



Interim Financial Information

Quarter Ended September 30, 2023
(Unaudited)



**NISHAT
CHUNIAN**
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COMPANY INFORMATION

Board of Directors:

Mr. Shahzad Saleem (*Chief Executive*)
Mr. Farrukh Ifzal (*Chairman*)
Mrs. Ayesha Shahzad
Mr. Zain Shahzad
Mr. Muhammad Azam Siddiqi (*Independent*)
Ms. Mahnoor Adil
Mr. Ahmad Hasnain (*Independent*)

Audit Committee:

Mr. Muhammad Azam Siddiqi (*Chairman*)
Mr. Farrukh Ifzal (*Member*)
Ms. Mahnoor Adil (*Member*)

HR & Remuneration Committee:

Mr. Ahmad Hasnain (*Chairman*)
Mr. Farrukh Ifzal (*Member*)
Mr. Muhammad Azam Siddiqi (*Member*)

CFO:

Mr. Mustaqeem Talish

Company Secretary:

Mr. Danish Farooq

Head of Internal Audit:

Ms. Rubia Inam

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
Coal Fired Power Generation Project
49th Kilometre, Multan Road, Bhai Pheru,
Tehsil Pattoki, District Kasur.

Bankers to the Company:

Allied Bank Limited
Al Baraka Bank (Pakistan) 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)
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 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 Directors of Nishat (Chunian) Limited ("the Company") are pleased to present the Directors' Report for the quarter ended 30th September 2023.

Operating Financial Results

Revenue clocked in at Rs. 24.23 billion, representing 59% increase as compared to the corresponding period of the previous fiscal year. Profit after tax for the period is 2.09% against a Loss after tax of 0.86% in the corresponding period for the prior year, translating into a positive EPS of Rs. 2.11 as opposed to a negative EPS of Rs. 0.54 in the corresponding period of the last financial year.

Financial Highlights-PKR	For the quarter ended September 30	
	2023	2022
Revenue	24,229,309,518	15,253,542,266
Gross Profit	3,317,759,957	1,713,757,428
Profit / (Loss) After Taxation	506,637,354	(130,831,224)
Gross Profit %	13.69%	11.24%
Profit / (Loss) After Taxation %	2.09%	(0.86%)
Earnings / (Loss) per Share	2.11	(0.54)

Market Review and Future Prospects

The first quarter of this fiscal year has shown a positive trend, and an improvement over the losses incurred during the previous financial year, ending on 30 June 2023. The main driver behind the better results is improved gross profit margin, which increased from 11.24% in the corresponding quarter of last financial year to 13.69% in this quarter. Exorbitant costs of borrowing and high raw material costs, in combination with already expensive energy are making it difficult for the Pakistani textile industry to be competitive with the regional competitors.

The unprecedented forex rate fluctuations and the ongoing political instability are turning out to be very challenging for the industry. Macro indicators like the current account deficit, rupee devaluation, and record-high inflation, suggest that a high policy rate will maintain, which will slow down the economy even further. As we head into a global recession, timely policy making will be required by the Government if we are to rein in its impact.

Subsidiary Companies and Consolidated Financial Statements

The Company's portfolio of subsidiary companies includes Nishat Chunian Properties (Private) Limited, Nishat Chunian USA Inc., Sweave Inc., and TLC Middle East Trading LLC. Therefore, the Company has annexed consolidated condensed interim financial information in addition to its separate condensed interim financial information, in accordance with the requirements of International Financial Reporting Standards and applicable provisions of the Companies Act, 2017.

Acknowledgment

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

For and on behalf of the Board,

Chief Executive

Director

Date: 30th October 2023

مجلسِ نظاماء کی رپورٹ

محترم شیئر ہولڈرز

نشاط (چونیاں) لمیٹڈ ("کمپنی") کے ڈائریکٹرز 30 ستمبر 2023 کو ختم ہونے والی سرمایہ کے لیے ڈائریکٹرز کی رپورٹ پیش کر رہے ہیں۔

آپ بیک الیاتی نتائج

ریونیٹو 24.23 بلین روپے تک پہنچ گیا، جو پچھلے مالی سال کی اسی مدت کے مقابلے میں 59 فیصد اضافہ کی نمائندگی کرتا ہے۔ اس مدت کے لیے بعد ازنگس منافع پچھلے سال کی اسی مدت میں 0.86% اور نقصان کے بعد انگیس کے مقابلے میں 2.09% ہے، جو کہ اسی مدت گزشتہ مالی سال میں 0.54 روپے کے منفی EPS کے مقابلے میں 2.11 روپے کے مثبت EPS میں ترجمہ کرتا ہے۔

30 ستمبر ختم سرمایہ		مالیاتی جھلکیاں
2022	2023	
15,253,542,266	24,229,309,518	وصولی (روپے)
1,713,757,428	3,317,759,957	مجموعی منافع (روپے)
(130,831,224)	506,637,354	بعد ازنگس منافع (روپے)
11.24%	13.69%	مجموعی منافع (فیصد)
(0.86%)	2.09%	بعد ازنگس منافع (فیصد)
(0.54)	2.11	ٹی شیئر آمدنی (روپے)

مارکیٹ کا جائزہ اور مستقبل کے امکانات

اس مالی سال کی پہلی سرمایہ میں مثبت رجحان دکھایا گیا ہے، اور 30 جون 2023 کو ختم ہونے والے پچھلے مالی سال کے دوران ہونے والے نقصانات کے مقابلے میں بہتری آئی ہے۔ بہتر نتائج کے پیچھے بنیادی محرک مجموعی منافع کے مارجن میں بہتری ہے، جو کہ 11.24 فیصد سے بڑھ گیا ہے۔ گزشتہ مالی سال کی اسی سرمایہ میں اس سرمایہ میں 13.69 فیصد رہی۔ پہلے سے ہی منگنی توانائی کے ساتھ مل کر قرض لینے کے بے تحاشہ اخراجات اور خام مال کی زیادہ لاگتیں پاکستانی ٹیکسٹائل انڈسٹری کے لیے علاقائی حربوں کے ساتھ مقابلہ کرنا مشکل بنا رہی ہیں۔

