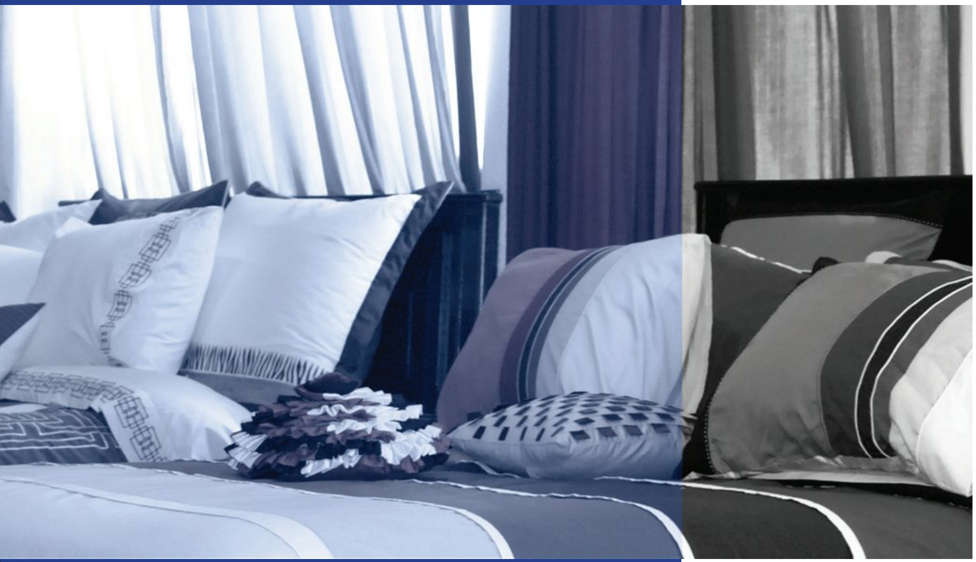

ANNUAL REPORT 2022

NISHAT CHUNIAN LTD.

BRIEF PROFILE

2022	New company for Real Estate development Nishat Chunian Properties (Private) Limited Autocoro Open-end production lines in 1 spinning unit
2021	New company in USA for E-Commerce retail of home textile products Sweave Inc.
2016	Diversification into Retail Business The Linen Company (TLC)
2015	Diversification into Cinema Business NC Entertainment Private Limited
2014	46 MW Coal Based Power Plant
2013	Established a subsidiary company in USA
2013	2 Spinning Mills acquired & a new Spinning Mill started
2010	IPP commercial operations
2006	Diversification into Home Textiles
2005	Acquisition of 2 Spinning Mills & 5th Spinning Mill started
2000	2nd Spinning Mill started production
1998	Diversification into Weaving
1991	1st Spinning Mill Setup

CONTENTS

COMPANY INFORMATION

Board of Directors:

Mr. Shahzad Saleem *(Chief Executive)*
Mr. Farrukh Ifzal *(Chairman)*
Mrs. Nadia Bilal
Mr. Zain Shahzad
Mr. Aftab Ahmad Khan
Mr. Faisal Farid *(Independent)*
Mr. Muhammad Zahid Khan *(Independent)*

Audit Committee:
Mr. Muhammad Zahid Khan *(Chairman)*
Mr. Farrukh Ifzal *(Member)*
Mr. Aftab Ahmad Khan *(Member)*

HR & Remuneration Committee:
Mr. Faisal Farid *(Chairman)*
Mr. Farrukh Ifzal *(Member)*
Mr. Muhammad Zahid Khan *(Member)*

CFO:
Mr. Mustaqeem Talish

Company Secretary:
Ms. Samina Aslam

Head of Internal Audit:
Mr. Danish Farooq

Mills:
Spinning 1, 4, 5, 7 & 8
49th Kilometre, Multan Road,
Bhai Pheru, Tehsil Pattoki,
District Kasur.

Dyeing & Printing
4th Kilometre, Manga Road,
Raiwind.

Spinning 2, 3, 6, Weaving & 46 MW and
8 TPH process steam coal fired power generation
project 49th Kilometre,
Multan Road, Bhai Pheru, Tehsil Pattoki,
District Kasur.

Bankers to the Company:
Allied Bank Limited
Al Baraka Bank (Pakistan) Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Al Habib Limited
Bank Islami Pakistan Limited
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
Industrial and Commercial Bank of China (ICBC)
JS Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Pak Kuwait Investment Company (Private) Limited
Standard Chartered Bank Pakistan Limited
SAMBA Bank Limited
Soneri Bank Limited
The Bank of Punjab
United Bank Limited
MCB Islamic Bank Limited

Auditors:
Riaz Ahmad & Company
Chartered Accountants

Registered & Head Office:
31-Q, Gulberg-II,
Lahore, Pakistan.
Phone : 042-35761730-39
Fax : 042-35878696-97
Web : www.nishat.net

Share Registrar:
Hameed Majeed Associates (Pvt) Limited
1st Floor, H.M. House
7-Bank Square, Lahore
Ph: 042-37235081-2 Fax: 042-37358817

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 34th Annual General Meeting of the Shareholders of Nishat (Chunian) Limited (the "Company") will be held on 27th October 2022 at 10:00 A.M. at Registered Office, 31-Q, Gulberg – II, Lahore to transact the following business:

ORDINARY BUSINESS:

1. To confirm the minutes of the last Extra Ordinary General Meeting held on April 11, 2022.
2. To receive, consider and adopt audited Separate and Consolidated Financial Statements of the Company for the year ended 30 June 2022 together with the Director's Report, Auditors Report thereon, and Chairman's Review.
3. To consider and approve the payment of a final cash dividend @40% (i.e. Rs. 4 per ordinary share) as recommended by the Board of Directors.
4. To appoint auditors and fix their remuneration. The members are hereby notified that the Audit Committee and the Board of Directors have recommended the name of retiring auditors M/s Riaz Ahmad & Company, Chartered Accountants, for reappointment as auditors of the Company.
5. To transact any other business with the permission of the chair.

SPECIAL BUSINESS:

1. To consider and, if deemed fit, pass a Special Resolution, as proposed in the statement of material facts annexed with this Notice sent to the members, pursuant to the provisions of Section 199 of the Companies Act, 2017 to authorize the investment of PKR 1.00 billion by way of loans/advances to Nishat Chunian Power Limited, an associate company.

   (Attached to this Notice is a statement of material facts covering the above-mentioned special business and draft special resolutions, as required under Section 134(3) of the Companies Act, 2017).

By order of the Board

Lahore
Dated: October 06, 2022

Samina Aslam
Company Secretary

NOTES:

1. Closure of Share Transfer Books

For attending AGM:

The Share Transfer Books of the Company will remain closed from 21-10-2022 to 27-10-2022 (both days inclusive). Transfers Physical / CDS received at the share registrar of the Company M/s Hameed Majeed Associates (Pvt) Ltd., H.M. House, 7-Bank Square, Lahore upto close of office timings on 20-10-2022 will be treated in time for the purpose of attending the meeting and entitlement of dividend.

For entitlement of Final Cash Dividend:

The Share Transfer Books of the Company will remain closed from 21-10-2022 to 27-10-2022 (both days inclusive) for entitlement of 40.00% Final Cash Dividend i.e. Rs.4 per share. Transfers Physical / CDS received at the share registrar of the Company M/s Hameed Majeed Associates (Pvt) Ltd., H.M. House, 7-Bank Square, Lahore upto close of office timings on 20-10-2022 will be treated for above entitlement.

2. Participation in the Annual General Meeting

A member entitled to attend and vote at this meeting may appoint any other member as his/her proxy to attend and vote on his/her behalf. The instrument appointing proxy must be received at the Registered Office of the Company duly stamped and signed not later than 48 hours before the meeting.

CDC Account Holders 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:

(i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his/her identity by showing his/her original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.

(ii) In case of corporate entity, the Board of Directors' 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:

(i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.

(ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC Numbers shall be mentioned on the form.

(iii) Attested copies of CNIC or Passport of the beneficial owners and the proxy shall be furnished with the proxy form.

(iv) The proxy shall produce his / her original CNIC or original Passport at the time of the meeting.

(v) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

3. CNIC / NTN Number on Dividend Warrant (Mandatory)

Individual members who have not yet submitted a copy to their valid Computerized National Identity Card (CNIC) to the Company are once again requested to send a copy of their valid CNIC at the earliest to the office of Share Registrar of the Company, M/s Hameed Majeed Associates (Pvt) Ltd., H.M. House, 7-Bank Square, Lahore. The Dividend Warrant(s) should also bear the Computerized National Identity Card (CNIC) Number of the registered shareholder or the authorized person, except in case of minor(s) and corporate shareholder(s).

Henceforth, issuance of dividend warrant(s) will be subject to submission of CNIC (individuals) / NTN (corporate entities) by shareholders.

4. Deduction of Income Tax from Dividend under Section 150 the Income Tax Ordinance, 2001 (Mandatory)

Pursuant to the provisions of the Finance Act 2021 the rates of deduction of income tax from dividend payments under the Income Tax Ordinance as follows:

- Filer 15%
- Non-Filer 30%

All shareholders are advised to check their status on Active Taxpayer 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.

Further, according to clarification received from Federal Board of Revenue (FBR), with-holding tax will be determined separately on ‘Filer/Non-Filer status of Principal shareholder as well as joint-holder (s) based on their shareholding proportions, in case of joint accounts.

In this regard all shareholders who hold shares jointly are requested to provide shareholding proportions of Principal shareholder and Joint-holder(s) in respect of shares held by them to our Share Registrar, in writing as follows:

Company Name	Folio/CDs Account#	Total Shares	Principal Shareholder		Joint Shareholder	
			Name and CNIC#	Shareholding Proportion (No. of Shares)	Name and CNIC#	Shareholding Proportion (No. of Shares)

The required information must reach our Share Registrar within 10 days of this notice; otherwise, it will be assumed that the shares are equally held by the Principal shareholder and Joint Holder(s).

For any query/problem/information, the investors may contact our share registrar M/s. Hameed Majeed Associates (Pvt) Ltd., H.M. House 7-Bank Square, The Mall, Lahore at phone 042-37235081-2 or email at shares@hmaconsultants.com

The corporate shareholders having CDC accounts are required to have their National Tax Number (NTN) updated with their respective participants, whereas corporate physical shareholders should send a copy of their NTN certificate to our share registrar M/s. Hameed Majeed Associates (Pvt) Ltd. The shareholders while sending NTN or NTN certificates, as the case may be, must quote company name and their respective folio numbers.

Withholding tax exemption from dividend income, shall only be allowed if copy of valid tax exemption certificate is made available to our Share Registrar M/s. Hameed Majeed Associates (Pvt) Ltd. upto October 20, 2022.

5. 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 wants to claim exemption shall submit your 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. Hameed Majeed Associates (Pvt) Ltd 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. Zakat Declarations received before first of Shaaban are entitled.

6. Payment of Cash Dividend Electronically

In accordance with the provisions of section 242 of the Companies Act, 2017, dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders.

All shareholders are requested to provide the details of their bank mandate specifying:

(i) Title of Account: ______________________________

(ii) IBAN number : ______________________________

(iii) Bank Name : ______________________________

(iv) Branch Code, Name & Addresss: ______________________________

(v) Signature of Shareholder: ______________________________

to the Company's Share Registrar M/s Hameed Majeed Associates (Pvt) Ltd. Shareholders who hold shares with Participants/ Central Depository Company of Pakistan (CDC) are advised to provide the bank mandate details as mentioned above, to the concerned Participant / CDC.

If they so desired the shareholders have the option to seek the dividend mandate by using the standardized "Dividend Mandate Form" available on Company's website http://www.nishat.net.

7. Circulation of Annual reports through Digital Storage

The shareholders of Nishat Chunian Limited in its 27th AGM of the Company had accorded their consent for the transmission of annual reports including audited annual accounts, notices of AGM and other information contained therein of the Company through a CD/DVD/USB instead of transmitting the same in hard copies. The shareholders who wish to receive hard copies of the aforesaid documents may send to the Company Secretary / Share registrar, the standard request form provided in the annual report and is also available on the Company's website and the Company will provide the aforesaid documents to the shareholders on demand, free of cost, within one week of such demand. The shareholders who also intend to receive the annual report including the notice of meetings via email are requested to provide their written consent on the standard request form provided in the annual report and also available on the Company's website.

8. Video Conference Facility

Pursuant to the provisions of the Companies Act, 2017, the shareholders residing in a city other than Lahore, and holding at least 10% of the total paid-up share capital may demand the Company to provide the facility of video-link for participating in the meeting. The demand for video-link facility shall be received by the Share Registrar at the address given hereinabove at least 7 days prior to the date of the meeting on the Standard Form provided in the annual report and also available on the company's website: www.nishat.net

In compliance with the guidelines issued by the Securities & Exchange Commission of Pakistan vide circulars No. 6 of 2021 issued on March 03, 2021, the company has arranged a video link facility for shareholders to participate in the meeting through their smartphones or computer devices from their homes or any convenient location after completing meeting attendance formalities. Shareholders interested in attending the meeting through the video link are requested to register by submitting their following particulars at Shahbazahsan@nishat.net not later than 48 hours before the time for holding the meeting. The link to participate in the meeting will be sent to the shareholders at the email address provided by them. Shareholders are requested to fill in the particulars as per the below table:

Name of Shareholder	CNIC No.	Folio No./CDC Account No.	No. of Shares held	Cell No.	Email Address

The login facility will be opened at 09:55 a.m. on October 27, 2022, enabling the participants to join the proceedings.

9. Change of Address

Members are requested to notify any change in their addresses immediately. Shareholders are requested to provide above mentioned information/documents to (i) respective Central Depository System (CDS) Participants and (ii) in case of physical securities to the Share Registrar of the Company.

10. Conversion of physical shares into CDS

In compliance with the requirements of Section 72 of the Companies Act, every existing listed company shall be required to replace his/her physical shares with book-entry form in a manner as may be specified and from the date notified by the SECP, within a period not exceeding four years from the commencement of the Companies Act, that is, May 30, 2017.

Members having physical share certificates are requested to convert their shares from physical form into book entry form as early as possible. It would facilitate the Members in many ways including safe custody of shares, no loss of shares, avoidance of formalities required for issuance of duplicate shares and readily available for sale and purchase in open market at better rates.

11. The Company has placed the audited Separate and Consolidated Financial Statements for the year ended June 30, 2022 along with Auditors and Directors Reports thereon, Chairman's Review and notice of meeting on its website: www.nishat.net

STATEMENT UNDER SECTION 134 (3) OF THE COMPANIES ACT, 2017 REGARDING SPECIAL BUSINESS:

Background Information

Nishat Chunian Power Limited (NCPL) is a public limited company incorporated in the year 2007, formed under the Power Policy 2002 as an Independent Power Producer (IPP). It is an associate of Nishat Chunian Limited (the “Company”). It is currently listed on Pakistan Stock Exchange Limited. The principal activity of the company is to build, own, operate and maintain a fuel fired power station having gross capacity of 200 MW. NCPL has a chronic problem with its trade debt balances which fluctuate routinely due to delays in payments from the NTDC. This creates liquidity problems for NCPL due to which it needs funds to meet its working capital requirements. The management of the Company is proposing to invest its funds by extending loans/advances of PKR 1.00 billion to NCPL at the markup rate of 3-month KIBOR plus 200 bps which shall not be less than the KIBOR for the relevant period or borrowing cost of the Company whichever is higher for a period of one year from the date of disbursement. Payment of markup shall be on monthly basis. The purpose of the investment is to support the operations of NCPL which provides a stable stream of income for the Company.

Due Diligence

The directors have, as required by the Regulations, carried out the required due diligence for the proposed investment for which the shareholders’ consent by special resolution set out below is required under Section 199 of the Companies Act, 2017. The Due Diligence Report as approved by the Board will be available for inspection of the members in the annual general meeting.

Interest of the Investee Company, its sponsors and Directors in the Company

As required by Regulation 4(1) of the Regulations, it is declared that:

1. The investee company, NCPL, holds no shares in Nishat Chunian Limited and has no interest in the Company except Common Directorship.

2. The sponsors / Directors of the investee company hold the following shares in Nishat Chunian Limited:

Names	No of Shares
Mr. Farrukh Ifzal	500
Mr. Mustaqeem Talish	10
Mr. Babar Ali Khan	20,000

Audited Financial Statements of Nishat Chunian Power Limited

As required by Regulation 4(3) of the Regulations, the latest financial statements of the Investee Company as at 30 June 2022 and last interim financial statements shall be made available for the inspection of the members at the Annual General Meeting.

SPECIAL RESOLUTIONS:

It is proposed that the following Resolution be considered and passed as a Special Resolution, with or without modification:

"RESOLVED that approval of the members of Nishat Chunian Limited (the "Company") be and is hereby accorded in terms of Section 199 of the Companies Act, 2017 to make an investment of up to PKR 1.00 billion (Rupees One Billion Only) from time to time in Nishat Chunian Power Limited ("NCPL"), an associate Company, by way of loans and advances, as and when required by NCPL, at the rate of 3-months KIBOR + 200 bps provided that the rate of return shall not be less than KIBOR for the relevant period or borrowing cost of the investing company, whichever is higher and that such loans and / or advances shall be repayable within one year from the date of disbursement and as per other terms and conditions disclosed to the members.

FURTHER RESOLVED that the above said resolution shall be valid for 1 (one) year and Chief Financial Officer and Company Secretary of the Company be and are hereby jointly empowered and authorized to undertake the decision of said investment as and when deemed appropriate and necessary in the best interest of the Company and its shareholders and to take all steps and actions necessary, incidental and ancillary including execution of any and all documents and agreements as may be required in this regard and to do all acts, matters, deeds and things as may be necessary or expedient for the purpose of giving effect to the spirit and intent of the special resolution for making investment from time to time".

Further Information

As required by the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 (the "Regulations") the following further information is provided:

<table>
<tr><th>Ref. No.</th><th>Requirement</th><th>Information</th></tr>
<tr><td>i</td><td>Name of associated company</td><td>Nishat Chunian Power Limited ("NCPL")</td></tr>
<tr><td>ii</td><td>Basis of Relationship</td><td>NCPL is an associated company.</td></tr>
<tr><td>iii</td><td>Earnings / (Loss) per share for the last three years</td><td><table><tr><th>Year</th><th>Earnings / (Loss) per share Rs.</th></tr><tr><td>2022</td><td>6.82</td></tr><tr><td>2021</td><td>6.83</td></tr><tr><td>2020</td><td>12.54</td></tr></table></td></tr>
<tr><td>iv</td><td>Break-up value per share, based on last audited financial statements</td><td>PKR 65.28</td></tr>
<tr><td>v</td><td>Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements</td><td>Audited Financial Statements for the year ended June 30, 2022 showed:

Balance Sheet: Rs. in '000'
Asset
Non-Current Assets 9,462,085
Current Assets 26,620,503
Total Assets 36,082,588</td></tr>
</table>

			Liabilities Long term 0 Short Term 12,103,625 Total Liabilities 12,103,625 **Profit & loss:** Sales 25,415,977 Gross Profit 3,557,672 Gross Profit Ratio 14% Net Profit after tax 2,504,676 Ratio 9.85% EPS 6.82
vi	In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely		Not Applicable
	i	Description of the project and its history since conceptualization	Not Applicable
	ii	Starting date and expected date of completion of work	Not Applicable
	iii	Time by which such project shall become commercially operational	Not Applicable
	iv	Expected time by which the project shall start paying return on investment.	Not Applicable
	v	Funds invested or to be invested by the promoters, sponsors associated company or associated undertaking distinguishing between cash and non-cash amounts.	Not Applicable
(B) General Disclosures:			
(i)	Maximum amount of investment to be made		Up to PKR 1.00 billion (Rupees One Billion Only).
(ii)	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment		The investment is explained in detail in the background information hereinabove. This will support the operations of the NCPL. The Company will earn income from the investment.
(iii)	Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds:		Internal cash generation
	i	Justification for investment through borrowings	Not Applicable
	ii	Detail of collateral, guarantees provided and assets pledged for obtaining such funds	Not Applicable

	iii Cost of benefit analysis	Not Applicable
(iv)	Salient feature of all agreements entered or to be entered with its associated company or associated undertaking with regards to proposed investment	No agreement has so far been entered into with NCPL for the proposed investments. Agreement will be executed before extending the loan on the basis of the terms and conditions as approved by the shareholders.
(v)	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associate's company or associated undertaking or the transaction under consideration:	The directors, sponsors, majority shareholders and their relatives have no interest in this company except to the extent of their shareholdings, if any/directorships. NCPL is not a member of NCL.
(vi)	In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information /justification for any impairment or write offs	The shareholders have approved investment of PKR 1.00 billion in their meeting held on October 28, 2020. The said investment has been repaid with markup as per terms and conditions approved by the shareholders. There is no write offs/impairment.
1(c) Additional disclosure regarding investment in the form of Working Capital Loan		
(i)	Category-wise amount of investment	PKR 1.00 Billion as loans/advances
(ii)	average borrowing cost of the investing company, the Karachi inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for Shariah complaint products and rate of return unfunded facilities, as the case may be, for the relevant period.	Average Borrowing Cost 8.08% per annum for the period ended 30 June 2021. 3-month KIBOR for the relevant period.
(iii)	Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company	3 months KIBOR plus 2%
(iv)	Particulars of collateral or security to be obtained in relation to the proposed investment	No security to be obtained.
(v)	If the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable	Not Applicable
(vi)	Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking	Repayment of principal will be made within one year of the approval by the shareholders while payment of markup due will be made on monthly basis

CHAIRMAN’S REVIEW

It gives me immense pleasure to present before you, the economic and business outline alongside with key role of the Board of Directors (the “Board”) of Nishat (Chunian) Limited, in attaining the company’s objectives, for the year ended June 30, 2022.

This year has been a record-breaking one for the company. Our sales have rallied up to an all-time high of PKR 62 billion (49.3 billion in 2021), registering an increase of 26% over last year’s revenue. We have reported a Net Profit of PKR 7.47 billion, which is also a record. Gross and operating margins have also been impressive. Although the raw material and operating costs were exorbitant due to rising inflation, good governance and management strategies proved pivotal in enabling the company to post exceptional results.

Nishat (Chunian) Limited takes pride in its Board which lays out the company’s strategic direction and is undoubtedly its core strength. The company has maintained its industry position and increased its profitability through the persistent and untiring efforts of its directors. Further on, the guidelines for Listed Companies (Code of Corporate Governance) Regulations, 2019, along with stipulations enlisted within the Companies Act, 2017 with respect to the Board, directors and their committees have been complied with.

The company has a diverse seven-member Board which comprises of directors with multi-generational backgrounds, having the knowledge and experience relevant to the business of the company. All the Directors, including Independent Directors, fully participated and contributed to the decision-making process of the Board.

Mrs. Farhat Saleem resigned from the Board on December 21st, 2021 and was replaced by Mrs. Nadia Bilal, appointed on December 27th, 2021.

The performance of the Board, which is reviewed and assessed against a sophisticated criterion, depicted utmost competency and diligence on their part. Key features of the Board’s achievements are as follows:

- Clearly understanding the vision, mission and values of the company while ensuring compliance with these at all levels;

- Devising strategic plans and making informed decisions that are aligned with the interests of the company and its stakeholders;

- Continuously reviewing business performance and affairs while taking into consideration, key findings of internal and external auditors as well as independent consultants (as and where applicable);

- Maintaining a diverse mix of executive and non-executive directors including independent directors, while ensuring commensurate engagement in key decision-making;

- Evaluation of material investment decisions;

- Upholding and maintaining an effective control environment and best corporate governance practices.

Furthermore, all major issues throughout the year were presented before the Board and its committees. The Audit Committee and HR & Remuneration Committee assisted the Board in a sublime fashion to strengthen the functions of the Board. Self-evaluation was carried out by the Board to identify potential areas for further improvement, in line with best global practices.

Finally, I would like to appreciate the valuable contributions made by the entire workforce toward achieving the company's objectives. I would also like to express gratitude to our board of directors, employees, shareholders, customers, bankers, regulatory authorities and other stakeholders for their continued support and confidence in this enterprise.

Mr. Farrukh Ifzal
Chairman

Date: September 29, 2022
Lahore

Growing Ingeniously


OMNI
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DIRECTOR'S REPORT

The Directors of your Company have the pleasure of presenting the financial results of your Company which include both, separate and consolidated audited financial statements for the fiscal year ended June 30, 2022.

OVERVIEW

The financial year 2021-22 was an outstanding year due to the revival of industry after the negative footprints of pandemic in the previous years, however overall business environment remained challenging. Net sales increased significantly from Rs. 49.28 billion in 2021 to Rs. 61.99 billion in 2022.

Keeping up with its profitable track record, the Company is declaring a profit after tax of 12.05% of sales as compared to 11.36% last year which is an improvement over the last year. The Company showed such a remarkable profit due to a significant increase in revenue, higher profit margins, better inventory coverage and ensuring smooth operations by developing a companywide bubble by vaccinating its employees and by implementing proper safety protocols.

On a consolidated basis, the Group achieved a gross turnover of PKR 88.03 billion which is 43% higher as compared to last year's turnover of PKR 61.48 billion.

YEAR AT A GLANCE

Financial Highlights	For the Year Ended		Increase / (Decrease)
	2022	2021	
Sales (Rs.)	61,988,039,043	49,283,753,375	26%
Gross Profit (Rs.)	12,974,171,457	8,969,146,793	45%
Profit from Operations (Rs.)	10,645,582,665	8,020,197,854	33%
Profit After Taxation (Rs.)	7,468,201,616	5,598,856,785	33%
Gross Profit %	20.93%	18.20%	
Profit After Taxation %	12.05%	11.36%	
Earnings Per Share (Rs.)	31.10	23.32	

PROFITABILITY

Revenue earned during this year clocked in at Rs. 61.99 billion, up by 26% from last year whereas the gross profit and net profit percentages increased this year to 20.93% and 12.05% from 18.2% and 11.36% in the previous year, respectively. Sales performance of all divisions was exceptionally well with exports registering an increase across all segments. The increase in revenue and net profit of the Company was mainly driven by opening up of economies post-pandemic and improved margins.

Appropriations

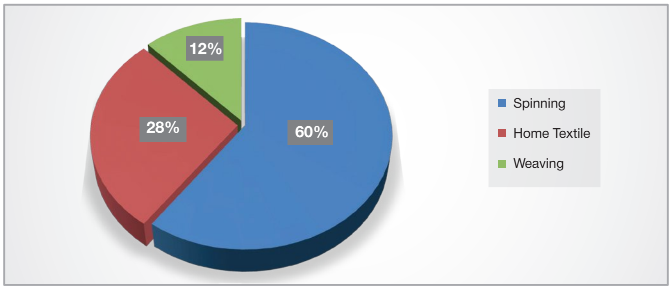
The Board of Directors of the Company has proposed to pay Rs. 4 per ordinary share final cash dividend in its meeting held on September 29, 2022. The Board of Directors had also declared an interim cash dividend of Rs. 3 per ordinary share at their meeting held on 21 February 2022, which has already been paid during the financial year.

INVESTMENTS

Considerable investments were made during the year in different textile segments for capacity enhancement and improvement in operational efficiency. A summarized overview is given below:

Business Segment	Machinery Added	Investment (PKR in million)
Spinning	Automatic Rotor Spinning Autocoro Machines	1,057
	Cotton Blow Room Line	151
	Ring Frame	71
	Drawing Frames	59
	Carding Machines	55
	Cotton Hard Waste & Soft Waste Plant	41
	Yarn Conditioning Systems	41
	Core Yarn Attachments	33
	Temson Air Conditioning System	28
	Simplex Machines	24
	Rubber Cots Grinding Machine	21
	Water Cooled Screw Chiller	20
Weaving	Compressors	294
	VFD Inverters	7
Home Textile	Washing Range	280
	Stenter Frame Range	172
	Power Generation Gas Engines	133
	Finishing stenter	27
	Cleaning system for stripping	21

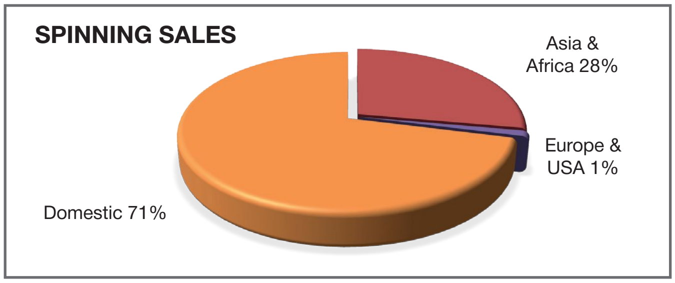
SEGMENT WISE REPORT



Share of Major Segments in Revenue

SPINNING

Spinning remained the stalwart performer registering unprecedented sales of PKR 37.2 billion, up by 35% as compared to last year and 78% as compared to 2020.



Even though local cotton production during the current season has improved considerably due to favorable weather conditions with arrivals of up to 7.4 million bales (5.6 million bales in 2021), the prices for both; local as well as imported cotton witnessed an upward trend throughout the year due to US-China trade commitments, boost in demand following an improvement in COVID-19 situation and forecast of crop shortage in local and international cotton markets.

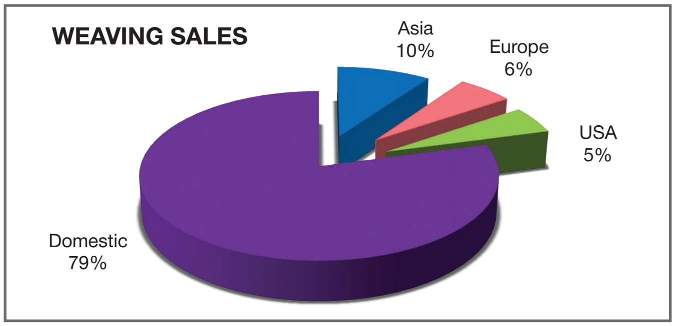
Local yarn prices increased in tandem with raw cotton prices however export prices weren't impressive due to fierce competition from regional players. The rise in dollar-rupee parity was, however, quite beneficial towards attaining profitability in exports. The company redevised its strategy to shift its focus towards securing a significant share of the local market offering lucrative prices which resulted in handsome profits.

The effects of Covid-19 are decreasing now but the tension between Russia and Ukraine is increasing market concerns and the cost of production is increasing due to inflation and the increase in coal & fuel prices. However, yarn prices, by virtue of being market-driven, have improved significantly, allowing the company to transfer substantial impact of the drastic rise in aforementioned input costs, to its customers. The spinning business thus, proved successful and profitable, during the year under review.

A New Auto Coro open-end spinning unit equipped with 2880 rotors has been installed and commercial production in full swing is underway. With the vision to achieve sustainability in operations, this new unit is capable of producing yarn out of fibers recovered from yarn waste, which is expected to achieve economies of scale along with operational efficiency, which is another profit maximizing strategy for the company, in the years to come.

WEAVING

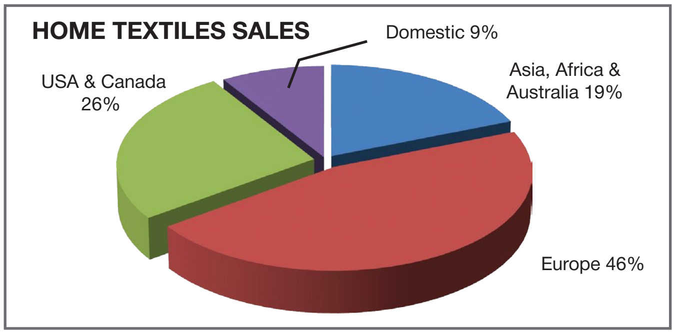
Weaving division remained in limelight as the upward revenue spree continued throughout the year amid high demand of greige fabric. The measures taken by the management to enhance the division's capacity and unprecedented surge in yarn prices have pushed into increased margins. Total sales clocked to a record higher number of Rs. 7.5 billion this year. This was 66% higher than last year. A notable portion of the sale was in domestic markets as local sales surged by 89% in contrast to 2021. However, the export business remained repulsive owing to uncertain conditions propped up in Global customer markets and the rift between Russia and Ukraine.



The global macroeconomics currently and the country's political scenarios are not supportive of the textile business. Resurgent raw materials, higher energy prices, and a continuous increase in finance costs are casting hostile overtures. However, the management believes that better sourcing strategies paired with focused margin and operational optimization will provide the impetus for growth and profitability in this sector.

The company is upgrading its machinery to improvise production and utility consumption. We have recently replaced old looms with state-of-the-art wider-width Picanol looms and new high-performance compressors. This integration will assist in improving the yields and the operational efficiency of the overall segment.

HOME TEXTILES

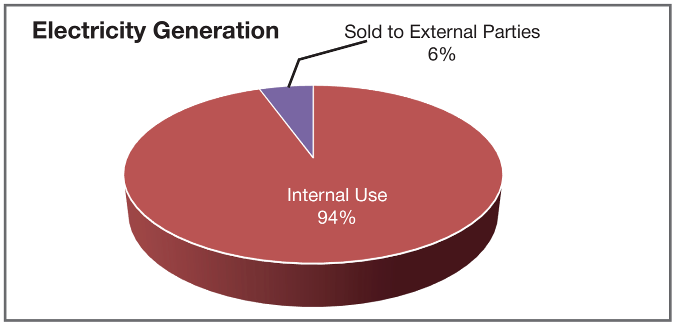


During the year under review, Home Textile's turnover clocked in at Rs. 17.05 billion. In the current global recessionary situation, Pakistan's textile industry is facing adverse effects in terms of rising inflation, fuel prices and depreciation of PKR against USD resulting in higher cost of imported raw materials. In addition to this, recent floods' devastation, removal of subsidies on energy and imposition of super tax has substantially raised the cost of doing business in the country. To be competitive in the current global market scenario we have planned to reduce our utility cost. We are working on switching to biomass fuels from conventional fossil fuel for steam production. Further, we are installing a solar power plant having capacity of 1.6 MW for electricity generation to run our stitching and dyeing unit. This will significantly reduce our steam production cost and electricity generation cost for more sustainability. Despite all the challenges, our proactive measures to reduce production cost will ensure the growth in sales for the year ending June 30, 2023.

The Linen Company (TLC) has opened three new shops during the year; two in Lahore, taking the total retail outlets tally to nine. E-commerce has attracted both National and International customers, thereby online sales have escalated to 2 times YoY. Due to the overwhelming response from customers, Company plans to further expand the number of retail outlets in different cities of the country. We have adopted B2B model resulting in wider customer accessibility and marketability.

Owing to the potential, the management planned to tap the global market. For this purpose, the company has incorporated a wholly owned subsidiary company in Dubai, to launch retail outlets there.

POWER



When in operation, majority of the capacity of our 46 MW Coal-fired power plant is utilized by our spinning and weaving units, whereas a small percentage goes to outside parties. However, due to the unprecedented hike in coal prices, it is not feasible to operate our Coal-fired plant. As a backup to our 46MW Coal-fired power plant, we have stand-by engines/generators with a capacity of more than 30MW, as well as electricity supply from LESCO. We have ample capacity for our power needs in the form of government-provided subsidized energy sources, i.e. LESCO at 9 cents/kWh and Gas at 9$/MMBTU.

FUTURE OUTLOOK

Presently, the country is facing devastating floods which have ruined a significant portion of the cotton crop. Therefore, the availability of raw materials would be a major cause of concern during the financial year 2022-23. Such a situation is expected to increase our cost of production, which could have a negative impact on our profitability.

We are in the process of revamping the production process at one of the spinning production sites via ongoing BMR activity through the installation of state-of-the-art RX300 ring frames from Toyota. We expect to achieve a 25% higher yarn yield through the deployment of this sophisticated machinery.

In the weaving segment, the management plans to widen its market by tapping into the technical textiles segment and focusing on new constructions using innovative fibers for different performance fabrics. This major revamping in product segments will add further depth to the existing weaving business.

We expect that the higher cost of energy could be a major issue during the next financial year. To counter that, we are installing a solar power plant having a capacity of 1.6 MW for electricity generation to run our stitching and dyeing unit, which will significantly reduce our steam-production and electricity-generation costs in the home-textiles segment.

SUBSIDIARY COMPANIES

The Company has also annexed its consolidated financial statements along with separate financial statements in accordance with the requirements of the International Financial Reporting Standards and the Companies Act, 2017. The group comprises of:

- Nishat (Chunian) Limited (“the Holding Company”)
- Nishat Chunian Power Limited
- Nishat Chunian USA Inc.
- Sweave Inc.
- Nishat Chunian Properties (Private) Limited
- T L C Middle East Trading L.L.C

Financial Highlights	**2022**	**2021**
	(Rupees in million)	
Turnover	88,026	61,476
Gross Profit	16,773	12,937
Profit before taxation	10,733	8,761
Taxation	882	675
Profit after taxation	9,851	8,087
Earnings per share (basic & diluted) – Rupees	35.92	28.56

Following is a brief description of all subsidiary companies of Nishat Chunian Limited:

Nishat Chunian Power Limited is a public limited company incorporated in Pakistan under the repealed Companies Ordinance, 1984 (Now Companies Act, 2017) and listed on the Pakistan Stock Exchange Limited. The principal activity of Nishat Chunian Power Limited is to build, own, operate and maintain a fuel fired power station having gross capacity of 200 MW and net capacity of 195.722 MW at Jamber Kalan, Tehsil Pattoki, District Kasur, Punjab, Pakistan. On 13 November 2007, Nishat Chunian Power Limited entered into a Power Purchase Agreement ('PPA') with its sole customer, National Transmission and Dispatch Company Limited ('NTDC') for twenty-five years which commenced from 21 July 2010. The PPA has been extended by a period of 75 days as per the terms of PPA Amendment Agreement dated 11 February 2021. On 11 February 2021, Nishat Chunian Power Limited, NTDC and Central Power Purchasing Agency (Guarantee) Limited ('CPPA-G' and also referred to as ‘Power Purchaser’) have entered into a 'Novation Agreement' to transfer the rights, obligations and liabilities of NTDC under the PPA (as amended by the 'PPA Amendment Agreement') in favour of CPPA-G. Refer to Note 1.6 to the financial statements for the event after the reporting period in this regard.

Nishat Chunian USA Inc. is a foreign subsidiary incorporated under the Business Corporation Laws of the State of New York. It is a wholly owned subsidiary incorporated with the principal objective of liaising with Nishat (Chunian) Limited’s marketing department providing access, information and other services relating to USA Market and to import home textile products and distribute them to local retailers in USA.

Sweave Inc. is a foreign subsidiary incorporated under the Business Corporation Laws of the State of New York. The registered office of Sweave Inc. is situated at 2728 Railroad Grade Road, Fleetwood, NC 28262, USA. The principal business of the Sweave Inc. is e-commerce retail of home textile products to its domestic customers. Sweave Inc. is a wholly owned subsidiary of Nishat Chunian USA Inc.

Nishat Chunian Properties (Private) Limited is a private limited company was incorporated in Pakistan under the Companies Act, 2017 on 31 January 2022. The principal line of business of Nishat Chunian Properties (Private) Limited is marketing and development of all types of real estate including developed or undeveloped land, housing or commercial projects including commercial markets or multi-storeyed building (for commercial or residential purposes), shopping centres, restaurants, hotels, recreational facilities, etc.

T L C Middle East Trading L.L.C is a limited liability company - Single Owner (LLC - SO), incorporated on 14 October 2021, formed in pursuance to the Federal Law No. (2) of 2015 concerning commercial companies and registered with the Department of Economic Development, Government of Dubai. The principal business of T L C Middle East Trading L.L.C is textile trading, blankets, towels and linen trading. Commercial address of T L C Middle East Trading L.L.C is Office No. M13, Fatima Building, Al Suq Al Kabeer, Dubai, United Arab Emirates. Nishat (Chunian) Limited shall own 100% shares of T L C Middle East Trading L.L.C. However, Nishat (Chunian) Limited has not yet remitted funds into the bank account of T L C Middle East Trading L.L.C against the shares subscribed and expects to make the investment shortly.

Nishat Chunian USA Inc. and Sweave Inc. are incorporated under the Business Corporation Law of the State of New York. The governing law does not require audit of financial statements of the Subsidiary Company. Hence, we have used un-audited financial statements of the Subsidiary Companies to prepare Consolidated Financial Statements. Further, there is no impact of the matter stated in auditors' report on the consolidated financial statements on the profit, equity, earnings per share and cash flows as per the consolidated financial statements.

CORPORATE SOCIAL RESPONSIBILITY

Management strongly believes in social welfare and community service, and endeavors to make it an integral part of our company's culture. We add substantially to the national exchequer through the payment of various taxes, duties and levies, and our export earnings contribute considerably to stabilizing the country's foreign exchange position as the Company is counted among the top exporters of the country.

We are an equal opportunity employer and are unbiased to gender, class, ethnicity and religion as we believe in the culture of meritocracy. We provide our employees with a work environment that is healthy, safe and conducive to continuous learning.

The Company has also invested in eco-friendly technologies by installing advanced water treatment plants at the home textile division. Furthermore, the water used at spinning and weaving mills is provided to the local farmers free of cost. The coal power plant is equipped with a state-of-the-art online emission monitoring system to ensure that the emissions comply with international and local standards. The coal power plant has also been equipped with an air quality monitoring system, which monitors pollution levels in the atmosphere.

As part of its philanthropic endeavors, the company donates to a school, operating under Mian Muhammad Yahya Trust which provides quality education to the underprivileged at a nominal fee.

The company along with other philanthropists has set up the state-of-the-art, not-for-profit, Saleem Memorial Trust Hospital (SMTH). This 350-bed hospital constructed on 39 kanals, is providing subsidized medical treatment to the underprivileged. The company has donated Rupees 400 million to Saleem Memorial Trust Hospital during this financial year. On the group level, a total of Rupees 527.5 million was donated to Saleem Memorial Trust Hospital.

RISK MANAGEMENT

We understand that exposure to risk is inevitable to any business that seeks to grow and compete in the industry. The company is exposed to a variety of financial risks: market risk (including currency risk, interest rate risk), credit risk and liquidity risk. This necessitates the establishment of a rigorous system of risk management, which entails developing internal controls to identify, assess, monitor and manage risks related to the company's activities. We aim to continually improve our understanding of the risk/reward ratio in various situations and reduce the risks to acceptable levels.

We do this by promoting a culture of anticipating risk and its mitigation, across the organization. The company has implemented various standard operating procedures to manage risks. These are periodically reviewed by management to avoid obsolescence and are updated with evolving circumstances. The board oversees the compliance of said procedures. We believe in embedding risk management into the ethos of the business, with an awareness instilled in employees at all levels. The presence of risk management policies is balanced by our encouragement and facilitation of enterprise and innovation.

INTERNAL FINANCIAL CONTROLS

At NCL we have a system of internal financial controls which is both; rigorous and dynamic. The risk management and internal control processes are designed to safeguard the company's assets, detect and prevent fraud and to ensure compliance with all legal/statutory requirements. The internal controls are regularly reviewed and monitored by the Internal Audit function which carries out periodic audits and reports its findings to the management, highlighting possible areas of improvement. The internal audit function has a strong focus on prevention of any loopholes in the internal control system. The Internal Audit function ensures that the internal controls address and/or mitigate emerging risks being faced by the company.

The Board is fully aware of its responsibilities regarding the establishment and management of an effective and efficient internal control system. The board directly oversees the periodic review and proper implementation of the suggestions put forth by the Internal Audit function. As a result of this, the implementation of internal controls is ensured and a high degree of reliance is placed on their functionality.

ENVIRONMENTAL IMPACTS

The company gives due consideration to the impact of our activities on the environment and aspires to contribute to the well-being of society.

Energy Conservation

To promote power generation from renewable energy sources, we have taken up the initiative to power up our head office entirely via a solar-powered energy system. We are installing a solar power plant having a capacity of 1.6 MW for electricity generation to run our stitching and dyeing unit. We are actively engaged in exploring ways to conserve energy and have transitioned to power-efficient LED lights at manufacturing units to save energy. Training sessions are conducted regularly for employees to promote energy conservation.

Environment Protection

We constantly review the proposals made by the government in respect of environmental protection and ensure their implementation. We operate a wastewater treatment plant to protect the environment from the hazardous impacts of our industrial processes. The Company also operates a caustic recovery plant to recover caustic from wastewater and also aims to use eco-friendly dyes & chemicals to lower the pollution load over our waste streams. The coal power plant is equipped with a state-of-the-art online emission monitoring system to ensure that the emissions comply with international and local standards. The coal power plant has also been equipped with an air quality monitoring system, which monitors pollution levels in the atmosphere. Further, we regularly keep track of environmental monitoring reports to find out if we are compliant with all the regulatory standards.

Occupational Safety and Health

We carry out regular health and safety awareness programs and occasionally organize free medical camps as well. Furthermore, regular fumigation is carried out on the premises of all manufacturing facilities by using fogging machines to prevent diseases like dengue and Coronavirus.

During the COVID-19 pandemic, we have ensured strict adherence to the SOPs instituted by the government. Masks and sanitizers have been available at all our production facilities to ensure the health and well-being of our employees. Social distancing norms have been implemented and strictly followed throughout the pandemic. Further, we have ensured that all of our employees are vaccinated.

The Company maintains firefighting equipment and vehicles at all of its manufacturing facilities. Regular fire drills are held and employees are provided with basic training to prepare them for any unfortunate situation.

STATEMENT OF VALUE ADDITION & DISTRIBUTION

	Rs. In Millions
Wealth Generated	
Total revenue and other income	62,826
Bought in material and services	(46,206)
Depreciation & amortization	(1,249)
	15,371
Wealth Distribution	
To Government & Society	
Employee remuneration	3,886
Donation	410
Tax, WPPF & WWF	1,309
To providers of Finance	
Finance Cost	2,298
Dividend	1,681
Retained for reinvestment and future growth	5,787
	15,371

STATEMENT OF COMPLIANCE

The requirements of the Code of Corporate Governance have been adopted by the Company and have been duly complied with, a statement to this effect is annexed to the report.

CORPORATE GOVERNANCE

During the year your company remained compliant with the Code of Corporate Governance requirements except as mentioned in the annexed Statement of Compliance.

Composition of Board of Directors:
The diverse mix of gender, knowledge, expertise and skill sets of the members enhances the effectiveness of our Board. Our Board composition represents the interests of all categories of shareholders and it consists of:

Total number of Directors:

- Male 6
- Female 1

Composition
The composition of Board is as follows:

Category	Names
Independent Directors	Mr. Muhammad Zahid Khan Mr. Faisal Farid
Non-Executive Directors	Mr. Farrukh Ifzal Mr. Aftab Ahmad Khan
Executive Directors	Mr. Shahzad Saleem (Chief Executive Officer) Mr. Zain Shahzad Mrs. Nadia Bilal (Female Director)

Board of Directors' Meetings:
During the year under review five (5) meetings were held. Attendance by each director is as follows:

Name of Directors	No. of Meetings
Mrs. Farhat Saleem (Chairperson) - Resigned on 21-DEC-2021	2
Mrs. Nadia Bilal - Appointed on 27-DEC-2021	3
Mr. Farrukh Ifzal (Chairman)	5
Mr. Shahzad Saleem (Chief Executive)	5
Mr. Zain Shahzad	3
Mr. Aftab Ahmad Khan	5
Mr. Muhammad Zahid Khan	5
Mr. Faisal Farid	1

Director's Remuneration
The remuneration of Directors and fee for attending Board meeting is determined by an approved policy in accordance with Companies Act, 2017 & the Listed Companies (Code of Corporate Governance) Regulations, 2019. Refer to Note 38 to the financial statements for disclosure with respect to remuneration of the directors and chief executive.

Audit Committee
The audit committee is performing its duties in line with its terms of reference as determined by the Board of Directors. The composition of the Audit Committee is as follows:

Name	Designation held
Mr. Muhammad Zahid Khan	Chairman
Mr. Farrukh Ifzal	Member
Mr. Aftab Ahmad Khan	Member

HR & Remuneration Committee
In compliance with the Code, the Board of Directors of your Company has established an HR & R Committee. The composition of the HR & R committee is as follows:

Name	Designation held
Mr. Faisal Farid	Chairman
Mr. Farrukh Ifzal	Member
Mr. Muhammad Zahid Khan	Member

AUDITORS

Riaz Ahmad & Company, Chartered Accountants, current auditors will retire on the conclusion of Annual General Meeting of the Company. Being eligible, they have offered themselves for reappointment for the year ending 30 June 2023. As suggested by Audit Committee, the Board of Directors has recommended reappointment of Riaz Ahmad & Company, Chartered Accountants for approval of shareholders in forthcoming Annual General Meeting.

MATERIAL CHANGES

Refer to Note 47 and Note 1.6 to financial statements, no other material changes and commitments affecting the financial position of the Company occurred between 30 June 2022 and 29 September 2022.

PATTERN OF SHAREHOLDING

The pattern of shareholding as on June 30, 2022 is annexed to this report.

ACKNOWLEDGMENT

The board places on record its profound gratitude for its valued shareholders, banks, financial institutions and customers, whose cooperation, continued support and patronage have enabled the company to strive for constant improvement. During the period under review, relations between the management and employees remained cordial and we wish to place on record our appreciation for the dedication, perseverance and diligence of the staff and workers of the company.

For and on behalf of the Board,

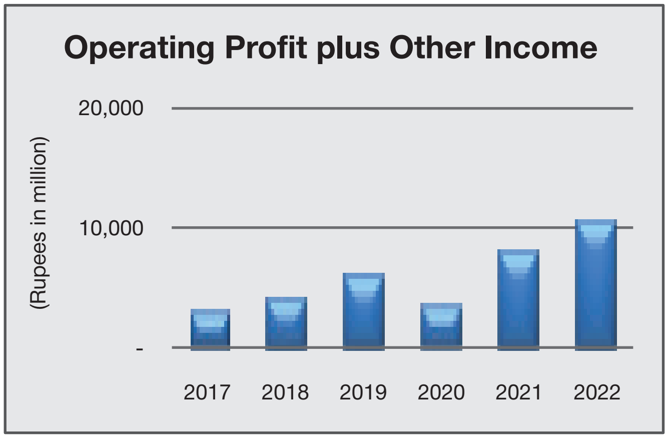
Chief Executive

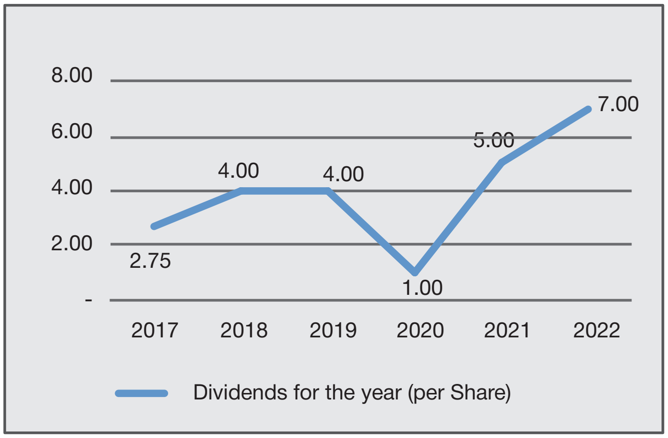
Director

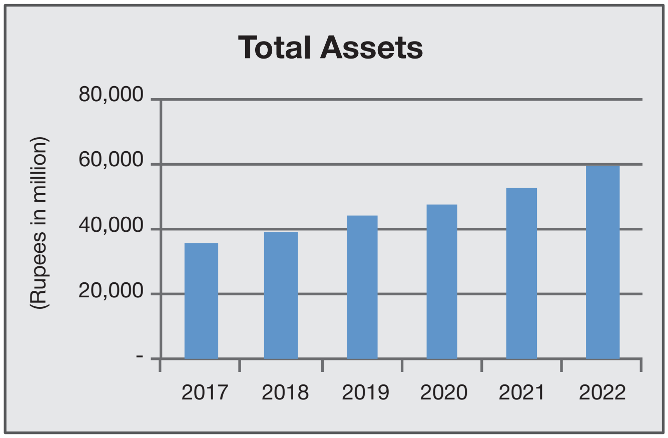
Date: September 29, 2022
Lahore

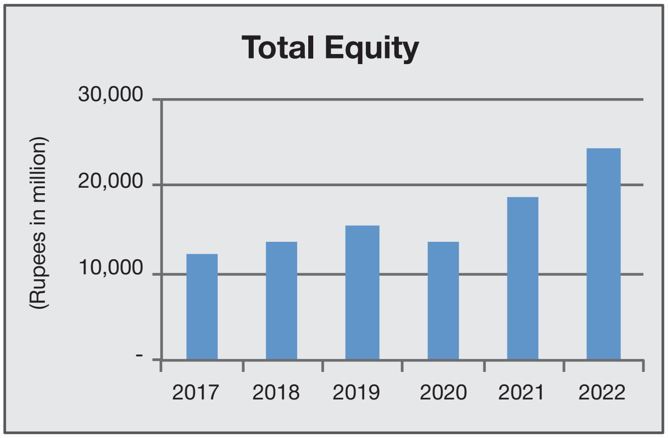
FINANCIAL HIGHLIGHTS

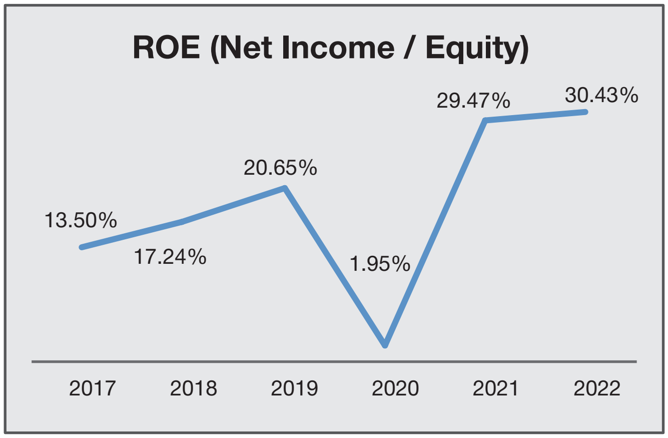
Year	2017	2018	2019	2020	2021	2022
			(Rupees in thousand)			
Net Sales	29,815,994	35,560,396	39,337,641	35,666,860	49,283,753	61,988,039
Gross Profit	2,899,793	4,271,344	4,887,513	4,204,387	8,969,147	12,974,171
Distribution, Admin and Other Expenses	1,148,822	1,259,755	1,496,010	1,288,344	1,812,963	3,166,480
Operating Profit plus Other Income	2,873,374	4,143,471	5,845,942	3,370,053	8,020,198	10,645,583
Finance Cost	1,094,723	1,383,365	2,177,576	2,660,856	1,747,035	2,297,728
Profit After Tax	1,621,332	2,363,084	3,167,592	265,369	5,598,857	7,468,202
Current Assets	18,707,295	24,808,457	29,043,475	29,157,860	32,502,032	36,201,977
Total Assets	34,622,603	39,393,599	43,507,943	47,750,604	51,770,042	59,435,634
Current Liabilities	18,311,946	20,926,883	24,512,069	28,036,168	26,105,172	20,562,842
Total Liabilities	22,614,628	25,683,149	28,169,505	34,113,205	32,773,906	34,892,249
Total Equity	12,007,975	13,710,449	15,338,438	13,637,398	18,996,136	24,543,385
Cash Flows:						
Net Cash generated from /(used in) Operating Activities	(649,757)	(2,288,612)	197,793	1,582,303	3,668,689	7,457,338
Net Cash generated from/(used in) Investing Activities	(3,865,054)	666,819	(597,348)	(2,717,247)	(1,906,725)	(6,803,460)
Net Cash generated from /(used in) Financing Activities	4,510,693	1,653,688	340,839	1,161,100	(1,536,797)	(717,507)
Earnings Per Share						
Basic	6.75	9.84	13.19	1.11	23.32	31.10
Diluted	6.75	9.84	13.19	1.11	23.32	31.10
Dividends for the year (per Share)	2.75	4.00	4.00	1.00	5.00	7.00
Dividend Payout Ratio (Dividend / Profit after Tax)	41%	41%	30%	90%	21%	23%
Financial Measures:						
ROE (Net Income / Equity)	13.50%	17.24%	20.65%	1.95%	29.47%	30.43%
ROI (Net Income / Assets)	4.7%	6.0%	7.3%	0.6%	10.8%	12.6%
Shareholders' Equity Ratio (Equity / Assets)	35%	35%	35%	29%	37%	41%
Net Debt Equity Ratio (% age)	174%	169%	162%	213%	146%	118%
Interest Coverage Ratio (times)	2.62	3.00	2.68	1.27	4.59	4.63
P/E ratio (Price per share / EPS)	7.60	4.83	2.66	29.37	2.16	1.44
Dividend Yield Ratio (Dividend / Market Value of Share)	5%	8%	11%	3%	10%	16%
Common Stock						
Number of shares outstanding at year end	240,221,556	240,221,556	240,221,556	240,119,029	240,119,029	240,119,029
Break up value	49.99	57.07	63.85	56.79	79.11	102.21
Market Value of Share as on 30 June	51.32	47.48	35.02	32.45	50.29	44.79

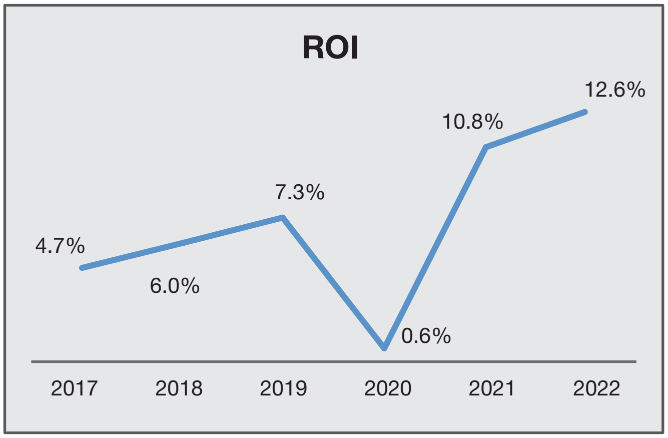

Operating Profit plus Other Income
(Rupees in million)
20,000
10,000
-
2017
2018
2019
2020
2021
2022

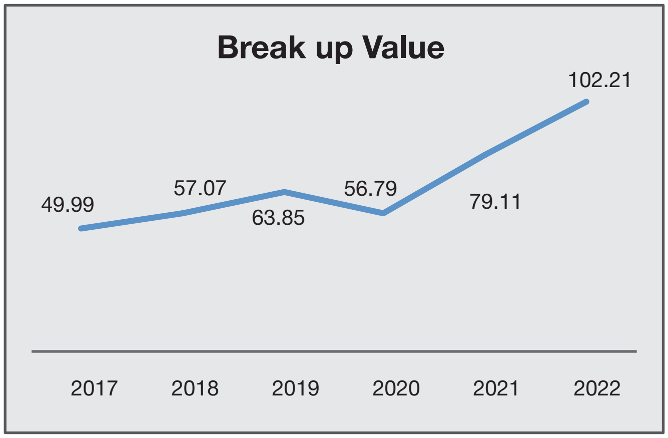

8.00
6.00
4.00
2.00
-
2.75
4.00
4.00
1.00
5.00
7.00
2017
2018
2019
2020
2021
2022
Dividends for the year (per Share)

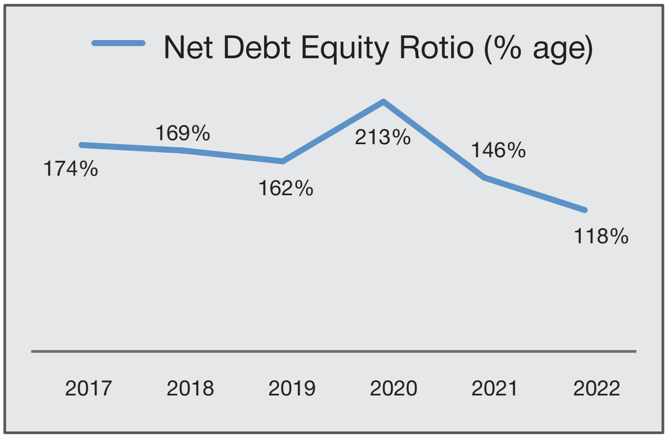

Total Assets
(Rupees in million)
80,000
60,000
40,000
20,000
-
2017
2018
2019
2020
2021
2022


Total Equity
(Rupees in million)
30,000
20,000
10,000
-
2017
2018
2019
2020
2021
2022


ROE (Net Income / Equity)
13.50%
17.24%
20.65%
1.95%
29.47%
30.43%
2017
2018
2019
2020
2021
2022


ROI
4.7%
6.0%
7.3%
0.6%
10.8%
12.6%
2017
2018
2019
2020
2021
2022


Break up Value
49.99
57.07
63.85
56.79
79.11
102.21
2017
2018
2019
2020
2021
2022


Net Debt Equity Rotio (% age)
174%
169%
162%
213%
146%
118%
2017
2018
2019
2020
2021
2022

STATEMENT OF COMPLIANCE

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

Name of Company: Nishat (Chunian) Limited
Year ending: June 30, 2022

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: 6
   b. Female: 1

2. The composition of the Board is as follows:

Category	Names
Independent Directors	Mr. Muhammad Zahid Khan Mr. Faisal Farid
Non-Executive Directors	Mr. Farrukh Ifzal Mr. Aftab Ahmad Khan
Executive Directors	Mr. Shahzad Saleem (Chief Executive Officer) Mr. Zain Shahzad Mrs. Nadia Bilal (Female Director)

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 the 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 the Regulations;

9. The Board has arranged Directors’ Training program for the following:

Name of Director
Mr. Farrukh Ifzal

Following Directors meets the exemption criteria of minimum of 14 years of education and 15 years of experience on the Boards of listed companies, hence are exempted from Directors’ training program:

Name of Director
Mr. Aftab Ahmad Khan Mr. Shahzad Saleem

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

Names	Designation held
Mr. Muhammad Zahid Khan	Chairman
Mr. Farrukh Ifzal	Member
Mr. Aftab Ahmad Khan	Member

b) HR and Remuneration Committee

Names	Designation held
Mr. Faisal Farid	Chairman
Mr. Farrukh Ifzal	Member
Mr. Muhammad Zahid Khan	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, 2022.

    b) HR and Remuneration Committee
    One meeting of HR and Remuneration Committee was held during the financial year ended June 30, 2022.

