



## **Interim Financial Information**

Quarter Ended 30 September 2016

(Unaudited)



| Nishat Chunian Ltd



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# COMPANY INFORMATION

## Board of Directors:

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

## Audit Committee:

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

## HR & Remuneration Committee:

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

## CFO / Company Secretary:

Mr. Babar Ali Khan

## Mills:

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

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

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

## Bankers to the Company:

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

## Auditors:

Riaz Ahmad & Company  
Chartered Accountants

## Registered & Head Office:

31-Q, Gulberg-II,  
Lahore, Pakistan.  
Phone : 35761730-39  
Fax : 35878696-97  
Web : [www.nishat.net](http://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 three months ended on September 30, 2016.

### Operating Financial Results

Revenues earned during this quarter were Rs. 6.9 billion as compared to Rs. 5.8 billion during the corresponding previous quarter, registering an increase of 18.41%. Despite overall depression in the textile industry, foreign exchange remained favourable in line with increase in share of exports in overall sales. Profit after taxation has also increased by 622% reversing losses suffered in previous corresponding period in addition to increase in gross profit from 7.52% to 11.53%.

Financial Highlights	Quarter ended September 30		Increase %
	2016	2015	
Sales (Rs.)	6,896,728,008	5,824,332,233	18.41%
Gross Profit (Rs.)	795,451,947	438,160,496	81.54%
Profit/(Loss) After Taxation (Rs.)	564,697,781	(108,165,571)	622.07%
Gross Profit %	11.53 %	7.53 %	
Profit/(Loss) After Tax %	8.19 %	(1.86) %	
Earnings/(Loss) Per Share (Rs.)	2.35	(0.45)	

### Future Prospects

The management is committed to value creation through adoption of advance technology and further diversification in operations. The spinning division has seen major investment in innovation and upgradation. The Company has fully revamped the back process and major machinery in one of the sick units acquired in 2013 and are in the process of replacing the entire machinery of the other unit with fully automated state of the art European and Japanese machinery. The number of looms in weaving division has also increased from 293 to 361. New looms have been added to cater the requirement of narrow width fabric and increase in market share. In order to boost sales and capture retail market, the Company has recently opened its first retail brand under the name of "The Linen Company (TLC)". This advancement in technology and shift from conventional processes are expected to open new horizons of opportunities.

### Subsidiary Companies and Consolidated Financial Statements

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

### Acknowledgement

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

On behalf of the Board

Shahzad Saleem  
Chief Executive  
28 October 2016

# DIRECTORS' REPORT

## محترم حصص یافتگان

پورڈ آف ڈائریکٹرز 30 ستمبر 2016 تک مجموعی سرمایہ کے لئے نشاط (چونیاں) لمیٹڈ ("کمپنی") کے غیر نظر ثانی شدہ نتائج کا اعلان کرتے ہوئے خوشی محسوس کرتا ہے۔

## آپریٹنگ مالیاتی نتائج

گزشتہ سرمایہ کو دوران 5.8 بلین روپے کے مقابلے میں اس سرمایہ کے دوران حاصل ہونے والی آمدنی 6.9 بلین روپے تھی، جو 18.41 فیصد کا اضافہ ظاہر کر رہی ہے۔ ٹیکنالوجی کی صنعت میں مجموعی دباؤ کے باوجود غیر ملکی زر مبادلہ مجموعی فروخت میں برآمدات کے شیئرز میں اضافہ کے لحاظ سے سازگار رہا۔ بعد از ٹیکس منافع بھی 7.53 فیصد سے 11.53 فیصد تک مجموعی منافع میں اضافہ کے علاوہ تزیینت گزشتہ اسی مدت میں نقصان اٹھانے کے برعکس 622 فیصد تک بڑھ گیا۔

مالی جھلکیاں	30 ستمبر تک مجموعی سرمایہ	
	2015	2016
فروخت (روپے)	5,824,332,233	6,896,728,008
مجموعی منافع (روپے)	438,160,496	795,451,947
بعد از ٹیکس منافع (نقصان) (روپے)	(108,165,571)	564,697,781
مجموعی منافع فیصد	7.53 فیصد	11.53 فیصد
بعد از ٹیکس منافع / (نقصان) فیصد	(1.86) فیصد	8.19 فیصد
ٹی شیئر آمان / (نقصان) (روپے)	(0.45)	2.35

## مستقبل کے کامیابیات

انتظامیہ آپریٹنگ میں جدید ٹیکنالوجی اور مزید تنوع کو اپنانے کے ذریعے قدر تخلیق کرنے کے لئے پرعزم ہے۔ سپنگ ڈویژن نے جدت اور اپ گریڈیشن میں اہم سرمایہ کاری کی ہے۔ کمپنی نے 2013 میں ایک کنورژن پونٹ کے پرانے پرائس اور اہم مشینری کو مکمل طور پر بہتر بنایا اور دوسرے پونٹ کی تمام مشینری کو خود کار جدید پوری ٹی اور جاپانی مشینری کے ساتھ تبدیل کر کے مراصل میں ہے۔ ویولگ پونٹ میں بھی اوسر کی تعداد 293 سے بڑھا کر 361 کر دی گئی ہے۔ ٹنگ چوڑائی پکڑے کی ضرورت کو پورا کرنے اور مارکیٹ شیئرز میں اضافہ کرنے کے لئے بھی نئی اوسر کا اضافہ کیا گیا ہے۔ فروخت کو فروغ دینے اور ریٹیل مارکیٹ پر سبقت حاصل کرنے کے لئے، کمپنی نے حال ہی میں "دی لینن کمپنی (TLC)" کے نام سے اپنی پہلی ریٹیل براڈ کا آفا کیا ہے۔ ٹیکنالوجی کی ترقی اور روایتی عمل کی منتقلی سے مواقعوں کے نئے افق کھلنے کی توقع کی جاتی ہے۔

