



Interim Financial Information

Quarter Ended September 30, 2019

(Unaudited)



Nishat Chunian Limited

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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. Farrukh Ifzal (*Member*)
Mr. Muhammad Ali Zeb (*Member*)

HR & Remuneration Committee:

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

CFO:

Mr. Babar Ali Khan

Company Secretary:

Ms. Samina Aslam

Head of Internal Audit:

Mr. Ahmad Bilal

Mills:

Spinning 1, 4, 5, 7 & 8
49th Kilometre, Multan Road,
Bhai Pheru, Tehsil Chunion,
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 Al Habib Limited
Bank Islami Pakistan Limited
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
Industrial and Commercial Bank of China (ICBC)
JS Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Pak Kuwait Investment Company (Private) Limited
Standard Chartered Bank Pakistan Limited
SAMBA Bank Limited
Soneri Bank Limited
The Bank of Punjab
United Bank Limited
MCB Islamic Bank Ltd.

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

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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, 2019.

Operating Financial Results

Sales clocked in at Rs. 9.54 billion as compared to Rs. 9.22 billion during the corresponding quarter of previous fiscal year, registering an increase of 3.49%. Export of yarn and value added sector drove this increase. Profit after tax of the Company have decreased drastically to 1.81% as compared to 9.23 % in the corresponding period of the previous fiscal year, normalization of currency, increase in finance cost, increase in tax cost and China-US trade wars are among the main factors.

Financial Highlights	Quarter Ended September 30		Increase / Decrease %
	2019	2018	
Sales (Rs.)	9,548,553,675	9,226,851,756	3.49%
Gross Profit (Rs.)	1,195,654,458	1,487,342,217	-19.61%
Profit After Taxation (Rs.)	173,267,272	851,863,915	-79.66%
Gross Profit %	12.52%	16.12%	
Profit After Tax %	1.81%	9.23%	
Earnings Per Share (Rs.)	0.72	3.55	

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; any change in this scenario will have a direct impact on the sector. Value added sector should be able to take benefit of this steep devaluation.

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 most recent macro economic indicators have started to show optimistic trend, further the decision of government to supply energy to export oriented sectors at subsidized rates is commendable and 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.

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: 29th October 2019

DIRECTOR'S REPORT

محترم حصص یافتگان

بورڈ ڈف ڈائریکٹرز 30 ستمبر 2019 کو ختم ہونے والی سہ ماہی کے لئے نشا (چونیاں) لمیٹڈ ("کمپنی") کے غیر نظر ثانی شدہ نتائج کا اعلان کرتے ہوئے خوشی محسوس کرتا ہے۔

آپریٹنگ مالیاتی نتائج

گذشتہ مالی سال کی اسی سہ ماہی کے دوران 9.22 بلین روپے کے مقابلے اس سہ ماہی کے دوران حاصل ہونے والی آمدنی 9.54 بلین روپے تھی، جو 3.49 فیصد کا اضافہ ظاہر کر رہی ہے۔ نرن اور میں یہ اضافہ یاران کی برآمد اور ویلیو ایڈڈ سکلر کا مہر منٹ ہے۔ کمپنی کا بعد از ٹیکس منافع گزشتہ مالی سال کی اسی سہ ماہی میں 9.23 فیصد کے مقابلہ میں تیزی سے کم ہو کر 1.81 فیصد ہو گیا، جس کے کام عوامل کسی میں اتار چڑھاؤ، مالی لاگت میں اضافہ، ٹیکس لاگت میں اضافہ اور پانچ امریکہ تجارتی جنگ ہیں۔

مالی جھلکیاں	30 ستمبر ختم شدہ سہ ماہی		فیصد اضافہ / کمی
	2018	2019	
فروخت (روپے)	9,226,851,756	9,548,553,675	3.49 فیصد
مجموعی منافع (روپے)	1,487,342,217	1,195,654,458	-19.61 فیصد
بعد از ٹیکس منافع / (نقصان) (روپے)	851,863,915	173,267,272	-79.66 فیصد
مجموعی منافع فیصد	16.12 فیصد	12.52 فیصد	
بعد از ٹیکس منافع / (نقصان) فیصد	9.23 فیصد	1.81 فیصد	
نی شیئر آمدن / (نقصان) (روپے)	3.55	0.72	

مستقبل کے امکانات

انتظامیہ کاروبار میں جدید ٹیکنالوجی اور مزید تنوع کو اپنانے کے ذریعے قدر تخلیق کرنے کے لئے پرعزم ہے۔ یاران برآمد مارکیٹ گزشتہ سالوں میں چاٹنا مارکیٹ پر بہت زیادہ انحصار کرتی تھی، جو چاٹنا اور امریکہ کی تجارتی جنگ سے شدید متاثر ہوئی، اس منظر نامہ میں کسی تبدیلی کے سکلر پر براہ راست اثرات پڑیں گے۔ ویلیو ایڈڈ سکلر کو اس قدر میں بہت زیادہ کمی سے بھر پور فائدہ اٹھانے کے قابل ہونا چاہئے۔