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, the 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;

19. Explanations for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

Sr. No.	Requirement	Explanation of Non-Compliance	Regulation Number
1	**Nomination Committee** 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. The Board shall consider to constitute nomination committee when required.	29
2	**Risk Management Committee** 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 senior officers of the Company perform the requisite functions and apprise the Board accordingly. The Board shall consider to constitute risk management committee when required.	30
3	**Disclosure of significant policies on website** 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	**Directors' Training** 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)
5	**Directors' Training** It is encouraged that by 30 June 2022 all the directors on the Board should 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.	3 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 four directors in future years.	19(1)
6	**Responsibilities of the Board and its members** The Board is responsible for adoption of corporate governance practices by the company.	Non-mandatory provisions of the Regulations are partially complied. The company is deliberating on full compliance with all the provisions of the Regulations.	10(1)

20. The two elected independent directors have requisite competencies, 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.

21. Executive directors, including the chief executive officer on the Board are three out of total seven directors. One third of the Board i.e. 2.33 has been rounded up as 3 directors as the manufacturing units of the Company need executive directors for effective management of operations.

FARRUKH IFZAL
Chairman

September 29, 2022
Lahore

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Nishat (Chunian) 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 (Chunian) Limited (the Company) for the year ended 30 June 2022 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 2022.

RIAZ AHMAD & COMPANY
Chartered Accountants

Lahore

Date: September 29, 2022

UDIN: CR202210132t2of4qw68

INDEPENDENT AUDITOR'S REPORT

To the members of Nishat (Chunian) Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Nishat (Chunian) Limited (the Company), which comprise the statement of financial position as at 30 June 2022, 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 a summary of significant accounting policies 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 2022 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.	**Inventory existence and valuation** Inventory as at 30 June 2022 amounted to Rupees 22,914.374 million, break up of which is as follows: - Stores, spare parts and loose tools Rupees 1,737.164 million - Stock-in-trade Rupees 21,177.210 million Inventory is measured at the lower of cost and net realizable value. We identified existence and valuation of inventory as a key audit matter due to its size, representing 38.55% of the total assets of the Company as at 30 June 2022, and the judgment involved in valuation.	Our procedures over existence and valuation of inventory included, but were not limited to: • 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. • For a sample of inventory items, re-performed the weighted average cost calculation and compared the weighted average cost appearing on valuation sheets.

Sr. No.	Key audit matters	How the matters were addressed in our audit
	For further information on inventory, refer to the following: - Summary of significant accounting policies, Inventories note 2.17 to the financial statements. - Stores, spare parts and loose tools note 19 and stock-in-trade note 20 to the financial statements.	• 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. • 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. • 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. • We also made inquires 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.
2.	**Revenue recognition** The Company recognized net revenue of Rupees 61,988.039 million for the year ended 30 June 2022. We identified recognition of revenue as a key audit matter because revenue is one of the key performance indicators of the Company and gives rise to an inherent risk that revenue could be subject to misstatement to meet expectations or targets. For further information, refer to the following: - Summary of significant accounting policies, Revenue recognition note 2.24 to the financial statements. - Revenue note 28 to the financial statements.	Our procedures included, but were not limited to: • 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. • We compared a sample of revenue transactions recorded during the year with sales orders, sales invoices, delivery documents and other relevant underlying documents. • 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. • We assessed whether the accounting policies for revenue recognition complies with the requirements of IFRS 15 'Revenue from Contracts with Customers'. • We also considered the appropriateness of disclosures in the financial statements.
3.	**Contingencies** As disclosed in Note 13 to the accompanying financial statements, the Company has contingent liabilities in respect of various matters, which are pending adjudication before respective authorities and courts of law.	Our audit procedures among others included obtaining an understanding of the process and controls on this area relevant to our audit. Further, we have:

Sr. No.	Key audit matters	How the matters were addressed in our audit
	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 the Company for disclosure and recognition and measurement of any provisions that may be required against such contingencies in accordance with applicable financial reporting standards. 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. For further information on contingencies, refer to the following: - Summary of significant accounting policies, Contingent liabilities note 2.34 and note 2.1(c) to the financial statements. - Contingencies note 13 to the financial statements.	• Obtained and reviewed detail of the pending matters and discussed the same with the Company's management. • Reviewed the correspondence of the 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. • Obtained and reviewed confirmations from the Company's external tax and legal advisors for their views on the probable outcome of the open tax assessments and other contingencies. • Involved internal tax professionals to assess reasonability of management's conclusions on such pending matters. • 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.
4.	**Capital expenditures** The Company 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 Company's strategy. 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. For further information, refer to the following: - Summary of significant accounting policies, Property, plant, equipment and depreciation note 2.6 to the financial statements. - Fixed assets note 14 to the financial statements.	Our procedures included, but were not limited to: • 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. • We evaluated the appropriateness of capitalization policies and depreciation rates. • We performed tests of details on costs capitalized. • We verified the accuracy of management's calculation used for the impairment testing.

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:

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) 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;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) 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 Atif Anjum.

RIAZ AHMAD & COMPANY
Chartered Accountants

Lahore

Date: September 29, 2022

UDIN: AR202210132iR71mbZ3O

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2022

	Note	2022 Rupees	2021 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital	3	3,700,000,000	4,200,000,000
Issued, subscribed and paid-up share capital	3	2,401,190,290	2,401,190,290
Reserves	4	22,142,195,125	16,594,945,741
Total equity		24,543,385,415	18,996,136,031
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	5	13,440,603,387	6,402,802,708
Lease liabilities	6	56,004,356	74,518,895
Deferred liabilities	7	832,798,931	191,412,367
		14,329,406,674	6,668,733,970
CURRENT LIABILITIES			
Trade and other payables	8	4,553,972,203	4,093,556,015
Accrued mark-up / profit	9	512,941,848	271,720,913
Short term borrowings	10	12,944,009,897	18,897,913,417
Current portion of non-current liabilities	11	2,338,047,885	2,792,063,629
Provision for taxation - net	12	150,138,087	-
Unclaimed dividend		63,732,091	49,918,087
		20,562,842,011	26,105,172,061
Total liabilities		34,892,248,685	32,773,906,031
CONTINGENCIES AND COMMITMENTS	13		
TOTAL EQUITY AND LIABILITIES		59,435,634,100	51,770,042,062

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

CHIEF EXECUTIVE

DIRECTOR

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2022

	Note	2022 Rupees	2021 Rupees
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	14	22,595,891,328	17,224,473,737
Right-of-use assets	15	74,651,170	107,398,163
Intangible asset	16	635,708	278,170
Long term investments	17	510,128,000	1,886,681,200
Long term loans to employees	18	21,616,477	18,710,927
Long term security deposits		30,734,231	30,467,609
		23,233,656,914	19,268,009,806
CURRENT ASSETS			
Stores, spare parts and loose tools	19	1,737,163,960	1,729,136,103
Stock-in-trade	20	21,177,210,052	18,214,419,656
Trade debts	21	7,741,005,867	6,782,425,428
Loans and advances	22	1,869,297,569	3,269,989,437
Short term prepayments		12,242,055	44,440,439
Other receivables	23	1,521,609,963	1,752,633,789
Advance income tax - net	24	-	278,858,017
Short term investments	25	58,582,472	157,494,433
Cash and bank balances	26	209,007,048	272,634,954
		34,326,118,986	32,502,032,256
Non-current asset held for distribution to owners	27	1,875,858,200	-
		36,201,977,186	32,502,032,256
TOTAL ASSETS		59,435,634,100	51,770,042,062

CHIEF FINANCIAL OFFICER

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 Rupees	2021 Rupees
REVENUE	28	61,988,039,043	49,283,753,375
COST OF SALES	29	(49,013,867,586)	(40,314,606,582)
GROSS PROFIT		12,974,171,457	8,969,146,793
DISTRIBUTION COST	30	(1,705,234,527)	(1,160,598,536)
ADMINISTRATIVE EXPENSES	31	(516,587,209)	(311,916,781)
OTHER EXPENSES	32	(944,657,875)	(340,448,157)
		(3,166,479,611)	(1,812,963,474)
		9,807,691,846	7,156,183,319
OTHER INCOME	33	837,890,819	864,014,535
PROFIT FROM OPERATIONS		10,645,582,665	8,020,197,854
FINANCE COST	34	(2,297,728,350)	(1,747,035,020)
PROFIT BEFORE TAXATION		8,347,854,315	6,273,162,834
TAXATION	35	(879,652,699)	(674,306,049)
PROFIT AFTER TAXATION		7,468,201,616	5,598,856,785
EARNINGS PER SHARE - BASIC AND DILUTED	36	31.10	23.32

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

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2022

	2022 Rupees	2021 Rupees
PROFIT AFTER TAXATION	7,468,201,616	5,598,856,785
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to profit or loss	-	-
Items that may be reclassified subsequently to profit or loss	-	-
Other comprehensive income for the year	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	7,468,201,616	5,598,856,785

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

CHIEF EXECUTIVE DIRECTOR CHIEF FINANCIAL OFFICER

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 Rupees	2021 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	37	10,136,056,212	5,915,160,852
Net (increase) / decrease in long term security deposits		(266,622)	1,222,151
Finance cost paid		(1,894,176,292)	(1,878,533,131)
Workers' profit participation fund paid		(328,974,428)	(31,100,107)
Income tax paid		(450,656,596)	(325,774,547)
Net increase in long term loans to employees		(4,643,842)	(12,285,766)
Net cash generated from operating activities		7,457,338,432	3,668,689,452
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(6,958,326,115)	(1,867,069,998)
Proceeds from disposal of operating fixed assets		51,256,547	68,579,715
Capital expenditure on intangible asset		(591,164)	(300,251)
Long term investment made		(100,000)	-
Loan to subsidiary company		-	(4,548,221,699)
Repayment of loan by subsidiary company		-	4,548,221,699
Short term investment made		(26,772,872)	(120,000,000)
Short term investment disposed of		120,000,000	-
Interest received		11,073,826	12,065,549
Net cash used in investing activities		(6,803,459,778)	(1,906,724,985)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		9,798,969,235	4,308,913,981
Repayment of long term financing		(2,609,928,271)	(1,907,846,909)
Repayment of lease liabilities		(45,505,776)	(40,426,714)
Short term borrowings - net		(5,953,903,520)	(3,656,521,867)
Dividend paid		(1,907,138,228)	(240,915,306)
Net cash used in financing activities		(717,506,560)	(1,536,796,815)
Net (decrease) / increase in cash and cash equivalents		(63,627,906)	225,167,652
Cash and cash equivalents at the beginning of the year		272,634,954	47,467,302
Cash and cash equivalents at the end of the year		209,007,048	272,634,954

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

CHIEF EXECUTIVE DIRECTOR CHIEF FINANCIAL OFFICER

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2022

	SHARE CAPITAL	CAPITAL RESERVE	REVENUE RESERVES			TOTAL EQUITY
		Share premium	General reserve	Unappropriated profit	Total	
	Rupees					
Balance as at 30 June 2020	2,401,190,290	600,553,890	1,629,221,278	9,006,432,817	10,635,654,095	13,637,398,275
Transaction with owners:						
Final dividend for the year ended 30 June 2020 @ Rupee 1 per share	-	-	-	(240,119,029)	(240,119,029)	(240,119,029)
Profit for the year	-	-	-	5,598,856,785	5,598,856,785	5,598,856,785
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	5,598,856,785	5,598,856,785	5,598,856,785
Balance as at 30 June 2021	2,401,190,290	600,553,890	1,629,221,278	14,365,170,573	15,994,391,851	18,996,136,031
Transactions with owners:						
Final dividend for the year ended 30 June 2021 @ Rupees 5 per share	-	-	-	(1,200,595,145)	(1,200,595,145)	(1,200,595,145)
Interim dividend for the year ended June 2022 @ Rupees 3 per share	-	-	-	(720,357,087)	(720,357,087)	(720,357,087)
	-	-	-	(1,920,952,232)	(1,920,952,232)	(1,920,952,232)
Profit for the year	-	-	-	7,468,201,616	7,468,201,616	7,468,201,616
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	7,468,201,616	7,468,201,616	7,468,201,616
Balance as at 30 June 2022	2,401,190,290	600,553,890	1,629,221,278	19,912,419,957	21,541,641,235	24,543,385,415

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

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

1. THE COMPANY AND ITS OPERATIONS

1.1 Nishat (Chunian) Limited is a public limited company incorporated in Pakistan under the Companies Act, 1913 (Now Companies Act, 2017) and listed on Pakistan Stock Exchange Limited. Its registered office is situated at 31-Q, Gulberg II, Lahore. The Company is engaged in business of spinning, weaving, dyeing, printing, stitching, processing, doubling, sizing, buying, selling and otherwise dealing in yarn, fabrics and made-ups made from raw cotton, synthetic fibre and cloth and to generate, accumulate, distribute, supply and sell electricity and steam.

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

Sr. No.	Business units and office	Address
	Manufacturing units:	
1	Spinning Units 1, 4, 5, 7 and 8	49th Kilometre, Multan Road, Bhai Pheru, Tehsil Pattoki, District Kasur.
2	Spinning Units 2, 3, 6, Weaving and 46 MW and 8 TPH process steam coal fired power generation project.	49th Kilometre, Multan Road, Bhai Pheru, Tehsil Pattoki, District Kasur.
3	Dyeing, Printing and Stitching.	4th Kilometre, Manga Road, Raiwind.
4	**Office**	31-Q, 31-C-Q and 10-N, Gulberg-II, Lahore, Pakistan.
5	**Retail stores**	
6	The Linen Company (TLC) – I	Outlet No. 9-10, 2nd Floor Gulberg Galleria Mall, Lahore.
7	The Linen Company (TLC) – II	Shop No. 008, 2nd Floor, Packages Mall, Lahore.
8	The Linen Company (TLC) – III	Outlet No. 21-22, Lower Ground Floor, WTC Giga Mall, DHA Phase 2, Islamabad.
9	The Linen Company (TLC) – IV	Shop No. 45, 3rd Floor, Centaurus Mall, Islamabad.
10	The Linen Company (TLC) – V	Shop No. G-14, Ground Floor Ocean Mall, Clifton, Karachi.
11	The Linen Company (TLC) – VI	Plot No. HC-3, Block No. 4, KDA Scheme No. 5, Clifton Karachi.
12	The Linen Company (TLC) – VII	Shop 8, 1st Floor, Boson Road, Multan.
13	The Linen Company (TLC) – VIII	Shop 14-B-1, Ground Floor, Mall of Lahore, Tufail Road, Lahore Cantt.
14	The Linen Company (TLC) – IX	GF 10-12, Fortress Square Mall, Fortress Stadium, Lahore Cantt.

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 investment in subsidiaries are stated in note 17 to these financial statements.

1.4 The Board of Directors of the Company in its meeting held on 21 February 2022 has approved a Scheme of Compromises, Arrangement and Reconstruction ('the Scheme') [Under Sections 279 to 283 and 285 of the Companies Act, 2017] amongst the Company and its members and Nishat Chunian Properties (Private) Limited - Subsidiary Company and its members. Pursuant to the order of Honourable Lahore High Court, Lahore dated 01 March 2022, Extraordinary General Meetings of shareholders of the Company and Nishat Chunian Properties (Private) Limited - Subsidiary Company were held on 11 April 2022 and the aforesaid Scheme was unanimously approved by shareholders of the Company and Nishat Chunian Properties (Private) Limited - Subsidiary Company. On 29 June 2022, the Honourable Lahore High Court, Lahore has approved the aforesaid Scheme. The principal object of the Scheme is to provide for and give effect to:

i. the separation of 08 Kanals – 07 Marlas – 155 Sq. Ft. freehold land situated at Block-K, Gulberg-II, Lahore from the Company and the amalgamation and transfer to, and vesting in Nishat Chunian Properties (Private) Limited of the same against the issuance of 49,920,500 ordinary shares of Nishat Chunian Properties (Private) Limited to the Company at par;

ii. making the Company and Nishat Chunian Power Limited (NCPL) totally independent of each other by the transfer amongst the members of the Company of 187,585,820 ordinary shares having face value of Rupees 10 each of NCPL.

1.5 Fair value of 08 Kanals – 07 Marlas – 155 Sq. Ft. freehold land situated at Block-K, Gulberg-II, Lahore is Rupees 499,205,000 as per Evaluation Report dated 28 January 2022 issued by M/s Etimad Associates (Private) Limited, approved valuer. Hence, Nishat Chunian Properties (Private) Limited issued and allotted its 49,920,500 ordinary shares of Rupees 10 each to the Company at par on 29 June 2022. Effective Date for the purposes of issuance of shares of Nishat Chunian Properties (Private) Limited to the Company in accordance with the Scheme is 29 June 2022 (the date of the order of Honourable Lahore High Court, Lahore sanctioning the Scheme). The net book value as at 29 June 2022 of 08 Kanals – 07 Marlas – 155 Sq. Ft. freehold land situated at Block-K, Gulberg-II, Lahore as per books of account of the Company amounted to Rupees 351,060,710, hence gain on disposal of this freehold land amounted to Rupees 148,144,290 has been recognised in these financial statements.

1.6 The Effective Date of the Scheme for the purpose of transfer amongst the members of the Company of 187,585,820 ordinary shares of Nishat Chunian Power Limited owned by the Company is the commencement date of book closure (10 August 2022) announced by the Company in accordance with Pakistan Stock Exchange Limited Regulations. Subsequent to the reporting period, on 18 August 2022, the members of the Company have received 187,585,820 ordinary shares of Nishat Chunian Power Limited. Hence, the members of the Company have also become shareholders of Nishat Chunian Power Limited with effect from 18 August 2022. The Company transferred to its members 187,585,820 ordinary shares having face value of Rupees 10 each of Nishat Chunian Power Limited owned by it in the ratio of 0.78 share of Nishat Chunian Power Limited for one fully paid-up share of the Company. Pursuant to this distribution amongst and transfer to the members of the Company of 187,585,820 ordinary shares of Nishat Chunian Power Limited, subsequent to the reporting period, the carrying amount of investment in 187,585,820 ordinary shares of Nishat Chunian Power Limited as at 10 August 2022 as per books of account of the Company i.e. Rupees 1,875,858,200 has been eliminated with a corresponding decrease in the revenue reserve of the Company by the same amount. Hence, as at 30 June 2022, this investment of the Company in ordinary shares of Nishat Chunian Power Limited - subsidiary company has been presented as non-current asset held for distribution to owners at the lower of its carrying amount and fair value less costs to distribute in accordance with the requirements of International Financial Reporting Standard (IFRS) 5 'Non-current Assets Held for Sale and Discontinued Operations'. IFRIC Interpretation 17 'Distributions of Non-cash Assets to Owners' does not apply as the non-cash asset (ordinary shares) is ultimately controlled by the same parties both before and after the distribution.

1.7 As per the duly sanctioned Scheme, from the existing authorized share capital (ordinary shares) of the Company, Rupees 500,000,000 divided into 50,000,000 ordinary shares of Rupees 10 each has been allocated and stand transferred to Nishat Chunian Properties (Private) Limited, resultingly increasing the authorized share capital (ordinary shares) of Nishat Chunian Properties (Private) Limited on and after the Effective Date (29 June 2022) to Rupees 500,100,000 divided into 50,010,000 ordinary shares of Rupees 10 each and reducing the authorized share capital (ordinary shares) of the Company on and after the Effective Date (29 June 2022) to Rupees 3,500,000,000 divided into 350,000,000 ordinary shares of Rupees 10 each.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies 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 impairments

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, 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.

Accumulating compensated absences

The provision for accumulating compensated absences is made on the basis of accumulated leave balance on account of employees.

Income tax

In making the estimates for income tax 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.

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 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 2021:

- Amendments to IFRS 16 ‘Leases’ – Covid-19 related rent concessions extended beyond 30 June 2021.

- Interest Rate Benchmark Reform– Phase 2 which amended IFRS 9 ‘Financial Instruments’, IAS 39 ‘Financial Instruments: Recognition and Measurement’, IFRS 4 ‘Insurance Contracts’, IFRS 7 ‘Financial Instruments: Disclosures’ and IFRS 16 ‘Leases’.

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 2021 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) Amendments to published approved accounting standards that are not yet effective but relevant to the Company

Following amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 July 2022 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 2023. 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'.

Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets') effective for the annual period beginning on or after 01 January 2022 amends IAS 1 'Presentation of Financial Statements' by mainly adding paragraphs which clarifies what comprise the cost of fulfilling a contract. Cost of fulfilling a contract is relevant when determining whether a contract is onerous. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16 'Property, Plant and Equipment') effective for the annual period beginning on or after 1 January 2022. Clarifies that sales proceeds and cost of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc., are recognized in profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of IAS 2 'Inventories'. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

The following annual improvements to IFRS standards 2018-2020 are effective for annual reporting periods beginning on or after 01 January 2022:

- IFRS 9 'Financial Instruments' – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability.

- IFRS 16 ‘Leases’ – The amendment partially amends Illustrative Example 13 accompanying IFRS 16 ‘Leases’ by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.

Disclosure of Accounting Policies (Amendments to IAS 1 ‘Presentation of Financial Statements’ and IFRS Practice Statement 2 ‘Making Materiality Judgement’) effective for annual periods beginning on or after 01 January 2023. These amendments are intended to help preparers in deciding which accounting policies to disclose in their financial statements. Earlier, IAS 1 states that an entity shall disclose its ‘significant accounting policies’ in their financial statements. These amendments shall assist the entities to disclose their ‘material accounting policies’ in their financial statements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 ‘Income taxes’) effective for annual periods beginning on or after 01 January 2023. These amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations.

Change in definition of Accounting Estimate (Amendments to IAS 8 ‘Accounting Policies, Changes in Accounting Estimates and Errors) effective for annual periods beginning on or after 01 January 2023. This change replaced the definition of Accounting Estimate with a new definition, intended to help entities to distinguish between accounting policies and accounting estimates.

The International Accounting Standards Board (IASB) has published 'Reference to the Conceptual Framework (Amendments to IFRS 3)' with amendments to IFRS 3 'Business Combinations' that update an outdated reference in IFRS 3 without significantly changing its requirements. Effective for business combinations for which the acquisition date is on or after the beginning of annual period beginning on or after 01 January 2022. The amendments also add to IFRS 3 an exception to its requirement for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The standard is effective for transactions in the future and therefore would not have an impact on past financial statements.

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.

The above amendments and improvements do not have a material 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 2022 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 Employee benefit

The main features of the schemes operated by the Company for its employees are as follows:

Provident fund

There is an approved contributory provident fund for employees of the Company. Equal monthly contributions are made both by the employees and the Company to the fund in accordance with the fund rules. The Company's contributions to the fund are charged to income currently.

Accumulating compensated absences

The Company provides for accumulating compensated absences, when the employees render service that increase their entitlement to future compensated absences.

2.3 Taxation

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. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

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 generallyrecognized 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.

2.4 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.

2.5 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.

2.6 Property, plant, equipment and depreciation

Property, plant and equipment except freehold land and capital work-in-progress are stated at cost less accumulated depreciation and any identified impairment loss. Cost in relation to certain property, plant and equipment signifies historical cost, borrowing cost pertaining to erection / construction period of qualifying assets and other directly attributable cost of bringing the asset to working condition. Freehold land and capital work-in-progress are stated at cost less any identified impairment loss. 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.

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 cost of the item can be measured reliably. All other repair and maintenance costs are charged to income during the period in which they are incurred.

Depreciation

Depreciation on all operating fixed assets, other than standby generators and power generation equipment, is charged to income on 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. Depreciation on additions is charged from the month in which the assets are available for use upto the month prior to disposal. Depreciation on standby generators is charged on the basis of number of hours used. Depreciation on power generation equipment is charged to income on the straight-line method so as to write off the cost / depreciable amount of the power generation equipment over its estimated useful life at the rate given in Note 14.1. The assets' residual values and useful lives are reviewed at each financial year end and adjusted if impact on depreciation is significant.

De-recognition

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in the statement of profit or loss in the year the asset is derecognized.

2.7 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, which comprises 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.

2.8 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.

2.9 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 amortized from the month, when these assets are available for use, using the straight line method, whereby the cost of the intangible asset is amortized over its estimated useful life over which economic benefits are expected to flow to the Company. The useful life and amortization method are reviewed and adjusted, if appropriate, at each reporting date.

2.10 Ijarah transactions

Ujrah (lease) payments are recognized as expenses in statement of profit or loss on a straight-line basis over the Ijarah term unless another systematic basis is representative of the time pattern of the user's benefit even if the payments are not on that basis.

2.11 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.

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.

2.12 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.

2.13 Impairment of financial assets

The Company recognizes loss allowances for ECLs on:

- Financial assets measured at amortized cost;
- Debt investments measured at FVOCI; 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.

2.14 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.

2.15 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.

2.16 Investment in subsidiaries

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

2.17 Inventories

Inventories, except for stock-in-transit and waste stock, are stated at lower of cost and net realizable value. Cost is determined as follows:

Stores, spare parts and loose tools

Usable stores, spare parts and loose tools are valued principally at weighted 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 materials is measured using the weighted average cost formula.

Cost of work-in-process and finished goods comprise cost of direct material, labour and appropriate manufacturing overheads. Cost of goods purchased for resale is based on first-in-first-out (FIFO) cost formula.

Materials-in-transit are stated at cost comprising invoice values plus other charges paid thereon. Waste stock is 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 the sale.

2.18 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.

2.19 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.

2.20 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.

2.21 Borrowing cost

Borrowing costs are recognized as expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalized as part of cost of that asset.

2.22 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.

2.23 Trade and other payables

Liabilities for trade and other amounts payable are initially recognized at fair value, which is normally the transaction cost.

2.24 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.

Dividend

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

Sale of electricity

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

2.25 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.

2.26 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.

2.27 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.

2.28 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.

2.29 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.

2.30 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.

2.31 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.

2.32 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.

2.33 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.

2.34 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.

2.35 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.

2.36 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.

2.37 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at book value which approximates their fair value. For the purpose of statement of cash flows, cash and cash equivalents comprise cash in hand, cash at banks on current, saving and deposit accounts, other short term highly liquid instruments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.38 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 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 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 – Zone 1 (Unit No.1 and 5), Zone 2 (Unit No. 4, 7 and 8) and Zone 3 (Unit No. 2, 3 and 6) (Producing different quality of yarn using natural and artificial fibres), Weaving – Unit 1 and 2 (Producing different quality of greige fabric using yarn), Processing and Home Textile (Processing greige fabric for production of printed and dyed fabric and manufacturing of home textile articles) and Power Generation (Generating and distributing power).

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

2.39 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.

2.40 Dividend and other appropriations

Dividend distribution to the ordinary shareholders is recognized as a liability in the Company’s financial statements in 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.

2.41 Non-current assets (or disposal groups) held for distribution to owners

The Company measures a non current asset (or disposal group) classified as held for distribution to owners at the lower of its carrying amount and fair value less costs to distribute. A non current asset (or disposal group) is classified as held for distribution to owners when the Company is committed to distribute the asset (or disposal group) to the owners.

3. SHARE CAPITAL

3.1 AUTHORIZED SHARE CAPITAL

2022	2021		2022	2021
(Number of shares)			Rupees	Rupees
350,000,000	400,000,000	Ordinary shares of Rupees 10 each (Note 1.7)	3,500,000,000	4,000,000,000
20,000,000	20,000,000	Preference shares of Rupees 10 each	200,000,000	200,000,000
370,000,000	420,000,000		3,700,000,000	4,200,000,000

3.2 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2022	2021		2022	2021
(Number of shares)			Rupees	Rupees
134,655,321	134,655,321	Ordinary shares of Rupees 10 each fully paid in cash	1,346,553,210	1,346,553,210
104,239,443	104,239,443	Ordinary shares of Rupees 10 each issued as fully paid bonus shares	1,042,394,430	1,042,394,430
1,224,265	1,224,265	Ordinary shares of Rupees 10 each issued as fully paid for consideration other than cash to members of Umer Fabrics Limited as per the Scheme of Arrangement as approved by the Honourable Lahore High Court, Lahore	12,242,650	12,242,650
240,119,029	240,119,029		2,401,190,290	2,401,190,290

	2022	2021
	(Number of shares)	
3.2.1 Ordinary shares of the Company held by companies that are related parties:		
Nishat Mills Limited	32,689,338	32,689,338
D.G. Khan Cement Company Limited	7,274,602	7,274,602
	39,963,940	39,963,940

	2022 Rupees	2021 Rupees

4. RESERVES

Composition of reserves is as follows:

	2022 Rupees	2021 Rupees
Capital reserve		
Share premium (Note 4.1)	600,553,890	600,553,890
Revenue reserves		
General reserve	1,629,221,278	1,629,221,278
Unappropriated profit	19,912,419,957	14,365,170,573
	21,541,641,235	15,994,391,851
	22,142,195,125	16,594,945,741

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

5. LONG TERM FINANCING

	2022 Rupees	2021 Rupees
From banking companies / financial institutions - secured		
Long term loans (Note 5.1)	13,656,927,925	6,667,686,097
Long term musharaka (Note 5.2)	1,490,411,865	2,043,285,722
	15,147,339,790	8,710,971,819
Less: Current portion shown under current liabilities (Note 11)		
Long term loans	(1,475,478,198)	(1,762,511,319)
Long term musharaka	(231,258,205)	(545,657,792)
	(1,706,736,403)	(2,308,169,111)
	13,440,603,387	6,402,802,708

5.1 Long term loans

LENDER	2022	2021	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS	INTEREST REPRICING	INTEREST PAYABLE
	Rupees	Rupees				
MCB Bank Limited	120,000,000	140,000,000	SBP rate for LTFF + 1.00%	Sixteen equal half yearly instalments commenced on 13 August 2019 and ending on 13 February 2028. (Note 5.5)	-	Quarterly
MCB Bank Limited	50,312,500	60,375,000	SBP rate for LTFF + 1.00%	Sixteen equal half yearly instalments commenced on 22 June 2019 and ending on 22 June 2027. (Note 5.5)	-	Quarterly
MCB Bank Limited	129,800,000	259,600,000	SBP rate for LTFF+ 1.25%	Ten equal half yearly instalments commenced on 18 October 2017 and ending on 18 April 2023. (Note 5.5)	-	Quarterly
MCB Bank Limited	-	174,485,050	6-months KIBOR + 0.90%	Ten equal half yearly instalments commenced on 29 September 2017 and ended on 02 September 2021. (Note 5.5)	Half yearly	Half yearly
MCB Bank Limited	2,000,000,000	-	3-months KIBOR + 0.2%	Twenty equal quarterly instalments commencing on 11 February 2024 and ending on 11 November 2028.	Quarterly	Quarterly
Allied Bank Limited	-	18,000,000	SBP rate for LTFF + 1.00%	Sixteen equal quarterly instalments commenced on 07 January 2017 and ended on 10 October 2021. (Note 5.5)	-	Quarterly
Allied Bank Limited	-	19,375,000	SBP rate for LTFF + 1.00%	Sixteen equal quarterly instalments commenced on 20 January 2017 and ended on 20 October 2021. (Note 5.5)	-	Quarterly
Allied Bank Limited	-	13,149,000	SBP rate for LTFF + 1.00%	Sixteen equal quarterly instalments commenced on 11 May 2017 and ended on 11 February 2022. (Note 5.5)	-	Quarterly
Allied Bank Limited	161,562,500	190,937,500	SBP rate for LTFF + 1.00%	Thirty two equal quarterly instalments commenced on 24 February 2019 and ending on 24 November 2027. (Note 5.5)	-	Quarterly
Allied Bank Limited	94,659,375	111,121,875	SBP rate for LTFF + 1.00%	Thirty two equal quarterly instalments commenced on 18 April 2019 and ending on 18 January 2028. (Note 5.5)	-	Quarterly
Allied Bank Limited	281,031,250	329,906,250	SBP rate for LTFF + 1.00%	Thirty two equal quarterly instalments commenced on 19 April 2019 and ending on 19 January 2028. (Note 5.5)	-	Quarterly
Allied Bank Limited	68,712,500	80,662,500	SBP rate for LTFF + 1.00%	Forty equal quarterly instalments commenced on 21 May 2017 and ending on 21 February 2028. (Note 5.5)	-	Quarterly
Allied Bank Limited	88,350,000	103,075,000	SBP rate for LTFF + 1.00%	Thirty two equal quarterly instalments commenced on 03 July 2019 and ending on 03 April 2028. (Note 5.5)	-	Quarterly
Allied Bank Limited	61,642,000	61,642,000	SBP rate for LTFF + 1.00%	Thirty two equal quarterly instalments commencing on 01 December 2022 and ending on 01 September 2030.	-	Quarterly
Allied Bank Limited	104,692,000	104,692,000	SBP rate for LTFF+ 1.00%	Thirty two equal quarterly instalments commencing on 01 December 2022 and ending on 01 September 2030.	-	Quarterly
Allied Bank Limited	18,778,300	18,778,300	SBP rate for LTFF+ 1.00%	Thirty two equal quarterly instalments commencing on 01 December 2022 and ending on 01 September 2030.	-	Quarterly
Allied Bank Limited	32,005,000	32,005,000	SBP rate for LTFF+ 1.00%	Thirty two equal quarterly instalments commencing on 01 December 2022 and ending on 01 September 2030.	-	Quarterly
Allied Bank Limited	14,971,000	14,971,000	SBP rate for LTFF+ 1.00%	Thirty two equal quarterly instalments commencing on 01 December 2022 and ending on 01 September 2030.	-	Quarterly
Allied Bank Limited	67,911,620	67,911,620	SBP rate for LTFF+ 1.00%	Thirty two equal quarterly instalments commencing on 01 December 2022 and ending on 01 September 2030.	-	Quarterly
Allied Bank Limited	55,555,560	166,666,670	SBP rate for LTFF+ 1.00%	Nine equal half yearly instalments commenced on 25 August 2017 and ending on 26 August 2022. (Note 5.5)	-	Quarterly
Allied Bank Limited	1,000,000,000	1,000,000,000	3-months KIBOR + 0.18%	Sixteen equal quarterly instalments commencing on 30 September 2022 and ending on 30 June 2026.	Quarterly	Quarterly
Allied Bank Limited	1,000,000,000	-	3-months KIBOR + 0.10%	Twenty four equal quarterly instalments commencing on 24 August 2024 and ending on 24 May 2030.	Quarterly	Quarterly
Askari Bank Limited	-	17,500,000	3-months KIBOR + 0.70%	Twenty equal quarterly instalments commenced on 08 December 2015 and ended on 08 September 2021. (Note 5.5)	Quarterly	Quarterly
Askari Bank Limited	91,300,000	107,900,000	SBP rate for LTFF + 1.00%	Forty equal quarterly instalments commenced on 02 February 2017 and ending on 02 November 2027. (Note 5.5)	-	Quarterly
Askari Bank Limited	11,000,000	13,000,000	SBP rate for LTFF + 1.00%	Forty equal quarterly instalments commenced on 04 February 2017 and ending on 04 November 2027. (Note 5.5)	-	Quarterly
Askari Bank Limited	82,500,000	97,500,000	SBP rate for LTFF + 1.00%	Forty equal quarterly instalments commenced on 08 March 2017 and ending on 08 December 2027. (Note 5.5)	-	Quarterly

LENDER	2022	2021	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS	INTEREST REPRICING	INTEREST PAYABLE
	Rupees	Rupees				
Askari Bank Limited	76,820,000	90,180,000	SBP rate for LTFF + 1.00%	Forty equal quarterly instalments commenced on 22 June 2017 and ending on 22 March 2028. (Note 5.5)	-	Quarterly
Askari Bank Limited	3,720,000	4,340,000	SBP rate for LTFF + 1.00%	Forty equal quarterly instalments commenced on 12 September 2017 and ending on 13 June 2028. (Note 5.5)	-	Quarterly
Askari Bank Limited	35,000,000	40,600,000	SBP rate for LTFF + 1.00%	Forty equal quarterly instalments commenced on 04 October 2017 and ending on 04 July 2028. (Note 5.5)	-	Quarterly
Askari Bank Limited	12,000,000	14,000,000	SBP rate for LTFF + 1.00%	Forty equal quarterly instalments commenced on 26 August 2017 and ending on 26 May 2028. (Note 5.5)	-	Quarterly
Askari Bank Limited	70,680,000	82,460,000	SBP rate for LTFF + 1.00%	Forty equal quarterly instalments commenced on 26 August 2017 and ending on 26 May 2028. (Note 5.5)	-	Quarterly
Askari Bank Limited	3,452,400	4,027,800	SBP rate for LTFF + 1.00%	Forty equal quarterly instalments commenced on 26 August 2017 and ending on 26 May 2028. (Note 5.5)	-	Quarterly
Askari Bank Limited	12,687,500	14,717,500	SBP rate for LTFF + 1.00%	Forty equal quarterly instalments commenced on 04 October 2017 and ending on 04 July 2028. (Note 5.5)	-	Quarterly
Askari Bank Limited	141,600,000	165,200,000	SBP rate for LTFF + 1.00%	Forty equal quarterly instalments commenced on 26 August 2017 and ending on 26 May 2028. (Note 5.5)	-	Quarterly
Askari Bank Limited	283,371,000	319,935,000	SBP rate for LTFF + 1.00%	Forty equal quarterly instalments commenced on 12 May 2021 and ending on 12 February 2031. (Note 5.5)	-	Quarterly
Bank Alfalah Limited (Note 5.8)	1,142,637,394	81,771,338	SBP rate for TERF + 2.00%	Five hundred and seventy six unequal instalments commencing on 26 August 2023 and ending on 22 April 2032.	-	Quarterly
Pak Kuwait Investment Company (Private) Limited	-	10,495,000	SBP rate for LTFF + 0.75%	Eighteen equal quarterly instalments commenced on 22 November 2016 and ended on 22 February 2022. (Note 5.5)	-	Quarterly
Pak Kuwait Investment Company (Private) Limited	271,704,850	271,704,850	SBP rate for LTFF + 1.00%	Twenty equal quarterly instalments commencing on 05 January 2023 and ending on 05 October 2027.	-	Quarterly
Pak Kuwait Investment Company (Private) Limited	14,417,950	14,417,950	SBP rate for LTFF + 1.00%	Thirty two equal quarterly instalments commencing on 05 January 2023 and ending on 04 October 2030.	-	Quarterly
The Bank of Punjab	-	200,000,000	3-months KIBOR + 0.75%	Ten equal half yearly instalments commenced on 30 September 2017 and ended on 02 September 2021. (Note 5.5)	Quarterly	Quarterly
Habib Bank Limited	600,000,000	1,000,000,000	3-months KIBOR + 0.50%	Ten equal half yearly instalments commenced on 27 March 2018 and ending on 23 September 2027. (Note 5.5)	Quarterly	Quarterly
Habib Bank Limited	144,378,095	433,134,283	6-months KIBOR + 0.90%	Nine equal half yearly instalments commenced on 02 November 2017 and ending on 02 November 2022. (Note 5.5)	Half yearly	Quarterly
Habib Bank Limited	1,828,426,117	-	3-months KIBOR + 0.45%	Eighty unequal instalments commencing on 20 September 2024 and ending on 20 May 2032.	Quarterly	Quarterly
Habib Bank Limited	350,956,713	-	SBP rate for LTFF + 1.00%	Ninety six unequal instalments commencing on 03 June 2024 and ending on 15 April 2032.	-	Quarterly
Habib Bank Limited	215,133,503	-	SBP rate for LTFF + 1.00%	Sixteen equal half yearly instalments commencing on 11 November 2024 and ending on 11 May 2032.	-	Quarterly
Habib Bank Limited (Note 5.6)	93,180,163	270,495,486	SBP rate for refinance scheme for payment of salaries and wages + 1.00%	Eight equal quarterly instalments commenced on 01 January 2021 and ending on 01 October 2022.	-	Quarterly
Soneri Bank Limited	215,265,625	252,703,125	SBP rate for LTFF + 1.00%	Thirty two equal quarterly instalments commenced on 08 June 2019 and ending on 08 March 2028. (Note 5.5)	-	Quarterly
Soneri Bank Limited	166,500,000	194,250,000	SBP rate for LTFF + 1.00%	Thirty two equal quarterly instalments commenced on 06 July 2019 and ending on 06 April 2028. (Note 5.5)	-	Quarterly
United Bank Limited	2,000,000,000	-	1-month KIBOR + 0.25%	Twenty four equal quarterly instalments commencing on 31 March 2024 and ending on 31 December 2029.	Monthly	Quarterly
United Bank Limited (Note 5.8)	440,213,010	-	SBP rate for TERF + 1.25%	Ninety six unequal instalments commencing on 08 October 2023 and ending on 25 March 2032.	-	Quarterly
	13,656,927,925	6,667,686,097				

5.2 Long term musharaka

LENDER	2022	2021	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS	INTEREST REPRICING	INTEREST PAYABLE
	Rupees	Rupees				
Dubai Islamic Bank Pakistan Limited	-	225,000,000	6 months KIBOR + 0.85%	Ten equal half yearly instalments commenced on 14 April 2017 and ended on 02 July 2021.	Half yearly	Half yearly
Meezan Bank Limited	261,069,782	261,134,784	SBP rate for LTFF + 2.00%	Thirty two equal quarterly instalments commencing on 24 March 2023 and ending on 24 December 2030.	-	Quarterly
Meezan Bank Limited (Note 5.9)	388,997,350	359,758,240	SBP rate for ITERF + 2.75%	One hundred and twenty eight unequal instalments commencing on 30 March 2023 and ending on 28 May 2031	-	Quarterly
Meezan Bank Limited	6,638,000	6,638,000	SBP rate for LTFF + 2.00%	Thirty two equal quarterly instalments commencing on 30 March 2023 and ending on 30 December 2030	-	Quarterly
Meezan Bank Limited	16,634,400	16,634,400	SBP rate for LTFF + 2.00%	Thirty two equal quarterly instalments commencing on 30 March 2023 and ending on 30 December 2030.	-	Quarterly
Meezan Bank Limited	11,972,100	11,972,100	SBP rate for LTFF + 2.00%	Thirty two equal quarterly instalments commencing on 30 March 2023 and ending on 30 December 2030.	-	Quarterly
Meezan Bank Limited	68,445,600	68,445,600	SBP rate for LTFF + 2.00%	Thirty two equal quarterly instalments commencing on 30 March 2023 and ending on 30 December 2030.	-	Quarterly
Meezan Bank Limited	14,260,000	14,260,000	SBP rate for LTFF + 2.00%	Thirty two equal quarterly instalments commencing on 30 March 2023 and ending on 30 December 2030.	-	Quarterly
Meezan Bank Limited	113,834,700	113,834,700	SBP rate for LTFF + 2.00%	Thirty two equal quarterly instalments commencing on 30 March 2023 and ending on 30 December 2030.	-	Quarterly
Meezan Bank Limited	197,652,000	197,652,000	SBP rate for LTFF + 2.00%	Thirty two equal quarterly instalments commencing on 17 September 2023 and ending on 17 June 2031.	-	Quarterly
Meezan Bank Limited	52,998,400	-	SBP rate for LTFF + 1.50%	Thirty two equal quarterly instalments commencing on 27 October 2023 and ending on 27 July 2031.	-	Quarterly
MCB Islamic Bank Limited (Note 5.9)	167,423,709	127,670,049	SBP rate for ITERF + 1.50%	Ninety six unequal instalments commencing on 06 August 2023 and ending on 25 May 2031.	-	Quarterly
Faysal Bank Limited (Note 5.7)	184,612,066	353,981,414	SBP rate for Islamic refinance scheme for payment of salaries and wages + 1.00%	Eight equal quarterly instalments commenced on 30 March 2021 and ending on 30 December 2022.	-	Quarterly
Faysal Bank Limited (Note 5.7)	5,873,758	11,304,435	SBP rate for Islamic refinance scheme for payment of salaries and wages + 1.25%	Eight equal quarterly instalments commenced on 30 March 2021 and ending on 30 December 2022.	-	Quarterly
Faysal Bank Limited	-	275,000,000	3-months KIBOR + 0.70%	Twenty equal quarterly instalments commenced on 21 May 2018 and ended on 15 July 2021.	Quarterly	Quarterly
	1,490,411,865	2,043,285,722				

5.3 Long term loans are secured by first joint pari passu hypothecation and equitable mortgage on all present and future fixed assets of the Company to the extent of Rupees 21,769.914 million (2021: Rupees 18,533.254 million).

5.4 Long term musharaka are secured by first joint pari passu hypothecation and equitable mortgage on all present and future fixed assets of the Company to the extent of Rupees 3,787.667 million (2021: Rupees 3,820.596 million).

5.5 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.

5.6 These loans are obtained by the Company under SBP refinance scheme for payment of salaries and wages . These are recognized and measured in accordance with IFRS 9 'Financial Instruments'. Fair value adjustment is recognized at discount rates ranging from 7.92% to 8.03% per annum.

5.7 These loans are obtained by the Company under SBP Islamic refinance scheme for payment of salaries and wages . These are recognized and measured in accordance with IFRS 9 'Financial Instruments'. Fair value adjustment is recognized at discount rates ranging from 7.45% to 8.30% per annum.

5.8 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 8.23% to 14.27% per annum (2021: 8.38% to 8.41% per annum).

5.9 These loans are obtained by the Company under SBP Islamic Temporary Economic Refinance Facility (ITERF). These are recognized and measured in accordance with IFRS 9 'Financial Instruments'. Fair value adjustment is recognized at discount rates ranging from 8.04% to 11.44% per annum (2021: 8.04% to 8.47% per annum).

		2022 Rupees	2021 Rupees
6.	**LEASE LIABILITIES**		
	Total lease liabilities	90,649,683	120,881,507
	Less: Current portion shown under current liabilities (Note 11)	(34,645,327)	(46,362,612)
		56,004,356	74,518,895
6.1	**Reconciliation of lease liabilities**		
	Opening balance	120,881,507	100,145,527
	Add: Additions during the year	25,199,677	61,162,694
	Add: Interest accrued on lease liabilities (Note 34)	11,558,235	12,057,781
	Less: Impact of lease termination	(9,925,725)	-
	Less: Payments during the year	(57,064,011)	(52,484,495)
	Closing balance	90,649,683	120,881,507
6.2	**Maturity analysis of lease liabilities is as follows:**		
	Upto 6 months	25,456,747	28,070,945
	6-12 months	18,022,544	28,174,408
	1-2 years	35,564,384	38,665,927
	More than 2 years	31,071,655	45,294,327
		110,115,330	140,205,607
	Less: Future finance cost	(19,465,647)	(19,324,100)
	Present value of lease liabilities	90,649,683	120,881,507
6.3	**Amounts recognised in the statement of profit or loss**		
	Interest accrued during the year	11,558,235	12,057,781

6.4 Implicit rate against lease liabilities ranges from 7.01% to 13.97% (2021: 7.01% to 13.97%) per annum.

		2022 Rupees	2021 Rupees
7.	**DEFERRED LIABILITIES**		
	Gas Infrastructure Development Cess (GIDC) payable (Note 7.1)	-	52,920,380
	Deferred income - Government grant (Note 7.2)	832,798,931	138,491,987
		832,798,931	191,412,367
7.1	**Gas Infrastructure Development Cess (GIDC) Payable**		
	Opening balance	438,359,078	450,332,761
	Add: Adjustment due to impact of IFRS 9 (Note 34)	12,513,129	25,501,528
	Less: Payments made during the year	-	(37,475,211)
	Closing balance	450,872,207	438,359,078
	Less: Current portion shown under current liabilities (Note 11)	(450,872,207)	(385,438,698)
		-	52,920,380

7.1.1 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 has been recognized at amortized cost in accordance with IFRS 9.

	2022 Rupees	2021 Rupees
7.2 Deferred income - Government grant		
Opening balance	190,585,195	-
Government grant recognized during the year	881,639,750	239,106,229
Less: Amortized during the year (Note 33)	(93,632,066)	(48,521,034)
	978,592,879	190,585,195
Less: Current portion shown under current liabilities (Note 11)	(145,793,948)	(52,093,208)
	832,798,931	138,491,987

7.2.1 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) and Islamic Temporary Economic Refinance Facility (ITERF) for setting of new industrial units and for undertaking Balancing, Modernization and Replacement and / or expansion of projects / businesses and through Circular No. 06 of 2020 dated 10 April 2020 introduced a Refinance Scheme for payment of wages and salaries to the workers and employees of business concerns. These refinances were available through Banks / DFIs. One of the key feature of these refinance facilities is that borrowers can obtain loan at mark-up rates that are 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 5 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 has been 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.

	2022 Rupees	2021 Rupees
8. TRADE AND OTHER PAYABLES		
Creditors (Note 8.1)	897,665,689	1,646,861,865
Sindh infrastructure cess payable (Note 8.2)	746,149,339	447,386,865
Accrued liabilities	1,984,432,850	1,354,872,717
Contract liabilities - unsecured (Note 8.3)	162,118,230	209,468,561
Securities from contractors - interest free and repayable on completion of contracts (Note 8.4)	4,811,800	4,386,800
Retention money	35,022,362	2,556,142
Income tax deducted at source	32,340,410	26,640,874
Fair value of forward exchange contracts	154,046,505	-
Derivative financial instruments (Note 23.1)	-	3,884,821
Workers' profit participation fund (Note 8.5)	428,478,677	308,123,188
Workers' welfare fund (Note 8.6)	35,663,769	35,061,596
Others	73,242,572	54,312,586
	4,553,972,203	4,093,556,015

8.1 These include Rupees Nil (2021: Rupees 14.360 million) due to Nishat Mills Limited - related party.

8.2 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 favour 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 Honourable 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 Honourable 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 include Rupees 0.218 million (2021: Rupees 0.218 million) due to Nishat Mills Limited - related party.

8.4 These deposits were utilized for the purpose of business in accordance with the terms of written agreements with contractors and customers.

		2022 Rupees	2021 Rupees
8.5	**Workers' profit participation fund**		
	Opening balance	308,123,188	29,990,964
	Add: Interest for the year (Note 34)	20,851,237	1,109,143
	Add: Provision for the year (Note 32)	428,478,680	308,123,188
		757,453,105	339,223,295
	Less : Payments during the year	(328,974,428)	(31,100,107)
	Closing balance	428,478,677	308,123,188

8.5.1 The Company retains workers' profit participation fund for its business operations till the date of allocation to workers. 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.

		2022 Rupees	2021 Rupees
8.6	**Workers' welfare fund**		
	Opening balance	35,061,596	14,473,400
	Add: Provision for the year (Note 32)	602,173	20,588,196
	Closing balance	35,663,769	35,061,596
9.	**ACCRUED MARK-UP / PROFIT**		
	Long term financing	199,540,765	86,334,999
	Short term borrowings	313,401,083	185,385,914
		512,941,848	271,720,913

	2022 Rupees	2021 Rupees
10. SHORT TERM BORROWINGS		
From banking companies - secured		
Short term running finances (Notes 10.1 and 10.2)	3,049,797,496	687,759,100
Export finances - Preshipment / SBP refinance (Notes 10.1 and 10.3)	3,874,638,840	11,088,894,368
Other short term finances (Notes 10.1 and 10.4)	5,900,000,000	6,867,000,000
Murabaha finance (Note 10.1 and 10.5)	119,573,561	254,259,949
	12,944,009,897	18,897,913,417

10.1 These finances are obtained from banking companies under mark-up / profit arrangements and are secured by hypothecation of all present and future current assets of the Company to the extent of Rupees 46,660 million (2021: Rupees 40,959 million) and ranking charge on all present and future current assets of the Company to the extent of Rupees 7,467 million (2021: Rupees 5,667.333 million). These form part of total credit facilities of Rupees 39,615 million (2021: Rupees 35,175 million).

10.2 The effective rates of mark-up range from 7.70% to 15.31% (2021: 7.50% to 9.53%) per annum.

10.3 The effective rates of mark-up on Pak Rupee finances and US Dollar finances range from 1.00% to 11.13% (2021: 2.25% to 13.45%) and 0.75% to 0.85% (2021: 0.75% to 2%) per annum respectively.

10.4 The effective rates of mark-up range from 7.54% to 15.28% (2021: 7.55% to 9.45%) per annum.

10.5 The effective rate of profit ranged from 7.60% to 11.06% (2021: 8.62% to 11.69%) per annum.

	2022 Rupees	2021 Rupees
11. CURRENT PORTION OF NON-CURRENT LIABILITIES		
Long term financing (Note 5)	1,706,736,403	2,308,169,111
Lease liabilities (Note 6)	34,645,327	46,362,612
Gas Infrastructure Development Cess (GIDC) Payable (Note 7.1)	450,872,207	385,438,698
Deferred income - Government grant (Note 7.2)	145,793,948	52,093,208
	2,338,047,885	2,792,063,629
12. PROVISION FOR TAXATION - NET		
Provision for taxation	879,652,699	-
Advance income tax	(729,514,612)	-
	150,138,087	-

13. CONTINGENCIES AND COMMITMENTS

13.1 Contingencies

13.1.1 The Company preferred appeal against the Government of Punjab in the Honourable Lahore High Court, Lahore against imposition of electricity duty on internal generation and the writ petition has been accepted. However, Government of Punjab has moved to the Honourable Supreme Court of Pakistan against the order of Honourable Lahore High Court, Lahore. The Company has fully provided its liability in respect of electricity duty on internal generation. As at the reporting date, an amount of Rupees 122.062 million is payable on this account but the management of the Company is confident that payment of electricity duty will not be required.

13.1.2 The Collectorate of Customs (Export) has issued show cause notices with the intention to reject the duty draw back claims aggregating to Rupees 9.482 million on blended grey fabrics exported under Duty and Tax Remission Rules for Export (DTRE) scheme. The department is of the view that the Company has not submitted Appendix-1 as per Rule 297-A of the above referred scheme. The Company considers that since it has taken benefit of remission of sales tax only, it is entitled to full duty draw back and filed appeal before Appellate Tribunal Inland Revenue (ATIR), Karachi Bench which was decided against the Company. The Company also applied to Federal Board of Revenue (FBR) to constitute Alternate Dispute Resolution Committee (ADRC) in terms of section 195C of the Customs Act, 1969 to settle the dispute. ADRC vide its order dated 16 April 2008 has recommended the case in favour of the Company and forwarded the case to FBR. However, FBR has not accepted the recommendations of ADRC. The Company has filed appeal before the Honourable High Court of Sindh, Karachi on 07 December 2013 against the order of ATIR, where the case is pending.

13.1.3 The Company impugned selection of its tax affairs for audit in terms of section 177 of the Income Tax Ordinance, 2001 for tax year 2009 in Honourable Lahore High Court, Lahore through writ petition. After dismissal of writ petition by the Honourable Lahore High Court, Lahore, the tax department has completed the audit of tax year 2009 of income tax affairs of the Company and Deputy Commissioner Inland Revenue (DCIR) has passed an order under sections 122(1)/122(5) of the Income Tax Ordinance, 2001 creating a tax demand of Rupees 6.773 million. The Company filed appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] against the decision of DCIR wherein the appeal has been decided partially in favour of the Company. Being aggrieved, the Company has filed an appeal before ATIR which is pending adjudication. No provision against this demand has been made in these financial statements as the Company is hopeful of a favourable outcome of appeal based on the opinion of the tax advisor.

13.1.4 As a result of withholding tax audit for the tax year 2006, DCIR has raised a demand of Rupees 14.596 million under sections 161 and 205 of the Income Tax Ordinance, 2001. The Company's appeal before ATIR was successful. The Commissioner Inland Revenue has filed appeal before Honourable Lahore High Court, Lahore against the order of ATIR, where the case is pending. No provision against this demand has been made in these financial statements as the Company is hopeful of a favourable outcome of appeal based on the opinion of the tax advisor.

13.1.5 An appeal effect order was issued in response to the order passed by ATIR in proceedings initiated under section 122(5A) of the Income Tax Ordinance, 2001 for tax year 2011, whereby, the income tax refunds originally accruing to the Company were reduced to Rupees 39.305 million from Rupees 137.801 million. Additionally, the income tax refunds of Rupees 6.822 million adjusted against the income tax demand originally created by ACIR in the instant proceedings, were also restored. In response to the appeal effect order, an appeal has been filed before CIR(A) contesting the reduction of income tax refunds. The outcome of the said appeal is expected to be in favour of the Company.

13.1.6 The Deputy Collector (Refund – Gold) by order dated 16 May 2007 rejected the input tax claim of the Company, for the month of June 2005, amounting to Rupees 1.604 million incurred in zero rated local supplies of textile and articles thereof on the grounds that the input tax claim is in contravention of SRO 992(I)/2005 which states that no registered person engaged in the export of specified goods (including textile and articles thereof) shall, either through zero-rating or otherwise, be entitled to deduct or reclaim input tax paid in respect of stocks of such goods acquired up to 05 June 2005, if not used for the purpose of exports made up to the 31 December 2005. The appeal of the Company before ATIR was successful and input tax claim of the Company is expected to be processed after necessary verification in this regard. Pending the outcome of verification no provision for inadmissible input tax has been recognized in these financial statements.

13.1.7 The DCIR through an order under section 161 and 205 of the Income Tax Ordinance, 2001 created a demand of Rupees 147.745 million for tax year 2012 on account of alleged non-deduction of income tax on payments against the heads commission to selling agents on exports and export marketing expenses. Being aggrieved, the Company filed an appeal before CIR(A), who vide order dated 09 June 2016 accepted the stance of the Company and deleted the demand related to commission to selling agents on exports, whereas, with respect to export marketing expenses, CIR(A) remanded back the case to DCIR. However, the Company has filed appeal before ATIR which is pending for fixation. Based on grounds and facts, the appeal is likely to be decided in favour of the Company.

13.1.8 The Company filed appeal before CIR(A) against the order of ACIR. ACIR passed an order under section 122(5A) of the Income Tax Ordinance, 2001 for tax year 2012 whereby a demand of Rupees 125.162 million has been raised. CIR(A) vide order dated 29 June 2016 has deleted some of the additions made by ACIR. Being aggrieved by the order of CIR(A), the Company as well as the tax department have preferred appeals before the ATIR which are pending adjudication. No provision against this demand has been made in these financial statements as the Company is hopeful for a favourable outcome of appeal based on the opinion of the tax advisor.

13.1.9 ACIR passed an order under section 122(5A) of the Income Tax Ordinance, 2001 for tax year 2010 whereby a demand of Rupees 142.956 million has been raised, against which the Company filled appeal before CIR(A). CIR(A) vide order dated 28 October 2016 has deleted some of the additions made by ACIR. Being aggrieved by the order of CIR(A), the Company as well as the tax department have preferred appeals before the ATIR which are pending adjudication. No provision against this demand has been made in these financial statements as the Company is hopeful for a favourable outcome of appeal based on the opinion of the tax advisor.

13.1.10 The Deputy Commissioner Inland Revenue passed an order under sections 161/205 of the Income Tax Ordinance, 2001 creating a demand of Rupees 19.073 million for the tax year 2014. The Company preferred an appeal against this order before CIR(A). The CIR(A) adjudicated that impugned order is unsustainable and remanded back the matter to taxation officer for consideration of legal grounds and merits of the case. The Company has also filed an appeal before ATIR against the order of CIR(A). The proceedings before both forums are pending for adjudication. No provision against this demand has been made in these financial statements as the Company is confident of favourable outcome of its appeals.

13.1.11 Through show cause notice, the Collector of Customs, Karachi raised demand of Rupees 23.585 million on the grounds that the Company was not entitled for exemption of sales tax and facility of reduced rate of income tax on 13 consignments of cotton imported during the period from April 2013 to April 2014. The vires of show cause notice were challenged in Honourable Sindh High Court, Karachi from where stay was granted with the direction to the Collector that he will not pass final order pursuant to the impugned show cause notice particularly in respect of advance income tax till next date of hearing. In spite of the categorical orders of the Honourable Sindh High Court, Karachi the Collector passed order, creating the demand of the aforesaid amount. Appeal against the said order filed in ATIR, Karachi has been dismissed. Custom reference application has been filed in Honourable Sindh High Court, Karachi against the order of ATIR. There is sufficient case law on the subject and there is every likelihood that case will be decided in favour of the Company.