## ذیلی کمپنیاں اور اشتمال شدہ مالیاتی حسابات

نشاط چونیاں پاور لمیٹڈ، NCL ایکٹریک کمپنی لمیٹڈ، نشاط چونیاں یو ایس اے انکارپوریٹڈ اور NCL انٹرنیشنل (پرائیویٹ) لمیٹڈ کمپنی کی ذیلی کمپنیاں ہیں۔ لہذا، کمپنی نے بین الاقوامی مالیاتی رپورٹنگ معیارات کی ضروریات اور کنٹریز آرڈیننس 1984 کی قابل اطلاق دفعات کے مطابق اپنی الگ الگ محمد عبوری مالی معلومات کے علاوہ میں اشتمال شدہ محمد عبوری مالیاتی معلومات منسلک کی ہیں۔

## اظہار تشکر

ڈائریکٹرز مر شازمین کا شکر یہ ادا کرتے ہیں کہ کمپنی کی کارروائیوں میں اہم کردار ادا کر رہے ہیں۔

## منجانب پورڈ

شہزاد سلیم

چیف ایگزیکٹو

2016 اکتوبر 28

## UNCONSOLIDATED CONDENSED INTERIM BALANCE SHEET

AS AT SEPTEMBER 30, 2016

	Note	Un-audited September 30, 2016 Rupees	Audited June 30, 2016 Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized share capital	5	3,000,000,000	3,000,000,000
Issued, subscribed and paid up share capital	6	2,402,215,560	2,402,215,560
Reserves		9,149,679,042	8,584,981,261
Total equity		11,551,894,602	10,987,196,821
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Long term financing	7	2,079,194,833	2,079,194,833
<b>CURRENT LIABILITIES</b>			
Trade and other payables		2,479,860,760	1,972,627,238
Accrued mark-up		109,099,618	142,984,217
Short term borrowings	8	11,382,780,589	12,120,082,522
Current portion of non-current liabilities		1,317,020,658	1,581,910,167
<b>TOTAL LIABILITIES</b>		<b>15,288,761,625</b>	<b>15,817,604,144</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	9		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>28,919,851,060</b>	<b>28,883,995,798</b>

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

Chief Executive



## UNCONSOLIDATED CONDENSED INTERIM BALANCE SHEET

AS AT SEPTEMBER 30, 2016

	Note	Un-audited September 30, 2016 Rupees	Audited June 30, 2016 Rupees
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed assets	10	9,323,447,023	9,460,210,901
Investment in subsidiary companies		3,527,797,656	3,412,793,015
Long term loans to employees		15,316,068	14,941,891
Long term security deposits		20,719,440	20,769,440
		<b>12,887,280,187</b>	12,908,715,247
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools		929,426,520	781,084,455
Stock-in-trade		6,236,757,227	6,857,956,934
Trade debts		5,306,597,974	5,198,890,821
Loans and advances		1,685,603,785	1,010,817,219
Short term prepayments		27,010,769	2,754,970
Other receivables		1,740,487,331	2,075,108,629
Short term investments		20,921,964	-
Cash and bank balances		85,765,303	48,667,523
		<b>16,032,570,873</b>	15,975,280,551
<b>TOTAL ASSETS</b>		<b>28,919,851,060</b>	<b>28,883,995,798</b>

Director

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

FOR THE QUARTER ENDED SEPTEMBER 30, 2016

	Note	Quarter Ended	
		September 30, 2016	September 30, 2015
		Rupees	Rupees
SALES		6,896,728,008	5,824,332,233
COST OF SALES	11	(6,101,276,061)	(5,386,171,737)
<b>GROSS PROFIT</b>		<b>795,451,947</b>	<b>438,160,496</b>
DISTRIBUTION COST		(185,506,098)	(164,932,990)
ADMINISTRATIVE EXPENSES		(44,694,973)	(42,549,625)
OTHER OPERATING EXPENSES		(35,243,724)	(61,141,339)
		(265,444,795)	(268,623,954)
		530,007,152	169,536,542
OTHER OPERATING INCOME		364,890,844	11,809,068
PROFIT FROM OPERATIONS		<b>894,897,996</b>	<b>181,345,610</b>
FINANCE COST		(226,756,033)	(231,089,430)
<b>PROFIT BEFORE TAXATION</b>		<b>668,141,963</b>	(49,743,820)
<b>TAXATION</b>		(103,444,182)	(58,421,751)
<b>PROFIT AFTER TAXATION</b>		<b>564,697,781</b>	<b>(108,165,571)</b>
<b>EARNINGS PER SHARE - BASIC &amp; DILUTED</b>		<b>2.35</b>	(Restated) (0.45)

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

Chief Executive

Director

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

FOR THE QUARTER ENDED SEPTEMBER 30, 2016

	Quarter Ended	
	September 30, 2016	September 30, 2015
	Rupees	Rupees
PROFIT AFTER TAXATION	564,697,781	(108,165,571)
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	564,697,781	(108,165,571)

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

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Director

# UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT

(UN-AUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2016

		Quarter Ended	
	Note	September 30, 2016	September 30, 2015
		Rupees	Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash generated from operations</b>	12	1,099,544,703	3,052,172,503
Net decrease in long term security deposits		50,000	-
Net decrease / (increase) in long term loans to employees		(374,177)	(4,210,031)
Finance cost paid		(260,640,632)	(289,003,680)
Income tax paid		98,426,848	(120,189,585)
<b>Net cash generated from operating activities</b>		937,006,742	2,638,769,207
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure on property, plant and equipment		(54,219,248)	(340,427,091)
Proceeds from sale of property, plant and equipment		(36,083,198)	32,050
Short term investments made		(20,921,964)	(246,775)
Investment in subsidiary company		(115,004,641)	(30,964,897)
Dividend received from subsidiary company		328,275,185	-
Profit on bank deposits received		292,344	309,916
<b>Net cash generated from/(used in) investing activities</b>		102,338,478	(371,296,797)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from long term financing		41,414,992	380,872,000
Repayment of long term financing		(306,304,500)	(331,664,610)
Repayment of redeemable capital		-	(31,250,000)
Proceeds from share deposit money		-	49,128,425
Short term borrowings - net		(737,301,933)	(2,858,910,215)
Dividends paid		(55,999)	(15,566)
<b>Net cash used in financing activities</b>		(1,002,247,440)	(2,791,839,966)
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		37,097,780	(524,367,556)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>		48,667,523	969,467,798
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		85,765,303	445,100,242