اس کے علاوہ، اگر بہتر مواقع میسر ہوں تو انتظامیہ نئی راہوں کی تلاش میں گہری دلچسپی رکھتی ہے۔ مجموعی پرائسز کو جدید بنانے کے لئے موجودہ مشینری کی تبدیلی اور اپ گریڈیشن پر کمپنی کی مستقل توجہ آئندہ مدت میں بڑھتی لائن پر مثبت اثر انداز ہوگی۔ حال ہی میں ٹیکرو اکتانک اشاروں نے امید کی کرنیں پیدا کی ہیں، مزید برآں، برآمدی شعبے کو اعلیٰ نرخوں پر بکلی فراہم کرنے کا سہولتی فیصلہ قابل ستائش ہے اور پاکستانی مارکیٹ کو مزید مسابقت بنانے گا۔ دستاویزی صورت میں سکلر ٹیکس کی واپسی میں تیزی لانے کا سہولتی فیصلہ صحیح سمت میں درست قدم ہے۔

"دی لینتھ 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۔ براہ 4 شہروں میں پھیلا یا گیا ہے اور 5 آؤٹ لٹس چلا رہے ہیں۔

ذیلی کمپنیاں اور اشمال شدہ مالیاتی سلامت

نشا (چونیاں) پاور لمیٹڈ، INC ایکسچینج لمیٹڈ، نشا (چونیاں) پوائس اے انکارپورٹڈ کمپنی کی ذیلی کمپنیاں ہیں۔ لہذا، کمپنی نے بین الاقوامی مالیاتی رپورٹنگ معیارات کی ضروریات اور ایکٹیو ایکٹ 2017 کی قابل اطلاق دفعات کے مطابق اپنی الگ الگ متحدہ عبوری مالی معلومات کے علاوہ میں اشمال شدہ متحدہ عبوری مالیاتی معلومات منسلک کی ہیں۔

اعلیٰ نفاذ

ڈائریکٹرز سر مشلاز میں کا سکلر یا دا کرتے ہیں جو کمپنی کی کارروائیوں میں اہم کردار ادا کر رہے ہیں۔

منجانب بورڈ

ڈائریکٹر

چیف ایگزیکٹو

129 اکتوبر 2019ء

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2019

	Note	Un-Audited September 30, 2019 Rupees	Audited June 30, 2019 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		13,109,490,154	12,936,222,882
Total equity		15,511,705,714	15,338,438,442
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	7	3,256,502,200	3,657,436,300
CURRENT LIABILITIES			
Trade and other payables		3,973,476,730	2,842,610,390
Unclaimed Dividend		52,299,375	52,301,675
Accrued mark-up		601,931,836	431,379,587
Short term borrowings	8	19,449,436,797	20,091,978,160
Current portion of non-current liabilities		1,093,798,900	1,093,798,900
		25,170,943,638	24,512,068,712
TOTAL LIABILITIES		28,427,445,838	28,169,505,012
CONTINGENCIES AND COMMITMENTS	9		
TOTAL EQUITY AND LIABILITIES		43,939,151,552	43,507,943,454

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

CHIEF EXECUTIVE

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Nishat Chunian Limited

DIRECTOR

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2019

	Note	Un-Audited September 30, 2019 Rupees	Audited June 30, 2019 Rupees
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	10	11,043,125,766	11,112,476,842
Intangible asset	11	529,671	669,454
Long term investments		3,309,286,040	3,309,286,040
Long term loans to employees		14,094,920	15,916,295
Long term security deposits		26,120,190	26,120,190
		14,393,156,587	14,464,468,821
CURRENT ASSETS			
Stores, spare parts and loose tools		919,735,709	752,354,029
Stock-in-trade		14,834,233,786	15,721,247,262
Trade debts		5,116,349,444	6,426,369,277
Loans and advances		4,721,769,574	2,361,354,660
Short term prepayments		42,861,537	9,339,730
Other receivables		3,360,602,477	3,582,338,309
Accrued Interest		223,021,339	152,055,594
Short term investments		21,312,296	20,687,395
Cash and bank balances		306,108,803	17,728,377
		29,545,994,965	29,043,474,633
TOTAL ASSETS		43,939,151,552	43,507,943,454

CHIEF FINANCIAL OFFICER

Nishat Chunian Limited

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

FOR QUARTER ENDED SEPTEMBER 30, 2019

		Quarter Ended	
		September 30,	September 30,
Note		2019	2018
		Rupees	Rupees
	SALES	9,548,553,675	9,226,851,756
	COST OF SALES	(8,352,899,217)	(7,739,509,539)
	GROSS PROFIT	1,195,654,458	1,487,342,217
	DISTRIBUTION COST	(227,407,462)	(246,423,034)
	ADMINISTRATIVE EXPENSES	(77,597,760)	(60,890,744)
	OTHER OPERATING EXPENSES	(67,331,839)	(48,172,977)
		(372,337,061)	(355,486,755)
		823,317,397	1,131,855,462
	OTHER OPERATING INCOME	88,540,628	188,421,962
	PROFIT FROM OPERATIONS	911,858,025	1,320,277,424
	FINANCE COST	(618,889,628)	(376,841,610)
	PROFIT BEFORE TAXATION	292,968,397	943,435,814
	TAXATION	(119,701,125)	(91,571,899)
	PROFIT AFTER TAXATION	173,267,272	851,863,915
	EARNINGS PER SHARE - BASIC & DILUTED	0.72	3.55

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 QUARTER ENDED SEPTEMBER 30, 2019

	Quarter Ended	
	September 30, 2019	September 30, 2018
	Rupees	Rupees
PROFIT AFTER TAXATION	173,267,272	851,863,915
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>173,267,272</u>	<u>851,863,915</u>

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

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS

(UN-AUDITED)

