



Interim Financial Information

Quarter Ended September 30, 2018

(Un-audited)



| Nishat Chunian Limited

CONTENTS

- 02** Company Information
- 04** Director's Report
- 06** Unconsolidated Condensed Interim Statement of Financial Position
- 08** Unconsolidated Condensed Interim Statement of Profit or Loss
- 09** Unconsolidated Condensed Interim Statement of Comprehensive Income
- 10** Unconsolidated Condensed Interim Statement of Cash Flows
- 11** Unconsolidated Condensed Interim Statement of Changes in Equity
- 12** Notes to the Unconsolidated Condensed Interim Financial Information
- 22** Consolidated Condensed Interim Statement of Financial Position
- 24** Consolidated Condensed Interim Statement of Profit or Loss
- 25** Consolidated Condensed Interim Statement Of Comprehensive Income
- 26** Consolidated Condensed Interim Statement of Cash Flows
- 27** Consolidated Condensed Interim Statement Of Changes In Equity
- 28** Notes to the Consolidated Condensed Interim Financial Information

COMPANY INFORMATION

Board of Directors:

Mrs. Farhat Saleem (*Chairperson*)
Mr. Shahzad Saleem (*Chief Executive*)
Mr. Zain Shahzad
Mr. Aftab Ahmad Khan
Mrs. Sonia Karim (*Resigned on 08-10-2018*)
Mr. Muhammad Ali Zeb
Mr. Farrukh Ifzal
Mr. Shoaib Ahmad Khan (*Independent*)

Audit Committee:

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

HR & Remuneration Committee:

Mr. Shoaib Ahmad Khan (*Chairman*)
Mrs. Sonia Karim
Mr. Farrukh Ifzal

CFO:

Mr. Babar Ali Khan

Company Secretary:

Mr. Awais Mahmood

Head of Internal Audit:

Mr. Ahmad Bilal

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

Auditors:

Riaz Ahmad & Company
Chartered Accountants

Registered & Head Office:

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

Share Registrar:

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

THIS PAGE
HAS BEEN
INTENTIONALLY
LEFT BLANK

DIRECTOR'S 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, 2018.

Operating Financial Results

Revenues earned during these three months period are Rs. 9.23 billion as compared to Rs. 8.37 billion during the corresponding three months of previous fiscal year, registering an increase of 10.26%. The increase in turnover is mainly driven by yarn sales in local market, whereas, Duty Drawback also had a marginal impact. Gross Margin increased significantly to 16.12% as compared to 6.35% in corresponding period of the preceding year. Profit after tax of the Company increased to 9.23% from -1.14% as compare to the corresponding three months of the previous fiscal year, exchange gain have also contributed to this favorable variance.

Financial Highlights	Quarter ended September 30		Increase / Decrease %
	2018	2017	
Sales (Rs.)	9,226,851,756	8,368,040,197	10.26%
Gross Profit (Rs.)	1,487,342,217	531,186,317	180.00%
Profit / (Loss) After Taxation (Rs.)	851,863,915	(95,139,346)	995.39%
Gross Profit %	16.12%	6.35%	
Profit / (Loss) After Tax %	9.23%	-1.14%	
Earnings / (Loss) Per Share (Rs.)	3.55	(0.40)	

Future Prospects

The management is devoted to value creation through adoption of advance technology and further diversification in business. Spinning division has seen significant increase in turnover, this is a direct result of major capex investments over last few years to enhance existing capacity and improvise overall efficiency. The company has also started operating the 26 Juki Machines recently installed in Home Textile unit which has increased stitching capacity in general and will further train unskilled labour with necessary skills. Company's constant focus on replacement and upgradation of existing machinery to modernize the overall process will positively impact the bottom line in the coming periods. Also, the devaluation trend of Pak Rupee against USD and Euro has created some breathing space for the export sector.

"The Linen Company (TLC)", has successfully launched its retail outlet in Rawalpindi and is further looking to expand its retail network into other cities as well.

The company, in its EOGM held on August 20, 2018 has already decided to dispose of its cinema business. The transaction will be concluded once all the statutory approvals are formalized. This fact has already been communicated through media and stock exchange.

Subsidiary Companies and Consolidated Financial Statements

The Company's portfolio of subsidiary companies include Nishat Chunian Power Limited, NC Electric Company Limited, Nishat Chunian USA Inc. and NC Entertainment (Pvt.) Limited. Therefore, the Company has annexed consolidated condensed interim financial information in addition to its separate condensed interim financial information, in accordance with the requirements of International Financial Reporting Standards and applicable provisions of the Company Act, 2017.

Acknowledgement

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

For and on behalf of the Board,

Chief Executive

Director

Date: 29th October 2018

مضموم حصص یافتگان

بروز آف ڈائریکٹرز 30 ستمبر 2018 کو مضموم ہونے والی سرمایہ کے لئے نٹاوا (چونیاں) لمیٹڈ ("کمپنی") کے غیر نظر جاتی شدہ نتائج کا اعلان کرتے ہوئے خوشی محسوس کرتا ہے۔

