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COMPANY INFORMATION

BOARD OF DIRECTORS:

Mian Umer Mansha	Chairman/Chief Executive
Mian Hassan Mansha	
Mr. Khalid Qadeer Qureshi	
Mr. Muhammad Azam	
Mr. Muhammad Ali Zeb	
Mr. Muhammad Asif (Nominee NIT)	
Ms. Nabiha Shahnawaz Cheema	

AUDIT COMMITTEE:

Mr. Khalid Qadeer Qureshi	Chairman/Member
Mr. Muhammad Azam	Member
Ms. Nabiha Shahnawaz Cheema	Member

CHIEF FINANCIAL OFFICER:

Mr. Badar-ul-Hassan

COMPANY SECRETARY:

Mr. Khalid Mahmood Chohan

AUDITORS:

Riaz Ahmad & Company	Chartered Accountants
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LEGAL ADVISOR:

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

BANKERS TO THE COMPANY:

Albaraka Islamic Bank B.S.C (E.C)	JS Bank Limited
Allied Bank Limited	KASB Bank Limited
Askari Bank Limited	Meezan Bank Limited
Bank Alfalah Limited	National Bank of Pakistan
Bank Islami Pakistan Limited	NIB Bank Limited
Barclays Bank PLC	Samba Bank Limited
Citibank N.A.	Saudi Pak Industrial & Agricultural Investment Company Limited
Deutsche Bank	Silk Bank Limited
Faysal Bank Limited	Standard Chartered Bank (Pakistan) Limited
Habib Bank Limited	The Royal Bank of Scotland
Habib Metropolitan Bank Limited	United Bank Limited
HSBC Bank Middle East Limited	

MILLS:

Nishatabad, Faisalabad.	(Spinning units & Power plant)
12 K.M. Faisalabad Road, Sheikhupura.	(Weaving units & Power plant)
21 K.M. Ferozpur Road, Lahore.	(Stitching unit)
5 K.M. Nishat Avenue Off 22 K.M. Ferozpur Road, Lahore.	(Weaving, Dyeing & Finishing unit, Processing unit, Stitching unit and Power plant)
7 K.M. Nishat Avenue Off: 22 K.M. Ferozpur Road, Lahore.	(Apparel Unit)
20 K.M. Sheikhupura Faisalabad Road, Feroze Watwan.	(Spinning unit & Power plant)

REGISTERED OFFICE & SHARES DEPARTMENT

Nishat House,
53 - A, Lawrence Road, Lahore.
Tel: 042-36360154, 35990035, 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
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NISHAT MILLS LIMITED

**UNCONSOLIDATED CONDENSED INTERIM
FINANCIAL INFORMATION
FOR THE HALF YEAR ENDED
31 DECEMBER 2009**

DIRECTORS' REPORT

Operating Results

We are pleased to present financial information for the half year ended December 31, 2009 duly reviewed by the external auditors. The company has earned an after tax profit of Rs 1,010.491 million in the half year ended 31 December 2009 as compared to Rs 1,137.790 million in the corresponding period ended December 31, 2008, with a decrease of 11.19%. During the previous corresponding half year, devaluation of dollar against rupee played a key role in improving sale rates and resulted in higher profitability. Whereas, unlike the previous corresponding half year, dollar remained stable against rupee to a greater extent during the current half year under review and eventually caused the lower profitability.

Financial highlights	Half year ended December 31		Increase / (decrease) % age
	2009	2008 (Restated)	
Net sales ('000' Rs)	14,152,293	12,484,139	13.36
Gross profit ('000' Rs)	2,489,474	2,787,336	(10.69)
Pre-tax profit ('000' Rs)	1,145,991	1,284,290	(10.77)
After tax profit ('000' Rs)	1,010,491	1,137,790	(11.19)
Gross profit (%)	17.59	22.33	
After tax profit (%)	7.14	9.11	
Earnings per share (Rs)	4.17	7.02	

The increase in consumption rate of local and imported cotton raised the production cost as compared to the previous corresponding half year.

Local cotton	Half year ended December 31		Increase / (decrease)	
	2009	2008	Value	% age
Consumption ('000' Kgs)	24,602	24,085	517	2.14
Rate/Kg	103.79	84.94	18.85	22.19
Consumption ('000' Rs)	2,553,432	2,045,807	507,625	24.81

Imported cotton	Half year ended December 31		Increase / (decrease)	
	2009	2008	Value	% age
Consumption ('000' Kgs)	5,189	5,713	(524)	(9.17)
Rate/Kg	126.08	115.58	10.50	9.09
Consumption ('000' Rs)	654,219	660,289	(6,070)	(0.92)

Finance cost has decreased by 25.82 % (December 2009: Rs. 546.828 million, December 2008: Rs. 737.156 million) as compared to the previous corresponding half year.

Market Review And Future Prospects

Textile industry is going through one of the toughest periods in decades. Global recession, which has hit the textile sector worldwide, is not the only cause of concern. Serious internal issues also effected our textile industry quite badly. The high cost of production resulting from higher cotton prices, rising energy costs, increasing prices of imported inputs due to depreciation of Pakistani rupee, double digit inflation, prolonged power cuts and poor law and order situation are posing serious threats to textile sector.

Textile exports were hit hard by intense competition from the regional countries in the first half of the current financial year. Finished goods exporters are under immense pressure due to this unprecedented situation, which has made very difficult for them to maintain a certain profitability level.

However, Nishat did extremely well during the first half of the current financial year and achieved 13.36% growth in net revenue from the previous corresponding period. Despite all the challenges, Nishat achieved this success through full utilization of its production capacity, aggressive marketing strategy, strong customer base and diversified product range.

We foresee more challenges ahead which include further increase in cotton prices, tough competition from neighboring countries and slower sales of textile products in US and European markets. We are keeping close eye on market situation and taking proactive measures to mitigate the impact of emerging challenges. As a part of our future marketing strategy we are exploring new avenues and particularly focusing on developing work wear business. We believe that addition of this business will enable us to fill our capacities in the lean months and will result in consistent growth of business throughout the year.

Coupled with Nishat's capabilities and competencies, our vertically integrated production facilities that can turn raw cotton to a final finished consumer product always attract attention of customers all over the world. Our intentions are much focused to add further value added products and systems.

Spinning

During the first half of the current financial year, cotton prices had increased overall by more than 20% owing mainly to an approximate 74% reduction in cotton imports, reduced cotton crop of China and increasing demand of cotton yarn in the Far East. However, demand for cotton in Europe and USA has not improved significantly. Although increased cotton prices, power shortages and resulting production process losses significantly increased the cost of production yet increase in demand of cotton yarn and higher selling prices helped the spinners to remain profitable. However, the whole cost increase could not be passed on to the customers and consequently profit margins have squeezed as compared to the previous corresponding period.

Yarn	Half year ended December 31		Increase / (decrease)	
	2009	2008	Value	% age
Sale ('000' Kgs)	18,715	15,385	3,330	21.64
Rate/Kg	202.91	190.10	12.81	6.74
Sale ('000' Rs)	3,797,532	2,924,648	872,884	29.85

Furthermore, during the first half of the current financial year Nishat has upgraded its machinery with erection of most modern and efficient Ring Frames and Cone Winding machines in two spinning units and replacement of similar machines of other units to help increase automation, reduce labour cost and produce better quality yarn.

Weaving

During the first half of the current financial year, there has been a slow recovery from the economic recession. Businesses in general have remained on the slower side but we have managed to maintain our business volumes by having a vast range of customers and specialized products. We managed to increase our work wear and military uniform business in the current half year besides increasing the abrasive fabric business mainly due to revival of the car industry.

Grey Cloth	Half year ended December 31		Increase / (decrease)	
	2009	2008	Value	% age
Sale ('000' Mtrs)	22,082	23,397	(1,315)	(5.62)
Rate/Mtr	114.69	122.49	(7.81)	(6.37)
Sale ('000' Rs)	2,532,527	2,866,010	(333,483)	(11.64)

There has been a sharp surge in cotton prices in the first half of the financial year 2009-2010 resulting in significant increase in the cotton yarn rates. However, grey fabric prices have decreased on an average basis owing to fluctuating currency rates as well as the market demand. This has resulted in decline in our gross margins. Higher prices are also making the buyer extremely cautious in placing orders. This price pressure will create bigger problem in coming few months as cotton and yarn prices are still going up and there is intense pressure on fabric prices. During the last three months of the current half year, we have received good orders in terms of quantities, however, it has been difficult getting maximum increase in fabric prices. Our strategy once again will be to focus and retain our valuable customers which will only be possible by keeping prices low (reducing margins) and keep on getting business volume.

We have plans for expansion of production capacity at one of our units by installing 50 new state of the art Toyota air jet looms which are expected to be operational in March 2010. Also new products and niche marketing are key to success going forward.