FOR QUARTER ENDED SEPTEMBER 30, 2019

		Quarter Ended	
		September 30, 2019	September 30, 2018
		Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
	Cash generated from operations	13	3,911,720,331
	Net increase in long term security deposits	-	(2,079,000)
	Net decrease in long term loans to employees	1,821,375	73,359
	Finance cost paid	(448,337,379)	(353,497,839)
	Income tax paid	(71,123,398)	(83,071,170)
	Net cash generated from operating activities	3,394,080,929	1,277,623,595
CASH FLOWS FROM INVESTING ACTIVITIES			
	Capital expenditure on property, plant and equipment	(146,895,349)	(100,911,140)
	Proceeds from disposal of operating fixed assets	167,755	820,118
	Loans and advances to subsidiary companies	(2,778,072,000)	(1,291,115,555)
	Repayment of loans from subsidiary companies	862,576,554	1,124,697,498
	Interest income received from subsidiary companies	-	27,999,105
	Short term investments made	27,169	988,949
	Profit on bank deposits received	(26,870)	125,168
	Net cash utilized in investing activities	(2,062,222,741)	(237,395,857)
CASH FLOWS FROM FINANCING ACTIVITIES			
	Repayment of long term financing	(400,934,100)	(359,777,850)
	Short term borrowings - net	(642,541,363)	(719,353,506)
	Dividend paid	(2,299)	(227,108)
	Net cash utilized in financing activities	(1,043,477,762)	(1,079,358,464)
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	288,380,426	(39,130,726)
	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	17,728,377	76,444,854
	CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	306,108,803	37,314,128

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 QUARTER ENDED SEPTEMBER 30, 2019

Share Capital	CAPITAL RESERVES SHARE PREMIUM	General reserve	REVENUE RESERVES		TOTAL EQUITY
			Unappropriated profit	Total	
Rupees					
2,402,215,560	600,553,890	1,629,221,278	9,078,458,623	10,707,679,901	13,710,449,351
-	-	-	(5,288,510)	(5,288,510)	(5,288,510)
-	-	-	(213,095,381)	(213,095,381)	(213,095,381)
2,402,215,560	600,553,890	1,629,221,278	8,860,074,732	10,489,296,010	13,492,065,460
-	-	-	851,863,915	851,863,915	851,863,915
2,402,215,560	600,553,890	1,629,221,278	9,711,938,647	11,341,159,925	14,343,929,375
-	-	-	(960,886,224)	(960,886,224)	(960,886,224)
-	-	-	(360,332,334)	(360,332,334)	(360,332,334)
-	-	-	(1,321,218,558)	(1,321,218,558)	(1,321,218,558)
-	-	-	2,315,727,625	2,315,727,625	2,315,727,625
2,402,215,560	600,553,890	1,629,221,278	10,706,447,714	12,335,668,992	15,338,438,442
-	-	-	173,267,272	173,267,272	173,267,272
2,402,215,560	600,553,890	1,629,221,278	10,879,714,986	12,508,936,264	15,511,705,714

Balance as at 30 June 2018 - (audited)

Adjustment on adoption of IFRS 9 (Note 3.2.1)

Adjustment on adoption of IFRS 15 (Note 3.2.2)

Adjusted total equity as at 01 July 2018

Total comprehensive income for the quarter ended 30 September 2018

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

Transactions with owners:

Final dividend for the year ended 30 June 2018 @ Rs. 4.00 per ordinary share

Interim dividend for the year ended 30 June 2019 @ Rs. 1.50 per ordinary share

Total comprehensive income for the nine months ended 30 June 2019

Balance as at 30 June 2019 - (audited)

Total comprehensive income for the quarter ended 30 September 2019

Balance as at 30 September 2019 - (un-audited)

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

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

FOR QUARTER ENDED SEPTEMBER 30, 2019

1. THE COMPANY AND ITS OPERATIONS

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

2. BASIS OF PREPARATION

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 2019.

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 2019.

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 2019.

5. AUTHORIZED SHARE CAPITAL

Un-audited September 30, 2019	Audited June 30, 2019		Un-audited September 30, 2019	Audited June 30, 2019
(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, 2019

6. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

Un-audited September 30, 2019	Audited June 30, 2019		Un-audited September 30, 2019	Audited June 30, 2019
(Number of shares)			Rupees	Rupees
134,757,848	134,757,848	Ordinary shares of Rupees 10 each fully paid in cash	1,347,578,480	1,347,578,480
104,239,443	104,239,443	Ordinary shares of Rupees 10 each issued as fully paid bonus shares	1,042,394,430	1,042,394,430
1,224,265	1,224,265	Ordinary shares of Rupees 10 each issued as fully paid for consideration other than cash to members of Umer Fabrics Limited as per the Scheme of arrangement as approved by the Honourable Lahore High Court, Lahore	12,242,650	12,242,650
<u>240,221,556</u>	<u>240,221,556</u>		<u>2,402,215,560</u>	<u>2,402,215,560</u>

7. LONG TERM FINANCING

From Banking Companies / financial institutions -Secured

	Un-audited September 30, 2019	Audited June 30, 2019
	Rupees	Rupees
Long Term Loans	4,000,301,100	4,376,235,200
Long Term Musharaka	350,000,000	375,000,000
	<u>4,350,301,100</u>	<u>4,751,235,200</u>
Less: Current portion shown under current liabilities	1,093,798,900	1,093,798,900
Non-current portion	<u>3,256,502,200</u>	<u>3,657,436,300</u>

