



Interim Financial Information

Quarter Ended September 30, 2017

(Unaudited)



Nishat Chunia Limited

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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:

Mr. Shahzad Saleem (*Chairman*)
Mr. Zain Shahzad (*Member*)
Mr. Kamran Rasool (*Member*)

CFO / Company Secretary:

Mr. Babar Ali Khan

Head of Internal Audit:

Mr. Faqir Syed Ameer Abbas

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

Auditors:

Riaz Ahmad & Company
Chartered Accountants

Registered & Head Office:

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

Share Registrar:

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

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DIRECTORS' REPORT

Dear Shareholders

The Board of Directors is pleased to announce the unaudited results of Nishat (Chunian) Limited ("the Company") for the quarter ended on September 30, 2017.

Operating Financial Results

Revenues earned during these three months period are Rs. 8.37 billion as compared to Rs. 6.90 billion during the corresponding three months of previous fiscal year, registering an increase of 21.33%. The increase in turnover is mainly driven by Yarn sales in local market. Export duty drawback of Rs. 99 million is booked in current quarter which is expected to be realized in future periods. Obstacles in growth are ever increasing cost of production and stiff competition in international market. Gross profit has decreased to 6.35% from 11.53% resulting into loss after tax of -1.14% as compared to profit after tax of 8.19% in the corresponding three months.

Financial Highlights	Quarter ended September 30		Increase / Decrease %
	2017	2016	
Sales (Rs.)	8,368,040,197	6,896,728,008	21.33%
Gross Profit (Rs.)	531,186,317	795,451,947	-33.22%
(Loss) / Profit After Taxation (Rs.)	(95,139,346)	564,697,781	-116.85%
Gross Profit %	6.35%	11.53%	
(Loss) / Profit After Tax %	-1.14%	8.19%	
(Loss) / Earnings Per Share (Rs.)	(0.40)	2.35	

Future Prospects

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

"The Linen Company (TLC)", has setup two more stores one each in Lahore and Islamabad and intends to further enlarge the retail network by opening more stores in various cities. "NC Entertainment (Private) Limited", is successfully running its commercial operations both in Multan and Lahore.

Subsidiary Companies and Consolidated Financial Statements

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

Directors'

26 October 2017

Director

Director

DIRECTORS' REPORT

محترم حصص یافتگان

بورڈ آف ڈائریکٹرز 30 ستمبر 2017 مختصر سرمایہ کے لئے نشاط (چونچاں) لمیٹڈ ("کمپنی") کے غیر نظر حائج شدہ نتائج کا اعلان کرتے ہوئے خوش محسوس کرتا ہے۔

آپریٹنگ مالیاتی نتائج

گزشتہ مالی سال کی اسی سرمایہ کے دوران 6.90 ملین روپے کے مقابلے میں اس سرمایہ کے دوران حاصل ہونے والی آمدنی 8.37 ملین روپے تھی، جو 21.33 فیصد کا اضافہ ظاہر کر رہی ہے۔ ٹرن اور میں اضافہ بنیادی طور پر مقامی مارکیٹ میں باران کی فروخت کے ذریعے ممکن ہوا ہے۔ برآمدات پر ڈیوٹی کی واپسی کی مدد میں 99 ملین روپے رواں سرمایہ میں جبکہ ہونے ہیں جو آئندہ مدت میں حاصل ہونے کی توقع ہے۔ مجموعی رکاوٹ کا باعث پیداواری اخراجات اور بین الاقوامی مارکیٹ کے سخت مقابلے میں مسلسل اضافہ ہے۔ گزشتہ سال کی اسی سرمایہ میں بعد از ٹیکس منافع 8.19 فیصد کے مقابلے بعد از ٹیکس نقصان منفی 1.14 فیصد کے نتیجے میں مجموعی منافع 11.53 فیصد سے کم ہو کر 6.35 فیصد ہو گیا۔

مالی جھلکیاں	30 ستمبر مختصر سرمایہ		فیصد اضافہ
	2017	2016	
فروخت (روپے)	8,368,040,197	6,896,728,008	21.33 فیصد
مجموعی منافع (روپے)	531,186,317	795,451,947	33.22 فیصد
بعد از ٹیکس منافع / (نقصان) (روپے)	(95,139,346)	564,697,781	116.85 فیصد
مجموعی منافع فیصد	6.35 فیصد	11.53 فیصد	
بعد از ٹیکس منافع / (نقصان) فیصد	-1.14 فیصد	8.19 فیصد	
فی شیئر آمدن / (نقصان) (روپے)	(0.40)	2.35	