13.1.12 The Company is contesting demands of sales tax along with default surcharge and penalty under the Sales Tax Act, 1990 by taxation authorities amounting to Rupees 747.486 million at various forums. These demands have been raised on account of various issues. No provision against the aforesaid demands has been made in these financial statements as the management is confident of favourable outcome of its appeals based on advice of the legal counsel.

13.1.13 ACIR passed an order under section 122(5A) of the Income Tax Ordinance, 2001 for tax year 2013 whereby a demand of Rupees 27.845 million has been raised. The appeal before CIR(A) has been decided and some matters have been decided in favour of the Company. Being aggrieved, the Company is in appeal before ATIR against the order of CIR(A). No provision against this demand has been made in these financial statements as the Company is hopeful for a favourable outcome of appeal based on the opinion of the tax advisor.

13.1.14 The DCIR issued a show cause notice dated 12 April 2019 under section 177(1) of the Income Tax Ordinance, 2001 for providing certain record and documents for tax year 2013. In response thereto, various replies were submitted with the DCIR. In response to submissions of the Company, the DCIR issued an audit report under section 177(6) of the Income Tax Ordinance, 2001 and then passed an order under sections 122(4), 122(5) and 214C of the Income Tax Ordinance, 2001 creating a demand of Rupees 277.772 million. Being aggrieved with the order passed by the DCIR, an appeal has been filed before CIR(A)-I. CIR(A)-I vide order dated 07 November 2019 ordered remand back proceedings in the said proceedings. Subsequently, a notice under sections 124, 122(4), 122(5) and 214C of the Income Tax Ordinance, 2001 was issued dated 02 April 2020. However, the proceedings were adjourned indefinitely owing to the lockdown in the country amid the COVID-19 outbreak. The proceedings will be re-initiated by the concerned DCIR by issuing a fresh notice. However, based on facts of the case, the aforesaid proceedings are likely to culminate in the favour of the Company.

13.1.15 The DCIR issued a show cause notice dated 20 March 2019 under section 161(1A) of the Income Tax Ordinance, 2001 for tax year 2017, wherein, the Company was required to explain the taxes deducted against payments amounting to Rupees 133.361 million made on account of commission to selling agents. In response thereto, a reply dated 28 March 2019 was submitted with the DCIR. The DCIR without considering the arguments put forth by the Company passed an order dated 05 April 2019 raising a demand of Rupees 13.982 million. Being aggrieved with the order passed by the DCIR, an appeal was filed before CIR(A)-I which culminated in an order under section 129(1)(b) read with section 161(1A) of Income Tax Ordinance, 2001 dated 27 June 2019, wherein, the stance of the DCIR was upheld. Being aggrieved with the order passed by the CIR(A)-I, an appeal was filed before ATIR, which was decided in favour of the Company on 19 February 2020. Appeal has been filed by the tax department before Honourable Lahore High Court, Lahore against the order of ATIR.

13.1.16 The DCIR issued a show cause notice dated 20 March 2019 under section 161(1A) of the Income Tax Ordinance, 2001 for tax year 2018, wherein, the Company was required to explain the taxes deducted against payments amounting to Rupees 213.382 million made on account of commission to selling agents. In response thereto, a reply dated 28 March 2019 was submitted with the DCIR. The DCIR without considering the arguments put forth by the taxpayer, passed an order dated 05 April 2019 raising a demand to the tune of Rupees 15.130 million. Being aggrieved with the order passed by DCIR, an appeal was filed before CIR(A)-I which culminated in an order under section 129(1)(b) read with section 161(1A) of Income Tax Ordinance, 2001 dated 27 June 2019, wherein, the stance of the DCIR was upheld. Being aggrieved with the order passed by the CIR(A)-I, an appeal was filed before ATIR, which was decided in favour of the Company on 19 February 2020. Appeal has been filed by the tax department before Honourable Lahore High Court, Lahore against the order of ATIR.

13.1.17 The Company has challenged, before Honourable Lahore High Court, Lahore, the vires of first proviso to sub-clause (x) of clause (4) of SRO 491(1)/2016 dated 30 June 2016 issued under sections 3 and 4 read with sections 8 and 71 of the Sales Tax Act, 1990 whereby through amendment in the earlier SRO 1125(I)/2011 dated 31 December 2011 adjustment of input sales tax on packing material of all sorts has been disallowed. The learned single judge of Honourable Lahore High Court, Lahore has dismissed the writ petition of the Company, therefore intra court appeal has been filed. The Company has claimed input sales tax amounting to Rupees 86.417 million paid on packing material in its respective monthly sales tax returns. The management, based on advice of the legal counsel, is confident of favourable outcome of its appeal.

13.1.18 In case of NC Electric Company Limited [now Nishat (Chunian) Limited] proceedings were initiated by DCIR under section 235, 161 and 205 of the Income Tax Ordinance, 2001 for the tax year 2017, which eventually culminated in proceedings being remanded back to the concerned DCIR by the Commissioner Inland Revenue, Appeals-II (CIR, A-II). Subsequently, a remand back notice under section 124, 161 and 205 of the Income Tax Ordinance, 2001 was issued by the concerned DCIR. In response to the aforesaid notice, a reply was submitted with concerned DCIR. The DCIR in response to submissions, passed an order under sections 124, 235 and 161 dated 29 June 2019 creating a demand to the tune of Rupees 5.699 million. Being aggrieved with the order passed by the DCIR, an appeal has been filled before CIR, A-II. Furthermore, hearing of the same was duly conducted and CIR, A-II once again passed an order of remand back proceedings. Being aggrieved with the order passed by the CIR, A-II, an appeal has been filed before ATIR which is pending adjudication. Based on the facts of the case, the appeal is likely to be decided in favour of the Company. Subsequently, a notice dated 31 August 2020 reinitiating the proceedings was issued. The said notice was duly responded to. However, the order is yet to be passed.

13.1.19 ACIR issued a notice dated 11 December 2019 under section 122(9) of the Income Tax Ordinance, 2001 directing the Company to submit clarifications, records and documents with respect to certain treatments meted out in the income tax return for the tax year 2014. In response to the aforementioned notice, various replies were submitted with the ACIR. The subject proceedings culminated in the ACIR passing an order under section 122(5A) of the Income Tax Ordinance, 2001 creating an income tax demand to the tune of Rupees 189.375 million. In response to the order passed by the ACIR, an appeal was filed before the CIR(A) who vide his order dated 24 January 2022 waived the tax demand created by CIR(A) and further granted partial relief by allowing a tax refund of Rupees 84.990 million. The Company being aggrieved with the decision, filed an appeal before ATIR which is pending adjudication. Based on the facts of the case, the appeal is likely to be decided in favour of the Company.

13.1.20 ACIR issued a notice dated 11 December 2019 under section 122(9) of the Income Tax Ordinance, 2001 directing the Company to submit certain records and documents with respect to certain treatments meted out in the annual income tax return for the tax year 2015. In response thereof, various replies were submitted with the ACIR. The subject proceedings culminated in the learned ACIR passing an order under section 122(5A) of the Income Tax Ordinance, 2001 creating a tax demand to the tune of Rupees 417.208 million. In response to the order passed by the ACIR, an appeal was filed before the CIR(A), who vide his order dated 3 June 2022 passed an order against the Company. The Company being aggrieved filled an appeal before ATIR which is pending adjudication. Based on the facts of the case, it is likely that the said proceedings will culminate in the Company's favour.

13.1.21 DCIR initiated post sales tax refunds audit proceedings for tax periods October 2015 to June 2017 under Rule 36 of the Sales Tax Rules, 2006 read with section 38 of the Sales Tax Act, 1990. In response to the notice issued by the DCIR, various replies were submitted. The said proceedings culminated in the learned DCIR passing an order under section 11 of the Sales Tax Act, 1990 creating a sales tax demand to the tune of Rupees 89.828 million. In response to the order passed by the DCIR, an appeal was filed before the CIR(A), who vide his order dated 06 January 2022 passed an order against the Company. The Company being aggrieved with the decision, filed an appeal before ATIR against the impugned order. Based on the facts of the case, it is likely that the proceedings will culminate in the Company's favour.

13.1.22 Proceedings under section 161 and 205 of the Income Tax Ordinance, 2001 were initiated by DCIR for tax year 2015, which eventually culminated in the DCIR's order under section 161 and 205 of the Income Tax Ordinance, 2001 dated 29 April 2021 raising a tax demand to the tune of Rupees 105.480 million. In response to the aforesaid order, appeal has been preferred before CIR(A)-I, who vide his order dated 14 April 2022 passed an order against the Company. The Company being aggrieved filed an appeal before ATIR which is pending fixation. Based on the facts of the case, it is likely that the proceedings will culminate in the Company's favour.

13.1.23 Proceedings under section 161/205 of the Income Tax Ordinance, 2001 were initiated by DCIR for tax year 2016, which eventually culminated in the DCIR's order under section 161/205 of the Income Tax Ordinance, 2001 dated 28 May 2021 raising a tax demand to the tune of Rupees 77.349 million. In response to the aforesaid order, appeal has been preferred before CIR(A)-I, who vide his order dated 28 March 2022 passed an order against the Company. Being aggrieved the Company filled an appeal before ATIR which is pending adjudication. Based on the facts of the case, it is likely that the proceedings will culminate in the Company's favour.

13.1.24 DCIR initiated post sales tax refunds audit proceedings for tax periods July 2017 to June 2019 under Rule 36 of the Sales Tax Rules, 2006 read with section 38 of the Sales Tax Act, 1990. In response to the notice issued by the DCIR, various replies were submitted. The said proceedings culminated in the learned DCIR passing an order under section 38 of the Sales Tax Act, 1990 creating a sales tax demand to the tune of Rupees 914.309 million. In response to the order passed by the DCIR, an appeal has been filed before the CIR(A). Based on the facts of the case, it is likely that the proceedings will culminate in the Company's favour.

13.1.25 ACIR issued a show cause notice dated 09 May 2022 to submit certain records and documents with respect to certain treatments meted out in the annual tax return for tax year 2016 under section 122(9) of the Income Tax Ordinance 2001. In response thereof, ACIR passed an order under section 122(5A) of the Income Tax Ordinance, 2001 reducing income tax refundable from Rupees 347.124 million to Rupees 59.477 million. The Company being aggrieved by the order of ACIR, filed an appeal before CIR(A)-I, which is pending adjudication. Based on grounds and facts, Company is hopeful for a favourable outcome of the appeal.

13.1.26 DCIR initiated post sales tax refunds audit proceedings for tax periods July 2015 to September 2015 under Rule 36 of the Sales Tax Rules, 2006 read with section 38 of the Sales Tax Act, 1990. The said proceedings culminated in the learned DCIR passing an order under section 11(2) of the Sales Tax Act, 1990 creating a sales tax demand of Rupees 3.352 million. In response to the order passed by DCIR, an appeal has been filed before the CIR(A), which culminated in learned CIR(A) remanding back the proceedings. Subsequently the learned DCIR passed an adverse order against the Company. The Company being aggrieved by the order of DCIR filled an appeal before CIR(A). Based on the facts of the case, it is likely that the proceedings will culminate in the Company's favour.

13.1.27 Guarantees of Rupees 1,140.200 million (2021: Rupees 858.017 million) are given by the banks of the Company to Sui Northern Gas Pipelines Limited against gas connections, Shell Pakistan Limited against purchase of furnace oil, Lahore Electric Supply Company against electricity connections, Director Excise and Taxation, Karachi against infrastructure cess, Chairperson Punjab Revenue Authority, Lahore against infrastructure cess, Collector, Model Customs Collectorate, Karachi against import, Director Pakistan Central Cotton Committee against cotton cess and Nazir, Honourable Sindh High Court, Karachi against the notification in accordance with section 8 of OGRA Ordinance 2002 regarding system gas tariff on industrial and captive units.

13.1.28 Post dated cheques have been issued to custom authorities in respect of duties amounting to Rupees 7,957.417 million (2021: Rupees 4,715.577 million) on imported material availed on the basis of consumption and export plans. In the event the documents of exports are not provided on due dates, cheque issued as security shall be encashable. Further, post dated cheques of Rupees 154.300 million (2021: Rupees 139.031 million) have been issued to Lahore Electric Supply Company Limited against disputed amount of tariff adjustments and post dated cheques of Rupees 156.532 million (2021: Rupees 156.532 million) have been issued to Sui Northern Gas Pipelines Limited against gas infrastructure development cess and captive vs industrial tariff case.

13.2 Commitments

13.2.1 Letters of credit for capital expenditure amounting to Rupees Nil (2021: Rupees 4,480.769 million).

13.2.2 Letters of credit other than for capital expenditure amounting to Rupees 208.099 million (2021: Rupees 447.610 million).

13.2.3 Outstanding foreign currency forward contracts of Rupees 2,488.054 million (2021: Rupees 10,106.645 million).

	2022 Rupees	2021 Rupees
14. FIXED ASSETS		
Property, plant and equipment:		
Operating fixed assets (Note 14.1)	18,069,697,664	16,443,267,692
Capital work-in-progress (Note 14.2)	4,526,193,664	781,206,045
	22,595,891,328	17,224,473,737

14.1 Reconciliations of carrying amounts of operating fixed assets at the beginning and at the end of the year are as follows:

Description	Freehold land	Buildings on freehold land	Plant and machinery	Power generation equipment	Standby generators	Electric installations	Factory equipment	Furniture, fixture and equipment	Office equipment	Motor vehicles	Total
	Operating fixed assets										
	Rupees										
At 30 June 2020											
Cost	1,129,912,377	4,684,593,813	15,799,460,909	3,836,756,300	973,118,733	709,225,095	267,690,114	158,898,112	106,519,180	228,216,911	27,894,391,544
Accumulated depreciation	-	(1,637,198,246)	(8,080,123,923)	(452,949,508)	(667,955,122)	(371,237,403)	(167,820,587)	(80,648,098)	(48,279,240)	(105,598,744)	(11,611,810,871)
Net book value	1,129,912,377	3,047,395,567	7,719,336,986	3,383,806,792	305,163,611	337,987,692	99,869,527	78,250,014	58,239,940	122,618,167	16,282,580,673
Year ended 30 June 2021											
Opening net book value	1,129,912,377	3,047,395,567	7,719,336,986	3,383,806,792	305,163,611	337,987,692	99,869,527	78,250,014	58,239,940	122,618,167	16,282,580,673
Additions	148,447,680	174,957,639	795,014,196	77,339,958	-	36,876,414	47,704,274	35,252,365	19,014,338	37,960,835	1,372,567,699
Disposals:											
Cost	-	-	(137,624,198)	-	-	-	-	(173,579)	(1,719,975)	(30,890,574)	(170,408,326)
Accumulated depreciation	-	-	97,839,294	-	-	-	-	75,074	573,698	19,977,979	118,466,045
	-	-	(39,784,904)	-	-	-	-	(98,505)	(1,146,277)	(10,912,595)	(51,942,281)
Reclassification:											
Cost	-	-	(116,922,119)	116,922,119	-	-	-	-	-	-	-
Accumulated depreciation	-	-	73,420,820	(73,420,820)	-	-	-	-	-	-	-
	-	-	(43,501,299)	43,501,299	-	-	-	-	-	-	-
Depreciation	-	(155,426,128)	(759,357,872)	(152,338,508)	(1,319,619)	(35,253,998)	(12,335,603)	(12,751,391)	(6,835,719)	(24,319,561)	(1,159,938,399)
Closing net book value	1,278,360,057	3,066,927,078	7,671,707,107	3,352,309,541	303,843,992	339,610,108	135,238,198	100,652,483	69,272,282	125,346,846	16,443,267,692
At 30 June 2021											
Cost	1,278,360,057	4,859,551,452	16,339,928,788	4,031,018,377	973,118,733	746,101,509	315,394,388	193,976,898	123,813,543	235,287,172	29,096,550,917
Accumulated depreciation	-	(1,792,624,374)	(8,668,221,681)	(678,708,836)	(669,274,741)	(406,491,401)	(180,156,190)	(93,324,415)	(54,541,261)	(109,940,326)	(12,653,283,225)
Net book value	1,278,360,057	3,066,927,078	7,671,707,107	3,352,309,541	303,843,992	339,610,108	135,238,198	100,652,483	69,272,282	125,346,846	16,443,267,692
Year ended 30 June 2022											
Opening net book value	1,278,360,057	3,066,927,078	7,671,707,107	3,352,309,541	303,843,992	339,610,108	135,238,198	100,652,483	69,272,282	125,346,846	16,443,267,692
Additions	63,812,223	157,621,261	2,545,210,046	21,558,379	10,593,193	221,982,182	59,180,609	46,487,901	17,972,350	68,920,352	3,213,338,496
Disposals:											
Cost	(351,060,710)	-	(69,255,212)	-	-	-	-	(1,595,066)	(1,207,566)	(24,850,153)	(447,968,707)
Accumulated depreciation	-	-	60,642,753	-	-	-	-	945,066	418,494	13,847,769	75,854,082
	(351,060,710)	-	(8,612,459)	-	-	-	-	(650,000)	(789,072)	(11,002,384)	(372,114,625)
Assets written off:											
Cost	-	(11,821,201)	-	(14,550,000)	-	-	-	-	-	(1,276,725)	(27,647,926)
Accumulated depreciation	-	3,525,584	-	7,590,762		-	-	-	-	1,182,732	12,299,078
	-	(8,295,617)	-	(6,959,238)	-	-	-	-	-	(93,993)	(15,348,848)
Reclassifications:											
Cost	-	-	(183,306,729)	252,469,168	72,982,741	(140,903,761)	-	(1,285,919)	44,500	-	-
Accumulated depreciation	-	-	128,443,757	(80,824,252)	(55,772,456)	7,319,874	-	860,577	(27,500)	-	-
	-	-	(54,862,972)	171,644,916	17,210,285	(133,583,887)	-	(425,342)	17,000	-	-
Depreciation	-	(158,355,926)	(764,353,931)	(157,529,468)	(7,996,851)	(41,835,362)	(15,537,950)	(15,917,993)	(8,132,515)	(29,785,055)	(1,199,445,051)
Closing net book value	991,111,570	3,057,896,796	9,389,087,791	3,381,024,130	323,650,619	386,173,041	178,880,857	130,147,049	78,340,045	153,385,766	18,069,697,664
At 30 June 2022											
Cost	991,111,570	5,005,351,512	18,632,576,893	4,290,495,924	1,056,694,667	827,179,930	374,574,997	237,583,814	140,622,827	278,080,646	31,834,272,780
Accumulated depreciation	-	(1,947,454,716)	(9,243,489,102)	(909,471,794)	(733,044,048)	(441,006,889)	(195,694,140)	(107,436,765)	(62,282,782)	(124,694,880)	(13,764,575,116)
Net book value	991,111,570	3,057,896,796	9,389,087,791	3,381,024,130	323,650,619	386,173,041	178,880,857	130,147,049	78,340,045	153,385,766	18,069,697,664
Annual rate of depreciation (%)		5	10	4	Number of hours used	10	10	10	10	20	

14.1 A Based on an exercise conducted during the year, certain operating fixed assets of the Company have been reclassified to more appropriate classes of fixed assets. Such reclassifications have been accounted for as a change in an accounting estimate in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'. The effect of this change in the accounting estimate on the profit before taxation for the year ended 30 June 2022, carrying amount of fixed assets as at the reporting date and future profits before taxation is not material, hence, has not been detailed in these financial statements.

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

Description	Qty	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain / (loss)	Mode of disposal	Particulars of purchaser
			Rupees					
Freehold land								
Block - K, Gulberg II, Lahore (08 Kanals - 07 - Marlas - 155 - Sq. Ft.)		351,060,710	-	351,060,710	499,205,000	148,144,290	Note 1.5	Nishat Chunian Properties (Private) Limited - subsidiary company, Lahore
Plant and machinery								
Drawing frame	4	11,415,715	(10,306,849)	1,108,866	1,127,080	18,214	Negotiation	Mubahsar Brothers, Faisalabad
Drawing frame	2	6,500,000	(5,367,953)	1,132,047	1,673,540	541,493	Negotiation	Mubahsar Brothers, Faisalabad
Drawing frame	2	5,192,900	(4,405,619)	787,281	3,073,850	2,286,569	Negotiation	Mubahsar Brothers, Faisalabad
Auto cone machine	1	9,738,188	(8,498,598)	1,239,590	502,137	(737,453)	Negotiation	M.H Textiles, Faisalabad
Ring machine	8	12,848,240	(11,414,690)	1,433,550	7,160,000	5,726,450	Negotiation	M.H Textiles, Faisalabad
Ring machine	8	12,848,240	(11,424,219)	1,424,021	11,200,000	9,775,979	Negotiation	Olympia Blended Fibre Mills Limited, Lahore
Auto cone machine	1	4,101,473	(3,383,941)	717,532	608,975	(108,557)	Negotiation	Awais Impex, Lahore
Motor vehicles								
Honda city LE -17 - 2761	1	1,576,930	(1,017,373)	559,557	645,911	86,354	Company policy	Mr. Qaiser Saeed, Company's employee, Jhang
Honda civic LEC -16 - 3977	1	2,081,500	(1,382,379)	699,121	2,170,000	1,470,879	Negotiation	Mr. Wasim Akhtar, Kasoor
Honda city LEB -13 - 6579	1	1,575,000	(616,854)	958,146	1,575,000	616,854	Company policy	Ms. Samina Aslam, Company's employee, Lahore
Suzuki swift RB - 11 - 828	1	1,100,000	(135,850)	964,150	1,100,000	135,850	Company policy	Mr. Abid Hussain, Company's employee, Lahore
Toyota corolla LED - 17- 215	1	2,700,000	(713,640)	1,986,360	2,700,000	713,640	Company policy	Mr. Babar Ali Khan, Company's employee, Lahore
Honda civic LEB - 17 - 6214	1	2,660,165	(1,671,875)	988,290	3,207,786	2,219,496	Negotiation	Mr. Sabir Ilahi, Lahore
Honda civic LEB - 17 - 2111	1	2,744,185	(1,790,950)	953,235	1,372,093	418,858	Company policy	Ms. Nadia Bilal, Company's employee, Lahore
Honda civic LEA - 13 - 3063	1	1,750,000	(864,500)	885,500	1,750,000	864,500	Company policy	Mr. Babar Khan, Company's employee, Lahore
Furniture, fixture and equipment								
Emporium mall retail store works	1	1,595,066	(945,066)	650,000	650,000	-	Negotiation	Bonanza Garments Industries (Private) Limited, Karachi
Power generation equipment								
Rice husk boiler complete	2	14,550,000	(7,590,762)	6,959,238	-	(6,959,238)	Written off	
Buildings on freehold land								
Erection of two boilers	1	11,821,201	(3,525,584)	8,295,617	-	(8,295,617)	Written off	
Aggregate of other items of operating fixed assets with individual book values not exceeding Rupees 500,000		17,757,121	(13,096,458)	4,660,663	10,740,175	6,079,512		
		475,616,634	(88,153,160)	387,463,474	550,461,547	162,998,073		

	2022 Rupees	2021 Rupees

14.1.2 The depreciation charge for the year has been allocated as follows:

	2022 Rupees	2021 Rupees
Cost of sales (Note 29)	1,183,419,195	1,144,747,414
Administrative expenses (Note 31)	16,025,856	15,190,985
	1,199,445,051	1,159,938,399

14.1.3 Particulars of immovable fixed assets are as follows:

Manufacturing units and office	Address	Area of land Acres
Manufacturing units:		
Spinning Units 1,4,5,7 and 8	49th Kilometre, Multan Road, Bhai Pheru, Tehsil Pattoki, District Kasur.	61.45
Spinning Units 2,3,6 and Weaving	49th Kilometre, Multan Road, Bhai Pheru, Tehsil Pattoki, District Kasur.	124.70
Coal fired electric power generation project	49th Kilometre, Multan Road, Bhai Pheru, Tehsil Pattoki, District Kasur.	33.89
Dyeing, Printing and Stitching	4th Kilometre, Manga Road, Raiwind.	34.78
Office	31-Q, 31-C-Q, and 10-N, Gulberg-II, Lahore.	0.98
		255.80

14.2 Capital work-in-progress

	2022 Rupees	2021 Rupees
Civil works on freehold land	697,098,519	39,387,755
Plant and machinery	2,252,901,072	129,958,001
Electric installations	-	753,855
Mobilization advances	136,712,623	87,643,981
Advances for capital expenditures	1,439,481,450	523,462,453
	4,526,193,664	781,206,045

14.3 Movement in capital work in progress

	Civil works on freehold land	Plant and machinery	Electric installations	Mobilization advances
As at 30 June 2020	93,594,675	7,142,001	753,855	8,058,617
Add: Additions during the year	31,646,438	884,279,869	36,876,414	125,078,192
Add / (Less): Adjusted during the year	89,104,281	33,550,327	-	(45,492,828)
Less: Transferred to operating fixed assets during the year	(174,957,639)	(795,014,196)	(36,876,414)	-
As at 30 June 2021	39,387,755	129,958,001	753,855	87,643,981
Add: Additions during the year	815,332,025	4,668,153,117	221,228,327	350,371,973
Less: Adjusted during the year	-	-	-	(301,303,331)
Less: Transferred to operating fixed assets during the year	(157,621,261)	(2,545,210,046)	(221,982,182)	-
As at 30 June 2022	697,098,519	2,252,901,072	-	136,712,623

	2022 Rupees	2021 Rupees
15. RIGHT-OF-USE ASSETS		
Opening balance	107,398,163	93,072,385
Add: Additions during the year	25,199,677	61,162,694
Less: Impact of lease termination	(9,007,416)	-
Less: Depreciation for the year (Note 30)	(48,939,254)	(46,836,916)
Closing balance	74,651,170	107,398,163

15.1 Lease of buildings

The Company obtained buildings on lease for its retail outlets. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Lease periods range from two to six years.

15.2 There is no impairment of right-of-use assets.

	2022 Rupees	2021 Rupees
16. INTANGIBLE ASSET		
Opening balance	278,170	110,318
Addition during the year	591,164	300,251
Less: Amortization during the year (Notes 16.2 and 31)	(233,626)	(132,399)
Closing balance	635,708	278,170

		2022 Rupees	2021 Rupees
16.1	Cost as at 30 June	22,664,427	22,168,063
	Accumulated amortization	(22,028,719)	(21,889,893)
	Net book value as at 30 June	635,708	278,170

16.2 Amortization on intangible asset amounting to Rupees 0.234 million (2021: Rupees 0.132 million) has been allocated to administrative expenses.

16.3 Intangible asset - computer software has been amortized at the rate of 30% per annum.

16.4 Intangible asset of Rupees 21.773 million (2021: Rupees 20.007 million) is fully amortized but still in the use of the Company. Fully amortised intangible asset of Rupees 94,800 has been derecognised during the year.

		2022 Rupees	2021 Rupees
17.	**LONG TERM INVESTMENTS**		
	Equity instruments		
	Subsidiary companies - at cost		
	Nishat Chunian Power Limited - quoted (Note 17.1, Note 1.4 and Note 1.6) 187,585,820 (2021: 187,585,820) fully paid ordinary shares of Rupees 10 each. Equity held 51.07% (2021: 51.07%)	-	1,875,858,200
	Nishat Chunian USA Inc. - unquoted 10 (2021: 10) fully paid shares with no par value per share Equity held 100% (2021: 100%)	10,823,000	10,823,000
	Nishat Chunian Properties (Private) Limited - unquoted (Note 1.5 and Note 17.2) 49,930,500 (2021: Nil) fully paid ordinary shares of Rupees 10 each Equity held 100% (2021: Nil)	499,305,000	-
		510,128,000	1,886,681,200

17.1 The Company has pledged Nil (2021: 187,354,914) ordinary shares to lenders of Nishat Chunian Power Limited for the purpose of securing finance.

17.2 Investment in Nishat Chunian Properties (Private) Limited includes 2 shares held in the name of nominees of the Company.

17.3 T L C Middle East Trading L.L.C is a limited liability company - Single Owner (LLC - SO) formed in pursuance to the Federal Law No. (2) of 2015 concerning commercial companies and registered with the Department of Economic Development, Government of Dubai. Date of incorporation of T L C Middle East Trading L.L.C is 14 October 2021. The principal business of T L C Middle East Trading L.L.C is textile trading, blankets, towels and linen trading. Commercial address of T L C Middle East Trading L.L.C is Office No. M13, Fatima Building, Al Suq Al Kabeer, Dubai, United Arab Emirates. The capital of T L C Middle East Trading L.L.C is AED 300,000 divided into 300 shares, the value of each share is AED 1,000. Nishat (Chunian) Limited shall own 100% shares of T L C Middle East Trading L.L.C. However, Nishat (Chunian) Limited has not yet remitted funds into the bank account of T L C Middle East Trading L.L.C against the shares subscribed and expects to make investment in shares of T L C Middle East Trading L.L.C shortly.

		2022 Rupees	2021 Rupees
18.	**LONG TERM LOANS TO EMPLOYEES**		
	Considered good:		
	Executives (Notes 18.1, 18.2, 18.3 and 18.4)	14,140,267	15,546,659
	Other employees (Note 18.3)	18,731,403	12,681,169
		32,871,670	28,227,828
	Less: Current portion shown under current assets (Note 22)		
	Executives	(6,207,289)	(5,323,385)
	Other employees	(5,047,904)	(4,193,516)
		(11,255,193)	(9,516,901)
		21,616,477	18,710,927

		2022 Rupees	2021 Rupees
18.1	**Reconciliation of carrying amount of loans to executives:**		
	Opening balance	15,546,659	10,260,980
	Add: Disbursements during the year	7,209,227	14,435,000
	Less: Repayments during the year	(8,615,619)	(9,149,321)
	Closing balance	14,140,267	15,546,659

18.2 Maximum aggregate balance due from executives at the end of any month during the year was Rupees 16.756 million (2021: Rupees 18.914 million).

18.3 These represent motor vehicle loans and house building loan to executives (including an executive director) and employees, payable in 24 to 60 and 96 monthly instalments respectively. Interest on long term loans ranged from 4.13% to 15.30% (2021: 4.01% to 9.00%) per annum while some loans are interest free. Motor vehicle loans are secured against registration of cars in the name of the Company, whereas house building loans are secured against balance standing to the credit of employee in the provident fund trust account.

18.4 These include house building loan to Ms. Nadia Bilal - director which was given before her appointment as a director of the Company. Maximum aggregate balance due from Ms. Nadia Bilal - director at the end of any month during the year was Rupees 4.494 million. Outstanding amount of loan as at the date of her appointment as director of the Company was Rupees 4.539 million and she repaid Rupees 0.223 million till 30 June 2022.

18.5 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.

		2022 Rupees	2021 Rupees
19.	**STORES, SPARE PARTS AND LOOSE TOOLS**		
	Stores	1,209,177,893	1,204,384,251
	Spare parts	476,896,532	479,479,803
	Loose tools	51,089,535	45,272,049
		1,737,163,960	1,729,136,103

		2022 Rupees	2021 Rupees
20.	**STOCK-IN-TRADE**		
	Raw materials	13,515,238,038	12,544,593,834
	Work-in-process (Note 20.2)	2,378,018,568	2,081,215,813
	Finished goods (Note 20.3)	4,863,754,054	3,511,748,772
	Waste	420,199,392	76,861,237
		21,177,210,052	18,214,419,656

20.1 Stock-in-trade of Rupees 467.995 million (2021: Rupees 152.551 million) is being carried at net realizable value.

20.2 This includes stock of Rupees 0.371 million (2021: Rupees 170.819 million) sent to outside parties for processing.

20.3 Finished goods include stock in transit of Rupees 515.715 million (2021: Rupees 971.128 million).

		2022 Rupees	2021 Rupees
21.	**TRADE DEBTS**		
	Considered good:		
	Secured:		
	- Others	4,968,216,194	4,669,634,370
	Unsecured:		
	- Related parties (Notes 21.3 and 21.4)	145,448,929	726,913,433
	- Others	2,712,163,527	1,392,652,149
		7,825,828,650	6,789,199,952
	Less: Allowance for expected credit losses (Note 21.7)	(84,822,783)	(6,774,524)
		7,741,005,867	6,782,425,428
21.1	**Types of counterparties**		
	Export		
	Corporate	4,395,470,287	4,192,769,241
	Other	-	478,058,753
		4,395,470,287	4,670,827,994
	Local		
	Corporate	3,351,958,962	2,022,072,618
	Other	78,399,401	96,299,340
		3,430,358,363	2,118,371,958
		7,825,828,650	6,789,199,952

		2022 Rupees	2021 Rupees
21.2	**Foreign jurisdictions of trade debts**		
	Europe	1,043,572,521	1,457,944,821
	Asia, Africa and Australia	3,007,188,524	2,239,801,443
	United States of America and Canada	344,709,242	973,081,730
		4,395,470,287	4,670,827,994
21.3	This represents amounts due from following related parties:		
	Nishat Chunian USA Inc. - subsidiary company	14,335,768	567,472,442
	Nishat Mills Limited - related party	99,203,818	159,440,991
	Sweave Inc. - subsidiary company of Nishat Chunian USA Inc. - subsidiary company	31,909,343	-
		145,448,929	726,913,433

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

Nishat Chunian USA Inc. - subsidiary company	525,871,026	1,087,915,819
Nishat Mills Limited - related party	264,474,479	217,719,719
Sweave Inc. - subsidiary company of Nishat Chunian USA Inc. - subsidiary company	31,909,343	-

21.5 Trade debts due from other than related parties of Rupees 1,606.790 million (2021: Rupees 242.905 million) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default. The age analysis of these trade debts is as follows:

	2022 Rupees	2021 Rupees
Upto 1 month	1,605,244,931	235,439,543
1 to 6 months	593,788	1,793,892
More than 6 months	951,638	5,671,297
	1,606,790,357	242,904,732

21.6 Trade debts due from related parties amounting to Rupees 46.245 million (2021: Rupees 662.903 million) were past due but not impaired. The age analysis of these trade debts is as follows:

	2022 Rupees	2021 Rupees
Upto 1 month	-	183,481,653
1 to 6 months	26,296,523	465,496,882
More than 6 months	19,948,589	13,924,558
	46,245,112	662,903,093

		2022 Rupees	2021 Rupees
21.7	**Allowance for expected credit losses**		
	Opening balance	6,774,524	11,268
	Add: Recognized during the year (Note 32)	78,048,259	6,763,256
	Closing balance	84,822,783	6,774,524

22. LOANS AND ADVANCES

	2022 Rupees	2021 Rupees
Considered good:		
Employees - interest free:		
- Executives	5,860,950	2,017,663
- Other employees	13,052,745	7,547,322
	18,913,695	9,564,985
Current portion of long term loans to employees (Note 18)	11,255,193	9,516,901
Advances to suppliers (Note 22.1)	1,825,984,647	3,113,744,719
Advances to contractors	3,584,677	1,156,837
Letters of credit	9,559,357	136,005,995
	1,869,297,569	3,269,989,437

22.1 These include advances amounting to Rupees 9.235 million (2021: Rupees 3.075 million) to D.G. Khan Cement Company Limited - related party. These are neither past due nor impaired.

22.1.1 The maximum aggregate amount of advances to related party at the end of any month during the year was as follows:

	2022 Rupees	2021 Rupees
D. G. Khan Cement Company Limited	10,726,004	3,074,592

23. OTHER RECEIVABLES

	2022 Rupees	2021 Rupees
Considered good:		
Sales tax recoverable	1,179,950,975	1,103,161,149
Export rebate and claims	31,683,585	45,157,621
Duty drawback receivable	116,304,233	376,202,146
Fair value of forward exchange contracts	-	56,576,881
Derivative financial instruments (Note 23.1)	7,776,329	-
Insurance claim receivable	104,803	7,364,430
Receivable from employees' provident fund trust (Note 23.2)	110,289,698	101,101,822
Miscellaneous (Note 23.3 and Note 23.4)	75,500,340	63,069,740
	1,521,609,963	1,752,633,789

23.1 This represents Pak Rupees denominated interest rate swap the Company entered into with two commercial banks. Under the terms of the Pak Rupees denominated interest rate swap arrangement, the Company pays fixed interest to the arranging banks on the notional Pak Rupees amount for the purposes of the Pak Rupees denominated interest rate swap and receives three months KIBOR floating rate interest from the arranging banks on the Rupee amount. There has been no transfer of liability under the arrangement, only the nature of the interest payment has changed. The Pak Rupees denominated interest rate swap outstanding as at 30 June 2022 has been marked to market and the resulting gain or loss has been recognized in the statement of profit or loss.

23.2 The maximum aggregate amount receivable from employees' provident fund trust at the end of any month during the year was as follows:

	2022 Rupees	2021 Rupees
Nishat (Chunian) Limited - Employees Provident Fund	132,089,734	107,396,402

23.3 These include amounts due from following related parties:

Nishat Chunian Properties (Private) Limited - subsidiary company	288,345	-
T L C Middle East Trading L.L.C - subsidiary company	3,388,145	-

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

	2022 Rupees	2021 Rupees
Nishat Chunian Properties (Private) Limited - subsidiary company	288,345	-
T L C Middle East Trading L.L.C - subsidiary company	3,388,145	-

24. ADVANCE INCOME TAX - NET

Advance income tax	-	953,164,066
Provision for taxation	-	(674,306,049)
	-	278,858,017

25. SHORT TERM INVESTMENTS

Equity instrument (Note 25.1)	21,810,329	-
Debt instruments - term deposit receipts (Note 25.2)	36,772,143	157,494,433
	58,582,472	157,494,433

25.1 Equity instrument

At fair value through profit or loss:

Adamjee Life Assurance Company Limited - quoted		
956,174 (2021: Nil) fully paid ordinary shares of Rupees 10 each	26,772,872	-
Unrealised loss	(4,962,543)	-
	21,810,329	-

25.2 Debt instruments - term deposit receipts

At amortized cost (Note 25.2.1)	36,160,226	156,160,226
Add: Accrued interest	611,917	1,334,207
	36,772,143	157,494,433

25.2.1 These represent deposits under lien with the banks of the Company against bank guarantees of the same amount issued by the bank to Sui Northern Gas Pipelines Limited against gas connections and Director, Excise and Taxation, Karachi against disputed amount of infrastructure cess. Interest on term deposit receipts ranges from 5.75% to 10.30% (2021: 4.78% to 13.00%) per annum. The maturity period of these term deposit receipts is 1 and 12 months (2021: 6 and 12 months)

	2022 Rupees	2021 Rupees

26. CASH AND BANK BALANCES

	2022 Rupees	2021 Rupees
Cash with banks:		
On saving accounts (Note 26.1)		
Including US$ 11,805 (2021: US$ 15,230)	2,441,375	2,499,493
On current accounts		
Including US$ 133,012 (2021: US$ 45,998)	200,823,523	266,506,411
	203,264,898	269,005,904
Cash in hand	5,742,150	3,629,050
	209,007,048	272,634,954

26.1 Rate of profit on saving accounts ranges from 5.50% to 12.25% (2021: 2.75% to 5.50%) per annum.

27. NON-CURRENT ASSET HELD FOR DISTRIBUTION TO OWNERS

	2022 Rupees	2021 Rupees
Investment in subsidiary company		
Nishat Chunian Power Limited - quoted (Note 17.1, Note 1.4 & Note 1.6) 187,585,820 (2021: 187,585,820) fully paid ordinary shares of Rupees 10 each. Equity held 51.07% (2021: 51.07%)	1,875,858,200	-

28. REVENUE

	2022 Rupees	2021 Rupees
Revenue from contracts with customers:		
- Export sales (Note 28.1)	50,105,117,237	26,306,479,135
- Local sales (Note 28.2)	11,581,010,746	22,334,166,990
- Processing income (Note 28.3)	221,842,528	202,587,634
	61,907,970,511	48,843,233,759
Export rebate	80,068,532	66,351,147
Duty drawback	-	374,168,469
	61,988,039,043	49,283,753,375

28.1 These include sales of Rupees 22,214.601 million made to direct exporters against standard purchase orders (SPOs). Further, such sales are net of sales tax amounting to Rupees 3,776.482 million.

28.2 Local sales

	2022 Rupees	2021 Rupees
Sales	13,562,076,587	26,243,643,686
Less: Sales tax	(1,981,065,841)	(3,909,476,696)
	11,581,010,746	22,334,166,990

28.2.1 Local sales includes waste sales of Rupees 1,029.773 million (2021: Rupees 1,399.001 million).

28.3 Processing income is net of sales tax amounting to Rupees 37.713 million (2021: Rupees 34.440 million).

28.4 The amount of Rupees 186.609 million included in contract liabilities (Note 8) at 30 June 2021 has been recognized as revenue during the year ended 30 June 2022 (2021: Rupees 140.649 million).

28.5 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		Processing and Home Textile		Power Generation		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	Rupees									
Region										
Europe	367,588,018	128,982,007	430,421,126	415,157,533	7,799,152,166	6,265,656,877	-	-	8,597,161,311	6,809,796,417
United States of America and Canada	-	9,929,376	383,003,507	275,776,934	4,404,200,811	5,379,363,230	-	-	4,787,204,318	5,665,069,540
Asia, Africa, Australia	10,532,664,146	10,217,428,244	745,275,602	668,580,177	3,228,210,800	2,945,604,757	-	-	14,506,150,548	13,831,613,178
Pakistan	26,327,362,515	17,209,572,300	5,851,691,090	3,132,571,642	1,380,356,291	1,709,392,579	236,201,910	282,630,469	33,795,611,806	22,334,166,990
Processing Income	-	1,000,580	59,279,196	1,231,451	162,563,332	200,355,603	-	-	221,842,528	202,587,634
Rebate	-	-	786,809	404,605	79,281,723	65,946,542	-	-	80,068,532	66,351,147
Duty drawback	-	-	-	-	-	374,168,469	-	-	-	374,168,469
	37,227,614,679	27,566,912,507	7,470,457,330	4,493,722,342	17,053,765,124	16,940,488,057	236,201,910	282,630,469	61,988,039,043	49,283,753,375
Timing of revenue recognition										
Products and services transferred at a point in time	37,227,614,679	27,566,912,507	7,470,457,330	4,493,722,342	17,053,765,124	16,940,488,057	236,201,910	282,630,469	61,988,039,043	49,283,753,375
Products and services transferred over time	-	-	-	-	-	-	-	-	-	-
	37,227,614,679	27,566,912,507	7,470,457,330	4,493,722,342	17,053,765,124	16,940,488,057	236,201,910	282,630,469	61,988,039,043	49,283,753,375
Major products / service lines										
Yarn	36,353,971,392	26,321,048,054	105,634,298	56,378,168	421,317,550	1,129,292,905	-	-	36,880,923,240	27,506,719,127
Comber Noil	873,643,287	1,245,864,453	-	-	-	-	-	-	873,643,287	1,245,864,453
Grey Cloth	-	-	7,305,543,836	4,437,344,174	-	-	-	-	7,305,543,836	4,437,344,174
Process Cloth	-	-	59,279,196	-	3,078,752,243	2,664,975,748	-	-	3,138,031,439	2,664,975,748
Made Ups	-	-	-	-	13,553,695,331	13,146,219,404	-	-	13,553,695,331	13,146,219,404
Electricity	-	-	-	-	-	-	235,571,887	282,630,469	235,571,887	282,630,469
Fly ash	-	-	-	-	-	-	630,023	-	630,023	-
	37,227,614,679	27,566,912,507	7,470,457,330	4,493,722,342	17,053,765,124	16,940,488,057	236,201,910	282,630,469	61,988,039,043	49,283,753,375

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

		2022 Rupees	2021 Rupees
29.	**COST OF SALES**		
	Raw materials consumed (Note 29.1)	38,370,334,008	29,952,711,409
	Packing materials consumed	1,464,264,458	1,488,636,510
	Stores, spare parts and loose tools consumed	1,009,158,733	773,427,430
	Processing charges	259,873,680	183,820,280
	Salaries, wages and other benefits (Note 29.2)	3,307,742,216	2,926,350,242
	Fuel and power	4,567,651,058	3,387,268,587
	Insurance	120,423,261	96,410,295
	Postage and telephone	830,757	798,986
	Travelling and conveyance	8,112,212	5,181,257
	Vehicles' running and maintenance	37,549,053	31,549,842
	Entertainment	16,722,804	13,430,831
	Depreciation on operating fixed assets (Note 14.1.2)	1,183,419,195	1,144,747,414
	Repair and maintenance	551,202,416	456,592,898
	Other factory overheads	108,729,927	118,313,632
		51,006,013,778	40,579,239,613
	Work-in-process		
	Add: Opening stock	2,081,215,813	1,131,081,567
	Less: Closing stock	(2,378,018,568)	(2,081,215,813)
		(296,802,755)	(950,134,246)
	Cost of goods manufactured	50,709,211,023	39,629,105,367
	Add: Finished goods and waste - opening stocks		
	Finished goods	3,511,748,772	4,098,769,328
	Waste	76,861,237	175,341,896
		3,588,610,009	4,274,111,224
		54,297,821,032	43,903,216,591
	Less: Finished goods and waste - closing stocks		
	Finished goods	(4,863,754,054)	(3,511,748,772)
	Waste	(420,199,392)	(76,861,237)
		(5,283,953,446)	(3,588,610,009)
		49,013,867,586	40,314,606,582
29.1	**Raw materials consumed**		
	Opening stock	12,544,593,834	13,912,192,681
	Add: Purchased during the year	39,340,978,212	28,585,112,562
		51,885,572,046	42,497,305,243
	Less: Closing stock	(13,515,238,038)	(12,544,593,834)
		38,370,334,008	29,952,711,409

29.2 Salaries, wages and other benefits include Rupees 34.137 million (2021: Rupees 28.016 million) and Rupees 96.550 million (2021: Rupees 74.613 million) in respect of accumulating compensated absences and provident fund contribution by the Company respectively.

		2022 Rupees	2021 Rupees
30.	**DISTRIBUTION COST**		
	Salaries and other benefits (Note 30.1)	192,694,015	146,527,940
	Ocean freight	514,334,691	246,204,997
	Freight and octroi	163,684,134	141,776,492
	Local marketing expenses	16,055,808	7,860,993
	Forwarding and other expenses	121,454,403	118,683,032
	Export marketing expenses	258,023,142	145,232,053
	Commission to selling agents	352,449,643	275,398,591
	Rent, rates and taxes	14,030,978	10,739,077
	Printing and stationery	168,444	234,930
	Travelling and conveyance	1,097,779	1,654,928
	Postage and telephone	8,324,925	7,697,497
	Legal and professional	2,939,611	2,738,945
	Repair and maintenance	597,286	1,766,550
	Electricity and sui gas	4,666,719	3,214,758
	Entertainment	1,405,091	1,077,372
	Depreciation on right-of-use assets (Note 15)	48,939,254	46,836,916
	Miscellaneous	4,368,604	2,953,465
		1,705,234,527	1,160,598,536

30.1 Salaries and other benefits include Rupees 3.990 million (2021: Rupees 2.554 million) and Rupees 7.173 million (2021: Rupees 6.242 million) in respect of accumulating compensated absences and provident fund contribution by the Company respectively.

		2022 Rupees	2021 Rupees
31.	**ADMINISTRATIVE EXPENSES**		
	Salaries and other benefits - net (Note 31.1)	385,323,039	215,507,925
	Printing and stationery	6,899,267	4,324,540
	Vehicles' running and maintenance - net	2,406,663	1,264,909
	Travelling and conveyance	22,859,490	8,225,912
	Postage and telephone - net	5,401,354	3,877,735
	Fee and subscription	6,410,078	8,203,875
	Legal and professional	28,124,911	17,964,350
	Auditor's remuneration (Note 31.2)	5,271,569	3,583,339
	Electricity and sui gas - net	1,986,442	3,333,634
	Insurance	3,850,983	3,510,852
	Repair and maintenance - net	18,399,807	19,537,422
	Entertainment	8,487,631	4,870,280
	Depreciation on operating fixed assets (Note 14.1.2)	16,025,856	15,190,985
	Amortization on intangible asset (Note 16)	233,626	132,399
	Miscellaneous - net	4,906,493	2,388,624
		516,587,209	311,916,781

31.1 Salaries and other benefits include Rupees 2.299 million (2021: Rupees 0.388 million) and Rupees 5.597 million (2021: Rupees 4.168 million) in respect of accumulating compensated absences and provident fund contribution by the Company respectively.

		2022 Rupees	2021 Rupees
31.2	**Auditor's remuneration**		
	Statutory audit fee	2,662,053	2,420,048
	Special audit fee	1,411,695	-
	Half yearly review	707,850	707,850
	Certification fees	231,335	220,317
	Reimbursable expenses	258,636	235,124
		5,271,569	3,583,339

		2022 Rupees	2021 Rupees
32.	**OTHER EXPENSES**		
	Workers' profit participation fund (Note 8.5)	428,478,680	308,123,188
	Workers' welfare fund (Note 8.6)	602,173	20,588,196
	Donations (Note 32.1)	409,866,955	4,973,517
	Operating fixed assets written off (Note 14.1.1)	15,254,855	-
	Allownace for expected credit losses (Note 21.7)	78,048,259	6,763,256
	Export rebate receivable written off	7,444,410	-
	Unrealised loss on re-measurement of investment at fair value through profit or loss (Note 25.1)	4,962,543	-
		944,657,875	340,448,157

32.1 These include donations amounting to Rupees 5.796 million (2021: Rupees 4.354 million) to Mian Muhammad Yahya Trust, 31-Q, Gulberg II, Lahore in which Mr. Shahzad Saleem, Chief Executive and Mr. Aftab Ahmad Khan, Director are trustees and Rupees 400.000 million to Saleem Memorial Trust hospital, 31-Q, Gulberg II, Lahore in which Mr. Shahzad Saleem, Chief Executive, Mr. Zain Shahzad, Director and Mr. Faisal Farid, Director are members of board of directors.

		2022 Rupees	2021 Rupees
33.	**OTHER INCOME**		
	Income from financial assets		
	Return on bank deposits	4,894	289,678
	Return on term deposit receipts	10,346,642	3,055,997
	Net exchange gain	365,193,856	619,260,238
	Income from loans to subsidiary companies		
	Interest income on short term loans	-	3,059,674
	Income from non-financial assets and others		
	Gain on disposal of operating fixed assets - net (Note 14.1.1)	30,108,638	16,637,434
	Gain on transfer of freehold land (Note 14.1.1)	148,144,290	-
	Scrap sales	171,501,735	121,199,616
	Amortization of deferred income - Government grant (Note 7.2)	93,632,066	48,521,034
	Gain on initial recognition of GIDC payable at amortized cost	-	38,282,637
	Gain on termination of leases	918,309	-
	Miscellaneous	18,040,389	13,708,227
		837,890,819	864,014,535

	2022 Rupees	2021 Rupees

34. FINANCE COST

Mark-up / profit on:

	2022 Rupees	2021 Rupees
- long term loans	707,437,307	404,348,104
- long term musharaka	91,659,632	24,050,548
- short term running finances	426,826,241	333,418,391
- export finances - Preshipment / SBP refinances	239,287,410	386,284,259
- short term finances - others	638,698,721	405,660,334
Interest on derivative financial instruments - net	3,491,809	17,603,451
Adjustment due to impact of IFRS 9 on GIDC (Note 7.1)	12,513,129	25,501,528
Interest expense on lease liabilities (Note 6.1)	11,558,235	12,057,781
Interest on workers' profit participation fund (Note 8.5)	20,851,237	1,109,143
Bank charges and commission	145,404,629	137,001,481
	2,297,728,350	1,747,035,020

35. TAXATION

	2022 Rupees	2021 Rupees
Current	879,652,699	674,306,049

35.1 The Company falls under the ambit of presumptive tax regime under section 169 of the Income Tax Ordinance, 2001. Provision for income tax is made accordingly. Further, provision against income from other sources is made under the relevant provisions of the Income Tax Ordinance, 2001.

35.2 Provision for deferred income tax is not required as the Company is chargeable to tax under section 169 of the Income Tax Ordinance, 2001 and no temporary differences are expected to arise in the foreseeable future.

35.3 Reconciliation between tax expense and accounting profit

	2022 Rupees	2021 Rupees
Accounting profit before taxation	8,347,854,315	6,273,162,834
Applicable tax rate	29%	29%
Tax on accounting profit	2,420,877,751	1,819,217,222
Tax effect of final tax regime income taxed at a lower rate	(17,482,833,466)	(858,994,474)
Tax effect of alternative corporate tax	-	(285,916,699)
Tax effect of expenses and income that are not considered in determining taxable liability	15,705,040,582	-
Tax effect of super tax	236,567,832	-
	879,652,699	674,306,049

36. EARNINGS PER SHARE - BASIC AND DILUTED

	2022 Rupees	2021 Rupees
Profit after taxation attributable to ordinary shareholders (Rupees)	7,468,201,616	5,598,856,785
Weighted average number of ordinary shares outstanding during the year (Number)	240,119,029	240,119,029
Basic earnings per share (Rupees)	31.10	23.32

36.1 There is no dilutive effect on basic earnings per share for the year ended 30 June 2022 and 30 June 2021 respectively as the Company has no potential ordinary shares as on 30 June 2022 and 30 June 2021.

		2022 Rupees	2021 Rupees
37.	**CASH GENERATED FROM OPERATIONS**		
	Profit before taxation	8,347,854,315	6,273,162,834
	Adjustments for non-cash charges and other items:		
	Depreciation on operating fixed assets	1,199,445,051	1,159,938,399
	Amortization on intangible asset	233,626	132,399
	Depreciation on right-of-use assets	48,939,254	46,836,916
	Gain on disposal of operating fixed assets - net	(30,108,638)	(16,637,434)
	Gain on transfer of freehold land	(148,144,290)	-
	Operating fixed assets written off	15,254,855	-
	Finance cost	2,297,728,350	1,747,035,020
	Return on bank deposits	(4,894)	(289,678)
	Return on term deposit receipts	(10,346,642)	(3,055,997)
	Net exchange gain	(365,193,856)	(619,260,238)
	Interest income on short term loan to subsidiary company	-	(3,059,674)
	Amortization of deferred income - Government grant	(93,632,066)	(48,521,034)
	Gain on initial recognition of GIDC payable at amortized cost	-	(38,282,637)
	Allowance for expected credit losses	78,048,259	6,763,256
	Gain on termination of leases	(918,309)	-
	Export rebate receivable written off	7,444,410	-
	Unrealised loss on re-measurement of investment at fair value through profit or loss	4,962,543	-
	Provision for workers' profit participation fund	428,478,680	308,123,188
	Provision for workers' welfare fund	602,173	20,588,196
	Working capital changes (Note 37.1)	(1,644,586,609)	(2,918,312,664)
		10,136,056,212	5,915,160,852
37.1	**Working capital changes**		
	(Increase) / decrease in current assets:		
	Stores, spare parts and loose tools	(8,027,857)	(124,230,125)
	Stock-in-trade	(2,962,790,396)	1,102,965,816
	Trade debts	(671,434,842)	(1,483,298,093)
	Loans and advances	1,402,430,160	(2,157,840,687)
	Short term prepayments	32,198,384	1,395,444
	Other receivables	223,579,416	(74,211,346)
		(1,984,045,135)	(2,735,218,991)
	Increase / (decrease) in trade and other payables	339,458,526	(183,093,673)
		(1,644,586,609)	(2,918,312,664)

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

	2022			
	Liabilities from financing activities			
	Long term financing	Lease liabilities	Short term borrowings	Unclaimed dividend
	Rupees			
Opening balance	8,710,971,819	120,881,507	18,897,913,417	49,918,087
Financing obtained	9,798,969,235	-	-	-
Lease liabilities recognised during the year	-	25,199,677	-	-
Repayment of financing	(2,609,928,271)	-	-	-
Repayment of lease liabilities	-	(45,505,776)	-	-
Short term borrowings - net	-	-	(5,953,903,520)	-
Dividend declared	-	-	-	1,920,952,232
Dividend paid	-	-	-	(1,907,138,228)
Other changes - non-cash movement	(752,672,993)	(9,925,725)	-	-
Closing balance	15,147,339,790	90,649,683	12,944,009,897	63,732,091

	2021			
	Liabilities from financing activities			
	Long term financing	Lease liabilities	Short term borrowings	Unclaimed dividend
	Rupees			
Opening balance	6,489,201,995	100,145,527	22,554,435,284	50,714,364
Financing obtained	4,308,913,981	-	-	-
Lease liabilities recognised during the year	-	61,162,694	-	-
Repayment of financing	(1,907,846,909)	-	-	-
Repayment of lease liabilities	-	(40,426,714)	-	-
Short term borrowings - net	-	-	(3,656,521,867)	-
Dividend declared	-	-	-	240,119,029
Dividend paid	-	-	-	(240,915,306)
Other changes - non-cash movement	(179,297,248)	-	-	-
Closing balance	8,710,971,819	120,881,507	18,897,913,417	49,918,087

38. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

Aggregate amount charged in the financial statements for the year for remuneration including certain benefits to the chief executive, directors and executives of the Company is as follows:

	Chief Executive		Directors		Executives	
	2022	2021	2022	2021	2022	2021
	Rupees					
Managerial remuneration	28,219,536	21,731,872	5,994,200	4,000,000	119,695,799	88,257,419
Contribution to provident fund	-	-	499,317	333,200	9,970,660	7,351,843
House rent	11,287,812	8,692,749	2,397,680	1,600,000	47,878,319	35,302,968
Utilities	2,821,944	2,173,187	599,420	400,000	11,969,580	8,825,742
Others	-	-	4,340,437	300,015	19,189,916	9,768,175
	42,329,292	32,597,808	13,831,054	6,633,215	208,704,274	149,506,147
Number of persons	**1**	**1**	**2**	**1**	**57**	**46**

38.1 The Company provides to chief executive, directors and certain executives with free use of Company maintained cars.

38.2 Aggregate amount charged in these financial statements for meeting fee to seven (2021: seven) directors was Rupees 580,000 (2021: Rupees 460,000).

38.3 No remuneration was paid to non-executive directors of the Company.

39. TRANSACTIONS WITH RELATED PARTIES

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

	2022 Rupees	2021 Rupees
Nishat Chunian Power Limited - subsidiary company		
Common facilities cost charged	19,800,000	19,800,000
Reimbursement of expenses	3,975,000	1,307,000
Interest income on loan	-	3,059,674
Short term loan made	-	4,548,221,699
Repayment / adjustment of short term loan	-	4,548,221,699
Nishat Chunian USA Inc. - wholly owned subsidiary company		
Sale of goods	217,753,739	1,514,518,825
Sweave Inc. - wholly owned subsidiary company of Nishat Chunian USA Inc. - wholly owned subsidiary company		
Sale of goods	22,704,421	-
Nishat Chunian Properties (Private) Limited - wholly owned subsidiary company		
Investment made - ordinary shares issued against cash	100,000	-
Investment made - ordinary shares issued against freehold land (Note 1.5)	499,205,000	-
Payment of expenses on behalf of subsidiary company	288,345	-
T L C Middle East Trading L.L.C - wholly owned subsidiary company		
Payment of expenses on behalf of subsidiary company	3,388,145	-
Saleem Memorial Trust Hospital - associated company		
Donation given	400,000,000	-
Nishat Mills Limited - related party		
Sale of goods	4,102,957,522	2,078,165,714
Purchase of goods	270,317,955	480,701,406
Dividend paid	261,514,704	32,689,338
D.G. Khan Cement Company Limited - related party		
Dividend paid	58,196,816	7,274,602
Purchase of goods	54,136,756	13,132,310
Mian Muhammad Yahya Trust - related party		
Donation given	5,796,955	4,353,517
Directors		
Dividend paid	495,024,460	61,812,470
Adjustment of long term loan to executive director	223,310	-
Interest income on long term loan	90,571	-
Employees' Provident Fund Trust - related party		
Contribution made	109,320,065	85,023,187

39.1 Detail of compensation to key management personnel comprising of chief executive officer, directors and executives is disclosed in (Note 38).

