

## DIRECTOR'S REPORT

### Dear Shareholders

The Board of Directors is pleased to announce the unaudited results of Nishat (Chunian) Limited ("the Company") for the quarter ended 30 September 2020.

### Operating Financial Results

Sales clocked in at Rs. 11.93 billion as compared to Rs. 9.55 billion during the corresponding quarter of previous fiscal year, registering an increase of 25.04%. Profit after tax of the Company for the quarter is 4.02% which stood at 1.81% in the corresponding period for prior year, translating into EPS of Rs. 2.00 as compared to RS. 0.72 in the same period last year.

Financial Highlights	Quarter ended September 30		Increase / (Decrease) %
	2020	2019	
Sales (Rs.)	11,939,510,198	9,548,553,675	25.04%
Gross Profit (Rs.)	1,275,611,445	1,195,654,458	6.69%
Profit After Taxation (Rs.)	480,311,689	173,267,272	177.21%
Gross Profit %	10.68%	12.52%	
Profit After Tax %	4.02%	1.81%	
Earnings Per Share (Rs.)	2.00	0.72	

### Market Review and Future Prospects

As we continue our business in such testing times where COVID-19 persists and economic environment is not very welcoming with heightening inflation and ongoing US-China trade war, it is very encouraging to witness yet an improvement in revenue as well as profitability. However, there are major challenges encompassing us down the road. The second wave for coronavirus has been officially declared by the government and this could mean another lockdown in the next quarter. Increase in power tariff from 7.5 US cent to 9 US cent with effect from 1<sup>st</sup> September 2020 poses an eminent threat towards cost efficiency. For current year, there has been a sizable decline in production of cotton, plunging down the projected output to 21 years' lowest for Pakistan. The quality of cotton is also compromised due to excessive rain, substandard seeds and pesticides. However, as cotton is becoming expensive globally, we see an opportunity to settle this by subsequently transferring its impact onwards to customers.

As glut of demand for value added textile business has come forth with retail sector opening up worldwide post COVID-19 lockdown, companies are already operating at full capacity to grasp this opportunity as exports for this quarter are already quite impressive. While Chinese export market is splitting up as buyers are exploring other untapped parts of continent as an alternate, this is opening new avenues for local players. This is definitely another manifestation for improved profitability prospects for the business.

The management has recently added 3 Digital Printing Machines along with 300 latest state of the art Stitching machines to its value-added business. Further, the management replaced and enhance 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)", has opened two new shops in Karachi and Lahore each, taking the total retail outlets tally to six, besides a separate online base named as "E-Shop" for customers throughout the country.

### 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: 29<sup>th</sup> October 2020

**NISHAT (CHUNIAN) LIMITED**  
**Statement of Financial Position**  
**As at September 30, 2020**

	Un-audited September 30, 2020	Audited June 30, 2020		Un-audited September 30, 2020	Audited June 30, 2020		
Note	Rupees	Rupees	Note	Rupees	Rupees		
<b>EQUITY AND LIABILITIES</b>			<b>ASSETS</b>				
<b>SHARE CAPITAL AND RESERVES</b>			<b>NON-CURRENT ASSETS</b>				
Authorized share capital	5	<u>4,200,000,000</u>	4,200,000,000	Fixed assets	11	<u>16,249,237,027</u>	16,569,284,419
Issued, subscribed and paid up share capital	6	<u>2,401,190,290</u>	2,401,190,290	Right-of-use assets	12	<u>103,927,322</u>	93,072,385
Reserves		<u>11,716,519,674</u>	11,236,207,985	Intangible assets	13	<u>15,293</u>	110,318
Total equity		<u>14,117,709,964</u>	13,637,398,275	Long term investments		<u>1,886,681,200</u>	1,886,681,200
				Long term loans to employees		<u>18,503,775</u>	11,905,910
				Long term security deposits		<u>30,970,195</u>	31,689,760
<b>LIABILITIES</b>				<u>18,289,334,812</u>	18,592,743,992		
<b>NON-CURRENT LIABILITIES</b>							
Long term financing	7	<u>5,906,676,121</u>	6,005,068,426	<b>CURRENT ASSETS</b>			
Lease Liabilities	8	<u>68,638,683</u>	71,968,923	Stores, spare parts and loose tools		<u>1,054,607,726</u>	934,214,456
				Stock-in-trade		<u>14,120,160,288</u>	19,988,076,994
<b>CURRENT LIABILITIES</b>				Trade debts		<u>6,032,163,757</u>	4,686,630,353
Trade and other payables		<u>3,848,703,057</u>	4,455,680,126	Loans and advances		<u>1,583,987,728</u>	1,106,668,001
Unclaimed Dividend		<u>50,714,364</u>	50,714,364	Short term prepayments		<u>72,944,088</u>	45,835,883
Accrued mark-up		<u>292,147,480</u>	463,028,006	Other receivables		<u>2,024,489,329</u>	2,305,811,963
Short term borrowings	9	<u>18,158,318,496</u>	22,554,435,284	Accrued Interest		<u>88,548</u>	5,321,600
Current portion of non-current liabilities		<u>956,662,727</u>	512,310,173	Short term investments		<u>38,878,637</u>	37,833,033
		<u>23,306,546,124</u>	28,036,167,953	Cash and bank balances		<u>182,915,979</u>	47,467,302
<b>TOTAL LIABILITIES</b>		<u>29,281,860,928</u>	34,113,205,302	<u>25,110,236,080</u>		29,157,859,585	
<b>CONTINGENCIES AND COMMITMENTS</b>			10				
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>43,399,570,892</u>	47,750,603,577	<b>TOTAL ASSETS</b>		<u>43,399,570,892</u>	47,750,603,577

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 quarter ended September 30, 2020**

