Limited- The Holding Company has not recognised fuel adjustment charges for the period from August 2012 to March 2013, as the Holding Company has obtained stay against payment of such charges from Honorable Islamabad High Court, Islamabad. Amount of fuel adjustment charges relating to this period is not quantifiable as the rates of fuel adjustment charges are not notified by National Electric Power Regulatory Authority. The management of the Holding Company based on advice of the legal counsel, believes that it has strong grounds of appeal and payment / accrual of such charges will not be required.
- v) Holding Company's share in contingencies of associated companies' accounted for under equity method is Rupees 2,064 million (30 June 2012: Rupees 1,865 million).
- vi) The bank of Nishat Power Limited - Subsidiary Company has issued an irrevocable standby letter of credit on behalf of Subsidiary Company in favour of Wartsila Pakistan (Private) Limited for Rupees 45 million (30 June 2012: Rupees 45 million) as required under the terms of the Operation and Maintenance agreement.
- vii) Guarantees of Rupees 201.5 million (30 June 2012: Rupees 200.5 million) are given by the banks of Nishat Power Limited - Subsidiary Company to Director, Excise and Taxation, Karachi under direction of Sindh High Court in respect of suit filed for levy of infrastructure cess, Chevron Pakistan Limited and Pak Arab Refinery Limited (PARCO) for procurement of multiple fuel / oils.
- viii) National Electric Power Regulatory Authority (NEPRA) has imposed on Nishat Power Limited- Subsidiary Company an amount of Rs 297.387 million payable to NTDC due to Calorific Value (CV) differences in fuel used in power generation, on account of various CV adjustment mechanisms prescribed by National Electric Power Regulatory Authority (NEPRA) at different point of time.

The first CV adjustment mechanism was announced in March 2009 and as per this mechanism Rs.20.332 million is payable to NTDC and Subsidiary Company has already made provision of this amount in its financial statements for the period ended June 30, 2010 & 2011. In July 2011, NEPRA revised its CV adjustment mechanism and advised to maintain consignment wise CV data of all fuel consumed at Plant for the period starting from August 2009 to June 2011. The Subsidiary Company disputed such revision in mechanism as it was

Selected Notes to the Consolidated Condensed Interim Financial Information
For the period ended 31 March 2013 (Un-audited)

not mandatory to maintain Tank Lorry wise data prior to July 2011. The Subsidiary Company has filed a review motion before NEPRA on the grounds that change in CV adjustment mechanism in July 2011 cannot be applied retrospectively and besides credible information is also not available from any source, upon which CV adjustment calculations can be made. The case is pending before NEPRA for final decision.

Based on the advice of the Subsidiary Company's legal counsel, management of the Subsidiary Company feels that there are meritorious grounds to support the Subsidiary Company's stance and such amounts are likely to be reversed. Consequently, already made provision of Rs.20.332 million, based on the CV adjustment mechanism prevailing before July 2011, seems sufficient and no further provision for the remaining amount has been made in this interim financial information.

b) Commitments

- i) Contracts for capital expenditure of the Group are approximately of Rupees 1,537.927 million (30 June 2012: Rupees 717.498 million).
- ii) Letters of credit other than for capital expenditure of the Group are of Rupees 531.054 million (30 June 2012: Rupees 615.133 million).
- iii) The amount of future payments under operating lease and the period in which these payments will become due from Nishat Power Limited - Subsidiary Company are as follows:

	Un-audited 31 March 2013 (Rupees in thousand)	Audited 30 June 2012
Not later than one year	12,721	12,461
Later than one year and not later than five years	66,526	49,846
	79,247	62,307

- iv) Nishat Power Limited- Subsidiary Company has entered into a contract for purchase of fuel oil from Shell Pakistan Limited ('SPL') for a period of ten years starting from the Commercial Operations Date of the power station i.e. June 09, 2010. Under the terms of the Fuel Supply Agreement, the Subsidiary Company is not required to buy any minimum quantity of oil from SPL.
- v) Nishat Power Limited - Subsidiary Company has also entered into an agreement with Wartsila Pakistan (Private) Limited for the operations and maintenance (O&M) of the power station for a five years period starting from the commercial operations date of the power station i.e. 09 June 2010.

