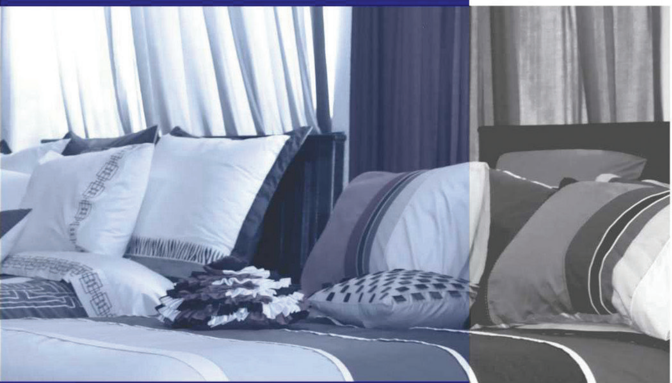

Interim Financial Information

Nine Months Ended March 31, 2019

(Unaudited)

Nishat Chunian Limited

CONTENTS

COMPANY INFORMATION

Board of Directors:
Mrs. Farhat Saleem *(Chairperson)*
Mr. Shahzad Saleem *(Chief Executive)*
Mr. Zain Shahzad
Mr. Aftab Ahmad Khan
Mr. Muhammad Ali Zeb
Mr. Farrukh Ifzal
Mr. Shoaib Ahmad Khan *(Independent)*
Mr. Muhammad Zahid Khan *(Independent)*

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

HR & R Committee:
Mr. Shoaib Ahmad Khan *(Chairman)*
Mr. Muhammad Zahid Khan *(Member)*
Mr. Farrukh Ifzal *(Member)*

CFO:
Mr. Babar Ali Khan

Company Secretary:
Mr. Shehzad Rauf

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

Auditors:
Riaz Ahmad & Company
Chartered Accountants

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

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

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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 nine months ended on March 31, 2019.

Operating Financial Results

Revenues earned during these nine months period are Rs. 29.25 billion as compared to Rs. 25.74 billion during the corresponding nine months of previous fiscal year, registering an increase of 13.64%. The increase in turnover is mainly driven by yarn sales in local market, whereas there is marginal increase in exports in value added sector as well. Gross margin increased significantly to 12.99% as compared to 10.18% in corresponding period of the preceding year. Profit after tax of the Company increased to 8.34% from 4.68 % as compared to the corresponding nine months of the previous fiscal year. Gain on disposal of subsidiary, exchange gain and dividend income have also contributed to this favorable variance.

Financial Highlights	Nine months ended March 31		Increase / Decrease %
	2019	2018	
Sales (Rs.)	29,250,895,189	25,740,245,888	13.64%
Gross Profit (Rs.)	3,800,799,598	2,619,598,720	45.09%
Profit After Taxation (Rs.)	2,440,957,824	1,203,473,781	102.83%
Gross Profit %	12.99%	10.18%	
Profit After Tax %	8.34%	4.68%	
Earnings Per Share (Rs.)	10.16	5.01	

Market Review and Future Prospects

The management is devoted to value creation through adoption of advance technology and further diversification in business. Yarn export market in the previous years was heavily dependent on Chinese market, which took a serious hit when USA and China engaged in trade wars; we expect that tariff talks between these two countries will have direct impact on the sector. Spinning division has seen remarkable increase in turnover, this is a direct result of major capex investments over last few years to enhance and diversify existing capacity with improvisation of overall efficiency. Given current circumstances, the Company is looking to consolidate its core operations by revisiting Company's structure and focusing on bringing further efficiency in the operations.

Moreover, the management is very keen to look for new avenues if the right opportunity arises. 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 exports sector. This devaluation of Pak Rupee presents an opportunity for the value added sector and the management is fully committed to take full advantage of the situation. Further, Government's initiative to reduce power cost will make Pakistani market more competitive. The Government's decision to expedite sales tax refunds in form of promissory note is a step towards right direction.

"The Linen Company (TLC)", has successfully launched its retail outlet in Karachi and is further looking to expand its retail network. The brand has expanded to 4 cities and operating 5 outlets.

The Company has successfully completed all the transactions regarding disposal of its cinema business by formalizing all the required statutory approvals. This fact has already been communicated through 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. 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: 30th April 2019

DIRECTORS' REPORT

محترم حصص یافتگان

بورڈ آف ڈائریکٹرز 31 مارچ 2019 کوختم ہونے والی نوماہی کے لئے نشاط (چونیاں) لمیٹڈ (" کمپنی") کے غیر نظرثانی شدہ نتائج کا اعلان کرتے ہوئے خوشی محسوس کرتا ہے۔

آپریٹنگ مالیاتی نتائج

گذشتہ مالی سال کی اسی نوماہی کے دوران 25.74 بلین روپے کے مقابلے اس نوماہی کے دوران حاصل ہونے والی آمدنی 29.25 بلین روپے ہے، جو 13.64 فیصد کا اضافہ ظاہر کررہی ہے۔ٹرن اوور میں اضافہ بنیادی طور پر مقامی مارکیٹ میں یارن کی فروخت کے ذریعے ممکن ہوا ہے، جبکہ، برآمدات میں مارجنل اضافہ بھی ہوا ہے۔ مجموعی منافع گزشتہ سال کی اسی مدت میں 10.18 فیصد کے مقابلے نمایاں طور پر 12.99 فیصد تک زیادہ ہوا۔ کمپنی کا بعد از ٹیکس منافع گزشتہ مالی سال کی اسی نوماہی میں 4.68 فیصد سے بڑھ کر 8.34 فیصد ہوگیا۔ ذیلی کمپنی کے ڈسپوزل پر آمدنی، ایکسچینج گین اور ڈیویڈینڈ آمدنی نے بھی اس سازگار تغیر میں حصہ ڈالا ہے۔

مالی جھلکیاں	31 مارچ مختتمہ نوماہی		فیصد اضافہ / کمی
	2019	2018	
فروخت (روپے)	29,250,895,189	25,740,245,888	13.64 فیصد
مجموعی منافع (روپے)	3,800,799,598	2,619,598,720	45.09 فیصد
بعد از ٹیکس منافع (روپے)	2,440,957,824	1,203,473,781	102.83 فیصد
مجموعی منافع فیصد	12.99 فیصد	10.18 فیصد	
بعد از ٹیکس منافع فیصد	8.34 فیصد	4.68 فیصد	
فی شیئر آمدن (روپے)	10.16	5.01	

مارکیٹ کا جائزہ اور مستقبل کے امکانات

انتظامیہ کاروبار میں جدید ٹیکنالوجی اور مزید تنوع کو اپنانے کے ذریعے قدر تخلیق کرنے کے لئے پرعزم ہے۔گزشتہ سالوں میں یارن کی برآمدات چینی مارکیٹ پر بہت زیادہ انحصار کرتی تھی، جو امریکہ اور چین کے درمیان تجارتی جنگ کے سبب بہت زیادہ متاثر ہوئی۔ ہم امید کرتے ہیں کہ ان دو ممالک کے درمیان ٹیرف مذاکرات اس سیکٹر پر براہِ راست اثرات ڈالیں گے۔ سپنگ ڈویژن نے ٹرن اوور میں نمایاں اضافہ دیکھا ہے، یہ مجموعی کارکردگی کو بہتر بنانے کے ساتھ ساتھ موجودہ صلاحیت کو بڑھانے اور تنوع کے لئے گزشتہ چند سالوں سے اہم کیپکس سرمایہ کاری کا براہِ راست نتیجہ ہے۔ اس وقت، موجودہ حالات کے پیشِ نظر، کمپنی اپنی ساخت پر نظر ثانی اور آپریشن کو مزید فروغ دینے پر توجہ مرکوز کر کے اپنے بنیادی آپریشن کو مضبوط بنانے کی کوشش کررہی ہے۔