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

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Director

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

FOR THE QUARTER ENDED SEPTEMBER 30, 2016

	Ordinary Share Capital	Share Deposit Money	CAPITAL RESERVES SHARE PREMIUM	RESERVES			TOTAL EQUITY
				General reserve	Unappropriated profit	Total	
<b>Balance as at 30 June 2015 - (audited)</b>	2,001,846,300	951,794,725	-	1,629,221,278	5,386,763,734	7,015,985,012	9,969,626,037
Right issue subscription money received	-	49,128,425	-	-	-	-	49,128,425
Total comprehensive income for the quarter ended 30 September 2015	-	-	-	-	(108,165,571)	(108,165,571)	(108,165,571)
<b>Balance as at 30 September 2015 - (un-audited)</b>	2,001,846,300	1,000,923,150	-	1,629,221,278	5,278,598,163	6,907,819,441	9,910,588,891
Final dividend for the year ended 30 June 2015 @ Rupees 1.5 per ordinary share	-	-	-	-	(360,332,334)	(360,332,334)	(360,332,334)
Issue of right shares during the year	400,369,260	(1,000,923,150)	600,553,890	-	-	-	-
Total comprehensive income for the nine month ended 30 June 2016	-	-	-	-	1,436,940,264	1,436,940,264	1,436,940,264
<b>Balance as at 30 June 2016 - (audited)</b>	2,402,215,560	-	600,553,890	1,629,221,278	6,355,206,093	7,984,427,371	10,987,196,821
Total comprehensive income for the quarter ended 30 September 2016	-	-	-	-	564,697,781	564,697,781	564,697,781
<b>Balance as at 30 September 2016 - (un-audited)</b>	2,402,215,560	-	600,553,890	1,629,221,278	6,919,903,874	8,549,125,152	11,551,894,602

Chief Executive

Director

FOR THE QUARTER ENDED SEPTEMBER 30, 2016

**1. THE COMPANY AND ITS OPERATIONS**

Nishat (Chunian) Limited ("the Company") is a public limited company incorporated in Pakistan under the Companies Ordinance, 1984 and is listed on 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, fabric and made-ups made from raw cotton, synthetic fiber and cloth and to generate, accumulate, distribute, supply and sell electricity.

**2. BASIS OF PREPARATION**

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

**3. ACCOUNTING POLICIES**

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

**4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

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

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

**5. AUTHORIZED SHARE CAPITAL**

Un-audited September 30, 2016	Audited June 30, 2016		Un-audited September 30, 2016	Audited June 30, 2016
(Number of shares)			Rupees	Rupees
280,000,000	280,000,000	Ordinary shares of Rupees 10 each	2,800,000,000	2,800,000,000
20,000,000	20,000,000	15 % non-voting cumulative convertible preference shares of Rupees 10 each	200,000,000	200,000,000
<u>300,000,000</u>	<u>300,000,000</u>		<u>3,000,000,000</u>	<u>3,000,000,000</u>

FOR THE QUARTER ENDED SEPTEMBER 30, 2016

**6. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL**

Un-audited September 30, 2016	Audited June 30, 2016		Un-audited September 30, 2016	Audited June 30, 2016
(Number of shares)			Rupees	Rupees
134,757,848	134,757,848	Ordinary shares of Rupees 10 each fully paid in cash	1,347,578,480	1,347,578,480
104,239,443	104,239,443	Ordinary shares of Rupees 10 each issued as fully paid bonus shares	1,042,394,430	1,042,394,430
1,224,265	1,224,265	Ordinary shares of Rupees 10 each issued as fully paid for consideration other than cash to members of Umer Fabrics Limited as per the Scheme of arrangement as approved by the Honourable Lahore High Court, Lahore	12,242,650	12,242,650
<u>240,221,556</u>	<u>240,221,556</u>		<u>2,402,215,560</u>	<u>2,402,215,560</u>

**7. LONG TERM FINANCING**

**From Banking Companies / financial institutions -Secured**

Long Term Loans	3,236,215,491	3,501,105,000
Long Term Musharaka	160,000,000	160,000,000
	<u>3,396,215,491</u>	<u>3,661,105,000</u>
Less: Current portion shown under current liabilities	1,317,020,658	1,581,910,167
Non-current portion	<u>2,079,194,833</u>	<u>2,079,194,833</u>

**8. SHORT TERM BORROWINGS**

	Un-audited September 30, 2016	Audited June 30, 2016
	Rupees	Rupees
Short term running finances	1,081,399,750	2,127,918,129
Export finances-preshipment/SBP refinance	4,581,380,839	5,222,164,393
Other short term finances	5,720,000,000	4,770,000,000
	<u>11,382,780,589</u>	<u>12,120,082,522</u>

FOR THE QUARTER ENDED SEPTEMBER 30, 2016

**9. CONTINGENCIES AND COMMITMENTS**

**Contingencies**

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

- i) Post dated cheques have been issued to custom authorities in respect of duties amounting to Rupees 1,922.45 million (30 June 2016: Rupees 1,893.971 million) on imported material availed on the basis of consumption and export plans. In the event the documents of exports are not provided on due dates, cheque issued as security shall be encashable.
- ii) Guarantees of Rupees 341.645 million (30 June 2016: Rupees 347.051 million) have been issued by the banks of the company to Sui Northern Gas Pipelines Limited against gas connections, Shell Pakistan Limited against purchase of furnace oil and Lahore Electric Supply Company Limited against electricity connections.
- iii) Guarantees of Rupees 166 million (30 June 2016: Rupees 156 million) have been issued by the banks of the company to Director, Excise and Taxation, Karachi against disputed amount of infrastructure cess.