مستقبل کے امکانات

انتظامیہ آپریٹرز میں پیدا کیے جانے والی اور مزید متوجہ کرنا پانے کے لیے قدر تخلیق کرنے کے لئے پرعزم ہے۔ گزشتہ سال سپٹنگ ڈویژن میں اہم سرمایہ کاری کی ہے۔ کیونکہ اس کے ایک عدد نان آپریٹس یونٹ نے اپنے کمرشل آپریٹرز آغاز کر دیا ہے۔ کمپنی نے گزشتہ سال خریدی گئی 99 لومز کو بھی آپریٹس کر دیا ہے۔ ڈانگ پونٹ نے بھی 340 ملین روپے کی سرمایہ کاری کی ہے۔ مجموعی کارکردگی کو بہتر بنانے کیلئے موجودہ سٹریٹیجی کی ترمیمی اور اپ گریڈیشن پر مستقل توجہ آئندہ سرمایہ میں بعد از ٹیکس منافع پر مثبت طور پر اثر انداز ہوگی۔

"دی لیمن کمپنی (TLC)" نے لاہور اور اسلام آباد میں ایک مزید سٹور کا آغاز کیا ہے اور مختلف شہروں میں مزید سٹور کھول کر ریشیل نیٹ ورک کو مزید فروغ دینے کا ارادہ رکھتی ہے۔ "این

سی انٹرنیشنل (پرائیویٹ) لمیٹڈ" ملتان اور لاہور میں اپنے کمرشل آپریٹرز کامیابی سے چلا رہی ہے۔

ذیلی کمپنیاں اور ایشیا شدہ مالیاتی حسابات

نشاط چونچاں یاور لمیٹڈ، NC ایکٹو کمپنی لمیٹڈ، نشاط چونچاں یو ایس اے انکارپوریٹڈ اور NC انٹرنیشنل (پرائیویٹ) لمیٹڈ کمپنی کی ذیلی کمپنیاں ہیں۔ لہذا، کمپنی نے بین الاقوامی مالیاتی رپورٹنگ معیارات کی ضروریات اور کنٹینر آرڈیننس 1984 کی قابل اطلاق دفعات کے مطابق اپنی الگ الگ مجملہ عبوری مالی معلومات کے علاوہ میں ایشیا شدہ مجملہ عبوری مالیاتی معلومات منسلک کی ہیں۔

اظہار تفکر

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

منجانب بورڈ

ڈائریکٹرز

26 اکتوبر 2017ء

ڈائریکٹر

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UNCONSOLIDATED CONDENSED INTERIM BALANCE SHEET

AS AT SEPTEMBER 30, 2017

	Note	Un-audited September 30, 2017 Rupees	Audited June 30, 2017 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
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		9,510,619,877	9,605,759,223
Total equity		11,912,835,437	12,007,974,783
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	7	5,813,481,250	4,302,681,600
CURRENT LIABILITIES			
Trade and other payables		2,599,735,072	1,531,941,212
Accrued mark-up		139,496,692	194,237,156
Short term borrowings	8	12,593,012,393	15,236,786,649
Current portion of non-current liabilities		1,710,361,400	1,348,981,400
		17,042,605,557	18,311,946,417
TOTAL LIABILITIES		22,856,086,807	22,614,628,017
CONTINGENCIES AND COMMITMENTS	9		
TOTAL EQUITY AND LIABILITIES		34,768,922,244	34,622,602,800

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

Director

As per reference to section 232 of companies act 2017, this condensed interim financial information has been signed by two directors instead of chief executive and one director, as the chief executive is for the time being not in Pakistan.

UNCONSOLIDATED CONDENSED INTERIM BALANCE SHEET

AS AT SEPTEMBER 30, 2017

	Note	Un-audited September 30, 2017 Rupees	Audited June 30, 2017 Rupees
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	10	11,891,716,159	11,974,956,779
Investment in subsidiary companies		3,837,808,299	3,902,230,516
Long term loans to employees		17,641,020	15,885,959
Long term security deposits		22,234,440	22,234,440
		15,769,399,918	15,915,307,694
CURRENT ASSETS			
Stores, spare parts and loose tools		868,002,972	580,064,718
Stock-in-trade		8,615,721,398	8,650,117,999
Trade debts		5,619,914,051	5,173,332,632
Loans and advances		1,298,561,251	1,627,217,961
Short term prepayments		30,047,423	8,091,017
Other receivables		2,472,265,381	2,597,671,046
Accrued Interest		10,825,127	4,483,425
Short term investments		20,815,902	21,766,947
Cash and bank balances		63,368,821	44,549,361
		18,999,522,326	18,707,295,106
TOTAL ASSETS		34,768,922,244	34,622,602,800

Chief Financial Officer

Director

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

FOR THE QUARTER ENDED SEPTEMBER 30, 2017

		Quarter Ended	
		September 30, 2017	September 30, 2016
		Rupees	Rupees
SALES		8,368,040,197	6,896,728,008
COST OF SALES	11	(7,836,853,880)	(6,101,276,061)
GROSS PROFIT		531,186,317	795,451,947
DISTRIBUTION COST		(201,774,738)	(185,506,098)
ADMINISTRATIVE EXPENSES		(53,063,232)	(44,694,973)
OTHER OPERATING EXPENSES		(5,284,489)	(35,243,724)
		(260,122,459)	(265,444,795)
		271,063,858	530,007,152
OTHER OPERATING INCOME		18,963,371	364,890,844
PROFIT FROM OPERATIONS		290,027,229	894,897,996
FINANCE COST		(307,723,849)	(226,756,033)
PROFIT BEFORE TAXATION		(17,696,620)	668,141,963
TAXATION		(77,442,726)	(103,444,182)
PROFIT AFTER TAXATION		(95,139,346)	564,697,781
EARNINGS PER SHARE - BASIC & DILUTED		(0.40)	(Restated) 2.35

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

Director

Chief Financial Officer

Director

As per reference to section 232 of companies act 2017, this condensed interim financial information has been signed by two directors instead of chief executive and one director, as the chief executive is for the time being not in Pakistan.