آپریٹنگ مالیاتی نتائج

گزشتہ مالی سال کی اسی سرمایہ کے دوران 8.37 بلین روپے کے مقابلے میں سرمایہ کے دوران حاصل ہونے والی آمدنی 9.23 بلین روپے تھی، جو 10.26 فیصد کا اضافہ ظاہر کر رہی ہے۔ ٹرن اور میں اضافہ بنیادی طور پر مقامی مارکیٹ میں یارن کی فروخت کے ذریعے ممکن ہوا ہے، جبکہ برآمدات پر یوٹی کی واہسی نے بھی نتائج کو متاثر کیا تھا۔ مجموعی نتائج گزشتہ سال کی اسی مدت میں 6.35 فیصد کے مقابلے میں نمایاں طور پر 16.12 فیصد تک زیادہ ہوں گے۔ بعد از انکس نتائج گزشتہ مالی سال کی اسی سرمایہ میں 1.14 فیصد سے بڑھ کر 9.23 فیصد ہو گیا۔ حاصل ذریعہ بدلنے سے اس سائیکل تکثیر میں بھی حصہ شامل کیا ہے۔

لیبر اضافہ / کمی	30 ستمبر / اکتوبر 2018	
	2018	2017
فروخت (روپے)	9,226,851,756	8,368,040,197
مجموعی نتائج (روپے)	1,487,342,217	531,186,317
بعد از انکس نتائج / (نقصان) (روپے)	851,863,915	(95,139,346)
مجموعی نتائج فیصد	16.12 فیصد	6.35 فیصد
بعد از انکس نتائج / (نقصان) فیصد	9.23 فیصد	-1.14 فیصد
ٹی شیئر آمد / (نقصان) (روپے)	3.55	(0.40)

مصنعتیں کے امکانات

انتھامیہ آپریٹنگ میں جدید ٹیکنالوجی اور مزید توجہ کو اپنانے کے ذریعے قدر تحقیق کرنے کے لئے پرعزم ہے۔ سپنگ ڈویژن نے ٹرن اور میں نمایاں اضافہ دیکھا ہے، یہ موجودہ صلاحیت کو بڑھانے اور مجموعی کارکردگی کو بہتر بنانے کے لئے گزشتہ چند سالوں سے کام کی سربراہی کا راز ہوا ہے۔ نتیجے میں ہوم ٹیکسٹائل یونٹ میں حالیہ نصف 26 ملین ٹیکسٹائل کو بھیجا آپریٹنگ شروع کر دیا ہے، جس نے ٹیکسٹ صلاحیت کو بڑھا دیا اور ضروری مہارتوں کے ساتھ غیر متوازن لیبر کو مزید فرین کرے گا۔ مجموعی پراپتیس کو بہتر بنانے کے لئے موجودہ مشینری کی تہہ ملی اور اپ گریڈیشن کی مستعمل توجی آمد مدت میں جلی انٹن پریشرٹ اٹھارہ ماہ ہوگی۔ مزید برآں، امریکی ڈائریکٹرز کے برکس پاکستانی روپے کی قدر میں کمی کے برعکس آمدات کے شعبہ کے لئے چھٹا سائیکل پیرا کی ہیں۔

دی این ٹیلی کمنی (TLC) نے راہ لینڈ می اینی، ٹیکسٹائل ڈسٹ کا کامیابی سے افتتاح کیا ہے اور مختلف شعبوں میں مزید سٹو کو مل کر ٹیکسٹائل ڈسٹ ورک کو مزید فروغ دینے کا ارادہ رکھتی ہے۔

کمپنی نے 20 اگست 2018 کو منعقد ہونے والے EOGM میں پی ای سی ایف: سینٹا کارا کو فروغ دینے کا فیصلہ کیا ہے۔ تمام قانونی منظوریوں حاصل کرنے کے بعد ٹرانزیکشن کو پایپ لائن تک پہنچایا جائے گا۔ اس حقیقت بارے میں ملے یا اور اسٹاک کی قیمتیں کے ذریعے پی پی ایف مطلع کیا گیا ہے۔

ذیلی کمپنیاں اور شمال شدہ مالیاتی حسابات

نٹاوا چو پائو لمیٹڈ، NC اینٹریکس کمپنی لمیٹڈ، نٹاوا چو نیٹس اے اینڈ پورٹلورڈ اور NC اینٹریکٹس (پرائیویٹ) لمیٹڈ کمپنی کی ذیلی کمپنیاں ہیں۔ لہذا، کمپنی نے بین الاقوامی مالیاتی رپورٹنگ معیارات کی ضروریات اور دیگر ایکٹ 2017 کی تالیف مطابق انفصالیات کے مطابق اپنی اگلی گلیٹڈ نمبر بورڈری ہائی، معلومات کے علاوہ میں شمال شدہ نمبر بورڈری مالیاتی معلومات منسلک کی ہیں۔

انتظامیہ

ڈائریکٹرز شراہ مالاز میں کا حکم دیا کرتے ہیں جو کمپنی کی کارروائیوں میں اہم کردار ادا کرتے ہیں۔

مخاطب بورڈ

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2018

	Note	Un-audited September 30, 2018 Rupees	Audited June 30, 2018 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		12,160,097,706	11,308,233,791
Total equity		14,562,313,266	13,710,449,351
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	7	4,397,282,350	4,756,266,450
CURRENT LIABILITIES			
Trade and other payables		3,155,538,483	2,238,596,263
Unclaimed Dividend		37,979,226	38,206,334
Accrued mark-up		234,439,453	211,095,682
Short term borrowings	8	16,302,638,350	17,021,991,856
Current portion of non-current liabilities		1,416,198,900	1,416,992,650
		21,146,794,412	20,926,882,785
TOTAL LIABILITIES		25,544,076,762	25,683,149,235
CONTINGENCIES AND COMMITMENTS	9		
TOTAL EQUITY AND LIABILITIES		40,106,390,028	39,393,598,586