8. SHORT TERM BORROWINGS

	Un-audited September 30, 2019	Audited June 30, 2019
	Rupees	Rupees
Short term running finances	2,588,465,018	3,608,478,160
Export finances - Preshipment/SBP refinance	9,810,971,779	8,093,500,000
Other short term finances	7,050,000,000	8,390,000,000
	<u>19,449,436,797</u>	<u>20,091,978,160</u>

FOR QUARTER ENDED SEPTEMBER 30, 2019

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 691.211 million (30 June 2019: Rupees 671.040 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 4,234.471 million (30 June 2019: Rupees 3,544.173 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 12.295 billion (30 June 2019: Rupees 12.295 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 536.352 million (30 June 2019: Rupees 545.153 million).
- ii) Outstanding foreign currency forward contracts of Rupees 2,772.688 million (30 June 2019: Rupees 288.140 million).

10. FIXED ASSETS

Property, plant and equipment

Operating fixed assets (Note 10.1)

Capital work in progress (Note 10.2)

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

10.1.1 Cost of additions during the period / year

Land

Building on freehold land

Plant and machinery

Electric installations

Factory equipment

Furniture and fixtures

Office equipment

Motor vehicles

10.1.2 Book Value of deletions during the period / year

Plant and machinery

Factory equipment

Furniture and fixtures

Office equipment

Motor vehicles

Total Cost of Deletions

Less: Accumulated Depreciation

10.2 Capital work-in-progress

Civil works on freehold land

Mobilization advances

Advances for capital expenditures

	Un-audited September 30, 2019	Audited June 30, 2019
	Rupees	Rupees
	10,662,765,646	10,820,177,910
	380,360,120	292,298,932
	11,043,125,766	11,112,476,842
	10,820,177,910	11,287,175,272
	65,146,960	463,082,248
	10,885,324,870	11,750,257,520
	6,480,549	3,008,939
	216,078,675	927,070,671
	10,662,765,646	10,820,177,910
	100,000	74,560,360
	-	1,033,681
	51,855,093	299,593,524
	9,112,933	16,870,148
	489,937	4,277,001
	1,348,807	24,093,317
	2,240,190	9,144,505
	-	33,509,712
	65,146,960	463,082,248
	-	2,642,702
	5,210,742	-
	3,749,529	-
	385,704	925,080
	-	3,178,470
	9,345,975	6,746,252
	(2,865,426)	(3,737,313)
	6,480,549	3,008,939
	59,464,369	1,387,630
	4,343,228	9,779,869
	316,552,523	281,131,433
	380,360,120	292,298,932

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

FOR QUARTER ENDED SEPTEMBER 30, 2019

11. INTANGIBLE ASSET

Computer software

11.1 Intangible asset - Computer software

Opening book value
Add: Cost of additions during the period / year
Less: Amortization charged during the period / year
Closing book value

Un-audited September 30, 2019	Audited June 30, 2019
Rupees	Rupees
529,671	669,454
669,454	1,228,590
-	-
139,784	559,136
529,671	669,454

12. COST OF GOODS SOLD

Raw material consumed
Packing materials consumed
Stores, spare parts and loose tools
Commercial Processing Stitching etc.
Salaries, wages and other benefits
Fuel and power
Insurance
Postage and telephone
Travelling and conveyance
Vehicles running and maintenance
Entertainment
Depreciation
Repair and maintenance
Other factory overheads

Work-in-process

Opening stock
Closing stock

Cost of goods manufactured

Finished goods and waste-opening stocks

Finished goods
Waste

Finished goods and waste-closing stocks

Finished goods
Waste

Cost of goods sold

Un-audited	
Quarter Ended	
September 30, 2019	September 30, 2018
..... Rupees	
6,599,689,085	6,312,051,784
229,743,788	209,411,462
158,340,503	289,926,933
74,339,297	154,898,504
672,121,110	594,057,123
1,060,445,172	903,006,303
14,894,071	10,014,369
238,046	193,341
534,904	867,958
11,205,176	6,623,292
2,917,908	2,061,826
214,353,641	227,332,234
111,213,260	83,439,994
47,322,326	8,789,433
9,197,358,287	8,802,674,556
1,039,191,965	902,207,503
(1,330,971,429)	(951,455,986)
(291,779,464)	(49,248,483)
8,905,578,823	8,753,426,073
2,538,481,385	1,124,942,023
60,348,016	106,915,432
2,598,829,401	1,231,857,455
11,504,408,224	9,985,283,528
(3,049,583,422)	(2,118,900,272)
(101,925,585)	(126,873,717)
(3,151,509,007)	(2,245,773,989)
8,352,899,217	7,739,509,539

FOR QUARTER ENDED SEPTEMBER 30, 2019

13. CASH GENERATED FROM OPERATIONS

Profit before taxation

Adjustment for non cash charges and other items:

Depreciation on operating fixed assets

Amortization on intangible assets

Gain 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, 2019	September 30, 2018
Rupees	Rupees
292,968,397	943,435,814
216,078,675	228,934,239
139,784	139,784
-	(174,426)
(70,965,751)	(13,653,355)
(625,200)	(177,053)
618,889,628	376,841,610
2,855,234,798	180,851,632
3,911,720,331	1,716,198,245
(167,381,680)	(305,595)
887,013,476	(1,337,437,355)
1,310,019,833	1,315,181,752
(444,919,469)	(458,995,221)
(33,521,807)	(30,095,070)
173,158,105	(224,439,099)
1,130,866,340	916,942,220
2,855,234,798	180,851,632