**Commitments**

- i) Commitments in respect of capital expenditure are Rupees 2,685.586 million (30 June 2016: Rupees 1,097.026 million).
- ii) Letters of credit other than for capital expenditure are Rupees 453.715 million (30 June 2016: Rupees 764.750 million).
- iii) Outstanding foreign currency forward contracts of Rupees 5,243.775 million (30 June 2016: Rupees 4,109.245 million).

**10. OPERATING FIXED ASSETS**

Property, plant and equipment

Operating assets (10.1)

Capital work in progress

Intangible asset:

Computer software

Un-audited September 30, 2016	Audited June 30, 2016
Rupees	Rupees
9,255,104,137	9,417,927,801
64,398,799	37,263,352
<u>9,319,502,936</u>	<u>9,455,191,153</u>
3,944,087	5,019,748
<u>9,323,447,023</u>	<u>9,460,210,901</u>
9,417,927,801	8,939,798,687
42,672,190	1,331,126,466
<u>9,460,599,991</u>	<u>10,270,925,153</u>
15,588,389	55,144,119
189,907,465	788,127,497
-	9,725,736
<u>9,255,104,137</u>	<u>9,417,927,801</u>
2,515,319	150,053,147
14,595,982	1,118,806,627
8,909,746	28,212,147
6,001,145	2,235,208
2,786,176	3,196,573
2,150,139	7,275,394
5,713,683	21,347,370
<u>42,672,190</u>	<u>1,331,126,466</u>

**10.1 Operating Assets**

Opening book value

Additions during the period / year (10.1.1)

Book value of deletions during the period / year (10.1.2)

Less: Depreciation charged during the period / year

Less: Impairment loss during the period / year

Closing book value

**10.1.1 Cost of additions during the period / year**

Building on freehold land

Plant and machinery

Electric installations

Factory equipment

Furniture and fixtures

Office equipment

Motor vehicles



FOR THE QUARTER ENDED SEPTEMBER 30, 2016

**10.1.2 Book Value of deletions during the period / year**

	Un-audited September 30, 2016	Audited June 30, 2016
	Rupees	Rupees
Plant and machinery	25,313,842	129,359,223
Factory equipment	270,000	-
Office equipment	45,340	803,021
Motor vehicles	2,751,921	28,304,365
Total Cost of Deletions	28,381,103	158,466,609
Less: Accumulated Depreciation	(12,792,714)	(103,322,490)
	<b>15,588,389</b>	<b>55,144,119</b>

**11. COST OF GOODS SOLD**

	Un-audited Quarter ended	
	September 30, 2016	September 30, 2015
	..... Rupees .....	
Raw material consumed	4,675,328,967	3,642,553,503
Packing materials consumed	195,229,013	181,004,425
Stores, spare parts and loose tools	212,419,454	199,896,985
Commercial Processing Stitching etc.	55,935,507	29,080,150
Salaries, wages and other benefits	547,177,489	511,632,215
Fuel and power	569,341,360	695,960,197
Insurance	10,407,229	10,127,911
Postage and telephone	252,113	193,885
Travelling and conveyance	4,745,535	5,024,455
Vehicles running and maintenance	4,201,038	5,662,733
Entertainment	2,233,229	1,987,764
Ijarah Rentals	-	1,630,120
Depreciation	188,550,264	183,404,825
Repair and maintenance	68,042,396	62,726,730
Other factory overheads	21,788,891	19,706,612
	<b>6,555,652,485</b>	<b>5,550,592,510</b>
<b>Work-in-process</b>		
Opening stock	664,745,190	440,237,781
Closing stock	(679,165,076)	(563,162,606)
	<b>(14,419,886)</b>	<b>(122,924,825)</b>
Cost of goods manufactured	<b>6,541,232,599</b>	<b>5,427,667,685</b>
<b>Finished goods and waste-opening stocks</b>		
Finished goods	581,318,344	796,579,213
Waste	45,165,814	33,960,726
	<b>626,484,158</b>	<b>830,539,939</b>
	<b>7,167,716,757</b>	<b>6,258,207,624</b>
<b>Finished goods and waste-closing stocks</b>		
Finished goods	(1,008,408,863)	(826,709,130)
Waste	(58,031,833)	(45,326,757)
	<b>(1,066,440,696)</b>	<b>(872,035,887)</b>
<b>Cost of goods sold</b>	<b>6,101,276,061</b>	<b>5,386,171,737</b>

FOR THE QUARTER ENDED SEPTEMBER 30, 2016

	Un-audited Quarter Ended	
	September 30, 2016	September 30, 2015
	Rupees	Rupees
<b>12. CASH USED IN OPERATIONS</b>		
<b>Profit / Loss before taxation</b>	668,141,963	(49,743,820)
Adjustment for non cash charges and other items:		
Depreciation on operating assets	189,907,465	184,752,193
Amortization on intangible assets	1,075,660	718,897
Gain on sale of operating fixed assets	36,083,198	32,050
Interest on bank deposits	(292,344)	(309,916)
Finance cost	226,756,033	231,089,430
Dividend Income	(328,275,185)	-
Working capital changes (Note 12.1)	306,147,913	2,685,633,669
<b>Cash generated from operations</b>	<b>1,099,544,703</b>	<b>3,052,172,503</b>
<b>12.1 Working capital changes</b>		
<b>(Increase) / decrease in current assets</b>		
- Stores, spare parts and loose tools	(148,342,065)	(89,518,898)
- Stock in trade	621,199,707	1,116,608,475
- Trade debts	(107,707,153)	886,775,670
- Loans and advances	(674,786,566)	(341,018,416)
- Short term deposits and prepayments	(24,255,799)	(32,094,004)
- Other receivables	132,750,268	247,789,915
<b>Increase in current liabilities</b>		
- Trade and other payables	507,289,521	897,090,927
	<b>306,147,913</b>	<b>2,685,633,669</b>