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

Chief Executive

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2018

	Note	Un-audited September 30, 2018 Rupees	Audited June 30, 2018 Rupees
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	10	11,230,974,719	11,359,643,510
Intangible asset	11	1,088,806	1,228,590
Investment in subsidiary companies		3,186,681,200	3,186,681,200
Long term loans to employees		13,867,013	13,940,372
Long term security deposits		25,726,440	23,647,440
		14,458,338,178	14,585,141,112
CURRENT ASSETS			
Stores, spare parts and loose tools		687,048,917	686,743,322
Stock-in-trade		11,784,794,133	10,447,356,778
Trade debts		6,809,395,412	8,124,577,164
Loans and advances		2,490,689,910	1,865,276,632
Short term prepayments		33,548,948	3,453,878
Other receivables		3,738,576,785	3,522,638,415
Accrued Interest		45,971,506	60,317,256
Short term investments		20,712,111	21,649,175
Cash and bank balances		37,314,128	76,444,854
		25,648,051,850	24,808,457,474
TOTAL ASSETS		40,106,390,028	39,393,598,586

Chief Financial Officer

Director

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

FOR QUARTER ENDED SEPTEMBER 30, 2018

		Quarter Ended	
		September 30, 2018	September 30, 2017
Note		Rupees	Rupees
SALES		9,226,851,756	8,368,040,197
COST OF SALES	12	(7,739,509,539)	(7,836,853,880)
GROSS PROFIT		1,487,342,217	531,186,317
DISTRIBUTION COST		(246,423,034)	(201,774,738)
ADMINISTRATIVE EXPENSES		(60,890,744)	(53,063,232)
OTHER OPERATING EXPENSES		(48,172,977)	(5,284,489)
		(355,486,755)	(260,122,459)
		1,131,855,462	271,063,858
OTHER OPERATING INCOME		188,421,962	18,963,371
PROFIT FROM OPERATIONS		1,320,277,424	290,027,229
FINANCE COST		(376,841,610)	(307,723,849)
PROFIT BEFORE TAXATION		943,435,814	(17,696,620)
TAXATION		(91,571,899)	(77,442,726)
PROFIT AFTER TAXATION		851,863,915	(95,139,346)
EARNINGS PER SHARE - BASIC & DILUTED		3.55	(0.40)

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

Chief Executive

Chief Financial Officer

Director

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

FOR QUARTER ENDED SEPTEMBER 30, 2018

	Quarter Ended	
	September 30, 2018	September 30, 2017
	Rupees	Rupees
PROFIT AFTER TAXATION	851,863,915	(95,139,346)
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	851,863,915	(95,139,346)

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

Chief Executive

Chief Financial Officer

Director

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

FOR QUARTER ENDED SEPTEMBER 30, 2018

	Note	Quarter Ended	
		September 30, 2018	September 30, 2017
		Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	13	1,716,198,245	691,488,185
Net increase in long term security deposits		(2,079,000)	-
Net decrease / (increase) in long term loans to employees		73,359	(1,755,061)
Finance cost paid		(353,497,839)	(362,464,313)
Income tax paid		(83,071,170)	(50,964,498)
Net cash generated from operating activities		1,277,623,595	276,304,313
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(100,911,140)	(163,269,526)
Capital expenditure on intangible assets		-	(212,849)
Proceeds from disposal of operating fixed assets		820,118	980,700
Loans to subsidiary companies		(1,291,115,555)	(1,463,107,000)
Repayment of loans from subsidiary companies		1,124,697,498	2,073,099,328
Investment in subsidiary companies		-	64,422,217
Short term investments made		988,949	1,106,721
Interest income received from subsidiary companies		27,999,105	1,038,783
Profit on bank deposits received		125,168	52,779
Net cash (used in) / generated from investing activities		(237,395,857)	514,111,153
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		-	2,076,300,000
Repayment of long term financing		(359,777,850)	(204,120,350)
Short term borrowings - net		(719,353,506)	(2,643,774,256)
Dividend paid		(227,108)	(1,400)
Net cash used in financing activities		(1,079,358,464)	(771,596,006)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		(39,130,726)	18,819,460
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		76,444,854	44,549,361
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		37,314,128	63,368,821

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

Chief Executive

Chief Financial Officer

Director

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

FOR QUARTER ENDED SEPTEMBER 30, 2018

Share Capital	CAPITAL RESERVES		REVENUE RESERVES		TOTAL EQUITY
	SHARE PREMIUM	General reserve	Unappropriated profit	Total	
Rupees					
2,402,215,560	600,553,890	1,629,221,278	7,375,984,055	9,005,205,333	12,007,974,783
-	-	-	(95,139,346)	(95,139,346)	(95,139,346)
2,402,215,560	600,553,890	1,629,221,278	7,280,844,709	8,910,065,987	11,912,835,437
-	-	-	(660,609,279)	(660,609,279)	(660,609,279)
-	-	-	2,458,223,193	2,458,223,193	2,458,223,193
2,402,215,560	600,553,890	1,629,221,278	9,078,458,623	10,707,679,901	13,710,449,351
-	-	-	851,863,915	851,863,915	851,863,915
2,402,215,560	600,553,890	1,629,221,278	9,930,322,538	11,559,543,816	14,562,313,266

Balance as at 30 June 2017 - (audited)

Total comprehensive income for the quarter ended 30 September 2017

Balance as at 30 September 2017 - (un-audited)

Final dividend for the year ended 30 June 2017 @ Rupees 2.75 per ordinary share

Total comprehensive income for the nine month ended 30 June 2017

Balance as at 30 June 2018 - (audited)

Total comprehensive income for the quarter ended 30 September 2018

Balance as at 30 September 2018 - (un-audited)

Chief Executive

Chief Financial Officer

Director

FOR QUARTER ENDED SEPTEMBER 30, 2018

1. THE COMPANY AND ITS OPERATIONS

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

These condensed unconsolidated interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and Provisions of and directives issued under the Companies Act, 2017. Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed. 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 2018.