غیر ملکی کرنسی کی شرح میں بے تحاشہ اتار چڑھاؤ اور جاری سیاسی عدم استحکام انڈسٹری کے لیے بہت مشکل ثابت ہو رہے ہیں۔ کرنٹ اکاؤنٹ خسارہ روپے کی قدر میں کمی اور ریکارڈ بلند افراط زر جیسے میکرو اشارے بتاتے ہیں تاکہ پالیسی کی بلند شرح برقرار رہے گی، جو معیشت کو مزید سست کر دے گی۔ جیسا کہ ہم عالمی کساد بازاری کی طرف بڑھ رہے ہیں، اگر ہم اس کے اثرات پر گورہ کرنا چاہتے ہیں تو حکومت کو بروقت پالیسی سازی کی ضرورت ہوگی۔

ذیلی کمپنیاں اور یکجا مالی بیانات

کمپنی کے ذیلی اداروں کے پورٹ فولیو میں نشاط چونیاں پراپرٹیز (پرائیویٹ) لمیٹڈ، نشاط چونیاں Inc. USA، Sweave Inc. اور TLC ڈیل ایسٹ ٹریڈنگ LLC شامل ہیں۔ اس لیے، کمپنی نے بین الاقوامی مالیاتی رپورٹنگ کے معیارات اور کیو این اے ایک 2017 کے قابل اطلاق دفعات کے مطابق، اپنی علیحدہ کنڈینسڈ عبوری مالیاتی معلومات کے علاوہ، کنسولیدیشنڈ کنڈینسڈ عبوری مالیاتی معلومات کو منسلک کیا ہے۔

Acknowledgment / اعتراف

ڈائریکٹرز ان ملازمین کو خراج تحسین پیش کرنا چاہتے ہیں جو کمپنی کے آپریشنز میں اہم کردار ادا کرتے رہتے ہیں۔

بورڈ کے لیے اور اس کی جانب سے

ڈائریکٹر

مورخہ 30 اکتوبر 2023

چیف ایگزیکٹو

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UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2023

	Note	Un-Audited September 30, 2023 Rupees	Audited June 30, 2023 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital		3,700,000,000	3,700,000,000
Issued, subscribed and paid up share capital		2,401,190,290	2,401,190,290
Reserves		18,813,570,455	18,306,933,101
TOTAL EQUITY		21,214,760,745	20,708,123,391
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	4	12,044,509,066	12,538,265,074
Lease Liabilities		57,258,789	68,666,567
Deferred Liabilities		638,568,044	677,389,719
		12,740,335,899	13,284,321,360
CURRENT LIABILITIES			
Trade and other payables		6,370,754,115	4,222,922,732
Unclaimed Dividend		69,088,426	69,141,071
Accrued mark-up / Profit		1,532,297,037	1,397,309,345
Provision for taxation - net		391,991,542	144,607,140
Short term borrowings		35,526,563,340	27,881,717,844
Current portion of non-current liabilities		2,262,515,541	2,137,618,315
		46,153,210,001	35,853,316,447
TOTAL LIABILITIES		58,893,545,900	49,137,637,807
CONTINGENCIES AND COMMITMENTS			
	5		
TOTAL EQUITY AND LIABILITIES		80,108,306,645	69,845,761,198

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

CHIEF EXECUTIVE

DIRECTOR

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2023

	Note	Un-Audited September 30, 2023 Rupees	Audited June 30, 2023 Rupees
ASSETS			
NON- CURRENT ASSETS			
Fixed assets	6	23,991,192,759	23,672,994,434
Right-of-use assets		98,402,678	113,172,896
Intangible assets	7	1,652,576	1,845,938
Long term investments		510,128,000	510,128,000
Long term loans to employees		10,854,255	11,154,911
Long term security deposits		33,959,024	33,959,024
		24,646,189,292	24,343,255,203
CURRENT ASSETS			
Stores, spare parts and loose tools		2,604,065,075	2,511,321,040
Stock-in-trade		33,300,268,395	23,554,034,198
Trade debts		14,240,630,702	11,409,750,014
Loans and advances		1,390,926,521	4,070,437,994
Short term prepayments		119,646,046	7,824,982
Other receivables		3,468,296,215	3,589,740,169
Short term investments		55,269,896	80,364,318
Cash and bank balances		283,014,503	279,033,280
		55,462,117,353	45,502,505,995
TOTAL ASSETS		80,108,306,645	69,845,761,198

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, 2023

		Un-Audited	
		Quarter Ended	
	Note	September 30, 2023	September 30, 2022
		Rupees	Rupees
REVENUE	8	24,229,309,518	15,253,542,266
COST OF SALES	9	(20,911,549,561)	(13,539,784,838)
GROSS PROFIT		3,317,759,957	1,713,757,428
DISTRIBUTION COST		(482,339,822)	(470,876,935)
ADMINISTRATIVE EXPENSES		(106,406,252)	(99,504,851)
OTHER OPERATING EXPENSES		(46,684,593)	(266,837,236)
		(635,430,667)	(837,219,022)
		2,682,329,290	876,538,406
OTHER OPERATING INCOME		131,362,853	116,628,855
PROFIT FROM OPERATIONS		2,813,692,143	993,167,261
FINANCE COST		(1,956,847,953)	(949,096,291)
PROFIT BEFORE TAXATION		856,844,190	44,070,970
TAXATION		(350,206,836)	(174,902,194)
PROFIT/(LOSS) AFTER TAXATION		506,637,354	(130,831,224)
EARNINGS PER SHARE - BASIC & DILUTED		2.11	(0.54)

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, 2023

	Un-Audited	
	Quarter Ended	
	September 30, 2023	September 30, 2022
	Rupees	Rupees
PROFIT / (LOSS) AFTER TAXATION	506,637,354	(130,831,224)
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR	506,637,354	(130,831,224)