Processing and Home Textile

First half of the current financial year was exceptionally tough for the overall textile industry in Pakistan. However, slight easing out of global economic recession in American and European markets had a direct positive impact on Pakistan textile industry. Our customers have also started accepting the small increase in the prices due to the current cotton market situation. Meanwhile, some more businesses were developed by us which improved our exports. In particular Turkish and Spanish markets and new customers like Angore, Next, Kohls, HLL etc have significantly contributed towards enabling us to utilize our optimum production and stitching capacities. Also dried out stocks of some major retailers owing to slight increase in their market demand on thanksgiving and Christmas helped us improve our revenue. We have been able to maintain our position as one of the largest exporters of Pakistan's textile industry.

Processing and Home Textile	Half year ended December 31		Increase / (decrease)	
	2009	2008	Value	% age
Sale ('000' Mtrs)	32,722	30,106	2,616	8.69
Rate/Mtr	178.95	173.44	5.51	3.18
Sale ('000' Rs)	5,855,439	5,221,519	633,920	12.14

We have achieved significant growth in our net revenue and profitability level. It was extremely difficult task but our proactive marketing approach, strong relationship with customers, large production facilities, own power generation facilities, ability to utilize alternative energy sources and vertical integration of entire textile process made this possible for us. We expect that second half of the current financial year will be more challenging due to acute shortage of yarn in domestic market, rising cotton prices and tough competition from neighboring countries. In order to cope with these circumstances we are taking all necessary measures, which include negotiating prices with all customers based on current market conditions, focusing on maintaining certain contribution margins and retaining key customers in this difficult period. We believe with all these measures we will be able to sail through this hard time.

Moreover, we have upgraded our processing plant with the narrow width printing machine. One hundred stitching machines were also installed along with the switch-track system that will enhance the working efficiency enormously besides the improved product quality. We have also planned to install Yarn Dyeing facility of 7 Tons / day which is expected to be operative in February 2010.

Garments

The previous financial year was a challenging year for us in terms of difficult market conditions. However, our continuous efforts to provide world class products to our high end customers resulted in very good results in the first half of the current financial year. Our financial stability has further strengthened in the first half of the current year with ever increasing customer confidence. Nishat Apparel produces close to half a million garments every month making it one of the largest export oriented apparel units of the country under one roof. Professionalism, systematic approach, clear cut future strategies and investments in human resource are our hallmarks. This labor intensive project provides a great employment opportunity to a large number of households in the area. Our future strategies include investments in building and machineries, thus increasing the capacities to well over 600,000 units / month and in this regards we have already ordered world's best laundry machines in order to increase our capacities. During this half year, we have launched a fully operational product development department to create a client focused development process through research. With these changes, continuous growth and tremendous customer support, we believe Nishat Apparel will have a great financial year ahead.

Garments	Half year ended December 31		Increase/(decrease)	
	2009	2008	Value	% age
Sale ('000' Pcs)	2,297	1,246	1,051	84.35
Rate/Pc	498.63	420.52	78.11	18.57
Sale ('000' Rs)	1,145,350	523,969	621,381	118.59

Power Generation

Nishat Mills has installed most modern captive power plants at all its sites to keep running with a low cost power at all the divisions like Spinning, Weaving, Processing and Stitching and Garment units without any failures. This also played a vital role to maintain an extra ordinary record of timely shipments. The plants are based on natural gas fired generators which besides generating electricity efficiently produce steam through exhaust gas and chilling through hot water from engine cooling system. This concept utilizes the fuel to the fullest. In order to mitigate the power crises being faced by the country, Nishat Mills is supplying surplus power from its different sites to PEPCO distribution companies.

Subsidiaries and Consolidated Financial Information

Nishat USA Inc. and Nishat Power Limited are the subsidiary companies of Nishat Mills Limited. Therefore, the company has annexed consolidated condensed interim financial information along with its separate unconsolidated condensed interim financial information, in accordance with the requirements of International Accounting Standard-27 (Consolidated and Separate Financial Information).

Suit filed by Nishat Mills Limited

As per BPRD Circular No: 04 of 2008, State Bank of Pakistan has directed all sponsor shareholders of Banks to deposit their shares of those Banks in Blocked Account with Central Depository Company of Pakistan. Nishat Mills Limited being adversely affected has filed a suit against this circular of State Bank of Pakistan before Honorable Sindh High Court, Karachi. The case has not yet been fixed for hearing.

Right issue

The Board of Directors has approved issue of Ordinary Right Shares to the existing shareholders of the Company @ 45% to be paid at Rs 40 per share including premium of Rs 30 per share.

Acknowledgment

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

For and on behalf of the Board of Directors

Mian Umer Mansha
Chief Executive / Chairman
Lahore: February 16, 2010

AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying unconsolidated condensed interim balance sheet of NISHAT MILLS LIMITED as at 31 December 2009 and the related unconsolidated condensed interim profit and loss account, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim cash flow statement and unconsolidated condensed interim statement of changes in equity together with the notes forming part thereof (herein after referred to as "unconsolidated condensed interim financial information"), for the half year then ended. Management is responsible for the preparation and presentation of this unconsolidated condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this unconsolidated condensed interim financial information based on our review. The figures of the unconsolidated condensed interim profit and loss account and unconsolidated condensed interim statement of comprehensive income for the quarters ended 31 December 2009 and 31 December 2008 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 2009.

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 information 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 information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

RIAZ AHMAD & COMPANY
Chartered Accountants

Name of engagement partner:
Sarfraz Mahmood

Lahore: February 16, 2010

**UNCONSOLIDATED CONDENSED INTERIM BALANCE SHEET
AS AT 31 DECEMBER 2009**

	Note	Un-audited 31 December 2009 (Rupees in thousand)	Audited 30 June 2009
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
1,100,000,000 (30 June 2009: 1,100,000,000) ordinary shares of Rupees 10 each		11,000,000	11,000,000
Issued, subscribed and paid up share capital			
242,482,654 (30 June 2009: 242,482,654) ordinary shares of Rupees 10 each		2,424,827	2,424,827
Reserves		21,309,219	16,905,940
Total equity		23,734,046	19,330,767
NON-CURRENT LIABILITIES			
Long term financing	5	2,374,119	2,334,411
Deferred income tax liability		329,882	245,243
		2,704,001	2,579,654
CURRENT LIABILITIES			
Trade and other payables		1,778,923	1,309,658
Accrued markup		217,512	202,777
Short term borrowings		10,120,774	7,342,600
Current portion of long term financing	5	1,070,793	433,313
Provision for taxation		183,660	313,917
		13,371,662	9,602,265
Total liabilities		16,075,663	12,181,919
CONTINGENCIES AND COMMITMENTS			
	6		
TOTAL EQUITY AND LIABILITIES		39,809,709	31,512,686

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

CHIEF EXECUTIVE OFFICER

	Note	Un-audited 31 December 2009 (Rupees in thousand)	Audited 30 June 2009
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	11,179,746	11,199,635
Investment properties	8	135,700	41,049
Long term investments		15,527,287	11,952,949
Long term loans	9	488,891	12,367
Long term deposits and prepayments		15,415	11,848
		<u>27,347,039</u>	<u>23,217,848</u>
CURRENT ASSETS			
Stores, spare parts and loose tools		702,092	561,251
Stock-in-trade		7,258,377	4,092,512
Trade debts		1,557,970	1,300,366
Loans and advances		351,793	462,025
Short term deposits and prepayments		90,666	29,880
Other receivables		457,801	323,000
Short term investments		1,971,640	1,414,310
Cash and bank balances		72,331	111,494
		<u>12,462,670</u>	<u>8,294,838</u>
TOTAL ASSETS		<u><u>39,809,709</u></u>	<u><u>31,512,686</u></u>

DIRECTOR

**UNCONSOLIDATED CONDENSED INTERIM PROFIT AND
LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2009**

	Note	HALF YEAR ENDED		QUARTER ENDED	
		31 December 2009	31 December 2008 (Restated)	31 December 2009	31 December 2008 (Restated)
----- (Rupees in thousand) -----					
SALES		14,152,293	12,484,139	7,756,660	6,279,351
COST OF SALES	10	(11,662,819)	(9,696,803)	(6,448,717)	(4,943,374)
GROSS PROFIT		2,489,474	2,787,336	1,307,943	1,335,977
DISTRIBUTION COST		(743,786)	(680,641)	(400,960)	(364,968)
ADMINISTRATIVE EXPENSES		(260,766)	(220,322)	(135,488)	(120,328)
OTHER OPERATING EXPENSES	11	(127,685)	(181,664)	(83,298)	(92,396)
		(1,132,237)	(1,082,627)	(619,746)	(577,692)
		1,357,237	1,704,709	688,197	758,285
OTHER OPERATING INCOME		335,582	316,737	153,069	164,995
PROFIT FROM OPERATIONS		1,692,819	2,021,446	841,266	923,280
FINANCE COST		(546,828)	(737,156)	(287,983)	(407,045)
PROFIT BEFORE TAXATION		1,145,991	1,284,290	553,283	516,235
PROVISION FOR TAXATION		(135,500)	(146,500)	(56,000)	(85,000)
PROFIT AFTER TAXATION		1,010,491	1,137,790	497,283	431,235
EARNINGS PER SHARE- BASIC AND DILUTED (RUPEES)		4.17	7.02	2.05	2.66

