



Interim Financial Information
Half Year Ended December 31, 2016
(Unaudited)



| Nishat Chunian Ltd

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COMPANY INFORMATION

Board of Directors:

Mrs. Farhat Saleem (*Chairperson*)
Mr. Shahzad Saleem (*Chief Executive*)
Mr. Zain Shahzad
Mr. M. Imran Rafiq (*Nominee NIT*)
Mr. Aftab Ahmad Khan
Mr. Muhammad Ali Zeb
Mr. Kamran Rasool

Audit Committee:

Mr. M. Imran Rafiq (*Chairman*)
Mr. Zain Shahzad (*Member*)
Mr. Muhammad Ali Zeb (*Member*)

HR & Remuneration Committee:

Mrs. Farhat Saleem (*Chairperson*)
Mr. Zain Shahzad (*Member*)
Mr. Kamran Rasool (*Member*)

CFO / Company Secretary:

Mr. Babar Ali Khan

Mills:

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

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

Spinning 2, 3, 6 & Weaving
49th Kilometre, Multan Road,
Kamogal, Tehsil Pattoki,
District Kasur.

Bankers to the Company:

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

Auditors:

Riaz Ahmad & Company
Chartered Accountants

Registered & Head Office:

31-Q, Gulberg-II,
Lahore, Pakistan.
Phone : 35761730-39
Fax : 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

DIRECTORS' REPORT

Dear Shareholders

The Board of Directors is pleased to announce the unaudited results of Nishat (Chunian) Limited ("the Company") for the half year ended on December 31, 2016.

Operating Financial Results

Revenues earned during this quarter were Rs. 14.4 billion as compared to Rs. 12.3 billion during the corresponding six months of previous year, registering an increase of 17.09%. Despite overall depression in the textile industry, the company successfully managed to enhance its market share of exports by intelligent marketing tactics. Further because of favorable financing facilities, profit after taxation has also increased by 61.31% in addition to increase in gross profit from 8.54% to 9.67%.

Financial Highlights	Half Year ended December 31		Increase %
	2016	2015	
Sales (Rs.)	14,449,959,207	12,340,629,290	17.09%
Gross Profit (Rs.)	1,396,598,879	1,053,366,807	32.58%
Profit After Taxation (Rs.)	1,124,876,509	697,351,660	61.31%
Gross Profit %	9.67 %	8.54 %	
Profit After Tax %	7.78 %	5.65 %	
Earnings Per Share (Rs.)	4.68	2.96	

Future Prospects

The management is committed to value creation through adoption of advance technology and further diversification in operations. The spinning division has seen major investment in innovation and upgradation. The Company has fully revamped the back process and major machinery in one of the sick units acquired in 2013 and are in the process of replacing the entire machinery of the other unit with fully automated state of the art European and Japanese machinery. In addition to the expansion of loom capacity recently, the company is also planning to revamp the existing capacity by replacing 93 outdated looms with latest Picanol machinery imported from Belgium. As for the retail venture of the company under the name of "The Linen Company (TLC)", the company intends to enlarge the retail network and expects to launch another retail outlet in the current fiscal year. "Universal Cinemas", company's subsidiary operating cinema screens, has started its operations in Lahore by launching largest multiplex comprising 9 screens and is successfully using dynamic approach to capture market by introducing innovations and new industrial trends. Furthermore, "NC Electric Company Limited (NCECL)" is currently in testing phase and will shortly commence its operations, which will lower the power cost of the company.

Subsidiary Companies and Consolidated Financial Statements

Nishat Chunian Power Limited, NC Electric Company Limited, Nishat Chunian USA Inc. and NC Entertainment (Pvt.) Limited are subsidiary companies of the Company. Therefore, the Company has annexed consolidated condensed interim financial information in addition to its separate condensed interim financial information, in accordance with the requirements of International Financial Reporting Standards and applicable provisions of the Companies Ordinance 1984.

Acknowledgement

The Directors wish to express their appreciation to the dedicated employees who continue to play a pivotal role in the operations of company.

On behalf of the Board

Shahzad Saleem
Chief Executive
24 February 2017

DIRECTORS' REPORT

محترم حصص یافتگان

بورڈ آف ڈائریکٹرز 31 دسمبر 2016 کو پختہ شدہ ششماہی کے لئے نکالا (چونیاں) لیٹرز ("کپٹی") کے غیر نظر ہانی شدہ نتائج کا اعلان کرتے ہوئے خوشی محسوس کرتا ہے۔

آپریٹنگ مالیاتی نتائج

گڈ شیئرس مال کی اسی ششماہی کے دوران 12.3 بلین روپے کے مقابلے میں اس ششماہی کے دوران حاصل ہونے والی آمدنی 14.4 بلین روپے تھی، جو 17.09 فیصد کا اضافہ ظاہر کر رہی ہے۔ یکساں کی صنعت میں مجموعی رہاؤ کے باوجود، کپٹی مارکیٹنگ سمکٹ عملیوں کے ذریعے برآمدات کے مارکیٹ شیئر میں اضافہ کرنے میں کامیاب رہی۔ اس کے علاوہ مارگار ہالی سمیٹات کی وجہ سے، مجموعی نتائج میں 8.54 فیصد سے 9.67 فیصد تک اضافہ کے علاوہ بعد از ٹیکس نتائج بھی 61.31 فیصد تک بڑھ گیا۔

مالی پیمائشیں	31 دسمبر پختہ شدہ ششماہی		فیصد اضافہ
	2016	2015	
فردخت (روپے)	14,449,959,207	12,340,629,290	17.09 فیصد
مجموعی نتائج (روپے)	1,396,598,879	1,053,366,807	32.58 فیصد
بورڈ آف ٹیکس نتائج (روپے)	1,124,876,509	697,351,660	61.31 فیصد
مجموعی نتائج فیصد	9.67 فیصد	8.54 فیصد	
بورڈ آف ٹیکس نتائج فیصد	7.78 فیصد	5.65 فیصد	
ٹی شیئرز آمدن (روپے)	4.68	2.96	

مستقبل کے امکانات

انتظامیہ آپریٹنگ میں جدید پیمانہ کو اپنی اور مزید ترقی کو اپنانے کے ذریعے قدر تخلیق کرنے کے لئے پرعزم ہے۔ سپنگ شعبے نے جدت اور اپگرڈیشن میں اہم سرمایہ کاری کی ہے۔ کپٹی نے 2013 میں ایک کوزر پورٹ کے فرسودہ پائپس اور اہم مشینری کو مکمل طور پر بچھڑایا اور دوسرے پورٹ کی تمام مشینری کو نو کار کردہ پورٹوں اور چائینی مشینری کے ساتھ تبدیل کر کے موجودہ پیداواری صلاحیت کو بڑھانے کی بھی منصوبہ بندی کر رہی ہے۔ "دی نیٹن کپٹی (TLC)" کے نام سے ریٹیل مارکیٹ پر سہولت حاصل کرنے کے لئے، کپٹی ریٹیل نیٹ ورک کو بڑھاتا چاہتی ہے اور وہاں مالی سال میں ایک اور آڈٹسٹ کے آغاز کی توقع کی جاتی ہے۔ سینٹرا سکرین چلانے والے کپٹی کے ڈیپارٹمنٹ "ایو نیوٹرل سینٹرا" نے 9 اسکریٹوں پر مشتمل سب سے بڑے ٹیلی فونیکس کا آغاز کر کے لاہور میں اپنے آپریٹنگ شروع کر دیے ہیں اور کامیابی کے ساتھ جدت اور نئے رجحانات متعارف کراد کر مارکیٹ پر سہولت حاصل کرنے کا محرک نظر استعمال کر رہا ہے۔ مزید برآں، "ای این سی الیکٹریک کپٹی لیٹرز (NCECL)" اس وقت ٹیسٹنگ کے مرحلے میں ہے اور جلد ہی اپنے آپریٹنگ کا آغاز کر دے گی، جس سے کپٹی کے بجلی کے اخراجات میں کمی آئے گی۔

