



**Interim Financial Information**

Quarter Ended September 30, 2021  
(Unaudited)



**NISHAT  
CHUNIAN**  
L T D .



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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. Faisal Farid (*Independent*)  
Mr. Farrukh Ifzal  
Mr. Muhammad Zahid Khan (*Independent*)

### Audit Committee:

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

### HR & Remuneration Committee:

Mr. Faisal Farid (*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. Danish Farooq

### Mills:

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

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

Spinning 2, 3, 6, Weaving & 46 MW and  
8 TPH process steam coal fired power  
generation project 49th Kilometre,  
Multan Road, Bhai Pheru, Tehsil Pattoki,  
District Kasur.

### Bankers to the Company:

Allied Bank Limited  
Askari Bank 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)  
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 Limited

### Auditors:

Riaz Ahmad & Company  
Chartered Accountants

### Registered & Head Office:

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

### Share Registrar:

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

# Directors' Report

## Dear Shareholders

The Board of Directors is pleased to announce the unaudited results of Nishat (Chunian) Limited ("the Company") for the quarter ended 30 September 2021.

## Operating Financial Results

Sales clocked in at Rs. 14.80 billion as compared to Rs. 11.94 billion during the corresponding quarter of previous fiscal year, registering an increase of 19.35%. Profit after tax of the Company for the quarter is 14.97% which stood at 4.02% in the corresponding period for prior year, translating into EPS of Rs. 9.23 as compared to Rs. 2.00 in the same period last year.

Financial Highlights	For the three months ended Sep 30	
	2021	2020
Sales (Rs.)	14,805,353,582	11,939,510,198
Gross Profit (Rs.)	3,309,258,348	1,275,611,445
Profit After Taxation (Rs.)	2,217,069,632	480,311,689
Gross Profit %	22.35%	10.68%
Profit After Taxation %	14.97%	4.02%
Earnings Per Share (Rs.)	9.23	2.00

## Market Review and Future Prospects

Although innumerable challenges have encompassed the world economic front since inception of pandemic, Pakistan has considerably rebounded from previous state of economic downturn and is headway towards progression. The relentless initiatives taken by government deserve a due extol; Federal and Provincial Governments have created just enough impetus to revive the economy at the right times whilst fighting off the virulent effects of the pandemic.

Manufacturing sector has registered a remarkable growth backed by stimulating policies of government, notably; relief given to export oriented sector in the form of gas and electricity subsidy, timely processing of sales tax and payments of DLT. Further, industrial support packages for construction sector and reduction in electricity rates for winter months really lubed up the growth.

On economic front, macro indicators will remain in the constant radar of every economist in medium term, with numbers like current account deficit, rupee devaluation and high inflation rate, businessmen are expecting increase in policy rate which will result in slow down of economy and repetition of 2018 crisis. However, the government is confident that the economy is right on track, all the steps taken will come to fruition in medium to long term.

## Subsidiary Companies and Consolidated Financial Statements

The Company's portfolio of subsidiary companies includes Nishat Chunian Power 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 2021

### مجلسِ انظما رپورٹ

محترم حصص یافتگان

مجلسِ انظما 30 ستمبر 2021 کو ختم ہونے والی سہ ماہی کے لئے نشاط (چونیاں) لمیٹڈ ("کمپنی") کے فیہر محاسب شدہ نتائج کا بیسرت اعلان کرتا ہے۔

اپریٹنگ مالیاتی نتائج

گزشتہ مالی سال کی اسی سہ ماہی کے 11.94 ارب کی نسبت اس سال کی سہ ماہی میں وصولی 14.80 ارب ہے جو کے 19.35 فیصد کا اضافہ ظاہر کر رہی ہے۔ اس سہ ماہی میں کمپنی کا بعد از ٹیکس منافع 14.97 فیصد ہے جو کے گزشتہ مالی سال کی اسی سہ ماہی میں 4.02 فیصد تھا، جس سے فی شیئر آمدنی گزشتہ مالی سال کی اسی سہ ماہی کے 2.00 روپے کے مقابلے میں 9.23 روپے نکلتی ہے۔

30 ستمبر ختم شدہ سہ ماہی		مالیاتی جھلکیاں
2020	2021	
11,939,510,198	14,805,353,582	وصولی (روپے)
1,275,611,445	3,309,258,348	مجموعی منافع (روپے)
480,311,689	2,217,069,632	بعد از ٹیکس منافع (روپے)
10.68%	22.35%	مجموعی منافع (فیصد)
4.02%	14.97%	بعد از ٹیکس منافع (فیصد)
2.00	9.23	فی شیئر آمدنی (روپے)

مارکیٹ کا جائزہ اور مستقبل کے امکانات

اگرچہ وبا کی مرض کے آغاز سے لے کر اب تک بے شمار چیلنجز عالمی معاشی محاذ پر محیط ہیں تاہم پاکستان معاشی بدحالی کی سابقہ حالت سے کافی حد تک نکل کر مستحکم ہو چکا ہے اور ترقی کی راہ پر گامزن ہے۔ حکومت کی طرف سے اٹھائے گئے انتخاب اقدامات قابل تعریف ہیں۔ وفاقی اور صوبائی حکومتوں نے وبا کی امراض کے خوفناک اثرات سے لڑتے ہوئے زمعیشت کو صحیح وقت پر بحال کرنے کے لیے کافی انتخاب اقدامات کئے ہیں۔