	Note	Quarter Ended	
		September 30,	September 30,
		2020	2019
		Rupees	Rupees
SALES		11,939,510,198	9,548,553,675
COST OF SALES	14	(10,663,898,753)	(8,352,899,217)
<b>GROSS PROFIT</b>		<b>1,275,611,445</b>	<b>1,195,654,458</b>
DISTRIBUTION COST		(282,699,621)	(227,407,462)
ADMINISTRATIVE EXPENSES		(68,157,633)	(77,597,760)
OTHER OPERATING EXPENSES		(41,955,202)	(67,331,839)
		(392,812,456)	(372,337,061)
		882,798,989	823,317,397
OTHER OPERATING INCOME		206,354,426	88,540,628
PROFIT FROM OPERATIONS		<b>1,089,153,415</b>	<b>911,858,025</b>
FINANCE COST		(459,007,942)	(618,889,628)
<b>PROFIT BEFORE TAXATION</b>		<b>630,145,473</b>	<b>292,968,397</b>
TAXATION		(149,833,784)	(119,701,125)
<b>PROFIT AFTER TAXATION</b>		<b>480,311,689</b>	<b>173,267,272</b>
<b>EARNINGS PER SHARE - BASIC &amp; DILUTED</b>		<b>2.00</b>	<b>0.72</b>

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

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

**NISHAT (CHUNIAN) LIMITED**  
**Statement Of Comprehensive Income**  
**For the quarter ended September 30, 2020**

	<b>Quarter Ended</b>	
	<b>September 30, 2020</b>	<b>September 30, 2019</b>
	<b>Rupees</b>	<b>Rupees</b>
PROFIT AFTER TAXATION	480,311,689	173,267,272
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>480,311,689</u>	<u>173,267,272</u>

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

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

\_\_\_\_\_  
**DIRECTOR**

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

**NISHAT (CHUNIAN) LIMITED**  
**Statement of Cash Flows**  
**For the quarter ended September 30, 2020**

	Note	Quarter Ended	
		September 30, 2020	September 30, 2019
		Rupees	Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash generated from operations</b>	15	4,925,573,296	3,911,720,331
Net increase in long term security deposits		719,565	-
Net (increase)/decrease in long term loans to employees		(6,597,865)	1,821,375
Finance cost paid		(626,337,472)	(448,337,379)
Income tax paid		(115,961,846)	(71,123,398)
<b>Net cash generated from operating activities</b>		<u>4,177,395,678</u>	<u>3,394,080,929</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure on property, plant and equipment		11,163,074	(146,895,349)
Proceeds from disposal of operating fixed assets		19,663,604	167,755
Loans and advances to subsidiary companies		(350,000,000)	(2,778,072,000)
Repayment of loans from subsidiary companies		350,000,000	862,576,554
Interest income received from subsidiary companies		5,321,604	-
Short term investments made		(1,045,604)	27,169
Profit on bank deposits received		1,184,126	(26,870)
<b>Net cash generated from / (utilized in) investing activities</b>		36,286,804	(2,062,222,741)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from long term financing		383,471,776	-
Repayment of long term financing		(54,156,705)	(400,934,100)
Repayment of lease liabilities		(11,432,088)	-
Short term borrowings - net		(4,396,116,788)	(642,541,363)
Dividend paid		-	(2,299)
<b>Net cash utilized in financing activities</b>		(4,078,233,805)	(1,043,477,762)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<u>135,448,677</u>	<u>288,380,426</u>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>		47,467,302	17,728,377
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<u><u>182,915,979</u></u>	<u><u>306,108,803</u></u>

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

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

\_\_\_\_\_  
**DIRECTOR**

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

**NISHAT (CHUNIAN) LIMITED**  
**Unconsolidated condensed interim Statement of Changes in Equity (Un-audited)**  
**For the quarter ended September 30, 2020**

Share Capital	CAPITAL RESERVES	REVENUE RESERVES			TOTAL EQUITY	
	SHARE PREMIUM	General reserve	Unappropriated profit	Total		
Rupees						
<b>Balance as at 30 June 2019 - (audited)</b>	<b>2,402,215,560</b>	<b>600,553,890</b>	<b>1,629,221,278</b>	<b>10,706,447,714</b>	<b>12,335,668,992</b>	<b>15,338,438,442</b>
Total comprehensive income for the quarter ended 30 September 2019	-	-	-	173,267,272	173,267,272	173,267,272
<b>Balance as at 30 September 2019 - (un-audited)</b>	<b>2,402,215,560</b>	<b>600,553,890</b>	<b>1,629,221,278</b>	<b>10,879,714,986</b>	<b>12,508,936,264</b>	<b>15,511,705,714</b>
Transactions with owners:						
Buy-back of ordinary shares	(1,025,270)	-	-	(2,460,648)	(2,460,648)	(3,485,918)
Final dividend for the year ended 30 June 2019 @ Rupees 2.50 per ordinary share	-	-	-	(600,297,573)	(600,297,573)	(600,297,573)
	(1,025,270)	-	-	(602,758,221)	(602,758,221)	(603,783,491)
Total comprehensive income for the nine months ended 30 June 2020	-	-	-	92,102,108	92,102,108	92,102,108
Transfer upon amalgamation	-	-	-	(1,362,626,056)	(1,362,626,056)	(1,362,626,056)
<b>Balance as at 30 June 2020 - (audited)</b>	<b>2,401,190,290</b>	<b>600,553,890</b>	<b>1,629,221,278</b>	<b>9,006,432,817</b>	<b>10,635,654,095</b>	<b>13,637,398,275</b>
Total comprehensive income for the quarter ended 30 September 2020	-	-	-	480,311,689	480,311,689	480,311,689
<b>Balance as at 30 September 2020 - (un-audited)</b>	<b>2,401,190,290</b>	<b>600,553,890</b>	<b>1,629,221,278</b>	<b>9,486,744,506</b>	<b>11,115,965,784</b>	<b>14,117,709,964</b>

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

\_\_\_\_\_  
**DIRECTOR**

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

**NISHAT (CHUNIAN) LIMITED**  
**Selected Notes to the Unconsolidated Condensed Interim Financial Information (Un-audited)**  
**For the quarter ended September 30, 2020**

**1. THE COMPANY AND ITS OPERATIONS**

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

**2. BASIS OF PREPARATION**

These condensed unconsolidated interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and Provisions of and directives issued under the Companies Act, 2017. Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed. This unconsolidated condensed interim financial information should be read in conjunction with the preceding audited annual published financial statements of the Company for the year ended 30 June 2020.