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

FOR QUARTER ENDED SEPTEMBER 30, 2019

14. SEGMENT INFORMATION

S&P's:	Zone 1 (S)		Zone 2 (S)		Zone 3 (S)		Zone 4 (S)		Warring		Processing and Home Refill		Power Generation		Elimination of Inter-segment		Total Company	
	30-Sep-19	30-Sep-18	30-Sep-19	30-Sep-18	30-Sep-19	30-Sep-18	30-Sep-19	30-Sep-18	30-Sep-19	30-Sep-18	30-Sep-19	30-Sep-18	30-Sep-19	30-Sep-18	30-Sep-19	30-Sep-18	30-Sep-19	30-Sep-18
External	1,175,390.30	1,130,100.00	1,055,984.94	1,049,713.66	681,545.06	578,415.54	1,78,415.28	1,83,925.58	5,78,165.28	600,137.40	1,443,38.98	1,340,016.02	-	-	-	-	5,43,701.30	5,94,643.12
Internal	145,235.30	148,115.28	1,522,131.12	1,522,131.12	1,930,058.85	1,930,058.85	1,83,925.58	1,83,925.58	88,446.25	88,446.25	513,866.48	25,543.07	-	-	-	-	4,12,866.42	4,17,913.69
Total	1,320,625.60	1,278,215.28	2,578,116.06	2,571,844.78	2,611,603.91	2,611,603.91	3,62,340.86	3,67,851.16	688,611.53	688,583.65	1,854,182.50	1,365,559.09	-	-	-	-	9,56,567.72	10,12,556.81
Inter-segment	1,721,007.88	1,415,099.10	1,711,099.30	1,580,000.78	2,281,161.89	2,281,161.89	2,38,300.87	2,38,300.87	1,09,899.35	1,09,899.35	1,096,002.32	2,281,161.89	-	-	-	-	3,94,533.05	3,28,032.75
Other	1,838,684.07	4,46,180.74	2,003,027.08	1,542,184.71	2,852,736.84	2,630,130.43	1,291,121.97	1,171,200.68	737,020.70	905,686.26	4,016,461.58	3,24,837.19	883,804.15	76,523,230	4,726,381.20	15,568,827.28	9,244,533.95	9,238,453.25
Goodwill (Net)	1,100,801.06	36,717.27	204,715.28	204,715.28	54,497.81	48,207.00	1,118,664.41	1,118,664.41	1,162,247.07	1,162,247.07	43,030.32	163,746.26	118,267	13,827,299	1,262,827.28	8,126,827.28	1,262,827.28	1,487,742.27
Distribution expenses	(18,944,749)	(29,211,546)	(12,284,823)	(14,913,198)	(20,116,027)	(14,913,198)	(14,913,198)	(14,913,198)	(14,913,198)	(14,913,198)	(16,844,130)	(124,496,361)	-	-	-	-	(27,407,462)	(264,033,464)
Administrative expenses	(14,088,132)	(5,251,222)	(7,348,548)	(8,859,729)	(11,517,789)	(11,517,789)	(11,517,789)	(11,517,789)	(11,517,789)	(11,517,789)	(13,884,013)	(18,798,497)	-	-	-	-	(17,997,765)	(60,809,714)
Profit/(Loss) before taxation and unallocated income and expenses	(15,013,020)	(24,941,520)	(15,622,344)	(16,726,818)	(15,174,026)	(14,124,026)	(14,124,026)	(14,124,026)	(14,124,026)	(14,124,026)	(17,127,213)	(12,228,213)	-	-	-	-	(10,203,213)	(60,119,714)
Un-allocated income and expenses	258,485,024	247,729,026	184,607,886	191,488,137	308,708,026	431,708,124	61,898,838	84,703,026	84,703,026	47,714,121	227,194,121	52,280,026	118,267	13,827	-	-	805,643.28	1,18,038,026
Other operating expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other operating income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Provision for taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit after taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

14.1. Reconciliation of reportable segment assets and liabilities

	Zone-1		Zone-2		Zone-3		Warring		Unit-1 (T)		Unit-2 (T)		Unit-3 (T)		Processing and Home Refill		Power Generation		Total Company		
	30-Sep-19	30-Sep-18	30-Sep-19	30-Sep-18	30-Sep-19	30-Sep-18	30-Sep-19	30-Sep-18	30-Sep-19	30-Sep-18	30-Sep-19	30-Sep-18	30-Sep-19	30-Sep-18	30-Sep-19	30-Sep-18	30-Sep-19	30-Sep-18	30-Sep-19	30-Sep-18	
Total assets as per balance sheet	5,366,126.270	5,796,050.374	6,538,938.897	7,094,961.568	8,596,741.295	3,134,688.413	3,472,236.683	1,185,682.433	1,453,003.120	6,575,631.115	6,093,660.854	2,027,604.627	1,964,682.284	-	-	-	32,795,448.000	34,651,084.158	-	-	
Unallocated assets:																					
Other receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Short term investment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other corporate assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total assets as per balance sheet	346,887,956	216,855,795	424,096,390	205,045,960	514,056,130	321,367,830	389,453,586	151,202,138	120,065,202	63,298,600	1,390,511,384	1,112,511,384	672,589,632	-	-	-	3,815,742,380	2,501,771,380	-	-	
Unallocated liabilities:																					
Accrued liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Long term borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Accrued markup	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Short term borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other corporate liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total liabilities as per balance sheet	3,900,386,000	3,900,386,000	3,900,602,477	3,582,138,800	3,582,138,800	20,687,395	21,312,296	20,687,395	20,687,395	20,687,395	20,687,395	20,687,395	20,687,395	20,687,395	20,687,395	20,687,395	4,146,893,626	2,135,867,125	-	-	
	43,020,151,502	43,020,151,502	43,020,151,502	43,020,151,502	43,020,151,502	43,020,151,502	43,020,151,502	43,020,151,502	43,020,151,502	43,020,151,502	43,020,151,502	43,020,151,502	43,020,151,502	43,020,151,502	43,020,151,502	43,020,151,502	43,020,151,502	43,020,151,502	43,020,151,502	43,020,151,502	43,020,151,502