میدونہ پتھر سیکٹر نے حکومت کی حوصلہ افزا پالیسیوں کی مدد سے قابل ذکر ترقی کی ہے، خاص طور پر، برآمدی شعبے کو گیس اور بجلی کی سہڈی، سیکڑنگ کی بروقت پروسیڈنگ اور ڈی ای ایل ٹی ایل کی ادائیگی کی صورت میں ریلیف دیا گیا ہے۔ مزید برآں، تعمیراتی شعبے کے لیے صنعتی سپورٹ پینچ اور موسم سرما کے مہینوں کے لیے بجلی کے نرخوں میں کمی نے ترقی کو مزید متاثر کن بنایا۔ معاشی محاذ پر، میکرو اینڈ میکینیز جس میں کرنٹ اکاؤنٹ خسارہ، روپے کی قدر میں کمی اور افراط زر کی زیادہ شرح شامل ہے، ہر ماہر معاشیات کی نظر میں رہیں گے۔ کاروباری افراد پالیسی کی شرح میں اضافے کی توقع کر رہے ہیں جس کے نتیجے میں معیشت سست روی اور 2018 والا بحران کے واپس آنے کی امید ہے، تاہم، حکومت کو یقین ہے کہ معیشت درست راستے پر ہے اور اٹھائے گئے تمام اقدامات درمیانے سے طویل عرصے میں فائدہ مند ثابت ہوں گے۔

ڈی جلی کمپنیاں اور اشتیال شدہ مالی بیانات

نشاط چونیاں پاور لمیٹڈ اور نشاط چونیاں پاور ایس اے کمپنی کی ڈی جلی کمپنیاں ہیں۔ لہذا، کمپنی نے بین الاقوامی مالیاتی رپورٹنگ معیارات اور کمپنی ایکٹ، 2017 کی لاگو دفعات کے تقاضوں کے مطابق اپنی الگ الگ عبوری معلومات کے علاوہ اشتیال شدہ عبوری معلومات بھی منسلک کی ہیں۔

اظہار تشکر

ڈائریکٹر کمپنی کے متعلق ملازمین کے ساتھ اظہار تشکر کرنا چاہتے ہیں جو کمپنی کی کاروائیوں میں اہم کردار ادا کر رہے ہیں۔

منجانب بورڈ

ڈائریکٹر

چیف ایگزیکٹو

تاریخ: 29 اکتوبر، 2021

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# UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2021

	Note	Un-audited September 30, 2021 Rupees	Audited June 30, 2021 Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized share capital	5	4,200,000,000	4,200,000,000
Issued, subscribed and paid-up share capital	6	2,401,190,290	2,401,190,290
Reserves		18,812,015,373	16,594,945,741
<b>TOTAL EQUITY</b>		<b>21,213,205,663</b>	<b>18,996,136,031</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Long term financing	7	5,667,290,743	6,402,802,708
Lease Liabilities	8	61,186,209	74,518,895
Deferred Liabilities		144,050,443	191,412,367
		5,872,527,395	6,668,733,970
<b>CURRENT LIABILITIES</b>			
Trade and other payables		3,934,260,017	4,093,556,015
Unclaimed Dividend		49,506,567	49,918,087
Accrued mark-up / Profit		215,393,369	271,720,913
Short term borrowings	9	20,243,349,004	18,897,913,417
Current portion of non-current liabilities		2,335,853,929	2,792,063,629
		26,778,362,886	26,105,172,061
<b>TOTAL LIABILITIES</b>		<b>32,650,890,281</b>	<b>32,773,906,031</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	10		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>53,864,095,944</b>	<b>51,770,042,062</b>

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

CHIEF EXECUTIVE

DIRECTOR



## UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2021

	Note	Un-audited September 30, 2021 Rupees	Audited June 30, 2021 Rupees
<b>ASSETS</b>			
<b>NON- CURRENT ASSETS</b>			
Fixed assets	11	16,917,159,278	17,224,473,737
Right-of-use assets	12	94,650,667	107,398,163
Intangible assets	13	642,943	278,170
Long term investments		1,886,681,200	1,886,681,200
Long term loans to employees		18,607,216	18,710,927
Long term security deposits		31,234,353	30,467,609
		18,948,975,657	19,268,009,806
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools		2,868,425,922	1,729,136,103
Stock-in-trade		20,009,470,224	18,214,419,656
Trade debts		8,115,455,306	6,782,425,428
Loans and advances		1,967,045,131	3,269,989,437
Short term prepayments		76,704,741	44,440,439
Other receivables		1,647,614,508	2,031,491,806
Short term investments		179,990,962	157,494,433
Cash and bank balances		50,413,493	272,634,954
		34,915,120,287	32,502,032,256
<b>TOTAL ASSETS</b>		53,864,095,944	51,770,042,062