**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 2020.

**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 2020.

**5. AUTHORIZED SHARE CAPITAL**

<b>Un-audited September 30, 2020</b>	<b>Audited June 30, 2020</b>		<b>Un-audited September 30, 2020</b>	<b>Audited June 30, 2020</b>
(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>



5.1 The authorised share capital of NC Electric Company Limited of Rupees 1,200,000,000 (120,000,000 ordinary shares) stands merged / amalgamated into the authorised share capital of the Company on 30 June 2020.

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

Un-audited September 30, 2020	Audited June 30, 2020		Un-audited September 30, 2020	Audited June 30, 2020
(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>

### 6.1 Movement during the period / year:

240,119,029	240,221,556	At 01 July	2,401,190,290	2,402,215,560
-	(102,527)	Buy-back of ordinary shares of Rupees 10 each	-	(1,025,270)
<u>240,119,029</u>	<u>240,119,029</u>	At 31 March	<u>2,401,190,290</u>	<u>2,401,190,290</u>

6.1.1 During the nine months ended 31 March 2020, the Company purchased and cancelled 102,527 ordinary shares. The buy-back and cancellation were approved by shareholders at their extra ordinary general meeting held on 31 August 2019. The ordinary shares were acquired at a price of Rupees 34 per ordinary share.

	Un-audited September 30, 2020	Audited June 30, 2020
	Rupees	Rupees
<b>7. LONG TERM FINANCING</b>		
<b>From Banking Companies / financial institutions -Secured</b>		
Long Term Loans	6,518,517,066	5,728,090,883
Long Term Musharaka	300,000,000	761,111,112
	<u>6,818,517,066</u>	<u>6,489,201,995</u>
Less: Current portion shown under current liabilities	911,840,945	484,133,569
Non-current portion	<u>5,906,676,121</u>	<u>6,005,068,426</u>
	<b>Un-audited September 30, 2020</b>	<b>Audited June 30, 2020</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>8. LEASE LIABILITIES</b>		
Total lease liabilities	113,460,465	100,145,527
Less: Current portion shown under current liabilities	44,821,782	28,176,604
	<u>68,638,683</u>	<u>71,968,923</u>

	<b>Un-audited September 30, 2020</b>	Audited June 30, 2020
	<b>Rupees</b>	Rupees
<b>9. SHORT TERM BORROWINGS</b>		
Short term running finances	4,855,743,839	7,362,297,776
Export finances - Preshipment/SBP refinance	9,545,284,865	10,162,627,812
Other short term finances	3,757,289,792	5,029,509,696
	<u>18,158,318,496</u>	<u>22,554,435,284</u>

## 10. CONTINGENCIES AND COMMITMENTS

### Contingencies

There is no significant change in the status of contingencies as disclosed in the preceding audited annual financial statements of the Company for the year ended 30 June 2020 except for the following:

- i) Guarantees of Rupees 782.085 million (30 June 2020: Rupees 782.085 million) are given by the banks of the Company to Sui Northern Gas Pipelines Limited against gas connections, Shell Pakistan Limited against purchase of furnace oil, Lahore Electric Supply Company Limited against electricity connection, Director Excise and Taxation, Karachi against infrastructure cess, Chairman Punjab Revenue Authority, Lahore against infrastructure cess, Director Pakistan Central Cotton Committee against cotton cess, and Nazir, Honourable High Court, Sindh against the notification in accordance with section 8 of OGRA Ordinance 2002, regarding system gas tariff on industrial and captive units.
- ii) Post dated cheques have been issued to custom authorities in respect of duties amounting to Rupees 3316.444 million (30 June 2020: Rupees 4,756.109 million) on imported material availed on the basis of consumption and export plans. In the event the documents of exports are not provided on due dates, cheque issued as security shall be encashable.

### Commitments

- i) Letters of credit other than for capital expenditure are Rupees 305.275 million (30 June 2020: Rupees 407.110 million).
- ii) Outstanding foreign currency forward contracts of Rupees 7,702.692 million (30 June 2020: Rupees 7,248.326 million).

	<b>Un-audited September 30, 2020</b>	Audited June 30, 2020
	<b>Rupees</b>	Rupees
<b>11. FIXED ASSETS</b>		
Property, plant and equipment		
Operating fixed assets (Note 11.1)	16,110,940,258	16,282,580,673
Capital work in progress (Note 11.2)	138,296,769	286,703,746
	<u>16,249,237,027</u>	<u>16,569,284,419</u>
<b>11.1 Operating Assets</b>		
Opening book value	16,282,580,673	10,820,177,910
Additions during the period / year (11.1.1)	137,243,905	1,705,070,585
	<u>16,419,824,578</u>	<u>12,525,248,495</u>
Book value of deletions during the period / year (11.1.2)	28,748,951	51,427,518
Assets transferred upon amalgamation during the year (11.1.3)	-	4,720,588,324
Less: Depreciation charged during the period / year	280,135,368	911,828,628
	<u>16,110,940,258</u>	<u>16,282,580,673</u>
<b>11.1.1 Cost of additions during the period / year</b>		
Land	2,053,561	215,991,523
Building on freehold land	-	43,683,483
Power generation equipments	14,179,856	-
Plant and machinery	88,159,208	1,344,791,993
Electric installations	4,433,668	25,012,910
Factory equipment	3,707,250	1,703,707
Furniture and fixtures	5,071,846	7,079,835
Office equipment	4,450,516	11,912,266
Motor vehicles	15,188,000	54,894,868
	<u>137,243,905</u>	<u>1,705,070,585</u>

**11.1.2 Book Value of deletions during the period / year**

Plant and machinery	70,746,228	168,894,010
Electric installations	-	777,500
Factory equipment	-	9,266,461
Furniture and fixtures	131,579	6,086,940
Office equipment	198,500	13,005,498
Motor vehicles	16,625,080	9,738,424
Total Cost of Deletions	87,701,387	207,768,833
Less: Accumulated Depreciation	(58,952,436)	(156,341,315)
	<u>28,748,951</u>	<u>51,427,518</u>

