



**Interim Financial Information**  
Nine Months Ended March 31, 2020  
(Unaudited)



Nishat Chunian Limited

# Director's Report

## Dear Shareholders

The Board of Directors is pleased to announce the unaudited results of Nishat (Chunian) Limited ("the Company") for the nine months ended on March 31, 2020.

## Operating Financial Results

Sales clocked in at Rs. 30.02 billion as compared to Rs. 29.25 billion during the corresponding nine months of previous fiscal year, registering an increase of 2.65%. Profit after tax of the Company for the nine months ended is 1.17%, translating into EPS of Rs. 1.47 as compared to RS. 10.16 in the same period last month.

Financial Highlights	Nine months ended March 31		Increase / Decrease %
	2020	2019	
Sales (Rs.)	30,025,909,247	29,250,895,189	2.65%
Gross Profit (Rs.)	3,647,049,385	3,800,799,598	-4.05%
Profit After Taxation (Rs.)	352,003,354	2,440,957,824	-85.58%
Gross Profit %	12.15%	12.99%	
Profit After Tax %	1.17%	8.34%	
Earnings Per Share (Rs.)	1.47	10.16	

## Market Review and Future Prospects

During the year the industry faced a broad spectrum of challenges which includes skyrocketing interest rates and inflation. Further, problems such as uncertainty of electricity prices, China USA trade wars, poor cotton crop and pandemic of corona virus has further deteriorated the overall situation. If the current situation persists the local industry will be tested to the limits. However, the situation in China presents an opportunity for local industry to fill in the vacuum, further the government decision to provide additional discounted loans to value added export sectors is commendable. Recent decrease in the interest rates will favorably affect the economy, however we believe the rates need to be reduced even further. During the pandemic lockdown Government have processed substantial sales tax refunds which is a big sigh of relief under the current circumstances.

The management has very recently added new digital printing machines to its value-added business. Further, the management has decided to replace a sizeable number of looms to bring in more diversity in the weaving production line. In addition to this the management recurrently visits different textile units across the world in order to bring in latest management, technological and cost cutting ideas.

"The Linen Company (TLC)", is already successfully running 5 outlets in 4 major cities and further looking to expand its retail network by opening two more outlets in coming month.

## Subsidiary Companies and Consolidated Financial Statements

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

## Acknowledgement

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

For and on behalf of the Board,

Chief Executive

Director

Date: 30<sup>th</sup> April 2020

**NISHAT (CHUNIAN) LIMITED**  
Statement of Financial Position  
As at March 31, 2020

	Un-Audited March 31, 2020	Audited June 30, 2019	Un-Audited March 31, 2020	Audited June 30, 2019
Note	Rupees	Rupees	Rupees	Rupees
<b>EQUITY AND LIABILITIES</b>				
<b>SHARE CAPITAL AND RESERVES</b>				
5	3,000,000,000	3,000,000,000	11,767,149,724	11,112,476,842
6	2,401,190,290	2,402,215,560	60,661,849	-
	12,685,468,016	12,936,222,882	250,103	669,454
	15,086,658,306	15,338,438,442	3,086,681,200	3,309,286,040
			12,492,766	15,916,295
			32,278,495	26,120,190
			14,959,514,137	14,464,468,821
<b>LIABILITIES</b>				
<b>NON-CURRENT LIABILITIES</b>				
7	3,596,227,250	3,657,436,300		
8	44,861,274	-		
<b>CURRENT LIABILITIES</b>				
	3,618,948,394	2,842,610,390	805,017,062	752,354,029
	50,714,364	52,301,675	17,012,793,389	15,721,247,262
	552,314,418	431,379,587	6,262,012,865	6,426,369,277
	26,778,716,049	20,091,978,160	6,038,814,946	2,361,354,660
	1,093,522,970	1,093,798,900	25,386,557	9,339,730
	32,094,216,145	24,512,068,712	3,269,050,398	3,582,338,309
	35,735,304,669	28,169,505,012	2,024,585,432	152,055,594
			36,915,927	20,687,395
			35,862,448,838	29,043,474,633
<b>CONTINGENCIES AND COMMITMENTS</b>				
10				
			50,821,962,975	43,507,943,454
			50,821,962,975	43,507,943,454