تاہم، انتظامیہ اگر صحیح موقع میسر ہو تو نئے ایونیوز تلاش کرنے میں گہری دلچسپی لیتی ہے۔ مجموعی پراسیس کو جدید بنانے کے لئے موجودہ مشینری کی تبدیلی اور اپ گریڈیشن پر کمپنی کی مستقل توجہ آئندہ مدت میں نچلی لائن پر مثبت اثر انداز ہوگی۔ مزید برآں، امریکی ڈالر اور یورو کے برعکس پاکستانی روپیہ کی قدر میں کمی کے رجحان نے برآمدات کے شعبہ کے لئے کچھ آسانیاں پیدا کی ہیں۔ پاکستانی روپیہ کی قدر میں حالیہ کمی نے ویلیو ایڈڈ شعبہ کے لئے ایک موقع پیش کیا ہے، انتظامیہ صورت حال سے مکمل فائدہ اُٹھانے کے لئے پُراعتماد ہے۔ مزید برآں، بجلی کی قیمت کو کم کرنے کے حکومتی اقدامات پاکستانی مارکیٹ کو مزید مسابقتی بنائیں گے۔ پرومائزری نوٹ کی صورت میں سیلز ٹیکس کی واپسی کو تیز کرنے کیلئے حکومت کا فیصلہ صحیح سمت کی طرف ایک قدم ہے۔

"دی لینن کمپنی (TLC)" نے کراچی میں اپنی ریٹیل آؤٹ لٹ کا کامیابی سے افتتاح کیا ہے اور مختلف شہروں میں مزید سٹور کھول کر ریٹیل نیٹ ورک کو مزید فروغ دینے کا ارادہ رکھتی ہے۔ برانڈ 4 شہروں میں پھیل چکا ہے اور 5 آؤٹ لیٹس چلا رہا ہے۔

کمپنی نے اپنے سینما کاروبار کو ختم کرنے کے سلسلہ میں تمام قانونی منظوریاں حاصل کرنے کے بعد ٹرانزیکشنز کو پایہ تکمیل تک پہنچایا ہے۔ اس خبر کے بارے میں اسٹاک ایکسچینج کو پہلے ہی مطلع کردیا ہے۔

ذیلی کمپنیاں اور اشتمال شدہ مالیاتی حسابات

نشاط چونیاں پاور لمیٹڈ، NC الیکٹرک کمپنی لمیٹڈ اور نشاط چونیاں یو ایس اے انکارپوریٹڈ کمپنی کی ذیلی کمپنیاں ہیں۔ لہذا، کمپنی نے بین الاقوامی مالیاتی رپورٹنگ معیارات کی ضروریات اور کمپنیز ایکٹ 2017ء کی قابل اطلاق دفعات کے مطابق اپنی الگ الگ مجمد عبوری مالی معلومات کے علاوہ اشتمال شدہ مجمد عبوری مالیاتی معلومات منسلک کی ہیں۔

اظہارِ تشکر

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

منجانب بورڈ

چیف ایگزیکٹو

30 اپریل 2019ء

ڈائریکٹر

AS AT MARCH 31, 2019

	Note	Un-audited March 31, 2019 Rupees	Audited June 30, 2018 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		**12,568,703,158**	11,308,233,791
Total equity		**14,970,918,718**	13,710,449,351
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	4	**3,847,364,150**	4,756,266,450
CURRENT LIABILITIES			
Trade and other payables		**3,478,391,960**	2,238,596,263
Unclaimed Dividend		**48,238,089**	38,206,334
Accrued mark-up		**595,242,634**	211,095,682
Short term borrowings		**23,518,515,183**	17,021,991,856
Current portion of non-current liabilities		**1,239,217,650**	1,416,992,650
		28,879,605,516	20,926,882,785
TOTAL LIABILITIES		**32,726,969,666**	25,683,149,235
CONTINGENCIES AND COMMITMENTS	5		
TOTAL EQUITY AND LIABILITIES		**47,697,888,384**	39,393,598,586

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

Chief Executive

AS AT MARCH 31, 2019

	Note	Un-audited March 31, 2019	Audited June 30, 2018
		Rupees	Rupees
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	6	**11,131,562,177**	11,359,643,510
Intangible asset	7	**809,238**	1,228,590
Investment in subsidiary companies		**3,086,681,200**	3,186,681,200
Long term loans to employees		**16,045,848**	13,940,372
Long term security deposits		**26,120,190**	23,647,440
		14,261,218,653	14,585,141,112
CURRENT ASSETS			
Stores, spare parts and loose tools		**771,493,735**	686,743,322
Stock-in-trade		**18,331,667,675**	10,447,356,778
Trade debts		**5,817,090,706**	8,124,577,164
Loans and advances		**4,255,929,224**	1,865,276,632
Short term prepayments		**20,583,664**	3,453,878
Other receivables		**4,109,306,162**	3,522,638,415
Accrued Interest		**80,573,952**	60,317,256
Short term investments		**21,171,071**	21,649,175
Cash and bank balances		**28,853,542**	76,444,854
		33,436,669,731	24,808,457,474
TOTAL ASSETS		**47,697,888,384**	39,393,598,586

Director **Chief Financial Officer**

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

FOR THE NINE MONTHS ENDED MARCH 31, 2019

	Note	Nine Months Ended		Quarter Ended	
		March 31, 2019	March 31, 2018	**March 31, 2019**	March 31, 2018
		Rupees	Rupees	**Rupees**	Rupees
SALES		29,250,895,189	25,740,245,888	9,930,554,480	8,903,406,685
COST OF SALES	8	(25,450,095,591)	(23,120,647,168)	(8,714,352,018)	(7,668,796,805)
GROSS PROFIT		**3,800,799,598**	**2,619,598,720**	**1,216,202,462**	**1,234,609,880**
DISTRIBUTION COST		(712,902,441)	(662,979,362)	(234,136,420)	(232,020,355)
ADMINISTRATIVE EXPENSES		(204,435,876)	(161,640,310)	(75,385,328)	(56,695,305)
OTHER OPERATING EXPENSES		(130,421,410)	(59,797,855)	(23,680,577)	(35,544,199)
		(1,047,759,727)	(884,417,527)	(333,202,325)	(324,259,859)
		2,753,039,871	1,735,181,193	883,000,137	910,350,021
OTHER OPERATING INCOME		1,567,348,757	727,787,124	258,953,170	248,740,209
PROFIT FROM OPERATIONS		**4,320,388,628**	**2,462,968,317**	**1,141,953,307**	**1,159,090,230**
FINANCE COST		(1,517,041,848)	(1,008,461,627)	(637,305,804)	(370,244,600)
PROFIT BEFORE TAXATION		**2,803,346,780**	1,454,506,690	**504,647,503**	788,845,630
TAXATION		(362,388,956)	(251,032,909)	(81,765,602)	(77,444,703)
PROFIT AFTER TAXATION		**2,440,957,824**	**1,203,473,781**	**422,881,901**	**711,400,927**
EARNINGS PER SHARE - BASIC & DILUTED		**10.16**	5.01	**1.76**	2.96

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

Chief Executive **Director** **Chief Financial Officer**

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

FOR THE NINE MONTHS ENDED MARCH 31, 2019

	Nine Months Ended		Quarter Ended	
	March 31, 2019	March 31, 2018	**March 31, 2019**	March 31, 2018
	Rupees	Rupees	**Rupees**	Rupees
PROFIT AFTER TAXATION	2,440,957,824	1,203,473,781	422,881,901	711,400,927
OTHER COMPREHENSIVE INCOME	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	2,440,957,824	1,203,473,781	422,881,901	711,400,927