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 2018.

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 2018.

5. AUTHORIZED SHARE CAPITAL

Un-audited September 30, 2018	Audited June 30, 2018		Un-audited September 30, 2018	Audited June 30, 2018
(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 QUARTER ENDED SEPTEMBER 30, 2018

6. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

Un-audited September 30, 2018	Audited June 30, 2018		Un-audited September 30, 2018	Audited June 30, 2018
(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
240,221,556	240,221,556		2,402,215,560	2,402,215,560

7. LONG TERM FINANCING

From Banking Companies / financial institutions -Secured

Long Term Loans	5,363,481,250	5,698,259,100
Long Term Musharaka	450,000,000	475,000,000
	5,813,481,250	6,173,259,100
Less: Current portion shown under current liabilities	1,416,198,900	1,416,992,650
Non-current portion	4,397,282,350	4,756,266,450

8. SHORT TERM BORROWINGS

	Un-audited September 30, 2018	Audited June 30, 2018
	Rupees	Rupees
Short term running finances	3,769,218,351	2,287,732,856
Export finances-preshipment/SBP refinance	6,799,999,999	7,550,839,000
Other short term finances	5,733,420,000	7,183,420,000
	16,302,638,350	17,021,991,856

FOR QUARTER ENDED SEPTEMBER 30, 2018

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 2018 except for the following:

- i) Guarantees of Rupees 630.454 million (30 June 2018: Rupees 609.109 million) are given by the banks of the Company to Sui Northern Gas Pipelines Limited against gas connections, Shell Pakistan Limited against purchase of furnace oil, Lahore Electric Supply Company Limited against electricity connection, Director Excise and Taxation, Karachi against infrastructure cess, Chairman Punjab Revenue Authority, Lahore against infrastructure cess, Director Pakistan Central Cotton Committee against cotton cess, and Nazir, Honourable High Court, Sindh against the notification in accordance with section 8 of OGRA Ordinance 2002, regarding system gas tariff on industrial and captive units.
- ii) Post dated cheques have been issued to custom authorities in respect of duties amounting to Rupees 3464.639 million (30 June 2018: Rupees 3,234.598 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) The Company has issued cross corporate guarantees of Rupees 9.55 billion (30 June 2018: Rupees 9.25 billion) on behalf of NC Electric Company Limited - wholly owned subsidiary company to secure the obligations of subsidiary company towards its lenders.

Commitments

- i) Letters of credit other than for capital expenditure are Rupees 999.055 million (30 June 2018: Rupees 1,265.473 million).
- ii) Outstanding foreign currency forward contracts of Rupees 135.204 million (30 June 2018: Rupees 418.294 million).

10. FIXED ASSETS

Property, plant and equipment

Operating fixed assets (Note 10.1)
Capital work in progress (Note 10.2)

Un-audited September 30, 2018	Audited June 30, 2018
Rupees	Rupees
11,191,856,972	11,287,175,272
39,117,747	72,468,238
11,230,974,719	11,359,643,510
11,287,175,272	11,719,057,304
134,261,630	615,992,663
11,421,436,902	12,335,049,967
645,691	45,823,260
228,934,239	1,002,051,435
11,191,856,972	11,287,175,272

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

Closing book value

FOR QUARTER ENDED SEPTEMBER 30, 2018

	Un-audited September 30, 2018	Audited June 30, 2018
	Rupees	Rupees
10.1.1 Cost of additions during the period / year		
Land	-	10,806,400
Building on freehold land	-	91,707,904
Plant and machinery	118,752,236	421,689,770
Electric installations	3,942,728	24,437,172
Factory equipment	858,165	11,668,521
Furniture and fixtures	3,717,891	23,803,595
Office equipment	1,329,240	11,322,593
Motor vehicles	5,661,370	20,556,708
	134,261,630	615,992,663
10.1.2 Book Value of deletions during the period / year		
Plant and machinery	-	121,810,851
Electric installations	-	10,000
Furniture and fixtures	-	619,756
Office equipment	316,700	1,154,420
Motor vehicles	1,039,594	27,437,810
Total Cost of Deletions	1,356,294	151,032,837
Less: Accumulated Depreciation	(710,603)	(105,209,577)
Less: Accumulated Impairment	-	-
	645,691	45,823,260
10.2 Capital work-in-progress		
Civil works on freehold land	2,209	2,210
Mobilization advances	-	137,500
Letters of credit	-	39,324
Advances for capital expenditures	39,115,538	72,289,204
	39,117,747	72,468,238
11. INTANGIBLE ASSET	Un-audited September 30, 2018	Audited June 30, 2018
	Rupees	Rupees
Computer software	1,088,806	1,228,590
11.1 Intangible asset - Computer software		
Opening book value	1,228,590	2,688,540
Add: Cost of additions during the period / year	-	257,650
Less: Amortization charged during the period / year	139,784	1,717,600
Closing book value	1,088,806	1,228,590