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

**UNCONSOLIDATED CONDENSED INTERIM STATEMENT
OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2009**

	HALF YEAR ENDED		QUARTER ENDED	
	31 December 2009	31 December 2008	31 December 2009	31 December 2008
		(Restated)		(Restated)
	----- (Rupees in thousand) -----			
PROFIT AFTER TAXATION	1,010,491	1,137,790	497,283	431,235
OTHER COMPREHENSIVE INCOME				
Surplus / (deficit) on remeasurement of available for sale investments	3,962,392	(13,374,804)	(160,247)	(7,182,591)
Deferred income tax relating to surplus on available for sale investments	(84,639)	273,869	(84,639)	273,869
Other comprehensive income / (loss) for the period - net of tax	3,877,753	(13,100,935)	(244,886)	(6,908,722)
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD	4,888,244	(11,963,145)	252,397	(6,477,487)

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

**UNCONSOLIDATED CONDENSED INTERIM CASH FLOW
STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2009**

Note	HALF YEAR ENDED		
	31 December 2009	31 December 2008 (Restated)	
	(Rupees in thousand)		
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (utilized in) / generated from operations	12	(1,345,137)	80,769
Finance cost paid		(532,093)	(689,319)
Income tax paid		(155,820)	(136,111)
Gratuity paid		-	(1,557)
Net increase in long term loans		(6,841)	(2,384)
Net increase in long term deposits and prepayments		(2,698)	(772)
Net cash utilized in operating activities		(2,042,589)	(749,374)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		43,638	16,936
Proceeds from sale of investment		430,000	-
Long term loan to subsidiary company		(472,885)	-
Dividends received		250,044	271,110
Investments made		(567,168)	(327,505)
Capital expenditure on property, plant and equipment		(657,991)	(698,996)
Net cash utilized in investing activities		(974,362)	(738,455)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		727,188	1,000,000
Repayment of long term financing		(50,000)	(608,112)
Short term borrowings - net		2,778,174	1,479,227
Dividend paid		(477,574)	(381,822)
Net cash from financing activities		2,977,788	1,489,293
Net (decrease) / increase in cash and cash equivalents		(39,163)	1,464
Cash and cash equivalents at the beginning of the period		111,494	76,549
Cash and cash equivalents at the end of the period		72,331	78,013

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 (UN-AUDITED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2009**

	RESERVES								TOTAL EQUITY
	CAPITAL RESERVES			REVENUE RESERVES					
	Premium on issue of right shares	Fair Value reserve	Sub Total	General reserve	Amalgama- tion reserve	Unappropri- ated profit	Total		
							Sub Total	Total	
1,597,857	1,027,622	10,428,151	11,455,773	7,974,028	476,105	4,988,307	13,438,440	24,894,213	26,492,070
Balance as at 01 July 2008 - (audited)	-	-	-	-	-	(399,464)	(399,464)	(399,464)	(399,464)
Final dividend for the year ended 30 June 2008 @ Rupees 2.5 per share	-	-	-	4,870,000	-	(4,870,000)	-	-	-
Transfer to general reserve	-	-	(13,100,935)	-	-	1,137,790	1,137,790	(11,963,145)	(11,963,145)
Total comprehensive income / (loss) for the half year ended 31 December 2008	1,597,857	1,027,622	(2,672,784)	12,844,028	476,105	856,633	14,176,766	12,531,604	14,129,461
Balance as at 31 December 2008 - (Un-audited)	-	-	-	-	(28,041)	-	(28,041)	(28,041)	-
Issue of shares under scheme of amalgamation	-	-	-	-	(448,064)	448,064	-	-	-
Excess of net assets acquired in Nishat Apparel Limited	798,929	1,198,392	-	1,198,392	-	-	-	1,198,392	1,997,321
Right shares issued during the year ended 30 June 2009	-	-	3,073,774	3,073,774	-	130,211	130,211	3,203,985	3,203,985
Total comprehensive income for the half year ended 30 June 2009	2,424,827	2,226,014	400,990	2,627,004	12,844,028	-	1,434,908	14,278,936	16,905,940
Balance as at 30 June 2009 - (audited)	-	-	-	-	-	(484,965)	(484,965)	(484,965)	(484,965)
Final dividend for the year ended 30 June 2009 @ Rupees 2 per share	-	-	-	948,000	-	(948,000)	-	-	-
Transfer to general reserve	-	-	3,877,753	3,877,753	-	1,010,491	1,010,491	4,888,244	4,888,244
Total comprehensive income for the half year ended 31 December 2009	2,424,827	2,226,014	4,278,743	6,504,757	13,792,028	-	1,012,434	14,804,462	21,309,219
Balance as at 31 December 2009 - (Un-audited)									23,734,046

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 (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2009

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 but subject to limited scope review by the statutory auditors and is being submitted to shareholders as required by section 245 of the Companies Ordinance, 1984. This unconsolidated condensed interim financial information has been prepared in accordance with the International Accounting Standard (IAS) 34 "Interim Financial Reporting" as applicable in Pakistan and notified by the Securities and Exchange Commission of Pakistan (SECP). This unconsolidated condensed interim financial information should be read in conjunction with the audited annual published financial statements for the year ended 30 June 2009.

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 2009.

The following amendments to published approved accounting standards and standards relevant to the company have been adopted in the current period:

IFRS 8 'Operating Segments' introduces the 'management approach' to segment reporting. It requires presentation and disclosure of segment information based on internal reports regularly reviewed by the Company's chief operating decision maker in order to assess each segment's performance and to allocate resources to them. The adoption of IFRS 8 has resulted in certain additional disclosures in the unconsolidated condensed interim financial information. Following accounting policy of segment reporting has been adopted during the period:

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker who is responsible for allocating resources and assessing performance of the operating segments.

IAS 1 (Revised) 'Presentation of Financial Statements'. The revised standard prohibits the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All 'non-owner changes in equity' are required to be shown in performance statement. Companies can choose whether to present one performance statement (the statement of comprehensive income) or two statements (profit and loss account and statement of comprehensive income). The company has preferred to present two statements; a profit and loss account and a statement of comprehensive income. In this unconsolidated condensed interim financial

information, comparative information has been re-presented in conformity with the revised standard. Since this change in accounting policy only impacts presentation aspects, there is no impact on earnings per share.

In addition to above, there are other new standards and amendments to published approved accounting standards which are mandatory for financial statements for annual periods beginning on or after 01 January 2009 and are also relevant to the company. However, the adoption of these new standards and amendments to standards did not have any significant impact on this unconsolidated condensed interim financial information of the company, therefore, are not analyzed in detail.

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 2009.

	Un-audited 31 December 2009 (Rupees in thousand)	Audited 30 June 2009
5. LONG TERM FINANCING - SECURED		
Opening balance	2,767,724	2,350,837
Add: Obtained during the period / year	727,188	1,175,000
Less: Repaid during the period / year	50,000	758,113
	<hr/> 3,444,912	<hr/> 2,767,724
Closing balance		
	3,444,912	2,767,724
Less: Current portion shown under current liabilities	1,070,793	433,313
	<hr/> 2,374,119 <hr/>	<hr/> 2,334,411 <hr/>

6. CONTINGENCIES AND COMMITMENTS

Contingencies

- i) The company is contingently liable for Rupees 86.841 million (30 June 2009: Rupees 86.313 million) on account of central excise duty not acknowledged as debt as the cases are pending before Court.
- ii) Guarantees of Rupees 454.839 million (30 June 2009: Rupees 421.751 million) are given by the banks of the company to Sui Northern Gas Pipelines Limited against gas connections, Shell Pakistan Limited against purchase of furnace oil, Director Excise and Taxation, Karachi and Collector of Customs, Excise and Sales tax against infrastructure cess.
- iii) Post dated cheques of Rupees 460.519 million (30 June 2009: Rupees 284.473 million) are issued to customs authorities in respect of duties on imported material 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) The company has given following guarantees on behalf of Nishat Power Limited - subsidiary company:
 - (a) Performance guarantee of USD 1 million [Pak Rupees 84.36 million] (30 June 2009: USD 1 million [Pak Rupees 81.470 million]) in favour of Private Power and Infrastructure Board to secure performance of Nishat Power Limited under Implementation Agreement and Power Purchase Agreement.
 - (b) Irrevocable standby letters of credit of Rupees 887.855 million (30 June 2009: Rupees 410 million) for equity injection and Rupees NIL (30 June 2009: 147.120 million) for positive cost overrun, in accordance with Project Funds Agreement, in favour of security trustee of syndicated lenders of Nishat Power Limited.

Commitments

- i) Contracts for capital expenditure are Rupees 822.706 million (30 June 2009: Rupees 161.498 million).
- ii) Letters of credit other than for capital expenditure are Rupees 558.707 million (30 June 2009: Rupees 296.719 million).