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

Chief Executive | **Director** | **Chief Financial Officer**

FOR THE NINE MONTHS ENDED MARCH 31, 2019

	Note	Nine Months Ended March 31, 2019 Rupees	Nine Months Ended March 31, 2018 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash utilized in operations	9	(2,495,732,210)	(2,048,167,956)
Net increase in long term security deposits		(2,472,750)	(1,413,000)
Net (increase)/decrease in long term loans to employees		(2,105,476)	2,048,305
Finance cost paid		(1,132,894,896)	(1,009,772,123)
Income tax paid		(249,533,296)	(179,379,066)
Net cash utilized in operating activities		(3,882,738,628)	(3,236,683,840)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(466,694,988)	(235,030,142)
Capital expenditure on intangible assets		-	(257,649)
Proceeds from disposal of operating fixed assets		2,510,937	13,904,155
Proceeds from sale of shares of subsidiary company		322,000,000	-
Refund of advance for purchase of shares of subsidiary company		-	237,112,338
Loans and advances to subsidiary companies		(5,859,033,604)	(3,644,093,532)
Repayment of loans from subsidiary companies		4,873,270,289	4,417,085,773
Dividend received from subsidiary company		468,964,550	187,585,820
Interest income received from subsidiary companies		33,883,672	25,673,865
Short term investments made		988,949	1,106,721
Profit on bank deposits received		265,953	53,956
Net cash (used in)/ generated from investing activities		(623,844,242)	1,003,141,305
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		-	2,017,296,303
Repayment of long term financing		(1,086,677,300)	(1,014,926,050)
Short term borrowings - net		6,496,523,327	1,885,150,600
Dividend paid		(950,854,469)	(652,504,937)
Net cash generated from financing activities		4,458,991,558	2,235,015,916
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		(47,591,312)	1,473,381
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		28,853,542	46,022,742

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

Chief Executive **Director** **Chief Financial Officer**

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

FOR THE NINE MONTHS ENDED MARCH 31, 2019

	Ordinary Share Capital	CAPITAL RESERVES	REVENUE RESERVES			Total Reserves	TOTAL EQUITY
		Share Premium	General reserve	Un-appropriated profit	Total		
	Rupees						
Balance as at 30 June 2017 - (audited)	2,402,215,560	600,553,890	1,629,221,278	7,375,984,055	9,005,205,333	9,605,759,223	12,007,974,783
Transactions with owners:							
Final dividend for the year ended 30 June 2017 @ Rs. 2.75 per ordinary share	-	-	-	(660,609,279)	(660,609,279)	(660,609,279)	(660,609,279)
Profit for the nine months ended 31 March 2018	-	-	-	1,203,473,781	1,203,473,781	1,203,473,781	1,203,473,781
Other comprehensive income for the nine months ended 31 March 2018	-	-	-	-	-	-	-
Total comprehensive income for the nine months ended 31 March 2018	-	-	-	1,203,473,781	1,203,473,781	1,203,473,781	1,203,473,781
Balance as at 31 March 2018 - (un-audited)	2,402,215,560	600,553,890	1,629,221,278	7,918,848,557	9,548,069,835	10,148,623,725	12,550,839,285
Profit for the quarter ended 30 June 2018	-	-	-	1,159,610,066	1,159,610,066	1,159,610,066	1,159,610,066
Other comprehensive income for the quarter ended 30 June 2018	-	-	-	-	-	-	-
Total comprehensive income for the quarter ended 30 June 2018	-	-	-	1,159,610,066	1,159,610,066	1,159,610,066	1,159,610,066
Balance as at 30 June 2018 - (audited)	2,402,215,560	600,553,890	1,629,221,278	9,078,458,623	10,707,679,901	11,308,233,791	13,710,449,351
Adjustment on adoption of IFRS 9 (Note 3.2.1)	-	-	-	(6,506,852)	(6,506,852)	(6,506,852)	(6,506,852)
Adjustment on adoption of IFRS 15 (Note 3.2.2)	-	-	-	(213,095,381)	(213,095,381)	(213,095,381)	(213,095,381)
Adjusted total equity as at 01 July 2018	2,402,215,560	600,553,890	1,629,221,278	8,858,856,390	10,488,077,668	11,088,631,558	13,490,847,118
Transactions with owners:							
Final dividend for the year ended 30 June 2018 @ Rs. 4.00 per ordinary share	-	-	-	(960,886,224)	(960,886,224)	(960,886,224)	(960,886,224)
Profit for the nine months ended 31 March 2019	-	-	-	2,440,957,824	2,440,957,824	2,440,957,824	2,440,957,824
Other comprehensive income for the nine months ended 31 March 2019	-	-	-	-	-	-	-
Total comprehensive income for the nine months ended 31 March 2019	-	-	-	2,440,957,824	2,440,957,824	2,440,957,824	2,440,957,824
Balance as at 31 March 2019 - (un-audited)	2,402,215,560	600,553,890	1,629,221,278	10,338,927,990	11,968,149,268	12,568,703,158	14,970,918,718

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

Chief Executive **Director** **Chief Financial Officer**

1. THE COMPANY AND ITS OPERATIONS

Nishat (Chunian) Limited ("the Company") is a public limited company incorporated in Pakistan under the repealed Companies Ordinance, 1984 (Now Companies Act, 2017) and listed on Pakistan Stock Exchange Limited. Its registered office is situated at 31-Q, Gulberg II, Lahore. The Company is engaged in the business of spinning, weaving, dyeing, printing, stitching, processing, doubling, sizing, buying, selling and otherwise dealing in yarn, fabric and made-ups made from raw cotton, synthetic fiber and cloth, and to generate, accumulate, distribute, supply and sell electricity.

2. BASIS OF PREPARATION

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

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

• Provisions of and directives issued under the Companies Act, 2017.

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

2.2 These unconsolidated condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended 30 June 2018. These unconsolidated condensed interim financial statements are un-audited, however, have been subjected to limited scope review by the auditors and are being submitted to the shareholders as required by the Listed Companies (Code of Corporate Governance) Regulations, 2017 and Section 237 of the Companies Act, 2017.

3. ACCOUNTING POLICIES

The accounting policies and methods of computations adopted for the preparation of these unconsolidated condensed interim financial statements are the same as applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended 30 June 2018 except for the changes in accounting policies as stated in note 3.2 to these unconsolidated condensed interim financial statements.

3.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

During preparation of these unconsolidated condensed interim financial statements, the significant judgments made by the management in applying the Company’s accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Company for the year ended 30 June 2018.

3.2 CHANGES IN ACCOUNTING POLICIES DUE TO APPLICABILITY OF CERTAIN INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

The following changes in accounting policies have taken place effective from 01 July 2018:

3.2.1 IFRS 9 "Financial Instruments"

The Company has adopted IFRS 9 "Financial Instruments" from 01 July 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the Company makes an irrevocable election on initial recognition to present gains and losses on equity instruments in other comprehensive income. Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the Company's own credit risk to be presented in other comprehensive income (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the Company. New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

The Company has adopted IFRS 9 without restating the prior year results.

Key changes in accounting policies resulting from application of IFRS 9

i) Classification and measurement of financial instruments

IFRS 9 largely retains the existing requirements in IAS 39 "Financial Instruments: Recognition and Measurement" for the classification and measurement of financial liabilities. However, it replaces the previous IAS 39 categories for financial assets i.e. loans and receivables, fair value through profit or loss (FVTPL), available for sale and held to maturity with the categories such as amortised cost, fair value through profit or loss (FVTPL) and fair value through other comprehensive income (FVTOCI).

Investments and other financial assets

a) *Classification*

From 01 July 2018, the Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortised cost

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

b) *Measurement*

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortised cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other income / (other expenses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

Fair value through other comprehensive income (FVTOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment losses (and reversal of impaiment losses), interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised in other income / (other expenses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other income/ (other expenses) and impairment losses are presented as separate line item in the statement of profit or loss.

Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other income / (other expenses) in the period in which it arises.