CHIEF FINANCIAL OFFICER

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

FOR QUARTER ENDED SEPTEMBER 30, 2021

		Un-audited	
		Quarter Ended	
Note	September 30, 2021	September 30, 2020	
	Rupees	Rupees	
SALES	14,805,353,582	11,939,510,198	
COST OF SALES	(11,496,095,234)	(10,663,898,753)	
<b>GROSS PROFIT</b>	<b>3,309,258,348</b>	<b>1,275,611,445</b>	
DISTRIBUTION COST	(356,525,676)	(282,699,621)	
ADMINISTRATIVE EXPENSES	(43,314,873)	(68,157,633)	
OTHER OPERATING EXPENSES	(190,231,956)	(41,955,202)	
	(590,072,505)	(392,812,456)	
	2,719,185,843	882,798,989	
OTHER OPERATING INCOME	68,035,983	206,354,426	
<b>PROFIT FROM OPERATIONS</b>	<b>2,787,221,826</b>	<b>1,089,153,415</b>	
FINANCE COST	(402,534,782)	(459,007,942)	
<b>PROFIT BEFORE TAXATION</b>	<b>2,384,687,044</b>	<b>630,145,473</b>	
<b>TAXATION</b>	<b>(167,617,412)</b>	<b>(149,833,784)</b>	
<b>PROFIT AFTER TAXATION</b>	<b>2,217,069,632</b>	<b>480,311,689</b>	
<b>EARNINGS PER SHARE - BASIC &amp; DILUTED</b>	<b>9.23</b>	<b>2.00</b>	

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, 2021

	<b>Un-audited</b>	
	<b>Quarter Ended</b>	
	<b>September 30, 2021</b>	<b>September 30, 2020</b>
	<b>Rupees</b>	<b>Rupees</b>
PROFIT AFTER TAXATION	2,217,069,632	480,311,689
OTHER COMPREHENSIVE INCOME	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>2,217,069,632</b>	<b>480,311,689</b>

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, 2021

		Un-audited	
		Quarter Ended	
Note	September 30, 2021	September 30, 2020	
		Rupees	Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
	<b>Cash generated from operations</b>	265,714,855	4,925,573,296
	Net (increase)/decrease in long term security deposits	(766,744)	719,565
	Net (increase)/decrease in long term loans to employees	103,711	(6,597,865)
	Finance cost paid	(435,190,554)	(626,337,472)
	Income tax paid	(139,414,215)	(115,961,846)
	<b>Net cash generated from / (used in) operating activities</b>	<b>(309,552,947)</b>	<b>4,177,395,678</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
	Capital expenditure on property, plant and equipment	15,281,924	11,163,074
	Capital expenditure on intangible assets	(402,664)	-
	Proceeds from disposal of operating fixed assets	7,383,023	19,663,604
	Loans and advances to subsidiary companies	-	(350,000,000)
	Repayment of loans from subsidiary companies	-	350,000,000
	Interest income received from subsidiary companies	-	5,321,604
	Short term investments made	(22,496,529)	(1,045,604)
	Profit on bank deposits received	2,751,342	1,184,126
	<b>Net cash generated from / (used in) investing activities</b>	<b>2,517,096</b>	<b>36,286,804</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
	Proceeds from long term financing	148,881,215	383,471,776
	Repayment of long term financing	(1,394,669,283)	(54,156,705)
	Repayment of lease liabilities	(14,421,609)	(11,432,088)
	Short term borrowings - net	1,345,435,587	(4,396,116,788)
	Dividend paid	(411,520)	-
	<b>Net cash generated from / (used in) financing activities</b>	<b>84,814,390</b>	<b>(4,078,233,805)</b>
	<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(222,221,461)</b>	<b>135,448,677</b>
	<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>272,634,954</b>	<b>47,467,302</b>
	<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>50,413,493</b>	<b>182,915,979</b>

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, 2021

SHARE CAPITAL	CAPITAL RESERVE		REVENUE RESERVES			TOTAL EQUITY
	Share premium	General reserve	Un-appropriated profit	Total		
Rupees						
2,401,190,290	600,553,890	1,629,221,278	9,006,432,817	10,635,654,095	13,637,398,275	
-	-	-	480,311,689	480,311,689	480,311,689	
2,401,190,290	600,553,890	1,629,221,278	9,486,744,506	11,115,965,784	14,117,709,964	
-	-	-	(240,119,029)	(240,119,029)	(240,119,029)	
-	-	-	5,118,545,096	5,118,545,096	5,118,545,096	
2,401,190,290	600,553,890	1,629,221,278	14,365,170,573	15,894,391,851	18,996,136,031	
-	-	-	2,217,069,632	2,217,069,632	2,217,069,632	
2,401,190,290	600,553,890	1,629,221,278	16,582,240,205	18,211,461,483	21,213,205,663	

**Balance as at 30 June 2020 - (Audited)**

Total comprehensive income for the quarter ended 30 September 2020

**Balance as at 30 September 2020 - (un-audited)**

Transactions with owners:

Final dividend for the year ended 30 June 2020 @ Rupees 1.00 per ordinary share

Total comprehensive income for the nine months ended 30 June 2021

**Balance as at 30 June 2021 - (audited)**

Total comprehensive income for the quarter ended 30 September 2021

**Balance as at 30 September 2021 - (un-audited)**

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

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

FOR QUARTER ENDED SEPTEMBER 30, 2021

**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 and steam.

**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 2021.

**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 2021.

**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 2021.

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

FOR QUARTER ENDED SEPTEMBER 30, 2021

### 5. AUTHORIZED SHARE CAPITAL

Un-audited September 30, 2021	Audited June 30, 2021		Un-audited September 30, 2021	Audited June 30, 2021
(Number of shares)			Rupees	Rupees
400,000,000	400,000,000	Ordinary shares of Rupees 10 each	4,000,000,000	4,000,000,000
20,000,000	20,000,000	15 % non-voting cumulative convertible preference shares of Rupees 10 each	200,000,000	200,000,000
<u>420,000,000</u>	<u>420,000,000</u>		<u>4,200,000,000</u>	<u>4,200,000,000</u>