ڈیپلیٹیشن اور استعمال شدہ مالیاتی حسابات

نکالا چوچیاں پاور لیٹرز، INC الیکٹریک کپٹی لیٹرز، نکالا چوچیاں پائپ لائن اور نکالا پاور لیٹرز اور INC انٹرٹینمنٹ (پانچوہٹ) لیٹرز کپٹی کی ڈیپلیٹیشن ہیں۔ لہذا کپٹی نے بین الاقوامی مالیاتی پورٹنگ معیارات کی ضروریات اور ڈیکریٹرز فیچرز 1984 کی قاطع اطلاق دفعات کے مطابق اپنی اگلا گچھڑی مالی معلومات کے علاوہ، شمال مشرقی چھڑی مالیاتی معلومات منسلک کی ہیں۔

اعلیٰ نفاذ

ڈائریکٹرز مشاغل میں کامیابیوں کا اظہار کرتے ہیں جو کپٹی کی کارروائیوں میں اہم کردار ادا کر رہے ہیں۔

منجانب بورڈ

شہزاد سلیم

چیف ایگزیکٹو

24 فروری 2017

REVIEW REPORT

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

Introduction

We have reviewed the accompanying unconsolidated condensed interim balance sheet of NISHAT (CHUNIAN) LIMITED as at 31 December 2016 and the related unconsolidated condensed interim profit and loss account, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim cash flow statement, unconsolidated condensed interim statement of changes in equity and notes to the accounts for the half year then ended (herein after referred to as "unconsolidated condensed interim financial information"). Management is responsible for the preparation and presentation of this unconsolidated condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this unconsolidated condensed interim financial information based on our review. The figures of the unconsolidated condensed interim profit and loss account and unconsolidated condensed interim statement of comprehensive income for the quarters ended 31 December 2016 and 31 December 2015 have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the half year ended 31 December 2016.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated condensed interim financial information as of and for the half year ended 31 December 2016 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

RIAZ AHMAD & COMPANY
Chartered Accountants

Name of engagement partner:
Mubashar Mehmood

Date: 24 February 2017

LAHORE

UNCONSOLIDATED CONDENSED INTERIM BALANCE SHEET

AS AT 31 DECEMBER 2016

	Note	Un-audited 31 December 2016 Rupees	Audited 30 June 2016 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital		3,000,000,000	3,000,000,000
Issued, subscribed and paid-up share capital		2,402,215,560	2,402,215,560
Reserves		9,109,303,880	8,584,981,261
Total equity		11,511,519,440	10,987,196,821
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	5	2,094,338,500	2,079,194,833
CURRENT LIABILITIES			
Trade and other payables		2,875,215,965	1,972,627,238
Accrued mark-up		168,533,879	142,984,217
Short term borrowings		15,381,973,425	12,120,082,522
Current portion of long term financing		1,377,588,000	1,581,910,167
		19,803,311,269	15,817,604,144
Total liabilities		21,897,649,769	17,896,798,977
CONTINGENCIES AND COMMITMENTS			
	6		
TOTAL EQUITY AND LIABILITIES		33,409,169,209	28,883,995,798

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

Chief Executive

UNCONSOLIDATED CONDENSED INTERIM BALANCE SHEET

AS AT 31 DECEMBER 2016

	Note	Un-audited 31 December 2016 Rupees	Audited 30 June 2016 Rupees
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	7	9,428,714,906	9,460,210,901
Investments in subsidiary companies		3,611,030,516	3,412,793,015
Long term loans to employees		14,952,742	14,941,891
Long term security deposits		22,334,840	20,769,440
		13,077,033,004	12,908,715,247
CURRENT ASSETS			
Stores, spare parts and loose tools		1,036,787,342	781,084,455
Stock-in-trade		9,261,466,945	6,857,956,934
Trade debts		5,574,371,520	5,198,890,821
Loans and advances		2,432,779,667	1,010,817,219
Short term prepayments		29,013,187	2,754,970
Other receivables		1,931,179,336	2,075,108,629
Short term investments		21,226,772	-
Cash and bank balances		45,311,436	48,667,523
		20,332,136,205	15,975,280,551
TOTAL ASSETS		33,409,169,209	28,883,995,798

Director

UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

FOR THE HALF YEAR ENDED 31 DECEMBER 2016

	Note	HALF YEAR ENDED		QUARTER ENDED	
		31 December 2016	31 December 2015	31 December 2016	31 December 2015
		----- Rupees -----			
SALES		14,449,959,207	12,340,629,290	7,553,231,199	6,516,297,057
COST OF SALES	8	(13,053,360,328)	(11,287,262,483)	(6,952,084,267)	(5,901,090,746)
GROSS PROFIT		1,396,598,879	1,053,366,807	601,146,932	615,206,311
DISTRIBUTION COST		(359,684,284)	(360,128,465)	(174,178,186)	(195,195,475)
ADMINISTRATIVE EXPENSES		(94,223,911)	(89,488,224)	(49,528,938)	(46,938,599)
OTHER EXPENSES		(116,204,792)	(126,601,712)	(80,961,068)	(65,460,373)
		(570,112,987)	(576,218,401)	(304,668,192)	(307,594,447)
		826,485,892	477,148,406	296,478,740	307,611,864
OTHER INCOME		1,027,936,394	781,103,208	663,045,550	769,294,140
PROFIT FROM OPERATIONS		1,854,422,286	1,258,251,614	959,524,290	1,076,906,004
FINANCE COST		(493,085,853)	(467,619,821)	(266,329,820)	(236,530,391)
PROFIT BEFORE TAXATION		1,361,336,433	790,631,793	693,194,470	840,375,613
TAXATION		(236,459,924)	(93,280,133)	(133,015,742)	(34,858,382)
PROFIT AFTER TAXATION		1,124,876,509	697,351,660	560,178,728	805,517,231
EARNINGS PER SHARE - BASIC AND DILUTED		4.68	2.96	2.33	3.35

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

Chief Executive

Director

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
(UN-AUDITED)

FOR THE HALF YEAR ENDED 31 DECEMBER 2016

	HALF YEAR ENDED		QUARTER ENDED	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
	----- Rupees -----			
PROFIT AFTER TAXATION	1,124,876,509	697,351,660	560,178,728	805,517,231
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 period	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	1,124,876,509	697,351,660	560,178,728	805,517,231

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

Chief Executive

Director

UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT

(UN-AUDITED)