Un-audited	Audited
31 December	30 June
2009	2009
(Rupees in thousand)	

7. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets (Note 7.1)	10,708,029	11,102,355
Capital work in progress (Note 7.2)	471,717	97,280
	11,179,746	11,199,635

	Un-audited 31 December 2009 (Rupees in thousand)	Audited 30 June 2009
7.1 OPERATING FIXED ASSETS		
Opening book value	11,102,355	11,188,560
Add: Cost of additions during the period / year (Note 7.1.1)	283,554	1,102,080
Less: Book value of assets transferred to investment properties during the period / year (Notes 7.1.2 and 8)	97,853	43,637
	11,288,056	12,247,003
Less: Book value of deletions during the period / year (Note 7.1.3)	43,377	27,717
	11,244,679	12,219,286
Less: Depreciation charged for the period / year	536,650	1,116,931
	10,708,029	11,102,355
7.1.1 Cost of additions		
Freehold land	111,479	58,761
Buildings on freehold land	11,336	141,776
Plant and machinery	97,473	770,065
Electric installations	2,522	18,804
Factory equipment	5,176	31,974
Furniture, fixtures and office equipment	11,795	26,910
Computer equipment	5,287	6,180
Vehicles	38,486	47,610
	283,554	1,102,080
7.1.2 Book value of assets transferred to investment properties		
Freehold land	56,632	18,756
Buildings on freehold land	41,221	24,881
	97,853	43,637
7.1.3 Book value of deletions		
Plant and machinery	38,883	12,760
Electric installations	407	1,656
Factory equipment	95	2,021
Furniture, fixtures and office equipment	59	581
Computer equipment	50	-
Vehicles	3,883	10,699
	43,377	27,717

	Un-audited 31 December 2009 (Rupees in thousand)	Audited 30 June 2009
7.2 CAPITAL WORK-IN-PROGRESS		
Buildings on freehold land	78,234	30,756
Plant and machinery	385,959	62,064
Electric installations	392	54
Letters of credit against machinery	1,934	402
Advances against furniture and office equipment	3,510	1,738
Advances for purchase of vehicles	1,688	2,266
	<u>471,717</u>	<u>97,280</u>

8. INVESTMENT PROPERTIES

Opening book value	41,049	-
Add: Transfer from operating fixed assets during the period / year (Note 7.1.2)	97,853	43,637
Less: Depreciation charge for the period / year	3,202	2,588
	<u>135,700</u>	<u>41,049</u>

9. LONG TERM LOANS

These include subordinated long term loan of Rupees 472.88 million (30 June 2009: Nil) given to Nishat Power Limited - subsidiary company. This loan is unsecured and carries markup at the rate of 3 months KIBOR plus 2% payable on quarterly basis. The principal amount will be repaid in bullet payment on 24 September 2014.

(Un-audited)

HALF YEAR ENDED		QUARTER ENDED	
31 December 2009	31 December 2008	31 December 2009	31 December 2008
	Restated		Restated
----- (Rupees in thousand) -----			

10. COST OF SALES

Raw materials consumed	3,544,936	2,991,712	1,970,129	1,484,248
Cloth and yarn purchased / used	4,381,847	3,368,967	2,512,752	1,568,532
Processing charges	61,592	30,328	33,485	14,187
Salaries, wages and other benefits	926,914	836,928	476,179	446,367
Staff retirement benefits	26,219	22,145	13,073	11,552
Stores, spare parts and loose tools	1,280,092	1,052,274	676,561	570,768
Packing materials	256,076	232,207	139,417	116,834
Repair and maintenance	145,406	70,360	87,048	41,631
Fuel and power	1,033,008	1,106,612	518,967	574,638
Insurance	13,379	13,864	6,576	6,951
Other factory overheads	98,576	121,994	46,895	63,101
Depreciation	507,124	507,157	255,882	254,969
	<u>12,275,169</u>	<u>10,354,548</u>	<u>6,736,964</u>	<u>5,153,778</u>
Work-in-process:				
Opening stock	1,529,335	1,207,658	1,712,731	1,664,487
Closing stock	(1,913,290)	(1,618,711)	(1,913,290)	(1,618,711)
	<u>(383,955)</u>	<u>(411,053)</u>	<u>(200,559)</u>	<u>45,776</u>
Cost of goods manufactured	<u>11,891,214</u>	<u>9,943,495</u>	<u>6,536,405</u>	<u>5,199,554</u>
Finished goods:				
Opening stock	1,164,522	1,154,710	1,305,229	1,145,222
Closing stock	(1,392,917)	(1,401,402)	(1,392,917)	(1,401,402)
	<u>(228,395)</u>	<u>(246,692)</u>	<u>(87,688)</u>	<u>(256,180)</u>
	<u>11,662,819</u>	<u>9,696,803</u>	<u>6,448,717</u>	<u>4,943,374</u>

(Un-audited)

HALF YEAR ENDED		QUARTER ENDED	
31 December 2009	31 December 2008	31 December 2009	31 December 2008

Restated

Restated

----- (Rupees in thousand) -----

11. OTHER OPERATING EXPENSES

Workers' profit participation fund	59,917	72,291	29,714	28,216
Workers' welfare fund	23,388	27,415	11,292	10,722
Provision for doubtful debts	6,000	80,458	6,000	53,458
Provision for slow moving stores, spare parts and loose tools	31,895	-	31,895	-
Provision for dead and slow moving stock-in-trade	2,783	-	2,783	-
Depreciation on investment properties	3,202	-	1,614	-
Donations (Note 11.1)	500	1,500	-	-
	127,685	181,664	83,298	92,396

11.1 There is no interest of any director or his spouse in donees' fund.

(Un-audited)

HALF YEAR ENDED	
31 December 2009	31 December 2008

(Restated)

(Rupees in thousand)

12. CASH GENERATED FROM / (UTILIZED IN) OPERATIONS

Profit before taxation	1,145,991	1,284,290
Adjustments for non-cash charges and other items:		
Depreciation	539,852	534,718
Provision for doubtful debts	6,000	80,458
Provision for slow moving stores, spare parts and loose tools	31,895	-
Provision for dead and slow moving stock in trade	2,783	-
Gain on sale of property, plant and equipment	(261)	(2,255)
Gain on sale of investment	(32,000)	-
Dividend Income	(252,519)	(271,110)
Exchange difference on investment in foreign subsidiary	(108)	(31)
Finance cost	546,828	737,156
Working capital changes (Note 12.1)	(3,333,598)	(2,282,457)
	(1,345,137)	80,769

12.1 Working capital changes

(Increase) / decrease in current assets:

- Stores, spare parts and loose tools	(172,736)	(125,027)
- Stock in trade	(3,168,648)	(2,199,667)
- Trade debts	(263,604)	(205,004)
- Loans and advances	3,497	(31,404)
- Short term deposits and prepayments	(61,655)	(19,831)
- Other receivables	(132,326)	21,080
	(3,795,472)	(2,559,853)
Increase in trade and other payables	461,874	277,396
	(3,333,598)	(2,282,457)

12.2 The Company has bank account balances of Rupees 26.784 million (31 December 2008: Rupees 50.117 million) with an associated company at 31 December 2009.

13. SEGMENT INFORMATION

13.1 The company has five reportable operating segments. The following summary describes the operation in each of the company's reportable segments:

- Spinning: Production of different quality of yarn using natural and artificial fibers.
- Weaving: Production of different quality of grey fabric using yarn.
- Processing & Home Textile: Processing of grey fabric for production of printed and dyed fabric and manufacturing of home textile articles.
- Garments: Manufacturing of garments using processed fabric.
- Power Generation: Generation and distribution of power.

Transactions among the operating segments are recorded at arm's length prices using admissible valuation methods. Inter segment sales and purchases have been eliminated from the total.

	Spinning		Weaving		Processing & home textile		Garments		Power generation		Elimination of inter-segment transactions		Total-Company	
	(Un-audited)	Half year ended	(Un-audited)	Half year ended	(Un-audited)	Half year ended	(Un-audited)	Half year ended	(Un-audited)	Half year ended	(Un-audited)	Half year ended	(Un-audited)	Half year ended
	31 Dec 09	31 Dec 08	31 Dec 09	31 Dec 08	31 Dec 09	31 Dec 08	31 Dec 09	31 Dec 08	31 Dec 09	31 Dec 08	31 Dec 09	31 Dec 08	31 Dec 09	31 Dec 08
Sales	5,420,622	4,919,822	4,815,017	4,825,075	6,210,078	5,610,824	1,197,261	543,234	1,131,024	1,061,275	4,624,809	4,476,091	14,152,293	12,464,139
Cost of sales	(4,795,762)	(4,026,536)	(4,314,969)	(3,842,331)	(5,050,374)	(4,676,708)	(1,015,438)	(538,159)	(1,111,068)	(1,063,956)	4,624,809	4,476,091	(11,662,819)	(9,936,805)
Gross profit/ (loss)	624,860	891,284	500,048	982,744	1,159,704	932,116	181,823	4,075	20,039	(22,683)	-	-	2,489,474	2,787,336
Distribution cost	(100,529)	(95,651)	(162,241)	(205,467)	(424,918)	(361,812)	(56,098)	(17,711)	-	-	-	-	(743,786)	(680,641)
Administrative expenses	(73,697)	(69,294)	(65,030)	(46,937)	(93,348)	(78,421)	(20,833)	(19,603)	(7,657)	(6,067)	-	-	(260,766)	(220,322)
	(174,426)	(164,945)	(227,271)	(252,404)	(518,267)	(440,233)	(76,931)	(37,314)	(7,657)	(6,067)	-	-	(1,004,552)	(900,963)
Profit/ (loss) before taxation and unallocated income and expenses	450,434	726,339	275,777	730,140	641,437	491,883	104,892	(33,239)	12,382	(28,750)	-	-	1,484,922	1,866,373
Unallocated income and expenses														
Finance cost													(646,828)	(737,156)
Other operating expenses													(127,665)	(181,664)
Other operating income													355,582	316,737
Provision for taxation													(135,500)	(146,500)
Profit after taxation													1,010,491	1,137,790