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

Un-audited September 30, 2021	Audited June 30, 2021		Un-audited September 30, 2021	Audited June 30, 2021
(Number of shares)			Rupees	Rupees
134,655,321	134,655,321	Ordinary shares of Rupees 10 each fully paid in cash	1,346,553,210	1,346,553,210
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>240,119,029</u>	<u>240,119,029</u>		<u>2,401,190,290</u>	<u>2,401,190,290</u>

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

FOR QUARTER ENDED SEPTEMBER 30, 2021

	Un-audited September 30, 2021	Audited June 30, 2020
	Rupees	Rupees
<b>7. LONG TERM FINANCING</b>		
<b>From Banking Companies / financial institutions -Secured</b>		
Long Term Loans	5,970,113,693	6,667,686,097
Long Term Musharaka	1,493,869,420	2,043,285,722
	<u>7,463,983,113</u>	<u>8,710,971,819</u>
Less: Current portion shown under current liabilities	1,796,692,370	2,308,169,111
Non-current portion	<u>5,667,290,743</u>	<u>6,402,802,708</u>
<b>8. LEASE LIABILITIES</b>		
Total lease liabilities	109,384,100	120,881,507
Less: Current portion shown under current liabilities	48,197,891	46,362,612
	<u>61,186,209</u>	<u>74,518,895</u>
<b>9. SHORT TERM BORROWINGS</b>		
Short term running finances	4,119,001,242	687,759,100
Export finances - Preshipment/SBP refinance	9,794,347,762	11,343,154,317
Other short term finances	6,330,000,000	6,867,000,000
	<u>20,243,349,004</u>	<u>18,897,913,417</u>
<b>10. CONTINGENCIES AND COMMITMENTS</b>		
<b>10.1 Contingencies</b>		

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 2021 except for the following:

- i) Guarantees of Rupees 886.200 million (30 June 2021: Rupees 858.017 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 against electricity connections, Director Excise and Taxation, Karachi against infrastructure cess, Chairman Punjab Revenue Authority, Lahore against infrastructure cess, Collector, Model Customs Collectorate, Karachi against import, Director Pakistan Central Cotton Committee



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

FOR QUARTER ENDED SEPTEMBER 30, 2021

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 5,720.275 million (30 June 2021: Rupees 4,715.577 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. Further, post dated cheques of Rupees 153.66 million (30 June 2021: Rupees 139.031 million) have been issued to Lahore Electric Supply Company Limited against disputed amount of tariff adjustments and post dated cheques of Rupees 156.532 million (30 June 2021: Rupees 156.532 million) have been issued to Sui Northern Gas Pipelines Limited against gas infrastructure development cess and captive vs industrial tariff case.

### 10.2 Commitments

- i) Letters of credit for capital expenditure amounting to Rupees 3,428.704 million (30 June 2021: 4,480.769 million).
- ii) Letters of credit other than for capital expenditure amounting to Rupees 847.672 million (30 June 2021: Rupees 447.610 million).
- iii) Outstanding foreign currency forward contracts of Rupees 4,416.380 million (30 June 2021: Rupees 10,106.645 million).

### 11. FIXED ASSETS

Property, plant and equipment

Operating fixed assets (Note 11.1)

Capital work in progress (Note 11.2)

	Un-audited September 30, 2021	Audited June 30, 2021
	Rupees	Rupees
	16,526,763,385	16,443,267,692
	390,395,893	781,206,045
	<u>16,917,159,278</u>	<u>17,224,473,737</u>
	16,443,267,692	16,282,580,673
	378,058,229	1,416,068,998
	<u>16,821,325,921</u>	<u>17,698,649,671</u>
	6,545,713	95,443,580
	288,016,823	1,159,938,399
	<u>16,526,763,385</u>	<u>16,443,267,692</u>

#### 11.1 Operating Assets

Opening book value

Additions during the period / year (11.1.1)

Less: Book value of deletions during the period / year (11.1.2)

Less: Depreciation charged during the period / year

Closing book value

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

FOR QUARTER ENDED SEPTEMBER 30, 2021

	<b>Un-audited September 30, 2021</b>	<b>Audited June 30, 2021</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>11.1.1 Cost of additions during the period / year</b>		
Land	-	148,447,680
Building on freehold land	113,794,087	174,957,639
Power generation equipment	8,671,004	120,841,257
Plant and machinery	118,296,682	795,014,196
Electric installations	83,387,328	36,876,414
Factory equipment	2,172,802	47,704,274
Furniture and fixtures	14,153,122	35,252,365
Office equipment	5,430,426	19,014,338
Motor vehicles	32,152,778	37,960,835
	<u>378,058,229</u>	<u>1,416,068,998</u>
<b>11.1.2 Book Value of deletions during the period / year</b>		
Plant and machinery	-	254,546,317
Furniture and fixtures	-	173,579
Office equipment	410,000	1,719,975
Motor vehicles	10,173,381	30,890,574
Total Cost of Deletions	<u>10,583,381</u>	<u>287,330,445</u>
Less: Accumulated Depreciation	<u>(4,037,668)</u>	<u>(191,886,865)</u>
	<u>6,545,713</u>	<u>95,443,580</u>
<b>11.2 Capital work-in-progress</b>		
Civil works on freehold land	110,578,125	39,387,755
Plant & Machinery	54,951,661	129,958,001
Electric installations	753,855	753,855
Mobilization advances	98,396,987	87,643,981
Advances for capital expenditures	125,715,265	523,462,453
	<u>390,395,893</u>	<u>781,206,045</u>