**11.1.3 Assets transferred upon amalgamation during the period / year**

Land		112,298,075
Building on freehold land		1,363,228,486
Plant and machinery		3,836,756,300
Electric installations		5,294,978
Factory equipment		-
Furniture and fixtures		360,840
Office equipment		1,852,321
Motor vehicles		30,236,510
Total cost of assets transferred	-	5,350,027,510
Less: Accumulated Depreciation	-	(629,439,186)
	-	<u>4,720,588,324</u>

**11.2 Capital work-in-progress**

Civil works on freehold land	97,756,812	1,387,630
Mobilization advances	1,261,569	9,779,869
Advances for capital expenditures	32,136,387	281,131,433
	<u>138,296,769</u>	<u>292,298,932</u>

**Buildings**

Rupees

**12. RIGHT-OF-USE ASSETS**

Net carrying amount as at 01 July 2020	93,072,385
Net carrying amount as at 30 September 2020	103,927,322
Depreciation expense for the period ended 30 September 2020	10,341,092
Addition during the period ended 30 September 2020	21,196,029

**12.1 Lease of buildings**

The Company obtained 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.

**13. INTANGIBLE ASSET**

Computer software

Un-audited September 30, 2020	Audited June 30, 2020
Rupees	Rupees
<u>15,293</u>	<u>110,318</u>
-	-

**13.1 Intangible asset - Computer software**

Opening book value	110,318	669,454
Add: Cost of additions during the period / year	-	-
Less: Amortization charged during the period / year	95,025	559,136
Closing book value	<u>15,293</u>	<u>110,318</u>

Un-audited	
Quarter Ended	
September 30, 2020	September 30, 2019

..... Rupees .....

**14. COST OF GOODS SOLD**

Raw material consumed	6,833,913,896	6,599,689,085
Packing materials consumed	310,557,622	229,743,788
Stores, spare parts and loose tools	163,958,247	158,340,503
Commercial Processing Stitching etc.	21,839,482	74,339,297
Salaries, wages and other benefits	712,961,162	672,121,110
Fuel and power	871,143,227	1,060,445,172
Insurance	23,627,649	14,894,071
Postage and telephone	218,427	238,046
Travelling and conveyance	990,720	534,904
Vehicles running and maintenance	7,348,793	11,205,176
Entertainment	4,551,289	2,917,908
Depreciation	276,510,881	214,353,641
Repair and maintenance	111,462,046	111,213,260
Other factory overheads	25,601,213	47,322,326
	<u>9,364,684,654</u>	<u>9,197,358,287</u>
<b>Work-in-process</b>		
Opening stock	1,131,081,567	1,039,191,965
Closing stock	(1,036,234,752)	(1,330,971,429)
	<u>94,846,815</u>	<u>(291,779,464)</u>
Cost of goods manufactured	<u>9,459,531,469</u>	<u>8,905,578,823</u>
<b>Finished goods and waste-opening stocks</b>		
Finished goods	4,098,769,328	2,538,481,385
Waste	175,341,896	60,348,016
	<u>4,274,111,224</u>	<u>2,598,829,401</u>
	<u>13,733,642,693</u>	<u>11,504,408,224</u>
<b>Finished goods and waste-closing stocks</b>		
Finished goods	(2,988,218,760)	(3,049,583,422)
Waste	(81,525,180)	(101,925,585)
	<u>(3,069,743,940)</u>	<u>(3,151,509,007)</u>
<b>Cost of goods sold</b>	<u><u>10,663,898,753</u></u>	<u><u>8,352,899,217</u></u>

	Un-audited Quarter Ended	
	September 30, 2020	September 30, 2019
	Rupees	Rupees
<b>15. CASH GENERATED FROM OPERATIONS</b>		
<b>Profit before taxation</b>	630,145,473	292,968,397
Adjustment for non cash charges and other items:		
Depreciation on operating fixed assets	280,135,368	216,078,675
Amortization on intangible assets	95,026	139,784
Depreciation on right-of-use asset	10,341,092	-
(Gain)/Loss on sale of operating fixed assets	9,085,346	-
Interest income on loan to subsidiary company	(88,552)	(70,965,751)
Interest on bank deposits	(1,184,126)	(625,200)
Finance cost	459,007,942	618,889,628
Working capital changes (Note 15.1)	3,538,035,727	2,855,234,798
<b>Cash generated from operations</b>	<u>4,925,573,296</u>	<u>3,911,720,331</u>
<b>15.1 Working capital changes</b>		
<b>(Increase) / decrease in current assets</b>		
- Stores, spare parts and loose tools	(120,393,270)	(167,381,680)
- Stock in trade	5,867,916,706	887,013,476
- Trade debts	(1,345,533,404)	1,310,019,833
- Loans and advances	(477,319,727)	(444,919,469)
- Short term deposits and prepayments	(27,108,205)	(33,521,807)
- Other receivables	247,450,696	173,158,105
<b>Increase in current liabilities</b>		
- Trade and other payables	(606,977,069)	1,130,866,340
	<u>3,538,035,727</u>	<u>2,855,234,798</u>