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, 2023

		Un-Audited	
		Quarter Ended	
Note	September 30, 2023	September 30, 2022	
		Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	10	(4,637,099,842)	(4,794,903,030)
Net (increase) / decrease in long term security deposits		-	(323,793)
Net (increase) / decrease in long term loans to employees		1,261,599	5,066,084
Finance cost paid		(1,780,477,690)	(575,722,354)
Income tax paid		(102,822,434)	(450,309,317)
Net cash generated from / (used in) operating activities		(6,519,138,367)	(5,816,192,410)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(756,669,178)	(484,328,964)
Capital expenditure on intangible assets		-	(33,750)
Proceeds from disposal of operating fixed assets		24,766,186	20,976,813
Dividend received		956,174	-
Short term investments (made) / disposed off - net		30,000,000	-
Profit / Interest received		1,790,298	2,027,758
Net cash generated from / (used in) investing activities		(699,156,520)	(461,358,143)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		9,617,000	230,751,607
Repayment of long term financing		(414,157,551)	(382,883,952)
Repayment of lease liabilities		(17,976,190)	(14,690,371)
Short term borrowings - net		7,644,845,496	6,508,509,331
Dividend paid		(52,645)	(965,898)
Net cash generated from / (used in) financing activities		7,222,276,110	6,340,720,717
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		3,981,223	63,170,164
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		279,033,280	209,007,048
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		283,014,503	272,177,212

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, 2023

Ordinary Share Capital	CAPITAL RESERVE		REVENUE RESERVES			TOTAL RESERVES	TOTAL EQUITY
	Share premium	General reserve	Un-appropriated profit	Total			
Rupees							
2,401,190,290	600,553,890	1,629,221,278	19,912,419,957	21,541,641,235	22,142,195,125	24,545,385,415	
-	-	-	(1,875,858,200)	(1,875,858,200)	(1,875,858,200)	(1,875,858,200)	
-	-	-	(130,831,224)	(130,831,224)	(130,831,224)	(130,831,224)	
-	-	-	(130,831,224)	(130,831,224)	(130,831,224)	(130,831,224)	
2,401,190,290	600,553,890	1,629,221,278	17,905,730,533	19,534,951,811	20,135,505,701	22,536,695,991	
-	-	-	(960,476,116)	(960,476,116)	(960,476,116)	(960,476,116)	
-	-	-	(868,096,484)	(868,096,484)	(868,096,484)	(868,096,484)	
-	-	-	(868,096,484)	(868,096,484)	(868,096,484)	(868,096,484)	
2,401,190,290	600,553,890	1,629,221,278	16,077,157,833	17,706,379,211	18,306,933,101	20,708,123,391	
-	-	-	506,637,354	506,637,354	506,637,354	506,637,354	
-	-	-	506,637,354	506,637,354	506,637,354	506,637,354	
2,401,190,290	600,553,890	1,629,221,278	16,583,795,287	18,213,016,565	18,813,570,455	21,214,760,745	

Balance as at 30 June 2022 - (Audited)

Transactions with owners:

Transfer of investment in Nishat Churnia Power Limited to the shareholders of Nishat (Churnia) Limited

Profit/(Loss) for the quarter ended 30 September 2022

Other comprehensive income/(loss) for the quarter ended 30 September 2022

Total comprehensive income/(loss) for the quarter ended 30 September 2022

Balance as at 30 September 2022 - (Un-Audited)

Transactions with owners:

Final dividend for the year ended 30 June 2022 @ Rupees 4 per ordinary share

Profit/(Loss) for the nine months ended 30 June 2023

Other comprehensive income/(loss) for the nine month period ended 30 June 2023

Total comprehensive income/(loss) for the nine month period ended 30 June 2023

Balance as at 30 June 2023 - (Audited)

Profit/(Loss) for the quarter ended 30 September 2023

Other comprehensive income/(loss) for the quarter ended 30 September 2023

Total comprehensive income/(loss) for the quarter ended 30 September 2023

Balance as at 30 September 2023 - (Un-Audited)

FOR QUARTER ENDED SEPTEMBER 30, 2023

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

- 2.1** 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.

- 2.2** These unconsolidated condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended 30 June 2023. These unconsolidated condensed interim financial statements are un-audited.

3 ACCOUNTING POLICIES

The accounting policies and methods of computations adopted for the preparation of these unconsolidated condensed interim financial statements are the same as those applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended 30 June 2023.

3.1 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 2023.

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

FOR QUARTER ENDED SEPTEMBER 30, 2023

	Un-Audited September 30, 2023	Audited June 30, 2023
	Rupees	Rupees
4 LONG TERM FINANCING		
From Banking Companies / financial institutions - Secured		
Long Term Loans	12,416,054,377	12,745,749,728
Long Term Musharaka	1,241,251,812	1,279,468,806
	13,657,306,189	14,025,218,534
Less: Current portion shown under current liabilities		
Long Term Loans	(1,401,191,119)	(1,321,160,103)
Long Term Musharaka	(211,606,004)	(165,793,357)
	(1,612,797,123)	(1,486,953,460)
Non-current portion	12,044,509,066	12,538,265,074

5 CONTINGENCIES AND COMMITMENTS

5.1 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 2023 except for the following:

- i) Guarantees of Rupees 2,200.704 million (30 June 2023: Rupees 2,110.704 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.
- ii) Post dated cheques have been issued to custom authorities in respect of duties amounting to Rupees 34,449.179 million (30 June 2023: Rupees 34,440.200 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 247.206 million (30 June 2023: Rupees 154.300 million) have been issued to Lahore Electric Supply Company Limited against disputed amount of tariff adjustments, post dated cheques of Rupees 156.532 million (30 June 2023: Rupees 156.532 million) have been issued to Sui Northern Gas Pipelines Limited against gas infrastructure development cess and captive vs industrial tariff case, and post dated cheques of Rupees 189.375 million (30 June 2023: Rupees 189.375 million) have been issued to Commissioner Inland Revenue against the proceedings under section 122(5A) for tax year 2022.