39.2 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		Percentage of shareholding
		2022	2021	
Nishat Chunian Power Limited	Subsidiary company	Yes	Yes	51.07
Nishat Chunian USA Inc.	Wholly owned subsidiary company	Yes	Yes	100
Sweave Inc.	Wholly owned subsidiary of Nishat Chunian USA Inc.	Yes	No	100
Nishat Chunian Properties (Private) Limited	Wholly owned subsidiary company	Yes	No	100
T L C Middle East Trading L.L.C	Wholly owned subsidiary company	Yes	No	100
Nishat Mills Limited	Shareholding	Yes	Yes	None
D.G. Khan Cement Company Limited	Shareholding	Yes	Yes	None
Saleem Memorial Trust Hospital	Common directorship	Yes	No	None
Pakgen Power Limited	Common directorship	No	No	None
Mian Muhammad Yahya Trust	Chief Executive and Director of the Company are trustees	Yes	Yes	None
Nishat Energy Limited	Common directorship	No	No	None
Nishat Papers Products Company Limited	Common directorship	No	No	None
Nishat (Aziz Avenue) Hotels and Properties Limited	Common directorship	No	No	None
Nishat (Raiwind) Hotels and Properties Limited	Common directorship	No	No	None
Nishat Hotels and Properties Limited	Common directorship	No	No	None
Nishat Hospitality (Private) Limited	Common directorship	No	No	None
National Investment Trust Limited	Common directorship	No	No	None
Imperial Textile Mills Limited	Common directorship	No	No	None
Maxim Agri (Private) Limited	Common directorship	No	No	None
Quaid-e-Azam Thermal Power (Private) Limited	Common directorship	No	No	None
Nishat (Chunian) Limited - Employees Provident Fund	Post-employment benefit plan	Yes	Yes	None

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

Name of company	Country of incorporation	Basis of association	Percentage of shareholding
Nishat Chunian USA Inc.	USA	Wholly owned subsidiary company	100
Sweave Inc.	USA	Wholly owned subsidiary of Nishat Chunian USA Inc.	100
T L C Middle East Trading L.L.C	UAE	Wholly owned subsidiary company	100

39.4 As on 30 June 2022, disclosures relating to investment and advance made in foreign companies are as follows:

Name of the company	Jurisdiction	Beneficial owner	Amount of investment			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	Foreign currency					
Long term investments:										
Nishat Chunian USA Inc.	USA	Nishat (Chunian) Limited	2013	10,823,000	USD 110,000	Investment in shares of subsidiary company	None	None	None	Not applicable
Advance:										
T L C Middle East Trading L.L.C	UAE	Nishat (Chunian) Limited	2022	3,388,145	AED 54,188 USD 550	Payment of expenses on behalf of subsidiary company	None	None	None	Not applicable

39.5 As on 30 June 2021, disclosures relating to investment made in foreign company are as follows:

Name of the company	Jurisdiction	Beneficial owner	Amount of investment			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	Foreign currency					
Long term investments:										
Nishat Chunian USA Inc.	USA	Nishat (Chunian) Limited	2013	10,823,000	USD 110,000	Investment in shares of subsidiary company	None	None	None	Not applicable

40. NUMBER OF EMPLOYEES

	2022	2021
Number of employees as on 30 June	7,123	7,384
Average number of employees during the year	7,491	7,425

41. SEGMENT INFORMATION

	Spinning						Weaving				Processing and Home Textile		Power Generation		Elimination of inter-segment transactions		Total - Company	
	Zone - 1 (Unit No.1 and 5)		Zone - 2 (Unit No. 4, 7 and 8)		Zone - 3 (Unit No. 2, 3 and 6)		Unit - 1		Unit - 2									
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	Rupees																	
External:																		
- Export	11,619,512,500	9,124,454,157	8,841,439,803	-	11,398,409,901	1,231,884,925	479,509,556	-	2,334,681,699	1,359,514,642	15,431,563,778	14,590,625,411	-	-	-	-	50,105,117,237	26,306,479,135
- Local	278,403,477	926,437,120	2,917,464,871	7,965,097,319	2,172,384,127	8,318,038,406	3,573,117,673	3,001,969,278	1,023,082,397	130,602,363	1,380,356,291	580,099,102	236,201,910	282,630,470	-	-	11,581,010,746	21,204,874,058
- Export rebate and duty drawback	-	-	-	-	-	-	-	-	786,809	404,605	79,281,723	440,115,011	-	-	-	-	80,068,532	440,519,616
- Others	-	-	-	1,000,580	-	-	59,279,196	1,231,451	-	-	162,563,332	1,329,648,535	-	-	-	-	221,842,528	1,331,880,566
	11,897,915,977	10,050,891,277	11,758,904,674	7,966,097,899	13,570,794,028	9,549,923,331	4,111,906,425	3,003,200,729	3,358,550,905	1,490,521,610	17,053,765,124	16,940,488,059	236,201,910	282,630,470	-	-	61,988,039,043	49,283,753,375
Inter-segment	2,058,198,609	-	1,723,804,165	1,549,259,425	2,192,606,443	3,234,781,734	1,857,726,913	774,169,346	4,976,753,525	6,278,656,921	-	-	4,040,221,137	3,315,638,635	(16,849,310,792)	(15,152,506,061)	-	-
	13,956,114,586	10,050,891,277	13,482,708,839	9,515,357,324	15,763,400,471	12,784,705,065	5,969,633,338	3,777,370,075	8,335,304,430	7,769,178,531	17,053,765,124	16,940,488,059	4,276,423,047	3,598,269,105	(16,849,310,792)	(15,152,506,061)	61,988,039,043	49,283,753,375
Cost of sales	(10,600,210,362)	(8,456,408,886)	(10,682,795,540)	(7,878,732,300)	(11,539,432,285)	(10,757,604,279)	(5,067,008,848)	(3,414,100,321)	(7,859,051,607)	(7,022,016,478)	(15,735,790,243)	(14,820,277,848)	(4,378,889,493)	(3,117,972,531)	16,849,310,792	15,152,506,061	(49,013,867,586)	(40,314,606,582)
Gross profit / (loss)	3,355,904,224	1,594,482,391	2,799,913,299	1,636,625,024	4,223,968,186	2,027,100,786	902,624,490	363,269,754	476,252,823	747,162,053	1,317,974,881	2,120,210,211	(102,466,446)	480,296,574	-	-	12,974,171,457	8,969,146,793
Distribution cost	(332,841,719)	(245,722,270)	(74,419,211)	(56,597,411)	(160,014,215)	(132,587,658)	(82,351,578)	(23,139,567)	(43,451,260)	(47,592,748)	(1,012,156,544)	(654,958,882)	-	-	-	-	(1,705,234,527)	(1,160,598,536)
Administrative expenses	(88,681,906)	(95,118,491)	(75,910,931)	(28,003,041)	(99,035,001)	(43,198,291)	(58,925,943)	(14,304,563)	(31,091,165)	(29,421,184)	(147,386,079)	(86,289,337)	(15,556,184)	(15,581,874)	-	-	(516,587,209)	(311,916,781)
	(421,523,625)	(340,840,761)	(150,330,142)	(84,600,452)	(259,049,216)	(175,785,949)	(141,277,521)	(37,444,130)	(74,542,425)	(77,013,932)	(1,159,542,623)	(741,248,219)	(15,556,184)	(15,581,874)	-	-	(2,221,821,736)	(1,472,515,317)
Profit / (loss) before taxation and unallocated income and expenses	2,934,380,599	1,253,641,630	2,649,583,157	1,552,024,572	3,964,918,970	1,851,314,837	761,346,969	325,825,624	401,710,398	670,148,121	158,432,258	1,378,961,992	(118,022,630)	464,714,700	-	-	10,752,349,721	7,496,631,476
Unallocated income and expenses																		
Other expenses																	(944,657,875)	(340,448,157)
Other income																	837,890,819	864,014,535
Finance cost																	(2,297,728,350)	(1,747,035,020)
Taxation																	(879,652,699)	(674,306,049)
Profit after taxation																	7,468,201,616	5,598,856,785

41.1 Reconciliation of reportable segment assets and liabilities

	Spinning						Weaving				Processing and Home Textile		Power Generation		Total - Company	
	Zone - 1 (Unit No.1 and 5)		Zone - 2 (Unit No. 4, 7 and 8)		Zone - 3 (Unit No. 2, 3 and 6)		Unit - 1		Unit - 2							
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	Rupees															
Total assets for reportable segments	7,149,327,201	6,025,496,706	8,738,066,579	7,364,495,974	10,591,595,853	8,926,661,787	2,860,420,674	1,578,966,146	3,915,200,797	3,247,568,982	12,628,077,720	13,284,322,949	5,210,054,429	6,024,717,320	51,092,743,253	46,452,229,864
Unallocated assets:																
Long term investments															510,128,000	1,886,681,200
Non-current asset held for distribution to owners															1,875,858,200	-
Other receivables															1,521,609,963	1,752,633,789
Short term investments															58,582,472	157,494,433
Cash and bank balances															209,007,048	272,634,954
Other corporate assets															4,167,705,164	1,248,367,822
Total assets as per statement of financial position															59,435,634,100	51,770,042,062
Total liabilities for reportable segments	410,510,123	398,760,746	501,734,595	487,374,245	608,163,145	590,756,661	140,272,079	151,764,603	191,997,409	312,144,765	733,038,212	1,676,565,626	542,097,487	354,999,506	3,127,813,050	3,972,366,152
Unallocated liabilities:																
Long term financing															15,147,339,790	8,710,971,819
Accrued mark-up															512,941,848	271,720,913
Short term borrowings															12,944,009,897	18,897,913,417
Other corporate liabilities															3,160,144,100	920,933,730
Total liabilities as per statement of financial position															34,892,248,685	32,773,906,031

41.2 Geographical information

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

	2022 Rupees	2021 Rupees
Europe	8,597,161,311	6,809,796,417
United States of America, Canada and South America	4,787,204,318	5,665,069,540
Asia, Africa and Australia	14,506,150,548	13,831,613,178
Duty drawback and rebate	80,068,532	440,519,616
Pakistan	34,017,454,334	22,536,754,624
	61,988,039,043	49,283,753,375

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

41.4 Revenue from major customers

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

41.5 Based on the judgment made by the management printing, dyeing and home textile operating segments of the Company have been aggregated into a single operating segment namely 'Processing and Home Textile' as these segments have similar economic characteristics in respect of nature of the products, nature of production process, type of customers, method of distribution and nature of regulatory environment.

	2022	2021

42. PLANT CAPACITY AND ACTUAL PRODUCTION

Spinning		
Number of spindles installed	219,528	223,668
Number of spindles worked	206,221	211,567
Capacity after conversion into 20/1 count (Kgs.)	80,008,821	80,813,152
Actual production of yarn after conversion into 20/1 count (Kgs.)	78,893,713	79,449,352

Under utilization of available capacity was due to normal maintenance and time lost in shifting of coarser counts to finer counts and vice versa.

Weaving		
Number of looms installed	379	379
Number of looms worked	379	379
Capacity after conversion into 50 picks - square yards	345,597,351	345,597,351
Actual production after conversion into 50 picks - square yards	256,118,920	300,663,935

Under utilization of available capacity was due to the following reasons:
- change of articles required
- higher count and cover factor
- normal maintenance

Power plant		
Number of engines installed	19	17
Number of engines worked	19	17
Generation capacity (KWh)	334,953,000	343,830,000
Actual generation (KWh)	81,686,559	31,528,200

Under utilization of available capacity was due to normal maintenance and demand.

Process steam and coal fired power generation plant (46 MW)		
Installed	1	1
Worked	1	1
Number of shifts per day	3	3
Generation capacity (KWh)	404,064,000	404,064,000
Actual generation (KWh)	191,204,000	291,872,000

Dyeing		
Number of thermosol dyeing machines	1	1
Number of stenters machines	5	4
Capacity in meters	54,600,000	36,500,000
Actual processing of fabrics - meters	48,532,979	36,256,326

Under utilization of available capacity was due to normal maintenance and demand.

Printing		
Number of printing machines	1	1
Capacity in meters	10,800,000	10,800,000
Actual processing of fabrics - meters	7,991,733	9,711,359

Under utilization of available capacity was due to normal maintenance and demand.

Digital printing		
Number of printing machines	5	5
Capacity in meters	9,125,000	9,125,000
Actual processing of fabrics - meters	2,454,445	3,698,556

Stitching

The plant capacity of this division is indeterminable due to multi product plant involving varying run length of order lots.

43. FINANCIAL RISK MANAGEMENT

43.1 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), Euro, British Pound Sterling (GBP) and Swiss Franc (CHF). Currently, the Company's foreign exchange risk exposure is restricted to bank balances, and the amounts receivable / payable from / to the foreign entities. The Company uses forward exchange contracts to hedge its foreign currency risk, when considered appropriate. The Company's exposure to currency risk was as follows:

	2022	2021
Cash at banks - USD	144,817	61,228
Trade debts - USD	23,197,639	28,316,239
Trade debts - EURO	1,242,206	1,895,597
Trade debts - GBP	92,136	1,188,591
Trade and other payables - USD	(655,813)	(733,711)
Trade and other payables - EURO	(14,625)	(31,727)
Trade and other payables - CHF	(370)	-
Short term borrowings - USD	-	(9,766,626)
Accrued mark-up - USD	-	(29,556)
Net exposure - USD	22,686,643	17,847,574
Net exposure - EURO	1,227,581	1,863,870
Net exposure - GBP	92,136	1,188,591
Net exposure - CHF	(370)	-

The following significant exchange rates were applied during the year:

	2022	2021
Rupees per US Dollar		
Average rate	179.29	159.81
Reporting date rate	202.50	157.80
Rupees per EURO		
Average rate	199.13	191.29
Reporting date rate	212.00	188.12
Rupees per GBP		
Average rate	235.07	216.28
Reporting date rate	246.00	218.58
Rupees per CHF		
Average rate	190.59	174.46
Reporting date rate	210.24	168.81

Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD, Euro, GBP and CHF with all other variables held constant, the impact on profit after taxation for the year would have been Rupees 229.213 million (2021: Rupees 161.059 million) respectively 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 instrument traded in the market. The Company is not exposed to commodity price risks.

Sensitivity analysis

The table below summarizes the impact of increase / decrease in the Pakistan Stock Exchange (PSX) Index on the Company's profit after taxation 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 Company's equity instruments moved according to the historical correlation with the index:

Index	Impact on profit after taxation	
	2022 Rupees	2021 Rupees
PSX Index (5% increase)	1,090,516	-
PSX Index (5% decrease)	(1,090,516)	-

(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 mainly from long term financing, short term borrowings and investments at amortized cost. Borrowings obtained at variable rates expose the Company to cash flow interest rate risk. Borrowings obtained 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:

	2022 Rupees	2021 Rupees
Fixed rate instruments		
Financial liabilities		
Long term financing	6,574,535,578	5,385,852,486
Short term borrowings	3,874,638,840	9,211,091,253
	10,449,174,418	14,596,943,739
Financial assets		
Long term loans to employees	28,520,724	23,335,096
Short term investments	36,160,226	156,160,226
	64,680,950	179,495,322
Net exposure	(10,384,493,468)	(14,417,448,417)
Floating rate instruments		
Financial assets		
Long term loans to employees	4,350,946	4,892,732
Bank balances - saving accounts	2,441,375	2,499,493
	6,792,321	7,392,225
Financial liabilities		
Long term financing	8,572,804,212	3,325,119,333
Short term borrowings	9,069,371,057	9,686,822,164
	17,642,175,269	13,011,941,497
Net exposure	(17,635,382,948)	(13,004,549,272)

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 after taxation for the year would have been Rupees 167.646 million (2021: Rupees 85.869 million) lower / higher, mainly as a result of higher / lower interest expense on floating rate borrowings. This analysis is prepared assuming the amounts of assets and liabilities 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:

	2022 Rupees	2021 Rupees
Long term security deposits	30,734,231	30,467,609
Trade debts	7,741,005,867	6,782,425,428
Loans and advances (including long term loans to employees)	51,785,365	37,792,813
Other receivables	83,381,472	127,011,051
Short term investments	58,582,472	157,494,433
Bank balances	203,264,898	269,005,904
	8,168,754,305	7,404,197,238

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			2022	2021
	Short Term	Long term	Agency	Rupees	Rupees
Banks					
Al Baraka Bank (Pakistan) Limited	A-1	A+	VIS	1,659,254	1,700,637
Allied Bank Limited	A1+	AAA	PACRA	38,882	-
Bank Alfalah Limited	A1+	AA+	PACRA	4,876,451	1,864,919
Bank Al-Habib Limited	A1+	AAA	PACRA	66,283	1,539,169
Dubai Islamic Bank (Pakistan) Limited	A-1+	AA	VIS	1,099,378	1,209,643
Faysal Bank Limited	A1+	AA	PACRA	104,292	18,279
Habib Bank Limited	A-1+	AAA	VIS	19,333,268	8,903,614
Industrial and Commercial Bank of China Limited	P-1	A1	Moody's	99,278	331,804
JS Bank Limited	A1+	AA-	PACRA	625,320	511,336
MCB Bank Limited	A1+	AAA	PACRA	155,301,572	47,806,453
Meezan Bank Limited	A-1+	AAA	VIS	12,014,123	200,741,507
National Bank of Pakistan	A+	AAA	PACRA	2,611,126	402,530
Samba Bank Limited	A-1	AA	VIS	-	112,820
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	297,930	232,724
The Bank of Punjab	A1+	AA+	PACRA	816,222	892,221
United Bank Limited	A-1+	AAA	VIS	3,563,759	2,738,248
BankIslami Pakistan Limited	A1	A+	PACRA	757,760	-
				203,264,898	269,005,904
Investments					
BankIslami Pakistan Limited	A1	A+	PACRA	21,046,544	21,351,808
Dubai Islamic Bank (Pakistan) Limited	A-1+	AA	VIS	15,725,599	15,971,666
The Bank of Punjab	A1+	AA+	PACRA	-	120,170,959
Adamjee Life Assurance Company Limited	A++	A++	PACRA	21,810,329	-
				261,847,370	426,500,337

Due to the Company'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 counter parties 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 2022 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 2022 and 30 June 2021 was determined as follows:

At 30 June 2022

	Local sales			Export sales		
	Expected loss rate	Trade debts	Loss allowance	Expected loss rate	Trade debts	Loss allowance
	%	(Rupees)		%	(Rupees)	
Not past due	0.00%	633,713,112	-	0.00%	570,863,875	-
Up to 30 days	5.78%	1,106,824,526	63,965,619	0.17%	498,420,405	856,517
31 to 60 days	6.40%	150,895	9,657	0.24%	-	-
61 to 90 days	33.19%	-	-	13.47%	-	-
91 to 180 days	59.40%	442,893	263,060	35.12%	26,296,523	9,234,390
181 to 360 days	65.85%	284,664	187,444	48.32%	19,948,589	9,639,122
Above 360 days	100.00%	666,974	666,974	100.00%	-	-
		1,742,083,064	65,092,754		1,115,529,392	19,730,029
Trade debts which are not subject to risk of default		1,688,275,299	-		3,279,940,895	
Total		3,430,358,363	65,092,754		4,395,470,287	19,730,029

At 30 June 2021

	Local sales			Export sales		
	Expected loss rate	Trade debts	Loss allowance	Expected loss rate	Trade debts	Loss allowance
	%	(Rupees)		%	(Rupees)	
Not past due	0.00%	1,880,463,384	-	0.00%	4,665,831,836	-
Up to 30 days	0.32%	235,439,543	761,727	0.00%	-	-
31 to 60 days	0.41%	26,360	109	0.00%	-	-
61 to 90 days	15.22%	101,869	15,504	0.00%	-	-
91 to 180 days	37.50%	1,665,663	624,699	0.00%	-	-
181 to 360 days	45.33%	546,544	247,732	0.00%	-	-
Above 360 days	100.00%	128,595	128,595	100.00%	4,996,158	4,996,158
		2,118,371,958	1,778,366		4,670,827,994	4,996,158
Trade debts which are not subject to risk of default		-	-		-	-
Total		2,118,371,958	1,778,366		4,670,827,994	4,996,158

(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 2022, the Company had Rupees 26,057 million (2021: Rupees 22,888 million) available borrowing limits from financial institutions and Rupees 209.007 million (2021: Rupees 272.635 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 2022:

	Carrying Amount	Contractual cash flows	6 months or less	6-12 months	1-2 Year	More than 2 Years
	Rupees					
Non-derivative financial liabilities:						
Long term financing	15,147,339,790	22,107,858,668	1,426,624,416	1,102,355,979	2,978,470,189	16,600,408,084
Lease liabilities	90,649,683	110,115,330	25,456,747	18,022,544	35,564,384	31,071,655
Trade and other payables	2,995,175,273	2,995,175,273	2,995,175,273	-	-	-
Accrued mark-up / profit	512,941,848	512,941,848	512,941,848	-	-	-
Short term borrowings	12,944,009,897	13,099,198,492	13,099,198,492	-	-	-
Unclaimed dividend	63,732,091	63,732,091	63,732,091	-	-	-
Derivative financial liabilities	154,046,505	154,046,505	154,046,505	-	-	-
	31,907,895,087	39,043,068,207	18,277,175,372	1,120,378,523	3,014,034,573	16,631,479,739

Contractual maturities of financial liabilities as at 30 June 2021:

	Carrying Amount	Contractual cash flows	6 months or less	6-12 months	1-2 Year	More than 2 Years
	Rupees					
Non-derivative financial liabilities:						
Long term financing	8,710,971,819	9,909,177,133	1,349,118,967	1,201,219,646	2,279,668,685	5,079,169,835
Lease liabilities	120,881,507	140,205,607	28,070,945	28,174,408	38,665,927	45,294,327
Trade and other payables	3,062,990,110	3,062,990,110	3,062,990,110	-	-	-
Accrued mark-up / profit	271,720,913	271,720,913	271,720,913	-	-	-
Short term borrowings	18,897,913,417	19,261,698,250	18,900,855,415	360,842,835	-	-
Unclaimed dividend	49,918,087	49,918,087	49,918,087	-	-	-
Derivative financial liabilities	3,884,821	3,884,821	3,884,821	-	-	-
	31,118,280,674	32,699,594,921	23,666,559,258	1,590,236,889	2,318,334,612	5,124,464,162

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 reporting date. The rates of interest / mark up have been disclosed in note 5, note 6 and note 10 to these financial statements.

43.2 Financial instruments by categories

Assets as per statement of financial position

	2022		2021	
	At amortized cost	At FVTPL	At amortized cost	At FVTPL
	Rupees	Rupees	Rupees	Rupees
Long term security deposits	30,734,231	-	30,467,609	-
Trade debts	7,741,005,867	-	6,782,425,428	-
Loans and advances (including long term loans to employees)	51,785,365	-	37,792,813	-
Other receivables	75,605,143	7,776,329	70,434,170	56,576,881
Short term investments	36,772,143	21,810,329	157,494,433	-
Cash and bank balances	209,007,048	-	272,634,954	-
	8,144,909,797	29,586,658	7,351,249,407	56,576,881

Liabilities as per statement of financial position

	2022		2021	
	At amortized cost	At FVTPL	At amortized cost	At FVTPL
	Rupees	Rupees	Rupees	Rupees
Long term financing	15,147,339,790	-	8,710,971,819	-
Lease liabilities	90,649,683	-	120,881,507	-
Trade and other payables	2,995,175,273	154,046,505	3,062,990,110	3,884,821
Accrued mark-up / profit	512,941,848	-	271,720,913	-
Short term borrowings	12,944,009,897	-	18,897,913,417	-
Unclaimed dividend	63,732,091	-	49,918,087	-
	31,753,848,582	154,046,505	31,114,395,853	3,884,821

43.3 Reconciliation to the line items presented in the statement of financial position is as follows:

	2022		
	Financial assets	Non-financial assets	Assets as per statement of financial position
	Rupees	Rupees	Rupees
Assets			
Long term security deposits	30,734,231	-	30,734,231
Trade debts	7,741,005,867	-	7,741,005,867
Loans and advances (including long term loans to employees)	51,785,365	1,839,128,681	1,890,914,046
Other receivables	83,381,472	1,438,228,491	1,521,609,963
Short term investments	58,582,472	-	58,582,472
Cash and bank balances	209,007,048	-	209,007,048
	8,174,496,455	3,277,357,172	11,451,853,627

	2022		
	Financial liabilities	Non-financial liabilities	Liabilities as per statement of financial position
	Rupees	Rupees	Rupees
Liabilities			
Long term financing	15,147,339,790	-	15,147,339,790
Lease liabilities	90,649,683	-	90,649,683
Trade and other payables	3,149,221,778	1,404,750,425	4,553,972,203
Accrued mark-up	512,941,848	-	512,941,848
Short term borrowings	12,944,009,897	-	12,944,009,897
Unclaimed dividend	63,732,091	-	63,732,091
	31,907,895,087	1,404,750,425	33,312,645,512

	2021		
	Financial assets	Non-financial assets	Assets as per statement of financial position
	Rupees	Rupees	Rupees
Assets			
Long term security deposits	30,467,609	-	30,467,609
Trade debts	6,782,425,428	-	6,782,425,428
Loans and advances (including long term loans to employees)	37,792,813	3,250,907,551	3,288,700,364
Other receivables	127,011,051	1,625,622,738	1,752,633,789
Short term investments	157,494,433	-	157,494,433
Cash and bank balances	272,634,954	-	272,634,954
	7,407,826,288	4,876,530,289	12,284,356,577

	2021		
	Financial liabilities	Non-financial liabilities	Liabilities as per statement of financial position
	Rupees	Rupees	Rupees
Liabilities			
Long term financing	8,710,971,819	-	8,710,971,819
Lease liabilities	120,881,507	-	120,881,507
Trade and other payables	3,066,874,931	1,026,681,084	4,093,556,015
Accrued mark-up	271,720,913	-	271,720,913
Short term borrowings	18,897,913,417	-	18,897,913,417
Unclaimed dividend	49,918,087	-	49,918,087
	31,118,280,674	1,026,681,084	32,144,961,758

43.4 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.

44. 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 5 and note 10 respectively. Total capital employed includes 'total equity' as shown in the statement of financial position plus 'borrowings'. The Company's strategy was to maintain a gearing ratio of 65% debt and 35% equity (2021: 65% debt and 35% equity).

		2022	2021
Borrowings	Rupees	29,069,942,566	27,799,470,431
Total equity	Rupees	24,543,385,415	18,996,136,031
Total capital employed	Rupees	53,613,327,981	46,795,606,462
Gearing ratio	Percentage	54.22	59.41

45. 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 recognised 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.

Recurring fair value measurements At 30 June 2022	Level 1	Level 2	Level 3	Total
	Rupees			
Financial assets				
Investment in quoted shares - FVTPL	21,810,329	-	-	21,810,329
Derivative financial assets	-	7,776,329	-	7,776,329
Total financial assets	21,810,329	7,776,329	-	29,586,658

Recurring fair value measurements At 30 June 2022	Level 1	Level 2	Level 3	Total
	----------	Rupees	----------	
Financial liabilities				
Derivative financial liabilities	-	154,046,505	-	154,046,505
Total financial liabilities	-	154,046,505	-	154,046,505

Recurring fair value measurements At 30 June 2021	Level 1	Level 2	Level 3	Total
	----------	Rupees	----------	
Financial assets				
Derivative financial liabilities	-	56,576,881	-	56,576,881
Total financial assets	-	56,576,881	-	56,576,881
Financial liabilities				
Derivative financial liabilities	-	3,884,821	-	3,884,821
Total financial liabilities	-	3,884,821	-	3,884,821

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 in and 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 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.

46. UNUTILIZED CREDIT FACILITIES

	Non-funded		Funded	
	2022	2021	2022	2021
	----------	---------- Rupees	----------	----------
Total facilities	15,306,000,000	18,060,000,000	55,127,000,000	50,687,000,000
Utilized at the end of the year	3,010,007,923	6,268,537,030	29,069,942,566	27,799,470,431
Unutilized at the end of the year	12,295,992,077	11,791,462,970	26,057,057,434	22,887,529,569

47. EVENTS AFTER THE REPORTING PERIOD

The Board of Directors of the Company at their meeting held on September 29, 2022 has proposed cash dividend of Rupees 4 per ordinary share (2021: Rupee 5 per ordinary share) in respect of the year ended 30 June 2022. However, this event has been considered as non-adjusting events under IAS 10 'Events after the Reporting Period' and has not been recognized in these financial statements.

48. PROVIDENT FUND

As at the reporting date, Nishat (Chunian) Limited - Employees Provident Fund 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.

49. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on September 29, 2022 by the Board of Directors of the Company.

50. CORRESPONDING FIGURES

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

51. GENERAL

Figures have been rounded off to nearest of Rupee.

CHIEF EXECUTIVE	DIRECTOR	CHIEF FINANCIAL OFFICER

PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2022

Number of Shareholders	Shareholding		Total Number of Shares Held	Percentage of Total Capital
	From	To		
2560	1	100	57,308	0.02
1256	101	500	387,279	0.16
852	501	1000	699,992	0.29
1400	1001	5000	3,885,271	1.62
402	5001	10000	3,206,394	1.34
131	10001	15000	1,675,396	0.70
82	15001	20000	1,496,229	0.62
70	20001	25000	1,637,586	0.68
50	25001	30000	1,413,383	0.59
28	30001	35000	928,051	0.39
28	35001	40000	1,067,088	0.44
13	40001	45000	566,890	0.24
29	45001	50000	1,429,015	0.60
13	50001	55000	688,545	0.29
18	55001	60000	1,067,313	0.44
8	60001	65000	504,120	0.21
14	65001	70000	955,906	0.40
16	70001	75000	1,186,506	0.49
8	75001	80000	624,382	0.26
3	80001	85000	249,226	0.10
4	85001	90000	352,242	0.15
6	90001	95000	560,385	0.23
18	95001	100000	1,788,488	0.74
5	100001	105000	511,720	0.21
3	105001	110000	328,500	0.14
2	110001	115000	225,448	0.09
2	115001	120000	237,500	0.10
6	120001	125000	750,000	0.31
2	125001	130000	260,000	0.11
3	130001	135000	397,081	0.17
3	135001	140000	420,000	0.17
2	140001	145000	282,900	0.12
4	145001	150000	595,000	0.25
1	150001	155000	152,500	0.06
1	155001	160000	156,500	0.07
2	165001	170000	337,002	0.14
2	170001	175000	350,000	0.15
1	175001	180000	178,000	0.07
3	180001	185000	552,645	0.23

Number of Shareholders	Shareholding		Total Number of Shares Held	Percentage of Total Capital
	From	To		
2	185001	190000	375,545	0.16
5	195001	200000	1,000,000	0.42
5	200001	205000	1,010,094	0.42
1	205001	210000	206,400	0.09
1	210001	215000	214,000	0.09
3	215001	220000	656,112	0.27
2	220001	225000	445,500	0.19
2	225001	230000	456,000	0.19
1	230001	235000	233,500	0.10
1	240001	245000	241,399	0.10
3	245001	250000	750,000	0.31
4	260001	265000	1,055,630	0.44
1	265001	270000	270,000	0.11
1	270001	275000	275,000	0.11
3	280001	285000	843,610	0.35
1	290001	295000	292,500	0.12
4	295001	300000	1,197,000	0.50
1	305001	310000	306,000	0.13
1	310001	315000	310,500	0.13
1	320001	325000	325,000	0.14
1	340001	345000	342,500	0.14
1	350001	355000	355,000	0.15
1	365001	370000	368,271	0.15
1	385001	390000	390,000	0.16
2	395001	400000	800,000	0.33
1	415001	420000	416,268	0.17
2	420001	425000	846,455	0.35
2	425001	430000	855,457	0.36
2	445001	450000	900,000	0.37
1	465001	470000	468,500	0.20
4	495001	500000	2,000,000	0.83
1	515001	520000	519,872	0.22
1	565001	570000	570,000	0.24
1	595001	600000	600,000	0.25
1	610001	615000	613,000	0.26
1	625001	630000	629,406	0.26
1	640001	645000	640,603	0.27
1	680001	685000	682,500	0.28
1	690001	695000	690,716	0.29
1	720001	725000	720,549	0.30
1	745001	750000	749,953	0.31
1	770001	775000	774,345	0.32
1	790001	795000	791,590	0.33

Number of Shareholders	Shareholding		Total Number of Shares Held	Percentage of Total Capital
	From	To		
1	820001	825000	821,500	0.34
1	895001	900000	900,000	0.37
1	910001	915000	915,000	0.38
1	960001	965000	962,000	0.40
1	985001	990000	985,450	0.41
1	995001	1000000	1,000,000	0.42
1	1000001	1005000	1,005,000	0.42
1	1210001	1215000	1,210,400	0.50
1	1345001	1350000	1,350,000	0.56
1	1435001	1440000	1,438,000	0.60
1	1440001	1445000	1,441,244	0.60
1	1535001	1540000	1,536,758	0.64
2	1625001	1630000	3,257,603	1.36
1	1645001	1650000	1,650,000	0.69
1	1835001	1840000	1,840,000	0.77
1	1840001	1845000	1,845,000	0.77
1	1895001	1900000	1,900,000	0.79
1	1945001	1950000	1,950,000	0.81
1	2445001	2450000	2,446,275	1.02
1	2455001	2460000	2,458,014	1.02
1	3225001	3230000	3,229,633	1.35
1	3420001	3425000	3,421,974	1.43
1	4215001	4220000	4,215,016	1.76
1	4450001	4455000	4,454,368	1.86
1	4495001	4500000	4,500,000	1.87
1	4895001	4900000	4,895,713	2.04
1	5135001	5140000	5,139,064	2.14
1	5470001	5475000	5,473,058	2.28
1	5640001	5645000	5,644,999	2.35
1	5805001	5810000	5,807,791	2.42
1	8180001	8185000	8,180,719	3.41
1	8340001	8345000	8,343,914	3.47
1	11820001	11825000	11,822,562	4.92
1	20865001	20870000	20,866,776	8.69
1	54860001	54865000	54,860,632	22.85
7,160	**<------Total------>**		**240,119,029**	**100.00**

CATEGORIES OF SHAREHOLDERS

AS AT JUNE 30, 2022

NISHAT (CHUNIAN) LIMITED
CATEGORIES OF SHAREHOLDERS
AS ON JUNE 30, 2022

	CATEGORIES OF SHAREHOLDERS	NO. OF SHAREHOLDERS	TOTAL SHARES HELD	PERCENTAGE
A)	Directors/Chief Executive Officer and their spouse and minor Children			
	Mr. Shahzad Saleem	1	54,860,632	22.85
	Mrs. Farhat Saleem	3	5,915,838	2.46
	Mr. Zain Shahzad	1	1,210,400	0.50
	Mr. Farrukh Ifzal	1	500	0.00
	Spouse:			
	Mrs. Ayesha Shahzad w/o Mr. Shahzad Saleem	2	238,448	0.10
	TOTAL: -	8	62,225,818	25.91
B)	Executives			
	N/A	-	-	0.00
C)	Associated Companies, Undertakings and related parties	4	39,963,940	16.64
D)	Public Sectors Companies & Corporations		-	-
E)	NIT and IDBP (ICP UNIT)	4	4,459,970	1.86
F)	Banks, Development Financial Institutions & Non-Banking Financial Institutions	25	17,979,196	7.49
G)	Insurance Companies	8	6,418,609	2.67
H)	Modarabas & Mutual Funds	28	15,511,271	6.46
I)	*Shareholding 5% or more	2	87,549,970	36.46
J)	Joint Stock Companies	105	11,202,039	4.67
K)	Others	68	4,823,142	2.01
L)	General Public	6,910	77,535,044	32.29
	TOTAL: -	7,160	240,119,029	100.00

* Shareholders having 5% or above shares exist in other categories therefore not included in total.

Shareholding Detail of 5% or more

Name of Shareholder	Shares held	%
MR. SHAHZAD SALEEM	54,860,632	22.85
NISHAT MILLS LIMITED	32,689,338	13.61
TOTAL :-	**87,549,970**	**36.46**

NISHAT (CHUNIAN) LIMITED
AND ITS SUBSIDIARY COMPANIES

CONSOLIDATED FINANCIAL STATEMENTS WITH ACCOMPANYING INFORMATION

30 June 2022

INDEPENDENT AUDITOR'S REPORT

To the members of Nishat (Chunian) Limited

Qualified Opinion

We have audited the annexed consolidated financial statements of Nishat (Chunian) Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 30 June 2022, 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, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2022, 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 Qualified Opinion

The financial statements of Nishat Chunian USA Inc. - Subsidiary Company and Sweave Inc. - Sub-Subsidiary Company for the year ended 30 June 2022 were un-audited. Hence, total assets of Rupees 71,517,360 as at 30 June 2022 and total turnover and net profit of Rupees 862,229,356 and Rupees 12,984,677 respectively for the year ended 30 June 2022 pertaining to the aforesaid Companies have been incorporated in these consolidated financial statements by the management using un-audited financial statements. Reference to Note 1.1(a)(iv), in these consolidated financial statements, Nishat Chunian Power Limited - Subsidiary Company has not been classified as a disposal group held for distribution to owners and discontinued operation as per International Financial Reporting Standard 5 "Non-current Assets Held for Sale and Discontinued Operations" as it has no financial impact on total equity and profit after taxation.

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 qualified opinion.

Emphasis of Matter

We draw attention to note 14.1.36 to the accompanying consolidated financial statements which describes that the matter will be resolved through arbitration under the 'Arbitration Submission Agreement' between Nishat Chunian Power Limited - Subsidiary company and Government of Pakistan (GoP). Our opinion is not modified in respect of this matter.

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. In addition to the matter described in the Basis for Qualified Opinion section we have determined the matters described below to be the key audit matters to be communicated in our report.

Following are the Key audit matters:

Sr. No.	Key audit matters	How the matters were addressed in our audit
1.	**Inventory existence and valuation** Inventory of the textile business of the Group represented a material position in the consolidated statement of financial position. Inventory is measured at the lower of cost and net realizable value. We identified existence and valuation of inventory as a key audit matter due to its size and the judgment involved in valuation. For further information on inventory, refer to the following: - Summary of significant accounting policies, Inventories note 2.15 to the consolidated financial statements. - Stores, spare parts and loose tools note 19 and stock-in-trade note 20 to the consolidated financial statements.	Our procedures over existence and valuation of inventory included, but were not limited to: • 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. • For a sample of inventory items, re-performed the weighted average cost calculation and compared the weighted average cost appearing on valuation sheets. • 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. • 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. • 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. • We also made inquires 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.
2.	**Revenue recognition** 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. For further information, refer to the following:	Our procedures included, but were not limited to: • 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.

Sr. No.	Key audit matters	How the matters were addressed in our audit
	- Summary of significant accounting policies, Revenue recognition note 2.21 to the consolidated financial statements. - Revenue note 28 to the consolidated financial statements.	• We compared a sample of revenue transactions recorded during the year with sales orders, sales invoices, delivery documents and other relevant underlying documents. • 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. • We assessed whether the accounting policies for revenue recognition complies with the requirements of IFRS 15 'Revenue from Contracts with Customers'. • We also considered the appropriateness of disclosures in the consolidated financial statements.
3.	**Contingencies** As disclosed in Note 14 to the accompanying consolidated financial statements, the Group has contingent liabilities in respect of various matters, which are pending adjudication before respective authorities and courts of law. 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 the Group for disclosure and recognition and measurement of any provisions that may be required against such contingencies in accordance with applicable financial reporting standards. 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. For further information on contingencies, refer to the following:	Our audit procedures among others included obtaining an understanding of the process and controls on this area relevant to our audit. Further, we have: • Obtained and reviewed detail of the pending matters and discussed the same with the Group's management. • Reviewed the correspondence of the Group 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. • Obtained and reviewed confirmations from the Group's external tax and legal advisors for their views on the probable outcome of the open tax assessments and other contingencies. • Involved internal tax professionals to assess reasonability of management's conclusions on such pending matters.

Sr. No.	Key audit matters	How the matters were addressed in our audit
	- Summary of significant accounting policies, Contingent liabilities note 2.34 and note 2.1(c) to the consolidated financial statements. - Contingencies note 14 to the consolidated financial statements.	• 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.
4.	**Capital expenditures** 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. 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. For further information, refer to the following: - Summary of significant accounting policies, Fixed assets - property, plant, equipment and deprecation note 2.5 to the consolidated financial statements. - Fixed assets note 15 to the consolidated financial statements.	Our procedures included, but were not limited to: • 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. • We evaluated the appropriateness of capitalization policies and depreciation rates. • We performed tests of details on costs capitalized. • We verified the accuracy of management's calculation used for the impairment testing.

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. As described in the Basis for Qualified Opinion section above, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

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 Atif Anjum.

RIAZ AHMAD & COMPANY
Chartered Accountants

LAHORE

Date: September 29, 2022

UDIN: AR202210132BvarACpsf

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2022

	Note	2022 Rupees	2021 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital	3	3,700,000,000	4,200,000,000
Issued, subscribed and paid-up share capital	4	2,401,190,290	2,401,190,290
Reserves	5	32,657,384,568	25,950,193,923
Equity attributable to equity holders of the Holding Company		35,058,574,858	28,351,384,213
Non-controlling interest		11,738,807,602	10,513,606,578
Total equity		46,797,382,460	38,864,990,791
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	6	13,440,603,387	6,419,912,708
Lease liabilities	7	56,004,356	74,518,895
Deferred liabilities	8	832,798,931	191,593,367
		14,329,406,674	6,686,024,970
CURRENT LIABILITIES			
Trade and other payables	9	5,579,166,619	5,405,062,409
Accrued mark-up / profit	10	715,241,848	514,554,913
Short term borrowings	11	23,795,735,897	29,084,279,595
Current portion of non-current liabilities	12	2,355,338,885	2,826,678,629
Provision for taxation - net	13	85,914,198	-
Unclaimed dividend		80,295,091	68,194,087
		32,611,692,538	37,898,769,633
Total liabilities		46,941,099,212	44,584,794,603
CONTINGENCIES AND COMMITMENTS	14		
TOTAL EQUITY AND LIABILITIES		93,738,481,672	83,449,785,394

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

CHIEF EXECUTIVE

DIRECTOR

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2022

	Note	2022 Rupees	2021 Rupees
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	15	32,445,127,666	27,148,148,365
Right-of-use assets	16	74,651,170	107,398,163
Intangible assets	17	635,708	882,170
Long term loans to employees	18	22,597,477	20,446,927
Long term security deposits		30,834,231	30,567,609
		32,573,846,252	27,307,443,234
CURRENT ASSETS			
Stores, spare parts and loose tools	19	2,441,786,960	2,350,924,103
Stock-in-trade	20	23,477,068,261	19,491,127,966
Trade debts	21	21,415,577,350	26,987,823,812
Loans and advances	22	2,263,625,569	3,329,960,437
Short term deposits and prepayments	23	40,008,963	57,652,439
Other receivables	24	2,609,647,618	2,549,893,788
Advance income tax - net	25	-	331,760,017
Short term investments	26	8,668,130,472	469,425,433
Cash and bank balances	27	248,790,227	573,774,165
		61,164,635,420	56,142,342,160
TOTAL ASSETS		93,738,481,672	83,449,785,394

CHIEF FINANCIAL OFFICER

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 Rupees	2021 Rupees
REVENUE	28	88,025,787,239	61,475,820,517
COST OF SALES	29	(71,252,893,149)	(48,538,492,906)
GROSS PROFIT		16,772,894,090	12,937,327,611
DISTRIBUTION COST	30	(1,899,290,875)	(1,317,274,173)
ADMINISTRATIVE EXPENSES	31	(707,742,205)	(483,447,150)
OTHER EXPENSES	32	(1,097,423,578)	(516,487,711)
		(3,704,456,658)	(2,317,209,034)
		13,068,437,432	10,620,118,577
OTHER INCOME	33	859,204,261	899,891,899
PROFIT FROM OPERATIONS		13,927,641,693	11,520,010,476
FINANCE COST	34	(3,194,762,048)	(2,758,781,509)
PROFIT BEFORE TAXATION		10,732,879,645	8,761,228,967
TAXATION	35	(881,527,308)	(674,617,934)
PROFIT AFTER TAXATION		9,851,352,337	8,086,611,033
PROFIT ATTRIBUTABLE TO:			
EQUITY HOLDERS OF THE HOLDING COMPANY		8,626,151,313	6,857,193,442
NON-CONTROLLING INTEREST		1,225,201,024	1,229,417,591
		9,851,352,337	8,086,611,033
EARNINGS PER SHARE - BASIC AND DILUTED	36	35.92	28.56

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

CHIEF EXECUTIVE DIRECTOR CHIEF FINANCIAL OFFICER

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2022

	2022 Rupees	2021 Rupees
PROFIT AFTER TAXATION	9,851,352,337	8,086,611,033
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to profit or loss	-	-
Items that may be reclassified subsequently to profit or loss:		
Exchange difference on translation of foreign operations	1,991,564	35,702,839
Other comprehensive income for the year	1,991,564	35,702,839
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	9,853,343,901	8,122,313,872
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
EQUITY HOLDERS OF THE HOLDING COMPANY	8,628,142,877	6,892,896,281
NON-CONTROLLING INTEREST	1,225,201,024	1,229,417,591
	9,853,343,901	8,122,313,872

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

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 Rupees	2021 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	37	18,955,697,758	8,458,152,457
Net (increase) / decrease in long term security deposits		(266,622)	1,222,151
Finance cost paid		(2,829,427,990)	(3,015,911,621)
Income tax paid		(463,853,093)	(330,908,431)
Workers' profit participation fund paid		(328,974,428)	(31,100,107)
Net increase in long term loans to employees		(3,950,842)	(11,475,766)
Net cash generated from operating activities		15,329,224,783	5,069,978,683
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(7,477,912,115)	(1,932,869,998)
Proceeds from disposal of operating fixed assets		80,521,546	74,010,714
Capital expenditure on intangible assets		(591,164)	(300,251)
Short term investments made		(17,529,973,872)	(427,260,000)
Short term investment disposed of		9,305,713,000	-
Interest received		54,517,058	10,172,275
Net cash used in investing activities		(15,567,725,547)	(2,276,247,260)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		9,798,969,235	4,360,573,735
Repayment of long term financing		(2,644,543,271)	(3,197,570,663)
Repayment of lease liabilities		(45,505,776)	(40,426,714)
Short term borrowings - net		(5,288,543,698)	(3,191,424,118)
Dividend paid		(1,908,851,228)	(241,579,306)
Net cash used in financing activities		(88,474,738)	(2,310,427,066)
Net (decrease) / increase in cash and cash equivalents		(326,975,502)	483,304,357
Impact of exchange translation		1,991,564	35,702,839
Cash and cash equivalents at the beginning of the year		573,774,165	54,766,969
Cash and cash equivalents at the end of the year		248,790,227	573,774,165

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

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2022

	ATTRIBUTABLE TO EQUITY HOLDERS OF THE HOLDING COMPANY								NON-CONTROLLING INTEREST	TOTAL EQUITY
	SHARE CAPITAL	CAPITAL RESERVES		REVENUE RESERVES			TOTAL RESERVES	SHAREHOLDERS' EQUITY		
		Exchange translation reserve	Share premium	Capital reserve	Un-appropriated profit	Total				
	Rupees									
Balance as at 30 June 2020	2,401,190,290	(14,255,466)	600,553,890	1,629,221,278	17,081,896,969	18,711,118,247	19,297,416,671	21,698,606,961	9,284,188,987	30,982,795,948
Transaction with owners:										
Final dividend for the year ended 30 June 2020										
@ Rupee 1 per share	-	-	-	-	(240,119,029)	(240,119,029)	(240,119,029)	(240,119,029)	-	(240,119,029)
Profit for the year	-	-	-	-	6,857,193,442	6,857,193,442	6,857,193,442	6,857,193,442	1,229,417,591	8,086,611,033
Other comprehensive income for the year	-	35,702,839	-	-	-	-	35,702,839	35,702,839	-	35,702,839
Total comprehensive income for the year	-	35,702,839	-	-	6,857,193,442	6,857,193,442	6,892,896,281	6,892,896,281	1,229,417,591	8,122,313,872
Balance as at 30 June 2021	2,401,190,290	21,447,373	600,553,890	1,629,221,278	23,698,971,382	25,328,192,660	25,950,193,923	28,351,384,213	10,513,606,578	38,864,990,791
Transactions with owners:										
Final dividend for the year ended 30 June 2021										
@ Rupees 5 per share	-	-	-	-	(1,200,595,145)	(1,200,595,145)	(1,200,595,145)	(1,200,595,145)	-	(1,200,595,145)
Interim dividend for the year ended 30 June 2022										
@ Rupees 3 per share	-	-	-	-	(720,357,087)	(720,357,087)	(720,357,087)	(720,357,087)	-	(720,357,087)
	-	-	-	-	(1,920,952,232)	(1,920,952,232)	(1,920,952,232)	(1,920,952,232)	-	(1,920,952,232)
Profit for the year	-	-	-	-	8,626,151,313	8,626,151,313	8,626,151,313	8,626,151,313	1,225,201,024	9,851,352,337
Other comprehensive income for the year	-	1,991,564	-	-	-	-	1,991,564	1,991,564	-	1,991,564
Total comprehensive income for the year	-	1,991,564	-	-	8,626,151,313	8,626,151,313	8,628,142,877	8,628,142,877	1,225,201,024	9,853,343,901
Balance as at 30 June 2022	2,401,190,290	23,438,937	600,553,890	1,629,221,278	30,404,170,463	32,033,391,741	32,657,384,568	35,058,574,858	11,738,807,602	46,797,382,460

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

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

1. THE GROUP AND ITS OPERATIONS

1.1 The Group consists of:

Holding Company

- Nishat (Chunian) Limited

Subsidiary Companies

- Nishat Chunian Power Limited
- Nishat Chunian Properties (Private) Limited
- Nishat Chunian USA Inc.
- Sweave Inc.
- T L C Middle East Trading L.L.C

(a) Nishat (Chunian) Limited

(i) Nishat (Chunian) Limited (the Holding Company) is a public limited company incorporated in Pakistan under the repealed Companies Ordinance, 1984 (Now Companies Act, 2017) and is listed on Pakistan Stock Exchange Limited. Its registered office is situated at 31-Q, Gulberg II, Lahore. The Holding Company is engaged in business of spinning, weaving, dyeing, printing, stitching, processing, doubling, sizing, buying, selling and otherwise dealing in yarn, fabrics and made-ups made from raw cotton, synthetic fibre and cloth and to generate, accumulate, distribute, supply and sell electricity.

(ii) The Board of Directors of the Holding Company in its meeting held on 21 February 2022 has approved a Scheme of Compromises, Arrangement and Reconstruction ('the Scheme') [Under Sections 279 to 283 and 285 of the Companies Act, 2017] amongst the Holding Company and its members and Nishat Chunian Properties (Private) Limited - Subsidiary Company and its members. Pursuant to the order of Honourable Lahore High Court, Lahore dated 01 March 2022, Extraordinary General Meetings of shareholders of the Holding Company and Nishat Chunian Properties (Private) Limited - Subsidiary Company were held on 11 April 2022 and the aforesaid Scheme was unanimously approved by shareholders of the Holding Company and Nishat Chunian Properties (Private) Limited - Subsidiary Company. On 29 June 2022, the Honourable Lahore High Court, Lahore has approved the aforesaid Scheme. The principal object of the Scheme is to provide for and give effect to:

- the separation of 08 Kanals – 07 Marlas – 155 Sq. Ft. freehold land situated at Block-K, Gulberg-II, Lahore from the Holding Company and the amalgamation and transfer to, and vesting in Nishat Chunian Properties (Private) Limited - Subsidiary Company of the same against the issuance of 49,920,500 ordinary shares of Nishat Chunian Properties (Private) Limited - Subsidiary Company to the Holding Company at par;

- making the Holding Company and Nishat Chunian Power Limited - Subsidiary Company (NCPL) totally independent of each other by the transfer amongst the members of the Holding Company of 187,585,820 ordinary shares having face value of Rupees 10 each of NCPL.

(iii) Fair value of 08 Kanals – 07 Marlas – 155 Sq. Ft. freehold land situated at Block-K, Gulberg-II, Lahore is Rupees 499,205,000 as per Evaluation Report dated 28 January 2022 issued by M/s Etimad Associates (Private) Limited, approved valuer. Hence, Nishat Chunian Properties (Private) Limited - Subsidiary Company issued and allotted its 49,920,500 ordinary shares of Rupees 10 each to the Holding Company at par on 29 June 2022. Effective Date for the purposes of issuance of shares of Nishat Chunian Properties (Private) Limited - Subsidiary Company to the Holding Company in accordance with the Scheme is 29 June 2022 (the date of the order of Honourable Lahore High Court, Lahore sanctioning the Scheme). The net book value as at 29 June 2022 of 08 Kanals – 07 Marlas – 155 Sq. Ft. freehold land situated at Block-K, Gulberg-II, Lahore as per books of account of the Holding Company amounted to Rupees 351,060,710, hence gain on disposal of this freehold land amounted to Rupees 148,144,290 has been recognised in the separate financial statements of the Holding Company.

(iv) The Effective Date of the Scheme for the purpose of transfer amongst the members of the Holding Company of 187,585,820 ordinary shares of Nishat Chunian Power Limited owned by the Holding Company is the commencement date of book closure (10 August 2022) announced by the Holding Company in accordance with Pakistan Stock Exchange Limited Regulations. Subsequent to the reporting period, on 18 August 2022, the members of the Holding Company have received 187,585,820 ordinary shares of Nishat Chunian Power Limited. Hence, the members of the Holding Company have also become shareholders of Nishat Chunian Power Limited with effect from 18 August 2022. The Holding Company transferred to its members 187,585,820 ordinary shares having face value of Rupees 10 each of Nishat Chunian Power Limited owned by it in the ratio of 0.78 share of Nishat Chunian Power Limited for one fully paid-up share of the Holding Company. Pursuant to this distribution amongst and transfer to the members of the Holding Company of 187,585,820 ordinary shares of Nishat Chunian Power Limited, the carrying amount of investment in 187,585,820 ordinary shares of Nishat Chunian Power Limited as at 10 August 2022 as per books of account of the Holding Company i.e. Rupees 1,875,858,200 has been eliminated with a corresponding decrease in the revenue reserve of the Holding Company by the same amount. Hence, as at 30 June 2022, this investment of the Holding Company in ordinary shares of Nishat Chunian Power Limited has been presented as non-current asset held for distribution to owners, in the separate financial statements of the Holding Company, at the lower of its carrying amount and fair value less costs to distribute in accordance with the requirements of International Financial Reporting Standard (IFRS) 5 'Non-current Assets Held for Sale and Discontinued Operations'. IFRIC Interpretation 17 'Distributions of Non-cash Assets to Owners' does not apply as the non-cash asset (ordinary shares) is ultimately controlled by the same parties both before and after the distribution.

(v) As per the duly sanctioned Scheme, from the existing authorized share capital (ordinary shares) of the Holding Company, Rupees 500,000,000 divided into 50,000,000 ordinary shares of Rupees 10 each has been allocated and stand transferred to Nishat Chunian Properties (Private) Limited - Subsidiary Company, resultingly increasing the authorized share capital (ordinary shares) of Nishat Chunian Properties (Private) Limited - Subsidiary Company on and after the Effective Date (29 June 2022) to Rupees 500,100,000 divided into 50,010,000 ordinary shares of Rupees 10 each and reducing the authorized share capital (ordinary shares) of the Holding Company on and after the Effective Date (29 June 2022) to Rupees 3,500,000,000 divided into 350,000,000 ordinary shares of Rupees 10 each.

(b) Nishat Chunian Power Limited

(i) Nishat Chunian Power Limited is a public limited company incorporated in Pakistan under the repealed Companies Ordinance, 1984 (Now Companies Act, 2017) and listed on the Pakistan Stock Exchange Limited. The principal activity of Nishat Chunian Power Limited is to build, own, operate and maintain a fuel fired power station having gross capacity of 200 MW and net capacity of 195.722 MW at Jamber Kalan, Tehsil Pattoki, District Kasur, Punjab, Pakistan. The address of the registered office of Nishat Chunian Power Limited is 31-Q, Gulberg II, Lahore. On 13 November 2007, Nishat Chunian Power Limited entered into a Power Purchase Agreement ('PPA') with its sole customer, National Transmission and Dispatch Company Limited ('NTDC') for twenty-five years which commenced from 21 July 2010. The PPA has been extended by a period of 75 days as per the terms of PPA Amendment Agreement dated 11 February 2021 as explained below. On 11 February 2021, Nishat Chunian Power Limited, NTDC and Central Power Purchasing Agency (Guarantee) Limited ('CPPA-G' and also referred to as ‘Power Purchaser’) have entered into a 'Novation Agreement' to transfer the rights, obligations and liabilities of NTDC under the PPA (as amended by the 'PPA Amendment Agreement') in favour of CPPA-G. Ownership interest held by non–controlling interests in Nishat Chunian Power Limited is 48.93% (2021: 48.93%).

(ii) Nishat Chunian Power Limited along with other Independent Power Producers agreed to amend its existing contractual arrangements with Power Purchaser for the sale of electricity. In this respect, Nishat Chunian Power Limited entered into a ‘Master Agreement’ and a ‘PPA Amendment Agreement’ (hereinafter referred to as the ‘Agreements’) on 11 February 2021. Under these Agreements, Nishat Chunian Power Limited and

CPPA-G primarily agreed on the following matters that are subject to fulfilment of certain terms and conditions mentioned in the Agreements: mechanism of settlement of long outstanding receivables as at 30 November 2020 amounting to Rupees 14,619.019 million in two installments; discounts in tariff components; sharing of future savings in fuel and O&M; reduction in delayed payment rate; conversion of the PPA to 'Take and Pay Basis' subject to mutual agreement of the Parties when competitive trading arrangement is implemented and becomes fully operational; and amicable resolution of the disputes as detailed in note 21.8 and note 21.9 to these consolidated financial statements. The accounting implications of the same have been detailed in note 21.8 to these consolidated financial statements.

(iii) On 06 January 2022, Nishat Chunian Power Limited has received first installment of Rupees 5,847.600 million and second installment of Rupees 8,771.412 million was received on 30 June 2022. Accordingly, the aforementioned terms have become applicable, such as discounts in certain tariff components and sharing of savings under certain tariff components since the payment of first instalment and reduction in delay payment mark-up rate, subsequent to the second instalment. The impact of the foregoing in respect of discounts in certain tariff components and sharing of savings, if any, under certain components have been accounted for in these consolidated financial statements.

(iv) The management of the Subsidiary Company has also assessed the accounting implications of the above mentioned developments in relation to the impairment of Cash Generating Unit ('CGU') comprising of tangible and intangible assets under IAS 36, 'Impairment of assets'. However, according to management's assessment, there is no impact on these consolidated financial statements.

(c) Nishat Chunian Properties (Private) Limited

Nishat Chunian Properties (Private) Limited is a private limited company was incorporated in Pakistan under the Companies Act, 2017 on 31 January 2022. The registered office of Nishat Chunian Properties (Private) Limited is situated at 31-Q, Gulberg II, Lahore. The principal line of business of Nishat Chunian Properties (Private) Limited is marketing and development of all types of real estate including developed or undeveloped land, housing or commercial projects including commercial markets or multi-storeyed building (for commercial or residential purposes), shopping centres, restaurants, hotels, recreational facilities, etc.

(d) Nishat Chunian USA Inc.

Nishat Chunian USA Inc. is a foreign subsidiary incorporated under the Business Corporation Laws of the State of New York. The registered office of Nishat Chunian USA Inc. is situated at 230 Fifth Avenue, Suite 1406, New York, NY 10001, USA. The principal business of the Nishat Chunian USA Inc. is to import home textile products and distribute to local retailers.

(e) Sweave Inc.

Sweave Inc. is a foreign subsidiary incorporated under the Business Corporation Laws of the State of New York. The registered office of Sweave Inc. is situated at 2728 Railroad Grade Road, Fleetwood, NC 28262, USA. The principal business of the Sweave Inc. is e-commerce retail of home textile products to its domestic customers. Sweave Inc. is a wholly owned subsidiary of Nishat Chunian USA Inc.

(f) T L C Middle East Trading L.L.C

T L C Middle East Trading L.L.C is a limited liability company - Single Owner (LLC - SO) formed in pursuance to the Federal Law No. (2) of 2015 concerning commercial companies and registered with the Department of Economic Development, Government of Dubai. Date of incorporation of T L C Middle East Trading L.L.C is 14 October 2021. The principal business of T L C Middle East Trading L.L.C is textile trading, blankets, towels and linen trading. Commercial address of T L C Middle East Trading L.L.C is Office No. M13, Fatima Building, Al Suq Al Kabeer, Dubai, United Arab Emirates. The capital of T L C Middle East Trading L.L.C is AED 300,000 divided into 300 shares, the value of each share is AED 1,000. Nishat (Chunian) Limited shall own 100% shares of T L C Middle East Trading L.L.C. However, Nishat (Chunian) Limited has not yet remitted funds into the bank account of T L C Middle East Trading L.L.C against the shares subscribed and expects to make investment in shares of T L C Middle East Trading L.L.C shortly.

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

Sr. No.	Business units and office	Address
	Manufacturing units:	
1	Spinning Units 1, 4, 5, 7 and 8	49th Kilometre, Multan Road, Bhai Pheru, Tehsil Pattoki, District Kasur.
2	Spinning Units 2, 3, 6 and Weaving and 46 MW and 8 TPH process steam coal fired power generation project.	49th Kilometre, Multan Road, Bhai Pheru, Tehsil Pattoki, District Kasur.
3	Dyeing, Printing and Stitching.	4th Kilometre, Manga Road, Raiwind.
4	Power Plant	Jamber Kalan, Tehsil Pattoki, District Kasur.
5	**Office – Pakistan**	31-Q, 31-C-Q and 10-N, Gulberg-II, Lahore.
6	**Office – Pakistan (under renovation)**	House No. 59, Shadman Colony-II, Lahore.
7	**Office - USA**	230 Fifth Avenue, Suite 1406, New York, NY 10001.
8	**Office - USA**	2728 Railroad Grade Road, Fleetwood, North Carolina, NC 28262.
9	**Office - UAE**	Office No. M13, Fatima Building, Al Suq Al Kabeer, Dubai, United Arab Emirates.
10	**Retail stores**	
11	The Linen Company (TLC) – I	Outlet No. 9-10, 2nd Floor Gulberg Galleria Mall, Lahore.
12	The Linen Company (TLC) – II	Shop No. 008, 2nd Floor, Packages Mall, Lahore.
13	The Linen Company (TLC) – III	Outlet No. 21-22, Lower Ground Floor, WTC Giga Mall, DHA Phase 2, Islamabad.
14	The Linen Company (TLC) – IV	Shop No. 45, 3rd Floor, Centaurus Mall, Islamabad.
15	The Linen Company (TLC) – V	Shop No. G-14, Ground Floor Ocean Mall, Clifton, Karachi.
16	The Linen Company (TLC) – VI	Plot No. HC-3, Block No. 4, KDA Scheme No. 5, Clifton Karachi.
17	The Linen Company (TLC) – VII	Shop 8, 1st Floor, Boson Road, Multan.
18	The Linen Company (TLC) – VIII	Shop 14-B-1, Ground Floor, Mall of Lahore, Tufail Road, Lahore Cantt.
19	The Linen Company (TLC) – IX	GF 10-12, Fortress Square Mall, Fortress Stadium, Lahore Cantt.