FOR QUARTER ENDED SEPTEMBER 30, 2018

12. COST OF GOODS SOLD

	Un-audited	
	Quarter Ended	
	September 30, 2018	September 30, 2017
 Rupees	
Raw material consumed	6,312,051,784	5,698,355,659
Packing materials consumed	209,411,462	205,487,967
Stores, spare parts and loose tools	289,926,933	234,641,635
Commercial Processing Stitching etc.	154,898,504	19,951,647
Salaries, wages and other benefits	594,057,123	606,743,774
Fuel and power	903,006,303	749,967,268
Insurance	10,014,369	9,068,919
Postage and telephone	193,341	164,555
Travelling and conveyance	867,958	832,863
Vehicles running and maintenance	6,623,292	5,402,746
Entertainment	2,061,826	2,567,697
Depreciation	227,332,234	242,801,510
Repair and maintenance	83,439,994	77,134,950
Other factory overheads	8,789,433	17,821,245
	8,802,674,556	7,870,942,435
Work-in-process		
Opening stock	902,207,503	681,950,465
Closing stock	(951,455,986)	(718,394,071)
	(49,248,483)	(36,443,606)
Cost of goods manufactured	8,753,426,073	7,834,498,829
Finished goods and waste-opening stocks		
Finished goods	1,124,942,023	1,058,655,750
Waste	106,915,432	78,504,641
	1,231,857,455	1,137,160,391
	9,985,283,528	8,971,659,220
Finished goods and waste-closing stocks		
Finished goods	(2,118,900,272)	(1,057,530,842)
Waste	(126,873,717)	(77,274,498)
	(2,245,773,989)	(1,134,805,340)
Cost of goods sold	7,739,509,539	7,836,853,880

FOR QUARTER ENDED SEPTEMBER 30, 2018

13. CASH GENERATED FROM OPERATIONS

Profit / Loss before taxation

Adjustment for non cash charges and other items:

Depreciation on operating fixed assets

Amortization on intangible assets

(Gain)/Loss on sale of operating fixed assets

Interest income on loan to subsidiary company

Interest on bank deposits

Finance cost

Working capital changes (Note 13.1)

Cash generated from operations

13.1 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

Un-audited	
Quarter Ended	
September 30, 2018	September 30, 2017
Rupees	Rupees
943,435,814	(17,696,620)
228,934,239	244,413,166
139,784	1,299,426
(174,426)	29,703
(13,653,355)	(7,380,485)
(177,053)	(208,455)
376,841,610	307,723,849
180,851,632	163,307,601
1,716,198,245	691,488,185
(305,595)	(287,938,254)
(1,337,437,355)	34,396,601
1,315,181,752	(446,581,419)
(458,995,221)	(281,335,618)
(30,095,070)	(21,956,406)
(224,439,099)	98,927,437
916,942,220	1,067,795,260
180,851,632	163,307,601

FOR QUARTER ENDED SEPTEMBER 30, 2018

15. 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,
	2018	2017
	Rupees	Rupees
Subsidiary companies		
Sale of Goods	283,557,043	249,641,049
Purchase of Goods	754,004,589	643,857,517
Common facilities cost charged	4,800,000	4,800,000
Disbursement of loans	1,291,115,555	1,463,107,000
Repayment of loans	1,124,697,498	2,073,099,238
Mark-up on short term loans	13,653,355	7,380,485
Associated company		
Insurance premium paid	25,052,938	29,422,022
Insurance claims received	779,504	1,324,875
Donation paid	-	39,241
Other related parties		
Purchase of goods	6,333,854	710,175
Sale of goods	476,455,285	379,312,392
Contribution to employees' provident fund	25,932,310	26,308,074
Period end balances		
	Un-audited	Audited
	Quarter Ended	Year Ended
	September 30,	June 30,
	2018	2018
	Rupees	Rupees
Due to subsidiary company	14,137,684	-
Due from subsidiary company	683,939,773	811,797,986
Short term loan receivable from subsidiary company	674,586,877	508,168,820
Mark-up receivable on loans made to subsidiary company	45,971,509	60,317,256
Bank balances with related party	2,137,868	18,578,012
Due from related parties other than subsidiary company	97,935,858	39,471,265

FOR QUARTER ENDED SEPTEMBER 30, 2018

16. 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 2018.

17. 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.

18. DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were approved by the Board of Directors and authorized for issue on October 29, 2018.

Chief Executive

Chief Financial Officer

Director

NISHAT (CHUNIAN) LIMITED AND
ITS SUBSIDIARY COMPANIES

CONSOLIDATED CONDENSED
INTERIM FINANCIAL INFORMATION

FOR THE QUARTER ENDED
SEPTEMBER 30, 2018 (UN-AUDITED)

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2018

	Un-audited September 30, 2018	Audited June 30, 2018
Note	Rupees	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	17,045,182,514	15,679,647,437
Equity attributable to equity holders of the Holding Company	19,447,398,074	18,081,862,997
Non-controlling interest	6,415,736,597	5,976,634,360
Total equity	25,863,134,671	24,058,497,357
LIABILITIES		
NON-CURRENT LIABILITIES		
Long term financing	9,428,230,685	10,481,386,830
Deferred Revenue	-	2,972,000
	9,428,230,685	10,484,358,830
CURRENT LIABILITIES		
Trade and other payables	4,688,003,190	3,178,485,746
Unclaimed Dividend	53,477,729	53,705,334
Accrued mark-up	584,341,290	570,404,272
Short term borrowings	25,298,912,663	25,510,180,650
Current portion of long term financing	4,735,277,507	4,675,185,917
	35,360,012,379	33,987,961,919
TOTAL LIABILITIES	44,788,243,064	44,472,320,749
CONTINGENCIES AND COMMITMENTS		
TOTAL EQUITY AND LIABILITIES	70,651,377,735	68,530,818,106

