



Nishat Mills Limited

# Annual Report 2024

**Accelerating  
Focused Growth**

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# COMPANY INFORMATION

## Board of Directors

Mian Umer Mansha  
Chief Executive Officer

Mian Hassan Mansha  
Chairman

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

## Audit Committee

Mrs. Mehak Adil  
Chairperson / Member

Syed Zahid Hussain  
Member

Mr. Farid Noor Ali Fazal  
Member

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

Mrs. Sara Aqeel  
Chairperson / Member

Mian Umer Mansha  
Member

Mr. Mahmood Akhtar  
Member

## Chief Financial Officer

Mr. Mohammad Azam

## Company Secretary

Mr. Khalid Mahmood Chohan

## Auditors

Riaz Ahmad & Company  
Chartered Accountants

## Legal Advisor

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

## Bankers to the Company

Albaraka Bank (Pakistan) Limited  
Allied Bank Limited  
Askari Bank Limited  
Bank Alfalah Limited  
Bank Al Habib Limited  
Bank Islami Pakistan Limited  
Citibank N.A.  
Dubai Islamic Bank Pakistan Limited  
Faysal Bank Limited  
Faysal Bank Limited - Islamic  
Banking  
Habib Bank Limited  
Habib Metropolitan Bank Limited  
Industrial and Commercial Bank  
of China Limited

JS Bank Limited

Meezan Bank Limited

MCB Bank Limited

MCB Islamic Bank Limited

National Bank of Pakistan

Pak Brunei Investment

Company Limited

Pakistan Kuwait Investment

Company (Private) Limited

Samba Bank Limited

Silk Bank Limited

Soneri Bank Limited

Summit Bank Limited

Standard Chartered Bank  
(Pakistan) Limited

The Bank of Punjab

The Bank of Punjab - Taqwa  
Islamic Banking

United Bank Limited

**Mills****Spinning units, Yarn Dyeing & Power plant**

Nishatabad, Faisalabad.

**Spinning units & Power plant**

20 K.M. Sheikhupura Faisalabad Road, Feroze Watwan.

**Spinning units & Power plant**

Plot No. 172-180 & 188-197, M-3 Industrial City, Sahianwala, FIEDMC, 2 K.M. Jhumra Chiniot Road, Chak Jhumra, Faisalabad.

**Weaving units, Denim Unit & Power plant**

12 K.M. Faisalabad Road, Sheikhupura.

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

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

**Terry Unit**

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

**Apparel Unit**

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

**Registered office**

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

**Shares Registrar**

THK Associates (Private) Limited

Head Office, Karachi  
Plot No. 32-C Jami Commercial Street No. 2, DHA Phase VII, Karachi 75500.  
Tel: 021-111 000 322  
Fax: 021-35310191

Branch Office, Lahore

Office No. 309, 3rd Floor,  
North Tower, LSE building,  
19-Sharah-e-Aiwan-e-Iqbal Lahore.

Tel: 042-36302044

**Head Office**

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

**Liaison Office**

1st Floor, Karachi Chambers,  
Hasrat Mohani Road, Karachi.  
Tel: 021-32414721-23  
Fax: 021-32412936



## DIRECTORS' PROFILE



**Mian Umer Mansha**  
Chief Executive Officer



**Mian Hassan Mansha**  
Chairman



**Syed Zahid Hussain**  
Non-Executive Director



**Mr. Farid Noor Ali Fazal**  
Non-Executive Director

**Mian Umer Mansha**

received his Bachelor's degree from Babson College, Boston, USA. He has been serving on the Board of Directors of various listed companies for more than 28 years.

He also serves on the Board of Adamjee Insurance Company Limited, MCB Bank Limited, Adamjee Life Assurance Company Limited, Nishat Dairy (Private) Limited, Nishat Hotels and Properties Limited, Nishat (Raiwind) Hotels and Properties Limited, Nishat Developers (Private) Limited, Nishat Sutas Dairy Limited, Hyundai Nishat Motor (Private) Limited, Nishat Agriculture Farming (Private) Limited, Nishat Agrotech Farms (Private) Limited and National Textile Foundation.

**Mian Hassan Mansha**

has over 24 years of diversified experience and serving on the Board of various listed and unlisted companies. Currently he is serving on the Boards of Nishat Power Limited, Security General Insurance Company Limited, Lalpur Power Limited, Nishat Hotels and Properties Limited, Nishat (Aziz Avenue) Hotels and Properties Limited, Nishat (Raiwind) Hotels and Properties Limited, Nishat Dairy (Private) Limited, Pakistan Aviators and Aviation (Private) Limited, Nishat Real Estate Development Company (Private) Limited, Nishat Agriculture Farming (Private) Limited, Hyundai Nishat Motor (Private) Limited, Nishat Developer (Private) Limited, Nishat Paper Products Company Limited and NexGen Auto (Private) Limited.

He is also serving as Chief Executive Officer of Pakgen Power Limited and is an Honorary Consulate of Brazil in Pakistan.

**Syed Zahid Hussain**

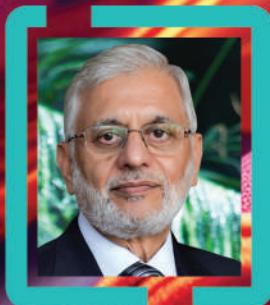
is a seasoned professional in Pakistan's corporate world. He possesses multi-faceted talents and has attained exemplary accomplishments. He has in-depth knowledge of a wide range of subjects and has extensively diversified experience and exposure in senior positions. He has earned B.Sc, LLB and MA in International Relations. He has a vast experience of working as Chairman / Chief Executive / Director of various state owned enterprises and listed companies. He has also served as the High Commissioner / Ambassador of Pakistan in Kenya, with accredited assignments of Ambassadorship in Tanzania, Uganda, Rwanda, Krundse, Ethiopia and Eritrea. He is a fellow member of the Institute of Management, England, International Biographical Center, the USA and the Institute of Marketing Management, Karachi.

**Mr. Farid Noor Ali Fazal**

holds a bachelor degree in Commerce, Law and Management. He has vast experience of about 50 years in marketing, selling, logistics and administration. He started his career in 1967 with Fancy Group of Companies and later served as Marketing Manager of Steel Corporation of Pakistan before moving to Middle East in 1976. He remained associated with the cement and steel sector in Middle East for more than a decade where he served in various companies mostly as General Manager (Sales & Marketing).

He later moved to Houston, Texas, USA in 1987 where he successfully managed his entrepreneurial venture for next eleven years before returning to Pakistan and joined D. G. Khan Cement Company Limited in 1998. His vast experience, leadership traits, business acumen, people skills and dedication to work have been key elements of his success in the role and he has contributed incredible expansion in the market share of DGKC locally and specially internationally as well.

A part from Executive Director's (Sales & Marketing) day to day operational activities, he is currently acting as Senior Vice Chairman of All Pakistan Cement Manufacturers Association (APCMA) and has also served as its Acting Chairman in 2002. Moreover, he serves on Board of Directors of Nishat Papers Products Company Limited and D. G. Khan Cement Company Limited as well.



**Mr. Mahmood Akhtar**  
Non-Executive Director



**Mrs. Sara Aqeel**  
Independent Director



**Mrs. Mehak Adil**  
Independent Director

#### **Mr. Mahmood Akhtar**

holds an MBA degree from University of the Punjab and has over 40 years of managerial experience spread across various sector of industries & business: Sales and Marketing of durable engineering products, manufacturing of cables & overhead aluminum conductor, Power, Health & Hospitality and Relationship Management.

He also serves on the Board of Lalpir Power Limited, Nishat Power Limited, Nishat Hospitality (Private) Limited, Nishat Paper Products Company Limited and Nishat Commodities (Private) Limited.

- Member of Pen (Progressive Education Network). Engaged in providing free & quality education to children.
- Keen Golfer.

#### **Mrs. Sara Aqeel**

is a qualified lawyer, with a significant experience in litigation and academics. She holds a gold medal in Bachelors of Law and has worked with Ramday Law associates. Her work includes cases pertaining to the corporate sector with a special focus on the Banking Sector. In addition, she has also taught Law at Pakistan College of Law and acted as a coordinator for the external program of Law offered by the University of London. Over the years she has participated in a number of skills training programs which have focused primarily on International Law, pertaining to Trade, Human Rights and Comparative Jurisprudence.

#### **Mrs. Mehak Adil**

holds an LLM from the London School of Economics and Political Science, with a specialization in Corporate and Commercial Law. Mrs. Mehak started her career as a corporate lawyer at Cornelius, Lane and Mufti in 2015, where she was engaged in various corporate and commercial cases. Mrs. Mehak is an Advocate of the High Courts in Pakistan, with expertise in domestic and international dispute resolution, including international arbitration.

# VISION, MISSION & CORE VALUES

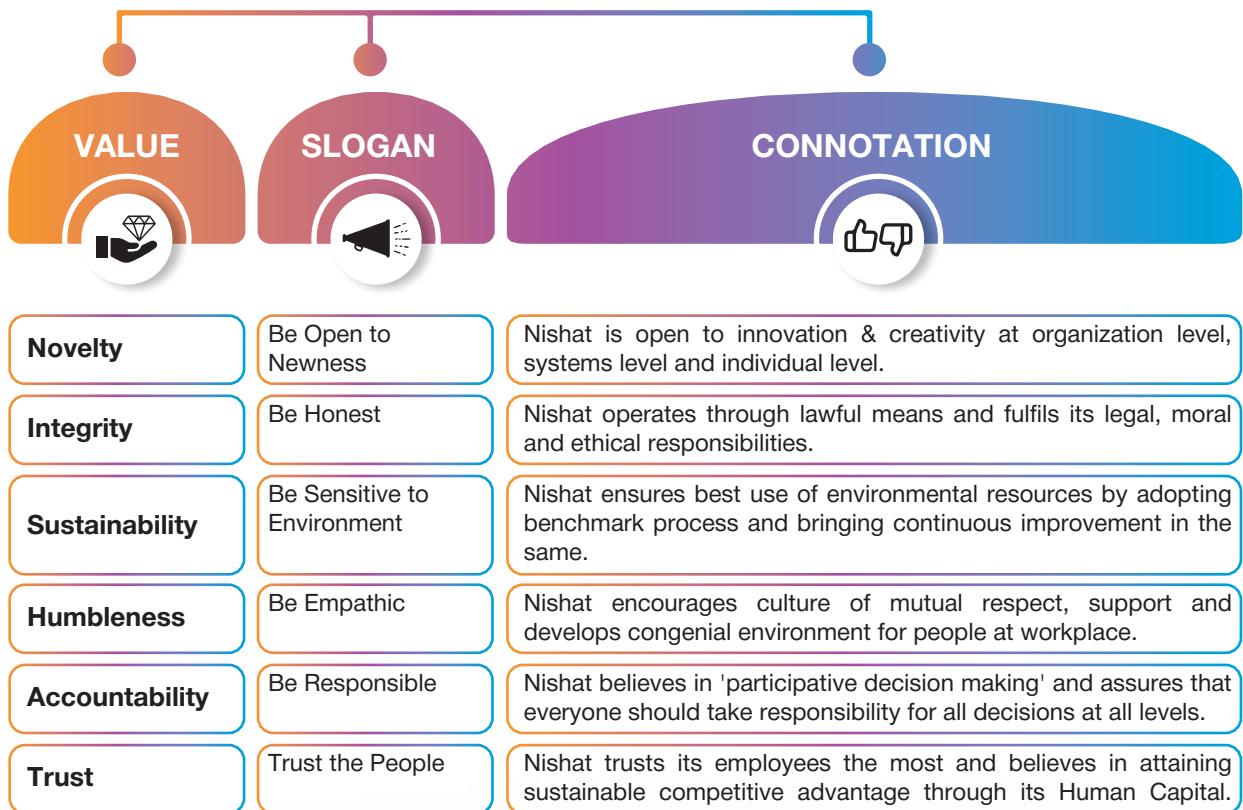
## VISION STATEMENT:

To be and remain industry lead by safeguarding stakeholders' interest, serving community and playing a meaningful role in the economy of Pakistan.

## MISSION STATEMENT:

To increase financial returns by pursuing sustainable business, producing the best quality products and providing excellent customer services while adopting best practices.

### CORE VALUES:



# CHAIRMAN'S REVIEW REPORT

I am pleased to present the annual report of Nishat Mills Limited (the "Company") for the financial year ended 30 June 2024. The year posed significant challenges, including a global economic slowdown, escalating inflation, rising energy costs, higher borrowing expenses, and increased competition from regional textile manufacturers. Despite these hurdles, the Company's capable management successfully mitigated the impact and the Company earned profit after tax of Rs. 6.369 billion for the year ended 30 June 2024.

The Company's seven-member Board and its Committees comprise individuals from diverse backgrounds who demonstrated exceptional oversight throughout the year under review. In line with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (CCG 2019), the Board of Directors conducted its own annual performance evaluation, including a review of its committees, at the meeting held on April 29, 2024. The overall assessment of the Board's performance, based on the defined evaluation mechanism, was deemed satisfactory. The key highlights of this assessment are as follows:

- 1. Board Composition:** The Board maintains an optimal balance of executive, non-executive, and independent directors with significant expertise in the textile industry and a wide range of experiences.
- 2. Director Competence and Engagement:** Each director possesses a strong grasp of the economic and business environment in which the Company operates. They conduct themselves with integrity, independence, and objectivity. Directors dedicate sufficient time to Company's affairs, thoroughly preparing for meetings and actively participating in discussions. They are well-versed in corporate governance and regulatory requirements, staying informed through orientation and ongoing training when necessary. Conflicts of interest are avoided, and directors work collaboratively to achieve the Company's goals.
- 3. Meetings and Governance:** Regular, well-documented meetings are held, where all significant matters are actively discussed by the Directors. Conflicts of interest are properly recorded, and the Board ensures full compliance with CCG 2019. Additionally, the Board remains updated on regulatory changes.
- 4. Strategic Oversight and Risk Management:** The Board plays a crucial role in defining corporate objectives, shaping strategy, and overseeing key financial performance metrics. It ensures the accuracy and quality of financial reporting and reviews accounting policies. The Board actively manages both financial and non-financial risks, including regulatory compliance. It also maintains a strong internal control system, evaluates major investments, and ensures adherence to share trading regulations. Timely communication of price-sensitive information to regulatory authorities is also ensured.



**Mian Hassan Mansha**  
Chairman

Lahore  
27 September 2024



# Directors' Report

Directors of Nishat Mills Limited ("the Company") are pleased to present the annual report of the Company for the year ended 30 June 2024 along with the financial statements and auditors' report thereon.

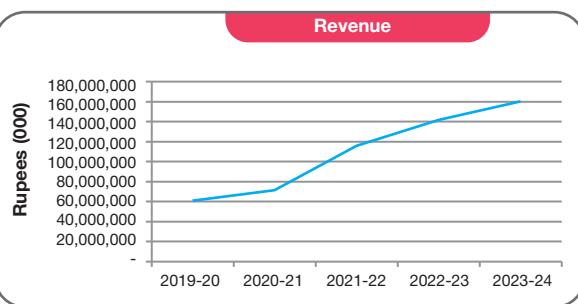
## FINANCIAL PERFORMANCE

The Company's profitability for the financial year ended June 30, 2024, has significantly declined compared to the prior year ended June 30, 2023. This reduction in profit after tax is primarily due to an unprecedented rise in energy prices, increased finance cost and super tax rate during the current period as compared to the previous year.

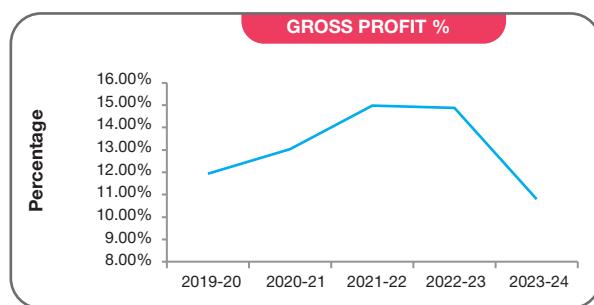
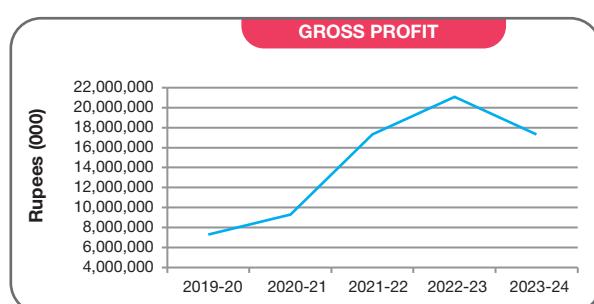
Following are the key highlights (Un-consolidated):

Financial highlights	2024 Rupees (000)	2023 Rupees (000)
Revenue	160,256,555	141,756,469
Gross Profit	17,323,353	21,078,842
EBITDA	25,020,386	25,885,473
Depreciation	3,833,635	3,551,422
Finance Cost	10,442,392	6,927,609
Dividend Income	8,456,190	4,510,937
Profit before Taxation and Levy	10,744,359	15,406,442
Profit after Taxation	6,368,853	12,166,022

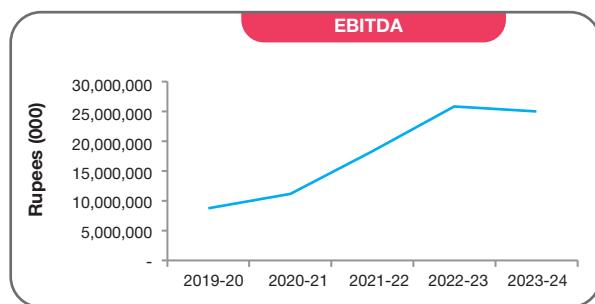
Revenue increased by Rs. 18.501 billion (13.05%), rising from Rs. 141.756 billion in the previous financial year to Rs. 160.257 billion in the current year. While export sales remained stable, local sales saw a significant increase of Rs. 18.216 billion. Over the past five years, the Company has experienced unprecedented revenue growth.



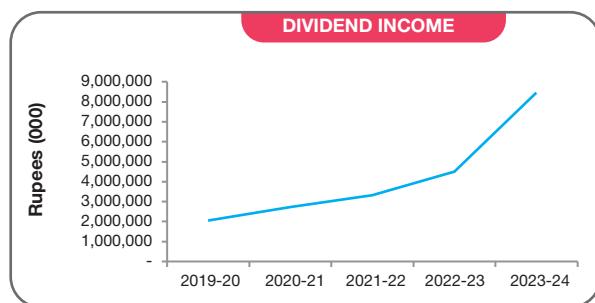
However, gross profit decreased by Rs. 3.755 billion (17.82%) in the current year as compared to the previous year, primarily driven by shrinking margins and an unprecedented rise in costs. This decline is further exacerbated by increased competition forcing price reductions, and a significant rise in electricity and gas prices. Additionally, decreasing exports due to unfavorable economic conditions negatively impacted revenue and profitability. These factors contributed to a reduction in the gross profit-to-sales ratio, which dropped from 14.87% to 10.81%.



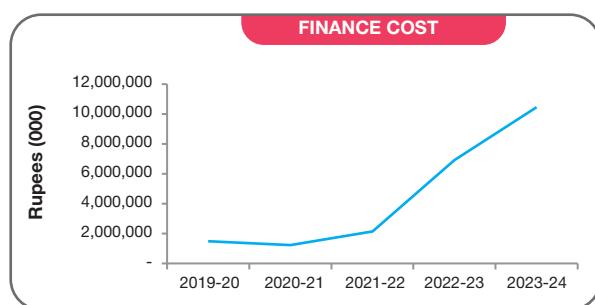
Despite the reduction in operational profits EBITDA remained stable, with only a marginal decline of Rs. 865 million (3.34%) in the current year as compared to the previous year. The main reason was a substantial rise in other income, which increased by Rs. 3.039 billion (29.79%), from Rs. 10.202 billion to Rs. 13.241 billion.



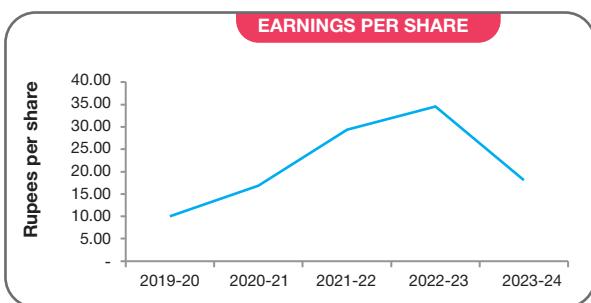
As in previous years, other income made a vital contribution to the Company's overall profitability. Interest income from loans to the subsidiary remained steady at Rs. 2.7 billion, roughly in line with last year's figure. Notably, dividend income saw a significant increase of Rs. 3.945 billion (87.45%), rising from Rs. 4.511 billion in the prior year to Rs. 8.456 billion in the current year. This marks a consistent upward trend in dividend income over the past five years.



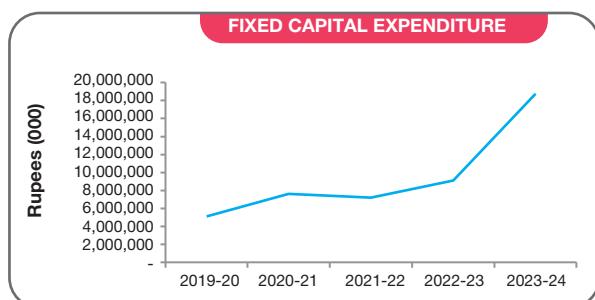
The Company's finance costs increased by Rs. 3.514 billion (50.72%), rising from Rs. 6.928 billion to Rs. 10.442 billion. This increase was primarily driven by the increased borrowing for financing to support new projects and the higher working capital requirements resulting from the Company's substantial topline growth. Additionally, the average borrowing rate rose from 10.88% in the previous year ended June 30, 2023 to 15.07% in the current year. This rise in borrowing costs also negatively impacted the Company's interest coverage ratio, which declined from 3.22 times to 2.03 times.



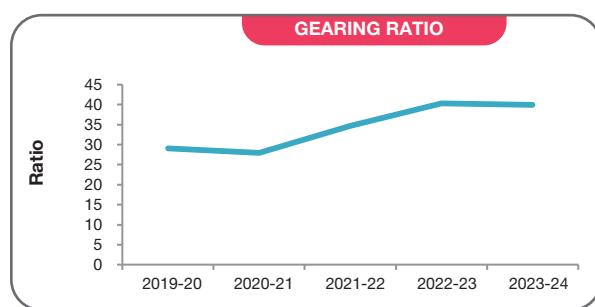
The Company's profit after tax declined by Rs. 5.797 billion, falling from Rs. 12.166 billion in the previous year to Rs. 6.369 billion in the current financial year. This significant decrease was primarily driven by intense competition in the international market, rising production costs, and increased finance cost. As a result, Earnings per Share (EPS) dropped from Rs. 34.60 to Rs. 18.11.



The Company has a strong track record of investing in new facilities, equipment, and technologies to support its expansion into new markets and the development of new product lines. During the year, the Company invested Rs. 18.740 billion in capital expenditures, primarily directed towards its denim and workwear units, as well as alternative and efficient energy projects. Management firmly believes that enhancing and improving operational capabilities is essential to securing the Company's future profitability.



The capital gearing ratio remained stable at 39.94%, compared to 40.28% in the previous year. The last five years trend shows an increase in the gearing ratio during the last two years, driven by higher borrowing to fund increase in the cost of doing business, the expansion of operations and fixed capital projects.

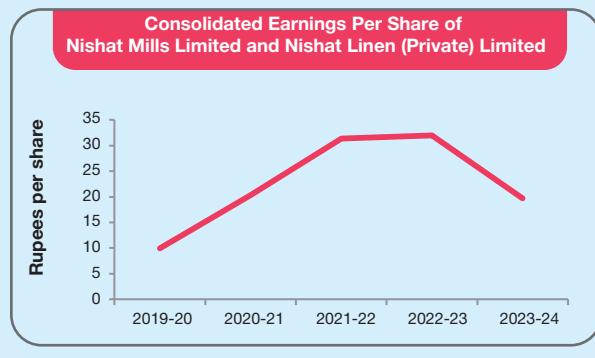


Due to effective working capital management, the current ratio and quick ratio stand at 1.21 and 0.62, respectively, for the current financial year, despite a decline in profitability. This reflects the Company's ability to efficiently manage its short-term assets and liabilities, ensuring sufficient liquidity to meet operational needs even in a challenging financial environment.

### Appropriations

The Board of Directors of the Company has recommended 30% cash dividend (2023: 50%) and transferring of Rupees 5,319 million (2023: Rupees 10,408 million) to general reserve.

Nishat Group ("the Group") is one of the largest and leading business houses in Pakistan. It operates in 12 major sectors of national economy. The Group has 2 textile companies in Pakistan: Nishat Mills Limited and Nishat Linen (Private) Limited. Nishat Mills Limited is the parent company while Nishat Linen (Private) Limited is its wholly owned subsidiary. The principal objects of the Subsidiary are to operate retail outlets for sale of textile and other products and to sell the textile products by processing the textile goods in its own and outside manufacturing facilities. Consolidated Earnings per Share (EPS) was Rs. 19.75 per share in the current year as compared to Rs. 31.96 per share during the corresponding last year due to drop in the profit after tax of Nishat Mills Limited.



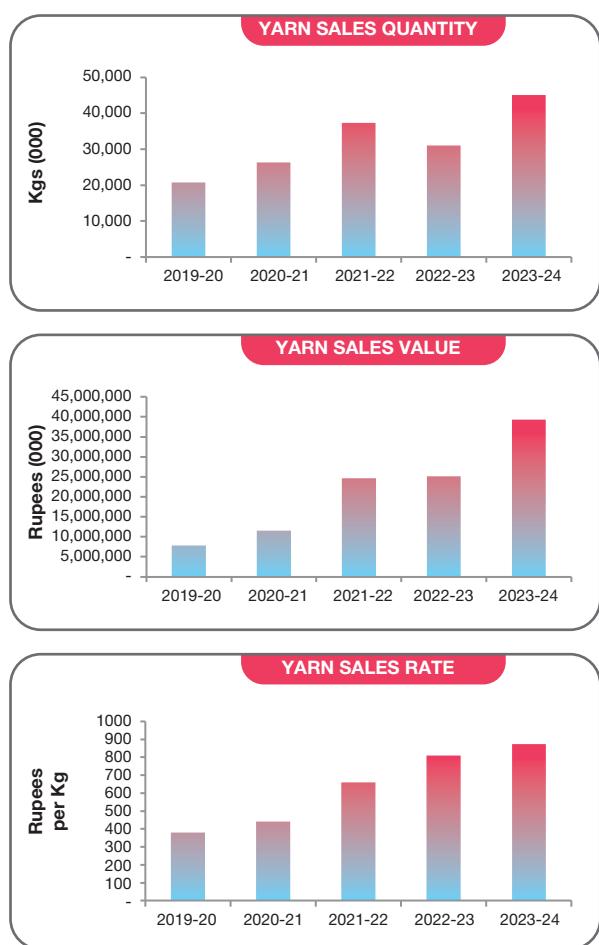
## SEGMENT ANALYSIS

### Spinning

In 2023-24, raw cotton prices remained high due to mismatch between cotton supply and demand coupled with rapid buying by spinners, and uncertainty in exchange rate between the Pakistani Rupee (PKR) and the US Dollar (USD). While international cotton prices rose initially, they fell significantly by year-end. The Company bought local cotton at any available market price, aiming to meet most of its annual needs domestically, with a small portion from imports.

Yarn prices in export markets struggled due to global economic issues, high inflation, and currency instability. The local market, though challenging, was more supportive. Competition from India, Vietnam, and Indonesia, along with the strengthening rupee, made it difficult for NML to keep its yarn prices competitive internationally.

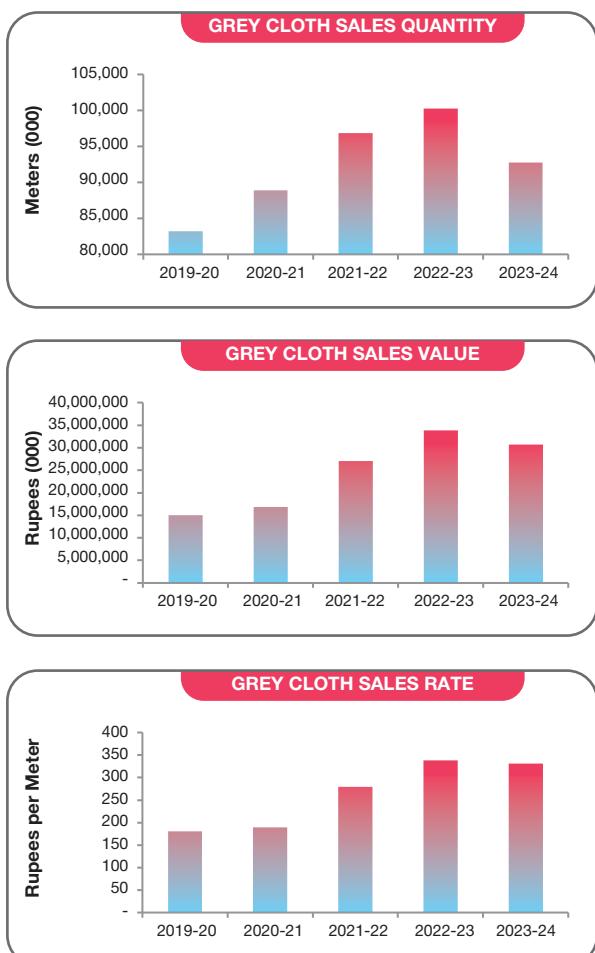
As a result of rising production costs and global uncertainties, the Company anticipates another challenging year in 2024-25 and will closely monitor market conditions to adjust its strategies.



### Weaving

The Weaving Division faced pressure during the financial year, with a 7.46% decline in the sales of fresh greige cloth quantity. The primary reason was high inflation in Europe, our traditional market, which shifted demand away from high-value fashion products. In response, we focused on lower-cost technical fabrics to adapt to the situation.

For FY 2024-25, we aim to increase exports by at least 15% in value from the current year. Our strategy includes targeting high-end technical fabrics and reclaiming some lost fashion business. Anticipating intense price pressure, we are investing in energy-efficient, high-speed looms over the next three years. Additionally, we have acquired specialized polyester filament warping equipment to enhance our technical fabric capabilities. The shift from 190 cm looms to wider 210/230 cm models is already in progress in Bhikki.

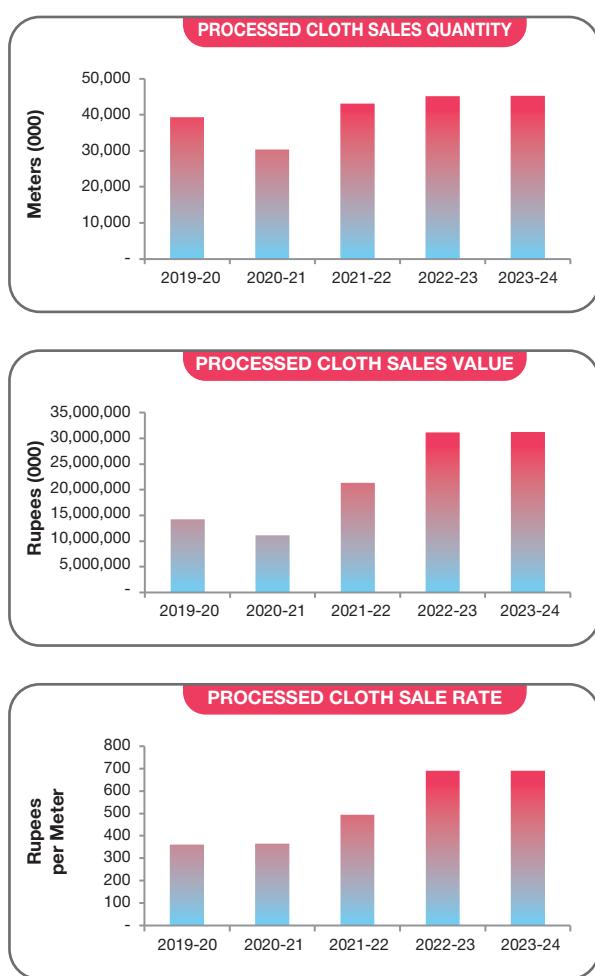


### Dyeing

Despite weak global apparel demand, economic slowdown, and internal challenges, the Dyeing Division performed well in FY 2023-24. Looking

ahead to FY 2024-25, we anticipate further challenges due to several factors: low demand for textiles in U.S. and European markets along with multiple challenges faced by the textile sector.

In response to seasonal demand fluctuations, the Division is set to commence the production of corduroy fabric, targeting a niche market. This strategic move aims to optimize production capacity during traditionally slower periods, thereby addressing the gap in output during the low season.

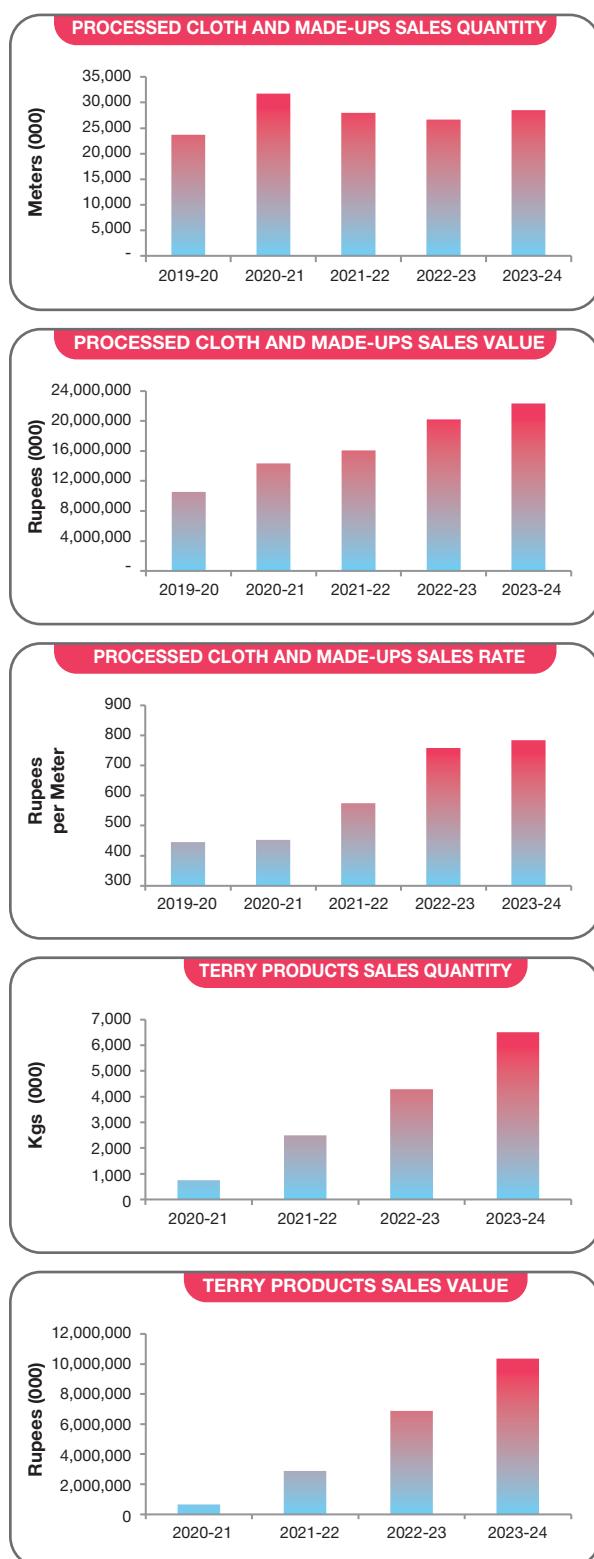


### Home Textile and Terry

The Division achieved remarkable growth in processed cloth and made-ups sales, increasing by Rs. 2.255 billion (15.97%) despite numerous challenges in FY 2023-24. This growth is especially significant given the slowdown in buying patterns due to the economic downturn in Europe and the USA. Our success was driven by effective cost management, product diversification, and proactive market trend anticipation, helping us maintain profitability. The Division has focused on automation to reduce labor costs and converting fuel sources to

locally available agricultural waste and solar power.

Looking ahead to FY 2024-25, we expect continued challenges, including low demand for textile products in the U.S. and European markets, a slowdown in global economic growth, soaring inflation, high energy costs, reduced domestic cotton production and heavy taxation on exports.

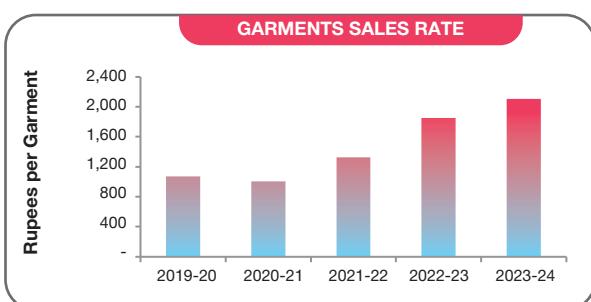
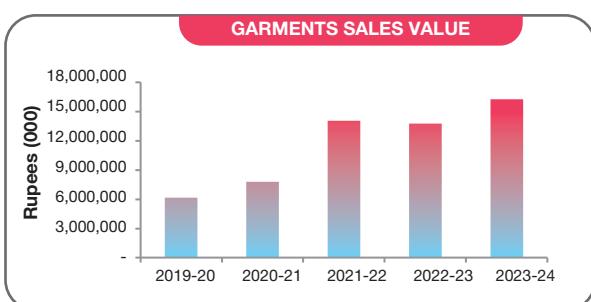
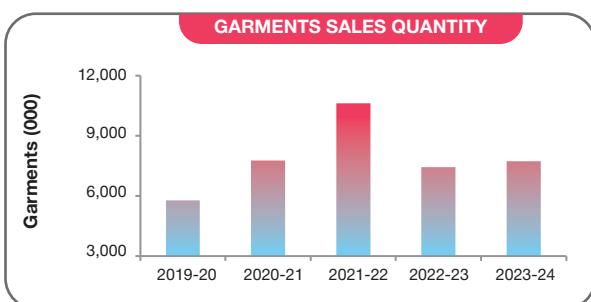




## Garments

The Garments Division maintained stable revenue and production levels in FY 2023-24; however, profit margins declined compared to the previous year due to rising energy and borrowing costs.

To address these challenges, we are prioritizing enhanced management efficiency, integrating renewable and sustainable energy sources and upskilling our workforce. Additionally, we are actively exploring alternative markets to diversify our portfolio, strengthening our resilience and promoting sustainable growth. We believe these strategic initiatives will lay a solid foundation for long-term success in the coming year.



## Power Generation

The textile sector is grappling with rising energy costs. The discontinuation of subsidized rates Rs. 20.19 per kWh and USD 9 per MMBtu on March 1, 2023, and July 1, 2023, respectively has increased business expenses and made Pakistani textile products less competitive than those of regional competitors.

In response, our strategy is to invest in renewable energy sources to mitigate escalating energy costs. We currently have the capacity to generate 14.260 MW of electricity through solar power plants and are acquiring and installing an additional 13.793 MW through multiple projects.

We firmly believe that transitioning to renewable energy will not only ease the financial strain of rising energy costs but also demonstrate our commitment to sustainable practices.

## RISKS AND OPPORTUNITIES

Nishat Mills Limited, like any successful business, strategically assesses risks and pursues opportunities to drive profitability and growth. Each potential risk and opportunity is meticulously evaluated, ensuring decisions are made only when the benefits clearly outweigh the risks.

Following is the summary of risks and strategies to mitigate those risks:

### STRATEGIC RISKS

The Company operates in a highly competitive environment where innovation and quality are paramount. To mitigate strategic risks, we invest in continuous research and development, adopt new technologies under the BMR program, develop innovative products, and explore emerging markets. To address both global and local challenges, heads of all business divisions meet regularly, ensuring a cohesive and integrated risk management strategy.

### BUSINESS RISKS

The Company faces a number of following business risks:

## Cotton Supply and Price

The supply and price of cotton are influenced by natural factors and the demand dynamics of both local and international cotton markets. The risk of cotton shortages and price fluctuations is a constant concern. The company mitigates this risk by procuring large quantities of cotton at the start of the harvesting season in order to secure a favorable price and quantity mix.

## Export Demand and Price

The company operates primarily in the export market and is exposed to risks such as pandemics, competition, and fluctuations in international demand for our products. To mitigate these risks, we have adopted several strategies, including establishing robust customer relationships, expanding our customer base, creating innovative products that maintain high quality standards, and ensuring timely deliveries to our customers.

## Energy Availability and Cost

The continuously increasing cost of energy and the looming threat of energy shortages pose a significant challenge to our capacity to manufacture products up to the high standards expected by our valued customers. If left unaddressed, these risks can make us less competitive in international markets.

To mitigate the risk of rising energy costs, the company has diversified its energy sources, incorporating coal, furnace oil, biomass, diesel, and solar energy. Additionally, energy conservation measures have been implemented across all of the company's manufacturing facilities.

Similarly, to reduce the risk of energy shortages, the company has taken proactive steps by installing power plants for electricity generation at all its locations and securing electricity connections from WAPDA.

## FINANCIAL RISKS

The Company's Board of Directors holds the responsibility for formulating financial risk management policies, which are then executed by the Finance Department. The Company faces several financial risks:

### Currency Risk:

The Company is exposed to currency risk stemming from various currency exposures, primarily related to the United States Dollar (USD), Arab Emirates Dirham (AED), Euro, Japanese Yen (JPY), and Swiss Franc (CHF). The Company's foreign exchange risk exposure is confined to its bank balances and amounts receivable/payable from/to foreign entities.

### Interest Rate Risk:

The Company's interest rate risk arises from long-term financing, short-term borrowings, loans and advances to subsidiary company, term deposit receipt and bank balances in savings accounts. Financial instruments at fixed rates expose the Company to fair value interest rate risk. Financial instruments at variable rates expose the Company to cash flow interest rate risk.

### Credit Risk:

The Company's credit exposure is mainly linked to its trade debts. This risk is mitigated by the fact that the majority of our customers have a strong financial standing and we maintain long-standing business relationships with all of them. We do not anticipate non-performance by our customers; thus, credit risk remains minimal.

### Liquidity Risk:

Liquidity risk is minimized due to the availability of sufficient funds through committed credit facilities from banks and financial institutions.

### Capital Risk:

In managing capital, our objective is to safeguard the Company's ability to continue as a going concern, providing returns for shareholders and benefits to other stakeholders, while maintaining an optimal capital structure to reduce the cost of capital. The Company maintains a balanced capital structure, and we monitor it based on the gearing ratio.

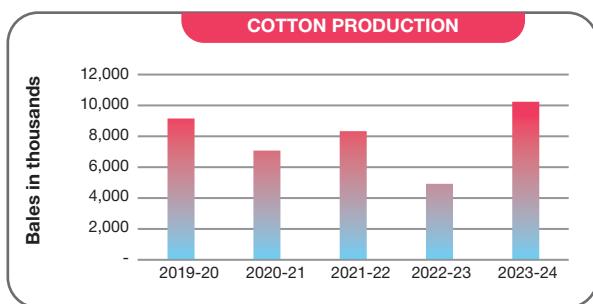
## OPPORTUNITIES

As the leading textile company in the country, our organization is well-positioned to seize and capitalize on numerous opportunities. Here is a summary of some exciting opportunities:

- Regionally diversified customer base across the world provides a sustainable growth to export sales;
- Diversified product portfolio to attract the attention of textile buyers across the world;
- Vibrant local and international subsidiary companies create demand for our products;
- Vertical integration makes it possible to exploit operational synergies;
- High population growth of the country is a source of suitable manpower and a stimulus in creating the demand for textile products.

## TEXTILE INDUSTRY OVERVIEW

Cotton production, which was severely impacted by floods and rains last year, has rebounded to 10.2 million bales, up from 4.9 million bales, reflecting a 108.2% increase. This improvement is attributed to the use of better pest-resistant seeds, favorable weather conditions, and the attractive intervention cotton price (Phutti) of Rs 8,500 per 40 kg set at the start of the sowing season. However, despite the rise in production, it still falls short of meeting the demand of textile manufacturers, who continue to rely on imports to fulfill their production needs.



Source: Pakistan Bureau of Statistics

The textile industry faced significant challenges during the financial year ending 30 June 2024 due to weak external demand and heightened competition from China. Additional pressures included rising power tariffs following the removal of energy subsidies for export-oriented sectors, the high cost of imported raw materials, the phasing out of the Export Finance Scheme, and elevated interest rates, all of which impacted textile production.

Pakistan's textile exports grew by just 0.9%, reaching \$16.65 billion during this period, with varying performance across different segments. Exports of readymade garments, bedwear, towels, cotton yarn, and raw cotton increased, while sales of cotton cloth and knitwear declined.

As the most critical manufacturing sector in Pakistan, textiles employ about 40% of the industrial labor force and contribute around 55% to national exports. Without addressing key issues such as high energy costs and interest rates, the country risks a sharp rise in unemployment and a decline in export earnings.

## SUBSIDIARY COMPANIES

The Company has also annexed consolidated financial statements along with separate financial statements in accordance with the requirements of International Financial Reporting Standards and Companies Act, 2017. Following is a brief description of all subsidiary companies of Nishat Mills Limited:

### 1. Nishat Power Limited

The Company owns and controls 51.01% shares of this subsidiary. The subsidiary is listed on Pakistan Stock Exchange Limited. The principle business of the subsidiary is to build, operate and maintain a fuel powered station having gross capacity of 200MW in Jamber Kalan, Tehsil Pattoki, District Kasur, Punjab, Pakistan. The subsidiary commenced its commercial production on 09 June 2010.

### 2. Nishat Linen (Private) Limited

This is a wholly owned subsidiary of the Company. The principle objects of the Subsidiary are to operate retail outlets for sale of textile and other products and to sell the textile products by processing the textile goods in its own and outside manufacturing facilities. The subsidiary started its operations in July 2011 and is presently operating 111 retail outlets including e-stores in Pakistan.

### 3. Nishat Hospitality (Private) Limited

This is a wholly owned subsidiary of the Company. Subsidiary's object is to run a chain

of hotels across the country. Currently it is operating a four-star hotel in Lahore on international standards under the name of "The Nishat St. James Hotel". The subsidiary started its operations on 01 March 2014. The Board of Directors in its meeting held on 27 September 2024 has approved the disposal of this subsidiary.

#### **4. Nishat Commodities (Private) Limited**

This is a wholly owned subsidiary of the Company. The principle object of the subsidiary is to carry on the business of trading of commodities including fuels, coals, building material in any form or shape manufactured, semi-manufactured, raw materials and their import and sale in Pakistan. The subsidiary started its operations in March 2016.

#### **5. Nishat Linen Trading LLC**

Nishat Linen Trading LLC is a Limited Liability Company incorporated in Dubai, UAE. It is a wholly owned subsidiary of the Company. The subsidiary is principally engaged in trading of textile, blankets, towels, linens, ready-made garments, garments accessories and leather products along with ancillaries thereto through retail outlets and warehouses across United Arab Emirates. The subsidiary started its commercial operations in May 2011 and is presently operating 13 retail outlets in UAE.

#### **6. Nishat International FZE**

This is also a wholly owned subsidiary of Nishat Mills Limited. It was incorporated as a Free Zone Establishment Limited Liability Company in Jebel Ali Free Zone, Dubai according to the laws of United Arab Emirates (UAE). It has been registered in the FZE register on February 07, 2013. The principal activity of the Subsidiary Company is trading in textile products such as blankets, towels & linens, ready-made garments, garments accessories and leather products such as shoes, handbags and all such ancillaries thereto.

#### **7. China Guangzhou Nishat Global Co., Ltd.**

China Guangzhou Nishat Global Co., Ltd. Is incorporated in Yuexiu District, Guangzhou,

China, as Foreign Invested Commercial Enterprises "FICE", in accordance with the Law of Peoples Republic of China on Foreign-Capital enterprises and other relevant Laws and Regulations. China Guangzhou Nishat Global Co., Ltd. is a wholly owned subsidiary of Nishat International FZE which is a wholly owned subsidiary of Nishat Mills Limited. The principal business of the Subsidiary is wholesale, commission agency (excluding auction), import and export of textile goods and women fashion accessories. The subsidiary started its commercial operations in January 2014.

#### **8. Nishat USA Inc.**

The subsidiary is a corporation service company incorporated in the State of New York. It is a wholly owned subsidiary of the Company and was acquired by the Company on 01 October 2008. The corporation is a liaison office of the Company's marketing department providing access, information and other services relating to US Market.

#### **9. Wernerfelt A/S**

Wernerfelt A/S is a public limited company incorporated and existing under the laws of Denmark, having its principal place of business at Energivej 10, 8500 Grenaa, Denmark. It is the wholly owned subsidiary of the Company and was acquired by the Company on 24 June 2024. Established more than 90 years ago, Wernerfelt A/S has a wealth of experience and knowledge in developing and supplying high quality fabrics for personal protection and workwear.

#### **10. Wernerfelt Sverige AB**

Wernerfelt Sverige AB is a limited company incorporated and existing under the laws of Sweden, having its principal place of business at Borås, Skaraborgsvägen 3A, SE-506 30 Borås, Sweden. Wernerfelt Sverige AB is a wholly owned subsidiary of Wernerfelt A/S which is a wholly owned subsidiary of Nishat Mills Limited. Principal business of Wernerfelt Sverige AB is to conduct the sale of textiles and related activities.

## CORPORATE SOCIAL RESPONSIBILITY

Following is the brief summary of corporate social responsibility initiative taken by the Company:

### Energy Conservation

High energy costs are one of the biggest challenges for the textile sector. In response, the Company is committed to exploring alternative energy sources and advancing energy conservation initiatives. These efforts include but not limited to the installation of heat recovery boilers to generate steam from engine waste heat, reducing reliance on natural resources and mitigating environmental pollution. At the fabric dyeing and processing units, pre-heaters have been added to thermoil heaters to conserve natural gas, while energy towers have been installed on curing and stenter machines to lower gas consumption. Additionally, timers have been implemented in the control circuits of sewing machines, significantly reducing energy waste.

### Environment Protection

The Company's commitment to environmental protection is evident through its continuous efforts to launch new initiatives and maintain existing projects. Recently, we installed a 40 cubic meter rainwater harvesting system at the Garments Division, redirecting collected water for horticulture. In line with our focus on environmental sustainability,

our Garments Division is working to define Science-Based Targets, guided by community studies and surveys to identify areas for meaningful impact. A notable achievement is the revitalization of water filtration plant at Youhanabad, Lahore, which now provides clean drinking water to local residents, primarily from the Christian minority. In terms of alternative energy, we currently generate 14.260 MW of electricity from solar power, with an additional 13.793 MW under acquisition and installation.

### Community Welfare Schemes

The Company is deeply committed to social responsibility, actively engaging in various community welfare initiatives. Recently, in partnership with the Alliance for Water Stewardship, we completed hydrogeological studies within a 5 km radius, involving local industries, community leaders, religious institutions, and schools to explore collaborative opportunities. We also revitalized a 500 liter per hour water filtration plant. Additionally, in collaboration with TEVTA Pakistan, we conducted 50 interviews at Phool Nagar, Punjab, to identify and hire talented individuals from diverse educational backgrounds.

### Equal Opportunity Employer

The Company is an equal opportunity employer, offering employment to individuals of all genders, ethnicities, and abilities without discrimination.



The Company is committed to reducing gender pay gap. Mean and median gender pay gap was 23.69% and 9.94% respectively. We actively encourage the employment of women in all departments of every business division add here. Our strong commitment to employee welfare, has earned our Garments Division a 3rd prize in Large National Category at the 10th Employer of the Year Awards from the Employers' Federation of Pakistan. Building on this achievement, we remain dedicated to driving positive change and promoting sustainable development.

### **Occupational Safety and Health**

The Company prioritizes the safety and health of its employees, conducting regular awareness sessions to promote preventive measures and ensure their security. At Garments Division, significant progress has been made in employee safety, with 16,486 personnel trained in Occupational Safety and Health, totaling 63,478 hours of crucial training. This underscores the Company's commitment to providing a safe working environment and enhancing employee well-being through comprehensive training programs. Additionally, we have established Fire Fighting Departments at all Divisions, equipped with advanced fire-fighting equipment, as well as dispensaries and ambulances to provide immediate medical assistance when needed.

### **Consumer Protection Measures**

The Company's products are manufactured and shipped in accordance with international safety standards. To demonstrate its commitment to consumer protection at every stage from raw material procurement to production and the supply chain, the Company has obtained key international certifications, including Customs-Trade Partnership Against Terrorism (C-TPAT), Oeko-Tex Standard 100, SA-8000, WRAP, and SEDEX. These certifications underscore the Company's dedication to maintaining the highest standards of safety, ethics, and quality throughout its operations until the products reach consumers.

## **CORPORATE GOVERNANCE**

### **Best Corporate Practices**

Directors are committed to good corporate governance and comply with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

The statement of compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 is enclosed.

### **Board Committees:**

#### **Audit Committee**

The audit committee is performing its duties in line with its terms of reference as determined by the Board of Directors. During the year under review, four Audit Committee Meetings were held, attendance position was as under: -

<b>Sr.#</b>	<b>Name of Director</b>	<b>No. of Meetings Attended</b>
1	Mrs. Mehak Adil (Member/Chairperson)	3
2	Syed Zahid Hussain (Member)	4
3	Mr. Farid Noor Ali Fazal (Member)	4

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

The Human Resource & Remuneration Committee is performing its duties in line with its terms of reference as determined by the Board of Directors. During the year under review, one Human Resource & Remuneration Committee Meeting was held, attendance position was as under: -

<b>Sr.#</b>	<b>Name of Director</b>	<b>No. of Meetings Attended</b>
1	Mian Umer Mansha (Member)	1
2	Mrs. Sara Aqeel (Member/Chairperson)	1
3	Mr. Mahmood Akhtar (Member)	1

### **Meetings of the Board of Directors**

During the year under review, five meetings of the Board of Directors of the Company were held in Pakistan and the attendance position was as follows:

<b>Sr.#</b>	<b>Name of Director</b>	<b>No. of Meetings Attended</b>
1	Mian Umer Mansha (Chief Executive Officer)	5
2	Mian Hassan Mansha (Chairman)	5
3	Syed Zahid Hussain	5
4	Mr. Mahmood Akhtar	5

5. Mr. Farid Noor Ali Fazal	4
6. Mrs. Sara Aqeel	5
7. Mrs. Mehak Adil	4

### **Directors' Statement**

Following is the Directors' statement on Corporate and Financial Reporting framework:

1. The financial statements, prepared by the management of the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
2. Proper books of accounts of the Company have been maintained.
3. Appropriate accounting policies have been consistently applied in preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment.
4. International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
5. The system of internal control is sound in design and has been effectively implemented and monitored.
6. There are no significant doubts upon the Company's ability to continue as a going concern.
7. There has been no material departure from the best practices of corporate governance.
8. Value of investments in respect of retirement benefits fund: Provident Fund: 30th June, 2024: Rs. 7,155.991 million Un-audited, (2023: Rs. 4,612.500 million Audited).

### **Transactions with related parties**

The Company has fully complied with best practices on Transfer Pricing as contained in Companies (Related Party Transactions and Maintenance of Related Records) Regulations, 2018 while executing all transactions with related parties. The detail of arrangements for transactions, as approved by the Board during the year, other than transactions in the ordinary course of business is as follows:

1. The enhancement of equity investment from Rs. 3 billion to Rs.5 billion in Nishat Sutas Dairy Limited, an associated company, to earn dividend and prospective capital gains.
2. Scheme of arrangement and compromises (the "Scheme") amongst Nishat (Chunian) Limited ("NCL"), Nishat Chunian Power Limited ("NCPL") and their two shareholders namely Mr. Shahzad Saleem and the Company.
3. The recommendation to shareholders to receive the further shares in addition to the existing shares of NCPL in exchange of shares of NCL held by the Company in accordance with the Share Swap ratio to be approved by the Court.
4. The issuance of corporate guarantee up to Rs. 68,750,000 (Rupees sixty-eight million seven hundred and fifty thousand only) to the lenders of Nishat Linen (Private) Limited, a subsidiary company, to ensure smooth availability of the credit facilities to the subsidiary from Banks / financial institutions.

### **Auditors**

Riaz Ahmad & Company, Chartered Accountants, the current auditors, will retire at the conclusion of the Company's Annual General Meeting. They are eligible for reappointment and have expressed their willingness to continue as auditors for the fiscal year ending June 30, 2025. Based on the Audit Committee's recommendation, the Board of Directors has proposed their reappointment, which will be presented for shareholder approval at the upcoming Annual General Meeting.

### **SUBSEQUENT EVENTS**

The Board of Directors of the Company has proposed a cash dividend of Rupees 3 per share in their meeting held on 27 September 2024.

No other material changes and commitments affecting the financial position of the Company occurred between 30 June 2024 and 27 September 2024.

### **FUTURE PROSPECTS**

The textile sector, a cornerstone of Pakistan's export economy, is expected to face ongoing challenges in the coming year due to both global and domestic

factors. These include weak external demand, rising power tariffs following the removal of energy subsidies for export-oriented industries, the phasing out of the Export Finance Scheme, and persistently high interest rates.

To address these challenges, management has revised its strategy to expand its presence in export markets, focusing on sales and marketing initiatives. Key steps include the Board of Directors' approval on 02 September 2024 to establish a Private Limited Company in the United Kingdom through its wholly owned subsidiary, Nishat International FZE. Additionally, the Board approved the incorporation of a wholly owned subsidiary in Turkey and a liaison office in Bangladesh in their meeting held on 27 September 2024.

The new denim and workwear units are also set to begin commercial production in the first half of the financial year 2024-25. This will be a major addition in the value added portfolio of the Company.

The management expects that these strategic measures will strengthen the Company's export market presence and consequently boost export sales.

#### ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Company has implemented a robust system of internal and financial controls to safeguard its assets, prevent fraud, and ensure compliance with legal requirements. The internal control framework is regularly reviewed and monitored by the Internal Audit function, established by the Board. The Audit Committee conducts quarterly reviews of the system in line with its terms of reference.

For and on behalf of the Board of Directors.

**Mian Umer Mansha**  
Chief Executive Officer

Lahore  
27 September 2024

#### DIRECTORS' REMUNERATION

The Board of Directors has approved Directors' Remuneration Policy. The main features of the policy are as follows:

- The Company shall not pay remuneration to its non-executive directors including independent directors except for meeting fee for attending meetings of Board and its Committees.
- The Company will reimburse or incur expenses of travelling and accommodation of Directors in relation to attending meetings of the Board and its Committees.
- The Directors' Remuneration Policy will be reviewed and approved by the Board of Directors from time to time.

Refer to note 39 of financial statements of the Company for remuneration of Chief Executive Officer and Directors of the Company.

#### PATTERN OF SHAREHOLDING

A statement of the pattern of shareholding as at June 30, 2024, which is required to be disclosed under the reporting framework, is annexed to this report.

#### ACKNOWLEDGEMENT

Directors are pleased and thankful to the employees for their continued dedication of efforts for the Company.

**Farid Noor Ali Fazal**  
Director

# FINANCIAL HIGHLIGHTS

Rupees in thousand

	2024	2023	2022	2021	2020	2019
<b>Summarized Statement of Financial Position</b>						
<b>Non-Current Assets</b>						
Property, Plant and Equipment	60,043,195	45,265,066	39,766,323	35,926,594	31,292,722	28,968,219
Long Term Investments	66,811,200	38,642,705	35,720,224	48,620,695	37,979,074	34,930,333
Other Non-Current Assets	1,235,289	910,050	1,044,696	1,104,867	865,591	849,580
<b>Current Assets</b>						
Stores, Spares and Loose Tools	6,049,021	5,955,945	3,999,710	2,605,602	2,256,569	3,102,988
Stock in Trade	37,447,381	34,801,627	31,826,616	17,972,691	20,753,543	17,008,459
Other Current Assets	45,253,359	44,710,317	25,177,008	24,881,925	17,513,415	15,685,813
Total Assets	216,839,445	170,285,710	137,534,577	131,112,374	110,660,914	100,545,392
Shareholders' Equity	114,810,013	89,764,119	79,200,943	85,747,779	71,427,860	66,615,270
<b>Non-Current Liabilities</b>						
Long Term Financing	23,672,520	11,898,220	12,284,112	11,577,915	9,222,781	5,259,927
Deferred Liabilities	5,262,486	1,805,841	2,191,059	1,055,992	302,672	215,440
<b>Current Liabilities</b>						
Short Term Borrowings	49,789,624	45,753,793	26,730,048	18,718,262	19,329,768	17,982,262
Current Portion of Non-Current Liabilities	4,400,172	4,142,057	4,302,449	4,206,123	703,032	1,784,470
Other Current Liabilities	18,904,630	16,921,680	12,825,966	9,806,303	9,674,801	8,688,023
Total Equity and Liabilities	216,839,445	170,285,710	137,534,577	131,112,374	110,660,914	100,545,392
<b>Statement of Profit or Loss</b>						
Revenue	160,256,555	141,756,469	115,768,065	71,431,010	60,904,096	63,499,029
Gross Profit	17,323,353	21,078,842	17,335,571	9,317,855	7,276,126	7,656,601
EBITDA	25,020,386	25,885,473	18,358,269	11,137,991	8,719,892	11,211,441
Other Income	13,240,547	10,201,578	5,571,415	3,750,188	3,032,390	5,158,380
Profit Before Taxation and Levy	10,744,359	15,406,442	12,907,285	7,070,502	4,479,284	6,897,048
Profit After Taxation	6,368,853	12,166,022	10,311,674	5,922,470	3,506,284	5,859,048
<b>Cash Flows</b>						
Cash Flow from Operating Activities	(10,957,446)	1,438,490	(10,669,883)	5,722,435	1,560,005	905,102
Cash Flow from Investing Activities	(2,862,956)	(16,141,363)	(1,787,869)	(3,378,461)	(4,828,502)	(3,957,796)
Cash Flow from Financing Activities	14,173,424	16,963,072	7,277,134	2,800,130	2,820,113	3,524,492
Changes in Cash & Cash Equivalents	353,022	2,260,199	5,187,138	5,144,104	(448,384)	471,798
Cash and Cash Equivalent - Year End	2,722,355	2,410,566	91,727	5,272,345	128,241	576,625
<b>Ratios</b>						
<b>Profitability Ratios</b>						
Gross profit	%	10.81	14.87	14.97	13.04	11.95
EBITDA to sales	%	15.61	18.26	15.86	15.59	14.32
Pre tax Profit	%	6.7	10.87	11.15	9.90	7.35
After tax Profit	%	3.97	8.58	8.91	8.29	5.76
Return on Equity	%	6.23	14.4	12.50	7.54	5.08
Return on Capital Employed	%	17.14	22.66	15.69	9.26	7.82
Operating Leverage Ratio		(0.39)	2.15	1.31	2.24	7.38

	2024	2023	2022	2021	2020	2019
<b>Liquidity Ratios</b>						
Current Ratio		1.21	1.28	1.39	1.39	1.36
Quick Ratio		0.62	0.67	0.57	0.76	0.59
Cash to Current Liabilities	Times	0.04	0.04	0.00	0.16	0.00
Cash Flows from Operations to Sales	Times	(0.07)	0.01	(0.09)	0.08	0.03
<b>Activity / Turnover Ratios</b>						
Inventory Turnover Ratio	Times	3.96	3.62	3.95	3.21	2.84
No. of Days in Inventory	Days	92.42	100.83	92.41	113.71	128.87
Debtors Turnover Ratio	Times	9.01	12.03	13.69	13.19	13.54
No. of Days in Receivables	Days	40.62	30.34	26.66	27.67	27.03
Creditors Turnover Ratio	Times	5.97	5.75	6.08	3.75	3.49
No. of Days in Creditors	Days	61.31	63.48	60.03	97.33	104.87
Operating Cycle	Days	71.73	67.69	59.04	44.05	51.03
Total Assets Turnover Ratio	Times	0.74	0.83	0.84	0.54	0.55
Fixed Assets Turnover Ratio	Times	2.67	3.13	2.91	1.99	1.95
<b>Investment / Market Ratios</b>						
Earnings Per Share	Rs.	18.11	34.60	29.33	16.84	9.97
Price Earning Ratio	Times	3.91	1.64	2.52	5.54	7.82
Dividend Yield Ratio	%	4.23	8.81	5.41	4.29	5.13
Dividend Payout Ratio	%	16.57	14.45	13.64	23.75	40.12
Dividend Cover Ratio	Times	6.04	6.92	7.33	4.21	2.49
Dividend Per Share	Rs.	3.00	5.00	4.00	4.00	4.00
Break-up Value	Rs.	326.54	255.30	225.26	243.88	203.15
Proposed Dividend	%	30.00	50.00	40.00	40.00	40.00
<b>Market value per share</b>						
Closing	Rs.	70.85	56.77	73.91	93.30	78.01
High	Rs.	83.64	80.45	101.20	124.89	119.75
Low	Rs.	57.60	49.40	68.50	79.73	53.00
<b>Capital Structure Ratios</b>						
Financial Leverage Ratio	%	66.49	68.84	53.09	38.83	40.96
Weighted Average Cost of Debt	%	15.12	13.18	5.73	3.93	5.54
Debt to Equity Ratio	%	20.62	13.25	15.51	13.50	12.91
Interest Cover Ratio	Times	2.03	3.22	6.97	6.75	3.98
Gearing Ratio	%	39.94	40.77	34.68	27.97	29.06
<b>Production Machines</b>						
No. of Spindles		251,808	251,808	251,808	242,832	242,832
No. of Roters		10,320	7,320	7,320	3,000	3,000
No. of Looms		931	931	959	814	790
No. of Thermosole Dyeing Machines		6	6	5	5	5
No. of Rotary Printing Machines		4	4	4	4	4
No. of Digital Printing Machines		11	11	11	10	10
No. of Stitching Machines		5,212	5,931	4,713	4,489	3,592

# STATEMENT OF COMPLIANCE

with Listed Companies (Code of Corporate Governance) Regulations, 2019 ("the Regulations")

**Name of company** : Nishat Mills Limited  
**Year ended** : June 30, 2024

The Company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are Seven (7) as per the following:
  - a. Male: 5
  - b. Female: 2
2. The composition of board is as follows:

Category	Names
Independent Directors	Mrs. Sara Aqeel (Female director) Mrs. Mehak Adil (Female director)
Non-Executive Directors	Mian Hassan Mansha Syed Zahid Hussain Mr. Mahmood Akhtar Mr. Farid Noor Ali Fazal
Executive Director	Mian Umer Mansha (Chief Executive Officer)

3. The Directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company;
4. The Company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures;
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and the Regulations;
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
9. Following Directors have attained the directors training program certification:

#### Names of Directors

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

Following Directors meet the exemption criteria of minimum of 14 years of education and 15 years of experience on the Boards of listed companies, hence are exempt from Director's Training Program:

#### Names of Directors

Mian Umer Mansha  
Syed Zahid Hussain

10. The Board has approved appointment of chief financial officer, company secretary and head of internal audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
11. Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the Board;
12. The board has formed committees comprising of members given below:

**a) Audit Committee:**

<b>Names</b>	<b>Designation held</b>
1. Mrs. Mehak Adil	Chairperson
2. Syed Zahid Hussain	Member
3. Mr. Farid Noor Ali Fazal	Member

**b) HR and Remuneration Committee:**

<b>Names</b>	<b>Designation held</b>
1. Mrs. Sara Aqeel	Chairperson
2. Mian Umer Mansha	Member
3. Mr. Mahmood Akhtar	Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following:

**a) Audit Committee:**

Four quarterly meetings were held during the financial year ended June 30, 2024.

**b) HR and Remuneration Committee:**

One Meeting of HR and Remuneration Committee was held during the financial year ended June 30, 2024.

15. The Board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company;
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with; and
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below (if applicable):

Sr. No.	Requirement	Explanation of Non-Compliance	Regulation Number
1	<b>Nomination Committee</b> The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	Currently, the Board has not constituted a separate nomination committee and the functions are being performed by the human resource and remuneration committee.	29
2	<b>Risk Management Committee</b> The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	Currently, the Board has not constituted a risk management committee and a senior officer of the company performs the requisite functions and apprise the Board accordingly.	30
3	<b>Disclosure of significant policies on website</b> The Company may post key elements of its significant policies, brief synopsis of terms of reference of the Board's committees on its website and key elements of the directors' remuneration policy.	Although these are well circulated among the relevant employees and directors, the Board shall consider posting such policies and synopsis on its website in near future.	35
4	<b>Directors' Training</b> It is encouraged that by June 30, 2022, all directors on the Board have acquired the prescribed certification under any director training program offered by institutions, local or foreign, that meet the criteria specified by the Commission and approved by it.	6 out of 7 directors of the Company have either acquired Directors' Training Program certification or are exempt from Director's Training Program. The company has planned to arrange Directors' Training Program certification for remaining one director.	19(1)
5	<b>Directors' Training</b> Companies are encouraged to arrange training for at least one female executive every year under the Directors' Training Program from year July 2020.	The Company has planned to arrange Directors' Training Program certification for female executives over the next few years.	19(3)
6	<b>Directors' Training</b> Companies are encouraged to arrange training for at least one head of department every year under the Directors' Training Program from July 2022.	The Company has planned to arrange Directors' Training Program certification for head of department in next few years.	19(3)
7	<b>Significant policies</b> The Board is required to approve anti-harassment policy to safeguard the rights and well-being of employees.	During the year, Securities and Exchange Commission of Pakistan (SECP) amended regulation 10 of the Regulations on 12 June 2024. Currently, the management is assessing this amendment and compliance thereof, as applicable, will be performed in due course of time.	10(4)(xvi)
8	<b>Role of the Board and its members to address Sustainability Risks and Opportunities</b> The board is responsible for governance and oversight of sustainability risks and opportunities within the Company by setting the Company's sustainability strategies, priorities and targets to create long term corporate value.	During the year, SECP introduced new regulation 10A in the Regulations on 12 June 2024. Currently, the management is assessing this amendment and compliance thereof, as applicable, will be performed in due course of time.	10(A)
9	<b>Responsibilities of the Board and its members</b> The Board is responsible for adoption of corporate governance practices by the company.	Non-mandatory provisions of the Regulations are partially complied.	10(1)

20. The two elected independent directors have requisite competencies, skills, knowledge and experience to discharge and execute their duties competently, as per applicable laws and regulations. As they fulfill the necessary requirements as per applicable laws and regulations, hence, appointment of a third independent director is not warranted.

**MIAN HASSAN MANSHA**

Chairman

**FARID NOOR ALI FAZAL**

Director

Lahore

27 September 2024

# INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Nishat Mills Limited

## Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Nishat Mills Limited (the Company) for the year ended 30 June 2024 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2024.



**RIAZ AHMAD & COMPANY**  
Chartered Accountants

Lahore

October 01, 2024

UDIN: CR2024101684MXBow5vY

# NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the members of Nishat Mills Limited ("the Company") will be held on October 28, 2024 (Monday) at 11:30 A.M. at Emporium Mall, The Nishat Hotel, Trade and Finance Centre Block, Near Expo Centre, Abdul Haq Road, Johar Town, Lahore to transact the following business:

1. To receive, consider and adopt the Audited Un-consolidated and Consolidated Financial Statements of the Company for the year ended June 30, 2024 together with the Chairman's Review, Directors' and Auditors' reports thereon.

<https://nishatmillsltd.com/financial-information/>

2. To approve Final Cash Dividend @ 30% [i.e. Rs. 3/- (Rupees Three Only) per Ordinary Share as recommended by the Board of Directors.
3. To appoint statutory Auditors for the year 2024-25 and fix their remuneration.
4. **Special Business:**

- a) **To consider and approve the sale of Nishat Hospitality (Private) Limited, the Company's 100% subsidiary, to Nishat Hotels and Properties Limited – associated company at fair market value duly determined by an independent valuer and to pass the following resolutions with or without amendments as special resolutions:**

**RESOLVED** that the transaction of sale of Nishat Hospitality (Private) Limited, the Company's 100% subsidiary, to Nishat Hotels and Properties Limited – associated company at fair market value, duly determined by an independent valuer, be and is hereby approved.

**FURTHER RESOLVED** that the Chief Financial Officer and / or Company Secretary of Nishat Mills Limited be and is/are hereby authorized to comply with the legal and corporate formalities relating to this transaction and effectuate this resolution.

- b) **To ratify and approve all Related Party Transactions approved by the Board of Directors during the year ended June 30, 2024 by passing the following resolution as Special Resolution with or without modification(s):**

**RESOLVED** that pursuant to the powers conferred upon the Board of Directors of Nishat Mills Limited ("the Company") by the members of the Company through Special Resolution passed in their Annual General Meeting held on October 25, 2023, the Related Party Transactions made during the financial year ended June 30, 2024 as disclosed in Annual Financial Statements of the Company for the year ended 30 June 2024 and as approved by the Board of Directors of the Company be and are hereby ratified, approved and confirmed in all respects.

A Statement of Material Facts as required under Section 134(3) of the Companies Act, 2017 is annexed to the notice of meeting circulated to the members of the Company.

By order of the Board



(KHALID MAHMOOD CHOAHAN)  
COMPANY SECRETARY

Lahore  
September 27, 2024

**NOTES:**

**BOOK CLOSURE NOTICE:**

The Ordinary Shares Transfer Books of the Company will remain closed from **21-10-2024 to 28-10-2024 (both days inclusive)** for entitlement of **30% Final Cash Dividend [i.e. Rs. 3/- (Rupees Three Only) Per Ordinary Share]** for the year ended June 30, 2024 and attending and voting at Annual General Meeting. Physical transfers / CDS Transactions IDs received in order in all respects up to 1:00 p.m. on **18-10-2024** at the office of Share Registrar, THK Associates (Private) Limited, **Karachi Office**, Plot No. 32-C, Jami Commercial Street No. 2, DHA Phase VII, Karachi, **Lahore Office**, Office No. 309, 3rd Floor, North Tower, LSE Building, 19-Shahrah-e-Aiwan-e-Iqbal, Lahore shall be considered in time for entitlement of above said 30% Final Cash Dividend and attending of AGM.

**Proxies**

A member eligible to attend and vote at this meeting may appoint another member his / her proxy to attend and vote instead of him/her. Proxies in order to be effective must reach the Company's registered office not less than 48 hours before the time for holding the meeting. Proxies of the Members through CDC shall be accompanied with attested copies of their CNIC. In case of corporate entity, the Board's Resolution/power of attorney with specimen signature shall be furnished along with proxy form to the Company. The shareholders through CDC are requested to bring original CNIC, Account Number and Participant Account Number to produce at the time of attending the meeting. The proxy shall produce his / her original valid CNIC or original passport at the time of meeting.

Shareholders are requested to immediately notify the Company of change in address, if any.

Members who have deposited their shares into Central Depository Company of Pakistan Limited ("CDC") will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan.

**A. For Attending the Meeting**

- a. In case of Individuals, the account holder and/or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by showing his/her original CNIC or, original Passport at the time of attending the Meeting.
- b. In case of corporate entity, the Board's resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

**B. For Appointing Proxies**

- a. In case of individuals, the account holder and/or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per above requirements.
- b. The proxy form shall be witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form.
- c. Attested copies of the CNIC or the passport of beneficial owners and the proxy shall be furnished with the proxy form.
- d. The proxy shall produce his original CNIC or original passport at the time of the Meeting.
- e. In case of corporate entity, the Board's resolution/power of attorney with specimen signature shall be furnished (unless it has been provided earlier) along with proxy form to the Company.

### **Deduction of Withholding Tax on Dividend:**

The rates of deduction of income tax from dividend payments shall be applicable as per the Income Tax Ordinance, 2001.

All shareholders are advised to check their status on Active Taxpayers List (ATL) available on FBR Website and may, if required, take necessary actions for inclusion of their name in ATL to avail the lower rate of tax deduction.

### **Deduction of Withholding Tax on Dividend in case of Joint Account Holders:**

All shareholders who hold shares jointly are requested to provide following information regarding shareholding proportions of Principal Shareholder and Joint-holder(s) in respect of shares held by them to our Share Registrar THK Associates (Private) Limited latest by October 21, 2024, otherwise each joint holder shall be assumed to have an equal number of shares.