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

FOR THE QUARTER ENDED SEPTEMBER 30, 2017

	Quarter Ended	
	September 30, 2017	September 30, 2016
	Rupees	Rupees
PROFIT AFTER TAXATION	(95,139,346)	564,697,781
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	(95,139,346)	564,697,781

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

Director

Chief Financial Officer

Director

As per reference to section 232 of companies act 2017, this condensed interim financial information has been signed by two directors instead of chief executive and one director, as the chief executive is for the time being not in Pakistan.

UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT

(UN-AUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2017

		Quarter Ended		
		September 30, 2017	September 30, 2016	
Note	Rupees	Rupees		
CASH FLOWS FROM OPERATING ACTIVITIES				
	Cash generated from operations	12	691,488,185	1,099,544,703
	Net decrease in long term security deposits		-	50,000
	Net increase in long term loans to employees		(1,755,061)	(374,177)
	Finance cost paid		(362,464,313)	(260,640,632)
	Income tax paid		(50,964,498)	98,426,848
	Net cash generated from operating activities		276,304,313	937,006,742
CASH FLOWS FROM INVESTING ACTIVITIES				
	Capital expenditure on property, plant and equipment		(163,269,526)	(54,219,248)
	Capital expenditure on intangible assets		(212,849)	-
	Proceeds from sale of property, plant and equipment		980,700	(36,083,198)
	Short term loans made to subsidiary company		(1,463,107,000)	-
	Repayment of short term loans by subsidiary company		2,073,099,328	-
	Short term investments		1,106,721	(20,921,964)
	Investment in subsidiary companies		64,422,217	(115,004,641)
	Dividend received from subsidiary company		-	328,275,185
	Interest income received from subsidiary companies		1,038,783	-
	Profit on bank deposits received		52,779	292,344
	Net cash generated from investing activities		514,111,153	102,338,478
CASH FLOWS FROM FINANCING ACTIVITIES				
	Proceeds from long term financing		2,076,300,000	41,414,992
	Repayment of long term financing		(204,120,350)	(306,304,500)
	Short term borrowings - net		(2,643,774,256)	(737,301,933)
	Dividend paid		(1,400)	(55,999)
	Net cash used in financing activities		(771,596,006)	(1,002,247,440)
	NET INCREASE IN CASH AND CASH EQUIVALENTS		18,819,460	37,097,780
	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		44,549,361	48,667,523
	CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		63,368,821	85,765,303

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

Director

Chief Financial Officer

Director

As per reference to section 232 of companies act 2017, this condensed interim financial information has been signed by two directors instead of chief executive and one director, as the chief executive is for the time being not in Pakistan.

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

FOR THE QUARTER ENDED SEPTEMBER 30, 2017

	Ordinary Share Capital	Share De posit Money	CAPITAL RESERVES		RESERVES		TOTAL EQUITY
			SHARE PREMIUM	General reserve	Unappropriated profit	Total	
Rupees							
Balance as at 30 June 2016 - (audited)	2,402,215,560	-	600,553,890	1,629,221,278	6,355,206,093	7,984,427,371	10,987,196,821
Total comprehensive income for the quarter ended 30 September 2016	-	-	-	-	564,697,781	564,697,781	564,697,781
Balance as at 30 September 2016 - (un-audited)	2,402,215,560	-	600,553,890	1,629,221,278	6,919,903,874	8,549,125,152	11,551,894,602
Final dividend for the year ended 30 June 2016 @ Rupees 2.5 per ordinary share	-	-	-	-	(600,553,890)	(600,553,890)	(600,553,890)
Total comprehensive income for the nine month ended 30 June 2017	-	-	-	-	1,056,634,071	1,056,634,071	1,056,634,071
Balance as at 30 June 2017 - (audited)	2,402,215,560	-	600,553,890	1,629,221,278	7,375,984,055	9,005,205,333	12,007,974,783
Total comprehensive income for the quarter ended 30 September 2017	-	-	-	-	(95,139,346)	(95,139,346)	(95,139,346)
Balance as at 30 September 2017 - (un-audited)	2,402,215,560	-	600,553,890	1,629,221,278	7,280,844,709	8,910,065,987	11,912,835,437

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

Director

Chief Financial Officer

Director

As per reference to section 235 of companies act 2017, this condensed interim financial information has been signed by two directors instead of chief executive and one director, as the chief executive is for the time being not in Pakistan.