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

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

**NISHAT (CHUNIAN) LIMITED**  
**Statement of Profit or Loss**  
**For the nine months ended March 31, 2020**

Note	Nine Months Ended		Quarter Ended	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	Rupees	Rupees	Rupees	Rupees
SALES	30,025,909,247	29,250,895,189	9,998,064,787	9,930,554,480
COST OF SALES	(26,378,859,862)	(25,450,095,591)	(8,896,670,385)	(8,714,352,018)
<b>GROSS PROFIT</b>	<b>3,647,049,385</b>	<b>3,800,799,598</b>	<b>1,101,394,402</b>	<b>1,216,202,462</b>
DISTRIBUTION COST	(668,725,619)	(712,902,441)	(202,996,874)	(234,136,420)
ADMINISTRATIVE EXPENSES	(262,023,894)	(204,435,876)	(88,089,276)	(75,385,328)
OTHER OPERATING EXPENSES	(279,853,233)	(130,421,410)	(207,645,064)	(23,680,577)
	(1,210,602,746)	(1,047,759,727)	(498,731,214)	(333,202,325)
	2,436,446,639	2,753,039,871	602,663,188	883,000,137
OTHER OPERATING INCOME	317,353,014	1,567,348,757	97,726,451	258,953,170
PROFIT FROM OPERATIONS	<b>2,753,799,653</b>	<b>4,320,388,628</b>	<b>700,389,639</b>	<b>1,141,953,307</b>
FINANCE COST	(2,033,589,015)	(1,517,041,848)	(756,765,625)	(637,305,804)
<b>PROFIT BEFORE TAXATION</b>	<b>720,210,638</b>	<b>2,803,346,780</b>	<b>(56,375,986)</b>	<b>504,647,503</b>
TAXATION	(368,207,284)	(362,388,956)	(113,806,581)	(81,765,602)
<b>PROFIT AFTER TAXATION</b>	<b>352,003,354</b>	<b>2,440,957,824</b>	<b>(170,182,567)</b>	<b>422,881,901</b>
EARNINGS PER SHARE - BASIC & DILUTED	<b>1.47</b>	<b>10.16</b>	<b>(0.71)</b>	<b>1.76</b>

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

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CHIEF EXECUTIVE

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DIRECTOR

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CHIEF FINANCIAL OFFICER

**NISHAT (CHUNIAN) LIMITED**  
**Statement Of Comprehensive Income**  
**For the nine months ended March 31, 2020**

	Nine Months Ended		Quarter Ended	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	Rupees	Rupees	Rupees	Rupees
PROFIT AFTER TAXATION	352,003,354	2,440,957,824	(170,182,567)	422,881,901
OTHER COMPREHENSIVE INCOME	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	352,003,354	2,440,957,824	(170,182,567)	422,881,901

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

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 CHIEF EXECUTIVE

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 DIRECTOR

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 CHIEF FINANCIAL OFFICER

**NISHAT (CHUNIAN) LIMITED**  
**Statement of Cash Flows**  
**For the nine months ended March 31, 2020**

	Note	Nine Months Ended	
		March 31, 2020	March 31, 2019
		Rupees	Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from / (utilized in) operations	15	899,704,726	(2,495,732,210)
Net increase in long term security deposits		(6,158,305)	(2,472,750)
Net decrease/(increase) in long term loans to employees		3,423,529	(2,105,476)
Finance cost paid		(1,906,023,655)	(1,132,894,896)
Income tax paid		(212,383,543)	(249,533,296)
<b>Net cash utilized in operating activities</b>		<b>(1,221,437,248)</b>	<b>(3,882,738,628)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure on property, plant and equipment		(1,351,198,632)	(466,694,988)
Proceeds from disposal of operating fixed assets		36,266,799	2,510,937
Proceeds from long term investments		220,900,000	322,000,000
Loans and advances to subsidiary companies		(10,544,357,205)	(5,859,033,604)
Repayment of loans from subsidiary companies		8,876,482,000	4,873,270,289
Dividend received from subsidiary company		-	468,964,550
Interest income received from subsidiary companies		17,331,773	33,883,672
Short term investments made		(2,000,701,316)	988,949
Profit on bank deposits received		7,258,357	265,953
<b>Net cash utilized in investing activities</b>		<b>(4,738,018,225)</b>	<b>(623,844,242)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from long term financing		865,640,000	-
Repayment of long term financing		(947,833,550)	(1,086,677,300)
Repayment of lease liabilities		(20,530,515)	-
Payment for ordinary shares bought-back		(3,485,918)	-
Short term borrowings - net		6,686,737,889	6,496,523,327
Dividend paid		(601,884,883)	(950,854,469)
<b>Net cash generated from financing activities</b>		<b>5,978,643,023</b>	<b>4,458,991,558</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>19,187,550</b>	<b>(47,591,312)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>		<b>17,728,377</b>	<b>76,444,854</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<b>36,915,927</b>	<b>28,853,542</b>

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

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**CHIEF EXECUTIVE**

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**DIRECTOR**

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**CHIEF FINANCIAL OFFICER**