



Interim Financial Information
Half Year Ended December 31, 2017
(Unaudited)



| Nishat Chunian Limited

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COMPANY INFORMATION

Board of Directors:

Mrs. Farhat Saleem (*Chairperson*)
Mr. Shahzad Saleem (*Chief Executive*)
Mr. Zain Shahzad
Mr. Shoaib Ahmad Khan (*Nominee NIT*)
Mr. Aftab Ahmad Khan
Mr. Muhammad Ali Zeb
Mr. Kamran Rasool (*Resigned on 19-02-18*)

Audit Committee:

Mr. Shoaib Ahmad Khan (*Chairman*)
Mr. Zain Shahzad (*Member*)
Mr. Muhammad Ali Zeb (*Member*)

HR & Remuneration Committee:

Mrs. Farhat Saleem (*Chairperson*)
Mr. Zain Shahzad (*Member*)
Mr. Kamran Rasool (*Resigned on 19-02-18*)

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, 2017.

Operating Financial Results

Revenues earned during these six months period are Rs. 16.84 billion as compared to Rs. 14.45 billion during the corresponding six months of previous fiscal year, registering an increase of 16.52%. The increase in turnover is mainly driven by yarn sales in local market. Export duty drawback of Rs. 206 million is booked in current half of the financial year 2017-18 which is expected to be realized in future periods. However, gross profit to sales percentage decreased from 9.67% to 8.23%. Finance cost of the Company also increased by 29.43% on back of massive cotton buying. Profit after tax of the Company decreased by 52.26% in the current half year ended 31 December 2017 as compared to the corresponding half of the last year, this has mainly resulted due to decrease in dividend income from subsidiary company.

Financial Highlights	Half Year ended December 31		Increase / Decrease %
	2017	2016	
Sales (Rs.)	16,836,839,203	14,449,959,207	16.52%
Gross Profit (Rs.)	1,384,988,840	1,396,598,879	-0.83%
Profit After Taxation (Rs.)	492,072,854	1,124,876,509	-56.26%
Gross Profit %	8.23%	9.67%	
Profit After Tax %	2.92%	7.78%	
Earnings Per Share (Rs.)	2.05	4.68	

Future Prospects

The management is devoted to value creation through adoption of advance technology and further diversification in business. Last year spinning division has seen major investment, as one of its non-operational units has started its commercial operations. The company has also started operating the 99 looms that were acquired last year. Dyeing & Printing unit has also seen an investment of Rs. 340 million. All this and company's constant focus on replacement and upgradation of existing machinery to improvise the overall efficiency will positively impact the bottom line in the coming periods. Also, recent devaluation of Pak Rupee and strengthening of USD and Euro has created some breathing space for the export sector.

"The Linen Company (TLC)", is looking to expand its retail network into Karachi and other cities as well.

Subsidiary Companies and Consolidated Financial Statements

The Company's portfolio of subsidiary companies include Nishat Chunian Power Limited, NC Electric Company Limited, Nishat Chunian USA Inc. and NC Entertainment (Pvt.) Limited. 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 Company Law.

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

Mrs. Farhat Saleem
Chairperson
27 February 2018

DIRECTORS' REPORT

محترم حصص یافتگان

نشاط (چونیاں) لمیٹڈ ("کمپنی") کی مجلس نمٹھا، 31 دسمبر 2017 کو ختم ہونے والی ششماہی کے لئے کمپنی کے غیر نظر حافی شدہ نتائج کا اعلان کرتے ہوئے خوشی محسوس کرتی ہے۔

آپریٹنگ مالیاتی نتائج

گذشتہ مالی سال کی اسی ششماہی کے دوران 14.45 بلین روپے کے مقابلے میں اس ششماہی کے دوران حاصل ہونے والی آمدنی 16.84 بلین روپے تھی، جو 16.52 فیصد کا اضافہ ظاہر کرتی ہے۔
 18-2017 کی رواں ششماہی میں کم ہونے میں جو
 آئندہ مدت میں حاصل ہونے کی توقع ہے۔ تاہم فروخت فیصد سے مجموعی منافع 9.67 فیصد سے 8.23 فیصد تک کم ہوا۔ بڑے پیمانے پر ڈیپٹی کی خریداری کی کے باعث کمپنی کی مالی اگت بھی 29.43 فیصد تک
 بڑھ گئی۔ گزشتہ سال کی اسی ششماہی میں بعد از ٹیکس منافع کے مقابلے میں 31 دسمبر 2017 کو ختم ہونے والی رواں ششماہی میں کمپنی کا بعد از ٹیکس منافع 52.26 فیصد تک کم ہو گیا۔ یہ بنیادی طور پر ڈیپٹی کمپنی سے ڈیپٹی بزنڈ
 آمدنی میں کمی کا نتیجہ ہے۔

مالی جھلکیاں	31 دسمبر ختم شدہ ششماہی		فیصد اضافہ / کمی
	2016	2017	
فروخت (روپے)	14,449,959,207	16,836,839,203	16.52 فیصد
مجموعی منافع (روپے)	1,396,598,879	1,384,988,840	-0.83 فیصد
بعد از ٹیکس منافع (روپے)	1,124,876,509	492,072,854	-56.26 فیصد
مجموعی منافع فیصد	9.67 فیصد	8.23 فیصد	
بعد از ٹیکس منافع فیصد	7.78 فیصد	2.92 فیصد	
نی ٹیٹرز آمدن (روپے)	4.68	2.05	

مستقبل کے امکانات

انتظامیہ کاروبار میں جدید ٹیکنالوجی اور مزید تنوع کو اپنانے کے ذریعے قدر تخلیق کرنے کے لئے پرعزم ہے۔ گزشتہ سال سپنگ ڈویژن میں اہم سرمایہ کاری کی ہے، کیونکہ اس کے ایک صدیانا
 آپریٹنگ یونٹ نے اپنے کرشل آپریٹنگ کا آغاز کر دیا ہے۔ کمپنی نے گزشتہ سال خریدی گئی 99 لومڑ کو بھی آپریٹنگ کر دیا ہے۔ ڈانگ اور ہیننگ یونٹ نے بھی 340 ملین روپے سرمایہ کاری کی ہے۔ مجموعی کارکردگی کو
 بہتر بنانے کیلئے موجودہ مشینری کی تبدیلی اور اپ گریڈیشن پر مستقل توجہ آئندہ سہ ماہیوں میں چلی لائن پر مثبت طور پر اثر انداز ہوگی۔ پاکستانی روپے کی قدر میں حالیہ کمی اور امریکی ڈالر اور یورپی مشینری نے بھی برآمد
 شعبہ کے لئے کچھ سکون کی حضاء پیدا کی ہے۔

