



Interim Financial Information
Half Year Ended December 31, 2021
(Unaudited)



**NISHAT
CHUNIAN**
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COMPANY INFORMATION

Board of Directors:

Mrs. Farhat Saleem (*Chairperson*) - Resigned on December 21, 2021
Mr. Shahzad Saleem (*Chief Executive*)
Mrs. Nadia Bilal - Appointed on December 27, 2021
Mr. Zain Shahzad
Mr. Aftab Ahmad Khan
Mr. Faisal Farid (*Independent*)
Mr. Farrukh Ifzal
Mr. Muhammad Zahid Khan (*Independent*)

Audit Committee:

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

HR & Remuneration Committee:

Mr. Faisal Farid (*Chairman*)
Mr. Farrukh Ifzal (*Member*)
Mr. Muhammad Zahid Khan (*Member*)

CFO:

Mr. Babar Ali Khan

Company Secretary:

Ms. Samina Aslam

Head of Internal Audit:

Mr. Danish Farooq

Mills:

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

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

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

Bankers to the Company:

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

Auditors:

Riaz Ahmad & Company
Chartered Accountants

Registered & Head Office:

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

Share Registrar:

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

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 31 December 2021.

Operating Financial Results

Sales clocked in at Rs. 31.03 billion as compared to Rs. 23.87 billion during the corresponding period of previous fiscal year, registering an increase of 30.04%. Profit after tax of the Company for the period is 15.17% which stood at 5.67% in the corresponding period for prior year, translating into EPS of Rs. 19.61 as compared to Rs. 5.64 in the same period last year.

Financial Highlights	For the half year ended Dec 31	
	2021	2020
Sales (Rs.)	31,034,546,974	23,865,945,286
Gross Profit (Rs.)	6,998,191,387	2,754,287,363
Profit After Taxation (Rs.)	4,709,225,906	1,354,014,397
Gross Profit %	22.55%	11.54%
Profit After Taxation %	15.17%	5.67%
Earnings Per Share (Rs.)	19.61	5.64

Market Review and Future Prospects

This year is turning out to be a phenomenal one specially for spinning business, where we saw both the cotton prices and margins surpassing all expectations. Moreover, the switch of orders from China to South Asian countries specially Pakistan will have long term impact on the Pakistan's textile industry. Value Added sector is facing the brunt of increasing yarn prices as the retailers are adjusting to the new realities gradually.

With the intensity of pandemic receding, life is returning to normal worldwide, this has resulted in demand push, resultantly pushing the commodity prices upward. This upward push of commodity prices has resulted in high inflation both domestically and internationally. This has resulted in costs to go up for individuals as well as businesses, timely and orderly policy making will be required by Governments if we are to reign in this menace of inflation.

On economic front, macro indicators will remain in the constant radar of every economist, with numbers like current account deficit, rupee devaluation and high inflation rate, businessmen are expecting that high policy rate will maintain which will slow down the economy. However, the government is confident that the economy is right on track, all the steps taken will come to fruition in medium to long term.

Subsidiary Companies and Consolidated Financial Statements

The Company's portfolio of subsidiary companies includes Nishat Chunian Power Limited, Nishat Chunian USA Inc. 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 Act, 2017.

Acknowledgement

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

For and on behalf of the Board,

Chief Executive

Director

Date: 21 February 2022

مجلسِ نفعیہ رپورٹ

محرمِ حرم یا فائنا گان

مجلسِ نفعیہ سال 31 دسمبر 2021 کو ختم ہونے والی ششماہی کے لئے نشاط (چونیاں) لمیٹڈ ("کمپنی") کے غیر محاسب شدہ نتائج کا پرصورت اعلان کرتا ہے۔

اپریٹنگ مالیاتی نتائج

گزشتہ مالی سال کی اسی ششماہی کے 23.87 ارب کی نسبت اس سال کی ششماہی میں فروخت 31.03 ارب ہے جو کے 30.04 فیصد کا اضافہ ظاہر کر رہی ہے۔ اس ششماہی میں کمپنی کا بعد از ٹیکس منافع 15.17 فیصد ہے جو کے گزشتہ مالی سال کی اسی ششماہی میں 5.67 فیصد تھا، جس سے فی حصص آمدنی گزشتہ مالی سال کی اسی ششماہی کے مقابلے میں 19.61 روپے ہے۔

31 دسمبر بختم شدہ ششماہی		مالیاتی جھلکیاں
2020	2021	
23,865,945,286	31,034,546,974	فروخت (روپے)
2,754,287,363	6,998,191,387	مجموعی منافع (روپے)
1,354,014,397	4,709,225,906	بعد از ٹیکس منافع (روپے)
11.54%	22.55%	مجموعی منافع (فیصد)
5.67%	15.17%	بعد از ٹیکس منافع (فیصد)
5.64	19.61	فی حصص آمدنی (روپے)

مارکیٹ کا جائزہ اور مستقبل کے امکانات

روٹی کی قیمت اور راجن دونوں کے تمام واقعات سے بڑھنے کی بدولت یہ سال خاص طور پر کتنا ہی (سپنگ) کے کاروبار کے لیے ایک غیر معمولی سال ثابت ہو رہا ہے۔ مزید یہ کہ چین سے جنوبی ایشیائی ممالک خاص طور پر پاکستان کو آؤرز کی منتقلی سے کئی ٹیکسٹائل صنعت پر طویل مدتی اثرات مرتب ہوں گے۔ ویٹو ایڈیٹنگ کو دھاکے کی قیمتوں میں اضافے کا سامنا ہے جس کی وجہ خوردہ فروختوں کی بتدریج کمی تحقیقوں سے ہم آہنگی ہے۔

وہابی مرض کی شدت میں کمی کی وجہ سے دنیا بھر میں زندگی معمول پر آ رہی ہے، اس کے نتیجے میں ایشیائی ممالک میں اضافہ ہوا ہے، اس ممالک میں اضافے کی وجہ سے اجناس کی قیمتیں بڑھ گئی ہیں۔ اجناس کی قیمتوں میں اس اضافے کے نتیجے میں کئی اور بین الاقوامی سطح پر مہنگائی میں اضافہ ہوا ہے۔ مہنگائی کی وجہ سے افراد کے ساتھ ساتھ کاروباری اداروں کے اخراجات بھی بڑھنے لگے ہیں، اگرچہ مہنگائی کے اس خطرے کا خاتمہ کرنا ہے تو حکومتوں کو بروقت اور منظم پالیسی سازی کی ضرورت ہوگی۔

معاشی محاذ پر، میکرو انڈیکس جیسا کہ کرنٹ اکاؤنٹ خسارہ، روپے کی قدر میں کمی اور افراط زر کی بلند شرح ہر ماہر معاشیات کی نظر میں رہیں گے۔ کاروباری افراد پالیسی کی شرح بلند رہنے کی توقع کر رہے ہیں جس سے معیشت سست روی کا شکار رہے گی، تاہم حکومت کو یقین ہے کہ معیشت درست راستے پر ہے اور اٹھائے گئے تمام اقدامات درمیانے سے طویل عرصے میں فائدہ مند ثابت ہوں گے۔

ذیلی کمپنیاں اور اشتہال شدہ مالی بیانات

نشاط چو نیاں لمیٹڈ میں اس کی ذیلی کمپنیاں نشاط چو نیاں پاور لمیٹڈ اور نشاط چو نیاں یو ایس اے شامل ہیں۔ لہذا کمپنی نے بین الاقوامی مالیاتی رپورٹنگ معیارات اور کمپنی ایکٹ، 2017 کی لاگو دفعات کے تقاضوں کے مطابق الگ الگ عبوری معلومات کے علاوہ اشتہال شدہ عبوری معلومات بھی منسلک کی ہیں۔

اظہار تشکر

نشاط کمپنی کے پُر خلوص ملازمین کے ساتھ اظہار تشکر کرنا چاہتے ہیں جو کمپنی کی کاروائیوں میں اہم کردار ادا کر رہے ہیں۔

مناجیب مجلسِ نفعیہ

ڈائریکٹر

چیف ایگزیکٹو

تاریخ: 21 فروری، 2022

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Nishat (Chunian) Limited

Report on review of Unconsolidated Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of NISHAT (CHUNIAN) LIMITED as at 31 December 2021 and the related unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity, and unconsolidated condensed interim statement of cash flows, and notes to the unconsolidated condensed interim financial statements for the half year then ended (here-in-after referred to as the "unconsolidated condensed interim financial statements"). Management is responsible for the preparation and presentation of these unconsolidated condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these unconsolidated condensed interim financial statements based on our review. The figures of the unconsolidated condensed interim statement of profit or loss and unconsolidated condensed interim statement of comprehensive income for the quarters ended 31 December 2021 and 31 December 2020 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 2021.