9 PROPERTY, PLANT AND EQUIPMENT

	Note	Un-audited 31 March 2013 (Rupees in thousand)	Audited 30 June 2012
Operating fixed assets			
Owned	9.1	27,805,007	27,187,410
Leased	9.2	230,453	246,378
Capital work in progress	9.3	1,621,506	2,035,834
		29,656,966	29,469,622

	Note	Un-audited 31 March 2013 (Rupees in thousand)	Audited 30 June 2012
9.1 Operating fixed assets- Owned			
Opening book value		27,187,410	27,938,481
Add: Cost of additions during the period/ year	9.1.1	2,510,421	1,660,414
		29,697,831	29,598,895
Less: Book value of deletions during the period/ year	9.1.2	127,498	84,475
Less: Book value of assets transferred to investment properties during the year		-	120,279
		127,498	204,754
		29,570,333	29,394,141
Less: Depreciation charged during the period/ year		1,767,091	2,208,415
Add: Currency translation		1,765	1,684
		27,805,007	27,187,410
9.1.1 Cost of additions			
Freehold land		123,546	44,433
Buildings on freehold land		636,089	415,550
Plant and machinery		1,621,198	1,028,748
Electric installations		6,765	19,098
Factory equipment		39,219	30,193
Furniture, fixtures and office equipment		25,472	28,632
Computer equipment		5,953	9,023
Vehicles		52,179	84,737
		2,510,421	1,660,414
9.1.2 Book value of deletions			
Plant and machinery		123,857	66,579
Factory equipment		3	-
Furniture, fixtures and office equipment		133	431
Computer equipment		14	65
Vehicles		3,491	17,400
		127,498	84,475
9.2 Operating fixed assets- Leased			
Opening book value		246,378	273,105
Add: Addition during the period		2,431	-
Less: Depreciation charged during the period/ year		18,347	26,727
Less: Currency translation		9	-
		230,453	246,378
9.3 Capital work-in-progress			
Buildings on freehold land		555,209	735,805
Plant and machinery		990,424	1,246,125
Electric installations		9,664	912
Unallocated expenses		403	34,079
Letters of credit against machinery		3,510	1,048
Advances against furniture and office equipment		184	448
Advances against vehicles		44,400	5,773
Advances to contractors		17,712	11,644
		1,621,506	2,035,834

Selected Notes to the Consolidated Condensed Interim Financial Information
For the period ended 31 March 2013 (Un-audited)

	Period ended		Quarter ended	
	31 March 2013	31 March 2012 (Rupees in thousand)	31 March 2013	31 March 2012
10 COST OF SALES				
Raw material consumed	21,930,932	18,784,288	7,107,446	6,250,531
Cloth and yarn purchased / used	15,466,644	10,627,820	5,442,325	3,665,345
Processing charges	225,501	133,542	67,069	46,943
Salaries, wages and other benefits	2,251,516	1,799,268	743,269	587,676
Staff retirement benefits	60,019	49,904	20,339	16,436
Stores, spare parts and loose tools consumed	3,051,030	2,598,390	1,022,054	928,152
Electricity consumed in-house	249	3,039	37	463
Packing materials consumed	659,212	557,479	219,674	196,530
Repair and maintenance	487,750	468,793	193,030	166,244
Fuel and power	3,539,227	3,032,428	1,253,242	1,196,183
Insurance	140,482	143,067	46,397	48,238
Other factory overheads	275,867	213,223	105,218	73,843
Depreciation	1,710,202	1,603,525	585,367	527,823
	49,798,631	40,014,766	16,805,467	13,704,407
Work-in-process				
Opening stock	4,405,629	5,432,669	4,564,577	4,593,527
Closing stock	(5,221,878)	(4,400,391)	(5,221,878)	(4,400,391)
	(816,249)	1,032,278	(657,301)	193,136
Cost of goods manufactured	48,982,382	41,047,044	16,148,166	13,897,543
Finished goods				
Opening stock	2,451,771	2,850,493	2,903,353	2,392,772
Closing stock	(3,132,393)	(2,497,464)	(3,132,393)	(2,497,464)
	(680,622)	353,029	(229,040)	(104,692)
	48,301,760	41,400,073	15,919,126	13,792,851