1.3 Significant restrictions

Cash and bank balances held in foreign country 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 18.651 million (2021: Rupees 3.306 million).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant 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.

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, including expectation 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 impairments

Estimates with respect to residual values and depreciable lives and pattern of flow of economic benefits are based on the analysis of the management. Further, the Group reviews the values of assets for possible impairments 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, 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.

Accumulating compensated absences

The provision for accumulating compensated absences is made by the Holding Company on the basis of accumulated leave balance on account of employees.

Income tax

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

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.

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.

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.

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 Group’s accounting periods beginning on or after 01 July 2021:

- Amendments to IFRS 16 ‘Leases’ – Covid-19 related rent concessions extended beyond 30 June 2021.

- Interest Rate Benchmark Reform– Phase 2 which amended IFRS 9 ‘Financial Instruments’, IAS 39 ‘Financial Instruments: Recognition and Measurement’, IFRS 4 ‘Insurance Contracts’, IFRS 7 ‘Financial Instruments: Disclosures’ and IFRS 16 ‘Leases’.

The above-mentioned amendments did not have any impact on the amounts recognised in prior periods 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 Group

There are amendments to published standards that are mandatory for accounting period beginning on or after 01 July 2021 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) Amendments to published approved accounting standards that are not yet effective but relevant to the Group

Following amendments to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 01 July 2022 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 2023. 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'.

Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets') effective for the annual period beginning on or after 01 January 2022 amends IAS 1 'Presentation of Financial Statements' by mainly adding paragraphs which clarifies what comprise the cost of fulfilling a contract. Cost of fulfilling a contract is relevant when determining whether a contract is onerous. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16 'Property, Plant and Equipment') effective for the annual period beginning on or after 1 January 2022. Clarifies that sales proceeds and cost of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc., are recognized in profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of IAS 2 'Inventories'. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the consolidated financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

The following annual improvements to IFRS standards 2018-2020 are effective for annual reporting periods beginning on or after 01 January 2022:

- IFRS 9 'Financial Instruments' – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability.

- IFRS 16 'Leases' – The amendment partially amends Illustrative Example 13 accompanying IFRS 16 'Leases' by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.

Disclosure of Accounting Policies (Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 'Making Materiality Judgement') effective for annual periods beginning on or after 01 January 2023. These amendments are intended to help preparers in deciding which accounting policies to disclose in their consolidated financial statements. Earlier, IAS 1 states that an entity shall disclose its 'significant accounting policies' in their consolidated financial statements. These amendments shall assist the entities to disclose their 'material accounting policies' in their consolidated financial statements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 'Income taxes') effective for annual periods beginning on or after 01 January 2023. These amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations.

Change in definition of Accounting Estimate (Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors) effective for annual periods beginning on or after 01 January 2023. This change replaced the definition of Accounting Estimate with a new definition, intended to help entities to distinguish between accounting policies and accounting estimates.

The International Accounting Standards Board (IASB) has published 'Reference to the Conceptual Framework (Amendments to IFRS 3)' with amendments to IFRS 3 'Business Combinations' that update an outdated reference in IFRS 3 without significantly changing its requirements. Effective for business combinations for which the acquisition date is on or after the beginning of annual period beginning on or after 01 January 2022. The amendments also add to IFRS 3 an exception to its requirement for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The standard is effective for transactions in the future and therefore would not have an impact on past consolidated financial statements.

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.

The above 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 2022 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 the subsidiary companies have been consolidated on a line by line basis and the carrying value of investments held by the Holding Company is eliminated against the Holding Company's share in paid up capital of the subsidiary companies.

Intra group balances and transactions have been eliminated.

Non-controlling interest is that part of net results of the operations and of net assets of the subsidiary companies attributable to interest which is not owned by the Holding Company. Non-controlling interest is presented as a separate item in the consolidated financial statements.

b) Translation of the financial statements of foreign subsidiary

The financial statements of foreign subsidiary of which the functional currency is different from that used in preparing the Group's consolidated 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

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. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

The profits and gains of Nishat Chunian Power Limited – Subsidiary Company from electric power generation are exempt from tax under Clause (132), Part I of the Second Schedule to the Income Tax Ordinance, 2001, subject to the conditions and limitations provided therein. The aforesaid Subsidiary Company is also exempt from minimum tax on turnover (sale of electricity) under Clause 11A(v), Part IV of the Second Schedule to 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.

Provision for income tax on the income of foreign subsidiaries – Nishat Chunian USA Inc. and Sweave Inc. are computed in accordance with the tax legislation in force in the country where the income is taxable.

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 Chunian Power Limited - Subsidiary Company has not made provision for deferred tax as the management believes that the temporary differences will not reverse in the foreseeable future due to the fact that the profits and gains derived from electric power generation are exempt from tax subject to the conditions and limitations provided for in terms of Clause (132), Part I of the Second Schedule to the Income Tax Ordinance, 2001.

2.4 Employee benefits

The main features of the schemes operated are as follows:

Provident fund

The Holding Company and Nishat Chunian Power Limited – Subsidiary Company operate funded provident fund schemes covering all permanent employees. Equal monthly contributions are made both by the employees and the employers' to funds in accordance with the funds' rules. The employers' contributions to the funds are charged to income currently.

Accumulating compensated absences

The Holding Company provides for accumulating compensated absences, when the employees render service that increase their entitlement to future compensated absences.

2.5 Fixed assets

Property, plant, equipment and depreciation

Property, plant and equipment except freehold land and capital work-in-progress are stated at cost less accumulated depreciation and any identified impairment loss. Cost in relation to certain property, plant and equipment signifies historical cost, borrowing cost pertaining to erection / construction period of qualifying assets and other directly attributable cost of bringing the asset to working condition. Freehold land and capital work-in-progress are stated at cost less any identified impairment loss. 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.

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 cost of the item can be measured reliably. All other repair and maintenance costs are charged to income during the period in which they are incurred.

Depreciation

Depreciation on all operating fixed assets, other than standby generators and power generation equipment of the Holding Company, is charged to income on the reducing balance method, except in case of Nishat Chunian Power Limited - Subsidiary Company and Nishat Chunian USA Inc. – Subsidiary Company, 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 15.1. Depreciation on standby generators of the Holding Company is charged on the basis of number of hours used. Depreciation on power generation equipment of the Holding Company is charged to income on the straight-line method so as to write off the cost / depreciable amount of the power generation equipment over its estimated useful life at the rate given in Note 15.1. Depreciation on additions is charged from the month in which the assets are available for use upto the month prior to disposal. The assets' residual values and useful lives are reviewed at each financial year end and adjusted if impact on depreciation is significant.

Derecognition

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in the consolidated statement of profit or loss in the year the asset is derecognized.

2.6 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 amortized from the month when these assets are available for use, using the straight line method, whereby the cost of the intangible asset is amortized over its estimated useful life over which economic benefits are expected to flow to the Group. The useful life and amortization method are reviewed and adjusted, if appropriate, at each reporting date.

2.7 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.

2.8 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, which comprises 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 asset is fully written down.

Nishat Chunian Power Limited - Subsidiary Company has a Power Purchase Agreement (PPA) with its sole customer, CPPA-G for twenty-five years and 75 days which commenced from 21 July 2010. SECP through SRO 986(I)/2019 dated 02 September 2019, has granted exemption from the requirements of IFRS 16 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 Chunian 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 Chunian 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 Chunian 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:

	2022 Rupees	2021 Rupees
De-recognition of property, plant and equipment	(9,152,742)	(9,611,395)
Recognition of lease debtor	4,255,616	11,343,919
De-recognition of trade debts	(556,913)	(7,575,910)
Decrease in un-appropriated profit at the beginning of the year	(5,843,387)	(6,360,120)
Increase in profit for the year	389,348	516,733
Decrease in un-appropriated profit at the end of the year	(5,454,039)	(5,843,387)

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.

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

In respect of financial assets due from the Government of Pakistan, SECP through SRO 1177(I)/2021 dated 13 September 2021 partially modified its previous SRO 985(I)/2019 dated 02 September 2019 and notified that the requirements contained in IFRS 9 with respect to application of Expected Credit Losses (ECLs) method shall not be applicable till 30 June 2022 and that such companies shall follow relevant requirements of International Accounting Standard ('IAS') 39 in respect of above referred financial assets during the exemption period. Accordingly, the Group has not followed the requirements of IFRS 9 with respect to application of Expected Credit Losses in respect of trade debts and other receivables due from CPPA-G.

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 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.

2.15 Inventories

Inventories, except for stock-in-transit and waste stock, are stated at lower of cost and net realizable value. Cost is determined as follows:

Stores, spare parts and loose tools

Usable stores, spares parts, loose tools are valued principally at weighted 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 materials is measured using the weighted average cost formula.

Cost of work-in-process and finished goods comprise cost of direct material, labour and appropriate manufacturing overheads. Cost of goods purchased for resale is based on first-in-first-out (FIFO) cost formula.

Materials in transit are stated at cost comprising invoice values plus other charges paid thereon. Waste stock is 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 the sale.

2.16 Foreign currencies

These consolidated financial statements are presented in Pak Rupees, which is the Group's functional currency. All monetary assets and liabilities denominated in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the reporting date, while the transactions in foreign currencies (except the results of foreign operation which are translated to Pak Rupees at the average rate of exchange for the year) during the year are initially recorded in functional currency at the rates of exchange prevailing at the transaction date. All non-monetary items are translated into Pak Rupees at exchange rates prevailing on the date of transaction or on the date when fair values are determined. Exchange gains and losses are recorded in the consolidated statement of profit or loss.

2.17 Borrowings

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 rate method.

2.18 Trade debts and other receivables

Trade receivables 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 the Government of Pakistan, SECP through SRO 1177(I)/2021 dated 13 September 2021 partially modified its previous SRO 985(I)/2019 dated 02 September 2019 and has notified that the requirements contained in IFRS 9 with respect to application of expected credit losses method shall not be applicable till 30 June 2022 and that such companies shall follow relevant requirements of IAS 39 in respect of above referred financial assets during the exemption period.

2.19 Trade and other payables

Liabilities for trade and other amounts payable are initially recognized at fair value which is normally the transaction cost.

2.20 Borrowing cost

Borrowing costs are recognized as expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalized as part of cost of that asset.

2.21 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 Group'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.

Sale of electricity

Revenue from the sale of electricity to CPPA-G, the sole customer of Nishat Chunian 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 NTDC.

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.

2.22 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.

2.23 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.

2.24 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.

2.25 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.

2.26 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.

2.27 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.

2.28 Share capital

Ordinary shares and irredeemable preference shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, if any.

2.29 Cash and cash equivalents

Cash and cash equivalents are carried in the consolidated statement of financial position at book value which approximates their fair value. For the purpose of consolidated statement of cash flows, cash and cash equivalents comprise cash in hand, cash at banks on current, saving and deposit accounts, other short term highly liquid instruments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

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 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.

2.32 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.

2.33 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.

2.34 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.

2.35 Segment reporting

Segment reporting is based on the operating (business) segments of the Group. An operating segment is a component of the Group 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 Group's 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.

The Group has following reportable business segments. Spinning – Zone 1 (Unit No.1 and 5), Zone 2 (Unit No. 4, 7 and 8) and Zone 3 (Unit No. 2, 3 and 6) (Producing different quality of yarn using natural and artificial fibers), Weaving – Unit 1 and 2 (Producing different quality of greige fabric using yarn), Processing and Home Textile (Processing greige fabric for production of printed and dyed fabric and manufacturing of home textile articles) and Power Generation (Generating, transmitting and distributing power).

Transaction among the business segments are recorded at arm’s length prices using admissible valuation methods. Inter segment sales and purchases are eliminated from the total.

2.36 Ijarah transactions

Ujrah (lease) payments are recognized as expenses in consolidated statement of profit or loss on a straight-line basis over the Ijarah term unless another systematic basis is representative of the time pattern of the user’s benefit even if the payments are not on that basis.

2.37 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.

2.38 Dividend to ordinary shareholders and other appropriations

Dividend distribution to the ordinary shareholders is recognized as a liability in the Group’s consolidated financial statements in 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.

2.39 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. AUTHORIZED SHARE CAPITAL

2022	2021		2022	2021
(Number of shares)			Rupees	Rupees
350,000,000	400,000,000	Ordinary shares of Rupees 10 each [Note 1.1(a)(v)]	3,500,000,000	4,000,000,000
20,000,000	20,000,000	Preference shares of Rupees 10 each	200,000,000	200,000,000
370,000,000	420,000,000		3,700,000,000	4,200,000,000

4. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2022	2021		2022	2021
(Number of shares)			Rupees	Rupees
134,655,321	134,655,321	Ordinary shares of Rupees 10 each fully paid in cash	1,346,553,210	1,346,553,210
104,239,443	104,239,443	Ordinary shares of Rupees 10 each issued as fully paid bonus shares	1,042,394,430	1,042,394,430
1,224,265	1,224,265	Ordinary shares of Rupees 10 each issued as fully paid for consideration other than cash to members of Umer Fabrics Limited as per the Scheme of Arrangement as approved by the Honourable Lahore High Court, Lahore	12,242,650	12,242,650
240,119,029	240,119,029		2,401,190,290	2,401,190,290

4.1 Ordinary shares of the Holding Company held by companies that are related parties:

	2022	2021
	(Number of shares)	
Nishat Mills Limited	32,689,338	32,689,338
D.G. Khan Cement Company Limited	7,274,602	7,274,602
	39,963,940	39,963,940

5. RESERVES

Composition of reserves is as follows:

	2022	2021
	Rupees	Rupees
Capital reserves		
Exchange translation reserve [Note 2.2(b)]	23,438,937	21,447,373
Share premium (Note 5.1)	600,553,890	600,553,890
	623,992,827	622,001,263
Revenue reserves		
General reserve	1,629,221,278	1,629,221,278
Unappropriated profit	30,404,170,463	23,698,971,382
	32,033,391,741	25,328,192,660
	32,657,384,568	25,950,193,923

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

	2022 Rupees	2021 Rupees
6. LONG TERM FINANCING		
From banking companies / financial institutions - secured		
Long term loans (Note 6.1)	13,674,037,925	6,717,095,097
Long term musharaka (Note 6.2)	1,490,411,865	2,043,285,722
	15,164,449,790	8,760,380,819
Less: Current portion shown under current liabilities (Note 12)		
Long term loans	(1,492,588,198)	(1,794,810,319)
Long term musharaka	(231,258,205)	(545,657,792)
	(1,723,846,403)	(2,340,468,111)
	13,440,603,387	6,419,912,708

6.1 Long term loans

LENDER	2022	2021	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS	INTEREST REPRICING	INTEREST PAYABLE
	Rupees	Rupees				
Nishat (Chunian) Limited - Holding Company (Note 6.3)						
MCB Bank Limited	120,000,000	140,000,000	SBP rate for LTFF + 1.00%	Sixteen equal half yearly instalments commenced on 13 August 2019 and ending on 13 February 2028. (Note 6.5)	-	Quarterly
MCB Bank Limited	50,312,500	60,375,000	SBP rate for LTFF + 1.00%	Sixteen equal half yearly instalments commenced on 22 June 2019 and ending on 22 June 2027. (Note 6.5)	-	Quarterly
MCB Bank Limited	129,800,000	259,600,000	SBP rate for LTFF+ 1.25%	Ten equal half yearly instalments commenced on 18 October 2017 and ending on 18 April 2023. (Note 6.5)	-	Quarterly
MCB Bank Limited	-	174,485,050	6-months KIBOR + 0.90%	Ten equal half yearly instalments commenced on 29 September 2017 and ended on 02 September 2021. (Note 6.5)	Half yearly	Half yearly
MCB Bank Limited	2,000,000,000	-	3-months KIBOR + 0.20%	Twenty equal quarterly instalments commencing on 11 February 2024 and ending on 11 November 2028.	Quarterly	Quarterly
Allied Bank Limited	-	18,000,000	SBP rate for LTFF + 1.00%	Sixteen equal quarterly instalments commenced on 07 January 2017 and ended on 10 October 2021. (Note 6.5)		
Allied Bank Limited	-	19,375,000	SBP rate for LTFF + 1.00%	Sixteen equal quarterly instalments commenced on 20 January 2017 and ended on 20 October 2021. (Note 6.5)	-	Quarterly
Allied Bank Limited	-	13,149,000	SBP rate for LTFF + 1.00%	Sixteen equal quarterly instalments commenced on 11 May 2017 and ended on 11 February 2022. (Note 6.5)	-	Quarterly
Allied Bank Limited	161,562,500	190,937,500	SBP rate for LTFF + 1.00%	Thirty two equal quarterly instalments commenced on 24 February 2019 and ending on 24 November 2027. (Note 6.5)	-	Quarterly
Allied Bank Limited	94,659,375	111,121,875	SBP rate for LTFF + 1.00%	Thirty two equal quarterly instalments commenced on 18 April 2019 and ending on 18 January 2028. (Note 6.5)	-	Quarterly
Allied Bank Limited	281,031,250	329,906,250	SBP rate for LTFF + 1.00%	Thirty two equal quarterly instalments commenced on 19 April 2019 and ending on 19 January 2028. (Note 6.5)	-	Quarterly
Allied Bank Limited	68,712,500	80,662,500	SBP rate for LTFF + 1.00%	Forty equal quarterly instalments commenced on 21 May 2017 and ending on 21 February 2028. (Note 6.5)	-	Quarterly
Allied Bank Limited	88,350,000	103,075,000	SBP rate for LTFF + 1.00%	Thirty two equal quarterly instalments commenced on 03 July 2019 and ending on 03 April 2028. (Note 6.5)	-	Quarterly
Allied Bank Limited	61,642,000	61,642,000	SBP rate for LTFF + 1.00%	Thirty two equal quarterly instalments commencing on 01 December 2022 and ending on 01 September 2030.	-	Quarterly
Allied Bank Limited	104,692,000	104,692,000	SBP rate for LTFF+ 1.00%	Thirty two equal quarterly instalments commencing on 01 December 2022 and ending on 01 September 2030.	-	Quarterly
Allied Bank Limited	18,778,300	18,778,300	SBP rate for LTFF+ 1.00%	Thirty two equal quarterly instalments commencing on 01 December 2022 and ending on 01 September 2030.	-	Quarterly
Allied Bank Limited	32,005,000	32,005,000	SBP rate for LTFF+ 1.00%	Thirty two equal quarterly instalments commencing on 01 December 2022 and ending on 01 September 2030	-	Quarterly
Allied Bank Limited	14,971,000	14,971,000	SBP rate for LTFF+ 1.00%	Thirty two equal quarterly instalments commencing on 01 December 2022 and ending on 01 September 2030.	-	Quarterly
Allied Bank Limited	67,911,620	67,911,620	SBP rate for LTFF+ 1.00%	Thirty two equal quarterly instalments commencing on 01 December 2022 and ending on 01 September 2030.	-	Quarterly

LENDER	2022	2021	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS	INTEREST REPRICING	INTEREST PAYABLE
	Rupees	Rupees				
Allied Bank Limited	55,555,560	166,666,670	SBP rate for LTFF+ 1.00%	Nine equal half yearly instalments commenced on 25 August 2017 and ending on 26 August 2022. (Note 6.5)	-	Quarterly
Allied Bank Limited	1,000,000,000	1,000,000,000	3-months KIBOR + 0.18%	Sixteen equal quarterly instalments commencing on 30 September 2022 and ending on 30 June 2026.	Quarterly	Quarterly
Allied Bank Limited	1,000,000,000	-	3-months KIBOR + 0.10%	Twenty four equal quarterly instalments commencing on 24 August 2024 and ending on 24 May 2030.	Quarterly	Quarterly
Askari Bank Limited	-	17,500,000	3-months KIBOR + 0.70%	Twenty equal quarterly instalments commenced on 08 December 2015 and ended on 08 September 2021. (Note 6.5)	Quarterly	Quarterly
Askari Bank Limited	91,300,000	107,900,000	SBP rate for LTFF + 1.00%	Forty equal quarterly instalments commenced on 02 February 2017 and ending on 02 November 2027. (Note 6.5)	-	Quarterly
Askari Bank Limited	11,000,000	13,000,000	SBP rate for LTFF + 1.00%	Forty equal quarterly instalments commenced on 04 February 2017 and ending on 04 November 2027. (Note 6.5)	-	Quarterly
Askari Bank Limited	82,500,000	97,500,000	SBP rate for LTFF + 1.00%	Forty equal quarterly instalments commenced on 08 March 2017 and ending on 08 December 2027. (Note 6.5)	-	Quarterly
Askari Bank Limited	76,820,000	90,180,000	SBP rate for LTFF + 1.00%	Forty equal quarterly instalments commenced on 22 June 2017 and ending on 22 March 2028. (Note 6.5)	-	Quarterly
Askari Bank Limited	3,720,000	4,340,000	SBP rate for LTFF + 1.00%	Forty equal quarterly instalments commenced on 12 September 2017 and ending on 13 June 2028. (Note 6.5)	-	Quarterly
Askari Bank Limited	35,000,000	40,600,000	SBP rate for LTFF + 1.00%	Forty equal quarterly instalments commenced on 04 October 2017 and ending on 04 July 2028. (Note 6.5)	-	Quarterly
Askari Bank Limited	12,000,000	14,000,000	SBP rate for LTFF + 1.00%	Forty equal quarterly instalments commenced on 26 August 2017 and ending on 26 May 2028. (Note 6.5)	-	Quarterly
Askari Bank Limited	70,680,000	82,460,000	SBP rate for LTFF + 1.00%	Forty equal quarterly instalments commenced on 26 August 2017 and ending on 26 May 2028. (Note 6.5)	-	Quarterly
Askari Bank Limited	3,452,400	4,027,800	SBP rate for LTFF + 1.00%	Forty equal quarterly instalments commenced on 26 August 2017 and ending on 26 May 2028. (Note 6.5)	-	Quarterly
Askari Bank Limited	12,687,500	14,717,500	SBP rate for LTFF + 1.00%	Forty equal quarterly instalments commenced on 04 October 2017 and ending on 04 July 2028. (Note 6.5)	-	Quarterly
Askari Bank Limited	141,600,000	165,200,000	SBP rate for LTFF + 1.00%	Forty equal quarterly instalments commenced on 26 August 2017 and ending on 26 May 2028. (Note 6.5)	-	Quarterly
Askari Bank Limited	283,371,000	319,935,000	SBP rate for LTFF + 1.00%	Forty equal quarterly instalments commenced on 12 May 2021 and ending on 12 February 2031. (Note 6.5)	-	Quarterly
Bank Alfalah Limited (Note 6.8)	1,142,637,394	81,771,338	SBP rate for TERF + 2.00%	Five hundred and seventy six unequal instalments commencing on 26 August 2023 and ending on 22 April 2032.	-	Quarterly
Pak Kuwait Investment Company (Private) Limited	-	10,495,000	SBP rate for LTFF + 0.75%	Eighteen equal quarterly instalments commenced on 22 November 2016 and ended on 22 February 2022. (Note 6.5)	-	Quarterly
Pak Kuwait Investment Company (Private) Limited	271,704,850	271,704,850	SBP rate for LTFF + 1.00%	Twenty equal quarterly instalments commencing on 05 January 2023 and ending on 05 October 2027.	-	Quarterly

LENDER	2022	2021	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS	INTEREST REPRICING	INTEREST PAYABLE
	Rupees	Rupees				
Pak Kuwait Investment Company (Private) Limited	14,417,950	14,417,950	SBP rate for LTFF + 1.00%	Thirty two equal quarterly instalments commencing on 05 January 2023 and ending on 04 October 2030.	-	Quarterly
The Bank of Punjab	-	200,000,000	3-months KIBOR + 0.75%	Ten equal half yearly instalments commenced on 30 September 2017 and ended on 02 September 2021. (Note 6.5)	Quarterly	Quarterly
Habib Bank Limited	600,000,000	1,000,000,000	3-months KIBOR + 0.50%	Ten equal half yearly instalments commenced on 27 March 2018 and ending on 23 September 2027. (Note 6.5)	Quarterly	Quarterly
Habib Bank Limited	144,378,095	433,134,283	6-months KIBOR + 0.90%	Nine equal half yearly instalments commenced on 02 November 2017 and ending on 02 November 2022. (Note 6.5)	Half yearly	Quarterly
Habib Bank Limited	1,828,426,117	-	3-months KIBOR + 0.45%	Eighty unequal instalments commencing on 20 September 2024 and ending on 20 May 2032.	Quarterly	Quarterly
Habib Bank Limited	350,956,713	-	SBP rate for LTFF + 1.00%	Ninety six unequal instalments commencing on 3 June 2024 and ending on 15 April 2032.	-	Quarterly
Habib Bank Limited	215,133,503	-	SBP rate for LTFF + 1.00%	Sixteen equal half yearly instalments commencing on 11 November 2024 and ending on 11 May 2032.	-	Quarterly
Habib Bank Limited (Note 6.6)	93,180,163	270,495,486	SBP rate for refinance scheme for payment of salaries and wages + 1.00%	Eight equal quarterly instalments commenced on 01 January 2021 and ending on 01 October 2022.	-	Quarterly
Soneri Bank Limited	215,265,625	252,703,125	SBP rate for LTFF + 1.00%	Thirty two equal quarterly instalments commenced on 08 June 2019 and ending on 08 March 2028. (Note 6.5)	-	Quarterly
Soneri Bank Limited	166,500,000	194,250,000	SBP rate for LTFF + 1.00%	Thirty two equal quarterly instalments commenced on 06 July 2019 and ending on 06 April 2028. (Note 6.5)	-	Quarterly
United Bank Limited	2,000,000,000	-	1-month KIBOR + 0.25%	Twenty four equal quarterly instalments commencing on 31 March 2024 and ending on 31 December 2029.	Monthly	Quarterly
United Bank Limited (Note 6.8)	440,213,010	-	SBP rate for TERF + 1.25%	Ninety six unequal instalments commencing on 08 October 2023 and ending on 25 March 2032.	-	Quarterly
	13,656,927,925	6,667,686,097				
Nishat Chunian Power Limited - Subsidiary Company						
Loan under SBP Refinance Scheme (Note 6.10)	17,110,000	49,409,000	SBP rate for refinance scheme for payment of salaries and wages + 1.50% and 3.00%	Eight equal quarterly instalments commenced on 04 January 2021 and ending on 19 October 2022.	-	Quarterly
	13,674,037,925	6,717,095,097				

6.2 Long term musharaka

LENDER	2022	2021	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS	INTEREST REPRICING	INTEREST PAYABLE
	Rupees	Rupees				
Nishat (Chunian) Limited - Holding Company (Note 6.4)						
Dubai Islamic Bank Pakistan Limited	-	225,000,000	6 months KIBOR + 0.85%	Ten equal half yearly instalments commenced on 14 April 2017 and ended on 02 July 2021.	Half yearly	Half yearly
Meezan Bank Limited	261,069,782	261,134,784	SBP rate for LTFF + 2.00%	Thirty two equal quarterly instalments commencing on 24 March 2023 and ending on 24 December 2030.	-	Quarterly
Meezan Bank Limited (Note 6.9)	388,997,350	359,758,240	SBP rate for ITERF + 2.75%	One hundred and twenty eight unequal instalments commencing on 30 March 2023 and ending on 28 May 2031	-	Quarterly
Meezan Bank Limited	6,638,000	6,638,000	SBP rate for LTFF + 2.00%	Thirty two equal quarterly instalments commencing on 30 March 2023 and ending on 30 December 2030.	-	Quarterly
Meezan Bank Limited	16,634,400	16,634,400	SBP rate for LTFF + 2.00%	Thirty two equal quarterly instalments commencing on 30 March 2023 and ending on 30 December 2030.	-	Quarterly
Meezan Bank Limited	11,972,100	11,972,100	SBP rate for LTFF + 2.00%	Thirty two equal quarterly instalments commencing on 30 March 2023 and ending on 30 December 2030.	-	Quarterly
Meezan Bank Limited	68,445,600	68,445,600	SBP rate for LTFF + 2.00%	Thirty two equal quarterly instalments commencing on 30 March 2023 and ending on 30 December 2030.	-	Quarterly
Meezan Bank Limited	14,260,000	14,260,000	SBP rate for LTFF + 2.00%	Thirty two equal quarterly instalments commencing on 30 March 2023 and ending on 30 December 2030.	-	Quarterly
Meezan Bank Limited	113,834,700	113,834,700	SBP rate for LTFF + 2.00%	Thirty two equal quarterly instalments commencing on 30 March 2023 and ending on 30 December 2030.	-	Quarterly
Meezan Bank Limited	197,652,000	197,652,000	SBP rate for LTFF + 2.00%	Thirty two equal quarterly instalments commencing on 17 September 2023 and ending on 17 June 2031.	-	Quarterly
Meezan Bank Limited	52,998,400	-	SBP rate for LTFF + 1.50%	Thirty two equal quarterly instalments commencing on 27 October 2023 and ending on 27 July 2031.	-	Quarterly
MCB Islamic Bank Limited (Note 6.9)	167,423,709	127,670,049	SBP rate for ITERF + 1.50%	Ninety six unequal instalments commencing on 06 August 2023 and ending on 25 May 2031.	-	Quarterly
Faysal Bank Limited (Note 6.7)	184,612,066	353,981,414	SBP rate for Islamic refinance scheme for payment of salaries and wages + 1.00%	Eight equal quarterly instalments commenced on 30 March 2021 and ending on 30 December 2022.	-	Quarterly
Faysal Bank Limited (Note 6.7)	5,873,758	11,304,435	SBP rate for Islamic refinance scheme for payment of salaries and wages + 1.25%	Eight equal quarterly instalments commenced on 30 March 2021 and ending on 30 December 2022.	-	Quarterly
Faysal Bank Limited	-	275,000,000	3-months KIBOR + 0.70%	Twenty equal quarterly instalments commenced on 21 May 2018 and ended on 15 July 2021.	Quarterly	Quarterly
	1,490,411,865	2,043,285,722				

6.3 Long term loans are secured by first joint pari passu hypothecation and equitable mortgage on all present and future fixed assets of the Holding Company to the extent of Rupees 21,769.914 million (2021: Rupees 18,533.254 million).

6.4 Long term musharaka are secured by first joint pari passu hypothecation and equitable mortgage on all present and future fixed assets of the Holding Company to the extent of Rupees 3,787.667 million (2021: Rupees 3,820.596 million).

6.5 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.

6.6 These loans are obtained by the Holding Company under SBP refinance scheme for payment of salaries and wages. These are recognized and measured in accordance with IFRS 9 'Financial Instruments'. Fair value adjustment is recognized at discount rates ranging from 7.92% to 8.03% per annum.

6.7 These loans are obtained by the Holding Company under SBP Islamic refinance scheme for payment of salaries and wages . These are recognized and measured in accordance with IFRS 9 'Financial Instruments'. Fair value adjustment is recognized at discount rates ranging from 7.45% to 8.30% per annum.

6.8 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 8.23% to 14.27% per annum (2021: 8.38% to 8.41% per annum).

6.9 These loans are obtained by the Holding Company under SBP Islamic Temporary Economic Refinance Facility (ITERF). These are recognized and measured in accordance with IFRS 9 'Financial Instruments'. Fair value adjustment is recognized at discount rates ranging from 8.04% to 11.44% per annum (2021: 8.04% to 8.47% per annum.)

6.10 This term finance facility, aggregating to Rupees 68.866 million (2021: Rupees 68.866 million) is obtained by the Subsidiary Company from Bank Alfalah Limited under SBP refinance scheme for payment of wages and salaries to workers and employees of business concerns. This facility is secured against joint ownership of diminishing musharaka assets of the Subsidiary Company to the tune of Rupees 81.264 million, first joint pari passu charge on all the present and future current assets including fuel stocks, inventories and energy price payment receivables from CPPA-G and demand promissory notes by the Subsidiary Company. This loan is recognized and measured in accordance with IFRS 9 'Financial Instruments'. Fair value adjustment is recognized at discount rates ranging from 10.25% to 11.18% (2021: 10.25% to 11.18%) per annum.

7. LEASE LIABILITIES

	2022 Rupees	2021 Rupees
Total lease liabilities	90,649,683	120,881,507
Less: Current portion shown under current liabilities (Note 12)	(34,645,327)	(46,362,612)
	56,004,356	74,518,895

		2022 Rupees	2021 Rupees
7.1	**Reconciliation of lease liabilities**		
	Opening balance	120,881,507	100,145,527
	Add: Additions during the year	25,199,677	61,162,694
	Add: Interest accrued on lease liabilities (Note 34)	11,558,235	12,057,781
	Less: Impact of lease termination	(9,925,725)	-
	Less: Payments during the year	(57,064,011)	(52,484,495)
	Closing balance	90,649,683	120,881,507
7.2	**Maturity analysis of lease liabilities is as follows:**		
	Upto 6 months	25,456,747	28,070,945
	6-12 months	18,022,544	28,174,408
	1-2 years	35,564,384	38,665,927
	More than 2 years	31,071,655	45,294,327
		110,115,330	140,205,607
	Less: Future finance cost	(19,465,647)	(19,324,100)
	Present value of lease liabilities	90,649,683	120,881,507
7.3	**Amounts recognised in the consolidated statement of profit or loss**		
	Expense relating to short term leases (included in distribution cost)	25,146,805	41,845,215
	Interest accrued during the year	11,558,235	12,057,781
		36,705,040	53,902,996

7.4 Implicit rate against lease liabilities ranges from 7.01% to 13.97% (2021: 7.01% to 13.97%) per annum.

		2022 Rupees	2021 Rupees
8.	**DEFERRED LIABILITIES**		
	Gas Infrastructure Development Cess (GIDC) payable (Note 8.1)	-	52,920,380
	Deferred income - Government grant (Note 8.2)	832,798,931	138,672,987
		832,798,931	191,593,367
8.1	**Gas Infrastructure Development Cess (GIDC) Payable**		
	Gas Infrastructure Development Cess payable at amortized cost	438,359,078	450,332,761
	Add: Adjustment due to impact of IFRS 9 (Note 34)	12,513,129	25,501,528
	Less: Payments made during the year	-	(37,475,211)
	Closing balance	450,872,207	438,359,078
	Less: Current portion shown under current liabilities (Note 12)	(450,872,207)	(385,438,698)
		-	52,920,380

8.1.1 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 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.

		2022 Rupees	2021 Rupees
8.2	**Deferred income - Government grant**		
	Opening balance	193,082,195	1,719,000
	Government grant recognized during the year	881,639,750	243,758,229
	Less: Amortized during the year (Note 33)	(95,948,066)	(52,395,034)
		978,773,879	193,082,195
	Less: Current portion shown under current liabilities (Note 12)	(145,974,948)	(54,409,208)
		832,798,931	138,672,987

8.2.1 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) and Islamic Temporary Economic Refinance Facility (ITERF) for setting of new industrial units and for undertaking Balancing, Modernization and Replacement and / or expansion of projects / businesses and through Circular No. 06 of 2020 dated 10 April 2020 introduced a Refinance Scheme for payment of wages and salaries to the workers and employees of business concerns. These refinances were available through Banks / DFIs. One of the key feature of these refinance facilities is that borrowers can obtain loan at mark-up rates that are 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 Group 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 has been 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 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.

		2022 Rupees	2021 Rupees
9.	**TRADE AND OTHER PAYABLES**		
	Creditors (Note 9.1)	983,984,478	2,236,354,865
	Sindh infrastructure cess payable (Note 9.2)	746,149,339	447,386,865
	Accrued liabilities	2,068,275,221	1,407,551,111
	Contract liabilities - unsecured (Note 9.3)	162,118,230	209,468,561
	Securities from contractors - interest free and repayable on completion of contracts (Note 9.4)	4,811,800	4,386,800
	Retention money	35,022,362	2,556,142
	Income tax deducted at source	35,729,410	26,987,874
	Fair value of forward exchange contracts	154,046,505	-
	Derivative financial instruments (Note 24.1)	-	3,884,821
	Workers' profit participation fund (Note 9.5)	1,080,319,677	834,730,188
	Workers' welfare fund (Note 9.6)	228,058,769	177,362,596
	Others	80,650,828	54,392,586
		5,579,166,619	5,405,062,409

9.1 These include Rupees Nil (2021: Rupees14.360 million) due to Nishat Mills Limited - related party.

9.2 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 Group filed writ petition in Honourable Sindh High Court, Karachi whereby stay was granted and directions were given to provide bank guarantees in favour of Director Excise and Taxation, Karachi. The Honourable Sindh High Court, Karachi passed order dated 04 June 2021 against the Group and directed that bank guarantees should be encashed. Being aggrieved by the order, the Group 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 Honourable Sindh High Court, Karachi. The Honourable Supreme Court also direct the release of future consignments subject to furnishing of bank guarantees for the disputed amount.

9.3 These include Rupees 0.218 million (2021: Rupees 0.218 million) due to Nishat Mills Limited - related party.

9.4 These deposits were utilized for the purpose of business in accordance with the terms of written agreements with contractors.

		2022 Rupees	2021 Rupees
9.5	**Workers' profit participation fund**		
	Opening balance	834,730,188	431,132,964
	Add: Interest for the year (Note 34)	20,851,237	1,109,143
	Add: Provision for the year	553,712,680	433,588,188
		1,409,294,105	865,830,295
	Less: Payments during the year	(328,974,428)	(31,100,107)
	Closing balance	1,080,319,677	834,730,188

9.5.1 The Group retains workers' profit participation funds for their business operations till the date of allocation to workers. Interest is paid at prescribed rate under the Companies Profits (Workers Participation) Act, 1968 on funds utilized by the Group till the date of allocation to workers.

		2022 Rupees	2021 Rupees
9.6	**Workers' welfare fund**		
	Opening balance	177,362,596	106,588,400
	Add: Provision for the year	50,696,173	70,774,196
	Closing balance	228,058,769	177,362,596
10.	**ACCRUED MARK-UP / PROFIT**		
	Long term financing	199,540,765	86,334,999
	Short term borrowings	515,701,083	428,219,914
		715,241,848	514,554,913

	2022 Rupees	2021 Rupees
11. SHORT TERM BORROWINGS		
From banking companies - secured		
Nishat (Chunian) Limited - Holding Company		
Short term running finances (Notes 11.1 and 11.2)	3,049,797,496	687,759,100
Export finances - Preshipment / SBP refinance (Notes 11.1 and 11.3)	3,874,638,840	11,088,894,368
Other short term finances (Notes 11.1 and 11.4)	5,900,000,000	6,867,000,000
Murabaha finance (Notes 11.1 and 11.5)	119,573,561	254,259,949
Nishat Chunian Power Limited - Subsidiary Company		
Running finances (Note 11.6)	6,177,017,000	5,262,724,000
Term finance (Note 11.7)	-	650,000,000
Running musharaka and murabaha facilities (Note 11.8)	4,674,709,000	4,110,023,000
Nishat Chunian USA Inc. - Subsidiary Company		
Revolving credit line (Note 11.9)	-	163,619,178
	23,795,735,897	29,084,279,595

11.1 These finances are obtained from banking companies under mark-up / profit arrangements and are secured by hypothecation of all present and future current assets of the Holding Company to the extent of Rupees 46,660 million (2021: Rupees 40,959 million) and ranking charge on all present and future current assets of the Holding Company to the extent of Rupees 7,467 million (2021: Rupees 5,667.333 million). These form part of total credit facilities of Rupees 39,615 million (2021: Rupees 35,175 million).

11.2 The effective rates of mark-up range from 7.70% to 15.31% (2021: 7.50% to 9.53%) per annum.

11.3 The effective rates of mark-up on Pak Rupee finances and US Dollar finances range from 1.00% to 11.13% (2021: 2.25% to 13.45%) and 0.75% to 0.85% (2021: 0.75% to 2%) per annum respectively.

11.4 The effective rates of mark-up range from 7.54% to 15.28% (2021: 7.55% to 9.45%) per annum.

11.5 The effective rate of profit ranged from 7.60% to 11.06% (2021: 8.62% to 11.69%) per annum.

11.6 These running finance facilities are obtained from commercial banks under mark-up arrangements amounting to Rupees 7,340 million (2021: Rupees 6,212.500 million). These facilities are available at mark-up rates ranging from one month to three months KIBOR plus 0.00% to 2.00% (2021: one month to three months KIBOR plus 0.25% to 2.00%) per annum payable quarterly. These facilities are secured against first joint pari passu hypothecation charge on the present and future current assets of Nishat Chunian Power Limited - Subsidiary Company including fuel stocks, inventories and energy price payment receivables from CPPA-G. The mark-up rate charged during the year on the outstanding balance ranges from 7.70% to 15.31% (2021: 7.51% to 9.59%) per annum.

11.7 These facilities are obtained from financial institutions under mark-up arrangement amounting to Rupees 900 million (2021: Rupees 900 million). These facilities are secured against first joint pari passu charge on present and future current assets of Nishat Chunian Power Limited - Subsidiary Company including fuel stocks, inventories and energy price payment receivables from CPPA-G. These facilities are available at mark-up rates ranging from three months KIBOR plus 2.00% to 2.50% (2021: three months KIBOR plus

2.00% to 2.50%) payable on quarterly basis. The mark-up rate charged during the year on the outstanding balance ranges from 9.45% to 12.52% (2021: 9.27% to 10.14%) per annum.

11.8 These murabaha and musharaka facilities are obtained from Islamic banks aggregating to Rupees 5,324.562 million (2021: Rupees 6,900 million) at profit rates ranging from one month to six months KIBOR plus 0.15% to 1.50% (2021: one month to six months KIBOR plus 0.50% to 2.50%) per annum. Profit on murabaha is payable at the maturity of the respective murabaha transaction, whereas, the profit on musharaka is payable monthly / quarterly on the balance outstanding. These facilities are secured against first joint pari passu hypothecation charge on the present and future current assets of Nishat Chunian Power Limited - Subsidiary Company comprising of fuel stocks, inventories and energy price payment receivables from CPPA-G. The profit rate charged during the year on the outstanding balance ranges from 7.76% to 15.16% (2021: 7.69% to 9.85%) per annum.

11.9 Nishat Chunian USA Inc. - Subsidiary Company has a revolving credit pursuant to which it may borrow up to US Dollars 2,500,000 (Rupees 506.250 million) subject to borrowing base availability, bearing interest at prime rate plus 0.25%. The borrowings base equals to 75% of the aggregate amount of all qualified accounts receivable, as defined. This note is collateralized by as first security interest in substantially all assets of Nishat Chunian USA Inc. - Subsidiary Company and is guaranteed by the Holding Company.

		2022 Rupees	2021 Rupees
12.	**CURRENT PORTION OF NON-CURRENT LIABILITIES**		
	Long term financing (Note 6)	1,723,846,403	2,340,468,111
	Lease liabilities (Note 7)	34,645,327	46,362,612
	Gas Infrastructure Development Cess (GIDC) Payable (Note 8.1)	450,872,207	385,438,698
	Deferred income - Government grant (Note 8.2)	145,974,948	54,409,208
		2,355,338,885	2,826,678,629
13.	**PROVISION FOR TAXATION - NET**		
	Provision for taxation	881,527,308	-
	Advance income tax	(795,613,110)	-
		85,914,198	-

14. CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

14.1.1 The Holding Company preferred appeal against the Government of Punjab in the Honourable Lahore High Court, Lahore against imposition of electricity duty on internal generation and the writ petition has been accepted. However, Government of Punjab has moved to the Honourable Supreme Court of Pakistan against the order of Honourable Lahore High Court, Lahore. The Holding Company has fully provided its liability in respect of electricity duty on internal generation. As at the reporting date, an amount of Rupees 122.062 million is payable on this account but the management of the Holding Company is confident that payment of electricity duty will not be required.

14.1.2 The Collectorate of Customs (Export) has issued show cause notices with the intention to reject the duty draw back claims aggregating to Rupees 9.482 million on blended grey fabrics exported under Duty and Tax Remission Rules for Export (DTRE) scheme. The department is of the view that the Holding Company has not submitted Appendix-1 as per Rule 297-A of the above referred scheme. The Holding Company considers that since it has taken benefit of remission of sales tax only, it is entitled to full duty draw back and filed appeal before Appellate Tribunal Inland Revenue (ATIR), Karachi Bench which was decided against the Holding Company. The Holding Company also applied to Federal Board of Revenue (FBR) to constitute Alternate Dispute Resolution Committee (ADRC) in terms of section 195C of the Customs Act, 1969 to settle the dispute. ADRC vide its order dated 16 April 2008 has recommended the case in favour of the Holding Company and forwarded the case to FBR. However, FBR has not accepted the recommendations of ADRC. The Holding Company has filed appeal before the Honourable High Court of Sindh, Karachi on 07 December 2013 against the order of ATIR, where the case is pending.

14.1.3 The Holding Company impugned selection of its tax affairs for audit in terms of section 177 of the Income Tax Ordinance, 2001 for tax year 2009 in Honourable Lahore High Court, Lahore through writ petition. After dismissal of writ petition by the Honourable Lahore High Court, Lahore, the tax department has completed the audit of tax year 2009 of income tax affairs of the Holding Company and Deputy Commissioner Inland Revenue (DCIR) has passed an order under sections 122(1)/122(5) of the Income Tax Ordinance, 2001 creating a tax demand of Rupees 6.773 million. The Holding Company filed appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] against the decision of DCIR wherein the appeal has been decided partially in favour of the Holding Company. Being aggrieved, the Holding Company has filed an appeal before ATIR which is pending adjudication. No provision against this demand has been made in these consolidated financial statements as the Holding Company is hopeful of a favourable outcome of appeal based on the opinion of the tax advisor.

14.1.4 As a result of withholding tax audit for the tax year 2006, DCIR has raised a demand of Rupees 14.596 million under sections 161 and 205 of the Income Tax Ordinance, 2001. The Holding Company's appeal before ATIR was successful. The Commissioner Inland Revenue has filed appeal before Honourable Lahore High Court, Lahore against the order of ATIR, where the case is pending. No provision against this demand has been made in these consolidated financial statements as the Holding Company is hopeful of a favourable outcome of appeal based on the opinion of the tax advisor.

14.1.5 An appeal effect order was issued in response to the order passed by ATIR in proceedings initiated under section 122(5A) of the Income Tax Ordinance, 2001 for tax year 2011, whereby, the income tax refunds originally accruing to the Holding Company were reduced to Rupees 39.305 million from Rupees 137.801 million. Additionally, the income tax refunds of Rupees 6.822 million adjusted against the income tax demand originally created by Additional Commissioner Inland Revenue (ACIR) in the instant proceedings, were also restored. In response to the appeal effect order, an appeal has been filed before CIR(A) contesting the reduction of income tax refunds. The outcome of the said appeal is expected to be in favour of the Holding Company.

14.1.6 The Deputy Collector (Refund – Gold) by order dated 16 May 2007 rejected the input tax claim of the Holding Company, for the month of June 2005, amounting to Rupees 1.604 million incurred in zero rated local supplies of textile and articles thereof on the grounds that the input tax claim is in contravention of SRO 992(I)/2005 which states that no registered person engaged in the export of specified goods (including textile and articles thereof) shall, either through zero-rating or otherwise, be entitled to deduct or reclaim input tax paid in respect of stocks of such goods acquired up to 05 June 2005, if not used for the purpose of exports made up to the 31 December 2005. The appeal of the Holding Company before ATIR was successful and input tax claim of the Holding Company is expected to be processed after necessary verification in this regard. Pending the outcome of verification no provision for inadmissible input tax has been recognized in these consolidated financial statements.

14.1.7 DCIR through an order under section 161/205 of the Income Tax Ordinance, 2001 created a demand of Rupees 147.745 million for tax year 2012 on account of alleged non-deduction of income tax on payments against the heads commission to selling agents on exports and export marketing expenses. Being aggrieved, the Holding Company filed an appeal before CIR(A), who vide order dated 09 June 2016 accepted the stance of the Holding Company and deleted the demand related to commission to selling agents on exports, whereas, with respect to export marketing expenses, CIR(A) remanded back the case to DCIR. However, the Holding Company has filed appeal before ATIR which is pending for fixation. Based on grounds and facts, the appeal is likely to be decided in favour of the Holding Company.

14.1.8 The Holding Company filed appeal before CIR(A) against the order of ACIR. ACIR passed an order under section 122(5A) of the Income Tax Ordinance, 2001 for tax year 2012 whereby a demand of Rupees 125.162 million has been raised. CIR(A) vide order dated 29 June 2016 has deleted some of the additions made by ACIR. Being aggrieved by the order of CIR(A), the Holding Company as well as the tax department have preferred appeals before the ATIR which are pending adjudication. No provision against this demand has been made in these consolidated financial statements as the Holding Company is hopeful for a favourable outcome of appeal based on the opinion of the tax advisor.

14.1.9 ACIR passed an order under section 122(5A) of the Income Tax Ordinance, 2001 for tax year 2010 whereby a demand of Rupees 142.956 million has been raised, against which the Holding Company filled appeal before CIR(A). CIR(A) vide order dated 28 October 2016 has deleted some of the additions made by ACIR. Being aggrieved by the order of CIR(A), the Holding Company as well as the tax department have preferred appeals before the ATIR which are pending adjudication. No provision against this demand has been made in these consolidated financial statements as the Holding Company is hopeful for a favourable outcome of appeal based on the opinion of the tax advisor.

14.1.10 Deputy Commissioner Inland Revenue passed an order under sections 161/205 of the Income Tax Ordinance, 2001 creating a demand of Rupees 19.073 million for the tax year 2014. The Holding Company preferred an appeal against this order before CIR(A). The CIR(A) adjudicated that impugned order is unsustainable and remanded back the matter to taxation officer for consideration of legal grounds and merits of the case. The Holding Company has also filed an appeal before ATIR against the order of CIR(A). The proceedings before both forums are pending for adjudication. No provision against this demand has been made in these consolidated financial statements as the Holding Company is confident of favourable outcome of its appeals.

14.1.11 Through show cause notice, the Collector of Customs, Karachi raised demand of Rupees 23.585 million on the grounds that the Holding Company was not entitled for exemption of sales tax and facility of reduced rate of income tax on 13 consignments of cotton imported during the period from April 2013 to April 2014. The vires of show cause notice were challenged in Honourable Sindh High Court, Karachi from where stay was granted with the direction to the Collector that he will not pass final order pursuant to the impugned show cause notice particularly in respect of advance income tax till next date of hearing. In spite of the categorical orders of the Honourable Sindh High Court, Karachi the Collector passed order, creating the demand of the aforesaid amount. Appeal against the said order filed in ATIR, Karachi has been dismissed. Custom reference application has been filed in Honourable Sindh High Court, Karachi against the order of ATIR. There is sufficient case law on the subject and there is every likelihood that case will be decided in favour of the Holding Company.

14.1.12 The Holding Company is contesting demands of sales tax along with default surcharge and penalty under the Sales Tax Act, 1990 by taxation authorities amounting to Rupees 747.486 million at various forums. These demands have been raised on account of various issues. No provision against the aforesaid demands has been made in these consolidated financial statements as the management is confident of favourable outcome of its appeals based on advice of the legal counsel.

14.1.13 ACIR passed an order under section 122(5A) of the Income Tax Ordinance, 2001 for tax year 2013 whereby a demand of Rupees 27.845 million has been raised. The appeal before CIR(A) has been decided and some matters have been decided in favour of the Holding Company. Being aggrieved, the Holding Company is in appeal before ATIR against the order of CIR(A). No provision against this demand has been made in these consolidated financial statements as the Holding Company is hopeful for a favourable outcome of appeal based on the opinion of the tax advisor.

14.1.14 DCIR issued a show cause notice dated 12 April 2019 under section 177(1) of the Income Tax Ordinance, 2001 for providing certain record and documents for tax year 2013. In response thereto, various replies were submitted with the DCIR. In response to submissions of the Holding Company, the DCIR issued an audit report under section 177(6) of the Income Tax Ordinance, 2001 and then passed an order under sections 122(4), 122(5) and 214C of the Income Tax Ordinance, 2001 creating a demand of Rupees 277.772 million. Being aggrieved with the order passed by the DCIR, an appeal has been filed before CIR(A)-I. CIR(A)-I vide order dated 07 November 2019 ordered remand back proceedings in the said proceedings. Subsequently, a notice under sections 124, 122(4), 122(5) and 214C of the Income Tax Ordinance, 2001 was issued dated 02 April 2020. However, the proceedings were adjourned indefinitely owing to the lockdown in the country amid the COVID-19 outbreak. The proceedings will be re-initiated by the concerned DCIR by issuing a fresh notice. However, based on facts of the case, the aforesaid proceedings are likely to culminate in the favour of the Holding Company.

14.1.15 DCIR issued a show cause notice dated 20 March 2019 under section 161(1A) of the Income Tax Ordinance, 2001 for tax year 2017, wherein, the Holding Company was required to explain the taxes deducted against payments amounting to Rupees 133.361 million made on account of commission to selling agents. In response thereto, a reply dated 28 March 2019 was submitted with the DCIR. The DCIR without considering the arguments put forth by the Holding Company passed an order dated 05 April 2019 raising a demand of Rupees 13.982 million. Being aggrieved with the order passed by the DCIR, an appeal was filed before CIR(A)-I which culminated in an order under section 129(1)(b) read with section 161(1A) of Income Tax Ordinance, 2001 dated 27 June 2019, wherein, the stance of the DCIR was upheld. Being aggrieved with the order passed by the CIR(A)-I, an appeal was filed before ATIR, which was decided in favour of the Holding Company on 19 February 2020. Appeal has been filed by the tax department before Honourable Lahore High Court, Lahore against the order of ATIR.

14.1.16 DCIR issued a show cause notice dated 20 March 2019 under section 161(1A) of the Income Tax Ordinance, 2001 for tax year 2018, wherein, the Holding Company was required to explain the taxes deducted against payments amounting to Rupees 213.382 million made on account of commission to selling agents. In response thereto, a reply dated 28 March 2019 was submitted with DCIR. DCIR without considering the arguments put forth by the taxpayer, passed an order dated 05 April 2019 raising a demand to the tune of Rupees 15.130 million. Being aggrieved with the order passed by DCIR, an appeal was filed before CIR(A)-I which culminated in an order under section 129(1)(b) read with section 161(1A) of Income Tax Ordinance, 2001 dated 27 June 2019, wherein, the stance of the DCIR was upheld. Being aggrieved with the order passed by the CIR(A)-I, an appeal was filed before ATIR, which was decided in favour of the Holding Company on 19 February 2020. Appeal has been filed by the tax department before Honourable Lahore High Court, Lahore against the order of ATIR.

14.1.17 The Holding Company has challenged, before Honourable Lahore High Court, Lahore, the vires of first proviso to sub-clause (x) of clause (4) of SRO 491(1)/2016 dated 30 June 2016 issued under sections 3 and 4 read with sections 8 and 71 of the Sales Tax Act, 1990 whereby through amendment in the earlier SRO 1125(I)/2011 dated 31 December 2011 adjustment of input sales tax on packing material of all sorts has been disallowed. The learned single judge of Honourable Lahore High Court, Lahore has dismissed the writ petition of the Holding Company, therefore intra court appeal has been filed. The Holding Company has claimed input sales tax amounting to Rupees 86.417 million paid on packing material in its respective monthly sales tax returns. The management, based on advice of the legal counsel, is confident of favourable outcome of its appeal.

14.1.18 In case of NC Electric Company Limited [now Nishat (Chunian) Limited - Holding Company] proceedings were initiated by DCIR under section 235, 161 and 205 of the Income Tax Ordinance, 2001 for the tax year 2017, which eventually culminated in proceedings being remanded back to the concerned DCIR by the Commissioner Inland Revenue, Appeals-II (CIR, A-II). Subsequently, a remand back notice under section 124, 161 and 205 of the Income Tax Ordinance, 2001 was issued by the concerned DCIR. In response to the aforesaid notice, a reply was submitted with concerned DCIR. DCIR in response to submissions, passed an order under sections 124, 235 and 161 dated 29 June 2019 creating a demand to the tune of Rupees 5.699 million. Being aggrieved with the order passed by DCIR, an appeal has been filled before CIR, A-II. Furthermore, hearing of the same was duly conducted and CIR, A-II once again passed an order of remand back proceedings. Being aggrieved with the order passed by the CIR, A-II, an appeal has been filed before ATIR which is pending adjudication. Based on the facts of the case, the appeal is likely to be decided in favour of the Holding Company. Subsequently, a notice dated 31 August 2020 reinitiating the proceedings was issued. The said notice was duly responded to. However, the order is yet to be passed.

14.1.19 ACIR issued a notice dated 11 December 2019 under section 122(9) of the Income Tax Ordinance, 2001 directing the Holding Company to submit clarifications, records and documents with respect to certain treatments meted out in the income tax return for the tax year 2014. In response to the aforementioned notice, various replies were submitted with the ACIR. The subject proceedings culminated in the ACIR passing an order under section 122(5A) of the Income Tax Ordinance, 2001 creating an income tax demand to the tune of Rupees 189.375 million. In response to the order passed by the ACIR, an appeal was filed before the CIR(A) who vide his order dated 24 January 2022 waived the tax demand created by CIR(A) and further granted partial relief by allowing a tax refund of Rupees 84.990 million. The Holding Company being aggrieved with the decision, filed an appeal before ATIR which is pending adjudication. Based on the facts of the case, the appeal is likely to be decided in favour of the Holding Company.

14.1.20 ACIR issued a notice dated 11 December 2019 under section 122(9) of the Income Tax Ordinance, 2001 directing the Holding Company to submit certain records and documents with respect to certain treatments meted out in the annual income tax return for the tax year 2015. In response thereof, various replies were submitted with the ACIR. The subject proceedings culminated in the learned ACIR passing an order under section 122(5A) of the Income Tax Ordinance, 2001 creating a tax demand to the tune of Rupees 417.208 million. In response to the order passed by the ACIR, an appeal was filed before the CIR(A), who vide his order dated 3 June 2022 passed an order against the Holding Company. The Holding Company being aggrieved filled an appeal before ATIR which is pending adjudication. Based on the facts of the case, it is likely that the said proceedings will culminate in the Holding Company's favour.

14.1.21 DCIR initiated post sales tax refunds audit proceedings for tax periods October 2015 to June 2017 under Rule 36 of the Sales Tax Rules, 2006 read with section 38 of the Sales Tax Act, 1990. In response to the notice issued by the DCIR, various replies were submitted. The said proceedings culminated in the learned DCIR passing an order under section 11 of the Sales Tax Act, 1990 creating a sales tax demand to the tune of Rupees 89.828 million. In response to the order passed by the DCIR, an appeal was filed before the CIR(A), who vide his order dated 06 January 2022 passed an order against the Holding Company. The Holding Company being aggrieved with the decision, filed an appeal before ATIR against the impugned order. Based on the facts of the case, it is likely that the proceedings will culminate in the Holding Company's favour.

14.1.22 Proceedings under section 161 and 205 of the Income Tax Ordinance, 2001 were initiated by DCIR for tax year 2015, which eventually culminated in the DCIR's order under section 161 and 205 of the Income Tax Ordinance, 2001 dated 29 April 2021 raising a tax demand to the tune of Rupees 105.480 million. In response to the aforesaid order, appeal has been preferred before CIR(A)-I, who vide his order dated 14 April 2022 passed an order against the Holding Company. The Holding Company being aggrieved filed an appeal before ATIR which is pending fixation. Based on the facts of the case, it is likely that the proceedings will culminate in the Holding Company's favour.

14.1.23 Proceedings under section 161 and 205 of the Income Tax Ordinance, 2001 were initiated by DCIR for tax year 2016, which eventually culminated in the DCIR's order under section 161 and 205 of the Income Tax Ordinance, 2001 dated 28 May 2021 raising a tax demand to the tune of Rupees 77.349 million. In response to the aforesaid order, appeal has been preferred before CIR(A)-I, who vide his order dated 28 March 2022 passed an order against the Holding Company. Being aggrieved the Holding Company filled an appeal before ATIR which is pending adjudication. Based on the facts of the case, it is likely that the proceedings will culminate in the Holding Company's favour.

14.1.24 DCIR initiated post sales tax refunds audit proceedings for tax periods July 2017 to June 2019 under Rule 36 of the Sales Tax Rules, 2006 read with section 38 of the Sales Tax Act, 1990. In response to the notice issued by the DCIR, various replies were submitted. The said proceedings culminated in the learned DCIR passing an order under section 38 of the Sales Tax Act, 1990 creating a sales tax demand to the tune of Rupees 914.309 million. In response to the order passed by the DCIR, an appeal has been filed before the CIR(A). Based on the facts of the case, it is likely that the proceedings will culminate in the Holding Company's favour.