"دی لینن کمپنی (TLC)" کراچی اور مختلف شہروں میں مزید سنٹر سکول کر رہیل نیٹ ورک کو مزید فروغ دینے کا ارادہ رکھتی ہے۔

ذیلی کمپنیاں اور اشتیال شدہ مالیاتی حسابات

نشاط چونیاں پاور لمیٹڈ، NC ایکٹرز کمپنی لمیٹڈ، نشاط چونیاں پوائس اسے انکار پورٹل اور NC انٹرنیشنل (پرائیویٹ) لمیٹڈ کمپنی کی ذیلی کمپنیاں ہیں۔ لہذا، کمپنی نے بین الاقوامی مالیاتی رپورٹنگ
 معیارات کی ضروریات اور کمپنی قانون کی قابل اطلاق دفعات کے مطابق اپنی الگ الگ منجمد عبوری مالی معلومات کے علاوہ میں اشتیال شدہ منجمد عبوری مالیاتی معلومات منسلک کی ہیں۔

اظہار تشکر

ڈائریکٹرز سمرٹا ملازمین کا شکر ادا کرتے ہیں جو کمپنی کی کارروائیوں میں اہم کردار ادا کر رہے ہیں۔

منجانب بورڈ

محترم مڈرٹ سلیم

چیئر پرسن

27 فروری 2018ء

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 2017 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 (hereinafter 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 2017 and 31 December 2016 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 2017.

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 2017 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: 27 February 2018

LAHORE

UNCONSOLIDATED CONDENSED INTERIM BALANCE SHEET

AS AT 31 DECEMBER 2017

	Note	Un-audited 31 December 2017 Rupees	Audited 30 June 2017 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		9,437,222,798	9,605,759,223
Total equity		11,839,438,358	12,007,974,783
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	5	5,453,503,400	4,302,681,600
CURRENT LIABILITIES			
Trade and other payables		3,167,976,562	1,531,941,212
Accrued mark-up		199,294,830	194,237,156
Short term borrowings		16,870,198,411	15,236,786,649
Current portion of long term financing		1,554,311,400	1,348,981,400
		21,791,781,203	18,311,946,417
Total liabilities		27,245,284,603	22,614,628,017
CONTINGENCIES AND COMMITMENTS			
	6		
TOTAL EQUITY AND LIABILITIES		39,084,722,961	34,622,602,800

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

Statement under section 232 of the Companies Act, 2017

This unconsolidated condensed interim financial information has been signed by two directors and chief financial officer instead of chief executive, one director and chief financial officer as the chief executive is not available for the time being in Pakistan.

Director

Director

UNCONSOLIDATED CONDENSED INTERIM BALANCE SHEET

AS AT 31 DECEMBER 2017

	Note	Un-audited 31 December 2017 Rupees	Audited 30 June 2017 Rupees
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	7	11,714,159,363	11,974,956,779
Investments in subsidiary companies		3,598,994,523	3,902,230,516
Long term loans to employees		15,443,145	15,885,959
Long term security deposits		23,647,440	22,234,440
		15,352,244,471	15,915,307,694
CURRENT ASSETS			
Stores, spare parts and loose tools		708,828,049	580,064,718
Stock-in-trade		11,554,232,921	8,650,117,999
Trade debts		6,388,042,980	5,173,332,632
Loans and advances		2,333,408,159	1,627,217,961
Short term prepayments		23,857,618	8,091,017
Other receivables		2,533,909,564	2,597,671,046
Accrued interest		43,746,018	4,483,425
Short term investments		21,096,728	21,766,947
Cash and bank balances		125,356,453	44,549,361
		23,732,478,490	18,707,295,106
TOTAL ASSETS		39,084,722,961	34,622,602,800

Chief Financial Officer

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

FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	Note	HALF YEAR ENDED		QUARTER ENDED	
		31 December 2017	31 December 2016	31 December 2017	31 December 2016
		----- Rupees -----			
REVENUE		16,836,839,203	14,449,959,207	8,468,799,006	7,553,231,199
COST OF SALES	8	(15,451,850,363)	(13,053,360,328)	(7,614,996,483)	(6,952,084,267)
GROSS PROFIT		1,384,988,840	1,396,598,879	853,802,523	601,146,932
DISTRIBUTION COST		(430,959,007)	(362,812,075)	(224,428,191)	(177,305,977)
ADMINISTRATIVE EXPENSES		(104,945,005)	(91,096,120)	(56,637,851)	(46,401,147)
OTHER EXPENSES		(24,253,656)	(116,204,792)	(18,969,167)	(80,961,068)
		(560,157,668)	(570,112,987)	(300,035,209)	(304,668,192)
		824,831,172	826,485,892	553,767,314	296,478,740
OTHER INCOME		479,046,915	1,027,936,394	460,083,544	663,045,550
PROFIT FROM OPERATIONS		1,303,878,087	1,854,422,286	1,013,850,858	959,524,290
FINANCE COST		(638,217,027)	(493,085,853)	(330,493,178)	(266,329,820)
PROFIT BEFORE TAXATION		665,661,060	1,361,336,433	683,357,680	693,194,470
TAXATION		(173,588,206)	(236,459,924)	(96,145,480)	(133,015,742)
PROFIT AFTER TAXATION		492,072,854	1,124,876,509	587,212,200	560,178,728
EARNINGS PER SHARE - BASIC AND DILUTED		2.05	4.68	2.44	2.33

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

Statement under section 232 of the Companies Act, 2017

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Director

Director

Chief Financial Officer

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

FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	HALF YEAR ENDED		QUARTER ENDED	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	----- Rupees -----			
PROFIT AFTER TAXATION	492,072,854	1,124,876,509	587,212,200	560,178,728
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	492,072,854	1,124,876,509	587,212,200	560,178,728

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

Statement under section 232 of the Companies Act, 2017

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Director

Director

Chief Financial Officer

UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT

(UN-AUDITED)

FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	Note	HALF YEAR ENDED	
		31 December 2017	31 December 2016
		Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash utilized in operations	9	(2,422,150,697)	(1,197,737,354)
Finance cost paid		(633,159,353)	(467,536,191)
Income tax paid		(115,942,962)	(411,396,363)
Net decrease / (increase) in long term loans to employees		167,693	(10,851)
Net increase in long term security deposits		(1,413,000)	(1,565,400)
Net cash utilized in operating activities		(3,172,498,319)	(2,078,246,159)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(236,609,637)	(396,659,830)
Proceeds from sale of property, plant and equipment		3,826,602	4,345,405
Capital expenditure on intangible asset		(257,650)	(2,713,134)
Short term investments made		-	(20,660,226)
Refund of advance for purchase of shares of subsidiary company		237,112,338	-
Loans and advances to subsidiary companies		(2,814,907,000)	(2,500,000,000)
Repayment of loans from subsidiary companies		3,461,760,376	2,100,000,000
Investments in subsidiary companies		-	(198,237,501)
Dividend received from subsidiary company		187,585,818	609,653,915
Interest received		2,534,420	772,821
Net cash from / (used in) investing activities		841,045,267	(403,498,550)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		2,076,300,000	685,000,000
Repayment of long term financing		(720,148,200)	(874,178,500)
Short term borrowings - net		1,633,411,762	3,261,890,903
Dividend paid		(577,303,418)	(594,323,781)
Net cash from financing activities		2,412,260,144	2,478,388,622
Net increase / (decrease) in cash and cash equivalents		80,807,092	(3,356,087)
Cash and cash equivalents at the beginning of the period		44,549,361	48,667,523
Cash and cash equivalents at the end of the period		125,356,453	45,311,436

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

Statement under section 232 of the Companies Act, 2017

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Director

Director

Chief Financial Officer

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

FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	SHARE CAPITAL	CAPITAL RESERVE		REVENUE RESERVES			TOTAL RESERVES	TOTAL EQUITY
		Share premium	General reserve	Un-appropriated profit	Total			
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	8,584,981,261	10,987,196,821	
T 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)	(600,553,890)	
Profit for the half year ended 31 December 2016	-	-	-	1,124,876,509	1,124,876,509	1,124,876,509	1,124,876,509	
Other comprehensive income for the half year ended 31 December 2016	-	-	-	-	-	-	-	
T total comprehensive income for the half year ended 31 December 2016	-	-	-	1,124,876,509	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	6,879,528,712	8,508,749,990	9,109,303,880	11,511,519,440	
Profit for the half year ended 30 June 2017								
Other comprehensive income for the half year ended 30 June 2017	-	-	-	496,455,343	496,455,343	496,455,343	496,455,343	
T total comprehensive income for the half year ended 30 June 2017	-	-	-	496,455,343	496,455,343	496,455,343	496,455,343	
Balance as at 30 June 2017 (Audited)	2,402,215,560	600,553,890	1,629,221,278	7,375,984,055	9,005,205,333	9,605,759,223	12,007,974,783	
T transaction with owners:								
Final dividend for the year ended 30 June 2017 @ Rupees 2.75 per share	-	-	-	(660,609,279)	(660,609,279)	(660,609,279)	(660,609,279)	
Profit for the half year ended 31 December 2017	-	-	-	492,072,854	492,072,854	492,072,854	492,072,854	
Other comprehensive income for the half year ended 31 December 2017	-	-	-	-	-	-	-	
T total comprehensive income for the half year ended 31 December 2017	-	-	-	492,072,854	492,072,854	492,072,854	492,072,854	
Balance as at 31 December 2017 (Un-audited)	2,402,215,560	600,553,890	1,629,221,278	7,207,447,630	8,836,668,908	9,437,222,798	11,839,436,358	

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

Statement under section 232 of the Companies Act, 2017

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Director

Director

Chief Financial Officer

FOR THE HALF YEAR ENDED 31 DECEMBER 2017

1 THE COMPANY AND ITS OPERATIONS

Nishat (Chunian) Limited ("the Company") is a public limited company incorporated in Pakistan under the repealed Companies Ordinance, 1984 (Now Companies Act, 2017) and listed on Pakistan Stock Exchange Limited. 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

As per the requirements of Circular No. 23 of 2017 dated 04 October 2017 issued by the Securities and Exchange Commission of Pakistan (SECP) and clarification issued by The Institute of Chartered Accountants of Pakistan via Circular No. 17 of 2017, companies whose financial year, including quarterly and other interim periods, closes on or before 31 December 2017, shall prepare their financial statements, including interim financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. Accordingly, this condensed interim financial information of the Company for the half year ended 31 December 2017 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 repealed Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the repealed 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 2017.

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 2017.

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 2017.

FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	Un-audited 31 December 2017 Rupees	Audited 30 June 2017 Rupees
5 LONG TERM FINANCING		
From banking companies / financial institutions - secured		
Long term loans (Note 5.1)	5,028,503,400	3,827,681,600
Long term musharaka (Note 5.2)	425,000,000	475,000,000
	5,453,503,400	4,302,681,600
5.1 Long term loans		
Opening balance	5,071,663,000	3,501,105,000
Add: Obtained during the period / year	2,076,300,000	4,075,690,650
Less: Repayments during the period / year	680,148,200	2,505,132,650
Closing balance	6,467,814,800	5,071,663,000
Less: Current portion shown under current liabilities	1,439,311,400	1,243,981,400
	5,028,503,400	3,827,681,600
5.2 Long term musharaka		
Opening balance	580,000,000	160,000,000
Add: Obtained during the period / year	-	500,000,000
Less: Repayments during the period / year	40,000,000	80,000,000
Closing balance	540,000,000	580,000,000
Less: Current portion shown under current liabilities	115,000,000	105,000,000
	425,000,000	475,000,000

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 2017 except for the following:

- i) Guarantees of Rupees 246.133 million (30 June 2017: Rupees 196 million) have been issued by the banks of the Company to Director, Excise and Taxation, Karachi and Chairman, Punjab Revenue Authority, Lahore against disputed amount of infrastructure cess.
- ii) Guarantees of Rupees 349.156 million (30 June 2017: Rupees 329.388 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, Lahore Electric Supply Company Limited against electricity connection and the Nazir, High Court of Sindh against disputed amount of gas tariff.
- iii) Post dated cheques have been issued to custom authorities in respect of duties amounting to Rupees 2,654.877 million (30 June 2017: Rupees 2,328.471 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.
- iv) The Company has issued cross corporate guarantees of Rupees 14.19 billion (30 June 2017: Rupees 14.12 billion) on behalf of NC Electric Company Limited - wholly-owned subsidiary company to secure the obligations of subsidiary company towards its lenders.