Name of the Company	Nishat Mills Limited	
Folio No. / CDS A/C No.		
No. of Shares Held		
<b>Principal</b>	Name & CNIC	
<b>Shareholder</b>	Shareholding Proportion (No. of Shares)	
<b>Joint</b>	Name & CNIC	
<b>Shareholder(s)</b>	Shareholding Proportion (No. of Shares)	

Signature of Primary Shareholder \_\_\_\_\_

### **EXEMPTION OF WITHHOLDING TAX:**

Withholding tax exemption from dividend income, shall only be allowed if copy of valid tax exemption certificate is made available to our Share Registrar Office, THK Associates (Pvt) Limited up to October 21, 2024.

### **SUBMISSION OF COPY OF CNIC (MANDATORY):**

Individuals including all joint holders holding physical share certificates are requested to submit a copy of their valid CNIC to the Company or the Company's Share Registrar, if not provided already. All shareholders who have not so far submitted copy of their valid CNIC are once again requested to send a copy of their valid CNIC to our Share Registrar THK Associates (Private) Limited. The Shareholders while sending CNIC must quote their respective folio numbers.

In case of non-receipt of the copy of a valid CNIC, the Company would be unable to comply with SRO 831(1)/2012 dated July 05, 2012 issued by SECP and would be constrained under SECP's Order dated June 08, 2016 under Section 251(2) of the Companies Ordinance, 1984 to withhold the payment of dividend warrants to such shareholders which will be released on submission of valid copy of CNIC.

### **ZAKAT DECLARATION (CZ-50):**

Zakat will be deducted from the dividends at source under the Zakat & Usher Laws and will be deposited within the prescribed period with the relevant authority. Any shareholder who want to claim exemption shall submit his / her Zakat declarations under Zakat and Usher Ordinance, 1980 & Rule 4 of Zakat (Deduction & Refund) Rules, 1981 on prescribed Form CZ-50, to our Share Registrar, M/s. THK Associates (Private) Limited **otherwise no exemption will be granted**. The Shareholders while sending the Zakat Declarations, as the case may be, must quote company name and their respective Folio Numbers / CDC Account Numbers.

## **MANDATORY PAYMENT OF CASH DIVIDEND THROUGH ELECTRONIC MODE:**

The provisions of Section 242 of the Companies Act, 2017 require the listed companies that any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders. Accordingly, the shareholders holding physical shares are requested to provide the following information to the Company's Share Registrar at the address given herein above. In the case of shares held in CDS, the same information should be provided directly to the CDS participants for updating and forwarding to the Company.

Signature of Shareholder

## **Transmission of Annual Financial Statements through Email:**

In pursuance of the directions given by the Securities and Exchange Commission of Pakistan (SECP) vide SRO 787 (I)/2014 dated September 8, 2014, those shareholders who desire to receive Annual Financial Statements in future through email instead of receiving the same by post are advised to give their formal consent along with their valid email address on a standard request form which is available at the Company's website i.e. [www.nishatmillsltd.com](http://www.nishatmillsltd.com) and send the form, duly signed by the shareholder, along with copy of his/her CNIC to the Company's Share Registrar M/s THK Associates (Pvt) Limited.

## **Unclaimed Dividend / Shares**

Shareholders who could not collect their dividend/physical shares are advised to contact our Share Registrar to collect/enquire about their unclaimed dividend or shares, if any.

## **E-voting and Postal Ballot Facility**

## Polling on Special Business Resolutions:

The members are hereby notified that pursuant to Companies (Postal Ballot) Regulations, 2018 ("the Regulations") amended through Notification dated December 05, 2022, issued by the Securities and Exchange Commission of Pakistan ("SECP"), SECP has directed all the listed companies to provide the right to vote through electronic voting facility and voting by post to the members on all businesses classified as special business.

Accordingly, members of Nishat Mills Limited (the "Company") will be allowed to exercise their right to vote through electronic voting facility or voting by post for the special business in its forthcoming Annual General Meeting to be held on Monday, October 28, 2024, at 11:30 AM, in accordance with the requirements and subject to the conditions contained in the aforesaid Regulations.

#### **Procedure for E-Voting:**

- I. Details of the e-voting facility will be shared through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the Company by the close of business on October 21, 2024.
- II. The web address, login details, and password, will be communicated to members via email. The security codes will be communicated to members through SMS from the web portal of CDC Share Registrar Services Limited (being the e-voting service provider).
- III. Identity of the Members intending to cast vote through e-voting shall be authenticated through electronic signature or authentication for login.
- IV. E-Voting lines will start from October 25, 2024, 09:00 a.m. and shall close on October 27, 2024 at 5:00 p.m. Members can cast their votes any time during this period. Once the vote on a resolution is cast by a Member, he / she shall not be allowed to change it subsequently.

#### **Procedure for Voting Through Postal Ballot:**

The members shall ensure that duly filled and signed ballot paper, along with copy of Computerized National Identity Card (CNIC), should reach the Chairman of the meeting through post on the Company's registered address Nishat House 53-A, Lawrence Road, Lahore, Pakistan or email at [chairman@nishatmills.com](mailto:chairman@nishatmills.com) one day before the Annual General Meeting on October 27, 2024 up to 5:00 p.m. The signature on the ballot paper shall match the signature on CNIC.

This postal Poll paper is also available for download from the website of the Company at [www.nishatmillsltd.com](http://www.nishatmillsltd.com) or use the same as attached to this Notice and published in newspapers.

Please note that in case of any dispute in voting including the casting of more than one vote, the Chairman shall be the deciding authority.

#### **E-voting Service Provider:**

CDC Share Registrar Services Limited

#### **Video Link Facility for Meeting:-**

To attend the meeting through video link, members and their proxies are requested to register themselves by providing the following information along with valid copy of Computerized National Identity Card (both sides)/passport, attested copy of board resolution / power of attorney (in case of corporate shareholders) through email at [kchohan@nishatmills.com](mailto:kchohan@nishatmills.com) or [smahmood@dgcelement.com](mailto:smahmood@dgcelement.com) by October 21, 2024.

Name of Member / Proxyholder	CNIC No.	Folio No. / CDC Account No.	Cell No. / Whatsapp No.	Email ID

## Conversion of Physical Shares into Book Entry Form

We once again strongly advise members of the Company, in their best interest, to convert their physical shares into book-entry form at earliest.

### STATEMENT UNDER SECTION 134 (3) OF THE COMPANIES ACT, 2017.

This statement sets out the material facts pertaining to the special business to be transacted at the Annual General Meeting of the Company to be held on October 28, 2024.

#### A) Sale of wholly-owned subsidiary company

The Board of Directors has decided to sell the 100% owned subsidiary of Nishat Mills Limited, engaged in hotel business, namely Nishat Hospitality (Private) Limited. Over the period, Nishat Mills Limited has felt a need for consolidating the hotel business of the Nishat Group under one-single company i.e. Nishat Hotels and Properties Limited. Hence, it is being proposed that Nishat Mills Limited should sell its investment in Nishat Hospitality (Private) Limited to Nishat Hotels and Properties Limited so that Nishat Hospitality (Private) Limited becomes a wholly-owned subsidiary of Nishat Hotels and Properties Limited. This will lead to better management of hotel business, better revenues, savings, and ultimately will lead to better returns for all.

An independent valuer namely M/s HLB Ijaz Tabussum & Co., Chartered Accountants was appointed to determine fair market value of Nishat Hospitality (Private) Limited through the application of appropriate valuation methodology. M/s HLB Ijaz Tabussum & Co., Chartered Accountants worked out the fair market value of the business at Rupees 1,750,998,980. Mian Umer Mansha, chief executive of Nishat Mills Limited and Mian Hassan Mansha, director of Nishat Mills Limited (interested directors) recused themselves from voting on the resolution in which this fair market valuation and sale of Nishat Hospitality (Private) Limited, wholly-owned subsidiary company was considered and approved by the directors.

i)	Name of the subsidiary	Nishat Hospitality (Private) Limited; a 100% subsidiary of Nishat Mills Limited
ii)	Cost and book value of investment in subsidiary	Cost: Rupees 1,699,999,010 Book Value: Rupees 1,699,999,010
iii)	Total market value of subsidiary based on value of the shares of the subsidiary company:  a) In case of listed subsidiary company: quoted price of shares of subsidiary on day of decision of the board for disposal;  b) In case of non-listed subsidiary: Value determined by a registered valuer, who is eligible to carry out such valuation along with name of the valuer.	N.A.  Valuation was conducted by HLB Ijaz Tabussum & Co., Chartered Accountants. Value was determined/assessed at Rupees 1,750,998,980 (Rupees 10.30 per share).
iv)	Net worth of subsidiary as per latest audited financial statements and subsequent interim financial statements, if available;	Net worth as per Audited Accounts of 30 June 2024 is Rupees 1,437,000,129. Interim Accounts of the Subsidiary are not applicable after the audited Accounts of 30 June 2024.
v)	Total consideration for disposal of investment in subsidiary, basis of determination of the consideration and its utilization;	Consideration for disposal is Rupees 1,750,998,980. M/s HLB Ijaz Tabussum & Co., Chartered Accountants worked out the fair market value of the business (Nishat Hospitality (Private) Limited) at Rupees 1,750,998,980. Funds from the sale of the subsidiary will be utilized for working capital purposes by Nishat Mills Limited.
vi)	Quantitative and qualitative benefits expected to accrue to the members.	A capital gain of Rupees 50,999,970 will arise, improving EPS of Nishat Mills Limited. Nishat Mills Limited as a Group will ultimately benefit from better management of hotel business, better revenues, savings and better returns.

None of the Directors of Nishat Mills Limited have any direct or indirect interest in this special business except in their capacity as Shareholders or Directors of Nishat Mills Limited. Further, Mian Umer Mansha, chief executive of Nishat Mills Limited, Mian Hassan Mansha, director of Nishat Mills Limited, Mian Raza Mansha (real brother of Mian Umer Mansha and Mian Hassan Mansha) and Mrs. Iqra Hassan Mansha (spouse of Mian Hassan Mansha) hold 21.97%, 21.97%, 21.86% and 0.0012% shares respectively of Nishat Hotels and Properties Limited. Nishat Mills Limited holds 6.08% shares of Nishat Hotels and Properties Limited. Security General Insurance Company Limited and D.G. Khan Cement Company Limited in which Nishat Mills Limited holds 15.02% and 31.4% shares also hold 17.93% and 8.55% shares of Nishat Hotels and Properties Limited.

**B) Approval / Ratification of transactions conducted with the Related Parties during the year ended June 30, 2024**

Following transactions, as disclosed in Annual Financial Statements of the Company for the year ended 30 June 2024, carried out with associated companies/related parties have been approved by the Board as recommended by the Audit Committee on a quarterly basis pursuant to the powers conferred by the members of the Company through Special Resolution passed in their Annual General Meeting held on October 25, 2023, the Board has recommended for placement of the same before the shareholders of the Company in annual general meeting for approval / ratification.

**2024**  
**(RUPEES IN THOUSAND)**

**Subsidiary companies**

Investment made	3,690,571
Dividend income	1,432,828
Purchase of goods and services	1,232,666
Sale of goods and services	11,013,748
Interest income	2,659,054
Rental income	102,791
Short term loan given	46,161,125
Repayment of short-term loan	54,696,388

**Associated companies**

Investment made	1,115,426
Investment disposed of	30,000
Purchase of goods and services	36,708
Sale of goods and services	31,369
Interest income	20,208
Rental income	8,103
Purchase of operating fixed assets	107,058
Dividend income	7,002,587
Dividend paid	154,265
Insurance premium paid	272,730
Insurance claims received	101,550
Finance cost	91,629

**Other related parties**

Dividend paid	443,338
Company's contribution to provident fund trust	527,400

All these related party transactions during the mentioned period were executed at Arm's Length Price in a fair and transparent manner and there was no departure from the guidelines mentioned in the Companies (Related Party Transactions and Maintenance of Related Records) Regulations, 2018 and Code of Corporate Governance for such transactions.

Pursuant to the above, these transactions have to be approved / ratified by the shareholders in the Annual General Meeting.

The Directors, Sponsors, majority shareholders and their relatives are not interested, directly or indirectly, in the above business except to the extent of shares that are held by them in the Company.

**Statement Under Regulation 4(2) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017**

Name of Investee Company	Total Investment Approved	Amount of Investment Made to date	Reasons for deviations from the approved timeline of investment, where investment decision was to be implemented in specified time	Material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment in such company
<b>Hyundai Nishat Motor (Private) Limited</b>	Guarantee / continuing Stand by Letter(s) of Credit (SBLC) for an amount of up to Rupees 1,200 million was approved by members in EOGM held on March 28, 2018 which was subsequently enhanced up to Rupees 1,532.544 million for a tenure of 7.5 years by members in AGM held on October 28, 2019.	Guarantees/ Stand by Letter(s) of Credit (SBLC) of Rs. 1,325.709 million have been issued against this approval to date.	Eight guarantees/ Stand by Letter(s) of Credit (SBLC) from different banks have been extended after the approval. Further Guarantees/ SBLC will be arranged on requirement of investee company.	At the time of Approval, as per latest available audited financial statements for the year ended December 31, 2018, the basic loss per share was Rs. 1.44 and breakup value per share was Rs. 9.03. As per latest available audited financial statements for the year ended December 31, 2023, the basic earnings per share was Rs. 0.58 and breakup value per share was Rs. 9.86. As per latest available Un-audited financial statements for the half year ended June 30, 2024, the basic earnings per share was Rs. 1.49 and break up value per share was Rs. 10.61.
<b>Nishat Sutas Dairy Limited</b>	Equity investment up to Rupees 950 million was approved by members in AGM held on October 28, 2019 which was subsequently enhanced up to Rs. 1,950 million for a period of four (4)	Investment of Rupees 3,510.447 million has been made against this approval to date.	Partial investment has been made in investee company.	At the time of approval, as per latest available audited financial statements for the year ended December 31, 2022, the basic loss per share was Rs. 2.45 and breakup value per share was Rs.

	<p>years by members in EOGM held on 03 March 2022 which was further enhanced up to Rs. 3,000 million for a period of four (4) years by members in EOGM held on 19 June 2023. Moreover, equity investment further enhanced up to Rs. 5,000 million for a period of Four (4) years by members in EOGM held on 11 June 2024.</p>			<p>6.69. As per latest available audited financial statements for the year ended December 31, 2023, the basic loss per share is Rs. 2.59 and breakup value per share is Rs. 6.12. As per latest available Un-audited financial statements for the half year ended June 30, 2024, the basic loss per share was Rs. 1.31 and breakup value per share was Rs. 5.51.</p>
<b>Nishat Sutas Dairy Limited</b>	<p>Corporate guarantee for an amount of up to Rupees 2,250 million was approved by members in EOGM held on December 15, 2020 for a tenure of 11 years.</p>	<p>Corporate guarantees of up to Rs. 1,777.500 million have been issued against this approval to date.</p>	<p>Three corporate guarantees from different banks have been extended after the approval. Further guarantees will be arranged on requirement of investee company.</p>	<p>At the time of approval, as per latest audited financial statements for the year ended December 31, 2019, the basic loss per share was Rs. 2.29 and breakup value per share was Rs. 7.71. As per latest available audited financial statements for the year ended December 31, 2023, the basic loss per share is Rs. 2.59 and breakup value per share is Rs. 6.12. As per latest available Un-audited financial statements for the half year ended June 30, 2024, the basic loss per share was Rs. 1.31 and breakup value per share was Rs. 5.51.</p>
<b>Pakgen Power Limited</b>	<p>Equity investment up to Rupees 875 million for the period of three (3) years was approved by</p>	<p>Investment of Rupees 332.834 million has been made against this approval to date.</p>	<p>Partial investment has been made in investee company.</p>	<p>At the time of approval, as per latest audited financial statements for the year ended</p>

	members in EOGM held on November 28, 2022.			December 31, 2021, the basic Earnings per Share was Rs. 2.82 and breakup value per share was Rs. 60.64. As per latest available audited financial statements for the year ended December 31, 2023, the basic earnings per share is Rs. 15.76 and breakup value per share is Rs. 66.35. As per latest available Un-audited financial statements for the half year ended June 30, 2024, the basic earnings per share was Rs. 10.75 and breakup value per share was Rs. 75.10.
<b>Lalpir Power Limited</b>	Equity investment up to Rupees 300 million for the period of three (3) years was approved by members in EOGM held on November 28, 2022.	Investment of Rupees 7.924 million has been made against this approval to date	Partial investment has been made in investee company.	At the time of approval, as per latest audited financial statements for the year ended December 31, 2021, the basic Loss per Share was Rs. 2.12 and breakup value per share was Rs. 41.00. As per latest available audited financial statements for the year ended December 31, 2023, the basic earnings per share is Rs. 12.05 and breakup value per share is Rs. 41.70. As per latest available Un-audited financial statements for the half year ended June 30, 2024, the basic earnings per share was Rs. 8.03 and breakup value per share was Rs. 47.73.

# Financial Statements of **Nishat Mills Limited**

for the year ended June 30, 2024



# INDEPENDENT AUDITOR'S REPORT

**To the members of Nishat Mills Limited**

**Report on the Audit of the Financial Statements**

## Opinion

We have audited the annexed financial statements of Nishat Mills Limited (the Company), which comprise the statement of financial position as at 30 June 2024, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2024 and of the profit, other comprehensive income, the changes in equity and its cash flows for the year then ended.

## Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the *Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

Sr. No.	Key audit matters	How the matters were addressed in our audit
1.	<b>Inventory existence and valuation</b> Inventory as at 30 June 2024 amounted to Rupees 43,496.402 million, break up of which is as follows: <ul style="list-style-type: none"> <li>- Stores, spare parts and loose tools Rupees 6,049.021 million</li> <li>- Stock-in-trade Rupees 37,447.381 million</li> </ul>	Our procedures over existence and valuation of inventory included, but were not limited to: <ul style="list-style-type: none"> <li>• To test the quantity of inventories at all locations, we assessed the corresponding inventory observation instructions and participated in inventory counts on sites. Based on samples, we performed test counts and compared the quantities counted by us with the results of the counts of the management.</li> </ul>

<b>Sr. No.</b>	<b>Key audit matters</b>	<b>How the matters were addressed in our audit</b>
	<p>Inventory is measured at the lower of cost and net realizable value.</p> <p>We identified existence and valuation of inventory as a key audit matter due to its size, representing 20.06% of the total assets of the Company as at 30 June 2024, and the judgment involved in valuation.</p> <p>For further information on inventory, refer to the following:</p> <ul style="list-style-type: none"> <li>- Material accounting policy information, Inventories note 2.13 to the financial statements.</li> <li>- Stores, spares parts and loose tools note 19 and Stock-in-trade note 20 to the financial statements.</li> </ul>	<ul style="list-style-type: none"> <li>• For a sample of inventory items, re-performed the weighted average cost calculation and compared the weighted average cost appearing on valuation sheets.</li> <li>• We tested that the ageing report used by management correctly aged inventory items by agreeing a sample of aged inventory items to the last recorded invoice.</li> <li>• On a sample basis, we tested the net realizable value of inventory items to recent selling prices and re-performed the calculation of the inventory write down, if any.</li> <li>• We assessed the percentage write down applied to older inventory with reference to historic inventory write downs and recoveries on slow moving inventory.</li> <li>• In the context of our testing of the calculation, we analysed individual cost components and traced them back to the corresponding underlying documents. We furthermore challenged changes in unit costs.</li> <li>• We also made enquires of management, including those outside of the finance function, and considered the results of our testing above to determine whether any specific write downs were required.</li> </ul>
2.	<p><b>Investments in securities</b></p> <p><i>Quoted investments:</i></p> <p>The Company's portfolio of quoted investments, except for investment in quoted subsidiary company, makes up 22.35% of total assets. Due to materiality of quoted investments in the context of the financial statements as a whole and the requirements of applicable accounting and reporting standards relating to classification, measurement and disclosures of investments in related parties, they are considered to be the area which had the greatest effect on our overall audit strategy and allocation of resources in planning and completing our audit.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> <li>• We documented and assessed the processes and controls in place to record investment transactions and to value the portfolio.</li> <li>• We agreed the valuation of all of quoted investments from prices quoted on Pakistan Stock Exchange Limited and redemption price in case of open-end mutual fund except for investment in subsidiary company measured at cost less impairment loss, if any, in accordance with the provisions of IAS 27 'Separate Financial Statements'.</li> <li>• We agreed the holding of all quoted investments from the Account Balance Report of Central Depository Company of Pakistan Limited, Statement of Account, in case of open-end mutual fund and physical share certificates in hand.</li> </ul>

Sr. No.	Key audit matters	How the matters were addressed in our audit
	<p><i>Un-quoted investments:</i></p> <p>Investments in unquoted equity securities except for investments in unquoted subsidiary companies are accounted for as financial assets at fair value through other comprehensive income and are subject to fair valuation at each reporting date. Investments in unquoted subsidiary companies are stated at cost less impairment loss, if any. The investments as at 30 June 2024 are valued by an independent professional valuer. With reference to the valuation, management estimated the fair value of the investments at Rupees 10,128.247 million at year end.</p> <p>Investee companies are operating in Insurance, Packaging, Dairy, Hotel and Shopping Mall, Automobile and Energy sectors and therefore, fair values are highly dependent on their expansion plans and significant management judgements. Accordingly, the valuation of the investments was considered as one of the key audit matters.</p> <p>The fair values were determined based on the present value technique. The valuations involved significant judgements and estimates from management, including future business growth driven by future expansion plans, future products selling prices and operating costs of the investee, discount rate, etc.</p> <p>For further information, refer to the following:</p> <ul style="list-style-type: none"> <li>- Material accounting policy information, Investments note 2.7 to the financial statements.</li> <li>- Long term investments note 16 to the financial statements.</li> </ul>	<ul style="list-style-type: none"> <li>• We verified the accuracy of management's judgement used in classification of quoted investments in related parties.</li> </ul> <p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> <li>• We evaluated the independent professional valuer's competence, capabilities and objectivity.</li> <li>• We assessed the valuation methodology used by the independent professional valuer to estimate the fair value of the investments.</li> <li>• We checked, on a sample basis, the accuracy and reasonableness of the input data provided by management to the independent professional valuer, to supporting evidence, such as approved budgets and considering the reasonableness of these budgets by comparing the budgets to the historical results and market data.</li> <li>• We assessed the reasonableness of cash flows projection, challenging and performing audit procedures on management's assumptions such as the future business growth driven by future expansion plan, future products selling prices and operating costs, discount rate by comparing the assumptions to historical results and published market and industry data and comparing the current year's results with the prior year forecast and other relevant information. Our internal valuation expert has been engaged to assist the review on valuation methodology and discount rate. In addition, we had discussed with the management of the investee companies to understand the business and assessed if there was any inconsistency in the assumptions used in the cash flows projection.</li> <li>• We agreed holding of all un-quoted investments from physical share certificates in hand.</li> <li>• We performed sensitivity analysis in consideration of the potential impact of reasonably possible upside or downside changes in these key assumptions.</li> <li>• We verified the accuracy of management calculation used for the impairment testing, in case of subsidiary companies carried at cost less impairment loss, if any.</li> </ul>
3.	<p><b>Capital expenditures</b></p> <p>The Company is investing significant amounts in its operations and there are a number of areas where management judgement impacts the carrying value of</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> <li>• We tested operating effectiveness of controls in place over the property, plant and equipment</li> </ul>

<b>Sr. No.</b>	<b>Key audit matters</b>	<b>How the matters were addressed in our audit</b>
	<p>property, plant and equipment and its respective depreciation profile. These include among other the decision to capitalize or expense costs; and review of useful life of the assets including the impact of changes in the Company's strategy.</p> <p>We focused on this area since the amounts have a significant impact on the financial position of the Company and there is significant management judgment required that has significant impact on the reporting of the financial position for the Company. Therefore, considered as one of the key audit matters.</p> <p>For further information, refer to the following:</p> <ul style="list-style-type: none"> <li>- Material accounting policy information, property, plant, equipment and depreciation note 2.3 to the financial statements.</li> <li>- Property, plant and equipment note 14 to the financial statements.</li> </ul>	<p>cycle including the controls over whether costs incurred on activities is capital or operating in nature.</p> <ul style="list-style-type: none"> <li>• We evaluated the appropriateness of capitalization policies and depreciation rates.</li> <li>• We performed tests of details on costs capitalized.</li> <li>• We verified the accuracy of management's calculation used for the impairment testing.</li> </ul>
4.	<p><b>Revenue recognition</b></p> <p>The Company recognized net revenue of Rupees 160,256.555 million for the year ended 30 June 2024.</p> <p>We identified recognition of revenue as a key audit matter because revenue is one of the key performance indicator of the Company and gives rise to an inherent risk that revenue could be subject to misstatement to meet expectations or targets.</p> <p>For further information, refer to the following:</p> <ul style="list-style-type: none"> <li>- Material accounting policy information, Revenue recognition note 2.18 to the financial statements.</li> <li>- Revenue note 27 to the financial statements.</li> </ul>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> <li>• We obtained an understanding of the process relating to recognition of revenue and testing the design, implementation and operating effectiveness of key internal controls over recording of revenue.</li> <li>• We compared a sample of revenue transactions recorded during the year with sales orders, sales invoices, delivery documents and other relevant underlying documents.</li> <li>• We compared a sample of revenue transactions recorded around the year-end with the sales orders, sales invoices, delivery documents and other relevant underlying documentation to assess if the related revenue was recorded in the appropriate accounting period.</li> <li>• We assessed whether the accounting policies for revenue recognition complies with the requirements of IFRS 15 'Revenue from Contracts with Customers'.</li> <li>• We also considered the appropriateness of disclosures in the financial statements.</li> </ul>

## **Information Other than the Financial Statements and Auditor's Report Thereon**

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of Management and Board of Directors for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the

related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

Based on our audit, we further report that in our opinion:

- proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

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



**RIAZ AHMAD & COMPANY**

Chartered Accountants

Lahore

October 01, 2024

UDIN: AR202410168x8PSbIJ9U

# Statement of Financial Position

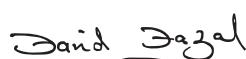
As at June 30, 2024

	Note	2024 (Rupees in thousand)	2023
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorized share capital</b>			
1,100,000,000 (2023: 1,100,000,000) ordinary shares of Rupees 10 each		11,000,000	11,000,000
<b>Issued, subscribed and paid-up share capital</b>	4	3,515,999	3,515,999
<b>Reserves</b>	5	111,294,014	86,248,120
<b>Total equity</b>		114,810,013	89,764,119
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Long term financing - secured	6	23,672,520	11,898,220
Deferred liabilities	7	5,262,486	1,805,841
		28,935,006	13,704,061
<b>CURRENT LIABILITIES</b>			
Trade and other payables	8	14,616,264	13,969,278
Accrued mark-up	9	1,507,965	1,831,194
Short term borrowings	10	49,789,624	45,753,793
Current portion of non-current liabilities	11	4,400,172	4,142,057
Unclaimed dividend		116,289	108,247
Provision for taxation and levy - net	12	2,664,112	1,012,961
		73,094,426	66,817,530
<b>TOTAL LIABILITIES</b>		102,029,432	80,521,591
<b>CONTINGENCIES AND COMMITMENTS</b>	13		
<b>TOTAL EQUITY AND LIABILITIES</b>		216,839,445	170,285,710

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

CHIEF EXECUTIVE OFFICER

	Note	2024	2023		
		(Rupees in thousand)			
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
Property, plant and equipment	14	60,043,195	45,265,066		
Investment properties	15	467,504	471,091		
Long term investments	16	66,811,200	38,642,705		
Long term loans	17	339,213	285,639		
Long term deposits	18	428,572	153,320		
		128,089,684	84,817,821		
<b>CURRENT ASSETS</b>					
Stores, spare parts and loose tools	19	6,049,021	5,955,945		
Stock-in-trade	20	37,447,381	34,801,627		
Trade debts	21	22,374,547	13,208,722		
Loans and advances	22	7,819,991	17,347,672		
Short term deposits and prepayments	23	513,937	227,942		
Other receivables	24	11,691,606	11,242,564		
Accrued interest	25	130,923	272,851		
Cash and bank balances	26	2,722,355	2,410,566		
		88,749,761	85,467,889		
<b>TOTAL ASSETS</b>		<b>216,839,445</b>	<b>170,285,710</b>		



DIRECTOR



CHIEF FINANCIAL OFFICER

## STATEMENT OF PROFIT OR LOSS

For the year ended June 30, 2024

	Note	2024 (Rupees in thousand)	2023
REVENUE	27	160,256,555	141,756,469
COST OF SALES	28	(142,933,202)	(120,677,627)
GROSS PROFIT		17,323,353	21,078,842
DISTRIBUTION COST	29	(6,517,158)	(6,238,030)
ADMINISTRATIVE EXPENSES	30	(2,588,809)	(2,150,503)
OTHER EXPENSES	31	(271,182)	(557,836)
		(9,377,149)	(8,946,369)
		7,946,204	12,132,473
OTHER INCOME	32	13,240,547	10,201,578
PROFIT FROM OPERATIONS		21,186,751	22,334,051
FINANCE COST	33	(10,442,392)	(6,927,609)
PROFIT BEFORE TAXATION AND LEVY		10,744,359	15,406,442
LEVY	34	(2,303,665)	(2,076,142)
PROFIT BEFORE TAXATION		8,440,694	13,330,300
TAXATION	35	(2,071,841)	(1,164,278)
PROFIT AFTER TAXATION		6,368,853	12,166,022
EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)	36	18.11	34.60

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

## STATEMENT OF COMPREHENSIVE INCOME

For the year ended June 30, 2024

	2024	2023
	(Rupees in thousand)	
<b>PROFIT AFTER TAXATION</b>	6,368,853	12,166,022
<b>OTHER COMPREHENSIVE INCOME / (LOSS)</b>		
<b>Items that will not be reclassified to profit or loss:</b>		
Fair value adjustment arising on remeasurement of investments at fair value through other comprehensive income	23,390,592	(567,001)
Deferred income tax relating to this item	(2,955,552) 20,435,040	370,554 (196,447)
<b>Items that may be reclassified subsequently to profit or loss</b>	-	-
Other comprehensive income / (loss) for the year - net of tax	20,435,040	(196,447)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>26,803,893</b>	<b>11,969,575</b>

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

## STATEMENT OF CHANGES IN EQUITY

For the year ended June 30, 2024

Share Capital	Reserves					Total Equity
	Premium on Issue of Right Shares	Fair value reserve FVTOCI Investments	Sub Total	General Reserve	Revenue Reserves Unappropriated Profit	
<b>Balance as at 30 June 2022</b>	3,515,999	5,499,530	8,090,895	13,590,425	51,782,028	10,312,491
Transaction with owners - Final dividend for the year ended 30 June 2022 @ Rupees 4.00 per share	-	-	-	-	(1,406,399)	(1,406,399)
Transferred to general reserve	-	-	-	8,906,000	(8,906,000)	-
Profit for the year	-	-	(196,447)	-	12,166,022	12,166,022
Other comprehensive loss for the year	-	(196,447)	(196,447)	-	-	(196,447)
Total comprehensive Income for the year	-	(196,447)	(196,447)	-	12,166,022	12,166,022
<b>Balance as at 30 June 2023</b>	3,515,999	5,499,530	7,894,448	13,393,978	60,688,028	12,166,114
Transaction with owners - Final dividend for the year ended 30 June 2023 @ Rupees 5.00 per share	-	-	-	-	(1,757,999)	(1,757,999)
Transferred to general reserve	-	-	-	10,408,000	(10,408,000)	-
Transfer of gain on buy back of FVTOCI investment to unappropriated profit	-	-	(5,190)	(5,190)	-	5,190
Profit for the year	-	-	20,435,040	20,435,040	6,368,853	6,368,853
Other comprehensive income for the year	-	20,435,040	20,435,040	-	6,368,853	6,368,853
Total comprehensive income for the year	-	20,435,040	20,435,040	-	6,368,853	6,368,853
<b>Balance as at 30 June 2024</b>	3,515,999	5,499,530	28,324,298	33,823,828	71,096,028	6,374,158
					77,470,186	111,294,014
						114,810,013

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

# STATEMENT OF CASH FLOWS

For the year ended June 30, 2024

	Note	2024 (Rupees in thousand)	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash generated from operations</b>	37	2,759,243	9,321,514
Finance cost paid		(10,765,621)	(5,472,365)
Income tax paid - net		(1,464,198)	(1,388,337)
Levy paid		(1,061,889)	(1,189,145)
Exchange gain on forward exchange contracts received		304,995	18,954
Net (increase) / decrease in long term loans		(62,536)	123,993
Net (increase) / decrease in long term deposits		(667,440)	23,876
<b>Net cash (used in) / generated from operating activities</b>		(10,957,446)	1,438,490
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure on property, plant and equipment		(18,740,367)	(9,100,816)
Proceeds from sale of property, plant and equipment		152,739	73,789
Investments made		(4,106,653)	(3,014,221)
Proceeds from sale of investment		30,000	-
Loan to Nishat Linen (Private) Limited - subsidiary company		(46,161,125)	(64,595,706)
Repayment of loan by Nishat Linen (Private) Limited - subsidiary company		54,696,388	53,142,137
Interest received		2,809,872	2,842,517
Dividends received		8,456,190	4,510,937
<b>Net cash used in investing activities</b>		(2,862,956)	(16,141,363)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from long term financing		14,640,745	2,476,845
Repayment of long term financing		(2,889,270)	(3,038,566)
Short term borrowings - net		4,171,906	18,924,873
Dividend paid		(1,749,957)	(1,400,080)
<b>Net cash from financing activities</b>		14,173,424	16,963,072
<b>Net increase in cash and cash equivalents</b>		353,022	2,260,199
<b>Net foreign exchange difference on translating cash and bank balances</b>		(41,233)	58,640
<b>Cash and cash equivalents at the beginning of the year</b>		2,410,566	91,727
<b>Cash and cash equivalents at the end of the year</b>		2,722,355	2,410,566

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

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

## 1 THE COMPANY AND ITS OPERATIONS

**1.1** Nishat Mills Limited (the Company) is a public limited Company incorporated in Pakistan under the Companies Act, 1913 (Now Companies Act, 2017) and listed on Pakistan Stock Exchange Limited. Its registered office is situated at 53-A, Lawrence Road, Lahore. The Company is engaged in the business of textile manufacturing and of spinning, combing, weaving, bleaching, dyeing, printing, stitching, apparel, buying, selling and otherwise dealing in yarn, linen, cloth and other goods and fabrics made from raw cotton, synthetic fibre and cloth and to generate, accumulate, distribute, supply and sell electricity.

**1.2** Geographical location and addresses of all business units are as follows:

Sr. No.	Manufacturing units and offices	Address
1	Spinning units, yarn dyeing unit and power plant	Nishatabad, Faisalabad.
2	Spinning units and power plant	Plot No. 172-180 and 188-197, M-3 Industrial City, Sahianwala and FIEDMC, 2 K.M., Jhumra Chiniot Road, Chak Jhumra, Faisalabad.
3	Spinning units and power plant	20 K.M., Sheikhupura Road, Feroze Wattwan.
4	Weaving units, denim unit and power plant	12 K.M., Faisalabad Road, Sheikhupura.
5	Weaving unit, dyeing and finishing unit, processing unit, stitching units and power plant	5 K.M., Nishat Avenue Off 22 K.M., Ferozepur Road, Lahore.
6	Terry unit	7 K.M., Nishat Avenue Off 22 K.M., Ferozepur Road, Lahore.
7	Apparel unit	2 K.M., Nishat Avenue Off 22 K.M., Ferozepur Road, Lahore.
8	Head office	7-Main Gulberg, Lahore.
9	Office	1st Floor, Karachi Chambers, Hasrat Mohani Road, Karachi.
10	Registered office	Nishat House, 53-A, Lawrence Road, Lahore.

**1.3** These financial statements are the separate financial statements of the Company. Consolidated financial statements of the Company are prepared separately. Details of the Company's investments in subsidiaries and associates are stated in note 16 to these financial statements.

## 2 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated:

### 2.1 Basis of preparation

#### a) Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRSs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

#### b) Accounting convention

These financial statements have been prepared under the historical cost convention except as otherwise stated in the respective accounting policies.

### c) Critical accounting estimates and judgments

The preparation of financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policies are as follows:

#### **Financial instruments – fair value**

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques based on assumptions that are dependent on conditions existing at the reporting date.

#### **Useful lives, patterns of economic benefits and impairment**

Estimates with respect to residual values and useful lives and pattern of flow of economic benefits are based on the analysis of the management of the Company. Further, the Company reviews the value of assets for possible impairment on an annual basis. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment and investment properties with a corresponding effect on the depreciation charge and impairment.

#### **Inventories**

Inventory write-down is made based on the current market conditions, historical experience and selling goods of similar nature. It could change significantly as a result of changes in market conditions. A review is made on each reporting date on inventories for excess inventories, obsolescence and declines in net realisable value and an allowance is recorded against the inventory balances for any such declines.

#### **Income tax and levy**

In making the estimates for income tax and levy currently payable by the Company, the management takes into account the current income tax law and the decisions of appellate authorities on certain issues in the past.

#### **Deferred income tax**

From the financial year ending on 30 June 2025, tax year 2025, income of the Company will be taxed under normal tax regime, hence, as on 30 June 2024, deferred tax on taxable temporary differences between the accounting and tax base of fixed assets is required to be calculated. This is the first time the Company is transitioning to this regime. Previously, the Company was neither required nor claimed tax depreciation against final tax regime, hence, accounting written-down value (WDV) of fixed assets is now being used as tax base for the calculation of taxable temporary differences against fixed assets. This critical accounting estimation, used by the management in the calculation of deferred tax, is based on the advice of legal counsel, and it reflects the best available information for the calculation of deferred tax.

#### **Allowance for expected credit losses**

The allowance for Expected Credit Losses (ECLs) assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

## Provisions

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognised provision is recognised in the statement of profit or loss unless the provision was originally recognised as part of cost of an asset.

## Contingencies

The Company reviews the status of all pending litigations and claims against the Company. Based on the judgment and the advice of the legal advisors for the estimated financial outcome, appropriate disclosure or provision is made. The actual outcome of these litigations and claims can have an effect on the carrying amounts of the liabilities recognized at the statement of financial position date.

## Impairment of investments in subsidiaries

In making an estimate of recoverable amount of the Company's investments in subsidiaries, the management considers future cash flows.

## Revenue from contracts with customers involving sale of goods

When recognizing revenue in relation to the sale of goods to customers, the key performance obligation of the Company is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

### d) Amendments to published approved accounting standards that are effective in current year and are relevant to the Company

Following amendments to published approved accounting standards are mandatory for the Company's accounting periods beginning on or after 01 July 2023:

- Disclosure of Accounting Policies (Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 'Making Materiality Judgement').
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 'Income taxes').
- Change in definition of Accounting Estimate (Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors').
- Amendments to IAS 12 'Income Taxes' - International Tax Reform — Pillar Two Model Rules.

The above-mentioned amendments to approved accounting standards did not have any impact on the amounts recognised in prior period and are not expected to significantly affect the current or future periods.

### e) Amendments to published approved accounting standards that are effective in current year but not relevant to the Company

There are amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2023 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

**f) Standards and amendments to published approved accounting standards that are not yet effective but relevant to the Company**

Following standards and amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 July 2024 or later periods:

Classification of liabilities as current or non-current (Amendments to IAS 1 'Presentation of Financial Statements') effective for the annual period beginning on or after 01 January 2024. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.

On 31 October 2022, the IASB issued 'Non-current Liabilities with Covenants (Amendments to IAS 1)' to clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments are effective for reporting periods beginning on or after 1 January 2024.

On 22 September 2022, the IASB issued 'Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)' with amendments that clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments are effective for annual periods beginning on or after 1 January 2024.

On 25 May 2023, the IASB issued 'Suppliers Finance Arrangements (Amendments to IAS 7 and IFRS 7)' to add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangement. The amendments are effective for reporting period beginning on or after 1 January 2024.

Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' (deferred indefinitely) to clarify the treatment of the sale or contribution of assets from an investor to its associates or joint venture, as follows: require full recognition in the investor's financial statements of gains and losses arising on the sale or contribution of assets that constitute a business (as defined in IFRS 3 'Business Combinations'); require the partial recognition of gains and losses where the assets do not constitute a business, i.e. a gain or loss is recognized only to the extent of the unrelated investors' interests in that associate or joint venture. These requirements apply regardless of the legal form of the transaction, e.g. whether the sale or contribution of assets occur by an investor transferring shares in a subsidiary that holds the assets (resulting in loss of control of the subsidiary), or by the direct sale of the assets themselves.

Lack of Exchangeability (Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates'). The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. The amendments are effective for annual reporting periods beginning on or after 01 January 2025.

IFRS 18 'Presentation and Disclosure in Financial Statements' (effective for annual periods beginning on or after 01 January 2027) with a focus on updates to the statement of profit or loss. The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. The key new concepts introduced in IFRS 18 relate to: the structure of the statement of profit or loss; required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

The above standards and amendments and improvements are likely to have no significant impact on the financial statements.

**g) Standards and amendments to approved published standards that are not yet effective and not considered relevant to the Company**

There are other standards and amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2024 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

### 2.2 Taxation and levy

#### Current

Provision for current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year, if enacted. Except for the tax (final tax) deducted by subsidiaries, associates or joint arrangements on distribution of dividend to the Company, final taxes levied under the Income Tax Ordinance, 2001 and any excess over the amount designated as provision for current tax are charged as levy in the statement of profit or loss. Tax (final tax) deducted by subsidiaries, associates or joint arrangements on distribution of dividend to the Company is charged as current tax in the statement of profit or loss. The charge for current tax and levy also includes adjustments, where considered necessary, to provision for tax and levy made in previous years arising from assessments framed during the year for such years. Previously, component representing levy was included in provision for current tax and was not separately charged in the statement of profit or loss. Now, the Company has changed its accounting policy of taxation and levy in accordance with "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes" issued by Institute of Chartered Accountants of Pakistan through circular 7/2024. This change in accounting policy has been applied retrospectively in accordance with the provisions of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and resulted in following reclassification of corresponding figures:

Reclassified from	Reclassified to	30 June 2023
..... (Rupees in thousand) .....		
<b>Statement of profit or loss:</b>		
Taxation	Levy	2,076,142
<b>Statement of financial position:</b>		
Advance income tax	Prepaid levy	1,660,153
Provision for taxation	Levy payable	2,076,142

Had there been no change in the above referred accounting policy, amount of levy Rupees 2,303.665 million, prepaid levy Rupees 1,513.126 million and levy payable Rupees 2,303.665 million would have been presented as taxation expense, advance income tax and provision for taxation respectively in these financial statements for the year ended 30 June 2024. This change in accounting policy has no impact of earnings per share of the Company. Furthermore, the Company has not presented the third statement of financial position as at the beginning of the preceding period as the retrospective application does not have an effect on the information in the statement of financial position at the beginning of the preceding period.

#### Deferred

Deferred tax is accounted for using the liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets to the extent that it is

probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in the statement of profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

### **2.3 Property, plant, equipment and depreciation**

#### **Operating fixed assets**

Operating fixed assets except freehold land are stated at cost less accumulated depreciation and accumulated impairment losses (if any). Cost of operating fixed assets consists of historical cost, borrowing cost pertaining to erection / construction period of qualifying assets and other directly attributable costs of bringing the asset to working condition. Freehold land is stated at cost less any recognized impairment loss.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to statement of profit or loss during the period in which they are incurred.

#### **Depreciation**

Depreciation on operating fixed assets is charged to the statement of profit or loss applying the reducing balance method so as to write off the cost / depreciable amount of the assets over their estimated useful lives at the rates given in note 14.1. The Company charges the depreciation on additions from the date when the asset is available for use and on deletions up to the date when the asset is de-recognized. The residual values and useful lives are reviewed by the management, at each financial year-end and adjusted if impact on depreciation is significant.

#### **De-recognition**

An item of operating fixed assets is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the statement of profit or loss in the year the asset is de-recognized.

#### **Capital work-in-progress**

Capital work-in-progress is stated at cost less identified impairment losses, if any. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to operating fixed assets as and when these are available for use.

### **2.4 Investment properties**

Land and buildings held for capital appreciation or to earn rental income are classified as investment properties. Investment properties except land, are stated at cost less accumulated depreciation and any recognized impairment loss. Land is stated at cost less any recognized impairment loss. Depreciation on buildings is charged to the statement of profit or loss applying the reducing balance method so as to write off the cost of buildings over their estimated useful lives at a rate of 10% per annum.

### **2.5 Right-of-use assets**

A right-of-use asset is recognized at the commencement date of a lease. The right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment losses (if any). Cost

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

comprises of the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is shorter. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is charged over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.

The Company has elected not to recognize a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are charged to income as incurred.

## 2.6 Lease liabilities

A lease liability is recognized at the commencement date of a lease. The lease liability is initially recognized at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are re-measured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is re-measured, an adjustment is made to the corresponding right-of-use asset, or to statement of profit or loss if the carrying amount of the right-of-use asset is fully written down.

## 2.7 Investments and other financial assets

### a) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortized cost

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

### b) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value

through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

### **Debt instruments**

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

#### **Amortized cost**

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other income / (other expenses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

#### **Fair value through other comprehensive income (FVTOCI)**

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment losses (and reversal of impairment losses), interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised in other income / (other expenses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other income / (other expenses) and impairment losses are presented as separate line item in the statement of profit or loss.

#### **Fair value through profit or loss (FVTPL)**

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other income / (other expenses) in the period in which it arises.

### **Equity instruments**

The Company subsequently measures all equity investments at fair value for financial instruments quoted in an active market, the fair value corresponds to a market price (level 1). For financial instruments that are not quoted in an active market, the fair value is determined using valuation techniques including reference to recent arm's length market transactions or transactions involving financial instruments which are substantially the same (level 2), or discounted cash flow analysis including, to the greatest possible extent, assumptions consistent with observable market data (level 3).

#### **Fair value through other comprehensive income (FVTOCI)**

Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

## Fair value through profit or loss

Changes in the fair value of equity investments at fair value through profit or loss are recognised in other income / (other expenses) in the statement of profit or loss as applicable.

Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

## 2.8 Financial liabilities – classification and measurement

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in statement of profit or loss. Any gain or loss on de-recognition is also included in profit or loss.

## 2.9 Impairment of financial assets

The Company recognizes loss allowances for ECLs on:

- Financial assets measured at amortized cost;
- Debt investments measured at FVTOCI; and
- Contract assets.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- Debt securities that are determined to have low credit risk at the reporting date; and
- Other debt securities and bank balances for which credit risk (i.e., the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

The Company has elected to measure loss allowances for trade debts using IFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Company has established a matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This

includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment including forward-looking information.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVTOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

## **2.10 De-recognition of financial assets and financial liabilities**

### **a) Financial assets**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognized financial assets that is created or retained by the Company is recognized as a separate asset or liability.

### **b) Financial liabilities**

The Company derecognizes a financial liability (or a part of financial liability) from its statement of financial position when the obligation specified in the contract is discharged or cancelled or expires.

## **2.11 Investment in subsidiaries**

Investments in subsidiaries are stated at cost less impairment loss, if any, in accordance with the provisions of IAS 27 'Separate Financial Statements'.

## **2.12 Investment in associates - (with significant influence)**

The Company is required to prepare separate financial statements, hence, in accordance with the requirements of IAS 27 'Separate Financial Statements', the investments in associates are accounted for in accordance with IFRS 9 'Financial Instruments' and are classified as fair value through other comprehensive income (FVTOCI).

## **2.13 Inventories**

Inventories, except for stock in transit and waste stock / rags, are stated at lower of cost and net

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

realizable value. Cost is determined as follows:

## **Stores, spare parts and loose tools**

Useable stores, spare parts and loose tools are valued principally at moving average cost, while items considered obsolete are carried at nil value. Items in transit are valued at cost comprising invoice value plus other charges paid thereon.

## **Stock-in-trade**

Cost of raw material, work-in-process and finished goods is determined as follows:

- (i) For raw materials: Annual average basis.
- (ii) For work-in-process and finished goods: Average manufacturing cost including a portion of production overheads.

Materials in transit are valued at cost comprising invoice value plus other charges paid thereon. Waste stock / rags are valued at net realizable value.

Net realizable value signifies the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make a sale.

## **2.14 Trade debts and other receivables**

Trade debts are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

## **2.15 Borrowings**

Financing and borrowings are recognized initially at fair value and are subsequently stated at amortized cost. Any difference between the proceeds and the redemption value is recognized in the statement of profit or loss over the period of the borrowings using the effective interest method.

## **2.16 Borrowing cost**

Interest, mark-up and other charges on borrowings are capitalized up to the date of commissioning of respective qualifying assets acquired out of the proceeds of such borrowings. All other interest, mark-up and other charges are recognized in statement of profit or loss.

## **2.17 Trade and other payables**

Liabilities for trade and other amounts payable are initially recognized at fair value, which is normally the transaction cost and subsequently measured at amortized cost using the effective interest method.

## **2.18 Revenue recognition**

### **Sale of goods**

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

### **Processing services**

The Company provides processing services to local customers. These services are sold separately and the Company's contract with the customer for services constitute a single performance obligation.

Revenue from services is recognized at the point in time, generally at the time of dispatch. There are no terms giving rise to variable consideration under the Company's contracts with its customers.

#### **Interest**

Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

#### **Rent**

Rent revenue from investment properties is recognised on a straight-line basis over the lease term. Lease incentives granted are recognised as part of the rental revenue. Contingent rentals are recognised as income in the period when earned.

#### **Sale of electricity**

Revenue from sale of electricity is recognized at the time of transmission.

#### **Dividend**

Dividend on investments is recognized when right to receive the dividend is established.

#### **Other revenue**

Other revenue is recognised when it is received or when the right to receive payment is established.

### **2.19 Contract assets**

Contract assets arise when the Company performs its performance obligations by transferring goods to a customer before the customer pays its consideration or before payment is due. Contract assets are treated as financial assets for impairment purposes.

### **2.20 Customer acquisition costs**

Customer acquisition costs are capitalised as an asset where such costs are incremental to obtaining a contract with a customer and are expected to be recovered. Customer acquisition costs are amortised on a straight-line basis over the term of the contract.

Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained or which are not otherwise recoverable from a customer are expensed as incurred to profit or loss. Incremental costs of obtaining a contract where the contract term is less than one year is immediately expensed to profit or loss.

### **2.21 Customer fulfilment costs**

Customer fulfilment costs are capitalised as an asset when all the following are met: (i) the costs relate directly to the contract or specifically identifiable proposed contract; (ii) the costs generate or enhance resources of the Company that will be used to satisfy future performance obligations; and (iii) the costs are expected to be recovered. Customer fulfilment costs are amortised on a straight-line basis over the term of the contract.

### **2.22 Right of return assets**

Right of return assets represents the right to recover inventory sold to customers and is based on an estimate of customers who may exercise their right to return the goods and claim a refund. Such rights

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

are measured at the value at which the inventory was previously carried prior to sale, less expected recovery costs and any impairment.

## 2.23 Contract liabilities

Contract liability is the obligation of the Company to transfer goods to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Company performs its performance obligations under the contract.

## 2.24 Refund liabilities

Refund liabilities are recognised where the Company receives consideration from a customer and expects to refund some, or all, of that consideration to the customer. A refund liability is measured at the amount of consideration received or receivable for which the Company does not expect to be entitled and is updated at the end of each reporting period for changes in circumstances. Historical data is used across product lines to estimate such returns at the time of sale based on an expected value methodology.

## 2.25 Provisions

Provisions are recognized when the Company has a legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate of the amount can be made.

## 2.26 Contingent assets

Contingent assets are disclosed when the Company has a possible asset that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognized until their realization becomes certain.

## 2.27 Contingent liabilities

Contingent liability is disclosed when the Company has a possible obligation as a result of past events whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent liabilities are not recognized, only disclosed, unless the possibility of a future outflow of resources is considered remote. In the event that the outflow of resources associated with a contingent liability is assessed as probable, and if the size of the outflow can be reliably estimated, a provision is recognized in the financial statements.

## 2.28 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to depreciation and are tested annually for impairment. Assets that are subject to depreciation are reviewed for impairment at each statement of financial position date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount for which assets carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date. Reversals of the impairment losses are restricted to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if impairment losses had not been recognized. An impairment loss or reversal of impairment loss is recognized in the statement of profit or loss.

## 2.29 Derivative financial instruments

Derivatives are initially recognized at fair value. Any directly attributable transaction costs are recognized

in the statement of profit or loss as incurred. They are subsequently remeasured at fair value on regular basis and at each reporting date as a minimum, with all their gains and losses, realized and unrealized, recognized in the statement of profit or loss.

### **2.30 Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand, cash at banks on current, saving and deposit accounts and other short term highly liquid instruments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in values.

### **2.31 Segment reporting**

Segment reporting is based on the operating (business) segments of the Company. An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to the transactions with any of the Company's other components. An operating segment's operating results are reviewed regularly by the chief executive officer to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the chief executive officer include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Those incomes, expenses, assets, liabilities and other balances which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated.

The Company has following reportable business segments: Spinning (Producing different quality of yarn including dyed yarn and sewing thread using natural and artificial fibres), Weaving (Producing different quality of greige fabric using yarn), Dyeing (Producing dyed fabric using different qualities of greige fabric), Home Textile and Terry (Manufacturing of home textile articles using processed fabric produced from greige fabric and manufacturing of terry and bath products), Garments (Manufacturing of garments using processed fabric) and Power Generation (Generation and distribution of power using gas, oil, steam, coal and biomass).

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

### **2.32 Government grants**

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss over the expected lives of the related assets.

## **3. SUMMARY OF OTHER ACCOUNTING POLICIES**

### **3.1 Employee benefit**

The Company operates an approved funded provident fund scheme covering all its permanent employees and permanent employees of a Nishat Linen (Private) Limited - Group Company. Equal monthly contributions are made both by the Company, Nishat Linen (Private) Limited - Group Company and employees at the rate of 9.5 percent of the basic salary to the fund. The Company's contributions to the fund are charged to statement of profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

## 3.2 Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency. Figures are rounded off to the nearest thousand of Pak Rupees.

## 3.3 Foreign currency transactions and translation

All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the reporting date. Transactions in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are charged or credited to statement of profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated into Pak Rupees at exchange rates prevailing at the date of transaction. Non-monetary assets and liabilities denominated in foreign currency that are stated at fair value are translated into Pak Rupees at exchange rates prevailing at the date when fair values are determined.

## 3.4 Offsetting of financial instruments

Financial assets and financial liabilities are set off and the net amount is reported in the financial statements when there is a legal enforceable right to set off and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

## 3.5 Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

## 3.6 Share capital

Ordinary shares are classified as share capital. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax.

## 3.7 Dividend and other appropriations

Dividend distribution to the Company's shareholders is recognized as a liability in the Company's financial statements in the period in which the dividends are declared and other appropriations are recognized in the period in which these are approved by the Board of Directors.

## 3.8 Earnings per share

The Company presents earnings per share (EPS) data for its ordinary shares. EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

## 3.9 Ijara contracts

Under the Ijarah contracts the Company obtains usufruct of an asset for an agreed period for an agreed consideration. The Company accounts for its Ijarah contracts in accordance with the requirements of IFAS 2 'Ijarah'. Accordingly, the Company as a Mustaj'ir (lessee) in the Ijarah contract recognises the Ujrah (lease) payments as an expense in the profit and loss on straight line basis over the Ijarah term.

#### 4 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2024 (Number of Shares)	2023 (Number of Shares)		Note	2024 (Rupees in thousand)	2023 (Rupees in thousand)
270,446,606	270,446,606	Ordinary shares of Rupees 10 each fully paid-up in cash		2,704,466	2,704,466
2,804,079	2,804,079	Ordinary shares of Rupees 10 each issued to shareholders of Nishat Apparel Limited under the Scheme of Amalgamation		28,041	28,041
23,577,990	23,577,990	Ordinary shares of Rupees 10 each issued as fully paid for consideration other than cash	4.1	235,780	235,780
54,771,173	54,771,173	Ordinary shares of Rupees 10 each issued as fully paid bonus shares		547,712	547,712
351,599,848	351,599,848			3,515,999	3,515,999

- 4.1** These mainly include shares issued to members of Umer Fabrics Limited as per the Scheme of Arrangement as approved by the Honourable Lahore High Court, Lahore.
- 4.2** Ordinary shares of the Company held by the associated companies:

	2024 (Number of Shares)	2023 (Number of Shares)
D.G. Khan Cement Company Limited	30,289,501	30,289,501
Adamjee Insurance Company Limited	2,050	2,050
MCB Bank Limited	-	227
Security General Insurance Company Limited	186,030	-
Adamjee Life Assurance Company Limited	433,399	51,815
Nishat (Aziz Avenue) Hotels and Properties Limited	342,500	342,500
Nishat Real Estates Development Company (Private) Limited	127,000	127,000
	31,380,480	30,813,093

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

	Note	2024	2023
		(Rupees in thousand)	
<b>5 RESERVES</b>			
<b>Composition of reserves is as follows:</b>			
<b>Capital reserves</b>			
Premium on issue of right shares	5.1	5,499,530	5,499,530
Fair value reserve FVTOCI investments - net of deferred income tax	5.2	28,324,298	7,894,448
		33,823,828	13,393,978
<b>Revenue reserves</b>			
General reserve		71,096,028	60,688,028
Unappropriated profit		6,374,158	12,166,114
		77,470,186	72,854,142
		111,294,014	86,248,120

**5.1** This reserve can be utilized by the Company only for the purposes specified in section 81 of the Companies Act, 2017.

**5.2** This represents the unrealized gain on re-measurement of investments at fair value through other comprehensive income and is not available for distribution. Reconciliation of fair value reserve - net of deferred tax is as under:

	Note	2024	2023
		(Rupees in thousand)	
Balance as at 01 July		9,656,921	10,223,922
Add / (less): Fair value adjustment during the year		23,390,592	(567,001)
Less: Transfer of gain on buy back of FVTOCI investment to unappropriated profit		(5,190)	-
		33,042,323	9,656,921
Less: Deferred income tax liability		(4,718,025)	(1,762,473)
Balance as at 30 June		28,324,298	7,894,448

## 6 LONG TERM FINANCING - SECURED

Syndicated term finance	6.1	7,500,000	-
Long term loans	6.2	16,070,167	13,480,127
Long term musharika	6.3	2,980,482	1,304,383
		26,550,649	14,784,510
Less: Current portion shown under current liabilities	11	(2,878,129)	(2,886,290)
		23,672,520	11,898,220

Lender	2024	2023	Rate of Interest Per Annum	Number of Installments	Interest Repricing	Interest Payable	Security
(Rupees in thousand)							
<b>6.1 Syndicated term finance</b>							
<b>From conventional bank</b>							
Allied Bank Limited - Intercreditor agent	2,000,000	-	3 months offer KIBOR + 0.2%	Twenty eight equal quarterly installments commencing on 13 February 2027 and ending on 13 November 2033.	Quarterly	Quarterly	Ranking pari passu hypothecation charge (which will be upgraded to first pari passu hypothecation charge within 180 days from facility effective date) of Rupees 10,000 million over all present and future movable and immovable assets (other than land and buildings) of the Company with 25% margin.
<b>Islamic mode of financing</b>							
Meezan Bank Limited	4,000,000	-					
Askari Bank Limited	1,500,000	-					
	<b>7,500,000</b>	<b>-</b>					
<b>6.2 Long term loans</b>							
Allied Bank Limited	-	174,644	SBP rate for LTFF + 0.25%	Two hundred and twenty unequal installments commenced on 27 March 2018 and ended on 05 June 2024 (Note 6.4).	-	Quarterly	First pari passu hypothecation charge of Rupees 1,334 million over all present and future plant, machinery and equipment of the Company (excluding plant and machinery in respect of which the Company has already created exclusive charges in the favour of its existing creditors).
Allied Bank Limited	150,040	350,861	SBP rate for LTFF + 0.25%	Four hundred and eighty four unequal installments commenced on 28 December 2018 and ending on 13 July 2025 (Note 6.4).	-	Quarterly	First pari passu charge of Rupees 1,334 million (inclusive of 25% margin on all present and future plant and machinery of the Company).
Allied Bank Limited	309,348	498,735	SBP rate for LTFF + 0.25%	Two hundred and twenty unequal installments commenced on 26 January 2020 and ending on 17 September 2026 (Note 6.4).	-	Quarterly	First pari passu charge of Rupees 1,267 million over all present and future plant, machinery and equipment of the Company (excluding plant and machinery in respect of which the Company has already created exclusive charges in the favour of its existing creditors).
Allied Bank Limited	111,358	155,901	SBP rate for LTFF + 0.35%	Sixty unequal installments commenced on 24 January 2022 and ending on 28 October 2026.	-	Quarterly	First pari passu charge of Rupees 1,267 million over all present and future plant, machinery and equipment of the Company (excluding plant and machinery in respect of which the Company has already

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

Lender	2024	2023	Rate of Interest Per Annum	Number of Installments	Interest Repricing	Interest Payable	Security
(Rupees in thousand)							
Allied Bank Limited	261,552	370,807	SBP rate for LTFF + 0.50%	Four hundred and forty three unequal installments commenced on 06 May 2021 and ending on 11 February 2027.	-	Quarterly	created exclusive charges in the favour of its existing charge holders / creditors).
	35,000	55,000	SBP rate for financing power plants using renewable energy + 0.50%	Twenty equal quarterly installments commenced on 14 May 2021 and ending on 14 February 2026.	-	Quarterly	
	407,910	581,708					
Allied Bank Limited	84,615	94,872	SBP rate for financing power plants using renewable energy + 4.00%	Thirty nine installments commenced on 03 February 2023 and ending on 03 August 2032.	-	Quarterly	First pari passu hypothecation charge of Rupees 1,334 million over all present and future plant, machinery and equipment of the Company (excluding plant and machinery in respect of which the Company has already created exclusive charges in the favour of its existing creditors).
Allied Bank Limited	733,946	635,858	3 Month offer KIBOR + 0.25%	Seven hundred unequal installments commencing on 28 January 2025 and ending on 09 August 2033.	Quarterly	Quarterly	
	79,658	-	SBP rate for financing power plants using renewable energy + 3.00%	Thirty two equal quarterly installments commencing on 18 April 2025 and ending on 18 January 2033.	-	Quarterly	
	813,604	635,858					
Askari Bank Limited	176,498	240,621	SBP rate for LTFF + 0.65%	Two hundred and forty unequal installments commenced on 23 February 2022 and ending on 16 July 2027.	-	Quarterly	First pari passu hypothecation charge of Rupees 467 million over all present and future plant, machinery and equipment (excluding all exclusive charges over plant and machinery) of the Company.
Bank Alfalah Limited	-	49,208	SBP rate for LTFF + 0.35%	Two hundred and sixty unequal installments commenced on 02 February 2018 and ended on 05 January 2024 (Note 6.4).	-	Quarterly	First pari passu charge of Rupees 1,334 million on all present and future plant and machinery (excluding plant and machinery in

Lender	2024	2023	Rate of Interest Per Annum	Number of Installments	Interest Repricing	Interest Payable	Security
(Rupees in thousand)							
Bank Alfalah Limited	-	102,902	SBP rate for LTFF + 0.35%	Two hundred unequal installments commenced on 10 June 2018 and ended on 27 May 2024 (Note 6.4).	- Quarterly		respect of which the Company has already created exclusive charges in the favour of existing creditors).
Bank Alfalah Limited	-	56,182	SBP rate for LTFF + 0.35%	Twenty equal quarterly installments commenced on 31 August 2018 and ended on 31 May 2024 (Note 6.4).	- Quarterly		First pari passu hypothecation charge of Rupees 400 million over all present and future plant and machinery of the Company.
Bank Alfalah Limited	100,522	144,265	SBP rate for LTFF + 0.50%	One hundred unequal installments commenced on 23 December 2021 and ending on 21 October 2026.	- Quarterly		First pari passu hypothecation charge of Rupees 1,334 million on all present and future plant and machinery (excluding plant and machinery in respect of which the Company has already created exclusive charges in favour of its existing charge holders).
Bank Alfalah Limited	509,332	676,120	SBP rate for TERF + 1.00%	Sixty unequal installments commenced on 28 August 2022 and ending on 15 July 2027 (Note 6.5).	- Quarterly		
Faysal Bank Limited	-	39,719	SBP rate for LTFF + 0.30%	Twenty unequal installments commenced on 22 November 2018 and ended on 24 May 2024 (Note 6.4).	- Quarterly		First pari passu charge of Rupees 267 million on all present and future plant and machinery of the Company (excluding those on which charge has already been created).
Faysal Bank Limited	88,908	148,181	SBP rate for LTFF + 0.30%	Eighty unequal installments commenced on 18 January 2020 and ending on 05 November 2025 (Note 6.4).	- Quarterly		First pari passu charge of Rupees 400 million on all present and future plant and machinery (excluding plant and machinery in respect of which the Company has already created exclusive charges in the favour of existing creditors).
Habib Bank Limited	-	34,785	SBP rate for LTFF + 0.40%	One hundred and eighty unequal installments commenced on 17 September 2017 and ended on 25 November 2023 (Note 6.4).	- Quarterly		
Habib Bank Limited	1,713,159	1,817,072	SBP rate for LTFF + 0.75%	Eleven hundred and sixty four unequal installments commenced on 28 November 2023 and ending on 22 April 2032 .	- Quarterly		First pari passu hypothecation charge of Rupees 4,000 million on all present and future fixed assets of the Company excluding specific and exclusive charges.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

Lender	2024	2023	Rate of Interest Per Annum	Number of Installments	Interest Repricing	Interest Payable	Security
(Rupees in thousand)							
Habib Bank Limited	222,573	371,149	SBP rate for LTFF + 0.25%	Twenty unequal quarterly installments commenced on 27 February 2020 and ending on 27 November 2025 (Note 6.4).	-	Quarterly	
	38,565	89,986	SBP rate for financing power plants using renewable energy + 0.25%	Twenty equal quarterly installments commenced on 27 February 2020 and ending on 27 November 2025.	-	Quarterly	
	261,138	461,135					First pari passu charge of Rupees 4,084 million over all present and future plant, machinery and equipment of the Company (excluding plant and machinery in respect of which the Company has already created exclusive charges in the favour of its existing creditors).
Habib Bank Limited	1,500,000	1,500,000	3 Month offer KIBOR + 0.20%	Thirty two quarterly installments commencing on 28 December 2024 and ending on 28 September 2032.	Quarterly	Quarterly	
Habib Bank Limited	4,963,000		-	3 Month offer KIBOR + 0.20%	Thirty two equal quarterly installments commencing on 31 December 2025 and ending on 30 September 2033.	Quarterly	First pari passu charge of Rupees 6,667 million over all present and future plant, machinery and equipment of the Company (excluding specific and exclusive charges in the favour of existing charge holders) with 25% margin.
Habib Metropolitan Bank Limited	413,312	612,812	SBP rate for LTFF + 0.65%	One hundred and twenty unequal installments commenced on 24 September 2021 and ending on 07 September 2026.	-	Quarterly	First pari passu hypothecation charge of Rupees 1,334 million over plant and machinery (excluding plant and machinery in respect of which the Company has already created exclusive charges in favour of its existing charge holders).
Habib Metropolitan Bank Limited	858,480	973,693	SBP rate for TERF + 0.85%	One hundred and twenty eight unequal installments commenced on 19 July 2023 and ending on 29 July 2031 (Note 6.5).	-	Quarterly	First pari passu hypothecation charge of Rupees 1,334 million over plant and machinery of the Company (excluding plant and machinery in respect of which the Company has created exclusive charges in favour of its existing creditors).
National Bank of Pakistan	727,758	800,000	SBP rate for TERF + 1.50%	One hundred and ninety two unequal installments commenced on 17 September 2023 and ending on 04 October 2031.	-	Quarterly	First pari passu hypothecation charge of Rupees 1,334 million on present and future plant and machinery (excluding plant and machinery in respect of which the Company has already created exclusive charges in favour of its existing charge holders / creditors).

Lender	2024	2023	Rate of Interest Per Annum	Number of Installments	Interest Repricing	Interest Payable	Security
(Rupees in thousand)							
Pak Brunei Investment Company Limited	8,329	68,342	SBP rate for LTFF + 0.25%	Three hundred and twenty unequal installments commenced on 30 August 2018 and ending on 28 December 2024 (Note 6.4).	- Quarterly	First pari passu charge of Rupees 400 million on all present and future plant and machinery of the Company with 25% margin.	
Pakistan Kuwait Investment Company (Private) Limited	-	1,369	SBP rate for LTFF + 0.75%	Two hundred and fifty unequal installments commenced on 15 September 2016 and ended on 29 September 2023 (Note 6.4).	- Quarterly	First pari passu charge of Rupees 400 million on all present and future plant and machinery of the Company with 25% margin.	
Pakistan Kuwait Investment Company (Private) Limited	542,773	709,149	SBP rate for LTFF + 0.65%	Seventy two unequal installments commenced on 10 May 2021 and ending on 13 January 2028.	- Quarterly	First pari passu hypothecation charge of Rupees 1,334 million on all present and future plant and machinery (excluding plant and machinery in respect of which the Company has already created exclusive charges in favour of its existing charge holders / creditors) of the Company with 25% margin.	
United Bank Limited	1,941,441	2,207,894	SBP Rate for TERF + 1.25%	Five hundred and seventy five unequal installments commenced on 08 July 2023 and ending on 02 September 2031 (Note 6.5).	- Quarterly	First pari passu hypothecation charge of Rupees 3,000 million over all present and future plant and machinery (excluding those assets over which exclusive charges has already been created in favour of existing creditors) of the Company.	
Pakistan Kuwait Investment Company (Private) Limited	500,000	500,000	SBP rate for LTFF + 0.90%	Three hundred and ten unequal installments commencing on 29 July 2024 and ending on 21 July 2032.	- Quarterly	First pari passu charge of Rupees 667 million on all present and future plant and machinery (excluding plant and machinery in respect of which the Company has already created exclusive charges in favour of its existing charge holders / creditors) of the Company with 25% margin.	
	16,070,167	13,480,127					

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

Lender	2024	2023	Rate of Interest Per Annum	Number of Installments	Interest Repricing	Interest Payable	Security
(Rupees in thousand)							

### 6.3 Long term musharika

Faysal Bank Limited	2,000,000	-	3 Month offer KIBOR + 0.15%	Ten equal quarterly installments commencing on 30 June 2025 and ending on 27 December 2029.	Quarterly	Quarterly	Ranking pari passu hypothecation charge (which will be upgraded to first pari passu hypothecation charge within 180 days from facility effective date) of Rupees 2,667 million on all present and future plant and machinery of the company with 25% margin.
Faysal Bank Limited	610,346	823,595	SBP rate for ILTFF + 0.70%	Two hundred and sixty five unequal installments commenced on 24 March 2022 and ending on 10 August 2027.	-	Quarterly	
	370,136	480,788	SBP rate for islamic renewable energy financing scheme + 0.70%	One hundred unequal installments commenced on 07 July 2022 and ending on 06 July 2028.	-	Quarterly	First pari passu charge of Rupees 2,200 million over present and future plant, machinery and equipment of the Company (excluding plant and machinery in respect of which the Company has already created exclusive charges in favour of its existing charge holders / creditors).
	980,482	1,304,383					
	2,980,482	1,304,383					
	26,550,649	14,784,510					

- 6.4** Repayment period includes deferment of repayment of principal loan amount by one year in accordance with the State Bank of Pakistan BPRD Circular Letter No. 13 of 2020 dated 26 March 2020.
- 6.5** These loans are obtained by the Company under SBP Temporary Economic Refinance Facility (TERF). These are recognized and measured in accordance with IFRS 9 'Financial Instruments'. Fair value adjustment is recognized at discount rates ranging from 2.34% to 2.60% per annum.
- 6.6** Effective rate of markup charged during the year on these financing ranged from 2.25% to 23.91% (2023: 2.25% to 23.10%) per annum.

Note	2024 (Rupees in thousand)	2023
<b>7 DEFERRED LIABILITIES</b>		
Deferred income tax - net	7.1	4,916,293
Gas Infrastructure Development Cess (GIDC) payable	7.2	-
Deferred income - Government grant	7.3	30,996
Payable to Lars Lauridsen Holding ApS	7.4	315,197
		5,262,486
		1,805,841

	2024	2023
	(Rupees in thousand)	
<b>7.1 Deferred income tax - net</b>		
The deferred income tax liability originated due to timing differences relating to:		
<b>Taxable temporary differences</b>		
Accelerated tax depreciation	188,571	-
Long term investments	4,718,025	1,762,473
Fair value of forward exchange contracts receivable	17,260	-
<b>Deductible temporary difference</b>		
Fair value of forward exchange contracts payable	(7,563)	-
	4,916,293	1,762,473

#### 7.1.1 Movement in deferred tax balances during the year is as follows:

	2024			
	Opening balance	Recognised in statement of profit or loss	Recognised in other comprehensive income	Closing balance
( Rupees in thousand )				
Accelerated tax depreciation	-	(188,571)	-	188,571
Long term investments	1,762,473	-	(2,955,552)	4,718,025
Fair value of forward exchange contracts receivable	-	(17,260)	-	17,260
Fair value of forward exchange contracts payable	-	7,563	-	(7,563)
	1,762,473	(198,268)	(2,955,552)	4,916,293

	2023			
	Opening balance	Recognised in statement of profit or loss	Recognised in other comprehensive income	Closing balance
( Rupees in thousand )				
Long term investments	2,133,027	-	370,554	1,762,473

	2024	2023
	Note	(Rupees in thousand)
<b>7.2 Gas Infrastructure Development Cess (GIDC) Payable</b>		
Opening balance	1,241,103	1,240,330
Add: Adjustment due to impact of IFRS 9	33	-
		773
Less: Current portion shown under current liabilities	11	1,241,103
		1,241,103
		(1,241,103)
		(1,241,103)
		-
		-

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

- 7.2.1** This represents Gas Infrastructure Development Cess (GIDC) that was levied through GIDC Act, 2015. During the year ended 30 June 2021, Honourable Supreme Court of Pakistan upheld the GIDC Act, 2015 to be constitutional and intra vires. The Company has filed a review petition in Honourable Sindh High Court, Karachi which is pending adjudication. GIDC payable is recognized at amortized cost in accordance with IFRS 9.

	Note	2024 (Rupees in thousand)	2023
<b>7.3 Deferred income - Government grant</b>			
Opening balance		58,032	83,538
Less: Amortized during the year		(14,664)	(25,506)
		43,368	58,032
Less: Current portion shown under current liabilities	11	(12,372)	(14,664)
		30,996	43,368

- 7.3.1** The State Bank of Pakistan (SBP), through its Circular No. 01 and 02 of 2020 dated 17 March 2020 and Circular No. 09 of 2020 dated 08 May 2020 introduced a Temporary Economic Refinance Facility (TERF) for setting of new industrial units and for undertaking Balancing, Modernization and Replacement and / or expansion of projects / businesses. These refinances were available through Banks / DFIs. One of the key feature of these refinance facilities is that the borrowers obtained loans at mark-up rates that were below normal lending rates. As per International Accounting Standard (IAS) 20 'Accounting for Government Grants and Disclosure of Government Assistance', the benefit of a Government loan at a below-market rate of interest is treated as a Government grant. The Company has obtained these loans as disclosed in note 6 to the financial statements. In accordance with IFRS 9 'Financial Instruments', loans obtained under the refinance facilities were initially recognized at fair value which is the present value of loans proceeds received, discounted using prevailing market rates of interest for a similar instrument. Hence, the benefit of the below-market rate of interest was measured as the difference between the initial carrying value of the loan determined in accordance with IFRS 9 and the proceeds received. This benefit is accounted for and presented as deferred grant in accordance with IAS 20. The grant is being amortized in the statement of profit or loss, in line with the recognition of interest expense the grant is compensating. There are no unfulfilled conditions or contingencies attached to this grant.