14.1.25 ACIR issued a show cause notice dated 09 May 2022 to submit certain records and documents with respect to certain treatments meted out in the annual tax return for tax year 2016 under section 122(9) of the Income Tax Ordinance 2001. In response thereof, ACIR passed an order under section 122(5A) of the Income Tax Ordinance, 2001 reducing income tax refundable from Rupees 347.124 million to Rupees 59.477 million. The Holding Company being aggrieved by the order of ACIR, filed an appeal before CIR(A)-I, which is pending adjudication. Based on grounds and facts, Holding Company is hopeful for a favourable outcome of the appeal.

14.1.26 DCIR initiated post sales tax refunds audit proceedings for tax periods July 2015 to September 2015 under Rule 36 of the Sales Tax Rules, 2006 read with section 38 of the Sales Tax Act, 1990. The said proceedings culminated in the learned DCIR passing an order under section 11(2) of the Sales Tax Act, 1990 creating a sales tax demand of Rupees 3.352 million. In response to the order passed by DCIR, an appeal has been filed before the CIR(A), which culminated in learned CIR(A) remanding back the proceedings. Subsequently the learned DCIR passed an adverse order against the Holding Company. The Holding Company being aggrieved by the order of DCIR filled an appeal before CIR(A). Based on the facts of the case, it is likely that the proceedings will culminate in the Holding Company’s favour.

14.1.27 Guarantees of Rupees 1,140.200 million (2021: Rupees 858.017 million) are given by the banks of the Holding Company to Sui Northern Gas Pipelines Limited against gas connections, Shell Pakistan Limited against purchase of furnace oil, Lahore Electric Supply Company against electricity connections, Director Excise and Taxation, Karachi against infrastructure cess, Chairman Punjab Revenue Authority, Lahore against infrastructure cess, Collector, Model Customs Collectorate, Karachi against import, Director Pakistan Central Cotton Committee against cotton cess and Nazir, Honourable Sindh High Court, Karachi against the notification in accordance with section 8 of OGRA Ordinance 2002 regarding system gas tariff on industrial and captive units.

14.1.28 Post dated cheques have been issued to custom authorities in respect of duties amounting to Rupees 7,957.417 million (2021: Rupees 4,715.577 million) on imported material availed on the basis of consumption and export plans. In the event the documents of exports are not provided on due dates, cheque issued as security shall be encashable. Further, post dated cheques of Rupees 154.300 million (2021: Rupees 139.031 million) have been issued to Lahore Electric Supply Company Limited against disputed amount of tariff adjustments and post dated cheques of Rupees 156.532 million (2021: Rupees 156.532 million) have been issued to Sui Northern Gas Pipelines Limited against gas infrastructure development cess and captive vs industrial tariff case.

14.1.29 Assistant Commissioner Inland Revenue (ACIR) has raised a demand of Rupees 1,161.548 million through its order dated 28 November 2013 by disallowing input sales tax for the tax periods from July 2010 to June 2012. Such amount was disallowed on the grounds that the revenue derived by Nishat Chunian Power Limited - Subsidiary Company on account of ‘capacity purchase price’ was against a non-taxable supply and thus, the entire amount of input sales tax claimed by Nishat Chunian Power Limited - Subsidiary Company was required to be apportioned with only the input sales tax attributable to other revenue stream i.e. ‘energy purchase price’ admissible to Nishat Chunian Power Limited - Subsidiary Company.

Against the aforesaid order, Nishat Chunian Power Limited - Subsidiary Company preferred an appeal on 10 December 2013 before the CIR(A) who vacated the ACIR’s order on the issue regarding apportionment of input sales tax. However, CIR(A) did not adjudicate upon Nishat Chunian Power Limited - Subsidiary Company’s other grounds of appeal. Consequently, Nishat Chunian Power Limited - Subsidiary Company preferred an appeal on 17 March 2014 before the Appellate Tribunal Inland Revenue ('ATIR') on the issues not adjudicated upon by the CIR(A) and the Federal Board of Revenue ('tax department') also preferred an appeal on 08 May 2014 before the ATIR against the CIR(A)’s order. The ATIR decided the case in favour of Nishat Chunian Power Limited - Subsidiary Company on 11 September 2018. However, the tax department filed a sales tax reference with Honourable Lahore High Court, Lahore against the decision. On 31 March 2022, the Honourable Lahore High Court, Lahore set aside the ATIR's judgment and remanded back the case to determine whether payments made against capacity purchase price constitute a taxable or non-taxable supply and to treat the input sales tax adjustment accordingly. Being aggrieved by the decision of the Honourable Lahore High Court, Lahore, Nishat Chunian Power Limited - Subsidiary Company has filed leave for appeal before the Honourable Supreme Court of Pakistan on 20 May 2022 which is pending adjudication.

Furthermore, the DCIR issued a show cause notice on 12 November 2014 whereby intentions were shown to raise a sales tax demand of Rupees 1,093.262 million by disallowing input sales tax claimed by Nishat Chunian Power Limited - Subsidiary Company for the tax periods from July 2010 to June 2012 on similar grounds as explained above. Nishat Chunian Power Limited - Subsidiary Company agitated the initiation of such proceedings through institution of a writ petition before the Honourable Lahore High Court, Lahore on 23 July 2015. The Honourable Lahore High Court, Lahore disposed off the petition in Nishat Chunian Power Limited - Subsidiary Company's favour through its order dated 31 October 2016, by stating that there is no supply being made against capacity purchase price, hence, there is no existence of an “exempt supply”. Accordingly, Nishat Chunian Power Limited - Subsidiary Company is free to reclaim or deduct input tax under the relevant provisions of Sales Tax Act, 1990. However, the tax department filed a review petition before the Honourable Lahore High Court, Lahore on 09 January 2017 and an appeal before the Honourable Supreme Court of Pakistan on 24 November 2017 against the aforementioned Honourable Lahore High Court's order, both of which are pending adjudication.

For the period July 2013 to June 2014, Nishat Chunian Power Limited - Subsidiary Company's case was selected for audit by the tax department, which selection was objected to, on jurisdictional basis, by Nishat Chunian Power Limited - Subsidiary Company by way of filing a writ petition before the Honourable Lahore High Court, Lahore on 20 November 2015. While, the Honourable Lahore High Court, Lahore has allowed the tax department to proceed with audit proceedings, it has been directed that no adjudication order, consequent to conduct of audit, shall be passed after confronting the audit report. The audit proceedings were completed by the tax department during the financial year 2016 and audit report thereof was submitted to Nishat Chunian Power Limited - Subsidiary Company seeking explanations in regard to the issues raised therein. In the subject audit report, an aggregate amount of Rupees 631.769 million primarily including a disallowance of input sales tax of Rupees 622.263 million has been confronted on same grounds as explained above. The Honourable Lahore High Court, Lahore through its order dated 9 January 2017 has allowed initiation of adjudication proceedings after issuance of audit report. On 17 May 2017, the DCIR issued a showcause notice as to why sales tax of the aforesaid amount of Rupees 631.769 million alongwith default surcharge should not be recovered from Nishat Chunian Power Limited - Subsidiary Company. Nishat Chunian Power Limited - Subsidiary Company filed a representation in this regard with the Chairman, Federal Board of Revenue. The Chairman, Federal Board of Revenue disposed of the case on the grounds that it did not invoke any provision of section 7 of the FBR Act, 2007 as no issue of misadministration is involved therein. Nishat Chunian Power Limited - Subsidiary Company then challenged the show cause notice before the Honourable Lahore High Court, Lahore. The Honourable Lahore High Court, Lahore declared on 9 November 2018 that the show cause notice was issued without having jurisdiction.

The tax department filed appeal before the Honourable Supreme Court of Pakistan. The Honourable Supreme Court of Pakistan decided the appeal in favour of tax department. On 21 January 2021, DCIR issued notice to Nishat Chunian Power Limited - Subsidiary Company requiring to submit reply of the show cause notice. Nishat Chunian Power Limited - Subsidiary Company duly submitted its reply to the show cause notice. On 03 June 2021, DCIR passed an order wherein aggregate demand of Rupees 1,326.682 million including penalty and default surcharge was raised. Nishat Chunian Power Limited - Subsidiary Company being aggrieved with the order of DCIR, preferred an appeal before the CIR(A). On 31 December 2021, CIR(A) passed an order wherein the disallowance of input sales tax amounting to Rupees 1.164 million has been confirmed and the remaining amount involved has been annulled / deleted. Being aggrieved by the decision of CIR(A), Nishat Chunian Power Limited - Subsidiary Company has filed an appeal before ATIR. No further notice has been served by the department against the order passed by CIR(A). 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 Chunian Power Limited - Subsidiary Company. Therefore, no provision has been made in these consolidated financial statements.

14.1.30 During the year ended 30 June 2019, the Commissioner Inland Revenue ('CIR') has raised a demand of Rupees 104.977 million against Nishat Chunian Power Limited - Subsidiary Company through his order dated 16 April 2019, mainly on account of input tax claimed on inadmissible expenses in sales tax return for the various tax periods and sales tax default on account of suppression of sales related to various tax periods. Nishat Chunian Power Limited - Subsidiary Company filed application for grant of stay before the ATIR against recovery of the aforesaid demand that was duly granted. Further, Nishat Chunian Power Limited - Subsidiary Company has filed appeals before CIR(A) and ATIR against the order. ATIR decided the case against Nishat Chunian Power Limited - Subsidiary Company vide its order dated 6 May 2020. Nishat Chunian Power Limited - Subsidiary Company has filed sales tax reference before the Honourable Lahore High Court, Lahore which is pending adjudication. During the year ended 30 June 2021, the Honourable Lahore High Court, Lahore on an application of Nishat Chunian Power Limited - Subsidiary Company has provided interim relief by restricting tax department from taking any coercive action against Nishat Chunian Power Limited - Subsidiary Company subject to furnishing of the bank guarantee of disputed amount. Management based on the advice of its legal counsel, has strong grounds to believe that the case will be decided in favour of Nishat Chunian Power Limited - Subsidiary Company. Therefore, no provision has been made in these consolidated financial statements.

14.1.31 An amendment order dated 31 August 2017 was issued by the DCIR under section 122 of the Income Tax Ordinance, 2001 for tax year 2014 whereby income tax of Rupees 191.536 million was levied on other income, interest on delayed payments from CPPA-G, minimum tax on capacity sales, scrap sales and sale proceeds of fixed assets' disposal, and workers' welfare fund (WWF) was also levied of Rupees 12.946

million. Against the aforesaid order, Nishat Chunian Power Limited - Subsidiary Company preferred an appeal on 25 September 2017 before the CIR(A) and the learned CIR(A) passed an order on 2 February 2018, declaring that the levy of income tax on interest on delayed payments from CPPA-G and minimum tax on capacity sales is not justified, while directing Nishat Chunian Power Limited - Subsidiary Company to pay income tax aggregating to Rupees 1.466 million on profit on debt, miscellaneous income, capital gain on disposal of securities, minimum tax on scrap sales and fixed assets' disposal and WWF of Rupees 4.552 million. Nishat Chunian Power Limited - Subsidiary Company and tax department both have filed appeals on 8 March 2018 and 26 March 2018 respectively, before ATIR against the order of CIR(A). ATIR decided the case in favour of tax department and dismissed Nishat Chunian Power Limited - Subsidiary Company's appeal to grant relief. Further, all relieves granted by CIR(A) have been vacated and original order of DCIR has been upheld. Nishat Chunian Power Limited - Subsidiary Company, being aggrieved by ATIR's decision, filed income tax reference before the Honourable Lahore High Court, Lahore which is pending adjudication. The Honourable Lahore High Court, Lahore vide its interim order dated 25 January 2021 provided interim relief to Nishat Chunian Power Limited - Subsidiary Company and suspended the order of ATIR subject to furnishing of the bank guarantee of disputed amount.

Further, another amendment order dated 15 December 2014 was issued by Additional Commissioner Inland Revenue under section 122 of the Income Tax Ordinance, 2001 for tax year 2013 whereby income tax of Rupees 25.340 million was levied on interest income and minimum tax on capacity sales and disallowed the tax credit under section 65B of the Income Tax Ordinance, 2001 amounting to Rupees 4.027 million. Against the aforesaid order, Nishat Chunian Power Limited - Subsidiary Company preferred an appeal before CIR(A) on 23 January 2015 and the learned CIR(A) passed an order on 03 April 2015, declaring that income tax on interest income and minimum tax on capacity sales is not justified, while upheld to disallow the tax credit under section 65B of the Income Tax Ordinance, 2001. Nishat Chunian Power Limited - Subsidiary Company and tax department both have filed appeals before ATIR against the order of CIR(A) which is pending adjudication.

Moreover, another amendment order dated 13 June 2018 was issued by the ACIR under section 122 of the Income Tax Ordinance, 2001 for tax year 2012 and subsequently, rectification order dated 27 June 2018 under section 221 of the Income Tax Ordinance, 2001 was issued whereby income tax of Rupees 50.063 million was levied mainly comprising minimum tax on capacity sales. Nishat Chunian Power Limited - Subsidiary Company filed an appeal on 26 July 2018 before the CIR(A) against the aforesaid orders. The CIR(A), through its order dated 12 September 2018, has decided the case in favour of Nishat Chunian Power Limited - Subsidiary Company. However, the tax department has filed an appeal before the ATIR against the order of the CIR(A) which is pending adjudication.

The management considers that there exist meritorious grounds to defend Nishat Chunian Power Limited - Subsidiary Company’s stance and the ultimate decision from the appellate authorities would be in Nishat Chunian Power Limited - Subsidiary Company's favour. Consequently, no provision has been made in these consolidated financial statements for the above mentioned amounts aggregating Rupees 283.912 million.

14.1.32 For the period from July 2015 to June 2016, Nishat Chunian Power Limited - Subsidiary Company’s case was selected for sales tax audit by the tax department. The tax department conducted the audit and the Deputy Commissioner Inland Revenue - Audit [DCIR (Audit)] issued the audit report on 18 September 2019 in which observations involving sales tax amounting to Rupees 530.207 million were raised and comments were sought thereon from the management of Nishat Chunian Power Limited - Subsidiary Company. The main observation was apportionment of sales tax which is already decided in favour of Nishat Chunian Power Limited - Subsidiary Company by the Honourable Lahore High Court, Lahore in the previous case. Nishat Chunian Power Limited - Subsidiary Company submitted detailed reply on all the observations. DCIR (Audit) has further issued a show cause notice to Nishat Chunian Power Limited - Subsidiary Company on 8 October 2019 with the same amount. Nishat Chunian Power Limited - Subsidiary Company submitted detailed reply of the show cause notice but DCIR (Audit) issued final order on 27 November 2019 involving sales tax amounting to Rupees 530.207 million. Nishat Chunian Power Limited - Subsidiary Company filed an appeal before CIR(A) against the above mentioned order of the DCIR (Audit). The CIR(A) vide its order dated 4 March 2020 accepted the stance of Nishat Chunian Power Limited - Subsidiary Company on main observation of apportionment of sales tax and remanded back the case for rest of observations to DCIR (Audit) which is pending adjudication.

14.1.33 On 19 April 2021, DCIR issued show cause notice to Nishat Chunian Power Limited - Subsidiary Company involving Rupees 223.773 million on account of input sales tax on capacity purchase price claimed by Nishat Chunian Power Limited - Subsidiary Company for the period from July 2017 to January 2021. Nishat Chunian Power Limited - Subsidiary Company challenged the jurisdiction of DCIR to issue show cause notice before the Honourable Lahore High Court, Lahore. On 31 May 2021, the Honourable Lahore High Court, Lahore directed Nishat Chunian Power Limited - Subsidiary Company to file the reply of show cause notice issued by DCIR and ordered the DCIR to first determine the jurisdiction as raised by Nishat Chunian Power Limited - Subsidiary Company. Nishat Chunian Power Limited - Subsidiary Company filed its reply to show cause notice to DCIR. DCIR determined its jurisdiction to be lawful. On 03 August 2021, the DCIR passed an order whereby a demand of Rupees 223.773 million was raised against Nishat Chunian Power Limited - Subsidiary Company. Against the aforesaid order of DCIR, Nishat Chunian Power Limited - Subsidiary Company preferred an appeal before CIR(A). In its order dated 10 November 2021, CIR(A) remanded back the case to DCIR. Since the CIR(A) remanded back the case without hearing the merits, therefore, Nishat Chunian Power Limited - Subsidiary Company has also filed an appeal before ATIR which is pending adjudication. 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 Chunian Power Limited - Subsidiary Company. Therefore, no provision has been made in these consolidated financial statements.

14.1.34 During the year ended 30 June 2019, National Electric Power Regulatory Authority (NEPRA) initiated suo moto proceedings against Nishat Chunian Power Limited - Subsidiary Company and other Independent Power Producers ('IPPs') on the profits earned by the companies since Commercial Operation Date (COD). Nishat Chunian Power Limited - Subsidiary Company filed suit in Islamabad High Court and was provided an interim relief whereby the Court suspended the suo moto proceedings and whereas the suit is still pending adjudication. Based on the facts and law, Nishat Chunian Power Limited - Subsidiary Company expects no outflow at this stage and consequently, no provision has been made in these consolidated financial statements.

14.1.35 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 Chunian 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 Chunian Power Limited - Subsidiary Company, NEPRA held its hearing on 17 May 2022 and verbally directed to Nishat Chunian 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 Chunian Power Limited - Subsidiary Company filed a petition in Honourable Lahore High Court, Lahore on 06 June 2022, for restraining NEPRA to take any adverse action in this regard, which is pending adjudication. The Honourable Lahore High Court, Lahore vide its interim order dated 06 June 2022, suspended the impugned notice of hearing. 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 Chunian 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.

14.1.36 In March 2020, Committee for the Power Sector Audit, Circular Debt Resolution and Future Roadmap constituted by Ministry of Energy alleged that savings were made by the IPPs, including Nishat Chunian Power Limited - Subsidiary Company, in the tariff components. On 11 February 2021, Nishat Chunian Power Limited - Subsidiary Company and CPPA-G have signed "Master Agreement" and "PPA Amendment Agreement" as detailed in note 1.1(b) to these consolidated financial statements wherein it has been agreed that the abovementioned dispute will be resolved through arbitration under the 'Arbitration Submission Agreement' between Nishat Chunian Power Limited - Subsidiary Company and GoP. On 15 November 2021, Nishat Chunian Power Limited - Subsidiary Company has authorized GoP / CPPA-G to retain Rupees 8,360 million of its trade debts (note 21) until the Arbitration Tribunal renders the Award which shall be final and binding. During the year ended 30 June 2022, Nishat Chunian Power Limited - Subsidiary Company and GoP have appointed two out of three arbitrators under the 'Arbitration Submission Agreement' and the appointment of third arbitrator is under process. Management believes that there are strong grounds that the matter will ultimately be decided in Nishat Chunian 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.

14.1.37 Letter of guarantees of Rupees 339.774 million (2021: Rupees 328.227 million) are given by the banks of Nishat Chunian Power Limited - Subsidiary Company to Director, Excise and Taxation, Karachi under direction of Sindh High Court in respect of suit filed for levy of infrastructure cess, Federal Board of Revenue and Punjab Revenue Authority in respect of stay granted by various Courts of Pakistan pertaining to pending tax cases and collector of customs under the direction of Honourable Lahore High Court, Lahore in respect of suit filed for custom duty.

14.2 Commitments

14.2.1 Letters of credit for capital expenditure amounting to Rupees Nil (2021: Rupees 4,480.769 million).

14.2.2 Letters of credit other than for capital expenditure amounting to Rupees 526.567 million (2021: Rupees 530.855 million).

14.2.3 Outstanding foreign currency forward contracts of Rupees 2,488.054 million (2021: Rupees 10,106.645 million).

	2022 Rupees	2021 Rupees
15. FIXED ASSETS		
Property, plant and equipment:		
Operating fixed assets (Note 15.1)	27,906,867,002	26,365,098,320
Capital work-in-progress (Note 15.2)	4,538,260,664	783,050,045
	32,445,127,666	27,148,148,365

15.1 Reconciliations of carrying amounts of operating fixed assets at the beginning and at the end of the year are as follows:

Description	Operating fixed assets									
	Freehold land	Buildings on freehold land	Plant and machinery	Standby generators	Electric installations	Factory equipment	Furniture, fixture and equipment	Office equipment	Motor vehicles	Total
	Rupees									
At 30 June 2020										
Cost	1,201,868,016	4,884,552,730	38,017,706,515	973,118,733	718,384,984	265,819,114	163,512,465	171,424,211	292,257,910	46,688,644,678
Accumulated depreciation	-	(1,711,571,143)	(16,468,670,046)	(667,955,122)	(378,999,019)	(166,644,587)	(85,249,891)	(109,753,679)	(156,942,891)	(19,745,786,378)
Net book value	1,201,868,016	3,172,981,587	21,549,036,469	305,163,611	339,385,965	99,174,527	78,262,574	61,670,532	135,315,019	26,942,858,300
Year ended 30 June 2021										
Opening net book value	1,201,868,016	3,172,981,587	21,549,036,469	305,163,611	339,385,965	99,174,527	78,262,574	61,670,532	135,315,019	26,942,858,300
Additions	148,447,680	174,957,639	934,007,154	-	38,042,414	47,704,274	35,252,365	19,014,338	41,004,835	1,438,430,699
Disposals:										
Cost	-	-	(267,572,198)	-	-	(1,048,000)	(173,579)	(1,719,975)	(36,266,574)	(306,780,326)
Accumulated depreciation	-	-	227,787,294	-	-	967,000	75,074	573,698	25,068,980	254,472,046
	-	-	(39,784,904)	-	-	(81,000)	(98,505)	(1,146,277)	(11,197,594)	(52,308,280)
Depreciation charge	-	(163,462,128)	(1,701,060,380)	(1,319,619)	(35,468,998)	(13,667,603)	(12,905,391)	(6,874,719)	(29,123,561)	(1,963,882,399)
Closing net book value	1,350,315,696	3,184,477,098	20,742,198,339	303,843,992	341,959,381	133,130,198	100,511,043	72,663,874	135,998,699	26,365,098,320
At 30 June 2021										
Cost	1,350,315,696	5,059,510,369	38,684,141,471	973,118,733	756,427,398	312,475,388	198,591,251	188,718,574	296,996,171	47,820,295,051
Accumulated depreciation	-	(1,875,033,271)	(17,941,943,132)	(669,274,741)	(414,468,017)	(179,345,190)	(98,080,208)	(116,054,700)	(160,997,472)	(21,455,196,731)
Net book value	1,350,315,696	3,184,477,098	20,742,198,339	303,843,992	341,959,381	133,130,198	100,511,043	72,663,874	135,998,699	26,365,098,320
Year ended 30 June 2022										
Opening net book value	1,350,315,696	3,184,477,098	20,742,198,339	303,843,992	341,959,381	133,130,198	100,511,043	72,663,874	135,998,699	26,365,098,320
Additions	217,040,223	170,390,261	2,878,368,425	10,593,193	222,376,182	59,180,609	46,713,901	20,153,350	97,885,352	3,722,701,496
Disposals:										
Cost	-	-	(190,546,212)	-	-	-	(1,595,066)	(2,333,566)	(62,054,153)	(256,528,997)
Accumulated depreciation	-	-	181,933,753	-	-	-	945,066	1,492,494	51,005,769	235,377,082
	-	-	(8,612,459)	-	-	-	(650,000)	(841,072)	(11,048,384)	(21,151,915)
Assets written off:										
Cost	-	(11,821,201)	(14,550,000)	-	-	-	-	-	(1,276,725)	(27,647,926)
Accumulated depreciation	-	3,525,584	7,590,762	-	-	-	-	-	1,182,732	12,299,078
	-	(8,295,617)	(6,959,238)	-	-	-	-	-	(93,993)	(15,348,848)
Reclassifications	-	-	116,781,944	17,210,285	(133,583,887)	-	(425,342)	17,000	-	-
Depreciation charge	-	(167,158,926)	(1,849,329,399)	(7,996,851)	(42,058,362)	(15,537,950)	(15,949,993)	(9,350,515)	(37,050,055)	(2,144,432,051)
Closing net book value	1,567,355,919	3,179,412,816	21,872,447,612	323,650,619	388,693,314	176,772,857	130,199,609	82,642,637	185,691,619	27,906,867,002
At 30 June 2022										
Cost	1,567,355,919	5,218,079,429	41,426,576,123	1,056,694,667	837,899,819	371,655,997	242,424,167	206,582,858	331,550,645	51,258,819,624
Accumulated depreciation	-	(2,038,666,613)	(19,554,128,511)	(733,044,048)	(449,206,505)	(194,883,140)	(112,224,558)	(123,940,221)	(145,859,026)	(23,351,952,622)
Net book value	1,567,355,919	3,179,412,816	21,872,447,612	323,650,619	388,693,314	176,772,857	130,199,609	82,642,637	185,691,619	27,906,867,002
Annual rate of depreciation (%)		4 - 20	3.93 - 25 & number of hours used	Number of hours used	10	10	10	10 - 33.33	20	

15.1A Based on an exercise conducted during the year, certain operating fixed assets of the Holding Company have been reclassified to more appropriate classes of fixed assets. Such reclassifications have been accounted for as a change in an accounting estimate in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'. The effect of this change in the accounting estimate on the profit before taxation for the year ended 30 June 2022, carrying amount of fixed assets as at the reporting date and future profits before taxation is not material, hence, has not been detailed in these consolidated financial statements.

15.1.1 Detail of operating fixed assets, exceeding the book value of Rupees 500,000, disposed of / written off during the year is as follows:

Description	Qty	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain / (loss)	Mode of disposal	Particulars of purchaser
		Rupees						
Plant and machinery								
Drawing frame	4	11,415,715	(10,306,849)	1,108,866	1,127,080	18,214	Negotiation	Mubahsar Brothers, Faisalabad
Drawing frame	2	6,500,000	(5,367,953)	1,132,047	1,673,540	541,493	Negotiation	Mubahsar Brothers, Faisalabad
Drawing frame	2	5,192,900	(4,405,619)	787,281	3,073,850	2,286,569	Negotiation	Mubahsar Brothers, Faisalabad
Auto cone machine	1	9,738,188	(8,498,598)	1,239,590	502,137	(737,453)	Negotiation	M.H Textiles, Faisalabad
Ring machine	8	12,848,240	(11,414,690)	1,433,550	7,160,000	5,726,450	Negotiation	M.H Textiles, Faisalabad
Ring machine	8	12,848,240	(11,424,219)	1,424,021	11,200,000	9,775,979	Negotiation	Olympia Blended Fibre Mills Limited, Lahore
Auto cone machine	1	4,101,473	(3,383,941)	717,532	608,975	(108,557)	Negotiation	Awais Impex, Lahore
Motor vehicles								
Honda city LE -17 - 2761	1	1,576,930	(1,017,373)	559,557	645,911	86,354	Group policy	Mr. Qaiser Saeed, Holding Company's employee, Jhang
Honda civic LEC -16 - 3977	1	2,081,500	(1,382,379)	699,121	2,170,000	1,470,879	Negotiation	Mr. Wasim Akhtar, Kasoor
Honda city LEB -13 - 6579	1	1,575,000	(616,854)	958,146	1,575,000	616,854	Group policy	Ms. Samina Aslam, Holding Company's employee, Lahore
Suzuki swift RB - 11 - 828	1	1,100,000	(135,850)	964,150	1,100,000	135,850	Group policy	Mr. Abid Hussain, Holding Company's employee, Lahore
Toyota corolla LED - 17- 215	1	2,700,000	(713,640)	1,986,360	2,700,000	713,640	Group policy	Mr. Babar Ali Khan, Holding Company's employee, Lahore
Honda civic LEB - 17 - 6214	1	2,660,165	(1,671,875)	988,290	3,207,786	2,219,496	Negotiation	Mr. Sabir Ilahi, Lahore
Honda civic LEB - 17 - 2111	1	2,744,185	(1,790,950)	953,235	1,372,093	418,858	Group policy	Ms. Nadia Bilal, Holding Company's employee, Lahore
Honda civic LEA - 13 - 3063	1	1,750,000	(864,500)	885,500	1,750,000	864,500	Group policy	Mr. Babar Khan, Holding Company's employee, Lahore
Furniture, fixture and equipment								
Emporium mall retail store works	1	1,595,066	(945,066)	650,000	650,000	-	Negotiation	Bonanza Garments Industries (Private) Limited, Karachi
Plant and machinery								
Rice husk boiler complete	2	14,550,000	(7,590,762)	6,959,238	-	(6,959,238)	Written off	
Buildings on freehold land								
Erection of two boilers	1	11,821,201	(3,525,584)	8,295,617	-	(8,295,617)	Written off	
Aggregate of other items of operating fixed assets with individual book values not exceeding Rupees 500,000		177,378,120	(172,619,458)	4,758,662	40,005,174	35,246,512		
		284,176,923	(247,676,160)	36,500,763	80,521,546	44,020,783		

	2022 Rupees	2021 Rupees
15.1.2 The depreciation charge for the year has been allocated as follows:		
Cost of sales (Note 29)	2,123,312,195	1,946,021,414
Administrative expenses (Note 31)	21,119,856	17,860,985
	2,144,432,051	1,963,882,399

15.1.3 Particulars of immovable fixed assets are as follows:

Manufacturing units and office	Address	Area of land Acres
Nishat (Chunian) Limited - Holding Company		
Manufacturing units:		
Spinning Units 1, 4, 5, 7 and 8	49th Kilometre, Multan Road, Bhai Pheru, Tehsil Pattoki, District Kasur.	61.45
Spinning Units 2, 3, 6 and Weaving	49th Kilometre, Multan Road, Bhai Pheru, Tehsil Pattoki, District Kasur.	127.70
Coal fired electric power generation project	49th Kilometre, Multan Road, Bhai Pheru, Tehsil Pattoki, District Kasur.	33.89
Dyeing, Printing and Stitching	4th Kilometre, Manga Road, Raiwind.	34.78
Office	31-Q, 31-C-Q, and 10-N, Gulberg-II, Lahore.	0.98
Nishat Chunian Power Limited - Subsidiary Company		
Power plant	Jamber Kalan, Tehsil Pattoki, District Kasur.	24.59
Office (under renovation)	House No. 59, Shadman Colony-II, Lahore	0.35
		283.74

	2022 Rupees	2021 Rupees
15.2 Capital work-in-progress		
Civil works on freehold land	697,098,519	39,387,755
Plant and machinery	2,254,968,072	131,802,001
Electric installations	-	753,855
Mobilization advances	136,712,623	87,643,981
Advances for capital expenditures	1,449,481,450	523,462,453
	4,538,260,664	783,050,045

15.3 Movement in capital work in progress

	Civil works on freehold land	Plant and machinery	Electric installations	Mobilization advances
	Rupees			
As at 30 June 2020	93,594,675	9,049,001	753,855	8,058,617
Add: Additions during the year	31,646,438	1,023,209,827	36,876,414	125,078,192
Add / (Less): Adjusted during the year	89,104,281	33,550,327	-	(45,492,828)
Less: Transferred to operating fixed assets during the year	(174,957,639)	(934,007,154)	(36,876,414)	-
As at 30 June 2021	39,387,755	131,802,001	753,855	87,643,981
Add: Additions during the year	815,332,025	5,001,534,496	221,228,327	350,371,973
Less: Adjusted during the year	-	-	-	(301,303,331)
Less: Transferred to operating fixed assets during the year	(157,621,261)	(2,878,368,425)	(221,982,182)	-
As at 30 June 2022	697,098,519	2,254,968,072	-	136,712,623

16. RIGHT-OF-USE ASSETS

	2022 Rupees	2021 Rupees
Opening balance	107,398,163	93,072,385
Add: Additions during the year	25,199,677	61,162,694
Less: Impact of lease termination	(9,007,416)	-
Less: Depreciation for the year (Note 30)	(48,939,254)	(46,836,916)
Closing balance	74,651,170	107,398,163

16.1 Lease of buildings

The Holding Company obtained buildings on lease for its retail outlets. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Lease periods range from two to six years.

16.2 There is no impairment of right-of-use assets.

17. INTANGIBLE ASSETS

	2022 Rupees	2021 Rupees
Opening balance	882,170	4,327,318
Addition during the year	591,164	300,251
Amortization during the year (Note 17.1)	(837,626)	(3,745,399)
Closing balance	635,708	882,170
Cost as at 30 June	46,616,427	46,120,063
Accumulated amortization	(45,980,719)	(45,237,893)
Net book value as at 30 June	635,708	882,170

		2022 Rupees	2021 Rupees
17.1	The amortization charge for the year has been allocated as follows:		
	Cost of sales (Note 29)	604,000	3,613,000
	Administrative expenses (Note 31)	233,626	132,399
		837,626	3,745,399

17.2 Intangible assets - computer software have been amortized at the rates ranging from 20% to 30% per annum.

17.3 Intangible assets of Rupees 45.725 million (2021: Rupees 25.892 million) are fully amortized but still in the use of the Group. Fully amortised intangible asset of Rupees 94,800 has been derecognised during the year.

		2022 Rupees	2021 Rupees
18.	**LONG TERM LOANS TO EMPLOYEES**		
	Considered good:		
	Executives (Notes 18.1, 18.2, 18.4 and 18.3)	15,814,267	17,913,659
	Other employees (Note 18.3)	18,731,403	12,681,169
		34,545,670	30,594,828
	Less: Current portion shown under current assets (Note 22)		
	Executives	(6,900,289)	(5,954,385)
	Other employees	(5,047,904)	(4,193,516)
		(11,948,193)	(10,147,901)
		22,597,477	20,446,927
18.1	**Reconciliation of carrying amount of loans to executives:**		
	Opening balance	17,913,659	13,437,980
	Add: Disbursements during the year	7,300,227	14,573,000
	Less: Repayments during the year	(9,399,619)	(10,097,321)
	Closing balance	15,814,267	17,913,659

18.2 Maximum aggregate balance due from executives at the end of any month during the year was Rupees 19.063 million (2021: Rupees 22.026 million).

18.3 These represent motor vehicle loans and house building loans to executives (including executive directors) and employees, payable in 24 to 60 and 96 to 120 monthly instalments respectively. Interest on long term loans ranged from 4.13% to 15.30% (2021: 4.01% to 10.02%) per annum while some loans are interest free. Motor vehicle loans are secured against registration of cars in the name of the respective Group Company, whereas house building loans are secured against balance standing to the credit of employee in the provident fund trust account.

18.4 These include house building loans to Ms. Nadia Bilal - director of the Holding Company and Mr. Farrukh Ifzal, chief executive of Nishat Chunian Power Limited - Subsidiary Company which was given before her / his appointment as a director / chief executive. Maximum aggregate balance due from Ms. Nadia Bilal - director and Mr. Farrukh Ifzal - chief executive at the end of any month during the year was Rupees 4.494 million and Rupees 2.307 million.

18.5 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.

	2022 Rupees	2021 Rupees
19. STORES, SPARE PARTS AND LOOSE TOOLS		
Stores	1,654,763,893	1,597,424,251
Spare parts	735,933,532	708,227,803
Loose tools	51,089,535	45,272,049
	2,441,786,960	2,350,924,103

19.1 These include stores in transit of Rupees 47.969 million (2021: Rupees Nil) of Nishat Chunian Power Limited - Subsidiary Company. Most of the items of stores and spares of Nishat Chunian Power Limited - Subsidiary Company are of interchangeable nature and can be used as machine spares or consumed as stores. Accordingly, it is not practicable to distinguish stores from spares until their actual usage. Moreover, stores and spares include items which may result in fixed capital expenditure but are not distinguishable.

	2022 Rupees	2021 Rupees
20. STOCK-IN-TRADE		
Raw materials	15,769,926,038	3,413,319,834
Work-in-process (Note 20.2)	2,378,018,568	2,081,215,813
Finished goods (Note 20.3)	4,908,924,263	3,919,731,082
Waste	420,199,392	76,861,237
	23,477,068,261	19,491,127,966

20.1 Stock-in-trade of Rupees 467.995 million (2021: Rupees 152.551 million) is being carried at net realizable value.

20.2 This includes stock of Rupees 0.371 million (2021: Rupees 170.819 million) sent to outside parties for processing.

20.3 Finished goods include stock in transit of Rupees 515.715 million (2021: Rupees 971.128 million).

	2022 Rupees	2021 Rupees
21. TRADE DEBTS		
Considered good:		
Secured (Notes 21.7 and 21.8)		
- Others	18,686,351,194	25,111,578,370
Unsecured		
- Nishat Mills Limited - related party	99,203,818	159,222,732
- Others	2,714,845,121	1,723,797,234
	21,500,400,133	26,994,598,336
Less: Allowance for expected credit losses (Note 21.6)	(84,822,783)	(6,774,524)
	21,415,577,350	26,987,823,812

		2022 Rupees	2021 Rupees
21.1	**Foreign jurisdictions of trade debts**		
	Europe	1,043,572,521	1,457,944,821
	Asia, Africa and Australia	3,007,188,524	2,239,801,443
	United States of America and Canada	298,464,131	736,536,114
		4,349,225,176	4,434,282,378
21.2	**Types of counterparties**		
	Export		
	Corporate	4,349,225,176	3,625,296,799
	Other	-	808,985,579
		4,349,225,176	4,434,282,378
	Local		
	Corporate	17,070,093,962	22,464,016,618
	Other	81,080,995	96,299,340
		17,151,174,957	22,560,315,958
		21,500,400,133	26,994,598,336

21.3 The maximum aggregate amount receivable from related party at the end of any month during the year was as follows:

	2022 Rupees	2021 Rupees
Nishat Mills Limited - related party	264,474,479	217,719,719

21.4 As at 30 June 2022, trade debts of Rupees 6,619.320 million (2021: Rupees 15,772.812 million) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default. The age analysis of these trade debts is as follows:

	2022 Rupees	2021 Rupees
Upto 1 month	4,454,204,931	757,199,543
1 to 6 months	2,164,163,788	3,311,523,892
More than 6 months	951,638	11,704,088,297
	6,619,320,357	15,772,811,732

21.5 As at 30 June 2022, trade debts due from related party amounting to Rupees Nil (2021: Rupees 95.212 million) were past due but not impaired. The age analysis of these trade debts is as follows:

	2022 Rupees	2021 Rupees
Upto 1 month	-	95,212,392
1 to 6 months	-	-
More than 6 months	-	-
	-	95,212,392

		2022 Rupees	2021 Rupees
21.6	**Allowance for expected credit losses**		
	Opening balance	6,774,524	11,268
	Add: Recognized during the year (Note 32)	78,048,259	6,763,256
	Closing balance	84,822,783	6,774,524

21.7 These includes trade receivables from CPPA-G and are considered good. These are secured by a guarantee from the Government of Pakistan (GOP) under the Implementation Agreement and are in the normal course of business and interest free, however, a delayed payment mark-up at the rate of three months KIBOR plus 4.50% compounded semi-annually is charged during the year ended 30 June 2022 on the amounts not paid within due date, before the receipt of second installment of outstanding receivables as disclosed in note 1.1(b). After the receipt of second installment, 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 11.53% to 19.53% (2021: 11.53% to 18.41%) per annum. Trade debts include unbilled receivables of Rupees 635.516 million (2021: Rupees 1,621.128 million).

21.8 Prior to the signing of the 'Master Agreement' and 'PPA Amendment Agreement' as referred to in note 1.1(b) to these consolidated financial statements, an amount of Rupees 966.166 million was included in trade debts relating to capacity revenue not acknowledged by Power Purchaser as the plant was not fully available for power generation. However, the sole reason of this under-utilization of plant capacity was non-availability of fuel owing to non-payment by Power Purchaser.

Since management of Nishat Chunian Power Limited - Subsidiary Company considered that the primary reason for claiming these payments was that plant was available, however, it could not generate electricity due to non-payment by Power Purchaser, therefore, management believed that Nishat Chunian Power Limited - Subsidiary Company cannot be penalized in the form of payment deductions due to Power Purchaser's default of making timely payments under the PPA. Hence, Nishat Chunian Power Limited - Subsidiary Company took up this issue in consultation with Power Purchaser and appointed an Expert for dispute resolution under the PPA.

During the financial year 2016, the Expert gave his determination whereby the aforesaid amount was determined to be payable to Nishat Chunian Power Limited - Subsidiary Company by Power Purchaser. Pursuant to the Expert’s determination, Nishat Chunian Power Limited - Subsidiary Company demanded the payment of the aforesaid amount of Rupees 966.166 million from Power Purchaser. Nishat Chunian Power Limited - Subsidiary Company filed a request for arbitration in the London Court of International Arbitration ('LCIA'), whereby an Arbitrator was appointed.

On 29 October 2017, the Arbitrator declared his Final Award whereby he ordered Power Purchaser to pay to Nishat Chunian Power Limited - Subsidiary Company: i) Rupees 966.166 million pursuant to Expert’s determination; ii) Rupees 224.229 million being pre award interest; iii) Rupees 9.203 million for breach of arbitration agreement; iv) Rupees 1.684 million and USD 612,311 for Nishat Chunian Power Limited - Subsidiary Company’s cost of proceedings; v) GBP 30,157 for Nishat Chunian Power Limited - Subsidiary Company’s LCIA cost of Arbitration and vi) Interest at KIBOR + 4.5% compounded semi-annually from the date of Final Award until payment of these amounts by Power Purchaser (“the Final Award”). On 29 November 2017, Nishat Chunian Power Limited - Subsidiary Company filed an application before Lahore High Court for implementation / enforcement of Final Award that is pending adjudication. On prudence basis, the amounts other than the principal of Rupees 966.166 million were not recognised in these consolidated financial statements.

On 11 February 2021, as part of the PPA Amendment Agreement as referred to in note 1.1(b) to these financial statements, the Power Purchaser and Nishat Chunian Power Limited - Subsidiary Company acknowledged that the dispute relating to withheld capacity payment of Rupees 966.166 million which was awarded by LCIA, has now been settled through the extended disputed period of 75 days which shall be treated as an "Other Force Majeure Event" under the PPA which commenced on 20 July 2021 and ended on 04 October 2021. Consequently, the term of PPA has been extended by 75 days, till 04 October 2035. Further, Power Purchaser agreed to make certain payments to Nishat Chunian Power Limited - Subsidiary Company, subject to certain terms, as compensation of the withheld capacity payments. In return, Nishat Chunian Power Limited - Subsidiary Company agreed to forgo certain amounts declared under the Final Award as enumerated above. Further, subject to fulfilment of certain conditions, Nishat Chunian Power Limited - Subsidiary Company and Power Purchaser agreed to file a joint application before the Lahore High Court for the withdrawal of the enforcement proceedings before the Honourable Lahore High Court.

Pursuant to the provisions of PPA Amendment Agreement as mentioned above, out of the recognised receivable of Rupees 966.166 million, Nishat Chunian Power Limited - Subsidiary Company has assessed that amounts aggregating Rupees 174.487 million were no longer recoverable and therefore written off during the financial year ended 30 June 2021. Remaining amount of Rupees 791.679 million has been duly verified by the Power Purchaser and received by Nishat Chunian Power Limited - Subsidiary Company.

21.9 On 29 July 2017, Nishat Chunian Power Limited - Subsidiary Company instituted arbitration proceedings against CPPA-G / Government of Pakistan by filing a Request for Arbitration ('RFA') with the London Court of International Arbitration ('LCIA') (the 'Arbitration Proceedings') for disallowing delayed payment charges on outstanding delayed payment invoices and other similar issues. On 25 July 2019, Final Partial Award was issued in favour of Nishat Chunian Power Limited - Subsidiary Company. On 12 September 2019, the Memorandum of Corrections to the Final Partial Award was issued which corrected the Final Partial Award to the amount of Rupees 1,518.767 million. On 28 October 2019, the Arbitrator declared his Final Award whereby he ordered CPPA-G to pay to Nishat Chunian Power Limited - Subsidiary Company in addition to the amount determined in Final Partial Award: i) Rupees 332.402 million being interest on Final Partial Award; ii) Rupees 27.302 million as the costs awarded in the Award; iii) Rupees 7.675 million as the amount of the costs awarded in respect of Interim Award and iv) Interest at KIBOR plus 4.5% per annum compounded semi-annually from the date of Final Award until payment of these amounts by CPPA-G.

However, under the Master Agreement, the CPPA-G has agreed to ensure that all present and future invoices shall follow the PPA's mandated FIFO payment principle. As long as this principle is followed by the CPPA-G in relation to past and future payments, Nishat Chunian Power Limited - Subsidiary Company in consideration thereof has agreed to forgo and waive all of its claims of delayed payment charges on delayed payment invoices and it shall withdraw all such invoices. However, this will have no impact on the existing revenue and receivables of Nishat Chunian Power Limited - Subsidiary Company, as Nishat Chunian Power Limited - Subsidiary Company has not recognized the income and corresponding receivable for the said amounts on prudence basis.

22. LOANS AND ADVANCES

	2022 Rupees	2021 Rupees
Considered good:		
Employees - interest free:		
- Executives	5,860,950	2,017,663
- Other employees	13,241,745	7,547,322
	19,102,695	9,564,985
Current portion of long term loans to employees (Note 18)	11,948,193	10,147,901
Advances to suppliers (Note 22.1)	2,192,295,647	3,173,084,719
Advances to contractors	3,584,677	1,156,837
Letters of credit	36,694,357	136,005,995
	2,263,625,569	3,329,960,437

22.1 It includes advances amounting to Rupees 9.235 million (2021: Rupees 3.075 million) to D.G. Khan Cement Company Limited - related party. These are neither past due nor impaired.

22.1.1 The maximum aggregate amount of advances to related party at the end of any month during the year was as follows:

	2022 Rupees	2021 Rupees
D.G. Khan Cement Company Limited	10,726,004	3,074,592

		2022 Rupees	2021 Rupees
23.	**SHORT TERM DEPOSITS AND PREPAYMENTS**		
	Margin against bank guarantees	26,356,000	11,032,000
	Prepayments	13,652,963	46,620,439
		40,008,963	57,652,439
24.	**OTHER RECEIVABLES**		
	Considered good:		
	Sales tax recoverable	1,421,985,975	1,221,139,149
	Export rebate and claims	31,683,585	45,157,621
	Duty drawback receivable	116,304,233	376,202,146
	Fair value of forward exchange contracts	-	56,576,881
	Derivative financial instruments (Note 24.1)	7,776,329	-
	Receivable from employees' provident fund trust	110,289,698	101,101,822
	Recoverable from CPPA-G as pass through item:		
	Workers' profit participation fund (Note 24.2)	651,841,000	526,607,000
	Workers' welfare fund (Note 24.3)	192,395,000	142,301,000
	Private Power and Infrastructure Board's fee	-	9,409,335
	Insurance claim receivable	104,803	8,037,430
	Miscellaneous	77,266,995	63,361,404
		2,609,647,618	2,549,893,788

24.1 This represents Pak Rupees denominated interest rate swap the Holding Company entered into with two commercial banks. Under the terms of the Pak Rupees denominated interest rate swap arrangement, the Holding Company pays fixed interest to the arranging banks on the notional Pak Rupees amount for the purposes of the Pak Rupees denominated interest rate swap and receives three months KIBOR floating rate interest from the arranging banks on the Rupee amount. There has been no transfer of liability under the arrangement, only the nature of the interest payment has changed. The Pak Rupees denominated interest rate swap outstanding as at 30 June 2022 has been marked to market and the resulting gain or loss has been recognized in consolidated statement of profit or loss.

		2022 Rupees	2021 Rupees
24.2	**Workers' profit participation fund**		
	Opening balance	526,607,000	401,142,000
	Add: Provision for the year	125,234,000	125,465,000
	Closing balance	651,841,000	526,607,000
24.3	**Workers' welfare fund**		
	Opening balance	142,301,000	92,115,000
	Add: Provision for the year	50,094,000	50,186,000
	Closing balance	192,395,000	142,301,000

		2022 Rupees	2021 Rupees
25.	**ADVANCE INCOME TAX - NET**		
	Advance income tax	-	1,006,066,066
	Less: Provision for taxation	-	(674,306,049)
		-	331,760,017
26.	**SHORT TERM INVESTMENTS**		
	Equity instrument (Note 26.1)	43,620,329	-
	Debt instruments (Note 26.2)	8,624,510,143	469,425,433
		8,668,130,472	469,425,433
26.1	**Equity instrument**		
	At fair value through profit or loss:		
	Investment by Nishat (Chunian) Limited - Holding Company		
	Adamjee Life Assurance Company Limited - quoted	26,772,872	-
	956,174 (2021: Nil) fully paid ordinary shares of Rupees 10 each		
	Unrealised loss	(4,962,543)	-
		21,810,329	-
	Investment by Nishat Chunian Power Limited - Subsidiary Company		
	Adamjee Life Assurance Company Limited - quoted	26,773,000	-
	956,174 (2021: Nil) fully paid ordinary shares of Rupees 10 each		
	Unrealised loss	(4,963,000)	-
		21,810,000	-
		43,620,329	-
26.2	**Debt instruments**		
	At fair value through profit or loss:		
	Pakistan Investment Bonds (Note 26.2.1)	2,923,927,000	-
	Government Ijara Sukuks (Note 26.2.1)	2,923,744,000	-
		5,847,671,000	-
	At amortized cost:		
	Term deposit receipts (Note 26.2.2)	2,767,164,226	463,420,226
	Add: Accrued interest	9,674,917	6,005,207
		2,776,839,143	469,425,433
		8,624,510,143	469,425,433

26.2.1 Investment in Pakistan Investment Bonds carries effective interest rate of 15.65% per annum and having maturity date of 18 June 2030. Further, investment in Government Ijara Sukuks carries effective interest rate of 13.53% per annum and having maturity date of 27 April 2027. These have been classified as current assets based on management's intention to encash these investments within a period of 12 months from the year end. Subsequent to the year end, these investments have been encashed at Rupees 5,806.220 million.

26.2.2 These includes deposits under lien with the banks of the Group against bank guarantees issued by the banks to Sui Northern Gas Pipelines Limited against gas connections Director, Excise and Taxation, Karachi against disputed amount of infrastructure cess, Federal Board of Revenue and Punjab Revenue Authority in respect of stay granted by various Courts of Pakistan pertaining to pending tax cases. Interest on term deposit receipts ranges from 5.75% to 15.50% (2021: 4.78% to 13.00%) per annum. The maturity period of these term deposit receipts ranges from 04 days to 12 months.

	2022 Rupees	2021 Rupees
27. CASH AND BANK BALANCES		
Cash with banks:		
On saving accounts (Note 27.1)		
Including US$ 11,805 (2021: US$ 15,230)	3,411,719	300,165,493
On current accounts		
Including US$ 225,115 (2021: US$ 45,998)	239,636,358	269,979,622
	243,048,077	570,145,115
Cash in hand	5,742,150	3,629,050
	248,790,227	573,774,165

27.1 Rate of profit on saving accounts ranges from 4.00% to 12.25% (2021: 2.75% to 8.84%) per annum.

	2022 Rupees	2021 Rupees
28. REVENUE		
Revenue from contracts with customers:		
- Export sales (Note 28.1)	49,864,659,077	24,791,960,310
- Local sales (Note 28.2 and 28.2.1)	37,859,217,102	36,040,752,957
- Processing income (Note 28.3)	221,842,528	202,587,634
	87,945,718,707	61,035,300,901
Export rebate	80,068,532	66,351,147
Duty drawback	-	374,168,469
	88,025,787,239	61,475,820,517

28.1 These include sales of Rupees 22,214.601 million made to direct exporters against standard purchase orders (SPOs). Further, such sales are net of sales tax amounting to Rupees 3,776.482 million.

	2022 Rupees	2021 Rupees
28.2 Local sales		
Sales	43,590,322,671	41,427,709,332
Less: Sales tax	(5,631,029,841)	(5,146,801,696)
Less: Discount	(100,075,728)	(240,154,679)
	37,859,217,102	36,040,752,957

28.2.1 Local sales includes waste sales of Rupees 1,029.773 million (2021: Rupees 1,399.001 million).

28.3 Processing income is net of sales tax amounting to Rupees 37.713 million (2021: Rupees 34.440 million).

28.4 The amount of Rupees 186.609 million included in contract liabilities (Note 8) at 30 June 2021 has been recognized as revenue during the year ended 30 June 2022 (2021: Rupees 140.649 million).

28.5 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		Processing and Home Textile		Power Generation		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	Rupees									
Region										
Europe	367,588,018	128,982,007	430,421,126	415,157,533	7,799,152,167	6,265,657,424	-	-	8,597,161,311	6,809,796,964
United States of America and Canada	-	9,929,376	383,003,507	275,776,932	5,025,972,007	5,928,084,375	-	-	5,408,975,514	6,213,790,683
Asia, Africa, Australia	10,532,664,146	10,217,427,696	745,275,602	668,580,177	3,228,210,800	2,945,604,757	-	-	14,506,150,548	13,831,612,630
Pakistan	26,327,362,515	17,209,572,848	5,851,691,090	3,132,571,642	1,380,356,291	1,709,392,032	25,652,178,910	11,925,976,469	59,211,588,806	33,977,512,991
Processing Income	-	1,000,580	59,279,196	1,231,451	162,563,332	200,355,603	-	-	221,842,528	202,587,634
Rebate	-	-	786,809	404,605	79,281,723	65,946,541	-	-	80,068,532	66,351,146
Duty drawback	-	-	-	-	-	374,168,469	-	-	-	374,168,469
	37,227,614,679	27,566,912,507	7,470,457,330	4,493,722,340	17,675,536,320	17,489,209,201	25,652,178,910	11,925,976,469	88,025,787,239	61,475,820,517
Timing of revenue recognition										
Products and services transferred at a point in time	37,227,614,679	27,566,912,507	7,470,457,330	4,493,722,340	17,675,536,320	17,489,209,201	23,268,117,910	9,240,750,469	85,641,726,239	58,790,594,517
Products and services transferred over time	-	-	-	-	-	-	2,384,061,000	2,685,226,000	2,384,061,000	2,685,226,000
	37,227,614,679	27,566,912,507	7,470,457,330	4,493,722,340	17,675,536,320	17,489,209,201	25,652,178,910	11,925,976,469	88,025,787,239	61,475,820,517
Major products / service lines										
Yarn	36,353,971,393	26,321,048,054	105,634,298	56,378,166	421,317,550	1,129,292,907	-	-	36,880,923,241	27,506,719,127
Comber noil	873,643,286	1,245,864,453	-	-	-	-	-	-	873,643,286	1,245,864,453
Grey cloth	-	-	7,305,543,836	4,437,344,174	-	-	-	-	7,305,543,836	4,437,344,174
Process cloth	-	-	59,279,196	-	3,078,752,243	2,664,975,748	-	-	3,138,031,439	2,664,975,748
Made ups	-	-	-	-	14,175,466,527	13,694,940,546	-	-	14,175,466,527	13,694,940,546
Electricity	-	-	-	-	-	-	25,651,548,887	11,925,976,469	25,651,548,887	11,925,976,469
Fly ash	-	-	-	-	-	-	630,023	-	630,023	-
	37,227,614,679	27,566,912,507	7,470,457,330	4,493,722,340	17,675,536,320	17,489,209,201	25,652,178,910	11,925,976,469	88,025,787,239	61,475,820,517

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

	2022 Rupees	2021 Rupees
29. COST OF SALES		
Raw materials consumed	58,565,490,470	36,650,242,048
Packing materials consumed	1,616,458,458	1,488,636,510
Stores, spare parts and loose tools consumed	1,264,663,733	862,348,430
Processing charges	259,873,680	183,820,280
Salaries, wages and other benefits (Note 29.1)	3,307,742,216	3,066,508,242
Fuel and power	4,567,651,058	3,387,268,587
Fee and subscription	4,296,000	3,971,000
Insurance	349,002,261	335,217,281
Postage and telephone	4,630,757	4,292,986
Travelling and conveyance	33,104,212	24,179,257
Vehicles' running and maintenance	37,549,053	31,549,842
Entertainment	16,881,804	13,528,831
Electricity consumed in-house	14,839,000	19,577,000
Amortization on intangible assets (Note 17.1)	604,000	3,613,000
Depreciation on operating fixed assets (Note 15.1.2)	2,123,312,195	1,946,021,414
Repair and maintenance	569,182,416	472,220,898
Other factory overheads	146,945,927	130,361,632
	72,882,227,240	48,623,357,238
Work-in-process		
Add: Opening stock	2,081,215,813	1,131,081,567
Less: Closing stock	(2,378,018,568)	(2,081,215,813)
	(296,802,755)	(950,134,246)
Cost of goods manufactured	72,585,424,485	47,673,222,992
Add: Finished goods and waste - opening stocks		
Finished goods	3,919,731,082	4,686,520,337
Waste	76,861,237	175,341,896
	3,996,592,319	4,861,862,233
	76,582,016,804	52,535,085,225
Less: Finished goods and waste - closing stocks		
Finished goods	(4,908,924,263)	(3,919,731,082)
Waste	(420,199,392)	(76,861,237)
	(5,329,123,655)	(3,996,592,319)
	71,252,893,149	48,538,492,906

29.1 Salaries, wages and other benefits include Rupees 34.137 million (2021: Rupees 28.016 million) and Rupees 102.565 million (2021: Rupees 80.528 million) in respect of accumulating compensated absences and provident funds contributions by the Group respectively.

	2022 Rupees	2021 Rupees

30. DISTRIBUTION COST

	2022 Rupees	2021 Rupees
Salaries and other benefits (Note 30.1)	192,694,015	146,527,941
Ocean freight	514,334,691	246,204,997
Freight and octroi	332,593,677	256,606,913
Forwarding and other expenses	121,454,403	118,683,032
Local marketing expenses	16,055,808	7,860,993
Export marketing expenses	258,023,142	145,232,053
Commission to selling agents	352,449,643	275,398,591
Rent, rates and taxes	39,177,783	52,584,292
Printing and stationery	168,444	234,930
Travelling and conveyance	1,097,779	1,654,928
Postage and telephone	8,324,925	7,697,497
Legal and professional	2,939,611	2,738,945
Repair and maintenance	597,286	1,766,550
Electricity and sui gas	4,666,719	3,214,758
Entertainment	1,405,091	1,077,372
Depreciation on right-of-use assets (Note 16)	48,939,254	46,836,916
Miscellaneous	4,368,604	2,953,465
	1,899,290,875	1,317,274,173

30.1 Salaries and other benefits include Rupees 3.990 million (2021: Rupees 2.554 million) and Rupees 7.173 million (2021: Rupees 6.242 million) in respect of accumulating compensated absences and provident funds contributions by the Group respectively.

31. ADMINISTRATIVE EXPENSES

	2022 Rupees	2021 Rupees
Salaries and other benefits (Note 31.1)	463,599,977	284,537,925
Printing and stationery	7,695,267	4,901,540
Vehicles' running and maintenance	6,870,663	3,249,909
Travelling and conveyance	28,294,490	11,704,912
Postage and telephone	8,528,354	5,234,735
Fee and subscription	7,824,078	9,185,875
Legal and professional (Note 31.2)	108,058,809	83,319,809
Electricity and sui gas	5,982,442	3,333,634
Insurance	6,849,954	7,428,080
Repair and maintenance	20,842,807	19,856,422
Entertainment	10,775,631	8,174,902
Advertisement	134,000	161,000
Depreciation on operating fixed assets (Note 15.1.2)	21,119,856	17,860,985
Amortization on intangible assets (Note 17.1)	233,626	132,399
Miscellaneous	10,932,251	24,365,023
	707,742,205	483,447,150

31.1 Salaries and other benefits include Rupees 2.299 million (2021: Rupees 0.388 million) and Rupees 7.868 million (2021: Rupees 6.141 million) in respect of accumulating compensated absences and provident fund contribution by the Group respectively.

31.2 Legal and professional charges include the following in respect of auditor's remuneration:

	2022 Rupees	2021 Rupees
Audit fee	4,837,053	4,170,048
Special audit fee	1,474,695	-
Half yearly review	1,720,850	1,672,850
Certification fees	521,335	380,317
Reimbursable expenses	322,636	277,124
	8,876,569	6,500,339

32. OTHER EXPENSES

	2022 Rupees	2021 Rupees
Workers' profit participation fund	428,478,680	308,123,188
Workers' welfare fund	602,173	20,588,196
Donations (Note 32.1)	538,366,955	4,973,517
Operating fixed assets written off	15,254,855	-
Exchange loss	-	-
Export rebate receivable written off	7,444,410	-
Loss on disposal of Pakistan Investment Bonds and Government Ijara Sukuks	19,300,000	-
Unrealised loss on re-measurement of investment at fair value through profit or loss	9,925,543	-
Trade debt written off (Note 21.8)	-	174,487,000
Allowance for expected credit losses (Note 21.6)	78,048,259	6,763,256
Miscellaneous	2,703	1,552,554
	1,097,423,578	516,487,711

32.1 These include donations amounting to Rupees 5.796 million (2021: Rupees 4.354 million) to Mian Muhammad Yahya Trust, 31-Q, Gulberg II, Lahore in which Mr. Shahzad Saleem, Chief Executive and Mr. Aftab Ahmad Khan, Director are trustees and Rupees 527.500 million to Saleem Memorial Trust hospital, 31-Q, Gulberg II, Lahore in which Mr. Shahzad Saleem, Chief Executive, Mr. Zain Shahzad, Director and Mr. Faisal Farid, Director are members of board of directors.