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

FOR QUARTER ENDED SEPTEMBER 30, 2023

5.2 Commitments

- i) Letters of credit for capital expenditure amounting to Rupees 144.105 million (30 June 2023: 9.497 million).
- ii) Letters of credit other than for capital expenditure amounting to Rupees 319.556 million (30 June 2023: Rupees 652.880 million).

	Un-Audited September 30, 2023 Rupees	Audited June 30, 2023 Rupees
6 FIXED ASSETS		
Property, plant and equipment		
Operating fixed assets (Note 6.1)	22,260,790,505	22,479,296,333
Capital work in progress (Note 6.2)	1,730,402,254	1,193,698,101
	<u>23,991,192,759</u>	<u>23,672,994,434</u>
6.1 Operating Assets		
Opening book value	22,479,296,333	18,069,697,664
Additions during the period / year (6.1.1)	219,965,026	6,130,367,603
	<u>22,699,261,359</u>	<u>24,200,065,267</u>
Less: Book value of deletions/write-offs during the period / year (6.1.2)	12,623,087	132,671,033
Less: Depreciation charged during the period / year	425,847,767	1,588,097,901
Closing book value	<u>22,260,790,505</u>	<u>22,479,296,333</u>
6.1.1 Cost of additions during the period / year		
Freehold Land	-	264,122,476
Building on freehold land	64,554,645	777,697,313
Power generation equipment	497,546	185,116,320
Plant and machinery	41,588,409	4,384,548,512
Electric installations	11,159,962	270,251,424
Factory equipment	1,740,028	103,273,425
Furniture and fixtures	13,491,552	43,931,677
Office equipment	4,938,257	20,885,066
Motor vehicles	81,994,627	80,541,390
	<u>219,965,026</u>	<u>6,130,367,603</u>

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

FOR QUARTER ENDED SEPTEMBER 30, 2023

	Un-Audited September 30, 2023	Audited June 30, 2023
	Rupees	Rupees
6.1.2 Book Value of deletions/write-offs during the period / year		
Plant and machinery	43,394,454	365,459,447
Electric installations	-	11,582,719
Factory equipment	-	4,715,294
Furniture and fixtures	67,716	11,625,945
Office equipment	605,485	9,921,653
Motor vehicles	12,279,496	76,732,002
Total Cost of Deletions	56,347,151	480,037,060
Less: Accumulated Depreciation	(43,724,064)	(347,366,027)
	12,623,087	132,671,033
6.2 Capital work-in-progress		
Civil works on freehold land	970,271,575	610,271,483
Plant & Machinery	273,006,195	482,857,156
Mobilization advances	81,511,105	94,424,840
Advances for capital expenditures	405,613,379	6,144,622
	1,730,402,254	1,193,698,101
7 INTANGIBLE ASSET		
Opening book value	1,845,938	635,708
Add: Cost of additions during the period / year	-	1,733,750
Less: Book value of deletions/write-offs during the period / year	-	44,550
Less: Amortization charged during the period / year	193,362	478,970
Closing book value	1,652,576	1,845,938

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

FOR QUARTER ENDED SEPTEMBER 30, 2023

REVENUE

In the following table, revenue from contracts with customers is disaggregated by primary geographical market, major products and service lines and timing of revenue recognition:

Description	Spinning		Weaving		Processing and Home Textile		Power Generation		Total	
	(Un-Audited)		(Un-Audited)		(Un-Audited)		(Un-Audited)		(Un-Audited)	
	QUARTER ENDED 30 SEP 2023	30 SEP 2022	QUARTER ENDED 30 SEP 2023	30 SEP 2022	QUARTER ENDED 30 SEP 2023	30 SEP 2022	QUARTER ENDED 30 SEP 2023	30 SEP 2022	QUARTER ENDED 30 SEP 2023	30 SEP 2022
Rupees										
Region										
Europe	161,677,088	231,420,513	156,610,461	182,304,171	2,973,706,607	1,746,954,095	-	-	3,291,984,156	2,160,678,779
United States of America and Canada	-	3,935,370	58,938,839	56,876,572	1,568,019,153	1,247,592,203	-	-	1,626,957,992	1,307,774,145
Asia, Africa, Australia	5,608,679,672	1,752,832,169	465,476,723	304,255,215	827,743,107	890,695,734	-	-	6,901,799,502	2,947,783,118
Pakistan	9,971,045,226	6,967,311,574	1,968,142,714	1,499,818,653	258,669,147	279,631,655	-	-	12,197,857,087	8,746,761,682
Processing Income	-	-	36,023,238	11,514,909	150,905,762	55,628,554	-	-	186,929,000	67,143,463
Rebate	-	-	148,168	134,947	23,823,593	23,265,932	-	-	23,771,781	23,400,679
Duty drawback	-	-	-	-	-	-	-	-	-	-
	15,741,301,986	8,954,669,626	2,665,340,162	2,054,904,467	5,802,667,370	4,243,788,173	-	-	24,229,309,518	15,253,542,266
Timing of revenue recognition										
Products and services transferred at a point in time	15,741,301,986	8,954,669,626	2,665,340,162	2,054,904,467	5,802,667,370	4,243,788,173	-	-	24,229,309,518	15,253,542,266
Products and services transferred over time	-	-	-	-	-	-	-	-	-	-
	15,741,301,986	8,954,669,626	2,665,340,162	2,054,904,467	5,802,667,370	4,243,788,173	-	-	24,229,309,518	15,253,542,266
Major products / service lines										
Yarn	15,261,564,680	8,729,086,949	249,000	25,843,180	1,674,418	150,000	-	-	15,263,488,099	8,755,080,129
Grey Cloth	-	-	2,614,727,517	2,000,861,600	-	-	-	-	2,614,727,517	2,000,861,600
Processed Cloth	-	-	36,023,238	11,514,909	1,441,172,741	853,890,846	-	-	1,477,195,978	866,405,755
Made Ups	-	-	-	-	4,322,310,628	3,372,595,466	-	-	4,322,310,628	3,372,595,466
Waste	479,737,306	225,782,678	34,340,407	16,684,778	37,509,933	17,141,861	-	-	551,587,296	259,609,317
Electricity	-	-	-	-	-	-	-	-	-	-
	15,741,301,986	8,954,669,626	2,665,340,162	2,054,904,467	5,802,667,370	4,243,788,173	-	-	24,229,309,518	15,253,542,266

Revenue is recognised at point in time as per the terms and conditions of underlying contracts with customers.