Commitments

- i) Contracts for capital expenditure are amounting to Rupees Nil (30 June 2017: Rupees 49.228 million).
- ii) Letters of credit other than for capital expenditure are amounting to Rupees 444.704 million (30 June 2017: Rupees 1,318.171 million).
- iii) Outstanding foreign currency forward contracts of Rupees 435.738 million (30 June 2017: Rupees 4,940.270 million).

FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	Un-audited 31 December 2017 Rupees	Audited 30 June 2017 Rupees
7 FIXED ASSETS		
Property, plant and equipment:		
Operating fixed assets (Note 7.1)	11,611,892,787	11,719,057,304
Capital work-in-progress (Note 7.2)	100,758,418	253,210,935
	11,712,651,205	11,972,268,239
Intangible asset:		
Computer software (Note 7.3)	1,508,158	2,688,540
	11,714,159,363	11,974,956,779
7.1 Operating fixed assets		
Opening net book value	11,719,057,304	9,417,927,801
Add: Cost of additions during the period / year (Note 7.1.1)	389,062,154	3,352,255,352
Less: Book value of deletions during the period / year (Note 7.1.2)	2,948,653	232,810,909
Less: Depreciation charged during the period / year	493,278,018	818,314,940
Closing net book value	11,611,892,787	11,719,057,304
7.1.1 Cost of additions during the period / year		
Freehold land	10,806,400	81,893,956
Buildings on freehold land	86,437,325	129,112,396
Plant and machinery	226,992,631	3,017,136,527
Electric installations	13,537,977	43,933,009
Factory equipment	8,413,783	16,913,161
Furniture, fixtures and equipment	17,840,400	23,537,322
Office equipment	7,770,784	10,926,853
Motor vehicles	17,262,854	28,802,128
	389,062,154	3,352,255,352
7.1.2 Book value of deletions during the period / year		
Cost of deletions		
Buildings on freehold land	-	12,237,028
Plant and machinery	3,357,704	590,180,000
Factory equipment	-	270,000
Electric installation	917,116	-
Furniture, fixtures and equipment	73,500	6,000
Office equipment	189,515	2,041,104
Motor vehicles	3,728,210	19,268,774
	8,266,045	624,002,906
Less: Accumulated depreciation	5,317,392	381,466,261
Less: Accumulated impairment loss	-	9,725,736
Book value of deletions during the period / year	2,948,653	232,810,909
7.2 Capital work-in-progress		
Civil works on freehold land	392,194	74,926,573
Advances for capital expenditures	4,325,901	147,227,325
Letters of credit	92,696,075	30,070,002
Mobilization advances	3,344,248	987,035
	100,758,418	253,210,935

FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	Un-audited 31 December 2017 Rupees	Audited 30 June 2017 Rupees
7.3 Intangible asset - Computer software		
Opening net book value	2,688,540	5,019,748
Add: Cost of additions during the period / year	257,650	3,868,748
Less: Amortization charged during the period / year	1,438,032	6,199,956
Closing net book value	1,508,158	2,688,540

	UN-AUDITED			
	HALF YEAR ENDED		QUARTER ENDED	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	----- Rupees -----			
8 COST OF SALES				
Raw materials consumed	11,227,253,997	9,589,842,084	5,528,898,338	4,914,513,117
Packing materials consumed	415,899,157	411,900,058	210,411,190	216,671,045
Stores, spare parts and loose tools consumed	487,323,575	440,401,752	252,681,940	227,982,298
Processing charges	53,134,008	57,811,763	33,182,361	1,876,256
Salaries, wages and other benefits	1,209,242,975	1,092,457,144	602,499,201	545,279,655
Fuel and power	1,551,880,612	1,160,751,182	801,913,344	591,409,822
Insurance	18,174,263	21,349,176	9,105,344	10,941,947
Postage and telephone	347,896	468,071	183,341	215,958
Travelling and conveyance	1,655,765	9,569,265	822,902	4,823,730
Vehicles' running and maintenance	11,305,657	10,131,255	5,902,911	5,930,217
Entertainment	4,314,350	3,728,170	1,746,653	1,494,941
Depreciation on operating fixed assets	490,003,716	377,993,486	247,202,206	189,443,222
Repair and maintenance	161,758,332	148,069,174	84,623,382	80,026,778
Other factory overheads	35,063,992	49,378,569	17,242,747	27,589,678
	15,667,358,295	13,373,851,149	7,796,415,860	6,818,198,664
Work-in-process:				
Opening stock	681,950,465	664,745,190	718,394,071	679,165,076
Closing stock	(765,855,138)	(837,603,154)	(765,855,138)	(837,603,154)
	(83,904,673)	(172,857,964)	(47,461,067)	(158,438,078)
Cost of goods manufactured	15,583,453,622	13,200,993,185	7,748,954,793	6,659,760,586
Finished goods and waste - opening stocks:				
Finished goods	1,058,655,750	581,318,344	1,057,530,842	1,008,408,863
Waste	78,504,641	45,165,814	77,274,498	58,031,833
	1,137,160,391	626,484,158	1,134,805,340	1,066,440,696
	16,720,614,013	13,827,477,343	8,883,760,133	7,726,201,282
Finished goods and waste - closing stocks:				
Finished goods	(1,195,208,435)	(722,148,839)	(1,195,208,435)	(722,148,839)
Waste	(73,555,215)	(51,968,176)	(73,555,215)	(51,968,176)
	(1,268,763,650)	(774,117,015)	(1,268,763,650)	(774,117,015)
	15,451,850,363	13,053,360,328	7,614,996,483	6,952,084,267

FOR THE HALF YEAR ENDED 31 DECEMBER 2017

9 CASH UTILIZED IN OPERATIONS

	UN-AUDITED	
	HALF YEAR ENDED	
	31 December 2017	31 December 2016
	Rupees	Rupees
Profit before taxation	665,661,060	1,361,336,433
Adjustments for non-cash charges and other items:		
Depreciation on operating fixed assets	493,278,018	381,212,216
Amortization on intangible asset	1,438,032	2,604,442
(Gain) / loss on sale of property, plant and equipment	(877,949)	42,706,895
Interest income on loans to subsidiary companies	(40,636,458)	(902,405)
Profit on bank deposits	(490,336)	(614,448)
Finance cost	638,217,027	493,085,853
Dividend income	(187,585,820)	(891,032,645)
Credit balances written back	(417,222)	-
Working capital changes (Note 9.1)	(3,990,737,049)	(2,586,133,695)
	(2,422,150,697)	(1,197,737,354)