FOR THE HALF YEAR ENDED 31 DECEMBER 2016

		HALF YEAR ENDED	
		31 December 2016	31 December 2015
Note		Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
	Cash utilized in operations		
9	Finance cost paid	(1,197,737,354)	(1,534,314,984)
	Income tax paid	(467,536,191)	(504,074,331)
	Net increase in long term loans to employees	(411,396,363)	(285,815,968)
	Net increase in long term security deposits	(10,851)	(6,384,505)
	Net increase in long term security deposits	(1,565,400)	-
	Net cash utilized in operating activities	(2,078,246,159)	(2,330,589,788)
CASH FLOWS FROM INVESTING ACTIVITIES			
	Capital expenditure on property, plant and equipment	(396,659,830)	(988,298,886)
	Proceeds from sale of property, plant and equipment	4,345,405	34,435,333
	Capital expenditure on intangible asset	(2,713,134)	(1,920,000)
	Short term investments made	(20,660,226)	-
	Loans and advances to subsidiary company	(2,500,000,000)	-
	Repayment of loans from subsidiary company	2,100,000,000	-
	Investments in subsidiary companies	(198,237,501)	(111,275,409)
	Dividends received from subsidiary company	609,653,915	750,343,280
	Interest received	772,821	434,225
	Net cash used in investing activities	(403,498,550)	(316,281,457)
CASH FLOWS FROM FINANCING ACTIVITIES			
	Proceeds from long term financing	685,000,000	679,872,000
	Repayment of long term financing	(874,178,500)	(987,906,406)
	Share deposit money received	-	49,128,425
	Short term borrowings - net	3,261,890,903	2,364,877,292
	Dividend paid	(594,323,781)	(356,618,753)
	Net cash generated from financing activities	2,478,388,622	1,749,352,558
	Net decrease in cash and cash equivalents	(3,356,087)	(897,518,687)
	Cash and cash equivalents at the beginning of the period	48,667,523	969,467,798
	Cash and cash equivalents at the end of the period	45,311,436	71,949,111

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

Chief Executive

Director

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE HALF YEAR ENDED 31 DECEMBER 2016

	SHARE CAPITAL	SHARE DEPOSIT MONEY	CAPITAL RESERVE	REVENUE RESERVES		TOTAL RESERVES	TOTAL EQUITY
				General reserve	Un-appropriated profit		
				R u p e e s			
Balance as at 30 June 2015 (Audited)	2,001,846,300	951,794,725	-	1,629,221,278	5,386,763,734	7,015,985,012	9,969,626,037
Transactions with owners:							
Share deposit money received during the period	-	49,128,425	-	-	-	-	49,128,425
Issue of shares against share deposit money during the period	400,369,260	(1,000,923,150)	600,553,890	-	-	600,553,890	-
Final dividend for the year ended 30 June 2015 @ Rupee 1.5 per share	-	-	-	(360,332,334)	(360,332,334)	(360,332,334)	(360,332,334)
	400,369,260	(951,794,725)	600,553,890	-	(360,332,334)	240,221,556	(311,203,509)
Profit for the half year ended 31 December 2015	-	-	-	-	697,351,660	697,351,660	697,351,660
Other comprehensive income for the half year ended 31 December 2015	-	-	-	-	-	-	-
Total comprehensive income for the half year ended 31 December 2015	-	-	-	-	697,351,660	697,351,660	697,351,660
Balance as at 31 December 2015 (Un-audited)	2,402,215,560	-	600,553,890	1,629,221,278	5,723,783,060	7,353,004,338	10,355,773,788
Profit for the half year ended 30 June 2016	-	-	-	-	631,423,033	631,423,033	631,423,033
Other comprehensive income for the half year ended 30 June 2016	-	-	-	-	-	-	-
Total comprehensive income for the half year ended 30 June 2016	-	-	-	-	631,423,033	631,423,033	631,423,033
Balance as at 30 June 2016 (Audited)	2,402,215,560	-	600,553,890	1,629,221,278	6,355,206,093	7,984,427,371	10,987,196,211
Transaction with owners:							
Final dividend for the year ended 30 June 2016 @ Rupees 2.5 per share	-	-	-	-	(600,553,890)	(600,553,890)	(600,553,890)
Profit for the half year ended 31 December 2016	-	-	-	-	1,124,876,509	1,124,876,509	1,124,876,509
Other comprehensive income for the half year ended 31 December 2016	-	-	-	-	-	-	-
Total comprehensive income for the half year ended 31 December 2016	-	-	-	-	1,124,876,509	1,124,876,509	1,124,876,509
Balance as at 31 December 2016 (Un-audited)	2,402,215,560	-	600,553,890	1,629,221,278	6,879,228,712	8,508,749,960	11,511,519,440

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

Chief Executive

Director

FOR THE HALF YEAR ENDED 31 DECEMBER 2016

1 THE COMPANY AND ITS OPERATIONS

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

2 BASIS OF PREPARATION

This unconsolidated condensed interim financial information is un-audited but subject to limited scope review by the statutory auditors and is being submitted to shareholders as required by section 245 of the Companies Ordinance, 1984. This unconsolidated condensed interim financial information of the Company for the half year ended 31 December 2016 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. This unconsolidated condensed interim financial information should be read in conjunction with the preceding audited annual published financial statements of the Company for the year ended 30 June 2016.

3 ACCOUNTING POLICIES

The accounting policies and methods of computations adopted for the preparation of this unconsolidated condensed interim financial information are the same as applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended 30 June 2016.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

During preparation of this unconsolidated condensed interim financial information, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Company for the year ended 30 June 2016.

FOR THE HALF YEAR ENDED 31 DECEMBER 2016

	Un-audited 31 December 2016	Audited 30 June 2016
	Rupees	Rupees
5 LONG TERM FINANCING		
From banking companies / financial institutions - secured		
Long term loans (Note 5.1)	2,054,338,500	1,999,194,833
Long term musharaka (Note 5.2)	40,000,000	80,000,000
	2,094,338,500	2,079,194,833
5.1 Long term loans		
Opening balance	3,501,105,000	4,447,281,406
Add: Obtained during the period / year	685,000,000	812,980,000
Less: Repayments during the period / year	834,178,500	1,759,156,406
Closing balance	3,351,926,500	3,501,105,000
Less: Current portion shown under current liabilities	1,297,588,000	1,501,910,167
	2,054,338,500	1,999,194,833
5.2 Long term musharaka		
Opening balance	160,000,000	275,000,000
Less: Repayments during the period / year	40,000,000	115,000,000
Closing balance	120,000,000	160,000,000
Less: Current portion shown under current liabilities	80,000,000	80,000,000
	40,000,000	80,000,000

6 CONTINGENCIES AND COMMITMENTS

Contingencies

There is no significant change in the status of contingencies as disclosed in the preceding audited annual published financial statements of the Company for the year ended 30 June 2016 except for the following:

- i) Guarantees of Rupees 166 million (30 June 2016: Rupees 156 million) have been issued by the banks of the Company to Director, Excise and Taxation, Karachi against disputed amount of infrastructure cess.
- ii) Guarantees of Rupees 323.593 million (30 June 2016: Rupees 347.051 million) have been issued by the banks of the Company to Sui Northern Gas Pipelines Limited against gas connections, Shell Pakistan Limited against purchase of furnace oil and Lahore Electric Supply Company Limited against electricity connection.
- iii) Post dated cheques have been issued to custom authorities in respect of duties amounting to Rupees 2,035.126 million (30 June 2016: Rupees 1,893.971 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.

Commitments

- i) Contracts for capital expenditure are amounting to Rupees 2,717.904 million (30 June 2016: Rupees 1,097.026 million).
- ii) Letters of credit other than for capital expenditure are amounting to Rupees 754.238 million (30 June 2016: Rupees 764.750 million).
- iii) Outstanding foreign currency forward contracts of Rupees 2,546.737 million (30 June 2016: Rupees 4,109.245 million).