	Note	2024 (Rupees in thousand)	2023
<b>7.4 Payable to Lars Lauridsen Holding ApS</b>			
Payable to Lars Lauridsen Holding ApS	7.4.1	701,250	-
Less: Fair value adjustment on initial recognition	32	(118,853)	-
Add: Fair value adjustment	33	1,160	-
		(117,693)	-
Add: Exchange loss		208	-
		583,765	-
Less: Current portion shown under current liabilities	11	(268,568)	-
		315,197	-

- 7.4.1** This represents payable to Lars Lauridsen Holding ApS against acquisition of Wernerfelt A/S. Total consideration of Rupees 701.250 million against acquisition of long term investment in Wernerfelt A/S is payable in 5 installments commenced from 24 June 2024 and ending on 25 July 2027. Hence, this deferred consideration is recognised and measured at fair value using prevailing market rate of interest (i.e. 20.01% per annum) at the date of acquisition in accordance with IFRS 9.

	Note	2024 (Rupees in thousand)	2023
<b>8 TRADE AND OTHER PAYABLES</b>			
Creditors	8.1	8,397,631	8,460,924
Sindh infrastructure cess payable	8.2	1,642,498	1,266,035
Accrued liabilities		1,924,409	1,692,237
Contract liabilities - unsecured	8.1	900,502	1,730,996
Securities from contractors - Interest free and repayable on completion of contracts	8.3	4,073	24,440
Retention money payable		246,023	156,873
Payable to Employees' Provident Fund Trust		22,858	40,948
Income tax deducted at source		919	1,080
Fair value of forward exchange contracts		19,392	18,292
Payable to banks under bill discounting arrangements		1,351,522	-
Workers' profit participation fund	8.4	92,279	563,295
Workers' welfare fund	8.5	14,158	14,158
		14,616,264	13,969,278
<b>8.1</b> These include amounts due to following related parties:			
<b>Creditors</b>			
Nishat Linen (Private) Limited - subsidiary company		152,042	32,153
Nishat USA Inc. - subsidiary company		-	3,757
Nishat International FZE - subsidiary company		51	-
Nishat Hospitality Private Limited - subsidiary company		39	-
Hyundai Nishat Motor (Private) Limited - associated company		4,990	119
Nishat Hotels and Properties Limited - associated company		354	-
D.G. Khan Cement Company Limited - associated company		26,726	-
Nishat Dairy (Private) Limited - associated company		62	-
Security General Insurance Company Limited - associated company		36,519	34,451
Adamjee Insurance Company Limited - associated company		45,673	36,194
Adamjee Life Assurance Company Limited - associated company		2	751
Wernerfelt A/S - subsidiary company		955	-
		267,413	107,425
<b>Contract liabilities - unsecured</b>			
Hyundai Nishat Motor (Private) Limited - associated company		2,297	-
Nishat Hotels and Properties Limited - associated company		165	236
		2,462	236
<b>8.2 Sindh infrastructure cess payable</b>			
Balance as at 01 July		1,266,035	834,947
Add: Provision made during the year		376,463	431,088
Balance as at 30 June		1,642,498	1,266,035

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

- 8.2.1** This represents provision for infrastructure cess imposed by the Province of Sindh through Sindh Finance Act, 1994 and its subsequent versions including the final version i.e. Sindh Development and Maintenance of Infrastructure Cess Act, 2017. The Company filed writ petition in Honourable Sindh High Court, Karachi whereby stay was granted and directions were given to provide bank guarantees in favor of Director Excise and Taxation, Karachi. The Honourable Sindh High Court, Karachi passed order dated 04 June 2021 against the Company and directed that bank guarantees should be encashed. Being aggrieved by the order, the Company along with others filed petitions for leave to appeal before Honourable Supreme Court of Pakistan against the Sindh High Court's judgment in relation to Sindh infrastructure development cess. On 01 September 2021, after hearing the petitioners, the Honourable Supreme Court dictated the order in open court granting leave to appeal to the petitioners and restraining the Sindh Government from encashing the bank guarantees furnished in pursuance of the interim orders passed by the Sindh High Court. The Honourable Supreme Court also direct the release of future consignments subject to furnishing of bank guarantees for the disputed amount.
- 8.3** These deposits have been utilized for the purpose of business in accordance with the terms of written agreements with contractors.

	Note	2024 (Rupees in thousand)	2023
<b>8.4 Workers' profit participation fund</b>			
Balance as on 01 July		563,295	488,783
Add: Provision for the year	31	92,279	548,758
Add: Interest for the year	33	16,688	14,537
		672,262	1,052,078
Less: Payments during the year		(579,983)	(488,783)
Balance as on 30 June		92,279	563,295

- 8.4.1** Interest is paid at prescribed rate under the Companies Profits (Workers Participation) Act, 1968 on funds utilized by the Company till the date of allocation to workers.

	Note	2024 (Rupees in thousand)	2023
<b>8.5 Workers' welfare fund</b>			
Balance as on 01 July		14,158	10,983
Add: Provision for the year	31	-	3,175
Balance as on 30 June		14,158	14,158

### 9 ACCRUED MARK-UP

Long term financing		805,653	203,826
Short term borrowings	9.1	702,312	1,627,368
		1,507,965	1,831,194

- 9.1** This includes mark-up of Rupees 8.682 million (2023: Rupees 23.414 million) payable to MCB Bank Limited - associated company.

	Note	2024 (Rupees in thousand)	2023
<b>10 SHORT TERM BORROWINGS</b>			
<b>From banking companies and development financial institution - secured</b>			
State Bank of Pakistan (SBP) refinance	10.1, 10.2 & 10.3	23,070,476	21,409,980
Other short term finances	10.1 & 10.4	22,732,655	5,612,000
Temporary bank overdrafts	10.1, 10.2 & 10.5	3,986,493	14,731,813
<b>From other</b>			
Privately placed sukuks	10.6	-	4,000,000
		49,789,624	45,753,793

- 10.1** These finances are obtained from banking companies and development financial institution under mark up arrangements and are secured against joint pari passu hypothecation charge on all present and future current assets and other instruments. Markup is payable quarterly or at maturity.
- 10.2** These finances includes balance of short term borrowings of Rupees 2,677.786 million (2023: Rupees 680.858 million) payable to MCB Bank Limited – associated company, which has been utilized for working capital requirements.
- 10.3** The rates of mark up range from 1.32% to 19.00% (2023: 0.94% to 18.00%) per annum during the year on the balance outstanding.
- 10.4** The rates of mark up range from 5.33% to 23.42% (2023: 14.16% to 22.49%) per annum during the year on the balance outstanding.
- 10.5** The rates of mark up range from 21.80% to 23.97% (2023: 11.94% to 23.19%) per annum during the year on the balance outstanding.
- 10.6** These represent privately placed, unsecured, non-convertible and shariah compliant short term sukuks having maturity period of 6 months and carrying profit at the rate of 3 months KIBOR plus 0.15% to 3 months KIBOR plus 0.25% (2023: 3 months KIBOR plus 0.90%) per annum. The effective rate of mark up ranges from 21.55% to 22.98% (2023: 16.66% to 22.95%) per annum.

	Note	2024 (Rupees in thousand)	2023
<b>11 CURRENT PORTION OF NON-CURRENT LIABILITIES</b>			
Current portion of long term financing - secured	6	2,878,129	2,886,290
Current portion of GIDC payable	7.2	1,241,103	1,241,103
Current portion of deferred income - Government grant	7.3	12,372	14,664
Current portion of payable to Lars Lauridsen Holding ApS	7.4	268,568	-
		4,400,172	4,142,057

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

	Note	2024 (Rupees in thousand)	2023
<b>12 PROVISION FOR TAXATION AND LEVY - NET</b>			
<b>12.1 Provision for taxation - net</b>			
Provision for taxation		2,059,421	1,302,932
Less: Advance income tax		(185,848)	(705,960)
		<b>1,873,573</b>	<b>596,972</b>
<b>12.2 Levy - net</b>			
Levy payable		2,303,665	2,076,142
Less: prepaid levy		(1,513,126)	(1,660,153)
		<b>790,539</b>	<b>415,989</b>
		<b>2,664,112</b>	<b>1,012,961</b>
<b>13 CONTINGENCIES AND COMMITMENTS</b>			
<b>a) Contingencies</b>			
i) The Company is contesting various sales tax demands amounting to Rupees 309.99 million and related default surcharge and penalties under the Sales Tax Act, 1990 before Appellate Tribunal Inland Revenue (ATIR). No provision thereagainst has been recognized in these financial statements as the Company, based on advice of the tax advisor, is confident of favorable outcome of the appeals.			
ii) Guarantees of Rupees 5,251.537 million (2023: Rupees 5,766.720 million) are given by the banks of the Company to Sui Northern Gas Pipelines Limited against gas connections, Shell Pakistan Limited and Pakistan State Oil Limited against purchase of furnace oil, Director Excise and Taxation, Karachi against infrastructure cess, Chairman Punjab Revenue Authority, Lahore against infrastructure cess, Directorate of Cotton Cess Management against cotton cess, Collector of Customs against regulatory duty, Inspector General Frontier Corps KP (South), The President of Islamic Republic of Pakistan through the Controller of Military Accounts (Defence Purchase), Airport Security Force, Director General (Purchase and Disposal) WAPDA Sunny View Lahore, Provincial Police Officer, Office of Inspector General of Police KPK and Inspector General of Punjab Police against fulfillment of sales orders, High Court of Sindh, Karachi against the matter of importation of LED lights, Faisalabad Electric Supply Company Limited (FESCO) against installation of grid station and to the bank of Hyundai Nishat Motor (Private) Limited (associated company) to secure financial assistance to the associated company. Further, the Company has issued cross corporate guarantees of Rupees 735.417 million (2023: Rupees 666.667 million) and Rupees 1,777.500 million (2023: Rupees 1,750 million) on behalf of Nishat Linen (Private) Limited - wholly owned subsidiary company and Nishat Sutas Dairy Limited - associated company respectively to secure the obligations of subsidiary company and associated company towards their lenders.			
iii) Post dated cheques of Rupees 27,088.314 million (2023: Rupees 41,132.481 million) are issued to customs authorities in respect of duties on imported items availed on the basis of consumption and export plans. If documents of exports are not provided on due dates, cheques issued as security shall be encashable.			
iv) Post dated cheques of Rupees 471.915 million (2023: Rupees 122.180 million) are issued to Sui Northern Gas Pipeline Limited in pursuance of order of Lahore High Court, Lahore in the case of gas infrastructure development cess and in the case of providing blend of RLNG and Gas tariff to new			

Co-generation Captive connections instead of charging full RLNG notified tariff, post dated cheques of Rupees 417.625 million (2023: Rupees 2,140 million) are issued to Lahore Electric Supply Company Limited (LESCO) in pursuance of order of Lahore High Court, Lahore in the case of income tax in electricity bills for the month of July 2021 and in the case where LESCO and Faisalabad Electric Supply Company Limited (FESCO) have charged full NEPRA notified tariff with effect from 01 March 2023 instead of reduced rate of Rupees 19.99 per KWh.

**b) Commitments**

- i) Contracts for capital expenditure are approximately of Rupees 4,020.861 million (2023: Rupees 6,767.974 million).
- ii) Letters of credit other than for capital expenditure are of Rupees 4,923.949 million (2023: Rupees 3,201.029 million).
- iii) Outstanding foreign currency forward contracts of Rupees 4,374.159 million (2023: Rupees 838.241 million).
- iv) Commitment arising from short-term leases recognized on a straight-line basis as expense under the practical expedients applied by the Company with respect to IFRS 16. The amount of future payments under these leases and the period in which these payments will become due are as follows:

	<b>2024</b>	<b>2023</b>
	<b>Note</b>	(Rupees in thousand)
Not later than one year		151,610
		133,101
<b>14 PROPERTY, PLANT AND EQUIPMENT</b>		
Operating fixed assets	14.1	39,615,948
Capital work-in-progress	14.2	20,427,247
		60,043,195
		45,265,066

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

### 14.1 Operating fixed assets

	Freehold land	Buildings on freehold land	Plant and machinery	Electric installations	Factory equipment	Furniture, fixtures and office equipment	Computer equipment	Vehicles	Total
(Rupees in thousand) .....									
<b>At 30 June 2022</b>									
Cost	1,812,742	13,436,982	47,626,205	1,316,621	516,547	648,912	303,711	922,515	66,584,235
Accumulated depreciation	-	(6,817,711)	(22,810,960)	(378,997)	(300,767)	(320,370)	(243,045)	(413,796)	(31,645,646)
Net book value	<b>1,812,742</b>	<b>6,619,271</b>	<b>24,815,245</b>	<b>577,624</b>	<b>215,780</b>	<b>328,542</b>	<b>60,666</b>	<b>508,719</b>	<b>34,938,589</b>
<b>Year ended 30 June 2023</b>									
Opening net book value	1,812,742	6,619,271	24,815,245	577,624	215,780	328,542	60,666	508,719	34,938,589
Additions	22,285	1,628,418	5,504,890	126,262	37,886	50,044	37,394	245,957	7,653,136
Disposals:									
Cost	-	-	(80,143)	-	-	-	(1,946)	(97,585)	(179,674)
Accumulated depreciation	-	-	67,154	-	-	-	1,480	56,403	125,037
Depreciation charge	-	-	(12,989)	-	-	-	(466)	(41,182)	(54,637)
Closing net book value	<b>1,835,027</b>	<b>7,564,394</b>	<b>27,694,215</b>	<b>645,012</b>	<b>231,007</b>	<b>342,672</b>	<b>74,438</b>	<b>600,377</b>	<b>38,987,142</b>
<b>At 30 June 2023</b>									
Cost	1,835,027	15,065,400	53,050,952	1,442,883	554,433	698,956	339,159	1,070,887	74,057,697
Accumulated depreciation	-	(7,501,006)	(25,356,737)	(797,871)	(323,426)	(356,284)	(264,721)	(470,510)	(35,070,555)
Net book value	<b>1,835,027</b>	<b>7,564,394</b>	<b>27,694,215</b>	<b>645,012</b>	<b>231,007</b>	<b>342,672</b>	<b>74,438</b>	<b>600,377</b>	<b>38,987,142</b>
<b>Year ended 30 June 2024</b>									
Opening net book value	1,835,027	7,564,394	27,694,215	645,012	231,007	342,672	74,438	600,377	38,987,142
Additions	189,888	768,679	2,970,924	111,999	34,585	114,473	40,260	369,703	4,600,511
Disposals:									
Cost	-	(19,628)	(242,088)	(12,161)	(80)	(4,158)	(3,668)	(90,721)	(372,504)
Accumulated depreciation	-	5,001	172,276	4,643	25	1,353	2,712	54,304	240,314
Depreciation charge	-	(14,627)	(69,812)	(7,518)	(55)	(2,805)	(956)	(36,417)	(132,190)
Closing net book value	<b>2,024,915</b>	<b>7,546,667</b>	<b>27,824,053</b>	<b>681,720</b>	<b>240,500</b>	<b>415,559</b>	<b>84,853</b>	<b>79,681</b>	<b>39,615,948</b>
<b>At 30 June 2024</b>									
Cost	2,024,915	15,814,451	55,779,788	1,542,721	588,938	809,271	375,751	1,349,869	78,285,704
Accumulated depreciation	-	(8,267,784)	(27,955,735)	(861,001)	(348,438)	(393,712)	(290,898)	(552,188)	(38,669,756)
Net book value	<b>2,024,915</b>	<b>7,546,667</b>	<b>27,824,053</b>	<b>681,720</b>	<b>240,500</b>	<b>415,559</b>	<b>84,853</b>	<b>797,681</b>	<b>39,615,948</b>
<b>Annual rate of depreciation (%)</b>									
	-	10	10	10	10	10	10	30	20

**14.1.1 Detail of operating fixed assets, exceeding the book value of Rupees 500,000, disposed of during the year is as follows:**

Description	Quantity Nos.	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain / (Loss)	Mode of disposal	Particulars of purchasers
<b>Building</b>								
Mill building	1	19,628	5,001	14,627	6,302	(8,325)	Negotiation	Taiga Apparel (Private) Limited, Lahore.
<b>Plant and machinery</b>								
Honwa Combers	4	11,990	11,222	768	2,448	1,680	Negotiation	Venus Industries, Faisalabad.
Gas Engine G-3508	1	11,452	9,380	2,072	2,479	407	Negotiation	Junaid Engineering Works, Lahore.
Tonello Washing Machine	3	13,892	11,317	2,575	2,625	50	Negotiation	Venus Industries, Faisalabad.
Maino Dying Machine	1	3,155	2,570	585	595	10	Negotiation	Venus Industries, Faisalabad.
Press Machine Wrinkle Free Legger	3	2,129	1,460	669	445	(224)	Negotiation	Venus Industries, Faisalabad.
Paint Finisher Naomoto Machine	7	6,308	5,133	1,175	143	(1,032)	Negotiation	Venus Industries, Faisalabad.
Programmable Skip Twin Needel	9	6,680	2,956	3,725	183	(3,542)	Negotiation	Venus Industries, Faisalabad.
Stitching Pocket Setter	8	4,413	3,607	806	163	(643)	Negotiation	Venus Industries, Faisalabad.
Brother Stitching Machine	14	2,950	2,412	538	285	(253)	Negotiation	Venus Industries, Faisalabad.
Eyeler Button Holer Machine	9	5,937	4,783	1,154	183	(971)	Negotiation	Venus Industries, Faisalabad.
Double Pocket Creasing Machine	5	9,810	7,884	1,926	102	(1,824)	Negotiation	Venus Industries, Faisalabad.
Belt Loop Attaching Machine	5	8,601	6,418	2,183	102	(2,081)	Negotiation	Venus Industries, Faisalabad.
Stitching Waist Band Attacher Machine	7	10,694	8,634	2,060	143	(1,917)	Negotiation	Venus Industries, Faisalabad.
Pocket Welting Machine	6	6,529	5,268	1,261	122	(1,139)	Negotiation	Venus Industries, Faisalabad.
Rivet Snap & Tack Button Machine	9	2,887	2,363	524	183	(341)	Negotiation	Venus Industries, Faisalabad.
Laser Machine Jeanologia	1	25,136	15,902	9,234	9,320	86	Negotiation	Jeanologia S.L., Spain.
Stitching Machines	24	20,194	2,946	17,248	23,126	5,878	Negotiation	U.S. Apparel & Textiles (Private) Limited, Lahore.
Stitching Machines	70	14,026	9,791	4,235	1,305	(2,930)	Negotiation	Venus Industries, Faisalabad.
Chain Bottom Hemming Machine	1	1,288	610	678	19	(659)	Negotiation	Venus Industries, Faisalabad.
Vi Be Mac Stitching Machines	2	3,056	2,523	533	37	(496)	Negotiation	Venus Industries, Faisalabad.
Compressor With Dryer And Air Receiver Tank 37 Kw-Vsd	1	2,653	828	1,825	5,105	3,280	Negotiation	Taiga Apparel (Private) Limited, Lahore.
Gerber Spreader Machines	3	11,210	8,862	2,348	1,271	(1,977)	Negotiation	Venus Industries, Faisalabad.
<b>Electric installation</b>								
Transformer 3000 KVA	1	5,269	2,393	2,876	3,813	937	Negotiation	Venus Industries, Faisalabad.
Electric installation	1	6,652	2,016	4,637	8,508	3,871	Negotiation	Taiga Apparel (Private) Limited, Lahore.
		11,921	4,408	7,513	12,321	4,808		

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

Description	Quantity Nos.	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain / (Loss)	Mode of disposal	Particulars of purchasers
<b>Vehicles</b>								
(Rupees in thousand) .....								
Honda City LEH-19-4156	1	1,963	1,147	816	1,102	286	Company's policy	Mr. Muhammad Faisal, Company's employee, Loralai.
Toyota Hiace LES-18-1498	1	3,943	3,321	622	915	2,298	Negotiation	Mr. Shahzad Anwar, Lahore.
Honda City LEH-19-2415	1	1,964	1,096	868	1,165	297	Company's policy	Mr. Muhammad Imran Raza, Company's employee,
Suzuki Cultus LEH-19-4158	1	1,780	1,026	754	1,015	261	Company's policy	Sheikhupura.
Suzuki Cultus LEH-19-2496	1	1,509	896	613	840	227	Company's policy	Mr. Noshad Ahmed Khan, Company's employee, Sheikhupura.
Toyota Corolla LE-19A-1573	1	2,595	1,560	1,045	1,521	476	Company's policy	Mr. Munir Ahmad, Company's employee, Sheikhupura.
Honda City LEA-20-1282	1	2,049	1,159	890	1,222	332	Company's policy	Mr. Muhammad Israr, Company's employee, Lucky Mawat.
Toyota Corolla LEA-20-2335	1	2,615	1,493	1,122	1,544	422	Company's policy	Mirza Muhammad Nadeem, Company's employee, Lahore.
Honda City LEH-19-5903	1	1,765	993	772	1,044	272	Company's policy	Mr. Liaquat Ali, Company's employee, Sheikhupura.
Suzuki Cultus LEH-19-3372	1	1,781	1,041	740	1,000	260	Company's policy	Mr. Ijaz Mahmood, Company's employee, Layyah.
Honda City LEH-19-4157	1	2,553	1,522	1,031	1,409	378	Company's policy	Mr. Muhammad Arif Khan Tareen, Company's employee, Quetta.
Honda Civic LEF-19-9538	1	3,317	1,954	1,363	1,864	501	Company's policy	Mr. Saeed Nawaz Khan, Company's employee, Lahore.
Toyota Corolla LE-19A-3711	1	2,588	1,503	1,085	1,483	398	Company's policy	Rana Muhammad Imran, Company's employee, Faisalabad.
Toyota Corolla LEH-19-1655	1	1,987	1,201	786	1,181	395	Company's policy	Mr. Khalid Mahmood, Company's employee, Faisalabad.
Suzuki Cultus ADT-814	1	1,761	662	1,099	3,012	1,913	Negotiation	Mr. Mohsin Obai, Lahore.
Suzuki Swift LE-19A-2614	1	1,953	1,111	842	1,152	310	Company's policy	Mr. Amir Zahoor, Company's employee, Lahore.
Toyota Corolla LEA-19A-393	1	1,798	1,008	790	1,066	276	Company's policy	Mr. Rizwan Aziz, Company's employee, Lahore.
Suzuki Swift LEA-19A-2028	1	1,952	1,104	848	1,157	309	Company's policy	Mr. Burhan Raza, Company's employee, Lahore.
Honda Civic LE-20-4533	1	2,958	1,688	1,290	1,738	448	Company's policy	Mr. Khalid Mahmood, Company's employee, Lahore.
Honda City LE-20-8845	1	2,052	1,180	872	1,175	303	Company's policy	Mr. Rizwan Aslam, Company's employee, Lahore.
Honda City LE-19A-2807	1	1,965	1,096	869	1,195	326	Company's policy	Mr. Muhammad Jehanzab, Company's employee, Lahore.
Toyota Corolla LE-19A-3611	1	1,790	1,018	772	1,043	271	Negotiation	Mr. Babar Nawaz, Lahore.
Toyota Corolla LE-19A-3617	1	2,593	1,489	1,104	1,511	407	Company's policy	Mr. Tanq Iqbal Khan, Company's employee, Lahore.
Suzuki Cultus LE-19A-6344	1	1,781	1,029	752	1,016	264	Company's policy	Mr. Muhammad Saleem, Company's employee, Lahore.
Suzuki Cultus LEA-19A-3201	1	1,781	1,011	770	1,052	282	Company's policy	Mr. Khuda Dad Khan, Company's employee, Mianwali.
Honda City LEH-19-5905	1	1,765	970	795	1,116	321	Negotiation	Mr. Asad Wasi, Company's employee, Lahore.
Honda City LE-19A-6356	1	2,552	1,452	1,100	1,573	473	Company's policy	Mr. Qamar Abbas, Company's employee, Mandi Bahauddin.
Toyota Corolla LE-20-1953	1	2,945	1,671	1,274	1,746	472	Company's policy	Syed Amir Hussain, Company's employee, Lahore.
Honda Civic LE-16A-1673	1	2,441	1,817	624	4,007	3,383	Negotiation	Mr. Danish Janjirgi, Lahore.
Suzuki Cultus LEH-19-3374	1	1,780	1,007	773	1,047	274	Company's policy	Mr. Atiqeet Ahmad, Company's employee, Lahore.
Toyota Altis AFH-529	1	2,891	1,001	1,890	3,543	1,653	Negotiation	Mr. Asim Rasheed, Lahore.
Honda City LEF-19-2366	1	1,629	918	711	963	252	Company's policy	Mr. Kashif Naeem, Company's employee, Lahore.
Honda City LEF-19-4149	1	1,629	950	679	933	254	Company's policy	Mr. Ejaz Hassan, Company's employee, Lahore.
Honda Civic LEF-19-9826	1	3,311	2,008	1,303	1,764	461	Company's policy	Mr. Shahzad Ahmad Malik, Company's employee, Lahore.
Toyota Corolla LEH-19-2295	1	2,595	1,533	1,062	1,434	372	Company's policy	Mr. Irfan Butt, Company's employee, Lahore.
Suzuki Cultus LEH-19-3123	1	1,780	1,041	739	1,014	275	Company's policy	Mr. Azhar Tasleem, Company's employee, Lahore.
Toyota Corolla LEA-20-2710	1	3,287	1,877	1,410	1,901	491	Company's policy	Mr. Khalid Mahmood Chotran, Company's employee, Lahore.
		83,398	48,523	34,875	55,463	20,588		
		3,920	1,200	2,720	2,864	144	Negotiation	Taiga Apparel (Private) Limited, Lahore.
<b>Furniture and fixtures</b>								
		68,647	54,314	14,333	25,405	11,072		
		372,504	240,314	132,190	152,739	20,549		

Aggregate of other items of property, plant and equipment with individual book values not exceeding Rupees 500,000

	Note	2024	2023
		(Rupees in thousand)	
<b>14.1.2 Depreciation charge for the year has been allocated as follows:</b>			
Cost of sales	28	3,697,073	3,430,083
Distribution cost	29	20,409	17,055
Administrative expenses	30	112,566	100,298
Capital work-in-progress		9,467	2,510
		3,839,515	3,549,946

**14.1.3 Particulars of immovable properties (i.e. land and buildings) are as follows:**

Manufacturing units and office	Address	Area of land Acres
<b>Manufacturing units</b>		
Spinning units, Yarn dyeing unit and Power plant	Nishatabad, Faisalabad.	86.43
Spinning units and Power plant	Plot No. 172-180 & 188-197, M-3 Industrial City, Sahianwala and FIEDMIC, 2 K.M., Jhumra Chiniot Road, Chak Jhumra, Faisalabad.	96.46
Spinning units and Power plant	20 K.M., Sheikhupura Road, Feroze Wattwan.	67.12
Weaving units, Denim unit and Power plant	12 K.M., Faisalabad Road, Sheikhupura	110.39
Weaving unit, Dyeing and finishing unit, Processing unit, Stitching units and Power plant	5 K.M., Nishat Avenue, Off 22 K.M., Ferozepur Road, Lahore.	118.64
Terry unit	7 K.M., Nishat Avenue, Off 22 K.M., Ferozepur Road, Lahore.	12.54
Apparel unit	2 K.M., Nishat Avenue, Off 22 K.M., Ferozepur Road, Lahore.	14.33
<b>Office</b>	7-Main Gulberg, Lahore.	1.12
		507.03

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

	Advances for purchase of freehold land	Buildings on freehold land	Plant and machinery	Electric installations	Furniture, fixtures and office equipment	Vehicles	Unallocated capital expenditures	Total
(Rupees in thousand)								
<b>At 30 June 2022</b>	1,153	1,657,183	2,969,867	92,502	7,835	88,432	10,762	4,827,734
Add: Additions during the year	11,422	4,173,198	3,941,469	253,842	36,292	187,771	62,697	8,666,691
Less: Transferred to operating fixed assets during the year								
<b>At 30 June 2023</b>	(11,633)	(1,622,418)	(5,177,672)	(126,262)	(36,403)	(242,039)	(74)	(7,216,501)
Add: Additions during the year	942	4,207,963	1,733,664	220,082	7,724	34,164	73,385	6,277,924
Less: Transferred to operating fixed assets during the year								
<b>At 30 June 2024</b>	7,414	4,015,956	12,679,065	499,466	33,907	266,715	569,309	18,071,832
Less: Transferred to operating fixed assets during the year								
<b>At 30 June 2024</b>	(6,721)	(666,272)	(2,637,869)	(58,136)	(3,957)	(263,331)	(286,223)	(3,922,509)
	1,635	7,557,647	11,774,860	661,412	37,674	37,548	356,471	20,427,247

**14.2.1** Vehicles include advance of Rupees 19,672 million (2023: Rupees 19,851 million) given to Hyundai Nishat Motor (Private) Limited - associated company.

**14.2.2** Borrowing cost amounting to Rupees 741,872 million (2023: Rupees 71,905 million) has been capitalized during the year. The effective rate of borrowing cost capitalized during the year ranging from 20.82% to 23.61% (2023: 6.00% to 22.83%) per annum.

**15 INVESTMENT PROPERTIES**

Note	Land	Buildings	Total
	(Rupees in thousand)		
<b>At 30 June 2022</b>			
Cost	435,213	274,444	709,657
Accumulated depreciation	-	(234,580)	(234,580)
Net book value	435,213	39,864	475,077
<b>Year ended 30 June 2023</b>			
Opening net book value	435,213	39,864	475,077
Depreciation charge	31	-	(3,986)
Closing net book value	435,213	35,878	471,091
<b>At 30 June 2023</b>			
Cost	435,213	274,444	709,657
Accumulated depreciation	-	(238,566)	(238,566)
Net book value	435,213	35,878	471,091
<b>Year ended 30 June 2024</b>			
Opening net book value	435,213	35,878	471,091
Depreciation charge	31	-	(3,587)
Closing net book value	435,213	32,291	467,504
<b>At 30 June 2024</b>			
Cost	435,213	274,444	709,657
Accumulated depreciation	-	(242,153)	(242,153)
Net book value	435,213	32,291	467,504

- 15.1** Depreciation at the rate of 10 percent per annum on buildings amounting to Rupees 3.587 million (2023: Rupees 3.986 million) charged during the year is allocated to other expenses. No expenses directly related to investment properties were incurred during the year. The market value of land and buildings is estimated at Rupees 7,642.266 million (2023: Rupees 7,528.289 million). Forced sale value of investment properties as on the reporting date is Rupees 6,113.813 million (2023: Rupees 6,022.631 million). The valuation has been carried out by an independent valuer.
- 15.2** Land and buildings having book value of Rupees 328.643 million (2023: Rupees 328.643 million) and Rupees 22.661 million (2023: Rupees 25.179 million) respectively have been given on operating lease to Nishat Hospitality (Private) Limited - subsidiary company.
- 15.3** Land having book value of Rupees 99.693 million (2023: Rupees 99.693 million) has been given on operating lease to Nishat Linen (Private) Limited - subsidiary company.
- 15.4** Land and buildings having book value of Rupees 0.006 million (2023: Rupees 0.006 million) and Rupees 6.130 million (2023: Rupees 6.810 million) respectively have been given on operating lease to Hyundai Nishat Motor (Private) Limited - associated company.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

**15.5** Particulars of investment properties (i.e. land and buildings) are as follows:

Description	Address	Area of land Kanal
Factory land	21 K.M., Ferozepur Road, Lahore.	33.65
Commercial building	Mian Mehmood Kasuri Road, Gulberg III, Lahore.	6.04
Factory land and building	Nishatabad, Faisalabad.	43.97

Description	Address	Note	2024	2023
			(Rupees in thousand)	(Rupees in thousand)
<b>16 LONG TERM INVESTMENTS</b>				
Equity instruments		16.1	66,811,200	38,642,705
<b>16.1 Equity instruments</b>				
<b>Subsidiary companies</b>				
Nishat Power Limited - quoted				
180,632,955 (2023: 180,632,955) fully paid ordinary shares of Rupees 10 each. Equity held 51.01% (2023: 51.01%)			1,806,329	1,806,329
Nishat USA Inc. - unquoted		41.1		
200 (2023: 200) fully paid shares with no par value per share. Equity held 100% (2023: 100%)			3,547	3,547
Nishat Linen (Private) Limited - unquoted		16.1.1		
300,000,000 (2023: 1,067,913) fully paid ordinary shares of Rupees 10 each. Equity held 100% (2023: 100%)			3,250,924	261,603
Nishat Linen Trading LLC - unquoted		16.1.2 & 41.1		
4,900 (2023: 4,900) fully paid shares of UAE Dirhams 1,000 each.			259,403	259,403
Nishat Hospitality (Private) Limited - unquoted				
169,999,901 (2023: 169,999,901) fully paid ordinary shares of Rupees 10 each. Equity held 100% (2023: 100%)			1,699,999	1,699,999
Nishat International FZE - unquoted		41.1		
18 (2023: 18) fully paid shares of UAE Dirhams 1,000,000 each. Equity held 100% (2023: 100%)			492,042	492,042
Advance for purchase of shares			9,070	9,070
			501,112	501,112
Nishat Commodities (Private) Limited - unquoted		16.1.3		
1,000 (2023: 1,000) fully paid ordinary shares of Rupees 10 each. Equity held 100% (2023: 100%)			10	10
Wernerfelt A/S - unquoted		41.1		
50 (2023: Nil) fully paid shares of Danish Krone 10,000 each. Equity held 100% (2023: Nil)			701,250	-

	Note	2024 (Rupees in thousand)	2023
<b>Equity instruments</b>			
<b>Fair value through other comprehensive income</b>			
<b>Associated companies (with significant influence)</b>			
D.G. Khan Cement Company Limited - quoted 137,574,201 (2023: 137,574,201) fully paid ordinary shares of Rupees 10 each. Equity held 31.40% (2023: 31.40%)		3,418,145	3,418,145
Nishat Paper Products Company Limited - unquoted 11,634,199 (2023: 11,634,199) fully paid ordinary shares of Rupees 10 each. Equity held 25% (2023: 25%)	16.1.4	106,802	106,802
Lalpir Power Limited - quoted 109,882,555 (2023: 109,882,555) fully paid ordinary shares of Rupees 10 each. Equity held 28.93% (2023: 28.93%)		1,648,231	1,648,231
Pakgen Power Limited - quoted 112,548,228 (2023: 112,548,228) fully paid ordinary shares of Rupees 10 each. Equity held 30.25% (2023: 30.25%)		1,605,028	1,605,028
Nishat Dairy (Private) Limited - unquoted 57,000,000 (2023: 60,000,000) fully paid ordinary shares of Rupees 10 each. Equity held 12.24% (2023: 12.24%)	16.1.5	471,390	496,200
Nishat Energy Limited - unquoted 250,000 (2023: 250,000) fully paid ordinary shares of Rupees 10 each. Equity held 25% (2023: 25%)	16.1.6	-	-
Nishat Hotels and Properties Limited - unquoted 74,022,917 (2023: 74,022,917) fully paid ordinary shares of Rupees 10 each. Equity held 6.08% (2023: 6.08%)	16.1.7	740,229	740,229
Hyundai Nishat Motor (Private) Limited - unquoted 234,747,600 (2023: 234,747,600) fully paid ordinary shares of Rupees 10 each. Equity held 12% (2023: 12%)	16.1.8 & 16.1.9	2,347,476	2,347,476
Security General Insurance Company Limited - unquoted 10,226,244 (2023: 10,226,244) fully paid ordinary shares of Rupees 10 each. Equity held 15.02% (2023: 15.02%)	16.1.10	11,188	11,188
Nishat Sutas Dairy Limited - unquoted 320,330,000 (2023: 208,787,400) fully paid ordinary shares of Rupees 10 each. Equity held 48.86% (2023: 48.27%)	16.1.11	3,203,300	2,087,874

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

	Note	2024 (Rupees in thousand)	2023
<b>Equity instruments</b>			
<b>Fair value through other comprehensive income</b>			
<b>Associated companies (others)</b>			
MCB Bank Limited - quoted	16.1.12		
95,125,651 (2023: 95,125,651) fully paid ordinary shares of Rupees 10 each. Equity held 8.03% (2023: 8.03%)		11,042,473	11,042,473
Adamjee Insurance Company Limited - quoted			
102,809 (2023: 102,809) fully paid ordinary shares of Rupees 10 each. Equity held 0.03% (2023: 0.03%)		2,116	2,116
<b>Equity instruments</b>			
<b>Fair value through other comprehensive income</b>			
<b>Others</b>			
Nishat Chunian Power Limited - quoted			
25,537,571 (2023: 25,537,571) fully paid ordinary shares of Rupees 10 each. Equity held 6.95% (2023: 6.95%)		460,187	460,187
Nishat (Chunian) Limited - quoted	6.1.13		
32,689,338 (2023: 32,689,338) fully paid ordinary shares of Rupees 10 each. Equity held 13.61% (2023: 13.61%)		378,955	378,955
Alhamra Islamic Stock Fund - quoted			
1,249,099 (2023: 1,121,410) units.		5,041	3,135
United Bank Limited - quoted			
353,000 (2023: 353,000) fully paid ordinary shares of Rupees 10 each. Equity held 0.03% (2023: 0.03%)		41,333	41,333
Pakistan Petroleum Limited - quoted			
599,998 (2023: 599,998) fully paid ordinary shares of Rupees 10 each. Equity held 0.02% (2023: 0.02%)		64,409	64,409
Add: Fair value adjustment		33,768,877	28,985,784
		33,042,323	9,656,921
		<b>66,811,200</b>	<b>38,642,705</b>

**16.1.1** Investment in Nishat Linen (Private) Limited includes 2 shares held in the name of nominee directors of the Company.

**16.1.2** The Company is also the beneficial owner of remaining 5,100 (2023: 5,100) shares of UAE Dirham 1,000 each of Nishat Linen Trading LLC held under Nominee Agreement dated 30 December 2010, whereby the Company has right over all dividends, interests, benefits and other distributions on liquidation. The Company through the powers given to it under Article 11 of the Memorandum of Association of the investee company, exercises full control on the management of Nishat Linen Trading LLC.

**16.1.3** Investment in Nishat Commodities (Private) Limited includes 2 shares held in the name of nominee directors of the Company.

**16.1.4** Fair value per ordinary share of Nishat Paper Products Company Limited is determined at Rupees 10.11 (2023: Rupees 14.70) by an independent valuer using present value technique.

**16.1.5** Fair value per ordinary share of Nishat Dairy (Private) Limited is determined at Rupees 10.14 (2023: Rupees 8.07) by an independent valuer using present value technique.

- 16.1.6** Investment in Nishat Energy Limited has been fully provided during the year ended 30 June 2017, being no more a going concern.
- 16.1.7** Fair value per ordinary share of Nishat Hotels and Properties Limited is determined at Rupees 19.22 (2023: Rupees 19.16) by an independent valuer using present value technique.
- 16.1.8** Investment in Hyundai Nishat Motor (Private) Limited includes 4 shares held in the name of nominee directors of the Company.
- 16.1.9** Fair value per ordinary share of Hyundai Nishat Motor (Private) Limited is determined at Rupees 18.77 (2023: Rupees 19.67) by an independent valuer using present value technique.
- 16.1.10** Fair value per ordinary share of Security General Insurance Company Limited is determined at Rupees 34.77 (2023: Rupees 36.70) by an independent valuer using present value technique.
- 16.1.11** Fair value per ordinary share of Nishat Sutas Dairy Limited is determined at Rupees 10.14 (2023: Rupees 6.01) by an independent valuer using present value technique.
- 16.1.12** The Company has 95,125,651 shares in MCB Bank Limited. The Company can sale, transfer, pledge, mortgage or encumber these shares with prior written approval of the State Bank of Pakistan, However, out of total shareholding, 7,110,360 shares are blocked in account of Central Depository Company of Pakistan Limited.
- 16.1.13** On 09 May 2024, the Board of Directors of Nishat (Chunian) Limited approved a Scheme of Arrangement under sections 279 to 282 of the Companies Act, 2017, involving Nishat (Chunian) Limited and Nishat Chunian Power Limited, along with their respective shareholders. The Scheme aims to reorganize and reconstruct the companies by exchanging shares between Nishat Mills Limited and Mr. Shahzad Saleem (Chief Executive Officer of Nishat (Chunian) Limited), with Nishat Mills Limited's shareholding in Nishat (Chunian) Limited transferring to Mr. Shahzad Saleem, and shareholding of Mr. Shahzad Saleem in Nishat Chunian Power Limited transferring to Nishat Mills Limited. The share swap ratio has been determined based on the respective valuations of the companies. The Scheme will be effective upon the filing of the Lahore High Court's sanctioned order with the Securities and Exchange Commission of Pakistan. Upon the sanction of this Scheme by the Court and upon this Scheme becoming effective, the shares swap as outlined in this Scheme shall be deemed to have occurred on 00:00 hours on 01 March 2024 (Appointed Date) and become effective and operative on the Appointed Date. The effect of exchange of shares, pursuant to this Scheme, shall be accounted for in the next financial statements of the respective companies in compliance with the applicable Accounting Principles. The companies have submitted the Scheme for Court approval, completed all requisite legal and corporate formalities, and held Extra-Ordinary General Meetings on 17 August 2024, where the Scheme has been approved by shareholders. The Court's order is awaited.

	Note	2024 (Rupees in thousand)	2023 (Rupees in thousand)
<b>17 LONG TERM LOANS</b>			
<b>Considered good:</b>			
Executives - secured	17.1 & 17.2	373,629	303,752
Other employees - secured	17.2	91,363	98,704
		464,992	402,456
Less: Current portion shown under current assets	22		
Executives		92,343	81,746
Other employees		33,436	35,071
		125,779	116,817
		339,213	285,639

- 17.1** Maximum aggregate balance due from executives at the end of any month during the year was Rupees 373.629 million (2023: Rupees 424.409 million).

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For the year ended June 30, 2024

- 17.2** These represent loans given to executives and other employees as per the Company's policy for house construction and general purposes. These are secured against balance to the credit of employees in the provident fund trust and are recoverable in equal monthly installments. Interest charged during the year range from 0% to 4% (2023: 0% to 4%) per annum on the balance outstanding.
- 17.3** The fair value adjustment in accordance with the requirements of IFRS 9 'Financial Instruments' arising in respect of staff loans is not considered material and hence not recognized.

	Note	2024 (Rupees in thousand)	2023
<b>18 LONG TERM DEPOSITS</b>			
Security deposits		119,885	153,320
Margin against bank guarantee	18.1	308,687	-
		428,572	153,320
<b>18.1 Margin against bank guarantee</b>			
Unsecured - considered good	18.1.1	700,875	-
Less: Fair value adjustment on initial recognition	31	(170,569)	-
Add: Reversal of fair value adjustment	32	46,794	-
		(123,775)	-
Less: Exchange loss		(5,013)	-
		572,087	-
Less: Current portion shown under current assets	23	(263,400)	-
		308,687	-

**18.1.1** This represents 100% margin placed with bank of the Company against bank guarantee issued by bank of the Company to Lars Lauridsen Holding ApS against deferred consideration of investment made in Wernerfelt A/S as morefully explained in note 7.4.1 to these financial statements. Margin against bank guarantee will be released as and when installments of deferred consideration will be paid to Lars Lauridsen Holding ApS as per agreed repayment schedule.

	Note	2024 (Rupees in thousand)	2023
<b>19 STORES, SPARE PARTS AND LOOSE TOOLS</b>			
Stores	19.1	3,778,444	4,349,213
Spare parts		2,265,370	1,602,034
Loose tools		9,223	8,720
		6,053,037	5,959,967
Less: Provision for slow moving, obsolete and damaged store items	19.2	(4,016)	(4,022)
		6,049,021	5,955,945

**19.1** These include stores in transit of Rupees 351.083 million (2023: Rupees 548.272 million).

## 19.2 Provision for slow moving, obsolete and damaged store items

	Note	2024 (Rupees in thousand)	2023
Balance as on 01 July		4,022	4,141
Less: Provision reversed during the year	32	(6)	(119)
Balance as on 30 June		4,016	4,022

## 20 STOCK-IN-TRADE

Raw materials	20.2	16,624,313	16,416,286
Work-in-process	20.3	10,084,078	7,994,358
Finished goods	20.4	10,738,990	10,390,983
		37,447,381	34,801,627

- 20.1** Stock-in-trade of Rupees 1,291.710 million (2023: Rupees 858.745 million) is being carried at net realizable value.
- 20.2** Raw materials include stock in transit of Rupees 1,681.226 million (2023: Rupees 273.873 million).
- 20.3** This includes stock of Rupees 53.013 million (2023: Rupees 461.585 million) sent to outside parties for processing. Further, work in process includes stock in transit of Rupees 211.742 million (2023: Rupees 111.284 million).
- 20.4** Finished goods include stock in transit of Rupees 2,101.463 million (2023: Rupees 2,773.563 million).
- 20.5** The aggregate amount of write-down of inventories to net realizable value recognized as an expense during the year was Rupees 23.555 million (2023: Rupees 7.918 million).

	Note	2024 (Rupees in thousand)	2023
<b>21 TRADE DEBTS</b>			
<b>Considered good:</b>			
Secured (against letters of credit)		7,285,896	2,680,135
Unsecured:			
- Related parties	21.3 & 21.4	1,040,153	522,116
- Others		14,069,888	10,027,411
		22,395,937	13,229,662
Less: Allowance for expected credit losses	21.5	(21,390)	(20,940)
		22,374,547	13,208,722
<b>21.1 Foreign jurisdictions of trade debts</b>			
Europe		6,937,899	3,025,757
Asia, Africa and Australia		4,847,259	3,093,198
America		2,221,782	1,427,368
		14,006,940	7,546,323

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

	2024	2023
	(Rupees in thousand)	
<b>21.2 Types of counterparties</b>		
<b>Export</b>		
Corporate	13,637,248	7,083,664
Others	369,694	462,659
	<b>14,006,942</b>	<b>7,546,323</b>
<b>Local</b>		
Corporate	7,043,429	4,534,237
Others	1,345,566	1,149,102
	<b>8,388,995</b>	<b>5,683,339</b>
	<b>22,395,937</b>	<b>13,229,662</b>

**21.3** These represent amounts due from following related parties. These are neither past due nor impaired:

	2024	2023
	(Rupees in thousand)	
Nishat Linen (Private) Limited - subsidiary company	779,805	314,196
Nishat International FZE - subsidiary company	200,387	206,002
Hyundai Nishat Motor (Private) Limited - associated company	-	1,628
MCB Bank Limited - associated company	-	17
Nishat Developers (Private) Limited - associated company	886	-
Nishat Dairy (Private) Limited - associated company	12	-
Nishat Sutas Dairy Limited - associated company	4,956	273
Wernerfelt A/S - subsidiary company	48,909	-
Nishat USA - subsidiary company	5,198	-
	<b>1,040,153</b>	<b>522,116</b>

**21.4** The maximum aggregate amount receivable from related parties at the end of any month during the year was as follows:

	2024	2023
	(Rupees in thousand)	
Nishat Linen (Private) Limited - subsidiary company	2,172,718	1,388,286
Nishat International FZE - subsidiary company	286,269	378,193
Hyundai Nishat Motor (Private) Limited - associated company	-	4,128
MCB Bank Limited - associated company	26	26
D.G. Khan Cement Company Limited - associated company	126	60
Nishat Developers (Private) Limited - associated company	886	-
Nishat Dairy (Private) Limited - associated company	2,732	165
Nishat Sutas Dairy Limited - associated company	4,956	340
Wernerfelt A/S - subsidiary company	68,292	-
Nishat USA - subsidiary company	5,198	-

	Note	2024 (Rupees in thousand)	2023
<b>21.5 Allowance for expected credit losses</b>			
Balance as at 01 July		20,940	20,131
Add: Recognized during the year	31	450	809
Balance as at 30 June		21,390	20,940

**21.6** Trade debts include receivables provided to banks under bill discounting arrangements with full recourse amounting to Rupees 1,351.522 million.

	Note	2024 (Rupees in thousand)	2023
<b>22 LOANS AND ADVANCES</b>			
<b>Considered good:</b>			
Employees - interest free:			
– Executives		21,257	12,244
– Other employees		5,504	8,475
		26,761	20,719
Current portion of long term loans	17	125,779	116,817
Advances to suppliers	22.1	280,326	254,831
Letters of credit		5,221	7,662
Others	22.1	7,381,904	16,947,643
		7,819,991	17,347,672
<b>Considered doubtful:</b>			
Others		108	108
Less: Provision for doubtful		108	108
		-	-
		7,819,991	17,347,672

**22.1** These include amounts due from following related parties. These are neither past due nor impaired:

	Note	2024 (Rupees in thousand)	2023
<b>Advances to suppliers</b>			
Nishat International FZE - subsidiary company		-	187
D.G. Khan Cement Company Limited - associated company		-	4
		-	191
<b>Others</b>			
Nishat Linen (Private) Limited - subsidiary company	22.1.1	7,282,484	15,817,747
Nishat USA, Inc. - subsidiary company		7,354	-
		7,289,838	15,817,747

**22.1.1** This represents unsecured advance to Nishat Linen (Private) Limited and carries mark-up at the rate ranging from 22.02% to 22.61% (2023: 14.30% to 21.70%) per annum. This advance is repayable till 19 September 2024. This is neither past due nor impaired.

**22.1.2** The maximum aggregate amount receivable from related parties at the end of any month during the year was as follows:

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

	Note	2024	2023
		(Rupees in thousand)	
Nishat Linen (Private) Limited - subsidiary company		18,000,288	21,651,131
Nishat International FZE - subsidiary company		-	1,046
Nishat USA Inc - subsidiary company		23,778	-
D.G. Khan Cement Company Limited - associated company		-	4

### 23 SHORT TERM DEPOSITS AND PREPAYMENTS

Deposits		81,935	66,998
Current portion of margin against bank guarantee	18.1	263,400	-
Prepayments		168,602	160,944
		513,937	227,942

### 24 OTHER RECEIVABLES

<b>Considered good:</b>			
Export rebate and claims		513,309	362,719
Duty draw back		375,218	375,218
Sales tax refundable		10,722,378	10,460,713
Fair value of forward exchange contracts		44,256	31
Miscellaneous receivables		36,445	43,883
		11,691,606	11,242,564

### 25 ACCRUED INTEREST

On short term loans and advances to:			
Nishat Linen (Private) Limited - subsidiary company	25.1	119,640	270,458
Profit receivable on bank deposits		11,283	2,393
		130,923	272,851

**25.1** This is neither past due nor impaired. The maximum aggregate amount receivable from related party at the end of any month during the year was as follows:

		2024	2023
		(Rupees in thousand)	
Nishat Linen (Private) Limited - subsidiary company		638,989	620,018

### 26 CASH AND BANK BALANCES

<b>With banks:</b>			
On current accounts	26.1 & 26.2		
Including US\$ 2,775,462 (2023: US\$ 3,897,249)		980,419	1,308,557
Term deposit receipts	26.3	1,040,000	1,040,000
On PLS saving accounts	26.4		
Including US\$ Nil (2023: US\$ 117)		651,239	34
<b>Cash in hand</b>		2,671,658	2,348,591
		50,697	61,975
		2,722,355	2,410,566

- 26.1** Cash at banks includes balance of Rupees 784.061 million (2023: Rupees 166.030 million) with MCB Bank Limited - associated company.
- 26.2** Cash at banks includes balance of Rupees 334.289 million (2023: Rupees 128.647 million) with MCB Islamic Bank Limited - related party.
- 26.3** These represent term deposit receipts of Rupees 1,040 million (2023: Rupees 1,040 million) with maturity period of 4 months and carry profit at the rate of 22.00% (2023: 16.00% to 21.00%) per annum.
- 26.4** Rate of profit on bank deposits is 20.50% (2023: 12.30% to 15.50%) per annum.

	Note	2024	2023
		(Rupees in thousand)	
<b>27 REVENUE</b>			
Revenue from contracts with customers:			
-Export sales		94,528,829	93,324,590
-Local sales	27.1	58,985,799	40,769,711
-Processing income	27.2	6,190,360	7,175,353
		159,704,988	141,269,654
Export rebate and duty drawback		551,567	486,815
		160,256,555	141,756,469
<b>27.1 Local sales</b>			
Sales	27.1.1	64,699,939	47,276,406
Less: Sales tax		(5,714,140)	(6,506,695)
		58,985,799	40,769,711

- 27.1.1** These include sales of Rupees 34,560.905 million (2023: Rupees 20,016.976 million) made to direct exporters against standard purchase orders (SPOs), export facilitation scheme and letter of credit. Further, local sales include waste sales of Rupees 3,577.583 million (2023: Rupees 3,089.230 million).

		2024	2023
		(Rupees in thousand)	
<b>27.2 Processing income</b>			
Sales		7,304,625	8,475,386
Less: Sales tax		(1,114,265)	(1,300,033)
		6,190,360	7,175,353

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

**27.3** The amount of Rupees 1,623.761 million included in contract liabilities (Note 8) at 30 June 2023 has been recognised as revenue in 2024 (2023: Rupees 780,032 million).

### 27.4 Disaggregation of revenue from contracts with customers

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

Region	Description	Spinning		Weaving		Dyeing		Home Textile and Terry		Garments		Power Generation		Total	
		2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
(Rupees in thousand)															
Europe		580,367	922,447	15,568,038	18,981,664	563,693	522,237	21,370,275	19,712,262	2,704,214	3,139,333	-	-	-	40,786,587
America		646,190	418,313	855,433	748,875	17,597	10,247	6,652,561	4,014,809	13,456,335	10,347,342	-	-	-	21,629,116
Asia, Africa, Australia		8,372,693	6,407,094	3,768,745	4,206,386	17,751,031	22,072,951	2,622,589	2,061,436	145,635	246,009	-	-	-	32,664,693
Pakistan		33,774,578	22,644,632	11,264,254	10,704,321	13,675,622	9,415,760	6,027,703	4,690,119	331,509	392,183	102,493	98,049	65,176,159	47,945,064
		43,373,828	30,392,486	31,456,470	34,641,246	32,007,943	32,021,195	36,678,128	30,478,626	16,637,693	14,124,867	102,493	98,049	160,256,555	141,756,469
Timing of revenue recognition															
Products and services transferred at a point in time		43,373,828	30,392,486	31,456,470	34,641,246	32,007,943	32,021,195	36,678,128	30,478,626	16,637,693	14,124,867	102,493	98,049	160,256,555	141,756,469
Products and services transferred over time		-	-	-	-	-	-	-	-	-	-	-	-	-	-
		43,373,828	30,392,486	31,456,470	34,641,246	32,007,943	32,021,195	36,678,128	30,478,626	16,637,693	14,124,867	102,493	98,049	160,256,555	141,756,469
Major products / service lines															
Yarn		43,373,828	30,392,486	-	-	-	-	-	-	-	-	-	-	-	43,373,828
Grey Cloth		-	-	31,456,470	34,641,246	-	-	-	-	-	-	-	-	-	31,456,470
Process Cloth		-	-	-	-	32,007,943	32,021,195	-	-	-	-	-	-	-	32,007,943
Made Ups		-	-	-	-	-	-	25,426,244	22,919,778	-	-	-	-	-	25,426,244
Garments		-	-	-	-	-	-	-	-	16,637,693	14,124,867	-	-	-	16,637,693
Towels and Bath Robes		-	-	-	-	-	-	11,251,884	7,558,848	-	-	-	-	-	11,251,884
Electricity		-	-	-	-	-	-	-	-	-	102,493	98,049	102,493	98,049	98,049
		43,373,828	30,392,486	31,456,470	34,641,246	32,007,943	32,021,195	36,678,128	30,478,626	16,637,693	14,124,867	102,493	98,049	160,256,555	141,756,469

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

	Note	2024 (Rupees in thousand)	2023 (Rupees in thousand)
<b>28 COST OF SALES</b>			
Raw materials consumed	28.1	85,269,105	74,675,570
Processing charges		532,958	364,425
Salaries, wages and other benefits	28.2	13,945,152	10,712,442
Stores, spare parts and loose tools consumed		15,261,594	12,763,741
Packing materials consumed		3,749,244	2,939,724
Repair and maintenance		920,139	803,955
Fuel and power		20,417,110	17,705,139
Insurance		94,597	83,670
Other factory overheads	28.3	1,483,957	1,362,619
Depreciation	14.1.2	3,697,073	3,430,083
		145,370,929	124,841,368
Work-in-process			
Opening stock		7,994,358	6,049,041
Closing stock		(10,084,078)	(7,994,358)
		(2,089,720)	(1,945,317)
Cost of goods manufactured		143,281,209	122,896,051
Finished goods			
Opening stock		10,390,983	8,172,559
Closing stock		(10,738,990)	(10,390,983)
		(348,007)	(2,218,424)
		142,933,202	120,677,627
<b>28.1 Raw materials consumed</b>			
Opening stock		16,416,286	17,605,016
Add: Purchased during the year		85,477,132	73,486,840
		101,893,418	91,091,856
Less: Closing stock		(16,624,313)	(16,416,286)
		85,269,105	74,675,570

**28.2** Salaries, wages and other benefits include provident fund contribution of Rupees 402.818 million (2023: Rupees 328.174 million) by the Company.

**28.3** These include Rupees 133.389 million (2023: Rupees 119.902 million) in respect of short term leases.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

	Note	2024	2023
		(Rupees in thousand)	
<b>29 DISTRIBUTION COST</b>			
Salaries and other benefits	29.1	933,331	822,832
Outward freight and handling		2,798,161	3,097,027
Commission to selling agents		1,418,039	1,369,145
Royalty	29.2	92,135	10,256
Fuel cost		357,428	234,713
Travelling and conveyance		365,896	266,914
Rent, rates and taxes	29.3	14,309	31,258
Postage and telephone		200,279	161,652
Insurance		50,663	42,523
Vehicles' running		51,816	40,926
Entertainment		24,706	17,167
Printing and stationery		22,540	21,477
Repair and maintenance		14,420	26,868
Fee and subscription		153,026	78,217
Depreciation	14.1.2	20,409	17,055
		6,517,158	6,238,030

**29.1** Salaries and other benefits include provident fund contribution of Rupees 46.974 million (2023: Rupees 39.403 million) by the Company.

**29.2** Particulars of royalty paid during the year are as follows:

Name of the company	Registered address	Relationship with the Company or directors	2024	2023
			Related / Other	(Rupees in thousand)
American and Efird LLC	22 American Street, Mount Holly, North Carolina, 28120.	Other	54,544	8,397

**29.3** These include Rupees 14.309 million (2023: Rupees 31.258 million) in respect of short term leases.

	Note	2024	2023
		(Rupees in thousand)	
<b>30 ADMINISTRATIVE EXPENSES</b>			
Salaries and other benefits	30.1	1,811,737	1,505,782
Vehicles' running		129,749	103,473
Travelling and conveyance		80,951	78,139
Rent, rates and taxes	30.2	5,088	3,189
Insurance		11,129	9,823
Entertainment		73,432	67,187
Legal and professional		66,873	74,887
Auditor's remuneration	30.3	8,590	7,809
Advertisement		941	1,641
Postage and telephone		24,332	22,956
Electricity and gas		5,496	1,992
Printing and stationery		47,795	44,356
Repair and maintenance		87,428	56,561
Fee and subscription		12,258	15,511
Depreciation	14.1.2	112,566	100,298
Miscellaneous		110,444	56,899
		2,588,809	2,150,503

**30.1** Salaries and other benefits include provident fund contribution of Rupees 72.095 million (2023: Rupees 59.259 million) by the Company.

**30.2** These include Rupees 3.886 million (2023: Rupees 2.626 million) in respect of short term leases.

	Note	2024 (Rupees in thousand)	2023
<b>30.3 Auditor's remuneration</b>			
Audit fee		6,725	6,114
Half yearly review		1,408	1,280
Other certifications		196	178
Reimbursable expenses		261	237
		8,590	7,809

### **31 OTHER EXPENSES**

Workers' profit participation fund	8.4	92,279	548,758
Workers' welfare fund	8.5	-	3,175
Allowance for expected credit losses	21.5	450	809
Depreciation on investment properties	15	3,587	3,986
Donations	31.1&31.2	4,297	1,108
Fair value adjustment at initial recognition of margin against guarantee	18.1	170,569	-
		271,182	557,836

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

**31.2** The name of donee to whom donation amount exceeded Rupees 1 million is as follows:

Nishat Care High School	4,172	-
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	Note	2024 (Rupees in thousand)	2023
<b>32 OTHER INCOME</b>			
<b>Income from financial assets</b>			
Dividend income	32.1	8,456,190	4,510,937
Gain on initial recognition of ordinary shares transferred under Scheme of Compromises, Arrangement and Reconstruction		-	460,187
Profit on deposits with banks		246,614	150,213
Net exchange gain		891,120	1,565,133
Fair value adjustment on initial recognition of payable to Lars Lauridsen Holding ApS	7.4	118,853	-
Interest income on loan to Nishat Linen (Private) Limited - subsidiary company		2,659,054	2,733,307
Gain on initial recognition of investment at FVTOCI		-	15,074
Credit balances written back		-	47,187
Interest income on loans to employees		2,399	4,306
Reversal of fair value adjustment on margin against bank guarantee	18.1	46,794	-
		12,421,024	9,486,344

### **Income from non-financial assets**

Gain on sale of property, plant and equipment		20,549	19,152
Scrap sales		575,717	493,972
Rental income		223,251	201,991
Reversal of provision for slow moving, obsolete and damaged store items	19.2	6	119
		819,523	715,234
		13,240,547	10,201,578

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

	Note	2024	2023
		(Rupees in thousand)	
<b>32.1 Dividend income</b>			
<b>From associated companies / subsidiary companies</b>			
Nishat International FZE - subsidiary company		13,956	11,050
D.G. Khan Cement Company Limited - associated company		-	137,574
MCB Bank Limited - associated company		3,139,146	1,933,645
Adamjee Insurance Company Limited - associated company		308	308
Security General Insurance Company Limited - associated company		81,810	51,131
Nishat Paper Products Company Limited - associated company		-	11,634
Pakgen Power Limited - associated company		1,913,320	367,951
Nishat Commodities (Private) Limited - subsidiary company		50	40
Nishat Linen (Private) Limited - subsidiary company		64,075	42,717
Lalpir Power Limited - associated company		1,868,003	383,856
Nishat Power Limited - subsidiary company		1,354,747	1,174,114
		8,435,415	4,114,020
<b>Others</b>			
Nishat Chunian Power Limited		-	255,376
United Bank Limited		15,532	9,884
Nishat (Chunian) Limited		-	130,757
Alhamra Islamic Stock Fund		2,243	-
Pakistan Petroleum Limited		3,000	900
		8,456,190	4,510,937
<b>33 FINANCE COST</b>			
<b>Mark-up on:</b>			
Long term financing		1,913,844	534,701
Short term borrowings		8,033,002	5,822,526
Interest on workers' profit participation fund	8.4	16,688	14,537
Adjustment due to impact of IFRS 9 on GIDC	7.2	-	773
Bank charges and commission		477,698	555,072
Fair value adjustment on payable to Lars Lauridsen Holding ApS	7.4	1,160	-
		10,442,392	6,927,609
<b>34 LEVY</b>			
Final tax on sales		1,552,795	1,396,592
Final tax on income from other source		129,254	112,256
Related super tax		621,616	567,294
		2,303,665	2,076,142

**34.1** The Company falls under the ambit of final tax regime under section 169 of the Income Tax Ordinance, 2001. Final taxes fall under levy within the scope of IFRIC 21 / IAS 37. Charge for levy has been recognised in statement of profit or loss separately. Tax (final tax) deducted by subsidiaries and associates on distribution of dividend to the Company is charged as current tax whereas the tax on dividend received from others is charged as levy. Provision for super tax on income is calculated as per Section 4C of the Income Tax Ordinance, 2001. Where calculation of super tax is based on taxable profits as defined in IAS 12, then, super tax is recognised as provision for income tax otherwise super tax is recognised as levy. Further, provision against income from other sources is made under the relevant provisions of the Income Tax Ordinance, 2001.

	Note	2024 (Rupees in thousand)	2023
<b>35 TAXATION</b>			
Current tax:			
For the year	34.1	2,059,421	1,302,932
Prior year		(185,848)	(138,654)
Deferred tax		198,268	-
		2,071,841	1,164,278
<b>35.1 Reconciliation between tax expense and accounting profit</b>			
Accounting profit before taxation and levy		10,744,359	15,406,442
Applicable tax rate		29%	29%
Tax on accounting profit		3,115,864	4,467,868
Effect of dividend income taxed at a lower rate		(1,569,072)	(859,555)
Effect of change in prior year's tax		(185,848)	(138,654)
Effect arising as consequence of recognition of deferred tax		198,268	-
Effect of final tax regime income taxed at a lower rate		1,424,995	(1,174,162)
Effect of income that are not considered in determining taxable liability		(159,954)	(141,176)
Effect of super tax		1,551,253	1,086,099
Current tax liability and levy as per applicable law		4,975,506	3,240,420
Taxation		(2,071,841)	(1,164,278)
Levy		(2,303,665)	(2,076,142)
		-	-

## 36 EARNINGS PER SHARE - BASIC AND DILUTED

There is no dilutive effect on the basic earnings per share which is based on:

		2024	2023
Profit attributable to ordinary shareholders	(Rupees in thousand)	6,368,853	12,166,022
Weighted average number of ordinary shares	(Numbers)	351,599,848	351,599,848
Earnings per share	(Rupees)	18.11	34.60

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

	Note	2024 (Rupees in thousand)	2023
<b>37 CASH GENERATED FROM OPERATIONS</b>			
<b>Profit before taxation and levy</b>		10,744,359	15,406,442
<b>Adjustments for non-cash charges and other items:</b>			
Depreciation		3,833,635	3,551,422
Gain on sale of property, plant and equipment	32	(20,549)	(19,152)
Dividend income	32	(8,456,190)	(4,510,937)
Gain on initial recognition of ordinary shares transferred under Scheme of Compromises, Arrangement and Reconstruction amongst Nishat (Chunian) Limited and its members		-	(460,187)
Allowance for expected credit losses	31	450	809
Net exchange gain	32	(891,120)	(1,565,133)
Interest income on loan to Nishat Linen (Private) Limited			
- subsidiary company	32	(2,659,054)	(2,733,307)
Gain on initial recognition of investment at FVTOCI	32	-	(15,074)
Credit balances written back	32	-	(47,187)
Finance cost	33	10,442,392	6,927,609
Reversal of provision for slow moving, obsolete and damaged store items	32	(6)	(119)
Fair value adjustment on initial recognition of payable to Lars Lauridsen Holding ApS	32	(118,853)	-
Reversal of fair value adjustment on margin against bank guarantee	32	(46,794)	-
Fair value adjustment on payable to Lars Lauridsen Holding ApS	33	1,160	-
Fair value adjustment at initial recognition of security deposit	31	170,569	-
Working capital changes	37.1	(10,240,756)	(7,213,672)
		2,759,243	9,321,514
<b>37.1 Working capital changes</b>			
<b>(Increase) / decrease in current assets:</b>			
- Stores, spare parts and loose tools		(93,069)	(1,956,116)
- Stock-in-trade		(2,645,754)	(2,975,011)
- Trade debts		(8,713,061)	(1,188,905)
- Loans and advances		1,001,380	(1,110,956)
- Short term deposits and prepayments		(22,595)	(90,559)
- Other receivables		(413,707)	(1,900,978)
		(10,886,806)	(9,222,525)
Increase in trade and other payables		646,050	2,008,853
		(10,240,756)	(7,213,672)

**37.2 Reconciliation of movement of liabilities to cash flows arising from financing activities.**

	2024			( Rupees in thousand )	
	Liabilities from financing activities				
	Long term financing	Short term borrowings	Unclaimed dividend		
<b>Balance as at 30 June 2023</b>	14,784,510	45,753,793	108,247	60,646,550	
Long term financing obtained	14,640,745	-	-	14,640,745	
Repayment of long term financing	(2,889,270)	-	-	(2,889,270)	
Short term borrowings - net	-	4,171,906	-	4,171,906	
Dividend declared	-	-	1,757,999	1,757,999	
Dividend paid	-	-	(1,749,957)	(1,749,957)	
Other changes - non-cash movement	14,664	(136,075)	-	(121,411)	
<b>Balance as at 30 June 2024</b>	26,550,649	49,789,624	116,289	76,456,562	

	2023			( Rupees in thousand )	
	Liabilities from financing activities				
	Long term financing	Short term borrowings	Unclaimed dividend		
<b>Balance as at 30 June 2022</b>	15,320,725	26,730,048	101,928	42,152,701	
Long term financing obtained	2,476,845	-	-	2,476,845	
Repayment of long term financing	(3,038,566)	-	-	(3,038,566)	
Short term borrowings - net	-	18,924,873	-	18,924,873	
Dividend declared	-	-	1,406,399	1,406,399	
Dividend paid	-	-	(1,400,080)	(1,400,080)	
Other changes - non-cash movement	25,506	98,872	-	124,378	
<b>Balance as at 30 June 2023</b>	14,784,510	45,753,793	108,247	60,646,550	

<b>37.3 Non-cash financing activities</b>	2024	2023
	(Rupees in thousand)	
Other changes - non-cash movement	(121,411)	124,378

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

### 38 EVENTS AFTER THE REPORTING PERIOD

- 38.1** The Board of Directors of the Company has proposed a cash dividend for the year ended 30 June 2024 of Rupees 3 per share (2023: Rupees 5 per share) at their meeting held on 27 September 2024. The Board of Directors also proposed to transfer Rupees 5,319 (2023: Rupees 10,408 million) from un-appropriated profit to general reserve. However, these events have been considered as non-adjusting events under IAS 10 'Events after the Reporting Period' and have not been recognized in these financial statements.

### 39 REMUNERATION OF CHIEF EXECUTIVE OFFICER AND EXECUTIVES

The aggregate amount charged in the financial statements for remuneration including all benefits to Chief Executive Officer and Executives of the Company is as follows:

	Chief Executive Officer		Executives	
	2024	2023	2024	2023
( Rupees in thousand )				
<b>Managerial remuneration</b>	74,000	59,464	1,307,765	1,174,761
<b>Allowances</b>				
Cost of living allowance	-	-	1,895	1,465
House rent	23,273	18,871	350,037	285,211
Conveyance	-	-	543	848
Medical	8,727	4,718	113,881	92,884
Utilities	13,739	10,843	153,230	121,177
Special allowance	-	-	1,235	1,002
<b>Contribution to provident fund trust</b>	-	-	114,220	91,210
<b>Leave encashment</b>	-	-	52,264	21,103
	119,739	93,896	2,095,070	1,789,661
<b>Number of persons</b>	1	1	496	397

- 39.1** Chief Executive Officer and certain executives of the Company are provided with Company maintained vehicles and certain executives are also provided with free housing facility along with utilities.
- 39.2** Aggregate amount charged in the financial statements for meeting fee to five directors (2023: five directors) was Rupees 1.450 million (2023: Rupees 2.080 million).
- 39.3** No remuneration was paid to directors of the Company.

## 40 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise subsidiary companies, associated undertakings, other related parties, post employment benefit plan and key management personnel. The Company in the normal course of business carries out transactions with various related parties. Detail of transactions with related parties, other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

	2024	2023
	(Rupees in thousand)	
<b>Subsidiary companies</b>		
Investment made	3,690,571	-
Dividend income	1,432,828	1,227,921
Purchase of goods and services	1,232,666	924,134
Sale of goods and services	11,013,748	11,486,615
Interest income	2,659,054	2,733,307
Rental income	102,791	93,466
Short term loan given	46,161,125	64,595,706
Repayment of short term loan	54,696,388	53,142,137
<b>Associated companies</b>		
Investment made	1,115,426	3,014,221
Investment disposed of	30,000	-
Purchase of goods and services	36,708	21,824
Sale of goods and services	31,369	41,943
Interest income	20,208	7,472
Rental income	8,103	7,490
Purchase of operating fixed assets	107,058	90,084
Dividend income	7,002,587	2,886,099
Dividend paid	154,265	123,372
Insurance premium paid	272,730	277,966
Insurance claims received	101,550	86,425
Finance cost	91,629	67,978
<b>Other related parties</b>		
Dividend income	-	255,376
Dividend paid	443,338	354,670
Company's contribution to provident fund trust	527,400	428,820

**40.1** Detail of compensation to key management personnel comprising of chief executive officer and executives is disclosed in note 39.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

- 40.2** Following are the related parties with whom the Company had entered into transactions or have arrangements / agreements in place:

Name of the related party	Basis of relationship	Transactions entered or agreements and / or arrangements in place during the financial year ended		Percentage of shareholding
		2024	2023	
Nishat USA Inc.	Wholly owned subsidiary company	Yes	Yes	100
Nishat Agriculture Farming (Private) Limited	Common directorship	No	No	None
Nishat Dairy (Private) Limited	Common directorship and shareholding	Yes	No	12.24
Nishat Sutas Dairy Limited	Common directorship and shareholding	Yes	Yes	48.86
Nishat Hotels and Properties Limited	Common directorship and shareholding	Yes	Yes	6.08
Nishat (Raiwind) Hotels and Properties Limited	Common directorship	No	No	None
Nishat (Aziz Avenue) Hotels and Properties Limited	Common directorship	Yes	Yes	None
Security General Insurance Company Limited	Common directorship and shareholding	Yes	Yes	15.02
Nishat Commodities (Private) Limited	Wholly owned subsidiary company	Yes	Yes	100
Nishat Hospitality (Private) Limited	Wholly owned subsidiary company	Yes	Yes	100
Nishat Power Limited	Common directorship and subsidiary company	Yes	Yes	51.01
Nishat Energy Limited	Shareholding	No	No	25
Pakgen Power Limited	Common directorship and shareholding	Yes	Yes	30.25
Laipir Power Limited	Common directorship and shareholding	Yes	Yes	28.93
Nishat Paper Products Company Limited	Common directorship and shareholding	No	Yes	25
Nishat Linen (Private) Limited	Wholly owned subsidiary company	Yes	Yes	100
Nishat Linen Trading LLC	Wholly owned subsidiary company	No	No	100
Nishat International FZE	Wholly owned subsidiary company	Yes	Yes	100
Wernerfelt A/S*	Wholly owned subsidiary company	Yes	Yes	100
Wernerfelt Sverige AB	Wholly owned subsidiary of Wernerfelt A/S	No	No	100
China Guangzhou Nishat Global Co., Ltd.	Wholly owned subsidiary of Nishat International FZE (subsidiary company)	No	No	100
Pakistan Aviators and Aviation (Private) Limited	Common directorship	Yes	No	None
Nishat Developers (Private) Limited	Common directorship	Yes	No	None
Nishat Real Estates Development Company (Private) Limited	Common directorship	Yes	Yes	None
Hyundai Nishat Motor (Private) Limited	Common directorship and shareholding	Yes	Yes	12
D.G. Khan Cement Company Limited	Common directorship and shareholding	Yes	Yes	31.40
Adamjee Life Assurance Company Limited	Common directorship	Yes	Yes	None
Adamjee Insurance Company Limited	Common directorship and shareholding	Yes	Yes	0.03
MCB Bank Limited	Common directorship and shareholding	Yes	Yes	8.03
MCB Islamic Bank Limited	Wholly owned subsidiary of associated company	Yes	Yes	None
Nishat Agrotech Farms Supplies (Private) Limited	Common directorship	No	No	None
National Textile Foundation	Common directorship	No	No	None
Sanifa Agri Services Limited	Associate of wholly owned subsidiary company	No	No	None
Nishat Mills Employees Provident Fund Trust	Post-employment benefit plan	Yes	Yes	None
Golf View Land (Private) Limited	Spouse of chief executive officer of the Company is director in Golf View Land (Private) Limited	No	No	None
Emporium Properties (Private) Limited	Spouse of director of the Company is director in Emporium Properties (Private) Limited	No	No	None
Mr. Mian Umer Mansha	Chief Executive Officer	Yes	Yes	None
Mr. Mian Hassan Mansha	Chairman	Yes	Yes	None
Mr. Farid Noor Ali Fazal	Director	Yes	Yes	None
Mr. Mahmood Akhtar	Director	Yes	Yes	None
Mr. Syed Zahid Hussain	Director	Yes	Yes	None
Mrs. Sara Aqeel	Director	Yes	Yes	None
Mrs. Mehak Adil	Director	Yes	Yes	None

\*As more fully explained in note 7.4.1 to these financial statements, Wernerfelt A/S became the subsidiary company of the Company with effect from 24 June 2024.