9.1 Working capital changes

(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(128,763,331)	(255,702,887)
Stock-in-trade	(2,904,114,922)	(2,403,510,011)
Trade debts	(1,214,710,348)	(375,480,699)
Loans and advances	(1,286,644,797)	(1,021,962,448)
Short term prepayments	(15,766,601)	(26,258,217)
Other receivables	6,116,239	600,421,947
	(5,543,883,760)	(3,482,492,315)
Increase in current liabilities:		
Trade and other payables	1,553,146,711	896,358,620
	(3,990,737,049)	(2,586,133,695)

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 - Zone 1, 2 and 3:	Production of different quality of yarn using natural and artificial fiber.
Weaving - Unit 1 and 2:	Production of different qualities of greige fabric using yarn.
Dyeing:	Producing 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 2017

10.1. SEGMENT INFORMATION

	Spinning		Weaving		Dyeing		Home Textile		Power Generation		Elimination of Intermittent		Total Company	
	31-Dec-17	31-Dec-16	31-Dec-17	31-Dec-16	31-Dec-17	31-Dec-16	31-Dec-17	31-Dec-16	31-Dec-17	31-Dec-16	31-Dec-17	31-Dec-16	Half Year Ended	Half Year Ended
Sales														
- Export	3,148,760.07	3,148,760.07	3,148,760.07	3,148,760.07	3,148,760.07	3,148,760.07	3,148,760.07	3,148,760.07	3,148,760.07	3,148,760.07	3,148,760.07	3,148,760.07	3,148,760.07	3,148,760.07
- Local	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00
- Intermittent	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00
Cost of sales	(1,418,847.30)	(1,418,847.30)	(1,418,847.30)	(1,418,847.30)	(1,418,847.30)	(1,418,847.30)	(1,418,847.30)	(1,418,847.30)	(1,418,847.30)	(1,418,847.30)	(1,418,847.30)	(1,418,847.30)	(1,418,847.30)	(1,418,847.30)
Operating profit / (loss)	1,729,912.77	1,729,912.77	1,729,912.77	1,729,912.77	1,729,912.77	1,729,912.77	1,729,912.77	1,729,912.77	1,729,912.77	1,729,912.77	1,729,912.77	1,729,912.77	1,729,912.77	1,729,912.77
Distribution	(1,000,000.00)	(1,000,000.00)	(1,000,000.00)	(1,000,000.00)	(1,000,000.00)	(1,000,000.00)	(1,000,000.00)	(1,000,000.00)	(1,000,000.00)	(1,000,000.00)	(1,000,000.00)	(1,000,000.00)	(1,000,000.00)	(1,000,000.00)
Administrative expenses	(1,000,000.00)	(1,000,000.00)	(1,000,000.00)	(1,000,000.00)	(1,000,000.00)	(1,000,000.00)	(1,000,000.00)	(1,000,000.00)	(1,000,000.00)	(1,000,000.00)	(1,000,000.00)	(1,000,000.00)	(1,000,000.00)	(1,000,000.00)
Profit / (Loss) before taxation and	629,912.77	629,912.77	629,912.77	629,912.77	629,912.77	629,912.77	629,912.77	629,912.77	629,912.77	629,912.77	629,912.77	629,912.77	629,912.77	629,912.77
unfunded income and expenses	(1,000,000.00)	(1,000,000.00)	(1,000,000.00)	(1,000,000.00)	(1,000,000.00)	(1,000,000.00)	(1,000,000.00)	(1,000,000.00)	(1,000,000.00)	(1,000,000.00)	(1,000,000.00)	(1,000,000.00)	(1,000,000.00)	(1,000,000.00)
Income tax	(1,000,000.00)	(1,000,000.00)	(1,000,000.00)	(1,000,000.00)	(1,000,000.00)	(1,000,000.00)	(1,000,000.00)	(1,000,000.00)	(1,000,000.00)	(1,000,000.00)	(1,000,000.00)	(1,000,000.00)	(1,000,000.00)	(1,000,000.00)
Other income	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00
Finance cost	(1,000,000.00)	(1,000,000.00)	(1,000,000.00)	(1,000,000.00)	(1,000,000.00)	(1,000,000.00)	(1,000,000.00)	(1,000,000.00)	(1,000,000.00)	(1,000,000.00)	(1,000,000.00)	(1,000,000.00)	(1,000,000.00)	(1,000,000.00)
Profit for the taxation	629,912.77	629,912.77	629,912.77	629,912.77	629,912.77	629,912.77	629,912.77	629,912.77	629,912.77	629,912.77	629,912.77	629,912.77	629,912.77	629,912.77

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

FOR THE HALF YEAR ENDED 31 DECEMBER 2017

10.2 Reconciliation of reportable segment assets and liabilities

	Spinning		Zoro		Wearing		Repairs		Dyeing	Home Textile	Power Generation	Total Company	
	(Unaudited) 31-Dec-17	(Audited) 30-Jun-17	(Unaudited) 31-Dec-17	(Audited) 30-Jun-17	(Unaudited) 31-Dec-17	(Audited) 30-Jun-17	(Unaudited) 31-Dec-17	(Audited) 30-Jun-17				(Unaudited) 31-Dec-17	(Audited) 30-Jun-17
Total assets for reportable segments	7915,380,091	6,980,571,290	5,542,887,638	4,306,855,614	6,530,796,000	5,763,971,306	3,276,594,183	801,530,735	3,469,338,578	2,699,868,856	1,597,600,886	31,917,882,387	26,663,028,469
Unaffiliated assets:													
Long term investments													3,968,994,523
Other receivables													2,535,909,594
Prepaid expenses													2,697,871,046
Other non-current assets													4,400,000,000
Cash and cash balances													125,598,483
Other corporate assets													44,463,951
Total assets as per balance sheet													892,502,726
													1,393,363,441
													30,050,722,961
Total liabilities for reportable segments	571,606,976	471,529,527	385,634,703	42,102,627	471,975,737	492,851,100	238,766,424	43,688,347	510,913,662	545,107,275	268,652,437	2,817,718,660	1,960,572,568
Unaffiliated liabilities:													
Long term financing													7,007,914,800
Current tax payables													1,000,000,000
Short term financing													16,870,108,811
Other corporate liabilities													95,339,594,698
Other liabilities													298,257,602
Total liabilities as per balance sheet													111,568,644
													27,452,684,600
													27,452,684,600