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

FOR QUARTER ENDED SEPTEMBER 30, 2023

	Un-audited	
	Quarter Ended	
	September 30, 2023	September 30, 2022
	Rupees	Rupees
9 COST OF GOODS SOLD		
Raw material consumed	14,383,354,323	10,038,999,083
Packing materials consumed	443,073,136	264,065,664
Stores, spare parts and loose tools	355,692,729	329,570,604
Processing charges	4,401,215	2,331,177
Salaries, wages and other benefits	980,796,062	935,048,544
Fuel and power	2,012,604,118	1,817,668,415
Insurance	36,284,194	34,535,502
Postage and telephone	256,453	258,869
Travelling and conveyance	1,897,859	1,789,463
Vehicles' running and maintenance	15,384,285	14,411,333
Entertainment	5,906,137	4,450,578
Depreciation on operating fixed assets	419,973,155	339,379,559
Repair and maintenance	194,261,502	164,006,619
Other factory overheads	44,749,548	27,378,863
	18,898,634,716	13,973,894,273
Work-in-process		
Opening stock	2,557,921,137	2,378,018,568
Closing stock	(2,507,621,616)	(2,024,151,263)
	50,299,521	353,867,305
Cost of goods manufactured	18,948,934,237	14,327,761,578
Finished goods and waste-opening stocks		
Finished goods	6,038,586,320	4,863,754,054
Waste	681,947,132	420,199,392
	6,720,533,452	5,283,953,446
	25,669,467,689	19,611,715,024
Finished goods and waste-closing stocks		
Finished goods	(4,226,852,684)	(5,667,364,819)
Waste	(531,065,444)	(404,565,367)
	(4,757,918,128)	(6,071,930,186)
Cost of goods sold	20,911,549,561	13,539,784,838

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

FOR QUARTER ENDED SEPTEMBER 30, 2023

	Un-audited	
	Quarter Ended	
	September 30, 2023	September 30, 2022
	Rupees	Rupees
10. CASH GENERATED FROM OPERATIONS		
PROFIT /(LOSS) BEFORE TAXATION	856,844,190	44,070,970
Adjustment for non cash charges and other items:		
Depreciation on operating fixed assets	425,847,767	343,445,949
Amortization on intangible assets	193,362	71,345
Depreciation on right-of-use assets	14,770,213	11,720,228
(Gain)/Loss on sale/write-offs of operating fixed assets	(12,143,100)	(7,442,845)
Return on term deposit receipts	(2,134,927)	(899,883)
Finance cost	1,956,847,953	949,096,291
Return on bank deposits	-	(1,448,132)
Net exchange (gain)/loss	(110,568,974)	259,880,265
Amortization of deferred income - Government grant	(38,110,579)	(37,250,411)
(Gain)/Loss on termination of leases	-	(538,279)
(Gain)/Loss on re-measurement of investment at fair value through profit or loss	(4,560,949)	3,356,171
Provision for workers' profit participation fund	43,845,916	1,087,900
Dividend Income	(956,174)	-
Working capital changes (Note 10.1)	(7,766,974,540)	(6,360,052,599)
Cash generated from operations	(4,637,099,842)	(4,794,903,030)
10.1 Working capital changes		
(Increase) / decrease in current assets		
Stores, spare parts and loose tools	(92,744,035)	(1,096,035,339)
Stock in trade	(9,746,234,197)	(4,513,311,868)
Trade debts	(2,720,155,195)	(463,414,338)
Loans and advances	2,678,550,530	(2,109,785,571)
Short term deposits and prepayments	(111,821,064)	(83,937,889)
Other receivables	121,443,954	(181,431,074)
Increase / (decrease) in current liabilities		
Trade and other payables	2,103,985,467	2,087,863,480
	(7,766,974,540)	(6,360,052,599)

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

FOR QUARTER ENDED SEPTEMBER 30, 2023

12. 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 2023	Level 1	Level 2	Level 3	Total
..... Rupees				
Financial assets				
Investment in quoted shares - FVTPL	17,746,588	-	-	17,746,588
Derivative financial assets	-	20,470,713	-	20,470,713
Total financial assets	<u>17,746,588</u>	<u>20,470,713</u>	<u>-</u>	<u>38,217,301</u>
Financial liabilities				
Derivative financial liabilities	-	-	-	-
Total financial liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Recurring fair value measurements At 30 June 2023	Level 1	Level 2	Level 3	Total
..... Rupees				
Financial assets				
Investment in quoted shares - FVTPL	13,185,639	-	-	13,185,639
Derivative financial assets	-	19,326,849	-	19,326,849
Total financial assets	<u>13,185,639</u>	<u>19,326,849</u>	<u>-</u>	<u>32,512,488</u>
Financial liabilities				
Derivative financial liabilities	-	-	-	-
Total financial liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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.

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

FOR QUARTER ENDED SEPTEMBER 30, 2023

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.

13. 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 are as follows:

i) Transactions

	Un-audited	
	Quarter Ended	
	September 30,	September 30,
	2023	2022
	Rupees	Rupees
Subsidiary companies		
Sale of Goods	8,197,791	104,018,114
Associated undertakings		
Donations paid	2,823,677	1,598,500
Common facilities cost charged	4,950,000	4,950,000
Other related parties		
Contribution to employees' provident fund trust	33,051,933	34,615,132
Remuneration of key management personnel and executives	84,227,773	76,633,476

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

FOR QUARTER ENDED SEPTEMBER 30, 2023

ii) Period end balances

	As at Sep 30, 2023 (Un-Audited)			Total
	Subsidiary companies	Associated undertakings	Other related parties	
	Rupees			
Long term investment	510,128,000	-	-	510,128,000
Trade debts	22,604,175	-	-	22,604,175
Other receivables / (payables)	6,009,044	-	(8,109,268)	(2,100,224)
Loans and advances issued	-	-	16,301,212	16,301,212

	As at June 30, 2023 (Audited)			Total
	Subsidiary companies	Associated undertakings	Other related parties	
	Rupees			
Long term investment	510,128,000	-	-	510,128,000
Trade debts	52,670,081	-	-	52,670,081
Other receivables / (payables)	5,420,704	-	(8,300,504)	(2,879,800)
Loans and advances issued	-	-	17,562,811	17,562,811

14 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 2023.