Equity instruments

The Company subsequently measures all equity investments at fair value for financial instruments quoted in an active market, the fair value corresponds to a market price (level 1). For financial instruments that are not quoted in an active market, the fair value is determined using valuation techniques including reference to recent arm's length market transactions or transactions involving financial instruments which are substantially the same (level 2), or discounted cash flow analysis including, to the greatest possible extent, assumptions consistent with observable market data (level 3).

Fair value through other comprehensive income (FVTOCI)

Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

Fair value through profit or loss

Changes in the fair value of equity investments at fair value through profit or loss are recognised in other income/ (other expenses) in the statement of profit or loss as applicable.

Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

ii) Impairment

From 01 July 2018, the Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade debts and other receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

iii) Hedge accounting

IFRS 9 requires that hedge accounting relationships are aligned with its risk management objectives and strategy and to apply a more qualitative and forward-looking approach to assessing hedge effectiveness.

There is no impact of the said change on these unconsolidated condensed interim financial statements as there is no hedge activity carried on by the Company during the period ended 31 December 2018.

iv) Impacts of adoption of IFRS 9 on these unconsolidated condensed interim financial statements as on 01 July 2018

On 01 July 2018, the Company's management has assessed which business models apply to the financial assets held by the Company at the date of initial application of IFRS 9 (01 July 2018) and has classified its financial instruments into appropriate IFRS 9 categories. The main effects resulting from this reclassification are as follows:

Financial assets (01 July 2018)

	Loans and receivables	Amortised cost	Total financial assets
	------ Rupees -----		
Opening balance (before reclassification)	8,124,577,164	-	8,124,577,164
Adjustment on adoption of IFRS 9:			
Reclassification of trade debts	(8,124,577,164)	8,124,577,164	-
Recognition of expected life time credit losses on trade debts	-	(6,506,852)	(6,506,852)
Opening balance (after reclassification)	-	8,118,070,312	8,118,070,312

The impact of these changes on the Company's reserves and equity is as follows:

Reserves and equity (01 July 2018)

	Effect on un-appropriated profit	Effect on total equity
	------ Rupees ------	
Opening balance (before reclassification)	9,078,458,623	13,710,449,351
Adjustment on adoption of IFRS 9 due to recognition of expected life time credit losses on trade debts	(6,506,852)	(6,506,852)
Opening balance (after reclassification)	9,071,951,771	13,703,942,499

Reclassifications of financial instruments on adoption of IFRS 9

As on 01 July 2018, the classification and measurement of financial instruments of the Company were as follows:

	Measurement category		Carrying amounts		
	Original	New	Original	New	Difference
	(IAS 39)	(IFRS 9)	Rupees		
Non-current financial assets					
Long term loans to employees	Loans and receivables	Amortised cost	16,813,010	16,813,010	-
Long term security deposits	Loans and receivables	Amortised cost	23,647,440	23,647,440	-
Current financial assets					
Trade debts	Loans and receivables	Amortised cost	8,124,577,164	8,118,070,312	6,506,852
Loans and advances	Loans and receivables	Amortised cost	515,390,587	515,390,587	-
Other receivables	Loans and receivables	Amortised cost	254,785,016	254,785,016	-
Other receivables	At fair value through profit or loss	At fair value through profit or loss	8,493,361	8,493,361	-
Accrued interest	Loans and receivables	Amortised cost	60,317,256	60,317,256	-
Short term investments	Loans and receivables	Amortised cost	21,649,175	21,649,175	-
Cash and bank balances	Loans and receivables	Amortised cost	76,444,854	76,444,854	-
Non-current financial liabilities					
Long term financing	Amortised cost	Amortised cost	4,756,266,450	4,756,266,450	-
Current financial liabilities					
Trade and other payable	Amortised cost	Amortised cost	2,050,238,119	2,050,238,119	-
Accrued mark-up	Amortised cost	Amortised cost	211,095,682	211,095,682	-
Short term borrowings	Amortised cost	Amortised cost	17,021,991,856	17,021,991,856	-
Current portion of long term	Amortised cost	Amortised cost	1,416,992,650	1,416,992,650	-
Unclaimed dividend	Amortised cost	Amortised cost	38,206,334	38,206,334	-

3.2.2 IFRS 15 'Revenue from Contracts with Customers'

The Company has adopted IFRS 15 from 01 July 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an Company's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the Company's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

The Company has adopted IFRS 15 by applying the modified retrospective approach according to which the Company is not required to restate the prior year results.

i) Key changes in accounting policies resulting from application of IFRS 15

The Company recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are initially recognised as deferred revenue in the form of a separate refund liability.

a) Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery. Otherwise, control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Compnay’s performance as the Company
- the Company’s performance creates and enhances an asset that the customer controls as the Company performs; or
- the Company’s performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

b) Rendering of services

Revenue from a contract to provide services is recognised over time as the services are rendered.

c) Interest

Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

d) Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

ii) Impacts of adoption of IFRS 15 on these unconsolidated condensed interim financial statements as on 01 July 2018

The following adjustments were made to the amounts recognized in the unconsolidated condensed interim financial statements at 01 July 2018.

Statement of financial position

	30 June 2018 Reported	Adjustment	30 June 2018 Restated
	Rupees		
Current assets			
Stock in trade	10,447,356,778	1,008,464,541	11,455,821,319
Trade debts	8,124,577,164	(1,232,775,468)	6,891,801,696
Current liabilities			
Trade and other payables	2,238,596,263	(11,215,546)	2,227,380,717
Equity			
Reserves	11,308,233,791	(213,095,381)	11,095,138,410

3.2.3 Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables generally do not include amounts over due by 365 days.

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

		March 31, 2019	June 30, 2018
4.	**LONG TERM FINANCING**	**Rupees**	Rupees
	From Banking Companies / financial institutions -Secured		
	Long Term Loans	4,686,581,800	5,698,259,100
	Long Term Musharaka	400,000,000	475,000,000
		5,086,581,800	6,173,259,100
	Less: Current portion shown under current liabilities	1,239,217,650	1,416,992,650
	Non-current portion	3,847,364,150	4,756,266,450

5. 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 670.886 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 3,880.844 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 486.633 million (30 June 2018: Rupees 1,265.473 million).

ii) Outstanding foreign currency forward contracts of Rupees 548.424 million (30 June 2018: Rupees 418.294 million).

		Un-audited March 31, 2019	Audited June 30, 2018
6.	**FIXED ASSETS**	**Rupees**	Rupees
	Property, plant and equipment		
	Operating fixed assets (Note 6.1)	10,933,075,033	11,287,175,272
	Capital work in progress (Note 6.2)	198,487,144	72,468,238
		11,131,562,177	11,359,643,510
6.1	**Operating Assets**		
	Opening book value	11,287,175,272	11,719,057,304
	Additions during the period / year (6.1.1)	340,676,080	615,992,663
		11,627,851,352	12,335,049,967
	Book value of deletions during the period / year (6.1.2)	2,548,839	45,823,260
	Less: Depreciation charged during the period / year	692,227,480	1,002,051,435
	Closing book value	10,933,075,033	11,287,175,272

	Un-audited March 31, 2019	Audited June 30, 2018
6.1.1 Cost of additions during the period / year	**Rupees**	Rupees
Land	-	10,806,400
Building on freehold land	1,033,681	91,707,904
Plant and machinery	280,474,496	421,689,770
Electric installations	10,828,835	24,437,172
Factory equipment	3,453,901	11,668,521
Furniture and fixtures	15,590,979	23,803,595
Office equipment	5,873,136	11,322,593
Motor vehicles	23,421,052	20,556,708
	340,676,080	615,992,663
6.1.2 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	805,080	1,154,420
Motor vehicles	3,178,470	27,437,810
Total Cost of Deletions	3,983,550	151,032,837
Less: Accumulated Depreciation	(1,434,711)	(105,209,577)
Less: Accumulated Impairment	-	-
	2,548,839	45,823,260
6.2 Capital work-in-progress		
Civil works on freehold land	187,505,767	2,210
Mobilization advances	3,997,860	137,500
Letters of credit	-	39,324
Advances for capital expenditures	6,983,517	72,289,204
	198,487,144	72,468,238