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

FOR QUARTER ENDED SEPTEMBER 30, 2021

	<b>Un-audited September 30, 2021</b>	<b>Audited June 30, 2021</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>12. RIGHT-OF-USE ASSETS</b>		
Balance at 01 July	107,398,163	93,072,385
Add: Additions during the year	-	61,162,694
Less: Depreciation for the year	(12,747,496)	(46,836,916)
Balance at Reporting date	94,650,667	107,398,163

### 12.1 Lease of buildings

The Company obtains buildings on lease for its retail outlets. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Lease periods range from two to five years.

**12.2** There is no impairment of right-of-use assets.

	<b>Un-audited September 30, 2021</b>	<b>Audited June 30, 2021</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>13. INTANGIBLE ASSET</b>		
Computer software	642,943	278,170
<b>13.1 Intangible asset - Computer software</b>		
Opening book value	278,170	110,318
Add: Cost of additions during the period / year	402,664	300,251
Less: Amortization charged during the period / year	37,891	132,399
Closing book value	642,943	278,170

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

FOR QUARTER ENDED SEPTEMBER 30, 2021

	<b>Un-audited</b>	
	<b>Quarter Ended</b>	
	<b>September 30, 2021</b>	<b>September 30, 2020</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>14. COST OF GOODS SOLD</b>		
Raw material consumed	9,025,689,638	6,833,913,896
Packing materials consumed	422,371,107	310,557,622
Stores, spare parts and loose tools	235,162,994	163,958,247
Commercial Processing Stitching etc.	135,495,055	21,839,482
Salaries, wages and other benefits	819,368,875	712,961,162
Fuel and power	1,038,819,971	871,143,227
Insurance	27,114,384	23,627,649
Postage and telephone	189,900	218,427
Travelling and conveyance	2,400,099	990,720
Vehicles running and maintenance	7,919,397	7,348,793
Entertainment	4,537,226	4,551,289
Depreciation	284,439,951	276,510,881
Repair and maintenance	132,056,734	111,462,046
Other factory overheads	33,147,284	25,601,213
	<b>12,168,712,615</b>	<b>9,364,684,654</b>
<b>Work-in-process</b>		
Opening stock	2,081,215,813	1,131,081,567
Closing stock	(2,623,639,441)	(1,036,234,752)
	<b>(542,423,628)</b>	<b>94,846,815</b>
Cost of goods manufactured	11,626,288,987	9,459,531,469
<b>Finished goods and waste-opening stocks</b>		
Finished goods	3,511,748,772	4,098,769,328
Waste	76,861,237	175,341,896
	<b>3,588,610,009</b>	<b>4,274,111,224</b>
	<b>15,214,898,996</b>	<b>13,733,642,693</b>
<b>Finished goods and waste-closing stocks</b>		
Finished goods	(3,604,839,893)	(2,988,218,760)
Waste	(113,963,869)	(81,525,180)
	<b>(3,718,803,762)</b>	<b>(3,069,743,940)</b>
<b>Cost of goods sold</b>	<b>11,496,095,234</b>	<b>10,663,898,753</b>

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

FOR QUARTER ENDED SEPTEMBER 30, 2021

	Un-audited	
	Quarter Ended	
	September 30, 2021	September 30, 2020
	Rupees	Rupees
<b>15. CASH GENERATED FROM OPERATIONS</b>		
<b>Profit before taxation</b>	2,384,687,044	630,145,473
<b>Adjustment for non cash charges and other items:</b>		
Depreciation on operating fixed assets	288,016,822	280,135,368
Amortization on intangible assets	37,891	95,026
Depreciation on right-of-use asset	12,747,493	10,341,092
(Gain)/Loss on sale of operating fixed assets	(3,367,310)	9,085,346
Interest income on loan to subsidiary company	-	(88,552)
Interest on bank deposits	(2,751,342)	(1,184,126)
Finance cost	402,534,782	459,007,942
Amortization of deferred income - Government grant	(15,878,367)	-
Working capital changes (Note 15.1)	(2,800,312,158)	3,538,035,727
<b>Cash generated from operations</b>	<b>265,714,855</b>	<b>4,925,573,296</b>
<b>15.1 Working capital changes</b>		
<b>(Increase) / decrease in current assets</b>		
- Stores, spare parts and loose tools	(1,139,289,819)	(120,393,270)
- Stock in trade	(1,795,050,568)	5,867,916,706
- Trade debts	(1,333,029,878)	(1,345,533,404)
- Loans and advances	1,302,944,306	(477,319,727)
- Short term deposits and prepayments	(32,264,302)	(27,108,205)
- Other receivables	355,674,101	247,450,696
<b>Increase / (decrease) in current liabilities</b>		
- Trade and other payables	(159,295,998)	(606,977,069)
	<b>(2,800,312,158)</b>	<b>3,538,035,727</b>



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

FOR QUARTER ENDED SEPTEMBER 30, 2021

### 17. 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 2021	Level 1	Level 2	Level 3	Total
..... Rupees .....				

#### Financial liabilities

Derivative financial liabilities	-	203,981,925	-	203,981,925
<b>Total financial liabilities</b>	<b>-</b>	<b>203,981,925</b>	<b>-</b>	<b>203,981,925</b>

Recurring fair value measurements At 30 June 2021	Level 1	Level 2	Level 3	Total
..... Rupees .....				