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

CHIEF EXECUTIVE

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2018

	Un-audited September 30, 2018	Audited June 30, 2018
Note	Rupees	Rupees
ASSETS		
NON-CURRENT ASSETS		
Fixed assets	28,074,263,540	28,359,395,549
Intangible assets	17,702,772	19,714,770
Long term loans to employees	17,648,817	17,897,227
Long term security deposits	25,831,440	23,752,440
Deferred income tax asset	8,793,556	8,793,557
	28,144,240,125	28,429,553,543
CURRENT ASSETS		
Stores, spare parts and loose tools	1,445,650,653	1,364,302,917
Stock-in-trade	14,128,465,451	12,756,423,851
Trade debts	19,604,877,176	19,204,333,280
Loans and advances	2,160,666,045	1,619,392,876
Short term deposits and prepayments	58,975,200	30,497,543
Other receivables	4,881,122,627	4,841,867,825
Short term investments	31,242,627	32,179,691
Cash and bank balances	196,137,831	252,266,580
	42,507,137,610	40,101,264,563
TOTAL ASSETS	70,651,377,735	68,530,818,106

CHIEF FINANCIAL OFFICER

DIRECTOR

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

FOR THE QUARTER ENDED SEPTEMBER 30, 2018

	Quarter Ended	
	September 30, 2018	September 30, 2017
	Rupees	Rupees
SALES	14,819,049,634	13,330,345,558
COST OF SALES	(11,913,102,694)	(11,510,403,563)
GROSS PROFIT	2,905,946,940	1,819,941,995
DISTRIBUTION COST	(283,238,072)	(246,485,692)
ADMINISTRATIVE EXPENSES	(120,946,981)	(105,563,837)
OTHER OPERATING EXPENSES	(50,079,507)	(10,326,127)
	(454,264,560)	(362,375,656)
	2,451,682,380	1,457,566,339
OTHER OPERATING INCOME	182,803,360	27,881,408
PROFIT FROM OPERATIONS	2,634,485,740	1,485,447,747
FINANCE COST	(735,747,806)	(655,105,677)
PROFIT BEFORE TAXATION	1,898,737,934	830,342,070
TAXATION	(94,390,394)	(79,347,117)
PROFIT AFTER TAXATION	1,804,347,540	750,994,953
PROFIT ATTRIBUTABLE TO:		
EQUITY HOLDERS OF THE HOLDING COMPANY	1,365,245,303	312,641,440
NON-CONTROLLING INTEREST	439,102,237	438,353,513
	1,804,347,540	750,994,953
EARNINGS PER SHARE - BASIC & DILUTED	5.68	1.30

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

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

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

FOR THE QUARTER ENDED SEPTEMBER 30, 2018

	Quarter Ended	
	September 30, 2018	September 30, 2017
	Rupees	Rupees
PROFIT AFTER TAXATION	1,804,347,540	750,994,953
OTHER COMPREHENSIVE INCOME	289,774	73,028
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	1,804,637,314	751,067,981
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
EQUITY HOLDERS OF THE HOLDING COMPANY	1,365,535,077	312,714,468
NON-CONTROLLING INTEREST	439,102,237	438,353,513
	1,804,637,314	751,067,981

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

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS

(UN-AUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2018

		Quarter Ended	
		September 30, 2018	September 30, 2017
Note		Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
	Cash generated from operations	2,245,171,401	2,148,269,285
	Net increase in long term security deposits	(2,079,000)	-
	Finance cost paid	(721,810,788)	(703,610,539)
	Income tax paid	(83,071,170)	(50,964,498)
	Net decrease / (increase) in long term loans to employees	248,410	(1,622,639)
	Net cash generated from operating activities	1,438,458,853	1,392,071,609
CASH FLOWS FROM INVESTING ACTIVITIES			
	Capital expenditure on property, plant and equipment	(292,734,255)	(340,601,645)
	Capital expenditure on intangible assets	-	(700,049)
	Proceeds from disposal of operating fixed assets	840,118	2,484,434
	Short term investments made	937,064	951,045
	Profit on bank deposits received	639,347	7,984,539
	Net cash used in investing activities	(290,317,726)	(329,881,676)
CASH FLOWS FROM FINANCING ACTIVITIES			
	Proceeds from long term financing	75,000,000	2,076,300,000
	Repayment of long term financing	(1,068,064,555)	(1,252,887,956)
	Short term borrowings - net	(211,267,987)	(2,023,771,247)
	Dividend paid to non-controlling interest	-	(136,951)
	Dividend paid	(227,108)	(1,400)
	Net cash used in financing activities	(1,204,559,650)	(1,200,497,554)
	Net decrease in cash and cash equivalents	(56,418,523)	(138,307,621)
	Impact of exchange translation	289,774	73,028
	Cash and cash equivalents at the beginning of the year	252,266,580	247,054,434
	Cash and cash equivalents at the end of the year	196,137,831	108,819,841