	Un-audited March 31, 2019	Audited June 30, 2018
7. INTANGIBLE ASSET	**Rupees**	Rupees
Computer software	809,238	1,228,590
7.1 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	419,352	1,717,600
Closing book value	809,238	1,228,590

	Un-audited			
	Nine Months Ended		Quarter Ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	.... Rupees			
8. COST OF GOODS SOLD				
Raw material consumed	18,443,612,796	16,453,378,896	6,226,687,494	5,226,124,899
Packing materials consumed	690,799,814	657,353,008	252,882,794	241,453,851
Stores, spare parts and loose tools	869,847,451	753,400,191	295,380,620	266,076,616
Commercial Processing Stitching etc.	363,744,409	226,207,147	120,147,038	173,073,139
Salaries, wages and other benefits	1,755,269,030	1,800,135,483	590,342,797	590,892,508
Fuel and power	2,674,930,442	2,426,840,134	892,554,889	874,959,522
Insurance	35,397,108	27,547,472	13,184,038	9,373,209
Postage and telephone	619,792	540,701	166,532	192,805
Travelling and conveyance	2,170,884	2,209,285	605,422	553,520
Vehicles running and maintenance	19,954,835	19,412,142	6,124,627	8,106,485
Entertainment	5,754,878	6,153,612	1,821,199	1,839,262
Depreciation	687,139,724	741,578,253	232,012,952	251,574,537
Repair and maintenance	257,774,064	246,056,149	84,872,828	84,297,817
Other factory overheads	47,551,160	54,424,216	19,763,452	19,360,224
	25,854,566,387	23,415,236,689	8,736,546,682	7,747,878,394

Work-in-process				
Opening stock	902,207,503	681,950,465	1,149,206,912	765,855,138
Closing stock	(996,828,994)	(876,693,388)	(996,828,994)	(876,693,388)
	(94,621,491)	(194,742,923)	152,377,918	(110,838,250)
Cost of goods manufactured	25,759,944,896	23,220,493,766	8,888,924,600	7,637,040,144
Finished goods and waste-opening stocks				
Finished goods	2,133,406,564	1,058,655,750	2,315,676,648	1,195,208,435
Waste	106,915,432	78,504,641	59,922,071	73,555,215
	2,240,321,996	1,137,160,391	2,375,598,719	1,268,763,650
	28,000,266,892	24,357,654,157	11,264,523,319	8,905,803,794
Finished goods and waste-closing stocks				
Finished goods	(2,481,216,358)	(1,157,872,535)	(2,481,216,358)	(1,157,872,535)
Waste	(68,954,943)	(79,134,454)	(68,954,943)	(79,134,454)
	(2,550,171,301)	(1,237,006,989)	(2,550,171,301)	(1,237,006,989)
Cost of goods sold	25,450,095,591	23,120,647,168	8,714,352,018	7,668,796,805

		Un-audited Nine Months Ended	
		March 31, 2019	**March 31, 2018**
		Rupees	**Rupees**
9.	**CASH GENERATED FROM OPERATIONS**		
	Profit before taxation	2,803,346,780	1,454,506,690
	Adjustment for non cash charges and other items:		
	Depreciation on operating fixed assets	692,227,480	746,564,191
	Amortization on intangible assets	419,352	1,577,815
	Loss/(Gain) on sale of operating fixed assets	37,904	(6,739,266)
	Gain on sale of shares of subsidiary company	(222,000,000)	-
	Interest income on loan to subsidiary company	(54,140,368)	(44,312,381)
	Interest on bank deposits	(776,798)	(765,149)
	Finance cost	1,517,041,848	1,008,461,627
	Dividend Income	(468,964,550)	(187,585,820)
	Working capital changes (Note 9.1)	(6,762,923,858)	(5,019,875,663)
	Cash utilized in operations	(2,495,732,210)	(2,048,167,956)
9.1	**Working capital changes**		
	(Increase) / decrease in current assets		
	- Stores, spare parts and loose tools	(84,750,413)	(172,583,747)
	- Stock in trade	(6,875,846,356)	(3,034,977,500)
	- Trade debts	1,068,204,138	(1,464,615,169)
	- Loans and advances	(1,404,889,276)	(2,238,966,892)
	- Short term deposits and prepayments	(17,129,786)	(8,170,050)
	- Other receivables	(699,523,408)	(321,672,783)
	Increase in current liabilities		
	- Trade and other payables	1,251,011,243	2,221,110,478
		(6,762,923,858)	(5,019,875,663)

10. Segment Information

	Spinning						Weaving				Processing and Home Textile				Power Generation		Elimination of inter-segment transactions		Total - Company	
	(Un-audited)						(Un-audited)				(Un-audited)				(Un-audited)		(Un-audited)		(Un-audited)	
	Nine Months Ended						Nine Months Ended				Nine Months Ended				Nine Months Ended		Nine Months Ended		Nine Months Ended	
	Zone - 1 (1,5)		Zone-2 (4,7,8)		Zone-3 (2,3,6)		Unit-1 (1,2)		Unit-2 (3,4,5)		Dyeing		Home Textile							
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
									Rupees											
Sales																				
External																				
- Export	3,211,499,624	3,789,086,987	494,695,239	640,879,661	1,688,591,466	1,826,556,786	-	-	2,219,099,634	2,109,587,599	1,391,234,555	1,164,027,440	5,735,247,924	4,879,831,418	-	-	-	-	14,740,368,442	14,409,969,891
- Local	765,183,327	939,273,945	5,396,507,696	3,152,731,846	6,134,096,605	4,800,290,987	1,636,942,281	1,829,544,285	113,798,127	127,187,571	273,402,882	273,794,069	190,595,829	207,453,294	-	-	-	-	14,510,526,747	11,330,275,997
	3,976,682,951	4,728,360,932	5,891,202,935	3,793,611,507	7,822,688,071	6,626,847,773	1,636,942,281	1,829,544,285	2,332,897,761	2,236,775,170	1,664,637,437	1,437,821,509	5,925,843,753	5,087,284,712	-	-	-	-	29,250,895,189	25,740,245,888
Inter-segment	165,948,540	297,088,913	674,821,172	740,353,374	971,784,599	493,325,522	4,416,718,416	2,830,281,853	-	-	4,032,199,958	3,464,655,911	-	-	2,237,608,463	2,070,943,065	(12,499,081,148)	(9,896,648,638)	-	-
	4,142,631,491	5,025,449,845	6,566,024,107	4,533,964,881	8,794,472,670	7,120,173,295	6,053,660,697	4,659,826,138	2,332,897,761	2,236,775,170	5,696,837,395	4,902,477,420	5,925,843,753	5,087,284,712	2,237,608,463	2,070,943,065	(12,499,081,148)	(9,896,648,638)	29,250,895,189	25,740,245,888
Cost of sales	(3,675,843,047)	(4,509,281,793)	(5,826,482,442)	(4,068,628,199)	(7,803,911,871)	(6,389,333,695)	(5,595,091,053)	(4,497,260,809)	(2,156,178,887)	(2,158,741,767)	(5,882,387,036)	(4,922,105,304)	(4,775,738,370)	(4,424,645,531)	(2,233,544,032)	(2,047,298,708)	12,499,081,148	9,896,648,638	(25,450,095,590)	(23,120,647,168)
Gross profit / (loss)	466,788,444	516,168,052	739,541,665	465,336,682	990,560,799	730,839,600	458,569,644	162,565,329	176,718,874	78,033,403	(185,549,641)	(19,627,884)	1,150,105,383	662,639,181	4,064,431	23,644,357	-	-	3,800,799,599	2,619,598,720
Distribution cost	(44,198,848)	(61,368,252)	(70,086,364)	(55,387,519)	(93,870,457)	(86,976,709)	(82,190,807)	(71,797,822)	(31,673,851)	(34,463,858)	(71,328,310)	(68,166,856)	(319,553,804)	(284,818,346)	-	-	-	-	(712,902,441)	(662,979,362)
Administrative expenses	(19,056,053)	(23,498,356)	(30,174,230)	(21,249,312)	(40,445,254)	(33,360,103)	(31,310,240)	(21,666,906)	(12,066,019)	(10,400,388)	(25,427,151)	(19,689,398)	(45,956,929)	(31,775,847)	-	-	-	-	(204,435,876)	(161,640,310)
	(63,254,901)	(84,866,608)	(100,260,594)	(76,636,831)	(134,315,711)	(120,336,812)	(113,501,047)	(93,464,728)	(43,739,870)	(44,864,246)	(96,755,461)	(87,856,254)	(365,510,733)	(316,594,193)	-	-	-	-	(917,338,317)	(824,619,672)
Profit / (loss) before taxation and unallocated income and expenses	403,533,543	431,301,444	639,281,071	388,699,851	856,245,088	610,502,788	345,068,597	69,100,600	132,979,004	33,169,158	(282,305,102)	(107,484,138)	784,594,650	346,044,988	4,064,431	23,644,357	-	-	2,883,461,282	1,794,979,048
Unallocated income and expenses																				
Other expenses																			(130,421,410)	(59,797,855)
Other income																			1,567,348,757	727,787,124
Finance cost																			(1,517,041,848)	(1,008,461,627)
Taxation																			(362,388,956)	(251,032,909)
Profit after taxation																			2,440,957,824	1,203,473,781