FOR THE HALF YEAR ENDED 31 DECEMBER 2017

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 2017	Level 1	Level 2	Level 3	Total
----- Rupees -----				

Financial liabilities

Derivative financial liabilities	-	22,671,755	-	22,671,755
Total financial liabilities	-	22,671,755	-	22,671,755

Recurring fair value measurements At 30 June 2017	Level 1	Level 2	Level 3	Total
----- Rupees -----				

Financial liabilities

Derivative financial liabilities	-	17,060,202	-	17,060,202
Total financial liabilities	-	17,060,202	-	17,060,202

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 2017

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 2017	31 December 2016	31 December 2017	31 December 2016
	----- Rupees -----			
Subsidiary companies				
Sale of goods	492,984,652	857,377,125	243,343,603	327,207,439
Purchase of electricity and steam	1,360,178,454	-	716,320,937	-
Dividend income	187,585,820	891,032,645	187,585,820	562,757,460
Common facilities cost charged	9,600,000	9,600,000	4,800,000	4,800,000
Investments made	-	198,237,501	-	80,000,001
Refund of advance for purchase of shares	237,112,338	-	237,112,338	-
Purchase of operating fixed assets	-	91,000,000	-	91,000,000
Disbursements of loans	2,814,907,000	2,500,000,000	1,351,800,000	1,300,000,000
Repayments of loans	3,461,760,376	2,100,000,000	1,388,661,138	1,500,000,000
Interest on loans	40,636,458	902,405	33,255,973	639,454
Associated undertakings				
Insurance premium paid	49,553,230	51,658,180	20,131,208	21,507,269
Insurance claims received	2,160,590	10,740,614	835,715	6,819,409
Donations paid	9,241	182,403	-	182,403
Other related parties				
Purchase of goods	3,495,254	50,351,247	2,785,079	23,102,960
Sale of goods	765,555,221	654,725,928	386,242,829	422,893,593
Dividend paid	109,900,835	99,909,850	109,900,835	99,909,850
Contribution to employee's provident fund trust	52,120,426	46,787,978	25,812,352	22,619,700
Remuneration of key management personnel	100,186,503	93,434,400	100,186,503	41,921,829

ii. Period end balances

	As at 31 December 2017 (Un-audited)			
	Subsidiary companies	Associated companies	Other related parties	Total
	----- Rupees -----			
Trade and other payables	6,642,370	9,469,834	412,763	16,524,967
Long term investments	3,598,994,523	-	-	3,598,994,523
Trade debts	371,890,883	-	49,799,090	421,689,973
Loans and advances	202,762,518	1,267,292	-	204,029,810
Other receivables	14,461,945	305,704	48,023,147	62,790,796
Bank balances	-	31,740,400	-	31,740,400
Accrued interest	43,746,018	-	-	43,746,018
	----- Rupees -----			
	As at 30 June 2017 (Audited)			
	Subsidiary companies	Associated companies	Other related parties	Total
	----- Rupees -----			
Trade and other payables	33,655,628	736,855	-	34,392,483
Long term investments	3,902,230,516	-	-	3,902,230,516
Trade debts	507,035,834	-	69,615,588	576,651,422
Loans and advances	783,492,238	743,258	485,614	784,721,110
Other receivables	-	698,769	32,479,681	33,178,450
Bank balances	-	12,379,179	-	12,379,179
Accrued interest	4,483,425	-	-	4,483,425

FOR THE HALF YEAR ENDED 31 DECEMBER 2017

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 2017.

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

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 27, 2018.

16 STATEMENT UNDER SECTION 232 OF THE COMPANIES ACT, 2017

This unconsolidated condensed interim financial information has been signed by two directors and chief financial officer instead of chief executive, one director and chief financial officer as the chief executive is not available for the time being in Pakistan.

Director

Director

Chief Financial Officer

NISHAT (CHUNIAN) LIMITED AND
ITS SUBSIDIARY COMPANIES

CONSOLIDATED CONDENSED
INTERIM FINANCIAL INFORMATION

HALF YEAR ENDED DECEMBER 31,
2017 (UN-AUDITED)

CONSOLIDATED CONDENSED INTERIM BALANCE SHEET

AS AT DECEMBER 31, 2017

Note	Un-audited December 31, 2017 Rupees	Audited June 30, 2017 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	12,989,204,349	12,541,748,839
Equity attributable to equity holders of the Holding Company	15,391,419,909	14,943,964,399
Non-controlling interest	5,163,623,905	4,489,481,958
Total equity	20,555,043,814	19,433,446,357
LIABILITIES		
NON-CURRENT LIABILITIES		
Long term financing	12,757,623,219	13,518,998,245
Deferred Income Tax liability	-	29,687,845
	12,757,623,219	13,548,686,090
CURRENT LIABILITIES		
Trade and other payables	4,644,275,457	2,190,189,285
Accrued mark-up	500,686,783	506,797,544
Short term borrowings	24,228,759,041	21,474,756,918
Current portion of long term financing	4,490,103,628	4,174,666,224
	33,863,824,909	28,346,409,971
TOTAL LIABILITIES	46,621,448,128	41,895,096,061
CONTINGENCIES AND COMMITMENTS		
TOTAL EQUITY AND LIABILITIES	67,176,491,942	61,328,542,418

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

Statement under section 232 of the Companies Act, 2017

This consolidated condensed interim financial information has been signed by two directors and chief financial officer instead of chief executive, one director and chief financial officer as the chief executive is not available for the time being in Pakistan.