16. SEGMENT INFORMATION

	Spinning						Weaving				Processing and Home Textile		Power Generation		Elimination of inter-segment		Total - Company					
	Zone-1 (1.5)		Zone-2 (4.7,8)		Zone-3 (2,3,6)		Unit-1 (1,2)		Unit-2 (3,4,5)													
	30-Sep-20	30-Sep-19	30-Sep-20	30-Sep-19	30-Sep-20	30-Sep-19	30-Sep-20	30-Sep-19	30-Sep-20	30-Sep-19	30-Sep-20	30-Sep-19	30-Sep-20	30-Sep-19	30-Sep-20	30-Sep-19	30-Sep-20	30-Sep-19				
Sales:	Rupees																					
External																						
- Export	2,393,480,056	1,575,789,101			189,784,743			682,540,669			-		549,812,739	628,166,294	3,403,255,269	2,303,691,734	-	-	-	-	6,346,548,664	5,379,972,541
- Local	63,102,086	145,218,397	2,327,967,756	1,521,604,697	2,098,540,308	1,610,604,800	489,616,443	508,697,845	30,190,621	88,845,905	404,775,645	112,750,005	75,049,025	-	-	-	-	-	-	5,489,241,885	3,987,721,649	
- Rebate & Duty draw back	-	-	-	-	-	-	-	-	-	-	47,909,714	39,544,150	-	-	-	-	-	-	-	-	48,055,027	39,734,652
- Other	-	-	840,080	608,430	-	-	-	-	-	-	140,516,403	54,824,542	-	-	-	-	-	-	-	-	55,664,622	141,124,833
	2,456,582,742	1,721,007,498	2,328,807,836	1,711,997,870	2,098,540,308	2,293,145,469	489,616,443	508,697,845	580,148,673	717,202,701	3,910,765,171	2,596,502,292	75,049,025	-	-	-	-	-	-	11,939,510,198	9,548,553,675	
Inter-segment	-	114,676,972	228,894,189	291,629,812	885,888,829	536,591,405	218,936,538	1,404,423,262	1,320,272,015	-	1,238,504,904	1,419,943,306	853,664,223	933,904,415	(4,746,160,698)	(4,701,169,170)	-	-	-	-	-	-
	2,456,582,742	1,835,684,470	2,557,702,025	2,003,627,681	2,984,429,137	2,829,736,874	708,552,981	1,913,121,107	1,900,420,688	717,202,701	5,149,270,075	4,016,445,598	928,713,248	933,904,415	(4,746,160,698)	(4,701,169,170)	-	-	-	11,939,510,198	9,548,553,675	
Cost of Sales	(2,303,467,667)	(1,526,283,382)	(2,393,107,080)	(1,798,912,419)	(2,885,006,257)	(2,487,239,383)	(607,348,104)	(1,935,007,748)	(1,868,192,412)	(725,460,283)	(4,568,576,812)	(3,647,143,790)	(784,361,121)	(934,021,382)	4,746,160,698	4,701,169,170	-	-	-	(10,663,898,753)	(8,352,899,217)	
<b>Gross profit / (loss)</b>	153,115,076	309,401,088	164,594,945	204,715,262	99,422,880	342,497,491	101,204,877	(21,886,641)	32,228,276	(8,257,582)	580,693,263	369,301,808	144,352,127	(116,967)	-	-	-	-	-	1,275,611,445	1,195,654,458	
Distribution expenses	(57,365,477)	(38,944,749)	(12,552,996)	(12,558,825)	(21,803,231)	(20,216,627)	(9,566,765)	(28,492,323)	(25,659,165)	(10,749,831)	(155,751,987)	(116,445,108)	-	-	-	-	-	-	-	(282,699,621)	(227,407,462)	
Administrative expenses	(7,066,621)	(14,968,315)	(7,233,503)	(7,548,349)	(16,253,346)	(13,517,769)	(2,936,207)	(11,515,872)	(7,875,247)	(4,344,808)	(23,102,536)	(25,702,447)	(3,690,173)	-	-	-	-	-	-	(68,157,633)	(77,597,760)	
	(64,432,098)	(53,913,064)	(19,786,499)	(20,107,374)	(38,056,577)	(33,734,396)	(12,502,972)	(40,008,194)	(33,534,412)	(15,094,639)	(178,854,523)	(142,147,555)	(3,690,173)	-	-	-	-	-	-	(350,857,254)	(305,005,222)	
<b>Profit / (loss) before taxation and un-allocated income and expenses</b>	88,682,978	255,488,024	144,808,446	184,607,888	61,366,303	308,763,095	88,701,905	(61,894,835)	(1,306,135)	(23,352,221)	401,838,740	227,154,253	140,661,954	(116,967)	-	-	-	-	-	924,754,191	890,649,236	
<b>Un-allocated income and expenses</b>																						
Other operating expenses																						
Other operating income																						
Finance cost																						
Provision for taxation																						
<b>Profit after taxation</b>																						
																	(41,955,202)	(67,331,839)				
																	206,354,426	88,540,628				
																	(459,007,942)	(618,889,628)				
																	(149,833,784)	(119,701,125)				
																	480,311,689	173,267,272				

16.1. Reconciliation of reportable segment assets and liabilities

	Spinning						Weaving				Processing and Home Textile		Power Generation		Total - Company	
	Zone-1		Zone-2		Zone-3		Unit-1 (1,2)		Unit-2 (3,4,5)							
	30-Sep-20	30-Jun-20	30-Sep-20	30-Jun-20	30-Sep-20	30-Jun-20	30-Sep-20	30-Jun-20	30-Sep-20	30-Jun-20	30-Sep-20	30-Jun-20	30-Sep-20	30-Jun-20	30-Sep-20	30-Jun-20
	Rupees															
<b>Total assets for reportable segments</b>	5,171,153,272	6,378,804,213	6,320,298,443	7,796,316,260	7,660,967,810	9,450,080,315	1,070,562,004	1,062,016,713	2,871,370,577	2,969,302,797	9,471,275,634	9,154,175,125	5,866,390,064	6,196,841,985	38,432,017,804	43,007,537,408
<b>Unallocated assets:</b>																
Long term investments																
Other receivables																
Short term investment																
Cash and bank balances																
Other corporate assets																
<b>Total assets as per balance sheet</b>																
<b>Total liabilities for reportable segments</b>	253,011,559	426,721,747	309,236,350	521,548,802	374,831,939	632,180,366	93,307,381	123,918,525	250,261,142	346,465,003	1,650,045,724	1,591,054,821	710,169,244	742,110,837	3,640,863,338	4,384,000,101
<b>Unallocated liabilities:</b>																
Long term financing																
Accrued mark-up																
Short term borrowings																
Other corporate liabilities																
<b>Total liabilities as per balance sheet</b>																
															6,818,517,066	6,489,201,995
															252,147,480	463,028,006
															18,158,318,496	22,554,435,284
															372,014,548	222,539,916
															29,281,860,928	34,113,205,302