(RUPEES IN THOUSAND)

(Restated)

	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
	31 Dec 09	30 Jun 09	31 Dec 09	30 Jun 09	31 Dec 09	30 Jun 09	31 Dec 09	30 Jun 09	31 Dec 09	30 Jun 09	31 Dec 09	30 Jun 09
Segment Assets	7,933,632	5,223,396	3,337,662	3,056,845	6,859,265	6,173,555	1,373,380	1,337,479	1,860,295	1,849,312	21,364,234	17,640,567
Unallocated Assets											18,445,475	13,872,059
											39,809,709	31,512,686

(RUPEES IN THOUSAND)

14. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise subsidiary companies, associated undertakings, other related companies 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:

				(Un-audited)	
HALF YEAR ENDED		QUARTER ENDED			
31 December	31 December	31 December	31 December		
2009	2008	2009	2008		
(Restated)		(Restated)			
----- (Rupees in thousand) -----					
Subsidiary companies					
Investment made	510,885	332,939	-	268,939	
Share deposit money	510,885	320,339	-	252,939	
Long term loan given	472,885	-	447,885	-	
Interest on long term loan	5,598	-	5,528	-	
Purchase of goods and services	7,547	4,662	3,606	4,662	
Sale of operating fixed assets	34	-	34	-	
Associated companies					
Purchase of goods and services	4,870	5,784	3,131	4,931	
Rent received	3,300	-	1,650	-	
Purchase of vehicle	-	670	-	-	
Dividend received	249,327	270,760	119,575	143,072	
Dividend paid	43,515	52,564	43,515	52,564	
Insurance premium paid	34,433	27,983	14,984	8,370	
Insurance claims received	7,258	9,768	2,464	9,525	
Subscription paid	563	-	-	-	
Other related parties					
Investment made	56,283	-	56,283	-	
Dividend received	3,192	-	3,192	-	
Purchase of goods and services	111,840	44,173	47,275	33,955	
Sale of goods and services	85,266	32,070	43,348	8,610	
Sale of operating fixed assets	-	1,400	-	1,100	
Company's contribution to provident fund trust	35,669	28,792	17,835	14,981	
Remuneration paid to Chief Executive Officer, Directors and Executives	64,252	47,701	33,799	25,754	

15. FINANCIAL RISK MANAGEMENT

The company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the company for the year ended 30 June 2009.

16. EVENTS AFTER THE BALANCE SHEET DATE

The Board of Directors in its meeting held on 16 February 2010 has approved issue of ordinary right shares to the existing shareholders of the company @ 45% to be paid at Rupees 40 per share including premium of Rupees 30 per share.

17. DATE OF AUTHORIZATION FOR ISSUE

This unconsolidated condensed interim financial information was approved by the Board of Directors and authorized for issue on 16 February 2010.

18. CORRESPONDING FIGURES

Corresponding figures of unconsolidated condensed interim profit and loss account, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim cash flow statement, unconsolidated condensed interim statement of changes in equity together with the notes forming part thereof have been restated and include amounts pertaining to Nishat Apparel Limited pursuant to its amalgamation with Nishat Mills Limited which was effective from 01 July 2008.

19. GENERAL

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

NISHAT MILLS LIMITED AND ITS SUBSIDIARIES

**CONSOLIDATED CONDENSED INTERIM
FINANCIAL INFORMATION
FOR THE HALF YEAR
ENDED 31 DECEMBER 2009**

**CONSOLIDATED CONDENSED INTERIM BALANCE SHEET
AS AT 31 DECEMBER 2009**

	Note	Un-audited 31 December 2009 (Rupees in thousand)	Audited 30 June 2009
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
1,100,000,000 (30 June 2009: 1,100,000,000) ordinary shares of Rupees 10 each		11,000,000	11,000,000
Issued, subscribed and paid up share capital			
242,482,654 (30 June 2009: 242,482,654) ordinary shares of Rupees 10 each		2,424,827	2,424,827
Reserves		25,118,271	22,113,616
Equity attributable to equity holders of the parent		27,543,098	24,538,443
Minority interest		1,537,163	1,026,852
Total equity		29,080,261	25,565,295
NON-CURRENT LIABILITIES			
Long term financing	6	15,785,094	13,730,957
Deferred income tax liability		334,035	249,396
		16,119,129	13,980,353
CURRENT LIABILITIES			
Trade and other payables		1,790,890	1,318,088
Accrued markup		751,195	638,872
Short term borrowings		11,407,809	7,342,600
Current portion of long term financing	6	1,543,888	686,753
Provision for taxation		187,019	315,918
		15,680,801	10,302,231
Total liabilities		31,799,930	24,282,584
CONTINGENCIES AND COMMITMENTS			
	7		
TOTAL EQUITY AND LIABILITIES		60,880,191	49,847,879

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

CHIEF EXECUTIVE OFFICER

	Un-audited 31 December 2009	Audited 30 June 2009
Note	(Rupees in thousand)	
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	8 27,609,911	26,170,143
Investment properties	9 135,700	41,049
Long term investments	17,530,901	15,546,837
Long term loans	16,006	12,367
Long term deposits and prepayments	15,753	12,174
	45,308,271	41,782,570
CURRENT ASSETS		
Stores, spare parts and loose tools	846,126	561,251
Stock-in-trade	8,333,721	4,092,641
Trade debts	2,139,304	1,300,366
Loans and advances	355,608	462,256
Short term deposits and prepayments	91,194	30,491
Other receivables	636,499	331,255
Short term investments	1,764,610	1,116,185
Cash and bank balances	1,404,858	170,864
	15,571,920	8,065,309
TOTAL ASSETS	60,880,191	49,847,879

DIRECTOR

**CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS
ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2009**

	Note	HALF YEAR ENDED		QUARTER ENDED	
		31 December 2009	31 December 2008 (Restated)	31 December 2009	31 December 2008 (Restated)
----- (Rupees in thousand) -----					
SALES		14,152,293	12,484,139	7,622,003	6,279,351
COST OF SALES	10	(11,662,819)	(9,696,803)	(6,293,328)	(4,943,374)
GROSS PROFIT		2,489,474	2,787,336	1,328,675	1,335,977
DISTRIBUTION COST		(743,763)	(680,479)	(401,013)	(364,806)
ADMINISTRATIVE EXPENSES		(272,488)	(221,675)	(144,690)	(119,651)
OTHER OPERATING EXPENSES	11	(127,685)	(181,664)	(83,298)	(92,396)
		(1,143,936)	(1,083,818)	(629,001)	(576,853)
		1,345,538	1,703,518	699,674	759,124
OTHER OPERATING INCOME		96,413	318,061	31,758	164,381
PROFIT FROM OPERATIONS		1,441,951	2,021,579	731,432	923,505
FINANCE COST		(550,790)	(760,583)	(292,001)	(430,472)
		891,161	1,260,996	439,431	493,033
SHARE OF PROFIT / (LOSS) IN ASSOCIATED COMPANIES		539,876	(47,675)	201,401	93,471
PROFIT BEFORE TAXATION		1,431,037	1,213,321	640,832	586,504
PROVISION FOR TAXATION		(137,457)	(147,432)	(57,957)	(85,932)
PROFIT AFTER TAXATION		1,293,580	1,065,889	582,875	500,572
SHARE OF PROFIT / (LOSS) ATTRIBUTABLE TO:					
EQUITY HOLDERS OF PARENT		1,298,769	1,070,785	578,804	505,450
MINORITY INTEREST		(5,189)	(4,896)	4,071	(4,878)
		1,293,580	1,065,889	582,875	500,572
EARNINGS PER SHARE- BASIC AND DILUTED (RUPEES)		5.36	6.61	2.39	3.12

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF
COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2009**