33. OTHER INCOME

	2022 Rupees	2021 Rupees
Income from financial assets		
Return on bank deposits	2,330,126	6,777,678
Return on term deposit receipts	36,308,642	7,726,997
Gain on disposal of Government Treasury Bills	19,548,000	-
Net exchange gain	369,911,856	619,619,238
Income from non-financial assets		
Gain on sale of operating fixed assets (Note 15.1.1)	59,275,638	21,702,434
Insurance claim	4,986,000	-
Sale of scrap	242,393,735	138,175,616
Amotization of deferred income - Government grant (Note 8.2)	95,948,066	52,395,034
Gain on initial recognition of GIDC payable at amortized cost	-	38,282,637
Gain on termination of leases	918,309	-
Miscellaneous	27,583,889	15,212,265
	859,204,261	899,891,899

		2022 Rupees	2021 Rupees
34.	**FINANCE COST**		
	Mark-up on :		
	- long term loans	710,401,307	453,897,104
	- long term musharaka	91,659,632	24,050,548
	- short term running finances	1,304,092,241	1,261,224,717
	- export finances - Preshipment / SBP refinances	239,287,410	386,284,259
	- short term finances	651,527,419	436,048,496
	Interest on derivative financial instruments - net	3,491,809	17,603,451
	Adjustment due to impact of IFRS9 on GIDC (Note 8.1)	12,513,129	25,501,528
	Interest expense on lease liabilities (Note 7.1)	11,558,235	12,057,781
	Interest on workers' profit participation fund (Note 9.5)	20,851,237	1,109,143
	Bank charges and commission	149,379,629	141,004,482
		3,194,762,048	2,758,781,509
35.	**TAXATION**		
	Current	881,527,308	674,617,934
36.	**EARNINGS PER SHARE - BASIC AND DILUTED**		
	Profit after taxation attributable to shareholders of the Holding Company (Rupees)	8,626,151,313	6,857,193,442
	Weighted average number of ordinary shares outstanding during the year (Number)	240,119,029	240,119,029
	Basic earnings per share (Rupees)	35.92	28.56

36.1 There is no dilutive effect on basic earnings per share for the year ended 30 June 2022 and 30 June 2021 as the Holding Company has no potential ordinary shares as on 30 June 2022 and 30 June 2021.

		2022 Rupees	2021 Rupees
37.	**CASH GENERATED FROM OPERATIONS**		
	Profit before taxation	10,732,879,645	8,761,228,967
	Adjustments for non-cash charges and other items:		
	Depreciation on operating fixed assets	2,144,432,051	1,963,882,399
	Depreciation on right-of-use assets	48,939,254	46,836,916
	Amortization on intangible assets	837,626	3,745,399
	Gain on sale of property, plant and equipment	(59,275,638)	(21,702,434)
	Operating fixed assets written off	15,254,855	-
	Finance cost	3,194,762,048	2,758,781,509
	Return on bank deposits	(2,330,126)	(6,777,678)
	Return on term deposit receipts	(36,308,642)	(7,726,997)
	Gain on disposal of Government Treasury Bills	(19,548,000)	-
	Amortization of deferred income - Government grant	(95,948,066)	(52,395,034)
	Gain on initial recognition of GIDC payable at amortized cost	-	(38,282,637)
	Trade debt written off	-	174,487,000
	Exchange gain - net	(369,911,856)	(619,619,238)
	Allowance for expected credit losses	78,048,259	6,763,256
	Export rebate receivable written off	7,444,410	-
	Loss on disposal of Pakistan Investment Bonds and Government Ijara Sukuks	19,300,000	-
	Unrealised loss on re-measurement of investment at fair value through profit or loss	9,925,543	-
	Gain on termination of leases	(918,309)	-
	Provision for workers' profit participation fund	428,478,680	308,123,188
	Provision for workers' welfare fund	602,173	20,588,196
	Working capital changes (Note 37.1)	2,859,033,851	(4,839,780,355)
		18,955,697,758	8,458,152,457
37.1	**Working capital changes**		
	(Increase) / decrease in current assets:		
	Stores, spare parts and loose tools	(90,862,857)	(75,319,125)
	Stock-in-trade	(3,985,940,295)	567,376,515
	Trade debts	5,864,110,059	(3,414,462,748)
	Loans and advances	1,068,135,160	(2,105,554,687)
	Short term deposits and prepayments	17,643,476	(527,059)
	Other receivables	108,129,760	(121,010,345)
		2,981,215,303	(5,149,497,449)
	(Decrease) / increase in trade and other payables	(122,181,452)	309,717,094
		2,859,033,851	(4,839,780,355)

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

	2022			
	Liabilities from financing activities			
	Long term financing	Lease liabilities	Short term borrowings	Unclaimed dividend
	Rupees			
Balance as at 01 July 2021	8,760,380,819	120,881,507	29,084,279,595	68,194,087
Financing / borrowings obtained	9,798,969,235	-	-	-
Lease liabilities recognised during the year	-	25,199,677	-	-
Repayment of financing / borrowings	(2,644,543,271)	-	-	-
Repayment of lease liabilities	-	(45,505,776)	-	-
Short term borrowings - net	-	-	(5,288,543,698)	-
Dividend declared	-	-	-	1,920,952,232
Dividend paid	-	-	-	(1,908,851,228)
Other changes - non-cash movement	(750,356,993)	(9,925,725)	-	-
Balance as at 30 June 2022	15,164,449,790	90,649,683	23,795,735,897	80,295,091

	2021			
	Liabilities from financing activities			
	Long term financing	Lease liabilities	Short term borrowings	Unclaimed dividend
	Rupees			
Balance as at 01 July 2020	7,777,452,995	100,145,527	32,275,703,713	69,654,364
Financing / borrowings obtained	4,360,573,735	-	-	-
Lease liabilities recognised during the year	-	61,162,694	-	-
Repayment of financing / borrowings	(3,197,570,663)	-	-	-
Repayment of lease liabilities	-	(40,426,714)	-	-
Short term borrowings - net	-	-	(3,191,424,118)	-
Dividend declared	-	-	-	240,119,029
Dividend paid	-	-	-	(241,579,306)
Other changes - non-cash movement	(180,075,248)	-	-	-
Balance as at 30 June 2021	8,760,380,819	120,881,507	29,084,279,595	68,194,087

38. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

Aggregate amount charged in the financial statements for the year for remuneration including certain benefits to the chief executive, directors and executives of the Company is as follows:

	Chief Executive		Directors		Executives	
	2022	2021	2022	2021	2022	2021
	Rupees					
Managerial remuneration	28,219,536	21,731,872	5,994,200	4,000,000	119,695,799	88,257,419
Contribution to provident fund	-	-	499,317	333,200	9,970,660	7,351,843
House rent	11,287,812	8,692,749	2,397,680	1,600,000	47,878,319	35,302,968
Utilities	2,821,944	2,173,187	599,420	400,000	11,969,580	8,825,742
Others	-	-	4,340,437	300,015	19,189,916	9,768,175
	42,329,292	32,597,808	13,831,054	6,633,215	208,704,274	149,506,147
Number of persons	**1**	**1**	**2**	**1**	**57**	**46**

38.1 The Holding Company provides to chief executive, directors and certain executives with free use of Holding Company maintained cars.

38.2 Aggregate amount charged in these consolidated financial statements for meeting fee to seven (2021: seven) directors was Rupees 580,000 (2021: Rupees 460,000).

38.3 No remuneration was paid to non-executive directors of the Holding Company.

39. TRANSACTIONS WITH RELATED PARTIES

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

	2022 Rupees	2021 Rupees
Saleem Memorial Trust Hospital - associated company		
Donation given by the Group	527,500,000	-
Nishat Mills Limited - related party		
Sale of goods	4,102,957,522	2,078,165,714
Purchase of goods	270,317,955	480,701,406
Dividend paid	261,514,704	32,689,338
D.G. Khan Cement Company Limited - related party		
Dividend paid	58,196,816	7,274,602
Purchase of goods	54,136,756	13,132,310
Mian Muhammad Yahya Trust - related party		
Donation given	5,796,955	4,353,517
Directors of the Holding Company		
Dividend paid	495,024,460	61,812,470
Adjustment of long term loan to executive director	223,310	-
Interest income on long term loan	90,571	-
Consultancy charges	49,961,319	41,335,000
Key management personnel of Nishat Chunian Power Limited - subsidiary company		
Repayment of long term loan	692,820	674,000
Mark-up on long term loan	91,203	138,000
Sale of vehicle and laptop	1,412,000	-
Employees' Provident Fund Trusts - related party		
Group's contribution to employees' provident fund trusts	117,606,100	85,023,187

39.1 Detail of compensation to key management personnel comprising of chief executive officer, directors and executives is disclosed in (Note 38).

39.2 Following are the related parties with whom the Group 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		Percentage of shareholding
		2022	2021	
Nishat Mills Limited	Shareholding in the Holding Company	Yes	Yes	None
D.G. Khan Cement Company Limited	Shareholding in the Holding Company	Yes	Yes	None
Saleem Memorial Trust Hospital	Common directorship	Yes	No	None
Pakgen Power Limited	Common directorship	No	No	None
Mian Muhammad Yahya Trust	Chief Executive and Director of the Holding Company are trustees	Yes	Yes	None
Nishat Energy Limited	Common directorship	No	No	None
Nishat Papers Products Company Limited	Common directorship	No	No	None
Nishat (Aziz Avenue) Hotels and Properties Limited	Common directorship	No	No	None
Nishat (Raiwind) Hotels and Properties Limited	Common directorship	No	No	None
Nishat Hotels and Properties Limited	Common directorship	No	No	None
Nishat Hospitality (Private) Limited	Common directorship	No	No	None
National Investment Trust Limited	Common directorship	No	No	None
Imperial Textile Mills Limited	Common directorship	No	No	None
Maxim Agri (Private) Limited	Common directorship	No	No	None
Quid-e-Azam Thermal Power (Private) Limited	Common directorship	No	No	None
Lalpir Power Limited	Common directorship	No	No	None
Security General Insurance Company Limited	Common directorship	No	No	None
DL Nash (Private) Limited	Common directorship	No	No	None
Lalpir Solar Power (Private) Limited	Common directorship	No	No	None
Nishat Real Estate Development Company (Private) Limited	Common directorship	No	No	None
Employees Provident Funds	Post-employment benefit plans	Yes	Yes	None

40. PROVIDENT FUND

Nishat (Chunain) Limited - Holding Company

As at the reporting date, Nishat (Chunian) Limited - Employees Provident Fund 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.

Nishat Chunian 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.

	2022	2021
41. NUMBER OF EMPLOYEES		
Number of employees as on 30 June	7,277	7,532
Average number of employees during the year	7,643	7,582

42. SEGMENT INFORMATION

	Spinning						Weaving				Processing and Home Textile		Power Generation		Elimination of inter-segment transactions		Total - Group	
	Zone - 1 (Unit No. 1 and 5)		Zone - 2 (Unit No. 4, 7 and 8)		Zone - 3 (Unit No. 2, 3 and 6)		Unit - 1		Unit - 2									
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	Rupees																	
Sales																		
External:																		
- Export	11,619,512,500	9,124,454,157	8,841,439,803	-	11,398,409,901	1,231,884,925	479,509,556	-	2,334,681,699	1,359,514,642	15,191,105,618	13,076,106,586	-	-	-	-	49,864,659,077	24,791,960,310
- Local	278,403,477	926,437,120	2,917,464,871	7,965,097,319	2,172,384,127	8,318,038,406	3,573,117,673	3,001,969,278	1,023,082,397	130,602,363	2,242,585,647	2,643,339,069	25,652,178,910	11,925,976,470	-	-	37,859,217,102	34,911,460,025
- Export rebate and duty drawback	-	-	-	-	-	-	-	-	786,809	404,605	79,281,723	440,115,011	-	-	-	-	80,068,532	440,519,616
- Others	-	-	-	1,000,580	-	-	59,279,196	1,231,451	-	-	162,563,332	1,329,648,535	-	-	-	-	221,842,528	1,331,880,566
	11,897,915,977	10,050,891,277	11,758,904,674	7,966,097,899	13,570,794,028	9,549,923,331	4,111,906,425	3,003,200,729	3,358,550,905	1,490,521,610	17,675,536,320	17,489,209,201	25,652,178,910	11,925,976,470	-	-	88,025,787,239	61,475,820,517
Inter-segment	2,058,198,609	-	1,723,804,165	1,549,259,425	2,192,606,443	3,234,781,734	1,857,726,913	774,169,346	4,976,753,525	6,278,656,921	240,458,160	1,514,518,825	4,040,221,137	3,315,638,635	(17,089,768,952)	(16,667,024,886)	-	-
	13,956,114,586	10,050,891,277	13,482,708,839	9,515,357,324	15,763,400,471	12,784,705,065	5,969,633,338	3,777,370,075	8,335,304,430	7,769,178,531	17,915,994,480	19,003,728,026	29,692,400,047	15,241,615,105	(17,089,768,952)	(16,667,024,886)	88,025,787,239	61,475,820,517
Cost of sales	(10,600,210,362)	(8,456,408,886)	(10,682,795,540)	(7,878,732,300)	(11,539,432,285)	(10,757,604,279)	(5,067,008,848)	(3,414,100,321)	(7,859,051,607)	(7,022,016,478)	(16,356,968,966)	(16,685,490,997)	(26,237,194,493)	(10,991,164,531)	17,089,768,952	16,667,024,886	(71,252,893,149)	(48,538,492,906)
Gross profit	3,355,904,224	1,594,482,391	2,799,913,299	1,636,625,024	4,223,968,186	2,027,100,786	902,624,490	363,269,754	476,252,823	747,162,053	1,559,025,514	2,318,237,029	3,455,205,554	4,250,450,574	-	-	16,772,894,090	12,937,327,611
Distribution cost	(332,841,719)	(245,722,270)	(74,419,211)	(56,597,411)	(160,014,215)	(132,587,658)	82,351,578)	(23,139,567)	(43,451,260)	(47,592,748)	(1,206,212,892)	(811,634,519)	-	-	-	-	(1,899,290,875)	(1,317,274,173)
Administrative expenses	(88,681,906)	(95,118,491)	(75,910,931)	(28,003,041)	(99,035,001)	(43,198,291)	(58,925,943)	(14,304,563)	(31,091,165)	(29,421,184)	(162,021,075)	(117,051,707)	(192,076,184)	(156,349,873)	-	-	(707,742,205)	(483,447,150)
	(421,523,625)	(340,840,761)	(150,330,142)	(84,600,452)	(259,049,216)	175,785,949)	(141,277,521)	(37,444,130)	(74,542,425)	(77,013,932)	(1,368,233,967)	(928,686,226)	(192,076,184)	(156,349,873)	-	-	(2,607,033,080)	(1,800,721,323)
Profit before taxation and unallocated income and expenses	2,934,380,599	1,253,641,630	2,649,583,157	1,552,024,572	3,964,918,970	1,851,314,837	761,346,969	325,825,624	401,710,398	670,148,121	190,791,547	1,389,550,803	3,263,129,370	4,094,100,701	-	-	14,165,861,010	11,136,606,288
Unallocated income and expenses																		
Other expenses																	(1,097,423,578)	(516,487,711)
Other income																	859,204,261	899,891,899
Finance cost																	(3,194,762,048)	(2,758,781,509)
Taxation																	(881,527,308)	(674,617,934)
Profit after taxation																	9,851,352,337	8,086,611,033

42.1 Reconciliation of reportable segment assets and liabilities

	Spinning						Weaving				Processing and Home Textile		Power Generation		Total - Group	
	Zone - 1 (Unit No. 1 and 5)		Zone - 2 (Unit No. 4, 7 and 8)		Zone - 3 (Unit No. 2, 3 and 6)		Unit - 1		Unit - 2							
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	Rupees															
Total assets for reportable segments	7,149,327,201	6,025,496,706	8,738,066,579	7,364,495,974	10,591,595,853	8,926,661,787	2,860,420,674	1,578,966,146	3,915,200,797	3,247,568,982	12,983,877,753	13,455,759,643	31,512,420,429	37,660,264,320	77,750,909,286	78,259,213,558
Unallocated assets:																
Other receivables															2,609,647,618	2,549,893,788
Short term investments															8,668,130,472	469,425,433
Cash and bank balances															248,790,227	573,774,165
Other corporate assets															4,461,004,069	1,597,478,450
Total assets as per consolidated statement of financial position															93,738,481,672	83,449,785,394
Total liabilities for reportable segments	410,510,123	398,760,746	501,734,595	487,374,245	608,163,145	590,756,661	140,272,079	151,764,603	191,997,409	312,144,765	789,021,146	1,703,592,020	1,574,405,487	1,660,247,506	4,216,103,984	5,304,640,546
Unallocated liabilities:																
Long term financing															15,164,449,790	8,760,380,819
Accrued mark-up															715,241,848	514,554,913
Short term borrowings															23,795,735,897	29,084,279,595
Other corporate liabilities															3,049,567,693	920,938,730
Total liabilities as per consolidated statement of financial position															46,941,099,212	44,584,794,603

42.2 Geographical information

The Group's revenue from external customers by geographical location is detailed below:

	2022 Rupees	2021 Rupees
Europe	8,597,161,311	6,809,796,964
United States of America, Canada and South America	5,408,975,514	6,213,790,683
Asia, Africa and Australia	14,506,150,548	13,831,612,630
Duty drawback and rebate	80,068,532	440,519,615
Pakistan	59,433,431,334	34,180,100,625
	88,025,787,239	61,475,820,517

42.3 Almost all non-current assets of the Group as at reporting dates are located and operating in Pakistan.

42.4 Revenue from major customers

Nishat Chunian Power Limited - Subsidiary Company sells electricity only to CPPA-G. The Holding Company earns revenue from a large mix of customers.

43. PLANT CAPACITY AND ACTUAL PRODUCTION

	2022	2021
Nishat (Chunian) Limited - Holding Company		
Spinning		
Number of spindles installed	219,528	223,668
Number of spindles worked	206,221	211,567
Capacity after conversion into 20/1 count (Kgs.)	80,008,821	80,813,152
Actual production of yarn after conversion into 20/1 count (Kgs.)	78,893,713	79,449,352

Under utilization of available capacity was due to normal maintenance and time lost in shifting of coarser counts to finer counts and vice versa.

	2022	2021
Weaving		
Number of looms installed	379	379
Number of looms worked	379	379
Capacity after conversion into 50 picks - square yards	345,597,351	345,597,351
Actual production after conversion into 50 picks - square yards	256,118,920	300,663,935

Under utilization of available capacity was due to the following reasons:

- change of articles required
- higher count and cover factor
- normal maintenance

	2022	2021
Power plant		
Number of engines installed	19	17
Number of engines worked	19	17
Generation capacity (KWh)	334,953,000	343,830,000
Actual generation (KWh)	81,686,559	31,528,200

Under utilization of available capacity was due to normal maintenance and demand.

	2022	2021
Process steam and coal fired power generation plant (46 MW)		
Installed	1	1
Worked	1	1
Number of shifts per day	3	3
Generation capacity (KWh)	404,064,000	404,064,000
Actual generation (KWh)	191,204,000	291,872,000
Dyeing		
Number of thermosol dyeing machines	1	1
Number of stenters machines	5	4
Capacity in meters	54,600,000	36,500,000
Actual processing of fabrics - meters	48,532,979	36,256,326

Under utilization of available capacity was due to normal maintenance and demand.

	2022	2021
Printing		
Number of printing machines	1	1
Capacity in meters	10,800,000	10,800,000
Actual processing of fabrics - meters	7,991,733	9,711,359

Under utilization of available capacity was due to normal maintenance and demand.

	2022	2021
Digital printing		
Number of printing machines	5	5
Capacity in meters	9,125,000	9,125,000
Actual processing of fabrics - meters	2,454,445	3,698,556

Stitching

The plant capacity of this division is indeterminable due to multi product plant involving varying run length of order lots.

	2022	2021
Nishat Chunian Power Limited - Subsidiary Company		
Installed capacity [based on 8,760 hours (2021: 8,760 hours)] - MWH	1,714,525	1,714,525
Actual energy delivered - MWH	882,453	537,568

Output produced by the plant is dependent on the load demanded by CPPA-G and plant availability.

44. INTERESTS IN OTHER ENTITIES

44.1 Non-controlling interests (NCI)

Set out below is summarised financial information for Nishat Chunian Power Limited - Subsidiary Company that has non-controlling interests that are material to the Group. The amounts disclosed for Subsidiary Company are before inter-company eliminations.

	2022 Rupees	2021 Rupees
Summarised balance sheet		
Current assets	26,620,503,000	23,236,819,000
Current liabilities	12,103,625,000	11,602,952,000
Current net assets	14,516,878,000	11,633,867,000
Non-current assets	9,462,085,000	9,858,654,000
Non-current liabilities	-	17,291,000
Non-current net assets	9,462,085,000	9,841,363,000
Net assets	23,978,963,000	21,475,230,000
Accumulated non-controlling interest	11,738,807,602	10,513,606,578
Summarised statement of comprehensive income		
Revenue	25,415,977,000	11,643,346,000
Profit for the year	2,503,733,000	2,509,290,000
Other comprehensive income	-	-
Total comprehensive income	2,503,733,000	2,509,290,000
Profit allocated to non-controlling interest	1,225,201,024	1,229,417,591
Summarised cash flows		
Cash flows from operating activities	7,768,612,000	1,610,960,000
Cash flows used in investing activities	(8,838,062,000)	(394,481,000)
Cash flows used in financing activities	(36,328,000)	(1,238,728,000)
Net decrease in cash and cash equivalents	(1,105,778,000)	(22,249,000)

45. FINANCIAL RISK MANAGEMENT

45.1 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 Group Companies under policies approved by the respective Board of Directors. The finance departments evaluate and hedges 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, British Pound Sterling (GBP) and Swiss Franc (CHF). Currently, the Group's foreign exchange risk exposure is restricted to bank balances and the amounts receivable / payable from / to the foreign entities. The Group uses forward exchange contracts to hedge its foreign currency risk, when considered appropriate. The Group's exposure to currency risk was as follows:

	2022	2021
Cash at banks - USD	236,920	61,228
Trade debts - USD	23,197,639	28,316,239
Trade debts - EURO	1,242,206	1,895,597
Trade debts - GBP	92,136	1,188,591
Trade and other payables - USD	(655,813)	(746,098)
Trade and other payables - EURO	(22,835)	(69,234)
Trade and other payables - CHF	(370)	-
Trade and other payables - GBP	-	(14,840)
Short term borrowings - USD	-	(9,766,626)
Accrued mark-up - USD	-	(29,556)
Net exposure - USD	22,778,746	17,835,187
Net exposure - EURO	1,219,371	1,826,363
Net exposure - CHF	(370)	-
Net exposure - GBP	92,136	1,173,751

The following significant exchange rates were applied during the year:

	2022	2021
Rupees per US Dollar		
Average rate	179.29	159.81
Reporting date rate	202.50	157.80
Rupees per EURO		
Average rate	199.13	191.29
Reporting date rate	212.00	188.12
Rupees per GBP		
Average rate	235.07	216.28
Reporting date rate	246.00	218.58
Rupees per CHF		
Average rate	190.59	174.46
Reporting date rate	210.24	168.81

Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD, Euro, GBP and CHF with all other variables held constant, the impact on profit after taxation for the year would have been Rupees 230.331 million (2021: Rupees 160.483 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 instrument traded in the market. The Group is not exposed to commodity price risks.

Sensitivity analysis

The table below summarizes the impact of increase / decrease in the Pakistan Stock Exchange (PSX) Index on the Group's profit after taxation 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 profit after taxation	
	2022 Rupees	2021 Rupees
PSX Index (5% increase)	2,181,016	-
PSX Index (5% decrease)	(2,181,016)	-

(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 has no significant interest-bearing assets except long term loans to employees, overdue trade debts of Nishat Chunian Power Limited - Subsidiary Company, short term investments (debt instruments) and bank balances in saving and deposit accounts. The Group's interest rate risk mainly arises from long term financing and short term borrowings. Borrowings obtained at variable rates expose the Group to cash flow interest rate risk. Borrowings obtained 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:

	2022 Rupees	2021 Rupees
Fixed rate instruments		
Financial liabilities		
Long term financing	6,591,645,578	5,435,261,486
Short term borrowings	9,211,091,253	9,211,091,253
	15,802,736,831	14,646,352,739
Financial assets		
Long term loans to employees	28,520,724	23,335,096
Trade debts - past due	4,751,628,000	13,317,810,000
Short term investments	8,614,835,226	463,420,226
	13,394,983,950	13,804,565,322
Net exposure	(2,407,752,881)	(841,787,417)
Floating rate instruments		
Financial assets		
Long term loans to employees	6,024,946	7,259,732
Bank balances - saving accounts	3,411,719	300,165,493
	9,436,665	307,425,225
Financial liabilities		
Long term financing	8,572,804,212	3,325,119,333
Short term borrowings	14,584,644,644	19,873,188,342
	23,157,448,856	23,198,307,675
Net exposure	(23,148,012,191)	(22,890,882,450)

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 except PIBs and Sukuks acquired on 30 June 2022. 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 after taxation for the year would have been Rupees 219.906 million (2021: Rupees 217.463 million) lower / higher, mainly as a result of higher / lower interest expense on floating rate borrowings. This analysis is prepared assuming the amounts of liabilities 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:

	2022 Rupees	2021 Rupees
Long term security deposits	30,834,231	30,567,609
Trade debts	21,415,577,350	26,987,823,812
Loans and advances (including long term loans to employees)	53,648,365	40,159,813
Short term deposits	26,356,000	11,032,000
Other receivables	929,384,127	806,293,050
Short term investments	8,668,130,472	469,425,433
Bank balances	243,048,077	570,145,115
	31,366,978,622	28,915,446,832

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			2022	2021
	Short Term	Long term	Agency	Rupees	Rupees
Banks					
Al Baraka Bank (Pakistan) Limited	A-1	A+	VIS	1,661,254	1,702,637
Askari Bank Limited	A1+	AA+	PACRA	1,208,000	15,000
Allied Bank Limited	A1+	AAA	PACRA	38,882	-
Bank Alfalah Limited	A1+	AA+	PACRA	5,176,451	1,864,919
Bank Al-Habib Limited	A1+	AAA	PACRA	66,283	1,539,169
Bank Islami Pakistan Limited	A1	A+	PACRA	758,760	2,000
Dubai Islamic Bank (Pakistan) Limited	A-1+	AA	VIS	1,099,378	1,212,643
Faysal Bank Limited	A1+	AA	PACRA	104,292	69,279
Habib Bank Limited	A-1+	AAA	VIS	38,253,268	8,924,614
Industrial and Commercial Bank of China Limited	P-1	A1	Moody's	99,278	331,804
JS Bank Limited	A1+	AA-	PACRA	625,320	511,336
MCB Bank Limited	A1+	AAA	PACRA	155,804,572	47,957,453
Meezan Bank Limited	A-1+	AAA	VIS	12,113,467	200,741,507
National Bank of Pakistan	A+	AAA	PACRA	2,612,126	297,914,530
Samba Bank Limited	A-1	AA	VIS	-	112,820
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	297,930	232,724
The Bank of Punjab	A1+	AA+	PACRA	816,222	892,221
United Bank Limited	A-1+	AAA	VIS	3,661,759	2,814,248
JPMorgan Chase Bank, N.A.		Not available		35,891	27,968
Habib American Bank		Not available		10,475,290	3,278,243
Wells Fargo Bank, N.A.		Not available		8,139,654	-
				243,048,077	570,145,115
Short term investments					
Bank Islami Pakistan Limited	A1	A+	PACRA	21,046,544	21,351,808
Dubai Islamic Bank Pakistan Limited	A-1+	AA	VIS	15,725,599	15,971,666
Habib Bank Limited	A-1+	AAA	VIS	315,294,000	311,931,000
The Bank of Punjab	A1+	AA+	PACRA	-	120,170,959
State Bank of Pakistan		Not available		5,847,671,000	-
Allied Bank Limited	A1+	AAA	PACRA	2,424,773,000	-
Adamjee Life Assurance Company Limited	A++	A++	PACRA	43,620,329	-
				8,668,130,472	469,425,433
Trade debts - CPPA-G		Not available		8,705,605,000	4,921,446,000
				17,616,783,549	5,961,016,548

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 counter parties 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.

(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 2022, the Group had Rupees 30,276 million (2021: Rupees 28,099 million) available borrowing limits from financial institutions and Rupees 248.790 million (2021: Rupees 573.774 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 2022:

	Carrying Amount	Contractual cash flows	6 months or less	6-12 months	1-2 Year	More than 2 Years
	Rupees					
Non-derivative financial liabilities:						
Long term financing	15,164,449,790	22,125,213,668	1,443,979,416	1,102,355,979	2,978,470,189	16,600,408,084
Lease liabilities	90,649,683	110,115,330	25,456,747	18,022,544	35,564,384	31,071,655
Trade and other payables	3,172,744,689	3,172,744,689	3,172,744,689	-	-	-
Short term borrowings	23,795,735,897	24,696,119,492	17,757,392,492	6,938,727,000	-	-
Accrued mark-up / profit	715,241,848	715,241,848	715,241,848	-	-	-
Unclaimed dividend	80,295,091	80,295,091	80,295,091	-	-	-
Derivative financial liabilities	154,046,505	154,046,505	154,046,505	-	-	-
	43,173,163,503	51,053,776,623	23,349,156,788	8,059,105,523	3,014,034,573	16,631,479,739

Contractual maturities of financial liabilities as at 30 June 2021:

	Carrying Amount	Contractual cash flows	6 months or less	6-12 months	1-2 Year	More than 2 Years
	Rupees					
Non-derivative financial liabilities:						
Long term financing	8,760,380,819	9,961,795,133	1,366,842,967	1,218,758,646	2,297,023,685	5,079,169,835
Lease liabilities	120,881,507	140,205,607	28,070,945	28,174,408	38,665,927	45,294,327
Trade and other payables	3,705,241,504	3,705,241,504	3,705,241,504	-	-	-
Short term borrowings	29,084,279,595	29,599,786,515	26,140,150,680	3,459,635,835	-	-
Accrued mark-up / profit	514,554,913	514,554,913	514,554,913	-	-	-
Unclaimed dividend	68,194,087	68,194,087	68,194,087	-	-	-
Derivative financial liabilities	3,884,821	3,884,821	3,884,821	-	-	-
	42,257,417,246	43,993,662,580	31,826,939,917	4,706,568,889	2,335,689,612	5,124,464,162

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 reporting date. The rates of interest / mark up have been disclosed in note 6, note 7 and note 11 to these consolidated financial statements.

45.2 Financial instruments by categories

Assets as per consolidated statement of financial position

	2022		2021	
	At amortized cost	At FVTPL	At amortized cost	At FVTPL
	Rupees	Rupees	Rupees	Rupees
Long term security deposits	30,834,231	-	30,567,609	-
Trade debts	21,415,577,350	-	26,987,823,812	-
Loans and advances (including long term loans to employees)	53,648,365	-	40,159,813	-
Short term deposits	26,356,000	-	11,032,000	-
Other receivables	921,607,798	7,776,329	749,716,169	56,576,881
Short term investments	2,776,839,143	5,891,291,329	469,425,433	-
Cash and bank balances	248,790,227	-	573,774,165	-
	25,473,653,114	5,899,067,658	28,862,499,001	56,576,881

Liabilities as per consolidated statement of financial position

	2022		2021	
	At amortized cost	At FVTPL	At amortized cost	At FVTPL
	Rupees	Rupees	Rupees	Rupees
Long term financing	15,164,449,790	-	8,760,380,819	-
Lease liabilities	90,649,683	-	120,881,507	-
Trade and other payables	3,172,744,689	154,046,505	3,705,241,504	3,884,821
Accrued mark-up / profit	715,241,848	-	514,554,913	-
Short term borrowings	23,795,735,897	-	29,084,279,595	-
Unclaimed dividend	80,295,091	-	68,194,087	-
	43,019,116,998	154,046,505	42,253,532,425	3,884,821

45.3 Reconciliation to the line items presented in consolidated statement of financial position is as follows:

	2022		
	Financial assets	Non-financial assets	Assets as per consolidated statement of financial position
	Rupees	Rupees	Rupees
Assets			
Long term security deposits	30,834,231	-	30,834,231
Trade debts	21,415,577,350	-	21,415,577,350
Loans and advances (including long term loans to employees)	53,648,365	2,209,977,204	2,263,625,569
Short term deposits and prepayments	26,356,000	13,652,963	40,008,963
Other receivables	929,384,127	1,680,263,491	2,609,647,618
Short term investments	8,668,130,472	-	8,668,130,472
Cash and bank balances	248,790,227	-	248,790,227
	31,372,720,772	3,903,893,658	35,276,614,430

	2022		
	Financial liabilities	Non-financial liabilities	Liabilities as per consolidated statement of financial position
	Rupees	Rupees	Rupees
Liabilities			
Long term financing	15,164,449,790	-	15,164,449,790
Lease liabilities	90,649,683	-	90,649,683
Trade and other payables	3,326,791,194	2,252,375,425	5,579,166,619
Accrued mark-up / profit	715,241,848	-	715,241,848
Short term borrowings	23,795,735,897	-	23,795,735,897
Unclaimed dividend	80,295,091	-	80,295,091
	43,173,163,503	2,252,375,425	45,425,538,928

	2021		
	Financial assets	Non-financial assets	Assets as per consolidated statement of financial position
	Rupees	Rupees	Rupees
Assets			
Long term security deposits	30,567,609	-	30,567,609
Trade debts	26,987,823,812	-	26,987,823,812
Loans and advances (including long term loans to employees)	40,159,813	3,289,800,624	3,329,960,437
Short term deposits and prepayments	11,032,000	46,620,439	57,652,439
Other receivables	806,293,050	1,743,600,738	2,549,893,788
Short term investments	469,425,433	-	469,425,433
Cash and bank balances	573,774,165	-	573,774,165
	28,919,075,882	5,080,021,801	33,999,097,683

	2021		
	Financial liabilities	Non-financial liabilities	Liabilities as per consolidated statement of financial position
	Rupees	Rupees	Rupees
Liabilities			
Long term financing	8,760,380,819	-	8,760,380,819
Lease liabilities	120,881,507	-	120,881,507
Trade and other payables	3,709,126,325	1,695,936,084	5,405,062,409
Accrued mark-up / profit	514,554,913	-	514,554,913
Short term borrowings	29,084,279,595	-	29,084,279,595
Unclaimed dividend	68,194,087	-	68,194,087
	42,257,417,246	1,695,936,084	43,953,353,330

45.4 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. 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 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.

Recurring fair value measurements At 30 June 2022	Level 1	Level 2	Level 3	Total
	Rupees			
Financial liabilities				
Investment in quoted shares - FVTPL	43,620,329	-	-	43,620,329
Debt instruments - FVTPL	-	5,847,671,000	-	5,847,671,000
Derivative financial assets	-	7,776,329	-	7,776,329
Total financial assets	43,620,329	5,855,447,329	-	5,899,067,658
Financial liabilities				
Derivative financial liabilities	-	154,046,505	-	154,046,505
Total financial liabilities	-	154,046,505	-	154,046,505

Recurring fair value measurements At 30 June 2021	Level 1	Level 2	Level 3	Total
	Rupees			
Financial assets				
Derivative financial assets	-	56,576,881	-	56,576,881
Total financial assets	-	56,576,881	-	56,576,881
Financial liabilities				
Derivative financial liabilities	-	3,884,821	-	3,884,821
Total financial liabilities	-	3,884,821	-	3,884,821

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 in and 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 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 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.

47. 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 11 respectively. Total capital employed includes 'total equity' as shown in the consolidated statement of financial position plus 'borrowings'.

		2022	2021
Borrowings	Rupees	39,938,959,566	38,037,742,609
Total equity	Rupees	46,797,382,460	38,864,990,791
Total capital employed	Rupees	86,736,342,026	76,902,733,400
Gearing ratio	Percentage	46.05	49.46

48. UNUTILIZED CREDIT FACILITIES

	Non-funded		Funded	
	2022	2021	2022	2021
	Rupees			
Total facilities	16,564,730,000	18,987,260,000	70,266,678,000	66,134,405,000
Utilized at the end of the year	3,672,027,923	6,680,009,030	39,990,534,566	38,035,245,609
Unutilized at the end of the year	12,892,702,077	12,307,250,970	30,276,143,434	28,099,159,391

49. EVENTS AFTER THE REPORTING PERIOD

The Board of Directors of the Holding Company at their meeting held on September 29, 2022 has proposed cash dividend of Rupees 4 per ordinary share (2021: Rupee 5.00 per ordinary share) in respect of the year ended 30 June 2022. However, this event has been considered as non-adjusting event under IAS 10 'Events after the Reporting Period' and has not been recognized in these consolidated financial statements.

50. DATE OF AUTHORIZATION FOR ISSUE

These consolidated financial statements were authorized for issue on September 29, 2022 by the Board of Directors of the Holding Company.

51. CORRESPONDING FIGURES

Corresponding figures have been rearranged / regrouped wherever necessary for the purpose of comparison. However, no significant rearrangements / regroupings have been made in these consolidated financial statements.

52. GENERAL

Figures have been rounded off to nearest of Rupee.

CHIEF EXECUTIVE DIRECTOR CHIEF FINANCIAL OFFICER

PROXY FORM

I/We ____

of ____

being a member of Nishat (Chunian) 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 27, 2022 (Thursday) at 10:00 A.M. at 31-Q, Gulberg-II, Lahore.

as witness may hand this __________ day of ________ 2022

Signed by the said member ______________________

In presence of ______________________

Please affix
revenue stamp
Rs.5/-

Signature (s) of Member(s)

Signature of witness..............................

Name ....

....

CNIC# ....

Signature of witness..............................

Name ....

....

CNIC# ....

Please quote:

Folio#	Shared held	CDC A/C No.

Important: This instrument appointing a proxy, duly completed, must be received at the Registered Office of the Company at 31-Q, Gulberg-II, Lahore not later than 48 hours before the time of holding the general meeting

NISHAT (CHUNIAN) LIMITED
CONSENT FORM FOR ELECTRONIC TRANSMISSION OF ANNUAL REPORT AND NOTICE OF AGM

M/s HAMEED MAJEED ASSOCIATES (PVT) LIMITED
H.M. House, 7-Bank Square,
The Mall, Lahore

Subject: CONSENT FORM FOR ELECTRONIC TRANSMISSION OF ANNUAL REPORT AND NOTICE OF AGM

Dear Sirs,

I/we, being the shareholder(s) of NISHAT (CHUNIAN) LIMITED ("Company"), do hereby consent and authorize the Company for electronic transmission of the Audited Annual Financial Statements of the Company along with Notice of Annual General Meeting via the Email provided herein below and further undertake to promptly notify the Company of any change in may Email address.

I understand that the transmission of Annual Audited Financial Statements of the Company along with Notice of Annual General Meeting via the Email shall meet the requirements as mentioned under the provisions of Companies Act, 2017.

Name of Shareholder(s):	
Fathers / Husband Name:	
CNIC:	
NTN:	
Fathers / Husband Name:	
E-mail address:	
Telephone:	
Mailing Address:	

Date: ____________________

Signature: (In case of corporate shareholders, the authorized signatory must sign)

NISHAT (CHUNIAN) LIMITED
STANDARD REQUEST FORM FOR HARD COPIES OF ANNUAL AUDITED ACCOUNTS

1. Name of Member: ____

2. CNIC/Passport Number: ____

3. Participant ID / Folio No/Sub A/C: ____

8. Registered Address: ____

____

I/We hereby request you to provide me/us a hard copy of the Annual Report of NISHAT (CHUNIAN) LIMITED for the year ended June 30, 2022 at my above mentioned registered address instead of CD/DVD/USB. I undertake to intimate any change in the above information through revised Standard Request Form.

Note:

This Standard Request Form may be sent at either of the following addresses of the Company Secretary or Independent Share Registrar of the Company:

Company Secretary,

NISHAT (CHUNIAN) LIMITED
31-Q, Gulberg II, Lahore
Email: samina@nishat.net

Chief Executive,

M/s HAMEED MAJEED ASSOCIATES (PVT) LIMITED
H.M. House, 7-Bank Square,
The Mall, Lahore

In case a member prefers to receive hard copies for all the future annual audited accounts, then such preference shall be communicated to the company in writing.

NISHAT (CHUNIAN) LIMITED
E-DIVIDEND FORM (DIVIDEND PAYMENT THROUGH ELECTRONIC MODE)

The Company Secretary/Share Registrar,

I/We,______________________________, holding CNIC No.__________________________,being the registered shareholder of the company under folio no.________________________, state that pursuant the relevant provisions of Section 242 of the Companies Act, 2017 pertaining to dividend payments by listed companies, the below mentioned information relating to my Bank Account for receipt of current and future cash dividends through electronic mode directly into my bank account are true and correct and I will intimate the changes, if any in the above-mentioned information to the company and the concerned Share Registrar as soon as these occur through revised E-Dividend Form.

Title of Bank Account	
Bank Account Number	
IBAN Number	
Bank's Name	
Branch Name and Address	
Cell Number of Shareholder	
Landline number of Shareholder	
Email of Sharehold	

In case of CDC shareholding, I hereby also undertake that I shall update the above information of my bank account in the Central Depository System through respective participant

Date:______________ Member's Signature

Note:

This Standard Request Form may be sent at either of the following addresses of the Company Secretary or Independent Share Registrar of the Company:

Company Secretary

NISHAT (CHUNIAN) LIMITED
31-Q, Gulberg II, Lahore
Email: samina@nishat.net

Chief Executive,

M/s HAMEED MAJEED ASSOCIATES (PVT) LIMITED
H.M. House, 7-Bank Square,
The Mall, Lahore

NISHAT (CHUNIAN) LIMITED
FORM FOR VIDEO CONFERENCE FACILITY

The Company Secretary/Share Registrar,

I/we, ______________________________ , of ________________________ , being the registered shareholder(s) of the company under Folio No(s). ________________________ / CDC Participant ID No. _____ and Sub Account No. ____ CDC Investor Account ID No., and holder of ______________ Ordinary Shares, hereby request for video conference facility at ________________________ for the Annual General Meeting of the Company to be held on 27th October, 2022.

Date: ____________________

Member's Signature

Note:

This Standard Request Form may be sent at either of the following addresses of the Company Secretary or Independent Share Registrar of the Company:

Company Secretary,

NISHAT (CHUNIAN) LIMITED
31-Q, Gulberg II, Lahore
Email: samina@nishat.net

Chief Executive,

M/s HAMEED MAJEED ASSOCIATES (PVT) LIMITED
H.M. House, 7-Bank Square,
The Mall, Lahore

پراکسی فارم (مختار نامہ)

میں/ہم ــ

ساکن ــ

بحیثیت رکن نشاط چونیاں لیمیٹڈ، نامزد کرتا/ کرتی/ کرتے ہوں/ہیں

ساکن ــــــــــــــــــــــــــــــــ

(یا اسکی غیر موجودگی میں ــــــــــــــــــــــــــــــــــــ

ساکن ــ

بحیثیت رکن نشاط چونیاں لیمیٹڈ

مورخہ 27 اکتوبر 2022ء، بروز جمعرات صبح 10:00 بجے، Q-31 گلبرگ II، لاہور میں منعقد ہونے والے سالانہ اجلاس عام میں حق رائے دہی استعمال کرنے، تقریر اور شرکت کرنے یا کسی بھی التواء کی صورت میں اپنا/ ہمارا بطور مختار (پراکسی) مقرر کرتا/ کرتی/کرتے/ہوں/ہیں۔

آج بروز.................. بتاریخ............ 2022ء کو میرے/ ہمارے دستخط اور گواہوں کی تصدیق سے جاری ہوا۔

مذکورہ رکن سے دستخط شدہ ــــــــــــــــــــــــــــــ

موجودگی میں ــــــــــــــــــــــــــــــــــــــ

براہِ مہربانی 5 روپے کی ریونیو مہر چسپاں کریں

دستخط رکن

گواہان

دستخط: ــ

نام ــ

قومی شناختی کارڈ نمبر ــــــــــــــــــــــــــــــــــــ

دستخط: ــ

:نام ــ

قومی شناختی کارڈ نمبر: ــــــــــــــــــــــــــــــــــــ

براہِ کرم حوالہ دیں

فولیو نمبر　　　　حصص ملکیتی　　　　سی ڈی سی اکاؤنٹ نمبر

اہم نوٹ:

1۔ پراکسیاں موثر ہونے کے لئے، باقاعدہ پُر شدہ کمپنی کے رجسٹرڈ دفتر/صدر دفتر میں اجلاس منعقد ہونے سے کم از کم 48 (اڑتالیس) گھنٹے قبل لازماً وصول ہو جانی چاہئیں۔

	V۔ پروموٹرز، اسپانسرز، وابستہ کمپنی یا وابستہ انڈر ٹیکنگز کی طرف سے لگائے گئے فنڈز یا کی جانے والی سرمایہ کاری پر نقد اور غیر نقد رقوم کے درمیان فرق	قابل اطلاق نہیں
	(B) عام وضاحت	
i	زیادہ سے زیادہ سرمایہ کاری کی رقم	1.00 ارب پاکستانی روپے (ایک ارب روپے صرف)
ii	ایسی سرمایہ کاری سے سرمایہ کار کمپنی اور اس کے ارکان کو حاصل ہونے والے فوائد، مقصد اور سرمایہ کاری کی مدت	اوپر دی گئی پس منظر کی معلومات میں سرمایہ کاری کی تفصیل سے وضاحت کی گئی ہے۔ اس سے این سی پی ایل کے کاموں میں مدد ملے گی کمپنی سرمایہ کاری سے آمدنی حاصل کرے گی۔
iii	سرمایہ کاری کے لئے استعمال ہونے والے فنڈز کے ذرائع اور جہاں ادھار لیے گئے فنڈز استعمال کرنے کا ارادہ ہے	انٹرنل کیش جنریشن
	I۔ قرضہ کے ذریعے سرمایہ کاری کا جواز	قابل اطلاق نہیں
	II۔ ایسے فنڈز کے حصول کے لئے ضمانت، مہیا کردہ ضمانتوں اور گروی رکھے گئے اثاثوں کی تفصیل	قابل اطلاق نہیں
	III۔ فائدہ کے لاگت کا تجزیہ	قابل اطلاق نہیں
iv	تجویز کردہ سرمایہ کاری کی بابت متعلقہ کمپنی یا اِس سے وابستہ انڈر ٹیکنگ کے ساتھ معاہدات کی نمایاں خصوصیات، اگر کوئی ہوں۔	مجوزہ سرمایہ کاری کے لئے این سی پی ایل کے ساتھ کوئی معاہدہ نہیں کیا گیا ہے۔ حصص داران کی منظور کردہ شرائط وضوابط کی بنیاد پر قرضہ کی توسیع سے قبل معاہدہ کیا جائے گا۔
v	متعلقہ کمپنی یا اِس سے وابستہ انڈر ٹیکنگ یا زیر غور لین دین میں ڈائریکٹر، سپانسرز، اکثریتی حصص داران اور ان کے رشتہ داروں کی بالواسطہ یا بلاواسطہ دلچسپی، اگر ہے تو۔	ڈائریکٹرز، اسپانسرز، اکثریتی شیئر ہولڈرز اور ان کے رشتہ داروں کو اس کمپنی میں کوئی دلچسپی نہیں ہے سوائے ان کے شیئر ہولڈنگ کی حد تک۔ این سی پی ایل، این سی ایل کا رکن نہیں ہے۔

vi	اگر متعلقہ کمپنی یا اس سے وابستہ انڈر ٹیکنگ میں کوئی سرمایہ کاری پہلے ہی کی گئی ہو تو، اس طرح کی سرمایہ کاری کی کارکردگی کا جائزہ بشمول مکمل معلومات/کسی بھی خرابی یا رائٹ آف کا جواز	حصص داران نے 28 اکتوبر 2020 کو منعقدہ اپنے اجلاس میں 1.00 ارب روپے کی سرمایہ کاری کی منظوری دی ہے۔ مذکورہ سرمایہ کاری حصص داران کی منظور کردہ شرائط وضوابط کے مطابق مارک اپ کے ساتھ واپس ادا کر دی گئی ہے۔ کوئی رائٹ آف یا نقصان نہیں ہے۔
(c) 1 ورکنگ کیپٹل کی صورت میں سرمایہ کاری کی بابت اضافی وضاحت		
	زمرہ وار سرمایہ کاری کی رقم	1.00 ارب روپے بطور قرضہ / پیشگی
i	سرمایہ کار کمپنی کی اوسط قرضہ کی لاگت، متعلقہ مدت کے لئے شریعہ مطابقت مصنوعات کیلئے KIBOR ریٹرن کی شرح	جون 2021 کو ختم ہونے والے سال کے لئے کمپنی کی موجودہ اوسط قرضہ کی لاگت 8.08% سالانہ تھی۔ متعلقہ مدت کے لئے 3 ماہ KIBOR شرح
ii	سرمایہ کار کمپنی کی طرف سے وصول کیا جانے والا سود، منافع، فیس یا کمیشن وغیرہ کی شرح	03 ماہ KIBOR پلس 2%
iii	مجوزہ سرمایہ کاری کے سلسلے میں حاصل ہونے والی ضمانت یا سیکورٹی کی تفصیلات۔	کوئی سیکورٹی حاصل نہیں کی جائے گی۔
iv	اگر سرمایہ کاری تبدیلی کی خصوصیت رکھتی ہے یعنی یہ سیکورٹیز میں تبدیلی کے قابل ہے، یہ حقیقت معہ شرائط وضوابط بشمول تبدیلی فارمولا، حالات جس میں تبدیلی ہو سکتی ہے اور مدت جب تبدیلی کی جا سکتی ہے۔	قابل اطلاق نہیں
v	متعلقہ کمپنی یا اس سے وابستہ انڈر ٹیکنگ کو دیئے گئے قرضوں یا پیشگیوں کی واپس ادائیگی کا شیڈول اور شرائط و ضوابط	حصص داران کی منظوری کے مطابق اصل رقم کی ادائیگی ایک سال کے اندر جبکہ مارک اپ کی ادائیگی ماہانہ بنیاد پر کی جائے گی۔

جائے۔

''قرار پایا کہ نشاط چونیاں لمیٹڈ ("کمپنی") کے ممبروں کی منظوری ہے اور بذریعہ ہذا کمپنیز ایکٹ، 2017 کی دفعہ 199 کے تحت 1.00 ارب روپے (صرف ایک ارب روپے) تک کمپنی کے ایسوسی ایٹ ادارہ نشاط چونیاں پاور لمیٹڈ ("این سی پی ایل") میں وقتاً فوقتاً، قرضوں اور ایڈوانس کے ذریعہ، اور جب این سی پی ایل کو ضرورت ہو تو، 3 ماہ کے KIBOR+200 بی پی ایس کی شرح پر سرمایہ کاری کی جائے گی واضح کیا جاتا ہے کہ سود کی شرح متعلقہ مدت کے KIBOR یا سرمایہ کار کمپنی کی قرضہ کی قیمت جو بھی زیادہ ہو سے کم نہ ہو اور اس طرح کے قرض اور/ یا ایڈوانس کی واپسی قرض اور/ یا ایڈوانس مہیا کرنے کے ایک سال کے اندر اور ممبروں کو انکشاف کردہ دیگر شرائط وضوابط کے مطابق ہوگی۔

مزید قرار پایا کہ مذکورہ قرارداد 1 (ایک) سال کے لئے کارآمد ہوگی اور کمپنی کا چیف فنانشل آفیسر اور کمپنی سیکرٹری مشترکہ طور پر بااختیار اور مجاز ہوں گے اور جب مناسب اور ضروری خیال کریں گے کمپنی اور اس کے حصص یافتگان کے بہترین مفاد میں تب مذکورہ سرمایہ کاری کا فیصلہ کریں گے اور اس سلسلے میں مطلوب کسی بھی دستاویزات اور معاہدوں پر عمل درآمد اور تمام کاروائیوں، معاملات، اعمال اور چیزیں جو ہوسکتی ہیں اُس کے لئے مشترکہ اور واحد مجاز ہوں گے۔

مزید معلومات

کمپنیز (شریک کمپنیوں یا شریک انڈرٹیکنگز میں سرمایہ کاری) ریگولیشنز 2012 (ریگولیشنز) کے تحت درکار درج ذیل مزید معلومات فراہم کی گئی ہیں۔

حوالہ نمبر	ضرورت	معلومات
i	متعلقہ کمپنی کا نام	نشاط چونیاں پاور لمیٹڈ (این سی پی ایل)
ii	تعلق کی بنیاد	این سی پی ایل ایک ایسوسی ایٹ کمپنی ہے
iii	گزشتہ تین سالوں کی آمدنی / (نقصان) فی شیئر	سال آمدنی/(نقصان) فی شیئر (روپے) 2022 6.82 2021 6.83 2020 12.54
iv	گزشتہ نظرثانی شدہ مالی حسابات پر مبنی، بریک اپ ویلیو فی شیئر	65.28 روپے
v	مالیاتی پوزیشن، بشمول مالیاتی پوزیشن کے بیان کی اہم اشیاء اور اس کے تازہ ترین مالی بیانات کی بنیاد پر منافع اور نقصان	30 جون 2022 مختتمہ سال کے لئے نظرثانی شدہ مالیاتی گوشوارے ظاہر کرتے ہیں: بیلنس شیٹ '000' روپے **اثاثے** نان کرنٹ اثاثے 9,462,085 کرنٹ اثاثے 26,620,503 کل اثاثے 36,082,588 **واجبات** طویل مدتی - مختصر مدتی 12,103,625 کل واجبات 12,103,625 **نفع اور نقصان** فروخت 25,415,977 مجموعی منافع 3,557,672 مجموعی منافع تناسب 14% بعد از ٹیکس خالص منافع 2,504,676 بعد از ٹیکس خالص منافع تناسب 9.85% فی شیئر آمدنی 6.82
vi	وابستہ کمپنی یا وابستہ انڈرٹیکنگز کے منصوبہ جس نے آپریشنز کا آغاز نہیں کیا کے سلسلہ میں سرمایہ کاری کی صورت میں، درج ذیل مزید معلومات، بنامی:	قابل اطلاق نہیں
	I۔ منصوبہ کی تفصیل اور ابتداء کے بعد سے اسکی تاریخ	قابل اطلاق نہیں
	II۔ کام کی تاریخ کا آغاز اور تکمیل کی متوقع تاریخ	قابل اطلاق نہیں
	III۔ مدت جس میں ایسا منصوبہ تجارتی پیداوار دینا شروع کردے گا	قابل اطلاق نہیں
	IV۔ متوقع مدت جس میں منصوبہ سرمایہ کاری پر منافع دینا شروع کردے گا	قابل اطلاق نہیں

سالانہ رپورٹ بشمول اجلاس کے نوٹسز بذریعہ ای میل بھی وصول کرنا چاہتے ہوں سے درخواست ہے کہ سالانہ رپورٹ میں مہیا شدہ اور کمپنی کی ویب سائٹ پر بھی دستیاب درخواست فارم پر اپنی تحریری رضامندی فراہم کریں۔

8۔ وڈیو کانفرنس سہولت

کمپنیز ایکٹ کی پروویژنز کی پیروی میں، کمپنی کے کل پیڈ اپ کیپٹل کے کم از کم 10% کے مالک لاہور کے علاوہ شہر میں سکونتی ارکان کمپنی سے اجلاس میں شرکت کے لئے وڈیو لنک کی سہولت مہیا کرنے کا مطالبہ کر سکتے ہیں۔ وڈیو لنک سہولت کا مطالبہ مذکورہ بالا پتہ پر شیئر رجسٹرار کے ذریعے سالانہ رپورٹ میں مہیا شدہ اور کمپنی کی ویب سائٹ www.nishat.net پر بھی دستیاب معیاری درخواست فارم پر اجلاس کی تاریخ سے کم از کم 7 یوم قبل وصول کیا جائے گا۔

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان ("ایس ای سی پی") کی طرف سے 03 مارچ 2021 کو جاری کردہ 2021 کے سرکلر نمبر 6 کے مطابق کمپنی نے شیئر ہولڈرز کو ان کے گھروں سے اپنے اسمارٹ فونز یا کمپیوٹر ڈیوائسز کے ذریعے میٹنگ میں شرکت کے لیے ویڈیو لنک کی سہولت کا اہتمام کیا ہے۔ ویڈیو لنک کے ذریعے میٹنگ میں شرکت کی دلچسپی رکھنے والے شیئر ہولڈرز سے درخواست کی جاتی ہے کہ وہ ایک ای میل بہ مضمون (سالانہ اجلاس میں شرکت)، اجلاس سے 48 گھنٹے قبل درج ذیل معلومات اور شناختی کارڈ کی دونوں اطراف کی کاپی کیساتھ 'shahbazahsan@nishat.net' پر بھیج کر خود کو رجسٹر کریں۔ میٹنگ میں شرکت کا لنک شیئر ہولڈرز کو ان کے فراہم کردہ ای میل ایڈریس پر بھیجا جائے گا۔ حصص یافتگان سے درخواست کی جاتی ہے کہ وہ درج ذیل جدول کے مطابق تفصیلات پُر کریں۔

نام حصص دار	CNIC نمبر	فولیو نمبر / CDC اکاؤنٹ نمبر	موبائل نمبر	ای میل ایڈریس

مذکورہ لنک AGM کی تاریخ کو صبح 09:55 بجے سے اجلاس کے اختتام تک کھلا رہے گا۔

9۔ پتہ کی تبدیلی

ممبران سے التماس ہے کہ اپنے پتہ میں کسی تبدیلی سے فی الفور مطلع فرمائیں۔ حصص داران سے التماس ہے کہ مذکورہ بالا معلومات / دستاویزات (i) متعلقہ سنٹرل ڈیپازٹری سسٹم (CDS) پارٹیسپینٹس اور (ii) مادی سیکورٹیز کی صورت میں کمپنی کے شیئر رجسٹرار کو مہیا کریں۔

10۔ مادی حصص کو CDS میں تبدیل کرنا

کمپنیز ایکٹ کے سیکشن 72 کے تقاضوں کے مطابق، ہر موجودہ لسٹڈ کمپنی کو اس کے مادی حصص کو بک انٹری فارم کے ساتھ اس انداز میں تبدیل کرنے کی ضرورت ہوگی جو کہ ایس ای سی پی کی طرف سے نہ صرف مخصوص کردہ ہو بلکہ مطلع کردہ تاریخ میں بھی ہو اور وہ تاریخ کمپنیز ایکٹ کے لاگو ہونے یعنی کہ 30 مئی 2017 کے چار سال کے اندر اندر ہوگی۔

مادی شیئر سٹرفکیٹ رکھنے والے ممبران سے درخواست کی جاتی ہے کہ وہ جلد سے جلد اپنے شیئرز کو مادی فارم سے بک انٹری فارم میں تبدیل کریں۔ یہ ممبروں کو کئی طریقوں سے سہولت فراہم کرے گا جس میں حصص کی محفوظ تحویل، حصص کا نقصان نہ ہونا، ڈپلیکیٹ شیئرز کے اجراء کے لیے درکار رسمی شرائط سے بچنا اور منڈی میں آسانی سے شیئر کی بہتر نرخوں پر فروخت اور خریداری ہونا شامل ہے۔

11۔ کمپنی 30 جون 2022 مختتمہ سال کے لئے نظر ثانی شدہ الگ اور مشترکہ مالی حسابات معہ ان پر محاسب اور مجلسِ نظماء کی رپورٹس اپنی ویب سائٹ www.nishat.net پر رکھ چکی ہے۔

خصوصی کاروبار سے متعلق کمپنیز ایکٹ، 2017 کی دفعہ (3)134 کے تحت بیان:

پس منظر

نشاط چونیاں پاور لمیٹڈ (این سی پی ایل) ایک پبلک لمیٹڈ کمپنی ہے جو سال 2007 میں پاور پالیسی 2002 کے تحت بطور آزاد پاور پروڈیوسر (آئی پی پی) قائم کی گئی ہے۔ یہ نشاط چونیاں لمیٹڈ ("کمپنی") کا ایسوسی ایٹ ادارہ ہے۔ اس وقت یہ پاکستان اسٹاک ایکسچینج لمیٹڈ میں درج ہے۔ اس کمپنی کی اصل سرگرمی 200 میگاواٹ کی مجموعی گنجائش کے حامل فیول فائر پاور اسٹیشن کی تعمیر، چلانا اور برقرار رکھنا ہے۔ این سی پی ایل کو اپنے وصولیوں میں تاخیر کا مسئلہ درپیش ہے کیونکہ این ٹی ڈی سی کی طرف سے ادائیگیوں میں تاخیر کی وجہ سے اتار چڑھاؤ آتا رہتا ہے۔ اس وجہ سے این سی پی ایل میں لیکویڈیٹی کی پریشانی پیدا ہوتی ہے اور اسے اپنے ورکنگ سرمایہ کی ضروریات کو پورا کرنے کے لئے فنڈز کی ضرورت ہوتی ہے۔ کمپنی کی انتظامیہ نے NCPL میں 1.00 ارب کے قرضوں / ایڈوانس تک کی اپنے فنڈز سے سرمایہ کاری کی کی تجویز دی ہے۔ اس قرض / ایڈوانس کی شرح سود 3 ماہ KIBOR جمع 200 بی پی ایس ہوگی جو کے مطلقہ مدت کے KIBOR یا کمپنی کی قرض لینے کی لاگت سے کم نہیں ہوگی۔ سود کی ادائیگی ماہانہ بنیاد پر ہوگی۔ اس سرمایہ کاری کا مقصد این سی پی ایل کے آپریشنز کی حمایت کرنا ہے جو کمپنی کو مستقل آمدنی فراہم کرتا ہے۔