	Period ended		Quarter ended	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
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 share holders of Holding Company (Rupees in thousand)	6,386,808	3,490,720	2,134,850	1,512,425
Weighted average number of ordinary shares (Numbers)	351,599,848	351,599,848	351,599,848	351,599,848
Earnings per share (Rupees)	18.16	9.93	6.07	4.30

	Note	Period ended	
		31 March 2013	31 March 2012
		(Rupees in thousand)	
12 CASH GENERATED FROM OPERATIONS			
Profit before taxation		7,884,805	4,633,422
Adjustments for non-cash charges and other items:			
Depreciation		1,788,914	1,680,154
Impairment loss on equity investment		-	672
Gain on sale of property, plant and equipment		(41,074)	(17,633)
Dividend income		(731,649)	(596,319)
Interest income		(105,244)	(117,202)
Share of profit from associated companies		(2,021,258)	(1,172,461)
Net exchange gain on forward contracts		(39,770)	(20,523)
Finance cost		2,942,539	3,483,806
Working capital changes	12.1	(5,906,351)	(3,942,055)
		3,770,912	3,931,861
12.1 Working capital changes			
(Increase) / decrease in current assets:			
- Stores, spare parts and loose tools		(753,415)	(86,714)
- Stock-in-trade		(4,094,329)	(2,158,712)
- Trade debts		(2,899,473)	(2,172,900)
- Loans and advances		969,696	40,414
- Short term deposits and prepayments		(4,782)	(6,740)
- Other receivables		(262,622)	115,327
		(7,044,925)	(4,269,325)
Increase in trade and other payables		1,138,574	327,270
		(5,906,351)	(3,942,055)

13 SEGMENT INFORMATION

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

Spinning: Production of different qualities of yarn using natural and artificial fibers

Weaving: Production of different qualities of greige fabric using yarn.

Processing & Home Textile: Processing of greige fabric for production of printed and dyed fabric and its further use in manufacturing variety of home textile articles.

Garments: Manufacturing of garments using processed fabric.

Power Generation: Generation and distribution of power using gas, oil, steam, coal and biomass.

Hotel: To carry on the business of hotel and allied services.

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

Selected Notes to the Consolidated Condensed Interim Financial Information For the period ended 31 March 2013 (Un-audited)

		(Un-audited)																			
		Spinning						Weaving		Processing & Home textile		Garments		Power Generation		Hotel		Elimination of inter-segment transactions		Total- Group	
		Period ended		Period ended		Period ended		Period ended		Period ended		Period ended		Period ended		Period ended		Period ended		Period ended	
		Mar 2013		Mar 2012		Mar 2013		Mar 2012		Mar 2013		Mar 2012		Mar 2013		Mar 2012		Mar 2013		Mar 2012	
		(Rupees in thousand)																			
Sales	11,148,437	9,77,00,26	7,00,98,34	17,60,68,81	14,71,37,00	3,95,40,75	2,89,43,45	18,611,893	15,718,710	14,615	8,798	-	-	59,302,298	50,115,413						
External intersegment	2,273,887	2,526,722	5,344,289	588,033	593,770	-	1,449	34,70,056	3,010,532	2,232	123	(11,81,862)	(11,437,495)	-	-						
Cost of sales	13,422,324	12,295,748	13,642,009	18,193,714	15,267,470	3,954,075	2,895,794	22,081,949	18,729,242	16,847	8,921	(11,81,862)	(11,437,495)	59,302,298	50,115,413						
	(11,251,053)	(11,066,809)	(12,370,871)	(11,339,288)	(13,068,678)	(3,074,883)	(2,260,945)	(18,233,196)	(15,097,942)	(8,009)	(3,505)	1,181,862	11,437,495	(48,301,760)	(41,400,075)						
Gross profit	2,131,271	1,229,939	1,271,138	1,015,444	2,198,792	889,392	634,849	384,675	3,631,300	883	5,016	-	-	11,200,638	8,715,340						
Distribution cost	(278,115)	(246,508)	(418,468)	(346,625)	(597,874)	(291,963)	(170,944)	(4,290)	(2,689)	(1,851)	(4,848)	-	-	(2,355,684)	(1,764,940)						
Administrative expenses	(184,324)	(141,656)	(170,391)	(130,934)	(246,637)	(51,475)	(43,238)	(94,383)	(73,605)	(1,851)	(4,848)	-	-	(84,338)	(640,928)						
	(462,439)	(388,174)	(588,859)	(477,759)	(1,244,511)	(343,438)	(214,182)	(98,673)	(76,294)	(1,851)	(4,848)	-	-	(3,199,071)	(2,405,768)						
Profit before taxation and unallocated income and expenses	1,668,832	841,765	682,279	537,685	954,281	545,954	420,667	3,748,080	3,555,006	638	168	-	-	8,001,467	6,309,572						
Unallocated income and expenses																					
Other operating expenses														(252,657)	(229,845)						
Other operating income														1,057,276	865,040						
Finance cost														(2,942,539)	(3,483,806)						
Share of profit from associated companies														2,021,258	1,172,461						
Taxation														(488,365)	(444,919)						
Profit after taxation														7,386,440	4,188,503						