FOR THE HALF YEAR ENDED 31 DECEMBER 2016

	Un-audited 31 December 2016	Audited 30 June 2016
	Rupees	Rupees
7 FIXED ASSETS		
Property, plant and equipment:		
Operating fixed assets (Note 7.1)	9,264,293,400	9,417,927,801
Capital work-in-progress (Note 7.2)	159,293,065	37,263,352
	9,423,586,465	9,455,191,153
Intangible asset:		
Computer software (Note 7.3)	5,128,441	5,019,748
	9,428,714,906	9,460,210,901
7.1 Operating fixed assets		
Opening net book value	9,417,927,801	8,939,798,687
Add: Cost of additions during the period / year (Note 7.1.1)	274,630,117	1,331,126,466
Less: Book value of deletions during the period / year (Note 7.1.2)	47,052,302	55,144,119
Less: Depreciation charged during the period / year	381,212,216	788,127,497
Less: Impairment loss charged during the period / year	-	9,725,736
Closing net book value	9,264,293,400	9,417,927,801
7.1.1 Cost of additions during the period / year		
Freehold land	81,893,956	-
Buildings on freehold land	67,683,020	150,053,147
Plant and machinery	71,470,939	1,118,806,627
Electric installations	24,009,726	28,212,147
Factory equipment	10,482,212	2,235,208
Furniture, fixtures and equipment	6,210,307	3,196,573
Office equipment	4,956,079	7,275,394
Motor vehicles	7,923,878	21,347,370
	274,630,117	1,331,126,466
7.1.2 Book value of deletions during the period / year		
Cost of deletions		
Plant and machinery	67,310,889	129,359,223
Furniture, fixtures and equipment	270,000	-
Office equipment	311,050	803,021
Motor vehicles	3,632,235	28,304,365
	71,524,174	158,466,609
Less: Accumulated depreciation	14,746,136	103,322,490
Less: Accumulated impairment loss	9,725,736	-
Book value of deletions during the period / year	47,052,302	55,144,119
7.2 Capital work-in-progress		
Civil works on freehold land	4,844,282	2,542,345
Advances for capital expenditures	27,935,671	10,501,512
Letters of credit	116,689,163	11,932,043
Mobilization advances	9,823,949	12,287,452
	159,293,065	37,263,352

FOR THE HALF YEAR ENDED 31 DECEMBER 2016

	Un-audited 31 December 2016 Rupees	Audited 30 June 2016 Rupees
7.3 Intangible asset - Computer software		
Opening net book value	5,019,749	6,230,445
Add: Cost of additions during the period / year	2,713,134	2,491,800
Less: Amortization charged during the period / year	2,604,442	3,702,497
Closing net book value	5,128,441	5,019,748

UN-AUDITED					
HALF YEAR ENDED		QUARTER ENDED			
31 December 2016	31 December 2015	31 December 2016	31 December 2015		
----- Rupees -----					
8 COST OF SALES					
Raw materials consumed	9,589,842,084	7,783,296,847	4,914,513,117	4,140,743,344	
Packing materials consumed	411,900,058	401,421,389	216,671,045	220,416,964	
Stores, spare parts and loose tools consumed	440,401,752	437,075,583	227,982,298	237,178,598	
Processing charges	57,811,763	69,150,503	1,876,256	40,070,353	
Salaries, wages and other benefits	1,092,457,144	1,027,318,079	545,279,655	515,685,864	
Fuel and power	1,160,751,182	1,284,712,893	591,409,822	588,752,696	
Insurance	21,349,176	20,286,092	10,941,947	10,158,181	
Postage and telephone	468,071	378,079	215,958	184,194	
Travelling and conveyance	9,569,265	9,464,271	4,823,730	4,439,816	
Vehicles' running and maintenance	10,131,255	11,491,153	5,930,217	5,828,420	
Entertainment	3,728,170	3,136,238	1,494,941	1,148,474	
Ijarah rentals	-	3,634,357	-	2,004,237	
Depreciation on operating fixed assets	377,993,486	372,845,516	189,443,222	189,440,691	
Repair and maintenance	148,069,174	142,271,889	80,026,778	79,545,159	
Other factory overheads	49,378,569	29,961,487	27,589,678	10,254,873	
	13,373,851,149	11,596,444,376	6,818,198,664	6,045,851,864	
Work-in-process:					
Opening stock	664,745,190	440,237,780	679,165,076	563,162,606	
Closing stock	(837,603,154)	(668,336,466)	(837,603,154)	(668,336,466)	
	(172,857,964)	(228,098,686)	(158,438,078)	(105,173,860)	
Cost of goods manufactured	13,200,993,185	11,368,345,690	6,659,760,586	5,940,678,004	
Finished goods and waste - opening stocks:					
Finished goods	581,318,344	796,579,213	1,008,408,863	826,709,130	
Waste	45,165,814	33,960,725	58,031,833	45,326,757	
	626,484,158	830,539,938	1,066,440,696	872,035,887	
	13,827,477,343	12,198,885,628	7,726,201,282	6,812,713,891	
Finished goods and waste - closing stocks:					
Finished goods	(722,148,839)	(864,907,799)	(722,148,839)	(864,907,799)	
Waste	(51,968,176)	(46,715,346)	(51,968,176)	(46,715,346)	
	(774,117,015)	(911,623,145)	(774,117,015)	(911,623,145)	
	13,053,360,328	11,287,262,483	6,952,084,267	5,901,090,746	

FOR THE HALF YEAR ENDED 31 DECEMBER 2016

	UN-AUDITED	
	HALF YEAR ENDED	
	31 December 2016	31 December 2015
	Rupees	Rupees
9 CASH UTILIZED IN OPERATIONS		
Profit before taxation	1,361,336,433	790,631,793
Adjustments for non-cash charges and other items:		
Depreciation on operating fixed assets	381,212,216	375,625,624
Amortization on intangible asset	2,604,442	1,628,602
Loss / (gain) on sale of property, plant and equipment	42,706,895	(5,214,723)
Interest income on loans to subsidiary company	(902,405)	-
Profit on bank deposits	(614,448)	(756,390)
Finance cost	493,085,853	467,619,821
Dividend income	(891,032,645)	(750,343,280)
Working capital changes (Note 9.1)	(2,586,133,695)	(2,413,506,431)
	(1,197,737,354)	(1,534,314,984)
9.1 Working capital changes		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(255,702,887)	(73,903,139)
Stock-in-trade	(2,403,510,011)	(2,963,137,796)
Trade debts	(375,480,699)	(143,274,610)
Loans and advances	(1,021,962,448)	230,653,796
Short term prepayments	(26,258,217)	(25,230,032)
Other receivables	600,421,947	40,859,670
	(3,482,492,315)	(2,934,032,111)
Increase in current liabilities:		
Trade and other payables	896,358,620	520,525,680
	(2,586,133,695)	(2,413,506,431)

10 SEGMENT INFORMATION

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

Spinning at Chunian and Pattoki:	Production of different quality of yarn using natural and artificial fiber.
Weaving:	Production of different qualities of greige fabric using yarn.
Dyeing:	Processing of dyed fabric using different qualities of grey fabric.
Home Textile:	Manufacturing of home textile articles using processed fabric produced from greige fabric.
Power Generation:	Generation and distribution of power.