- 41** Particulars of companies incorporated outside Pakistan with whom the Company had entered into transactions or had agreements and / or arrangements in place are as follows:

Name of the Company	Country of incorporation	Basis of association	Percentage of shareholding
Nishat USA Inc.	USA	Wholly owned subsidiary company	100
Nishat Linen Trading LLC	UAE	Wholly owned subsidiary company	100
Nishat International FZE	UAE	Wholly owned subsidiary company	100
Wernerfelt A/S	Denmark	Wholly owned subsidiary company	100
Wernerfelt Sverige AB	Sweden	Wholly owned subsidiary of Wernerfelt A/S	100
China Guangzhou Nishat Global Co., Ltd.	China	Wholly owned subsidiary of Nishat International FZE	100

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

**41.1** As on 30 June 2024, disclosures relating to investments and advance made in foreign companies are as follows:

Name of the company	Jurisdiction	Beneficial owner	Made during the year ended 30 June	Rupees in thousand	Foreign currency	Amount of investment / advance	Terms and conditions of investment / advance	Amount of returns received	Litigations against investee company	Default / breach relating to foreign company	Gain / (loss) on disposal of foreign investment
<b>Long term investments:</b>											
Nishat USA Inc.	USA	Nishat Mills Limited	2009	3,547	USD 37,500	Investment in shares of subsidiary company		86	None	None	Not applicable
Nishat Linen Trading LLC	UAE	Nishat Mills Limited	2011	259,403	AED 10,000,000	Investment in shares of subsidiary company		None	None	None	Not applicable
Nishat International FZE	UAE	Nishat Mills Limited	2013	492,042	AED 18,000,000	Investment in shares of subsidiary company		40,895	None	None	Not applicable
Wernerfelt A/S	Denmark	Nishat Mills Limited	2024	701,250	USD 2,500,000	Investment in shares of subsidiary company		None	None	None	Not applicable
<b>Advance:</b>											
Nishat International FZE	UAE	Nishat Mills Limited	2014	9,070	AED 337,500	Advance for purchase of shares of subsidiary company		None	None	None	Not applicable

**41.2** As on 30 June 2023, disclosures relating to investments and advance made in foreign companies are as follows:

Name of the company	Jurisdiction	Beneficial owner	Amount of investment / advance			Terms and conditions of investment / advance	Amount of returns received	Litigations against investee company	Default / breach relating to foreign company	Gain / (loss) on disposal of foreign investment
			Made during the year ended 30 June	Rupees in thousand	Foreign currency					

**Long term investments:**

Nishat USA Inc.	USA	Nishat Mills Limited	2009	3,547	USD 37,500	Investment in shares of subsidiary company	86	None	None	Not applicable
Nishat Linen Trading LLC	UAE	Nishat Mills Limited	2011	259,403	AED 10,000,000	Investment in shares of subsidiary company	None	None	None	Not applicable
Nishat International FZE	UAE	Nishat Mills Limited	2013	492,042	AED 18,000,000	Investment in shares of subsidiary company	26,939	None	None	Not applicable
<b>Advance:</b>										
Nishat International FZE	UAE	Nishat Mills Limited	2014	9,070	AED 337,500	Advance for purchase of shares of subsidiary company	None	None	None	Not applicable

**42 PROVIDENT FUND**

As at the reporting date, The Nishat Mills Employees Provident Fund Trust is in the process of regularizing its investments in accordance with section 218 of the Companies Act, 2017 and the regulations formulated for this purpose by Securities and Exchange Commission of Pakistan.

**43 NUMBER OF EMPLOYEES**

2024	2023
23,170	21,975
23,231	22,694

Number of employees as on 30 June  
Average number of employees during the year

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

	Spinning		Dyeing		Home Textile and Terry		Garments		Power Generation		Total - Company	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
(Rupees in thousand)												
Revenue from contracts with customers												
External Intersegment	43,373,628	30,392,486	31,456,470	34,641,446	32,027,943	32,027,195	36,676,128	30,474,625	14,243,667	102,438	99,049	-
Cost of sales	17,270,887	15,897,031	29,946,166	22,712,169	3,489,101	2,164,922	37,575,551	428,324	3,835	21,27	20,644,719	18,061,431
Gross profit	60,644,715	46,289,517	61,404,666	57,353,415	35,497,044	34,186,117	37,053,679	30,901,950	16,641,528	14,126,994	20,472,212	18,159,480
Distribution cost	(56,115,736)	(43,775,530)	(56,920,064)	(56,947,095)	(31,698,066)	(28,037,587)	(33,989,056)	(27,951,981)	(14,964,231)	(12,018,857)	(20,740,377)	(18,159,642)
Administrative expenses	4,508,979	2,513,987	4,457,561	6,132,351	3,598,058	6,148,530	3,056,623	3,955,999	1,677,297	2,108,137	6,835	19,838
Profit / (loss) before taxation and unallocated	(642,009)	(654,111)	(719,53)	(1,239,886)	(1,540,506)	(1,079,339)	(1,218,335)	(2,291,057)	(1,935,024)	(689,107)	(45)	(76,295)
Income and expenses	(1,561,762)	(1,203,679)	(1,909,158)	(1,991,989)	(669,272)	(451,483)	(613,650)	(433,784)	(444,157)	(349,021)	(103,929)	(2,588,809)
Profit / (loss) before taxation and unallocated	2,967,217	1,310,308	2,543,403	4,441,362	2,204,869	4,624,438	329,782	1,475,836	264,252	894,867	(97,137)	(56,502)
Unallocated income and expenses:												
Other expenses												
Other income												
Finance cost												
Profit before taxation and levy												
Levy												
Profit before taxation												
Taxation												
Profit after taxation												

26,398,516 26,664,344 18,393,629 16,429,236 34,547,444 18,842,412 25,666,435 20,945,411 8,511,547 12,595,917 10,881,716 125,815,528 101,235,056

Total assets for reportable segments

Unallocated assets:

Long term investments

Other receivables

Cash and bank balances

Other corporate assets

Total assets as per statement of financial position

#### 44.1 Reconciliation of reportable segment assets and liabilities

	Spinning		Dyeing		Home Textile and Terry		Garments		Power Generation		Total - Company	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
(Rupees in thousand)												
Deferred liabilities												
Other corporate liabilities												
Total liabilities as per statement of financial position	2,857,787	2,275,945	2,768,141	2,629,356	2,145,881	1,617,530	2,109,169	2,637,067	960,786	805,316	1,933,717	2,134,075
Total liabilities for reportable segments												
Unallocated liabilities:												
Deferred liabilities												
Other corporate liabilities												
Total liabilities as per statement of financial position	2,857,787	2,275,945	2,768,141	2,629,356	2,145,881	1,617,530	2,109,169	2,637,067	960,786	805,316	1,933,717	2,134,075

Total assets for reportable segments

Unallocated assets:

Long term investments

Other receivables

Cash and bank balances

Other corporate assets

Total assets as per statement of financial position

Unallocated liabilities:

Deferred liabilities

Other corporate liabilities

Total liabilities as per statement of financial position

#### 44.2 Geographical information

The Company's revenue from external customers by geographical locations is detailed below:

	2024	2023
	(Rupees in thousand)	
Europe	40,786,587	43,277,943
America	21,629,116	15,539,586
Asia, Africa and Australia	32,664,693	34,993,876
Pakistan	65,176,159	47,945,064
	160,256,555	141,756,469

**44.3** All non-current assets of the Company as at reporting dates are located and operating in Pakistan.

#### 44.4 Revenue from major customers

The Company's revenue is earned from a large mix of customers.

	2024	2023
	(Figures in thousand)	
<b>45 PLANT CAPACITY AND ACTUAL PRODUCTION</b>		
<b>Spinning</b>		
100% plant capacity converted to 20s count based on 3 shifts per day for 1,098 shifts (2023: 1,095 shifts)	(Kgs.)	105,541
Actual production converted to 20s count based on 3 shifts per day for 1,098 shifts (2023: 1,095 shifts)	(Kgs.)	87,667
<b>Weaving</b>		
100% plant capacity at 50 picks based on 3 shifts per day for 1,098 shifts (2023: 1,095 shifts)	(Sq. Mtr.)	385,996
Actual production converted to 50 picks based on 3 shifts per day for 1,098 shifts (2023: 1,095 shifts)	(Sq. Mtr.)	365,230
<b>Dyeing and Finishing</b>		
Production capacity for 3 shifts per day for 1,098 shifts (2023: 1,095 shifts)	(Mtr.)	56,400
Actual production on 3 shifts per day for 1,098 shifts (2023: 1,095 shifts)	(Mtr.)	54,090
<b>Power Plant</b>		
Generation capacity	(MWH)	1,304
Actual generation	(MWH)	433

#### Processing, Stitching, Apparel and Terry

The plant capacity of these divisions is indeterminable due to multi product plants involving varying processes of manufacturing and run length of order lots.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

## 45.1 Reason for low production

Under utilization of available capacity for spinning, weaving, dyeing and finishing is mainly due to normal maintenance. Actual power generation in comparison to installed is low due to periodical, scheduled and unscheduled maintenance and low demand.

## 46 FINANCIAL RISK MANAGEMENT

### 46.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Company uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by the Company's finance department under policies approved by the Board of Directors. The Company's finance department evaluates and hedges financial risks. The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk, liquidity risk, use of derivative financial instruments and non-derivative financial instruments and investment of excess liquidity.

#### a) Market risk

##### i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Company is exposed to currency risk arising from various currency exposures, primarily with respect to the United States Dollar (USD), Arab Emirates Dirham (AED), Euro, Japanese Yen (JPY) and Great British Pound (GBP). Currently, the Company's foreign exchange risk exposure is restricted to cash and bank balances and the amounts receivable / payable from / to the foreign entities. The Company's exposure to currency risk was as follows:

	2024	2023
Cash at banks - USD	2,775,462	3,897,366
Cash in hand - USD	-	4,100
Trade debts - USD	44,376,650	23,284,641
Trade debts - Euro	4,834,230	1,077,701
Trade debts - AED	2,572,928	141,700
Trade debts - GBP	-	34,646
Trade and other payables - USD	(269,317)	(1,111,978)
Trade and other payables - Euro	(12,102)	(235,656)
Trade and other payables - JPY	(399,385)	(440,140)
Net exposure - USD	46,882,795	26,074,129
Net exposure - Euro	4,822,128	842,045
Net exposure - AED	2,572,928	141,700
Net exposure - GBP	-	34,646
Net exposure - JPY	(399,385)	(440,140)

**The following significant exchange rates were applied during the year:**

	2024	2023
<b>Rupees per US Dollar</b>		
Average rate	284.80	256.81
Reporting date rate	277.70	287.50
<b>Rupees per Euro</b>		
Average rate	306.85	270.98
Reporting date rate	293.50	313.00
<b>Rupees per AED</b>		
Average rate	78.05	71.04
Reporting date rate	74.90	79.00
<b>Rupees per JPY</b>		
Average rate	1.93	2.04
Reporting date rate	1.98	2.18
<b>Rupees per GBP</b>		
Average rate	358.02	312.76
Reporting date rate	349.00	366.00

**Sensitivity analysis**

If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD, Euro, AED, GBP and JPY with all other variables held constant, the impact on profit before taxation and levy for the year would have been Rupees 694.762 million (2023: Rupees 369.682 million) higher / lower mainly as a result of exchange gains / losses on translation of foreign exchange denominated financial instruments. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis. In management's opinion, the sensitivity analysis is unrepresentative of inherent currency risk as the year end exposure does not reflect the exposure during the year.

**ii) Other price risk**

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not exposed to commodity price risk.

**Sensitivity analysis**

The table below summarizes the impact of increase / decrease in the Pakistan Stock Exchange (PSX) Index on the Company's equity (fair value reserve FVTOCI investments). The analysis is based on the assumption that the equity index had increased / decreased by 5% with all other variables held constant and all the Company's equity instruments moved according to the historical correlation with the index:

Index	<b>Impact on statement of comprehensive income (fair value reserve)</b>	
	<b>2024</b>	<b>2023</b>
	(Rupees in thousand)	
PSX (5% increase)	2,136,203	1,119,570
PSX (5% decrease)	(2,136,203)	(1,119,570)

Equity (fair value reserve) would increase / decrease as a result of gains / losses on equity investments classified as FVTOCI.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

### iii) Interest rate risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's interest rate risk arises from long term financing, short term borrowings, bank balances in saving accounts, term deposit receipts, loans to employees and advances to subsidiary company. Financial instruments at variable rates expose the Company to cash flow interest rate risk. Financial instruments at fixed rate expose the Company to fair value interest rate risk.

At the reporting date, the interest rate profile of the Company's interest bearing financial instruments was:

	2024	2023
	(Rupees in thousand)	
<b>Fixed rate instruments</b>		
<b>Financial assets</b>		
Term deposit receipts	1,040,000	1,040,000
Loans to employees	62,929	66,807
<b>Financial liabilities</b>		
Long term financing	9,853,703	12,648,652
Short term borrowings	23,070,476	21,409,980
<b>Floating rate instruments</b>		
<b>Financial assets</b>		
Bank balances - saving accounts	651,239	34
Loan to subsidiary company	7,282,484	15,817,747
<b>Financial liabilities</b>		
Long term financing	16,696,946	2,135,858
Short term borrowings	26,719,148	24,343,813

#### Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the reporting date would not affect profit or loss of the Company.

#### Cash flow sensitivity analysis for variable rate instruments

If interest rates at the year end date, fluctuates by 1% higher / lower with all other variables held constant, profit before taxation and levy for the year would have been Rupees 337.083 million (2023: Rupees 101.288 million) lower / higher, mainly as a result of higher / lower interest expense / income on floating rate financial instruments. This analysis is prepared assuming the amounts of financial instruments outstanding at reporting dates were outstanding for the whole year.

### b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2024	2023
	(Rupees in thousand)	
<b>Long term investments</b>		
Long term investments	58,588,626	34,110,702
Loans and advances	7,873,657	17,370,818
Deposits	773,907	220,318
Trade debts	22,374,547	13,208,722
Other receivables	80,701	43,914
Accrued interest	130,923	272,851
Bank balances	2,671,658	2,348,591
	<b>92,494,019</b>	<b>67,575,916</b>

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate:

	Rating			2024	2023
	Short term	Long term	Agency	(Rupees in thousand)	
<b>Banks</b>					
National Bank of Pakistan	A-1+	AAA	VIS	619	4,331
Allied Bank Limited	A1+	AAA	PACRA	392	46,896
Askari Bank Limited	A1+	AA+	PACRA	27	61
Bank Alfalah Limited	A1+	AAA	PACRA	551	3,763
Faysal Bank Limited	A1+	AA	PACRA	67,284	56,563
Habib Bank Limited	A-1+	AAA	VIS	66,486	223,878
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	77,093	12,130
MCB Bank Limited	A1+	AAA	PACRA	784,061	166,030
Samba Bank Limited	A1	AA	PACRA	103	19
Silk Bank Limited	A-2	A-	VIS	1,040,108	1,055,852
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	124,277	159,981
United Bank Limited	A-1+	AAA	VIS	5,586	168,192
Al-Baraka Bank (Pakistan) Limited	A-1	A+	VIS	678	264
Bank Islami Pakistan Limited	A1	AA-	PACRA	1,788	5,330
Meezan Bank Limited	A-1+	AAA	VIS	54,341	130,365
Dubai Islamic Bank Pakistan Limited	A-1+	AA	VIS	45,911	90,447
The Bank of Punjab	A1+	AA+	PACRA	33,383	3,552
Soneri Bank Limited	A1+	AA-	PACRA	841	256
JS Bank Limited	A1+	AA	PACRA	32	-
Industrial and Commercial Bank of China	P-1	A-2	Moody's	19	31
MCB Islamic Bank Limited	A1	A	PACRA	334,289	128,647
Bank Al-Habib Limited	A1+	AAA	PACRA	33,669	91,848
Citi Bank N.A	P-1	Aa3	Moody's	120	155
				2,671,658	2,348,591
<b>Long term investments</b>					
Adamjee Insurance Company Limited	AA++(ifs)		PACRA	3,692	2,327
Security General Insurance Company Limited	AA+(ifs)		VIS	355,567	375,303
Alhamra Islamic Stock Fund	AM1		PACRA	18,899	10,115
Nishat (Chunian) Limited	A-2	A-	VIS	856,788	663,594
Nishat (Chunian) Power Limited	A-2	A+	VIS	764,850	426,477
MCB Bank Limited	A1+	AAA	PACRA	21,595,424	10,889,033
Pakistan Petroleum Limited		Unknown	-	70,266	35,484
D.G. Khan Cement Company Limited	A1+	AA-	PACRA	12,418,822	7,057,557
Pakgen Power Limited	A1	AA	PACRA	9,847,970	5,020,776
Lalpir Power Limited	A1	AA	PACRA	2,793,215	1,642,744
United Bank Limited	A-1+	AAA	VIS	90,453	41,493
Nishat Paper Products Company Limited	A1	A	PACRA	117,622	171,023
Nishat Hotels and Properties Limited	A1	A	PACRA	1,422,720	1,418,279
Hyundai Nishat Motor (Private) Limited	A1	A+	PACRA	4,406,212	4,617,485
Nishat Dairy (Private) Limited		Unknown	-	577,980	484,200
Nishat Sutas Dairy Limited		Unknown	-	3,248,146	1,254,812
				58,588,626	34,110,702
				61,260,284	36,459,293

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

The Company's exposure to credit risk and allowance for expected credit losses related to trade debts is disclosed in Note 21.

Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, the management does not expect non-performance by these counterparties on their obligations to the Company. Accordingly, the credit risk is minimal.

### Trade debts

The Company applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade debts.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. These trade receivables are netted off with the collateral obtained, if any, from these customers to calculate the net exposure towards these customers. The Company has concluded that the expected loss rates for trade debts against local sales are different from the expected loss rates for trade debts against export sales.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 30 June 2024 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the Gross Domestic Product, Unemployment, Interest and the inflation Index to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

On that basis, the loss allowance as at 30 June 2024 and 30 June 2023 was determined as follows:

#### At 30 June 2024

	Local sales			Export sales		
	Expected loss rate	Trade debts	Loss allowance	Expected loss rate	Trade debts	Loss allowance
	%	(Rupees in thousand)		%	(Rupees in thousand)	
Not past due	0.00%	8,249,558	-	0%	14,006,529	-
Up to 30 days	0.13%	81,709	106	0.00%	-	-
31 to 60 days	7.28%	27,168	1,978	0.00%	-	-
61 to 90 days	18.26%	11,694	2,136	0.00%	-	-
91 to 180 days	39.48%	3,013	1,190	0.00%	-	-
181 to 360 days	61.25%	737	451	0.00%	-	-
Above 360 days	100.00%	15,116	15,116	100.00%	413	413
		8,388,995	20,977		14,006,942	413
Trade debts which are not subject to risk of default		-	-		-	-
<b>Total</b>		<b>8,388,995</b>	<b>20,977</b>		<b>14,006,942</b>	<b>413</b>

#### At 30 June 2023

	Local sales			Export sales		
	Expected loss rate	Trade debts	Loss allowance	Expected loss rate	Trade debts	Loss allowance
	%	(Rupees in thousand)		%	(Rupees in thousand)	
Not past due	0%	5,620,880	-	0%	7,545,910	-
Up to 30 days	5.42%	34,250	1,856	0.00%	-	-
31 to 60 days	28.53%	10,724	3,060	0.00%	-	-
61 to 90 days	47.99%	1,602	769	0.00%	-	-
91 to 180 days	70.09%	1,644	1,152	0.00%	-	-
181 to 360 days	73.92%	2,105	1,556	0.00%	-	-
Above 360 days	100.00%	12,134	12,134	100.00%	413	413
		5,683,339	20,527		7,546,323	413
Trade debts which are not subject to risk of default		-	-		-	-
<b>Total</b>		<b>5,683,339</b>	<b>20,527</b>		<b>7,546,323</b>	<b>413</b>

### c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At 30 June 2024, the Company had Rupees 35,199.026 million (2023: Rupees 37,738.864 million) available borrowing limits from financial institutions and Rupees 2,722.355 million (2023: Rupees 2,410.566 million) cash and bank balances. The management believes the liquidity risk to be low. Following are the contractual maturities of financial liabilities, including interest payments. The amount disclosed in the table are undiscounted cash flows:

#### Contractual maturities of financial liabilities as at 30 June 2024

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 Years	More than 2 Years
----- (Rupees in thousand) -----						
<b>Non-derivative financial liabilities:</b>						
Long term financing	26,550,649	46,713,444	3,316,207	3,449,376	6,988,934	32,958,927
Trade and other payables	11,923,658	11,923,658	11,923,658	-	-	-
Payable to Lars Lauridsen Holding ApS	583,765	701,500	322,690	-	126,270	252,540
Unclaimed dividend	116,289	116,289	116,289	-	-	-
Short term borrowings	49,789,624	54,683,298	53,313,167	1,370,131	-	-
Accrued mark-up	1,507,965	1,507,965	1,507,965	-	-	-
<b>Derivative financial liabilities</b>						
Fair value of forward exchange contracts	19,392	19,392	19,392	-	-	-
	90,491,342	115,665,546	70,519,368	4,819,507	7,115,204	33,211,467

#### Contractual maturities of financial liabilities as at 30 June 2023

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 Years	More than 2 Years
----- (Rupees in thousand) -----						
<b>Non-derivative financial liabilities:</b>						
Long term financing	14,784,510	18,526,658	1,855,473	1,830,143	3,384,716	11,456,326
Trade and other payables	10,334,474	10,334,474	10,334,474	-	-	-
Unclaimed dividend	108,247	108,247	108,247	-	-	-
Short term borrowings	45,753,793	52,648,952	49,985,769	2,663,183	-	-
Accrued mark-up	1,831,194	1,831,194	1,831,194	-	-	-
<b>Derivative financial liabilities</b>						
Fair value of forward exchange contracts	18,292	18,292	18,292	-	-	-
	72,830,510	83,467,817	64,133,449	4,493,326	3,384,716	11,456,326

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates / mark-up rates effective as at 30 June. The rates of interest / mark up have been disclosed in note 6 and note 10 to these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

### 46.2 Financial instruments by categories

	FVTPL	Amortised cost	FVTOCI	Total
----- (Rupees in thousand) -----				
<b>As at 30 June 2024</b>				
<b>Assets as per statement of financial position</b>				
Long term investments	-	-	58,588,626	58,588,626
Loans and advances	-	7,873,657	-	7,873,657
Deposits	-	773,907	-	773,907
Trade debts	-	22,374,547	-	22,374,547
Other receivables	44,256	36,445	-	80,701
Accrued interest	-	130,923	-	130,923
Cash and bank balances	-	2,722,355	-	2,722,355
	44,256	33,911,834	58,588,626	92,544,716
	Amortized cost	FVTPL	Total	
----- (Rupees in thousand) -----				
<b>Liabilities as per statement of financial position</b>				
Long term financing	26,550,649	-	26,550,649	
Accrued mark-up	1,507,965	-	1,507,965	
Short term borrowings	49,789,624	-	49,789,624	
Trade and other payables	11,923,658	19,392	11,943,050	
Payable to Lars Lauridsen Holding ApS	583,765	-	583,765	
Unclaimed dividend	116,289	-	116,289	
	90,471,950	19,392	90,491,342	
	FVTPL	Amortised cost	FVTOCI	Total
----- (Rupees in thousand) -----				
<b>As at 30 June 2023</b>				
<b>Assets as per statement of financial position</b>				
Long term investments	-	-	34,110,702	34,110,702
Loans and advances	-	17,370,818	-	17,370,818
Deposits	-	220,318	-	220,318
Trade debts	-	13,208,722	-	13,208,722
Other receivables	31	43,883	-	43,914
Accrued interest	-	272,851	-	272,851
Cash and bank balances	-	2,410,566	-	2,410,566
	31	33,527,158	34,110,702	67,637,891

	Amortized cost	FVTPL	Total
----- (Rupees in thousand) -----			

**Liabilities as per statement of financial position**

Long term financing	14,784,510	-	14,784,510
Accrued mark-up	1,831,194	-	1,831,194
Short term borrowings	45,753,793	-	45,753,793
Trade and other payables	10,334,474	18,292	10,352,766
Unclaimed dividend	108,247	-	108,247
	<b>72,812,218</b>	<b>18,292</b>	<b>72,830,510</b>

**46.3** Reconciliation of financial assets and financial liabilities to the line items presented in the statement of financial position is as follows:

2024		
Financial assets	Non-financial assets	Assets as per statement of financial position
----- (Rupees in thousand) -----		

**Assets**

Long term investments	58,588,626	8,222,574	66,811,200
Loans and advances	7,873,657	285,547	8,159,204
Deposits and prepayments	773,907	168,602	942,509
Trade debts	22,374,547	-	22,374,547
Other receivables	80,701	11,610,905	11,691,606
Accrued interest	130,923	-	130,923
Cash and bank balances	2,722,355	-	2,722,355
	<b>92,544,716</b>	<b>20,287,628</b>	<b>112,832,344</b>

2024		
Financial liabilities	Non-financial liabilities	Liabilities as per statement of financial position
----- (Rupees in thousand) -----		

**Liabilities**

Long term financing	26,550,649	-	26,550,649
Accrued mark-up	1,507,965	-	1,507,965
Short term borrowings	49,789,624	-	49,789,624
Trade and other payables	11,943,050	2,673,214	14,616,264
Payable to Lars Lauridsen Holding ApS	583,765	-	583,765
Unclaimed dividend	116,289	-	116,289
	<b>90,491,342</b>	<b>2,673,214</b>	<b>93,164,556</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

	2023		
	Financial assets	Non-financial assets	Assets as per statement of financial position
----- (Rupees in thousand) -----			
<b>Assets</b>			
Long term investments	34,110,702	4,532,003	38,642,705
Loans and advances	17,370,818	262,493	17,633,311
Deposits and prepayments	220,318	160,944	381,262
Trade debts	13,208,722	-	13,208,722
Other receivables	43,914	11,198,650	11,242,564
Accrued interest	272,851	-	272,851
Cash and bank balances	2,410,566	-	2,410,566
	67,637,891	16,154,090	83,791,981
----- (Rupees in thousand) -----			
	2023		
	Financial liabilities	Non-financial liabilities	Liabilities as per statement of financial position
----- (Rupees in thousand) -----			
<b>Liabilities</b>			
Long term financing	14,784,510	-	14,784,510
Accrued mark-up	1,831,194	-	1,831,194
Short term borrowings	45,753,793	-	45,753,793
Trade and other payables	10,352,766	3,616,512	13,969,278
Unclaimed dividend	108,247	-	108,247
	72,830,510	3,616,512	76,447,022

### 46.4 Offsetting financial assets and financial liabilities

As on reporting date, recognized financial instruments are not subject to off setting as there are no enforceable master netting arrangements and similar agreements.

### 46.5 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry and the requirements of the lenders, the Company monitors the capital structure on the basis of gearing ratio. This ratio is calculated as borrowings divided by total capital employed. Borrowings represent long term financing and short term borrowings obtained by the Company as referred to in note 6 and note 10 respectively. Total capital employed includes 'total equity' as shown in the statement of financial position plus 'borrowings'. The Company's strategy, remained unchanged from last year.

		2024	2023
Borrowings	Rupees in thousand	76,340,273	60,538,303
Total equity	Rupees in thousand	114,810,013	89,764,119
Total capital employed	Rupees in thousand	191,150,286	150,302,422
Gearing ratio	Percentage	39.94	40.28

The decrease in the gearing ratio resulted primarily from increase in equity of the Company.

#### 47 RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

##### i) Fair value hierarchy

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

<b>Recurring fair value measurements</b> <b>At 30 June 2024</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
----- (Rupees in thousand) -----				
<b>Financial assets</b>				
Fair value through other comprehensive income	48,460,379	-	10,128,247	58,588,626
Derivative financial assets	-	44,256	-	44,256
<b>Total financial assets</b>	<b>48,460,379</b>	<b>44,256</b>	<b>10,128,247</b>	<b>58,632,882</b>
<b>Financial liabilities</b>				
Derivative financial liabilities	-	19,392	-	19,392
<b>Total financial liabilities</b>	<b>-</b>	<b>19,392</b>	<b>-</b>	<b>19,392</b>
<b>Recurring fair value measurements</b> <b>At 30 June 2023</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
----- (Rupees in thousand) -----				
<b>Financial assets</b>				
Fair value through other comprehensive income	25,789,600	-	8,321,102	34,110,702
Derivative financial assets	-	31	-	31
<b>Total financial assets</b>	<b>25,789,600</b>	<b>31</b>	<b>8,321,102</b>	<b>34,110,733</b>
<b>Financial liabilities</b>				
Derivative financial liabilities	-	18,292	-	18,292
<b>Total financial liabilities</b>	<b>-</b>	<b>18,292</b>	<b>-</b>	<b>18,292</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

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

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year. Further there was no transfer out of level 3 measurements.

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

**Level 1:** The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

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

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

### ii) Valuation techniques used to determine fair values

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

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

The following table presents the changes in level 3 items for the year ended 30 June 2024 and 30 June 2023:

Unlisted equity securities	(Rupees in thousand)
<b>Balance as at 30 June 2022</b>	6,917,218
Add: Investment made during the year	1,854,325
Less : Fair value adjustment recognized in other comprehensive income	(450,441)
<b>Balance as at 30 June 2023</b>	8,321,102
Add: Investment made during the year	1,115,426
Less : Investment buy back during the year	(30,000)
Add: Fair value adjustment recognized in other comprehensive income	721,719
<b>Balance as at 30 June 2024</b>	10,128,247

### iv) Valuation inputs and relationships to fair value

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

Description	Fair value at		Unobservable inputs	Range of inputs (probability-weighted average)	Relationship of unobservable inputs to fair value
	30 June 2024	30 June 2023			
(Rupees in thousand)					
<b>Fair value through other comprehensive income</b>					
Nishat Paper Products Company Limited	117,622	171,023	Terminal growth factor	2.00%	Increase / decrease in terminal growth factor by 1% and decrease / increase in discount rate by 1% would increase / decrease fair value by Rupees +26.642 million / - 20.709 million.
			Risk adjusted discount rate	17.59%	
Nishat Dairy (Private) Limited	577,980	484,200	Terminal growth factor	2.00%	Increase / decrease in terminal growth factor by 1% and decrease / increase in discount rate by 1% would increase / decrease fair value by Rupees +49.020 million / -40.470 million.
			Risk adjusted discount rate	21.35%	
Security General Insurance Company Limited	355,567	375,303	Terminal growth factor	2.00%	Increase / decrease in terminal growth factor by 1% and decrease / increase in discount rate by 1% would increase / decrease fair value by Rupees +33,440 million / -26.384 million.
			Risk adjusted discount rate	17.78%	
Nishat Hotels and Properties Limited	1,422,720	1,418,279	Terminal growth factor	2.00%	Increase / decrease in terminal growth factor by 1% and decrease / increase in discount rate by 1% would increase / decrease fair value by Rupees + 216.887 million / - 170.993 million.
			Risk adjusted discount rate	17.96%	
Hyundai Nishat Motor (Private) Limited	4,406,212	4,617,485	Terminal growth factor	2.00%	Increase / decrease in terminal growth factor by 1% and decrease / increase in discount rate by 1% would increase / decrease fair value by Rupees +302.824 million / - 255.875 million.
			Risk adjusted discount rate	22.46%	
Nishat Sutas Dairy Limited	3,248,146	1,254,812	Terminal growth factor	2.00%	Increase / decrease in terminal growth factor by 1% and decrease / increase in discount rate by 1% would increase / decrease fair value by Rupees + 579.797 million / - 461.275 million.
			Risk adjusted discount rate	18.66%	
	<b>10,128,247</b>	<b>8,321,102</b>			

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

#### Valuation processes

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

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

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

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

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

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

## 48 FAIR VALUE MEASUREMENTS - NON-FINANCIAL ASSETS

### i) Fair value hierarchy

Judgements and estimates are made for non-financial assets not measured at fair value in these financial statements but for which the fair value is described in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its non-financial assets into the following three levels.

At 30 June 2024	Level 1	Level 2	Level 3	Total
----- (Rupees in thousand) -----				
Investment properties	-	7,642,266	-	7,642,266
<b>Total non-financial assets</b>	-	7,642,266	-	7,642,266

At 30 June 2023	Level 1	Level 2	Level 3	Total
----- (Rupees in thousand) -----				
Investment properties	-	7,528,289	-	7,528,289
<b>Total non-financial assets</b>	-	7,528,289	-	7,528,289

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year. Further, there was no transfer in and out of level 3 measurements.

### ii) Valuation techniques used to determine level 2 fair values

The Company obtains independent valuations for its investment properties at least annually. At the end of each reporting period, the management updates the assessment of the fair value of each property, taking into account the most recent independent valuations. The management determines a property's value within a range of reasonable fair value estimates. The best evidence of fair value is current prices in an active market for similar properties.

#### Valuation processes

The Company engages external, independent and qualified valuer to determine the fair value of the Company's investment properties at the end of every financial year. As at 30 June 2024, the fair values of the investment properties have been determined by Al-Hadi Financial & Legal Consultants (an approved valuer).

Changes in fair values are analyzed at the end of each year during the valuation discussion between the Chief Financial Officer and the valuer. As part of this discussion the team presents a report that explains the reason for the fair value movements.

**49 DISCLOSURES BY COMPANY LISTED ON ISLAMIC INDEX**

	Note	2024	2023
		(Rupees in thousand)	
<b>Description</b>			
<b>Loan / advances obtained as per Islamic mode:</b>			
Loans	6 and 10	18,358,124	13,748,795
Advances	8	900,502	1,730,996
<b>Shariah compliant bank deposits / bank balances</b>			
Bank balances	26	609,059	569,921
<b>Profit earned from shariah compliant bank deposits / bank balances</b>			
Profit on deposits with banks	32	-	-
<b>Revenue earned from shariah compliant business</b>		160,256,555	141,756,469
<b>Gain / (loss) or dividend earned from shariah compliant investments</b>			
Dividend income	32.1	5,243	1,145,657
Unrealized gain / (loss) on remeasurement of investments at FVTOCI		5,402,926	1,452,659
<b>Exchange gain earned</b>		776,340	1,741,635
<b>Mark-up paid on Islamic mode of financing</b>		3,395,174	890,620
<b>Profits earned or interest paid on any conventional loan / advance</b>			
Profit earned on loan to subsidiary company		2,659,054	2,733,307
Interest paid on loans		7,569,325	4,037,847
Profit earned on deposits with banks		246,614	150,213
Interest income on loans to employees		2,399	4,306

**Relationship with shariah compliant banks**

Name	Relationship
Habib Bank Limited - Islamic Banking	Bank balance
Standard Chartered Bank (Pakistan) Limited (Saadiq Islamic Banking)	Bank balance
Bank Islami Pakistan Limited	Bank balance and short term borrowings
Meezan Bank Limited	Bank balance, long term financing and short term borrowings
Dubai Islamic Bank Pakistan Limited	Bank balance and short term borrowings
MCB Islamic Bank Limited	Bank balance
Faysal Bank Limited (Barkat Islami)	Bank balance, short term borrowings and long term financing
Askari Bank Limited - Ikhlas Islamic Banking	Long term financing
The Bank of Punjab (Taqwa Islamic Banking)	Bank balance and short term borrowings
Al-Baraka Bank Pakistan Limited	Bank balance and short term borrowings

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

### 50 UNUTILIZED CREDIT FACILITIES

	Non-funded		Funded	
	2024	2023	2024	2023
(Rupees in thousand)				
Total facilities	14,731,000	15,031,000	117,674,000	104,991,000
Utilized at the end of the year	12,788,429	14,548,191	82,474,974	67,252,136
Unutilized at the end of the year	1,942,571	482,809	35,199,026	37,738,864

### 51 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 27 September 2024 by the Board of Directors of the Company.

### 52 CORRESPONDING FIGURES

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. Except for reclassification as disclosed in note 2.2 to the financial statements, no significant rearrangements / reclassification have been made.

### 53 GENERAL

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

Consolidated Financial Statements of  
**Nishat Mills Limited**  
and its Subsidiaries  
for the year ended June 30, 2024



## DIRECTORS' REPORT

The Directors are pleased to present their report together with the consolidated financial statement of Nishat Mills Limited ("the Holding Company") and its Subsidiary Companies (together referred to as Group) for the year ended 30 June 2024. The consolidated results comprise of financial statements of Nishat Mills Limited, Nishat Power Limited, Nishat Linen (Private) Limited, Nishat Hospitality (Private) Limited, Nishat USA Inc., Nishat Linen Trading LLC, Nishat International FZE, China Guangzhou Nishat Global Company Limited, Nishat Commodities (Private) Limited, Wernerfelt A/S and Wernerfelt Sverige AB.

The Holding Company has annexed its consolidated financial statements along with its separate financial statements, in accordance with the requirements of International Financial Reporting Standards and Companies Act, 2017. The Directors' Report, giving a commentary on the performance of Nishat Mills Limited for the year ended 30 June 2024 has been presented separately. It also includes a brief description of all the subsidiary companies of the Holding Company.

**Following are the key highlights (Consolidated):**

<b>Financial Highlights</b>	<b>Year ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
Revenue (Rs. '000)	212,511,599	193,676,352
Gross Profit (Rs. '000)	33,691,443	33,165,666
Profit after taxation (Rs. '000)	10,508,575	13,299,322

For and on behalf of the Board of Directors

**Mian Umer Mansha**  
Chief Executive Officer

27 September 2024  
Lahore

**Farid Noor Ali Fazal**  
Director

# INDEPENDENT AUDITOR'S REPORT

To the members of Nishat Mills Limited

## Opinion

We have audited the annexed consolidated financial statements of Nishat Mills Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 30 June 2024, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

## Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of the Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Following are the Key audit matters:

Sr. No.	Key audit matters	How the matters were addressed in our audit
1.	<p><b>Accounting for equity accounted associates</b></p> <p>Investments in equity-accounted associates amounted to Rupees 47,442.454 million (17.33% of total assets) as at 30 June 2024.</p> <p>There is a risk that associates are not accounted for and disclosed properly.</p> <p>As such, we have identified the impairment assessment, equity accounting and disclosure for the investments in equity accounted associates as representing key audit matters due to the significance of the balance to the consolidated financial</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> <li>• We perused the supporting documentation and ensured that they are properly accounted for in accordance with International Accounting Standard (IAS) 28 'Investments in Associates and Joint Ventures'.</li> <li>• We ensured proper equity accounting was carried out during the year by looking at the post-acquisition change in the Group's share of net assets of the associates. In particular, we have:</li> </ul>

**Following are the key audit matters:**

Sr. No.	Key audit matters	How the matters were addressed in our audit
	<p>statements as a whole.</p> <p>The Group's management conducts its impairment test to assess the recoverability of the equity accounted associates and considers whether there are indicators of impairment with respect to these investments. Impairment assessments of these investments require significant judgement and there is the risk that valuation of the investments may be incorrect and any potential impairment charge miscalculated.</p> <p>For further information on investments in equity-accounted associates, refer to the following:</p> <ul style="list-style-type: none"> <li>- Material accounting policy information, Consolidation – Associates note 2.2(b) to the consolidated financial statements.</li> <li>- Critical accounting estimates and judgements note 2.1(c).</li> <li>- Long term investments note 19 to the consolidated financial statements.</li> </ul>	<ul style="list-style-type: none"> <li>- Tested additions of investments made during the year.</li> <li>- Checked the accuracy for computation of share of dividend income and profit or loss and other comprehensive income of the associates.</li> <li>• We assessed the adequacy of the disclosures presented within the consolidated financial statements to ensure they are in accordance with International Financial Reporting Standard (IFRS) 12 'Disclosure of Interests in Other Entities'.</li> <li>• We sent group audit instructions to the respective component auditors to gain comfort on the audit procedures performed by the component auditors over the financial statements of associates.</li> <li>• We evaluated the reasonableness of management's assumptions and estimates used in determining the recoverable values of material investments. We assessed the assumptions and estimates based on our knowledge of the Group and the industries.</li> </ul>
2.	<p><b>Assessment of control and significant influence on investments</b></p> <p>There is a risk that management has made an error in judgement or may have not fully considered all rules, facts and circumstances in assessing whether the Group has control or significant influence on its investments which may have significant consequences on the consolidated financial statements.</p> <p>For further information, refer to the following:</p> <ul style="list-style-type: none"> <li>- Material accounting policy information, Consolidation note 2.2 to the consolidated financial statements.</li> <li>- Note 1 and Note 19 to the consolidated financial statements.</li> </ul>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> <li>• We tested the design and implementation of key controls around the application of the accounting standards and evaluated the significant judgements that management exercised in determining whether the Group controls or have significant influence over the investee companies.</li> <li>• We reviewed documents to support any key judgments management has made in determining whether they control or have significant influence over an investee e.g. power over relevant activities.</li> <li>• We have tested the consolidation process to assess whether the conclusions reached have been appropriately applied in the preparation of</li> </ul>

<b>Sr. No.</b>	<b>Key audit matters</b>	<b>How the matters were addressed in our audit</b>
		the consolidated financial statements and adequate disclosures have been made in the consolidated financial statements.
3.	<p><b>Inventory existence and valuation</b></p> <p>Inventory of the textile business of the Group as at 30 June 2024 represented a material position in the consolidated statement of financial position.</p> <p>Inventory is measured at the lower of cost and net realizable value.</p> <p>We identified existence and valuation of inventory as a key audit matter due to its size, representing 20.20% of total assets of the Group as at 30 June 2024, and the judgment involved in valuation.</p> <p>For further information on inventory, refer to the following:</p> <ul style="list-style-type: none"> <li>- Material accounting policy information, Inventories note 2.14 to the consolidated financial statements.</li> <li>- Stores, spare parts and loose tools note 22 and Stock-in-trade note 23 to the consolidated financial statements.</li> </ul>	<p>Our procedures over existence and valuation of inventory included, but were not limited to:</p> <ul style="list-style-type: none"> <li>• To test the quantity of inventories at all locations, we assessed the corresponding inventory observation instructions and participated in inventory counts on sites. Based on samples, we performed test counts and compared the quantities counted by us with the results of the counts of the management.</li> <li>• For a sample of inventory items, re-performed the weighted average cost calculation and compared the weighted average cost appearing on valuation sheets.</li> <li>• We tested that the ageing report used by management correctly aged inventory items by agreeing a sample of aged inventory items to the last recorded invoice.</li> <li>• On a sample basis, we tested the net realizable value of inventory items to recent selling prices and re-performed the calculation of the inventory write down, if any.</li> <li>• We assessed the percentage write down applied to older inventory with reference to historic inventory write downs and recoveries on slow moving inventory.</li> <li>• In the context of our testing of the calculation, we analysed individual cost components and traced them back to the corresponding underlying documents. We furthermore challenged changes in unit costs.</li> <li>• We also made inquiries of management, including those outside of the finance function, and considered the results of our testing above to determine whether any specific write downs were required.</li> </ul>

<b>Sr. No.</b>	<b>Key audit matters</b>	<b>How the matters were addressed in our audit</b>
4.	<p><b>Capital expenditures</b></p> <p>The textile business of the Group is investing significant amounts in its operations and there are a number of areas where management judgement impacts the carrying value of property, plant and equipment and its respective depreciation profile. These include among other the decision to capitalize or expense costs; and review of useful life of the assets including the impact of changes in the Group's strategy.</p> <p>We focused on this area since the amounts have a significant impact on the financial position of the Group and there is significant management judgment required that has significant impact on the reporting of the financial position for the Group. Therefore, considered as one of the key audit matters.</p> <p>For further information, refer to the following:</p> <ul style="list-style-type: none"> <li>- Material accounting policy information, Property, plant, equipment and depreciation note 2.5 to the consolidated financial statements.</li> <li>- Property, plant and equipment note 16 to the consolidated financial statements.</li> </ul>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> <li>• We tested operating effectiveness of controls in place over the property, plant and equipment cycle including the controls over whether costs incurred on activities is capital or operating in nature.</li> <li>• We evaluated the appropriateness of capitalization policies and depreciation rates.</li> <li>• We performed tests of details on costs capitalized.</li> <li>• We verified the accuracy of management's calculation used for the impairment testing.</li> </ul>
5.	<p><b>Revenue recognition</b></p> <p>We identified recognition of revenue of textile business of the Group as a key audit matter because revenue is one of the key performance indicators and gives rise to an inherent risk that revenue could be subject to misstatement to meet expectations or targets.</p> <p>For further information, refer to the following:</p> <ul style="list-style-type: none"> <li>- Material accounting policy information, Revenue recognition note 2.19 to the consolidated financial statements.</li> <li>- Revenue note 31 to the consolidated financial statements.</li> </ul>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> <li>• We obtained an understanding of the process relating to recognition of revenue and testing the design, implementation and operating effectiveness of key internal controls over recording of revenue.</li> <li>• We compared a sample of revenue transactions recorded during the year with sales orders, sales invoices, delivery documents and other relevant underlying documents.</li> <li>• We compared a sample of revenue transactions recorded around the year-end with the sales orders, sales invoices, delivery documents and other relevant underlying documentation to</li> </ul>

<b>Sr. No.</b>	<b>Key audit matters</b>	<b>How the matters were addressed in our audit</b>
		<p>assess if the related revenue was recorded in the appropriate accounting period.</p> <ul style="list-style-type: none"> <li>• We assessed whether the accounting policies for revenue recognition complies with the requirements of IFRS 15 'Revenue from Contracts with Customers'.</li> <li>• We also considered the appropriateness of disclosures in the consolidated financial statements.</li> </ul>
6.	<p><b>Contingencies</b></p> <p>As disclosed in note 15(a)(xx) to note 15(a)(xxviii) to the accompanying consolidated financial statements, Nishat Power Limited - Subsidiary Company has contingent liabilities in respect of various matters, which are pending adjudication before respective authorities and courts of law.</p> <p>Contingencies require management to make judgments and estimates in relation to the interpretation of laws, statutory rules and regulations, and the probability of outcome and financial impact, if any, on Nishat Power Limited - Subsidiary Company for disclosure and recognition and measurement of any provisions that may be required against such contingencies in accordance with applicable financial reporting standards.</p> <p>Due to significance of amounts involved, uncertainties with respect to the outcome of matters and use of significant management judgments and estimates to assess the same including related financial impacts, we considered this as a key audit matter.</p> <p>For further information on contingencies, refer to the following:</p> <ul style="list-style-type: none"> <li>- Material accounting policy information, Contingent liabilities note 2.28 to the consolidated financial statements.</li> <li>- Critical accounting estimates and judgements note 2.1(c).</li> <li>- Contingencies note 15(a)(xx) to note 15(a)(xxviii) to the consolidated financial statements.</li> </ul>	<p>Our audit procedures among others included obtaining an understanding of the process and controls on this area relevant to our audit. Further, we have:</p> <ul style="list-style-type: none"> <li>• Obtained and reviewed detail of the pending matters and discussed the same with the Nishat Power Limited - Subsidiary Company's management.</li> <li>• Reviewed the correspondence of the Nishat Power Limited - Subsidiary Company with the relevant authorities, tax and legal advisors, including judgments or orders passed by the competent authorities in relation to the issues involved or matters which have similarities with the issues involved.</li> <li>• Obtained and reviewed confirmations from the Nishat Power Limited - Subsidiary Company's external tax and legal advisors for their views on the probable outcome of the pending tax cases and other contingencies.</li> <li>• Involved internal tax professionals to assess reasonability of management's conclusions on such pending matters.</li> <li>• Reviewed and evaluated the adequacy of disclosures made in respect of such contingencies in accordance with the requirements of the financial reporting standards as applicable in Pakistan.</li> </ul>

## Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Management and the Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting and reporting standards as applicable in Pakistan and Companies Act, 2017 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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



**RIAZ AHMAD & COMPANY**

Chartered Accountants

LAHORE

October 01, 2024

UDIN: AR202410168ay5XoI7Wn

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2024

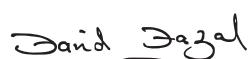
	Note	2024	2023		
		(Rupees in thousand)			
<b>EQUITY AND LIABILITIES</b>					
<b>SHARE CAPITAL AND RESERVES</b>					
<b>Authorized share capital</b>					
1,100,000,000 (2023: 1,100,000,000) ordinary shares of Rupees 10 each		11,000,000	11,000,000		
<b>Issued, subscribed and paid-up share capital</b>	4	3,515,999	3,515,999		
<b>Reserves</b>	5	138,353,201	118,011,073		
<b>Equity attributable to equity holders of the Holding Company</b>		141,869,200	121,527,072		
<b>Non-controlling interest</b>		15,978,611	14,639,269		
<b>Total equity</b>		157,847,811	136,166,341		
<b>LIABILITIES</b>					
<b>NON-CURRENT LIABILITIES</b>					
Long term financing	6	23,682,746	11,913,819		
Lease liabilities	7	1,583,612	1,769,657		
Security deposits	8	288,360	265,610		
Retirement benefit obligation		61,630	54,852		
Deferred liabilities	9	6,900,539	5,069,383		
		32,516,887	19,073,321		
<b>CURRENT LIABILITIES</b>					
Trade and other payables	10	19,827,841	17,464,024		
Accrued mark-up	11	1,529,600	1,843,179		
Short term borrowings	12	53,676,569	46,246,793		
Current portion of non-current liabilities	13	5,399,404	4,919,417		
Unclaimed dividend		142,551	130,485		
Provision for taxation and levy - net	14	2,765,693	652,879		
		83,341,658	71,256,777		
<b>TOTAL LIABILITIES</b>		115,858,545	90,330,098		
<b>CONTINGENCIES AND COMMITMENTS</b>	15				
<b>TOTAL EQUITY AND LIABILITIES</b>		273,706,356	226,496,439		

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



CHIEF EXECUTIVE OFFICER

	Note	2024	2023		
		(Rupees in thousand)			
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
Property, plant and equipment	16	71,700,074	56,760,506		
Intangible assets	17	677,647	-		
Right-of-use assets	18	2,069,327	2,081,373		
Long term investments	19	70,842,826	54,469,968		
Long term loans	20	484,723	403,613		
Long term deposits	21	625,535	323,729		
		146,400,132	114,039,189		
<b>CURRENT ASSETS</b>					
Stores, spare parts and loose tools	22	7,003,908	7,014,286		
Stock-in-trade	23	51,724,654	51,487,576		
Trade debts	24	38,376,196	28,573,197		
Loans and advances	25	816,688	2,052,958		
Short term deposits and prepayments	26	818,434	471,727		
Other receivables	27	13,079,543	13,667,116		
Accrued interest	28	40,879	30,762		
Short term investments	29	4,264,954	-		
Cash and bank balances	30	11,180,968	9,159,628		
		127,306,224	112,457,250		
<b>TOTAL ASSETS</b>		<b>273,706,356</b>	<b>226,496,439</b>		



DIRECTOR



CHIEF FINANCIAL OFFICER

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

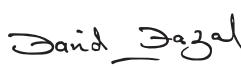
For the year ended June 30, 2024

	Note	2024	2023
		(Rupees in thousand)	
REVENUE	31	212,511,599	193,676,352
COST OF SALES	32	(178,820,156)	(160,510,686)
GROSS PROFIT		33,691,443	33,165,666
DISTRIBUTION COST	33	(12,414,491)	(10,665,053)
ADMINISTRATIVE EXPENSES	34	(4,129,202)	(3,449,457)
OTHER EXPENSES	35	(376,071)	(725,182)
		(16,919,764)	(14,839,692)
		16,771,679	18,325,974
OTHER INCOME	36	6,529,195	5,899,329
PROFIT FROM OPERATIONS		23,300,874	24,225,303
FINANCE COST	37	(11,058,114)	(7,503,497)
		12,242,760	16,721,806
SHARE OF NET PROFIT OF ASSOCIATES ACCOUNTED FOR USING THE EQUITY METHOD	19.2	3,364,475	1,206,373
PROFIT BEFORE LEVY AND TAXATION		15,607,235	17,928,179
LEVY	38	(2,841,248)	(2,531,173)
PROFIT BEFORE TAXATION		12,765,987	15,397,006
TAXATION	39	(2,257,412)	(2,097,684)
PROFIT AFTER TAXATION		10,508,575	13,299,322
SHARE OF PROFIT ATTRIBUTABLE TO: EQUITY HOLDERS OF HOLDING COMPANY		7,868,223	11,295,127
NON-CONTROLLING INTEREST		2,640,352	2,004,195
		10,508,575	13,299,322
EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)	40	22.38	32.12

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

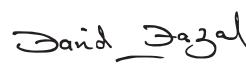
# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended June 30, 2024

	2024	2023
	(Rupees in thousand)	
<b>PROFIT AFTER TAXATION</b>	10,508,575	13,299,322
<b>OTHER COMPREHENSIVE INCOME / (LOSS)</b>		
<b>Items that will not be reclassified to profit or loss:</b>		
Remeasurement of retirement benefits of associates - net of tax	11,212	3,080
Surplus / (deficit) arising on remeasurement of investments at fair value through other comprehensive income	11,329,945	(1,608,043)
Share of surplus / (deficit) on remeasurement of investments at fair value through other comprehensive income of associates - net of tax	4,443,027	(499,018)
Deferred income tax relating to investments at fair value through other comprehensive income	(1,488,653)	171,910
	14,295,531	(1,932,071)
<b>Items that may be reclassified subsequently to profit or loss:</b>		
Exchange differences on translating foreign operations	(63,627)	375,630
Other comprehensive income / (loss) for the year - net of tax	14,231,904	(1,556,441)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>24,740,479</b>	<b>11,742,881</b>
<b>SHARE OF TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>		
EQUITY HOLDERS OF HOLDING COMPANY	22,100,127	9,738,686
NON-CONTROLLING INTEREST	2,640,352	2,004,195
	<b>24,740,479</b>	<b>11,742,881</b>

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

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended June 30, 2024

Attributable to Equity Holders of the Holding Company											(Rupees in thousand)				
Share Capital	Premium on issue of right shares	Fair value reserve FVTOCI investments	Exchange Translation Reserve	Statutory Reserve	Capital Redemption Reserve Fund	Capital Maintenance Reserve	Sub Total	General Reserve	Unappropriated Profit	Sub Total	Total Reserves	Shareholders' Equity	Non-Controlling Interest	Total Equity	
3,515,999	5,499,530	3,241,268	350,961	11,046	111,002	1,608,668	10,322,475	86,577,214	12,279,097	98,856,311	109,678,786	113,194,785	13,762,616	126,457,401	
<b>Balance as at 30 June 2022</b>															
Transaction with owners - Final dividend for the year ended 30 June 2022 @ Rupees 4.00 per share	-	-	-	-	-	-	-	-	(1,406,399)	(1,406,399)	(1,406,399)	-	-	(1,406,399)	
Transferred to statutory reserve	-	-	-	2,378	-	-	2,378	-	(2,378)	(2,378)	-	-	-	-	
Transferred to general reserve	-	-	-	-	-	-	-	10,872,000	(10,872,000)	-	-	-	-	-	
Transfer of maintenance reserve	-	-	-	-	-	(263,805)	(263,805)	-	263,805	263,805	-	-	-	-	
Transaction with owners - dividend relating to year 2022 paid to non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	(1,127,542)	(1,127,542)	(1,127,542)	
Profit for the year	-	(1,935,151)	375,630	-	-	(1,559,521)	-	-	11,295,127	11,295,127	11,295,127	2,004,195	2,004,195	13,993,322	
Other comprehensive loss for the year	-	(1,935,151)	375,630	-	-	(1,559,521)	-	-	3,080	(1,556,441)	(1,556,441)	-	-	(1,556,441)	
Total comprehensive income for the year	-	-	-	-	-	-	-	11,298,207	11,298,207	9,738,686	9,738,686	2,004,195	2,004,195	11,742,881	
<b>Balance as at 30 June 2023</b>															
Transaction with owners - Final dividend for the year ended 30 June 2023 @ Rupees 5.00 per share	-	-	-	-	-	-	-	-	(1,757,999)	(1,757,999)	(1,757,999)	-	-	(1,757,999)	
Transferred to statutory reserve	-	-	-	1,019	-	-	1,019	-	(1,019)	(1,019)	-	-	-	-	
Transferred to general reserve	-	-	-	-	-	-	-	9,802,000	(9,802,000)	-	-	-	-	-	
Transfer of maintenance reserve	-	-	-	-	-	(266,533)	(266,533)	-	266,533	266,533	-	-	-	-	
Transaction with owners - dividend relating to year 2023 paid to non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	(1,301,010)	(1,301,010)	(1,301,010)	
Profit for the year	-	14,284,319	(63,627)	-	-	(14,220,692)	-	-	7,868,223	7,868,223	7,868,223	2,640,352	2,640,352	10,008,575	
Other comprehensive income for the year	-	14,284,319	(63,627)	-	-	(14,220,692)	-	-	11,212	14,231,904	14,231,904	-	-	14,231,904	
Total comprehensive income for the year	-	-	-	-	-	-	-	7,879,435	7,879,435	22,100,127	22,100,127	2,640,352	2,640,352	24,740,479	
<b>Balance as at 30 June 2024</b>															
Nishat Mills Limited and its Subsidiaries	3,515,999	5,499,530	1,306,117	726,591	13,424	111,002	1,344,863	9,001,327	97,445,214	11,560,332	109,009,546	118,011,073	121,527,072	14,639,269	136,66,341

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended June 30, 2024

	Note	2024	2023
		(Rupees in thousand)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash generated from operations</b>	41	18,044,299	9,396,246
Finance cost paid		(11,370,533)	(6,119,751)
Income tax paid		(2,948,434)	(2,884,354)
Long term security deposits - net		22,750	7,200
Exchange gain on forward exchange contracts received		304,995	18,954
Net increase in retirement benefit obligation		5,621	18,474
Net decrease in long term loans		(98,638)	73,985
Net increase in long term deposits		(425,581)	(13,268)
<b>Net cash generated from operating activities</b>		3,534,479	497,486
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant and equipment		232,437	86,168
Capital expenditure on property, plant and equipment		(19,915,253)	(10,365,402)
Dividends received		7,361,215	3,283,016
Investments made		(328,208,509)	(3,014,221)
Proceeds from sale of investments		323,234,339	5,663,239
Interest received		641,287	293,627
<b>Net cash used in investing activities</b>		(16,654,484)	(4,053,573)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from long term financing		14,640,745	2,476,845
Repayment of long term financing		(2,895,298)	(3,172,144)
Repayment of lease liabilities		(882,075)	(810,343)
Exchange differences on translation of net investments in foreign subsidiaries		(63,627)	375,630
Short term borrowings - net		7,429,776	14,553,799
Dividend paid		(3,046,943)	(2,525,528)
<b>Net cash from financing activities</b>		15,182,578	10,898,259
<b>Net increase in cash and cash equivalents</b>		2,062,573	7,342,172
<b>Net foreign exchange difference on translating cash and bank balances</b>		(41,233)	58,640
<b>Cash and cash equivalents at the beginning of the year</b>		9,159,628	1,758,816
<b>Cash and cash equivalents at the end of the year</b>		11,180,968	9,159,628

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

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2024

## 1 THE GROUP AND ITS OPERATIONS

- a) The Group consists of:

### Holding Company

- Nishat Mills Limited

### Subsidiary Companies

- Nishat Power Limited
- Nishat Linen (Private) Limited
- Nishat Hospitality (Private) Limited
- Nishat USA, Inc.
- Nishat Linen Trading LLC
- Nishat International FZE
- China Guangzhou Nishat Global Co., Ltd.
- Nishat Commodities (Private) Limited
- Wernerfelt A/S
- Wernerfelt Sverige AB

## NISHAT MILLS LIMITED

Nishat Mills Limited is a public limited company incorporated in Pakistan under the repealed Companies Act, 1913 (Now Companies Act, 2017) and listed on Pakistan Stock Exchange Limited. Its registered office is situated at 53-A, Lawrence Road, Lahore. Nishat Mills Limited 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. Geographical location and addresses of all business units are as follows:

Sr. No.	Manufacturing units and offices	Address
1	Spinning units, yarn dyeing unit and power plant	Nishatabad, Faisalabad.
2	Spinning units and power plant	Plot No. 172-180 and 188-197, M-3 Industrial City, Sahianwala and FIEDMC, 2 K.M., Jhumra Chiniot Road, Chak Jhumra, Faisalabad.
3	Spinning units and power plant	20 K.M., Sheikhupura Road, Feroze Wattwan.
4	Weaving units, Denim unit and power plant	12 K.M., Faisalabad Road, Sheikhupura.
5	Weaving units, dyeing and finishing unit, processing unit, stitching units and power plants	5 K.M., Nishat Avenue Off 22 K.M., Ferozepur Road, Lahore.
6	Terry unit	7 K.M., Nishat Avenue Off 22 K.M., Ferozepur Road, Lahore.
7	Apparel unit	2 K.M., Nishat Avenue Off 22 K.M., Ferozepur Road, Lahore.
8	Head office	7-Main Gulberg, Lahore.
9	Office	1st Floor, Karachi Chambers, Hasrat Mohani Road, Karachi.
10	Registered office	Nishat House, 53-A, Lawrence Road, Lahore.

## NISHAT POWER LIMITED

Nishat Power Limited is a public limited company incorporated in Pakistan under the repealed Companies Ordinance, 1984 (Now Companies Act, 2017) and listed on Pakistan Stock Exchange Limited. Nishat Power Limited is a subsidiary of Nishat Mills Limited. The principal activity of Nishat Power Limited is to build, own, operate and maintain

a fuel fired power station having gross capacity of 200 MW in Jamber Kalan, Tehsil Pattoki, District Kasur, Punjab, Pakistan. Its registered office is situated at 53-A, Lawrence Road, Lahore. Its head office is situated at 1-B, Aziz Avenue, Canal Road, Gulberg V, Lahore. Nishat Power Limited had a Power Purchase Agreement ('PPA') with its sole customer, National Transmission and Despatch Company Limited ('NTDC') for twenty five years which commenced from 09 June 2010. On 12 February 2021, Nishat Power Limited entered into a Novation Agreement to the PPA with NTDC and Central Power Purchasing Agency (Guarantee) Limited ('CPPA-G' and also referred to as the 'Power Purchaser'), whereby, NTDC irrevocably transferred all of its rights, obligations and liabilities under the PPA to CPPA-G and thereafter, NTDC ceased to be a party to the PPA, and CPPA-G became a party to the PPA in place of NTDC. Further, on the same day, Nishat Power Limited entered into the PPA Amendment Agreement, whereby, the Agreement Year that was ending on 08 June 2021 was extended by sixty eight (68) days to 15 August 2021. Ownership interest held by non-controlling interests in Nishat Power Limited is 48.99% (2023: 48.99%).

Geographical location and addresses of all business units are as follows:

Sr. No.	Business Units	Address
1	Registered office	53-A, Lawrence Road, Lahore.
2	Head office	1-B, Aziz Avenue, Canal Road, Gulberg V, Lahore.
3	Power station	Jamber Kalan, Tehsil Pattoki, District Kasur, Punjab.
4	Sub-office	Unit-2, 17-B, Aziz Avenue, Canal Road, Gulberg V, 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 repealed Companies Ordinance, 1984 (Now Companies Act, 2017) on 15 March 2011. The registered office of Nishat Linen (Private) Limited is situated at 7- Main, Gulberg Lahore. The principal objects of Nishat Linen (Private) Limited are to operate retail outlets for sale of textile and other products and to sale the textile products by processing the textile goods in own and outside manufacturing facility. Geographical location and addresses of all business units are as follows:

Sr. No.	Business Units	Address
---------	----------------	---------

#### Manufacturing unit and office

- |   |                           |                                  |
|---|---------------------------|----------------------------------|
| 1 | Stitching Unit and office | 21 K.M., Ferozepur Road, Lahore. |
|---|---------------------------|----------------------------------|

#### Stores

- |   |                         |   |
|---|-------------------------|---|
| 1 | Nishat Emporium Mall    | Shop No. G-26, Nishat Emporium Mall, Abdul Haque Road, Johar Town, Lahore.                        |
| 2 | Swarovski-Emporium Mall | Shop No. KG-05, Ground Floor, Nishat Emporium Mall, Abdul Haque Road, Johar Town, Lahore.         |
| 3 | Gulberg Galleria        | Shop No. 13, Ground Floor U/G1 & L/G2, Gulberg Galleria, 18-Main Boulevard, Gulberg III, Lahore.  |
| 4 | Packages Mall           | Shop No. 1011, Packages Mall, Walton Road, Lahore.  |
| 5 | Tariq Road              | Plot No. 172-S, P.E.C.H.S, Block 2, Tariq Road, Karachi.  |
| 6 | Wapda Town              | Main Boulevard, Johar Town, (Opposite Shaukat Khanum Hospital), Lahore.                           |
| 7 | Fashion Avenue          | Fashion Avenue, Shop No. 5-7, College Block, Main Boulevard, Allama Iqbal Town, Lahore.           |
| 8 | Swarovski Forum Mall*   | Khayaban-e-Jami, Block 9, Clifton, Karachi.   |
| 9 | Canal West Bank         | Shop No. 1-3, Ground Floor, Sraw Plaza, Near Muhamid Town, Phase 1, Canal West Bank Road, Lahore. |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2024

<b>Sr. No.</b>	<b>Business Units</b>	<b>Address</b>
10	Phase IV DHA	176 DD, Commercial Area, Phase IV, DHA, Lahore.
11	Khokhar Chowk	Shop No. 469, Main Boulevard, Khokhar Chowk, Johar Town, Lahore.
12	Link Road Model Town	Opposite Raja Sahib, Link Road Model Town, Lahore.
13	Sukkur	Shop No. 63, Ground Floor, Muslim Co-operative Housing Society, Military Road, Sukkur.
14	DHA Raya - Boutique	CP-42, Ground Floor, Mezzanine and Basement, Fairway Commercial, Defence Raya, Phase VI, Lahore.
15	FPS Chauburji	Fair Price Shop, Shop No. 2, Development Scheme, Chauburji, Lahore.
16	Gulshan Ravi	Factory Outlet, Shop No. 12-C, Main Boulevard, Gulshan Ravi, Lahore.
17	Thokar Niaz Baig	Factory Outlet, Ground Floor, 55th Avenue, Thokar Niaz Baig, Raiwind Road, Lahore.
18	E-Store	21 K.M., Ferozepur Road, Lahore.
19	Clifton	G.F2, Jamalistan Shopping Center, DC-1, Block 8, Clifton, Karachi.
20	Dolmen Clifton	D-3, 1st Floor, Dolmen City, Block 4, Scheme 5, Clifton, Karachi.
21	Dolmen Tariq Road	SF-21, 2nd Floor, Dolmen Mall, Block 3, P.E.C.H.S., Tariq Road, Karachi.
22	Wazirabad	G-58, Mohallah Hajipura, Sialkot Road, Wazirabad.
23	Ocean Mall	Shop No. 250-254, 2nd Floor, Ocean Mall, Plot No. G-3, Khyaban-e-Iqbal, Block 9, Clifton, Karachi.
24	KDA Outlet Store	NL Outlet Store, 565-A, Block 3, KDA Scheme 24, Gulshan-e-Iqbal, Karachi.
25	Capital Region	Plot No. 26 and 537, Jawa Industrial Estate Kahuta, Rawalpindi.
26	Lucky One Mall	Lucky One Mall, Shop No. F-31, First Floor, Block 21, F.B. Area, Main Rashid Minhas Road, Karachi.
27	Millennium Mall*	Millennium Mall, Main Rashid Minhas Road, Adjacent Drive-In Cinema, Gulshan-e-Iqbal, Karachi.
28	ANB Center	ANB Center, Plot No. 13-V, (Behind PSO Petrol Pump) Jinnah Super Market, F-7 Markaz, Islamabad.
29	F-10	Block No. 7, Malik Arcade, F-10 Markaz, Islamabad.
30	Centaurus Mall	Shop No. 120, 1st Floor, Centaurus Shopping Mall, Jinnah Avenue, Plot No. 1, Blue Area, F-8/G-8, Islamabad.
31	Bahria Town Phase 7	Plaza 155, (Near Shaheen Chowk), Spring North, Phase 7, Bahria Town, Islamabad.
32	Swarovski Lucky One Mall	Ground Floor, Shop No. GF-14C, Lucky One Mall, Block 21, Main Rashid Minhas Road, Opposite UBL Sports Complex, Karachi.
33	World Trade Center	World Trade Center, G.T. Road, Defence Housing Authority, Phase II, Islamabad.
34	Awami Trade Center	Shop No. 32-36, Awami Trade Center, Ground Floor, G9 Markaz, Islamabad.
35	Adamjee Road	Plot No. 5, Saddar, Adamjee Road, Rawalpindi.
36	Satellite Town	Shop No. 3, Abbas Arcade, 5th Road, Satellite Town, Commercial Market, Rawalpindi.
37	Crystal Mall	Shop No. 04, Crystal Mall, Main Bosan Road, Multan.
38	Gulshan Market	Shop No. 3, Block-S, 100 Feet Road, Gulshan Market, New Multan Colony, Multan.

Sr. No.	Business Units	Address
39	S.P Chowk	Plot No. 1-A, S.P Chowk, Nusrat Road, Multan Cantt, Multan.
40	Masooma	Shop No. 2-3, Masooma Shopping Center, Legacy Tower, Koh-e-Noor City, Jaranwala Road, Faisalabad.
41	D-Ground	1298/B, Chen One Road, Peoples Colony No. 1, Faisalabad.
42	Gulberg Road	Shop No. P-424, Jinnah Colony, Gulberg Road, Faisalabad.
43	Grand Atrium Mall	1st Floor, Grand Atrium Mall, West Canal Road, Faisalabad.
44	Taj Shopping Center	Shop No. 21-27, Ground Floor, Taj Shopping Center, (Near National Bank) Government Girls College Road, Satellite Town, Gujranwala.
45	Fazal Centre	Hall No. 5, Fazal Centre, G.T. Road, Rahwali Cantt., Gujranwala.
46	Peshawar Branch	JB Tower, Opposite Gul Haji Plaza, Ground Floor, University Road, Peshawar.
47	Cantt Branch	Shop No. 63-65 and 77-88, Deans Trade Center, Islamia Road Cantt, Peshawar.
48	Abdullah Mall	Abdullah Mall, Ground Floor, Kutchery Road, Gujrat.
49	Sialkot	Shop No. 13-15, Liberty Market, Aziz Shaheed Road, (Near Silver Spoon Restaurant) Cantt, Sialkot.
50	Bahawalpur	Shop No. 2, Haqqi Centre, (Opposite Commissioner House) Adjacent to DIG House, Bahawalpur.
51	Sargodha	Shop No. 39, Raas Tower, Qasim Park, Opposite MCB Bank, Main University Road, Sargodha.
52	Abbottabad	Mansehra Road, Near Frontiers Motors, Opposite Faysal Bank, Abbottabad.
53	Mardan	Afaq Centre, (Opposite Premier Sugar Mills) Nowshera Road, Mardan.
54	Sahiwal	Shop No. 1, Near Pearl Marriage Hall, Opposite Educator School, Girls College Road , Sahiwal.
55	Swat	Shop No. 01-08, City Center, Phase 3, G.T. Road, Qamber, Swat.
56	Mandi Bahauddin	Shop No. G9, Ground Floor, Hakim Mall, Jail Road, Mandi Bahauddin.
57	Jhelum	Deen Plaza, Civil Line Road, Jhelum.
58	Boulevard Mall	First Floor, A-14, Boulevard Mall, Auto Bhan Road, S.I.T.E., Hyderabad.
59	Burewala	Hall No. 01, The Empire Mall, Near Al-Habib Super Store, Canal Road, Burewala.
60	Quetta	Shop No. 1, Ground Floor, Millennium Mall, Gulistan Road, Quetta.
61	Muzaffarabad	Shop No. 1, Ground Floor, Al-Rahim Plaza, Neelum Valley Road (Lower Plate), Muzaffarabad.
62	Sheikhupura	Nishat Mall, Nishat Chowk, Jinnah Park, Sheikhupura.
63	D.G. Khan	Shop No. 32-33, Block No. 15, Traffic Chowk, Dera Ghazi Khan.
64	Rahim Yar Khan	Shop No. 29, Public Plots, Near Town Hall, Club Road Model Town, Rahim Yar Khan.
65	Lalamusa	Ground Floor and First Floor, Near Bihari Colony, Opposite Madarasa Ghousia, G.T. Road, Lalamusa.
66	Fair Price Shop Sukheki	Nishat Dairy, 1 K.M., Off Kot Sarwar Interchange, Sukheki.
67	Wah Cantt	Shop No. 7-8, Lower Ground & Shop No. 7-8 Ground Floor, City Centre, Phase 2, New City, Wah Cantt.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2024

<b>Sr. No.</b>	<b>Business Units</b>	<b>Address</b>
68	Jalalpur Jattan	Musa Center, 1st Floor, Opposite Municipal Girls Model School, Circular Road, Jalalpur Jattan.
69	Fair Price Shop - Lahore	21 K.M., Ferozepur Road, Lahore.
70	Fair Price Shop - Bhikhi	Nishat Mills Limited, Weaving Unit Bhikhi, Sheikhupura.
71	Fair Price Shop - Faisalabad	Nishat Mills Limited, Nishatabad, Faisalabad.
72	Centaurus – Inglot	Shop No. 315, 3rd Floor, The Centaurus Mall, F-8, Islamabad.
73	Pakpattan	Jahangir Heights, Shop No. 02, Mandi Morr, Pakpattan.
74	DMC – Inglot	D-3, 1st Floor, Dolmen City, Block 4, Scheme 5, Clifton, Karachi.
75	Emporium – Boutique	Ground Floor, G-43, Emporium Mall, Lahore.
76	Swarovski Centaurus	Plot No. 1, 1st Floor, The Centaurus Mall, Islamabad.
77	Kartarpur	Kiosk Market, Gurdwara Complex (Terminal 1), Kartarpur Corridor, Narowal.
78	Crystal Mall – Inglot	Crystal Mall, Chungi No. 9, Bosan Road, Multan.
79	Sargodha – Inglot	Plot No. 39, Raas Tower, Qasim Park, University Road, Sargodha.
80	Nishat Linen Tower	5-A-3, Mian Mahmood Ali Kasuri Road, Gulberg III, Lahore.
81	Factory Outlet - Lahore	Shop No. 160, Karim Block, Allama Iqbal Town, Lahore.
82	The Mall – Karachi	Shop No. 105, Ground Floor, Shanti Nagar, Main Rashid Minhas Road, Opposite Aladin Amusement Park, Karachi.
83	Bahria Town - Rawalpindi	Building 117, Civic Center, Phase 4, Bahria Town, Rawalpindi.
84	Al Barkat Center – Gujranwala	Shop No. 1839-A, Al Barkat Center, Near Marinate Restaurant, G.T. Road, Gujranwala.
85	Dera Ismail Khan	Opposite Liaqat Park, East Circular Road, Dera Ismail Khan.
86	Jhang	1 K.M., Faisalabad Road, Jhang Sadar.
87	Layyah	Shop No. 2, College Road, Layyah.
88	Mirpur	Shop No. 64, Qureshi Plaza, Sector F-1, Kotli Road, Mirpur Azad Kashmir.
89	Okara	Shop No. 436, Tehsil Road, Near Press Club, Okara.
90	Hafizabad	Javed Iqbal Plaza, Vanike Road, Hafizabad.
91	E-Store	Elahi Arcade, Plot No. H-3/A, Sector 5, EBM Causeway, Korangi Industrial Area, Karachi.
92	Phalia	Shop No. 01, Mall of Phalia, Gujrat Road, Phalia.
93	Boulevard Mall – Inglot*	Shop No. 8, The Boulevard Mall, East Canal Road, Near Suzuki Burj Motors Showroom, Saeed Colony, Faisalabad.
94	Royal Enterprises	22 K.M., Ferozepur Road, Lahore.
95	Swarovski – DMC	Shop No. 12, 2nd Floor, Dolmen Mall, Clifton, Karachi.
96	Nishat Linen Tower – Inglot	5-A-3, Mian Mahmood Ali Kasuri Road, Gulberg III, Lahore.
97	Nishat Linen Tower – Swarovski	5-A-3, Mian Mahmood Ali Kasuri Road, Gulberg III, Lahore.
98	Swarovski-WTC	Shop No. 11A, Ground Floor, Giga Mall, DHA Phase 2, Islamabad.
99	Faisalabad – Swarovski*	Shop No. G-10, Ground Floor, The Boulevard Shopping Mall, East Canal Road, Faisalabad.
100	North Nazimabad Karachi	Plot No. D-10/A, Block H, Main Khayaban-e-Sher Shah Suri, North Nazimabad, Karachi.
101	Hyderabad	Shop No. 23-A, Unit 3, Main Auto Bhan Road, Hyderabad.
102	Vehari	Shop No. 1, Ground and First Floor, Mall of Vehari, Hasilpur Road, Vehari.
103	Daska	Shop No. 1, College Road, Daska.
104	Korangi Industrial Area	Plot No. S-1, Survey No. 231, Sector 2, Korangi Industrial

Sr. No.	Business Units	Address
105	Gojra	Area, Karachi.
106	Haripur	Opposite Paradise City, Jhang Road, Gojra.
107	DHA Phase 3	Akhtar Nawaz Plaza, Main Haripur Road, Haripur.
108	Bahria Town	Plaza No. 123, Y Block, DHA Phase 3, Lahore.
109	PWD Islamabad	Shop No. 64-B, Sector C, Opposite Grand Jamia Masjid, Bahria Town, Lahore.
110	Islamabad B-17	Shop No. 418, PWD Housing Society, Sector C, Main PWD Road, Islamabad.
111	Gujranwala Nazir Center	Plot No. 3, Capital Square Mall, Ground Floor, Block C, Multi Gardens Scheme, Islamabad.
112	Gulshan Iqbal Karachi*	Shop No 2-4, Nazir Center, Opposite Toyota Motors, Chan Da Qila, G.T. Road, Gujranwala.
113	Shalimar Link Road	Shop No. 14, Block 13-C, University Road, Near Ashfaq Memorial Hospital, Gulshan-e-Iqbal, Karachi.
114	Alipur Chatha	Shop No. 13-B, Shalimar Link Road, Mughalpura, Lahore.
115	Zam Zam Mall	Bahawal Plaza, Main Madina Chowk, Gujranwala Road, Alipur Chatha.
116	Kharian	Zam Zam Shopping Mall, Bypass Chowk, Lower Dir, Timergara, Khyber Pakhtunkhwa.
117	Inglot Forum Mall*	New Al-Muheet Center, Shop No. 2 and 3, Block 3, G.T. Road Kharian.
		Shop No. 77, Ground Floor, Forum Mall, Karachi.