10.1. Reconciliation of reportable segment assets and liabilities

	Spinning						Weaving				Processing and Home Textile				Power Generation		Total - Company	
	Zone-1		Zone-2		Zone-3		Unit-1		Unit-2		Dyeing		Stitching					
	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	Nine Months ended	Year ended	Nine Months ended	Year ended	Nine Months ended	Year ended	Nine Months ended	Year ended	Nine Months ended	Year ended	Nine Months ended	Year ended	Nine Months ended	Year ended	Nine Months ended	Year ended	Nine Months ended	Year ended
	31-Mar-19	30-Jun-18	31-Mar-19	30-Jun-18	31-Mar-19	30-Jun-18	31-Mar-19	30-Jun-18	31-Mar-19	30-Jun-18	31-Mar-19	30-Jun-18	31-Mar-19	30-Jun-18	31-Mar-19	30-Jun-18	31-Mar-19	30-Jun-18
									Rupees									
Total assets for reportable segments	6,559,145,527	4,791,339,137	8,016,733,421	5,856,081,167	9,717,252,632	7,098,280,203	3,820,256,098	3,648,412,131	1,472,211,169	665,508,402	4,614,317,933	4,419,201,667	3,076,211,955	2,979,467,778	1,834,420,884	1,930,215,818	39,110,549,619	31,388,506,303
Unallocated assets:																		
Long term invesments																	3,086,681,200	3,186,681,200
Other receivables																	4,109,306,162	3,522,638,415
Short term investment																	21,171,071	21,649,175
Cash and bank balances																	28,853,542	76,444,854
Other corporate assets																	1,341,326,790	1,197,678,639
Total assets as per balance sheet																	47,697,888,384	39,393,598,586
Total liabilities for reportable segments	432,855,786	113,068,028	529,045,960	138,194,257	641,267,830	167,508,190	224,850,287	181,814,877	86,650,501	101,640,336	593,106,830	580,312,917	395,404,554	386,875,278	312,589,632	383,772,367	3,215,771,380	2,053,186,250
Unallocated liabilities:																		
Long term financing																	5,086,581,800	6,173,259,100
Accrued mark-up																	595,242,634	211,095,682
Short term borrowings																	23,518,515,183	17,021,991,856
Other corporate liabilities																	310,858,669	223,616,347
Total liabilities as per balance sheet																	32,726,969,666	25,683,149,235

11. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

(i) Fair value hierarchy

Judgements and estimates are made in determining the fair values of the financial instruments that are recognised and measured at fair value in this unconsolidated condensed interim financial information. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the following three levels. An explanation of each level follows underneath the table.

Recurring fair value measurements At 31 March 2018	Level 1	Level 2	Level 3	Total
	---------- Rupees ----------			
Financial liabilities				
Derivative financial liabilities	-	1,037,133	-	1,037,133
Total financial liabilities	-	1,037,133	-	1,037,133

Recurring fair value measurements At 30 June 2018	Level 1	Level 2	Level 3	Total
	---------- Rupees ----------			
Financial assets				
Derivative financial assets	-	8,493,361	-	8,493,361
Total financial assets	-	8,493,361	-	8,493,361

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

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

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

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

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

(ii) Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include the use of quoted market prices or dealer quotes for similar instruments.

12. 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 Nine Months Ended March 31 2019 Rupees	Un-audited Nine Months Ended March 31 2018 Rupees
Subsidiary company		
Sale of Goods	1,153,750,351	933,675,376
Purchase of electricity and steam	2,301,939,695	2,145,154,543
Dividend Received	468,964,550	187,585,820
Common facilities cost charged	14,400,000	14,400,000
Refund of advance for purchase of shares	-	237,112,338
Disbursement of loans	5,859,033,604	3,643,990,365
Repayment of loans	4,873,270,289	4,416,982,602
Interest on loans	48,698,714	44,312,382
Associated company		
Insurance premium paid	89,348,989	66,143,631
Insurance claims received	92,607,977	2,734,039
Donation paid	94,250	90,000
Other related parties		
Purchase of goods	26,752,664	7,327,684
Sale of goods	1,875,318,750	1,407,886,867
Dividend paid	165,055,760	93,415,710
Contribution to employees' provident fund	80,991,495	78,473,376
Remuneration of key management personnel	120,891,690	105,191,124

Period end balances	As at 31 March 2019 (Un-audited)			
	Subsidiary Companies	Associated Companies	Other related parties	Total
	……………………. Rupees …………………….			
Long term financing	-	-	-	-
Accrued mark-up	-	-	-	-
Short term borrowings	-	-	-	-
Trade and other payables	-	-	-	-
Long term investment	3,086,681,200	-	-	3,086,681,200
Trade debts	880,107,515	81,784,023	-	961,891,538
Loans and advances	1,493,932,136	-	213,408	1,196,645,544
Other receivables	171,638,323	3,269,430	51,877,768	226,785,521
Bank balances	-	-	-	-
Accrued Interest	80,573,952	-	-	80,573,952

	As at 30 June 2018 (Audited)			
	Subsidiary Companies	Associated Companies	Other related parties	Total
	……………………… Rupees ……………………			
Long term financing	-	240,500,000	-	240,500,000
Accrued mark-up	-	3,822,861	-	3,822,861
Short term borrowings	-	1,551,888,431	-	1,551,888,431
Trade and other payables	-	925,877	-	925,877
Long term investment	3,186,681,200	-	-	3,186,681,200
Trade debts	811,797,986	-	39,471,265	851,269,251
Loans and advances	508,168,820	2,003,394	-	510,172,214
Other receivables	162,119,504	48,519,453	44,298,020	254,936,977
Bank balances	-	18,577,753		18,577,753
Accrued Interest	60,317,256	-	-	60,317,256

13. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the Company for the year ended 30 June 2018.

14. CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard (IAS) 34 'Interim Financial Reporting', the unconsolidated condensed interim balance sheet and unconsolidated condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding financial year, whereas the unconsolidated condensed interim profit and loss account, unconsolidated condensed interim statement of comprehensive income and unconsolidated condensed interim cashflow statement have been compared with the balances of comparable period of immediately preceding financial year.
Corresponding figures have been rearranged / regrouped in view of Fourth Schedule to the Companies Act, 2017, wherever necessary for the purpose of comparison. However, no significant rearrangements / regroupings have been made.

15. DATE OF AUTHORIZATION FOR ISSUE

This unconsolidated condensed interim financial information was approved by the Board of Directors and authorized for issue on April 30, 2019.

Chief Executive **Director** **Chief Financial Officer**

NISHAT (CHUNIAN) LIMITED AND ITS SUBSIDIARY COMPANIES

CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE NINE MONTHS ENDED MARCH 31, 2019 (UN-AUDITED)

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2019

	Note	Un-audited March 31, 2019 Rupees	Audited June 30, 2018 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		17,568,130,670	15,679,647,437
Equity attributable to equity holders of the Holding Company		19,970,346,230	18,081,862,997
Non-controlling interest		6,802,139,524	5,976,634,360
Total equity		26,772,485,754	24,058,497,357
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing		7,023,261,006	10,481,386,830
Deferred Revenue		-	2,972,000
		7,023,261,006	10,484,358,830
CURRENT LIABILITIES			
Trade and other payables		4,090,457,082	3,178,485,746
Unclaimed Dividend		65,886,913	53,705,334
Dividend payable		179,761,119	-
Accrued mark-up		1,045,421,479	570,404,272
Short term borrowings		31,075,453,223	25,510,180,650
Current portion of long term financing		4,665,040,917	4,675,185,917
		41,122,020,733	33,987,961,919
TOTAL LIABILITIES		48,145,281,739	44,472,320,749
CONTINGENCIES AND COMMITMENTS			
TOTAL EQUITY AND LIABILITIES		74,917,767,493	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 MARCH 31, 2019

	Note	Un-audited March 31, 2019	Audited June 30, 2018
		Rupees	Rupees
ASSETS			
NON-CURRENT ASSETS			
Fixed assets		27,649,712,220	28,359,395,549
Intangible assets		10,416,238	19,714,770
Long term loans to employees		19,348,252	17,897,227
Long term security deposits		26,225,190	23,752,440
Deferred income tax asset		-	8,793,557
		27,705,701,900	28,429,553,543
CURRENT ASSETS			
Stores, spare parts and loose tools		1,300,429,313	1,364,302,917
Stock-in-trade		20,376,165,489	12,756,423,851
Trade debts		17,526,004,540	19,204,333,280
Loans and advances		3,018,430,033	1,619,392,876
Short term deposits and prepayments		35,251,578	30,497,543
Other receivables		4,827,354,438	4,841,867,825
Short term investments		31,701,587	32,179,691
Cash and bank balances		96,728,615	252,266,580
		47,212,065,593	40,101,264,563
TOTAL ASSETS		74,917,767,493	68,530,818,106

DIRECTOR **CHIEF FINANCIAL OFFICER**

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

FOR THE NINE MONTHS ENDED MARCH 31, 2019

	Nine Months Ended		Quarter Ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	Rupees	Rupees	Rupees	Rupees
SALES	41,006,707,657	38,419,082,245	13,008,445,487	12,450,943,375
COST OF SALES	(33,218,512,143)	(31,900,150,044)	(10,456,406,473)	(9,909,622,813)
GROSS PROFIT	7,788,195,514	6,518,932,201	2,552,039,014	2,541,320,562
DISTRIBUTION COST	(832,508,515)	(764,619,596)	(274,581,983)	(264,357,952)
ADMINISTRATIVE EXPENSES	(392,267,223)	(379,129,847)	(152,806,566)	(119,046,389)
OTHER OPERATING EXPENSES	(241,109,450)	(71,340,017)	(130,183,107)	(40,305,323)
	(1,465,885,188)	(1,215,089,460)	(557,571,656)	(423,709,664)
	6,322,310,326	5,303,842,741	1,994,467,358	2,117,610,898
OTHER OPERATING INCOME	1,077,923,938	524,214,335	64,546,912	219,352,582
PROFIT FROM OPERATIONS	7,400,234,264	5,828,057,076	2,059,014,270	2,336,963,480
FINANCE COST	(2,699,130,042)	(2,055,090,476)	(1,091,261,813)	(701,974,178)
PROFIT BEFORE TAXATION	4,701,104,222	3,772,966,600	967,752,457	1,634,989,302
TAXATION	(362,388,956)	(255,825,527)	(81,765,602)	(78,955,431)
PROFIT AFTER TAXATION	4,338,715,266	3,517,141,073	885,986,855	1,556,033,871
PROFIT ATTRIBUTABLE TO:				
EQUITY HOLDERS OF THE HOLDING COMPANY	3,063,807,305	2,257,174,615	518,391,988	1,149,952,198
NON-CONTROLLING INTEREST	1,274,907,961	1,259,966,458	367,594,867	406,081,673
	4,338,715,266	3,517,141,073	885,986,855	1,556,033,871
EARNINGS PER SHARE - BASIC & DILUTED	12.75	9.40	2.16	4.79

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

CHIEF EXECUTIVE **DIRECTOR** **CHIEF FINANCIAL OFFICER**

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

FOR THE NINE MONTHS ENDED MARCH 31, 2019

	Nine Months Ended		Quarter Ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	Rupees	Rupees	Rupees	Rupees
PROFIT AFTER TAXATION	4,338,715,266	3,517,141,073	885,986,855	1,556,033,871
OTHER COMPREHENSIVE INCOME	5,164,385	628,066	1,381,842	(214,306)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	4,343,879,651	3,517,769,139	887,368,697	1,555,819,565
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
EQUITY HOLDERS OF THE HOLDING COMPANY	3,068,971,690	2,257,802,681	519,773,830	1,149,737,892
NON-CONTROLLING INTEREST	1,274,907,961	1,259,966,458	367,594,867	406,081,673
	4,343,879,651	3,517,769,139	887,368,697	1,555,819,565

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

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

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

FOR THE NINE MONTHS ENDED MARCH 31, 2019

	Note	Nine Months Ended March 31, 2019 Rupees	Nine Months Ended March 31, 2018 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	6	2,058,792,119	602,705,527
Net increase in long term security deposits		(2,472,750)	(1,413,000)
Finance cost paid		(2,253,663,783)	(2,061,317,640)
Income tax paid		(249,533,296)	(179,379,066)
Net (increase)/decrease in long term loans to employees		(1,451,025)	2,721,153
Net cash used in operating activities		(448,328,735)	(1,636,683,026)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(1,263,220,224)	(373,494,996)
Capital expenditure on intangible assets		-	(257,649)
Proceeds from sale of property, plant and equipment		9,032,407	24,764,879
Proceeds from sale of shares of subsidiary company		322,000,000	-
Short term investments made		478,104	(668,604,472)
Profit on bank deposits received		2,040,693	1,673,725
Net cash used in investing activities		(929,669,020)	(1,015,918,513)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		-	2,068,355,082
Repayment of long term financing		(3,268,270,824)	(3,439,735,067)
Short term borrowings - net		5,703,912,454	4,728,683,872
Dividend paid to non-controlling interest		(267,491,757)	(179,462,865)
Dividend paid		(950,854,469)	(652,504,937)
Net cash generated from financing activities		1,217,295,404	2,525,336,085
Net decrease in cash and cash equivalents		(160,702,350)	(127,265,454)
Impact of exchange translation		5,164,385	628,066
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		96,728,615	120,417,046