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 statements 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 statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

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

RIAZ AHMAD & COMPANY

Chartered Accountants

Lahore

Date: 21 February 2022

UDIN: RR202110168WRZwJOa5X

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	Note	Un-audited 31 December 2021 Rupees	Audited 30 June 2021 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital		4,200,000,000	4,200,000,000
Issued, subscribed and paid-up share capital		2,401,190,290	2,401,190,290
Reserves		20,103,576,502	16,594,945,741
Total equity		22,504,766,792	18,996,136,031
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	4	9,464,221,614	6,402,802,708
Lease liabilities		64,483,284	74,518,895
Deferred liabilities		262,326,941	191,412,367
		9,791,031,839	6,668,733,970
CURRENT LIABILITIES			
Trade and other payables		6,314,747,192	4,093,556,015
Accrued mark-up / profit		376,277,902	271,720,913
Short term borrowings		22,227,541,866	18,897,913,417
Current portion of non-current liabilities		2,399,971,384	2,792,063,629
Unclaimed dividend		59,304,524	49,918,087
		31,377,842,868	26,105,172,061
Total liabilities		41,168,874,707	32,773,906,031
CONTINGENCIES AND COMMITMENTS			
TOTAL EQUITY AND LIABILITIES	5	63,673,641,499	51,770,042,062

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

CHIEF EXECUTIVE

DIRECTOR

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	Note	Un-audited 31 December 2021 Rupees	Audited 30 June 2021 Rupees
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	6	18,058,270,929	17,224,473,737
Right-of-use assets		92,736,536	107,398,163
Intangible asset	7	586,498	278,170
Long term investments		1,886,681,200	1,886,681,200
Long term loans to employees		23,003,175	18,710,927
Long term security deposits		31,334,353	30,467,609
		20,092,612,691	19,268,009,806
CURRENT ASSETS			
Stores, spare parts and loose tools		2,165,364,264	1,729,136,103
Stock-in-trade		27,145,471,703	18,214,419,656
Trade debts		8,742,731,287	6,782,425,428
Loans and advances		2,109,600,115	3,269,989,437
Advance income tax - net		154,138,976	278,858,017
Short term prepayments		61,241,444	44,440,439
Other receivables		2,836,695,810	1,752,633,789
Short term investments		222,247,427	157,494,433
Cash and bank balances		143,537,782	272,634,954
		43,581,028,808	32,502,032,256
TOTAL ASSETS		63,673,641,499	51,770,042,062

CHIEF FINANCIAL OFFICER

Nishat Chunian Limited

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UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)

FOR THE HALF YEAR ENDED 31 DECEMBER 2021

	Note	Half Year Ended		Quarter Ended	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
		----- Rupees -----			
REVENUE	8	31,034,546,974	23,865,945,286	16,229,193,392	11,926,435,088
COST OF SALES	9	(24,036,355,587)	(21,111,657,923)	(12,540,260,353)	(10,447,759,170)
GROSS PROFIT		6,998,191,387	2,754,287,363	3,688,933,039	1,478,675,918
DISTRIBUTION COST		(786,230,791)	(562,420,969)	(429,705,115)	(279,721,348)
ADMINISTRATIVE EXPENSES		(120,021,139)	(125,026,843)	(76,706,266)	(56,869,210)
OTHER EXPENSES		(292,135,342)	(83,413,065)	(101,903,386)	(41,457,863)
		(1,198,387,272)	(770,860,877)	(608,314,767)	(378,048,421)
		5,799,804,115	1,983,426,486	3,080,618,272	1,100,627,497
OTHER INCOME		220,796,162	548,617,115	152,760,179	342,262,689
PROFIT FROM OPERATIONS		6,020,600,277	2,532,043,601	3,233,378,451	1,442,890,186
FINANCE COST		(955,930,165)	(886,184,261)	(553,395,383)	(427,176,319)
PROFIT BEFORE TAXATION		5,064,670,112	1,645,859,340	2,679,983,068	1,015,713,867
TAXATION		(355,444,206)	(291,844,943)	(187,826,794)	(142,011,159)
PROFIT AFTER TAXATION		4,709,225,906	1,354,014,397	2,492,156,274	873,702,708
EARNINGS PER SHARE - BASIC AND DILUTED		19.61	5.64	10.38	3.64

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

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

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

FOR THE HALF YEAR ENDED 31 DECEMBER 2021

	Half Year Ended		Quarter Ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	----- Rupees -----			
PROFIT AFTER TAXATION	4,709,225,906	1,354,014,397	2,492,156,274	873,702,708
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	4,709,225,906	1,354,014,397	2,492,156,274	873,702,708

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

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE HALF YEAR ENDED 31 DECEMBER 2021

		Half Year Ended	
Note	31 December 2021	31 December 2020	
		Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
	Cash (used in) / generated from operations	10 (2,400,169,215)	438,014,201
	Finance cost paid	(787,807,489)	(1,008,481,364)
	Income tax paid	(230,725,166)	(137,062,322)
	Net increase in long term loans to employees	(4,292,248)	(9,938,177)
	Net decrease / (increase) in long term security deposits	(866,744)	338,165
	Net cash used in operating activities	(3,423,860,862)	(717,129,497)
CASH FLOWS FROM INVESTING ACTIVITIES			
	Capital expenditure on property, plant and equipment	(1,480,420,872)	(623,837,844)
	Proceeds from disposal of operating fixed assets	10,881,780	35,586,692
	Capital expenditure on intangible asset	(402,665)	-
	Short term investments made	(64,000,000)	-
	Loans to subsidiary company	-	(1,397,000,000)
	Repayment of loans from subsidiary company	-	817,000,000
	Interest received	2,007,243	7,576,902
	Net cash used in investing activities	(1,531,934,514)	(1,160,674,250)
CASH FLOWS FROM FINANCING ACTIVITIES			
	Proceeds from long term financing	4,529,664,385	1,879,972,261
	Repayment of long term financing	(1,813,439,297)	(573,703,948)
	Repayment of lease liabilities	(27,946,625)	(24,415,643)
	Short term borrowings - net	3,329,628,449	850,211,854
	Dividend paid	(1,191,208,708)	(237,357,011)
	Net cash from financing activities	4,826,698,204	1,894,707,513
	Net (decrease) / increase in cash and cash equivalents	(129,097,172)	16,903,766
	Cash and cash equivalents at the beginning of the period	272,634,954	47,467,302
	Cash and cash equivalents at the end of the period	143,537,782	64,371,068

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

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

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

FOR THE HALF YEAR ENDED 31 DECEMBER 2021

	SHARE CAPITAL	CAPITAL RESERVE		REVENUE RESERVES			TOTAL RESERVES	TOTAL EQUITY
		Share premium	General reserve	Un-appropriated profit	Sub - total			
Rupees								
Balance as at 30 June 2020 (Audited)	2,401,190,290	600,553,890	1,629,221,278	9,006,432,817	10,635,854,095	11,236,207,985	13,637,398,275	
Transaction with owners - Final dividend for the year ended 30 June 2020 @ Rupees 1.00 per share	-	-	-	(240,119,029)	(240,119,029)	(240,119,029)	(240,119,029)	
Profit for the half year ended 31 December 2020	-	-	-	1,354,014,397	1,354,014,397	1,354,014,397	1,354,014,397	
Other comprehensive income for the half year ended 31 December 2020	-	-	-	-	-	-	-	
Total comprehensive income for the half year ended 31 December 2020	-	-	-	1,354,014,397	1,354,014,397	1,354,014,397	1,354,014,397	
Balance as at 31 December 2020 (Un-audited)	2,401,190,290	600,553,890	1,629,221,278	10,120,328,185	11,749,549,463	12,350,103,353	14,751,293,643	
Profit for the half year ended 30 June 2021	-	-	-	4,244,842,388	4,244,842,388	4,244,842,388	4,244,842,388	
Other comprehensive income for the half year ended 30 June 2021	-	-	-	-	-	-	-	
Total comprehensive income for the half year ended 30 June 2021	-	-	-	4,244,842,388	4,244,842,388	4,244,842,388	4,244,842,388	
Balance as at 30 June 2021 (Audited)	2,401,190,290	600,553,890	1,629,221,278	14,365,170,573	15,994,391,851	16,594,945,741	18,996,136,031	
Transaction with owners - Final dividend for the year ended 30 June 2021 @ Rupees 5.00 per share	-	-	-	(1,200,595,145)	(1,200,595,145)	(1,200,595,145)	(1,200,595,145)	
Profit for the half year ended 31 December 2021	-	-	-	4,709,225,906	4,709,225,906	4,709,225,906	4,709,225,906	
Other comprehensive income for the half year ended 31 December 2021	-	-	-	-	-	-	-	
Total comprehensive income for the half year ended 31 December 2021	-	-	-	4,709,225,906	4,709,225,906	4,709,225,906	4,709,225,906	
Balance as at 31 December 2021 (Un-audited)	2,401,190,290	600,553,890	1,629,221,278	17,873,801,334	19,503,022,612	20,103,576,502	22,504,766,792	

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

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

FOR THE HALF YEAR ENDED 31 DECEMBER 2021

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 and steam.