	HALF YEAR ENDED		QUARTER ENDED	
	31 December 2009	31 December 2008	31 December 2009	31 December 2008
		(Restated)		(Restated)
	----- (Rupees in thousand) -----			
PROFIT AFTER TAXATION	1,293,580	1,065,889	582,875	500,572
OTHER COMPREHENSIVE INCOME				
Surplus / (deficit) on remeasurement of available for sale investments	2,247,413	(13,946,461)	487,864	(7,982,080)
Realized through profit and loss account	(18,454)	-	(18,454)	-
Deferred income tax relating to surplus on available for sale investments	(84,639)	273,808	(84,639)	273,808
Surplus on revaluation of assets- net of tax	41,606	-	10,662	-
Surplus on revaluation of fixed assets relating to incremental depreciation- net of tax	807	-	438	-
	2,186,733	(13,672,653)	395,871	(7,708,272)
Effect of translation of net investment in foreign branches	4,009	-	1,453	-
Exchange differences on translating foreign operation	109	31	38	31
	4,118	31	1,491	31
Other comprehensive income / (loss) for the period - net of tax	2,190,851	(13,672,622)	397,362	(7,708,241)
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD	<u>3,484,431</u>	<u>(12,606,733)</u>	<u>980,237</u>	<u>(7,207,669)</u>
SHARE OF PROFIT / (LOSS) ATTRIBUTABLE TO:				
EQUITY HOLDERS OF PARENT	3,489,620	(12,601,837)	976,166	(7,202,791)
MINORITY INTEREST	(5,189)	(4,896)	4,071	(4,878)
	<u>3,484,431</u>	<u>(12,606,733)</u>	<u>980,237</u>	<u>(7,207,669)</u>

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

**CONSOLIDATED CONDENSED INTERIM CASH FLOW
STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2009**

Note	HALF YEAR ENDED		
	31 December 2009	31 December 2008 (Restated)	
	(Rupees in thousand)		
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (utilized in) / generated from operations	12	(3,299,696)	540,470
Finance cost paid		(532,118)	(689,319)
Income tax paid		(156,419)	(136,983)
Gratuity paid		-	(1,557)
Net increase in long term loans		(6,841)	(2,384)
Net increase in long term deposits and prepayments		(2,710)	(1,088)
Net cash utilized in operating activities		(3,997,784)	(290,861)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		43,604	16,936
Dividends received		250,044	271,110
Investments made		(56,283)	(7,165)
Capital expenditure on property, plant and equipment		(2,020,103)	(2,865,470)
Net cash utilized in investing activities		(1,782,738)	(2,584,589)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		2,961,272	2,725,607
Proceeds from disposal of interest to minority shareholders		515,500	82,500
Repayment of long term financing		(50,000)	(608,112)
Exchange difference on translation of the net investment in a foreign subsidiary		109	31
Short term borrowings - net		4,065,209	1,479,227
Dividend paid		(477,574)	(381,822)
Net cash from financing activities		7,014,516	3,297,431
Net increase in cash and cash equivalents		1,233,994	421,981
Cash and cash equivalents at the beginning of the period		170,864	78,933
Cash and cash equivalents at the end of the period		1,404,858	500,914

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 (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2009

(RUPEES IN THOUSAND)

	ATTRIBUTABLE TO EQUITY HOLDERS OF THE HOLDING COMPANY											MINORITY INTEREST	TOTAL EQUITY		
	CAPITAL RESERVES				REVENUE RESERVES				TOTAL RESERVES		SHARE-HOLDERS' EQUITY				
	Premium on issue of right Shares	Fair value reserve	Exchange translation reserve	Capital redemption reserve fund	Sub Total	General reserve	Amalgamation reserve	Statutory reserve	Unappropriated profit	Sub Total				TOTAL RESERVES	
SHARE CAPITAL															
Balance as at 01 July 2008 – (audited)- restated	1,597,857	1,027,622	13,477,109	-	111,002	14,615,733	9,079,882	476,105	-	5,490,299	15,046,286	29,662,019	31,259,876	158,261	31,418,137
Final dividend for the year ended 30 June 2008 @ Rupees 2.5 per share	-	-	-	-	-	-	-	-	-	(399,464)	(399,464)	(399,464)	(399,464)	-	(399,464)
Transfer to general reserve	-	-	-	-	-	5,294,000	-	-	-	(5,294,000)	-	-	-	-	82,500
Disposal of interest to minority shareholders	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income / (loss) for the half year ended 31 December 2008	-	(13,672,653)	31	-	-	(13,672,622)	-	-	-	1,070,785	1,070,785	(12,601,837)	(12,601,837)	(4,896)	(12,606,733)
Balance as at 31 December 2008 – (Un-audited)-restated	1,597,857	1,027,622	(195,544)	31	111,002	943,111	14,373,882	476,105	-	867,620	15,717,607	16,660,718	18,258,575	235,865	18,494,440
Issue of shares under scheme of amalgamation	28,041	-	-	-	-	-	-	(28,041)	-	-	(28,041)	(28,041)	-	-	-
Excess of net assets acquired in Nishat Apparel Limited	-	-	-	-	-	-	-	(448,064)	-	448,064	-	-	-	-	-
Right shares issued during the year ended 30 June 2009	798,929	1,198,392	-	-	-	1,198,392	-	-	-	-	-	1,198,392	1,997,321	-	1,997,321
Share in reserves of associated companies under equity method	-	-	-	-	-	-	-	-	25,061	(25,061)	-	-	-	-	-
Disposal of interest to minority shareholders	-	-	-	-	-	-	-	-	-	(7,214)	(7,214)	(7,214)	(7,214)	(3,844)	(770,000)
Share issuance cost- net	-	-	-	-	-	-	-	-	-	(7,214)	(7,214)	(7,214)	(7,214)	(3,844)	(11,058)
Total comprehensive income for the half year ended 30 June 2009	-	3,688,223	1,906	-	-	3,690,129	-	-	599,632	599,632	4,289,761	4,289,761	4,289,761	24,831	4,314,592
Balance as at 30 June 2009 – (audited)-restated	2,424,827	2,226,014	3,492,679	1,937	111,002	5,831,632	14,373,882	25,061	1,883,041	16,281,984	22,113,616	24,538,443	1,026,852	25,565,295	
Final dividend for the year ended 30 June 2009 @ Rupees 2 per share	-	-	-	-	-	-	-	-	-	(484,965)	(484,965)	(484,965)	(484,965)	-	(484,965)
Transfer to general reserve	-	-	-	-	-	-	1,350,000	-	-	(1,350,000)	-	-	-	-	-
Share in reserves of associated companies under equity method	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposal of interest to minority shareholders	-	-	-	-	-	-	-	-	54,191	(54,191)	-	-	-	-	515,500
Total comprehensive income for the half year ended 31 December 2009	-	2,186,733	4,118	-	-	2,190,851	-	-	1,298,769	1,298,769	3,489,620	3,489,620	(5,189)	3,484,431	
Balance as at 31 December 2009 - (Un-audited)	2,424,827	2,226,014	5,679,412	6,055	111,002	8,002,483	15,723,882	-	79,252	1,292,654	17,095,788	25,118,271	27,543,098	1,537,163	29,080,261

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

SELECTED NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2009

1. THE GROUP AND ITS OPERATIONS

The Group consists of:

Holding Company

- Nishat Mills Limited

Subsidiary Companies

-Nishat Power Limited

-Nishat USA, INC.

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 Companies Ordinance, 1984 and listed on Lahore and Karachi Stock Exchanges in Pakistan. The principal activity of the company is to build, own, operate and maintain a Residual Furnace Oil (RFO) fired power plant based on Combined Cycle Reciprocating Engine Technology having gross capacity of 200 MW ISO at Jamber Kalan, Tehsil Pattoki, District Kasur, Punjab, Pakistan to carry out the business of power generation and sale to National Transmission and Despatch Company Limited (through Central Power Purchase Agency) on behalf of Ex-WAPDA Distribution companies. The Company has not yet commenced commercial operation. However, during the first quarter of current fiscal year the Company has successfully completed the pre-synchronization test and during testing and commissioning phase it has started exporting test energy to NTDC. The project is expected to start its commercial production by the end of 3rd quarter of current financial year i.e. March 2010. Its registered office is situated at 53-A, Lawrence Road, Lahore.

NISHAT USA, INC.

Nishat USA Inc. is a wholly owned foreign subsidiary of Nishat Mills Limited, 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.

2. BASIS OF PREPARATION

This consolidated condensed interim financial information is un-audited and is being submitted to shareholders as required by section 245 of the Companies Ordinance, 1984. This consolidated condensed interim financial information has been prepared in accordance with the International Accounting Standard (IAS) 34 "Interim Financial Reporting" and (IAS) 27 "Consolidated and separate financial statements" as applicable in Pakistan and notified by the Securities and Exchange Commission of Pakistan (SECP).

This consolidated condensed interim financial information should be read in conjunction with the audited annual published consolidated financial statements for the year ended 30 June 2009.

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 the preceding audited annual published financial statements of the group for the year ended 30 June 2009.

The following amendments to published approved accounting standards and standards relevant to the group have been adopted in the current period:

IFRS 8 'Operating Segments' introduces the 'management approach' to segment reporting. It requires presentation and disclosure of segment information based on internal reports regularly reviewed by the group's chief operating decision maker in order to assess each segment's performance and to allocate resources to them. The adoption of IFRS 8 has resulted in certain additional disclosures in the consolidated condensed interim financial information. Following accounting policy of segment reporting has been adopted during the current period:

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker who is responsible for allocating resources and assessing performance of the operating segments.