15 CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting", the unconsolidated condensed interim statement of financial position 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 statement of profit or loss, unconsolidated condensed interim statement of comprehensive income and unconsolidated condensed interim statement of cash flows have been compared with the balances of comparable period of immediately preceding financial year.

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However, no significant re-arrangements have been made.

16 DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were approved by the Board of Directors and authorized for issue on October 30, 2023.

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

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

**CONSOLIDATED CONDENSED
INTERIM FINANCIAL INFORMATION**

**FOR THE QUARTER ENDED
SEPTEMBER 30, 2023 (UN-AUDITED)**

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

AS AT SEPTEMBER 30, 2023

Note	Un-audited September 30, 2023 Rupees	Audited June 30, 2023 Rupees
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized share capital	3,700,000,000	3,700,000,000
Issued, subscribed and paid-up share capital	2,401,190,290	2,401,190,290
Reserves	18,688,089,041	18,171,158,417
Equity attributable to equity holders of the Holding Company	21,089,279,331	20,572,348,707
Non-controlling interest	-	-
TOTAL EQUITY	21,089,279,331	20,572,348,707
LIABILITIES		
NON-CURRENT LIABILITIES		
Long term financing	12,044,509,066	12,538,265,074
Lease liabilities	57,258,789	68,666,567
Deferred Liabilities	638,568,044	677,389,719
	12,740,335,899	13,284,321,360
CURRENT LIABILITIES		
Trade and other payables	6,381,197,711	4,256,686,796
Unclaimed dividend	69,088,426	69,141,059
Accrued mark-up / Profit	1,532,297,037	1,397,309,345
Short term borrowings	35,526,563,340	27,881,717,844
Current portion of non-current liabilities	2,262,515,541	2,137,618,315
Provision for taxation - net	392,286,806	144,605,460
	46,163,948,861	35,887,078,819
TOTAL LIABILITIES	58,904,284,760	49,171,400,179
CONTINGENCIES AND COMMITMENTS	5	
TOTAL EQUITY AND LIABILITIES	79,993,564,091	69,743,748,886

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

CHIEF EXECUTIVE

DIRECTOR

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

AS AT SEPTEMBER 30, 2023

	Un-audited September 30, 2023 Rupees	Audited June 30, 2023 Rupees
ASSETS		
NON-CURRENT ASSETS		
Fixed assets	24,342,253,469	24,024,055,144
Intangible assets	1,652,576	1,845,938
Right-of-use assets	98,402,678	113,172,896
Long term loans to employees	10,854,255	11,154,911
Long term security deposits	33,959,024	33,959,024
	24,487,122,002	24,184,187,913
CURRENT ASSETS		
Stores, spare parts and loose tools	2,604,065,075	2,511,321,040
Stock-in-trade	33,349,916,579	23,625,236,042
Trade debts	14,216,528,126	11,362,604,208
Loans and advances	1,390,926,521	4,070,437,994
Short term deposits and prepayments	119,646,046	9,255,894
Other receivables	3,462,287,171	3,616,758,129
Short term investments	55,269,896	80,364,318
Cash and bank balances	307,802,675	283,583,348
	55,506,442,089	45,559,560,973
TOTAL ASSETS	79,993,564,091	69,743,748,886

CHIEF FINANCIAL OFFICER

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

FOR QUARTER ENDED SEPTEMBER 30, 2023

	Quarter Ended	
	September 30, 2023	September 30, 2022
	Rupees	Rupees (Restated)
REVENUE	24,297,064,907	18,468,497,810
COST OF SALES	(20,933,671,717)	(16,305,156,946)
GROSS PROFIT	3,363,393,190	2,163,340,864
DISTRIBUTION COST	(512,385,800)	(484,609,552)
ADMINISTRATIVE EXPENSES	(111,528,031)	(116,867,363)
OTHER OPERATING EXPENSES	(46,684,593)	(385,172,462)
	(670,598,424)	(986,649,377)
	2,692,794,766	1,176,691,487
OTHER OPERATING INCOME	131,365,500	129,502,723
PROFIT/(LOSS) FROM OPERATIONS	2,824,160,266	1,306,194,210
FINANCE COST	(1,957,059,680)	(1,013,013,355)
PROFIT /(LOSS) BEFORE TAXATION	867,100,586	293,180,855
TAXATION	(350,206,869)	(174,902,194)
PROFIT/(LOSS) AFTER TAXATION	516,893,717	118,278,661
PROFIT/(LOSS) ATTRIBUTABLE TO:		
EQUITY HOLDERS OF THE HOLDING COMPANY	516,893,717	(1,002,973)
NON-CONTROLLING INTEREST	-	119,281,634
	516,893,717	118,278,661
EARNINGS/(LOSS) PER SHARE - BASIC & DILUTED	2.15	0.00

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, 2023

	Quarter Ended	
	September 30, 2023	September 30, 2022
	Rupees	Rupees (Restated)
PROFIT/(LOSS) AFTER TAXATION	516,893,717	118,278,661
OTHER COMPREHENSIVE INCOME/(LOSS)		
Exchange difference on translation of foreign operations	36,907	2,124,591
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	516,930,624	120,403,252
TOTAL COMPREHENSIVE INCOME/(LOSS) ATTRIBUTABLE TO:		
EQUITY HOLDERS OF THE HOLDING COMPANY	516,930,624	1,121,618
NON-CONTROLLING INTEREST	-	119,281,634
	516,930,624	120,403,252