مستعدی

مجلسِ نظماء نے، ضوابط کے مطابق، مجوزہ سرمایہ کاری کے لئے مطلوبہ ضروری کارروائی کی ہے جس کے لئے کمپنیز ایکٹ، 2017 کی دفعہ 199 کے تحت خصوصی قرارداد کے ذریعے حصص داران کی رضامندی لازمی ہے۔ بورڈ کی طرف سے مستعدی رپورٹ سالانہ عام اجلاس میں ممبروں کے معائنے کے لئے دستیاب ہوگی۔

کمپنی میں این سی پی ایل اور اس کے سپانسرز اور ڈائریکٹرز کی دلچسپی

ضابطہ (1)4 کے تقاضے کے مطابق، یہ اعلان کیا جاتا ہے کہ:

1۔ این سی پی ایل، نشاط چونیاں لمیٹڈ میں کوئی حصص نہیں رکھتی ہے اور مشترکہ ڈائریکٹرشپ کے علاوہ اس کی کمپنی میں کوئی دلچسپی نہیں ہے۔

2۔ این سی پی ایل کے سپانسرز / ڈائریکٹرز نشاط چونیاں لمیٹڈ میں درج ذیل حصص رکھتے ہیں۔

نام	حصص کی تعداد
جناب فرخ افضال	500
جناب مستقیم تالش	10
جناب بابر علی خان	20,000

نشاط چونیاں پاور لمیٹڈ کے آڈٹ شدہ مالیاتی گوشوارے

ضابطہ (3)4 کے مطابق، 30 جون 2022 کو این سی پی ایل کے حالیہ مالیاتی گوشوارے اور گزشتہ عبوری مالی حسابات سالانہ اجلاس عام میں ممبروں کے معائنے کے لئے دستیاب ہوں گے۔

خصوصی قراردادیں:

تجویز دی گئی ہے کہ مندرجہ ذیل قرارداد کو معہ یا بغیر کسی ترمیم کے ساتھ خصوصی قرارداد تصور اور منظور کیا

میسرز حمید مجید ایسوسی ایٹ (پرائیویٹ) لمیٹڈ، ایچ ایم ہاؤس، 7۔بینک سکوائر، لاہور پرارسال کریں۔ ڈیویڈینڈ وارنٹس پر بھی رجسٹرڈ شیئر ہولڈر یا اُس کے نامزد کردہ فرد کا CNIC درج ہوگا (ماسوائے کم عمر شیئر ہولڈر یا کارپوریٹ ادارے کے شیئر ہولڈر ہونے کی صورت میں)۔

لہٰذا، ڈیویڈینڈ وارنٹس کا اجراء حصص داران کی طرف سے CNIC (انفرادی)/ NTN (کارپوریٹ اینٹٹیز) کے جمع کرانے کے حوالہ سے ہوگا۔

4۔انکم ٹیکس آرڈیننس 2001 کی دفعہ 150 کے تحت ڈیویڈینڈ سے انکم ٹیکس کی ڈیڈکشن (لازمی)

فنانس ایکٹ 2021 کی پروویژنز کی پیروی میں ڈیویڈینڈ ادائیگیوں سے انکم ٹیکس کی ڈیڈکشن کی شرح انکم ٹیکس آرڈیننس کے تحت درج ذیل ہیں:

فائلرز	15%
نان فائلرز	30%

تمام حصص داران سے درخواست ہے کہ ایف بی آر کی ویب سائٹ پر مہیا ایکٹو ٹیکس پیئرز فہرست (ATL) میں اپنا سٹیٹس چیک کریں اور اگر درکار ہو، ٹیکس ڈیڈکشن کی کم شرح سے مستفید ہونے کے لئے تو ATL میں اپنے نام کا اندراج کرانے کے لئے ضروری اقدامات اُٹھائیں۔

مزید برآں، فیڈرل بورڈ آف ریونیو (ایف بی آر) کی وضاحت کے مطابق بصورت مشترکہ اکاؤنٹ ہر ایک جوائنٹ ہولڈر سے انکے شیئر ہولڈنگ تناسب کی بنیاد پر اصل شیئر ہولڈر اور جوائنٹ ہولڈر کے طور پر یا تو فائلر یا نان فائلر الگ الگ ود ہولڈنگ ٹیکس کا تعین کیا جائیگا اس حوالہ سے تمام حصص داران جو مشترکہ حصص رکھتے ہیں سے التماس ہے کہ اپنے ملکیتی حصص کی بابت اصل شیئر ہولڈر اور جوائنٹ ہولڈر کا شیئر ہولڈنگ تناسب درج ذیل کے مطابق تحریری صورت میں ہمارے شیئر رجسٹرار کو مہیا کریں۔

کمپنی کا نام	فولیو / سی ڈی ایس اکاؤنٹ نمبر	کل حصص	اصل حصص دار		مشترکہ حصص دار	
			نام اور CNIC نمبر	شیئر ہولڈنگ تناسب (حصص کی تعداد)	نام اور CNIC نمبر	شیئر ہولڈنگ تناسب (حصص کی تعداد)

مطلوبہ معلومات ہمارے شیئر رجسٹرار کو نوٹس ہذا کے 10 یوم کے اندر پہنچ جانی چاہئیں بصورت دیگر یہ تصور کرلیا جائے گا کہ اصل شیئر ہولڈر اور جوائنٹ ہولڈر شیئرز کی مساوی تعداد کا مالک ہے۔

کسی تفتیش / مسئلہ / معلومات کے لئے سرمایہ کار ہمارے شیئر رجسٹرار، میسرز حمید مجید ایسوسی ایٹ (پرائیویٹ) لمیٹڈ، ایچ ایم ہاؤس، 7۔بینک سکوائر، لاہور فون 2-37235081-042 یا ای میل shares@hmaconsultants.com پر رابطہ فرمائیں۔

سی ڈی سی اکاؤنٹس کے حامل کارپوریٹ شیئر ہولڈرز کو اپنے متعلقہ پارٹیسپینٹس کے ہاں اپنے قومی ٹیکس نمبر (NTN) کو اپ ڈیٹ رکھنا چاہئے جبکہ کارپوریٹ مادی حصص داران کو اپنے NTN سرٹیفکیٹ کی کاپی ہمارے شیئر رجسٹرار، میسرز حمید مجید ایسوسی ایٹ (پرائیویٹ) لمیٹڈ کو ارسال کرنی چاہئے۔ NTN یا NTN سرٹیفکیٹس جو بھی صورت ہو ارسال کرتے وقت حصص داران کو کمپنی کا نام اور اپنے متعلقہ فولیو نمبر لازماً تحریر کرنے چاہئیں۔

ڈیویڈینڈ آمدنی سے ود ہولڈنگ ٹیکس ایگزیمپشن کی صرف اس صورت میں اجازت دی جائے گی اگر ٹیکس ایگزیمپشن سرٹیفکیشن کی کاپی 20 اکتوبر، 2022 تک ہمارے شیئر رجسٹرار میسرز حمید مجید ایسوسی ایٹس (پرائیویٹ) لمیٹڈ کو دستیاب ہو۔

5۔زکوٰۃ، زکوٰۃ اور عشر قوانین کے تحت ڈیویڈینڈ زپر اُسی وقت منہا کی جائے گی اور متعلقہ اتھارٹی کے ہاں مجوزہ مدت کے اندر جمع کرائی جائے گی۔کوئی شیئر ہولڈرز جو ایگزیمپشن کلیم کرنا چاہتا ہو زکوٰۃ اور عشر آرڈیننس 1980ء اور زکوٰۃ (ڈیڈکشن اینڈ ریفنڈ) رولز 1980ء کے رول 4 کے تحت تو اپنی زکوٰۃ ڈیکلریشنز CZ-50 فارم میں ہمارے شیئر رجسٹرار، میسرز، حمید مجید ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، کو جمع کرائیں، بصورت دیگر ایگزیمپشن نہیں دی جائے گی۔حصص یافتگان زکوٰۃ ڈیکلریشن ارسال کرتے وقت کمپنی کا نام اور اپنے متعلقہ فولیو نمبرز/ سی ڈی سی اکاؤنٹ نمبرز لازماً تحریر کریں۔یکم شعبان سے قبل موصول ہونے والی زکوٰۃ ڈیکلریشن استحقاق کی اہل ہیں۔

6۔نقد منافع منقسمہ کی الیکٹرونیکلی ادائیگی

کمپنیز ایکٹ 2017ء کے سیکشن 242 کی پروویژنز کے مطابق، نقد منافع منقسمہ کا لین دین فقط الیکٹرانک موڈ کے ذریعہ براہ راست حقدار حصص داران کی طرف سے منسوب بینک اکاؤنٹ میں کیا جائے گا۔

تمام حصص داران سے التماس ہے کہ اپنے بینک مینڈیٹ کی مندرجہ ذیل تفصیلات:

(i) عنوان اکاؤنٹ--

(ii) IBAN نمبر--

(iii) بینک کا نام--

(iv) برانچ کا نام، کوڈ اور پتہ--

(v) حصص دار کے دستخط--

کمپنی کے شیئر رجسٹرار میسرز حمید مجید ایسوسی ایٹس (پرائیویٹ) لمیٹڈ کو مہیا کریں۔حصص داران جو حصص پارٹیسپینٹس / سنٹرل ڈیپازٹری کمپنی پاکستان (CDC) کے ہاں حصص رکھتے ہیں سے درخواست ہے کہ مذکورہ بالا بینک مینڈیٹ تفصیلات متعلقہ پارٹیسپینٹس/ سی ڈی سی کو مہیا کریں۔

اگر شیئر ہولڈر چاہے تو وہ کمپنی کی ویب سائٹ www.nishat.net پر دستیاب "ڈیویڈنڈ مینڈیٹ فارم" کا استعمال کرتے ہوئے ڈیویڈنڈ مینڈیٹ حاصل کرنے کا اختیار رکھتے ہیں۔

7۔ڈیجیٹل سٹوریج کے ذریعے سالانہ رپورٹس کی ترسیل

نشاط (چونیاں) لمیٹڈ کے حصص داران کمپنی کے 27 ویں AGM میں سالانہ رپورٹس بشمول محاسب شدہ سالانہ حسابات، AGM کے نوٹسز اور کمپنی کی دیگر معلومات ہارڈ کاپی کی بجائے سی ڈی/ڈی وی ڈی/یو ایس بی کے ذریعے ترسیل کی اپنی رضامندی کی منظوری دے چکے ہیں۔حصص داران جو مذکورہ بالا دستاویزات کی ہارڈ کاپیاں وصول کرنا چاہتے ہوں کمپنی سیکرٹری/شیئر رجسٹرار کو سالانہ رپورٹ میں مہیا شدہ اور کمپنی کی ویب سائٹ پر بھی دستیاب درخواست فارم ارسال کریں اور کمپنی حصص داران کو مطالبہ پر مذکورہ بالا دستاویزات ایسی طلب کے ایک ہفتہ کے اندر مفت مہیا کرے گی۔حصص داران جو

نشاط (چونیاں) لمیٹڈ

اطلاع برائے سالانہ اجلاسِ عام

بذریعہ نوٹس ہذا مطلع کیا جاتا ہے کہ نشاط (چونیاں) لمیٹڈ (دی ''کمپنی'') کے حصص داران کا 34واں سالانہ اجلاسِ عام بمقام رجسٹرڈ دفتر Q-31، گلبرگ-II، لاہور پر 27اکتوبر2022ءکوصبح10:00بجے درج ذیل امور کی انجام دہی کیلئے منعقد ہوگا۔

عام امور:

1۔ 11اپریل2022 کومنعقدہ ایکسٹرا آرڈیری اجلاسِ عام کی کارروائی کی توثیق کرنا۔

2۔ 30جون2022مختتمہ سال کیلئے کمپنی کے نظرثانی شدہ الگ اورمشترکہ مالی حسابات معہ ان پرمجلس نظماء اورمحاسب کی رپورٹس کی وصولی، غوروخوض اورمنظوری دینا۔

3۔ مجلس نظماء کی سفارش کے مطابق40فیصد حتمی نقد منافع منقسمہ (یعنی 4روپے فی شیئر) کی ادائیگی پرغوروخوض اورمنظوری دینا۔

4۔ محاسب کاتقرراوراُن کے مشاہرہ کاتعین کرنا۔ ارکان کومطلع کیا جاتا ہے کہ آڈٹ کمیٹی اور مجلس نظماء نے سبکدوش محاسب میسرز ریاض احمد اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس ریٹائرڈ کی کمپنی کے محاسب کےطور پردوبارہ تقرری کی منظوری دی ہے۔

5۔ چیئرمین کی اجازت سےکسی دوسرے امر کا طےکرنا۔

خصوصی امور:

1۔ کمپنیز ایکٹ2017 کےسیکشن199 کی دفعات کے مطابق، ارکان کوارسال کیئے گئے نوٹس ہذا کے ساتھ ملحق مادی حقائق کے بیان میں جیسا کہ تجویز کیا گیا ہے، نشاط چونیاں پاورلمیٹڈ، ایک ایسوسی ایٹ کمپنی میں قرضوں/پیشگیوں کے طریقے سے1.00ارب روپے کی سرمایہ کاری کی اجازت پرغوروخوض اوراگر بہتر خیال کیا گیا توخصوصی قرارداد کو پاس کرنا۔

(نوٹس ہذا کے ساتھ ملحق شدہ مادی حقائق کا بیان کمپنیز ایکٹ2017 کی دفعہ(3)134 کے تحت مطلوبہ، مذکورہ بالا خصوصی اموراورخصوصی قراردادوں کے ڈرافٹ کا احاطہ کرتا ہے)

لاہور

مورخہ:06اکتوبر2022

بحکم بورڈ

ثمینہ اسلم

کمپنی سیکرٹری

نوٹس:

1۔ حصص منتقلی کتابوں کی بندش

AGM میں شرکت کے لئے

کمپنی کی حصص منتقلی کتابیں از2022-10-21 تا2022-10-27 (بشمول دونوں ایام) کے لئے بند رہیں گی۔ مادی/سی ڈی ایس منتقلیاں، جوکمپنی کے شیئر رجسٹرار، میسرز حمید مجید ایسوسی ایٹ (پرائیویٹ) لمیٹڈ، ایچ ایم ہاؤس، 7-بینک سکوائر، لاہور کو2022-10-20 تک کاروبار کے اختتام تک موصول ہوں گی وہی اجلاس میں شرکت اورمنافع میں استحقاق کے مقصد کیلئے بروقت تصور ہونگی۔

حتمی نقد منافع کے استحقاق کیلئے:

کمپنی کی حصص منتقلی کتابیں از2022-10-21 تا2022-10-27 (بشمول دونوں ایام) 40فیصد حتمی نقد منافع منقسمہ یعنی4روپے فی شیئر کے استحقاق کے لئے بند رہیں گی۔ مادی/سی ڈی ایس منتقلیاں، جوکمپنی کے شیئر رجسٹرار، میسرز حمید مجید ایسوسی ایٹ (پرائیویٹ) لمیٹڈ، ایچ ایم ہاؤس، 7-بینک سکوائر، لاہور کو2022-10-20 تک کاروبار کے اختتام تک موصول ہوں گی وہی درج بالا استحقاق کے مقصد کیلئے بروقت تصور ہونگی۔

2۔ سالانہ اجلاس عام میں شرکت

اجلاس ہذا میں شرکت اور ووٹ دینے کا اہل ممبر اجلاس میں شرکت اور ووٹ دینے کیلئے اپنی بجائے شرکت اور ووٹ دینے کیلئے کسی دیگر ممبر کو اپنا پراکسی مقرر کرسکتا ہے۔ باقاعدہ مہر اور دستخط شدہ پراکسی تقرری کے فارم کمپنی کے رجسٹرڈ دفتر پر اجلاس کے انعقاد کے وقت سے کم ازکم 48 گھنٹے قبل لازماً موصول ہوجانے چاہئیں۔

سی ڈی سی اکاؤنٹ ہولڈرز کومزید برآں سکیورٹیز اینڈ ایکسچینج کمشن آف پاکستان سے جاری شدہ درج ذیل گائیڈ لائنز کی پیروی کرنا ہوگی۔

A۔ اجلاس میں شرکت کیلئے:

i)۔ بصورت افراد، اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور/یا شخص جن کی سکیورٹیز گروپ اکاؤنٹ میں ہیں اوراُنکی رجسٹریشن تفصیلات، ریگولیشنز کے مطابق اپ لوڈ ہیں، کواجلاس میں شرکت کے وقت اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ(CNIC) یااصل پاسپورٹ دکھا کر اپنی شناخت ثابت کرنا ہوگی۔

ii)۔ بصورت کارپوریٹ ادارہ، مجلس نظماء کی قرارداد/مختارنامہ معہ نامزد کے نمونہ دستخط اجلاس کے وقت مہیا کرنا ہونگے (اگر پہلے مہیا نہیں کیئے گئے)۔

B۔ پراکسیز تقرری کیلئے:

(i)۔ بصورت افراد، اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور/یا شخص جن کی سکیورٹیز گروپ اکاؤنٹ میں ہیں اوراُنکی رجسٹریشن تفصیلات، ریگولیشنز کے مطابق اپ لوڈ ہیں، کواوپر دی گئی ریکوائرمنٹ کے مطابق پراکسی فارم جمع کرانا ہوگا۔

(ii)۔ پراکسی فارم، دو(2) افراد جن کے نام، پتے اورCNIC نمبرز فارم پر مذکور ہونگے، سے گواہی شدہ ہونگے۔

(iii)۔ بینیفشل اونرز اور پراکسی کے CNIC یا پاسپورٹ کی مصدقہ نقول، پراکسی فارم کے ہمراہ جمع کرانا ہونگی۔

(iv)۔ پراکسی، اجلاس کے وقت اپنا اصل CNIC یا اصل پاسپورٹ مہیا کرے گا/گی۔

(v)۔ بصورت کارپوریٹ ادارے، بورڈ آف ڈائریکٹرز قرارداد/مختارنامہ معہ نمونہ دستخط، کمپنی کو پراکسی فارم کے ہمراہ جمع کرانا ہوگا (اگر پہلے مہیا نہیں کیئے)۔

3۔ ڈیویڈینڈ وارنٹس پرCNIC/NTN نمبر (لازمی)

وہ افراد جنہوں نے ابھی تک اپنے درست CNIC کی کاپی کمپنی کے پاس جمع نہیں کروائی اُن سے ایک بار پھر درخواست کی جاتی ہے کہ اپنے درست CNIC کی کاپی جلد از جلد کمپنی کے شیئر رجسٹرار،

اہم تبدیلیاں

مالیاتی بیانات کے لیے نوٹ 47 اور نوٹ 1.6 سے رجوع کریں۔ 30 جون 2022 اور 29 ستمبر 2022 کے درمیان کمپنی کی حالت کو متاثر کرنے والی کوئی اہم تبدیلی نہیں ہوئی۔

نمونہءحصص داری

30 جون 2022ء کے مطابق نمونہءحصہ داری منسلک ہے۔

اظہار تشکر

بورڈ اپنے قابل قدر حصص داران، بینکوں، مالیاتی اداروں اور کسٹمرز کا شکر گزار ہے، جن کے تعاون، مسلسل حمایت اور تحفظ نے کمپنی کو مسلسل بہتری کی طرف گامزن کیا ہے۔ زیرِ جائزہ مدت کے دوران، مینجمنٹ اور ملازمین کے درمیان تعلقات ہموار رہے ہیں اور ہم کمپنی کے ملازمین اور کارکنوں کی لگن اور سخت محنت کا بھی شکریہ ادا کرنا چاہتے ہیں۔

منجانب بورڈ

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چیف ایگزیکٹو ڈائریکٹر

لاہور: 29 ستمبر 2022ء

جناب زین شہزاد	3
جناب آفتاب احمد خان	5
جناب محمد زاہد خان	5
جناب فیصل فرید	1

ڈائریکٹرز کا مشاہرہ

ڈائریکٹرز کا مشاہرہ اور بورڈ کے اجلاس کی فیس کا تعین کمپنیز ایکٹ 2017 اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2017 کے مطابق منظور شدہ پالیسی کے ذریعے کیا گیا ہے۔

چیف ایگزیکٹو اور ڈائریکٹر کے مشاہرہ کے لیے مالی بیانات کے نوٹ نمبر 38 سے رجوع کریں۔

آڈٹ کمیٹی

آڈٹ کمیٹی، بورڈ آف ڈائریکٹرز کی طرف سے مقررہ ریفرنس کی شرائط کے مطابق اپنے فرائض انجام دے رہی ہے۔ آڈٹ کمیٹی کی تشکیل درج ذیل ہے:

جناب محمد زاہد خان	چیئرمین
جناب فرخ افضال	ممبر
جناب آفتاب احمد خان	ممبر

R&HR کمیٹی

ضابطہ کی تعمیل میں، کمپنی کے بورڈ آف ڈائریکٹرز نے ایک HR & R کمیٹی قائم کی ہے۔ HR & R کمیٹی کی تشکیل درج ذیل ہے:

جناب فیصل فرید	چیئرمین
جناب فرخ افضال	ممبر
جناب محمد زاہد خان	ممبر

آڈیٹرز

ریاض احمد اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، موجودہ آڈیٹرز کمپنی کی سالانہ جنرل میٹنگ کے اختتام پر ریٹائر ہو جائیں گے۔ اہل ہونے کے ناطے، انہوں نے خود کو 30 جون 2023 کو ختم ہونے والے سال کے لیے دوبارہ تقرری کے لیے پیش کیا ہے۔ جیسا کہ آڈٹ کمیٹی کی طرف سے تجویز کیا گیا، بورڈ آف ڈائریکٹرز نے ریاض احمد اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کی آئندہ سالانہ جنرل میٹنگ میں شیئر ہولڈرز کی منظوری کے لیے دوبارہ تقرری کی سفارش کی ہے۔

کارپوریٹ گورننس

سال کے دوران آپ کی کمپنی کارپوریٹ گورننس کے ضابطہء اخلاق کی ضروریات پر عمل پیرا رہی ہے اُن کے علاوہ جو تعمیل کے بیان میں بیان کردہ ہیں۔

بورڈ آف ڈائریکٹرز کی تشکیل:

ارکان کی صنف، علم، مہارت اور مہارت کے متنوع مرکب ہمارے بورڈ کی مؤثریت میں اضافہ کرتی ہے۔ ہمارے بورڈ کی تشکیل حصص داران کے تمام اقسام کے مفادات کی نمائندگی کرتی ہے اور یہ مشتمل ہے:

ڈائریکٹرز کی کل تعداد

مرد	6
خاتون	1

ترتیب

بورڈ کی ترتیب مندرجہ ذیل ہے:

a) آزاد ڈائریکٹر: 02، نام درج ذیل ہیں:

i۔ جناب محمد زاہد خان

ii۔ جناب فیصل فرید خان

b) دیگر نان ایگزیکٹو ڈائریکٹرز: 02، نام درج ذیل ہیں:

i۔ جناب فرخ افضال

ii۔ جناب آفتاب احمد خان

a)۔ ایگزیکٹو ڈائریکٹر: 02، نام درج ذیل ہیں:

i۔ جناب شہزاد سلیم (چیف ایگزیکٹو)

ii۔ جناب زین شہزاد

iii۔ محترمہ نادیہ بلال (خاتون ڈائریکٹر)

بورڈ آف ڈائریکٹرز کے اجلاس:

زیر جائزہ سال کے دوران چار (5) اجلاس منعقد ہوئے۔ ہر ایک ڈائریکٹر کی حاضری حسب ذیل ہے:

نام ڈائریکٹرز	تعداد حاضری
محترمہ فرحت سلیم (چیئرپرسن)۔ مستعفی 21 دسمبر 2021	2
محترمہ نادیہ بلال (تعیناتی 27 دسمبر 2021)	3
جناب فرخ افضال (چیئرمین)	5
جناب شہزاد سلیم (چیف ایگزیکٹو)	5

کووڈ19 وبائی بیماری کے دوران، ہم نے حکومت کی طرف سے جاری کردہ ایس او پیز پر سختی سے عمل پیرا ہونا یقینی بنایا ہے۔ ہمارے ملازمین کی صحت اور تندرستی کو یقینی بنانے کے لئے ماسک اور سینیٹائزر ہماری تمام تر پیداواری سہولیات پر دستیاب ہیں۔ وبا میں معاشرتی فاصلہ کے اصولوں کا نفاذ اور سختی سے عمل کیا گیا ہے۔ مزید ہم نے یہ یقینی بنایا کہ ہمارے تمام ملازمین ویکسینیٹڈ ہوں۔

کمپنی اپنی تمام تر مینوفیکچرنگ سہولیات پر فائر فائٹنگ آلات اور گاڑیاں برقرار رکھتی ہے۔ باقاعدگی سے آگ بجھانے کی مشقیں کی جاتی ہیں اور ملازمین کو کسی بھی حادثہ سے بچنے کے لئے انہیں بنیادی تربیت فراہم کی جاتی ہے۔

ویلیوایڈیشن اور تقسیم کا بیان

	روپے ملین میں
پیدا کردہ دولت	
کل وصولی اور دیگر آمدنی	62,826
مال اور خدمات میں خرید	(46,206)
ڈیپریسیایشن، ایمورٹائزیشن	(1,249)
	15,371
دولت کی تقسیم	
حکومت اور معاشرہ کو	
ملازمین کی تنخواہ	3,886
عطیہ	410
ٹیکس WWF اور WPPF	1,309
سرمایہ فراہم کنندگان کو	
مالی لاگت	2,298
منافع منقسمہ	1,681
سرمایہ کاری اور مستقبل کی ترقی کے لئے محفوظ	
فرسودگی، کساد بازاری اور محفوظ منافع	5,787
	15,371

تعمیل کا بیان

کمپنی نے کوڈ آف کارپوریٹ گورننس کی ضروریات پر عمل اور باقاعدہ تعمیل کی ہے، اس کا بیان رپورٹ سے منسلک ہے۔

کمپنی میں ہم یہ کام متوقع رسک اور اس کے تخفیف کے کلچر کو فروغ دے کر کرتے ہیں۔ کمپنی نے رسک کو قابل قبول رکھنے کے انتظام کیلئے مختلف معیاری آپریٹنگ طریقہ کار نافذ کئے ہیں۔ اِن معیاری آپریٹنگ طریقہ کار کو متروک ہونے سے بچانے کے لئے انتظامیہ وقتاً فوقتاً ان کا جائزہ لیتی ہے اور اس کو جدید حالات کے ساتھ اپ ڈیٹ کیا جاتا ہے۔ بورڈ طریقہ کار کی تعمیل کی نگرانی کرتا ہے۔ ہم ہر سطح پر ملازمین میں بیداری پیدا کرنے کے ساتھ، کاروبار کی اخلاقیات میں رسک مینجمنٹ کو سرایت کرانے میں یقین رکھتے ہیں۔

داخلی مالیاتی کنٹرول

نشاط (چونیاں) لمیٹڈ میں ہمارا مضبوط داخلی کنٹرول اور رسک مینجمنٹ نظام ہے۔ رسک مینجمنٹ اور داخلی کنٹرول کے عوامل کمپنی کے اثاثوں کی حفاظت اور کمپنی کو درپیش بڑھتے ہوئے خطرات سے مناسب طریقے سے نمٹنے اور/ یا کم کرنے کے لئے تیار کئے گئے ہیں۔ کمپنی میں ایک اندرونی محاسب شعبہ ہے جو مقررہ وقت پر آڈٹ کرتا ہے اور مینجمنٹ کو رپورٹ پیش کرتا ہے۔ رپورٹس نہ صرف کمی یا لوپ ہولز پیش کرتی ہیں بلکہ موجودہ نظام میں بہتری کی تجاویز بھی دیتی ہیں۔

بورڈ ایک کارگر اور مؤثر انٹرنل کنٹرول سسٹم کو قائم اور منظّم کرنے کے لئے اپنی ذمہ داریوں سے مکمل طور پر آگاہ ہے۔ بورڈ اندرونی محاسب شعبہ کی طرف سے پیش کردہ تجاویز کے متواتر جائزے اور مناسب نفاذ کی براہ راست نگرانی کرتا ہے۔ اس کے نتیجے میں، اندرونی کنٹرول کا نفاذ یقینی بنایا جاتا ہے اور ان کی فعالیت پر بھروسہ کیا جاتا ہے۔

ماحولیاتی اثرات

کمپنی باقاعدگی سے ماحول اور معاشرے کی فلاح و بہبود کو بہتر بنانے کے اقدامات کرتی ہے۔

توانائی کی بچت

قابل تجدید توانائی کے ذرائع سے بجلی کی پیداوار کو فروغ دینے کے لیے، ہم نے اپنے ہیڈ آفس کو مکمل طور پر شمسی توانائی سے چلنے والے انرجی سسٹم کے ذریعے پاور اپ کرنے کی پہل کی ہے۔ ہم اپنے سلائی اور رنگنے کے یونٹ کو چلانے کے لیے 1.6 میگا واٹ کی صلاحیت کا سولر پاور پلانٹ لگا رہے ہیں۔ ہم توانائی کے تحفظ کے طریقوں کی تلاش میں سرگرمی سے مصروف ہیں اور توانائی کو بچانے کے لیے مینوفیکچرنگ یونٹس میں بجلی سے چلنے والی LED لائٹس پر منتقل ہو چکے ہیں۔ توانائی کے تحفظ کو فروغ دینے کے لیے ملازمین کے لیے تربیتی سیشن باقاعدگی سے منعقد کیے جاتے ہیں۔

ماحولیاتی تحفظ

ہم ماحولیاتی تحفظ کے حوالے سے حکومت کی طرف سے دی گئی تجاویز کا مسلسل جائزہ لیتے ہیں اور ان پر عمل درآمد کو یقینی بناتے ہیں۔ ہم اپنے صنعتی عمل کے مضر اثرات سے ماحول کو بچانے کے لیے گندے پانی کی صفائی کا پلانٹ چلاتے ہیں۔ کمپنی گندے پانی سے کاسٹک بازیافت کرنے کے لیے ایک کاسٹک ریکوری پلانٹ بھی چلاتی ہے اور اس کا مقصد ہمارے فضلے کی ندیوں پر آلودگی کے بوجھ کو کم کرنے کے لیے ماحول دوست رنگوں اور کیمیکلز کا استعمال کرنا ہے۔ کول پاور پلانٹ ایک جدید ترین آن لائن اخراج کی نگرانی کے نظام سے لیس ہے تاکہ یہ یقینی بنایا جا سکے کہ اخراج بین الاقوامی اور مقامی معیارات کے مطابق ہو۔ کول پاور پلانٹ کو ہوا کے معیار کی نگرانی کے نظام سے بھی لیس کیا گیا ہے، جو فضا میں آلودگی کی سطح پر نظر رکھتا ہے۔ اس کے علاوہ، ہم باقاعدگی سے ماحولیاتی نگرانی کی رپورٹوں کا سراغ لگاتے رہتے ہیں تاکہ یہ معلوم کیا جا سکے کہ آیا ہم تمام ریگولیٹری معیارات کے مطابق ہیں۔

پیشہ ورانہ حفاظت اور صحت

ہم صحت اور حفاظت سے متعلق آگاہی کے باقاعدہ پروگرام چلاتے ہیں اور کبھی کبھار مفت میڈیکل کیمپوں کا بھی اہتمام کرتے ہیں۔ مزید برآں، ڈینگی اور کورونا وائرس جیسی بیماریوں سے بچنے کے لئے فورگنگ مشینوں کا استعمال کر کے تمام مینوفیکچرنگ سہولیات کے احاطے میں باقاعدگی سے فیومیگیشن کی جاتی ہے۔

چونیاں پراپرٹیز (پرائیویٹ) لمیٹڈ کا کاروبار ہر قسم کی رئیل اسٹیٹ کی مارکیٹنگ اور ترقی ہے، بشمول آباد یا غیر آباد زمین، ہاؤسنگ یا تجارتی منصوبے بشمول کمرشل مارکیٹس یا کثیر المنزلہ عمارت (تجارتی یا رہائشی مقاصد کے لیے)، شاپنگ سینٹرز، ریستوراں، ہوٹل، تفریحی سہولیات وغیرہ۔

ٹی ایل سی مڈل ایسٹ ٹریڈنگ ایک لیمیٹڈ لائبلٹی سنگل اونر (SO-LLC) کمپنی ہے، جو 14 اکتوبر 2021 کو تجارتی کمپنیوں سے متعلق 2015 کے وفاقی قانون نمبر (2) کے مطابق بنائی گئی اور محکمہ اقتصادی ترقی کے ساتھ رجسٹرڈ ہے۔ ٹی ایل سی مڈل ایسٹ ٹریڈنگ کا اصل کاروبار ٹیکسٹائل کی تجارت، کمبل، تولیے اور کپڑے کی تجارت ہے۔ ٹی ایل سی مڈل ایسٹ ٹریڈنگ کا تجارتی پتہ آفس نمبر M13، فاطمہ بلڈنگ، السق الکبیر، دبئی، متحدہ عرب امارات ہے۔ نشاط (چونیاں) لمیٹڈ TLC مڈل ایسٹ ٹریڈنگ L.L.C کے 100% شیئرز کا مالک ہوگا۔ تاہم، نشاط (چونیاں) لمیٹڈ نے ابھی تک TLC مڈل ایسٹ ٹریڈنگ L.L.C کے بینک اکاؤنٹ میں سبسکرائب کیے گئے حصص کے خلاف رقوم نہیں بھیجی ہیں۔ امید ہے کہ جلد ہی سرمایہ کاری کی جائے گی۔

نشاط چونیاں USA .Inc اور Sweave Inc. کو ریاست نیویارک کے بزنس کارپوریشن قانون کے تحت رجسٹر کیا گیا ہے۔ گورننگ قانون ماتحت کمپنی کے مالی بیانات کے محاسب شدہ ہونے کی ضرورت نہیں رکھتا ہے۔ لہذا، ہم نے کنسولیڈیٹڈ مالیاتی گوشواروں کو تیار کرنے کے لیے ذیلی کمپنیوں کے غیر محاسب شدہ مالی بیانات کا استعمال کیا ہے۔ مزید یہ کہ محاسب کی رپورٹ میں مجموعی مالیاتی بیانات کے بیان کردہ معاملے کا، منافع، ایکویٹی، فی حصص کی آمدنی اور کیش فلو پر کوئی اثر نہیں ہے۔

کارپوریٹ سماجی ذمہ داری

سماجی بہبود اور کمیونٹی کی خدمت ہمارے وژن کا لازمی حصہ ہے۔ ہم مختلف ٹیکسز، ڈیوٹیز اور لیویز کی ادائیگی کے ذریعے قومی خزانے میں نہ صرف قابل ذکر اضافہ کرتے ہیں بلکہ ہماری برآمدات کی آمدنی ملک کی غیر ملکی زرمبادلہ کی پوزیشن کو مستحکم کرنے میں کافی اہم کردار ادا کرتی ہے۔

ہم مساوی مواقع فراہم کرنے والے آجر ہیں اور ہم اپنے ملازمین کو کام کا ایسا ماحول فراہم کرنے کے لئے مصروف عمل ہیں جو صحت مند، محفوظ اور مسلسل سیکھنے کے لئے موزوں ہو۔ کمپنی میرٹ پر یقین رکھتی ہے اس لئے بلا امتیاز نسل، ثقافت اور جنسلوگوں کو روزگار فراہم کر رہی ہے۔

کمپنی نے ہوم ٹیکسٹائل ڈویژن میں جدید واٹر ٹریٹمنٹ پلانٹس لگا کر ماحول دوست ٹیکنالوجیز میں بھی سرمایہ کاری کی ہے۔ مزید برآں، اسپننگ اور ویونگ ملوں میں استعمال ہونے والا پانی مقامی کسانوں کو مفت فراہم کیا جاتا ہے۔ کول پاور پلانٹ ایک جدید ترین آن لائن اخراج کی نگرانی کے نظام سے لیس ہے تاکہ یہ یقینی بنایا جا سکے کہ اخراج بین الاقوامی اور مقامی معیارات کے مطابق ہو۔ کول پاور پلانٹ کو ہوا کے معیار کی نگرانی کے نظام سے بھی لیس کیا گیا ہے، جو فضا میں آلودگی کی سطح پر نظر رکھتا ہے۔

اپنی فلاحی کوششوں کے ایک حصے کے طور پر، کمپنی میاں محمد یحییٰ ٹرسٹ کے تحت چلنے والے ایک اسکول کو عطیہ کرتی ہے جو معمولی فیس پر معاشرے کے پسماندہ طبقے کے بچوں کو معیاری تعلیم فراہم کرتا ہے۔

کمپنی نے دیگر مخیّر حضرات کے ساتھ مل کر جدید ترین، غیر منافع بخش، سلیم میموریل ٹرسٹ ہسپتال (SMTH) قائم کیا ہے۔ 350 بستروں پر مشتمل یہ ہسپتال 39 کنال پر تعمیر کیا گیا ہے، جو غریبوں کو سبسڈی پر طبی علاج فراہم کر رہا ہے۔ کمپنی نے اس مالی سال کے دوران سلیم میموریل ٹرسٹ ہسپتال کو 400 ملین روپے کا عطیہ دیا ہے۔ گروپ کی سطح پر مجموعی طور پر 527.5 ملین روپے سلیم میموریل ٹرسٹ ہسپتال کو عطیہ کیے گئے۔

رسک مینجمنٹ

ہم سمجھتے ہیں کہ کوئی بھی ایسا کاروبار جو انڈسٹری میں ترقی اور مسابقت کا خواہاں ہے اُس کے لئے خطرہ ناگزیر ہے۔ کمپنی کو متعدد مالی خطرات لاحق ہیں جیسا کہ مارکیٹ رسک میں (کرنسی اور سود کی شرح کا رسک)، کریڈٹ رسک اور لیکویڈیٹی رسک۔ اس کے لئے ایک سخت رسک مینجمنٹ سسٹم کے قیام کی ضرورت ہے، جس میں کمپنی کی سرگرمیوں سے متعلق رسک کی شناخت، تشخیص، نگرانی اور ان کا سامنا کرنے کے لئے داخلی کنٹرول کا تیار ہونا ہے۔ ہم مختلف حالات میں رسک / انعام کے تناسب کے بارے میں اپنی فہم کو بہتر بنانا اور رسک کو قابل قبول سطح تک کم کرنا چاہتے ہیں۔

ہیں۔ گروپ نتائج میں نشاط (چونیاں) لمیٹڈ (ہولڈنگ کمپنی)، نشاط چونیاں پاور لمیٹڈ (NCPL)، نشاط چونیاں یو ایس اے انکارپوریٹڈ، سوئیو انکارپوریٹڈ، نشاط چونیاں پراپرٹیز لمیٹڈ اور ٹی ایل سی مڈل ایسٹ ٹریڈنگ کے مالی حسابات شامل ہیں۔

مالی جھلکیاں	2022 (روپے ملین میں)	2021 (روپے ملین میں)
کل آمدنی	88,026	61,476
مجموعی منافع	16,773	12,937
ٹیکس سے پہلے منافع	10,733	8,761
ٹیکسیشن	882	675
ٹیکس کے بعد منافع	9,851	8,087
فی شیئر آمدنی (بنیادی اور معتدل)۔ روپے	35.92	28.56

نشاط چونیاں لمیٹڈ کی تمام ذیلی کمپنیوں کی مختصر تفصیل درج ذیل ہے:

نشاط چونیاں پاور لمیٹڈ، 23 فروری 2007 کو کمپنیز آرڈیننس 1984 (موجودہ کمپنیز ایکٹ، 2017) کے تحت انکارپوریٹڈ ہے اور پاکستان سٹاک ایکسچینج پر بھی لسٹ ہے۔

نشاط چونیاں پاور لمیٹڈ کی بنیادی سرگرمی جمبر کلاں، تحصیل پتوکی، ضلع قصور، پنجاب، پاکستان میں 200 میگاواٹ کی مجموعی صلاحیت اور 195.722 میگاواٹ کی عمومی صلاحیت کے ایندھن سے چلنے والے پاور اسٹیشن کی تعمیر، ملکیت، چلانا اور برقرار رکھنا ہے۔ 13 نومبر 2007 کو، نشاط چونیاں پاور لمیٹڈ نے اپنے واحد صارف، نیشنل ٹرانسمیشن اینڈ ڈسپیچ کمپنی لمیٹڈ ('NTDC') کے ساتھ پچیس سال کے لیے پاور پرچیز ایگریمنٹ ('PPA') کیا جس کا آغاز 21 جولائی 2010 سے ہوا۔ 11 فروری 2021 کے پی پی اے ترمیمی معاہدے کی شرائط کے مطابق 75 دن کی مدت میں توسیع کی گئی ہے۔ 11 فروری 2021 کو، نشاط چونیاں پاور لمیٹڈ، NTDC اور سنٹرل پاور پرچیزنگ ایجنسی (گارنٹی) لمیٹڈ ('CPPA-G' اور اسے 'پاور پرچیزر' بھی کہا جاتا ہے) نے حقوق، ذمہ داریوں کی منتقلی کے لیے 'نوویشن ایگریمنٹ' کیا ہے۔ اور پی پی اے کے تحت این ٹی ڈی سی کی ذمہ داریاں (جیسا کہ 'پی پی اے ترمیمی معاہدے' میں ترمیم کی گئی ہے) G-CPPA کو تفویض کی گئی ہیں۔ اس سلسلے میں، رپورٹنگ کی مدت کے بعد اینٹ کے مالی بیانات کے نوٹ نمبر 1.6 سے رجوع کریں۔

نشاط چونیاں یو ایس اے انکارپوریٹڈ، بزنس کارپوریشن لاز آف دی سٹیٹ آف نیو یارک کے تحت غیر ملکی ذیلی انکارپوریٹڈ ہے۔ یہ مکمل ذیلی کمپنی ہے اور اس کا مقصد ہولڈنگ کمپنی کے مارکیٹنگ ڈیپارٹمنٹ کے ساتھ رابطہ رکھنا اور امریکی مارکیٹ سے متعلقہ رسائی، معلومات اور دیگر خدمات مہیا کرنا ہے اور امریکہ میں مقامی ریٹیلرز کو ہوم ٹیکسٹائل مصنوعات درآمد اور تقسیم کرنا ہے۔

سوئیو انکارپوریٹڈ، بزنس کارپوریشن لاز آف دی سٹیٹ آف نیو یارک کے تحت غیر ملکی ذیلی انکارپوریٹڈ ہے۔ اس کا رجسٹرڈ آفس 2728 Railroad Grade Road, Fleetwood, NC 28262, USA پر واقع ہے۔ سوئیو کارپوریشن کا اصل کاروبار اپنے گھریلو صارفین کے لیے گھریلو ٹیکسٹائل مصنوعات کی ای کامرس ریٹیل ہے۔ .Sweave Inc نشاط چونیاں USA Inc کا مکمل ملکیتی ذیلی ادارہ ہے۔

نشاط چونیاں پراپرٹیز (پرائیویٹ) لمیٹڈ، ایک پرائیویٹ لمیٹڈ کمپنی ہے جسے پاکستان میں کمپنیز ایکٹ 2017 کے تحت 31 جنوری 2022 کو رجسٹر کیا گیا تھا۔ نشاط

کرنے کا منصوبہ بنایا ہے۔ہم بھاپ کی پیداوار کے لیے روایتی ایندھن سے بائیو ماس ایندھن پر منتقل ہونے پر کام کر رہے ہیں۔مزید برآں، ہم اپنے سلائی اور رنگنے کے یونٹ کو چلانے کے لیے 1.6 میگاواٹ کی صلاحیت کا ایک سولر پاور پلانٹ لگا رہے ہیں۔

اس سے بجلی کی پیداواری لاگت میں نمایاں کمی آئے گی۔تمام چیلنجوں کے باوجود، پیداواری لاگت کو کم کرنے کے لیے ہمارے فعال اقدامات 30 جون 2023 کو ختم ہونے والے سال کے لیے فروخت میں اضافے کو یقینی بنائیں گے۔

لینن کمپنی (ٹی ایل سی) نے سال کے دوران تین نئی دکانیں کھولی ہیں، جن میں سے دو لاہور میں ہیں اس سے کل ریٹیل دکانوں کی تعداد نو ہوگئی ہے۔ای کامرس نے ملکی اور بین الاقوامی دونوں گاہکوں کو اپنی طرف متوجہ کیا ہے، جس کی وجہ سے آن لائن فروخت سالانہ دوگنا بڑھ گئی ہے۔گاہکوں کی زبردست پذیرائی کی وجہ سے، کمپنی ملک کے مختلف شہروں میں ریٹیل دکانوں کی تعداد کو مزید بڑھانے کا ارادہ رکھتی ہے۔

ہم نے B2B ماڈل کو اپنایا ہے جس سے صارفین اور مارکیٹ تک رسائی وسیع ہوئی ہے۔

مانگ کی وجہ سے، انتظامیہ عالمی مارکیٹ میں داخلے کا منصوبہ رکھتی ہے۔اس مقصد کے لیے، کمپنی دبئی میں ایک مکمل ملکیتی ماتحت کمپنی کو بنانے کے عمل میں ہے، تاکہ وہ بیرون ملک اسٹور شروع کر سکے۔

پاور

آپریشن کے دوران ہمارے 46 میگاواٹ کے کوئلے سے چلنے والے پاور پلانٹ کی زیادہ تر صلاحیت ہمارے اسپننگ اور ویونگ یونٹ استعمال کرتے ہیں، جب کہ بہت کم حصہ بیرونی خریداروں کو جاتا ہے۔تاہم، کوئلے کی قیمتوں میں غیر معمولی اضافے کی وجہ سے، ہمارے لئے کوئلے سے چلنے والے پلانٹ کو چلانا ممکن نہیں ہے۔46 میگاواٹ کے کوئلے سے چلنے والے پاور پلانٹ کے بیک اپ کے طور پر، ہمارے پاس 30 میگاواٹ سے زیادہ کی صلاحیت کے اسٹینڈ بائی انجن/ جنریٹرز ہیں، نیز لیسکو سے بجلی کی خرید کا انتخاب بھی ہے۔ہمارے پاس حکومت کی طرف سے فراہم کردہ سبسڈی والے توانائی کے ذرائع، یعنی لیسکو کے پاس 9 سینٹ فی کلوواٹ اور گیس 9$/ MMBTU، کی شکل میں بجلی کی ضروریات کے لیے کافی گنجائش موجود ہے۔

مستقبل کا جائزہ

اس وقت ملک کو تباہ کن سیلابوں کا سامنا ہے جس نے کپاس کی فصل کا ایک کافی حصہ برباد کر دیا ہے۔لہذا، مالی سال 2022-23 کے دوران خام مال کی دستیابی تشویشناک ہوگی۔اس صورتحال سے ہماری پیداواری لاگت میں اضافہ متوقع ہے جس سے ہمارے منافع پر منفی اثر پڑ سکتا ہے۔

BMR کے تحت ایک پروڈکشن سائٹ پر ہم ٹویوٹا کی طرف سے جدید ترین RX300 رنگ فریموں کی تنصیب کے ذریعے پیداواری عمل کو بہتر بنانے کے عمل میں ہیں۔ہم اس جدید ترین مشینری کی تعیناتی کے ذریعے 25% زیادہ یارن کی پیداوار حاصل کرنے کی توقع رکھتے ہیں۔

انتظامیہ تکنیکی ٹیکسٹائل کے شعبہ میں مختلف کارکردگی والے کپڑوں کے لیے اختراعی ریشوں کا استعمال کرتے ہوئے نئی تعمیرات پر توجہ مرکوز کر کے اپنی مارکیٹ کو وسیع کرنے کا ارادہ رکھتی ہے۔مصنوعات میں یہ بڑی تبدیلیاں موجودہ ویونگ بزنس کو مزید وسعت دیں گی۔

ہم توقع کرتے ہیں کہ توانائی کی زیادہ قیمت اگلے مالی سال کے دوران ایک بڑا مسئلہ ہوسکتی ہے۔اس کا مقابلہ کرنے کے لیے، ہم اپنے سلائی اور رنگنے کے یونٹ کو چلانے کے لیے بجلی کی پیداوار کے لیے 1.6 میگاواٹ کی صلاحیت کا ایک سولر پاور پلانٹ لگا رہے ہیں، جس سے گھریلو ٹیکسٹائل کے شعبے میں بھاپ کی پیداوار اور بجلی کی پیداوار کے اخراجات میں نمایاں کمی آئے گی۔

ذیلی کمپنیاں

کمپنی نے بین الاقوامی رپورٹنگ معیارات اور کمپنیز ایکٹ 2017 کی ضروریات کے مطابق مشترکہ مالی حسابات کے ساتھ ساتھ الگ مالی حسابات بھی منسلک کئے

گانٹھوں کی پیداوار ہوئی، لیکن سال میں مقامی اور درامد شدہ دونوں طرح کی کپاس کی قیمتوں میں اِضافہ دیکھا گیا۔ اِس اضافہ کی وجہ امریکہ-چین تجارتی وعدے، COVID-19 کی صورتحال میں بہتری اور مقامی اور بین الاقوامی کپاس کی منڈیوں میں فصل کی کمی کی پیش گوئی کے بعد مانگ میں اضافہ ہے۔

مقامی سوت کی قیمتوں میں خام کپاس کی قیمتوں کے ساتھ مل کر اضافہ ہوا تاہم علاقائی ممالک کے سخت مقابلے کی وجہ سے برآمدی قیمتیں متاثر کن نہیں تھیں۔ تاہم، ڈالر اور روپے کی برابری میں اضافہ برآمدات میں منافع حاصل کرنے کے لیے کافی فائدہ مند تھا۔ کمپنی نے اپنی حکمت عملی پر نظر ثانی کی اور اپنی توجہ مقامی مارکیٹ میں منافع بخش قیمتوں کی پیشکش کرتے ہوئے نمایاں حصہ حاصل کرنے کی طرف مرکوز کی جس کے نتیجے میں شاندار منافع حاصل ہوا۔

Covid-19 کے اثرات اب کم ہو رہے ہیں لیکن روس اور یوکرین کے درمیان کشیدگی سے مارکیٹ کے خدشات بڑھ رہے ہیں۔ پیداواری لاگت، افراط زر، کوئلے اور ایندھن کی قیمتوں میں اضافے کی وجہ سے بڑھ رہی ہے۔ تاہم، یارن کی قیمتیں، مارکیٹ پر مبنی ہونے کی وجہ سے، نمایاں طور پر بہتر ہوئی ہیں، جس سے کمپنی کو مذکورہ بالا پیداواری لاگت میں زبردست اضافے کیا اثرات کو اپنے صارفین تک منتقل کرنے کا موقع ملا ہے۔ مندرجہ بالا تناظر میں کتائی کا کاروبار زیر جائزہ سال کے دوران کامیاب اور منافع بخش ثابت ہوا۔

2880 روٹرز سے لیس ایک نیا آٹو کورو اوپن اینڈ اسپننگ یونٹ نصب کیا گیا ہے اور کمرشل پروڈکشن بھرپور طریقے سے جاری ہے۔ آپریشنز میں پائیداری حاصل کرنے کے وژن کے ساتھ، یہ نیا یونٹ سوت کے فضلے سے برآمد ہونے والے ریشوں سے دھاگہ تیار کرنے کی صلاحیت رکھتا ہے، جس سے آپریشنل کارکردگی کے ساتھ ساتھ پیداوار میں بچت حاصل کرنے کی توقع ہے، جو کہ کمپنی کے لیے آنے والے سالوں میں زیادہ سے زیادہ منافع بخش حکمت عملی ہے۔

ویونگ

ویونگ ڈویژن اس بار بھی نمایاں رہا کیونکہ گریج فیبرک کی اعلی مانگ کی وجہ سے سال بھر آمدنی میں اضافے کا سلسلہ جاری رہا ۔ انتظامیہ کی طرف سے ڈویژن کی صلاحیت کو بڑھانے کے لیے اٹھائے گئے اقدامات اور یارن کی قیمتوں میں غیر معمولی اضافے نے مارجن میں اضافہ کیا۔ کل فروخت اس سال 7.5 بلین روپے کی ریکارڈ تعداد تک پہنچ گئی ۔ ۔ یہ گزشتہ سال کے مقابلے میں 66 فیصد زیادہ ہے۔ فروخت کا ایک قابل ذکر حصہ مقامی منڈیوں میں تھا کیونکہ 2021 کے مقابلے میں مقامی فروخت میں 89 فیصد اضافہ ہوا۔ تاہم روس اور یوکرین کے درمیان تنازعہ کی وجہ سے عالمی مارکیٹوں میں پیدا ہونے والی غیر یقینی صورتحال کے سبب برآمدی کاروبار غیر متاثر کن رہا۔

اس وقت عالمی میکرو اکنامکس اور ملک کا سیاسی منظر نامہ ٹیکسٹائل کے کاروبار کے لیے معاون نہیں ہے۔ خام مال، توانائی کی بلند قیمتیں، اور مالیاتی اخراجات میں مسلسل اضافہ مسائل کو جنم دے رہا ہے۔ تاہم، انتظامیہ کا خیال ہے کہ فوکسڈ مارجن اور آپریشنل آپٹیمائزیشن کے ساتھ جوڑ بنانے والی بہتر سورسنگ کی حکمت عملی اس شعبے میں ترقی اور منافع کے لیے محرک فراہم کرے گی۔

کمپنی پیداوار اور افادیت کی کھپت کو بہتر بنانے کے لیے اپنی مشینری کو اپ گریڈ کر رہی ہے۔ ہم نے حال ہی میں پرانے لومز کو جدید ترین چوڑائی والے پیکنول لومز اور نئے اعلی کارکردگی والے کمپریسرز سے تبدیل کیا ہے۔ یہ انضمام مجموعی طور پر پیداوار اور آپریشنل کارکردگی کو بہتر بنانے میں معاون ثابت ہوگا۔

ہوم ٹیکسٹائل

زیرِ جائزہ سال میں ہوم ٹیکسٹائل کی فروخت 17.05 ارب رہی۔

موجودہ عالمی کساد بازاری کی صورتحال میں، پاکستان کی ٹیکسٹائل انڈسٹری کو بڑھتی ہوئی مہنگائی، ایندھن کی قیمتوں اور امریکی ڈالر کے مقابلے PKR کی قدر میں کمی کے منفی اثرات کا سامنا ہے جس کے نتیجے میں درآمدی خام مال کی قیمتیں زیادہ ہیں۔ اس کے علاوہ حالیہ سیلاب کی تباہ کاریوں، توانائی پر سبسڈی کے خاتمے اور سپر ٹیکس کے نفاذ نے ملک میں کاروبار کرنے کی لاگت میں خاطر خواہ اضافہ کیا ہے۔ موجودہ عالمی مارکیٹ کے منظر نامے میں مقابلہ کرنے کے لیے ہم نے اپنی یوٹیلیٹی لاگت کو کم

سرمایہ کاری

سال کے دوران آپریشنل کارکردگی کی صلاحیت میں اضافہ اور بہتر بنانے کے لئے ٹیکسٹائل کے مختلف شعبوں میں اہم سرمایہ کاری گئی۔ مختصر جائزہ حسبِ ذیل ہے:

کاروبار کا شعبہ	مشینری کا اضافہ	سرمایہ کاری (روپے ملین میں)
سپننگ	خودکار روٹر اسپننگ آٹو کورو مشینیں	1,057
	کاٹن بلوروم لائن	151
	انگوٹھی کا فریم	71
	ڈرائنگ فریم	59
	کارڈنگ مشینیں۔	55
	کاٹن ہارڈ ویسٹ اور سافٹ ویسٹ پلانٹ	41
	یارن کنڈیشنگ سسٹمز	41
	کور یارن اٹیچمنٹس	33
	ٹیمسن ایئر کنڈیشنگ سسٹم	28
	سمپلیکس مشینیں۔	24
	ربڑ کی چارپائیاں پیسنے والی مشین	21
	واٹر کولڈ سکرو چلر	20
ویونگ	کمپریسرز	294
	VFD انورٹرز	7
ہوم ٹیکسٹائل	دھونے رینج	280
	سٹینٹر فریم رینج	172
	پاور جنریشن گیس انجن	133
	ختم کرنے والا سٹینٹر	27
	صفائی کا نظام	21

شعبہ وار آمدنی

اسپننگ کمپنی کے لیے آمدنی پیدا کرنے کا مرکزی دھارا رہا جس نے 37.2 ارب کی غیر معمولی فروخت کا اندراج کیا، جو کے 2020 کی نسبت 78 فیصد زیادہ ہے جبکہ 2021 کی نسبت 35 فیصد زیادہ ہے۔

اگرچہ موسمی حالات میں بہتری کی وجہ سے مقامی سطح پر کپاس کی پیداوار میں خاطر خواہ اِضافہ ہوا اور 2021 کی 5.6 ملین گانٹھوں کی نسبت 2022 میں 7.4 ملین

مجلس نظماء کی رپورٹ

آپ کی کمپنی کے ڈائریکٹرز 30 جون، 2022 کو اختتام شدہ مالی سال کے لئے مالیاتی نتائج پیش کرنے پر خوش ہیں جس میں محاسب شدہ الگ اور مشترکہ مالیاتی گوشوارے شامل ہیں۔

جائزہ

مالی سال 22-2021 گزشتہ سالوں میں وبا کے منفی اثرات کے بعد صنعت کی بحالی کی وجہ سے ایک شاندار سال تھا، تاہم مجموعی طور پر کاروباری ماحول مشکل رہا۔نیٹ وصولیاں نمایاں اضافے کے ساتھ 2021 کے 49.28 ارب روپے کے مقابلے میں 2022 میں 61.99 ارب رہیں۔

اپنے منافع بخش ٹریک ریکارڈ کو جاری رکھتے ہوئے، کمپنی بعد از ٹیکس فروخت کا %12.05 فیصد منافع کا اعلان کر رہی ہے جو پچھلے سال %11.36 فیصد تھا جو کے پچھلے سال سے بہتر ہے۔کمپنی کے اتنے شاندار منافع کی وجہ، آمدنی میں نمایاں اضافہ، بہتر مارجن، بہتر انوینٹری کوریج اور کمپنی کا ہموار آپریشن کو یقینی بنانے کے لئے اپنے ملازمین کو ویکسین لگوا کر ایک حفاظتی خول بنانا ہے۔

مجموعی بنیادوں پر، گروپ نے 88.03 ارب روپے کا مجموعی کاروبار حاصل کیا جو کہ گزشتہ سال کے 61.48 ارب روپے کے کاروبار کے مقابلے میں 43 فیصد زیادہ ہے۔

مالیاتی جھلکیاں	مختتمہ سال 2022	مختتمہ سال 2021	اِضافہ / (کمی)
فروخت (روپے)	61,988,039,043	49,283,753,375	26%
مجموعی منافع (روپے)	12,974,171,457	8,969,146,793	45%
آپریٹنگ منافع (روپے)	10,645,582,665	8,020,197,854	33%
بعد از ٹیکس منافع (روپے)	7,468,201,616	5,598,856,785	33%
مجموعی منافع فیصد	20.93%	18.2%	
بعد از ٹیکس منافع فیصد	12.05%	11.4%	
فی شیئر آمدنی (روپے)	31.10	23.32	

منافع

اس سال کے دوران حاصل ہونے والی آمدنی 61.99 ارب روپے گذشتہ سال سے 26 فیصد زیادہ رہی جبکہ اس سال کا مجموعی منافع اور خالص منافع بالترتیب گزشتہ سال کے 18.2 فیصد اور 11.4 فیصد کے مقابلے 20.93 فیصد اور 12.05 فیصد رہا۔تمام ڈویژنوں کی فروخت کی کارکردگی غیر معمولی طور پر اچھی رہی جبکہ برآمدات میں نمایاں اضافہ ریکارڈ کیا گیا۔کمپنی کی آمدنی اور خالص منافع میں اضافہ بنیادی طور بہتر مارجن اور وبا کے بعد معیشتوں کے کھلنے سے ہوا۔

تصرفات

کمپنی کی مجلس نظماء نے 29 ستمبر 2022ء کو منعقدہ اپنے اجلاس میں نقد منافع منقسمہ 4 روپے فی عام شیئر ادا کرنے کی تجویز دی ہے۔کمپنی کی مجلس نظماء نے اس سے پہلے 21 فروری 2022ء کو منعقدہ اپنے اجلاس میں نقد منافع منقسمہ 3 روپے فی عام شیئر ادا کرنے کی تجویز دی تھی جو کے ادا کیا جا چکا ہے۔

INVESTORS' EDUCATION

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