#### Financial assets

Derivative financial assets	-	56,576,881	-	56,576,881
<b>Total financial assets</b>	<b>-</b>	<b>56,576,881</b>	<b>-</b>	<b>56,576,881</b>

#### Financial liabilities

Derivative financial liabilities	-	3,884,821	-	3,884,821
<b>Total financial liabilities</b>	<b>-</b>	<b>3,884,821</b>	<b>-</b>	<b>3,884,821</b>

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.

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

FOR QUARTER ENDED SEPTEMBER 30, 2021

### (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.

### 18. 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, 2021 Rupees	Un-audited Quarter Ended September 30, 2020 Rupees
<b>Subsidiary company</b>		
Sale of Goods	211,739,939	354,790,858
Common facilities cost charged	4,950,000	4,950,000
Disbursement of loans	-	350,000,000
Repayment of loans	-	350,000,000
Mark-up on short term loans	-	88,552
<b>Associated company</b>		
Donation paid	684,355	2,203,517
<b>Other related parties</b>		
Contribution to employees' provident fund	51,079,536	42,119,604
<b>Period end balances</b>		
	Un-audited Quarter Ended September 30, 2021 Rupees	Un-audited Quarter Ended September 30, 2020 Rupees
Due from subsidiary company	494,699,516	567,472,442



FOR QUARTER ENDED SEPTEMBER 30, 2021

**19. 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 2021.

**20. 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.

**21. 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, 2021.

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

\_\_\_\_\_  
DIRECTOR

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CHIEF FINANCIAL OFFICER

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**NISHAT (CHUNIAN) LIMITED AND  
ITS SUBSIDIARY COMPANIES**

**CONSOLIDATED CONDENSED  
INTERIM FINANCIAL INFORMATION**

**FOR THE QUARTER ENDED  
SEPTEMBER 30, 2021 (UN-AUDITED)**

## CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2021

Note	Un-audited September 30, 2021 Rupees	Audited June 30, 2021 Rupees
<b>EQUITY AND LIABILITIES</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
Authorized share capital	4,200,000,000	4,200,000,000
Issued, subscribed and paid-up share capital	2,401,190,290	2,401,190,290
Reserves	28,476,426,129	25,950,193,923
Equity attributable to equity holders of the Holding Company	30,877,616,419	28,351,384,213
Non-controlling interest	10,813,017,566	10,513,606,578
Total equity	41,690,633,985	38,864,990,791
<b>LIABILITIES</b>		
<b>NON-CURRENT LIABILITIES</b>		
Long term financing	5,674,429,743	6,419,912,708
Lease liabilities	61,186,209	74,518,895
Deferred Liabilities	144,062,443	191,593,367
	5,879,678,395	6,686,024,970
<b>CURRENT LIABILITIES</b>		
Trade and other payables	5,960,698,301	5,405,062,409
Unclaimed dividend	67,782,567	68,194,087
Accrued mark-up / Profit	412,675,144	514,554,913
Short term borrowings	32,073,299,004	29,084,279,595
Current portion of non-current liabilities	2,371,959,929	2,826,678,629
	40,886,414,945	37,898,769,633
TOTAL LIABILITIES	46,766,093,340	44,584,794,603
<b>CONTINGENCIES AND COMMITMENTS</b>	5	
<b>TOTAL EQUITY AND LIABILITIES</b>	88,456,727,325	83,449,785,394

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

CHIEF EXECUTIVE

DIRECTOR

## CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2021

	Un-audited September 30, 2021 Rupees	Audited June 30, 2021 Rupees
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Fixed assets	26,877,486,843	27,148,148,365
Intangible assets	642,943	882,170
Right-of-use assets	94,650,667	107,398,163
Long term loans to employees	20,108,216	20,446,927
Long term security deposits	31,334,353	30,567,609
	27,024,223,022	27,307,443,234
<b>CURRENT ASSETS</b>		
Stores, spare parts and loose tools	3,310,903,922	2,350,924,103
Stock-in-trade	22,051,991,197	19,491,127,966
Trade debts	28,130,223,466	26,987,823,812
Loans and advances	2,040,338,131	3,329,960,437
Short term deposits and prepayments	80,175,655	57,652,439
Other receivables	2,688,879,508	2,881,653,805
Short term investments	3,007,747,962	469,425,433
Cash and bank balances	122,244,462	573,774,165
	61,432,504,303	56,142,342,160
<b>TOTAL ASSETS</b>	<b>88,456,727,325</b>	<b>83,449,785,394</b>