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, 2023

		Quarter Ended		
Note	September 30, 2023	September 30, 2022		
		Rupees	Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES				
	Cash generated from / (used in) operations	6	(4,616,690,421)	(6,645,270,038)
	Net (increase) / decrease in long term security deposits		-	(323,793)
	Net (increase) / decrease in long term loans to employees		1,261,599	4,419,352
	Finance cost paid		(1,780,689,417)	(780,062,943)
	Income tax paid		(102,821,577)	(450,309,560)
	Net cash generated from / (used in) operating activities		(6,498,939,817)	(7,871,546,982)
CASH FLOWS FROM INVESTING ACTIVITIES				
	Capital expenditure on property, plant and equipment		(756,669,178)	(493,953,050)
	Capital expenditure on intangible assets		-	(33,750)
	Proceeds from disposal of operating fixed assets		24,766,186	20,976,813
	Dividend received		956,174	-
	Short term investments disposed off - net		30,000,000	8,234,085,380
	Profit / Interest received		1,792,945	3,442,696
	Net cash generated from / (used in) investing activities		(699,153,873)	7,764,518,089
CASH FLOWS FROM FINANCING ACTIVITIES				
	Proceeds from long term financing		9,617,000	230,751,607
	Repayment of long term financing		(414,157,551)	(391,479,642)
	Short term borrowings - net		7,644,845,496	398,534,774
	Repayment of lease liabilities		(17,976,190)	(14,690,371)
	Dividend paid to non-controlling interest		-	(401,434)
	Dividend paid to equity holders of the holding company		(52,645)	(965,898)
	Net cash generated from / (used in) financing activities		7,222,276,110	221,749,036
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		24,182,420	114,720,143
	IMPACT OF EXCHANGE TRANSLATION		36,907	2,124,591
	CASH AND CASH EQUIVALENTS OF NISHAT CHUNAIN POWER LIMITED		-	(46,896,996)
	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		283,583,348	248,790,227
	CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		307,802,675	318,737,965

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, 2023

	ATTRIBUTABLE TO EQUITY HOLDERS OF THE HOLDING COMPANY							Non-controlling Interest	Total Equity
	Share Capital	CAPITAL RESERVE		REVENUE RESERVES			Shareholders Equity		
		Exchange Translation Reserve	Share Premium	General reserve	Un-appropriated profit	Total			
Balance as at June 30, 2022 - (audited)	2,401,190,290	23,438,937	6,00,553,890	1,629,221,278	30,404,170,463	32,033,391,741	35,058,574,858	11,738,807,602	46,797,382,460
Total comprehensive income for the quarter ended September 30, 2022	-	2,124,591	-	-	(1,002,973)	(1,002,973)	1,121,618	119,281,634	120,403,252
Adjustment due to transfer of investment of Holding company in Nishat Chunian Power Limited - former subsidiary company and now associated company	-	-	-	-	(12,661,016,941)	(12,661,016,941)	(12,661,016,941)	(11,588,089,236)	(24,519,106,177)
Balance as at September 30, 2022 - (un-audited)	2,401,190,290	25,563,528	6,00,553,890	1,629,221,278	17,742,150,549	19,371,371,827	22,398,679,535	-	22,398,679,535
Total comprehensive income for the nine months ended June 30, 2023	-	5,052,170	-	-	(870,906,882)	(870,906,882)	(865,854,712)	-	(865,854,712)
Final dividend for the year ended June 30, 2022 @ Rs. 4 per share	-	-	-	-	(960,476,116)	(960,476,116)	(960,476,116)	-	(960,476,116)
Balance as at June 30, 2023 - (audited)	2,401,190,290	30,615,698	6,00,553,890	1,629,221,278	15,910,767,551	17,539,988,829	20,572,348,707	-	20,572,348,707
Total comprehensive income for the quarter ended September 30, 2023	-	36,907	-	-	516,893,717	516,893,717	516,893,624	-	516,893,624
Balance as at September 30, 2023 - (un-audited)	2,401,190,290	30,652,605	6,00,553,890	1,629,221,278	16,427,661,268	18,056,882,546	21,089,279,331	-	21,089,279,331

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

FOR QUARTER ENDED SEPTEMBER 30, 2023

1. GROUP INFORMATION

The Group consists of:

- | | | |
|----------------------|---|---|
| Holding Company | - | Nishat (Chunian) Limited |
| Subsidiary Companies | - | Nishat Chunian Properties (Private) Limited |
| | - | Nishat Chunian USA Inc. |
| | - | Sweave Inc. |
| | - | T L C Middle East Trading L.L.C |

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 Pakistan Stock Exchange Limited. Its registered office is situated at 31-Q, Gulberg II, Lahore. The Holding 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 and cloth and to generate, accumulate, distribute, supply and sell electricity.

Nishat Chunian Properties (Private) Limited

Nishat Chunian Properties (Private) Limited is a private limited company incorporated in Pakistan under the Companies Act, 2017 on 31 January 2022. The registered office of Nishat Chunian Properties (Private) Limited is situated at 31-Q, Gulberg II, Lahore. The principal line of business of Nishat Chunian Properties (Private) Limited is marketing and development of all types of real estate including developed or undeveloped land, housing or commercial projects including commercial markets or multi-storeyed building (for commercial or residential purposes), shopping centres, restaurants, hotels, recreational facilities, etc.

Nishat Chunian USA Inc.

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.

Sweave Inc.

Sweave Inc. is a foreign subsidiary incorporated under the Business Corporation Laws of the State of New York. The registered office of Sweave Inc. is situated at 2728 Railroad Grade Road, Fleetwood, NC 28262, USA. The principal business of the Sweave Inc. is e-commerce retail of home textile products to its domestic customers. Sweave Inc. is a wholly owned subsidiary of Nishat Chunian USA Inc.