\* These shops have been closed during the year.

#### NISHAT HOSPITALITY (PRIVATE) LIMITED

Nishat Hospitality (Private) Limited was incorporated in Pakistan on 01 July 2011 as a private limited company under the Companies Ordinance, 1984 (Now Companies Act, 2017). It is a wholly owned subsidiary of Nishat Mills Limited. Nishat Hospitality (Private) Limited is engaged in the business of hotel, cafes, restaurants, bakers and confectioners. Geographical location and addresses of all business units are as follows:

Sr. No.	Business Units	Address
1	Hotel / principal place of business	8-A, 9-A and 28-A to 31-A, Mian Mehmood Ali Kasuri Road, Gulberg-III, Lahore.
2	Registered Office	1-B, Aziz Avenue, Canal Bank, Gulberg V, Lahore.
3	Warehouse	32-A, Mian Mehmood Ali Kasuri Road, Gulberg-III, Lahore.
4	Office	93, A-III, Gulberg-III, Lahore.

#### NISHAT USA, INC.

Nishat USA, Inc. is a foreign subsidiary incorporated under the Business Corporation Laws of the State of New York. The principal business of Nishat USA, Inc. 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.

Sr. No.	Business Units	Address
1	Registered Office	230 Fifth Avenue, Suite 600, New York, NY 10001, U.S.A.
2	Warehouse	4010 Bluebonnet Suite 200, Stafford, Texas

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2024

### NISHAT LINEN TRADING LLC

Nishat Linen Trading LLC is a limited liability company formed in pursuance to statutory provisions of the United Arab Emirates (UAE) Federal Law No. (8) of 1984 as amended and registered with the Department of Economic Development, Government of Dubai. Nishat Linen Trading LLC is a subsidiary of Nishat Mills Limited as Nishat Mills Limited, through the powers given to it under Article 11 of the Memorandum of Association, exercise full control on the management of Nishat Linen Trading LLC. Date of incorporation of Nishat Linen Trading LLC was 29 December 2010. The principal business of Nishat Linen Trading LLC is to operate retail outlets in UAE for sale of textile and related products. The registered office address of Nishat Linen Trading LLC in U.A.E. is Shop No. SC 128, Dubai Festival City, P.O. Box 28189 Dubai, United Arab Emirates and the retail outlets are located at:

Sr. No.	Business Units	Address
1	DFC Mall Store	Shop No. SC128, 1st Floor, Dubai Festival City, Dubai.
2	Dubai Outlet Store	Shop No. F29 & F30, 1st Floor Outlet Mall, Dubai.
3	Oasis Center Store	Shop No. M-101C 1st Floor, Oasis Centre, Dubai.
4	Arabian Center Store*	Shop No. 1543, Ground Floor, Arabian Centre, Dubai.
5	Meena Bazar Store	Shop No. 03(A), Al Esbeq Building, Souk Al Kabeer, Dubai.
6	Al Ghurair Mall	Shop No. FC34, 1st Floor, Al Ghurair Centre, Deira, Dubai.
7	Sharjah City Centre	Shop No. U-029, 1st Floor, City Centre, Sharjah.
8	Sharq Mall	Shop No. RB154-RB155-RB156, 1st Floor, Sharq Mall, Abu Dhabi.
9	Al Wahda Mall Store	Shop No. E276, Second Floor, Al Wahda Mall, Abu Dhabi.
10	Al Ain Mall Store	Shop No. F-17, Al Ain Mall, Al Ain.
11	City Centre Mirdif Store	Shop No. C072, Ground Floor, Dubai.
12	City Centre Al Zahia Store	Shop No. B-015, 2nd Floor, City Centre, Al Zahia, Sharjah.
13	City Centre Ajman	Shop No. B-016, Ground Floor, City Centre, Ajman.
14	Dubai E-Store	Plot No. Mo741, Jabel Ali Free Zone, P.O Box No. 114622 Dubai, United Arab Emirates.

\* This store has been closed during the year.

### NISHAT INTERNATIONAL FZE

Nishat International FZE is incorporated as free zone establishment with limited liability in accordance with the Law No. 9 of 1992 and licensed by the Registrar of Jebel Ali Free Zone Authority. Nishat International FZE is a wholly owned subsidiary of Nishat Mills Limited. Date of incorporation of Nishat International FZE was 07 February 2013. The registered office of Nishat International FZE is situated at P.O. Box 114622, Jebel Ali Free Zone, Dubai. The principal business of Nishat International FZE is trading in textile and related products.

### CHINA GUANGZHOU NISHAT GLOBAL CO., LTD.

China Guangzhou Nishat Global Co., Ltd. is a company incorporated in People's Republic of China on 25 November 2013. It is a wholly owned subsidiary of Nishat International FZE which is a wholly owned subsidiary of Nishat Mills Limited. The primary function of Nishat Global China Company Limited is to competitively source products for the retail outlets operated by Group companies in Pakistan and the UAE. The registered office of Nishat Global China Company Limited is situated at N801, No. 371-375 East Huanshi Road, Yuexiu District, Guangzhou City, China.

### NISHAT COMMODITIES (PRIVATE) LIMITED

Nishat Commodities (Private) Limited is a private limited company incorporated in Pakistan on 16 July 2015 under the repealed Companies Ordinance, 1984 (Now Companies Act, 2017). It is a wholly owned subsidiary of Nishat Mills Limited. Its registered office is situated at 53-A, Lawrence Road, Lahore. The principal object of Nishat Commodities (Private) Limited is to carry on the business of trading of commodities including fuels, coals, building material in any form or shape manufactured, semi-manufactured, raw materials and their import and sale in Pakistan. Geographical location and addresses of all business units are as follows:

Sr. No.	Business units	Address
1	Head office	5 K.M., Nishat Avenue, Off 22 K.M. Ferozepur Road, Lahore.
2	Registered office	Nishat House, 53 – A, Lawrence Road, Lahore.

### **WERNERFELT A/S**

Wernerfelt A/S is a public limited company incorporated and existing under the laws of Denmark, having its principal place of business at Energivej 10, 8500 Grenaa, Denmark. Authorised as well as issued, subscribed and fully paid-up share capital of Wernerfelt A/S stand at 500,000 DKK (Danish Krone Five Hundred Thousand Only), divided into 50 ordinary shares of face value DKK 10,000 (Danish Krone Ten Thousand) each. Nishat Mills Limited acquired all of the aforementioned 50 ordinary shares of Wernerfelt A/S on 24 June 2024, representing the entire ownership and voting interest in Wernerfelt A/S and 100% of total issued and paid-up share capital of Wernerfelt A/S. Established more than 90 years ago, Wernerfelt A/S has a wealth of experience and knowledge in developing and supplying high quality fabrics for personal protection and workwear.

### **WERNERFELT SVERIGE AB**

Wernerfelt Sverige AB is a limited company incorporated and existing under the laws of Sweden, having its principal place of business at Box 8000 - 50118 Borås, Skaraborgsvägen 3A, SE-506 30 Borås, Sweden. Wernerfelt Sverige AB is a wholly owned subsidiary of Wernerfelt A/S which is a wholly owned subsidiary of Nishat Mills Limited. Principal business of Wernerfelt Sverige AB is to conduct the sale of textiles and related activities.

#### **b) Significant restrictions**

Cash and bank balances held in foreign countries are subject to local exchange control regulations. These regulations provide for restrictions on exporting capital from these countries, other than through normal dividends. The carrying amount of these assets included within the consolidated financial statements to which these restrictions apply is Rupees 1,567.115 million (2023: Rupees 680.761 million).

## **2 MATERIAL ACCOUNTING POLICY INFORMATION**

The material accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated:

### **2.1 Basis of preparation**

#### **a) Statement of compliance**

These consolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRSs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

#### **b) Accounting convention**

These consolidated financial statements have been prepared under the historical cost convention except as otherwise stated in the respective accounting policies.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2024

## c) Critical accounting estimates and judgments

The preparation of these consolidated financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the 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. The areas where various assumptions and estimates are significant to the consolidated financial statements or where judgments were exercised in application of accounting policies are as follows:

### **Financial instruments – fair value**

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques based on assumptions that are dependent on conditions existing at the reporting date.

### **Useful lives, patterns of economic benefits and impairment**

Estimates with respect to residual values and useful lives and pattern of flow of economic benefits are based on the analysis of the management. Further, the Group reviews the value of assets for possible impairment on an annual basis. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment and investment properties with a corresponding effect on the depreciation charge and impairment.

### **Lease term for lease liability and right-of-use asset**

The Group applies judgment to determine the lease term for lease contracts in which it is a lessee. The judgement significantly affects the amount of lease liabilities and right-of-use assets recognized.

### **Inventories**

Inventory write-down is made based on the current market conditions, historical experience and selling goods of similar nature. It could change significantly as a result of changes in market conditions. A review is made on each reporting date on inventories for excess inventories, obsolescence and declines in net realisable value and an allowance is recorded against the inventory balances for any such declines.

### **Income tax and levy**

In making the estimates for income tax and levy currently payable by the Company, the management takes into account the current income tax law and the decisions of appellate authorities on certain issues in the past.

### **Deferred income tax**

From the financial year ending on 30 June 2025, tax year 2025, income of the Holding Company will be taxed under normal tax regime, hence, as on 30 June 2024, deferred tax on taxable temporary differences between the accounting and tax base of fixed assets is required to be calculated. This is the first time the Holding Company is transitioning to this regime. Previously, the Holding Company was neither required nor claimed tax depreciation against final tax regime, hence, accounting written-down value (WDV) of fixed assets is now being used as tax base for the calculation of taxable temporary differences against fixed assets. This critical accounting estimation, used by the management in the calculation of deferred tax, is based on the advice of legal counsel, and it reflects the best available information for the calculation of deferred tax.

### **Allowance for expected credit losses**

The allowance for Expected Credit Losses (ECLs) assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

### **Provisions**

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognised provision is recognised in the consolidated statement of profit or loss unless the provision was originally recognised as part of cost of an asset.

### **Contingencies**

The Group reviews the status of all pending litigations and claims against the Group. Based on the judgment and the advice of the legal advisors for the estimated financial outcome, appropriate disclosure or provision is made. The actual outcome of these litigations and claims can have an effect on the carrying amounts of the liabilities recognized at the consolidated statement of financial position date.

### **Revenue from contracts with customers involving sale of goods**

When recognizing revenue in relation to the sale of goods to customers, the key performance obligation of the Group is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

### **Impairment of investments in equity method accounted for associates**

In making an estimate of recoverable amount of the Group's investments in equity method accounted for associates, the management considers future cash flows.

#### **d) Amendments to published approved accounting standards that are effective in current year and are relevant to the Group**

Following amendments to published approved accounting standards are mandatory for the Company's accounting periods beginning on or after 01 July 2023:

- Disclosure of Accounting Policies (Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 'Making Materiality Judgement').
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 'Income Taxes').
- Change in definition of Accounting Estimate (Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors').
- Amendments to IAS 12 'Income Taxes' - International Tax Reform — Pillar Two Model Rules.

The above-mentioned amendments to approved accounting standards did not have any impact on the amounts recognised in prior period and are not expected to significantly affect the current or future periods.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2024

**e) Amendments to published approved accounting standards that are effective in current year but not relevant to the Group**

There are amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2023 but are considered not to be relevant or do not have any significant impact on the Group's financial statements and are therefore not detailed in these consolidated financial statements.

**f) Standards and amendments to published approved accounting standards that are not yet effective but relevant to the Group**

Following standards and amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 July 2024 or later periods:

Classification of liabilities as current or non-current (Amendments to IAS 1 'Presentation of Financial Statements') effective for the annual period beginning on or after 01 January 2024. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.

On 31 October 2022, the IASB issued 'Non-current Liabilities with Covenants (Amendments to IAS 1)' to clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments are effective for reporting periods beginning on or after 01 January 2024.

On 22 September 2022, the IASB issued 'Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)' with amendments that clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments are effective for annual periods beginning on or after 01 January 2024.

On 25 May 2023, the IASB issued 'Suppliers Finance Arrangements (Amendments to IAS 7 and IFRS 7)' to add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangement. The amendments are effective for reporting period beginning on or after 01 January 2024.

Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' (deferred indefinitely) to clarify the treatment of the sale or contribution of assets from an investor to its associates or joint venture, as follows: require full recognition in the investor's financial statements of gains and losses arising on the sale or contribution of assets that constitute a business (as defined in IFRS 3 'Business Combinations'); require the partial recognition of gains and losses where the assets do not constitute a business, i.e. a gain or loss is recognized only to the extent of the unrelated investors' interests in that associate or joint venture. These requirements apply regardless of the legal form of the transaction, e.g. whether the sale or contribution of assets occur by an investor transferring shares in a subsidiary that holds the assets (resulting in loss of control of the subsidiary), or by the direct sale of the assets themselves.

Lack of Exchangeability (Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates'). The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. The amendments are effective for annual reporting periods beginning on or after 01 January 2025.

IFRS 18 'Presentation and Disclosure in Financial Statements' (effective for annual periods beginning on or after 01 January 2027) with a focus on updates to the statement of profit or loss. The

objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. The key new concepts introduced in IFRS 18 relate to: the structure of the statement of profit or loss; required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'.

The above standards and amendments and improvements are likely to have no significant impact on the consolidated financial statements.

**g) Standards and amendments to approved published standards that are not yet effective and not considered relevant to the Group**

There are other standards and amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2024 but are considered not to be relevant or do not have any significant impact on the Group's financial statements and are therefore not detailed in these consolidated financial statements.

## 2.2 Consolidation

**a) Subsidiaries**

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The assets and liabilities of Subsidiary Companies have been consolidated on a line by line basis and carrying value of investments held by the Holding Company is eliminated against Holding Company's share in paid up capital of the Subsidiary Companies.

Intragroup balances and transactions have been eliminated.

Non-controlling interests are that part of net results of the operations and of net assets of Subsidiary Companies attributable to interest which are not owned by the Holding Company. Non-controlling interests are presented as separate item in the consolidated financial statements.

**b) Associates**

Associates are all entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2024

further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

Investments in equity method accounted for associates are tested for impairment in accordance with the provision of IAS 36 'Impairment of Assets'.

### c) Translation of the financial statements of foreign subsidiaries

The financial statements of foreign subsidiaries of which the functional currency is different from that used in preparing the Group's financial statements are translated in functional currency of the Group. Statement of financial position items are translated at the exchange rate at the reporting date and statement of profit or loss items are converted at the average rate for the period. Any resulting translation differences are recognized under exchange translation reserve in consolidated reserves.

### 2.3 Taxation and Levy

#### Current

Provision for current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year, if enacted. Except for the tax (final tax) deducted by subsidiaries, associates or joint arrangements on distribution of dividend to the Holding Company, final taxes levied under the Income Tax Ordinance, 2001 and any excess over the amount designated as provision for current tax are charged as levy in the consolidated statement of profit or loss. Tax (final tax) deducted by subsidiaries, associates or joint arrangements on distribution of dividend to the Holding Company is charged as current tax in the consolidated statement of profit or loss. The charge for current tax and levy also includes adjustments, where considered necessary, to provision for tax and levy made in previous years arising from assessments framed during the year for such years. Previously, component representing levy was included in provision for current tax and was not separately charged in the consolidated statement of profit or loss. Now, the Group has changed its accounting policy of taxation and levy in accordance with "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes" issued by The Institute of Chartered Accountants of Pakistan through Circular No. 7/2024. This change in accounting policy has been applied retrospectively in accordance with the provisions of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and resulted in following reclassification of corresponding figures:

Reclassified from	Reclassified to	30 June 2023
Rupees in thousand		
<b>Consolidated statement of profit or loss:</b>		
Taxation	Levy	2,531,173
<b>Consolidated statement of financial position:</b>		
Advance income tax	Prepaid levy	1,679,289
Provision for taxation	Levy payable	2,531,550

Had there been no change in the above referred accounting policy, amount of levy Rupees 2,841.248 million, prepaid levy Rupees 1,593.654 million and levy payable Rupees 2,842.031 million would have been presented as taxation expense, advance income tax and provision for taxation respectively in these consolidated financial statements for the year ended 30 June 2024. This change in accounting policy has no impact of earnings per share of the Group. Furthermore, the Group has not presented the third consolidated statement of financial position as at the beginning of the preceding period as the retrospective application does not have an effect on the information in the consolidated statement of financial position at the beginning of the preceding period.

The profits and gains of Nishat Power Limited - Subsidiary Company derived from electric power generation are exempt from tax in terms of Clause (132) of Part I of the Second Schedule to the Income Tax Ordinance, 2001, subject to the conditions and limitations provided therein. Under Clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001, the Subsidiary Company is also exempt from levy of minimum tax on 'turnover' under section 113 of the Income Tax Ordinance, 2001. However, full provision is made in the consolidated statement of profit or loss on income from sources not covered under the above clause at current rates of taxation after taking into account, tax credits and rebates available, if any. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation and considers whether it is probable that the taxation authority will accept an uncertain tax treatment. Nishat Power Limited - Subsidiary Company measures its tax balance either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Provision for income tax on the income of foreign subsidiaries is computed in accordance with the tax legislation in force in the country where the income is taxable.

#### *United Arab Emirates (UAE) Corporate Tax Law*

On 9 December 2022, the UAE Ministry of Finance released the Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (the "Law") to enact a Federal Corporate Tax (CT) regime in the UAE. The CT regime will become effective for accounting periods beginning on or after 1 June 2023. A rate of 9% will apply to taxable income exceeding AED 375,000. A rate of 0% will apply to taxable income not exceeding this threshold.

For Nishat Linen Trading LLC and Nishat International FZE – Subsidiary Companies, Corporate Tax became applicable from 01 July 2023, given that the financial year ended 30 June 2024 falls within the effective period of the CT regime. However, as Nishat Linen Trading LLC and Nishat International FZE – Subsidiary Companies' taxable income for the year is below the AED 375,000 threshold, the management believes the impact of implementation will be not be material to the consolidated financial statements.

#### **Deferred**

Deferred tax is accounted for using the liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in the consolidated statement of profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case the tax is also recognized in other comprehensive income or directly in equity, respectively.

Nishat Power Limited - Subsidiary Company has not made provision for deferred tax as the Subsidiary Company's management believes that the temporary differences will not reverse in the foreseeable future

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2024

due to the fact that the profits and gains of the Company derived from electric power generation are exempt from tax subject to the conditions and limitations provided for in terms of and Clause 132 of Part I and clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

## 2.4 Goodwill

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain. Goodwill is not amortised but is reviewed for impairment at least annually.

## 2.5 Property, plant, equipment and depreciation

### Operating fixed assets

Operating fixed assets except freehold land are stated at cost less accumulated depreciation and accumulated impairment losses (if any). Cost of operating fixed assets consists of historical cost, borrowing cost pertaining to erection / construction period of qualifying assets and other directly attributable costs of bringing the asset to working condition. Freehold land is stated at cost less any recognized impairment loss.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to consolidated statement of profit or loss during the period in which they are incurred.

### Depreciation

Depreciation on operating fixed assets is charged to consolidated statement of profit or loss applying the reducing balance method, except in case of Nishat Power Limited and Nishat Linen Trading LLC (Subsidiary Companies), where this accounting estimate is based on straight line method, so as to write off the cost / depreciable amount of the assets over their estimated useful lives at the rates given in Note 16.1. Depreciation on identifiable capital spares in plant and machinery of Nishat Power Limited – Subsidiary Company is charged on the basis of number of hours used. The depreciation is charged on additions from the date when the asset is available for use and on deletions upto the date when the asset is de-recognized, except in case of Nishat Power Limited – Subsidiary Company, where's full month depreciation is charged in the month in which the asset is available for use and on deletion up to the month immediately preceding the deletion. The residual values and useful lives are reviewed by the management, at each financial year end and adjusted if impact on depreciation is significant.

### De-recognition

An item of operating fixed assets is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the consolidated statement of profit or loss in the year the asset is de-recognized.

### Capital work-in-progress

Capital work-in-progress is stated at cost less identified impairment losses, if any. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to operating fixed assets as and when these are available for use.

### **Major spare parts and stand-by equipment**

Major spare parts and stand-by equipment qualify as property, plant and equipment when an entity expects to use them for more than one year. Transfers are made to relevant operating fixed assets category as and when such items are available for use.

#### **2.6 Investment properties**

Land and buildings held for capital appreciation or to earn rental income are classified as investment properties. Investment properties except land, are stated at cost less accumulated depreciation and any recognized impairment loss. Land is stated at cost less any recognized impairment loss. Depreciation is charged to consolidated statement of profit or loss applying the reducing balance method so as to write off the cost of buildings over its estimated useful lives.

#### **2.7 Intangible assets**

Intangible assets, which are non-monetary assets without physical substance, are recognized at cost, which comprise purchase price, non-refundable purchase taxes and other directly attributable expenditures relating to their implementation and customization. After initial recognition, an intangible asset is carried at cost less accumulated amortization and impairment losses, if any. Intangible assets are amortised using the straight line method over a period of five years. The useful life and amortization method are reviewed and adjusted, if appropriate, at each reporting date.

#### **2.8 Right-of-use assets**

A right-of-use asset is recognized at the commencement date of a lease. The right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment losses (if any). Cost comprises of the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is charged over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.

The Group has elected not to recognize a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are charged to income as incurred.

#### **2.9 Lease liabilities**

A lease liability is recognized at the commencement date of a lease. The lease liability is initially recognized at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are re-measured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is re-measured, an adjustment is made to the corresponding right-of-use asset, or to consolidated statement of profit or loss if the carrying amount of the right-of-use

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2024

asset is fully written down.

Nishat Power Limited - Subsidiary Company has a Power Purchase Agreement (PPA) with its sole customer, CPPA-G for twenty five years and sixty eight days which commenced from 09 June 2010. SECP through SRO 986(I)/2019 dated 02 September 2019, has granted exemption from the requirements of IFRS 16 'Leases' to all companies to the extent of their power purchase agreements executed before 01 January 2019. Therefore, IFRS 16 will not have any impact on the consolidated financial statements to the extent of power purchase agreement of Nishat Power Limited - Subsidiary Company.

Under IFRS 16, the consideration required to be made by the lessee for the right to use the asset is to be accounted for as a finance lease. Nishat Power Limited - Subsidiary Company's power plant's control due to purchase of total output by CPPA-G appears to fall under the scope of finance lease under IFRS 16. Consequently, if Nishat Power Limited - Subsidiary Company was to follow IFRS 16 with respect to its power purchase agreement, the effect on these consolidated financial statements would be as follows:

	2024	2023
	(Rupees in thousand)	
De-recognition of fixed assets	(7,924,842)	(7,933,334)
De-recognition of trade debts	(3,650,695)	(3,116,574)
Recognition of lease debtor	7,015,563	6,578,935
Decrease in un-appropriated profit at the beginning of the year	(4,509,502)	(4,373,821)
Decrease in profit for the year	(89,002)	(135,681)
Decrease in un-appropriated profit at the end of the year	(4,598,504)	(4,509,502)

## 2.10 Investments and other financial assets

### a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortized cost

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Group reclassifies debt investments when and only when its business model for managing those assets changes.

### b) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable

to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

### **Debt instruments**

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

#### **Amortized cost**

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other income / (other expenses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statement of profit or loss.

#### **Fair value through other comprehensive income (FVTOCI)**

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment losses (and reversal of impairment losses), interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised in other income / (other expenses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other income / (other expenses) and impairment losses are presented as separate line item in the consolidated statement of profit or loss.

#### **Fair value through profit or loss (FVTPL)**

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other income / (other expenses) in the period in which it arises.

### **Equity instruments**

The Group subsequently measures all equity investments at fair value for financial instruments quoted in an active market, the fair value corresponds to a market price (level 1). For financial instruments that are not quoted in an active market, the fair value is determined using valuation techniques including reference to recent arm's length market transactions or transactions involving financial instruments which are substantially the same (level 2), or discounted cash flow analysis including, to the greatest possible extent, assumptions consistent with observable market data (level 3).

#### **Fair value through other comprehensive income (FVTOCI)**

Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2024

## Fair value through profit or loss

Changes in the fair value of equity investments at fair value through profit or loss are recognised in other income / (other expenses) in the consolidated statement of profit or loss as applicable.

Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

### 2.11 Financial liabilities – classification and measurement

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in consolidated statement of profit or loss. Any gain or loss on de-recognition is also included in profit or loss.

### 2.12 Impairment of financial assets

#### a. Financial assets other than those due from Government of Pakistan

The Group recognizes loss allowances for ECLs on:

- Financial assets measured at amortized cost;
- Debt investments measured at FVTOCI; and
- Contract assets.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- Debt securities that are determined to have low credit risk at the reporting date; and
- Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

The Group has elected to measure loss allowances for trade debts using IFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Group has established a matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and

supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment including forward-looking information.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVTOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

#### **b. Financial assets due from Government of Pakistan**

Financial assets due from the Government of Pakistan include trade debts and other receivables due from CPPA-G under the PPA that also includes accrued amounts. SECP through SRO 67(I)/2023 dated 20 January 2023 has notified that, in respect of companies holding financial assets due from the Government of Pakistan, the requirements contained in IFRS 9 with respect to application of Expected Credit Losses method shall not be applicable till financial year ending on or before 31 December 2024 and that such companies shall follow relevant requirements of IAS 39 in respect of above referred financial assets during the exemption period. Accordingly, the same continue to be reported as per the following accounting policy:

A provision for impairment is established when there is objective evidence that the Group will not be able to collect all the amount due according to the original terms of the receivable.

The Group assesses at the end of each reporting period whether there is objective evidence that the financial asset is impaired. The financial asset is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset that can be reliably estimated. Evidence of impairment may include indications that the debtor is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization, and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated statement of profit or loss. When the financial asset is uncollectible, it is written off against the provision. Subsequent recoveries of amounts previously written off are credited to the consolidated statement of profit or loss. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2024

occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated statement of profit or loss.

## 2.13 De-recognition of financial assets and financial liabilities

### a) Financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognized financial assets that is created or retained by the Group is recognized as a separate asset or liability.

### b) Financial liabilities

The Group derecognizes a financial liability (or a part of financial liability) from its consolidated statement of financial position when the obligation specified in the contract is discharged or cancelled or expires.

## 2.14 Inventories

Inventories, except for stock in transit and waste stock / rags are stated at lower of cost and net realizable value. Cost is determined as follows:

### Stores, spare parts and loose tools

Useable stores, spare parts and loose tools are valued principally at moving average cost, while items considered obsolete are carried at nil value. Items in transit are valued at cost comprising invoice value plus other charges paid thereon.

### Stock-in-trade

Cost of raw material, work-in-process and finished goods is determined as follows:

- i) For raw materials: Annual average basis.
- ii) For work-in-process and finished goods: Average manufacturing cost including a portion of production overheads.

Materials in transit are valued at cost comprising invoice value plus other charges paid thereon. Waste stock / rags are valued at net realizable value.

Net realizable value signifies the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make a sale.

## 2.15 Trade debts and other receivables

Trade debts are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

However, in respect of companies holding financial assets due from CPPA-G under the PPA that also includes accrued amounts, SECP through SRO 67(I)/2023 dated 20 January 2023 has notified that, in respect of companies holding financial assets due from the Government of Pakistan, the requirements contained in IFRS 9 with respect to application of Expected Credit Losses method shall not be applicable

till financial year ending on or before 31 December 2024 and that such companies shall follow relevant requirements of IAS 39 in respect of above referred financial assets during the exemption period.

#### **2.16 Borrowings**

Financing and borrowings are recognized initially at fair value and are subsequently stated at amortized cost. Any difference between the proceeds and the redemption value is recognized in the consolidated statement of profit or loss over the period of the borrowings using the effective interest method.

#### **2.17 Borrowing cost**

Interest, mark-up and other charges on finances are capitalized up to the date of commissioning of respective qualifying assets acquired out of the proceeds of such finances. All other interest, mark-up and other charges are recognized in consolidated statement of profit or loss.

#### **2.18 Trade and other payables**

Liabilities for trade and other amounts payable are initially recognized at fair value, which is normally the transaction cost and subsequently measured at amortized cost using the effective interest method.

#### **2.19 Revenue recognition**

##### **Sale of goods**

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

##### **Processing services**

The Group provides processing services to local customers. These services are sold separately and the Company's contract with the customer for services constitute a single performance obligation.

Revenue from services is recognized at the point in time, generally at the time of dispatch. There are no terms giving rise to variable consideration under the Group's contracts with its customers.

##### **Interest**

Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

##### **Rent**

Rent revenue from investment properties is recognised on a straight-line basis over the lease term. Lease incentives granted are recognised as part of the rental revenue. Contingent rentals are recognised as income in the period when earned.

##### **Sale of electricity**

Revenue from the sale of electricity to CPPA-G, the sole customer of Nishat Power Limited – Subsidiary Company, is recorded on the following basis:

Capacity purchase price revenue is recognized over time, based on the capacity made available to CPPA-G, at rates as specified under the PPA with CPPA-G, as amended from time to time; and Energy purchase price revenue is recognized at a 'point in time', as and when the Net Electrical Output (NEO) are delivered to CPPA-G.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2024

Capacity and Energy revenue is recognized based on the rates determined under the mechanism laid down in the PPA.

Delayed payment mark-up on amounts due under the PPA is accrued on time proportion basis by reference to the amount outstanding and the applicable rate of return under the PPA.

Invoices are generally raised on a monthly basis and are due after 30 days from acknowledgment by CPPA-G.

## **Dividend**

Dividend on equity investments is recognized when right to receive the dividend is established.

## **Hotel business**

Revenue from hotel ownership comprises amounts earned in respect of rental of rooms, loyalty card sales, food and beverage sales, and other ancillary services and goods supplied by the Nishat Hospitality (Private) Limited – Subsidiary Company. For each of the revenue streams, the Nishat Hospitality (Private) Limited – Subsidiary Company recognizes revenue over time or at a point in time specifically after the performance obligation of transfer of goods or services to the customer has been fulfilled. In case of room rent, the performance obligation is satisfied at the point in time when control of room is transferred to the customer, which is mainly at the time of handing over of room key. There is no financing component involved. Discounts are offered to customers at the management's discretion. Room revenue is recognised on the rooms occupied on daily basis and after completing all other obligation related to the room. Revenue from sale of loyalty cards is recognized on a straight line basis over the respective period of validity of loyalty cards. Revenue from sale of food and beverages and goods is recognized at the point of sale when the food and beverages and goods are delivered to customers. Payment is due immediately when the hotel guests occupies the room and receives the services and goods.

## **Other revenue**

Other revenue is recognised when it is received or when the right to receive payment is established.

### **2.20 Contract assets**

Contract assets arise when the Group performs its performance obligations by transferring goods to a customer before the customer pays its consideration or before payment is due. Contract assets are treated as financial assets for impairment purposes.

### **2.21 Customer acquisition costs**

Customer acquisition costs are capitalised as an asset where such costs are incremental to obtaining a contract with a customer and are expected to be recovered. Customer acquisition costs are amortised on a straight-line basis over the term of the contract.

Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained or which are not otherwise recoverable from a customer are expensed as incurred to profit or loss. Incremental costs of obtaining a contract where the contract term is less than one year is immediately expensed to profit or loss.

### **2.22 Customer fulfilment costs**

Customer fulfilment costs are capitalised as an asset when all the following are met: (i) the costs relate directly to the contract or specifically identifiable proposed contract; (ii) the costs generate or enhance resources of the Group that will be used to satisfy future performance obligations; and (iii) the costs are expected to be recovered. Customer fulfilment costs are amortised on a straight-line basis over the term of the contract.

## **2.23 Right of return assets**

Right of return assets represents the right to recover inventory sold to customers and is based on an estimate of customers who may exercise their right to return the goods and claim a refund. Such rights are measured at the value at which the inventory was previously carried prior to sale, less expected recovery costs and any impairment.

## **2.24 Contract liabilities**

Contract liability is the obligation of the Group to transfer goods to a customer for which the Group has received consideration from the customer. If a customer pays consideration before the Group transfers goods, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Group performs its performance obligations under the contract.

## **2.25 Refund liabilities**

Refund liabilities are recognised where the Group receives consideration from a customer and expects to refund some, or all, of that consideration to the customer. A refund liability is measured at the amount of consideration received or receivable for which the Group does not expect to be entitled and is updated at the end of each reporting period for changes in circumstances. Historical data is used across product lines to estimate such returns at the time of sale based on an expected value methodology.

## **2.26 Provisions**

Provisions are recognized when the Group has a legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate of the amount can be made.

## **2.27 Contingent assets**

Contingent assets are disclosed when the Group has a possible asset that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent assets are not recognized until their realization becomes certain.

## **2.28 Contingent liabilities**

Contingent liability is disclosed when the Group has a possible obligation as a result of past events whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent liabilities are not recognized, only disclosed, unless the possibility of a future outflow of resources is considered remote. In the event that the outflow of resources associated with a contingent liability is assessed as probable, and if the size of the outflow can be reliably estimated, a provision is recognized in the consolidated financial statements.

## **2.29 Impairment of non-financial assets**

Assets that have an indefinite useful life are not subject to depreciation and are tested annually for impairment. Assets that are subject to depreciation are reviewed for impairment at each consolidated statement of financial position date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount for which assets carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date. Reversals of the impairment losses are restricted to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if impairment losses had not been recognized. An impairment loss or reversal of impairment loss is recognized in the consolidated statement of profit or loss.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2024

## 2.30 Derivative financial instruments

Derivatives are initially recognized at fair value. Any directly attributable transaction costs are recognized in the consolidated statement of profit or loss as incurred. They are subsequently remeasured at fair value on regular basis and at each reporting date as a minimum, with all their gains and losses, realized and unrealized, recognized in the consolidated statement of profit or loss.

## 2.31 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at banks on current, saving and deposit accounts and other short term highly liquid instruments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in values.

## 2.32 Segment reporting

Segment reporting is based on the operating (business) segments of the Group. An operating segment is a component that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to the transactions with any of the other components. An operating segment's operating results are reviewed regularly by the Group's chief operating decision makers to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the chief operating decision makers include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Those incomes, expenses, assets, liabilities and other balances which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated.

There are following reportable business segments: Spinning (Producing different quality of yarn including dyed yarn and sewing thread using natural and artificial fibres), Weaving (Producing different quality of greige fabric using yarn), Dyeing (Producing dyed fabric using different qualities of greige fabric), Home Textile and Terry (Manufacturing of home textile articles using processed fabric produced from greige fabric and manufacturing of terry and bath products), Garments (Manufacturing of garments using processed fabric), Power Generation (Generation, transmission and distribution of power using gas, oil, steam, coal, solar and biomass) and Hotel (Business of hotel and allied services).

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

## 2.33 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss over the expected lives of the related assets.

## 3. SUMMARY OF OTHER ACCOUNTING POLICIES

### 3.1 Employee benefit

Nishat Mills Limited – Holding Company and Nishat Power Limited, Nishat Linen (Private) Limited and Nishat Hospitality (Private) Limited – Subsidiary Companies operate approved funded provident fund schemes covering all permanent employees. Equal monthly contributions are made both by the employer

and employees to the fund. The employer's contributions to the fund are charged to consolidated statement of profit or loss.

**End of service indemnity - Nishat Linen Trading LLC and Nishat International FZE – Subsidiary Companies**

Provision is made for the full amount of end of service indemnity due to non-U.A.E. national employees in accordance with the applicable Labour Law and is based on current remuneration and their period of service at the end of the reporting year.

**Short-term and other long term employee benefits - Nishat Linen Trading LLC and Nishat International FZE – Subsidiary Companies**

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognized in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Entity in respect of services provided by employees up to the reporting date.

**Accumulating compensated absences - Nishat Hospitality (Private) Limited – Subsidiary Company**

Nishat Hospitality (Private) Limited – Subsidiary Company provides for accumulating compensated absences when the employees render services that increase their entitlement to future compensated absences in accordance with the terms of employment. Under the terms, all employees are entitled to 25 days leave per year. Unavailed leaves for each year can be carried forward for 2 years and utilized at any time by all employees up to the accumulated balance. Provisions are made annually on the basis of unavailed accumulated leaves. The benefit is calculated with reference to last drawn salary and accumulated leave balances of the employees. The management is of the view that actuarial valuation will not result in any material adjustment to these consolidated financial statements. The liability has been accounted for on the basis that all employees leave at the consolidated statement of financial position date. Retirement benefits are payable to staff on completion of prescribed qualifying period of service under these schemes.

### **3.2 Foreign currencies**

These consolidated financial statements are presented in Pak Rupees, which is the Group's functional currency. All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the reporting date. Transactions in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are charged or credited to statement of profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated into Pak Rupees at exchange rates prevailing at the date of transaction. Non-monetary assets and liabilities denominated in foreign currency that are stated at fair value are translated into Pak Rupees at exchange rates prevailing at the date when fair values are determined.

### **3.3 Offsetting of financial instruments**

Financial assets and financial liabilities are set off and the net amount is reported in the consolidated financial statements when there is a legal enforceable right to set off and the Group intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2024

### 3.4 Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

### 3.5 Share capital

Ordinary shares are classified as share capital. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax.

### 3.6 Dividend and other appropriations

Dividend distribution to the shareholders is recognized as a liability in the consolidated financial statements in the periods in which the dividends are declared and other appropriations are recognized in the period in which these are approved by the Board of Directors.

### 3.7 Earnings per share

Earnings per share (EPS) is calculated by dividing the profit or loss attributable to ordinary shareholders of the Holding Company by the weighted average number of ordinary shares outstanding during the year.

### 3.8 Ijara contracts

Under the Ijarah contracts the Group obtains usufruct of an asset for an agreed period for an agreed consideration. The Group accounts for its Ijarah contracts in accordance with the requirements of IFAS 2 'Ijarah'. Accordingly, the Group as a Mustaj'ir (lessee) in the Ijarah contract recognises the Ujrah (lease) payments as an expense in the profit and loss on straight line basis over the Ijarah term.

## 4 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

			<b>2024</b>	<b>2023</b>		<b>2024</b>	<b>2023</b>
			(Number of Shares)		<b>Note</b>	(Rupees in thousand)	
270,446,606	270,446,606	Ordinary shares of Rupees 10 each fully paid up in cash				2,704,466	2,704,466
2,804,079	2,804,079	Ordinary shares of Rupees 10 each issued to shareholders of Nishat Apparel Limited under the Scheme of Amalgamation				28,041	28,041
23,577,990	23,577,990	Ordinary shares of Rupees 10 each issued as fully paid for consideration other than cash	4.1			235,780	235,780
54,771,173	54,771,173	Ordinary shares of Rupees 10 each issued as fully paid bonus shares				547,712	547,712
351,599,848	351,599,848					3,515,999	3,515,999

**4.1** These mainly include shares issued to members of Umer Fabrics Limited as per the Scheme of Arrangement as approved by the Honourable Lahore High Court, Lahore.

**4.2** Ordinary shares of the Holding Company held by the associated companies:

	<b>2024</b>	<b>2023</b>
<b>Note</b>	(Number of Shares)	
D.G. Khan Cement Company Limited	30,289,501	30,289,501
Adamjee Insurance Company Limited	2,050	2,050
MCB Bank Limited	-	227
Security General Insurance Company Limited	186,030	-
Adamjee Life Assurance Company Limited	433,399	51,815
Nishat (Aziz Avenue) Hotels and Properties Limited	342,500	342,500
Nishat Real Estates Development Company (Private) Limited	127,000	127,000
	31,380,480	30,813,093

## 5 RESERVES

**Composition of reserves is as follows:**

### Capital reserves

Premium on issue of right shares	5.1	5,499,530	5,499,530
Fair value reserve FVTOCI investments - net of deferred income tax	5.2	15,590,436	1,306,117
Exchange translation reserve	2.2(c)	662,964	726,591
Statutory reserve	5.3	14,443	13,424
Maintenance reserve	5.4	1,078,330	1,344,863
Capital redemption reserve fund	5.5	111,002	111,002
		22,956,705	9,001,527

### Revenue reserves

General	107,251,214	97,449,214
Unappropriated profit	8,145,282	11,560,332
	115,396,496	109,009,546
	138,353,201	118,011,073

**5.1** This reserve can be utilized by the Holding Company only for the purposes specified in section 81 of the Companies Act, 2017.

**5.2** This represents the unrealized gain on re-measurement of investments at fair value through other comprehensive income and is not available for distribution. Reconciliation of fair value reserve net of deferred tax is as under:

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2024

	2024	2023
	(Rupees in thousand)	
Balance as on 01 July	1,403,549	3,510,610
Fair value adjustment on investments held by the Holding Company	11,329,945	(1,608,043)
Share of fair value reserve of associates	4,443,027	(499,018)
	<b>17,176,521</b>	<b>1,403,549</b>
Add: Deferred income tax on equity investments	(1,586,085)	(97,432)
Balance as on 30 June	<b>15,590,436</b>	<b>1,306,117</b>

- 5.3** As required by UAE Federal Law No. (2) of 2015 and the Articles of Association of Nishat Linen Trading LLC - Subsidiary Company, 5% (2023: 5%) of the profit for the year has to be transferred to a legal reserve until it is equivalent to 50% of paid-up capital of the Subsidiary Company. This reserve is not available for distribution.
- 5.4** This represents maintenance reserve set aside from retained earnings of Nishat Power Limited - Subsidiary Company for the purpose of meeting repair and maintenance costs associated with major maintenance of the plant of Nishat Power Limited - Subsidiary Company. During the year ended 30 June 2024, the board of directors of the Nishat Power Limited - Subsidiary Company has approved transfer of an amount of Rupees 522.512 million (2023: Rupees 517.164 million) from 'capital reserve' to 'revenue reserve - unappropriated profit' on the basis of actual occurrence of expenditure.
- 5.5** An equity accounted associate created the fund for redemption of preference shares. The preference shares were redeemed during the year ended 30 June 2007.

Note	2024	2023
	(Rupees in thousand)	
<b>6 LONG TERM FINANCING</b>		
<b>From banking companies - secured</b>		
Syndicated term finance	6.1	7,500,000
Long term loans	6.2	16,084,152
Long term musharika	6.3	2,980,482
Motor vehicles' loans	6.7	1,760
		3,484
		26,566,394
Less: Current portion shown under current liabilities	13	(2,883,648)
		(2,892,463)
		23,682,746
		11,913,819

Lender	2024	2023	Rate of Interest Per Annum	Number of Installments	Interest Repricing	Interest Payable	Security
(Rupees in thousand)							

## 6.1 Syndicated term finance

### Nishat Mills Limited - Holding Company

#### From conventional bank

Allied Bank Limited - Intercreditor agent	2,000,000	-	3 months offer KIBOR + 0.2%	Twenty eight equal quarterly installments commencing on 13 February 2027 and ending on 13 November 2033.	Quarterly	Quarterly	Ranking pari passu hypothecation charge (which will be upgraded to first pari passu hypothecation charge within 180 days from facility effective date) of Rupees 10,000 million over all present and future movable and immovable assets (other than land and buildings) of the Holding Company with 25% margin.
<b>Islamic mode of financing</b>							
Meezan Bank Limited	4,000,000	-					
Askari Bank Limited	1,500,000	-					
	<b>7,500,000</b>	<b>-</b>					

## 6.2 Long term loans

### Nishat Mills Limited - Holding Company

Allied Bank Limited	-	174,644	SBP rate for LTFF + 0.25%	Two hundred and twenty unequal installments commenced on 27 March 2018 and ended on 05 June 2024 (Note 6.4).	-	Quarterly	First pari passu hypothecation charge of Rupees 1,334 million over all present and future plant, machinery and equipment of the Holding Company (excluding plant and machinery in respect of which the Holding Company has already created exclusive charges in the favour of its existing creditors).
Allied Bank Limited	150,040	350,861	SBP rate for LTFF + 0.25%	Four hundred and eighty four unequal installments commenced on 28 December 2018 and ending on 13 July 2025 (Note 6.4).	-	Quarterly	First pari passu charge of Rupees 1,334 million (inclusive of 25% margin on all present and future plant and machinery of the Holding Company).
Allied Bank Limited	309,348	498,735	SBP rate for LTFF + 0.25%	Two hundred and twenty unequal installments commenced on 26 January 2020 and ending on 17 September 2026 (Note 6.4).	-	Quarterly	First pari passu charge of Rupees 1,267 million over all present and future plant, machinery and equipment of the Holding Company (excluding plant and machinery in respect of which the Holding Company has already created exclusive charges in the favour of its existing creditors).
Allied Bank Limited	111,358	155,901	SBP rate for LTFF + 0.35%	Sixty unequal installments commenced on 24 January 2022 and ending on 28 October 2026.	-	Quarterly	First pari passu charge of Rupees 1,267 million over all present and future plant, machinery and equipment of the Holding Company

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2024

Lender	2024	2023	Rate of Interest Per Annum	Number of Installments	Interest Repricing	Interest Payable	Security
(Rupees in thousand)							
	261,552	370,807	SBP rate for LTFF + 0.50%	Four hundred and forty three unequal installments commenced on 06 May 2021 and ending on 11 February 2027.	-	Quarterly	
	35,000	55,000	SBP rate for financing power plants using renewable energy + 0.50%	Twenty equal quarterly installments commenced on 14 May 2021 and ending on 14 February 2026.	-	Quarterly	(excluding plant and machinery in respect of which the Holding Company has already created exclusive charges in the favour of its existing charge holders / creditors).
	407,910	581,708					
Askari Bank Limited	176,498	240,621	SBP rate for LTFF + 0.65%	Two hundred and forty unequal installments commenced on 23 February 2022 and ending on 16 July 2027.	-	Quarterly	First pari passu hypothecation charge of Rupees 467 million over all present and future plant, machinery and equipment (excluding all exclusive charges over plant and machinery) of the Holding Company.
Allied Bank Limited	84,615	94,872	SBP rate for financing power plants using renewable energy + 4.00%	Thirty nine installments commenced on 03 February 2023 and ending on 03 August 2032.	-	Quarterly	
Allied Bank Limited	733,946	635,858	3 Month offer KIBOR + 0.25%	Seven hundred unequal installments commencing on 28 January 2025 and ending on 09 August 2033.	Quarterly	Quarterly	First pari passu hypothecation charge of Rupees 1,334 million over all present and future plant, machinery and equipment of the Holding Company (excluding plant and machinery in respect of which the Holding Company has already created exclusive charges in the favour of its existing creditors).
	79,658	-	SBP rate for financing power plants using renewable energy + 3.00%	Thirty two equal quarterly installments commencing on 18 April 2025 and ending on 18 January 2033.	-	Quarterly	
	813,604	635,858					
Bank Alfalah Limited	-	49,208	SBP rate for LTFF + 0.35%	Two hundred and sixty unequal installments commenced on 02 February 2018 and ended on 05 January 2024 (Note 6.4).	-	Quarterly	First pari passu charge of Rupees 1,334 million on all present and future plant and machinery (excluding plant and machinery in respect of which the Holding Company has already created exclusive charges in the favour of existing creditors).
Bank Alfalah Limited	-	102,902	SBP rate for LTFF + 0.35%	Two hundred unequal installments commenced on 10 June 2018 and ended on 27 May 2024 (Note 6.4).	-	Quarterly	

Lender	2024	2023	Rate of Interest Per Annum	Number of Installments	Interest Repricing	Interest Payable	Security
(Rupees in thousand)							
Bank Alfalah Limited	-	56,182	SBP rate for LTFF + 0.35%	Twenty equal quarterly installments commenced on 31 August 2018 and ended on 31 May 2024 (Note 6.4).	-	Quarterly	First pari passu hypothecation charge of Rupees 400 million over all present and future plant and machinery of the Holding Company.
Bank Alfalah Limited	100,522	144,265	SBP rate for LTFF + 0.50%	One hundred unequal installments commenced on 23 December 2021 and ending on 21 October 2026.	-	Quarterly	First pari passu hypothecation charge of Rupees 1,334 million on all present and future plant and machinery (excluding plant and machinery in respect of which the Holding Company has already created exclusive charges in favour of its existing charge holders).
Bank Alfalah Limited	509,332	676,120	SBP rate for TERF + 1.00%	Sixty unequal installments commenced on 28 August 2022 and ending on 15 July 2027 (Note 6.5).	-	Quarterly	
Faysal Bank Limited	-	39,719	SBP rate for LTFF + 0.30%	Twenty unequal installments commenced on 22 November 2018 and ended on 24 May 2024 (Note 6.4).	-	Quarterly	First pari passu charge of Rupees 267 million on all present and future plant and machinery of the Holding Company (excluding those on which charge has already been created).
Faysal Bank Limited	88,908	148,181	SBP rate for LTFF + 0.30%	Eighty unequal installments commenced on 18 January 2020 and ending on 05 November 2025 (Note 6.4).	-	Quarterly	First pari passu charge of Rupees 400 million on all present and future plant and machinery (excluding plant and machinery in respect of which the Holding Company has already created exclusive charges in the favour of existing creditors).
Habib Bank Limited	-	34,785	SBP rate for LTFF + 0.40%	One hundred and eighty unequal installments commenced on 17 September 2017 and ended on 25 November 2023 (Note 6.4).	-	Quarterly	
Habib Bank Limited	1,713,159	1,817,072	SBP rate for LTFF + 0.75%	Eleven hundred and sixty four unequal installments commenced on 28 November 2023 and ending on 22 April 2032.	-	Quarterly	First pari passu hypothecation charge of Rupees 4,000 million on all present and future fixed assets of the Holding Company excluding specific and exclusive charges.
Habib Bank Limited	4,963,000	-	3 Month offer KIBOR + 0.20%	Thirty two equal quarterly installments commencing on 31 December 2025 and ending on 30 September 2033.	Quarterly	Quarterly	First pari passu charge of Rupees 6,667 million over all present and future plant, machinery and equipment of the Holding Company (excluding specific and exclusive charges in the favour of existing charge holders) with 25% margin.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2024

Lender	2024	2023	Rate of Interest Per Annum	Number of Installments	Interest Repricing	Interest Payable	Security
(Rupees in thousand)							
Habib Bank Limited	222,573	371,149	SBP rate for LTFF + 0.25%	Twenty unequal quarterly installments commenced on 27 February 2020 and ending on 27 November 2025 (Note 6.4).	-	Quarterly	<p>First pari passu charge of Rupees 4,084 million over all present and future plant, machinery and equipment of the Holding Company (excluding plant and machinery in respect of which the Holding Company has already created exclusive charges in the favour of its existing creditors).</p>
	38,565	89,986	SBP rate for financing power plants using renewable energy + 0.25%	Twenty equal quarterly installments commenced on 27 February 2020 and ending on 27 November 2025.	-	Quarterly	
	261,138	461,135					
Habib Bank Limited	1,500,000	1,500,000	3 Month offer KIBOR + 0.20%	Thirty two quarterly installments commencing on 28 December 2024 and ending on 28 September 2032.	Quarterly	Quarterly	
Habib Metropolitan Bank Limited	413,312	612,812	SBP rate for LTFF + 0.65%	One hundred and twenty unequal installments commenced on 24 September 2021 and ending on 07 September 2026.	-	Quarterly	First pari passu hypothecation charge of Rupees 1,334 million over plant and machinery (excluding plant and machinery in respect of which the Holding Company has already created exclusive charges in favour of its existing charge holders).
Habib Metropolitan Bank Limited	858,480	973,693	SBP rate for TERF + 0.85%	One hundred and twenty eight unequal installments commenced on 19 July 2023 and ending on 29 July 2031 (Note 6.5).	-	Quarterly	First pari passu hypothecation charge of Rupees 1,334 million over plant and machinery of the Holding Company (excluding plant and machinery in respect of which the Holding Company has created exclusive charges in favour of its existing creditors).
National Bank of Pakistan	727,758	800,000	SBP rate for TERF + 1.50%	One hundred and ninety two unequal installments commenced on 17 September 2023 and ending on 04 October 2031.	-	Quarterly	First pari passu hypothecation charge of Rupees 1,334 million on present and future plant and machinery (excluding plant and machinery in respect of which the Holding Company has already created exclusive charges in favour of its existing charge holders / creditors).
Pak Brunei Investment Company Limited	8,329	68,342	SBP rate for LTFF + 0.25%	Three hundred and twenty unequal installments commenced on 30 August 2018 and ending on 28 December 2024 (Note 6.4).	-	Quarterly	First pari passu charge of Rupees 400 million on all present and future plant and machinery of the Holding Company with 25% margin.

Lender	2024	2023	Rate of Interest Per Annum	Number of Installments	Interest Repricing	Interest Payable	Security
(Rupees in thousand)							
Pakistan Kuwait Investment Company (Private) Limited	-	1,369	SBP rate for LTFF + 0.75%	Two hundred and fifty unequal installments commenced on 15 September 2016 and ended on 29 September 2023 (Note 6.4).	-	Quarterly	First pari passu charge of Rupees 400 million on all present and future plant and machinery of the Holding Company with 25% margin.  Ranking hypothecation charge of Rupees 267 million on plant and machinery of the Holding Company (excluding plant and machinery in respect of which the Holding Company has already created exclusive charges in favour of its existing charge holders / creditors).
Pakistan Kuwait Investment Company (Private) Limited	542,773	709,149	SBP rate for LTFF + 0.65%	Seventy two unequal installments commenced on 10 May 2021 and ending on 13 January 2028.	-	Quarterly	First pari passu hypothecation charge of Rupees 1,334 million on all present and future plant and machinery (excluding plant and machinery in respect of which the Holding Company has already created exclusive charges in favour of its existing charge holders / creditors) of the Holding Company with 25% margin.
United Bank Limited	1,941,441	2,207,894	SBP Rate for TERF + 1.25%	Five hundred and seventy five unequal installments commenced on 08 July 2023 and ending on 02 September 2031 (Note 6.5).	-	Quarterly	First pari passu hypothecation charge of Rupees 3,000 million over all present and future plant and machinery (excluding those assets over which exclusive charges has already been created in favour of existing creditors) of the Holding Company.
Pakistan Kuwait Investment Company (Private) Limited	500,000	500,000	SBP rate for LTFF + 0.90%	Three hundred and ten unequal installments commencing on 29 July 2024 and ending on 21 July 2032.	-	Quarterly	First pari passu charge of Rupees 667 million on all present and future plant and machinery (excluding plant and machinery in respect of which the Holding Company has already created exclusive charges in favour of its existing charge holders / creditors) of the Holding Company with 25% margin.
<b>Nishat Linen (Private) Limited - Subsidiary Company</b>							
Allied Bank Limited	13,985	18,288	SBP rate for financing power plants using renewable energy + 1.00%	Twenty three equal quarterly installments commenced on 28 January 2022 and ending on 28 July 2027.	-	Quarterly	Cross corporate guarantee of Rupees 667 million of Nishat Mills Limited - Holding Company.
	<b>16,084,152</b>	<b>13,498,415</b>					

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2024

Lender	2024	2023	Rate of Interest Per Annum	Number of Installments	Interest Repricing	Interest Payable	Security
(Rupees in thousand)							

## 6.3 Long term musharika

### Nishat Mills Limited - Holding Company

Faysal Bank Limited	2,000,000	-	3 Month offer KIBOR + 0.15%	Ten equal quarterly installments commencing on 30 June 2025 and ending on 27 December 2029.	Quarterly	Quarterly	Ranking pari passu hypothecation charge (which will be upgraded to first pari passu hypothecation charge within 180 days from facility effective date) of Rupees 2,667 million on all present and future plant and machinery of the Holding Company with 25% margin.
Faysal Bank Limited	610,346	823,595	SBP rate for ILTFF + 0.70%	Two hundred and sixty five unequal installments commenced on 24 March 2022 and ending on 10 August 2027.	-	Quarterly	First pari passu charge of Rupees 2,200 million over present and future plant, machinery and equipment of the Holding Company (excluding plant and machinery in respect of which the Holding Company has already created exclusive charges in favour of its existing charge holders / creditors).
	370,136	480,788	SBP rate for islamic renewable energy financing scheme + 0.70%	One hundred unequal installments commenced on 07 July 2022 and ending on 06 July 2028.	-	Quarterly	
	980,482	1,304,383					
	2,980,482	1,304,383					

**6.4** Repayment period includes deferment of repayment of principal loan amount by one year in accordance with the State Bank of Pakistan BPRD Circular Letter No. 13 of 2020 dated 26 March 2020.

**6.5** These loans are obtained by the Holding Company under SBP Temporary Economic Refinance Facility (TERF). These are recognized and measured in accordance with IFRS 9 'Financial Instruments'. Fair value adjustment is recognized at discount rates ranging from 2.34% to 2.60% per annum.

**6.6** Effective rate of markup charged during the year on these financing ranged from 2.25% to 23.91% (2023: 2.25% to 23.10%) per annum.

**6.7** This represents loan obtained by Nishat International FZE - Subsidiary Company from a bank for purchase of a vehicle at an interest rate of 7.47% (2023: 7.04%) per annum repayable in 48 monthly installments.

	Note	2024 (Rupees in thousand)	2023
<b>7 LEASE LIABILITIES</b>			
Total lease liabilities		2,577,325	2,540,844
Less: Current portion shown under current liabilities	13	(993,713)	(771,187)
		1,583,612	1,769,657
<b>7.1 Reconciliation of lease liabilities</b>			
Balance as on 01 July		2,540,844	2,596,010
Add: Liabilities transferred upon acquisition of Wernerfelt A/S	1	109,569	-
Add: Additions during the year		806,480	421,828
Add: Interest accrued on lease liabilities	37	349,126	293,550
Add: Impact of lease modifications / renewals		74,526	261,566
Less: Impact of lease termination		(76,027)	(65,196)
Less: Payments during the period		(1,231,201)	(1,103,893)
Add: Currency retranslation		4,008	136,979
Balance as on 30 June		2,577,325	2,540,844
<b>7.2 Maturity analysis of lease liabilities is as follows:</b>			
Upto 6 months		637,172	543,755
6-12 months		624,892	496,570
1-2 year		951,118	958,981
More than 2 years		882,330	1,149,337
		3,095,512	3,148,643
Less: Future finance cost		(518,187)	(607,799)
Present value of finance lease liabilities		2,577,325	2,540,844
<b>7.3 Implicit rate against lease liabilities ranges from 5.23% to 24.27% (2023: 7.71% to 23.08%) per annum.</b>			
<b>8 SECURITY DEPOSITS</b>			
These represent interest free security deposits received from stockists in connection with 'Nishat Linen' retail outlets in Pakistan. These security deposits have been utilized for the purpose of business in accordance with the terms of written agreements with stockists.			
<b>9 DEFERRED LIABILITIES</b>			
Deferred income tax	9.1	6,547,307	5,021,242
Gas Infrastructure Development Cess (GIDC) payable	9.2	-	-
Deferred income - Government grant	9.3	30,996	43,369
Payable to Lars Lauridsen Holding ApS	9.4	315,197	-
Accumulating compensated absences		7,039	4,772
		6,900,539	5,069,383

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2024

	Note	2024	2023
		(Rupees in thousand)	
<b>9.1 Deferred income tax</b>			
<hr/>			
The liability for deferred taxation originated due to temporary difference relating to:			
<b>Taxable temporary differences on:</b>			
Investments in associates under equity method		5,995,682	5,938,840
Right-of-use assets		501,936	650,747
Equity investments at FVTOCI		1,586,085	97,432
Accelerated tax depreciation	9.1.3	391,173	190,293
Fair value of forward exchange contracts receivable		17,260	-
		<b>8,492,136</b>	<b>6,877,312</b>
<b>Deductible temporary difference on:</b>			
Turnover tax carried forward	9.1.4	(848,652)	(435,371)
Lease liabilities		(698,575)	(839,635)
Accumulating compensated absences	9.1.5	(2,182)	(1,384)
Unabsorbed tax depreciation	9.1.6	(196,632)	(215,583)
Expected credit loss against debtors		(13,938)	(13,619)
Expected credit loss against other advances		(81,275)	(66,140)
Business loss	9.1.4	(96,012)	(284,338)
Fair value of forward exchange contracts payable		(7,563)	-
		<b>(1,944,829)</b>	<b>(1,856,070)</b>
		<b>6,547,307</b>	<b>5,021,242</b>

**9.1.1 Movement in taxable temporary differences and deductible temporary differences during the year is as follows:**

	2024			
	Opening Balance	Recognised in consolidated statement of profit or loss	Recognised in other comprehensive income	Closing Balance
Rupees in thousand				
<b>Taxable temporary differences on:</b>				
Investments in associates under equity method	5,938,840	56,842	-	5,995,682
Right-of-use assets	650,747	(148,811)	-	501,936
Equity investments at FVTOCI	97,432	-	1,488,653	1,586,085
Accelerated tax depreciation	190,293	200,880	-	391,173
Fair value of forward exchange contracts receivable	-	17,260	-	17,260
<b>Deductible temporary difference on:</b>				
Turnover tax carried forward	(435,371)	(413,281)	-	(848,652)
Lease liabilities	(839,635)	141,060	-	(698,575)
Accumulating compensated absences	(1,384)	(798)	-	(2,182)
Unabsorbed tax depreciation	(215,583)	18,951	-	(196,632)
Expected credit loss against debtors	(13,619)	(319)	-	(13,938)
Expected credit loss against other advances	(66,140)	(15,135)	-	(81,275)
Business loss	(284,338)	188,326	-	(96,012)
Fair value of forward exchange contracts payable	-	(7,563)	-	(7,563)
	<b>5,021,242</b>	<b>37,412</b>	<b>1,488,653</b>	<b>6,547,307</b>

	2023		
	Opening Balance	Recognised in consolidated statement of profit or loss	Recognised in other comprehensive income
Rupees in thousand			
<b>Taxable temporary differences on:</b>			
Investments in associates under equity method	4,275,441	1,663,399	-
Right-of-use assets	610,537	40,210	-
Equity investments at FVTOCI	269,342	-	(171,910)
Accelerated tax depreciation	168,331	21,962	-
			5,938,840
<b>Deductible temporary difference on:</b>			
Turnover tax carried forward	-	(435,371)	-
Lease liabilities	(745,018)	(94,617)	-
Accumulating compensated absences	(1,100)	(284)	-
Unabsorbed tax depreciation	(198,621)	(16,962)	-
Expected credit loss against debtors	(8,274)	(5,345)	-
Expected credit loss against other advances	(40,095)	(26,045)	-
Business loss	-	(284,338)	-
Others	(53,284)	53,284	-
	4,277,259	915,893	(171,910)
			5,021,242

- 9.1.2** Deductible temporary differences are considered to the extent that the realization of related tax benefits is probable from reversal of existing taxable temporary differences and future taxable profits. Temporary differences of Nishat Power Limited - Subsidiary Company are not expected to reverse in the foreseeable future due to the fact that the profits and gains derived from electric power generation are exempt from tax.
- 9.1.3** This relates to Nishat Mills Limited - Holding Company, Nishat Hospitality (Private) Limited, Nishat Linen (Private) Limited, Wernerfelt A/S and Nishat Commodities (Private) Limited - Subsidiary Companies.
- 9.1.4** These relate to Nishat Linen (Private) Limited - Subsidiary Company.
- 9.1.5** This relates to Nishat Hospitality (Private) Limited - Subsidiary Company.
- 9.1.6** This relates to Nishat Hospitality (Private) Limited and Nishat Linen (Private) Limited - Subsidiary Companies.

	Note	2024 (Rupees in thousand)	2023 (Rupees in thousand)
<b>9.2 Gas Infrastructure Development Cess (GIDC) Payable</b>			
Opening balance		1,241,103	1,240,330
Add: Adjustment due to impact of IFRS 9	37	-	773
Balance as on 30 June		1,241,103	1,241,103
Less: Current portion shown under current liabilities	13	(1,241,103)	(1,241,103)
		-	-

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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**9.2.1** This represents Gas Infrastructure Development Cess (GIDC) that was levied through GIDC Act, 2015. During the year ended 30 June 2021, Honourable Supreme Court of Pakistan upheld the GIDC Act, 2015 to be constitutional and intra vires. Nishat Mills Limited - Holding Company has filed a review petition in Honourable Sindh High Court, Karachi which is pending adjudication. GIDC payable has been recognized at amortized cost in accordance with IFRS 9.

	Note	2024 (Rupees in thousand)	2023 (Rupees in thousand)
<b>9.3 Deferred income - Government grant</b>			
Opening balance		58,033	85,983
Less: Amortized during the year		(14,665)	(27,950)
		43,368	58,033
Less: Current portion shown under current liabilities	13	(12,372)	(14,664)
		30,996	43,369

**9.3.1** The State Bank of Pakistan (SBP), through its Circular No. 01 and 02 of 2020 dated 17 March 2020 and Circular No. 09 of 2020 dated 08 May 2020 introduced a Temporary Economic Refinance Facility (TERF) for setting of new industrial units and for undertaking Balancing, Modernization and Replacement and / or expansion of projects / businesses. These refinances were available through Banks / DFIs. One of the key feature of these refinance facilities was that borrowers obtained loans at mark-up rates that were below normal lending rates. As per International Accounting Standard (IAS) 20 'Accounting for Government Grants and Disclosure of Government Assistance', the benefit of a Government loan at a below-market rate of interest is treated as a Government grant. The Holding Company has obtained these loans as disclosed in note 6 to these consolidated financial statements. In accordance with IFRS 9 'Financial Instruments', loans obtained under the refinance facilities were initially recognized at fair value which is the present value of loans proceeds received, discounted using prevailing market rates of interest for a similar instrument. Hence, the benefit of the below-market rate of interest was measured as the difference between the initial carrying value of the loan determined in accordance with IFRS 9 and the proceeds received. This benefit is accounted for and presented as deferred grant in accordance with IAS 20. The grant is being amortized in the consolidated statement of profit or loss, in line with the recognition of interest expense the grant is compensating. There are no unfulfilled conditions or contingencies attached to this grant.

	Note	2024 (Rupees in thousand)	2023 (Rupees in thousand)
<b>9.4 Payable to Lars Lauridsen Holding ApS</b>			
Payable to Lars Lauridsen Holding ApS	9.4.1	701,250	-
Less: Fair value adjustment on initial recognition	36	(118,853)	-
Add: Fair value adjustment	37	1,160	-
		(117,693)	-
Add: Exchange loss		208	-
		583,765	-
Less: Current portion shown under current liabilities	13	(268,568)	-
		315,197	-

**9.4.1** This represents payable to Lars Lauridsen Holding ApS against acquisition of Wernerfelt A/S. Total consideration of Rupees 701.250 million against acquisition of long term investment in Wernerfelt A/S is payable in 5 installments commenced from 24 June 2024 and ending on 25 July 2027. Hence, this deferred consideration is recognised and measured at fair value using prevailing market rate of interest (i.e. 20.01% per annum) at the date of acquisition in accordance with IFRS 9.

	Note	2024 (Rupees in thousand)	2023
<b>10 TRADE AND OTHER PAYABLES</b>			
Creditors	10.1	12,303,412	10,746,083
Sindh infrastructure cess payable	10.2	1,772,752	1,377,808
Accrued liabilities		2,271,865	1,966,220
Contract liabilities - unsecured	10.1	1,023,797	1,860,485
Securities from contractors - interest free and repayable on completion of contracts	10.3	11,480	26,456
Retention money payable		246,236	156,978
Income tax deducted at source		1,505	1,080
Payable to employees provident fund trust		33,170	52,873
Royalty and other payable		131,843	131,582
Fair value of forward exchange contracts		19,392	18,292
Payable to banks under bill discounting arrangements		1,351,522	-
Workers' profit participation fund	10.4	407,217	807,907
Workers' welfare fund	10.5	253,650	318,260
		19,827,841	17,464,024
<b>10.1</b> These include amounts due to following related parties:			
<b>Creditors</b>			
D.G. Khan Cement Company Limited - associated company		26,726	-
Security General Insurance Company Limited - associated company		45,139	41,895
Adamjee Insurance Company Limited - associated company		62,985	49,787
Adamjee Life Assurance Company Limited - associated company		2	751
Hyundai Nishat Motors (Private) Limited - associated company		5,009	178
Nishat Dairy (Private) Limited - associated company		3,506	1,617
Nishat Hotels and Properties Limited - associated company		9,573	5,077
Pakistan Aviators and Aviation (Private) Limited - associated company		955	1,045
MCB Bank Limited - associated company		31	-
		153,926	100,350
<b>Contract liabilities - unsecured</b>			
Nishat Hotels and Properties Limited - associated company		165	236
Hyundai Nishat Motors (Private) Limited - associated company		2,297	-
<b>10.2 Sindh infrastructure cess payable</b>			
Balance as on 01 July		1,377,808	931,309
Add: Provision made during the year		394,944	446,499
Balance as on 30 June		1,772,752	1,377,808

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2024

**10.2.1** This represents provision for infrastructure cess imposed by the Province of Sindh through Sindh Finance Act, 1994 and its subsequent versions including the final version i.e. Sindh Development and Maintenance of Infrastructure Cess Act, 2017. Nishat Mills Limited - Holding Company, Nishat Commodities (Private) Limited - Subsidiary Company, Nishat Hospitality (Private) Limited - Subsidiary Company and Nishat Linen (Private) Limited - Subsidiary Company filed writ petitions in Honourable Sindh High Court, Karachi whereby stay was granted and directions were given to provide bank guarantees in favor of Director Excise and Taxation, Karachi. The Honourable Sindh High Court, Karachi passed order dated 04 June 2021 against the Group Companies and directed that bank guarantees should be encashed. Being aggrieved by the order, the Group Companies along with others filed petitions for leave to appeal before Honourable Supreme Court of Pakistan against the Sindh High Court's judgment in relation to Sindh infrastructure development cess. On 01 September 2021, after hearing the petitioners, the Honourable Supreme Court dictated the order in open court granting leave to appeal to the petitioners and restraining the Sindh Government from encashing the bank guarantees furnished in pursuance of the interim orders passed by the Sindh High Court. The Honourable Supreme Court also directed to release the future consignments subject to furnishing of bank guarantees for the disputed amount.

**10.3** These deposits have been utilized for the purpose of business in accordance with the terms of written agreements with contractors.

	Note	2024	2023
		(Rupees in thousand)	
<b>10.4 Workers' profit participation fund</b>			
Balance as on 01 July		807,907	875,495
Add: Provision for the year		407,217	753,712
Add: Interest for the year	37	16,688	66,067
		<b>1,231,812</b>	<b>1,695,274</b>
Less: Payments made during the year		(824,595)	(887,367)
		<b>407,217</b>	<b>807,907</b>

**10.4.1** Interest is paid at prescribed rate under the Companies Profit (Workers' Participation) Act, 1968 on funds utilized till the date of allocation to workers.

	Note	2024	2023
		(Rupees in thousand)	
<b>10.5 Workers' Welfare Fund</b>			
Balance as on 01 July		318,260	260,361
Add: Provision for the year		117,618	87,818
		<b>435,878</b>	<b>348,179</b>
Less: Payments made during the year		(182,228)	(29,919)
Balance as on 30 June		<b>253,650</b>	<b>318,260</b>

### **11 ACCRUED MARK-UP**

Long term financing		805,760	203,965
Short term borrowings	11.1	723,840	1,639,214
		<b>1,529,600</b>	<b>1,843,179</b>

- 11.1** This includes markup of Rupees 8.682 million (2023: Rupees 23.414 million) payable to MCB Bank Limited - associated company.

	Note	2024	2023
		(Rupees in thousand)	
<b>12 SHORT TERM BORROWINGS</b>			
<b>Nishat Mills Limited - Holding Company</b>			
<b>From banking companies and development financial institution - secured</b>			
State Bank of Pakistan (SBP) refinance	12.1, 12.2 & 12.3	23,070,476	21,409,980
Other short term finances	12.1 & 12.4	22,732,655	5,612,000
Temporary bank overdrafts	12.1, 12.2 & 12.5	3,986,493	14,731,813
<b>From other</b>			
Privately placed sukuks	12.6	-	4,000,000
		49,789,624	45,753,793
<b>Nishat Power Limited - Subsidiary Company</b>			
<b>From banking companies - secured</b>			
Running finances	12.7	499,958	-
Running musharaka finances	12.8	1,739,990	-
Term finances	12.9	720,000	-
		2,959,948	-
<b>Nishat Linen (Private) Limited - Subsidiary Company</b>			
<b>From banking company - secured</b>			
Temporary bank overdrafts	12.11 & 12.12	-	-
Other short term finances	12.11 & 12.13	470,000	493,000
		470,000	493,000
Wernerfelt A/S - Subsidiary Company		456,997	-
		53,676,569	46,246,793

- 12.1** These finances are obtained from banking companies and development financial institution under mark up arrangements and are secured against joint pari passu hypothecation charge on all present and future current assets and other instruments. Markup is payable quarterly or at maturity.
- 12.2** These finances includes balance of short term borrowings of Rupees 2,677.786 million (2023: Rupees 680.858 million) payable to MCB Bank Limited – associated company, which has been utilized for working capital requirements.
- 12.3** The rates of mark up range from 1.32% to 19.00% (2023: 0.94% to 18.00%) per annum during the year on the balance outstanding.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2024

- 12.4** The rates of mark up range from 5.33% to 23.42% (2023: 14.16% to 22.49%) per annum during the year on the balance outstanding.
- 12.5** The rates of mark up range from 21.80% to 23.97% (2023: 11.94% to 23.19%) per annum during the year on the balance outstanding.
- 12.6** These represented privately placed, unsecured, non-convertible and shariah compliant short term sukuks having maturity period of 6 months and carried profit at the rate of 3 months KIBOR plus 0.15% to 3 months KIBOR plus 0.25% (2023: 3 months KIBOR plus 0.90%) per annum. The effective rate of mark up ranged from 21.55% to 22.98% (2023: 16.66% to 22.95%) per annum.
- 12.7** These running finance facilities obtained from banking companies under mark-up arrangements aggregated to Rupees 5,101.520 million (2023: Rupees 5,101.520 million). These facilities are available at mark-up rates ranging from one month to three months KIBOR plus 0.5% to 2.0% (2023: one month to three months KIBOR plus 0.5% to 2.0%) per annum payable quarterly. These facilities are secured against first joint pari passu hypothecation charge on present and future current assets of the Nishat Power Limited - Subsidiary Company including fuel stock, inventory and energy price payments receivable from CPPA-G. The mark-up rate charged during the year on the outstanding balance ranged from 21.96% to 24.90% (2023: 13.89% to 23.98%) per annum.
- 12.8** These running musharaka facilities obtained from banking companies under profit arrangements aggregated to Rupees 4,450 million (2023: Rupees 4,450 million). These facilities are available at profit rates ranging from one month to three months KIBOR plus 0.1% to 0.5% (2023: one month to three months KIBOR plus 0.2% to 0.5%) per annum payable quarterly. These facilities are secured against first joint pari passu hypothecation charge on present and future current assets of the Nishat Power Limited - Subsidiary Company including fuel stock, inventory and energy price payments receivable from CPPA-G. The profit rate charged during the year on the outstanding balance ranged from 21.56% to 23.16% (2023: 12.09% to 22.48%) per annum.
- 12.9** These term finance facilities are utilized from banking companies as sub-limits of running finance facilities (note 12.7) under mark-up arrangements aggregating to Rupees 3,601.520 million (2023: Rupees 3,101.520 million). These facilities are secured against first joint pari passu charge on present and future current assets of the Nishat Power Limited - Subsidiary Company including fuel stock, inventory and energy price payments receivable from CPPA -G. These facilities have been availed during the year at mark-up rates of one week to three months KIBOR plus 0.02% to 0.80% (2023: one month KIBOR plus 0.05% to 0.60%) payable at the maturity of respective transaction. The mark-up rate charged during the year on the outstanding balance ranged from 20.26% to 22.80% (2023: 14.46% to 16.45%) per annum.
- 12.10** The main facilities for letters of credit and guarantee aggregate to Rupees 1,850 million (2023: Rupees 1,750 million). The amount utilised at 30 June 2024, for letters of credit was Rupees 14.857 million (2023: Rupees 407.370 million) and for letters of guarantee was Rupees 40.550 million (2023: Rupees 567.01 million). The aggregate facilities for letters of credit and guarantee are secured by charge on present and future current assets including fuel stocks/inventory of the Nishat Power Limited - Subsidiary Company and by lien over import documents.
- 12.11** These finances are obtained from Allied Bank Limited under mark up arrangements and are secured against first pari passu hypothecation charge over all present and future current assets of the Nishat Linen (Private) Limited - Subsidiary Company and corporate guarantee of Nishat Mills Limited - holding company. Markup is payable quarterly or at maturity.
- 12.12** The rates of mark up charged ranged from 22.71% to 24.16% (2023: 16.41% to 23.23%) per annum during the year on the balance outstanding.
- 12.13** The rates of mark up charged ranged from 20.26% to 22.57% (2023: 13.90% to 21.74%) per annum during the year on the balance outstanding.