DIRECTOR

DIRECTOR

CONSOLIDATED CONDENSED INTERIM BALANCE SHEET

AS AT DECEMBER 31, 2017

	Un-audited December 31, 2017	Audited June 30, 2017
	Rupees	Rupees
ASSETS		
NON-CURRENT ASSETS		
Fixed assets	29,072,298,044	29,850,096,142
Long term loans to employees	19,936,583	20,847,814
Long term security deposits	23,752,440	22,339,440
	29,115,987,067	29,893,283,396
CURRENT ASSETS		
Stores, spare parts and loose tools	1,407,842,601	1,222,827,106
Stock-in-trade	12,711,602,697	10,083,409,106
Trade debts	16,877,497,559	13,916,760,930
Loans and advances	2,701,520,128	1,320,638,807
Short term deposit and prepayments	120,841,403	32,099,574
Other receivables	3,939,555,868	4,580,174,905
Derivative financial instrument	580,869	-
Short term investments	41,646,081	32,294,160
Cash and bank balances	259,417,669	247,054,434
	38,060,504,875	31,435,259,022
TOTAL ASSETS	67,176,491,942	61,328,542,418

CHIEF FINANCIAL OFFICER

CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT

(UN-AUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2017

	Half Year Ended		Quarter Ended	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
	Rupees	Rupees	Rupees	Rupees
SALES	25,968,138,870	22,133,360,076	12,637,793,312	11,433,090,380
COST OF SALES	(21,990,527,231)	(18,644,522,073)	(10,480,123,668)	(9,822,279,344)
GROSS PROFIT	3,977,611,639	3,488,838,003	2,157,669,644	1,610,811,036
DISTRIBUTION COST	(500,261,644)	(448,120,159)	(253,775,952)	(219,737,348)
ADMINISTRATIVE EXPENSES	(260,083,458)	(193,278,792)	(154,519,621)	(104,812,642)
OTHER OPERATING EXPENSES	(31,034,694)	(135,552,305)	(20,708,567)	(90,660,720)
	(791,379,796)	(776,951,256)	(429,004,140)	(415,210,710)
	3,186,231,843	2,711,886,747	1,728,665,504	1,195,600,326
OTHER OPERATING INCOME	304,861,753	157,408,941	276,980,345	96,311,916
PROFIT FROM OPERATIONS	3,491,093,596	2,869,295,688	2,005,645,849	1,291,912,242
FINANCE COST	(1,353,116,298)	(1,039,884,493)	(698,010,621)	(540,948,746)
PROFIT BEFORE TAXATION	2,137,977,298	1,829,411,195	1,307,635,228	750,963,496
TAXATION	(176,870,096)	(236,717,306)	(97,522,979)	(133,108,152)
PROFIT AFTER TAXATION	1,961,107,202	1,592,693,889	1,210,112,249	617,855,344
PROFIT ATTRIBUTABLE TO:				
EQUITY HOLDERS OF THE HOLDING COMPANY	1,107,222,417	917,086,172	794,580,977	302,262,966
NON-CONTROLLING INTEREST	853,884,785	675,607,717	415,531,272	315,592,378
	1,961,107,202	1,592,693,889	1,210,112,249	617,855,344
EARNINGS PER SHARE - BASIC & DILUTED	4.61	3.82	3.31	1.26

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

Statement under section 232 of the Companies Act, 2017

This consolidated condensed interim financial information has been signed by two directors and chief financial officer instead of chief executive, one director and chief financial officer as the chief executive is not available for the time being in Pakistan.

DIRECTOR

DIRECTOR

CHIEF FINANCIAL OFFICER

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

FOR THE HALF YEAR ENDED DECEMBER 31, 2017

	Half Year Ended		Quarter Ended	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
	Rupees	Rupees	Rupees	Rupees
PROFIT AFTER TAXATION	1,961,107,202	1,592,693,889	1,210,112,249	617,855,344
OTHER COMPREHENSIVE INCOME	842,372	29,398	769,344	16,051
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	1,961,949,574	1,592,723,287	1,210,881,593	617,871,395
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
EQUITY HOLDERS OF THE HOLDING COMPANY	1,108,064,789	917,115,570	795,350,321	302,279,017
NON-CONTROLLING INTEREST	853,884,785	675,607,717	415,531,272	315,592,378
	1,961,949,574	1,592,723,287	1,210,881,593	617,871,395

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

Statement under section 232 of the Companies Act, 2017

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DIRECTOR

DIRECTOR

CHIEF FINANCIAL OFFICER

CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT

(UN-AUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2017

	Note	Half Year Ended	
		December 31, 2017	December 31, 2016
		Rupees	Rupees
Cash generated from / (utilized in) operations	6	281,549,766	(229,020,184)
Net increase in long term security deposits		(1,413,000)	(1,565,400)
Finance cost paid		(1,359,227,059)	(992,471,682)
Income tax paid		(115,942,964)	(411,396,364)
Long term loans to employees		911,231	656,022
Net cash used in operating activities		(1,194,122,026)	(1,633,797,608)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(355,000,111)	(1,589,361,321)
Capital expenditure on intangible assets		(2,105,019)	(2,713,133)
Proceeds from sale of property, plant and equipment		5,561,647	97,125,893
Short term investments made		(9,351,921)	(10,705,950)
Profit on bank deposits received		910,684	1,107,495
Net cash used in investing activities		(359,984,720)	(1,504,547,016)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		2,076,300,000	1,443,457,604
Repayment of long term financing		(2,522,237,622)	(1,675,142,716)
Short term borrowings - net		2,754,002,123	4,706,274,728
Dividend paid to non-controlling interest		(165,133,475)	(583,548,004)
Dividend paid		(577,303,418)	(594,323,783)
Net cash generated from financing activities		1,565,627,609	3,296,717,829
Net increase in cash and cash equivalents		11,520,863	158,373,205
Impact of exchange translation		842,372	29,398
Cash and cash equivalents at the beginning of the year		247,054,434	76,113,994
Cash and cash equivalents at the end of the year		259,417,669	234,516,597

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

Statement under section 232 of the Companies Act, 2017

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DIRECTOR

DIRECTOR

CHIEF FINANCIAL OFFICER

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

(UN-AUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2017

	ATTRIBUTABLE TO EQUITY HOLDERS OF THE HOLDING COMPANY										NON-CONTROLLING INTEREST	TOTAL EQUITY		
	Share Capital		Share Deposit Money		Capital Reserve			REVENUE RESERVES					SHAREHOLDERS' EQUITY	
	Share Capital	Share Deposit Money	Exchange Translation Reserve	Share Premium	General Reserve	Unappropriated profit	Total							
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	13,093,816,877	3,562,941,251	16,664,758,128				
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. 2.5/ 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	8,777,342,203	10,406,563,481	13,408,378,557	3,699,320,396	17,107,698,953	(54,785)			
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	-	-				
Total comprehensive income for the half year ended June 30, 2017	-	-	(81,630)	-	-	1,535,667,472	1,535,667,472	1,535,588,842	790,216,347	2,325,802,189				
Balance as at June 30, 2017 - (audited)	2,402,215,560	-	(1,036,004)	600,553,890	1,629,221,278	10,313,009,675	11,942,230,953	14,943,964,399	4,489,481,958	19,433,446,357				
Total comprehensive income for the half year ended December 31, 2017	-	-	842,372	-	-	1,107,222,417	1,107,222,417	1,108,064,789	853,884,785	1,961,949,574				
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	(179,742,838)	(179,742,838)				
Final dividend for the year ended 30 June 2017 @ Rs. 2.75/ Ordinary share	-	-	-	-	-	(660,609,279)	(660,609,279)	(660,609,279)	-	(660,609,279)				
Balance as at December 31, 2017 - (un-audited)	2,402,215,560	-	(193,632)	600,553,890	1,629,221,278	10,759,622,813	12,388,844,091	15,391,419,909	5,163,623,905	20,555,043,814				

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

Statement under section 232 of the Companies Act, 2017

This consolidated condensed interim financial information has been signed by two directors and chief financial officer instead of chief executive, one director and chief financial officer as the chief executive is not available for the time being in Pakistan.