FOR QUARTER ENDED SEPTEMBER 30, 2023

T L C Middle East Trading L.L.C

T L C Middle East Trading L.L.C is a limited liability company - Single Owner (LLC - SO) formed in pursuance to the Federal Law No. (2) of 2015 concerning commercial companies and registered with the Department of Economic Development, Government of Dubai. Date of incorporation of T L C Middle East Trading L.L.C is 14 October 2021. The principal business of T L C Middle East Trading L.L.C is textile trading, blankets, towels and linen trading. Commercial address of T L C Middle East Trading L.L.C is Office No. M13, Fatima Building, Al Suq Al Kabeer, Dubai, United Arab Emirates. The capital of T L C Middle East Trading L.L.C is AED 300,000 divided into 300 shares, the value of each share is AED 1,000. Nishat (Chunian) Limited shall own 100% shares of T L C Middle East Trading L.L.C. However, Nishat (Chunian) Limited has not yet remitted funds into the bank account of T L C Middle East Trading L.L.C against the shares subscribed and expects to make investment in shares of T L C Middle East Trading L.L.C shortly.

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 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 2023.

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 2023.

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

FOR QUARTER ENDED SEPTEMBER 30, 2023

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 2023.

5. CONTINGENCIES AND COMMITMENTS

There is no significant change in the status of contingencies as disclosed in the preceding annual audited financial statements of the Group for the year ended 30 June 2023, except for the following:

Contingencies - Holding Company

- i)** Guarantees of Rupees 2,200.704 million (30 June 2023: Rupees 2,110.704 million) are given by the banks of the Holding 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, Chairperson 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 Sindh High Court, Karachi 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 34,449.179 million (30 June 2023: Rupees 34,440.200 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 247.206 million (30 June 2023: Rupees 154.300 million) have been issued to Lahore Electric Supply Company Limited against disputed amount of tariff adjustments, post dated cheques of Rupees 156.532 million (30 June 2023: Rupees 156.532 million) have been issued to Sui Northern Gas Pipelines Limited against gas infrastructure development cess and captive vs industrial tariff case, and post dated cheques of Rupees 189.375 million (30 June 2023: Rupees 189.375 million) have been issued to Commissioner Inland Revenue against the proceedings under section 122(5A) for tax year 2022.

Commitments - Holding Company

- i)** Letters of credit for capital expenditure amounting to Rupees 144.105 million (30 June 2023: 9.497 million).
- ii)** Letters of credit other than for capital expenditure amounting to Rupees 319.556 million (30 June 2023: Rupees 652.880 million).

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

FOR QUARTER ENDED SEPTEMBER 30, 2023

	Un-audited	
	Quarter Ended	
	September 30, 2023	September 30, 2022
	Rupees	Rupees
6. CASH (USED IN) / GENERATED FROM OPERATIONS		
Profit before taxation	867,100,586	293,180,855
Adjustment for non-cash charges and other items:		
Depreciation on operating fixed assets	425,847,767	438,542,156
Amortization on intangible assets	193,362	71,345
Depreciation on right-of-use asset	14,770,213	11,720,228
(Gain)/Loss on sale/write-offs of operating fixed assets - net	(12,143,100)	(7,442,845)
Realized loss on derivative financial instruments	-	41,446,427
Return on term deposit receipts	(2,134,927)	(6,988,715)
Return on bank deposits	(2,647)	(2,863,070)
Amortization of deferred income - Government grant	(38,110,579)	(37,331,578)
(Gain)/Loss on termination of leases	-	(538,279)
(Gain)/Loss on re-measurement of investment at fair value through profit or loss	(4,560,949)	3,356,171
Provision for workers' profit participation fund	43,845,916	1,087,900
Net Exchange (gain)/loss	(110,568,974)	263,929,362
Dividend Income	(956,174)	-
Finance cost	1,957,059,680	1,013,013,355
Working capital changes (Note 6.1)	(7,757,030,596)	(8,656,453,350)
Cash generated from / (used in) operations	(4,616,690,421)	(6,645,270,038)
6.1 Working capital changes		
(Increase) / decrease in current assets		
Stores, spare parts and loose tools	(92,744,035)	(1,177,168,622)
Stock in trade	(9,724,680,537)	(4,208,030,763)
Trade debts	(2,719,379,874)	(3,535,321,855)
Loans and advances	2,678,550,530	(1,856,722,723)
Short term deposits and prepayments	(110,390,152)	(83,937,889)
Other receivables	147,118,239	(243,493,297)
Increase / (decrease) in current liabilities		
Trade and other payables	2,064,495,233	2,448,221,799
	(7,757,030,596)	(8,656,453,350)

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

FOR QUARTER ENDED SEPTEMBER 30, 2023

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 are as follows:

i) Transactions

	Un-audited	
	Quarter Ended	
	September 30, 2023	September 30, 2022
	Rupees	Rupees
Associated company		
Donations paid	2,823,677	1,598,500
Common facilities cost charged	4,950,000	4,950,000
Other related parties		
Contribution to employees' provident fund trust	33,051,933	34,615,132
Remuneration of key management personnel and executives	88,591,871	77,978,082

ii) Period end balances

As at Sep 30, 2023 (Un-Audited)		
Associated undertakings	Other related parties	Total
Rupees		
Trade debts	-	-
Other receivables / (payables)	(8,109,268)	(8,109,268)
Loans and advances issued	16,301,212	16,301,212

As at June 30, 2023 (Audited)		
Associated undertakings	Other related parties	Total
Rupees		
Trade debts	-	-
Other receivables / (payables)	(8,300,504)	(8,300,504)
Loans and advances issued	17,562,811	17,562,811

FOR QUARTER ENDED SEPTEMBER 30, 2023

8. CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard (IAS) 34 'Interim Financial Reporting', the consolidated condensed interim statement of financial position and consolidated condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding financial year, whereas, the consolidated condensed interim statement of profit or loss, consolidated condensed interim statement of comprehensive income and consolidated condensed interim statement of cash flows 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.

9. DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial statements were approved and authorized for issue on October 30, 2023 by the Board of Directors of the Holding Company.

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

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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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