	Note	2024 (Rupees in thousand)	2023
<b>13 CURRENT PORTION OF NON-CURRENT LIABILITIES</b>			
Current portion of long term financing	6	2,883,648	2,892,463
Current portion of lease liabilities	7	993,713	771,187
Current portion of GIDC payable	9.2	1,241,103	1,241,103
Current portion of deferred income - Government grant	9.3	12,372	14,664
Current portion of payable to Lars Lauridsen Holding ApS	9.4	268,568	-
		<b>5,399,404</b>	<b>4,919,417</b>
<b>14 PROVISION FOR TAXATION AND LEVY - NET</b>			
<b>Taxation - net</b>			
Provision for taxation		2,424,853	1,322,588
Less: Advance income tax		(907,537)	(1,521,970)
		<b>1,517,316</b>	<b>(199,382)</b>
<b>Levy - net</b>			
Levy payable		2,842,031	2,531,550
Less: Prepaid levy		(1,593,654)	(1,679,289)
		<b>1,248,377</b>	<b>852,261</b>
		<b>2,765,693</b>	<b>652,879</b>

## 15 CONTINGENCIES AND COMMITMENTS

### a) Contingencies

- i) Nishat Mills Limited - Holding Company is contesting various sales tax demands amounting to Rupees 309.99 million and related default surcharge and penalties under the Sales Tax Act, 1990 before Appellate Tribunal Inland Revenue (ATIR). No provision thereagainst has been recognized in these consolidated financial statements as the Holding Company, based on advice of the tax advisor, is confident of favorable outcome of the appeals.
- ii) Guarantees of Rupees 5,251.537 million (2023: Rupees 5,766.720 million) are given by the banks of the Holding Company to Sui Northern Gas Pipelines Limited against gas connections, Shell Pakistan Limited and Pakistan State Oil Limited against purchase of furnace oil, Director Excise and Taxation, Karachi against infrastructure cess, Chairman Punjab Revenue Authority, Lahore against infrastructure cess, Directorate of Cotton Cess Management against cotton cess, Collector of Customs against regulatory duty, Inspector General Frontier Corps KP (South), The President of Islamic Republic of Pakistan through the Controller of Military Accounts (Defence Purchase), Airport Security Force, Director General (Purchase and Disposal) WAPDA Sunny View Lahore, Provincial Police Officer, Office of Inspector General of Police KPK and Inspector General of Punjab Police against fulfilment of sales orders, High Court of Sindh, Karachi against the matter of importation of LED lights, Faisalabad Electric Supply Company Limited (FESCO) against installation of grid station and to the bank of Hyundai Nishat Motor (Private) Limited - associated company to secure financial assistance to the associated company. Further, the Holding Company has issued cross corporate guarantees of Rupees 735.417 million (2023:

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For the year ended June 30, 2024

Rupees 666.667 million) and Rupees 1,777.500 million (2023: Rupees 1,750 million) on behalf of Nishat Linen (Private) Limited - Subsidiary Company and Nishat Sutas Dairy Limited - associated company respectively to secure the obligations of Subsidiary Company and associated company towards their lenders.

- iii)** Post dated cheques of Rupees 27,088.314 million (2023: Rupees 41,132.481 million) are issued by the Holding Company to customs authorities in respect of duties on imported items availed on the basis of consumption and export plans. If documents of exports are not provided on due dates, cheques issued as security shall be encashable.
- iv)** Post dated cheques of Rupees 471.915 million (2023: Rupees 122.180 million) are issued by the Holding Company to Sui Northern Gas Pipelines Limited in pursuance of order of Lahore High Court, Lahore in the case of gas infrastructure development cess and in the case of providing blend of RLNG and Gas tariff to new Co-generation Captive connections instead of charging full RLNG notified tariff, post dated cheques of Rupees 417.625 million (2023: Rupees 2.140 million) are issued to Lahore Electric Supply Company Limited (LESCO) in pursuance of order of Lahore High Court, Lahore in the case of income tax in electricity bills for the month of July 2021 and in the case where LESCO and Faisalabad Electric Supply Company Limited (FESCO) have charged full NEPRA notified tariff with effect from 01 March 2023 instead of reduced rate of Rupees 19.99 per KWh.
- v)** Holding Company's share in contingencies of associates accounted for under equity method is Rupees 9,423.69 million (2023: Rupees 9,066.250 million).
- vi)** Bank guarantee of Rupees 1.900 million (2023: Rupees 1.900 million) is given by the bank of Nishat Commodities (Private) Limited - Subsidiary Company in favour of Director, Excise and Taxation, Karachi to cover the disputed amount of Sindh infrastructure cess.
- vii)** Deputy Commissioner Inland Revenue (DCIR) passed order against Nishat Commodities (Private) Limited - Subsidiary Company under sections 161 and 205 under the Income Tax Ordinance, 2001 and raised a demand of Rupees 2.549 million (including default surcharge of Rupees 1.116 million) in respect of non-deduction of withholding tax at source against various payments for the tax year 2017. Being aggrieved, Nishat Commodities (Private) Limited - Subsidiary Company has filed an appeal which is pending for adjudication. Based on the advice of the legal counsel, Nishat Commodities (Private) Limited - Subsidiary Company is hopeful for the favourable outcome of the matter. Hence, no provision has been made in these consolidated financial statements.
- viii)** Guarantees of Rupees 179.350 million (2023: Rupees 167.350 million) are given by the Nishat Linen (Private) Limited - Subsidiary Company to Director Excise and Taxation, Karachi against infrastructure cess, Chairman Punjab Revenue Authority, Lahore against infrastructure cess and Collectors of Customs against import consignments.
- ix)** Deemed assessment for the tax year 2017 of Nishat Linen (Private) Limited - Subsidiary Company was amended by Deputy Commissioner Inland Revenue (DCIR) through order dated 31 May 2021 issued under sections 122(5) / 214C of the Income Tax Ordinance, 2001, whereby tax demand of Rupees 2,436.967 million was raised on various grounds. Being aggrieved by the order of DCIR, Nishat Linen (Private) Limited - Subsidiary Company filed an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] who vide order dated 13 September 2021 granted significant relief to Nishat Linen (Private) Limited - Subsidiary Company. Against the order of CIR(A), both Nishat Linen (Private) Limited - Subsidiary Company and the department have filed cross appeals before Appellate Tribunal Inland Revenue (ATIR) which are pending for adjudication. Based on the advice of the legal counsel, Nishat Linen (Private) Limited - Subsidiary Company is hopeful for the favourable outcome of the matter, hence, no provision has been made in these consolidated financial statements.

- x) Tax department passed order dated 24 April 2013 for tax year 2012 under section 122(5A) of the Income Tax Ordinance, 2001 and created demand of Rupees 26.167 million. Being aggrieved, Nishat Linen (Private) Limited - Subsidiary Company filed appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] who vide order dated 03 July 2013 modified the assessment by giving relief to the Subsidiary Company on certain matters. Against the order of CIR(A), the tax department filed appeal before Appellate Tribunal Inland Revenue (ATIR) which vide order dated 17 November 2022 remand back the case to Additional Commissioner Inland Revenue (ACIR). The ACIR vide order dated 26 June 2024, decided the matter and reduced the tax demand to Rupees 5.395 million. Being aggrieved, Nishat Linen (Private) Limited - Subsidiary Company has filed an appeal before CIR(A) which is pending for adjudication. Based on the advice of the legal counsel, the Company is hopeful for the favourable outcome of the matter, hence, no provision has been made in these consolidated financial statements.
- xi) Deputy Commissioner Inland Revenue passed order dated 20 February 2024 under section 11 of the Sales Tax Act, 1990 for the tax periods November 2019 to June 2022 and created sales tax demand of Rupees 6.027 million for allegedly issuing fake invoices to customer. Being aggrieved, Nishat Linen (Private) Limited - Subsidiary Company has filed an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] which is pending for adjudication. Based on the advice of the legal counsel, the Subsidiary Company is hopeful for the favourable outcome of the matter, hence, no provision has been made in these consolidated financial statements.
- xii) Proceedings under section 122 of the Income Tax Ordinance, 2001 for the tax year 2014 against Nishat Hospitality (Private) Limited - Subsidiary Company were initiated by Deputy Commissioner Inland Revenue (DCIR), who vide order dated 31 October 2017, raised a demand of Rupees 2.172 million in respect minimum tax under section 113 on account of disallowances in the light of sections 111 and 174 of the Income Tax Ordinance, 2001 and disallowed income tax refund amounting to Rupees 14.141 million under section 148 of the Income Tax Ordinance, 2001. Being aggrieved with the impugned order, Nishat Hospitality (Private) Limited - Subsidiary Company preferred an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)] who via its order dated 13 February 2020, upheld the imposition of minimum tax and remanded back the remaining points to DCIR for fresh consideration. Consequently, Nishat Hospitality (Private) Limited - Subsidiary Company has preferred an appeal against the order of CIR(A) to the extent of points confirmed by CIR(A) before the Appellate Tribunal Inland Revenue (ATIR) which is pending adjudication.

Simultaneously Nishat Hospitality (Private) Limited - Subsidiary Company also filed a rectification application with the DCIR as a result of which an income tax refund of Rupees 474,557 was created. However, while passing the rectification order dated 13 December 2017, the DCIR disallowed adjustment of income tax collected of Rupees 14.141 million under section 148 of the Income Tax Ordinance, 2001. Nishat Hospitality (Private) Limited - Subsidiary Company feeling aggrieved by the order, filed a rectification application before the CIR(A). The CIR(A) through order dated 28 January 2022 upheld the treatment of the assessing officer of disallowing adjustment of income tax deducted under section 148 of the Income Tax Ordinance, 2001. Nishat Hospitality (Private) Limited - Subsidiary Company has preferred an appeal against the aforementioned appellate order before the ATIR which is pending for adjudication.

In compliance with the remand-back directions of CIR(A), contained in appellate order dated 13 February 2020, the learned DCIR passed an appeal effect order dated 30 May 2023 under section 124 of the Income Tax Ordinance, 2001 and increased the earlier income tax refund of Rupees 474,557 to Rupees 771,633. However, there are certain factual mistakes on the surface of the order against which Nishat Hospitality (Private) Limited - Subsidiary Company re-filed an application under section 221 of the Income Tax Ordinance, 2001 for rectification of the order. Following the Company's application, the DCIR passed a rectification order dated 29 February 2024 under section 221 of the Income Tax Ordinance, 2001 and raised demand of Rupees 8.387 million against which the Company has filed subsequently another rectification application before

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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DCIR, however, no order has been passed till date.

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

- xiii)** Proceedings under section 122 of the Income Tax Ordinance, 2001 for the tax year 2015 were initiated by Deputy Commissioner Inland Revenue (DCIR) against Nishat Hospitality (Private) Limited - Subsidiary Company, who vide order dated 27 December 2018, disallowed certain expenses amounting to Rupees 100.117 million under section 174 of the Income Tax Ordinance, 2001 and ordered an addition of Rupees 165.902 million to income from other sources under section 39 of the Income Tax Ordinance, 2001. Being aggrieved with the impugned order, Nishat Hospitality (Private) Limited - Subsidiary Company preferred an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)]. The CIR(A) vide its order dated 02 December 2021, has confirmed the disallowance under section 174 to the extent of Rupees 60.385 million whereas the issue under section 39 of the Income Tax Ordinance, 2001 has been remanded back to the DCIR for re-examination in the light of evidence provided by Nishat Hospitality (Private) Limited - Subsidiary Company. Nishat Hospitality (Private) Limited - Subsidiary Company further preferred an appeal against the said order before the Appellate Tribunal Inland Revenue which was decided in favour of Nishat Hospitality (Private) Limited - Subsidiary Company. Against the order of Appellate Tribunal Inland Revenue, the department has filed an appeal before Honourable Lahore High Court, Lahore which is pending for adjudication. Based on the view of its legal counsel, the management of Nishat Hospitality (Private) Limited - Subsidiary Company is confident of the favourable resolution of this matter.
  
- xiv)** The Deputy Commissioner Inland Revenue (DCIR) passed order dated 31 October 2022 under section 161/205 of the Income Tax Ordinance, 2001 for non-deduction of withholding income tax for the tax year 2017 and raised demand of Rupees 13.615 million. Being aggrieved, Nishat Hospitality (Private) Limited - Subsidiary Company filed an appeal before Commissioner Inland Revenue Appeals [CIR(A)]. The CIR(A) vide order dated 16 August 2023 has set-aside the order, thereby, vacating the impugned tax demand, with directions to the assessing officer to re-consider the matter. Based on the view of its legal counsel, the management of Nishat Hospitality (Private) Limited - Subsidiary Company is confident of the favourable resolution of this matter.
  
- xv)** The Deputy Commissioner Inland Revenue (DCIR) passed order dated 30 March 2021 under section 161/205 of the Income Tax Ordinance, 2001 for the tax year 2019 and raised demand of Rupees 3.459 million (including default surcharge of Rupees 0.284 million). Being aggrieved, Nishat Hospitality (Private) Limited - Subsidiary Company filed an appeal before Commissioner Inland Revenue Appeals [CIR(A)] who vide order dated 10 October 2022 has set-aside the order, thereby, vacating the impugned tax demand, with directions to the assessing officer to re-consider the matter. Nishat Hospitality (Private) Limited - Subsidiary Company has further challenged the order passed by CIR(A) before Appellate Tribunal Inland Revenue (ATIR) on the grounds that the impugned assessment should have been annulled without any directions for re-consideration. The appeal is pending for adjudication. Based on the view of its legal counsel, the management of Nishat Hospitality (Private) Limited - Subsidiary Company is confident of the favourable resolution of this matter.
  
- xvi)** Guarantee of Rupees 1.270 million (2023: Rupees 1.270 million) is given by the bank of Nishat Hospitality (Private) Limited - Subsidiary Company in favour of Director, Excise and Taxation, Karachi under direction of Sindh High Court in respect of levy of infrastructure cess.
  
- xvii)** The Deputy Commissioner Inland Revenue passed order dated 29 May 2024 under section 122 of the Income Tax Ordinance, 2001 for tax year 2021 and raised demand of Rupees 1.214 million on certain matters. Being aggrieved, the Nishat Hospitality (Private) Limited - Subsidiary Company has filed an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] which is

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

- xviii)** The Deputy Commissioner Inland Revenue passed order dated 27 June 2024 for tax year 2018 and raised demand of Rupees 1.501 million on the matters related to withholding tax in respect of certain expenditures. Nishat Hospitality (Private) Limited - Subsidiary Company is in the process of filing an appeal before CIR(A). Based on the view of its legal counsel, the management of the Nishat Hospitality (Private) Limited - Subsidiary Company is confident of the favourable resolution of this matter.
- xix)** During the year ended 30 June 2023, the Enforcement Officer, Punjab Revenue Authority, Lahore passed an order under section 24 of the Punjab Sales Tax on Services Act, 2012 for the tax periods March 2016 to July 2022 and raised demand of Rupees 2.382 million. Being aggrieved, Nishat Hospitality (Private) Limited - Subsidiary Company has filed an appeal before Commissioner Punjab Revenue Authority (Appeals) which is pending for adjudication.
- xx)** On 19 August 2014, the department raised a demand of Rupees 1,722.811 million against Nishat Power Limited - Subsidiary Company relating to apportionment of input sales tax under section 8 of the Sales Tax Act, 1990 for tax years 2010 to 2013. The disallowance was primarily made on the grounds that since revenue derived by Nishat Power Limited - Subsidiary Company on account of 'capacity revenue' was not chargeable to sales tax, input sales tax claimed by Nishat Power Limited - Subsidiary Company was required to be apportioned with only the input sales tax attributable to other revenue stream i.e. 'energy revenue' admissible to Nishat Power Limited - Subsidiary Company. Nishat Power Limited - Subsidiary Company assailed the underlying proceedings before Honourable Lahore High Court, Lahore ('LHC') directly and in this respect, vide order dated 31 October 2016, LHC accepted Nishat Power Limited - Subsidiary Company's stance and annulled the proceedings. The department has challenged the decision of LHC before Supreme Court of Pakistan and has also preferred an Intra Court Appeal against such order which are pending adjudication.
- xxi)** In respect of tax periods from July 2016 to June 2017, Nishat Power Limited - Subsidiary Company's case was selected for 'audit' involving input sales tax amounting to Rupees 541.091 million, on the same grounds as explained above and Rupees 49.774 million on other matters. Being aggrieved, Nishat Power Limited - Subsidiary Company filed an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)]. On 25 February 2022, CIR(A) passed an order and provided partial relief to the Nishat Power Limited - Subsidiary Company. Being aggrieved with the order of CIR(A), Nishat Power Limited - Subsidiary Company preferred an appeal before Appellate Tribunal Inland Revenue (ATIR) who vide order dated 15 April 2022 decided the matter in favour of Nishat Power Limited - Subsidiary Company. Against the order of CIR(A), the department has also filed an appeal in ATIR which is pending adjudication.

On 29 May 2024, Deputy Commissioner Inland Revenue (DCIR) passed an assessment order relating to tax periods from July 2018 to June 2019 involving input sales tax on 'capacity purchase price' amounting to Rupees 530.024 million on the same grounds as explained above and disallowance of input sales tax on goods / services amounting to Rupees 6.107 million under various provisions of Sales Tax Act, 1990. Nishat Power Limited - Subsidiary Company paid the impugned sales tax demand of Rupees 6.107 million in protest. However, recovery of input sales tax attributable to 'capacity purchase price' was held in abeyance till the decision of the case by Supreme Court of Pakistan as explained above. The Subsidiary Company preferred appeal before CIR(A) on 24 June 2024 relating to disallowance of input sales tax on goods / services which has not been taken up for adjudication. Based on the tax advisor opinion, there exists reasonable grounds to defend these cases. Therefore, no provision has been made in these consolidated financial statements.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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- xxii)** On 16 April 2019, the Commissioner Inland Revenue (CIR) through an order raised a demand of Rupees 179.046 million against Nishat Power Limited - Subsidiary Company, mainly on account of input sales tax claimed on inadmissible expenses in sales tax return for the tax periods of July 2014 to June 2017 and sales tax default on account of suppression of sales related to tax period of June 2016. Being aggrieved with the order of CIR, Nishat Power Limited - Subsidiary Company filed an appeal before CIR(A). On 07 May 2020, the CIR(A) declared that the admissible forum of appeal against the order of CIR is ATIR. Nishat Power Limited - Subsidiary Company filed application for grant of stay before the ATIR against recovery of the aforesaid demand that was duly granted on 28 January 2021. Further, Nishat Power Limited - Subsidiary Company has filed appeal before ATIR against the order of CIR which is pending adjudication. Management has strong grounds to believe that the case will be decided in Nishat Power Limited - Subsidiary Company's favour. Therefore, no provision has been made in these consolidated financial statements.
  
- xxiii)** On 27 February 2015, Additional Commissioner Inland Revenue (ACIR) created a demand of Rupees 282.377 million for tax year 2013 under section 122(5A) of the Income Tax Ordinance, 2001. Aggrieved with the order of the ACIR, the Company preferred an appeal before CIR(A) who granted partial relief to the Subsidiary Company, while upheld the decision of ACIR in certain matters aggregating to Rupees 31.355 million inter-alia on tax credit claimed by the Nishat Power Limited - Subsidiary Company under section 65B of the Income Tax Ordinance, 2001. Nishat Power Limited - Subsidiary Company and tax department filed appeals before ATIR against the order of CIR(A). On 02 November 2017, ATIR restated the demand to Rupees 14.072 million. Nishat Power Limited - Subsidiary Company filed application before ATIR for rectification of order dated 02 November 2017 on non-adjudication of issue of disallowance of tax loss on disposal of fixed assets. On 30 March 2021, ATIR passed the rectification order with certain legal disputes. On 24 January 2022, the Company filed another application for rectification of order dated 30 March 2021. On 06 May 2024, ATIR rectified the order passed on 30 March 2021 as per the request of Nishat Power Limited - Subsidiary Company. Being aggrieved with the order of ATIR, Nishat Power Limited - Subsidiary Company and tax department have also filed appeals before Honourable Lahore High Court, Lahore which are pending for adjudication. Management has strong grounds to believe that the case will be decided in Nishat Power Limited - Subsidiary Company's favour. Therefore, no provision has been made in these consolidated financial statements.
  
- xxiv)** On 13 February 2019, National Electric Power Regulatory Authority ('NEPRA') issued a show cause notice to Nishat Power Limited - Subsidiary Company along with other Independent Power Producers to provide rationale of abnormal profits earned since commercial operation date (COD) that eventually led to initiation of proceedings against Nishat Power Limited - Subsidiary Company by NEPRA on 18 March 2019. Nishat Power Limited - Subsidiary Company challenged the authority of NEPRA to take suo moto action before the Islamabad High Court (IHC) wherein, on 01 April 2019, IHC provided interim relief by suspending the suo moto proceedings. The case is currently pending adjudication before IHC. Management is confident that based on the facts and law, there will be no adverse implications for Nishat Power Limited - Subsidiary Company. Therefore, no provision has been made in these consolidated financial statements.
  
- xxv)** On 16 March 2020, Government of Pakistan ('GoP') issued a report through which it was alleged that savings were made by the Independent Power Producers ('IPPs'), including Nishat Power Limited - Subsidiary Company, in the tariff components in violation of applicable GoP Policies, tariff determined by National Electric Power Regulatory Authority ('NEPRA') and the relevant Project Agreements. Nishat Power Limited - Subsidiary Company rejected such claims, and discussions were made with the GoP to resolve the dispute. On 12 February 2021, the Company under the 'Master Agreement', agreed that the abovementioned dispute will be resolved through arbitration under the 'Arbitration Submission Agreement' between Nishat Power Limited - Subsidiary Company and GoP. On 15 June 2022, Nishat Power Limited - Subsidiary Company and the GoP signed the 'Arbitration Submission Agreement'. During the year ended 30 June 2023, Arbitration Tribunal has been constituted under the terms of 'Arbitration Submission

Agreement'. On 29 September 2023, mutually agreed Terms of Reference has been formally adapted and proceedings under these terms of Reference have been initiated. Management believes that there are strong grounds that the matter will ultimately be decided in Nishat Power Limited - Subsidiary Company's favour. Furthermore, its financial impact cannot be reasonably estimated at this stage, hence, no provision in this respect has been made in these consolidated financial statements.

- xxvi)** On 28 April 2022, National Electric Power Regulatory Authority (NEPRA) issued a notice of hearing to all the RFO based IPPs under the 2002 Power Policy regarding application of highest lab tested Calorific Value (CV) for calculation of CV adjustment instead of average CV as per existing mechanism. Nishat Power Limited - Subsidiary Company vide its letter dated 16 May 2022 replied to NEPRA to refrain from re-initiating the subject proceedings which has already been finalized and implemented by NEPRA vide its letter dated 01 September 2021. Contrary to the reply of Nishat Power Limited - Subsidiary Company, NEPRA held its hearing on 17 May 2022 and verbally directed to Nishat Power Limited - Subsidiary Company to provide its comments in 15 days failing which the proceedings would be concluded on ex-parte basis. Against the directions of NEPRA, Nishat Power Limited - Subsidiary Company filed a petition in Honourable Lahore High Court, Lahore (LHC) on 06 June 2022, for restraining NEPRA to take any adverse action in this regard, which is pending adjudication. LHC vide its interim order dated 06 June 2022, suspended the impugned notice of hearing. On 18 November 2022, NEPRA determined that although CV adjustment is computed on the basis of average of two CV results, the said CV adjustment shall be subject to the final outcome of the suit pending before LHC. NEPRA has set out further amendment (change of one of the labs) in methodology for CV adjustment, however Nishat Power Limited - Subsidiary Company, during the reporting period, has replied to NEPRA that aforementioned matter, being similar in nature, is sub-judice before LHC. The management based on the advice of its legal counsel, has strong grounds to believe that the case will be decided in favour of Nishat Power Limited - Subsidiary Company. Further, its financial impact cannot be reasonably estimated at this stage, therefore, no provision has been made in these consolidated financial statements.
- xxvii)** On 31 August 2016, Additional Commissioner Inland Revenue (ACIR) passed an amendment order under section 122(5A) of the Income Tax Ordinance, 2001 relating to tax year 2014 whereby tax demand aggregating to Rupees 107.822 million has been raised on various issues. Being aggrieved with the order of ACIR, Nishat Power Limited - Subsidiary Company preferred an appeal before CIR(A) on 23 September 2016. CIR(A) passed an order on 29 November 2016 whereby relief was granted on various issues whereas matter relating to disallowance of tax credit under section 65B of the Income Tax Ordinance, 2001 was decided against Nishat Power Limited - Subsidiary Company. Being aggrieved with the order of CIR(A), both department and Nishat Power Limited - Subsidiary Company preferred appeals before ATIR on 11 December 2016 and 18 January 2017 respectively. On 12 October 2023, ATIR dismissed the department appeal on the issues taken up by the department. Whereas, on 14 September 2023, ATIR passed an order on Nishat Power Limited - Subsidiary Company's appeal and remanded back the case to assessing officer for fresh consideration. However, there were certain apparent factual/legal omissions in the order dated 14 September 2023. Nishat Power Limited - Subsidiary Company filed a rectification application before ATIR. On 08 April 2024, ATIR passed rectification order with the directions to assessing officer to proceed strictly in accordance with the ratio settled by ATIR on the matter in case of another taxpayer as prayed by Nishat Power Limited - Subsidiary Company. No remand back proceedings have been initiated by the department to date. Further, the department filed an appeal before Honourable Lahore High Court, Lahore on 04 April 2024 against the order passed by ATIR dated 12 October 2023. Based on the advice of tax advisor, the management is confident of favourable outcome the matter. Therefore, no provision has been made in these consolidated financial statements.
- xxviii)** The banks have issued the following on behalf of Nishat Power Limited - Subsidiary Company:

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2024

- a) Guarantees of Rupees 11.5 million (2023: Rupees 11.5 million) and Rupees 27.55 million (2023: Rupees 22.4 million) are given by the bank of the Nishat Power limited - Subsidiary Company in favour of Director Excise and Taxation, Karachi, under directions of Sindh High Court and Supreme Court of Pakistan respectively, in respect of suit filed for levy of infrastructure cess.
- b) Guarantee of Rupees Nil (2023: Rupees 500 million) is given by the bank of the Nishat Power Limited - Subsidiary Company in favour of Pakistan State Oil against purchase of fuel.
- c) Guarantee of Rupees 1.5 million (2023: Rupees 1.5 million) is given by the bank of the Nishat Power Limited - Subsidiary Company in favour of Punjab Revenue Authority, Lahore under the direction of Honourable Lahore High Court, Lahore in respect of suit filed for levy of infrastructure cess.
- d) Guarantee of Rupees Nil (2023: Rupees 31.61 million) is given by the bank of the Nishat Power Limited - Subsidiary Company in favour of Collector of Customs, Karachi under directions of Sindh High Court in respect of suit filed for concessionary rate of duty under Customs Act, 1969.

### b) Commitments

- i) Contracts for capital expenditure of the Group are approximately of Rupees 4,036.718 million (2023: Rupees 6,767.974 million).
- ii) Letters of credit other than for capital expenditure of the Group are of Rupees 4,923.949 million (2023: Rupees 3,734.104 million).
- iii) Outstanding foreign currency forward contracts of the Group are Rupees 4,374.159 million (2023: Rupees 838.241 million).
- iv) This represents commitment recognized on a straight-line basis as expense under the practical expedients applied by the Group with respect to IFRS 16. The amount of future payments under this lease and the period in which these payments will become due are as follows:

	Note	2024 (Rupees in thousand)	2023 (Rupees in thousand)
Not later than one year		151,797	133,302
Operating fixed assets	16.1	50,648,415	49,980,400
Capital work in progress	16.2	20,980,716	6,359,839
Major spare parts and standby equipment	16.3	70,943	420,267
		71,700,074	56,760,506

### 16 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	16.1	50,648,415	49,980,400
Capital work in progress	16.2	20,980,716	6,359,839
Major spare parts and standby equipment	16.3	70,943	420,267
		71,700,074	56,760,506

## 16.1 OPERATING FIXED ASSETS

	<b>Freehold land</b>	<b>Buildings</b>	<b>Plant and machinery</b>	<b>Electric installations</b>	<b>Factory equipment</b>	<b>Furniture, fixtures and office equipment</b>	<b>Computer equipment</b>	<b>Vehicles</b>	<b>Kitchen equipment and crockery items</b>	<b>Total</b>
(Rupees in thousand)										
<b>At 30 June 2022</b>										
Cost	2,788,581	16,138,257	64,534,194	1,745,686	532,459	1,349,362	515,385	1,368,602	33,696	89,006,222
Currency retranslation	-	101,390	-	-	618,189	61,487	-	-	-	110,484
Accumulated depreciation	2,788,581	16,239,647	64,534,194	1,745,686	532,459	1,355,551	515,803	1,371,089	33,696	89,116,706
Currency retranslation	-	(8,351,967)	(31,847,447)	(929,559)	(310,281)	(626,449)	(397,970)	(609,589)	(29,351)	(43,102,617)
Accumulated impairment	-	(8,432,852)	(31,847,447)	(929,559)	(310,281)	(630,007)	(398,251)	(609,988)	(29,351)	(43,187,740)
Net book value	2,788,581	(162,601)	32,524,146	816,127	222,178	725,544	117,552	761,101	4,341	(162,601)
<b>Year ended 30 June 2023</b>										
Opening net book value	2,788,581	7,806,795	32,524,146	816,127	222,178	725,544	117,552	761,101	4,341	45,766,365
Additions	179,845	1,630,448	6,286,875	143,416	37,886	125,868	87,364	336,659	1,804	8,832,165
Disposals:	-	-	(804,674)	(791,685)	-	-	(27)	(4,670)	(121,137)	-
Cost	-	-	(12,989)	(304,119)	(84,068)	(23,593)	-	(552)	(72,094)	(930,508)
Accumulated depreciation	-	-	(847,218)	(23,705)	-	(23,593)	(79,368)	(48,407)	(200,113)	867,924
Depreciation charge	-	-	-	-	-	-	-	-	-	(62,584)
Currency retranslation	-	-	-	-	-	-	-	-	-	(45,867,861)
Closing net book value	2,968,426	8,613,730	35,495,913	875,475	236,471	776,868	156,332	852,215	5,170	32,315
<b>At 30 June 2023</b>										
Cost	2,968,426	17,870,095	70,018,395	1,889,102	570,345	1,481,392	598,497	1,586,611	35,500	97,018,363
Currency retranslation	-	195,843	-	-	-	11,875	5,471	12,056	-	225,245
Accumulated depreciation	2,968,426	18,065,938	70,018,395	1,889,102	570,345	1,483,267	603,968	1,598,667	35,500	97,243,608
Currency retranslation	-	(9,280,070)	(34,359,881)	(1,013,627)	(333,874)	(709,348)	(442,540)	(738,007)	(30,330)	(192,930)
Accumulated impairment	-	(9,452,208)	(34,359,881)	(1,013,627)	(333,874)	(716,999)	(447,636)	(746,442)	(30,330)	(47,100,607)
Net book value	2,968,426	8,613,730	35,495,913	875,475	236,471	776,868	156,332	852,215	5,170	(162,601)
<b>Year ended 30 June 2024</b>										
Opening net book value	2,968,426	8,613,730	35,495,913	875,475	236,471	776,668	156,332	852,215	5,170	49,980,400
Additions	189,888	791,140	3,680,675	149,275	35,679	256,112	90,322	501,781	643	5,695,515
Assets transferred upon acquisition of Wemeraft A/S (Note 1):	-	-	-	-	-	-	-	-	-	-
Cost	-	-	-	-	-	-	-	-	-	62,122
Accumulated depreciation	-	-	-	-	-	-	-	-	-	(27,670)
Disposals:	-	-	-	-	-	-	-	-	-	34,452
Cost	-	(19,628)	(729,804)	(12,246)	(329)	(5,638)	(7,236)	(168,779)	-	(943,660)
Accumulated depreciation	-	5,001	659,992	4,688	162	2,156	5,853	98,414	-	776,266
Depreciation charge	-	(14,627)	(69,812)	(7,558)	(161)	(3,482)	(1,383)	(70,265)	-	(167,394)
Currency retranslation	-	(896,742)	(3,490,556)	(92,405)	(25,901)	(89,282)	(63,339)	(231,530)	(1,169)	(4,890,924)
Accumulated impairment	-	(867)	-	-	-	(803)	(32)	(1,932)	-	(3,634)
Closing net book value	3,158,314	8,492,634	35,616,220	924,787	246,082	941,332	181,900	1,082,002	4,644	50,648,415
<b>At 30 June 2024</b>										
Cost	3,158,314	18,837,450	72,969,266	2,026,131	605,695	1,753,184	687,054	1,984,348	36,143	102,057,585
Currency retranslation	-	(33,567)	-	-	-	(2,492)	(919)	4,730	-	(41,738)
Accumulated depreciation	3,158,314	18,803,853	72,969,266	2,026,131	605,695	1,750,692	686,135	1,979,618	36,143	102,015,847
Currency retranslation	-	(10,343,949)	(37,190,445)	(1,101,344)	(359,613)	(810,549)	(505,122)	(900,414)	(31,499)	(51,242,935)
Accumulated impairment	-	32,730	-	-	-	1,589	887	2,798	-	38,104
Net book value	3,158,314	(10,311,219)	(37,190,445)	(1,101,344)	(359,613)	-	(504,235)	(897,616)	(31,499)	(51,204,831)
Annual rate of depreciation (%)	-	8,492,634	35,616,220	924,787	246,082	941,332	-181,900	1,082,002	4,644	50,648,415
Annual rate of depreciation (%)										
3.94-10	3.94-10	3.94 - 10.00 and number of hours used	10	10	10	30-33	20	20	20-33	

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2024

### 16.1.1 Detail of operating fixed assets, exceeding the book value of Rupees 500,000 disposed of during the year is as follows:

	Description	Quantity Nos.	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain / (loss)	Mode of disposal	Particulars of purchasers
(Rupees in thousand)									
<b>Building</b>		1	19,628	5,001	14,627	6,302	(8,325)	Negotiation	Taiga Apparel (Private) Limited, Lahore.
<b>Plant and machinery</b>									
Honwa Combers	4	11,990	11,222	768	2,448	1,680	negotiation	Venus Industries, Faisalabad.	
Gas Engine G-3508	1	11,452	9,380	2,072	2,479	407	negotiation	Junaid Engineering Works, Lahore.	
Tonello Washing Machine	3	13,892	11,317	2,575	2,625	50	negotiation	Venus Industries, Faisalabad.	
Maino Drying Machine	1	3,155	2,570	585	595	10	negotiation	Venus Industries, Faisalabad.	
Press Machine Wrinkle Free Legger	3	2,129	1,460	669	445	(224)	negotiation	Venus Industries, Faisalabad.	
Paint Finisher Naomoto Machine	7	6,308	5,133	1,175	143	(1,032)	negotiation	Venus Industries, Faisalabad.	
Programmable Skip Twin Needle	9	6,680	2,955	3,725	183	(3,542)	negotiation	Venus Industries, Faisalabad.	
Stitching Pocket Setter	8	4,413	3,607	806	163	(64)	negotiation	Venus Industries, Faisalabad.	
Brother Stitching Machine	14	2,950	2,412	538	285	(253)	negotiation	Venus Industries, Faisalabad.	
Eyelet Button Holer Machine	9	5,937	4,783	1,154	183	(971)	negotiation	Venus Industries, Faisalabad.	
Double Pocket Creasing Machine	5	9,810	7,884	1,926	102	(1,824)	negotiation	Venus Industries, Faisalabad.	
Belt Loop Attaching Machine	5	8,601	6,418	2,183	102	(2,081)	negotiation	Venus Industries, Faisalabad.	
Stitching Waist Band Attacher Machine	7	10,694	8,634	2,060	143	(1,917)	negotiation	Venus Industries, Faisalabad.	
Pocket Welting Machine	6	6,529	5,268	1,261	122	(1,139)	negotiation	Venus Industries, Faisalabad.	
Rivet Snap & Tack Button Machine	9	2,887	2,363	524	183	(341)	negotiation	Venus Industries, Faisalabad.	
Laser Machine Jeanologia	1	25,136	15,902	9,234	9,320	86	negotiation	Jeanologia S.L., Spain.	
Stitching Machines	24	20,194	2,946	17,248	23,126	5,878	negotiation	U.S. Apparel & Textiles (Private) Limited, Lahore.	
Stitching Machines	70	14,026	9,791	4,235	1,305	(2,930)	negotiation	Venus Industries, Faisalabad.	
Chain Bottom Hemming Machine	1	1,288	610	678	19	(659)	negotiation	Venus Industries, Faisalabad.	
Vi Be Mac Stitching Machines	2	3,056	2,523	533	37	(496)	negotiation	Venus Industries, Faisalabad.	
Compressor With Dyer And Air Receiver Tank 37	1	2,653	828	1,825	5,105	3,280	negotiation	Taiga Apparel (Private) Limited, Lahore.	
Gerber Spreader Machines	3	11,210	8,862	2,348	1,271	(1,077)	negotiation	Venus Industries, Faisalabad.	
		184,990	126,868	58,122	50,384	(7,738)			
<b>Electric installations</b>									
Transformer 3000 KVA	1	5,269	2,393	2,876	3,813	937	negotiation		
Electric Installation	1	6,652	2,015	4,637	8,508	3,871	negotiation		
		11,921	4,408	7,513	12,321	4,808			
<b>Vehicles</b>									
Honda City LEH-19-4156	1	1,963	1,147	816	1,102	286	Company's policy	Mr. Muhammad Faisal, Company's employee, Loralai.	
Toyota Hace IES-18-1498	1	3,943	3,321	622	2,915	2,293	negotiation	Mr. Shahzad Anwar, Lahore.	
Honda City LEH-19-2415	1	1,964	1,096	868	1,165	297	Company's policy	Mr. Muhammad Imran Raza, Company's employee, Sheikhupura.	
Suzuki Cultus LEH-19-4158	1	1,780	1,026	754	1,015	261	Company's policy	Mr. Noshad Ahmed Khan, Company's employee, Lahore.	
Suzuki Cultus LEH-19-2496	1	1,509	896	613	840	227	Company's policy	Mr. Rashid Minhas, Company's employee, Sheikhupura.	
Toyota Corolla LE-19A-1373	1	2,595	1,550	1,045	1,521	476	Company's policy	Mr. Munir Ahmad, Company's employee, Sheikhupura.	
Honda City LEA-20-1282	1	2,049	1,159	890	1,222	332	Company's policy	Mr. Muhammad Istar, Company's employee, Lucky Marwat.	
Toyota Corolla LEA-20-2335	1	2,615	1,493	1,122	1,544	422	Company's policy	Mirza Muhammad Nadeem, Company's employee, Lahore.	
Honda City LEH-19-5903	1	1,765	993	772	1,044	272	Company's policy	Mr. Liaquat Ali, Company's employee, Sheikhupura.	
Suzuki Cultus LEH-19-3372	1	1,781	1,041	740	1,000	260	Company's policy	Mr. Ijaz Mahmood, Company's employee, Layyah.	

Description		Quantity Nos.	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain / (loss)	Mode of disposal	Particulars of purchasers
(Rupees in thousand)									
Honda City LEH-19-4157	1	2,553	1,522	1,031	1,409	378	Company's policy	Muhammad Arif Khan Tareen, Company's employee, Quetta.	
Honda Civic LEF-19-6538	1	3,317	1,954	1,363	1,864	501	Company's policy	Mr. Saeed Nawaz Khan, Company's employee, Lahore.	
Toyota Corolla LE-19A-3711	1	2,588	1,503	1,085	1,483	388	Company's policy	Rana Muhammad Imran, Company's employee, Faisalabad.	
Toyota Corolla LEH-19-1655	1	1,987	1,201	786	1,181	395	Company's policy	Mr. Khalid Mehmood, Company's employee, Faisalabad.	
Suzuki Cultus ADT-814	1	1,761	662	1,099	3,012	1,913	Negotiation	Mr. Mohsin Qbal, Lahore.	
Suzuki Swift LE-19A-2814	1	1,953	1,111	842	1,152	310	Company's policy	Mr. Anir Zahoor, Company's employee, Lahore.	
Toyota Corolla LEA-19A-393	1	1,798	1,008	790	1,066	276	Company's policy	Mr. Rizwan Aziz, Company's employee, Lahore.	
Suzuki Swift LEA-19A-2028	1	1,952	1,104	848	1,157	309	Company's policy	Mr. Burhan Raza, Company's employee, Lahore.	
Honda Civic LE-20-4533	1	2,958	1,668	1,290	1,738	448	Company's policy	Mr. Khalid Mehmood, Company's employee, Lahore.	
Honda City LE-20-8845	1	2,052	1,180	872	1,175	303	Company's policy	Mr. Rizwan Aslam, Company's employee, Lahore.	
Honda City LE-19A-2807	1	1,965	1,096	869	1,195	326	Company's policy	Mr. Muhammad Jehanzai, Company's employee, Lahore.	
Toyota Corolla LE-19A-3611	1	1,790	1,018	772	1,043	271	Negotiation	Mr. Babar Nawaz, Lahore.	
Toyota Corolla LE-19A-3617	1	2,593	1,489	1,104	1,511	407	Company's policy	Mr. Tariq Iqbal Khan, Company's employee, Lahore.	
Suzuki Cultus LE-19A-6344	1	1,781	1,029	752	1,016	264	Company's policy	Mr. Muhammad Saleem, Company's employee, Lahore.	
Suzuki Cultus LFA-19A-3201	1	1,781	1,011	770	1,052	282	Company's policy	Mr. Khuda Dad Khan, Company's employee, Manawali.	
Honda City LEH-19-5905	1	1,765	970	795	1,116	321	Negotiation	Mr. Asad Wasi, Company's employee, Lahore	
Honda City LE-19A-6366	1	2,552	1,452	1,100	1,573	473	Company's policy	Mr. Qamar Abbas, Company's employee, Mandi Bahauddin.	
Toyota Corolla LE-20-1953	1	2,945	1,671	1,274	1,746	472	Company's policy	Mr. Syed Amir Hussain, Company's employee, Lahore.	
Honda Civic LE-16A-1673	1	2,441	1,817	624	4,007	3,383	Negotiation	Mr. Danish Jahanji, Lahore.	
Suzuki Cultus LEH-19-3374	1	1,780	1,007	773	1,047	274	Company's policy	Mr. Atteeq Ahmad, Company's employee, Lahore.	
Toyota Altis AHF-629	1	2,891	1,001	1,890	3,543	1,633	Negotiation	Mr. Asim Rasheed, Lahore.	
Honda City LEF-19-2366	1	1,629	918	711	963	252	Company's policy	Mr. Kashif Naeem, Company's employee, Lahore.	
Honda City LEF-19-7419	1	1,629	950	679	933	254	Company's policy	Mr. Ejaz Hassan, Company's employee, Lahore.	
Honda City LEF-19-98226	1	3,311	2,008	1,303	1,764	461	Company's policy	Mr. Shahzad Ahmad Malik, Company's employee, Lahore.	
Toyota Corolla LEH-19-2295	1	2,595	1,533	1,062	1,434	372	Company's policy	Mr. Irfan Butt, Company's employee, Lahore.	
Suzuki Cultus LEH-19-3123	1	1,780	1,041	739	1,014	275	Company's policy	Mr. Azhar Taseem, Company's employee, Lahore	
Toyota Corolla LEA-20-2710	1	3,287	1,877	1,410	1,901	491	Company's policy	Mr. Khalid Mahmood Chohan, Company's employee, Lahore.	
Suzuki Cultus LE-19A-4774	1	2,015	1,478	537	537	-	Company's policy	Mr. Faraz Ahmad, Company's ex-employee, Lahore.	
Honda City ANN-23-545	1	4,249	637	3,612	3,612	-	Company's policy	Mr. Usman Naeem, Company's ex-employee, Lahore.	
Mercedes Benz ADL-500	1	56,901	33,192	23,709	62,500	38,791	Negotiation	Prestige Cars, Lahore.	
Toyota Corolla BPK-171	1	2,034	1,158	876	1,232	356	Company's policy	Mr. Malik Sajid Anwar, Company's employee, Karachi.	
Honda City AMN-4233	1	3,315	755	2,560	3,464	904	Negotiation	Miss Asma Tacassum, Faisalabad.	
Suzuki Swift LE-20-1958	1	1,952	1,124	828	1,157	329	Company's policy	Mr. Muhammad Abid Chaudhary, Company's employee, Lahore.	
Honda Civic LEC-18A-8605	1	2,402	1,610	793	4,030	3,237	Negotiation	Mr. Ahmad Shahzad, Lahore.	
<b>Furniture and fixtures</b>		<b>156,266</b>	<b>88,477</b>	<b>67,790</b>	<b>131,985</b>	<b>64,205</b>			
<b>Furniture and fixtures</b>		3,920	1,200	2,720	2,864	144	Negotiation	Taiga Apparel (Private) Limited, Lahore.	
<b>Split Air Condition</b>		1,120	451	669	602	(67)	Negotiation	Mr. Muhammad Shah, Charsada.	
<b>16</b>		<b>5,040</b>	<b>1,651</b>	<b>3,389</b>	<b>3,466</b>	<b>77</b>			
<b>Aggregate of other items of property, plant and equipment with individual book values not exceeding Rupees 500,000</b>									
<b>566,815</b>		<b>549,861</b>	<b>15,953</b>	<b>27,969</b>	<b>12,016</b>				
<b>943,660</b>		<b>776,266</b>	<b>167,394</b>	<b>232,437</b>	<b>65,043</b>				

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2024

	Note	2024	2023
		(Rupees in thousand)	
<b>16.1.2 Depreciation charge for the year has been allocated as follows:</b>			
Cost of sales	32	4,551,622	4,267,883
Distribution cost	33	71,863	58,777
Administrative expenses	34	257,972	258,691
Capital work-in-progress		9,467	2,510
		<b>4,890,924</b>	<b>4,587,861</b>

**16.1.3 Particulars of immovable fixed assets are as follows:**

Description	Address	Area of land Acres
Spinning units, Yarn dyeing unit and Power plant	Nishatabad, Faisalabad.	86.43
Spinning units and Power plant	Plot No. 172-180 & 188-197, M-3 Industrial City, Sahianwala and FIEDMC, 2 K.M., Jhumra Chiniot Road, Chak Jhumra, Faisalabad.	96.46
Spinning units and Power plant	20 K.M., Sheikhupura Road, Feroze Wattwan.	67.12
Weaving units, Denim unit and Power plant	12 K.M., Faisalabad Road, Sheikhupura.	110.39
Weaving unit, Dyeing and finishing unit, Processing unit, Stitching units and Power plant	5 K.M., Nishat Avenue Off 22 K.M., Ferozepur Road, Lahore.	118.64
Terry unit	7 K.M., Nishat Avenue Off 22 K.M., Ferozepur Road, Lahore.	12.54
Apparel unit	2 K.M., Nishat Avenue Off 22 K.M., Ferozepur Road, Lahore.	14.33
Office	7-Main Gulberg, Lahore.	1.12
NL Tower (Retail Outlet)	5/A-3 Gulberg, Lahore.	0.25
Commercial Plot	20-A-III, Gulberg , Lahore.	0.05
Commercial Plot	C-43-47, Lake City, Lahore.	0.05
Power Plant - Nishat Power Limited - Subsidiary Company	Jamber Kalan, Tehsil Pattoki, District Kasur.	34.07
Commercial plot (Site for head office)	Plot No. 7, Block Q, Phase 8C, Defence Housing Authority, Lahore.	0.16
Office	93-A-III, Gulberg III, Lahore.	0.41
Factory land	21 K.M., Ferozepur Road, Lahore.	4.21
Commercial building	Mian Mehmood Kasuri Road, Gulberg III, Lahore.	0.76
Factory land and building	Nishatabad, Faisalabad.	5.50
		<b>552.49</b>

## 16.2 Capital work-in-progress

	Advances for purchase of freehold land	Buildings on freehold land	Plant and machinery	Electric installations	Furniture, fixtures and office equipment	Advances for purchase of vehicles	Unallocated capital expenditures	Total
(Rupees in thousand)								
At 30 June 2022	1,153	1,661,582	2,967,360	92,502	8,368	111,181	17,180	4,859,326
Add: Additions during the year	12,972	4,173,452	3,945,491	253,842	43,918	264,305	63,687	8,757,667
Less: Transferred to operating fixed assets during the year	(13,183)	(1,622,418)	(5,180,855)	(127,235)	(43,455)	(265,857)	(2,864)	(7,255,867)
Less: Charged to profit or loss during the year	-	(696)	(24)	(567)	-	-	-	(1,287)
<b>At 30 June 2023</b>	<b>942</b>	<b>4,211,920</b>	<b>1,731,972</b>	<b>218,542</b>	<b>8,831</b>	<b>109,629</b>	<b>78,003</b>	<b>6,359,839</b>
Add: Additions during the year	395,721	4,019,396	12,679,065	509,163	55,090	399,459	569,309	18,627,203
Less: Transferred to operating fixed assets during the year	(6,721)	(668,150)	(2,641,614)	(58,136)	(6,346)	(338,796)	(286,223)	(4,005,986)
Less: Charged to profit or loss during the year	-	-	(253)	-	(87)	-	-	(340)
<b>At 30 June 2024</b>	<b>389,942</b>	<b>7,563,166</b>	<b>11,769,170</b>	<b>669,569</b>	<b>57,488</b>	<b>170,292</b>	<b>361,089</b>	<b>20,980,716</b>

**16.2.1** Advances for purchase of vehicles include advance of Rupees 19,672 million (2023: Rupees 19,851 million) given to Hyundai Nishat Motor (Private) Limited - associated company.

**16.2.2** Borrowing cost amounting to Rupees 741,872 million (2023: Rupees 71,905 million) has been capitalized during the year. The effective rate of borrowing cost capitalized during the year ranged from 20.82% to 23.61% (2023: 6.00% to 22.83% per annum).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2024

	2024	2023		
	(Rupees in thousand)			
<b>16.3 Major spare parts and standby equipment</b>				
Opening balance	420,267	422,279		
Add: Additions during the year	421,351	738,672		
	841,618	1,160,951		
Less: Transferred during the year	(770,675)	(740,684)		
Closing balance	70,943	420,267		
<b>17. INTANGIBLE ASSETS</b>				
Computer software	17.1	-		
Goodwill	17.2	677,647		
	677,647	-		
<b>17.1 Computer Software</b>				
Cost as at 30 June	7,542	7,542		
Accumulated amortization	(7,542)	(7,542)		
Net book value as at 30 June	-	-		
<b>17.1.1</b> Intangible assets having cost of Rupees 7,542 million are fully amortised and are still in use.				
<b>17.2</b> This represents goodwill arising on acquisition of Wernerfelt A/S - Subsidiary Company.				
<b>18 RIGHT-OF-USE ASSETS</b>				
	Land	Buildings	Others	Total
	(Rupees in thousand)			
Reconciliation of net carrying amount of right-of-use assets:				
Balance as at 30 June 2022	6,975	2,189,907	-	2,196,882
Add: Additions during the year	134,071	287,757	-	421,828
Add: Impact of lease modifications / renewals	-	261,566	-	261,566
Less: Impact of lease termination	-	(53,538)	-	(53,538)
Less: Depreciation for the year	(12,346)	(874,929)	-	(887,275)
Add: Currency retranslation	16,665	125,245	-	141,910
<b>Balance as at 30 June 2023</b>	<b>145,365</b>	<b>1,936,008</b>	<b>-</b>	<b>2,081,373</b>
Assets transferred upon acquisition of Wernerfelt A/S (Note 1):				
Add: Additions during the year	-	108,498	39,781	148,279
Add: Impact of lease modifications / renewals	-	815,104	-	815,104
Less: Impact of lease termination	-	74,526	-	74,526
Less: Depreciation for the year	(14,730)	(944,210)	(1,858)	(960,798)
Less: Currency retranslation	(6,950)	(27,020)	(74)	(34,044)
<b>Balance as at 30 June 2024</b>	<b>123,685</b>	<b>1,907,793</b>	<b>37,849</b>	<b>2,069,327</b>

#### Lease of land

Nishat International FZE - Subsidiary Company obtained land on lease for warehouse purpose. Lease period is 10 years.

#### Lease of buildings

The Group obtained buildings on lease for godowns and shops. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Lease periods range from three to fourteen years.

#### Lease of others

Wernerfelt A/S - Subsidiary Company obtained office furnitures, trucks and miscellaneous assets for business use on lease. Lease period is 44 months.

	Note	2024 (Rupees in thousand)	2023
<b>18.1 Depreciation charge for the year has been allocated as follows:</b>			
Cost of sales	32	32,017	20,307
Distribution cost	33	914,051	854,622
Administrative expenses	34	14,730	12,346
		960,798	887,275
<b>19 LONG TERM INVESTMENTS</b>			
Equity instruments	19.1	70,842,826	54,469,968
<b>19.1 Equity instruments</b>			
<b>Associates (with significant influence) - under equity method</b>			
D.G. Khan Cement Company Limited - quoted 137,574,201 (2023: 137,574,201) fully paid ordinary shares of Rupees 10 each. Equity held 31.40% (2023: 31.40%)		24,427,460	20,767,709
Lalpir Power Limited - quoted 109,882,555 (2023: 109,882,555) fully paid ordinary shares of Rupees 10 each. Equity held 28.93% (2023: 28.93%)		5,245,410	5,542,074
Pakgen Power Limited - quoted 112,548,228 (2023: 112,548,228) fully paid ordinary shares of Rupees 10 each. Equity held 30.25% (2023: 30.25%)		8,453,117	8,436,714
Nishat Paper Products Company Limited - unquoted 11,634,199 (2023: 11,634,199) fully paid ordinary shares of Rupees 10 each. Equity held 25% (2023: 25%)		550,902	492,309
Nishat Dairy (Private) Limited - unquoted 57,000,000 (2023: 60,000,000) fully paid ordinary shares of Rupees 10 each. Equity held 12.24% (2023: 12.24%)		451,296	388,374
Hyundai Nishat Motor (Private) Limited - unquoted 234,747,600 (2023: 234,747,600) fully paid ordinary shares of Rupees 10 each. Equity held 12% (2023: 12%)	19.1.1	2,489,812	2,341,273
Sanifa Agri Services Limited - unquoted 11,591,600 (2023: 11,591,600) fully paid ordinary shares of Rupees 10 each. Equity held 33.12% (2023: 33.12%)	19.1.2	-	-
Nishat Hotels and Properties Limited - unquoted 74,022,917 (2023: 74,022,917) fully paid ordinary shares of Rupees 10 each. Equity held 6.08% (2023: 6.08%)		651,221	633,601
Nishat Sutas Dairy Limited - unquoted 320,330,000 (2023: 208,787,400) fully paid ordinary shares of Rupees 10 each. Equity held 48.86% (2023: 48.27%)		1,879,991	1,512,160
Security General Insurance Company Limited - unquoted 10,226,244 (2023: 10,226,244) fully paid ordinary shares of Rupees 10 each. Equity held 15.02% (2023: 15.02%)		3,293,245	2,287,233
Equity investments accounted for under equity method		47,442,454	42,401,447

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2024

	Note	2024	2023
		(Rupees in thousand)	
<b>Equity instruments</b>			
<b>Fair value through other comprehensive income</b>			
<b>Associated companies (Others)</b>			
Adamjee Insurance Company Limited - quoted 102,809 (2023: 102,809) fully paid ordinary shares of Rupees 10 each. Equity held 0.03% (2023: 0.03%)	19.1.3	2,116	2,116
MCB Bank Limited - quoted 95,125,651 (2023: 95,125,651) fully paid ordinary shares of Rupees 10 each. Equity held 8.03% (2023: 8.03%)		13,685,295 13,687,411	13,685,295 13,687,411
<b>Others</b>			
Nishat Chunian Power Limited - quoted 25,537,571 (2023: 25,537,571) fully paid ordinary shares of Rupees 10 each. Equity held 6.95% (2023: 6.95%)		460,187	460,187
Alhamra Islamic Stock Fund - quoted 1,249,099 (2023: 1,121,410) units.		5,041	3,135
United Bank Limited - quoted 353,000 (2023: 353,000) fully paid ordinary shares of Rupees 10 each. Equity held 0.03% (2023: 0.03%)		41,333	41,333
Nishat (Chunian) Limited - quoted 32,689,338 (2023: 32,689,338) fully paid ordinary shares of Rupees 10 each. Equity held 13.61% (2023: 13.61%)	19.1.4	378,955	378,955
Pakistan Petroleum Limited - quoted 599,998 (2023: 599,998) fully paid ordinary shares of Rupees 10 each. Equity held 0.02% (2023: 0.02%)		64,409 949,925	64,409 948,019
Add / (Less) : Fair value adjustment		14,637,336 8,763,036	14,635,430 (2,566,909)
Equity investments classified at fair value through other comprehensive income		23,400,372	12,068,521
		70,842,826	54,469,968

**19.1.1** Investments in Hyundai Nishat Motor (Private) Limited include 4 shares held in the name of nominee directors of the Holding Company.

**19.1.2** This includes 1,600 (2023: 1,600) shares held in the name of chief financial officer of the Holding Company and senior officer of the Holding Company.

**19.1.3** The Holding Company has 95,125,651 shares in MCB Bank Limited. The Holding Company can sale, transfer, pledge, mortgage or encumber these shares with prior written approval of the State Bank of Pakistan. However, out of total shareholding, 7,110,360 shares are blocked in account of Central Depository Company of Pakistan Limited.

**19.1.4** On 09 May 2024, the Board of Directors of Nishat (Chunian) Limited approved a Scheme of Arrangement under sections 279 to 282 of the Companies Act, 2017, involving Nishat (Chunian) Limited and Nishat Chunian Power Limited, along with their respective shareholders. The Scheme aims to reorganize and reconstruct the companies by exchanging shares between Nishat Mills Limited and Mr. Shahzad Saleem (Chief Executive Officer of Nishat (Chunian) Limited), with Nishat Mills Limited's shareholding in Nishat (Chunian) Limited transferring to Mr. Shahzad Saleem, and shareholding of Mr. Shahzad Saleem in Nishat Chunian Power Limited transferring to Nishat Mills Limited. The share swap ratio has been determined based on the respective valuations of the companies. The Scheme will be effective upon the filing of the Lahore High Court's sanctioned order with the Securities and Exchange Commission of Pakistan. Upon the sanction of this Scheme by the Court and upon this Scheme becoming effective, the shares swap as outlined in this Scheme shall be deemed to have occurred on 00:00 hours on 01 March 2024 (Appointed Date) and become effective and operative on the Appointed Date. The effect of exchange of shares, pursuant to this Scheme, shall be accounted for in the next financial statements of the respective companies in compliance with the applicable Accounting Principles. The companies have submitted the Scheme for Court approval, completed all requisite legal and corporate formalities, and held Extra-Ordinary General Meetings on 17 August 2024, where the Scheme has been approved by shareholders. The Court's order is awaited.

## 19.2 Reconciliation of investments in associates under equity method:

D & Khan Cement Company Limited	Nishat Paper Products Company Limited	Nishat Dairy (Private) Limited	Lapir Power Limited	Pakgen Power Limited	Nishat Energy Limited	Nishat Hotels and Properties Limited	Hundai Nishat Motor (Private) Limited	Sahibzadah Services Limited	Nishat Status Dairy Limited	Total	
2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
<b>Cost</b>											
3,418,145	3,418,145	116,342	116,342	570,000	600,000	1,648,231	1,648,231	1,605,028	1,605,028	2,396,899	2,396,899
<b>Share of post acquisition reserve:</b>											
As at 10 July											
Share of profit / loss after income tax											
Bargain purchase or reduction of fair value											
Remeasurements relating to profit or loss											
Share of other comprehensive income / (loss)											
Dividend received											
As at 31 June											
Impairment loss											
As at 30 June											
<b>19.2.1 Summarized statement of financial position</b>											
Quarantined assets											
Non-current assets											
Total assets											
Non-current liabilities											
Total liabilities											
<b>Net assets</b>											
<b>Reconciliations to carrying amounts:</b>											
Reconciliations between shareholders' interests and their fair values in their capacity as owners											
Profit / (loss) in respect of income tax											
Other comprehensive income / (loss)											
Dividend paid											
As at 30 June											
Group's share (%)											
Group's share											
Goodwill											
Carrying amount											
<b>19.2.2 Summarized statement of comprehensive income</b>											
Revenue											
Profit / (loss) for the period											
Total comprehensive income / (loss)											
Dividend received from associates											
Adarsh Insurance Company Limited and MCB Bank Limited are associated companies due to common directorship.											
<b>19.3 Interests in associates</b>											
<b>Name of associated company</b>		<b>Note</b>	<b>Country of incorporation</b>	<b>% of ownership interest</b>	<b>2024</b>	<b>2023</b>	<b>Measurement method</b>	<b>Quoted fair value</b>	<b>Carrying amount</b>	<b>2024</b>	<b>2023</b>
D.G. Khan Cement Company Limited											
Nishat Paper Products Company Limited											
Nishat Dairy (Private) Limited											
Lapir Power Limited											
Pakgen Power Limited											
Nishat Energy Limited											
Nishat Hotels and Properties Limited											
Hyundai Nishat Motor (Private) Limited											
Sahibzadah Services Limited											
Nishat Status Dairy Limited											
Nishat Sulas Dairy Limited											
<b>19.4 Interests in associates</b>											
D.G. Khan Cement Company Limited is engaged in production and sale of cement, ordinary portland and sulphate resistant cement.											
Nishat Paper Products Company Limited is engaged in the business of manufacture and sale of paper products and packaging material.											
Nishat Dairy (Private) Limited is engaged in the business of production of raw milk.											
Lapir Power Limited is owned, operated and maintained an oil fired power station having gross capacity of 362 MW in Muzaffargarh, Punjab, Pakistan.											
Pakgen Power Limited is owned, operated and maintained an oil fired power station having gross capacity of 660 MW at Muzaffargarh, Punjab, Pakistan.											
Nishat Energy Limited is engaged in the business of generation capacity of 600 MW at Muzaffargarh, Punjab, Pakistan.											
Nishat Hotels and Properties Limited is engaged in the business of hotel operations in Pakistan.											
Hyundai Nishat Motor (Private) Limited is engaged in the business of manufacturing and distribution of both passenger and commercial category automobiles.											
Sahibzadah Services Limited is engaged in the business of general insurance services in spheres of fire, marine, motor and miscellaneous.											
Nishat Status Dairy Limited is engaged in the business of dairy products.											
Nishat Sulas Dairy Limited is engaged in the business of dairy products.											
As at 31 December 2023, the principal activities of Lapir Power Limited are to own, operate and maintain an oil fired power station having gross capacity of 362 MW in Muzaffargarh, Punjab, Pakistan.											
As at 31 December 2023, the principal activities of Pakgen Power Limited are to own, operate and maintain an oil fired power station having gross capacity of 660 MW at Muzaffargarh, Punjab, Pakistan.											
As at 31 December 2023, the principal activities of Nishat Energy Limited are to own, operate and maintain an oil fired power station having gross capacity of 600 MW at Muzaffargarh, Punjab, Pakistan.											
As at 31 December 2023, the principal activities of Hyundai Nishat Motor (Private) Limited are to import, produce and market highly quality and distinctive vehicles.											
As at 31 December 2023, the principal activities of Sahibzadah Services Limited are to provide general insurance services in spheres of fire, marine, motor and miscellaneous.											
As at 31 December 2023, the principal activities of Nishat Status Dairy Limited are to manufacture, process, package, sell, resell, import, export, preserve, deep freeze and otherwise deal in all types and kinds of milk and dairy based products.											
* No quoted price available.											

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2024

	Note	2024	2023
		(Rupees in thousand)	
<b>20 LONG TERM LOANS</b>			
Considered good:			
Executives - secured	20.1 & 20.2	437,192	374,877
Other employees - secured	20.2	214,583	178,260
		<b>651,775</b>	<b>553,137</b>
Less: Current portion shown under current assets	25		
Executives		104,950	92,263
Other employees		62,102	57,261
		<b>167,052</b>	<b>149,524</b>
		<b>484,723</b>	<b>403,613</b>

**20.1** Maximum aggregate balance due from executives at the end of any month during the year was Rupees 432.056 million (2023: Rupees 495.648 million).

**20.2** These represent house construction, general purpose and motor vehicle loans given to executives and employees of the Holding Company, Nishat Linen (Private) Limited - Subsidiary Company, Nishat Hospitality (Private) Limited - Subsidiary Company and Nishat Power Limited - Subsidiary Company and are secured against balance to the credit of relevant employees in the provident fund trusts of the respective Group companies and against registration of cars in the joint name of the respective Group companies and the relevant employees. These are recoverable in equal monthly installments. Interest charged during the year ranged from 0% to 4% (2023: 0% to 4%) per annum on the balance outstandings.

**20.3** The fair value adjustment in accordance with the requirements of IFRS 9 'Financial Instruments' arising in respect of staff loans is not considered material and hence not recognized.

	Note	2024	2023
		(Rupees in thousand)	
<b>21. LONG TERM DEPOSITS</b>			
Security deposits		316,848	323,729
Margin against bank guarantee	21.1	308,687	-
		<b>625,535</b>	<b>323,729</b>
<b>21.1 Margin against bank guarantee</b>			
Unsecured - considered good	21.1.1	700,875	-
Less: Fair value adjustment on initial recognition	35	(170,569)	-
Add: Reversal of fair value adjustment	36	46,794	-
		<b>(123,775)</b>	<b>-</b>
Less: Exchange loss		(5,013)	-
		<b>572,087</b>	<b>-</b>
Less: Current portion shown under current assets	26	(263,400)	-
		<b>308,687</b>	<b>-</b>

**21.1.1** This represents 100% margin placed with bank of the Holding Company against bank guarantee issued by bank of the Holding Company to Lars Lauridsen Holding ApS against deferred consideration of investment made in Wernerfelt A/S as more fully explained in note 9.4.1 to these consolidated financial statements. Margin against bank guarantee will be released as and when installments of deferred consideration will be paid to Lars Lauridsen Holding ApS as per agreed repayment schedule.

	Note	2024 (Rupees in thousand)	2023
<b>22. STORES, SPARE PARTS AND LOOSE TOOLS</b>			
Stores		3,902,876	4,418,729
Spare parts		3,091,710	2,579,051
Loose tools		13,338	20,528
		7,007,924	7,018,308
Less: Provision for slow moving, obsolete and damaged store items	22.2	(4,016)	(4,022)
		7,003,908	7,014,286

**22.1** This includes stores and spares in transit of Rupees 355.332 million (2023: Rupees 559.622 million).

**22.2** Provision for slow moving, obsolete and damaged store items.

	Note	2024 (Rupees in thousand)	2023
Balance as on 01 July		4,022	4,141
Less: Provision reversed during the year	36	(6)	(119)
Balance as on 30 June		4,016	4,022

### 23. STOCK-IN-TRADE

Raw materials	23.2	25,148,167	27,851,768
Work in process	23.3	10,817,097	8,640,996
Finished goods	23.4 & 23.6	15,780,455	15,015,877
Less: Provision for slow moving and obsolete stocks		(21,065)	(21,065)
		15,759,390	14,994,812
		51,724,654	51,487,576

**23.1** Stock-in-trade of Rupees 1,439.297 million (2023: Rupees 1,001.617 million) is being carried at net realizable value.

**23.2** Raw materials include stock in transit of Rupees 1,681.226 million (2023: Rupees 273.873 million).

**23.3** This includes stock of Rupees 53.013 million (2023: Rupees 461.585 million) sent to outside parties for processing. Further, work in process includes stock in transit of Rupees 211.742 million (2023: Rupees 111.284 million).

**23.4** Finished goods includes stock in transit of Rupees 2,123.002 million (2023: Rupees 2,859.215 million).

**23.5** The aggregate amount of write-down of inventories to net realizable value recognized as an expense during the year was Rupees 109.291 million (2023: Rupees 8.236 million).

**23.6** Finished goods include stock of Rupees 1,014.893 million (2023: Rupees 813.544 million) which is in the possession of stockists of Nishat Linen (Private) Limited - Subsidiary Company.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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	Note	2024 (Rupees in thousand)	2023
<b>24 TRADE DEBTS</b>			
<b>Considered good:</b>			
Secured:			
- Trade debts due from CPPA-G	24.1	14,425,555	14,152,106
- Others		8,032,696	2,680,135
Unsecured:			
- Related parties	24.2, 24.3 & 24.4	5,730	25,732
- Others		15,969,431	11,771,085
		<b>38,433,412</b>	<b>28,629,058</b>
<b>Considered doubtful:</b>			
Others		-	32,045
Less: Written off against expected credit losses	24.5	-	(1,290)
Less: Written off during the year	35	-	(30,755)
Less: Allowance for expected credit losses	24.5	(57,216)	(55,861)
		<b>(57,216)</b>	<b>(55,861)</b>
		<b>38,376,196</b>	<b>28,573,197</b>
<b>Types of counterparties</b>			
<b>Export</b>			
Corporate		13,253,124	6,556,225
Others		369,694	116,265
		<b>13,622,818</b>	<b>6,672,490</b>
<b>Local</b>			
Corporate		7,519,866	5,901,738
Others		17,290,728	16,054,830
		<b>24,810,594</b>	<b>21,956,568</b>
		<b>38,433,412</b>	<b>28,629,058</b>

- 24.1** These represent trade receivables pertaining to Nishat Power Limited - Subsidiary Company from CPPA-G and are considered good. These are secured by a guarantee from the Government of Pakistan under the Implementation Agreement and are in the normal course of business and interest free, however, delayed payment mark-up at the rate of three months KIBOR plus 2.00% per annum for first sixty days and three months KIBOR plus 4.50% per annum after first sixty days, each compounded semi-annually, is charged in case the amounts are not paid within due dates. The rate of delayed payment mark-up charged during the year on outstanding amounts ranged from 20.31% to 27.98% (2023: 16.70% to 26.58%) per annum.

	2024	2023
	(Rupees in thousand)	
<b>24.2 These represent amounts due from following related parties:</b>		
Adamjee Insurance Company Limited - associated company	-	299
Hyundai Nishat Motor (Private) Limited - associated company	38	1,628
Nishat Hotels and Properties Limited - associated company	24	22,146
MCB Bank Limited - associated company	379	178
MCB Islamic Bank Limited - related party	-	1,169
Nishat Dairy (Private) Limited - associated company	12	-
Nishat Sutas Dairy Limited - associated company	5,210	273
Pakistan Aviators and Aviation (Private) Limited - related party	67	39
	<b>5,730</b>	<b>25,732</b>

**24.3** The maximum aggregate amount receivable from related parties at the end of any month during the year was as follows:

	2024	2023
	(Rupees in thousand)	
Adamjee Insurance Company Limited - associated company	378	631
Hyundai Nishat Motor (Private) Limited - associated company	1,430	4,405
Adamjee Life Assurance Company Limited - associated company	152	-
Nishat Hotels and Properties Limited - associated company	22,146	22,146
MCB Bank Limited - associated company	2,401	1,757
MCB Islamic Bank Limited - related party	1,376	1,565
Nishat Dairy (Private) Limited - associated company	2,732	165
Nishat Developers (Private) Limited - associated company	886	-
D.G. Khan Cement Company Limited - associated company	148	80
Nishat Sutas Dairy Limited - associated company	5,210	340
Pakistan Aviators and Aviation (Private) Limited - related party	167	39

**24.4** As at 30 June 2024, trade debts due from related parties amounting to Rupees 0.578 million (2023: Rupees 0.202 million) were past due but not impaired. The age analysis of these trade debts is as follows:

	2024	2023
	(Rupees in thousand)	
Upto 90 days	476	108
91 to 180 days	-	-
181 to 270 days	38	-
271 to 365 days	64	94
	<b>578</b>	<b>202</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2024

	Note	2024 (Rupees in thousand)	2023
<b>24.5 Allowance for expected credit losses</b>			
Opening balance		55,861	45,363
Less: Balance adjusted against trade debts written off		-	(1,290)
Add: Recognised during the year	35	1,355	11,788
		<b>57,216</b>	<b>55,861</b>
<b>24.6</b> Trade debts include receivables provided to banks under bill discounting arrangements with full recourse amounting to Rupees 1,351.522 million.			
<b>25. LOANS AND ADVANCES</b>			
<b>Considered good:</b>			
Employees - interest free:			
– Executives		21,257	12,244
– Other employees		32,576	24,281
		<b>53,833</b>	<b>36,525</b>
Current portion of long term loans	20	167,052	149,524
Advances to suppliers	25.1 & 25.2	405,705	555,319
Letters of credit		5,221	36,882
Other advances	25.2	176,877	1,274,708
Advance to Sanifa Agri Services Limited - associated company	25.3	8,000	-
		<b>816,688</b>	<b>2,052,958</b>
<b>Considered doubtful:</b>			
Others		108	108
Less: Provision for doubtful advance		(108)	(108)
		-	-
		<b>816,688</b>	<b>2,052,958</b>
<b>25.1 Advances to suppliers</b>			
Considered good		405,705	555,319
Considered doubtful		52	28
Less: Provision for doubtful advances	25.1.1	(52)	(28)
		-	-
		<b>405,705</b>	<b>555,319</b>
<b>25.1.1</b> Opening balance		28	-
Add: Provision made during year	35	24	28
Closing balance		<b>52</b>	<b>28</b>

**25.2** These include amounts due from following related parties. These are neither past due nor impaired:

	2024	2023
	(Rupees in thousand)	
<b>Advances to suppliers</b>		
Adamjee Insurance Company Limited - associated company	-	31
D.G. Khan Cement Company Limited - associated company	-	4
<b>Other advances</b>		
Hyundai Nishat Motor (Private) Limited - associated company	-	97
Nishat Hotels and Properties Limited - associated company	191	-
<b>25.3 Advance to Sanifa Agri Services Limited - associated company</b>		
Total advance	25.3.1	216,397
Less: Expected credit loss against doubtful advances	25.4	(208,397)
Advance considered good		8,000

**25.3.1** This represents unsecured amount advanced to Sanifa Agri Services Limited - associated company and carries markup at the rate ranging from 22.96% to 24.40% (2023: 13.39% to 18.56%) per annum. The maximum aggregate amount advanced to associated company at the end of any month during the year was Rupees 216.397 million (2023: Rupees 164.970 million).