2 BASIS OF PREPARATION

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 These unconsolidated condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended 30 June 2021. These unconsolidated condensed interim financial statements are un-audited, however, have been subjected to limited scope review by the auditors and are being submitted to the shareholders as required by the Listed Companies (Code of Corporate Governance) Regulations, 2019 and Section 237 of the Companies Act, 2017.

3 ACCOUNTING POLICIES

The accounting policies and methods of computations adopted for the preparation of these unconsolidated condensed interim financial statements 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 2021.

3.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these unconsolidated condensed interim financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and

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

FOR THE HALF YEAR ENDED 31 DECEMBER 2021

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 these unconsolidated condensed interim financial statements, 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 2021.

	Un-audited 31 December 2021 Rupees	Audited 30 June 2021 Rupees
4 LONG TERM FINANCING		
From banking companies / financial institutions - secured		
Long term loans (Note 4.1)	8,215,604,643	4,609,516,986
Long term musharaka (Note 4.2)	1,248,616,971	1,793,285,722
	9,464,221,614	6,402,802,708
4.1 Long term loans		
Opening balance	6,667,686,097	5,728,090,883
Add: Obtained during the period / year	4,476,665,985	2,488,135,915
Add: Adjustment due to impact of IFRS-9 during the period / year	4,970,706	3,542,055
Less: Repayments during the period / year	(1,179,421,521)	(1,515,164,813)
Less: Deferred income recognised during the period / year	(163,383,515)	(58,115,112)
Add: Amortised during the period / year	10,732,520	21,197,169
Net impact (Note 4.1.1)	(152,650,995)	(36,917,943)
	9,817,250,272	6,667,686,097
Less: Current portion shown under current liabilities	(1,601,645,629)	(2,058,169,111)
	8,215,604,643	4,609,516,986

4.1.1 This represents net impact of benefit of loans obtained under the schemes of State Bank of Pakistan at below market rate of interest.

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

FOR THE HALF YEAR ENDED 31 DECEMBER 2021

	Un-audited 31 December 2021 Rupees	Audited 30 June 2021 Rupees
4.2 Long term musharaka		
Opening balance	2,043,285,722	761,111,112
Add: Obtained during the period	52,998,400	1,820,778,066
Add: Adjustment due to impact of IFRS-9 during the period / year	12,345,853	7,745,892
Less: Repayments during the period / year	(634,017,776)	(392,682,096)
Less: Deferred income recognised during the period / year	-	(180,991,117)
Add: Amortised during the period / year	20,983,777	27,323,865
Net impact (Note 4.2.1)	20,983,777	(153,667,252)
Closing balance	1,495,595,976	2,043,285,722
Less: Current portion shown under current liabilities	(246,979,005)	(250,000,000)
	<u>1,248,616,971</u>	<u>1,793,285,722</u>

4.2.1 This represents net impact of benefit of loans obtained under the schemes of State Bank of Pakistan at below market rate of interest.

5 CONTINGENCIES AND COMMITMENTS

5.1 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 2021 except for the following:

- i) Guarantees of Rupees 900.200 million (30 June 2021: Rupees 858.017 million) are given by the banks of the Company to Sui Northern Gas Pipelines Limited against gas connections, Shell Pakistan Limited against purchase of furnace oil, Lahore Electric Supply Company against electricity connections, Director Excise and Taxation, Karachi against infrastructure cess, Chairman Punjab Revenue Authority, Lahore against infrastructure cess, Collector, Model Customs Collectorate, Karachi against import, Director Pakistan Central Cotton Committee against cotton cess and Nazir, Honourable High Court, Sindh against the notification in accordance with section 8 of OGRA Ordinance 2002 regarding system gas tariff on industrial and captive units.
- ii) Post dated cheques have been issued to custom authorities in respect of duties amounting to Rupees 6,054 million (30 June 2021: Rupees 4,715.577 million) on imported material availed on the basis of consumption and export plans. In the event the documents of exports are not provided on due dates, cheque issued as security shall be encashable. Further, post dated

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

FOR THE HALF YEAR ENDED 31 DECEMBER 2021

cheques of Rupees 139.031 million (30 June 2021: Rupees 139.031 million) have been issued to Lahore Electric Supply Company Limited against disputed amount of tariff adjustments and post dated cheques of Rupees 156.532 million (30 June 2021: Rupees 156.532 million) have been issued to Sui Northern Gas Pipelines Limited against gas infrastructure development cess and captive vs industrial tariff case.

5.2 Commitments

- i) Letters of credit for capital expenditure amounting to Rupees 3,021.644 million (30 June 2021: Rupees 4,480.769 million).
- ii) Letters of credit other than for capital expenditure are amounting to Rupees 1,415.945 million (30 June 2021: Rupees 447.610 million).
- iii) Outstanding foreign currency forward contracts of Rupees 5,485.611 million (30 June 2021: Rupees 10,106.645 million).

	Un-audited 31 December 2021 Rupees	Audited 30 June 2021 Rupees
6 FIXED ASSETS		
Property, plant and equipment:		
Operating fixed assets (Note 6.1)	16,522,038,668	16,443,267,692
Capital work-in-progress (Note 6.2)	1,536,232,261	781,206,045
	18,058,270,929	17,224,473,737
6.1 Operating fixed assets		
Opening net book value	16,443,267,692	16,282,580,673
Add: Cost of additions during the period / year (Note 6.1.1)	668,836,073	1,372,567,699
Less: Book value of deletions during the period / year (Note 6.1.2)	(6,948,079)	(51,942,281)
Less: Depreciation charged during the period / year	(583,117,018)	(1,159,938,399)
Closing net book value	16,522,038,668	16,443,267,692

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

FOR THE HALF YEAR ENDED 31 DECEMBER 2021

	Un-audited 31 December 2021 Rupees	Audited 30 June 2021 Rupees
6.1.1 Cost of additions during the period / year		
Freehold land	66,012,223	148,447,680
Buildings on freehold land	113,536,622	174,957,639
Plant and machinery	221,510,273	795,014,196
Standby generators	5,654,718	-
Power generation equipment	15,583,328	77,339,958
Electric installations	154,506,513	36,876,414
Factory equipment	11,161,056	47,704,274
Furniture, fixture and equipment	23,466,565	35,252,365
Office equipment	10,132,908	19,014,338
Motor vehicles	47,271,867	37,960,835
	668,836,073	1,372,567,699
6.1.2 Book value of deletions during the period / year		
Cost of deletions		
Plant and machinery	-	137,624,198
Furniture, fixture and equipment	-	173,579
Office equipment	1,008,066	1,719,975
Motor vehicles	11,920,311	30,890,574
	12,928,377	170,408,326
Less: Accumulated depreciation	(5,980,298)	(118,466,045)
Book value of deletions during the period / year	6,948,079	51,942,281
6.2 Capital work-in-progress		
Civil works on freehold land	311,758,569	39,387,755
Plant and machinery	509,169,471	129,958,001
Electric installations	-	753,855
Advances for capital expenditures	608,559,370	523,462,453
Mobilization advances	106,744,851	87,643,981
	1,536,232,261	781,206,045
7 INTANGIBLE ASSET		
Opening net book value	278,170	110,318
Add: Addition during the year	402,665	300,251
Less: Amortization charged during the period / year	(94,337)	(132,399)
Closing net book value	586,498	278,170

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

FOR THE HALF YEAR ENDED 31 DECEMBER 2021

8 REVENUE

8.1 The following table reveals the revenue from contracts with customers disaggregated by primary geographical market, major products or services, the activity of revenue recognition:

Description	Syring			Wearing			Processing and Home Health			Power Generation			Total							
	HALF YEAR ENDED	QUARTER ENDED	HALF YEAR ENDED	QUARTER ENDED	HALF YEAR ENDED	QUARTER ENDED	HALF YEAR ENDED	QUARTER ENDED	HALF YEAR ENDED	QUARTER ENDED	HALF YEAR ENDED	QUARTER ENDED	HALF YEAR ENDED	QUARTER ENDED						
	31 December 2021	31 December 2020	31 December 2021	31 December 2020	31 December 2021	31 December 2020	31 December 2021	31 December 2020	31 December 2021	31 December 2020	31 December 2021	31 December 2020	31 December 2021	31 December 2020						
Region																				
Europe	102,202,039	55,446,896	58,822,248	18,480,882	118,381,740	286,103,112	108,940,028	70,055,200	4,525,170,731	4,182,282,837	2,188,482,322	1,769,848,420	4,470,554,609	3,538,006,005	23,448,028,576	19,382,824,782				
United States and Rest of North America																				
Asia, Africa, Australia																				
5,374,423,039	6,615,308,529	2,794,467,207	2,467,779,817	344,000,027	383,734,639	1,781,516,560	134,000,029	1,438,883,843	1,628,880,616	1,628,880,616	1,524,238,225	1,524,238,225	2,749,070,829	3,053,061,706	1,712,123,293	1,917,228,988				
Pakistan	12,547,240,777	6,116,020,663	68,734,729	3,876,593,882	2,633,088,980	1,268,671,120	12,733,088,584	748,080,000	822,871,130	858,109,651	344,328,640	84,529,346	138,280,885	127,594,501	10,871,188	6,021,898,939	4,922,867,370			
Processing name	1,714,600	843,000	116,500		20,081,841	43,281	14,807,814	48,281	49,857,192	97,964,124	27,742,223	437,932,822	7,203,733	88,833,485	48,450,597	421,188,893	421,188,893			
Related					133,524	292,246	78,089	16,420	47,460,524	26,370,230	27,425,425	12,828,820		47,600,808	28,888,078	23,844,484	17,488,893			
Day/night									88,794,218											
	18,028,283,514	13,037,117,718	67,230,663,944	61,531,986,827	32,296,388,121	2,108,883,539	18,547,645,567	1,028,119,242	6,579,293,644	6,982,493,719	4,725,782,807	4,689,874,538	178,283,885	17,254,501	18,871,188	52,465,627	31,004,540,674	23,086,946,286	16,228,180,392	11,925,425,083
Timing of revenue recognition																				
Products and services transferred at point in time	18,028,283,514	13,037,117,718	67,230,663,944	61,531,986,827	32,296,388,121	2,108,883,539	18,547,645,567	1,028,119,242	6,579,293,644	6,982,493,719	4,725,782,807	4,689,874,538	178,283,885	17,254,501	18,871,188	52,465,627	31,004,540,674	23,086,946,286	16,228,180,392	11,925,425,083
Products and services transferred over time																				
18,028,283,514	13,037,117,718	67,230,663,944	61,531,986,827	32,296,388,121	2,108,883,539	18,547,645,567	1,028,119,242	6,579,293,644	6,982,493,719	4,725,782,807	4,689,874,538	178,283,885	17,254,501	18,871,188	52,465,627	31,004,540,674	23,086,946,286	16,228,180,392	11,925,425,083	
Major products / services lines																				
Yam	17,579,880,109	12,477,027,227	65,471,783,248	5,854,828,888	48,424,029	26,504,529	7,000,000	10,584,141	327,840,034	565,370,214	74,055,188	265,525,384								
City/City																				
3,100,470,000	2,057,719,396	1,828,780,825	1,010,388,022																	
3,100,470,000	2,057,719,396	1,828,780,825	1,010,388,022																	
1,329,691,018	1,583,891,018	1,583,891,018	1,583,891,018	48,281	11,857,993,527	1,830,041,898	598,496,169	842,124,529												
1,329,691,018	1,583,891,018	1,583,891,018	1,583,891,018	48,281	11,857,993,527	1,830,041,898	598,496,169	842,124,529												
8,010,470,126	6,382,249,667	4,084,075,215	3,554,198,339																	
8,010,470,126	6,382,249,667	4,084,075,215	3,554,198,339																	
528,239,017	710,220,028	218,484,476	315,178,989																	
528,239,017	710,220,028	218,484,476	315,178,989																	
127,594,911	100,811,000	17,594,501	17,594,501																	
127,594,501	100,811,000	17,594,501	17,594,501																	
31,004,540,674	23,086,946,286	16,228,180,392	11,925,425,083																	
31,004,540,674	23,086,946,286	16,228,180,392	11,925,425,083																	

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

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

FOR THE HALF YEAR ENDED 31 DECEMBER 2021

	Un-audited			
	Half Year Ended		Quarter Ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	----- Rupees -----			
9 COST OF SALES				
Raw materials consumed	19,054,145,775	15,011,923,807	10,028,456,137	8,178,009,911
Packing materials consumed	849,128,990	688,145,316	426,757,883	377,587,694
Stores, spare parts and loose tools consumed	494,561,494	354,389,657	259,398,500	190,431,410
Processing charges	218,556,771	85,214,657	83,061,716	63,375,175
Salaries, wages and other benefits	1,653,102,866	1,426,411,572	833,733,991	713,450,410
Fuel and power	2,217,116,553	1,710,073,884	1,178,296,582	838,930,657
Insurance	58,257,641	49,500,509	31,143,257	25,872,860
Postage and telephone	361,453	439,797	171,553	221,370
Travelling and conveyance	5,597,236	2,470,665	3,197,137	1,479,945
Vehicles' running and maintenance	16,837,056	15,186,733	8,917,659	7,837,940
Entertainment	7,633,195	7,202,642	3,095,969	2,651,353
Depreciation on operating fixed assets	575,766,319	556,287,399	291,326,368	279,776,518
Repair and maintenance	265,959,338	222,592,596	133,902,604	111,130,550
Other factory overheads	56,684,544	72,117,075	23,537,260	46,515,862
	25,473,709,231	20,201,956,309	13,304,996,616	10,837,271,655
Work-in-process:				
Opening stock	2,081,215,813	1,131,081,567	2,623,639,441	1,036,234,752
Closing stock	(2,294,924,012)	(1,436,695,649)	(2,294,924,012)	(1,436,695,649)
	(213,708,199)	(305,614,082)	328,715,429	(400,460,897)
Cost of goods manufactured	25,260,001,032	19,896,342,227	13,633,712,045	10,436,810,758
Finished goods and waste - opening stocks:				
Finished goods	3,511,748,772	4,098,769,328	3,604,839,893	2,988,218,760
Waste	76,861,237	175,341,896	113,963,869	81,525,180
	3,588,610,009	4,274,111,224	3,718,803,762	3,069,743,940
	28,848,611,041	24,170,453,451	17,352,515,807	13,506,554,698
Finished goods and waste - closing stocks:				
Finished goods	(4,515,327,051)	(2,968,543,974)	(4,515,327,051)	(2,968,543,974)
Waste	(296,928,403)	(90,251,554)	(296,928,403)	(90,251,554)
	(4,812,255,454)	(3,058,795,528)	(4,812,255,454)	(3,058,795,528)
	24,036,355,587	21,111,657,923	12,540,260,353	10,447,759,170

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

FOR THE HALF YEAR ENDED 31 DECEMBER 2021

	Un-Audited	
	Half Year Ended	
	31 December 2021	31 December 2020
	Rupees	Rupees
10. CASH (USED IN) / GENERATED FROM OPERATIONS		
Profit before taxation	5,064,670,112	1,645,859,340
Adjustments for non-cash charges and other items:		
Depreciation on operating fixed assets	583,117,018	563,576,256
Amortization on intangible asset	94,337	110,318
Depreciation on right-of-use assets	25,149,414	22,227,282
Gain on sale of property, plant and equipment	(16,349,000)	(1,955,608)
Gain on termination of lease	(410,018)	-
Interest income on short term loans to subsidiary company	-	(353,405)
Return on bank deposits	(2,760,237)	(2,225,485)
(Reversal of allowance) / allowance for expected credit losses	(2,905,835)	36,322
Finance cost	955,930,165	886,184,261
Gain on initial recognition of GIDC payable at amortized cost	-	(38,282,637)
Exchange gain	(83,606,970)	(434,113,903)
Amortization of deferred income - Government grant	(31,716,294)	(20,209,587)
Working capital changes (Note 10.1)	(8,891,381,907)	(2,182,838,953)
	<u>(2,400,169,215)</u>	<u>438,014,201</u>
10.1 Working capital changes		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(436,228,161)	(607,849,123)
Stock-in-trade	(8,931,052,047)	1,208,907,073
Trade debts	(1,873,793,054)	(977,925,724)
Loans and advances	1,160,389,322	(1,527,500,385)
Short term prepayments	(16,801,005)	(1,946,074)
Other receivables	(1,084,062,021)	(384,378,600)
	<u>(11,181,546,966)</u>	<u>(2,290,692,833)</u>
Increase in current liabilities:		
Trade and other payables	2,290,165,059	107,853,880
	<u>(8,891,381,907)</u>	<u>(2,182,838,953)</u>
11 SEGMENT INFORMATION		
11.1	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 fibers.	
Weaving - Unit 1 and 2:	Production of different qualities of greige fabric using yarn.	
Processing and Home Textile:	Processing grey fabric for production of printed and dyed fabric and manufacturing of home textile articles.	
Power Generation:	Generation and distribution of power.	