## 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 2020	Level 1	Level 2	Level 3	Total
----- Rupees -----				
<b>Financial liabilities</b>				
Derivative financial liabilities	-	51,255,731	-	51,255,731
<b>Total financial liabilities</b>	-	51,255,731	-	51,255,731

Recurring fair value measurements At 30 June 2020	Level 1	Level 2	Level 3	Total
----- Rupees -----				
<b>Financial liabilities</b>				
Derivative financial liabilities	-	302,749,353	-	302,749,353
<b>Total financial liabilities</b>	-	302,749,353	-	302,749,353

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

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

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

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

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

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

### (ii) Valuation techniques used to determine fair values

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



## 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:

	<b>Un-audited</b>	<b>Un-audited</b>
	<b>Quarter Ended</b>	<b>Quarter Ended</b>
	<b>September 30,</b>	<b>September 30,</b>
	<b>2020</b>	<b>2019</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>Subsidiary companies</b>		
Sale of Goods	354,790,858	334,797,373
Purchase of Goods	-	51,696,554
Common facilities cost charged	4,950,000	4,800,000
Disbursement of loans	350,000,000	2,778,072,000
Repayment of loans	350,000,000	862,576,554
Mark-up on short term loans	88,552	70,965,751
<b>Associated company</b>		
Donation paid	2,203,517	610,000
<b>Other related parties</b>		
Purchase of goods	9,340,285	82,463,144
Sale of goods	774,770,317	617,392,560
Contribution to employees' provident fund	42,119,604	29,197,378

### Period end balances

	<b>Un-audited</b>	<b>Audited</b>
	<b>Quarter Ended</b>	<b>Year Ended</b>
	<b>September 30,</b>	<b>June 30,</b>
	<b>2020</b>	<b>2020</b>
	<b>Rupees</b>	<b>Rupees</b>
Due from subsidiary company	765,983,792	879,865,266
Mark-up receivable on loans made to subsidiary company	88,548	5,321,600
Bank balances with related party	1,016,601	13,784,123
Due from related parties other than subsidiary company	169,959,505	215,718,793
Due to related parties other than subsidiary company	-	432,498
Advance to related parties other than subsidiary company	1,431,735	4,057,000

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 2020.

## 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, 2020.

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

\_\_\_\_\_  
DIRECTOR

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

**NISHAT (CHUNIAN) LIMITED AND ITS SUBSIDIARY COMPANIES**  
**Consolidated Condensed Interim Statement of Financial Position**  
**As at September 30, 2020**

	Un-audited September 30, 2020 Rupees	Audited June 30, 2020 Rupees		Un-audited September 30, 2020 Rupees	Audited June 30, 2020 Rupees
Note			Note		
<b>EQUITY AND LIABILITIES</b>			<b>ASSETS</b>		
<b>SHARE CAPITAL AND RESERVES</b>			<b>NON-CURRENT ASSETS</b>		
Authorized share capital	4,200,000,000	4,200,000,000	Fixed assets	26,854,061,817	27,231,469,046
Issued, subscribed and paid-up share capital	2,401,190,290	2,401,190,290	Intangible assets	3,152,293	4,327,318
Reserves	20,267,854,750	19,297,416,671	Right-of-use assets	103,927,322	93,072,385
Equity attributable to equity holders of the Holding Company	22,669,045,040	21,698,606,961	Long term loans to employees	20,734,775	14,352,910
Non-controlling interest	9,753,712,460	9,284,188,987	Long term security deposits	31,070,195	31,789,760
<b>Total equity</b>	<b>32,422,757,500</b>	<b>30,982,795,948</b>		<b>27,012,946,402</b>	<b>27,375,011,419</b>
<b>LIABILITIES</b>			<b>CURRENT ASSETS</b>		
<b>NON-CURRENT LIABILITIES</b>			<b>Stores, spare parts and loose tools</b>		
Long term financing	5,940,246,121	6,733,616,426		1,534,644,726	1,604,913,456
Lease liabilities	68,638,683	71,968,923	Stock-in-trade	15,015,229,267	20,729,196,003
Deferred Income	4,718,000	1,719,000	Trade debts	26,228,258,158	23,134,992,082
	6,013,602,804	6,807,304,349	Loans and advances	1,836,072,728	1,219,024,001
<b>CURRENT LIABILITIES</b>			Short term deposits and prepayments	84,720,749	57,125,380
Trade and other payables	4,862,715,689	5,098,724,753	Other receivables	2,733,456,961	2,928,701,963
Unclaimed dividend	69,654,364	69,654,364	Short term investments	38,878,637	37,833,033
Accrued mark-up	583,627,859	835,368,006	Cash and bank balances	189,186,614	54,766,969
Short term borrowings	28,473,796,299	32,275,703,713		<b>47,660,447,840</b>	<b>49,766,552,887</b>
Current portion of non-current liabilities	2,247,239,727	1,072,013,173			
	36,237,033,938	39,351,464,009			
<b>TOTAL LIABILITIES</b>	<b>42,250,636,742</b>	<b>46,158,768,358</b>			
<b>CONTINGENCIES AND COMMITMENTS</b>					
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>74,673,394,242</b>	<b>77,141,564,306</b>	<b>TOTAL ASSETS</b>	<b>74,673,394,242</b>	<b>77,141,564,306</b>

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

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

\_\_\_\_\_  
**DIRECTOR**

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

**NISHAT (CHUNIAN) LIMITED AND ITS SUBSIDIARY COMPANIES**  
**Consolidated Condensed Interim Statement Of Profit Or Loss (Un-audited)**  
**For The Quarter Ended September 30, 2020**