	2024	2023
	Note	(Rupees in thousand)
<b>25.4 Expected credit loss against doubtful advance</b>		
Opening balance		164,970
Add: Recognised during the year	35	43,427
		208,397
<b>26. SHORT TERM DEPOSITS AND PREPAYMENTS</b>		
Deposits		295,984
Current portion of margin against bank guarantee	21.1	263,400
Prepayments		259,050
		818,434
		216,931
		-
		254,796
		471,727

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2024

	Note	2024 (Rupees in thousand)	2023
<b>27. OTHER RECEIVABLES</b>			
<b>Considered good:</b>			
Export rebate and claims		513,309	362,719
Duty drawback		375,218	375,218
Excise duty receivable	27.1	487	-
Sales tax refundable	27.2	11,184,632	12,173,632
Fair value of forward exchange contracts		44,256	31
Recoverable from CPPA-G as pass through items:			
Workers' profit participation fund receivable	27.3	463,840	366,543
Workers' welfare fund receivable	27.4	413,208	299,475
Private Power and Infrastructure Board's fee		-	11,912
Miscellaneous receivables	27.5	84,593	77,586
		<b>13,079,543</b>	<b>13,667,116</b>
<b>27.1 Excise duty receivable</b>			
Considered good		487	-
Considered doubtful		3,313	3,313
Less: Provision for doubtful receivable		(3,313)	(3,313)
		-	-
		<b>487</b>	<b>-</b>
<b>27.2 Sales tax refundable</b>			
Considered good		11,184,632	12,173,632
Considered doubtful		4,179	-
Less: Provision for doubtful sales tax	35	(4,179)	-
		-	-
		<b>11,184,632</b>	<b>12,173,632</b>

**27.2.1** This includes sales tax claimable by Nishat Hospitality (Private) Limited - Subsidiary Company from Federal Board of Revenue ('FBR') of Rupees 4.390 million (2023: Rupees 4.390 million), however the same could not be claimed as Nishat Hospitality (Private) Limited - Subsidiary Company now files return with Punjab Revenue Authority ('PRA'). The matter of transfer of balance to PRA is still under negotiation with FBR and Nishat Hospitality (Private) Limited - Subsidiary Company's tax consultant is confident that the amount will be adjusted in due course, therefore no provision has been recognized against the above amount in these consolidated financial statements.

	Note	2024 (Rupees in thousand)	2023
<b>27.3 Workers' profit participation fund</b>			
Opening balance		366,543	315,609
Allocation for the year		267,805	204,954
		634,348	520,563
Amount received during the year		(161,586)	(144,565)
Written off during the year	35	(8,922)	(9,455)
Closing balance		463,840	366,543
<b>27.4 Workers' welfare fund</b>			
Opening balance		299,475	217,494
Allocation for the year		113,879	81,981
		413,354	299,475
Written off during the year	35	(146)	-
Closing balance		413,208	299,475
<b>27.5</b>	These include amounts due from following related parties. These are neither past due nor impaired:		
	Note	2024 (Rupees in thousand)	2023
Security General Insurance Company Limited - associated company		-	4,303
Nishat Hotels and Properties Limited - associated company		-	3
<b>28. ACCRUED INTEREST</b>			
Accrued interest	28.1	40,879	30,762
<b>28.1</b>	This includes interest receivable from following related party. This is neither past due nor impaired..		
	Note	2024 (Rupees in thousand)	2023
MCB Bank Limited - associated company		6,434	28,018
<b>29 SHORT TERM INVESTMENTS</b>			
<b>Equity instruments</b>			
<b>At fair value through profit or loss (FVTPL)</b>			
<b>Quoted:</b>			
Alhamra Daily Dividend Fund		3,235,185	-
32,351,855 (2023: Nil) units			
MCB DCF Fixed Return Plan I		1,029,769	-
10,297,678 (2023: Nil) units			
		4,264,954	-

**29.1** The fair values of funds are based on the Net Asset Value (NAV) being the current bid price at reporting date as quoted by the respective Asset Management Company.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2024

	Note	2024 (Rupees in thousand)	2023 (Rupees in thousand)
<b>30. CASH AND BANK BALANCES</b>			
<b>With banks:</b>			
On current accounts		1,619,940	2,030,504
Term deposit receipts	30.3	3,780,200	2,755,510
On PLS saving accounts	30.4	5,711,251	2,264,655
Payorder in hand		-	2,000,000
		<b>11,111,391</b>	<b>9,050,669</b>
<b>Cash in hand</b>		<b>69,577</b>	<b>108,959</b>
		<b>11,180,968</b>	<b>9,159,628</b>

- 30.1** Cash at banks includes balance of Rupees 7,256.809 million (2023: Rupees 2,158.102 million million) with MCB Bank Limited - associated company.
- 30.2** Cash at banks includes balance of Rupees 1,497.334 million (2023: Rupees 1,547.204 million) with MCB Islamic Bank Limited - related party.
- 30.3** These represent term deposits with maturity period of 1 month to 4 months and carry profit rates ranging from 5.00% to 22.00% (2023: 3.25% to 21.00%) per annum.
- 30.4** Rate of profit on bank deposits ranges from 12.00% to 20.50% (2023: 12.25% to 19.55%) per annum.

	Note	2024 (Rupees in thousand)	2023 (Rupees in thousand)
<b>31 REVENUE</b>			
Revenue from contracts with customers:			
- Export sales		95,925,230	95,375,396
- Local sales	31.1	114,915,719	96,744,572
- Processing income	31.2	1,119,083	1,069,569
		<b>211,960,032</b>	<b>193,189,537</b>
Export rebate		551,567	486,815
		<b>212,511,599</b>	<b>193,676,352</b>
<b>31.1 Local sales</b>			
Sales	31.1.1	131,957,946	112,049,497
Less: Sales tax		(11,185,970)	(11,617,542)
Less: Discount		(5,856,257)	(3,687,383)
		<b>114,915,719</b>	<b>96,744,572</b>

- 31.1.1** These include waste sale of Rupees 4,346.766 million (2023: Rupees 4,176.477 million).

	Note	2024 (Rupees in thousand)	2023 (Rupees in thousand)
<b>31.2 Processing income</b>			
Sales		1,320,518	1,313,417
Less: Sales tax		(201,435)	(243,848)
		<b>1,119,083</b>	<b>1,069,569</b>

**31.3** The amount of Rupees 1,662.185 million included in contract liabilities (Note 10) at 30 June 2023 has been recognised as revenue in 2024 (2023: Rupees 880.065 million).

#### 31.4 Disaggregation of revenue from contracts with customers

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

Description	Spinning		Weaving		Dyeing		Home Textile and Terry		Garments		Power Generation		Room Rental Services		Other Hotel Ancillary Services		Total - Group	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
<b>Region</b>																		
Europe	580,367	922,447	15,568,038	18,981,664	548,789	522,237	21,459,558	19,816,058	2,679,978	3,139,333	-	-	-	-	-	-	40,835,710	43,381,739
America	646,190	418,313	855,433	748,875	17,597	10,247	6,869,682	4,014,809	13,456,335	10,347,342	-	-	-	-	-	-	21,666,237	15,539,886
Asia, Africa, Australia	8,372,693	6,407,093	3,768,745	4,206,396	17,751,031	21,980,238	3,836,746	4,091,161	145,635	246,008	-	-	-	-	-	-	33,974,850	36,940,886
Pakistan	47,350,646	39,799,143	8,319,626	8,319,084	13,675,570	9,358,287	22,865,571	16,105,482	385,745	392,185	22,607,982	23,167,012	625,529	523,200	151,675	129,206	116,034,802	97,814,141
56,949,886	47,546,996	28,506,300	32,268,551	31,982,967	31,891,009	55,039,557	44,025,510	16,637,683	14,124,868	22,607,982	23,167,012	625,529	523,200	151,675	129,206	212,511,599	193,676,352	
<b>Timing of revenue recognition</b>																		
Products and services transferred at a point in time	56,949,886	47,546,996	28,506,300	32,268,551	31,982,967	31,891,009	55,039,557	44,025,510	16,637,683	14,124,868	18,723,292	19,676,002	625,529	523,200	151,124	120,303	208,626,358	190,176,439
Products and services transferred over time	-	-	-	-	-	-	-	-	-	-	3,884,890	3,491,010	-	-	551	8,903	3,895,241	3,499,913
56,949,886	47,546,996	28,506,300	32,268,551	31,982,967	31,891,009	55,039,557	44,025,510	16,637,683	14,124,868	22,607,982	23,167,012	625,529	523,200	151,675	129,206	212,511,599	193,676,352	
<b>Major products / service lines</b>																		
Yarn	56,556,457	46,868,988	-	-	-	-	-	-	-	-	-	-	-	-	-	-	56,556,457	46,868,988
Grey Cloth	-	-	28,506,300	32,268,551	-	-	-	-	-	-	-	-	-	-	-	-	28,506,300	32,268,551
Processed Cloth	-	-	-	-	31,982,967	31,891,009	1,557,401	11,608,394	-	-	-	-	-	-	-	-	33,550,368	43,499,402
Cosmetics	-	-	-	-	-	-	110,584	147,807	-	-	-	-	-	-	-	110,584	147,807	
Waste	393,439	678,008	-	-	-	-	159,983	203,247	-	-	-	-	-	-	-	553,422	881,255	
Others	-	-	-	-	-	-	273,606	174,496	-	-	-	-	-	-	-	278,606	174,496	
Made Ups	-	-	-	-	-	41,681,100	24,332,729	-	-	-	-	-	-	-	-	41,681,100	24,332,729	
Garments	-	-	-	-	-	-	16,637,683	14,124,868	-	-	-	-	-	-	-	16,637,683	14,124,868	
Towels and Bath Robe	-	-	-	-	-	11,251,883	7,558,847	-	-	-	-	-	-	-	-	11,251,883	7,558,847	
Electricity	-	-	-	-	-	-	-	-	-	-	22,607,982	23,167,012	-	-	-	22,607,982	23,167,012	
Room Rental Services	-	-	-	-	-	-	-	-	-	-	625,529	523,200	-	-	-	625,529	523,200	
Other Hotel Ancillary Services	-	-	-	-	-	-	-	-	-	-	-	-	15,675	129,206	-	151,675	129,206	
56,949,886	47,546,996	28,506,300	32,268,551	31,992,967	31,891,009	55,039,557	44,025,510	16,637,683	14,124,868	22,607,982	23,167,012	625,529	523,200	151,675	129,206	212,511,599	193,676,352	

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2024

	Note	2024	2023
		(Rupees in thousand)	
<b>32 COST OF SALES</b>			
Raw materials consumed		114,890,632	109,526,419
Processing charges		1,747,002	1,395,262
Salaries, wages and other benefits	32.1	16,133,765	12,346,713
Stores, spare parts and loose tools consumed		16,010,957	13,557,173
Packing materials consumed		4,108,989	3,187,309
Repair and maintenance		1,092,131	954,535
Fuel and power		20,639,117	17,856,532
Insurance		559,887	454,543
Depreciation on operating fixed assets	16.1.2	4,551,622	4,267,883
Depreciation on right-of-use assets	18.1	32,017	20,307
Other factory overheads	32.2	1,994,716	1,722,177
		<b>181,760,835</b>	<b>165,288,853</b>
<b>Work-in-process</b>			
Opening stock		8,640,996	6,364,578
Closing stock		(10,817,097)	(8,640,996)
		<b>(2,176,101)</b>	<b>(2,276,418)</b>
Cost of goods manufactured		179,584,734	163,012,435
<b>Finished goods</b>			
Opening stock		15,015,877	12,514,128
Closing stock		(15,780,455)	(15,015,877)
		<b>(764,578)</b>	<b>(2,501,749)</b>
		<b>178,820,156</b>	<b>160,510,686</b>

**32.1** Salaries, wages and other benefits include provident fund contribution of Rupees 478.553 million (2023: Rupees 384.194 million) and Rupees 2.101 million (2023: Rupees 0.838 million) in respect of provision for compensated absences.

**32.2** This includes Rupees 133.389 million (2023: Rupees 101.273 million) in respect of short term leases.

	Note	2024	2023
		(Rupees in thousand)	
<b>33 DISTRIBUTION COST</b>			
Salaries and other benefits	33.1	1,878,307	1,527,449
Outward freight and shop handling		3,555,611	3,666,110
Sales promotion		1,850,819	1,412,933
Commission to selling agents		1,418,039	1,369,145
Royalty	33.2	164,470	112,511
Fuel cost		357,428	234,713
Travelling and conveyance		423,675	311,104
Rent, rates and taxes	33.3	27,625	58,302
Postage and telephone		206,562	165,989
Insurance		64,052	51,877
Vehicles' running		63,618	47,201
Entertainment		52,730	39,436
Advertisement		584,021	313,906
Electricity and gas		262,708	238,942
Printing and stationery		28,815	26,394
Repair and maintenance		335,497	97,195
Fee and subscription		154,600	78,447
Depreciation on operating fixed assets	16.1.2	71,863	58,777
Depreciation on right-of-use assets	18.1	914,051	854,622
		12,414,491	10,665,053

**33.1** Salaries and other benefits include provident fund contribution of Rupees 85.365 million (2023: Rupees 66.248 million).

**33.2** Particulars of royalty paid during the year are as follows:

Name of the company	Registered address	Relationship with the Group or directors	2024	2023
		Related / Other	(Rupees in thousand)	
American and Efird LLC	22 American Street, Mount Holly, North Carolina, 28120.	Other	150,274	105,914

**33.3** This includes Rupees 14.309 million (2023: Rupees 29.155 million) in respect of short term leases.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2024

	Note	2024	2023
		(Rupees in thousand)	
<b>34 ADMINISTRATIVE EXPENSES</b>			
Salaries and other benefits	34.1	2,634,523	2,193,571
Vehicles' running		161,497	126,049
Travelling and conveyance		345,680	297,152
Rent, rates and taxes	34.2	86,080	58,583
Insurance		30,079	27,485
Entertainment		85,393	75,589
Legal and professional		100,799	101,353
Auditors' remuneration	34.3	20,446	18,978
Advertisement		1,734	2,234
Postage and telephone		43,858	41,378
Electricity and gas		31,528	23,557
Printing and stationery		55,385	49,660
Repair and maintenance		108,816	67,790
Fee and subscription		23,353	25,443
Depreciation on operating fixed assets	16.1.2	257,972	258,691
Depreciation on right-of-use assets	18.1	14,730	12,346
Miscellaneous		127,329	69,598
		<b>4,129,202</b>	<b>3,449,457</b>

**34.1** Salaries and other benefits include provident fund contribution of Rupees 93.441 million (2023: Rupees 76.956 million), Rupees 1.323 million (2023: Rupee 0.772 million) in respect of provision for compensated absences and Rupees 13.186 million (2023: Rupees 8.588 million) in respect of retirement benefit - gratuity.

**34.2** This include Rupees 3.886 million (2023: Rupees 2.992 million) in respect of short term leases.

	Note	2024	2023		
		(Rupees in thousand)			
<b>34.3 Auditors' remuneration</b>					
<b>Riaz Ahmad and Company</b>					
Audit fee		11,100	10,106		
Half yearly review		2,522	2,293		
Other certifications		481	420		
Reimbursable expenses		631	522		
		<b>14,734</b>	<b>13,341</b>		
<b>Crowe Mak</b>					
Audit fee		5,712	5,637		
		<b>20,446</b>	<b>18,978</b>		

	Note	2024 (Rupees in thousand)	2023 (Rupees in thousand)
<b>35 OTHER EXPENSES</b>			
Workers' profit participation fund		139,413	548,758
Workers' welfare fund		3,739	5,837
Trade debts written off	24	-	30,755
Allowance for expected credit loss against trade debts	24.5	1,355	11,788
Provision for doubtful advances to suppliers	25.1.1	24	28
Provision for doubtful sales tax receivables	27.2	4,179	-
Expected credit loss against doubtful advance	25.4	43,427	43,470
Provision for doubtful excise duty receivable	27.1	-	3,313
Workers' profit participation fund receivable written off	27.3	8,922	9,455
Workers' welfare fund receivable written off	27.4	146	-
Donations	35.1 & 35.2	4,297	1,308
Fair value adjustment at initial recognition of margin against guarantee	21.1	170,569	-
Loss on disposal of short term investments		-	70,470
		376,071	725,182
<b>35.1</b>	The name of donee to whom donation amount exceeded Rupees 1 million is as follows:		
Nishat Care High School		4,172	-
<b>35.2</b>	There is no interest of any director or his spouse in donees' fund.		
<b>36 OTHER INCOME</b>			
<b>Income from financial assets</b>			
Dividend income	36.1	3,498,082	2,330,870
Gain on initial recognition of ordinary shares transferred under Scheme of Compromises, Arrangement and Reconstruction		-	460,187
Profit on deposits with banks		605,615	302,005
Net exchange gain		898,660	1,512,949
Interest income on advance to associated company		45,789	17,990
Gain on initial recognition of investment at FVTOCI		-	15,074
Gain on disposal of Government Treasury Bills		74,474	-
Gain on disposal of Pakistan Investment Bonds		326,066	-
Credit balances written back		-	47,187
Reversal of fair value adjustment on margin against bank guarantee	21.1	46,794	-
Fair value adjustment on initial recognition of payable to Lars Lauridsen Holding ApS	9.4	118,853	-
Others		83,554	21,800
		5,697,887	4,708,062
<b>Income from non-financial assets</b>			
Gain on sale of property, plant and equipment		65,043	23,584
Scrap sales		621,958	553,817
Rental income		123,387	130,040
Gain on termination of leases		20,914	11,658
Reversal of provision for slow moving, obsolete and damaged store items	22.2	6	119
Insurance claim		-	24,278
Bargain purchase on acquisition of further shares in investee companies	19.2	-	447,741
Others		-	30
		831,308	1,191,267
		6,529,195	5,899,329

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2024

	Note	2024 (Rupees in thousand)	2023
<b>36.1 Dividend income</b>			
<b>From related party / associated companies</b>			
MCB Bank Limited - associated company		3,139,146	1,933,645
Nishat Chunian Power Limited - related party		-	255,376
Mutual Funds of MCB Investment Management Limited - related party		340,096	-
Adamjee Insurance Company Limited - associated company		308	308
		<b>3,479,550</b>	<b>2,189,329</b>
<b>Others</b>			
Pakistan Petroleum Limited		3,000	900
Nishat (Chunian) Limited		-	130,757
United Bank Limited		15,532	9,884
		<b>18,532</b>	<b>141,541</b>
		<b>3,498,082</b>	<b>2,330,870</b>
<b>37 FINANCE COST</b>			
Mark-up on:			
Long term financing		1,914,537	535,800
Short term borrowings		8,167,750	5,952,890
Lease liabilities	7.1	349,126	293,550
Interest on workers' profit participation fund	10.4	16,688	66,067
Adjustment due to impact of IFRS 9 on GIDC	9.2	-	773
Bank charges and commission		608,853	654,417
Fair value adjustment on payable to Lars Lauridsen Holding ApS	9.4	1,160	-
		<b>11,058,114</b>	<b>7,503,497</b>
<b>38 LEVY</b>			
Final tax on sales		1,582,111	1,415,728
Minimum tax - Excess over the amount designated as current tax		413,578	435,895
Final tax on income from other source		179,932	112,256
Related super tax		665,510	567,294
Prior year adjustment		117	-
		<b>2,841,248</b>	<b>2,531,173</b>
<b>39 TAXATION</b>			
Current - for the year		2,333,493	1,323,055
Related super tax		76,259	-
Deferred		37,412	915,893
Prior year adjustment		(189,752)	(141,264)
		<b>2,257,412</b>	<b>2,097,684</b>
<b>40 EARNINGS PER SHARE - BASIC AND DILUTED</b>			
There is no dilutive effect on the basic earnings per share which is based on:			
	2024	2023	
Profit attributable to ordinary shareholders of Holding Company	(Rupees in thousand)	7,868,223	11,295,127
Weighted average number of ordinary shares of Holding Company	(Numbers)	351,599,848	351,599,848
Earnings per share	(Rupees)	22.38	32.12

	Note	2024	2023
		(Rupees in thousand)	
<b>41 CASH GENERATED FROM OPERATIONS</b>			
<b>Profit before taxation and levy</b>			
Profit before taxation and levy		15,607,235	17,928,179
<b>Adjustments for non-cash charges and other items:</b>			
Depreciation on operating fixed assets	16.1.2	4,881,457	4,585,351
Depreciation on right-of-use assets	18.1	960,798	887,275
Workers' profit participation fund receivable written off	35	8,922	9,455
Workers' welfare fund receivable written off	35	146	-
Provision for doubtful excise duty receivable	35	-	3,313
Reversal of provision for slow moving, obsolete and damaged store items	36	(6)	(119)
Trade debts written off	35	-	30,755
Provision for doubtful advances to suppliers	35	24	28
Allowance for expected credit loss against trade debts	35	1,355	11,788
Expected credit loss against doubtful advances	35	43,427	43,470
Loss on disposal of short term investments	35	-	70,470
Gain on initial recognition of investment at FVTOCI	36	-	(15,074)
Gain on initial recognition of ordinary shares transferred under Scheme of Compromises, Arrangement and Reconstruction	36	-	(460,187)
Net exchange gain	36	(898,660)	(1,512,949)
Gain on sale of property, plant and equipment	36	(65,043)	(23,584)
Dividend income	36	(3,498,082)	(2,330,870)
Profit on deposits with banks	36	(605,615)	(302,005)
Interest income on advance to associated company	36	(45,789)	(17,990)
Share of profit from associates	19.2	(3,364,475)	(1,206,373)
Bargain purchase on acquisition of further shares in investee companies	36	-	(447,741)
Provision for accumulated compensated absences		3,424	1,610
Credit balances written back	36	-	(47,187)
Finance cost	37	11,058,114	7,503,497
Gain on termination of leases	36	(20,914)	(11,658)
Fair value adjustment at initial recognition of margin against guarantee	35	170,569	-
Gain on disposal of Government Treasury Bills	36	(74,474)	-
Gain on disposal of Pakistan Investment Bonds	36	(326,066)	-
Reversal of fair value adjustment on margin against bank guarantee	36	(46,794)	-
Fair value adjustment on initial recognition of payable to Lars Lauridsen Holding ApS	36	(118,853)	-
Working capital changes	41.1	(5,626,401)	(15,303,208)
		18,044,299	9,396,246
<b>41.1 Working capital changes</b>			
(Increase) / decrease in current assets:			
- Stores, spare parts and loose tools		10,384	(2,052,406)
- Stock in trade		(237,078)	(8,320,136)
- Trade debts		(9,199,072)	(3,787,324)
- Loans and advances		1,210,348	(783,672)
- Short term deposits and prepayments		(346,707)	(119,562)
- Other receivables		622,730	(2,921,978)
Increase in trade and other payables		(7,939,395)	(17,985,078)
		2,312,994	2,681,870
		(5,626,401)	(15,303,208)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2024

### 41.2 Reconciliation of movement of liabilities to cash flows arising from financing activities

	2024					Total	
	Liabilities from financing activities						
	Long term financing	Lease liabilities	Short term borrowings	Unclaimed dividend	Exchange translation reserve		
(Rupees in thousand)							
<b>Balance as at 01 July 2023</b>	14,806,282	2,540,844	46,246,793	130,485	726,591	64,450,995	
Lease liabilities recognized	-	806,480	-	-	-	806,480	
Repayment of lease liabilities	-	(882,075)	-	-	-	(882,075)	
Liabilities transferred upon acquisition of Wernerfelt A/S	-	109,569	-	-	-	109,569	
Financing obtained	14,640,745	-	-	-	-	14,640,745	
Repayment of financing	(2,895,298)	-	-	-	-	(2,895,298)	
Dividend declared	-	-	-	3,059,009	-	3,059,009	
Dividend paid	-	-	-	(3,046,943)	-	(3,046,943)	
Short term borrowings - net	-	-	7,429,776	-	-	7,429,776	
Exchange differences on translation of net investments in subsidiary companies	-	-	-	-	(63,627)	(63,627)	
Deferred income - Government grant	14,665	-	-	-	-	14,665	
Impact of lease modifications / renewals	-	74,526	-	-	-	74,526	
Impact of lease termination	-	(76,027)	-	-	-	(76,027)	
Currency retranslation	-	4,008	-	-	-	4,008	
<b>Balance as at 30 June 2024</b>	26,566,394	2,577,325	53,676,569	142,551	662,964	83,625,803	

	2023					Total	
	Liabilities from financing activities						
	Long term financing	Lease liabilities	Short term borrowings	Unclaimed dividend	Exchange translation reserve		
(Rupees in thousand)							
<b>Balance as at 01 July 2022</b>	15,473,631	2,596,010	31,692,994	122,072	350,961	50,235,668	
Lease liabilities recognized	-	421,828	-	-	-	421,828	
Repayment of lease liabilities	-	(810,343)	-	-	-	(810,343)	
Financing obtained	2,476,845	-	-	-	-	2,476,845	
Repayment of financing	(3,172,144)	-	-	-	-	(3,172,144)	
Dividend declared	-	-	-	2,533,941	-	2,533,941	
Dividend paid	-	-	-	(2,525,528)	-	(2,525,528)	
Short term borrowings - net	-	-	14,553,799	-	-	14,553,799	
Exchange differences on translation of net investments in subsidiary companies	-	-	-	-	375,630	375,630	
Deferred income - Government grant	27,950	-	-	-	-	27,950	
Impact of lease modifications / renewals	-	261,566	-	-	-	261,566	
Impact of lease termination	-	(65,196)	-	-	-	(65,196)	
Currency retranslation	-	136,979	-	-	-	136,979	
<b>Balance as at 30 June 2023</b>	14,806,282	2,540,844	46,246,793	130,485	726,591	64,450,995	

	2024	2023
	(Rupees in thousand)	
<b>41.3 Non-cash financing activities</b>		
Lease liabilities recognized	806,480	421,828
Exchange differences on translation of net investments in subsidiary companies	(63,627)	375,630
Deferred income - Government grant	14,665	27,950
Impact of lease modifications / renewals	74,526	261,566
Impact of lease termination	(76,027)	(65,196)
Currency retranslation	4,008	136,979

## 42 EVENTS AFTER THE REPORTING PERIOD

- 42.1** The Board of Directors of the Nishat Mills Limited - Holding Company has proposed a cash dividend for the year ended 30 June 2024 of Rupees 3.00 per share (2023: Rupees 5.00 per share) at their meeting held on 27 September 2024. The Board of Directors also proposed to transfer Rupees 7,090 million (2023: Rupees 9,802 million) from un-appropriated profit to general reserve. However, these events have been considered as non-adjusting events under IAS 10 'Events after the Reporting Period' and have not been recognized in these consolidated financial statements.

## 43 REMUNERATION OF CHIEF EXECUTIVE OFFICER AND EXECUTIVES

The aggregate amount charged in these consolidated financial statements for remuneration including all benefits to Chief Executive Officer and Executives of the Holding Company is as follows:

	<b>Chief Executive Officer</b>		<b>Executives</b>	
	2024	2023	2024	2023
(Rupees in thousand)				
<b>Managerial remuneration</b>	74,000	59,464	1,307,765	1,174,761
<b>Allowances</b>				
Cost of living allowance	-	-	1,895	1,465
House rent	23,273	18,871	350,037	285,211
Conveyance	-	-	543	848
Medical	8,727	4,718	113,881	92,884
Utilities	13,739	10,843	153,230	121,177
Special allowance	-	-	1,235	1,002
Contribution to provident fund trust	-	-	114,220	91,210
Leave encashment	-	-	52,264	21,103
	119,739	93,896	2,095,070	1,789,661
Number of persons	1	1	496	397

- 43.1** Chief Executive Officer and certain executives of the Holding Company are provided with Company maintained vehicles and certain executives are also provided with free housing facility along with utilities.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2024

**43.2** Aggregate amount charged in these consolidated financial statements for meeting fee to five directors (2023: five directors) of the Holding Company was Rupees 1.450 million (2023: Rupees 2.080 million).

**43.3** No remuneration was paid to directors of the Holding Company.

### 44 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated undertakings, other related companies, post employment benefit plan and key management personnel. The Group in the normal course of business carries out transactions with various related parties. Detail of transactions with related parties, other than those which have been specifically disclosed elsewhere in these consolidated financial statements are as follows:

	<b>2024</b>	<b>2023</b>
	(Rupees in thousand)	
<b>Associated companies</b>		
Investment made	1,115,426	3,014,221
Investment disposed of	30,000	-
Short term loans made	25,280	43,470
Purchase of goods and services	65,200	37,356
Sale of goods and services	36,635	90,566
Rental income	8,103	7,490
Purchase of operating fixed assets	107,058	103,320
Rent paid	-	91,121
Dividend income	3,139,454	1,933,953
Dividend paid	154,265	123,372
Insurance premium paid	278,458	335,257
Interest income	65,997	34,759
Insurance claims received	101,550	109,324
Finance cost	91,629	67,978
Commission paid	-	52,677
<b>Other related parties</b>		
Dividend Income	340,096	255,376
Dividend paid	443,534	-
Purchase of goods and services	130,661	108,044
Sale of goods and services	14,054	11,179
Group's contribution to provident fund trust	658,835	529,382
Insurance premium paid	57,917	-
Insurance claims received	30,559	-
Rent expense	100,977	-
Interest income	40,262	-
Bank charges	88,307	-

**44.1** Detail of compensation to key management personnel comprising of chief executive officer, directors and executives is disclosed in note 43.

**44.2** Following are the related parties with whom the Holding Company had entered into transactions or have arrangements / agreements in place:

<b>Name of the related party</b>	<b>Basis of relationship</b>	<b>Transactions entered or agreements and / or arrangements in place during the financial year ended</b>		<b>Percentage of shareholding</b>
		<b>2024</b>	<b>2023</b>	
Nishat Agriculture Farming (Private) Limited	Common directorship	No	No	None
Nishat Dairy (Private) Limited	Common directorship and shareholding	Yes	No	12.24
Nishat Sutas Dairy Limited	Common directorship and shareholding	Yes	Yes	48.86
Nishat Hotels and Properties Limited	Common directorship and shareholding	Yes	Yes	6.08
Nishat (Raiwind) Hotels and Properties Limited	Common directorship	No	No	None
Nishat (Aziz Avenue) Hotels and Properties Limited	Common directorship	Yes	Yes	None
Security General Insurance Company Limited	Common directorship and shareholding	Yes	Yes	15.02
Nishat Energy Limited	Shareholding	No	No	37.75
Pakgen Power Limited	Common directorship and shareholding	Yes	Yes	30.25
Lalpir Power Limited	Common directorship and shareholding	Yes	Yes	28.93
Nishat Paper Products Company Limited	Common directorship and shareholding	No	Yes	25.00
Pakistan Aviators and Aviation (Private) Limited	Common directorship	Yes	No	None
Nishat Developers (Private) Limited	Common directorship	Yes	No	None
Nishat Real Estates Development Company (Private) Limited	Common directorship	Yes	Yes	None
Hyundai Nishat Motor (Private) Limited	Common directorship and shareholding	Yes	Yes	12.00
D.G. Khan Cement Company Limited	Common directorship and shareholding	Yes	Yes	31.40
Adamjee Life Assurance Company Limited	Common directorship	Yes	Yes	None
Adamjee Insurance Company Limited	Common directorship and shareholding	Yes	Yes	0.03
MCB Bank Limited	Common directorship and shareholding	Yes	Yes	8.03
MCB Islamic Bank Limited	Wholly owned subsidiary of associated company	Yes	Yes	None
Nishat Agrotech Farms Supplies (Private) Limited	Common directorship	No	No	None
National Textile Foundation	Common directorship	No	No	None
MCB Investment Management Limited	Group company	Yes	No	None
Sanifa Agri Services Limited	Shareholding	Yes	Yes	33.12
Golf View Land (Private) Limited	Spouse of chief executive officer of the Holding Company is director in Golf View Land (Private) Limited	No	No	None
Emporium Properties (Private) Limited	Spouse of director of the Holding Company is director in Emporium Properties (Private) Limited	No	No	None
Employees Provident Fund Trusts	Post-employment benefit plans	Yes	Yes	None
Mr. Mian Umer Mansha	Chief Executive Officer of the Holding Company	Yes	Yes	None
Mr. Mian Hassan Mansha	Chairman of the Holding Company	Yes	Yes	None
Mr. Farid Noor Ali Fazal	Director of the Holding Company	Yes	Yes	None
Mr. Mahmood Akhtar	Director of the Holding Company	Yes	Yes	None
Mr. Syed Zahid Hussain	Director of the Holding Company	Yes	Yes	None
Mrs. Sara Aqeel	Director of the Holding Company	Yes	Yes	None
Mrs. Mehak Adil	Director of the Holding Company	Yes	Yes	None

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2024

### 45 PROVIDENT FUNDS

#### 45.1 Nishat Mills Limited - Holding Company and Nishat Linen (Private) Limited - Subsidiary Company

As at the reporting date, the Nishat Mills Employees Provident Fund Trust is in the process of regularizing its investments in accordance with section 218 of the Companies Act, 2017 and the regulations formulated for this purpose by Securities and Exchange Commission of Pakistan.

#### 45.2 Nishat Power Limited - Subsidiary Company

The investments by the provident fund in collective investment schemes, listed equity and debt securities have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the conditions specified thereunder.

#### 45.3 Nishat Hospitality (Private) Limited - Subsidiary Company

As at the reporting date, the Nishat Hospitality (Private) Limited Employees Provident Fund Trust is in the process of regularizing its investments in accordance with section 218 of the Companies Act, 2017 and the regulations formulated for this purpose by Securities and Exchange Commission of Pakistan.

	2024	2023
<b>46 NUMBER OF EMPLOYEES</b>		
Number of employees as on 30 June	27,776	26,359
Average number of employees during the year	27,716	26,761

		2024	2023
		(Figures in thousand)	
<b>47 PLANT CAPACITY AND ACTUAL PRODUCTION</b>			
<b>a) Holding Company - Nishat Mills Limited</b>			
<b>Spinning</b>			
100% plant capacity converted to 20s count based on 3 shifts per day for 1,098 shifts (2023: 1,095 shifts)	(Kgs.)	105,541	106,804
Actual production converted to 20s count based on 3 shifts per day for 1,098 shifts (2023: 1,095 shifts)	(Kgs.)	87,667	86,731
<b>Weaving</b>			
100% plant capacity at 50 picks based on 3 shifts per day for 1,098 shifts (2023: 1,095 shifts)	(Sq. Mtr)	385,996	374,347
Actual production converted to 50 picks based on 3 shifts per day for 1,098 shifts (2023: 1,095 shifts)	(Sq. Mtr)	365,230	349,035
<b>Dyeing and Finishing</b>			
Production capacity for 3 shifts per day for 1,098 shifts (2023: 1,095 shifts)	(Mtr)	56,400	56,400
Actual production on 3 shifts per day for 1,098 shifts (2023: 1,095 shifts)	(Mtr)	54,090	50,205
<b>Power Plant</b>			
Generation capacity	MWH	1,304	1,291
Actual generation	MWH	433	396
<b>Processing, Stitching, Apparel and Terry</b>			
The plant capacity of these divisions is indeterminable due to multi product plants involving varying processes of manufacturing and run length of order lots.			
<b>b) Subsidiary Company - Nishat Power Limited</b>			
Installed capacity [Based on 8,784 hours (2023: 8,760 hours)]	MWH	1,716	1,711
Actual energy delivered	MWH	454	538
<b>c) Subsidiary Company - Nishat Hospitality (Private) Limited</b>		<b>Total rooms available</b>	
Nishat suites - average occupancy (percentage)		73	75
Total rooms available during the year (number)		87	87

**47.1 REASON FOR LOW PRODUCTION**

- a)** Under utilization of available capacity by the Holding Company for spinning, weaving, dyeing and finishing is mainly due to normal maintenance. Actual power generation in comparison to installed is low due to periodical, scheduled and unscheduled maintenance and low demand.
- b)** Output produced by the plant of Nishat Power Limited - Subsidiary Company is dependent on the load demanded by power purchaser and plant availability.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2024

	Spinning		Weaving		Dyeing		Home Textile and Terry		Garments		Power Generation		Hotel		Elimination of inter-segment transactions		Total - Group		
	2024		2023		2024		2023		2024		2023		2024		2023		2024		
		(Rupees in thousand)		(Rupees in thousand)		(Rupees in thousand)		(Rupees in thousand)		(Rupees in thousand)		(Rupees in thousand)		(Rupees in thousand)		(Rupees in thousand)		(Rupees in thousand)	
Revenue																			
External Intersegment	56,919,886	47,546,996	28,505,300	32,268,551	31,992,667	55,039,558	44,025,510	16,637,639	14,124,868	23,167,012	777,203	652,406	(71,732,279)	(59,266,004)	212,511,599	-	193,676,352		
Cost of sales	17,220,887	15,887,031	29,948,166	22,712,169	3,489,101	2,164,922	4,405,510	44,453,834	16,641,528	2,127	20,644,719	18,061,431	-	-	-	-	193,676,352		
Gross profit	67,102,910	63,444,027	58,457,486	55,482,068	34,055,931	55,415,109	44,453,834	16,641,528	14,126,995	43,232,701	41,228,449	652,406	(71,732,279)	(59,266,004)	212,511,599	-	193,676,352		
Distribution cost	7,117,873	6,221,297	6,847,095	6,847,095	31,982,111	22,637,587	41,025,568	14,964,231	12,018,857	38,104,272	36,535,282	(525,247)	(441,1035)	71,322,279	59,266,004	178,820,561	(160,510,636)		
Administrative expenses	1,034,145	1,021,324	1,507,391	1,460,656	3,598,357	6,015,344	14,389,540	13,952,266	5,148,429	4,593,161	21,08,138	251,986	-	-	-	33,691,443	33,165,066		
Profit / (loss) before taxation and unallocated	1,756,192	1,557,639	(991,145)	(1,240,506)	(1,155,524)	(1,075,539)	(1,155,524)	(1,064,023)	(1,267,661)	(349,022)	(323,163)	(586,13)	(476,866)	(85,508)	(72,719)	-	(10,361,457)		
Income and expenses	5,361,681	670,091	(401,767)	2,068,667	2,205,768	4,557,749	4,989,495	6,604,566	284,252	895,150	4,581,873	186,448	138,652	-	-	17,147,750	19,051,156		
<b>Unallocated income and expenses:</b>																			
Other expenses																			
Other income																			
Finance cost																			
Share of net profit of associates accounted for using the equity method																			
Profit before levy and taxation																			
Levy																			
Profit before taxation																			
Profit after taxation																			
Profit after taxation																			
<b>Reconciliation of reportable segment assets and liabilities</b>																			
	Spinning		Weaving		Dyeing		Home Textile and Terry		Garments		Power Generation		Hotel		Total - Group				
	2024		2023		2024		2023		2024		2023		2024		2023				
	(Rupees in thousand)	(Rupees in thousand)		(Rupees in thousand)		(Rupees in thousand)		(Rupees in thousand)		(Rupees in thousand)		(Rupees in thousand)		(Rupees in thousand)		(Rupees in thousand)		(Rupees in thousand)	
Total assets for reportable segments	29,809,056	34,703,014	18,395,629	16,429,286	35,756,170	18,842,412	29,840,664	14,446,602	8,511,587	8,571,547	42,961,914	37,497,275	1,323,814	1,304,106	166,598,834	131,794,252			
Unallocated assets:																			
Long term investments																			
Short term investment																			
Other receivables																			
Cash and bank balances																			
Other corporate assets																			
<b>Total assets as per statement of financial position</b>																			
Total liabilities for reportable segments	1,054,790	2,815,311	340,646	2,629,358	3,394,434	1,617,530	4,653,053	5,403,123	960,766	805,316	4,788,054	3,634,618	161,842	746,110	15,355,605	17,651,356			
Deferred liabilities																			
Other corporate liabilities																			
<b>Total liabilities as per statement of financial position</b>																			
Geographical information																			
The Group revenue from external customers by geographical locations is detailed below:																			
2024																			
(Rupees in thousand)																			
Europe	40,635,710																		
America	21,668,237																		
Asia, Africa, Australia	33,373,860																		
Pakistan	11,635,662																		
	212,511,599																		
2023																			
(Rupees in thousand)																			
6,901,539																			
67,609,349																			
93,801,401																			
115,855,545																			
90,330,098																			

## 49 INTERESTS IN OTHER ENTITIES

### 49.1 Non-controlling interest (NCI)

Set out below is summarised financial information for Nishat Power Limited - Subsidiary Company that has non-controlling interest that is material to the Group. The amount disclosed for Subsidiary Company are before inter-company eliminations.

	2024	2023
	(Rupees in thousand)	
<b>Summarised statement of financial position</b>		
Current assets	29,608,679	22,800,303
Current liabilities	5,279,881	1,498,601
Net current assets	24,328,798	21,301,702
Non-current assets	8,288,126	8,581,312
Non-current liabilities	-	-
Net non-current assets	8,288,126	8,581,312
Net assets	32,616,924	29,883,014
Accumulated non-controlling interest	15,978,611	14,639,269
<b>Summarised statement of comprehensive income</b>		
Revenue	22,505,489	23,068,964
Profit for the year	5,389,574	4,091,029
Other comprehensive income	-	-
Total comprehensive income	5,389,574	4,091,029
Profit allocated to non-controlling interest	2,640,352	2,004,195
Dividend paid to non-controlling interest	1,301,010	1,127,542
<b>Summarised cash flows</b>		
Cash flows from operating activities	4,941,432	6,137,620
Cash from (used in) / investing activities	(3,713,914)	4,940,295
Cash used in financing activities	(2,651,640)	(2,336,384)
Net increase / (decrease) in cash and cash equivalents	(1,424,122)	8,741,531

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2024

## 50 FINANCIAL RISK MANAGEMENT

### 50.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by the finance departments of the Holding Company and Subsidiary Companies under the policies approved by their respective Board of Directors. The Holding Company and Subsidiary Companies' finance departments evaluate and hedge financial risks. The Board of each Group Company provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk, liquidity risk, use of derivative financial instruments and non-derivative financial instruments and investment of excess liquidity.

#### a) Market risk

##### i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Group is exposed to currency risk arising from various currency exposures, primarily with respect to the United States Dollar (USD), Euro, United Arab Emirates Dirham (AED), Japanese Yen (JPY), British pound sterling (GBP), Danish Krone (DKK) and Chinese yuan (CNY). Currently, the Group's foreign exchange risk exposure is restricted to cash and bank balances and the amounts receivable / payable from / to the foreign entities. The Group's exposure to currency risk was as follows:

	2024	2023
Cash in hand and at banks - USD	2,831,607	3,918,435
Cash in hand and at banks - AED	7,629,219	8,561,541
Cash in hand and at banks - DKK	149,388	-
Trade debts - USD	44,376,650	23,298,176
Trade debts - AED	9,355,448	2,601,484
Trade debts - Euro	4,834,230	1,077,701
Trade debts - GBP	-	34,646
Trade debts - DKK	18,112,297	-
Trade and other payables - USD	(410,071)	(2,099,783)
Trade and other payables - AED	(6,566,926)	(3,349,637)
Trade and other payables - Euro	(12,102)	(235,656)
Trade and other payables - JPY	(399,385)	(440,140)
Trade and other payables - CNY	(28,935)	(28,935)
Trade and other payables - DKK	(12,406,411)	-
Net exposure - USD	46,798,186	25,116,828
Net exposure - AED	10,417,741	7,813,388
Net exposure - Euro	4,822,128	842,045
Net exposure - JPY	(399,385)	(440,140)
Net exposure - CNY	(28,935)	(28,935)
Net exposure - DKK	5,855,274	-
Net exposure - GBP	-	34,646

	2024	2023
The following significant exchange rates were applied during the year:		
<b>Rupees per US Dollar</b>		
Average rate	284.80	256.81
Reporting date rate	277.70	287.50
<b>Rupees per Euro</b>		
Average rate	306.85	270.98
Reporting date rate	293.50	313.00
<b>Rupees per AED</b>		
Average rate	78.05	71.04
Reporting date rate	74.90	79.00
<b>Rupees per JPY</b>		
Average rate	1.93	2.04
Reporting date rate	1.98	2.18
<b>Rupees per CNY</b>		
Average rate	39.60	36.16
Reporting date rate	38.72	40.01
<b>Rupees per GBP</b>		
Average rate	358.02	312.76
Reporting date rate	349.00	366.00
<b>Rupees per DKK</b>		
Average rate	41.10	-
Reporting date rate	39.87	-

#### Sensitivity Analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD, Euro, AED, JPY, GBP, CNY and DKK with all other variables held constant, the impact on profit before taxation and levy for the year would have been Rupees 771.149 million (2023: Rupees 405.623 million) higher / lower, mainly as a result of exchange gains / losses on translation of foreign exchange denominated financial instruments. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis. In management's opinion, the sensitivity analysis is unrepresentative of inherent currency risk as the year end exposure does not reflect the exposure during the year.

#### ii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Group is not exposed to commodity price risk since it does not hold any financial instrument based on commodity prices.

#### Sensitivity Analysis

The table below summarises the impact of increase / decrease in the Pakistan Stock Exchange (PSX) Index on Group's other comprehensive income (fair value reserve) for the year. The analysis is based on the assumption that the equity index had increased / decreased by 5% with all other variables held constant and all the Group's equity instruments moved according to the historical correlation with the index.

	Index	Impact on statement of comprehensive income (fair value reserve)	
		2024	2023
		(Rupees in thousand)	
PSX (5% increase)		1,170,019	603,426
PSX (5% decrease)		(1,170,019)	(603,426)

Equity (fair value reserve) would increase / decrease as a result of gains / losses on equity investments classified as fair value through other comprehensive income.

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### iii) Interest rate risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's interest rate risk mainly arises from long term financing, short term borrowings, loans to employees, overdue trade debts, advance to associated company, bank balances in saving accounts and term deposit receipts. Financial instruments at variable rates expose the Group to cash flow interest rate risk. Financial instruments at fixed rate expose the Group to fair value interest rate risk.

At the reporting date the interest rate profile of the Group's interest bearing financial instruments was:

	2024	2023		
	(Rupees in thousand)			
<b>Fixed rate instruments</b>				
<b>Financial assets</b>				
Loans to employees	62,929	66,807		
Term deposit receipts	3,780,200	2,755,510		
Trade debts - overdue	9,983,560	7,910,721		
<b>Financial liabilities</b>				
Long term financing	9,867,688	12,666,940		
Short term borrowings	23,070,476	21,409,980		
<b>Floating rate instruments</b>				
<b>Financial assets</b>				
Bank balances - saving accounts	5,711,251	2,264,655		
Advance to Sanifa Agri Services Limited - associated company	216,397	164,970		
<b>Financial liabilities</b>				
Long term financing	16,698,706	2,139,342		
Short term borrowings	30,606,093	24,836,813		

### Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the reporting date would not affect profit or loss of the Group.

### Cash flow sensitivity analysis for variable rate instruments

If interest rates at the year end date, fluctuates by 1% higher / lower with all other variables held constant, profit before taxation and levy for the year would have been Rupees 413.772 million (2023: Rupees 245.465 million) lower / higher mainly as a result of higher / lower interest expense / income on floating rate financial instruments. This analysis is prepared assuming the amount of financial instruments outstanding at reporting date were outstanding for the whole year.

### b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

Long term investments	23,400,372	12,068,521
Loans and advances	890,485	1,864,370
Deposits	1,184,919	540,660
Trade debts	38,376,196	28,573,197
Other receivables	128,849	77,617
Accrued interest	40,879	30,762
Short term investments	4,264,954	-
Bank balances	11,111,391	9,050,669
	<b>79,398,045</b>	<b>52,205,796</b>

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (If available) or to historical information about counterparty default rate:

	Rating			2024	2023
	Short term	Long term	Agency	(Rupees in thousand)	
<b>Banks</b>					
National Bank of Pakistan	A-1+	AAA	VIS	1,520	2,005,255
Allied Bank Limited	A1+	AAA	PACRA	800	47,223
Askari Bank Limited	A1+	AA+	PACRA	51	155
Bank Al Falah Limited	A1+	AAA	PACRA	43,461	28,607
Faysal Bank Limited	A1+	AA	PACRA	68,482	56,586
Habib Bank Limited	A-1+	AAA	VIS	77,226	225,144
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	77,530	12,599
JS Bank Limited	A1+	AA	PACRA	32	-
MCB Bank Limited	A1+	AAA	PACRA	7,192,036	3,027,102
Samba Bank Limited	A1	AA	PACRA	103	19
Silk Bank Limited	A-2	A-	VIS	1,040,108	1,055,852
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	159,951	190,008
United Bank Limited	A-1+	AAA	VIS	5,598	168,209
Al Baraka Bank (Pakistan) Limited	A-1	A+	VIS	678	264
Citi Bank N.A.	P-1	Aa3	Moody's	120	155
Bank Islami Pakistan Limited	A1	AA-	PACRA	1,797	5,339
Meezan Bank Limited	A-1+	AAA	VIS	54,470	130,485
Dubai Islamic Bank Pakistan Limited	A-1+	AA	VIS	45,912	90,460
The Bank of Punjab	A1+	AA+	PACRA	33,447	4,268
Soneri Bank Limited	A1+	AA-	PACRA	616,415	46,951
Industrial and Commercial Bank of China	P-1	A-2	Moody's	19	45,526
MCB Islamic Bank Limited	A1	A	PACRA	1,497,335	1,547,205
HAB Bank		Unknown		15,591	4,447
Bank of China	P-1	Aa3	Moody's	10,440	51,616
Habib Bank AG Zurich		Unknown		105,739	215,137
ICBC Standard Bank	P-2	Baa1	Moody's	22,823	-
Jyske Bank		Unknown		2,209	-
Svenska Handelsbanken AB		Unknown		3,747	-
Bank Al-Habib Limited	A1+	AAA	PACRA	33,746	92,052
The Bank of Khyber	A1	A+	PACRA	5	5
				11,111,391	9,050,669
<b>Investments</b>					
Adamjee Insurance Company Limited	AA++(ifs)		PACRA	3,692	2,327
Alhamra Islamic Stock Fund	AM1		PACRA	18,899	10,115
Nishat (Chunian) Limited	A-2	A-	VIS	856,788	663,593
Nishat Chunian Power Limited	A-2	A+	VIS	764,850	426,477
United Bank Limited	A-1+	AAA	VIS	90,453	41,493
MCB Bank Limited	A1+	AAA	PACRA	21,595,424	10,889,032
Pakistan Petroleum Limited		Unknown		70,266	35,484
Alhamra Daily Dividend Fund	AA-(f)		PACRA	3,235,185	-
MCB DCF Fixed Return Plan I	AA(f)		PACRA	1,029,769	-
				27,665,326	12,068,521
				38,776,717	21,119,190

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The Group's exposure to credit risk and impairment losses related to trade debts is disclosed in Note 24.

Due to the Group's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counterparties on their obligations to the Group. Accordingly the credit risk is minimal.

### Trade debts

The Group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade debts other than those due from Government of Pakistan.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. These trade receivables are netted off with the collateral obtained, if any, from these customers to calculate the net exposure towards these customers. The Group has concluded that the expected loss rates for trade debts against local sales are different from the expected loss rates for trade debts against export sales.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 30 June 2024 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the Gross Domestic Product, Unemployment, Interest and the inflation Index to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

### c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Group manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At 30 June 2024, the Group had Rupees 35,199.026 million (2023: Rupees 37,738.864 million) available borrowing / financing limits from financial institutions and Rupees 11,180.968 million (2023: Rupees 9,159.628 million) cash and bank balances. Management believes the liquidity risk to be low. Following are the contractual maturities of financial liabilities, including interest payments. The amounts disclosed in the table are undiscounted cash flows.

#### Contractual maturities of financial liabilities as at 30 June 2024:

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 Years	More than 2 Years
----- (Rupees in thousand) -----						
<b>Non-derivative financial liabilities</b>						
Long term financing	26,566,394	46,728,090	3,318,577	3,451,679	6,993,447	32,964,387
Security deposits	288,360	288,360	-	-	-	288,360
Trade and other payables	16,316,358	16,316,358	16,316,358	-	-	-
Lease liabilities	2,577,325	3,095,512	637,172	624,892	951,118	882,330
Unclaimed dividend	142,551	142,551	142,551	-	-	-
Short term borrowings	53,676,569	67,552,084	65,339,522	2,212,562	-	-
Accrued mark-up	1,529,600	1,529,600	1,529,600	-	-	-
<b>Derivative financial liabilities</b>						
Fair value of forward exchange contracts	19,392	19,392	19,392	-	-	-
	101,116,549	135,671,947	87,303,172	6,289,133	7,944,565	34,135,077

**Contractual maturities of financial liabilities as at 30 June 2023:**

	<b>Carrying amount</b>	<b>Contractual cash flows</b>	<b>6 months or less</b>	<b>6-12 months</b>	<b>1-2 Years</b>	<b>More than 2 Years</b>
----- (Rupees in thousand) -----						
<b>Non-derivative financial liabilities:</b>						
Long term financing	14,806,282	16,823,325	2,063,973	1,428,597	3,138,385	10,192,370
Security deposits	265,610	265,610	7,200	-	-	258,410
Trade and other payables	13,027,319	13,027,319	13,027,319	-	-	-
Lease liabilities	2,540,844	3,148,643	543,755	496,570	958,981	1,149,337
Unclaimed dividend	130,485	130,485	130,485	-	-	-
Short term borrowings	46,246,793	52,755,389	50,039,425	2,715,964	-	-
Accrued mark-up	1,843,179	1,843,179	1,843,179	-	-	-
<b>Derivative financial liabilities</b>						
Fair value of forward exchange contracts	18,292	18,292	18,292	-	-	-
	78,878,804	88,012,242	67,673,628	4,641,131	4,097,366	11,600,117

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates / mark-up rates effective as at 30 June. The rates of interest / markup have been disclosed in note 6, 7 and note 12 to these consolidated financial statements.

**50.2 Financial instruments by categories**

	<b>FVTPL</b>	<b>Amortized cost</b>	<b>FVTOCI</b>	<b>Total</b>
----- (Rupees in thousand) -----				
<b>As at 30 June 2024</b>				
<b>Assets as per consolidated statement of financial position</b>				
Long term investments	-	-	23,400,372	23,400,372
Loans and advances	-	890,485	-	890,485
Deposits	-	1,184,919	-	1,184,919
Trade debts	-	38,376,196	-	38,376,196
Other receivables	44,256	84,593	-	128,849
Accrued interest	-	40,879	-	40,879
Short term investments	-	4,264,954	-	4,264,954
Cash and bank balances	-	11,180,968	-	11,180,968
	44,256	56,022,994	23,400,372	79,467,622
----- (Rupees in thousand) -----				
<b>Liabilities as per consolidated statement of financial position</b>				
Long term financing	-	26,566,394	26,566,394	
Security deposits	-	288,360	288,360	
Trade and other payables	19,392	16,316,358	16,335,750	
Lease liabilities	-	2,577,325	2,577,325	
Unclaimed dividend	-	142,551	142,551	
Short term borrowings	-	53,676,569	53,676,569	
Accrued mark-up	-	1,529,600	1,529,600	
	19,392	101,097,157	101,116,549	

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For the year ended June 30, 2024

FVTPL	Amortised cost	FVTOCI	Total
----- (Rupees in thousand) -----			

**As at 30 June 2023**

**Assets as per consolidated statement  
of financial position**

Long term investments	-	-	12,068,521	12,068,521
Loans and advances	-	1,864,370	-	1,864,370
Deposits	-	540,660	-	540,660
Trade debts	-	28,573,197	-	28,573,197
Other receivables	31	77,586	-	77,617
Accrued interest	-	30,762	-	30,762
Cash and bank balances	-	9,159,628	-	9,159,628
	31	40,246,203	12,068,521	52,314,755

FVTPL	Amortized cost	Total
----- (Rupees in thousand) -----		

**Liabilities as per consolidated statement  
of financial position**

Long term financing	-	14,806,282	14,806,282
Security deposits	-	265,610	265,610
Trade and other payables	18,292	13,027,319	13,045,611
Short term borrowings	-	46,246,793	46,246,793
Lease liabilities	-	2,540,844	2,540,844
Unclaimed dividend	-	130,485	130,485
Accrued mark-up	-	1,843,179	1,843,179
	18,292	78,860,512	78,878,804

- 50.3** Reconciliation of financial assets and financial liabilities to the line items presented in the consolidated statement of financial position is as follows:

2024		
Financial assets	Non-financial assets	Assets as per consolidated statement of financial position
----- (Rupees in thousand) -----		

<b>Assets</b>			
Long term investments	23,400,372	47,442,454	70,842,826
Loans and advances	890,485	410,926	1,301,411
Deposits and prepayments	1,184,919	259,050	1,443,969
Trade debts	38,376,196	-	38,376,196
Other receivables	128,849	12,950,694	13,079,543
Accrued interest	40,879	-	40,879
Short term investments	4,264,954	-	4,264,954
Cash and bank balances	11,180,968	-	11,180,968
	79,467,622	61,063,124	140,530,746

<b>2024</b>			
	<b>Financial liabilities</b>	<b>Non-financial liabilities</b>	<b>Liabilities as per consolidated statement of financial position</b>
----- (Rupees in thousand) -----			
<b>Liabilities</b>			
Long term financing	26,566,394	-	26,566,394
Security deposits	288,360	-	288,360
Trade and other payables	16,335,750	3,492,091	19,827,841
Short term borrowings	53,676,569	-	53,676,569
Lease liabilities	2,577,325	-	2,577,325
Unclaimed dividend	142,551	-	142,551
Accrued mark-up	1,529,600	-	1,529,600
	101,116,549	3,492,091	104,608,640
----- (Rupees in thousand) -----			
<b>2023</b>			
	<b>Financial assets</b>	<b>Non-financial assets</b>	<b>Assets as per consolidated statement of financial position</b>
----- (Rupees in thousand) -----			
<b>Assets</b>			
Long term investments	12,068,521	42,401,447	54,469,968
Loans and advances	1,864,370	592,201	2,456,571
Deposits and prepayments	540,660	254,796	795,456
Trade debts	28,573,197	-	28,573,197
Other receivables	77,617	13,589,499	13,667,116
Accrued interest	30,762	-	30,762
Cash and bank balances	9,159,628	-	9,159,628
	52,314,755	56,837,943	109,152,698
----- (Rupees in thousand) -----			
<b>2023</b>			
	<b>Financial liabilities</b>	<b>Non-financial liabilities</b>	<b>Liabilities as per consolidated statement of financial position</b>
----- (Rupees in thousand) -----			
<b>Liabilities</b>			
Long term financing	14,806,282	-	14,806,282
Security deposits	265,610	-	265,610
Trade and other payables	13,045,611	4,418,413	17,464,024
Short term borrowings	46,246,793	-	46,246,793
Lease liabilities	2,540,844	-	2,540,844
Unclaimed dividend	130,485	-	130,485
Accrued mark-up	1,843,179	-	1,843,179
	78,878,804	4,418,413	83,297,217

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2024

## 51 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry and the requirements of the lenders, the Group monitors the capital structure on the basis of gearing ratio. This ratio is calculated as borrowings divided by total capital employed. Borrowings represent long term financing and short term borrowings obtained by the Group as referred to in note 6 and note 12 respectively. Total capital employed includes 'total equity' as shown in the consolidated statement of financial position plus 'borrowings'.

		2024	2023
Borrowings	Rupees in thousand	80,242,963	61,053,075
Total equity	Rupees in thousand	157,847,811	136,166,341
Total capital employed	Rupees in thousand	238,090,774	197,219,416
Gearing ratio	Percentage	33.70	30.96

## 52 FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

### i) Fair value hierarchy

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

<b>Recurring fair value measurements At 30 June 2024</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
----- (Rupees in thousand) -----				
<b>Financial assets</b>				
Fair value through other comprehensive income	23,400,372	-	-	23,400,372
Derivative financial assets	-	44,256	-	44,256
<b>Total financial assets</b>	<b>23,400,372</b>	<b>44,256</b>	-	23,444,628
<b>Financial liabilities</b>				
Derivative financial liabilities	-	19,392	-	19,392
<b>Total financial liabilities</b>	<b>-</b>	<b>19,392</b>	-	19,392

Recurring fair value measurements At 30 June 2023	Level 1	Level 2	Level 3	Total
(Rupees in thousand)				
<b>Financial assets</b>				
Fair value through other comprehensive income	12,068,521	-	-	12,068,521
Derivative financial assets	-	31	-	31
<b>Total financial assets</b>	<b>12,068,521</b>	<b>31</b>	<b>-</b>	<b>12,068,552</b>
<b>Financial liabilities</b>				
Derivative financial liabilities	-	18,292	-	18,292
<b>Total financial liabilities</b>	<b>-</b>	<b>18,292</b>	<b>-</b>	<b>18,292</b>

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

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year. Further there was no transfer out of level 3 measurements.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

**Level 1:** The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

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

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

## ii) Valuation techniques used to determine fair values

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2024

### 53 UNUTILIZED CREDIT FACILITIES

	Non-funded		Funded	
	2024	2023	2024	2023
(Rupees in thousand)				
Total facilities of the Holding Company	14,731,000	15,031,000	117,674,000	104,991,000
Utilized at the end of the year relating to Holding Company	12,788,429	14,548,191	82,474,974	67,252,136
Unutilized at the end of the year relating to Holding Company	1,942,571	482,809	35,199,026	37,738,864

### 54 DATE OF AUTHORIZATION FOR ISSUE

These consolidated financial statements were authorized for issue on 27 September 2024 by the Board of Directors.

### 55 CORRESPONDING FIGURES

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. Except for reclassification as disclosed in note 2.3 to the financial statements, no significant rearrangements / reclassification have been made.

### 56 GENERAL

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

## Pattern of Holding

of the Shares held by the Shareholders of Nishat Mills Limited as at June 30, 2024

Number of Shareholders	Having shares		Shares Held	Percentage
	From	To		
4,814	1	100	170,593	0.05
4,200	101	500	1,104,733	0.31
1,380	501	1,000	1,102,956	0.31
1,717	1,001	5,000	4,365,574	1.24
375	5,001	10,000	2,888,484	0.82
167	10,001	15,000	2,144,031	0.61
108	15,001	20,000	1,968,471	0.56
66	20,001	25,000	1,544,368	0.44
42	25,001	30,000	1,174,207	0.33
31	30,001	35,000	1,027,404	0.29
21	35,001	40,000	804,954	0.23
13	40,001	45,000	563,339	0.16
25	45,001	50,000	1,224,091	0.35
17	50,001	55,000	898,947	0.26
11	55,001	60,000	638,350	0.18
9	60,001	65,000	573,131	0.16
5	65,001	70,000	345,078	0.10
12	70,001	75,000	874,799	0.25
6	75,001	80,000	474,817	0.14
5	80,001	85,000	413,735	0.12
5	85,001	90,000	441,907	0.13
3	90,001	95,000	279,377	0.08
11	95,001	100,000	1,092,591	0.31
1	100,001	105,000	102,585	0.03
8	105,001	110,000	859,699	0.24
3	110,001	115,000	340,259	0.10
5	115,001	120,000	592,064	0.17
5	120,001	125,000	619,134	0.18
5	125,001	130,000	641,178	0.18
5	130,001	135,000	664,606	0.19
4	135,001	140,000	555,303	0.16
2	140,001	145,000	288,691	0.08
5	145,001	150,000	745,197	0.21
1	150,001	155,000	153,004	0.04
4	155,001	160,000	633,757	0.18
3	160,001	165,000	485,455	0.14
1	165,001	170,000	165,200	0.05
2	170,001	175,000	349,000	0.10
2	175,001	180,000	354,615	0.10
2	180,001	185,000	368,000	0.10
1	185,001	190,000	186,030	0.05
2	190,001	195,000	388,894	0.11
9	195,001	200,000	1,792,049	0.51
1	200,001	205,000	201,062	0.06
1	205,001	210,000	207,000	0.06
2	215,001	220,000	438,075	0.12
1	220,001	225,000	221,800	0.06
2	230,001	235,000	470,000	0.13
1	235,001	240,000	237,500	0.07
2	240,001	245,000	481,470	0.14

## Pattern of Holding

of the Shares held by the Shareholders of Nishat Mills Limited as at June 30, 2024

Number of Shareholders	Having shares		Shares Held	Percentage
	From	To		
4	245,001	250,000	1,000,000	0.28
1	260,001	265,000	262,100	0.07
1	270,001	275,000	271,400	0.08
1	275,001	280,000	278,700	0.08
1	280,001	285,000	280,292	0.08
1	285,001	290,000	288,143	0.08
1	295,001	300,000	300,000	0.09
2	305,001	310,000	612,592	0.17
1	310,001	315,000	313,170	0.09
1	315,001	320,000	317,189	0.09
1	320,001	325,000	322,255	0.09
1	325,001	330,000	329,800	0.09
1	330,001	335,000	333,000	0.09
1	340,001	345,000	342,500	0.10
1	350,001	355,000	351,347	0.10
2	365,001	370,000	734,616	0.21
1	380,001	385,000	385,000	0.11
1	385,001	390,000	388,800	0.11
1	390,001	395,000	394,195	0.11
2	400,001	405,000	807,745	0.23
1	430,001	435,000	433,606	0.12
1	435,001	440,000	440,000	0.13
1	440,001	445,000	440,704	0.13
1	455,001	460,000	457,690	0.13
1	480,001	485,000	480,272	0.14
1	495,001	500,000	500,000	0.14
1	530,001	535,000	533,445	0.15
1	545,001	550,000	547,200	0.16
1	555,001	560,000	555,085	0.16
1	595,001	600,000	596,565	0.17
1	640,001	645,000	640,206	0.18
2	645,001	650,000	1,300,000	0.37
1	660,001	665,000	664,500	0.19
1	670,001	675,000	675,000	0.19
1	720,001	725,000	723,400	0.21
1	755,001	760,000	760,000	0.22
1	890,001	895,000	890,354	0.25
1	920,001	925,000	920,573	0.26
3	995,001	1,000,000	3,000,000	0.85
1	1,060,001	1,065,000	1,061,285	0.30
1	1,080,001	1,085,000	1,082,100	0.31
1	1,120,001	1,125,000	1,125,000	0.32
1	1,155,001	1,160,000	1,158,900	0.33
1	1,195,001	1,200,000	1,200,000	0.34
1	1,210,001	1,215,000	1,210,025	0.34
1	1,310,001	1,315,000	1,310,500	0.37
1	1,450,001	1,455,000	1,451,500	0.41
1	1,545,001	1,550,000	1,550,000	0.44
1	1,620,001	1,625,000	1,623,554	0.46
1	1,750,001	1,755,000	1,754,077	0.50

Number of Shareholders	Having shares		Shares Held	Percentage
	From	To		
1	1,895,001	1,900,000	1,896,841	0.54
1	1,925,001	1,930,000	1,925,523	0.55
1	1,950,001	1,955,000	1,954,695	0.56
1	2,110,001	2,115,000	2,114,085	0.60
1	2,245,001	2,250,000	2,250,000	0.64
1	2,345,001	2,350,000	2,350,000	0.67
1	2,485,001	2,490,000	2,488,413	0.71
1	2,495,001	2,500,000	2,500,000	0.71
1	2,625,001	2,630,000	2,625,670	0.75
1	2,855,001	2,860,000	2,857,751	0.81
1	2,935,001	2,940,000	2,939,871	0.84
1	3,205,001	3,210,000	3,208,386	0.91
1	3,650,001	3,655,000	3,655,000	1.04
1	3,875,001	3,880,000	3,876,392	1.10
1	3,925,001	3,930,000	3,925,956	1.12
1	4,770,001	4,775,000	4,775,000	1.36
1	4,780,001	4,785,000	4,781,431	1.36
1	4,880,001	4,885,000	4,885,000	1.39
1	9,540,001	9,545,000	9,540,397	2.71
1	9,865,001	9,870,000	9,869,800	2.81
1	11,885,001	11,890,000	11,886,947	3.38
1	15,520,001	15,525,000	15,523,187	4.42
1	26,245,001	26,250,000	26,248,841	7.47
1	29,225,001	29,230,000	29,228,216	8.31
1	29,570,001	29,575,000	29,571,909	8.41
1	44,290,001	44,295,000	44,292,572	12.60
1	44,370,001	44,375,000	44,372,016	12.62
<b>13,209</b>	<b>Total</b>	<b>351,599,848</b>	<b>100</b>	

Sr. No.	Categories of Shareholders	Shares Held	Percentage
1.	DIRECTORS, CEO, THEIR SPOUSE AND MINOR CHILDREN	88,667,588	25.22
2.	ASSOCIATED COMPANIES, UNDERTAKINGS AND RELATED PARTIES	31,380,480	8.93
3.	NIT AND ICP	85,203	0.02
4.	Banks, Development Financial Institutions, Non banking Financial Institutions	24,369,393	6.93
5.	Insurance Companies	11,329,258	3.22
6.	Modarabas and Mutual Funds	16,815,737	4.78
7.	Shares Holders Holding 5% or above	177,714,710	50.54
8.	General Public		
	Local	123,371,906	35.09
	Foreign	6,623,229	1.88
9.	Others		
	Foreign Companies	9,995,986	2.84
	Investment Companies	98,037	0.03
	Joint Stock Companies	24,211,977	6.89
	Provident / Pension Funds and Miscellaneous	14,651,054	4.17

## Information Under Listing Regulation No. 5.19.11 (X) of Pakistan Stock Exchange Limited Rule Book as on June 30, 2024

Sr. No.	Categories of Shareholders	Shares Held	Percentage
<b>I) ASSOCIATED COMPANIES, UNDERTAKINGS AND RELATED PARTIES</b>			
	D. G. KHAN CEMENT COMPANY LIMITED	30,289,501	8.61
	ADAMJEE INSURANCE COMPANY LIMITED	2,050	0.00
	SECURITY GENERAL INSURANCE COMPANY LIMITED	186,030	0.05
	ADAMJEE LIFE ASSURANCE COMPANY LIMITED	433,399	0.12
	NISHAT (AZIZ AVENUE) HOTELS AND PROPERTIES LIMITED	342,500	0.10
	NISHAT REAL ESTATES DEVELOPMENT COMPANY (PRIVATE) LIMITED	127,000	0.04
<b>II) MUTUAL FUNDS:</b>			
	PRUDENTIAL STOCKS FUND LIMITED	110	0.00
	SAFEWAY MUTUAL FUND LIMITED	13	0.00
	CDC - TRUSTEE MCB PAKISTAN STOCK MARKET FUND	2,044,695	0.58
	CDC - TRUSTEE ALHAMRA ISLAMIC STOCK FUND	1,260,354	0.36
	CDC - TRUSTEE FAYSAL STOCK FUND	3,300	0.00
	CDC - TRUSTEE AKD INDEX TRACKER FUND	43,472	0.01
	CDC - TRUSTEE ALHAMRA ISLAMIC ASSET ALLOCATION FUND	520,000	0.15
	CDC - TRUSTEE FAYSAL ASSET ALLOCATION FUND	4,200	0.00
	CRESCENT STANDARD BUSINESS MANAGEMENT (PVT) LIMITED	1	0.00
	CDC - TRUSTEE ATLAS ISLAMIC STOCK FUND	1,054	0.00
	CDC - TRUSTEE NBP STOCK FUND	4,026,765	1.15
	CDC - TRUSTEE NBP BALANCED FUND	114,200	0.03
	CDC - TRUSTEE ALFALAH GHP ISLAMIC STOCK FUND	248,167	0.07
	CDC - TRUSTEE NBP ISLAMIC SARMAYA IZAFI FUND	105,900	0.03
	CDC - TRUSTEE ALFALAH GHP STOCK FUND	225,692	0.06
	CDC - TRUSTEE ALFALAH GHP ALPHA FUND	123,019	0.03
	CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND	2,239,341	0.64
	CDC - TRUSTEE ABL STOCK FUND	85,000	0.02
	CDC - TRUSTEE NBP SARMAYA IZAFI FUND	83,860	0.02
	CDC - TRUSTEE NBP MAHANA AMDANI FUND - MT	3,025	0.00
	CDC - TRUSTEE KSE MEEZAN INDEX FUND	524,164	0.15
	CDC - TRUSTEE FIRST CAPITAL MUTUAL FUND	30,000	0.01
	CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	2,675,670	0.76
	CDC - TRUSTEE NBP ISLAMIC STOCK FUND	586,690	0.17
	CDC - TRUSTEE AWT STOCK FUND	9,800	0.00
	CDC - TRUSTEE NIT ISLAMIC EQUITY FUND	280,100	0.08
	CDC - TRUSTEE NITIPF EQUITY SUB-FUND	20,000	0.01
	CDC - TRUSTEE NITPF EQUITY SUB-FUND	9,500	0.00
	CDC - TRUSTEE NBP SAVINGS FUND - MT	176,342	0.05
	CDC - TRUSTEE FAYSAL MTS FUND - MT	188,807	0.05
	CDC - TRUSTEE ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND	9,726	0.00
	CDC - TRUSTEE FAYSAL ISLAMIC DEDICATED EQUITY FUND	1,000	0.00
	CDC - TRUSTEE NIT ASSET ALLOCATION FUND	30,000	0.01
	CDC - TRUSTEE NBP FINANCIAL SECTOR INCOME FUND - MT	113,168	0.03
	CDC - TRUSTEE HBL INCOME FUND - MT	375	0.00
	CDC - TRUSTEE ALFALAH CONSUMER INDEX EXCHANGE TRADED FUND	20,087	0.01
	CDC - TRUSTEE ALFALAH GHP DEDICATED EQUITY FUND	11,625	0.00
	CDC - TRUSTEE HBL FINANCIAL SECTOR INCOME FUND PLAN I - MT	485,747	0.14
	CDC - TRUSTEE PAK-QATAR ISLAMIC STOCK FUND	337,055	0.10
	CDC - TRUSTEE PAK QATAR IPF - EQUITY SUB FUND	7,216	0.00
	PRUDENTIAL STOCKS FUND LTD (03360)	23,500	0.01
	CDC - TRUSTEE AGIPF EQUITY SUB-FUND	8,400	0.00
	CDC - TRUSTEE AGPF EQUITY SUB-FUND	7,100	0.00