CHIEF FINANCIAL OFFICER

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

FOR QUARTER ENDED SEPTEMBER 30, 2021

	Quarter Ended	
	September 30, 2021	September 30, 2020
	Rupees	Rupees
SALES	20,705,295,137	16,478,115,997
COST OF SALES	(16,491,598,244)	(13,929,180,847)
<b>GROSS PROFIT</b>	<b>4,213,696,893</b>	<b>2,548,935,150</b>
DISTRIBUTION COST	(411,358,659)	(323,174,761)
ADMINISTRATIVE EXPENSES	(101,438,321)	(106,285,951)
OTHER OPERATING EXPENSES	(185,853,956)	(41,955,202)
	(698,650,936)	(471,415,914)
	3,515,045,957	2,077,519,236
OTHER OPERATING INCOME	96,506,983	220,016,874
<b>PROFIT FROM OPERATIONS</b>	<b>3,611,552,940</b>	<b>2,297,536,110</b>
FINANCE COST	(617,979,290)	(707,479,210)
<b>PROFIT BEFORE TAXATION</b>	<b>2,993,573,650</b>	<b>1,590,056,900</b>
TAXATION	(167,617,412)	(149,833,784)
<b>PROFIT AFTER TAXATION</b>	<b>2,825,956,238</b>	<b>1,440,223,116</b>
PROFIT ATTRIBUTABLE TO:		
EQUITY HOLDERS OF THE HOLDING COMPANY	2,526,545,250	970,699,643
NON-CONTROLLING INTEREST	299,410,988	469,523,473
	<b>2,825,956,238</b>	<b>1,440,223,116</b>
<b>EARNINGS PER SHARE - BASIC &amp; DILUTED</b>	<b>10.52</b>	<b>4.04</b>

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, 2021

	Quarter Ended	
	September 30, 2021	September 30, 2020
	Rupees	Rupees
PROFIT AFTER TAXATION	2,825,956,238	1,440,223,116
OTHER COMPREHENSIVE INCOME	(313,044)	(261,564)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	2,825,643,194	1,439,961,552
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>		
EQUITY HOLDERS OF THE HOLDING COMPANY	2,526,232,206	970,438,079
NON-CONTROLLING INTEREST	299,410,988	469,523,473
	2,825,643,194	1,439,961,552

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

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CHIEF EXECUTIVE

\_\_\_\_\_  
DIRECTOR

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CHIEF FINANCIAL OFFICER

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

FOR QUARTER ENDED SEPTEMBER 30, 2021

	Note	Quarter Ended	
		September 30, 2021	September 30, 2020
		Rupees	Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash generated from operations</b>	6	1,402,891,874	4,792,014,928
Net decrease in long term security deposits		(766,744)	719,565
Net (increase) / decrease in long term loans to employees		338,711	(6,381,865)
Finance cost paid		(719,859,059)	(959,219,357)
Income tax paid		(139,414,215)	(115,961,846)
<b>Net cash generated from / (used in) operating activities</b>		543,190,567	3,711,171,425
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure on property, plant and equipment		(259,305,013)	(169,700,089)
Capital expenditure on intangible assets		(402,664)	-
Proceeds from sale of property, plant and equipment		9,942,023	23,484,604
Short term investments made		(2,538,322,529)	(1,045,604)
Profit on bank deposits received		19,696,342	2,254,126
<b>Net cash generated from / (used in) investing activities</b>		(2,768,391,841)	(145,006,963)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from long term financing		203,075,618	436,012,954
Repayment of long term financing		(1,403,277,283)	(54,156,705)
Short term borrowings - net		2,989,019,409	(3,801,907,414)
Repayment of lease liabilities		(14,421,609)	(11,432,088)
Dividend paid		(411,520)	-
<b>Net cash generated from / (used in) financing activities</b>		1,773,984,615	(3,431,483,253)
<b>Net increase in cash and cash equivalents</b>		(451,216,659)	134,681,209
<b>Impact of exchange translation</b>		(313,044)	(261,564)
<b>Cash and cash equivalents at the beginning of the period</b>		573,774,165	54,766,969
<b>Cash and cash equivalents at the end of the period</b>		122,244,462	189,186,614

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

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CHIEF EXECUTIVE

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DIRECTOR

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CHIEF FINANCIAL OFFICER



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

FOR QUARTER ENDED SEPTEMBER 30, 2021

	Attributable to Equity Holders of the Holding Company						Shareholders Equity	Non-controlling Interest	Total Equity
	Capital Reserve		Revenue Reserves		Total	Shareholders Equity			
	Exchange Translation Reserve	Share Premium	General reserve	Un-appropriated profit					
<b>Balance as at June 30, 2020 - (audited)</b>	2,401,190,290	(14,255,466)	6,00,553,880	1,629,221,278	17,081,896,969	18,711,118,247	21,698,606,961	9,284,188,987	30,982,795,948
Total comprehensive income for the quarter ended September 30, 2020	-	(261,564)	-	-	970,699,643	970,699,643	970,699,643	469,523,473	1,439,961,552
<b>Balance as at September 30, 2020 - (un-audited)</b>	2,401,190,290	(14,517,030)	6,00,553,880	1,629,221,278	18,052,596,612	19,681,817,890	22,669,045,040	9,753,712,460	32,422,757,500
<b>Transactions with owners:</b>									
Buy-back of ordinary shares	-	-	-	-	-	-	-	-	-
Final dividend for the year ended 30 June 2020 @ Rs. 7 / Ordinary share	-	-	-	-	(240,119,029)	(240,119,029)	(240,119,029)	-	(240,119,029)
Total comprehensive income for the nine months ended June 30, 2021	-	35,964,403	-	-	5,886,493,799	5,886,493,799	5,922,468,202	759,894,118	6,682,352,320
<b>Balance as at June 30, 2021 - (audited)</b>	2,401,190,290	21,447,373	6,00,553,880	1,629,221,278	23,698,971,392	25,328,192,660	28,351,384,213	10,513,606,578	38,864,990,791
Total comprehensive income for the quarter ended September 30, 2021	-	(313,044)	-	-	2,526,545,250	2,526,545,250	2,526,545,250	299,410,988	2,825,643,194
<b>Balance as at September 30, 2021 - (un-audited)</b>	2,401,190,290	21,134,329	6,00,553,880	1,629,221,278	26,225,516,632	27,854,737,910	30,877,616,419	10,813,017,566	41,690,633,985