DIRECTOR

DIRECTOR

Chief Financial Officer

FOR THE HALF YEAR ENDED DECEMBER 31, 2017

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 quarter ended 30 September 2017 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 2017.

FOR THE HALF YEAR ENDED DECEMBER 31, 2017

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 2017.

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 2017.

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 2017 except for the following:

- i) Guarantees of Rupees 246 million (30 June 2017: Rupees 196 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 365.389 million (30 June 2017: Rupees 329.388 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, Lahore Electric Supply Company Limited against electricity connections, Nazir (The Honorable High Court of Sindh) and Chairperson Punjab Revenue Authority.
- iii) Post dated cheques have been issued to custom authorities in respect of duties amounting to Rupees 2654.877 million (30 June 2017: Rupees 2,328.471 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 nil (30 June 2017: Rupees 49.228 million).
- ii) Letters of credit other than for capital expenditure are Rupees 444.704 million (30 June 2017: Rupees 1,318.171 million).
- iii) Outstanding foreign currency forward contracts of Rupees 435.738 million (30 June 2017: Rupees 4,940.270 million).

Subsidiary Company

Contingencies

There are no significant changes in contingencies from the preceding annual published financial statements of the company for the year ended June 30, 2017, except for the following:

- (i) During the period, the Deputy Commissioner Inland Revenue has issued an amended assessment order dated August 31, 2017 under section 122 of the Income Tax Ordinance, 2001 for Tax Year 2014 whereby income tax of Rs 191.536 million has been levied on other income, interest on delayed payments from NTDC, minimum tax on capacity sales, scrap sales and sale proceeds of fixed assets' disposal, and has also levied Workers' Welfare Fund (WWF) of Rs 12.946 million. Against the aforesaid order, the company preferred an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)] and the learned CIR(A) passed an order on February 2, 2018, declaring that the levy of income tax on interest on delayed payments from NTDC and minimum tax on capacity sales is not justified, while directing the company to pay income tax aggregating to Rs 1.466 million on profit on debt, miscellaneous income, capital gain on disposal of securities, minimum tax on scrap sales and disposal of fixed assets and WWF amounting to Rs 4.552 million. The company is in the process of filing an appeal before the Appellate Tribunal Inland Revenue against the order of CIR(A). The management considers that there exist meritorious grounds to defend the company's stance and the ultimate decision from the appellate authorities would be in the company's favour. Consequently, no provision has been made in these financial statements for the aggregate amount of Rs 6.018 million.

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

FOR THE HALF YEAR ENDED DECEMBER 31, 2017

	Un-audited Half year ended December 31, 2017	Audited Year ended June 30, 2017
	Rupees	Rupees
Commitments		
Letter of credit other than for capital expenditure	160,838,123	38,068,101
	Un-audited Half year ended December 31, 2017	Un-audited Half year ended December 31, 2016
	Rupees	Rupees
6. CASH (USED IN) / GENERATED FROM OPERATIONS		
Profit before taxation	2,137,977,298	1,829,411,195
Adjustment for non cash charges and other items:		
Provision for employee retirement	3,964,825	3,713,723
Depreciation on operating assets	1,149,763,541	981,583,399
Amortization on intangible assets	3,594,731	4,158,907
(Gain) / loss on sale of operating fixed assets	(2,086,863)	37,315,335
Interest on bank deposits	(910,684)	(1,107,495)
Unrealised gain on derivative financial instrument	-	(1,713,049)
Finance costs	1,353,116,298	1,039,884,494
Cash flows from operating activities before working capital changes	4,645,419,147	3,899,246,509
(Increase) / decrease in current assets		
- Stores, spare parts and loose tools	(185,015,495)	(184,513,793)
- Stock in trade	(2,628,193,591)	(2,909,734,737)
- Trade debts	(2,960,736,629)	(1,711,802,051)
- Loans and advances	(1,380,881,321)	(763,107,625)
- Short term deposits and prepayments	(98,093,750)	(142,166,880)
- Other receivables	579,691,905	490,391,455
Increase in current liabilities		
- Trade and other payables	2,309,359,500	1,098,666,938
	(4,363,869,381)	(4,122,266,693)
Net cash generated from operations	281,549,766	(229,020,184)

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, 2017	Un-audited Half year ended December 31, 2016
	Rupees	Rupees
Associated company		
Insurance premium paid	132,984,968	137,651,188
Insurance claims received	2,160,590	10,740,614
Other related parties		
Purchase of goods	3,495,254	50,351,247
Sale of goods	765,555,221	654,725,928
Contribution to employees' provident fund	56,085,251	50,501,701
Dividend paid to other related parties	109,900,835	99,909,850
Remuneration paid to key management personnel	109,941,303	103,189,200
Donation paid to related parties	4,911,562	12,407,403

FOR THE HALF YEAR ENDED DECEMBER 31, 2017

	Un-audited Quarter ended December 31, 2017	Audited Year ended June 30, 2017
	Rupees	Rupees
Period end balances		
Bank balances with related party	31,813,014	31,379,010
Due from related parties	49,799,090	69,615,588
Due to related parties	412,763	-

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 27, 2018 by the Board of Directors.

10. STATEMENT UNDER SECTION 232 OF THE COMPANIES ACT, 2017

This consolidated condensed interim financial information has been signed by two directors and chief financial officer instead of chief executive, one director and chief financial officer as the chief executive is not available for the time being in Pakistan.

DIRECTOR

DIRECTOR

CHIEF FINANCIAL OFFICER

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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