FOR THE QUARTER ENDED SEPTEMBER 30, 2017

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 30 September 2017 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. This unconsolidated condensed interim financial information should be read in conjunction with the preceding audited annual published financial statements of the Company for the year ended 30 June 2017.

3. ACCOUNTING POLICIES

The accounting policies and methods of computations adopted for the preparation of this unconsolidated condensed interim financial information are the same as applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended 30 June 2017.

4. CRITICAL ACCOUNTING ESTIMATES AND 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 2017.

FOR THE QUARTER ENDED SEPTEMBER 30, 2017

5. AUTHORIZED SHARE CAPITAL

Un-audited September 30, 2017	Audited June 30, 2017		Un-audited September 30, 2017	Audited June 30, 2017
(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>

6. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

Un-audited September 30, 2017	Audited June 30, 2017		Un-audited September 30, 2017	Audited June 30, 2017
(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

	Un-audited September 30, 2017	Audited June 30, 2017
	Rupees	Rupees
Long Term Loans	6,983,842,650	5,071,663,000
Long Term Musharaka	540,000,000	580,000,000
	<u>7,523,842,650</u>	<u>5,651,663,000</u>
Less: Current portion shown under current liabilities	1,710,361,400	1,348,981,400
Non-current portion	<u>5,813,481,250</u>	<u>4,302,681,600</u>

FOR THE QUARTER ENDED SEPTEMBER 30, 2017

	Un-audited September 30, 2017	Audited June 30, 2017
	Rupees	Rupees
8. SHORT TERM BORROWINGS		
Short term running finances	752,173,394	2,143,226,773
Export finances-reshipment/SBP refinance	4,650,838,999	4,360,059,876
Other short term finances	7,190,000,000	8,733,500,000
	12,593,012,393	15,236,786,649

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 2017 except for the following:

- i) Guarantees of Rupees 196 million (30 June 2017: Rupees 196 million) have been issued by the banks of the company to Director, Excise and Taxation, Karachi against disputed amount of infrastructure cess.
- ii) Post dated cheques have been issued to custom authorities in respect of duties amounting to Rupees 2511.104 million (30 June 2017: Rupees 2,328.471 million) on imported material availed on the basis of consumption and export plans. In the event the documents of exports are not provided on due dates, cheque issued as security shall be encashable.
- iii) Guarantees of Rupees 332.333 million (30 June 2017: Rupees 329.388 million) have been issued by the banks of the company to Sui Northern Gas Pipelines Limited against gas connections, Shell Pakistan Limited against purchase of furnace oil, Lahore Electric Supply Company Limited against electricity connections and Nazir (The Honorable High Court of Sindh).
- iv) The Company has issued cross corporate guarantees of Rupees 14.19 billion (2017: Rupees 14.12 billion) on behalf of NC Electric Company Limited - wholly owned subsidiary company to secure the obligations of subsidiary company towards its lenders.

Commitments

- i) Commitments in respect of capital expenditure are Rupees 161.970 million (30 June 2017: Rupees 49.228 million).
- ii) Letters of credit other than for capital expenditure are Rupees 579.451 million (30 June 2017: Rupees 1,318.171 million).
- iii) Outstanding foreign currency forward contracts of Rupees 1,919.018 million (30 June 2017: Rupees 4,940.270 million).

	Un-audited September 30, 2017	Audited June 30, 2017
	Rupees	Rupees
10. OPERATING FIXED ASSETS		
Property, plant and equipment		
Operating assets (10.1)	11,557,184,831	11,719,057,304
Capital work in progress	332,929,365	253,210,935
	11,890,114,196	11,972,268,239
Intangible asset:		
Computer software	1,601,963	2,688,540
	11,891,716,159	11,974,956,779

FOR THE QUARTER ENDED SEPTEMBER 30, 2017

10.1 Operating Assets

Opening book value	11,719,057,304	9,417,927,801
Additions during the period / year (10.1.1)	88,544,899	3,352,255,352
	<u>11,807,602,203</u>	<u>12,770,183,153</u>
Book value of deletions during the period / year (10.1.2)	6,004,206	232,810,909
Less: Depreciation charged during the period / year	244,413,166	818,314,940
	<u>11,557,184,831</u>	<u>11,719,057,304</u>

10.1.1 Cost of additions during the period / year

Land	-	81,893,956
Building on freehold land	1,070,696	129,112,396
Plant and machinery	67,022,224	3,017,136,527
Electric installations	1,445,205	43,933,009
Factory equipment	5,554,607	16,913,161
Furniture and fixtures	9,089,360	23,537,322
Office equipment	1,689,269	10,926,853
Motor vehicles	2,673,538	28,802,128
	<u>88,544,899</u>	<u>3,352,255,352</u>

10.1.2 Book Value of deletions during the period / year

Building on freehold land	-	12,237,028
Plant and machinery	7,386,892	590,180,000
Electric installations	917,116	-
Factory equipment	-	270,000
Furniture and fixtures	42,000	6,000
Office equipment	51,232	2,041,104
Motor vehicles	925,000	19,268,774
Total Cost of Deletions	<u>9,322,240</u>	<u>624,002,906</u>
Less: Accumulated Depreciation	(3,318,034)	(381,466,261)
Less: Accumulated Impairment	-	(9,725,736)
	<u>6,004,206</u>	<u>232,810,909</u>