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

FOR THE QUARTER ENDED SEPTEMBER 30, 2016

15. SEGMENT INFORMATION

Note	Quarter ended		Working		Preceding and Future Months		Power Generation		Elimination of Inter-Company Transactions		Total Company	
	(\$ in lakhs)		(\$ in lakhs)		(\$ in lakhs)		(\$ in lakhs)		(\$ in lakhs)		(\$ in lakhs)	
	Q1-16	Q3-16	Q1-16	Q3-16	Q1-16	Q3-16	Q1-16	Q3-16	Q1-16	Q3-16	Q1-16	Q3-16
Cost of sales	15,52,75,591	15,52,75,591	15,52,75,591	15,52,75,591	15,52,75,591	15,52,75,591	15,52,75,591	15,52,75,591	15,52,75,591	15,52,75,591	15,52,75,591	15,52,75,591
Depreciation	2,22,24,271	2,22,24,271	2,22,24,271	2,22,24,271	2,22,24,271	2,22,24,271	2,22,24,271	2,22,24,271	2,22,24,271	2,22,24,271	2,22,24,271	2,22,24,271
Interest expense	1,58,12,522	1,58,12,522	1,58,12,522	1,58,12,522	1,58,12,522	1,58,12,522	1,58,12,522	1,58,12,522	1,58,12,522	1,58,12,522	1,58,12,522	1,58,12,522
Cost of sales	1,58,12,522	1,58,12,522	1,58,12,522	1,58,12,522	1,58,12,522	1,58,12,522	1,58,12,522	1,58,12,522	1,58,12,522	1,58,12,522	1,58,12,522	1,58,12,522
Operating profit	2,22,24,271	2,22,24,271	2,22,24,271	2,22,24,271	2,22,24,271	2,22,24,271	2,22,24,271	2,22,24,271	2,22,24,271	2,22,24,271	2,22,24,271	2,22,24,271
Operating profit (loss)	2,22,24,271	2,22,24,271	2,22,24,271	2,22,24,271	2,22,24,271	2,22,24,271	2,22,24,271	2,22,24,271	2,22,24,271	2,22,24,271	2,22,24,271	2,22,24,271
Distribution cost	1,58,12,522	1,58,12,522	1,58,12,522	1,58,12,522	1,58,12,522	1,58,12,522	1,58,12,522	1,58,12,522	1,58,12,522	1,58,12,522	1,58,12,522	1,58,12,522
Administrative expenses	1,58,12,522	1,58,12,522	1,58,12,522	1,58,12,522	1,58,12,522	1,58,12,522	1,58,12,522	1,58,12,522	1,58,12,522	1,58,12,522	1,58,12,522	1,58,12,522
Profit / (Loss) before tax and on financial instruments and expenses	2,22,24,271	2,22,24,271	2,22,24,271	2,22,24,271	2,22,24,271	2,22,24,271	2,22,24,271	2,22,24,271	2,22,24,271	2,22,24,271	2,22,24,271	2,22,24,271
Unallocated income and expenses	1,58,12,522	1,58,12,522	1,58,12,522	1,58,12,522	1,58,12,522	1,58,12,522	1,58,12,522	1,58,12,522	1,58,12,522	1,58,12,522	1,58,12,522	1,58,12,522
Other income	1,58,12,522	1,58,12,522	1,58,12,522	1,58,12,522	1,58,12,522	1,58,12,522	1,58,12,522	1,58,12,522	1,58,12,522	1,58,12,522	1,58,12,522	1,58,12,522
Finance cost	1,58,12,522	1,58,12,522	1,58,12,522	1,58,12,522	1,58,12,522	1,58,12,522	1,58,12,522	1,58,12,522	1,58,12,522	1,58,12,522	1,58,12,522	1,58,12,522
Profit after taxation	1,58,12,522	1,58,12,522	1,58,12,522	1,58,12,522	1,58,12,522	1,58,12,522	1,58,12,522	1,58,12,522	1,58,12,522	1,58,12,522	1,58,12,522	1,58,12,522

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

FOR THE QUARTER ENDED SEPTEMBER 30, 2016

13.1 Reconciliation of reportable segment assets and liabilities

	Spinning		Weaving		Processing and Home Textile		Power Generation		Total Company	
	(Un-audited) Half year ended 30-Sep-16	(Audited) Year ended 30-Jun-16	(Un-audited) Half year ended 30-Sep-16	(Audited) Year ended 30-Jun-16	(Un-audited) Half year ended 30-Sep-16	(Audited) Year ended 30-Jun-16	(Un-audited) Half year ended 30-Sep-16	(Audited) Year ended 30-Jun-16	(Un-audited) Half year ended 30-Sep-16	(Audited) Year ended 30-Jun-16
	13,877,917,979	13,522,518,336	2,878,490,056	2,739,814,780	4,991,883,018	4,916,022,231	1,532,897,823	1,538,888,249	23,080,458,576	22,725,743,596
<b>Total assets for reportable segments</b>										
<b>Unallocated assets:</b>										
Long term investments									3,527,797,656	3,412,793,015
Other receivables									1,740,487,331	2,075,108,629
Short term investment									20,924,964	0
Cash and bank balances									85,765,303	48,667,523
Other corporate assets									464,460,230	622,883,035
<b>Total assets as per balance sheet</b>									<b>28,919,851,060</b>	<b>28,883,995,728</b>
<b>Total liabilities for reportable segments</b>									<b>2,442,903,375</b>	<b>1,682,368,486</b>
<b>Unallocated liabilities:</b>										
Long term financing									3,396,245,491	3,661,405,000
Accrued mark-up									1,000,000,000	1,000,000,000
Share payables									11,389,790,588	11,110,824,532
Other corporate liabilities									36,957,385	290,258,752
<b>Total liabilities as per balance sheet</b>									<b>17,867,956,658</b>	<b>17,866,798,377</b>