## Information Under Listing Regulation No. 5.19.11 (X) of Pakistan Stock Exchange Limited Rule Book as on June 30, 2024

Sr. No.	Categories of Shareholders		Shares Held	Percentage
<b>III) DIRECTORS, CEO, THEIR SPOUSE AND MINOR CHILDREN</b>				
1.	MR. UMER MANSHA	DIRECTOR / CHIEF EXECUTIVE OFFICER	44,292,572	12.60
2.	MR. HASSAN MANSHA	DIRECTOR / CHAIRMAN	44,372,016	12.62
3.	MR. MAHMOOD AKHTAR	DIRECTOR	500	0.00
4.	MR. FARID NOOR ALI FAZAL	DIRECTOR	500	0.00
5.	MRS. SARA AQEEL	DIRECTOR	1,500	0.00
6.	MRS. MEHAK ADIL	DIRECTOR	500	0.00
<b>IV) EXECUTIVES</b>				
	MR. MAQSOOD AHMAD		335	0.0001
<b>V) PUBLIC SECTOR, COMPANIES AND CORPORATIONS</b>				
	JOINT STOCK COMPANIES		24,211,977	6.89
<b>VI) SHAREHOLDERS HOLDING FIVE PERCENT OR MORE VOTING INTEREST IN THE LISTED COMPANY</b>				
1.	MRS NAZ MANSHA	SHAREHOLDER	29,188,712	8.30
2.	MR. RAZA MANSHA	SHAREHOLDER	29,571,909	8.41
3.	MR. UMER MANSHA	DIRECTOR / CHIEF EXECUTIVE OFFICER	44,292,572	12.60
4.	MR. HASSAN MANSHA	DIRECTOR / CHAIRMAN	44,372,016	12.62
5.	D. G. KHAN CEMENT COMPANY LIMITED	ASSOCIATED COMPANY	30,289,501	8.61
<b>VII) BANKS, DEVELOPMENT FINANCIAL INSTITUTIONS, NON-BANKING FINANCIAL INSTITUTIONS, INSURANCE COMPANIES, TAKAFUL, MODARABAS AND PENSION FUNDS</b>				
1.	INVESTMENT COMPANIES		98,037	0.03
2.	INSURANCE COMPANIES		11,329,258	3.22
3.	FINANCIAL INSTITUTIONS		24,369,393	6.93
4.	MODARABAS COMPANIES		127,497	0.04
5.	PENSION / PROVIDENT FUNDS		14,651,054	4.17
<b>INFORMATION UNDER LISTING REGULATION NO. 5.19.11 (XII) OF PAKISTAN STOCK EXCHANGE LIMITED RULE BOOK AS ON JUNE 30, 2024</b>				
<p>There is no trading in the shares of the Company, carried out by its Directors, Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary, their spouses and minor children and other employees of the Company for whom the Board of Directors have set the threshold.</p>				

## ڈائریکٹرز کی مجموعی مالی حسابات پر رپورٹ

ڈائریکٹرز 30 جون 2024 کو اختتام شدہ سال کیلئے نشاط مز لمینڈ ("ہولڈنگ کمپنی") اور اس کی ماتحت کمپنیوں (مجموعی گروپ کے طور پر) کے مجموعی مالی گوشاروں کے ساتھ اپنی رپورٹ پیش کرنے پر خوش ہیں۔ مجموعی مالی گوشارے نشاط مز لمینڈ، نشاط پاول میں، نشاط لینن (پرائیویٹ) میں، نشاط ہائلٹ (پرائیویٹ) میں، نشاط یو ایس اے انکار پور میں، نشاط لینن ٹریننگ ایل ایل سی، نشاط انٹریشنل ایف زیٹ ای، چانگ گوانگ ڈونشٹا گوبن کمپنی میں، نشاط کمودیز (پرائیویٹ) میں، ورزقیات اے ایس اور ورزقیات سورینج اے بی کے مالی گوشاروں پر مشتمل ہیں۔

ہولڈنگ کمپنی نے ہم الاقوامی مالی گوشارے پر رپورٹ اسینڈرڈ زایندگی کمپنیز ایکٹ 2017 کے قاضوں کے مطابق اپنے الگ مالی گوشاروں کے ساتھ مجموعی مالی گوشاروں کو بھی منسلک کیا ہے۔ ڈائریکٹرز رپورٹ میں نشاط مز لمینڈ کی کارکردگی پر 30 جون 2024 کو ختم ہونے والے سال کے لئے الگ سے تصریح کیا گیا ہے۔ اس میں ہولڈنگ کمپنی کی سب ماتحت کمپنیوں کی بھی ایک مختصر تفصیل شامل ہے۔

مندرجہ ذیل نسولیدہ کھاتوں کی اہم جملکیاں ہیں:

مالی جملکیاں (000 روپے)	2023 (000 روپے)	2024 (000 روپے)
آمدنی	193,676,352	212,511,599
مجموعی منافع	33,165,666	33,691,443
بعدازیکیں منافع	13,299,322	10,508,575

مختار بورڈ آف ڈائریکٹرز

محدثہ  
Danial

فرید علیفضل  
ڈائریکٹر

Umair

میاں عمر فنا  
چیف ایگزیکٹو آفیسر

الہور  
27 ستمبر 2024

reference کے مطابق سماں کے حساب سے اندر ویں کنٹرول سسٹم کا جائزہ لیتی ہے۔

#### ڈائریکٹرز کا مشاہدہ

- بورڈ آف ڈائریکٹرز نے ڈائریکٹرز کی معاوضہ پالیسی کی منظوری دے دی ہے۔ پالیسی کی بیانی خصوصیات مندرجہ ذیل ہیں۔
- \* کمپنی اپنے نان اگریکٹو ڈائریکٹرز سمیت آزاد ڈائریکٹرز کو بورڈ اور کمیٹیوں کے اجلاسوں میں شرکت کی فیس کے علاوہ معاوضہ ادا نہیں کرے گی۔
- \* کمپنی بورڈ اور اس کی کمیٹیوں کے اجلاسوں میں شرکت کے سلسلے میں ڈائریکٹرز کے سفر اور رہائش کے اخراجات کام معاوضہ یا ان کے اخراجات ادا کرے گی۔
- \* ڈائریکٹرز کی معاوضہ پالیسی کا وقت فوتا جائزہ لیا جائے گا اور بورڈ آف ڈائریکٹرز کے ذریعہ اس کی منظوری دی جائے گی۔

کمپنی کے چیف اگریکٹو فیر اور ڈائریکٹرز کے معاونے کے لیے کمپنی کے مالیاتی میانات میں درج نوٹ 39 ملاحظہ کریں۔

#### شیر ہولڈنگ کا مراسلہ

30 جون 2024 کو شیر ہولڈنگ کا بیان، جسے روپرینگ فریم ورک کے تحت ظاہر کرنا ضروری ہے، اس روپرٹ سے ملک ہے۔

#### اخہار تکر

ڈائریکٹرز کمپنی کے لئے لگان کے ساتھ کوششوں کے لئے ملازمین کے شکرگزار ہیں۔

من جانب بورڈ آف ڈائریکٹرز

Dated \_\_\_\_\_

Um masha

فیدر علی فعل

میاں عمر منشاء

ڈائریکٹر

چیف اگریکٹو آفیر

لاہور

27 ستمبر 2024ء

### کامنضوبہ

- ۳۔ حصہ دار ان کو یہ تجویز دی جاتی ہے کہ کمپنی کے پاس موجود NCL کے شیئرز کے بدلے NCPL کے موجودہ شیئرز کے علاوہ مزید شیئرز حاصل کیے جائیں، جیسا کہ شیئر سوپ کے تابع کے مطابق جو عدالت کی جانب سے منظور کیا جائے گا۔
- ۴۔ نشاط لینن (پرائیویٹ) لمبند، ایک ذیلی کمپنی کے قرض و بندگان کے لیے 68,750,000 روپے (68 ملین 750 ہزار روپے فقط) کی مقدار میں کارپوریٹ خاناتیں جاری کی جائیں گی۔ یہ خاناتیں ذیلی کمپنی کے لیے بینکوں اور مالیاتی اداروں سے کریڈٹ کی سہولیات کی فراہمی کو تینی بانے کے لیے فراہم کی جا رہی ہیں۔

### آڈیٹر

ریاض احمد ایڈ کمپنی، چارڑہ اکاؤنٹنس، موجودہ آڈیٹر، کمپنی کی سالانہ جزئی میٹنگ کے اختتام پر ریٹائر ہو جائیں گے۔ وہ اہل ہیں اور انہوں نے 30 جون 2025 کو ختم ہونے والے مالی سال کے لیے دوبارہ تعیناتی کے لیے اپنی رضا مندی ظاہر کی ہے۔ آڈٹ کمیٹی کی سفارشات کے مطابق، بورڈ آف ڈائریکٹرز نے ریاض احمد ایڈ کمپنی، چارڑہ اکاؤنٹنس کی دوبارہ تقرری کی تجویز آئندہ سالانہ جزئی میٹنگ میں شیئر ہولڈرز کی منظوری کے لیے پیش کی جائے گی۔

### ضمی واقعات

27 ستمبر 2024ء کو ہونے والی میٹنگ میں کمپنی کے بورڈ آف ڈائریکٹرز نے 3 روپے فی حصہ سفارش کی ہے۔ اس کے علاوہ 30 جون 2024 اور 27 ستمبر 2024 کے ماہین کمپنی کی مالی حیثیت کو تاثر کرنے والی اہم تبدیلیاں اور وعدے نہیں ہوئے۔

### ستقبل کے امکانات

شیکھائیں کے شعبہ کو، جو پاکستان کی برآمدات کی معیشت کا ایک اہم ستون ہے، آنے والے سال میں مختلف علمی اور داخلی عوامل کی وجہ سے جاری چیلنجز کا سامنا کرنے کی توقع ہے۔ ان چیلنجز میں کمزور خارجی طلب، برآمدی صنعتوں کے لیے توانائی کی سہیڈیز کے خاتمے کے بعد بڑھتے ہوئے پاور یونیفر، برآمدی مالیاتی ایکسیم کا مرحلہ دار خاتمه، اور مسلسل بلند سود کی شرچیں شامل ہیں۔

ان چیلنجز کا مقابلہ کرنے کے لیے، انتظامیہ نے برآمدی مارکیٹوں میں اپنی پوزیشن کو بڑھانے کے لیے اپنی حکمت عملی میں ترمیم کی ہے، جس میں سیلو اور مارکیٹنگ کے اقدامات پر زور دیا گیا ہے۔ اہم اقدامات میں 2 ستمبر 2024 کو بورڈ آف ڈائریکٹرز کی منظوری شامل ہے تاکہ ایک پرائیویٹ لمبند کمپنی برطانیہ میں قائم کی جاسکے، جو اس کی مکمل ملکیت ذیلی کمپنی نشاط ائرپیشل FZE کے ذریعے ہوگی۔ مزید یہ کہ 27 ستمبر 2024 کو ہونے والی اپنی میٹنگ میں، بورڈ نے ترکی میں ایک مکمل ملکیت ذیلی کمپنی اور بیکھڑے دیش میں ایک رابطہ دفتر کے قیام کی منظوری دی۔

منے ڈیئم اور ورک ویریٹیس بھی مالی سال 2024-25 کے پہلے نصف میں تجارتی پیداوار شروع کرنے کے لیے تیار ہیں۔ یہ کمپنی کے ولیوائیڈ پورٹ فویو میں ایک بڑا اضافہ ہوگا۔

انتظامیہ کو توقع ہے کہ یہ اسٹریٹجیک اقدامات کمپنی کی برآمدی مارکیٹ میں موجودگی کو مضبوط کریں گے اور نیچتا برآمدی فرودخت میں اضافہ کریں گے۔

### داخلی مالی کنٹرولر کی مہارت

کمپنی نے اپنے اغاٹوں کی حفاظت، دھوکہ و تھی کو روکنے اور ان کا پتہ لگانے اور تمام قانونی تقاضوں کی تعمیل کو تینی بانے کے لئے اندر و فی اور مالی کنٹرول کا ایک موثر نظام قائم کیا ہے۔ اندر و فی کنٹرول ڈھانچے کا باقاعدگی سے جائزہ لیا جاتا ہے اور بورڈ کے قائم کردہ اندر و فی آڈٹ کے ذریعہ گرانی کی جاتی ہے۔ آڈٹ کمیٹی اپنے Terms of

### بورڈ آف ڈائریکٹرز کے اجلاس

تیری جائزہ سال کے دوران، کمپنی میں بورڈ آف ڈائریکٹرز کے پانچ اجلاس پاکستان میں ہوئے اور حاضری کی پوزیشن اس طرح تھی:

نمبر شار ڈائریکٹرز کا نام	شرکت کردہ اجلاس کی تعداد
میاں عمر فشا (چیف ایگزیکٹو آفسر)	5
میاں حسن مشٹ (چیئرمین)	5
سید زاہد حسین	5
جناب محمود اختر	5
جناب فرید نور علی فضل	4
مسز سارہ عقیل	5
مسز مہک عادل	4
	7

### ڈائریکٹرز کا بیان

کار پوریت اور مالی رپورٹنگ کے فریم ورک سے متعلق ڈائریکٹرز کا بیان مندرجہ ذیل ہے:

- کمپنی کی انتظامیہ کے ذریعے تیار کردہ مالی حسابات، اس کی امور کی منصفانہ حیثیت، اس کے آپریشن، نقد بہاؤ اور اکوئیٹی میں بدلاؤ کو منصفانہ طور پر پیش کرتے ہیں۔
- کمپنی کے اکاؤنٹ کی کتابیں صحیح طور پر بنائی گئی ہیں۔
- مالی گوشوارے کی تیاری کے لئے مناسب اکاؤنٹنگ پالیسیاں مستقل طور پر لاگو کی گئی ہیں اور محاسبہ کا تجھیں محقق اور سمجھداری پرمنی ہے۔
- میں الاقوامی مالیاتی رپورٹنگ کے معیارات، جو پاکستان میں قابل اطلاق ہیں، کے مطابق مالی گوشواروں کی تیاری پر عمل کیا گیا ہے۔
- اندرودنی سٹرنچول کا نظام مسحکم ہے اور اس کے موثر انداز میں نقاو اور گرانی کی جاری ہے۔
- کمپنی کے کام جاری رکھنے کی الیت پر کوئی شبہات نہیں ہیں۔
- کار پوریت گورننس کے بہترین طریقوں سے کوئی اہم فرق نہیں ہوا ہے۔
- ریٹائرمنٹ بینیفیٹ فنڈ کے سلسلے میں سرمایہ کاری کی قدر: پروڈیٹریٹ فنڈ: 30 جون، 2024 کو ان آؤٹ شدہ 7,155.991 ملین روپے، (2023 میں 4,612.500 ملین روپے آؤٹ شدہ)۔

### متعلقہ فریقوں کے ساتھ ہمیں دین دین

کمپنی نے لیٹنگ ریگیوشن آف پاکستان ساک اسٹیجن اور کمپنی (Related Party Transactions and Maintenance of Related Records) کے تحت متعلقہ فریقوں کے ساتھ تمام ہمیں دین کے دوران ٹرانسفر پارنسپ کے بہترین طریقوں کی مکمل طور پر تعمیل کی ہے۔

- سال کے دوران بورڈ کی منظوری کے مطابق، کاروبار کے عمومی ہمیں دین کے علاوہ، ہمیں دین کے انتظامات مندرجہ ذیل ہیں:
- نشاط سوتاس ڈیری لمبینڈ، ایسوی ایڈٹ کمپنی، میں سرمایہ کاری کو 3 ارب روپے سے ہڑھا کر 15 ارب روپے تک بڑھانا، تاکہ منافع اور رکھنے سرمایہ میں اضافہ حاصل کیا جاسکے۔
  - نشاط (چونیاں) لمبینڈ ("NCL")، نشاط چونیاں پاور لمبینڈ ("NCPL")، اور ان کے دو شیئر ہولڈرز، جناب شہزاد سلیم اور کمپنی کے درمیان انتظامات اور مناقبتوں

ایمیل میں بھی موجود ہیں۔

### صارفین کے تحفظ کے اقدامات

کمپنی کی مصنوعات میں الاقوامی حفاظتی معیارات کے مطابق تیار اور سمجھی جاتی ہیں۔ خام مال کی خریداری سے لے کر پیداوار اور سلائی جنگن تک، صارفین کی حفاظت کے عزم کو ظاہر کرنے کے لیے، کمپنی نے اہم میں الاقوامی سٹیکیشنز حاصل کی ہیں، جن میں کشمیر-ٹریڈ پارٹر شپ ائینٹ ٹیکنالوجیز (TPAT-C)، اوکیو-ٹکس اسٹینڈرڈ 8000-SA، 100 WRAP، اور EX-SEDEX میں شامل ہیں۔ مصنوعات صارفین تک پہنچنے تک یہ سٹیکیشنز کمپنی کے آپریشنز کے دوران سلامتی، اخلاقیات، اور معیار کے اعلیٰ ترین معیارات کو برقرار رکھنے کے عزم کی عکاسی کرتی ہیں۔

### کارپوریٹ گوئنس

### بہترین کارپوریٹ طرزِ عمل

ڈائریکٹر زادگی کارپوریٹ گوئنس کے پابند ہیں اور ایکٹیووائز (کوڈ آف کارپوریٹ گوئنس) ریگولیشنز، 2019 - کوڈ آف کارپوریٹ گوئنس ریگولیشنز، 2019 کی تتمیل کا بیان فلک ہے۔

### بورڈ کمیٹیاں

### آٹھ کمیٹی

آٹھ کمیٹی بورڈ آف ڈائریکٹری کی طرفہ شرائط کے مطابق اپنے فرائض سرانجام دے رہی ہے۔ زیر غور سال کے دوران، آٹھ کمیٹی کے چار اجلاس ہوئے، حاضری کی پوزیشن اس طرح تھی:

نمبر شار	ڈائریکٹر کا نام	شرکت کردہ اجلاس کی تعداد
1	مسز مہک عادل (رکن اجیئر پرسن)	3
2	سید زاہد حسین (رکن)	4
3	جناب فرید نورفضل (رکن)	4

### انسانی وسائل اور مشاہروں (HR&R) کمیٹی

انسانی وسائل و مشاہروں کمیٹی، بورڈ آف ڈائریکٹری کی طرفہ شرائط کے مطابق اپنے فرائض سرانجام دے رہی ہے۔ زیر غور سال کے دوران، انسانی وسائل و مشاہروں کمیٹی کا ایک اجلاس ہوا، حاضری کی پوزیشن اس طرح تھی:

نمبر شار	ڈائریکٹر کا نام	شرکت کردہ اجلاس کی تعداد
1	میاں عمر نشا (رکن)	1
2	مسز سارہ عقیل (رکن اجیئر پرسن)	1
3	جناب محمود انخر (رکن)	1

### تواتائی کا تحفظ

نیکٹاکل سکلر کے لئے تواتائی کی زیادہ قیمتیں سب سے بڑے چینیز میں سے ایک ہیں۔ اس کے جواب میں کمپنی تواتائی کے مقابل ذراائع خلاش کرنے اور تواتائی کے تحفظ کے اقدامات کو آگے بڑھانے کے لیے پر عزم ہے۔ ان کوششوں میں انہج کی حرارت کی گرمی سے بھاپ پیدا کرنے، قدرتی وسائل پر انحصار کو کم کرنے اور ماخولیاتی آلودگی کو کم کرنے کے لئے بیٹریکوری بواکٹری تکمیل کی تھیں صرف اس تک محدود نہیں ہیں۔ فیکر ڈائینک اور پر ویسٹگ یونیٹس میں قدرتی گیس کے بہتر استعمال کے لیے تحریک میں پریمیر شال کیے گئے ہیں جبکہ گیس کی کھپت کو کم کرنے کے لیے کیورنگ اور اسٹینیٹر میشنوں پر افزاجی ناوز نصب کیے گئے ہیں۔ مزید یہ کہ سلامی میشنوں کے کنٹرول سرکش میں نائیکر کا نفاذ کیا گیا ہے، جس سے تواتائی کے فیماں میں نمایاں کی واقع ہوئی ہے۔

### ماخولیاتی تحفظ

کمپنی کا ماخولیاتی تحفظ کے لیے عزم اس کی تی جہتوں کا آغاز اور موجودہ منصوبوں کو برقرار رکھنے کی مسلسل کوششوں سے واضح ہے۔ حال ہی میں، ہم نے گارمنٹس ڈویژن میں 40 کیوبک میٹر بارش کے پانی کے جمع کرنے کا نظام نصب کیا ہے، جس سے جمع کردہ پانی کو با غبانی کے لیے استعمال کیا جا رہا ہے۔ ماخولیاتی پائیندہاری پر توجہ کے مطابق، ہمارا گارمنٹس ڈویژن سائنسی بنیادوں پر اہداف متعین کرنے پر کام کر رہا ہے، جس میں کمیونٹی کے مطالعے اور سروے کی رہنمائی شامل ہے تاکہ اثر ڈالنے کے مؤثر شعبوں کی شناخت کی جاسکے۔ ایک قابل ذکر کامیابی یونیک آباد، لاہور میں پانی کی صفائی کے پلاٹ کی بحالی ہے، جواب مقامی رہنمائیوں، خاص طور پر عیسائی اقلیت کو صاف پانی فراہم کرتا ہے۔ مقابل تواتائی کے حوالے سے، ہم اس وقت ششی تواتائی سے 14.260 میگاوات بجلی پیدا کر رہے ہیں، جبکہ اضافی 13.793 میگاوات کی خریداری اور تکمیل کا عمل جاری ہے۔

### کیونٹی و ملکیتی سکیمیں

کمپنی سماجی ذمہ داری کے لیے پختہ عزم رکھتی ہے اور مختلف کیونٹی فلاں و بہبود کے منصوبوں میں فعال طور پر شرکت کر رہی ہے۔ حال ہی میں، الائچنس فارواٹر اسٹیوڈریپ کے ساتھ مل کر، ہم نے 5 کلو میٹر کے دائرے میں ہائزر جیو لو جیکل مطالعے کمکل کیے، جس میں مقامی صنعتوں، کیونٹی کے رہنماؤں، مذہبی اداروں، اور اسکوؤں کو شامل کیا گیا تاکہ مشترکہ موقع کی خلاش کی جاسکے۔ ہم نے ایک 500 لیٹر فی گھنٹہ پانی کی فلٹریشن پلاٹ کو بھی دوبارہ بحال کیا۔ مزید یہ کہ TEVTA پاکستان کے تعاون سے، ہم نے پھول گنگ، پنجاب میں 50 ائڑو یو یو کا انعقاد کیا تاکہ مختلف قلعیں پس منظر سے باصلاحیت افراد کی شناخت اور بھرتی کی جاسکے۔

### ساوی موقع فراہم کرنے والا آجر

کمپنی ایک برابر کے موقع فراہم کرنے والا آجر ہے، جو ہر جنس نسل، اور قابلیت کے افراد کو بغیر کسی انتیاز کے ملازمت فراہم کرتی ہے۔ ہم ہر کاروباری شبے کے تمام شعبوں میں خواتین کی بھرتی کی حوصلہ افزائی کرتے ہیں۔ کمپنی جیزڈر کی تھنوں ہوں کے فرق کو کم کرنے کے لیے پر عزم ہے، جیزڈر کی تھنوں ہوں میں اوسط اور درمیانی شرح کا فرق باہر تیہ 9.94% اور 23.69% ہے۔ ملازمین کی فلاں و بہبود کے لیے ہمارے مضبوط عزم نے ہمارے گارمنٹس کے شبے کو پاکستان کی امپلائیز فیڈریشن کی جانب سے Large National Category at the 10th Employer of the Year Awards میں تیسرا انعام حاصل کرنے میں مددوی۔ اس کا میابی کی بنیاد پر، ہم ثابت تبدیلی لانے اور پائیندہاری ترقی کو فروغ دینے کے لیے پر عزم ہیں۔

### پیش و رانہ حفاظت اور صحت

کمپنی اپنے ملازمین کی حفاظت اور صحت کو اولین ترجیح دیتی ہے، اور حفاظتی اقدامات کو فروغ دینے کے لیے باقاعدہ آگاہی سیشنز منعقد کرتی ہے۔ گارمنٹس کے شبے میں ملازمین کی حفاظت میں نمایاں پیش رفت ہوئی ہے، جہاں 16,486 افراد کو پیش و رانہ صحت اور حفاظت کی تربیت دی گئی، جس کا مجموعی دورانیہ 63,478 گھنٹے ہے۔ یہ کمپنی کے محفوظ کام کے ماحول فراہم کرنے اور جامع تربیتی پروگراموں کے ذریعے ملازمین کی بہبود کو بہتر بنانے کے عزم کی عکاسی کرتا ہے۔ مزید یہ کہ ہم نے تمام شعبوں میں آگ بھانے کے ذپارٹمنٹس قائم کیے ہیں، جو جدید آگ بھانے والے آلات سے لیس ہیں، اور ضرورت پڑنے پر فوری طبی امداد فراہم کرنے کے لیے ذپارٹریاں اور

## 5۔ نشاط لینن ٹریڈنگ ایل ایل سی

نشاط لینن ٹریڈنگ ایل ایل سی دہی، متحده عرب امارات میں قائم ایک لمبند لائیبلسٹ کمپنی ہے۔ یہ کمپنی کا مکمل ملکیتی ماتحت ادارہ ہے۔ ذیلی ادارہ بنیادی طور پر یونیکائل مصنوعات جیسے کمبل، تویے، کپڑے، ریڈی میڈ گارمنٹس، گارمنٹس کے لوازمات اور چڑے کی مصنوعات کی تجارت کے ساتھ ساتھ متحده عرب امارات میں ریٹائل آؤٹ لائیٹس اور گوداموں کے ذریعہ تجارت میں مصروف ہے۔ ذیلی ادارہ نے اپنی تجارتی سرگرمیاں مئی 2011 میں شروع کی تھی اور اس وقت تجده عرب امارات میں 13 ریٹائل دکانیں چل رہی ہیں۔

## 6۔ نشاط ائرٹیشن الیف زیڈی

نشاط ملزلمیدن کا مکمل ملکیتی ماتحت ادارہ ہے۔ متحده عرب امارات کے قوانین کے مطابق جبل علی فرمی زون، دہی میں اسے فرمی زون اسٹبلیشمنٹ لمبند لائیبلسٹ کمپنی کے طور پر قائم کیا گیا تھا۔ اس کو 07 فروری، 2013 کو ایف زیڈی کے رجسٹر میں درج کیا گیا ہے۔ سہمندیری کمپنی کی بنیادی سرگرمی یونیکائل کی مصنوعات جیسے کمبل، تویے اور کپڑے، ریڈی میڈ گارمنٹس، گارمنٹس کے لوازمات اور چڑے کی مصنوعات جیسے جوتے، ہینڈ بیگ اور اس طرح کی تمام ذیلی تجارت کرنا ہے۔

## 7۔ چانس گو انگ ذوشٹاٹ گلوبل کمپنی لمبند

چانس گو انگ ذوشٹاٹ گلوبل کمپنی لمبند جمہوریہ چین کی غیر ملکی سرمایہ دارانہ کاروباری اداروں کے متعلقہ قوانین و ضوابط کے مطابق غیر ملکی سرمایہ کاری کرشل ائر پائزز "FICE" کے نام سے چین کے گو انگ ٹاؤن چین میں انکار پور بیڈھ ہے۔ چانس گو انگ ذوشٹاٹ گلوبل کمپنی لمبند نشاط ائرٹیشن الیف زیڈی کا مکمل ملکیتی ماتحت ادارہ ہے، جو نشاط ملزلمیدن کی مکمل ملکیت میں ماتحت ادارہ ہے۔ ماتحت ادارہ کا بنیادی کاروبار تھوک فروشی، کمیشن ایکٹنی (نیلامی کو چھوڑ کر)، یونیکائل مصنوعات اور خواتین فیشن لوازمات کی درآمد اور برآمد ہے۔ ذیلی ادارہ نے اپنی تجارتی کاروائی جنوری 2014 میں شروع کی تھی۔

## 8۔ نشاط یوائی اے انکار پور بیڈھ

ماتحت ادارہ ایک کارپوریشن سروس کمپنی ہے جو ریاست نیویارک میں ہے۔ یہ کمپنی کا مکمل ملکیتی ذیلی ادارہ ہے اور اسے 01 اکتوبر 2008 کو کمپنی نے حاصل کیا تھا۔ کارپوریشن کمپنی کے مارکینگ ڈیپارٹمنٹ کا ایک رابطہ دفتر ہے جو امریکی مارکیٹ سے متعلق رسائی، معلومات اور دیگر خدمات مہیا کرتا ہے۔

## 9۔ ورزفیلٹ اے / ایس

ورزفیلٹ اے / ایس ایک پیک لمبند کمپنی ہے کمپنی کا مکمل ملکیتی ذیلی ادارہ ہے۔ جو ایز جو 10، 8500 گرینا، ڈنمارک میں واقع ہے۔ جسے 90 سال سے پہلے قائم کیا گیا، ورزفیلٹ اے / ایس ذاتی تحفظ اور ورک ویر کے لئے اعلیٰ معیار کے کپڑے تیار کرنے اور فراہم کرنے میں تجربے اور علم کی دولت رکھتا ہے۔

## 10۔ ورزفیلٹ سورینج اے بی

ورزفیلٹ سورینج اے بی سویڈن میں ایک پیک لمبند کمپنی ہے۔ جو اسکار بورگس ویگن 13 اے، بوراس، سویڈن میں واقع ہے۔ ورزفیلٹ سورینج اے بی ورزفیلٹ اے / ایس کی مکمل ملکیت کا ماتحت ادارہ ہے جو نشاط ملزلمیدن کی مکمل ملکیت کا ماتحت ادارہ ہے۔ ورزفیلٹ سورینج اے بی کا بنیادی کاروبار یونیکائل کی فروخت اور متعلقہ سرگرمیوں کا انعقاد کرتا ہے۔

## کارپوریٹ سماجی ذمداداری

کمپنی کی طرف سے کارپوریٹ سماجی ذمداداری کے اقدام کا منحصر خلاصہ درج ذیل ہے:

30 جون 2024 کو ختم ہونے والے مالی سال کے دوران یونیکسائل انڈسٹری کو نزدیکی طلب اور جیجن سے بڑھتی ہوئی مسابقت کی وجہ سے نمایاں چیلنجز کا سامنا کرنا پڑا۔ اضافی دباؤ میں برآمدی شعبوں کے لیے تو انہی کی سب سے بڑی ختم کرنے کے بعد بھلی کے ناخون میں اضافہ، برآمدی خام مال کی زیادہ قیمت، ایکسپورٹ فناں ایکیم کا مرحلہ اور خاتمه اور بلند شرح سود شامل ہیں، جس سے یونیکسائل کی پیداوار متاثر ہوئی۔

پاکستان کی یونیکسائل برآمدات اس عرصے میں صرف 0.9% ہر 6 ماہ کر 16.65 ارب ڈالر تک پہنچ گئیں، جس میں مختلف شعبوں کی کارکردگی میں تنوع رہا۔ ریڈی میڈ گارمنٹس، بستر کے کپڑے، تو لیے، کائن یارن، اور خام کائن کی برآمدات میں اضافہ ہوا، جبکہ کائن کپڑے اور نسوزیر کی فروخت میں کمی آئی۔

پاکستان میں سب سے اہم صنعتی شعبے کے طور پر، یونیکسائل تقریباً 40% صنعتی لیبرفارس کو ملازمت فراہم کرتا ہے اور قومی برآمدات میں تقریباً 55% حصہ ذاتی ہے۔ اگر اہم مسائل جیسے بلند تو انہی کے اخراجات اور سود کی شرحوں کو حل نہیں کیا گیا تو ملک کو بے روزگاری میں تیز اضافہ اور برآمدی آمدنی میں کمی کا خطرہ لاحق رہے گا۔

### **سمدیری کپنیاں**

کپنی نے مین الاقوامی مالیاتی روپورٹ معیارات اونیٹیز ایکٹ 2017 کے تھاںوں کے مطابق یہاں اور مستحکم مالی گذوارے بھی منتک کر دیے ہیں۔ نشاط ملزلمیڈ کی تمام ذیلی کپنیوں کی ایک مختصر وضاحت ذیل میں ہے۔

#### **1۔ نشاط پاول لمیڈ**

کپنی اس ماتحت ادارہ کے 51.01 فیصد حصہ کی مالک ہے اور اسے کنٹرول کرتی ہے۔ ذیلی ادارہ پاکستان ساک ایکچین لمیڈ میں درج ہے۔ ماتحت ادارہ کا بنیادی کاروبار یہ ہے کہ تمکان، تحریک، تخلیق، قصور، پنجاب، پاکستان میں اینڈھن سے چلنے والے 200 میگاوات پاورسٹشن کی تعمیر کرنا، اس کو استعمال میں لانا اور اس کی دیکھ بھال ہے۔ ماتحت ادارہ نے اپنی کمرشل پیداوار کا آغاز 09 جون 2010 کو کیا۔

#### **2۔ نشاط لینن (پارائیوٹ) لمیڈ**

یہ کپنی کا کامل ملکیتی ماتحت ادارہ ہے۔ ماتحت ادارہ کے مقاصد یونیکسائل اور دیگر مصنوعات کی فروخت کے لئے ریٹیل دکانوں کو چلانے اور یونیکسائل کی مینو فیکچر گس سہولیات میں یونیکسائل کی اشیاء تیار کر کے فروخت کرنا ہیں۔ ذیلی ادارہ نے اپنی کاروباری سرگرمیاں جولائی 2011 میں شروع کی تھی اور اس وقت پاکستان میں اسی اسٹورز سمیت 111 ریٹیل شاپس کام کر رہی ہیں۔

#### **3۔ نشاط ہائٹیٹی (پارائیوٹ) لمیڈ**

یہ کپنی کا کامل ملکیتی ماتحت ادارہ ہے۔ ماتحت کپنی کا مقصد ملک بھر میں ہوٹلوں کا سلسہ چلانا ہے۔ اس وقت وہ "دی نشاط ہائٹیٹی جیز ہوٹل" کے نام سے مین الاقوامی معیار پر لاہور میں ایک فور اسٹار ہوٹل چلا رہا ہے۔ ماتحت ادارہ نے 01 مارچ 2014 کو اپنی سرگرمیاں شروع کیں۔ بورڈ اف ڈائریکٹرز نے 27 ستمبر 2024 کو ہونے والی اپنی میٹنگ میں اس کو یونیٹی کا فیصلہ کیا ہے۔

#### **4۔ نشاط کاؤٹیٹر (پارائیوٹ) لمیڈ**

یہ کپنی کا کامل ملکیتی ماتحت ادارہ ہے۔ ذیلی ادارہ کا مقصد یہ ہے کہ پاکستان میں کسی بھی شکل یا حالت میں اینڈھن، کوئی، بلڈنگ سیٹیل سیست اجنس کی تجارت کا کاروبار جاری رکھے۔ ماتحت ادارہ نے مارچ 2016 میں اپنی سرگرمیاں شروع کیں۔

### کرنی کا خطرہ

کمپنی مختلف کرنیوں کے استعمال سے پیدا ہونے والے خطرات سے دوچار ہے جو کہ امریکی ڈالر، عرب امارتی درہم (اے ای ڈی)، یورو، جاپانی ین (جے پی وائے) اور سوکھ فرانک پر مشتمل ہے۔ کرنی کا خطرہ، بنیادی طور پر کمپنی کے بینکوں میں رقوم اور یروں ملک سے وصول ادا کردہ رقوم پر مشتمل ہے۔

### شرح سودا کا خطرہ

کمپنی کی شرح سودا کا خطرہ طویل مدتی فناںگ تقلیل مدتی قرضوں، ماحصلت کرنیوں کو قرض اور ایڈ و اس، ٹرمڈ پوزٹ رسیٹ اور سیو گنگ اکاؤنٹ کے بینک میلن سے پیدا ہوتا ہے۔ مقررہ شرح پر مالیاتی آلات کمپنی کو فیئر ویلو شرح سودا کے خطرے سے دوچار کر دیتے ہیں۔

### قرض کا خطرہ

کمپنی کے کریڈٹ رسک اور خرابی کے تقصیات کا وجود اس کے تجارتی قرضوں سے منسلک ہے۔ اس خطرے کو اس حقیقت سے کم کیا جاسکتا ہے کہ ہمارے بیشتر صارفین کی مالی حیثیت مضبوط ہے اور ہمارے تمام صارفین کے ساتھ ہمارے دیرینہ کاروباری تعلقات ہیں۔ ہم اپنے صارفین کے ذریعہ عدم کارکردگی کی توقع نہیں کرتے ہیں۔ لہذا، کریڈٹ رسک کم ہے۔

### لیکوئیڈیٹی کا خطرہ

بینکوں اور مالیاتی اداروں کی طرف سے عہد کردہ کریڈٹ سہولیات کے ذریعہ فنڈز کی فراہمی کی وجہ سے کم سطح پر ہے۔

### سرماۓ کا خطرہ

سرماۓ کا انتظام کرتے وقت ہمارا مقصد یہ ہوتا ہے کہ کمپنی کے حصص داروں اور دیگر سٹیک ہولڈرز کو فوائد دینے اور سرمائے کی لاجٹ کو کم کرنے کے لیے سرمایہ کاری کے ڈھانچے کو برقرار رکھنے کے ساتھ کمپنی کی حیثیت اور صلاحیت کو برقرار رکھا جائے۔ ہم گیئرگ تناسب کی بنیاد پر سرمایہ کاری کے ڈھانچے کی گرانی کرتے ہیں۔

### موقع

- \* ملک کی معروف بینکس اکیل کمپنی کی حیثیت سے، کمپنی متعدد مواقع کو پیش نظر رکھنے اور ان کا فائدہ اٹھانے کی پوزیشن میں ہے۔ کچھ دلچسپ موقع کا خلاصہ درج ذیل ہے:
- \* دنیا بھر میں علاقائی طور پر متنوع کسٹریٹیں برآمدی فروخت کے لیے پانیدار نموفراہم کرتا ہے اور طلب کو پیدا کرنے کا محرك ہے۔
- \* متنوع پراؤٹ پورٹ فویل یو دنیا بھر میں بینکس اکیل کے خریداروں کے لیے پرکش ہے۔
- \* متحرک مقامی اور بین الاقوامی ماحصلت کمپنیاں ہماری مصنوعات کی طلب پیدا کرتی ہیں۔
- \* عمودی انعام آپریشن ہم آجکلی کا استعمال ممکن بنتا ہے۔
- \* ملک کی آبادی میں اضافہ مناسب افرادی قوت کا ایک ذریعہ ہے اور بینکس اکیل کی مصنوعات کی طلب کو پیدا کرنے کا محرك ہے۔

### بینکس اکیل کی صحت کا جائزہ

کپاس کی پیداوار، جو گزشتہ سال سیلاپ اور بارشوں سے بری طرح متاثر ہوئی تھی، 4.9 ملین گانٹھوں سے بڑھ کر 10.2 ملین گانٹھوں تک پہنچ گئی ہے، جو 108.2 فیصد اضافے کی عکاسی کرتی ہے۔ اس بہتری کی وجہ کیڑوں کے خلاف مزاحمت کرنے والے بہتر بیجوں کے استعمال، سازگاریوں کی حالات اور یوائی کے موسم کے آغاز پر مقرر کردہ 8500 روپے فی 40 کلوگرام کی کرش ایٹرو پیشن کپاس (کمپنی) کی قیمت ہے۔ تاہم، پیداوار میں اضافے کے باوجود، یہاب بھی بینکس اکیل میٹنے پر کچھ رزکی طلب کو پورا کرنے سے قصر ہے، جو اپنی پیداواری ضروریات کو پورا کرنے کے لئے درآمدات پر انحصار جاری رکھتے ہیں۔

کا باریک بینی سے جائزہ لیا جاتا ہے، اس بات کو یقینی بناتے ہوئے کہ فیصلے صرف اس وقت کیے جاتے ہیں جب فوائد واضح طور پر خطرات سے کہیں زیادہ ہوں۔

خطرات کو کم کرنے کے لیے حکمت عملی کا خلاصہ درج ذیل ہے:

### اسٹریچ گھر خطرات

کمپنی ایک انجامی مسابقاتی ماحول میں کام کرتی ہے جہاں چدت طرازی اور معیار سب سے اہم ہیں۔ اسٹریچ گھر خطرات کو کم کرنے کے لئے، ہم مسلسل تحقیق اور ترقی میں سرمایہ کاری کرتے ہیں، بی ایم آر پروگرام کے تحت خوبی کی تبلیغ کو اپناتے ہیں، جدید مصنوعات تیار کرتے ہیں، اور ابھرتی ہوئی مارکیٹ کی تلاش کرتے ہیں۔ عالمی اور مقامی دنوں چیلنجز سے منٹھنے کے لئے، تمام کاروباری ڈویژنوں کے سربراہان باقاعدگی سے ملاقات کرتے ہیں اور ایک مر بود رہ سک میجنٹ حکمت عملی کو یقینی بناتے ہیں۔

### کاروباری خطرات

کمپنی کو درج ذیل کاروباری خطرات کا سامنا ہے:

### کپاس کی قیمت اور سلائی

کپاس کی قیمت اور سدا اینٹریشنل اور مقامی منڈی میں قدرتی عوامل، طلب اور مارکیٹ کے اتار چڑھاؤ سے متاثر ہوتی ہے۔ کپاس کی قلت اور قیمتوں میں اتار چڑھاؤ کا خطرہ مسلسل توجہ طلب ہے۔ اس خطرے کو کم کرنے کے لیے کمپنی کپاس کی کثافی کے موسم کے آغاز میں بڑی مقدار میں کپاس کی خریداری کر کے قیمت اور مقدار کا بہتر مرکب بنائی ہے۔

### بی آمدات کی طلب اور قیمت

کمپنی بنیادی طور پر برآمداتی مارکیٹ میں کام کرتی ہے اور وہ بائی امراض، مسابقات اور بین الاقوامی کرنی میں اتار چڑھاؤ اور اینٹریشنل مارکیٹ میں مصنوعات کی مانگ جیسے خطرات سے دوچار ہے۔ ان خطرات کو کم کرنے کے لیے ہم نے کمی حکمت عملیاں اپنائی ہیں جیسے کہ کشمکش کے ساتھ مضمبوط اعلق قائم کرنا، کشمکشیں کو بڑھانا، نئے تجارتی پروڈکٹ بنانا، ان کی بائی کواٹی کو برقرار رکھنا اور کشمکش زکر وقت پر پہنچانا شامل ہیں۔

### توانائی کی دستیابی اور لاگت

توانائی کی مسلسل بڑھتی ہوئی قیمت اور قلت بڑھتے ہوئے خطرات ہیں جو ہماری میزو فیکچر گنگ کی صلاحیت کے لیے اہم چیز ہے کیونکہ قابل قدر کشمکش کو ہماری طرف سے اعلیٰ معیاری مصنوعات متوقع ہوتی ہیں۔ اگر اس پر توجہ نہ دی گئی تو ہمیں یہ خطرات بین الاقوامی مارکیٹ میں کم مسابقاتی بناتے ہیں۔

توانائی کی لاگت کے بڑھتے ہوئے خطرات کو کم کرنے کے لیے کمپنی نے اپنی توanائی کے ذرائع کو متنوع بنایا ہے جس میں کولک، فرنٹ آئی، بائیوس، ڈیزیل اور اسٹری توanائی شامل ہیں۔ مزید یہ کہ، توanائی کی بچت اور توanائی کی قلت کے خطرے کو کم کرنے کے لیے کمپنی نے تمام مقامات پر بھلی کے پلانٹ لگائے ہیں اور وہ اپنے اسے بھلی کے کٹکش حاصل کیے ہیں۔

### مالی خطرات

کمپنی کے بورڈ آف ڈائریکٹرز مالی رہ سک میجنٹ کی پالیساں مرتب کرنے کے لیے ذمدادار ہیں، جو کمپنی کے مکمل خزانہ کے ذریعے نافذ کی جاتی ہیں۔ کمپنی کو مندرجہ ذیل مالی خطرات درپیش ہیں:

## گھر بلو یکٹسائل اور تیری (Home Textile and Terry)

شعبے نے ماں سال 2023-24 میں پروڈیسٹ کپڑے اور تیار شدہ مصنوعات کی فروخت میں 2.255 (2.255%) 15.97% کی بلین روپے کا شائد اضافہ کیا، حالانکہ شعبہ کوئی چیلنجر گز کامنا کرنا پڑا۔ یہ ترقی خاص طور پر اہم ہے، کیونکہ یورپ اور امریکہ میں اقتصادی ست روی کی وجہ سے خریداری کے انداز میں کمی آئی ہے۔ ہمیں یہ کامیابی موثر لائگت کے انظام، مصنوعات کی تنوع، اور مارکیٹ کے رجحانات کی پیش بینی کی وجہ سے حاصل ہوئی، جس نے ہمیں منافع برقرار کرنے میں مدد دی۔ شعبے نے اجرتی لائگت کو کم کرنے اور اینڈھن کے ذرائع کو مقامی زرعی فضلے اور ششی توافقی میں تبدیل کرنے پر توجہ دی ہے۔

ماں سال 2024-25 کو دیکھتے ہوئے ہمیں امریکہ اور یورپی مارکیٹوں میں یکٹسائل مصنوعات کی کم طلب، غالباً اقتصادی نہوں میں ست روی، بڑھتی ہوئی افراط ازدرا، توافقی کی بلند لائگت، کپس کی ملکی پیداوار میں کمی اور برآمدات پر بھاری تکمیل سیست مسلسل چیلنجر کی توقع ہے۔

## گارمنٹس

گارمنٹس ڈویژن نے ماں سال 2023-24 میں ملکی آمدی اور پیداوار کی سطح کو برقرار کھا۔ تاہم توافقی اور قرضوں کی بڑھتی ہوئی لائگت کی وجہ سے گذشتہ سال کے مقابلے میں اس سال منافع کے مارجنس میں کمی واقع ہوئی ہے۔

ان چیلنجز کا مقابلہ کرنے کے لیے، ہم انتظامی کارکردگی کو بڑھانے، قابل تجدید اور پائیدار توافقی کے ذرائع کو شامل کرنے، اور اپنی افرادی قوت کی مہارتوں کو بڑھانے پر توجہ دے رہے ہیں۔ مزید یہ کہ، ہم اپنے پورٹ فولیو کی تنوع کے لیے تبادل مارکیٹوں کی فعال تلاش کر رہے ہیں، جس سے ہم ملکیم ہو رہے ہیں اور پائیدار ترقی کو فروع عمل رہا ہے۔ ہمیں یقین ہے کہ یہ اسٹریچیک اقدامات آنے والے سال میں طویل مدتی کامیابی کے لیے ایک مضبوط بنیاد فراہم کریں گے۔

ان چیلنجز سے نہیں کے لیے ہم بہتر انتظامی کارکردگی کو ترجیح دے رہے ہیں، قابل تجدید اور پائیدار توافقی کے ذرائع کو مر بوٹ کر رہے ہیں اور اپنی افرادی قوت کو ہمدرد بنا دے رہے ہیں۔ مزید برآں، ہم اپنے پورٹ فولیو کو متنوع بنانے، اپنے آپ کو مضبوط بنانے اور پائیدار ترقی کو فروع دینے کے لئے فعال طور پر تبادل مارکیٹوں کی تلاش کر رہے ہیں۔ ہمیں یقین ہے کہ یہ اسٹریچیک اقدامات آنے والے سال میں طویل مدتی کامیابی کے لئے ٹھوس بنیاد رکھیں گے۔

## پاور جززیں

یکٹسائل کا شعبہ بڑھتی ہوئی توافقی کی لائتوں سے نبرد آزمائے۔ سب سڑکوں کی معطلی، جو 1 مارچ 2023 کو 20.19 روپے فی کلوواٹ لگنڈا اور 1 جولائی 2023 کو 9.9 الی 9.1 میکرو فی یوچی، نے کاروباری اخراجات میں اضافہ کیا ہے اور پاکستانی یکٹسائل مصنوعات کو علاقائی حریقوں کے مقابلے میں کم مسابقتی بنا دیا ہے۔

اس کے جواب میں، ہماری حکمت عملی بڑھتی ہوئی توافقی کی لائتوں کو کم کرنے کے لیے قابل تجدید توافقی کے ذرائع میں سرمایہ کاری کرنا ہے۔ اس وقت ہمارے پاس ششی توافقی کے پلانس کے ذریعے 14.260 میگاوات بجلی پیدا کرنے کی صلاحیت ہے اور متعدد منصوبوں کے ذریعے اضافی 13.793 میگاوات بجلی حاصل اور تعمیب کر رہے ہیں۔

ہم پختہ یقین رکھتے ہیں کہ قابل تجدید توافقی میں منتقل ہونا نہ صرف بڑھتی ہوئی توافقی کی قیتوں کے مالی دباؤ کو کم کرے گا بلکہ ہمارے پائیدار طریقوں کے حصول کے عزم کو بھی ظاہر کرے گا۔

## خطرات اور موقع

نشاط امدادی میڈیا، کسی کامیاب کاروباری طرح، اسٹریچیک طور پر خطرات کا جائزہ لیتی ہے، منافع اور ترقی کو آگے بڑھانے کے موقع تلاش کرتی ہے۔ ہر جگہ خطراتے اور موقع

روپے فی حصہ رہی جو گزشتہ سال کے اسی عرصے کے دوران 31.96 روپے فی حصہ تھی۔

### سینکڑ پورنگ (Spinning) کتابی

2023-24 میں، خام کپاس کی قیتوں میں رساداً اور طلب میں عدم توازن، اپنر زکی تیز خریداری، اور پاکستانی روپیہ (PKR) اور امریکی ڈالر (USD) کے درمیان شرح تباہ کے عدم استحکام کی وجہ سے بلند رہیں۔ اگرچہ میں الاقوامی کپاس کی قیتوں ابتداء میں بروصی، لیکن سال کے آخر تک یہ کافی حد تک گزیں۔ کمپنی نے اپنی سالانہ ضروریات کو پورا کرنے کے لیے مقامی کپاس کو مارکیٹ میں مستیاب قیمت پر خریدا، جبکہ ایک چھوٹی مقدار اور آدمکی گئی۔

برآمدی مارکیٹوں میں دھاگے کی قیتوں عالمی اقتصادی مسائل، زیادہ مہنگائی، اور کرنی کے عدم استحکام کی وجہ سے دباؤ میں رہیں۔ اگرچہ مقامی مارکیٹ چینج ٹھیکنگ تھی لیکن یہ زیادہ مددگار ثابت ہوئی۔ بھارت، ویتنام، اور اندونیشیا سے مسابقت، اس کے ساتھ مضبوط ہوتے ہوئے روپیہ نے نشاط طرز کے لیے میں الاقوامی سطح پر اپنے دھاگے کی قیتوں کو مبالغتی رکھنا مشکل ہوا دیا۔

برہمنی ہوئی پیداواری لاگتوں اور عالمی عدم استحکام کی وجہ سے، کمپنی 2024-25 میں ایک اور چینج سال کی توقع کر رہی ہے اور مارکیٹ کی صورتحال کا قریبی جائزہ لے رہی ہے تاکہ اپنی حکمت عملیوں میں تبدیلی کر سکے۔

### بناٹی (Weaving)

بناٹی کے شبیہ کو مالی سال کے دوران دباؤ کا سامنا کرنا پڑا، جس میں گرتنج کپڑے کی فروخت میں 7.46% کی کمی ہوئی۔ اس کی بنیادی وجہ یورپ میں بڑھتی ہوئی مہنگائی تھی، جو ہماری روایتی مارکیٹ ہے، جس کی وجہ سے اعلیٰ قدر رواں فیشن مصنوعات کی طلب کم ہوئی۔ اس صورتحال کا مقابلہ کرنے کے لیے، ہم نے کم قیمت والے ٹکنیکی کپڑوں پر توجہ مرکوز کی۔

مالی سال 2024-25 کے لیے، ہمارا ہدف موجودہ سال کے مقابلے میں برآمدات میں کم از کم 15% تدریشاً فائدہ کرنا ہے۔ ہماری حکمت عملی میں اعلیٰ درجے کے ٹکنیکی کپڑوں کو ہدف بناانا اور کھوئے ہوئے فیشن کے کاروبار کو اپنی حاصل کرنا شامل ہے۔ قیتوں کے دباؤ کا سامنا کرتے ہوئے، ہم اگلے تین سالوں میں تو انہی کی بچت کرنے والے، ہائی اپیڈیلو مزدیں سرمایہ کاری کر رہے ہیں۔ مزید یہ کہ، ہم نے اپنے ٹکنیکی کپڑے کی صلاحیتوں کو بڑھانے کے لیے خصوصی پولیمر فلامنٹ وارپ گ آلات بھی حاصل کیے ہیں۔ 190 سینٹی میٹر کے لوز میں 210/230 سینٹی میٹر کے وسیع ماذور کی جانب متعلقیں میں پہلے ہی جاری ہے۔

### رنگائی (Dyeing)

عالیٰ ملبوسات کی کمزور طلب، اقتصادی ست روی، اور اندرونی چینج ہرجز کے باوجود، رنگائی کے شبیہ نے مالی سال 2023-24 میں اچھی کارکردگی کا مظاہرہ کیا۔ مالی سال 2024-25 کے لیے، ہمیں مزید چینج کا سامنا ہے گا۔ جن میں شامل ہیں: امریکہ اور یورپی مارکیٹوں میں ٹکنیکی کیم طلب اور ٹکنیکی کے شبیہ کو دریافت مختلف مشکلات۔

موکی طلب کے اتار چڑھاؤ کو دیکھتے ہوئے، یہ شبیہ کارڈورائے کپڑے کی پیداوار شروع کرنے کے لیے تیار ہے، جس کا ہدف ایک مخصوص مارکیٹ ہے۔ یہ حکمت عملی، روایتی طور پر سست طلب کے ادوار میں پیداواری صلاحیت کو بہترین طریقے سے استعمال کرنا ہے، جوست پیداواری ادوار کے خلا کو پورا کر گی۔

کی بنیادی وجہ دیگر آمد فی میں نمایاں اضافہ ہے، جو 3.039 (29.79%) 10.202 بلین روپے کے اضافے کے ساتھ 13.241 بلین روپے سے 10.202 بلین روپے کے اضافے کے ساتھ 13.241 بلین روپے ہو گئی۔ پچھلے سالوں کی طرح، دیگر آمد فی نے کمپنی کے مجموعی منافع کو بڑھانے میں اہم کردار ادا کیا۔ ذیلی کمپنیوں کو دیے گئے قرضوں سے حاصل شدہ سود کی آمد فی 2.7 بلین روپے پر مستحکم رہی، جو پچھلے سال کے مقابلے تقریباً برابر ہے۔ قابل ذکر بات یہ ہے کہ ڈیویڈن کی آمد فی میں 3.945 (87.45%) 4.511 بلین روپے کا نمایاں اضافہ ہوا، جو پچھلے سال 8.456 بلین روپے سے بڑھ کر اس سال 4.511 بلین روپے ہو گئی۔ یہ پچھلے پانچ سالوں میں ڈیویڈن کی آمد فی میں مستقل اضافہ کی عکاسی کرتا ہے۔

کمپنی کے مالی اخراجات 3.514 (50.72%) 6.928 بلین روپے کے اضافے کے ساتھ 10.442 بلین روپے سے 6.928 بلین روپے ہو گئے۔ اس اضافے کی بنیادی وجہات نے منصوبوں کی مالی معاوہت کے لیے قرضوں میں اضافہ اور کمپنی کی بڑھتی ہوئی ناپ لائیں کی وجہ سے ورنگ کیپسل کی ضروریات میں اضافہ ہیں۔ مزید یہ کہ، قرض کی اوسط شرح پچھلے سال کے مقابلے 10.88% سے بڑھ کر اس سال 15.07% ہو گئی۔ یہ اضافہ کمپنی کے سود کی کوڑی کو تیج کے تابع پر بھی مقنی اثر ڈالتا ہے، جو 3.22 گنا سے کم ہو کر 2.03 گنا ہو گیا۔

کمپنی کا بعد از جگہ منافع 5.797 بلین روپے سے کم ہو کر پچھلے سال کے مقابلے 12.166 بلین روپے سے اس سال کے دوران 6.369 بلین روپے ہو گیا۔ یہ نمایاں کمی بنیادی طور پر ہیں الاقوامی مارکیٹ میں شدید مسابقت، بڑھتی ہوئی پیداواری لاگت، اور مالی اخراجات میں اضافے کی وجہ سے ہوئی۔ اس کے نتیجے میں فی حصہ آمد فی 34.60 (EPS) روپے سے کم ہو کر 18.11 روپے ہو گئی۔

کمپنی نے نئی ماہیوں میں توسعی اور ترقی مصنوعات کی لائنز کی ترقی کے لیے نئی سہولیات، آلات، اور نیکنالوجی میں سرمایہ کاری کرنے کا ایک مضبوط ریکارڈ بنایا ہے۔ اس سال کمپنی نے سرمایہ کاری کے اخراجات میں 18.740 بلین روپے لگائے، جو بنیادی طور پر اس کی ڈیشم اور ورک ویریزنس، اس کے ساتھ ساتھ ہی تبادل اور موثر توانائی کے منصوبوں پر صرف کیے گئے۔ انتظامیہ کا پختہ لینین ہے کہ آپ شیش صلاحیتوں کو بڑھانا اور بہتر بنا مستقبل میں کمپنی کے منافع کو محفوظ بنا نے کے لیے ضروری ہے۔

کیپسل گیرنگ کا تابع 39.94% فیصد پر مستحکم رہا جو کہ گزشتہ سال 40.28% فیصد تھا۔ گزشتہ پانچ سالوں کے رجحان سے ظاہر ہوتا ہے کہ گزشتہ دو سالوں کے دوران گیرنگ کے تابع میں اضافہ ہوا ہے، جس کی وجہ کاروباری لاگت میں اضافہ، آپ شیش کی توسعی اور فکسل کیپسل منصوبوں کے لئے زیادہ قرض لینا ہے۔

موثر ورنگ کیپسل کے انتظام کی بدلت، اس مالی سال میں کرنٹ تابع 1.21 اور کوئیک تابع 0.62 ہے، حالانکہ منافع میں کمی آئی ہے۔ یہ کمپنی کی صلاحیت کی عکاسی کرتا ہے کہ وہ اپنے قائل مدیٰ اثاثوں اور اجابت کو موثر طریقے سے منتظم کر رہی ہے، جو اس بات کو لیشی بناتا ہے کہ کمپنی مشکل مالی حالات میں بھی اپنی آپ شیش ضروریات کو پورا کرنے کے لیے کافی لیکوئیدی رکھتی ہے۔

### تحصیلات (Appropriations)

کمپنی کے بورڈ آف ڈائریکٹرز نے 30% کیش ڈیویڈن (50%: 2023) کی تجویز دی ہے اور جمل ریزرو میں 5,319 بلین روپے (2023: 10,408 بلین روپے) منتظر کرنے کی سفارش کی ہے۔

نشاط گروپ ("گروپ") پاکستان کے سب سے بڑے اور معروف کاروباری گھرانوں میں سے ایک ہے۔ یقینی معيشت کے 12 بڑے شعبوں میں کام کرتا ہے۔ گروپ کی پاکستان میں دو یونیٹیکل کمپنیاں ہیں: نشاط مل میڈیا اور نشاط لینین (پرائیویٹ) لمبینڈ۔ نشاط مل میڈیا بنیادی کمپنی ہے جبکہ نشاط لینین (پرائیویٹ) لمبینڈ اس کی مکمل ملکیت ذیلی کمپنی ہے۔ ذیلی ادارے کے بنیادی مقاصد میں یونیٹیکل اور دیگر مصنوعات کی فروخت کے لیے ریٹیل آوت لیٹ لیش چلانا اور یونیٹیکل مصنوعات کی اپنی اور باہر میونیٹیکل سہولیات میں پروگرام کر کے یونیٹیکل مصنوعات کو فروخت کرتا ہے۔ نشاط مل میڈیا بعد از جگہ منافع میں کمی کی وجہ سے رواں سال مجموعی آمد فی 19.75

### ڈائریکٹر کی رپورٹ

نشاط ملٹی بینڈ (کمپنی) کے ڈائریکٹر (کمپنی) کے ڈائریکٹر 30 جون 2024 کو ختم ہونے والے سال کے لیے کمپنی کی سالانہ رپورٹ کے ساتھ مالی بیانات اور اس پر آڈیٹر کی رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

### مالی کارکردگی

کمپنی کی مالی سال 30 جون 2024 کو ختم ہونے والی مدت کے دوران منافع پچھلے سال 30 جون 2023 کے مقابلے میں نمایاں طور پر کم ہوا ہے۔ پچھلے سال کے مقابلے بعد از ٹکنس منافع میں یہ کمی بنیادی طور پر تو انکی کی قیتوں میں بے مثال اضافہ، مالی لائگت میں اضافہ، اور موجودہ مدت کے دوران زیادہ پر ٹکنس کی شرح کے نخاذ کی وجہ سے ہے۔

مندرجہ ذیل اہم اکاؤنٹنگ میڈ جھلکیاں ہیں:

مالی جھلکیاں	(Depreciation)	EBITDA	مجموعی منافع	آمدنی	روپے (000) 2023	روپے (000) 2024
مالی لائگت				آمدنی	141,756,469	160,256,555
ڈیوبنڈ آمدنی				مجموعی منافع	21,078,842	17,323,353
قبل از ٹکنس اور لیوی منافع				EBITDA	25,885,473	25,020,386
بعد از ٹکنس منافع				فرسودگی	3,551,422	3,833,635
					6,927,609	10,442,392
					4,510,937	8,456,190
					15,406,442	10,744,359
					12,166,022	6,368,853

آمدنی میں 18.501 (13.05%) بلین روپے کا اضافہ ہوا ہے، جو پچھلے مالی سال میں 141.756 بلین روپے سے 2% کراس مالی سال میں 160.257 بلین روپے ہو گئی ہے۔ جبکہ برآمدات کی فروخت مستحکم رہی، مقامی فروخت میں 18.216 بلین روپے کا نمایاں اضافہ ہوا ہے۔ پچھلے پانچ سالوں میں کمپنی نے آمدنی کی نمو کا بے مثال تجربہ کیا ہے۔

تاہم، اس سال مجموعی منافع پچھلے سال کے مقابلے میں 3.755 (3.82%) بلین روپے کم ہوا ہے، جس کی بنیادی وجہ منافع کے مار جن میں کمی اور غیر معمولی بڑھتی ہوئی لائگتیں ہیں۔ اس کمی میں مزید اضافہ سابقی اضافے اور قیتوں میں کمی کی وجہ سے ہوا، ساتھ ہی ٹکنس کی قیتوں میں نمایاں اضافہ بھی شامل ہے۔ مزید یہ کہ، تامناسب اقتصادی حالات کی وجہ سے برآمدات میں کمی نے آمدنی اور منافع پر منفی اثر ڈالا۔ ان عوامل کی وجہ سے مجموعی منافع اور فروخت کی شرح میں کمی واقع ہوئی، جو 14.87% سے کم ہو کر 10.81% ہو گئی۔

آپریشنل منافع میں کمی کے باوجود EBITDA مستحکم رہا، جس میں اس سال پچھلے سال کے مقابلے میں صرف 865 (3.34%) ملین روپے کی معمولی کمی ہوئی۔ اس

## NISHAT MILLS LIMITED



### BALLOT PAPER FOR VOTING THROUGH POST

For voting through post for the Special Business at the Annual General Meeting of Nishat Mills Limited to be held on (Monday) October 28, 2024 at 11:30 AM (PST) at Emporium Mall, the Nishat Hotel, Trade and Finance Centre Block, Near Expo Centre, Abdul Haq Road, Johar Town, Lahore.

Designated email address of the Chairman at which the duly filled in ballot paper may be sent: chairman@nishatmills.com.

Name of shareholder/joint shareholder(s):	
Registered Address:	
Folio No. / CDC Participant / Investor ID with sub-account No.	
Number of shares held	
CNIC, NICOP/Passport No. (In case of foreigner) <i>(Copy to be attached)</i>	
<u>Additional Information and enclosures</u>	
(In case of representative of body corporates, corporations and Federal Government)	
Name of Authorized Signatory:	
CNIC, NICOP/Passport No. (In case of foreigner)	
of Authorized Signatory - <i>(Copy to be attached)</i>	

### Special Resolutions

#### Agenda Item 4(a)

**To consider and approve the sale of Nishat Hospitality (Private) Limited, the Company's 100% subsidiary, to Nishat Hotels and Properties Limited – associated company at fair market value duly determined by an independent valuer and to pass the following resolutions with or without amendments as special resolutions:**

**RESOLVED** that the transaction of sale of Nishat Hospitality (Private) Limited, the Company's 100% subsidiary, to Nishat Hotels and Properties Limited – associated company at fair market value, duly determined by an independent valuer, be and is hereby approved.

**FURTHER RESOLVED** that the Chief Financial Officer and / or Company Secretary of Nishat Mills Limited be and is/are hereby authorized to comply with the legal and corporate formalities relating to this transaction and effectuate this resolution.

#### Agenda Item 4(b)

**To ratify and approve all Related Party Transactions approved by the Board of Directors during the year ended June 30, 2024 by passing the following resolution as Special Resolution with or without modification(s):**

**RESOLVED** that pursuant to the powers conferred upon the Board of Directors of Nishat Mills Limited ("the Company") by the members of the Company through Special Resolution passed in their Annual General Meeting held on October 25, 2023, the Related Party Transactions made during the financial year ended June 30, 2024 as disclosed in Annual Financial Statements of the Company for the year ended 30 June 2024 and as approved by the Board of Directors of the Company be and are hereby ratified, approved and confirmed in all respects.

I/we hereby exercise my/our vote in respect of above mentioned special resolutions through postal ballot by conveying my/our assent or dissent to the said resolutions by placing tick (/) mark in the appropriate box below:

Sr. No.	Nature and Description of resolutions	I/We assent to the Resolutions (FOR)	I/We dissent to the Resolutions (AGAINST)
1.	<b>Special Resolution as per the Agenda Item No. 4(a) (as given above)</b>		
2.	<b>Special Resolution as per the Agenda Item No. 4(b) (as given above)</b>		

Shareholder / Proxy holder Signature/Authorized Signatory  
(In case of corporate entity, please affix company stamp)

Place: \_\_\_\_\_

Date: \_\_\_\_\_

#### NOTES:

1. Duly filled postal ballots should be sent to the Chairman at Nishat House, 53-A, Lawrence Road, Lahore or through email at: [chairman@nishatmills.com](mailto:chairman@nishatmills.com) .
2. Copy of CNIC, NICOP/Passport (In case of foreigner) should be enclosed with the postal ballot form.
3. Postal Ballot form should reach the Chairman of the Meeting on or before October 27, 2024 up to 5:00 p.m. Any Postal Ballot received after this time/date, will not be considered for voting.
4. In case of a representative of a body corporate, corporation or Federal Government, the Ballot Paper form must be accompanied by a copy of the CNIC of an authorized person, an attested copy of Board Resolution / Power of Attorney / Authorization Letter etc., in accordance with Section(s) 138 or 139 of the Companies Act, 2017 as applicable. In the case of foreign body corporate etc., all documents must be attested by the Consul General of Pakistan having jurisdiction over the member.
5. Signature on postal ballot should match with signature on CNIC, NICOP/Passport (In case of foreigner).
6. Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written ballot paper will be rejected.

میں/تم مدرجہ بالخصوصی قراردادوں کے سلسلے میں پوشل بٹک کے ذریعے اپنا/اپنے دوست کا استعمال کرتے ہیں اور ذیل میں مناسب بس میں بک (J) کا نشان لگا کر درج ذیل قراردادوں پر اپنی رشامندی یا اختلاف رائے دیجئے ہیں:

نمبر شار	قراردادوں کی نوعیت اور تفصیل	میں/تم قراردادوں پر رشامندی ہیں (FOR)	میں/تم قراردادوں کے خلاف ہیں (AGAINST)
1-	ایجنڈا آئین نمبر 4(a) کے مطابق قرارداد (مذکورہ بالا)		
2-	ایجنڈا آئین نمبر 4(b) کے مطابق قرارداد (مذکورہ بالا)		

شیر ہولڈرز کے وحظا/شیر ہولڈر پر اسی ہولڈر وحظا/چاڑ وحظا کندہ  
(کارپوریٹ ادارے کی صورت میں، برداہ کرم کمپنی کا مہر لگادیں)  
مقام: \_\_\_\_\_ تاریخ: \_\_\_\_\_

### نوٹ:

- 1- صحیح طریقے سے پر شدہ پوشل بٹک چیزیں کو A-53 لا رنس روڈ، لاہور، پاکستان پر ایمیل بھیجنے چاہیے۔
- 2- NICOP، CNIC پاپورٹ کی کالپی (نیمکی کی صورت میں) پوشل بٹک فارم کے ساتھ مشکل ہوتی چاہیے۔
- 3- پوشل بٹک قائم 27 اکتوبر 2024 5:00 بجے کو یا اس سے پہلے صدر اجلاس تک لے چانس۔ اس تاریخ/وقت کے بعد موصول ہونے والا کوئی بھی پوشل بٹک ووجہ کے لیے قبول نہیں کیا جائے گا۔
- 4- باڑی کارپوریٹ، کارپوریشن یا وفاقی حکومت کے نمائندے کی صورت میں، بٹک بھی فارم کے ساتھ کسی با احتیاط غص کے CNIC کی کالپی، بورڈر یونیورسٹی، پاور آف ایارنی/ اتحارنی لیٹر و خیرہ کی تصدیق شدہ کالپی کے ساتھ ہو ضروری ہے کیونکہ 2017ء کے نکش (ز) 138 یا 139 کے مطابق جیسا کہ قبل اطلاق ہے۔ غیر ملکی باڑی کارپوریٹ وغیرہ کے معاملے میں، تمام دستاویزات کو قابل جعل آف پاکستان سے تصدیق شدہ ہو چاہیے جو گیر پردازہ احتیار رکھتا ہو۔
- 5- پوشل بٹک پر وحظا NICOP، CNIC پاپورٹ (نیمکی کی صورت میں) کے وحظا سے مماثل ہو چاہیے۔
- 6- ہمکمل، بغیر وحظا شدہ، نامطل، کاف کرکھا ہوا، پختا ہوا، اسٹر شدہ، دوبارہ لکھا ہوا بیٹک ہیچ مسٹر کر دیا جائے گا۔

**NISHAT MILLS LIMITED****نشاط ملٹریڈر****ڈاک کے ذریعے ونگ کے لئے بیٹھ سمجھ**

بروز 22 اکتوبر 2024 کو 11:30 بجے کوپریمہ بال، نشاط ہاؤس، بڑی ایڈن فلٹس سٹریٹ، بڑا ٹکپو سٹریٹ، عبدالحق روڈ، جوہرناگون، لاہور پر منعقد ہوتے والے نشاط ملٹریڈر کے سالانہ جلاس عام میں خصوصی کاروبار کے لیے پوسٹ کے ذریعے انتخاب کے لیے۔

نیشنلین کا نامزد کروہاںی میل ایمیل جس پر صحیح طریقے سے پُشہدہ بیٹھ بھیجا جاسکتا ہے۔ [chairman@nishatmills.com](mailto:chairman@nishatmills.com):

شیئر ہولڈر/مشترک شیئر ہولڈر کا نام	
رجسٹرڈ ایڈرنس	
فونیکس نمبر اسی ڈی اسی پارٹیشن (انوئیٹر آئی ڈی مدرسہ اکاؤنٹنگ نمبر	
ملکیتی حصہ کی تعداد	
NICOP/CNIC پاپورٹ نمبر (تصویر غیر ملکی) (کالی شکل ہو)	
اضافی معلومات اور وضاحتیں (بادی کار پورٹ، کار پورٹ شن اور وفاقی حکومت کے نمائندوں کی صورت میں)	
چیاز دھنکنندہ کا نام:	
NICOP/CNIC پاپورٹ نمبر (تصویر غیر ملکی) (کالی شکل ہو)	

**خصوصی قراردادیں****اعینہ اکٹم (a)**

خصوصی قرارداد کے طور پر نشاط ہاؤس ملکیتی پارٹیٹ لیڈر، کمپنی کی 100% بی کمپنی، نشاط ہاؤس ملٹریڈر پارٹیٹ لیڈر، ایسوی لیڈر کمپنی کو فروخت کرنے پر فور کرنے اور اس کی محفوظی دینے کے لیے، جو کہ ایک آزاد قدر دان کی طرف سے مناسب طور پر ملکیت ادارکیت و ملبوپ ہو گئی اور اسکے ساتھ یا اسکے بغیر درج ذیل قراردادوں کی محفوظی دینا۔

قرار پایا کہ نشاط ہاؤس ملکیتی پارٹیٹ لیڈر، کمپنی کی 100% بی کمپنی، نشاط ہاؤس ملٹریڈر پارٹیٹ لیڈر کو منصفانہ مارکیٹ و ملبوپ فروخت کرنے کا لیں دین، جس کا باقاعدہ تین ایک آزاد قدر دان کے ذریعے کیا جاتا ہے اور اس کی محفوظی دی جاتی ہے۔

مزید قرار پایا ہے کہ نشاط ملٹریڈر چیف فائل آئی اے ایکٹری اس لیں دین سے متعلق قانونی اور کار پورٹ فار ملٹریڈر کی قیمت کرنے اور نہ کروہ قرارداد کو نافذ کرنے کے مجاز ہیں۔

**اعینہ اکٹم (b)**

30 جون 2024 کو قائم ہونے والے سال کے دران بردا آف ڈائرکٹریز کی طرف سے محفوظہ تمام محتفظ پارٹیٹ فراز یکٹری کی توہین اور محفوظی کے لیے درج ذیل خصوصی قرارداد کو توہین کے ساتھ یا اس کے بغیر محفوظ کرنا:

قرار پایا ہے کہ نشاط ملٹریڈر ("کمپنی") کے بردا آف ڈائرکٹریز 25 اکتوبر 2023 کو منعقدہ سالانہ جلاس عام میں محفوظہ کروہ خصوصی قرارداد کے ذریعے کمپنی کے ارکین کی طرف سے دیے گئے اختیارات کے مطابق، متفقہ پارٹیٹ فراز یکٹری 30 جون 2024 کو قائم ہونے والے ماں سال کے دران بردا آف ڈائرکٹریز کی توہین کے ساتھ یا اس کے بغیر محفوظی اور قدمتی بردا آف ڈائرکٹریز کے سالانہ مالی گوشواروں میں اکشاف کیا گیا ہے اور جیسا کہ کمپنی کے بردا آف ڈائرکٹریز نے محفوظہ کیا اور اس کی توہین، محفوظی اور قدمتی بردا آف ڈائرکٹریز سے کی جاتی ہے۔

## Form of Proxy

I /We \_\_\_\_\_

of \_\_\_\_\_

being a member of Nishat Mills Limited, hereby appoint \_\_\_\_\_

\_\_\_\_\_

of \_\_\_\_\_

or failing him/her \_\_\_\_\_

of \_\_\_\_\_

member(s) of the Company, as my/our proxy in my/our absence to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on October 28, 2024 (Monday) at 11:30 A.M. at Emporium Mall, The Nishat Hotel, Trade and Finance Centre Block, Near Expo Centre, Abdul Haq Road, Johar Town, Lahore.

as witness may hand this \_\_\_\_\_ day of \_\_\_\_\_ 2024

Signed by the said member \_\_\_\_\_

in presence of \_\_\_\_\_

Please  
affix  
revenue  
stamp  
Rs. 50

Signature(s) of Member(s)

Signature of witness .....

Signature of witness .....

Name .....

Name .....

Address .....

Address .....

.....

.....

CNIC # .....

CNIC # .....

Please quote:

Folio No.	Shares held	CDC A/C. No.

Important: This instrument appointing a proxy, duly completed, must be received at the Registered Office of the Company at Nishat House, 53-A, Lawrence Road, Lahore not later than 48 hours before the time to holding the annual general meeting.

AFFIX  
CORRECT  
POSTAGE

The Company Secretary

**NISHAT MILLS LIMITED**

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

پرائی فارم

کیں اہم کسی امساہے میں بول کے اور ووٹ ڈال سکے۔ تو ہر ناؤں، لاہور میں منعقد ہو رہا ہے میں بول کے اور ووٹ ڈال سکے۔

پچاہ رہ پے کی ریونیو شمپ  
چسپاں کریں

ساخته تاریخ: 2024-05-01

گواہ کو اکٹ  
و سخنداں:  
نام:  
پرست:  
کچھ موڑا نہ رکھو می شما خاتی کارڈ نمبر:

گواہ کو اُنف  
خطیط:

وختخط:-  
(دختخط کپنی میں موجود رجسٹرڈ دختخط کے مطابق ہونے چاہئیں)

دیلوپر:-

ہم: مرا کسی فارم، کمپنی کے جریڑا افس، نشاط ہاؤس، A-53، لارنس روڈ، لاہور، میں اچلاس کے انعقاد سے کم از کم 48 گھنٹے قبل جمع کرنا لازمی ہے۔ بصورت دیگر وہ قابل قبول نہ ہوگا۔

AFFIX  
CORRECT  
POSTAGE

The Company Secretary

**NISHAT MILLS LIMITED**

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





**REGISTERED OFFICE:**

Nishat House, 53-A, Lawrence Road, Lahore  
Tel: 042-36360154, 042-111 113 333  
[nishat@nishatmills.com](mailto:nishat@nishatmills.com)  
[www.nishatmillsltd.com](http://www.nishatmillsltd.com)