10.2 Capital work-in-progress

Civil works on freehold land	43,521,014	2,542,345
Advances for capital expenditures	2,607,236	12,287,452
Letters of credit	16,758,508	11,932,043
Mobilization advances	270,042,607	10,501,512
	<u>332,929,365</u>	<u>37,263,352</u>

10.3 Intangible asset - Computer software

Opening book value	2,688,540	5,019,748
Add: Cost of additions during the period / year	212,849	3,868,748
Less: Amortization charged during the period / year	1,299,426	6,199,956
Closing book value	<u>1,601,963</u>	<u>2,688,540</u>

FOR THE QUARTER ENDED SEPTEMBER 30, 2017

11. COST OF GOODS SOLD

	Un-audited	
	Quarter Ended	
	September 30, 2017	September 30, 2016
 Rupees	
Raw material consumed	5,698,355,659	4,675,328,967
Packing materials consumed	205,487,967	195,229,013
Stores, spare parts and loose tools	234,641,635	212,419,454
Commercial Processing Stitching etc.	19,951,647	55,935,507
Salaries, wages and other benefits	606,743,774	547,177,489
Fuel and power	749,967,268	569,341,360
Insurance	9,068,919	10,407,229
Postage and telephone	164,555	252,113
Travelling and conveyance	832,863	4,745,535
Vehicles running and maintenance	5,402,746	4,201,038
Entertainment	2,567,697	2,233,229
Depreciation	242,801,510	188,550,264
Repair and maintenance	77,134,950	68,042,396
Other factory overheads	17,821,245	21,788,891
	7,870,942,435	6,555,652,485
Work-in-process		
Opening stock	681,950,465	664,745,190
Closing stock	(718,394,071)	(679,165,076)
	(36,443,606)	(14,419,886)
Cost of goods manufactured	7,834,498,829	6,541,232,599
Finished goods and waste-opening stocks		
Finished goods	1,058,655,750	581,318,344
Waste	78,504,641	45,165,814
	1,137,160,391	626,484,158
	8,971,659,220	7,167,716,757
Finished goods and waste-closing stocks		
Finished goods	(1,057,530,842)	(1,008,408,863)
Waste	(77,274,498)	(58,031,833)
	(1,134,805,340)	(1,066,440,696)
Cost of goods sold	7,836,853,880	6,101,276,061
Cost of goods sold	7,836,853,880	6,101,276,061

FOR THE QUARTER ENDED SEPTEMBER 30, 2017

	Un-audited Quarter Ended	
	September 30, 2017	September 30, 2016
	Rupees	Rupees
12. CASH GENERATED FROM OPERATIONS		
Profit / Loss before taxation	(17,696,620)	668,141,963
Adjustment for non cash charges and other items:		
Depreciation on operating fixed assets	244,413,166	189,907,465
Amortization on intangible assets	1,299,426	1,075,660
Loss/Gain on sale of operating fixed assets	29,703	36,083,198
Interest income on loan to subsidiary company	(7,380,485)	-
Interest on bank deposits	(208,455)	(292,344)
Finance cost	307,723,849	226,756,033
Dividend Income	-	(328,275,185)
Working capital changes (Note 12.1)	163,307,601	306,147,913
Cash generated from operations	691,488,185	1,099,544,703
12.1 Working capital changes		
(Increase) / decrease in current assets		
- Stores, spare parts and loose tools	(287,938,254)	(148,342,065)
- Stock in trade	34,396,601	621,199,707
- Trade debts	(446,581,419)	(107,707,153)
- Loans and advances	(281,335,618)	(674,786,566)
- Short term deposits and prepayments	(21,956,406)	(24,255,799)
- Other receivables	98,927,437	132,750,268
Increase in current liabilities		
- Trade and other payables	1,067,795,260	507,289,521
	163,307,601	306,147,913

FOR THE QUARTER ENDED SEPTEMBER 30, 2017

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,
	2017	2016
	Rupees	Rupees
Subsidiary companies		
Sale of Goods	249,641,049	530,169,686
Purchase of Goods	643,857,517	-
Dividend income	-	328,275,185
Common facilities cost charged	4,800,000	4,800,000
Disbursement of loans	1,463,107,000	600,000,000
Repayment of loans	2,073,099,238	-
Mark-up on short term loans	7,380,485	262,951
Associated company		
Insurance premium paid	29,422,022	30,150,911
Insurance claims received	1,324,875	3,921,205
Donation paid	39,241	63,357
Other related parties		
Purchase of goods	710,175	27,248,287
Sale of goods	379,312,392	231,832,335
Contribution to employees' provident fund	26,308,074	24,168,278
Period end balances		
	Un-audited	Audited
	Quarter Ended	Year Ended
	September 30,	June 30,
	2017	2017
	Rupees	Rupees
Due to subsidiary company	482,571	33,655,628
Due from subsidiary company	501,454,961	507,035,834
Short term loan receivable from subsidiary company	173,500,000	783,492,238
Mark-up receivable on loans made to subsidiary company	10,825,128	4,483,425
Bank balances with related party	15,036,853	12,379,012
Due from related parties other than subsidiary company	60,271,874	69,615,588
Due to related parties other than subsidiary company	15,901,769	-

FOR THE QUARTER ENDED SEPTEMBER 30, 2017

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 2017.