FOR THE QUARTER ENDED SEPTEMBER 30, 2016

#### 14. TRANSACTIONS WITH RELATED PARTIES

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

	Un-audited	Un-audited
	Quarter Ended	Quarter Ended
	September 30,	September 30,
	2016	2015
	Rupees	Rupees
<b>Subsidiary company</b>		
Sale of Goods to Subsidiary Company	530,169,686	299,458,907
Short term loan given to subsidiary company	600,000,000	-
Dividend Received	328,275,185	-
Common facilities cost charged to subsidiary company	4,800,000	4,800,000
Mark-up on short term loan charged to subsidiary company	262,951	17,723
<b>Associated company</b>		
Insurance premium paid	30,150,911	35,613,704
Insurance claims received	3,921,205	536,360
Donation paid	63,357	-
<b>Other related parties</b>		
Purchase of goods	27,248,287	11,404,580
Sale of goods	231,832,335	129,496,545
Contribution to employees' provident fund	24,168,278	20,250,386
<b>Period end balances</b>		
	Un-audited	Audited
	Quarter Ended	Year Ended
	September 30,	June 30,
	2016	2016
	Rupees	Rupees
Due to subsidiary company	-	-
Due from subsidiary company	661,072,729	606,714,885
Short term loan receivable from subsidiary company	600,000,000	-
Bank balances with related party	6,143,073	3,923,932
Due from related parties other than subsidiary company	56,195,410	60,735,848
Due to related parties other than subsidiary company	15,791,333	3,025,000

FOR THE QUARTER ENDED SEPTEMBER 30, 2016

**15. FINANCIAL RISK MANAGEMENT**

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

**16. 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 cashflow statement 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 / regroupings have been made.

**17. DATE OF AUTHORIZATION FOR ISSUE**

This unconsolidated condensed interim financial information was approved by the Board of Directors and authorized for issue on October 28, 2016.

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Director

NISHAT (CHUNIAN) LIMITED AND  
ITS SUBSIDIARY COMPANIES

CONSOLIDATED CONDENSED  
INTERIM FINANCIAL INFORMATION

QUARTER ENDED SEPTEMBER 30,  
2016 (UN-AUDITED)

## CONSOLIDATED CONDENSED INTERIM BALANCE SHEET

AS AT SEPTEMBER 30, 2016

	Un-audited September 30, 2016	Audited June 30, 2016
Note	Rupees	Rupees
<b>EQUITY AND LIABILITIES</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
Authorized share capital	3,000,000,000	3,000,000,000
Issued, subscribed and paid-up share capital	2,402,215,560	2,402,215,560
Reserves	11,304,437,870	10,689,601,317
Equity attributable to equity holders of the Holding Company	13,706,653,430	13,091,816,877
Non-controlling interest	3,922,956,590	3,562,941,251
<b>Total equity</b>	<b>17,629,610,020</b>	<b>16,654,758,128</b>
<b>LIABILITIES</b>		
<b>NON-CURRENT LIABILITIES</b>		
Long term financing	13,366,605,539	13,377,738,486
<b>CURRENT LIABILITIES</b>		
Trade and other payables	3,203,953,448	2,593,380,872
Accrued mark-up	456,368,475	458,805,704
Short term borrowings	15,815,632,417	16,460,565,575
Derivative financial instruments	-	1,713,049
Current portion of long term financing	3,119,972,214	3,321,242,615
	<b>22,595,926,554</b>	<b>22,835,707,815</b>
<b>TOTAL LIABILITIES</b>	<b>35,962,532,093</b>	<b>36,213,446,301</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	5	
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>53,592,142,113</b>	<b>52,868,204,429</b>

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

\_\_\_\_\_  
CHIEF EXECUTIVE



## CONSOLIDATED CONDENSED INTERIM BALANCE SHEET

AS AT SEPTEMBER 30, 2016

	Un-audited September 30, 2016	Audited June 30, 2016
Note	Rupees	Rupees
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Fixed assets	27,655,337,057	27,424,478,642
Long term loans to employees	25,404,481	24,213,002
Long term security deposits	20,824,440	20,874,440
	27,701,565,978	27,469,566,084
<b>CURRENT ASSETS</b>		
Stores, spare parts and loose tools	1,573,930,196	1,470,107,563
Stock-in-trade	7,660,086,621	8,001,720,738
Trade debts	12,073,969,677	11,221,170,113
Loans and advances	1,192,459,503	1,300,670,193
Short term deposit and prepayments	190,504,988	17,060,032
Other receivables	3,060,006,502	3,301,274,890
Short term investments	20,921,964	10,520,822
Cash and bank balances	118,696,684	76,113,994
	25,890,576,135	25,398,638,345
<b>TOTAL ASSETS</b>	<b>53,592,142,113</b>	<b>52,868,204,429</b>

\_\_\_\_\_  
DIRECTOR

# CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT

(UN-AUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2016

	Quarter Ended	
	September 30, 2016	September 30, 2015
	Rupees	Rupees
SALES	10,700,269,696	10,520,504,632
COST OF SALES	(8,822,242,729)	(8,787,616,745)
GROSS PROFIT	1,878,026,967	1,732,887,887
DISTRIBUTION COST	(228,382,811)	(199,809,831)
ADMINISTRATIVE EXPENSES	(88,466,150)	(89,168,133)
OTHER OPERATING EXPENSES	(44,891,585)	(64,224,368)
	(361,740,546)	(353,202,332)
	1,516,286,421	1,379,685,555
OTHER OPERATING INCOME	61,097,025	18,886,956
PROFIT FROM OPERATIONS	1,577,383,446	1,398,572,511
FINANCE COST	(498,935,747)	(570,956,064)
PROFIT BEFORE TAXATION	1,078,447,699	827,616,447
TAXATION	(103,609,154)	(58,421,751)
PROFIT AFTER TAXATION	974,838,545	769,194,696
PROFIT ATTRIBUTABLE TO:		
EQUITY HOLDERS OF THE HOLDING COMPANY	614,823,206	341,181,064
NON-CONTROLLING INTEREST	360,015,339	428,013,633
	974,838,545	769,194,696
EARNINGS PER SHARE - BASIC & DILUTED	2.56	(Restated) 1.42