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

FOR THE HALF YEAR ENDED 31 DECEMBER 2021

	Spinning				Weaving				Power Generation				Elimination of inter-segment transactions		Total - Company																																																																																																																																																																																												
	Zone-1		Zone-2		Zone-3		Unit-1		Unit-2		Half Year Ended		Half Year Ended		Half Year Ended																																																																																																																																																																																												
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20																																																																																																																																																																																											
Sales																	- Export	5,47,68,537	3,98,02,246			882,25,648			58,76,286	84,89,211	8,691,14,963	7,59,25,244				14,79,52,507	13,28,82,562	- Local	59,79,247	68,48,524	6,86,10,279	4,06,34,872	3,41,66,157	1,98,37,480	1,98,37,480	68,10,000	71,30,223	822,98,950	89,10,591	17,020,085			16,92,24,073	14,47,80,255	- Others			1,94,800	64,000		46,911				44,92,512	41,92,512				4,56,268	18,48,754	- Export value and duty drawback	8,07,42,824	4,69,32,100	6,86,38,179	4,09,18,262	3,52,65,481	1,98,43,710	1,79,03,150	36,44,245	29,74,809	2,87,238,444	2,87,238,444	178,338,889			3,10,54,834	23,186,543,286	Inter-segment																	- From segment	6,09,74,828	4,69,32,100	8,20,32,089	4,92,42,810	5,88,81,439	3,29,40,833	3,29,40,833	3,00,93,929	12,40,18,093	14,46,64,815	20,11,02,864	1,78,49,096			33,09,54,894	23,186,543,286	- To segment	(1,74,33,629)	(1,23,27,706)	(1,81,92,067)	(24,05,224)	(2,24,638,272)	(76,62,648)	(23,71,549)	(7,42,738)	(7,42,738)	(86,53,287)	(1,05,27,285)	(10,81,872)			(1,17,77,606)	(1,17,77,606)	Cost of sales	(17,93,254)	(12,08,753)	(33,38,082)	(9,18,442)	(8,42,495)	(6,02,822)	(63,31,398)	(4,979,304)	(9,89,28,082)	(9,18,31,326)	(8,57,463)	(7,02,887)			(78,28,379)	(96,420,989)	Administrative expenses	(71,45,886)	(2,09,236)	(13,92,208)	(4,46,225)	(2,40,884)	(2,03,208)	(3,29,808)	(3,29,808)	(3,29,808)	(3,29,808)	(3,29,808)	(3,29,808)			(3,29,808)	(3,29,808)	Finance cost	(1,74,33,629)	(1,23,27,706)	(1,81,92,067)	(24,05,224)	(2,24,638,272)	(76,62,648)	(23,71,549)	(7,42,738)	(7,42,738)	(86,53,287)	(1,05,27,285)	(10,81,872)			(1,17,77,606)	(1,17,77,606)	Income and expenses	1,98,02,758	(8,28,944)	1,48,113,849	304,457,487	1,89,594,407	710,78,636	200,69,736	47,180,338	67,376,458	460,809,882	723,288,014	(9,588,328)	271,492,200		6,81,338,467	4,008,831,861
- Export	5,47,68,537	3,98,02,246			882,25,648			58,76,286	84,89,211	8,691,14,963	7,59,25,244				14,79,52,507	13,28,82,562																																																																																																																																																																																											
- Local	59,79,247	68,48,524	6,86,10,279	4,06,34,872	3,41,66,157	1,98,37,480	1,98,37,480	68,10,000	71,30,223	822,98,950	89,10,591	17,020,085			16,92,24,073	14,47,80,255																																																																																																																																																																																											
- Others			1,94,800	64,000		46,911				44,92,512	41,92,512				4,56,268	18,48,754																																																																																																																																																																																											
- Export value and duty drawback	8,07,42,824	4,69,32,100	6,86,38,179	4,09,18,262	3,52,65,481	1,98,43,710	1,79,03,150	36,44,245	29,74,809	2,87,238,444	2,87,238,444	178,338,889			3,10,54,834	23,186,543,286																																																																																																																																																																																											
Inter-segment																	- From segment	6,09,74,828	4,69,32,100	8,20,32,089	4,92,42,810	5,88,81,439	3,29,40,833	3,29,40,833	3,00,93,929	12,40,18,093	14,46,64,815	20,11,02,864	1,78,49,096			33,09,54,894	23,186,543,286	- To segment	(1,74,33,629)	(1,23,27,706)	(1,81,92,067)	(24,05,224)	(2,24,638,272)	(76,62,648)	(23,71,549)	(7,42,738)	(7,42,738)	(86,53,287)	(1,05,27,285)	(10,81,872)			(1,17,77,606)	(1,17,77,606)	Cost of sales	(17,93,254)	(12,08,753)	(33,38,082)	(9,18,442)	(8,42,495)	(6,02,822)	(63,31,398)	(4,979,304)	(9,89,28,082)	(9,18,31,326)	(8,57,463)	(7,02,887)			(78,28,379)	(96,420,989)	Administrative expenses	(71,45,886)	(2,09,236)	(13,92,208)	(4,46,225)	(2,40,884)	(2,03,208)	(3,29,808)	(3,29,808)	(3,29,808)	(3,29,808)	(3,29,808)	(3,29,808)			(3,29,808)	(3,29,808)	Finance cost	(1,74,33,629)	(1,23,27,706)	(1,81,92,067)	(24,05,224)	(2,24,638,272)	(76,62,648)	(23,71,549)	(7,42,738)	(7,42,738)	(86,53,287)	(1,05,27,285)	(10,81,872)			(1,17,77,606)	(1,17,77,606)	Income and expenses	1,98,02,758	(8,28,944)	1,48,113,849	304,457,487	1,89,594,407	710,78,636	200,69,736	47,180,338	67,376,458	460,809,882	723,288,014	(9,588,328)	271,492,200		6,81,338,467	4,008,831,861																																																																																					
- From segment	6,09,74,828	4,69,32,100	8,20,32,089	4,92,42,810	5,88,81,439	3,29,40,833	3,29,40,833	3,00,93,929	12,40,18,093	14,46,64,815	20,11,02,864	1,78,49,096			33,09,54,894	23,186,543,286																																																																																																																																																																																											
- To segment	(1,74,33,629)	(1,23,27,706)	(1,81,92,067)	(24,05,224)	(2,24,638,272)	(76,62,648)	(23,71,549)	(7,42,738)	(7,42,738)	(86,53,287)	(1,05,27,285)	(10,81,872)			(1,17,77,606)	(1,17,77,606)																																																																																																																																																																																											
Cost of sales	(17,93,254)	(12,08,753)	(33,38,082)	(9,18,442)	(8,42,495)	(6,02,822)	(63,31,398)	(4,979,304)	(9,89,28,082)	(9,18,31,326)	(8,57,463)	(7,02,887)			(78,28,379)	(96,420,989)																																																																																																																																																																																											
Administrative expenses	(71,45,886)	(2,09,236)	(13,92,208)	(4,46,225)	(2,40,884)	(2,03,208)	(3,29,808)	(3,29,808)	(3,29,808)	(3,29,808)	(3,29,808)	(3,29,808)			(3,29,808)	(3,29,808)																																																																																																																																																																																											
Finance cost	(1,74,33,629)	(1,23,27,706)	(1,81,92,067)	(24,05,224)	(2,24,638,272)	(76,62,648)	(23,71,549)	(7,42,738)	(7,42,738)	(86,53,287)	(1,05,27,285)	(10,81,872)			(1,17,77,606)	(1,17,77,606)																																																																																																																																																																																											
Income and expenses	1,98,02,758	(8,28,944)	1,48,113,849	304,457,487	1,89,594,407	710,78,636	200,69,736	47,180,338	67,376,458	460,809,882	723,288,014	(9,588,328)	271,492,200		6,81,338,467	4,008,831,861																																																																																																																																																																																											

Unallocated income and expenses
Other expenses
Other income
Finance cost
Profit after taxation

(25,15,342)
292,78,362
(95,30,930)
808,384(8)
4,29,22,906

11.3 Reconciliation of comparable segment assets and liabilities

	Spinning				Weaving				Power Generation				Elimination of inter-segment transactions		Total - Company																																																																																																																																																																																																																																																																																																		
	Zone-1		Zone-2		Zone-3		Unit-1		Unit-2		Half Year Ended		Half Year Ended		Half Year Ended																																																																																																																																																																																																																																																																																																		
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20																																																																																																																																																																																																																																																																																																	
Total assets for reportable segments	8,28,64,891	6,02,46,139	10,42,104,458	7,84,68,814	12,68,622,486	8,92,681,776	2,48,878,533	3,417,65,638	3,241,598,882	14,453,589,798	13,284,229,949	632,446,989	6,84,171,230	57,99,039,691	46,48,233,694																																																																																																																																																																																																																																																																																																		
Unallocated assets:																	- Long term investments																1,86,669,210	- Other receivables																2,83,669,810	- Short term investments																17,92,83,339	- Other financial assets																22,247,407	- Other current assets																57,484,433	Total assets as per accounts after consolidation																94,51,05,189	Less: inter-segment liabilities																1,248,37,322	Total liabilities for reportable segments																93,261,817	Unallocated liabilities:																	- Long term liability																3,02,384,132	- Other payables																6,79,978,139	- Short term borrowings																18,98,798,417	- Other current liabilities																22,272,647	Total liabilities as per accounts after consolidation																3,86,44,664	Total net assets as per accounts after consolidation																90,353,129	Less: inter-segment liabilities																41,98,679,707	Total net assets for reportable segments																48,364,422
- Long term investments																1,86,669,210																																																																																																																																																																																																																																																																																																	
- Other receivables																2,83,669,810																																																																																																																																																																																																																																																																																																	
- Short term investments																17,92,83,339																																																																																																																																																																																																																																																																																																	
- Other financial assets																22,247,407																																																																																																																																																																																																																																																																																																	
- Other current assets																57,484,433																																																																																																																																																																																																																																																																																																	
Total assets as per accounts after consolidation																94,51,05,189																																																																																																																																																																																																																																																																																																	
Less: inter-segment liabilities																1,248,37,322																																																																																																																																																																																																																																																																																																	
Total liabilities for reportable segments																93,261,817																																																																																																																																																																																																																																																																																																	
Unallocated liabilities:																	- Long term liability																3,02,384,132	- Other payables																6,79,978,139	- Short term borrowings																18,98,798,417	- Other current liabilities																22,272,647	Total liabilities as per accounts after consolidation																3,86,44,664	Total net assets as per accounts after consolidation																90,353,129	Less: inter-segment liabilities																41,98,679,707	Total net assets for reportable segments																48,364,422																																																																																																																																																									
- Long term liability																3,02,384,132																																																																																																																																																																																																																																																																																																	
- Other payables																6,79,978,139																																																																																																																																																																																																																																																																																																	
- Short term borrowings																18,98,798,417																																																																																																																																																																																																																																																																																																	
- Other current liabilities																22,272,647																																																																																																																																																																																																																																																																																																	
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Total net assets as per accounts after consolidation																90,353,129																																																																																																																																																																																																																																																																																																	
Less: inter-segment liabilities																41,98,679,707																																																																																																																																																																																																																																																																																																	
Total net assets for reportable segments																48,364,422																																																																																																																																																																																																																																																																																																	