SELECTED NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION
(UN-AUDITED)

FOR THE HALF YEAR ENDED 31 DECEMBER 2016

10.2. SEGMENT INFORMATION

	Spinning (Un-audited)			Weaving (Un-audited)			Dyeing (Un-audited)	News Textile (Un-audited)	Power Generation (Un-audited)	Elimination of Intersegment Transactions (Un-audited)	Total Company (Un-audited)
	31-Dec-15	31-Dec-16	31-Dec-15	31-Dec-16	31-Dec-15	31-Dec-16					
Cost of Sales											
Start of											
End of											
- Export	1,14,98,65,000	2,48,51,33,370	58,13,40,000	32,58,13,300	1,01,50,51,200	59,24,60,000	1,30,70,50,000	-	-	-	1,18,88,14,200
- Local	1,72,86,17,000	3,20,58,67,000	1,38,13,48,000	4,26,29,75,000	1,97,27,89,000	6,97,78,85,000	1,52,29,20,000	-	-	-	1,48,36,84,200
- Intersegment	8,97,66,20,000	8,20,54,94,000	1,38,13,48,000	2,84,52,93,000	1,59,27,89,000	6,97,78,85,000	1,52,29,20,000	-	-	-	94,48,99,200
Cost of Sales (100%)	2,02,81,48,000	4,69,65,94,000	1,35,44,96,000	3,61,36,18,000	2,60,06,29,000	13,60,17,33,800	3,35,29,90,000	-	-	-	2,14,73,97,600
Operating Expenses	18,55,39,000	13,52,72,000	13,52,72,000	13,52,72,000	13,52,72,000	13,52,72,000	13,52,72,000	-	-	-	13,52,72,000
Depreciation	15,78,39,000	11,65,73,000	11,65,73,000	11,65,73,000	11,65,73,000	11,65,73,000	11,65,73,000	-	-	-	11,65,73,000
Administrative expenses	2,77,00,000	2,87,00,000	2,87,00,000	2,87,00,000	2,87,00,000	2,87,00,000	2,87,00,000	-	-	-	2,87,00,000
Profit/(Loss) before taxation and other income	12,88,69,000	32,54,61,370	9,14,96,000	22,68,68,000	1,86,26,30,000	12,02,33,000	29,67,20,000	-	-	-	30,45,17,000
Other income	1,00,00,000	1,00,00,000	1,00,00,000	1,00,00,000	1,00,00,000	1,00,00,000	1,00,00,000	-	-	-	1,00,00,000
Taxation	(1,00,00,000)	(1,00,00,000)	(1,00,00,000)	(1,00,00,000)	(1,00,00,000)	(1,00,00,000)	(1,00,00,000)	-	-	-	(1,00,00,000)
Profit/After taxation	11,88,69,000	31,54,61,370	8,14,96,000	21,68,68,000	1,76,26,30,000	11,02,33,000	28,67,20,000	-	-	-	29,45,17,000
Un-audited Income tax expenses											
Other expenses											
Profit/(Loss) before taxation and other income	11,88,69,000	31,54,61,370	8,14,96,000	21,68,68,000	1,76,26,30,000	11,02,33,000	28,67,20,000	-	-	-	29,45,17,000
Taxation	(1,00,00,000)	(1,00,00,000)	(1,00,00,000)	(1,00,00,000)	(1,00,00,000)	(1,00,00,000)	(1,00,00,000)	-	-	-	(1,00,00,000)
Profit/After taxation	10,88,69,000	30,54,61,370	7,14,96,000	20,68,68,000	1,76,26,30,000	10,02,33,000	27,67,20,000	-	-	-	28,45,17,000

FOR THE HALF YEAR ENDED 31 DECEMBER 2016

18. Reconciliation of reportable segment assets and liabilities

	Spinning			Weaving			Dyeing			Home Textile			Power Generation			Total - Company		
	Chunian		Patooki	(Un-audited)		Audited	(Un-audited)		Audited	(Un-audited)		Audited	(Un-audited)		Audited	(Un-audited)		
	Year ended	Half year ended	Year ended	Half year ended	Year ended	Half year ended	Year ended	Half year ended	Year ended	Half year ended	Year ended	Half year ended	Year ended	Half year ended	Year ended	Half year ended	Year ended	
	31-Dec-16	30-Jun-16	31-Dec-16	30-Jun-16	31-Dec-16	30-Jun-16	31-Dec-16	30-Jun-16	31-Dec-16	30-Jun-16	31-Dec-16	30-Jun-16	31-Dec-16	30-Jun-16	31-Dec-16	30-Jun-16	31-Dec-16	30-Jun-16
Total assets for reportable segments	5,907,860,161	8,119,511,022	6,605,293,441	5,413,097,334	3,624,898,663	2,739,814,780	3,305,216,180	2,349,613,339	2,203,477,453	1,964,408,892	1,674,207,756	1,536,689,249	27,320,932,654	22,725,245,596				
Unallocated assets:																		
Investments in subsidiary companies																		
Other receivables																		
Short term investments																		
Cash and bank balances																		
Other corporate assets																		
Total assets as per balance sheet	772,959,869	298,073,669	515,046,579	193,715,700	174,956,219	266,521,266	456,034,124	359,016,307	302,658,416	239,344,205	334,543,120	260,697,259	2,553,839,330	1,662,298,486				
Total liabilities for reportable segments																		
Unallocated liabilities:																		
Long term financing																		
Accrued make-up																		
Short term borrowings																		
Other corporate liabilities																		
Total liabilities as per balance sheet																		

FOR THE HALF YEAR ENDED 31 DECEMBER 2016

11 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 this unconsolidated condensed interim financial information. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the following three levels. An explanation of each level follows underneath the table.

Recurring fair value measurements At 31 December 2016	Level 1	Level 2	Level 3	Total
----- Rupees -----				
Financial assets				
Derivative financial assets	-	37,326,047	-	37,326,047
Total financial assets	-	37,326,047	-	37,326,047
Recurring fair value measurements At 30 June 2016	Level 1	Level 2	Level 3	Total
----- Rupees -----				
Financial assets				
Derivative financial assets	-	45,758,252	-	45,758,252
Total financial assets	-	45,758,252	-	45,758,252

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 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 available-for-sale 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.

FOR THE HALF YEAR ENDED 31 DECEMBER 2016

12 TRANSACTIONS WITH RELATED PARTIES

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

i. Transactions

	UN-AUDITED			
	HALF YEAR ENDED		QUARTER ENDED	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
	----- Rupees -----			
Subsidiary companies				
Sale of goods	857,377,125	827,814,726	327,207,439	528,355,819
Dividend income	891,032,645	750,343,280	562,757,460	750,343,280
Common facilities cost charged	9,600,000	9,600,000	4,800,000	4,800,000
Investments made	198,237,501	111,275,409	80,000,001	111,275,409
Purchase of operating fixed assets	91,000,000	-	91,000,000	-
Disbursements of loans	2,500,000,000	-	1,300,000,000	-
Repayments of loans	2,100,000,000	-	1,500,000,000	-
Interest on loans	902,405	-	639,454	-
Associated undertakings				
Insurance premium paid	51,658,180	49,241,065	21,507,269	13,627,361
Insurance claims received	10,740,614	10,501,593	6,819,409	9,965,233
Donations paid	182,403	16,454	182,403	16,454
Other related parties				
Purchase of goods	50,351,247	27,289,773	23,102,960	15,885,193
Sale of goods	654,725,928	333,110,825	422,893,593	203,614,280
Dividend paid	99,909,850	59,945,910	99,909,850	59,945,910
Contribution to employee's provident fund	46,787,978	42,485,788	22,619,700	22,235,402
Remuneration of key management personnel	93,434,400	77,171,507	41,921,829	77,171,507

ii. Period end balances

	As at 31 December 2016 (Un-audited)			
	Subsidiary companies	Associated companies	Other related parties	Total
	----- Rupees -----			
Trade and other payables	-	5,607,442	-	5,607,442
Long term investment	3,611,030,516	-	-	3,611,030,516
Trade debts	429,988,034	-	55,935,208	485,923,242
Loans and advances	400,000,000	-	5,718,521	405,718,521
Other receivables	362,000,060	-	24,064,010	386,064,070
Bank balance	-	4,531,898	-	4,531,898