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

CHIEF EXECUTIVE **DIRECTOR** **CHIEF FINANCIAL OFFICER**

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

FOR THE NINE MONTHS ENDED MARCH 31, 2019

	ATTRIBUTABLE TO EQUITY HOLDERS OF THE HOLDING COMPANY							NON-CONTROLLING INTEREST	TOTAL EQUITY
	Share Capital	Capital Reserve		REVENUE RESERVES			SHAREHOLDERS' EQUITY		
		Exchange Translation Reserve	Share Premium	General Reserve	Unappropriated profit	Total			
Balance as at June 30, 2017 - (audited)	2,402,215,560	(1,036,004)	600,553,890	1,629,221,278	10,313,009,675	11,942,230,953	14,943,964,399	4,489,481,958	19,433,446,357
Total comprehensive income for the nine months ended March 31, 2018	-	628,066	-	-	2,257,174,615	2,257,174,615	2,257,802,681	1,259,966,458	3,517,769,139
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	(179,742,838)	(179,742,838)
Final dividend for the year ended 30 June 2017 @ Rs. 2.75/ Ordinary share	-	-	-	-	(660,609,279)	(660,609,279)	(660,609,279)	-	(660,609,279)
Balance as at March 31, 2018 - (un-audited)	2,402,215,560	(407,938)	600,553,890	1,629,221,278	11,909,575,011	13,538,796,289	16,541,157,801	5,569,705,578	22,110,863,379
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	(18,281)	(18,281)
Total comprehensive income for the quarter ended June 30, 2018	-	(6,270,999)	-	-	1,546,976,195	1,546,976,195	1,540,705,196	406,947,063	1,947,652,259
Balance as at June 30, 2018 - (audited)	2,402,215,560	(6,678,937)	600,553,890	1,629,221,278	13,456,551,206	15,085,772,484	18,081,862,997	5,976,634,360	24,058,497,357
Adjustment on adoption of IFRS 9	-	-	-	-	(6,506,852)	(6,506,852)	(6,506,852)	-	(6,506,852)
Adjustment on adoption of IFRS 15	-	-	-	-	(213,095,381)	(213,095,381)	(213,095,381)	-	(213,095,381)
Adjusted total equity as at 01 July 2018	2,402,215,560	(6,678,937)	600,553,890	1,629,221,278	13,236,948,973	14,866,170,251	17,862,260,764	5,976,634,360	23,838,895,124
Total comprehensive income for the nine months ended March 31, 2019	-	5,164,385	-	-	3,063,807,305	3,063,807,305	3,068,971,690	1,274,907,961	4,343,879,651
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	(449,402,797)	(449,402,797)
Final dividend for the year ended 30 June 2018 @ Rs. 4.00/ Ordinary share	-	-	-	-	(960,886,224)	(960,886,224)	(960,886,224)	-	(960,886,224)
	2,402,215,560	(1,514,552)	600,553,890	1,629,221,278	15,339,870,054	16,969,091,332	19,970,346,230	6,802,139,524	26,772,485,754

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

CHIEF EXECUTIVE **DIRECTOR** **CHIEF FINANCIAL OFFICER**

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

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. It's 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 incporporated 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 commeneced commercial operations from 01 May 2017.

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 half year ended 31 December 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.

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 except for the adoption of IFRS-9 & IFRS-15. The group has adapted these changes without restating the prior year results and its impact can be seen in statement of changes in equity.

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

<u>Holding Company</u>

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 670.886 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 3880.844 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.

Commitments

i) Letters of credit other than for capital expenditure are Rupees 486.633 million (30 June 2018: Rupees 1,265.473 million).

ii) Outstanding foreign currency forward contracts of Rupees 548.424 million (30 June 2018: Rupees 418.294 million).

<u>Subsidiary Company</u>

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) Letters of guarantee of Rs. 46.43 million (June 30, 2018: Rs 18.942 million) in favour of Government Departments and suppliers.

ii) 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 filed 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. During the current period, the ATIR dismissed the case and the department has filed reference applicable before the LHC which is pending adjudication.

iii) 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 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 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 before the ATIR against the CIR(A)'s order, both of which are pending adjudication.

iv) The Commissioner Inland Revenue ('CIR') issued a show cause notice dated December 20, 2018, whereby intentions were shown to raise a sales tax demand of Rs 361.649 million that includes default surcharge thereon for the tax periods from July 2014 to June 2017. The CIR has alleged that the value of supplies made by the company to NTDC/Central Power Purchasing Agency (Guarantee) Limited is understated by Rs 1,576.561 million resulting in evasion of sales tax amounting to Rs 268.015 million and intends to disallow input sales tax aggregating to 93.24 million claimed by the company mainly on account of insurance expense and items not directly related to production process. Subsequent to reporting date, company has submitted its reply with the CIR to the aforesaid show cause notice and no order has yet been passed by the CIR. Based on facts and legal grounds, company is confident that no adverse order shall be passed by the CIR.

	Un-audited Nine months ended March 31, 2019	Audited Year ended June 30, 2018
Commitments	**Rupees**	**Rupees**
Letter of credit other than for capital expenditure:	397,016,123	144,073,101

	Un-audited Nine months ended March 31, 2019	Un-audited Nine months ended March 31, 2018
	Rupees	**Rupees**
6. CASH (USED IN) / GENERATED FROM OPERATIONS		
Profit before taxation	4,701,104,222	3,772,966,600
Adjustment for non cash charges and other items:		
Provision for employee retirement	6,242,934	6,017,276
Depreciation on operating fixed assets	1,574,713,391	1,709,207,740
Amortization on intangible assets	3,654,403	4,812,866
Gain on sale of operating fixed assets	(5,669,173)	(9,063,474)
Gain on sale of shares of subsidiary company	(222,000,000)	-
Interest on bank deposits	(2,040,693)	(1,673,725)
Unrealised gain on derivative financial instrument	-	(850,734)
Finance costs	2,699,130,042	2,055,090,476
Cash flows from operating activities before working capital changes	8,755,135,125	7,536,507,025
(Increase) / decrease in current assets		
- Stores, spare parts and loose tools	62,067,117	(240,872,681)
- Stock in trade	(6,617,051,329)	(3,196,564,388)
- Trade debts	427,135,919	(3,702,220,175)
- Loans and advances	(1,403,215,816)	(2,093,411,033)
- Short term deposits and prepayments	(4,754,035)	(35,849,439)
- Other receivables	(149,225,796)	(73,852,728)
Increase in current liabilities		
- Trade and other payables	988,700,934	2,408,968,946
	(6,696,343,006)	(6,933,801,498)
Net cash generated from operations	2,058,792,119	602,705,527

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 outt ransactions 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 Nine months ended March 31, 2019	Un-audited Nine months ended March 31, 2018
	Rupees	Rupees
Associated company		
Insurance premium paid	89,348,989	190,705,943
Insurance claims received	92,607,977	2,734,039
Other related parties		
Purchase of goods	26,752,664	7,327,684
Sale of goods	1,875,318,750	1,407,886,867
Contribution to employees' provident fund	87,234,697	84,490,589
Dividend paid to related parties	165,055,760	93,415,710
Remuneration paid to key management personnel	167,885,345	121,213,275
Donation paid to related parties	102,607,270	5,172,421

	Un-audited Nine months ended March 31, 2019	Audited Year ended June 30, 2018
	Rupees	Rupees
Period end balances		
Bank balances with related party	-	18,975,894
Due from related parties	81,784,023	39,471,265
Due to related parties	-	925,877

8. EVENTS AFTER BALANCE SHEET DATE

The Board of Directors' of Nishat Chunian Power Limited (the Subsidiary Co) at their meeting held on April 30, 2019 has declared interim cash dividend of Rupees 1.00 per ordinary share (30 June 2018: Rupees 1.50) for the quarter ended March 31, 2019.

9. CORRESPONDING FIGURES

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

10. DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial statements were approved and authorized for issue on April 30, 2019 by the Board of Directors.

CHIEF EXECUTIVE   DIRECTOR   CHIEF FINANCIAL OFFICER

INVESTORS' EDUCATION

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

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