Total assets for reportable segments
Unallocated assets:
- Long term investments
- Other receivables
- Short term investments
- Other financial assets
- Other current assets
Total assets as per accounts after consolidation
Less: inter-segment liabilities
Total liabilities for reportable segments
Unallocated liabilities:
- Long term liability
- Other payables
- Short term borrowings
- Other current liabilities
Total liabilities as per accounts after consolidation
Less: inter-segment liabilities
Total net assets for reportable segments

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

FOR THE HALF YEAR ENDED 31 DECEMBER 2021

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

Recurring fair value measurements At 31 December 2021 (Un-audited)	Level 1	Level 2	Level 3	Total
..... Rupees				

Financial liabilities

Derivative financial liabilities	-	36,315,593	-	36,315,593
Total financial liabilities	-	36,315,593	-	36,315,593

Recurring fair value measurements At 30 June 2021 (Audited)	Level 1	Level 2	Level 3	Total
..... Rupees				

Financial assets

Derivative financial assets	-	56,576,881	-	56,576,881
Total financial assets	-	56,576,881	-	56,576,881

Financial liabilities

Derivative financial liabilities	-	3,884,821	-	3,884,821
Total financial liabilities	-	3,884,821	-	3,884,821

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

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

The 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 equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

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

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

FOR THE HALF YEAR ENDED 31 DECEMBER 2021

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.

13 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 2021	31 December 2020	31 December 2021	31 December 2020
	----- Rupees -----			
Subsidiary companies				
Sale of goods	245,357,023	850,502,671	33,617,084	495,711,813
Common facilities cost charged	9,900,000	9,900,000	4,950,000	4,950,000
Short term loans made	-	1,397,000,000	-	1,047,000,000
Repayments of short term loans made	-	817,000,000	-	467,000,000
Interest income on loans	-	353,405	-	264,853
Associated undertakings				
Donations paid	2,202,855	2,763,517	1,518,500	560,000
Other related parties				
Purchase of goods	192,129,309	79,287,931	192,129,309	69,947,646
Sale of goods	2,578,041,463	1,257,620,281	2,578,041,463	482,849,964
Dividend paid to companies	199,819,700	39,963,940	199,819,700	39,963,940
Contribution to employee's provident fund trust	104,112,068	82,040,122	53,032,532	39,920,518
Remuneration of key management personnel and executives	133,807,197	86,511,879	66,903,598	43,255,940
Dividend paid to directors and close members of the family	310,254,590	62,050,918	310,254,590	62,050,918

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

FOR THE HALF YEAR ENDED 31 DECEMBER 2021

ii. Period end balances

	As at 31 December 2021 (Un-audited)			
	Subsidiary companies	Associated companies	Other related parties	Total
 Rupees			
Long term investments	1,886,681,200	-	-	1,886,681,200
Trade debts	129,920,688	-	187,702,326	317,623,014
Loans and advances	-	-	7,300,332	7,300,332
Other receivables	-	-	98,695,747	98,695,747
Trade and other payables	-	-	14,970,286	14,970,286

	As at 30 June 2021 (Audited)			
	Subsidiary companies	Associated companies	Other related parties	Total
 Rupees			
Long term investments	1,886,681,200	-	-	1,886,681,200
Trade debts	567,472,442	-	159,440,991	726,913,433
Loans and advances	-	-	3,075,000	3,075,000
Other receivables	-	-	101,101,822	101,101,822
Trade and other payables	-	-	14,578,000	14,578,000

14 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 2021.

15 EVENTS AFTER THE REPORTING PERIOD

The Board of Directors of the Company has declared an interim dividend of Rupees 3 per ordinary share at their meeting held on 21 February 2022. These unconsolidated condensed interim financial statements do not include the effect of the above interim dividend which will be accounted for in the period in which it is declared.

Further, the Board of Directors of the Company in its meeting held on 21 February 2022 has approved the Scheme of Compromises, Arrangement and Reconstruction (Under Section 279 to 283 and 285 of the Companies Act, 2017) amongst the Company and its members and Nishat Chunian Properties (Private) Limited (a subsidiary incorporated after the reporting period) and its members. As per the Scheme the property (land measuring 08 Kanals -07 Marlas – 155 Sq. Ft. situated at Block-K, Gulberg-II, Lahore) is to be carved out from the Company and stand merged / amalgamated with, transferred to, vested in, and be assumed by Nishat Chunian Properties (Private) Limited as at the effective date of the Scheme, against

FOR THE HALF YEAR ENDED 31 DECEMBER 2021

issuance of shares by Nishat Chunian Properties (Private) Limited to the Company in accordance with the Scheme. Further, ordinary shares of Nishat Chunian Power Limited owned by the Company are to be transferred to the members of the Company. Necessary corporate and legal formalities are in process.

16 CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting", the unconsolidated condensed interim statement of financial position 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 statement of profit or loss, unconsolidated condensed interim statement of comprehensive income and unconsolidated condensed interim statement of cash flows 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.

17 DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were approved by the Board of Directors and authorized for issue on 21 February 2022.

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

**NISHAT (CHUNIAN) LIMITED AND
ITS SUBSIDIARY COMPANIES**

**CONSOLIDATED CONDENSED
INTERIM FINANCIAL INFORMATION**

**HALF YEAR ENDED DECEMBER 31,
2021 (UN-AUDITED)**

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	Note	Un-audited 31 December 2021 Rupees	Audited 30 June 2021 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital		4,200,000,000	4,200,000,000
Issued, subscribed and paid-up share capital		2,401,190,290	2,401,190,290
Reserves		30,056,450,491	25,950,193,923
Equity attributable to equity holders of the Holding Company		32,457,640,781	28,351,384,213
Non-controlling interest		11,082,575,872	10,513,606,578
TOTAL EQUITY		43,540,216,653	38,864,990,791
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing		9,464,221,614	6,419,912,708
Lease liabilities		64,483,284	74,518,895
Deferred Liabilities		262,326,941	191,593,367
		9,791,031,839	6,686,024,970
CURRENT LIABILITIES			
Trade and other payables		7,193,678,070	5,405,062,409
Unclaimed dividend		77,580,524	68,194,087
Accrued mark-up / Profit		585,272,334	514,554,913
Short term borrowings		33,472,055,866	29,084,279,595
Current portion of non-current liabilities		2,434,576,384	2,826,678,629
		43,763,163,178	37,898,769,633
Total liabilities		53,554,195,017	44,584,794,603
CONTINGENCIES AND COMMITMENTS	5		
TOTAL EQUITY AND LIABILITIES		97,094,411,670	83,449,785,394

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

CHIEF EXECUTIVE

DIRECTOR

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

Note	Un-audited 31 December 2021 Rupees	Audited 30 June 2021 Rupees
ASSETS		
NON-CURRENT ASSETS		
Fixed assets	27,872,100,562	27,148,148,365
Intangible assets	586,498	882,170
Right-of-use assets	92,736,536	107,398,163
Long term loans to employees	24,331,175	20,446,927
Long term security deposits	31,434,353	30,567,609
	28,021,189,124	27,307,443,234
CURRENT ASSETS		
Stores, spare parts and loose tools	2,598,220,264	2,350,924,103
Stock-in-trade	29,893,669,025	19,491,127,966
Trade debts	29,204,346,384	26,987,823,812
Loans and advances	2,391,441,191	3,329,960,437
Short term deposits and prepayments	75,648,697	57,652,439
Advance income tax - net	207,311,976	331,760,017
Other receivables	3,971,842,810	2,549,893,788
Short term investments	545,485,427	469,425,433
Cash and bank balances	185,256,772	573,774,165
	69,073,222,546	56,142,342,160
TOTAL ASSETS	97,094,411,670	83,449,785,394