13.3 Reconciliation of reportable segment assets

		(Rupees in thousand)													
		Spinning		Weaving		Processing & Home textile		Garments		Power Generation		Hotel		Total- Group	
		Audited		Audited		Audited		Audited		Audited		Audited		Audited	
		Mar 2013		Jun 2012		Mar 2013		Jun 2012		Mar 2013		Jun 2012		Mar 2013	
		Un-audited		Un-audited		Un-audited		Un-audited		Un-audited		Un-audited		Un-audited	
		Mar 2013		Jun 2012		Mar 2013		Jun 2012		Mar 2013		Jun 2012		Mar 2013	
Total assets for reportable segments	11,801,093	8,318,490	57,595,806	5,072,193	12,719,937	10,034,118	1,910,444	2,290,564	31,942,521	31,383,994	34,588	216,040	64,279,529	57,317,399	
Unallocated assets:															
Long term investments														35,872,186	
Other receivables														1,232,260	
Cash and bank balances														969,639	
Other corporate assets														892,380	
														2,500,666	
Total assets as per balance sheet														105,664,276	
														92,971,537	

14 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated undertakings, other related companies, key management personnel and provident fund trust. The Group in the normal course of business carries out transactions with various related parties. Details of transactions with related parties are as follows:

i) Transactions	Period ended		Quarter ended	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
	(Rupees in thousand)			
Associated companies				
Investment made	300,000	-	71,130	-
Purchase of goods and services	23,230	51,388	7,123	23,779
Sale of operating fixed assets	1,349	587	22	50
Sale of goods and services	1,435	4,813	719	3,501
Rental income	251	2,948	84	54
Dividend paid	110,419	104,115	-	-
Insurance premium paid	80,008	210,705	9,193	47,193
Insurance claim received	12,839	13,130	3,459	4,581
Profit on saving accounts and term deposit receipts	5,035	20,563	-	13,976
Subscription paid	1,250	1,000	-	-
Other related parties				
Purchase of goods and services	64,452	16,249	52,978	11,922
Sale of goods and services	26,052	7,073	83	5,918
Group's contribution to provident fund trust	88,193	72,585	29,882	24,117
Remuneration paid to Chief Executive Officer, Directors and Executives of the Holding Company	326,471	235,143	100,096	74,077

ii) Period end balances

	As at 31 March 2013		
	Associated companies	Other related parties	Total
	(Rupees in thousand)		
Trade and other payables	5,959	5,861	11,820
Long term loans	-	71,897	71,897
Trade debts	265	-	265
Loans and advances	-	23,147	23,147
Cash and bank balances	91,102	-	91,102

	As at 30 June 2012 (Audited)		
	Associated companies	Other related parties	Total
	(Rupees in thousand)		
Trade and other payables	38,841	21	38,862
Long term loans	-	40,593	40,593
Trade debts	279	-	279
Loans and advances	-	17,178	17,178
Accrued interest	2,945	-	2,945
Cash and bank balances	400,545	-	400,545

Selected Notes to the Consolidated Condensed Interim Financial Information

For the period ended 31 March 2013 (Un-audited)

15 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 2012.

16 DATE OF AUTHORIZATION FOR ISSUE

This consolidated condensed interim financial information was approved by the Board of Directors and authorized for issue on 25 April 2013 .

17 CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting", the consolidated condensed interim balance sheet 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 profit and loss account, consolidated condensed interim statement of profit or loss and other comprehensive income and consolidated condensed interim cash flow statement 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.

18 GENERAL

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



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Director

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