	Quarter Ended	
	September 30, 2020	September 30, 2019
	Rupees	Rupees
SALES	16,478,115,997	15,261,176,598
COST OF SALES	(13,929,180,847)	(12,452,500,640)
GROSS PROFIT	2,548,935,150	2,808,675,958
DISTRIBUTION COST	(323,174,761)	(275,879,861)
ADMINISTRATIVE EXPENSES	(106,285,951)	(129,176,314)
OTHER OPERATING EXPENSES	(41,955,202)	(68,520,644)
	(471,415,914)	(473,576,819)
	2,077,519,236	2,335,099,139
OTHER OPERATING INCOME	220,016,874	30,336,456
PROFIT FROM OPERATIONS	2,297,536,110	2,365,435,595
FINANCE COST	(707,479,210)	(1,237,897,746)
PROFIT BEFORE TAXATION	1,590,056,900	1,127,537,849
TAXATION	(149,833,784)	(119,701,125)
PROFIT AFTER TAXATION	1,440,223,116	1,007,836,724
PROFIT ATTRIBUTABLE TO:		
EQUITY HOLDERS OF THE HOLDING COMPANY	970,699,643	485,310,318
NON-CONTROLLING INTEREST	469,523,473	522,526,406
	1,440,223,116	1,007,836,724
EARNINGS PER SHARE - BASIC & DILUTED	4.04	2.02

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

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

**NISHAT (CHUNIAN) LIMITED AND ITS SUBSIDIARY COMPANIES**  
**Consolidated Condensed Interim Statement Of Comprehensive Income (Un-audited)**  
**For The Quarter Ended September 30, 2020**

	Quarter Ended	
	September 30, 2020	September 30, 2019
	Rupees	Rupees
PROFIT AFTER TAXATION	1,440,223,116	1,007,836,724
OTHER COMPREHENSIVE INCOME	(261,564)	(1,057,547)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>1,439,961,552</u>	<u>1,006,779,177</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
EQUITY HOLDERS OF THE HOLDING COMPANY	970,438,079	484,252,771
NON-CONTROLLING INTEREST	469,523,473	522,526,406
	<u>1,439,961,552</u>	<u>1,006,779,177</u>

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

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

\_\_\_\_\_  
**DIRECTOR**

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

**NISHAT (CHUNIAN) LIMITED AND ITS SUBSIDIARY COMPANIES**  
**Consolidated Condensed Interim Statement Of Cash Flows (Un-audited)**  
**For The Quarter Ended September 30, 2020**

	Note	Quarter Ended	
		September 30, 2020	September 30, 2019
		Rupees	Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash generated from operations</b>	6	4,792,014,928	2,502,904,592
Net decrease in long term security deposits		719,565	-
Net (increase) / decrease in long term loans to employees		(6,381,865)	2,001,375
Finance cost paid		(959,219,357)	(961,459,499)
Income tax paid		(115,961,846)	(71,123,398)
<b>Net cash generated from operating activities</b>		3,711,171,425	1,472,323,070
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure on property, plant and equipment		(169,700,089)	(551,728,170)
Proceeds from sale of property, plant and equipment		23,484,604	2,861,755
Short term investments made		(1,045,604)	(624,901)
Profit on bank deposits received		2,254,126	1,041,779
<b>Net cash used in investing activities</b>		(145,006,963)	(548,449,537)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from long term financing		436,012,954	-
Repayment of long term financing		(54,156,705)	(1,120,119,054)
Short term borrowings - net		(3,801,907,414)	1,199,847,381
Repayment of lease liabilities		(11,432,088)	-
Dividend paid		-	(2,299)
<b>Net cash (used in) / generated from financing activities</b>		(3,431,483,253)	79,726,028
<b>Net increase in cash and cash equivalents</b>		134,681,209	1,003,599,561
<b>Impact of exchange translation</b>		(261,564)	(1,057,547)
<b>Cash and cash equivalents at the beginning of the year</b>		54,766,969	181,603,540
<b>Cash and cash equivalents at the end of the year</b>		<u>189,186,614</u>	<u>1,184,145,554</u>

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

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

\_\_\_\_\_  
**DIRECTOR**

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

**NISHAT (CHUNIAN) LIMITED AND ITS SUBSIDIARY COMPANIES**  
**Consolidated Condensed Interim Statement Of Changes In Equity (Un-audited)**  
**For The Quarter Ended September 30, 2020**

	ATTRIBUTABLE TO EQUITY HOLDERS OF THE HOLDING COMPANY						NON-CONTROLLING INTEREST	TOTAL EQUITY	
	Share Capital	Capital Reserve		REVENUE RESERVES					SHAREHOLDERS' EQUITY
		Exchange Translation Reserve	Share Premium	General Reserve	Unappropriated profit	Total			
<b>Balance as at June 30, 2019 - (audited)</b>	2,402,215,560	(14,141,413)	600,553,890	1,629,221,278	15,823,940,210	17,453,161,488	20,441,789,525	7,018,945,192	27,460,734,717
Total comprehensive income for the quarter ended September 30, 2019	-	(1,057,547)	-	-	485,310,318	485,310,318	484,252,771	522,526,406	1,006,779,177
<b>Balance as at September 30, 2019 - (un-audited)</b>	2,402,215,560	(15,198,960)	600,553,890	1,629,221,278	16,309,250,528	17,938,471,806	20,926,042,296	7,541,471,598	28,467,513,894
<b>Transactions with owners:</b>									
Buy-back of ordinary shares	(1,025,270)	-	-	-	(2,460,648)	(2,460,648)	(3,485,918)	-	(3,485,918)
Final dividend for the year ended 30 June 2019 @ Rs. 2.50/ Ordinary share	-	-	-	-	(600,297,573)	(600,297,573)	(600,297,573)	-	(600,297,573)
Total comprehensive income for the nine months ended June 30, 2020	-	943,494	-	-	1,375,404,662	1,375,404,662	1,376,348,156	1,742,717,389	3,119,065,545
<b>Balance as at June 30, 2020 - (audited)</b>	2,401,190,290	(14,255,466)	600,553,890	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	970,438,079	469,523,473	1,439,961,552
<b>Balance as at September 30, 2020 - (un-audited)</b>	<u>2,401,190,290</u>	<u>(14,517,030)</u>	<u>600,553,890</u>	<u>1,629,221,278</u>	<u>18,052,596,612</u>	<u>19,681,817,890</u>	<u>22,669,045,040</u>	<u>9,753,712,460</u>	<u>32,422,757,500</u>