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 26, 2017.

Director

Chief Financial Officer

Director

NISHAT (CHUNIAN) LIMITED AND
ITS SUBSIDIARY COMPANIES

CONSOLIDATED CONDENSED
INTERIM FINANCIAL INFORMATION

FOR THE QUARTER ENDED
SEPTEMBER 30, 2017 (UN-AUDITED)

CONSOLIDATED CONDENSED INTERIM BALANCE SHEET

AS AT SEPTEMBER 30, 2017

Note	Un-audited September 30, 2017 Rupees	Audited June 30, 2017 Rupees
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized share capital	3,000,000,000	3,000,000,000
Issued, subscribed and paid-up share capital	2,402,215,560	2,402,215,560
Reserves	12,854,463,307	12,541,748,839
Equity attributable to equity holders of the Holding Company	15,256,678,867	14,943,964,399
Non-controlling interest	4,927,835,471	4,489,481,958
Total equity	20,184,514,338	19,433,446,357
LIABILITIES		
NON-CURRENT LIABILITIES		
Long term financing	13,818,729,595	13,518,998,245
Deferred Income Tax liability	29,687,846	29,687,845
	13,848,417,441	13,548,686,090
CURRENT LIABILITIES		
Trade and other payables	3,160,510,389	2,190,189,285
Accrued mark-up	458,292,682	506,797,544
Short term borrowings	19,450,985,671	21,474,756,918
Current portion of long term financing	4,698,346,918	4,174,666,224
	27,768,135,660	28,346,409,971
TOTAL LIABILITIES	41,616,553,101	41,895,096,061
CONTINGENCIES AND COMMITMENTS		
TOTAL EQUITY AND LIABILITIES	61,801,067,439	61,328,542,418

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

Director

Chief Financial Officer

Director

As per reference to section 232 of companies act 2017, this consolidated condensed interim financial information has been signed by two directors instead of chief executive and one director, as the chief executive is for the time being not in Pakistan.

CONSOLIDATED CONDENSED INTERIM BALANCE SHEET

AS AT SEPTEMBER 30, 2017

Note	Un-audited September 30, 2017 Rupees	Audited June 30, 2017 Rupees
ASSETS		
NON-CURRENT ASSETS		
Fixed assets	29,594,219,216	29,850,096,142
Long term loans to employees	22,470,453	20,847,814
Long term security deposits	22,339,440	22,339,440
	29,639,029,109	29,893,283,396
CURRENT ASSETS		
Stores, spare parts and loose tools	1,402,983,190	1,222,827,106
Stock-in-trade	10,200,209,555	10,083,409,106
Trade debts	14,990,361,561	13,916,760,930
Loans and advances	1,327,639,983	1,320,638,807
Short term deposit and prepayments	52,093,882	32,099,574
Other receivables	4,048,587,203	4,580,174,905
Short term investments	31,343,115	32,294,160
Cash and bank balances	108,819,841	247,054,434
	32,162,038,330	31,435,259,022
TOTAL ASSETS	61,801,067,439	61,328,542,418

Chief Financial Officer

Director

CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT

(UN-AUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2017

	Quarter Ended	
	September 30, 2017	September 30, 2016
	Rupees	Rupees
SALES	13,330,345,558	10,700,269,696
COST OF SALES	(11,510,403,563)	(8,822,242,729)
GROSS PROFIT	1,819,941,995	1,878,026,967
DISTRIBUTION COST	(246,485,692)	(228,382,811)
ADMINISTRATIVE EXPENSES	(105,563,837)	(88,466,150)
OTHER OPERATING EXPENSES	(10,326,127)	(44,891,585)
	(362,375,656)	(361,740,546)
	1,457,566,339	1,516,286,421
OTHER OPERATING INCOME	27,881,408	61,097,025
PROFIT FROM OPERATIONS	1,485,447,747	1,577,383,446
FINANCE COST	(655,105,677)	(498,935,747)
PROFIT BEFORE TAXATION	830,342,070	1,078,447,699
TAXATION	(79,347,117)	(103,609,154)
PROFIT AFTER TAXATION	750,994,953	974,838,545
PROFIT ATTRIBUTABLE TO:		
EQUITY HOLDERS OF THE HOLDING COMPANY	312,641,440	614,823,206
NON-CONTROLLING INTEREST	438,353,513	360,015,339
	750,994,953	974,838,545
EARNINGS PER SHARE - BASIC & DILUTED	1.30	2.56

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

Director

Chief Financial Officer

Director

As per reference to section 232 of companies act 2017, this consolidated condensed interim financial information has been signed by two directors instead of chief executive and one director, as the chief executive is for the time being not in Pakistan.