IAS 1 (Revised) 'Presentation of Financial Statements'. The revised standard prohibits the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All 'non-owner changes in equity' are required to be shown in performance statement. Companies can choose whether to present one performance statement (the statement of comprehensive income) or two statements (profit and loss account and statement of comprehensive income). The group has preferred to present two statements; a consolidated condensed interim profit and loss account and a consolidated condensed interim statement of comprehensive income. In this consolidated condensed interim financial information, comparative information has been re-presented in conformity with the revised standard. Since this change in accounting policy only impacts presentation aspects, there is no impact on earnings per share.

In addition to above, there are other new standards and amendments to published approved accounting standards which are mandatory for financial statements for annual periods beginning on or after 01 January 2009 and are also relevant to the group. However, the adoption of these new standards and amendments to standards did not have any significant impact on this consolidated condensed interim financial information of the group, therefore, are not analyzed in detail.

4. CONSOLIDATION

a) Subsidiary

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.

Minority 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. Minority interests are presented as separate item in this consolidated condensed interim financial information.

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 accumulated impairment loss, if any.

The group's share of its associate's post-acquisition profits or losses is recognized in the profit and loss account, and its share of post-acquisition movements in reserves is recognized in reserves. 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 JUDGMENTS

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 2009.

	Un-audited 31 December 2009	Audited 30 June 2009
	(Rupees in thousand)	
6. LONG TERM FINANCING - SECURED		
Opening balance	14,417,710	5,192,650
Add: Obtained during the period / year	2,961,272	9,983,173
Less: Repaid during the period / year	50,000	758,113
	17,328,982	14,417,710
Closing balance	17,328,982	14,417,710
Less: Current portion shown under current liabilities	1,543,888	686,753
	15,785,094	13,730,957

7. CONTINGENCIES AND COMMITMENTS

Contingencies

- i) Nishat Mills Limited - Holding company is contingently liable for Rupees 86.841 million (30 June 2009: Rupees 86.313 million) on account of central excise duty not acknowledged as debt as the cases are pending before Court.
- ii) Guarantees of Rupees 454.839 million (30 June 2009: Rupees 421.751 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 against purchase of furnace oil, Director Excise and Taxation, Karachi and Collector of Customs, Excise and Sales tax against infrastructure cess.
- iii) Post dated cheques of Rupees 460.519 million (30 June 2009: Rupees 284.473 million) are issued by the Nishat Mills Limited- Holding Company to customs authorities in respect of duties on imported material 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) Moreover, Nishat Mills Limited- Holding Company has given following guarantees on behalf of Nishat Power Limited - subsidiary company:
 - (a) Performance guarantee of USD 1 million [Pak Rupees 84.36 million] (30 June 2009: USD 1 million [Pak Rupees 81.470 million]) in favour of Private Power and Infrastructure Board to secure performance of Nishat Power Limited- Subsidiary Company under Implementation Agreement and Power Purchase Agreement.
 - (b) Irrevocable standby letters of credit of Rupees 887.855 million (30 June 2009: Rupees 410 million) for equity injection and Rupees NIL (30 June 2009: 147.120 million) for positive cost overrun, in accordance with Project Funds Agreement, in favour of security trustee of syndicated lenders of Nishat Power Limited- Subsidiary Company.
- v) Nishat Power Limited - Subsidiary company has issued irrevocable letter of credit of USD 5.370 Million [Pak Rupees 452.984 million] (30 June 2009: USD 5.370 million [Pak Rupees 437.465 million]) in favour of National Transmission and Despatch Company as required under a Power Purchase Agreement.
- vi) The Nishat Mills Limited's share in contingencies of associated companies' is Rupees 5,288.885 million (30 June 2009: Rupees 6,400.381 million).

Commitments

- i) Contracts for capital expenditure of the group are of Rupees 1,613.621 million (30 June 2009: Rupees 1,234.456 million).
- ii) Letters of credit other than for capital expenditure of the group are of Rupees 622.945 million (30 June 2009: Rupees 296.719 million).
- iii) 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 of the power station. Under the terms of the Fuel Supply Agreement, the subsidiary company is not required to buy any minimum quantity of oil from SPL.
- iv) Nishat Power Limited – Subsidiary company has also entered into an agreement with Wartsila Pakistan (Private) Limited for the operations and maintenance of the power station for a five years period starting from the Commercial Operations Date of the power station.

	Un-audited 31 December 2009 (Rupees in thousand)	Audited 30 June 2009
8. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets (Note 8.1)	10,797,593	11,189,711
Capital work-in-progress (Note 8.2)	16,812,318	14,980,432
	27,609,911	26,170,143
8.1 OPERATING FIXED ASSETS		
Opening book value	11,189,711	11,272,588
Add: Cost of additions during the period / year (Note 8.1.1)	286,444	1,106,759
Less: Book value of assets transferred to investment properties during the period / year (Note 8.1.2)	97,853	43,637
	11,378,302	12,335,710
Less: Book value of deletions during the period / year (Note 8.1.3)	43,345	28,099
	11,334,957	12,307,611
Less: Depreciation charged for the period / year	537,364	1,117,900
	10,797,593	11,189,711
8.1.1 Cost of additions		
Freehold land	111,479	58,761
Buildings on freehold land	11,336	141,776
Plant and machinery	97,473	770,065
Electric installations	2,522	18,804
Factory equipment	5,176	31,974
Furniture, fixtures and office equipment	12,775	28,145
Computer equipment	5,857	6,533
Vehicles	39,826	50,701
	286,444	1,106,759
8.1.2 Book value of assets transferred to investment properties		
Freehold land	56,632	18,756
Buildings on freehold land	41,221	24,881
	97,853	43,637
8.1.3 Book value of deletions		
Plant and machinery	38,883	12,760
Electric installations	407	1,656
Factory equipment	95	2,021
Furniture, fixtures and office equipment	59	581
Computer equipment	50	-
Vehicles	3,851	11,081
	43,345	28,099

	Un-audited 31 December 2009	Audited 30 June 2009
	(Rupees in thousand)	
8.2 CAPITAL WORK-IN-PROGRESS		
Buildings on freehold land	238,883	161,657
Plant and machinery	13,949,571	13,057,174
Electric installations	1,257	323
Letters of credit against machinery	-	402
Letters of credit and advances against furniture and office equipment	3,510	1,738
Advances against plant and machinery	1,934	6,333
Advances for purchase of vehicles	1,688	2,266
Advances to contractors	12,829	257,511
Unallocated expenditure- Subsidiary company (Note 8.2.1)	2,602,646	1,493,028
	<u>16,812,318</u>	<u>14,980,432</u>
8.2.1 Unallocated expenditures - Nishat Power Limited - Subsidiary Company		
Raw material consumed	784,695	-
Stores, spares and loose tools consumed	1,047	-
Salaries and other benefits	32,808	22,572
Electricity consumed inhouse	10,375	-
Insurance	156,175	150,793
Traveling and conveyance	6,795	4,873
Entertainment	332	241
Rent, rates and taxes	1,215	967
Vehicle running and maintenance	2,193	1,544
Printing and stationery	250	208
Postage and telephone	1,251	1,070
Fuel and power	51	51
Legal and professional charges	4,897	3,581
Auditors' remuneration	690	690
Consultancy charges	12,016	11,026
Registration fee	40	40
Fee and subscription	18,673	16,979
Mark-up on long term financing	2,139,595	1,152,839
Mark-up on short term financing	46,306	-
Bank charges and financing fee	168,670	114,345
Bank guarantee commission	9,264	8,674
Miscellaneous	2,446	1,543
Depreciation	1,631	992
Sale of trial production	(798,769)	-
	<u>2,602,646</u>	<u>1,493,028</u>
9. INVESTMENT PROPERTIES		
Opening book value	41,049	-
Add: Transfer from operating fixed assets during the period / year (Note 8.1.2)	97,853	43,637
Less: Depreciation charge during the period / year	3,202	2,588
	<u>135,700</u>	<u>41,049</u>

(Un-audited)

HALF YEAR ENDED		QUARTER ENDED	
31 December 2009	31 December 2008	31 December 2009	31 December 2008

Restated

Restated

----- (Rupees in thousand) -----

10. COST OF SALES

Raw materials consumed	3,544,936	2,991,712	1,970,129	1,484,248
Cloth and yarn purchased / used	4,381,847	3,368,967	2,512,752	1,568,532
Processing charges	61,592	30,328	33,485	14,187
Salaries, wages and other benefits	926,914	836,928	475,177	446,367
Staff retirement benefits	26,219	22,145	13,073	11,552
Stores, spare parts and loose tools	1,280,092	1,052,274	676,561	570,768
Packing materials	256,076	232,207	139,417	116,834
Repair and maintenance	145,406	70,360	87,048	41,631
Fuel and power	1,033,008	1,106,612	364,898	574,638
Insurance	13,379	13,864	6,576	6,951
Other factory overheads	98,576	121,994	46,577	63,101
Depreciation	507,124	507,157	255,882	254,969
	12,275,169	10,354,548	6,581,575	5,153,778
Work-in-process:				
Opening stock	1,529,335	1,207,658	1,712,731	1,664,487
Closing stock	(1,913,290)	(1,618,711)	(1,913,290)	(1,618,711)
	(383,955)	(411,053)	(200,559)	45,776
Cost of goods manufactured	11,891,214	9,943,495	6,381,016	5,199,554
Finished goods:				
Opening stock	1,164,522	1,154,710	1,305,229	1,145,222
Closing stock	(1,392,917)	(1,401,402)	(1,392,917)	(1,401,402)
	(228,395)	(246,692)	(87,688)	(256,180)
	11,662,819	9,696,803	6,293,328	4,943,374