CHIEF FINANCIAL OFFICER

CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)

FOR THE HALF YEAR ENDED 31 DECEMBER 2021

	Half Year Ended		Quarter Ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	----- Rupees -----			
SALES	41,391,710,695	29,753,463,789	20,686,415,558	13,275,347,792
COST OF SALES	(32,559,929,247)	(24,990,837,973)	(16,068,331,003)	(11,061,657,126)
GROSS PROFIT	8,831,781,448	4,762,625,816	4,618,084,555	2,213,690,666
DISTRIBUTION COST	(876,386,592)	(636,442,785)	(465,027,933)	(313,268,024)
ADMINISTRATIVE EXPENSES	(224,636,388)	(204,589,010)	(123,198,067)	(98,303,059)
OTHER OPERATING EXPENSES	(345,195,342)	(83,413,065)	(159,341,386)	(41,457,863)
	(1,446,218,322)	(924,444,860)	(747,567,386)	(453,028,946)
	7,385,563,126	3,838,180,956	3,870,517,169	1,760,661,720
OTHER OPERATING INCOME	277,918,162	565,077,710	181,411,179	345,060,836
PROFIT FROM OPERATIONS	7,663,481,288	4,403,258,666	4,051,928,348	2,105,722,556
FINANCE COST	(1,428,611,541)	(1,383,239,651)	(810,632,251)	(675,760,441)
PROFIT BEFORE TAXATION	6,234,869,747	3,020,019,015	3,241,296,097	1,429,962,115
TAXATION	(358,727,168)	(292,123,894)	(191,109,756)	(142,290,110)
PROFIT AFTER TAXATION	5,876,142,579	2,727,895,121	3,050,186,341	1,287,672,005
PROFIT ATTRIBUTABLE TO:				
EQUITY HOLDERS OF THE HOLDING COMPANY	5,307,173,285	2,030,459,133	2,780,628,035	1,059,759,490
NON-CONTROLLING INTEREST	568,969,294	697,435,988	269,558,306	227,912,515
	5,876,142,579	2,727,895,121	3,050,186,341	1,287,672,005
EARNINGS PER SHARE - BASIC & DILUTED	22.10	8.46	11.58	4.41

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

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

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

FOR THE HALF YEAR ENDED 31 DECEMBER 2021

	Half Year Ended		Quarter Ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	----- Rupees -----			
PROFIT AFTER TAXATION	5,876,142,579	2,727,895,121	3,050,186,341	1,287,672,005
OTHER COMPREHENSIVE INCOME	(321,572)	372,603	(8,528)	634,167
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	5,875,821,007	2,728,267,724	3,050,177,813	1,288,306,172
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
EQUITY HOLDERS OF THE HOLDING COMPANY	5,306,851,713	2,030,831,736	2,780,619,507	1,060,393,657
NON-CONTROLLING INTEREST	568,969,294	697,435,988	269,558,306	227,912,515
	5,875,821,007	2,728,267,724	3,050,177,813	1,288,306,172

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

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE HALF YEAR ENDED 31 DECEMBER 2021

		Half Year Ended	
Note	31 December 2021	31 December 2020	
	Rupees	Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	6	(2,963,652,541)	1,342,146,712
Net (increase) / decrease in long term security deposits		(866,744)	338,165
Net (increase) / decrease in long term loans to employees		(3,884,248)	(5,719,533)
Finance cost paid		(1,279,267,489)	(1,652,049,846)
Income tax paid		(233,809,188)	(137,062,323)
Net cash generated from / (used in) operating activities		(4,481,480,210)	(452,346,825)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(1,746,426,429)	(825,289,804)
Capital expenditure on intangible assets		(402,665)	-
Proceeds from sale of property, plant and equipment		14,377,214	39,407,692
Proceeds from disposal of short term investments		5,018,850,000	-
Short term investments made		(5,063,302,000)	(58,981)
Profit on bank deposits received		3,067,243	3,844,485
Net cash generated from / (used in) investing activities		(1,773,836,637)	(782,096,608)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		4,529,664,385	1,934,862,671
Repayment of long term financing		(1,831,164,297)	(1,846,397,948)
Short term borrowings - net		4,387,776,271	1,421,135,824
Repayment of lease liabilities		(27,946,625)	(24,415,644)
Dividend paid		(1,191,208,708)	(237,357,011)
Net cash generated from / (used in) financing activities		5,867,121,026	1,247,827,892
Net increase / (decrease) in cash and cash equivalents		(388,195,821)	13,384,459
Impact of exchange translation		(321,572)	372,603
Cash and cash equivalents at the beginning of the period		573,774,165	54,766,969
Cash and cash equivalents at the end of the period		185,256,772	68,524,031

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

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

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

FOR THE HALF YEAR ENDED 31 DECEMBER 2021

	Attributable to Equity Holders of the Holding Company							Non-controlling Interest	Total Equity	
	Share Capital	Capital Reserves		Revenue Reserves			Shareholders Equity			
		Exchange Translation Reserve	Share Premium	General Reserve	Un-appropriated Profit					Total
					Un-appropriated Profit	Total				
Balance as at June 30, 2020 - (audited)	2,401,190,290	(14,255,466)	600,553,890	1,629,221,278	17,081,896,969	18,711,118,247	21,698,606,961	9,284,188,987	30,982,795,948	
Total comprehensive income for the half-year ended December 31, 2020	-	372,603	-	-	2,030,459,133	2,030,459,133	2,030,459,133	697,435,988	2,728,467,724	
Final dividend for the year ended 30 June 2020 @ Rs. 1/ Ordinary share	-	-	-	-	(240,119,029)	(240,119,029)	(240,119,029)	-	(240,119,029)	
Balance as at December 31, 2020 - (un-audited)	2,401,190,290	(13,882,863)	600,553,890	1,629,221,278	18,872,237,073	20,501,458,351	23,489,319,668	9,881,624,975	33,470,944,643	
Total comprehensive income for half-year ended June 30, 2021	-	35,330,226	-	-	4,826,734,309	4,826,734,309	4,862,064,545	531,981,603	5,394,046,148	
Balance as at June 30, 2021 - (audited)	2,401,190,290	21,447,373	600,553,890	1,629,221,278	23,698,971,382	25,328,192,660	28,351,384,213	10,513,606,578	38,864,990,791	
Total comprehensive income for the half-year ended December 31, 2021	-	(32,157,2)	-	-	5,307,173,285	5,307,173,285	5,306,851,713	568,969,294	5,875,821,007	
Final dividend for the year ended 30 June 2021 @ Rs. 5/ Ordinary share	-	-	-	-	(1,200,595,145)	(1,200,595,145)	(1,200,595,145)	-	(1,200,595,145)	
Balance as at December 31, 2021 - (un-audited)	2,401,190,290	21,125,801	600,553,890	1,629,221,278	27,895,549,522	29,434,770,800	32,457,640,781	11,082,575,872	43,540,216,653	

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

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

FOR THE HALF YEAR ENDED 31 DECEMBER 2021

1. GROUP INFORMATION

The Group consists of:

Holding Company	-	Nishat (Chunian) Limited
Subsidiary Companies	-	Nishat Chunian Power Limited
	-	Nishat Chunian USA Inc.

Nishat (Chunian) Limited

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 and steam.

Nishat Chunian Power Limited

Nishat Chunian Power Limited ("the Subsidiary Company") is a public limited Company incorporated in Pakistan under the repealed Companies Ordinance, 1984 (Now Companies Act, 2017) and listed on the Pakistan Stock Exchange (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 230 Fifth Avenue, Suite 1406, New York, NY 10001, USA. The principal business of the Nishat Chunian USA Inc. is to import home textile products and distribute to local retailers.

2. BASIS OF PREPARATION

This consolidated condensed interim financial information is un-audited and is being submitted to shareholders as required by directives issued under the Companies Act, 2017. These consolidated condensed interim financial statements of the Group for the quarter ended 30 September 2021 have 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 Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 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 2021.

FOR THE HALF YEAR ENDED 31 DECEMBER 2021

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 2021.

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 2021.