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

FOR THE QUARTER ENDED SEPTEMBER 30, 2017

	Quarter Ended	
	September 30, 2017	September 30, 2016
	Rupees	Rupees
PROFIT AFTER TAXATION	750,994,953	974,838,545
OTHER COMPREHENSIVE INCOME	73,028	13,347
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	751,067,981	974,851,892
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
EQUITY HOLDERS OF THE HOLDING COMPANY	312,714,468	614,836,553
NON-CONTROLLING INTEREST	438,353,513	360,015,339
	751,067,981	974,851,892

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

Director

Chief Financial Officer

Director

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CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT

(UN-AUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2017

		Quarter Ended	
		September 30, 2017	September 30, 2016
Note	Rupees	Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES			
	Cash generated from operations	6	
	Net increase in long term security deposits	2,148,269,285	2,378,100,531
	Finance cost paid	-	50,000
	Income tax paid	(703,610,539)	(501,372,976)
	Long term loans to employees	(50,964,498)	92,130,732
		(1,622,639)	(1,191,479)
	Net cash generated from operating activities	1,392,071,609	1,967,716,808
CASH FLOWS FROM INVESTING ACTIVITIES			
	Capital expenditure on property, plant and equipment	(340,601,644)	(720,630,554)
	Capital expenditure on intangible assets	(700,049)	(2,383,784)
	Proceeds from sale of property, plant and equipment	2,484,434	(34,302,711)
	Short term investments made	951,045	(10,401,142)
	Profit on bank deposits received	7,984,539	886,828
	Net cash used in investing activities	(329,881,676)	(766,831,363)
CASH FLOWS FROM FINANCING ACTIVITIES			
	Proceeds from long term financing	2,076,300,000	486,872,595
	Repayment of long term financing	(1,252,887,956)	(699,275,943)
	Short term borrowings - net	(2,023,771,247)	(644,933,158)
	Dividend paid to non-controlling interest	(136,951)	(300,923,597)
	Dividend paid	(1,400)	(55,999)
	Net cash used in financing activities	(1,200,497,554)	(1,158,316,102)
	Net (decrease) / increase in cash and cash equivalents	(138,307,621)	42,569,343
	Impact of exchange translation	73,028	13,347
	Cash and cash equivalents at the beginning of the year	247,054,434	76,113,994
	Cash and cash equivalents at the end of the year	108,819,841	118,696,684

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

Director

Chief Financial Officer

Director

As per reference to section 232 of companies act 2017, this consolidated condensed interim financial information has been signed by two directors instead of chief executive and one director, as the chief executive is for the time being not in Pakistan.

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

(UN-AUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2017

	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		Unappropriated profit	SHAREHOLDERS' EQUITY					
							Shareholders' Equity	Total				
Balance as at June 30, 2016 - (audited)	2,402,215,560	-	(983,772)	600,553,890	1,629,221,278	8,460,809,921	10,090,031,199	13,091,816,877	3,562,941,251	16,654,758,128		
Total comprehensive income for the quarter ended September 30, 2016	-	-	13,347	-	-	614,823,206	614,823,206	614,823,206	360,016,339	974,851,892		
Balance as at September 30, 2016 - (un-audited)	2,402,215,560	-	(970,425)	600,553,890	1,629,221,278	9,075,633,127	10,704,854,405	13,706,653,430	3,922,956,590	17,629,610,020		
Final dividend for the year ended 30 June 2016 @ Rs. 2.5/ Ordinary Share	-	-	-	-	-	(600,553,890)	(600,553,890)	(600,553,890)	-	(600,553,890)		
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	(539,283,357)	(539,283,357)		
Total comprehensive income for the nine months ended June 30, 2017	-	-	(65,579)	-	-	1,837,930,438	1,837,930,438	1,837,930,438	1,105,808,725	2,943,673,584		
Balance as at June 30, 2017 - (audited)	2,402,215,560	-	(1,036,004)	600,553,890	1,629,221,278	10,313,009,675	11,942,230,653	14,943,964,399	4,489,481,958	19,433,446,357		
Total comprehensive income for the quarter ended September 30, 2016	-	-	73,028	-	-	312,641,440	312,641,440	312,714,468	438,353,513	751,067,881		
Balance as at September 30, 2017 - (un-audited)	2,402,215,560	-	(962,976)	600,553,890	1,629,221,278	10,625,651,115	12,254,872,093	15,256,678,867	4,927,835,471	20,184,514,338		

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

Director

Chief Financial Officer

Director

As per reference to section 236 of companies act 2017, this consolidated condensed interim financial information has been signed by two directors instead of chief executive and one director, as the chief executive is for the time being not in Pakistan.

FOR THE QUARTER ENDED SEPTEMBER 30, 2017

1. GROUP INFORMATION

The Group consists of:

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

Nishat (Chunian) Limited

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

Nishat Chunian Power Limited

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

Nishat Chunian USA Incorporation

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

NC Electric Company Limited

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

NC Entertainment (Private) Limited

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

2. BASIS OF PREPARATION

This consolidated condensed interim financial information is un-audited and is being submitted to shareholders as required by section 245 of the Companies Ordinance, 1984. This consolidated condensed interim financial information of the Group for the quarter ended 30 September 2017 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. This consolidated condensed interim financial information should be read in conjunction with the audited annual published financial statements of the Group for the year ended 30 June 2017.