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

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

(UN-AUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2018

	ATTRIBUTABLE TO EQUITY HOLDERS OF THE HOLDING COMPANY							NON-CONTROLLING INTEREST	TOTAL EQUITY
	Capital Reserve		REVENUE RESERVES			SHAREHOLDERS' EQUITY			
	Share Capital	(1,096,004)	600,553,890	1,629,221,278	10,313,009,675	11,942,230,953	14,943,964,399		
Balance as at June 30, 2017 - (audited)	2,402,215,560	-	73,028	-	-	312,641,440	312,641,440	4,489,481,958	751,067,981
Total comprehensive income for the quarter ended September 30, 2017	-	(962,976)	-	-	10,625,651,115	12,254,872,393	15,256,678,867	4,927,835,471	20,184,514,338
Balance as at September 30, 2017 - (un-audited)	2,402,215,560	-	-	-	(660,609,279)	(660,609,279)	(660,609,279)	-	(660,609,279)
Final dividend for the year ended 30 June 2017 @ Rs. 2.75 Ordinary share	-	-	-	-	-	-	-	-	-
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	(179,761,119)	(179,761,119)
Total comprehensive income for the nine months ended June 30, 2018	-	(5,715,961)	-	-	3,491,509,370	3,491,509,370	3,485,793,409	1,228,560,008	4,714,353,417
Balance as at June 30, 2018 - (audited)	2,402,215,560	(6,678,937)	289,774	-	13,456,551,206	15,085,772,484	18,081,862,997	5,976,634,360	24,058,497,357
Total comprehensive income for the quarter ended September 30, 2018	-	(6,389,163)	-	-	1,365,245,303	1,365,245,303	1,365,535,077	439,102,237	1,804,637,314
Balance as at September 30, 2018 - (un-audited)	2,402,215,560	(6,389,163)	-	-	14,821,796,509	16,451,017,787	19,447,398,074	6,415,736,597	25,863,134,671

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

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

FOR THE QUARTER ENDED SEPTEMBER 30, 2018

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 repealed Companies Ordinance, 1984 (Now Companies Act, 2017) 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 repealed Companies Ordinance, 1984 (Now Companies Act, 2017) and listed on the Pakistan Stock Exchange (Guarantee) Limited. The principal activity of the Subsidiary Company is to build, own, operate and maintain a fuel fired power station having gross capacity of 200 MW and net capacity of 195.722 MW at Jamber Kalan, Tehsil Pattoki, District Kasur, Punjab, Pakistan. Its registered office is situated at 31-Q, Gulberg II, Lahore. The Subsidiary Company has commenced commercial operations from 21 July 2010 and the twenty five years term of the Power Purchase Agreement (PPA) with National Transmission and Despatch Company Limited starts from this date.

Nishat Chunian USA Incorporation

Nishat Chunian USA Inc. is a foreign subsidiary incorporated under the Business Corporation Laws of the State of New York. The registered office of Nishat Chunian USA Inc. is situated at 230 Fifth Avenue, Suite 1406, New York, NY 10001, USA. The principal business of the Nishat Chunian USA Inc. is to import home textile products and distribute to local retailers.

NC Electric Company Limited

NC Electric Company Limited is a public limited company incorporated in Pakistan on 18 April 2014 under the repealed Companies Ordinance, 1984 (Now Companies Act, 2017). The Company is a wholly owned subsidiary of Nishat (Chunian) Limited. It's registered office is situated at 31-Q, Gulberg II, Lahore. The principal objective of NC Electric Company Limited is to develop, own and operate a 46 MW and 8 TPH process steam coal fired electric power generation project at 49 KM, Multan Road, near Bhai Phero, District Kasur. NC Electric Company Limited commenced commercial operations from 01 May 2017.

NC Entertainment (Private) Limited

NC Entertainment (Private) Limited is registered under the repealed Companies Ordinance, 1984 (Now Companies Act, 2017) 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 directives issued under the Companies Act, 2017. These consolidated condensed interim financial statements of the Group for the quarter ended 30 September 2018 have been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed. This consolidated condensed interim financial information should be read in conjunction with the audited annual published financial statements of the Group for the year ended 30 June 2018.

FOR THE QUARTER ENDED SEPTEMBER 30, 2018

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 2018.

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 2018.

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 2018 except for the following:

- i) Guarantees of Rupees 630.454 million (30 June 2018: Rupees 609.109 million) are given by the banks of the Company to Sui Northern Gas Pipelines Limited against gas connections, Shell Pakistan Limited against purchase of furnace oil, Lahore Electric Supply Company Limited against electricity connection, Director Excise and Taxation, Karachi against infrastructure cess, Chairman Punjab Revenue Authority, Lahore against infrastructure cess, Director Pakistan Central Cotton Committee against cotton cess, and Nazir, Honourable High Court, Sindh against the notification in accordance with section 8 of OGRA Ordinance 2002, regarding system gas tariff on industrial and captive units.
- ii) Post dated cheques have been issued to custom authorities in respect of duties amounting to Rupees 3464.639 million (30 June 2018: Rupees 3,234.598 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) The Company has issued cross corporate guarantees of Rupees 9.55 billion (30 June 2018: Rupees 9.25 billion) on behalf of NC Electric Company Limited - wholly owned subsidiary company to secure the obligations of subsidiary company towards its lenders.

Commitments

- i) Letters of credit other than for capital expenditure are Rupees 999.055 million (30 June 2018: Rupees 1,265.473 million).
- ii) Outstanding foreign currency forward contracts of Rupees 135.204 million (30 June 2018: Rupees 418.294 million).