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

\_\_\_\_\_  
CHIEF EXECUTIVE

\_\_\_\_\_  
DIRECTOR

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

FOR THE QUARTER ENDED SEPTEMBER 30, 2016

	Quarter Ended	
	September 30, 2016	September 30, 2015
	Rupees	Rupees
PROFIT AFTER TAXATION	974,838,545	769,194,696
OTHER COMPREHENSIVE INCOME	13,347	496,292
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>974,851,892</b>	<b>769,690,988</b>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>		
EQUITY HOLDERS OF THE HOLDING COMPANY	614,836,553	341,677,356
NON-CONTROLLING INTEREST	360,015,339	428,013,633
	<b>974,851,892</b>	<b>769,690,988</b>

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

\_\_\_\_\_  
CHIEF EXECUTIVE

\_\_\_\_\_  
DIRECTOR

# CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT

(UN-AUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2016

		Quarter Ended	
		September 30, 2016	September 30, 2015
Note	Rupees	Rupees	Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
	<b>Cash generated from operations</b>	2,378,100,531	5,718,521,996
	Net increase in long term security deposits	50,000	-
	Finance cost paid	(501,372,976)	(703,867,415)
	Income tax paid	92,130,732	(120,189,585)
	Long term loans to employees	(1,191,479)	(4,541,261)
	<b>Net cash generated from operating activities</b>	<b>1,967,716,808</b>	<b>4,889,923,735</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
	Capital expenditure on property, plant and equipment	(720,630,554)	(1,009,039,850)
	Capital expenditure on intangible assets	(2,383,784)	-
	Proceeds from sale of property, plant and equipment	(34,302,711)	47,049
	Short term investments made	(10,401,142)	(246,775)
	Profit on bank deposits received	886,828	345,417
	<b>Net cash used in investing activities</b>	<b>(766,831,363)</b>	<b>(1,008,894,159)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
	Proceeds from long term financing	486,872,595	931,431,433
	Repayment of long term financing	(699,275,943)	(691,827,156)
	Short term borrowings - net	(644,933,158)	(4,668,189,215)
	Loss on derivative financial instruments paid	-	-
	Proceeds from share deposit money	-	49,128,425
	Dividend paid to non-controlling interest	(300,923,597)	-
	Dividend paid	(55,999)	-
	<b>Net cash generated from / (used in) financing activities</b>	<b>(1,158,316,102)</b>	<b>(4,379,456,513)</b>
	<b>Net decrease in cash and cash equivalents</b>	<b>42,569,343</b>	<b>(498,426,937)</b>
	<b>Impact of exchange translation</b>	<b>13,347</b>	<b>496,292</b>
	<b>Cash and cash equivalents at the beginning of the year</b>	<b>76,113,994</b>	<b>1,014,525,460</b>
	<b>Cash and cash equivalents at the end of the year</b>	<b>118,696,684</b>	<b>516,594,815</b>

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

\_\_\_\_\_  
CHIEF EXECUTIVE

\_\_\_\_\_  
DIRECTOR

# CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

(UN-AUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2016

	ATTRIBUTABLE TO EQUITY HOLDERS OF THE HOLDING COMPANY										NON-CONTROLLING INTEREST	TOTAL EQUITY
	Share Capital	Share Deposit Money	Capital Reserve		General Reserve		REVENUE RESERVES		SHAREHOLDERS' EQUITY	Total		
			Exchange Translation Reserve	Share Premium	General Reserve	Unappropriated profit	Total					
							Unappropriated profit	Total				
<b>Balance as at June 30, 2015 - (audited)</b>	2,001,846,300	951,794,725	(820,940)	-	1,629,221,278	71,590,840,888	8,820,062,166	11,772,882,251	3,607,323,562	15,380,005,813		
Right issue subscription money received	-	49,128,425	-	-	-	-	-	49,128,425	-	49,128,425		
Total comprehensive income for the quarter ended September 30, 2015	-	-	496,292	-	341,181,064	341,181,064	341,181,064	341,677,356	428,015,633	769,690,989		
<b>Balance as at September 30, 2015 - (un-audited)</b>	2,001,846,300	1,000,923,150	(324,648)	-	1,629,221,278	7,532,021,952	9,161,243,230	12,163,688,032	4,035,337,195	16,199,025,227		
Final Dividend for the year ended 30th June 2015 @ Rupees 1.5 per ordinary share	-	-	-	-	-	(360,332,334)	(360,332,334)	(360,332,334)	-	(360,332,334)		
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	(1,393,148,671)	-		
Issue of rights shares during the year	400,369,260	(1,000,923,150)	-	-	-	-	-	-	-	-		
Total comprehensive income for the nine months ended June 30, 2016	-	-	(659,124)	-	-	1,289,120,303	1,289,120,303	1,288,461,179	920,752,727	2,209,413,906		
<b>Balance as at June 30, 2016 - (audited)</b>	2,402,215,560	-	(985,772)	-	1,629,221,278	8,460,899,921	10,090,031,199	13,094,816,877	3,562,341,251	16,654,758,128		
Total comprehensive income for the quarter ended September 30, 2016	-	-	13,347	-	-	614,823,206	614,823,206	614,836,553	360,015,339	974,851,892		
<b>Balance as at September 30, 2016 - (un-audited)</b>	2,402,215,560	-	(970,425)	-	1,629,221,278	9,075,633,127	10,704,854,405	13,706,653,430	3,922,956,590	17,629,610,020		

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

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CHIEF EXECUTIVE

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DIRECTOR

FOR THE QUARTER ENDED SEPTEMBER 30, 2016

**1. GROUP INFORMATION**

The Group consists of:

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

**Nishat (Chunian) Limited**

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

**Nishat Chunian Power Limited**

Nishat Chunian Power Limited ("the Subsidiary Company") is a public limited Company incorporated in Pakistan under the Companies Ordinance, 1984 and listed on the Pakistan Stock Exchange (Guarantee) Limited. The principal activity of the Subsidiary Company is to build, own, operate and maintain a fuel fired power station having gross capacity of 200 MW and net capacity of 195.722 MW at Jamber Kalan, Tehsil Pattoki, District Kasur, Punjab, Pakistan. Its registered office is situated at 31-Q, Gulberg II, Lahore. The Subsidiary Company has commenced commercial operations from 21 July 2010 and the twenty five years term of the Power Purchase Agreement (PPA) with National Transmission and Despatch Company Limited starts from this date.