FOR THE QUARTER ENDED SEPTEMBER 30, 2017

3. ACCOUNTING POLICIES

The accounting policies and methods of computations adopted for the preparation of this consolidated condensed interim financial information are the same as applied in the preparation of the preceding audited annual published financial statements of the Group for the year ended 30 June 2017.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

During preparation of this consolidated condensed interim financial information, the significant judgments made by the management in applying the Group's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Group for the year ended 30 June 2017.

5. CONTINGENCIES AND COMMITMENTS

Holding Company

Contingencies

There is no significant change in the status of contingencies as disclosed in the preceding audited annual financial statements of the Company for the year ended 30 June 2017 except for the following:

- i) Guarantees of Rupees 196 million (30 June 2017: Rupees 196 million) have been issued by the banks of the company to Director, Excise and Taxation, Karachi against disputed amount of infrastructure cess.
- ii) Guarantees of Rupees 332.333 million (30 June 2017: Rupees 329.388 million) have been issued by the banks of the company to Sui Northern Gas Pipelines Limited against gas connections, Shell Pakistan Limited against purchase of furnace oil, Lahore Electric Supply Company Limited against electricity connections and Nazir (The Honorable High Court of Sindh).
- iii) Post dated cheques have been issued to custom authorities in respect of duties amounting to Rupees 2511.104 million (30 June 2017: Rupees 2,328.471 million) on imported material availed on the basis of consumption and export plans. In the event the documents of exports are not provided on due dates, cheque issued as security shall be encashable.

Commitments

- i) Commitments in respect of capital expenditure are Rupees 161.970 million (30 June 2017: Rupees 49.228 million).
- ii) Letters of credit other than for capital expenditure are Rupees 579.451 million (30 June 2017: Rupees 1,318.171 million).
- iii) Outstanding foreign currency forward contracts of Rupees 1,919.018 million (30 June 2017: Rupees 4,940.270 million).

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, 2017 except a letter of guarantee of Rs. 500,000 issued in favour of Punjab Revenue Authority, Lahore under direction of Lahore High Court in respect of suit filed for levy of infrastructure cess.

FOR THE QUARTER ENDED SEPTEMBER 30, 2017

	Un-audited Quarter ended September 30, 2017	Audited Year ended June 30, 2017
	Rupees	Rupees
Commitments		
Letter of credit other than for capital expenditure	262,010,211	38,068,101
	Un-audited Quarter ended September 30, 2017	Un-audited Quarter ended September 30, 2016
	Rupees	Rupees
6. CASH (USED IN) / GENERATED FROM OPERATIONS		
Profit before taxation	830,342,070	1,078,447,699
Adjustment for non cash charges and other items:		
Provision for employee retirement	1,838,490	1,784,907
Depreciation on operating assets	590,883,211	488,977,321
Amortization on intangible assets	2,377,776	1,551,777
(Gain) / loss on sale of operating fixed assets	(1,217,985)	44,545,771
Interest on bank deposits	(7,984,539)	(886,828)
Unrealised gain on derivative financial instrument	-	(1,713,049)
(Increase) / decrease in current assets		
- Stores, spare parts and loose tools	(180,156,084)	(103,822,633)
- Stock in trade	(116,800,449)	341,634,117
- Trade debts	(1,073,600,631)	(852,799,564)
- Loans and advances	(7,001,176)	108,210,690
- Short term deposits and prepayments	(19,043,263)	(183,846,098)
- Other receivables	503,205,083	45,528,502
Increase in current liabilities		
- Trade and other payables	970,321,104	911,552,172
	76,924,584	266,457,186
Net cash generated from operations	2,148,269,285	2,378,100,531

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:

FOR THE QUARTER ENDED SEPTEMBER 30, 2017

	Un-audited Quarter ended September 30, 2017	Un-audited Quarter ended September 30, 2016
	Rupees	Rupees
Associated company		
Insurance premium paid	80,873,275	30,150,911
Insurance claims received	1,324,875	3,921,205
Other related parties		
Purchase of goods	710,175	27,248,287
Sale of goods	379,312,392	231,832,335
Contribution to employees' provident fund	28,146,074	25,843,237
	Un-audited Quarter ended September 30, 2017	Audited Year ended June 30, 2017
	Rupees	Rupees
Period end balances		
Bank balances with related party	17,003,283	31,379,010
Due from related parties	60,271,874	69,615,588
Due to related parties	15,901,769	-

8. CORRESPONDING FIGURES

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

9. DATE OF AUTHORIZATION FOR ISSUE

This consolidated condensed interim financial information was approved by the Board of Directors and authorized for issue on October 26, 2017.

Director

Chief Financial Officer

Director

INVESTORS' EDUCATION

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

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