FOR QUARTER ENDED SEPTEMBER 30, 2019

15. 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 30 September 2019	Level 1	Level 2	Level 3	Total
---	---------	---------	---------	-------

----- Rupees -----

Financial assets

Derivative financial assets	-	2,388,479	-	2,388,479
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Total financial liabilities	-	2,388,479	-	2,388,479
------------------------------------	---	-----------	---	-----------

Recurring fair value measurements At 30 June 2019	Level 1	Level 2	Level 3	Total
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----- Rupees -----

Financial liabilities

Derivative financial liabilities	-	18,467,940	-	18,467,940
----------------------------------	---	------------	---	------------

Total financial assets	-	18,467,940	-	18,467,940
-------------------------------	---	------------	---	------------

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.

FOR QUARTER ENDED SEPTEMBER 30, 2019

16. 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 Quarter Ended September 30, 2019	Un-audited Quarter Ended September 30, 2018
	Rupees	Rupees
Subsidiary companies		
Sale of Goods	334,797,373	283,557,043
Purchase of Goods	51,696,554	754,004,589
Common facilities cost charged	4,800,000	4,800,000
Disbursement of loans	2,778,072,000	1,291,115,555
Repayment of loans	862,576,554	1,124,697,498
Mark-up on short term loans	70,965,751	13,653,355
Associated company		
Insurance premium paid	32,568,649	25,052,938
Insurance claims received	3,922,050	779,504
Donation paid	610,000	-
Other related parties		
Purchase of goods	82,463,144	6,333,854
Sale of goods	617,392,560	476,455,285
Contribution to employees' provident fund	29,197,378	25,932,310
Period end balances		
	Un-audited Quarter Ended September 30, 2019	Audited Year Ended June 30, 2019
	Rupees	Rupees
Due from subsidiary company	686,398,255	1,065,349,117
Short term loan receivable from subsidiary company	3,188,065,142	1,272,569,696
Mark-up receivable on loans made to subsidiary company	223,021,338	152,055,594
Other receivable from subsidiary company	233,139,887	173,902,058
Bank balances with related party	6,737,770	2,343,123
Due from related parties other than subsidiary company	119,637,059	109,025,662
Due to related parties other than subsidiary company	26,815,417	724,420
Advance to related parties other than subsidiary company	2,563,178	656,000

FOR QUARTER ENDED SEPTEMBER 30, 2019

17. 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 2019.

18. 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.

19. DATE OF AUTHORIZATION FOR ISSUE

This unconsolidated condensed interim financial information was approved by the Board of Directors and authorized for issue on October 29, 2019.

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

NISHAT (CHUNIAN) LIMITED AND
ITS SUBSIDIARY COMPANIES

CONSOLIDATED CONDENSED
INTERIM FINANCIAL INFORMATION

FOR THE QUARTER ENDED
SEPTEMBER 30, 2019 (UN-AUDITED)

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2019

Note	Un-audited September 30, 2019 Rupees	Audited June 30, 2019 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	18,523,826,736	18,039,573,965
Equity attributable to equity holders of the Holding Company	20,926,042,296	20,441,789,525
Non-controlling interest	7,541,471,598	7,018,945,192
Total equity	28,467,513,894	27,460,734,717
LIABILITIES		
NON-CURRENT LIABILITIES		
Long term financing	4,598,709,361	5,818,617,415
	4,598,709,361	5,818,617,415
CURRENT LIABILITIES		
Trade and other payables	5,190,501,503	4,064,627,697
Unclaimed Dividend	71,579,375	183,500,761
Accrued mark-up	1,206,679,976	930,241,729
Short term borrowings	32,643,147,068	31,443,299,687
Current portion of long term financing	4,715,527,167	4,615,738,167
	43,827,435,089	41,237,408,041
TOTAL LIABILITIES	48,426,144,450	47,056,025,456
CONTINGENCIES AND COMMITMENTS		
TOTAL EQUITY AND LIABILITIES	76,893,658,344	74,516,760,173