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, 2021

**1. GROUP INFORMATION**

The Group consists of:

Holding Company	-	Nishat (Chunian) Limited
Subsidiary Companies	-	Nishat Chunian Power Limited
	-	Nishat Chunian USA Inc.

**Nishat (Chunian) Limited**

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 and steam.

**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.

**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 2021 have been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 "Interim Financial Reporting" and provisions of and

FOR QUARTER ENDED SEPTEMBER 30, 2021

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 2021.

### **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 2021.

### **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 2021.

### **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 2021 except for the following:

- i) Guarantees of Rupees 886.200 million (30 June 2021: Rupees 858.017 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 against electricity connections, Director Excise and Taxation, Karachi against infrastructure cess, Chairman Punjab Revenue Authority, Lahore against infrastructure cess, Collector, Model Customs Collectorate, Karachi against import, 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.

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

FOR QUARTER ENDED SEPTEMBER 30, 2021

- ii) Post dated cheques have been issued to custom authorities in respect of duties amounting to Rupees 5,720.275 million (30 June 2021: Rupees 4,715.577 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. Further, post dated cheques of Rupees 153.66 million (30 June 2021: Rupees 139.031 million) have been issued to Lahore Electric Supply Company Limited against disputed amount of tariff adjustments and post dated cheques of Rupees 156.532 million (30 June 2021: Rupees 156.532 million) have been issued to Sui Northern Gas Pipelines Limited against gas infrastructure development cess and captive vs industrial tariff case.

### **Commitments**

- i) Letters of credit for capital expenditure amounting to Rupees 3,428.704 million (30 June 2021: 4,480.769 million).
- ii) Letters of credit other than for capital expenditure amounting to Rupees 847.672 million (30 June 2021: Rupees 447.610 million).
- iii) Outstanding foreign currency forward contracts of Rupees 4,416.380 million (30 June 2021: Rupees 10,106.645 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, 2021, except for the following:

	<b>Un-audited Quarter ended September 30, 2021</b>	<b>Audited Year ended June 30, 2021</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>Commitments</b>		
Letter of credit other than for capital expenditure:	15,573,000	83,245,000

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

FOR QUARTER ENDED SEPTEMBER 30, 2021

	Un-audited Quarter ended September 30, 2021 Rupees	Un-audited Quarter ended September 30, 2020 Rupees
<b>6. CASH (USED IN) / GENERATED FROM OPERATIONS</b>		
<b>Profit before taxation</b>	2,993,573,650	1,590,056,900
Adjustment for non cash charges and other items:		
Provision for employee retirement	2,009,000	2,023,000
Depreciation on operating fixed assets	525,950,822	518,358,368
Amortization on intangible assets	639,891	1,173,026
Depreciation on right-of-use asset	12,747,493	10,341,092
Loss / (Gain) on sale of operating fixed assets	(5,926,310)	5,264,346
Interest on bank deposits	(19,696,342)	(2,254,126)
Amortization on deferred grant	(16,690,367)	(608,000)
Finance costs	617,979,290	707,479,210
<b>Cash flows from operating activities before working capital changes</b>	4,110,587,127	2,831,833,816
<b>(Increase) / decrease in current assets</b>		
- Stores, spare parts and loose tools	(959,979,819)	70,268,730
- Stock in trade	(2,560,863,231)	5,713,966,736
- Trade debts	(1,142,399,654)	(3,093,266,076)
- Loans and advances	1,289,622,306	(617,048,727)
- Short term deposits and prepayments	(22,523,216)	(27,595,369)
- Other receivables	164,571,100	161,373,064
<b>Increase / (decrease) in current liabilities</b>		
- Trade and other payables	523,877,261	(247,517,246)
	(2,707,695,253)	1,960,181,112
<b>Net cash generated from operations</b>	1,402,891,874	4,792,014,928

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

FOR QUARTER ENDED SEPTEMBER 30, 2021

### 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, 2021 Rupees	Un-audited Quarter ended September 30, 2020 Rupees
<b>Associated company</b>		
Donation paid	684,355	2,203,517
<b>Other related parties</b>		
Contribution to employees' provident fund	53,088,536	44,142,489
Remuneration paid to key management personnel	93,555,567	59,131,916
	Un-audited Quarter ended September 30, 2021 Rupees	Audited Year ended June 30, 2021 Rupees
<b>Period end balances</b>		
Loan to Key Management personnel	2,194,000	2,985,000

### 8. CORRESPONDING FIGURES

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

### 9. DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial statements were approved and authorized for issue on October 29, 2021 by the Board of Directors.

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CHIEF EXECUTIVE

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DIRECTOR

\_\_\_\_\_  
CHIEF FINANCIAL OFFICER

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# INVESTORS' EDUCATION

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

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



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









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