	As at 30 June 2016 (Audited)			
	Subsidiary companies	Associated companies	Other related parties	Total
	----- Rupees -----			
Trade and other payables	-	3,025,000	-	3,025,000
Long term investment	3,412,793,015	-	-	3,412,793,015
Trade debts	571,079,631	-	55,842,848	626,922,479
Loans and advances	-	-	1,140,000	1,140,000
Other receivables	35,635,254	-	17,287,545	52,922,799
Bank balances	-	3,923,932	-	3,923,932

FOR THE HALF YEAR ENDED 31 DECEMBER 2016

13 FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the Company for the year ended 30 June 2016.

14 CORRESPONDING FIGURES

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

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

15 DATE OF AUTHORIZATION FOR ISSUE

This unconsolidated condensed interim financial information was approved by the Board of Directors and authorized for issue on February 24, 2017.

Chief Executive

Director

NISHAT (CHUNIAN) LIMITED AND
ITS SUBSIDIARY COMPANIES

CONSOLIDATED CONDENSED
INTERIM FINANCIAL INFORMATION

HALF YEAR ENDED DECEMBER 31,
2016 (UN-AUDITED)

CONSOLIDATED CONDENSED INTERIM BALANCE SHEET

AS AT DECEMBER 31, 2016

	Note	Un-audited December 31, 2016 Rupees	Audited June 30, 2016 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital		3,000,000,000	3,000,000,000
Issued, subscribed and paid-up share capital		2,402,215,560	2,402,215,560
Reserves		11,006,162,997	10,689,601,317
Equity attributable to equity holders of the Holding Company		13,408,378,557	13,091,816,877
Non-controlling interest		3,699,320,396	3,562,941,251
Total equity		17,107,698,953	16,654,758,128
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing		13,220,705,485	13,377,738,486
CURRENT LIABILITIES			
Trade and other payables		3,692,047,810	2,593,380,872
Accrued mark-up		506,218,515	458,805,704
Short term borrowings		21,166,840,303	16,460,565,575
Derivative financial instruments		-	1,713,049
Current portion of long term financing		3,246,590,504	3,321,242,615
		28,611,697,132	22,835,707,815
TOTAL LIABILITIES		41,832,402,617	36,213,446,301
CONTINGENCIES AND COMMITMENTS	5		
TOTAL EQUITY AND LIABILITIES		58,940,101,570	52,868,204,429

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

CHIEF EXECUTIVE

CONSOLIDATED CONDENSED INTERIM BALANCE SHEET

AS AT DECEMBER 31, 2016

	Note	Un-audited December 31, 2016	Audited June 30, 2016
		Rupees	Rupees
ASSETS			
NON-CURRENT ASSETS			
Fixed assets		27,941,451,113	27,424,478,642
Long term loans to employees		23,556,980	24,213,002
Long term security deposits		22,439,840	20,874,440
		27,987,447,933	27,469,566,084
CURRENT ASSETS			
Stores, spare parts and loose tools		1,654,621,356	1,470,107,563
Stock-in-trade		10,911,455,475	8,001,720,738
Trade debts		12,932,972,164	11,221,170,113
Loans and advances		2,063,777,818	1,300,670,193
Short term deposit and prepayments		148,520,962	17,060,032
Other receivables		2,985,562,493	3,301,274,890
Short term investments		21,226,772	10,520,822
Cash and bank balances		234,516,597	76,113,994
		30,952,653,637	25,398,638,345
TOTAL ASSETS		58,940,101,570	52,868,204,429

DIRECTOR

Nishat Chunian Limited

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CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT

(UN-AUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2016

	Half Year Ended		Quarter Ended	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
	Rupees	Rupees	Rupees	Rupees
SALES	22,133,360,076	20,622,998,592	11,433,090,380	10,102,493,960
COST OF SALES	(18,644,522,073)	(17,013,854,500)	(9,822,279,344)	(8,226,237,755)
GROSS PROFIT	3,488,838,003	3,609,144,092	1,610,811,036	1,876,256,205
DISTRIBUTION COST	(448,120,159)	(438,745,274)	(219,737,348)	(238,935,443)
ADMINISTRATIVE EXPENSES	(193,278,792)	(180,860,511)	(104,812,642)	(91,692,378)
OTHER OPERATING EXPENSES	(135,552,305)	(138,730,886)	(90,660,720)	(74,506,518)
	(776,951,256)	(758,336,671)	(415,210,710)	(405,134,339)
	2,711,886,747	2,850,807,421	1,195,600,326	1,471,121,866
OTHER OPERATING INCOME	157,408,941	43,237,759	96,311,916	24,350,803
PROFIT FROM OPERATIONS	2,869,295,688	2,894,045,180	1,291,912,242	1,495,472,669
FINANCE COST	(1,039,884,493)	(1,114,649,570)	(540,948,746)	(543,693,506)
PROFIT BEFORE TAXATION	1,829,411,195	1,779,395,610	750,963,496	951,779,163
TAXATION	(236,717,306)	(93,280,133)	(133,108,152)	(34,858,382)
PROFIT AFTER TAXATION	1,592,693,889	1,686,115,477	617,855,344	916,920,781
PROFIT ATTRIBUTABLE TO:				
EQUITY HOLDERS OF THE HOLDING COMPANY	917,086,172	846,518,511	302,262,966	505,337,448
NON-CONTROLLING INTEREST	675,607,717	839,596,966	315,592,378	411,583,333
	1,592,693,889	1,686,115,477	617,855,344	916,920,781
EARNINGS PER SHARE - BASIC & DILUTED	3.82	3.59	1.26	2.10

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

CHIEF EXECUTIVE

DIRECTOR

CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
(UN-AUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2016

	Half Year Ended		Quarter Ended	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
	Rupees	Rupees	Rupees	Rupees
PROFIT AFTER TAXATION	1,592,693,889	1,686,115,477	617,855,344	916,920,781
OTHER COMPREHENSIVE INCOME	29,398	549,446	16,051	53,154
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	1,592,723,287	1,686,664,923	617,871,395	916,973,935
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
EQUITY HOLDERS OF THE HOLDING COMPANY	917,115,570	847,067,957	302,279,017	505,390,602
NON-CONTROLLING INTEREST	675,607,717	839,596,966	315,592,378	411,583,333
	1,592,723,287	1,686,664,923	617,871,395	916,973,935