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 2021 except for the following:

- i) Guarantees of Rupees 900.200 million (30 June 2021: Rupees 858.017 million) are given by the banks of the Company to Sui Northern Gas Pipelines Limited against gas connections, Shell Pakistan Limited against purchase of furnace oil, Lahore Electric Supply Company against electricity connections, Director Excise and Taxation, Karachi against infrastructure cess, Chairman Punjab Revenue Authority, Lahore against infrastructure cess, Collector, Model Customs Collectorate, Karachi against import, Director Pakistan Central Cotton Committee against cotton cess and Nazir, Honourable High Court, Sindh against the notification in accordance with section 8 of OGRA Ordinance 2002 regarding system gas tariff on industrial and captive units.
- ii) Post dated cheques have been issued to custom authorities in respect of duties amounting to Rupees 6,054 million (30 June 2021: Rupees 4,715.577 million) on imported material availed on the basis of consumption and export plans. In the event the documents of exports are not provided on due dates, cheque issued as security shall be encashable. Further, post dated cheques of Rupees 139.031 million (30 June 2021: Rupees 139.031 million) have been issued to Lahore Electric Supply Company Limited against disputed amount of tariff adjustments and post dated cheques of Rupees 156.532 million (30 June 2021: Rupees 156.532 million) have been issued to Sui Northern Gas Pipelines Limited against gas infrastructure development cess and captive vs industrial tariff case.

FOR THE HALF YEAR ENDED 31 DECEMBER 2021

Commitments

- i) Letters of credit for capital expenditure amounting to Rupees 3,021.644 million (30 June 2021: Rupees 4,480.769 million).
- ii) Letters of credit other than for capital expenditure are amounting to Rupees 1,415.945 million (30 June 2021: Rupees 447.610 million).
- iii) Outstanding foreign currency forward contracts of Rupees 5,485.611 million (30 June 2021: Rupees 10,106.645 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, 2021, except for the following:

Contingent liabilities:

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

The tax department filed appeal before the Honourable Supreme Court of Pakistan. The Honourable Supreme Court of Pakistan decided the appeal in favour of tax department. On 21 January 2021, 'DCIR' issued notice to the Company requiring to submit reply of the show

FOR THE HALF YEAR ENDED 31 DECEMBER 2021

cause notice. The Company duly submitted its reply to the show cause notice. On 03 June 2021, DCIR passed an order wherein aggregate demand of Rupees 1,326.682 million including penalty and default surcharge was raised. The Company being aggrieved with the order of DCIR, preferred an appeal before the Commissioner Inland Revenue (Appeals) ('CIR(A)'). On 31 December 2021, CIR(A) passed an order wherein the disallowance of input sales tax amounting to Rupees 1.164 million has been confirmed and the remaining amount involved has been annulled/deleted. Being aggrieved by the decision of CIR(A), the Company is in process of filing an appeal before Appellate Tribunal Inland Revenue. No further notice has been served by the department against the order passed by CIR(A). Based on favourable outcome of the matter, no provision has been made in these condensed interim financial statements.

- ii) On 19 April 2021, DCIR issued show cause notice to the Company involving Rupees 223.773 million on account of input sales tax on capacity purchase price claimed by the Company for the period from July 2017 to January 2021. The Company challenged the jurisdiction of DCIR to issue show cause notice before the Honourable Lahore High Court, Lahore. On 31 May 2021, the Honourable Lahore High Court, Lahore directed the Company to file the reply of show cause notice issued by DCIR and ordered the DCIR to first determine the jurisdiction as raised by the Company. The Company filed its reply to show cause notice to DCIR. DCIR determined its jurisdiction to be lawful. On 03 August 2021, the DCIR passed an order where by a demand of Rupees 223.773 million was raised against the Company. Against the aforesaid order of DCIR, the Company preferred an appeal before CIR(A). In its order dated 10 November 2021, CIR(A) remanded back the case to DCIR. Since the CIR(A) remanded back the case without hearing the merits therefore the Company has also filed an appeal before Appellate Tribunal Inland Revenue that is pending adjudication. The management based on the advice of its legal council, has strong grounds to believe that the case will be decided in favour of the Company. Therefore, no provision has been made in these condensed interim financial statements.
- iii) In March 2020, Committee for the Power Sector Audit, Circular Debt Resolution and Future Roadmap constituted by Ministry of Energy alleged that savings were made by the Independent Power Producers ('IPPs'), including the Company, in the tariff components. On 11 February 2021, the Company and CPPA-G have signed "Master Agreement" and "PPA Amendment Agreement" as detailed in note 1.3 to these condensed interim financial statements wherein it has been agreed that the abovementioned dispute will be resolved through arbitration under the 'Arbitration Submission Agreement' between the Company and GoP. On 15 November 2021, the Company has authorized GoP/CPPA-G to retain Rupees 8,360 million of its receivables until the Arbitration Tribunal renders the Award which shall be final and binding.

Management believes that there are strong grounds that the matter will ultimately be decided in Company's favour. Furthermore, its financial impact cannot be reasonably estimated at this stage, hence, no provision in this respect has been made in these condensed interim financial statements.

- iv) Guarantees of Rupees 329.227 million (30 June 2021: Rupees 328.227 million) are given by the banks of the Company to Director, Excise and Taxation, Karachi under direction of Sindh High Court in respect of suit filed for levy of infrastructure cess, Federal Board of Revenue and Punjab Revenue Authority in respect of stay granted by various Courts of Pakistan pertaining to pending tax cases.

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

FOR THE HALF YEAR ENDED 31 DECEMBER 2021

	Un-audited Half year ended 31 December 2021	Audited Year ended 30 June 2021
	Rupees	Rupees
Commitments		
Letter of credit other than for capital expenditure:	220,613,000	83,245,000
	Un-audited Half year ended 31 December 2021	Un-audited Half year ended 31 December 2020
	Rupees	Rupees
6. CASH (USED IN) / GENERATED FROM OPERATIONS		
Profit before taxation	6,234,869,747	3,020,019,015
Adjustment for non cash charges and other items:		
Provision for employee retirement	4,004,000	3,837,000
Depreciation on operating fixed assets	1,027,889,018	978,442,255
Amortization on intangible assets	698,337	2,151,319
Depreciation on right-of-use asset	25,149,414	22,227,282
Loss / (Gain) on sale of operating fixed assets	(19,792,000)	(5,776,608)
(Reversal of allowance) / allowance for expected credit losses	(2,905,835)	36,322
Gain on termination of lease	(410,018)	-
Interest on bank deposits	(15,127,237)	(3,844,485)
Gain on remeasurement of deferred liability	-	(38,282,637)
Amortization on deferred grant	(33,188,294)	(22,052,587)
Exchange gain	(83,606,970)	-
Gain on disposal of short term investments	(19,548,000)	-
Finance costs	1,428,611,541	1,383,239,651
Cash flows from operating activities before working capital changes	8,546,643,703	5,339,996,527
(Increase) / decrease in current assets		
- Stores, spare parts and loose tools	(247,296,161)	(390,281,124)
- Stock in trade	(10,402,541,059)	(193,557,744)
- Trade debts	(2,216,522,572)	(1,365,814,723)
- Loans and advances	938,519,246	(1,380,234,039)
- Short term deposits and prepayments	(17,996,258)	(120,956,928)
- Other receivables	(1,362,461,538)	(716,149,823)
Increase in current liabilities		
- Trade and other payables	1,798,002,098	169,144,566
	(11,510,296,244)	(3,997,849,815)
Net cash generated from operations	(2,963,652,541)	1,342,146,712

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

FOR THE HALF YEAR ENDED 31 DECEMBER 2021

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 31 December 2021	Un-audited Half year ended 31 December 2020
	Rupees	Rupees
Associated company		
Donation paid	64,702,855	2,763,517
Other related parties		
Contribution to employees' provident fund	108,116,068	85,876,937
Remuneration paid to key management personnel	172,087,197	120,151,999
	Un-audited Half year ended 31 December 2021	Audited Year ended 30 June 2021
	Rupees	Rupees
Period end balances		
Other related parties		
Loan to Key Mangement personnel	2,021,000	2,367,000

8. EVENTS AFTER THE REPORTING PERIOD

The Board of Directors of the Holding Company has declared an interim dividend of Rupees 3 per ordinary share at their meeting held on 21 February 2022. These consolidated condensed interim financial statements do not include the effect of the above interim dividend which will be accounted for in the period in which it is declared.

Further, the Board of Directors of the Holding Company in its meeting held on 21 February 2022 has approved the Scheme of Compromises, Arrangement and Reconstruction (Under Section 279 to 283 and 285 of the Companies Act, 2017) amongst the Company and its

FOR THE HALF YEAR ENDED 31 DECEMBER 2021

members and Nishat Chunian Properties (Private) Limited (a subsidiary incorporated after the reporting period) and its members. As per the Scheme the property (land measuring 08 Kanals -07 Marlas – 155 Sq. Ft. situated at Block-K, Gulberg-II, Lahore) is to be carved out from the Holding Company and stand merged / amalgamated with, transferred to, vested in, and be assumed by Nishat Chunian Properties (Private) Limited as at the effective date of the Scheme, against issuance of shares by Nishat Chunian Properties (Private) Limited to the Holding Company in accordance with the Scheme. Further, ordinary shares of Nishat Chunian Power Limited owned by the Holding Company are to be transferred to the members of the Holding Company. Necessary corporate and legal formalities are in process.

9. CORRESPONDING FIGURES

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

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

10. DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial statements were approved and authorized for issue on February 21, 2022 by the Board of Directors.

CHIEF EXECUTIVE

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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