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

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

\_\_\_\_\_  
**DIRECTOR**

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

**NISHAT (CHUNIAN) LIMITED AND ITS SUBSIDIARY COMPANIES**  
**Selected Notes to the Consolidated Condensed Interim Financial Information (Un-audited)**  
**For The Quarter Ended September 30, 2020**

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

**Nishat Chunian Power Limited**

Nishat Chunian Power Limited ("the Subsidiary Company") is a public limited Company incorporated in Pakistan under the repealed Companies Ordinance, 1984 (Now Companies Act, 2017) and listed on the Pakistan Stock Exchange (Guarantee) Limited. The principal activity of the Subsidiary Company is to build, own, operate and maintain a fuel fired power station having gross capacity of 200 MW and net capacity of 195.722 MW at Jamber Kalan, Tehsil Pattoki, District Kasur, Punjab, Pakistan. Its registered office is situated at 31-Q, Gulberg II, Lahore. The Subsidiary Company has commenced commercial operations from 21 July 2010 and the twenty five years term of the Power Purchase Agreement (PPA) with National Transmission and Despatch Company Limited starts from this date.

**Nishat Chunian USA Incorporation**

Nishat Chunian USA Inc. is a foreign subsidiary incorporated under the Business Corporation Laws of the State of New York. The registered office of Nishat Chunian USA Inc. is situated at 230 Fifth Avenue, Suite 1406, New York, NY 10001, USA. The principal business of the Nishat Chunian USA Inc. is to import home textile products and distribute to local retailers.

**2. BASIS OF PREPARATION**

This consolidated condensed interim financial information is un-audited and is being submitted to shareholders as required by directives issued under the Companies Act, 2017. These consolidated condensed interim financial statements of the Group for the quarter ended 30 September 2019 have been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed. This consolidated condensed interim financial information should be read in conjunction with the audited annual published financial statements of the Group for the year ended 30 June 2020.

### 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 2020.

### 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 2020.

### 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 2020 except for the following:

- i) Guarantees of Rupees 782.085 million (30 June 2020: Rupees 782.085 million) are given by the banks of the Company to Sui Northern Gas Pipelines Limited against gas connections, Shell Pakistan Limited against purchase of furnace oil, Lahore Electric Supply Company Limited against electricity connection, Director Excise and Taxation, Karachi against infrastructure cess, Chairman Punjab Revenue Authority, Lahore against infrastructure cess, Director Pakistan Central Cotton Committee against cotton cess, and Nazir, Honourable High Court, Sindh against the notification in accordance with section 8 of OGRA Ordinance 2002, regarding system gas tariff on industrial and captive units.
- ii) Post dated cheques have been issued to custom authorities in respect of duties amounting to Rupees 3316.444 million (30 June 2020: Rupees 4,756.109 million) on imported material availed on the basis of consumption and export plans. In the event the documents of exports are not provided on due dates, cheque issued as security shall be encashable.

##### Commitments

- i) Letters of credit other than for capital expenditure are Rupees 305.275 million (30 June 2020: Rupees 407.110 million).
- ii) Outstanding foreign currency forward contracts of Rupees 7,702.692 million (30 June 2020: Rupees 7,248.326 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, 2020, except for the following:

##### Contingent assets:

In contingent assets, the amount of interest at KIBOR plus 4.5% per annum compounded semi-annually from the date of Final Award until actual payment of these amounts by NTDC is PKR 702.79 million till September 30, 2020.

	Un-audited Quarter ended September 30, 2020 Rupees	Audited Year ended June 30, 2020 Rupees
<b>Commitments</b>		
Letter of credit other than for capital expenditure:	12,227,122	-

	Un-audited Quarter ended September 30, 2020 Rupees	Un-audited Quarter ended September 30, 2019 Rupees
--	--	--

### 6. CASH (USED IN) / GENERATED FROM OPERATIONS

	Un-audited Quarter ended September 30, 2020 Rupees	Un-audited Quarter ended September 30, 2019 Rupees
<b>Profit before taxation</b>	1,590,056,900	1,127,537,849
Adjustment for non cash charges and other items:		
Provision for employee retirement	2,023,000	2,076,000
Depreciation on operating fixed assets	518,358,368	517,495,721
Amortization on intangible assets	1,173,026	1,217,784
Depreciation on right-of-use asset	10,341,092	-
Loss / (Gain) on sale of operating fixed assets	5,264,346	(2,283,000)
Interest on bank deposits	(2,254,126)	(1,041,779)
Amortization on deferred grant	(608,000)	-
Finance costs	707,479,210	1,237,897,746
<b>Cash flows from operating activities before working capital changes</b>	2,831,833,816	2,882,900,321
<b>(Increase) / decrease in current assets</b>		
- Stores, spare parts and loose tools	70,268,730	154,303,426
- Stock in trade	5,713,966,736	1,622,950,746



- Trade debts
- Loans and advances
- Short term deposits and prepayments
- Other receivables
- Increase in current liabilities**
- Trade and other payables

**Net cash generated from operations**

(3,093,266,076)	(2,833,229,262)
(617,048,727)	(559,736,263)
(27,595,369)	(31,684,809)
161,373,064	256,678,225
(247,517,246)	1,010,722,208
<u>1,960,181,112</u>	<u>(379,995,729)</u>
<u><u>4,792,014,928</u></u>	<u><u>2,502,904,592</u></u>

## 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:

	<b>Un-audited Quarter ended September 30, 2020</b>	<b>Un-audited Quarter ended September 30, 2019</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>Associated company</b>		
Donation paid	2,203,517	1,055,000
<b>Other related parties</b>		
Purchase of goods	9,340,285	82,463,144
Sale of goods	774,770,317	617,392,560
Contribution to employees' provident fund	44,142,489	31,273,132
Remuneration paid to key management personnel	59,131,916	62,291,074
	<b>Un-audited Quarter ended September 30, 2020</b>	<b>Audited Year ended June 30, 2020</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>Period end balances</b>		
Bank balances with related party	1,016,601	13,784,123
Due from related parties	169,959,505	215,718,793
Due to related parties	-	432,498
Advance to related parties	1,431,735	4,057,000

## 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, 2020 by the Board of Directors.

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

\_\_\_\_\_  
DIRECTOR

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