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

CHIEF EXECUTIVE

DI RECTOR

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2019

	Note	Un-audited September 30, 2019	Audited June 30, 2019
		Rupees	Rupees
ASSETS			
NON-CURRENT ASSETS			
Fixed assets		27,436,473,890	27,401,662,686
Intangible assets		7,980,671	9,199,454
Long term investment		222,604,840	222,604,840
Long term loans to employees		16,962,920	18,964,295
Long term security deposits		26,225,190	26,225,190
		<u>27,710,247,511</u>	<u>27,678,656,465</u>
CURRENT ASSETS			
Stores, spare parts and loose tools		1,486,557,663	1,640,861,089
Stock-in-trade		16,451,760,844	18,074,711,590
Trade debts		23,841,625,007	21,008,395,745
Loans and advances		2,145,250,811	1,585,514,548
Short term deposits and prepayments		71,700,151	40,015,342
Other receivables		3,970,503,312	4,275,759,264
Short term investments		31,867,491	31,242,590
Cash and bank balances		1,184,145,554	181,603,540
		<u>49,183,410,833</u>	<u>46,838,103,708</u>
TOTAL ASSETS		<u><u>76,893,658,344</u></u>	<u><u>74,516,760,173</u></u>

CHIEF FINANCIAL OFFICER

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

FOR QUARTER ENDED SEPTEMBER 30, 2019

	Quarter Ended	
	September 30, 2019	September 30, 2018
	Rupees	Rupees
SALES	15,261,176,598	14,819,049,634
COST OF SALES	(12,452,500,640)	(11,913,102,694)
GROSS PROFIT	2,808,675,958	2,905,946,940
DISTRIBUTION COST	(275,879,861)	(283,238,072)
ADMINISTRATIVE EXPENSES	(129,176,314)	(120,946,981)
OTHER OPERATING EXPENSES	(68,520,644)	(50,079,507)
	(473,576,819)	(454,264,560)
	2,335,099,139	2,451,682,380
OTHER OPERATING INCOME	30,336,456	182,803,360
PROFIT FROM OPERATIONS	2,365,435,595	2,634,485,740
FINANCE COST	(1,237,897,746)	(735,747,806)
PROFIT BEFORE TAXATION	1,127,537,849	1,898,737,934
TAXATION	(119,701,125)	(94,390,394)
PROFIT AFTER TAXATION	1,007,836,724	1,804,347,540
PROFIT ATTRIBUTABLE TO:		
EQUITY HOLDERS OF THE HOLDING COMPANY	485,310,318	1,365,245,303
NON-CONTROLLING INTEREST	522,526,406	439,102,237
	1,007,836,724	1,804,347,540
EARNINGS PER SHARE - BASIC & DILUTED	2.02	5.68

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 QUARTER ENDED SEPTEMBER 30, 2019

	Quarter Ended	
	September 30, 2019	September 30, 2018
	Rupees	Rupees
PROFIT AFTER TAXATION	1,007,836,724	1,804,347,540
OTHER COMPREHENSIVE INCOME	(1,057,547)	289,774
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	1,006,779,177	1,804,637,314
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
EQUITY HOLDERS OF THE HOLDING COMPANY	484,252,771	1,365,535,077
NON-CONTROLLING INTEREST	522,526,406	439,102,237
	1,006,779,177	1,804,637,314

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 QUARTER ENDED SEPTEMBER 30, 2019

	Note	Quarter Ended	
		September 30, 2019	September 30, 2018
		Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	6	2,502,904,592	2,245,171,401
Net increase in long term security deposits		-	(2,079,000)
Finance cost paid		(961,459,499)	(721,810,788)
Income tax paid		(71,123,398)	(83,071,170)
Net decrease in long term loans to employees		2,001,375	248,410
Net cash generated from operating activities		1,472,323,070	1,438,458,853
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(551,728,170)	(292,734,255)
Proceeds from sale of property, plant and equipment		2,861,755	840,118
Short term investments made		(624,901)	937,064
Profit on bank deposits received		1,041,779	639,347
Net cash used in investing activities		(548,449,537)	(290,317,726)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		-	75,000,000
Repayment of long term financing		(1,120,119,054)	(1,068,064,555)
Short term borrowings - net		1,199,847,381	(211,267,987)
Dividend paid		(2,299)	(227,108)
Net cash generated from / (used in) financing activities		79,726,028	(1,204,559,650)
Net increase / (decrease) in cash and cash equivalents		1,003,599,561	(56,418,523)
Impact of exchange translation		(1,057,547)	289,774
Cash and cash equivalents at the beginning of the year		181,603,540	252,266,580
Cash and cash equivalents at the end of the year		1,184,145,554	196,137,831

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 QUARTER ENDED SEPTEMBER 30, 2019

Share Capital	ATTRIBUTABLE TO EQUITY HOLDERS OF THE HOLDING COMPANY							NON-CONTROLLING INTEREST	TOTAL EQUITY
	Capital Reserve		REVENUE RESERVES			SHAREHOLDERS' EQUITY			
	Exchange Translation Reserve	Share Premium Reserve	General Reserve	Unappropriated profit					
				Total					
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	
-	-	-	-	(5,288,510)	(5,288,510)	(5,288,510)	-	(5,288,510)	
-	-	-	-	(213,095,381)	(213,095,381)	(213,095,381)	-	(213,095,381)	
2,402,215,560	(6,678,937)	600,553,890	1,629,221,278	13,238,167,315	14,867,388,593	17,863,479,106	5,976,634,360	23,840,113,466	
-	289,774	-	-	1,365,245,303	1,365,245,303	1,365,535,077	-	439,102,237	
2,402,215,560	(6,389,163)	600,553,890	1,629,221,278	14,603,412,618	16,232,633,896	19,229,014,183	6,415,736,597	25,644,750,780	
-	-	-	-	(960,886,224)	(960,886,224)	(960,886,224)	-	(960,886,224)	
-	-	-	-	(360,332,334)	(360,332,334)	(360,332,334)	-	(360,332,334)	
-	-	-	-	-	-	-	(629,163,917)	(629,163,917)	
-	-	-	-	(1,321,218,558)	(1,321,218,558)	(1,321,218,558)	(629,163,917)	(1,950,382,475)	
-	(7,752,250)	-	-	2,541,746,150	2,541,746,150	2,533,993,900	1,232,372,512	3,766,366,412	
2,402,215,560	(14,141,413)	600,553,890	1,629,221,278	15,823,940,210	17,453,161,488	20,441,789,525	7,018,945,192	27,460,734,717	
-	(1,057,547)	-	-	485,310,318	485,310,318	484,252,771	522,526,406	1,006,779,177	
2,402,215,560	(15,198,960)	600,553,890	1,629,221,278	16,309,250,528	17,938,471,806	20,926,042,296	7,541,471,598	28,467,513,894	