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

CHIEF EXECUTIVE

DIRECTOR

CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT

(UN-AUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2016

	Note	Half Year Ended	
		December 31, 2016	December 31, 2015
		Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (utilized in) / generated from operations	6	(229,020,184)	2,364,033,909
Net increase in long term security deposits		(1,565,400)	-
Finance cost paid		(992,471,682)	(1,186,943,302)
Income tax paid		(411,396,364)	(285,815,968)
Long term loans to employees		656,022	(5,806,060)
Net cash (used in) / generated from operating activities		(1,633,797,608)	885,468,579
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(1,589,361,321)	(2,878,202,113)
Capital expenditure on intangible assets		(2,713,133)	(1,920,000)
Proceeds from sale of property, plant and equipment		97,125,893	5,256,950
Short term investments made		(10,705,950)	(322,164)
Profit on bank deposits received		1,107,495	1,114,747
Net cash used in investing activities		(1,504,547,017)	(2,874,072,580)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		1,443,457,604	2,582,100,373
Repayment of long term financing		(1,675,142,716)	(1,677,268,156)
Short term borrowings - net		4,706,274,728	1,275,306,669
Proceeds from share deposit money		-	49,128,425
Dividend paid to non-controlling interest		(583,548,004)	(717,922,612)
Dividend paid		(594,323,783)	(356,618,753)
Net cash generated from financing activities		3,296,717,829	1,154,725,946
Net increase / (decrease) in cash and cash equivalents		158,373,205	(833,878,055)
Impact of exchange translation		29,398	549,446
Cash and cash equivalents at the beginning of the year		76,113,994	1,014,525,460
Cash and cash equivalents at the end of the year		234,516,597	181,196,851

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

CHIEF EXECUTIVE

DIRECTOR

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

(UN-AUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2016

	ATTRIBUTABLE TO EQUITY HOLDERS OF THE HOLDING COMPANY							SHAREHOLDERS' EQUITY	NON-CONTROLLING INTEREST	TOTAL EQUITY
	Share Capital	Share Deposit Money	Capital Reserve		REVENUE RESERVES		Total			
			Exchange Translation Reserve	Share Premium	General Reserve	Unappropriated profit				
Balance as at June 30, 2015 - (audited)	2,001,846,300	951,794,725	(820,940)	-	1,629,221,278	7,190,940,888	8,820,062,166	11,772,882,251	3,607,323,582	15,380,205,813
Total comprehensive income for the half year ended December 31, 2015	-	-	549,446	-	-	846,518,511	846,518,511	847,067,957	839,596,966	1,686,664,923
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	(718,971,429)	(718,971,429)
Share deposit money received during the year	-	49,128,425	-	-	-	-	-	49,128,425	-	49,128,425
Right shares issued against share deposit money received @ Rs.10/ share	400,369,260	(400,369,260)	-	-	-	-	-	-	-	-
Share premium against share deposit money @ Rs.15/ share	-	(600,553,890)	-	600,553,890	-	-	-	-	-	-
Final dividend for the year ended 30 June 2015 @ Rs. 1.5/ Ordinary share	-	-	-	-	-	(360,332,334)	(360,332,334)	(360,332,334)	-	(360,332,334)
Balance as at December 31, 2015 - (un-audited)	2,402,215,560	-	(271,694)	600,553,890	1,629,221,278	7,677,027,065	9,306,248,343	12,308,746,299	3,727,949,099	16,036,695,398
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	(674,177,242)	(674,177,242)
Total comprehensive income for the half year ended June 30, 2016	-	-	(712,278)	-	-	783,782,856	783,782,856	783,070,578	569,169,394	1,292,239,972
Balance as at June 30, 2016 - (audited)	2,402,215,560	-	(983,772)	600,553,890	1,629,221,278	8,460,809,921	10,090,031,199	13,091,816,877	3,562,941,251	16,654,758,128
Total comprehensive income for the half year ended December 31, 2016	-	-	29,398	-	-	917,086,172	917,086,172	917,115,570	675,607,717	1,592,723,287
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	(539,228,572)	(539,228,572)
Final dividend for the year ended 30 June 2016 @ Rs. 1.5/ Ordinary share	-	-	-	-	-	(600,553,890)	(600,553,890)	(600,553,890)	-	(600,553,890)
Balance as at December 31, 2016 - (un-audited)	2,402,215,560	-	(954,374)	600,553,890	1,629,221,278	8,777,242,203	10,406,563,483	13,408,376,527	3,099,320,396	17,107,696,953

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

CHIEF EXECUTIVE

DIRECTOR

FOR THE HALF YEAR ENDED DECEMBER 31, 2016

1. GROUP INFORMATION

The Group consists of:

Holding Company	-	Nishat (Chunian) Limited
Subsidiary Companies	-	Nishat Chunian Power Limited
	-	Nishat Chunian USA Inc.
	-	NC Electric Company Limited
	-	NC Entertainment (Private) Limited

Nishat (Chunian) Limited

Nishat (Chunian) Limited ("the Holding Company") is a public limited Company incorporated in Pakistan under the Companies Ordinance, 1984 and is listed on the 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, cloth and to generate, accumulate, distribute, supply and sell electricity.

Nishat Chunian Power Limited

Nishat Chunian Power Limited ("the Subsidiary Company") is a public limited Company incorporated in Pakistan under the Companies Ordinance, 1984 and listed on the Pakistan Stock Exchange (Guarantee) Limited. The principal activity of the Subsidiary Company 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. Its registered office is situated at 31-Q, Gulberg II, Lahore. The Subsidiary Company has commenced commercial operations from 21 July 2010 and the twenty five years term of the Power Purchase Agreement (PPA) with National Transmission and Despatch Company Limited starts from this date.

Nishat Chunian USA Incorporation

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 Suite No. 639, 7 West, 34th Street New York, NY 10001, USA. The principal business of the Subsidiary Company is to import home textile products and distribute to local retailers.

NC Electric Company Limited

NC Electric Company Limited is a public limited company incorporated in Pakistan on 18 April 2014 under the Companies Ordinance, 1984. The Company is a wholly owned subsidiary of Nishat (Chunian) Limited. Its registered office is situated at 31-Q, Gulberg II, Lahore. The principal objects of the Company are to develop, design, construct, own and acquire coal powered power generation complexes and thermal, hydel, solar and wind energy projects in Pakistan and to carry on the business of electricity generation, transmission and distribution in Pakistan.

NC Entertainment (Private) Limited

NC Entertainment (Private) Limited is registered under the Companies Ordinance, 1984 as a company limited by shares on 31 January 2014. The registered office of NC Entertainment (Private) Limited is situated at 31-Q, Gulberg II, Lahore. The main objective of NC Entertainment (Private) Limited is to construct and/or operate cinemas, theatres and studios.

2. BASIS OF PREPARATION

This consolidated condensed interim financial information is un-audited and is being submitted to shareholders as required by section 245 of the Companies Ordinance, 1984. This consolidated condensed interim financial information of the Group for the half year ended 31st December 2016 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. This consolidated condensed interim financial information should be read in conjunction with the audited annual published financial statements of the Group for the year ended 30 June 2016.

FOR THE HALF YEAR ENDED DECEMBER 31, 2016

3. ACCOUNTING POLICIES

The accounting policies and methods of computations adopted for the preparation of this consolidated condensed interim financial information are the same as applied in the preparation of the preceding audited annual published financial statements of the Group for the year ended 30 June 2016.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

During preparation of this consolidated condensed interim financial information, the significant judgments made by the management in applying the Group's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Group for the year ended 30 June 2016.