**Nishat Chunian USA Incorporation**

Nishat Chunian USA Inc. is a foreign subsidiary incorporated under the Business Corporation Laws of the State of New York. The registered office of Nishat Chunian USA Inc. is situated at Suite No. 639, 7 West, 34th Street New York, NY 10001, USA. The principal business of the Subsidiary Company is to import home textile products and distribute to local retailers.

**NC Electric Company Limited**

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

**NC Entertainment (Private) Limited**

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

**2. BASIS OF PREPARATION**

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

FOR THE QUARTER ENDED SEPTEMBER 30, 2016

**3. ACCOUNTING POLICIES**

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

**4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

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

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

**5. CONTINGENCIES AND COMMITMENTS**

**Holding Company**

**Contingencies**

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

- i) Post dated cheques have been issued to custom authorities in respect of duties amounting to Rupees 1,922.45 million (30 June 2016: Rupees 1,893.971 million) on imported material availed on the basis of consumption and export plans. In the event the documents of exports are not provided on due dates, cheque issued as security shall be encashable.
- ii) Guarantees of Rupees 341.645 million (30 June 2016: Rupees 347.051 million) have been issued by the banks of the company to Sui Northern Gas Pipelines Limited against gas connections, Shell Pakistan Limited against purchase of furnace oil and Lahore Electric Supply Company Limited against electricity connections.
- iii) Guarantees of Rupees 166 million (30 June 2016: Rupees 156 million) have been issued by the banks of the company to Director, Excise and Taxation, Karachi against disputed amount of infrastructure cess.

**Commitments**

- i) Commitments in respect of capital expenditure are Rupees 2,685.586 million (30 June 2016: Rupees 1,097.026 million).
- ii) Letters of credit other than for capital expenditure are Rupees 453.715 million (30 June 2016: Rupees 764.750 million).
- iii) Outstanding foreign currency forward contracts of Rupees 5,243.775 million (30 June 2016: Rupees 4,109.245 million).

FOR THE QUARTER ENDED SEPTEMBER 30, 2016

**Subsidiary Company**

**Contingencies**

There is no significant change in contingencies from the preceding annual published financial statements of the company for the year ended June 30, 2016 except a letter of guarantee of Rs.11,095 (2016: Rs. NIL) issued in favour of Punjab Revenue Authority, Lahore under direction of Lahore High Court in respect of suit filed for levy of infrastructure cess.

**Commitments**

- i) Letter of credit other than for capital expenditure

**6. CASH GENERATED FROM OPERATIONS**

**Profit before taxation**

Adjustment for non cash charges and other items:

Provision for employee retirement

Depreciation on operating assets

Amortization on intangible assets

Loss / (Gain) on sale of operating fixed assets

Interest on bank deposits

Unrealised gain on derivative financial instrument

Finance costs

**Cash flows from operating activities before working capital changes**

**(Increase) / decrease in current assets**

- Stores, spare parts and loose tools

- Stock in trade

- Trade debts

- Loans and advances

- Short term deposits and prepayments

- Other receivables

**Increase in current liabilities**

- Trade and other payables

**Cash generated from operations**

	Un-audited Quarter ended September 30, 2016	Audited Year ended June 30, 2016
	Rupees	Rupees
	24,432,096	61,160,251
	Un-audited Quarter ended September 30, 2016	Un-audited Quarter ended September 30, 2015
	Rupees	Rupees
	1,078,447,699	827,616,448
	1,784,907	-
	488,977,321	458,083,013
	1,551,777	718,897
	44,545,771	59,278
	(886,828)	(345,418)
	(1,713,049)	(278,333)
	498,935,747	570,956,064
	2,111,643,345	1,856,809,949
	(103,822,633)	(60,557,414)
	341,634,117	1,784,270,134
	(852,799,564)	1,220,136,867
	108,210,690	(436,600,109)
	(183,846,098)	(154,697,509)
	45,528,502	355,908,013
	911,552,172	1,153,252,065
	266,457,186	3,861,712,047
	2,378,100,531	5,718,521,996



FOR THE QUARTER ENDED SEPTEMBER 30, 2016

**7. TRANSACTIONS WITH RELATED PARTIES**

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

	Un-audited Quarter ended September 30, 2016	Un-audited Quarter ended September 30, 2015
	Rupees	Rupees
<b>Associated company</b>		
Insurance premium paid	30,150,911	35,613,704
Insurance claims received	3,921,205	536,360
<b>Other related parties</b>		
Purchase of goods	27,248,287	11,404,580
Sale of goods	231,832,335	129,496,545
Contribution to employees' provident fund	25,843,237	21,925,345
	<b>Un-audited Quarter ended September 30, 2016</b>	<b>Audited Year ended June 30, 2016</b>
	Rupees	Rupees
<b>Period end balances</b>		
Bank balances with related party	7,120,738	9,996,323
Due from related parties	56,195,410	60,735,848
Due to related parties	15,791,333	3,025,000

**8. EVENTS AFTER BALANCE SHEET DATE**

The Board of Directors' of Nishat Chunian Power Limited (the Subsidiary Co) at their meeting held on October 28, 2016 had declared interim cash dividend of Rupees 1.5 per ordinary share (30 June 2016: Rupees 2) for the quarter ended September 30, 2016.

**9. CORRESPONDING FIGURES**

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

**10. DATE OF AUTHORIZATION FOR ISSUE**

This consolidated condensed interim financial information was approved and authorized for issue on October 28, 2016 by the Board of Directors.

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Director

# INVESTORS' EDUCATION

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

[www.jamapunji.pk](http://www.jamapunji.pk)



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\*Mobile apps are also available for download for android and ios devices







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