Balance as at June 30, 2018 - (audited)

Adjustment on adoption of IFRS 9

Adjustment on adoption of IFRS 15

Adjusted total equity as at 01 July 2018

Total comprehensive income for the quarter ended September 30, 2018

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

Final dividend for the year ended 30 June 2018 @ Rs. 4.007 Ordinary share
Interim dividend for the year ended 30 June 2019 @ Rs. 1.507 Ordinary share
Dividend paid to non-controlling interest

Total comprehensive income for the nine months ended June 30, 2019

Balance as at June 30, 2019 - (audited)

Total comprehensive income for the quarter ended September 30, 2019

Balance as at September 30, 2019 - (un-audited)

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

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

FOR QUARTER ENDED SEPTEMBER 30, 2019

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 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.

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 2019 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 2019.

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 2019.

FOR QUARTER ENDED SEPTEMBER 30, 2019

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 2019.

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 2019 except for the following:

- i) Guarantees of Rupees 691.211 million (30 June 2019: Rupees 671.040 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 4,234.471 million (30 June 2019: Rupees 3,544.173 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 536.352 million (30 June 2019: Rupees 545.153 million).
- ii) Outstanding foreign currency forward contracts of Rupees 2,772.688 million (30 June 2019: Rupees 288.140 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, 2019, except for the following:

- i) For the period July 2015 to June 16 the company's case was selected for sales tax audit. The department conducted the audit and the DCIR-Audit 9, Zone-II, Large Taxpayers Unit, Lahore issued the audit report dated 18th September, 2019 in which observations involving sales tax amounting to Rs. 530,206,824/- was raised and comments were sought thereon. The main observation was apportionment of sales tax that is already decided in favour of the Company by the Honorable Lahore High Court, Lahore in the previous case. The company submitted the detailed reply on all the observations. The DCIR-Audit further issued a show cause notice dated 8th October, 2019 with the same amount without taking into consideration the reply of the audit report. The management of the company considers that there exist meritorious grounds to defend the company's stance and the ultimate decision from the appellate authorities would be in the company's favour. Consequently, no provision has been made in these financial statements.

Commitments

Letter of credit other than for capital expenditure:

Un-audited Quarter ended September 30, 2019	Audited Year ended June 30, 2019
Rupees	Rupees
19,393,123	19,663,101

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

FOR QUARTER ENDED SEPTEMBER 30, 2019

	Un-audited Quarter ended September 30, 2019	Un-audited Quarter ended September 30, 2018
	Rupees	Rupees
6. CASH (USED IN) / GENERATED FROM OPERATIONS		
Profit before taxation	1,127,537,849	1,898,737,934
Adjustment for non cash charges and other items:		
Provision for employee retirement	2,076,000	2,047,341
Depreciation on operating fixed assets	517,495,721	578,511,956
Amortization on intangible assets	1,217,784	1,218,134
Gain on sale of operating fixed assets	(2,283,000)	(194,426)
Interest on bank deposits	(1,041,779)	(639,347)
Finance costs	1,237,897,746	735,747,806
Cash flows from operating activities before working capital changes	2,882,900,321	3,215,429,398
(Increase) / decrease in current assets		
- Stores, spare parts and loose tools	154,303,426	(81,347,736)
- Stock in trade	1,622,950,746	(1,372,041,600)
- Trade debts	(2,833,229,262)	(400,543,896)
- Loans and advances	(559,736,263)	(541,273,169)
- Short term deposits and prepayments	(31,684,809)	(28,477,657)
- Other receivables	256,678,225	(50,574,026)
Increase in current liabilities		
- Trade and other payables	1,010,722,208	1,504,000,087
	(379,995,729)	(970,257,997)
Net cash generated from operations	2,502,904,592	2,245,171,401

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, 2019	Un-audited Quarter ended September 30, 2018
	Rupees	Rupees
Associated company		
Insurance premium paid	32,568,649	26,666,250
Insurance claims received	3,922,050	779,504
Donation paid to related parties	1,055,000	1,167,000
Other related parties		
Purchase of goods	82,463,144	6,333,854
Sale of goods	617,392,560	476,455,285
Contribution to employees' provident fund	31,273,132	27,979,523
Remuneration paid to key management personnel	62,291,074	53,526,031

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

FOR QUARTER ENDED SEPTEMBER 30, 2019

	Un-audited Quarter ended September 30, 2019	Audited Year ended June 30, 2019
	Rupees	Rupees
Period end balances		
Bank balances with related party	30,396,290	12,379,000
Due from related parties	119,637,059	109,025,662
Due to related parties	26,815,417	724,420

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, 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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