5. CONTINGENCIES AND COMMITMENTS

Holding Company

Contingencies

There is no significant change in the status of contingencies as disclosed in the preceding audited annual financial statements of the Company for the year ended 30 June 2016 except for the following:

- i) Guarantees of Rupees 166 million (30 June 2016: Rupees 156 million) have been issued by the banks of the company to Director, Excise and Taxation, Karachi against disputed amount of infrastructure cess.
- ii) Guarantees of Rupees 323.593 million (30 June 2016: Rupees 347.051 million) have been issued by the banks of the company to Sui Northern Gas Pipelines Limited against gas connections, Shell Pakistan Limited against purchase of furnace oil and Lahore Electric Supply Company Limited against electricity connections.
- iii) Post dated cheques have been issued to custom authorities in respect of duties amounting to Rupees 2035.126 million (30 June 2016: Rupees 1,893.971 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.

Commitments

- i) Commitments in respect of capital expenditure are Rupees 2,717.904 million (30 June 2016: Rupees 1,097.026 million).
- ii) Letters of credit other than for capital expenditure are Rupees 754.238 million (30 June 2016: Rupees 764.750 million).
- iii) Outstanding foreign currency forward contracts of Rupees 2,546.737 million (30 June 2016: Rupees 4,109.245 million).

Subsidiary Company

Contingencies

- i) During the financial year 2014, a sales tax demand of Rs 1,161.548 million was raised against the company through order dated November 28, 2013, by the Assistant Commissioner Inland Revenue ('ACIR') 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 the company on account of 'capacity purchase price' was against a non-taxable supply and thus, the entire amount of input sales tax claimed by the company was required to be apportioned with only the input sales tax attributable to other revenue stream i.e. 'energy purchase price' admissible to the company. Against the aforesaid order, the company preferred an appeal before the Commissioner Inland Revenue (Appeals) ('CIR(A)') who vacated the ACIR's order on the issue regarding apportionment of input sales tax. However, the CIR(A) did not adjudicate upon the company's other grounds of appeal. Consequently, the company preferred an appeal before the Appellate Tribunal Inland Revenue ('ATIR') on the issues not adjudicated upon by the CIR(A) and the Department also preferred a second appeal before the ATIR against the CIR(A)'s order, both of which are pending adjudication.

Furthermore, during the financial year 2015, the Deputy Commissioner Inland Revenue ('DCIR') issued a show cause notice dated November 11, 2014, whereby intentions were shown to raise a sales tax demand of Rs 1,093.262 million by disallowing input sales tax claimed by the company for the tax periods from July 2010 to June 2012 on the abovementioned grounds of the ACIR. The company agitated the initiation of such proceedings through institution of a writ petition before the Lahore High Court ('LHC'). During the current period, LHC has disposed of the petition in the company's favour through its order dated October 31, 2016, by stating that there is no supply being made against 'capacity purchase price', hence, there is no existence of an "exempt supply". Accordingly, the company is free to reclaim or deduct input tax under the relevant provisions of Sales Tax Act, 1990. However, subsequent to the period end, the tax department has filed an appeal before the Supreme Court of Pakistan against the aforementioned LHC's order.

FOR THE HALF YEAR ENDED DECEMBER 31, 2016

For the period July 2013 to June 2014, company's case was selected for audit by 'Federal Board of Revenue' ('FBR'), which selection was objected to, on jurisdictional basis, by company by way of filing a writ petition before LHC. While, LHC allowed the department to proceed with audit proceedings, it was 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 department during the financial year 2016 and audit report thereof was submitted to the company seeking explanations in regard to the issues raised therein. In the subject audit report, inter-alia, primarily a disallowance of input sales tax aggregating to Rs 622.263 million has been confronted on same grounds as explained above. Subsequent to period end, LHC through its order dated January 9, 2017 has allowed initiation of adjudication proceedings after issuance of audit report. Consequently, the company is in the process of filing an Intra Court Appeal against the stated judgment on the grounds that in the presence of the various adverse findings given by the honourable LHC, complete relief as sought by the company should have been provided by declaring selection for audit and audit policy unlawful.

Based on the advice of the company's legal counsel and the abovementioned LHC's decision dated October 31, 2016, management considers that there exist meritorious grounds to support the company's stance that input sales tax incurred by the company is not legally required to be attributed to revenue representing 'capacity purchase price' and thus, disallowance proposed by the tax department would not be upheld by appellate authorities/courts. Consequently, no provision has been made in this condensed interim financial information on such account.

ii) The banks have issued the following on behalf of the company:

Letter of guarantee of Rs 9.032 million (June 30, 2016: Rs 9.032 million) in favour of Director, Excise and Taxation, Karachi under direction of Sindh High Court in respect of suit filed for levy of infrastructure cess.

	Un-audited Half year ended December 31, 2016	Audited Year ended June 30, 2016
Commitments	Rupees	Rupees
i) Letter of credit other than for capital expenditure	8,224,128	61,160,251
	Un-audited Half year ended December 31, 2016	Un-audited Half year ended December 31, 2015
	Rupees	Rupees
6. CASH (USED IN) / GENERATED FROM OPERATIONS		
Profit before taxation	1,829,411,195	1,779,395,610
Adjustment for non cash charges and other items:		
Provision for employee retirement	3,713,723	-
Depreciation on operating assets	981,583,399	925,945,292
Amortization on intangible assets	4,158,907	1,978,602
Loss / (Gain) on sale of operating fixed assets	37,315,335	(5,214,723)
Interest on bank deposits	(1,107,495)	(1,114,747)
Unrealised gain on derivative financial instrument	(1,713,049)	3,981,876
Finance costs	1,039,884,493	1,114,649,570
Cash flows from operating activities before working capital changes	3,893,246,509	3,819,621,480
(Increase) / decrease in current assets		
- Stores, spare parts and loose tools	(184,513,793)	16,268,778
- Stock in trade	(2,909,734,737)	(2,683,103,088)
- Trade debts	(1,711,802,051)	595,957,939
- Loans and advances	(763,107,625)	253,299,072
- Short term deposits and prepayments	(142,166,880)	(106,444,272)
- Other receivables	490,391,455	157,059,339
Increase in current liabilities		
- Trade and other payables	1,098,666,938	311,374,661
	(4,122,266,693)	(1,455,587,571)
Cash (used in) / generated from operations	(229,020,184)	2,364,033,909

FOR THE HALF YEAR ENDED DECEMBER 31, 2016

7. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of 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:

	Un-audited Half year ended December 31, 2016 Rupees	Un-audited Half year ended December 31, 2015 Rupees
Associated company		
Insurance premium paid	137,651,188	133,231,603
Insurance claims received	10,740,614	10,501,593
Other related parties		
Purchase of goods	50,351,247	27,289,773
Sale of goods	654,725,928	333,110,825
Contribution to employees' provident fund	50,501,701	46,133,098
Dividend paid to other related parties	99,909,850	59,945,910
Remuneration paid to key management personnel	103,189,200	84,134,807
Donation paid to related parties	12,407,403	4,906,454
	Un-audited Quarter ended December 31, 2016 Rupees	Audited Year ended June 30, 2016 Rupees
Period end balances		
Bank balances with related party	4,531,898	3,923,932
Due from related parties	85,717,739	74,270,393
Due to related parties	5,607,442	3,025,000

8. CORRESPONDING FIGURES

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

9. DATE OF AUTHORIZATION FOR ISSUE

This consolidated condensed interim financial information was approved and authorized for issue on February 24, 2017 by the Board of Directors.

Chief Executive

Director

INVESTORS' EDUCATION

In pursuance of SRO 924(1)/2015 dated September 9th, 2015 issued by the Securities and Exchange Commission of Pakistan (SECP), the following informational message has been reproduced to educate investors:

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