Subsidiary Company

Contingencies

There are no significant changes in contingencies from the preceding annual published financial statements of the company for the year ended June 30, 2018, except for the following:

- i) During the financial year 2014, a sales tax demand of Rs 1,161.548 million was raised against the company through order dated November 28, 2013, by the Assistant Commissioner Inland Revenue ('ACIR') by disallowing input sales tax for the tax periods from July 2010 to June 2012. Such amount was disallowed on the grounds that the revenue derived by the company on account of 'capacity purchase price' was against a non-taxable supply and thus, the entire amount of input sales tax claimed by the company was required to be apportioned with only the input sales tax attributable to other revenue stream i.e. 'energy purchase price' admissible to the company. Against the aforesaid order, the company preferred an appeal dated December 10, 2013 before the Commissioner Inland Revenue (Appeals) ('CIR(A)') who vacated the ACIR's order on the issue regarding apportionment of input sales tax. However, the CIR(A) did not adjudicate upon the company's other grounds of appeal. Consequently, the company preferred an appeal on March 17, 2014 before the Appellate Tribunal Inland Revenue ('ATIR') on the issues not adjudicated upon by the CIR(A) and the Department also preferred a second appeal on May 08, 2014 before the ATIR against the CIR(A)'s order. The ATIR vide its order dated 11-09-2018 accepted the company's stance and decided the case in the favor of the company.
- ii) During the financial year 2018, another amendment order dated June 13, 2018 was issued by the Additional Commissioner Inland Revenue under section 122 of the ITO for Tax Year 2012 and subsequently, rectification order dated June 27, 2018 under section 221 of the ITO was issued whereby income tax of Rs 50.063 million was levied mainly comprising minimum tax on capacity sales. The company had filed an appeal on July 26, 2018 before the CIR(A) against the aforesaid orders and subsequently the CIR(A) decided the case in the favor of the company by deleting the demand through its order dated 12-09-2018.

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

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018

	Un-audited Quarter ended September 30, 2018	Audited Year ended June 30, 2018
	Rupees	Rupees
Commitments		
Letter of credit other than for capital expenditure:	215,155,123	144,073,101
	Un-audited Quarter ended September 30, 2018	Un-audited Quarter ended September 30, 2017
	Rupees	Rupees
6. CASH (USED IN) / GENERATED FROM OPERATIONS		
Profit before taxation	1,898,737,934	830,342,070
Adjustment for non cash charges and other items:		
Provision for employee retirement	2,047,341	1,838,490
Depreciation on operating fixed assets	578,511,956	590,883,211
Amortization on intangible assets	1,218,134	2,377,776
(Gain) / loss on sale of operating fixed assets	(194,426)	(1,217,985)
Interest on bank deposits	(639,347)	(7,984,539)
Unrealised gain on derivative financial instrument	-	-
Finance costs	735,747,806	655,105,678
Cash flows from operating activities before working capital changes	3,215,429,398	2,071,344,701
(Increase) / decrease in current assets		
- Stores, spare parts and loose tools	(81,347,736)	(180,156,084)
- Stock in trade	(1,372,041,600)	(116,800,449)
- Trade debts	(400,543,896)	(1,073,600,631)
- Loans and advances	(541,273,169)	(7,001,176)
- Short term deposits and prepayments	(28,477,657)	(19,043,263)
- Other receivables	(50,574,026)	503,205,083
Increase in current liabilities		
- Trade and other payables	1,504,000,087	970,321,104
	(970,257,997)	76,924,584
Net cash generated from operations	2,245,171,401	2,148,269,285

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018

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, 2018	Un-audited Quarter ended September 30, 2017
	Rupees	Rupees
Associated company		
Insurance premium paid	26,666,250	80,873,275
Insurance claims received	779,504	1,324,875
Donation paid	1,167,000	-
Other related parties		
Purchase of goods	6,333,854	710,175
Sale of goods	476,455,285	379,312,392
Contribution to employees' provident fund	27,979,523	28,146,074
Remuneration paid to key management personnel	53,526,031	-
	Un-audited Quarter ended September 30, 2018	Audited Year ended June 30, 2018
	Rupees	Rupees
Period end balances		
Bank balances with related party	2,137,868	18,975,894
Due from related parties	97,935,858	39,471,265
Due to related parties	-	926,000

8. CORRESPONDING FIGURES

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

9. DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial statements were approved and authorized for issue on October 29, 2018 by the Board of Directors.

Chief Executive

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:

www.jamapunji.pk



Be aware, Be alert, Be safe

Learn about investing at
www.jamapunji.pk

Key features:

- Licensed Entities Verification
- Scam meter*
- Jamapunji games*
- Tax credit calculator*
- Company Verification
- Insurance & Investment Checklist
- FAQs Answered
- Stock trading simulator (based on live feed from KSE)
- Knowledge center
- Risk profiler*
- Financial calculator
- Subscription to Alerts (event notifications, corporate and regulatory actions)
- Jamaapunji application for mobile device
- Online Quizzes



Jama Punji is an Investor Education Initiative of Securities and Exchange Commission of Pakistan

jamapunji.pk

[@jamapunji_pk](https://twitter.com/jamapunji_pk)

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





31-Q, Gulberg II, Lahore 54660, Pakistan
Tel: +92 42 3576 1730, Fax: +92 42 3587 8696
Email: info@nishat.net
www.nishat.net
www.facebook.com/NishatChunianGroup