11. OTHER OPERATING EXPENSES

Workers' profit participation fund	59,917	72,291	29,714	28,216
Workers' welfare fund	23,388	27,415	11,292	10,722
Provision for doubtful debts	6,000	80,458	6,000	53,458
Provision for slow moving stores, spare parts and loose tools	31,895	-	31,895	-
Provision for dead and slow moving stock-in-trade	2,783	-	2,783	-
Depreciation on investment properties	3,202	-	1,614	-
Donations (Note 11.1)	500	1,500	-	-
	127,685	181,664	83,298	92,396

11.1 There is no interest of any director or his spouse in donees' fund.

	(Un-audited)	
	HALF YEAR ENDED	
	31 December 2009	31 December 2008
	(Restated)	
	(Rupees in thousand)	
12. CASH (UTILIZED IN) / GENERATED FROM OPERATIONS		
Profit before taxation	1,431,037	1,213,321
Adjustments for non-cash charges and other items:		
Depreciation	539,927	534,753
Provision for doubtful debts	6,000	80,458
Provision for slow moving stores, spare parts and loose tools	31,895	-
Provision for dead and slow moving stock in trade	2,783	-
Gain on sale of property, plant and equipment	(259)	(2,255)
Dividend income	(13,468)	(271,110)
Share of profit / (loss) from associated companies	(539,876)	47,675
Finance cost	546,853	737,156
Working capital changes (Note 12.1)	(5,304,588)	(1,799,528)
	(3,299,696)	540,470
12.1 Working capital changes		
(Increase) / decrease in current assets:		
- Stores, spare parts and loose tools	(316,770)	(125,027)
- Stock in trade	(4,243,863)	(2,199,667)
- Trade debts	(844,938)	(205,004)
- Loans and advances	(87)	(31,532)
- Short term deposits and prepayments	(61,572)	(20,120)
- Other receivables	(302,769)	20,177
	(5,769,999)	(2,561,173)
Increase in trade and other payables	465,411	761,645
	(5,304,588)	(1,799,528)

13. SEGMENT INFORMATION

13.1 The group has five reportable operating segments. The following summary describes the operation in each of the group's reportable segments:

- Spinning: Production of different quality of yarn using natural and artificial fibers.
- Weaving: Production of different quality of grey fabric using yarn.
- Processing & Home Textile: Processing of grey fabric for production of printed and dyed fabric and manufacturing of home textile articles.
- Garments: Manufacturing of garments using processed fabric.
- Power Generation: Generation and distribution of power.

Transactions among the operating segments are recorded at arm's length prices using admissible valuation methods. Inter segment sales and purchases have been eliminated from the total.

	Spinning		Weaving		Processing & Home Textile		Garments		Power generation		Elimination of Inter-segment transactions		Total-Group	
	(Un-audited)	Half year ended	(Un-audited)	Half year ended	(Un-audited)	Half year ended	(Un-audited)	Half year ended	(Un-audited)	Half year ended	(Un-audited)	Half year ended	(Un-audited)	Half year ended
	31 Dec 09	31 Dec 08	31 Dec 09	31 Dec 08	31 Dec 09	31 Dec 08	31 Dec 09	31 Dec 08	31 Dec 09	31 Dec 08	31 Dec 09	31 Dec 08	31 Dec 09	31 Dec 08
Sales	5,420,622	4,919,822	4,818,017	4,825,075	6,210,078	5,610,824	1,197,261	543,234	1,131,124	1,061,275	(4,624,809)	(4,476,091)	14,152,293	12,484,139
Cost of sales	(4,795,762)	(4,028,536)	(4,314,369)	(3,842,531)	(5,050,374)	(4,678,708)	(1,015,438)	(539,159)	(1,111,085)	(1,083,958)	4,824,809	4,476,091	(11,662,819)	(9,696,803)
Gross profit / (loss)	624,860	891,284	503,648	982,544	1,159,704	932,116	181,823	4,075	20,039	(22,683)	-	-	2,489,474	2,787,336
Distribution cost	(100,529)	(95,651)	(162,241)	(205,467)	(424,895)	(361,650)	(56,098)	(17,711)	-	-	-	-	(743,763)	(660,479)
Administrative expenses	(73,897)	(89,294)	(65,030)	(46,937)	(93,349)	(78,421)	(20,833)	(19,603)	(19,379)	(7,420)	-	-	(272,488)	(221,675)
Profit / (loss) before taxation and unallocated income and expenses	(174,426)	(164,945)	(227,271)	(252,404)	(518,244)	(440,071)	(76,931)	(37,314)	(19,379)	(7,420)	-	-	(1,016,251)	(902,154)
Unallocated income and expenses	450,434	726,339	275,777	730,140	641,460	492,045	104,892	(33,239)	660	(30,103)	-	-	1,473,223	1,885,182
Finance cost													(550,790)	(760,583)
Other operating expenses													(127,685)	(181,664)
Other operating income													96,413	318,061
Share of profit / (loss) in associated companies													539,876	(47,675)
Provision for taxation													(137,457)	(147,432)
Profit after taxation													1,293,580	1,065,889

(RUPEES IN THOUSAND)

(Restated)

	Spinning		Weaving		Processing & Home Textile		Garments		Power generation		Total-Group	
	(Un-audited)	Audited	(Un-audited)	Audited	(Un-audited)	Audited	(Un-audited)	Audited	(Un-audited)	Audited	(Un-audited)	Audited
	31 Dec 09	30 Jun 09	31 Dec 09	30 Jun 09	31 Dec 09	30 Jun 09	31 Dec 09	30 Jun 09	31 Dec 09	30 Jun 09	31 Dec 09	30 Jun 09
Segment Assets	7,933,632	5,223,396	3,337,662	3,056,845	6,860,159	6,175,664	1,373,380	1,337,479	21,611,724	16,866,633	41,116,557	32,680,017
Unallocated Assets											19,763,634	17,167,862
											60,880,191	49,847,879

(RUPEES IN THOUSAND)

14. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated undertakings, other related companies 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 are as follows:

(Un-audited)				
HALF YEAR ENDED		QUARTER ENDED		
31 December 2009	31 December 2008	31 December 2009	31 December 2008	
	(Restated)		(Restated)	
----- (Rupees in thousand) -----				
Associated companies				
Purchase of goods and services	5,952	10,240	4,148	6,025
Sale of goods and services	3,300	-	1,650	-
Purchase of vehicle	-	670	-	-
Dividend received	10,276	15,384	49	15,384
Dividend paid	43,515	52,564	43,515	52,564
Insurance premium paid	40,222	28,092	20,773	8,370
Insurance claims received	7,258	9,768	2,464	9,525
Profit on saving account	93	1	93	-
Subscription paid	563	-	-	-
Other related parties				
Investment made	56,283	-	56,283	-
Dividend received	3,192	-	3,192	-
Purchase of goods and services	111,840	44,173	47,275	33,955
Sale of goods and services	85,266	32,070	43,348	8,610
Sale of operating fixed assets	-	1,400	-	1,100
Group's contribution to provident fund trust	36,059	29,061	17,838	15,129
Remuneration paid to Chief Executive Officer, Directors and Executives of the Holding Company	64,252	47,701	33,799	25,754

15. FINANCIAL RISK MANAGEMENT

The group's financial risk management objectives and policies are consistent with those disclosed in the preceding annual published consolidated financial statements of the group for the year ended 30 June 2009.

16. EVENTS AFTER THE BALANCE SHEET DATE

The Board of Directors of the holding company in its meeting held on 16 February 2010 has approved issue of ordinary right shares to the existing shareholders of the holding company @ 45% to be paid at Rupees 40 per share including premium of Rupees 30 per share.

17. DATE OF AUTHORIZATION FOR ISSUE

This consolidated condensed interim financial information was approved by the Board of Directors and authorized for issue on 16 February 2010.

18. CORRESPONDING FIGURES

Corresponding figures of consolidated condensed interim profit and loss account, consolidated condensed interim statement of comprehensive income, consolidated condensed interim cash flow statement, consolidated condensed interim statement of changes in equity together with the notes forming part thereof have been restated and include amounts pertaining to Nishat Apparel Limited pursuant to its amalgamation with Nishat Mills Limited which was effective from 01 July 2008. Furthermore, certain corresponding figures have been restated/re-arranged, wherever necessary. However, other than inclusion of Nishat Apparel Limited amounts, no significant restatement/re-arrangement has been made.

19. GENERAL

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

CHIEF EXECUTIVE OFFICER

DIRECTOR



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